The end of June 2010 saw a total of 106 securities companies and 160,000 employees in Chinese securities industry. In regard to regional distribution, Beijing, Shanghai and Guangdong possess the largest quantity of securities companies by 17, 14 and 23, respectively, a share of altogether 50.5%, followed by Jiangsu, Sichuan, Fujian, etc.
In 2009, the operating income of Chinese securities companies added up to RMB205.3 billion, of which the revenue from brokerage reached RMB142.9 billion, accounting for 69.6%. However, the high proportion of brokerage led to the unfavorable revenue structure of securities companies as well as the vulnerability to stock fluctuations. The bad market environment in the first half of 2010 caused a sharp drop in their earnings from brokerage and proprietary business, but the investment banking service was exclusively highlighted.
Against the vigorous development of Chinese securities industry, foreign investment banks successively enter the Chinese market and develop their business mainly through two means: 1) to set up branches like representative offices to assist Chinese enterprises in overseas listing, financial consultancy, B-share trading, etc.; 2) to join hands with Chinese enterprises to establish securities joint ventures so as to obtain the qualifications for such businesses as securities brokerage and underwriting in Chinese securities market. Up till June 2010, there were altogether 9 foreign-funded joint stock securities companies in China.
### Foreign-funded Joint Stock Securities Companies in China

<table>
<thead>
<tr>
<th>Name</th>
<th>Establishment</th>
<th>Parties Involved</th>
<th>Registration Place</th>
<th>Proportion of Foreign Shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>China International Capital Corporation Limited (CICC)</td>
<td>1995</td>
<td>China Jianyin Investment Securities, Morgan Stanley Bank International Limited, etc.</td>
<td>Beijing</td>
<td>34.3%</td>
</tr>
<tr>
<td>Everbright Securities</td>
<td>1996</td>
<td>China Everbright Group, China Everbright Limited, etc.</td>
<td>Shanghai</td>
<td>33.33%</td>
</tr>
<tr>
<td>BOC International (China) Limited</td>
<td>Mar. 29, 2002</td>
<td>BOC International Holdings Limited, China National Petroleum Corporation (CNPC), State Development &amp; Investment Corporation (SDIC), etc.</td>
<td>Shanghai</td>
<td>49%</td>
</tr>
<tr>
<td>Fortune CLSA Securities (its forerunner as China Euro Securities Limited)</td>
<td>Apr. 25, 2003</td>
<td>CLSA Securities, Fortune Securities</td>
<td>Shanghai</td>
<td>33%</td>
</tr>
<tr>
<td>BNP Paribas China (already disintegrated)</td>
<td>Nov. 2003</td>
<td>Changjiang Securities, BNP Paribas</td>
<td>Shanghai</td>
<td></td>
</tr>
<tr>
<td>Daiwa Securities Co., Ltd.</td>
<td>Nov. 26, 2004</td>
<td>Shanghai Securities, Daiwa Securities SMBC Co., Ltd.</td>
<td>Shanghai</td>
<td>33%</td>
</tr>
<tr>
<td>Goldman Sachs Gao Hua Securities</td>
<td>Dec. 2, 2004</td>
<td>Gao Hua Securities, Goldman Sachs Group</td>
<td>Beijing</td>
<td>33%</td>
</tr>
<tr>
<td>UBS Securities</td>
<td>Sep. 27, 2005</td>
<td>Beijing Guoxiang Asset Management Co., Ltd., United Bank of Switzerland (UBS), China Jianyin Investment Securities, etc.</td>
<td>Beijing</td>
<td>20%</td>
</tr>
<tr>
<td>Credit Suisse Founder Securities</td>
<td>Jun. 13, 2008</td>
<td>Founder Securities, Credit Suisse</td>
<td>Beijing</td>
<td>33.3%</td>
</tr>
<tr>
<td>Zhong Securities De Securities</td>
<td>Apr. 2009</td>
<td>Deutsche Bank, Shanxi Securities</td>
<td>Beijing</td>
<td>33.3%</td>
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Source: CSRC; ResearchInChina
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<td><strong>Single user</strong></td>
<td><strong>File</strong></td>
</tr>
<tr>
<td>USD 1,900</td>
<td>By email: <a href="mailto:report@researchinchina.com">report@researchinchina.com</a></td>
</tr>
<tr>
<td>PDF</td>
<td>By fax: 86-10-82601570</td>
</tr>
<tr>
<td><strong>Enterprisewide</strong></td>
<td><strong>PDF</strong></td>
</tr>
<tr>
<td>USD 2,900</td>
<td>By online: <a href="http://www.researchinchina.com">www.researchinchina.com</a></td>
</tr>
<tr>
<td>Publication date: Sep. 2010</td>
<td></td>
</tr>
</tbody>
</table>

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