

## Credit Opinion

1 June 2026

Ratings	
Category	Corporate
Domicile	China
Rating Type	Solicited Rating
Long-Term Credit Rating	AA <sub>g</sub> +
Outlook	Stable

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## BOCI Financial Products Limited

### Initial credit rating report

**CCXAP assigns first-time long-term credit rating of AA<sub>g</sub>+** to BOCI Financial Products Limited, with stable outlook.

### Summary

The AA<sub>g</sub>+

 long-term credit rating of BOCI Financial Products Limited (“BOCIFP” or the “Company”) reflects a very high likelihood of support from its parent, BOC International Holdings Limited (“BOCI”), as seen by BOCIFP’s (1) full ownership and strategic supervision by BOCI; and (2) high legal and operational linkages with BOCI. The rating on the Company is closely linked with BOCI’s rating, which is based on our assessment of BOCI’s credit quality. We employ a top-down approach to assess BOCIFP’s rating, as we view it as a business function of BOCI.

Our assessment of BOCI’s capacity to support is underpinned by its AA<sub>g</sub>+

 long term credit rating<sup>1</sup>, which reflects its (1) established market position and brand recognition with a diversified business portfolio; (2) low risk appetite and low leverage; (3) sound profitability; and (4) high likelihood to receive support from its ultimate owner, Bank of China Limited (“BOC”), and the Chinese government, in times of need.

The stable outlook on BOCIFP’s rating mirrors the stable outlook of its parent as BOCIFP’s rating has a strong link with its parent ratings. We expect the outlook of BOCI to be stable considering the willingness and ability of support from BOC and the Chinese government is unlikely to change, and BOCI will sustain its strategic importance over the 12 to 18 months.

<sup>1</sup> CCXAP assigned an unsolicited rating to BOCI based on information provided by BOCIFP.

## Rating Drivers

- Important subsidiary of BOCI with weak standalone credit metrics
- Very high likelihood of receiving parental support from BOCI
- BOCI's strong capacity to provide support to BOCIFP

## Rating Sensitivities

### What could upgrade the rating?

The rating could be upgraded if the rating of the Company's parent is upgraded as the Company's rating is closely linked with BOCI's rating.

### What could downgrade the rating?

The rating could be downgraded if (1) the rating of the Company's parent is downgraded; or (2) the likelihood of receiving support from the parent weakens, such as weakened legal and operational linkage with the parent.

## Corporate Profile

BOCIFP is a limited liability company incorporated in the British Virgin Islands. The Company is a wholly owned subsidiary of BOCI, principally engaging in the trading of securities and derivative financial instruments.

Established in 1979 and headquartered in Hong Kong, BOCI is the sole wholly owned offshore investment banking platform of BOC. BOCI provides a full range of investment banking products and services to clients in mainland China and overseas capital markets, including equity financing, mergers and acquisitions, debt financing, fixed income, private banking, foreign direct investment, global commodities, asset management, equity derivatives, as well as leveraged and structured finance. As of 31 March 2026, BOCI was wholly owned by BOC.

### Exhibit 1. Shareholding chart as of 31 March 2026



Source: Company information, CCXAP research

## Rating Considerations

### Important subsidiary of BOCI with weak standalone credit metrics

BOCIFP is a wholly-owned subsidiary of BOCI, focusing on the trading of securities and derivative financial instruments primarily in Hong Kong. The Company serves as an important platform for BOCI's fixed income and equity trading activities.

BOCIFP's standalone credit profile is constrained by its limited operating track record and weak financial metrics. The Company generates revenue primarily from trading gains on securities and derivatives, as well as interest

income from bank deposits, loans and margin financing. BOCIFP maintains a limited capital base and relies heavily on external funding and BOCI's continuing financial support to continue operations in the foreseeable future. Overall, the Company exhibits relatively weak standalone credit quality, and we expect its credit quality is closely linked to BOCI.

### **Very high likelihood of receiving parental support from BOCI**

We expect a very high likelihood of parental support from BOCI to the Company in times of financial distress. Our expectation incorporates the considerations of the Company's (1) full ownership and strategic supervision by BOCI; and (2) high legal and operational linkages with BOCI.

Legal linkages are demonstrated by BOCI's guarantees on all BOCIFP's outstanding debt. It is expected that BOCI will provide unconditional and irrevocable guarantees on all obligations of BOCIFP under any structured notes as a primary obligor, with underlying including but not limited to interest rates, currencies, commodities, funds and/or equities issued by BOCIFP.

