



**HD** Moody's assigns (P)A1 to Guotai Junan Financial Holdings (BVI) Limited's **bonds**

**WC** 2,132 words

**PD** 9 May 2014

**SN** Moody's Investors Service Press Release

**SC** MOODPR

**LA** English

**CY** (c) 2014

**LP**

Moody's Investors Service has assigned a provisional (P)A1 rating to the credit enhanced **bonds** to be issued by Guotai Junan Financial Holdings (BVI) Limited (unrated).

The **bonds** will be supported by an irrevocable and standby letter of credit from the Bank of **China** Limited, Sydney Branch (BOC, A1/P-1, stable).

**TD**

Issuer: Guotai Junan Financial Holdings (BVI) Limited

.... U.S.\$[] [] per cent. Credit Enhanced **Bonds** due [], assigned (P)A1

The rating of the **bonds** addresses the expected loss posed to investors by the legal final maturity.

Moody's issues provisional ratings in advance of the final **sale** of the securities. The ratings, however, only represent Moody's preliminary credit opinion. Upon conclusive review of the transactions and associated documents, Moody's will endeavor to assign a definitive rating to the **bonds**. A definitive rating may differ from a provisional rating.

Moody's rating addresses only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

#### RATINGS RATIONALE

The (P)A1 rating of the **bonds** is the same as BOC's foreign currency long-term senior unsecured debt rating of A1, because the **bonds** are fully supported by an irrevocable USD-denominated standby letter of credit provided by BOC.

The standby letter of credit is an unsecured and unsubordinated obligation of BOC.

BOC's payment obligations under the standby letter of credit will at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

The Bank of New York Mellon, London Branch will be the principal paying agent and its **Hong Kong** Branch will be the account bank for this transaction.

The issuer, Guotai Junan Financial Holdings (BVI) Limited, is a limited liability **company** incorporated in the British Virgin Islands. It is an indirect wholly owned subsidiary of Guotai Junan Securities Co., Ltd. Both entities are not rated by Moody's.

Bank of **China** Limited is headquartered in Beijing. It reported assets of RMB15.1 trillion (approximately USD2.5 trillion) as of 31 March 2014.

Moody's analysis of the transaction is based primarily on the unsecured and unsubordinated obligations of BOC to support the payment of the **bonds** through the standby letter of credit.

As such, the rating of the **bonds** is directly linked to the foreign currency senior unsecured debt rating of BOC. Consequently, any change in BOC's rating could **lead** to a corresponding change in the rating of the **bonds**.

The principal methodology used in this rating was Rating Transactions Based on the Credit Substitution Approach: Letter of Credit backed, Insured and Guaranteed Debts published in March 2013. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

FACTORS THAT WOULD **LEAD** TO AN UPGRADE OR DOWNGRADE OF THE RATING:

Any change to the foreign currency senior unsecured deposit rating of BOC could **lead** to a corresponding change in the rating of the **bonds**.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions of the disclosure form.

Moody's did not use any stress scenario simulations in its analysis.

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moodys.com](http://www.moodys.com).

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this rating action, and whose ratings may change as a result of this rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

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The first name below is the **lead** rating analyst for this Credit Rating and the last name below is the person primarily responsible for approving this Credit Rating.

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