

China's Contractor Bank was recently taken over by the Central Bank of China and the Banking Insurance Regulatory Commission for its serious credit risk. According to statistics from China Bond Information Network, its bonds issued and still outstanding are RMB 11.5 billion, which are secondary capital bonds of RMB 6.5 billion and special loans for small and micro enterprises of RMB 5 billion, respectively. The latter will expire on June 20. According to the latest report of China Merchants Securities Collection Team, there are 57.8 billion yuan of inter-bank deposit receipts in the inventory debt of contractor banks.

The second-class capital bond issued by the contractor bank is 6.5 billion yuan, with a 10-year period (5+5) and a coupon interest rate of 4.8%, due on December 28, 2025. The sixteen contractor banks have a circulation of 5 billion yuan with a three-year term and a coupon interest rate of 3.80%, which will expire on June 20.

The People's Bank of China announced on Friday that the contractor bank had serious credit risks. The PBC, the CBRC and relevant parties jointly took over the contractor bank in accordance with the law on May 24 for a period of one year. The People's Bank of China, the Banking Insurance Regulatory Commission and the Deposit Insurance Fund guarantee the principal and interest of individual savings deposits in full, and the freedom of individual access without any change.