Operational linkages are reflected in BOCI's closely involvement and oversight of BOCIFP's management, business strategies, and key personnel appointments. As one of BOCI's wholly-owned subsidiaries, the Company serves as an important vehicle for BOCI undertaking the trading of securities and derivative financial instruments. BOCI consolidates BOCIFP's revenue and profit, and supports the Company's funding position and liquidity, especially for the interest and principal payments of the debt. All the financing and operational decisions at BOCIFP are highly relied on the strategy and approval of BOCI. We expect a very high likelihood for BOCI to provide support to BOCIFP, in case of need.

### **BOCI's strong capacity to provide support to BOCIFP**

Our assessment of BOCI's capacity to provide support is underpinned by its (1) established market position and brand recognition with a diversified business portfolio; (2) low risk appetite and low leverage; (3) sound profitability; and (4) high likelihood to receive support from BOC and the Chinese government in times of need.

Headquartered in Hong Kong with primary revenue stream rooted in the local market, BOCI's macro profile is underpinned by Hong Kong's economic resilience and fiscal strength, mature regulatory framework, and deep capital market. As a preeminent international financial center, Hong Kong offers a unique synergy of a high-degree of economic freedom and a sophisticated legal framework based on common law, ensuring a secure environment for global capital. Its mature regulatory regime, overseen by the SFC, rigorously upholds market transparency, investor protection, and corporate conduct, which are pivotal in maintaining global market confidence. Furthermore, Hong Kong's deep and highly liquid capital markets serve as a vital connector between Mainland China and the rest of the world, attracting a diverse concentration of global issuers and top-tier institutional investors.

Since its inception, BOCI has established offices in major global financial centers such as Hong Kong, London, and Singapore. These offices are integrated and operate synergistically with the global business network of the BOC, providing clients with a full range of global investment banking products and services, including equity issuance, mergers and acquisitions, bond issuance, fixed income, direct investment, global commodities, asset management, equity derivatives, leveraged and structured finance. BOCI maintains a robust and diversified business portfolio, which serves as a critical buffer against sector-specific downturns and ensures high-quality earnings stability. BOCI's dominant market position in Hong Kong, evidenced by its leading market share in

brokerage, asset management, and offshore bond underwriting, further reinforces its competitive franchise and creditworthiness, cementing its status as a top-tier Chinese investment bank with a resilient operational profile.

BOCI adheres to an asset-light operation strategy, characterized by a conservative balance sheet and a low leverage profile. The conservative nature of BOCI's investment book, which was predominantly allocated to support client-driven margin lending and market-making activities, effectively minimizes direct proprietary exposure to market volatility. This prudent approach to risk management ensures strong capital buffers and underpins the BOCI's long-term financial resilience.

BOCI maintains a resilient profitability profile, underpinned by its market-leading brokerage franchise in Hong Kong. During the past three years, BOCI's earnings quality has been characterized by a high proportion of recurring income, primarily driven by brokerage fees and stable interest spreads from margin lending. BOCI's brokerage revenue has demonstrated relative stability, providing a stable buffer under the competitive and volatile market.

BOCI maintains a highly liquid and resilient funding profile, effectively mitigating the inherent maturity mismatches common in investment banking. This strong internal liquidity is further reinforced by extensive external credit facilities. Benefiting from its strategic alignment with BOC and good relationships with major financial institutions, BOCI enjoys a high degree of financial flexibility and a reliable contingent funding framework. BOCI maintains a well-diversified and stable funding structure, supported by its access to both banking liquidity and debt capital markets.

We expect a high likelihood of extraordinary support from BOC for BOCI when necessary. As a wholly-owned subsidiary, BOCI serves as the primary and irreplaceable platform for investment banking and global capital markets, occupying a position of strategic importance. BOC maintains rigorous oversight and centralized control over BOCI, encompassing key executive appointments, strategic planning, and performance benchmarking. This institutional integration is reinforced by a robust financial reporting framework and a comprehensive liquidity emergency management system, ensuring that BOC can provide immediate capital or liquidity injections if needed. Meanwhile, BOCI has established effective coordination mechanism with BOC, to better promote and facilitate the business development.

We also expect a very strong indirect government support for BOCI through BOC in times of need. This reflects the Chinese government's majority shareholding in BOC, and BOC's systemic importance in the stability of China's banking system. This also incorporates the consideration of BOCI's critical role as a primary offshore platform in BOC's overall strategic development.

## Rating Methodology

The methodology used in the ratings is the Rating Methodology for [Securities Industry \(August 2017\)](#).

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