+44 20 8123 2220
info@marketpublishers.com

Research Report on China's Asset Securitization, 2013-2017

https://marketpublishers.com/r/R707BD13761EN.html
Date: June 2013
Pages: 50
Price: US$ 2,800.00 (Single User License)
ID: R707BD13761EN

Abstracts

Asset securitization is a financial innovation aimed to improve liquidity and raise funds. It is a technology and process of structuring illiquid assets that can produce predictable and stable cash flows, reallocating risks and benefits, providing corresponding credit guarantees, and ultimately issuing securities to raise funds with the illiquid assets as underlying assets. In a narrow sense, asset securitization generally refers to securitization of credit assets, including mortgage-backed asset securitization (MBS) and asset-backed securitization (ABS). The asset securitization discussed in this CRI report mainly means securitization of credit assets.

China credit assets securitization pilot began in 2005. Regulatory agencies first issued Administration of Pilot Projects for Credit Assets Securitization Procedures and Measures for the Pilot Supervision and Administration of the Credit Assets Securitization of Financial Institutions, followed by credit assets securitization and mortgage securitization carried out by China Development Bank and China Construction Bank with an issuing scale of CNY 7.196 billion. The issuing scale in 2006 was CNY 11.58 billion. In 2007, with the introduction of relevant regulations on information disclosure of credit assets securitization and interbank market collateral repo transactions of asset-backed securities, credit assets securitization entered the pilot expansion phase, with continuously increasing scale, extending to non-performing assets. The issuing scale in 2007 was CNY 17.808 billion and that in 2008 was CNY 30.201 billion, including the first non-performing asset securitization product issued by China Construction Bank, which further enriched the categories of asset securitization.

At the end of 2008, a total of 11 promoters conducted 16 pilot business operations of credit securitization, with a total issuing scale of CNY 66.785 billion. Whether in quantity or scale, credit securitization enjoyed a small proportion in the market of bonds.

In 2008, as the international financial crisis broke out and domestic macroeconomic financial policies were adjusted, regulatory agencies slowed down the issuing speed in the market out of prudence and concern over asset securitization risks and suspended non-performing asset securitization pilot at the end of 2008.

In February 2012, People's Bank of China declared that it would continue to promote such financial innovations the securitization of credit assets. On May 17, 2012, People's Bank of China, China Banking Regulatory Commission, and Ministry of Finance jointly issued Notice on Matters Concerning Further Expansion of Credit Assets Securitization Pilot, restarting the credit assets securitization, with an amount of CNY 50 billion.

In September 2012, China Development Bank first restarted China credit assets securitization with CNY 10.166 billion ABS products. On October 30, 2012, Bank of Communications commissioned Zhonghai Trust Co., Ltd. to issue CNY 3.034 billion “First Issue of Credit Asset-backed Securities of Bank of Communications, 2012”. Bank of China also plans to issue credit assets securitization products recently and has obtained approval from the central bank.

The restart of credit assets securitization expanded to non-bank financial institutions. On November 19, 2012, ICBC Financial Leasing Co., Ltd. issued the first asset securitization product of financial leasing enterprises, followed by companies offer automobile financing and loans in November 2012. The two product designs launched by Shanghai GM and SAIC-GM were similar. The designs were both classified into preferential asset-backed securities A and subprime asset-backed securities B.

In addition to banks, securities traders have also begun to pay attention to this market. Different from banks, securities traders are mainly involved in asset securitization of enterprises, issuing asset-backed securities through special asset management plans.

China Banking Regulatory Commission and China Securities Regulatory Commission have both provided detailed regulations concerning asset securitization business, with the latter showing more support for asset securitization. Banks engage in asset securitization business for the purpose of adjusting credit structure (industry structure, maturity structure, etc.), improving asset liquidity and reducing credit scale, while securities traders engage in the business to seek new profits.

At present, the scale of China asset securitization still remains relatively small. Asset securitization provides banks and securities traders with credit investment channels for

their financial funds. It is expected by CRI there will be considerable room for development. Bank credit assets securitization is taken as an example to primarily estimate the room for credit assets securitization. Suppose bank special-mentioned credit asset is the underlying asset of securitization. By the end of 2012, the balance of various loans in China banks was around CNY 67 trillion. Suppose special-mentioned loans (10% of which was securitized) accounted for 5% of the balance, the room for credit assets securitization was about CNY 300 billion. With various charging rights, beneficial rights and other non-credit assets, it would be easy to achieve asset securitization of over CNY 1 trillion.

On March 15, 2013, China Securities Regulatory Commission issued Securities Company Asset Securitization Business Regulations. In the premise that 5% of credit and income-right asset is securitized, the business will bring a market of over CNY 10 trillion when it is mature, estimated by CRI.

