

## **CIMB Group and Principal to realign ownership stakes in joint ventures across Southeast Asia**

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*for immediate release*

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Kuala Lumpur: CIMB Group Holdings Berhad (“CIMB” or “the Group”) and Principal Financial Group (“Principal”) today announced that they have signed agreements for Principal to gain additional ownership of the CIMB-Principal Asset Management Group and CIMB-Principal Islamic Asset Management, pending regulatory approval. Once complete, Principal will increase its ownership stake to 60 percent with CIMB retaining 40 percent ownership in the entities. The joint ventures will continue to be co-managed by both companies.

“As a leading ASEAN universal bank, asset management continues to be an integral part of our regional banking business. This shareholding realignment will ensure that our asset management joint venture with Principal achieves its maximum potential and continues to be sustainably value-accretive to CIMB,” said Tengku Dato’ Sri Zafrul Aziz, Group Chief Executive Officer, CIMB Group. “Scale and extensive investment expertise are important to this business and we believe this strategic realignment will enhance the value proposition of the joint venture to enable us to serve our customers better.”

This transaction is expected to be completed in the second quarter of 2018 and is subject to the relevant regulatory approvals. