



CIMB and China Galaxy Securities Commence Stockbroking Joint Venture in Asia

JV enables a scalable Pan-Asian brokerage that embraces new stockbroking operating landscape

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for immediate release

[Kuala Lumpur] - CIMB Group Holdings Berhad (“CIMB” or “the Group”) and China Galaxy Securities Co. Ltd. (“CGS”) announced today that they, through their respective wholly-owned subsidiaries CIMB Group Sdn Bhd and China Galaxy International Financial Holdings Limited (“CGI”), have completed the sale and purchase of 50% interest in CIMB Securities International Pte Ltd (“CSI”). With the completion, CIMB and CGS have now become 50:50 shareholders of CSI (“the JV”) and CSI will be rebranded as CGS-CIMB Securities once regulatory approvals are obtained.

CSI is the holding company of CIMB’s ex-Malaysia stockbroking business comprising institutional and retail brokerage, and equities research in Indonesia, Singapore, Thailand, Hong Kong, South Korea, India, the UK and the USA. The transaction would improve CIMB’s cost-to-income ratio by over 100 bps and Core Equity Tier 1 ratio by around 10 bps.

The JV marks the first foray by a Chinese stockbroker into Southeast Asia, and the start of a long-term strategic partnership between CIMB and CGS. The stockbroking JV will benefit from CIMB’s established network and footprint in Southeast Asia, and CGS’s technological know-how, wide client base, as well as deep presence in and access to the Chinese market. CIMB and CGS also see this JV as the first step to facilitate greater investment and capital flows between their respective markets.

Group Chief Executive, CIMB Group, Tengku Dato’ Sri Zafrul Aziz said, “We are delighted with the successful completion of this JV with China Galaxy International. This heralds the beginning of a scalable Pan-Asian brokerage led by two formidable groups, one in ASEAN and the other in China. This move also reflects CIMB’s proactive pivot in response to the changing landscape of the stockbroking industry. With superior solutions and greater market access, I am confident that the JV will be successful in delivering better value to our existing and future clients.”



Chief Executive Officer of CGI, Mr. Derrick Lau commented, “Southeast Asia is an important part of CGS’s strategic growth plans and the collaboration with CIMB will position the JV as the stockbroker of choice in Asia to ride on the increasing trend of cross-border investments under China’s Belt and Road Initiative. We are confident that together with CIMB and the team at CIMB Securities International, by sharing a common vision and goals going forward, the JV will scale new heights in the Asian stockbroking industry.”

As for the inclusion of CIMB’s Malaysia stockbroking business into the JV, this is targeted to be completed by the first half of 2018.

About CIMB Group

CIMB Group is Malaysia’s second largest financial services provider and one of ASEAN’s leading universal banking groups. It offers consumer banking, investment banking, Islamic banking, asset management and insurance products and services. Headquartered in Kuala Lumpur, the Group is now present in nine out of 10 ASEAN nations (Malaysia, Indonesia, Singapore, Thailand, Cambodia, Brunei, Vietnam, Myanmar and Laos). Beyond ASEAN, the Group has market presence in China, Hong Kong, India, Sri Lanka, Korea, the US and UK.

CIMB Group has the most extensive retail branch network in ASEAN of around 900 branches as at 30 September 2017. CIMB Group’s investment banking arm is also one of the largest Asia Pacific-based investment banks, offering amongst the most comprehensive research coverage of more than 700 stocks in the region.

CIMB Group operates its business through three main brand entities, CIMB Bank, CIMB Investment Bank and CIMB Islamic. CIMB Group is also the 92.5% shareholder of Bank CIMB Niaga in Indonesia, and 94.1% shareholder of CIMB Thai in Thailand.

CIMB Group is listed on Bursa Malaysia via CIMB Group Holdings Berhad. It had a market capitalisation of approximately RM 60.3 billion as at 31 December 2017. The Group has 38,000 employees located in 15 countries.

About China Galaxy Securities Co. Ltd.

China Galaxy Securities Co. Ltd. is one of the leading integrated service providers in the People’s Republic of China (PRC) for the securities industry. Established on 26 January 2007, China Galaxy Securities Co. Ltd provides comprehensive securities services including brokerage, sales and trading as well as investment banking and investment management. China Galaxy Securities Co. Ltd. has the largest securities distribution network in PRC with 36 branch offices and 427 brokerage branches spread across 31 provinces as at 30 June 2017. It also services one of the largest client bases in the PRC of over 9.3 million brokerage customers. China Galaxy Securities Co. Ltd. is a joint stock limited company listed on both the Hong Kong Stock Exchange (Stock Code: 06881) and the Shanghai Stock Exchange (Stock Code: 601881), with a total registered capital of RMB10.1 billion.



About China Galaxy International Financial Holdings Limited

China Galaxy International Financial Holdings Limited was incorporated in Hong Kong on 9 February 2011 and is a wholly owned subsidiary of China Galaxy Securities Co. Ltd. China Galaxy International, through its wholly-owned subsidiaries, provides brokerage and sales, investment banking, research, and asset management services to global institutional clients, corporate clients and retail customers in Hong Kong. China Galaxy International Financial Holdings Limited serves as the base for China Galaxy Securities Co. Ltd.'s operations outside of the PRC. As at 31 December 2017, it had a registered capital of HKD3.26 billion.

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