Through this report, the readers can acquire the following information:

Market Status Quo of China Asset Securitization

Policy Environment for China Asset Securitization

Business Process of China Asset Securitization

Asset Securitization Focus Forecast

Influencing Factors and Development Prospects of Asset Securitization

The Following Enterprises and People are Proposed to Purchase This Report:

Commercial Banks;

Securities Trader

Investment Bank

Investors/Research Institutions Interested in China Asset Securitization Market

+44 20 8123 2220
info@marketpublishers.com

Contents

1. OVERVIEW ON ASSET SECURITIZATION

1.1 General Situation of Asset Securitization
  1.1.1 Definition
  1.1.2 Principle of Asset Securitization
  1.1.3 Features of Asset Securitization
1.2 Development Progress of Asset Securitization
  1.2.1 Global Development Process
  1.2.2 China's Development Process

2. BUSINESS OPERATION OF CHINA CREDIT ASSETS SECURITIZATION

2.1 Operation Process
2.2 Categories of Underlying Assets for Credit Assets Securitization
2.3 Securitization of Small and Medium Enterprise Loans
  2.3.1 Features of Loans
  2.3.2 Feasibility
  2.3.3 Necessity
2.4 Securitization of Loans from Local Government Financing Platforms
2. 4.1 Features of Loans
2. 4.2 Feasibility
2. 4.3 Necessity
2.5 Securitization of Automobile Loans
  2.5.1 Features of Automobile Loans
2. 5.2 Feasibility
2. 5.3 Necessity
2.6 Other Credit Assets Securitization
  2.6.1 Major Infrastructure Projects
  2.6.2 Water Conservancy Construction
  2.6.3 Loans for Energy Saving and Emission Reduction
  2.6.4 Strategic Emerging Industries
  2.6.5 Affordable Housing Projects
2.7 Market Requirements for Credit Assets Securitization
  2.7.1 Requirements on Participators
  2.7.2 Requirements on Accounting
  2.7.3 Requirements on Capital Counting and Drawing
  2.7.4 Requirements on Information Disclosure

+44 20 8123 2220
info@marketpublishers.com

3. CREDIT RATING OF CHINA CREDIT ASSETS SECURITIZATION

3.1 Overview on Credit Rating
3.1.1 Internal Rating and External Rating
3.1.2 Dual Rating System
3.1.3 Payment Mode of Credit Rating
3.2 Credit Enhancement Analysis of Credit Assets Securitization
3.2.1 Methods for Credit Enhancement
3.2.2 Comparison Between Internal Credit Enhancement and External Credit Enhancement

4. RISKS OF CREDIT ASSETS SECURITIZATION AND PREVENTIVE MEASURES

4.1 Risk Analysis of Credit Assets Securitization
4.1.1 Risks of Policies
4.1.2 Risks of Interest Rate
4.1.3 Risks of Inflation
4.1.4 Credit Risks
4.1.5 Risks of Bankruptcy
4.1.6 Operation Risks
4.2 Preventive Measures on Risks
4.2.1 Choosing Underlying Assets Meticulously
4.2.2 Improving Credit Rating System
4.2.3 Strictly Establishing SPV and Regulating Its Operation

5. BUSINESS PROSPECTS OF CHINA ASSET SECURITIZATION, 2013-2017

5.1 Influencing Factors of Development
5.1.1 Governmental Policy
5.1.2 Economy Environment
5.2 Development of Asset Securitization Business
5.3 Market Scale Forecast
5.4 Recommendations on Development

+44 20 8123 2220
info@marketpublishers.com

Selected Charts

SELECTED CHARTS

Chart China Asset Securitization Development Progress
Chart Basic Process of China Asset Securitization
Chart Features of Small and Medium Enterprise Loans in China
Chart Financing Status of Small and Medium Enterprises in China
Chart Features of Loans from Local Government Financing Platforms in China
Chart Features of Automobile Loans in China
Chart Bad Loan Ratio of Automobile Loans from Commercial Banks of China, 2007-2012
Chart Classification of Infrastructure Projects
Chart Investment Amount of Water Conservancy Facilities in China, 2008-2012
Chart Classification of Credit Rating
Chart Content of Credit Rating
Chart Methods for Internal Credit Enhancement
Chart Classification of Selecting Credit Assets
Chart Business Scale of Financing Bank-trust Cooperation in China, 2008-2012
Chart Asset Scale of China Trust Industry, 2008-2012
Chart Forecast on China Asset Securitization Scale, 2013-2017

+44 20 8123 2220
info@marketpublishers.com

I would like to order

Product name: Research Report on China's Asset Securitization, 2013-2017
Product link: https://marketpublishers.com/r/R707BD13761EN.html
Price: US$ 2,800.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:
info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page https://marketpublishers.com/r/R707BD13761EN.html

To pay by Wire Transfer, please, fill in your contact details in the form below:

First name:
Last name:
Email:
Company:
Address:
City:
Zip code:
Country:
Tel:
Fax:
Your message:

**All fields are required

Custumer signature _____

Please, note that by ordering from marketpublishers.com you are agreeing to our Terms & Conditions at https://marketpublishers.com/docs/terms.html

To place an order via fax simply print this form, fill in the information below
and fax the completed form to +44 20 7900 3970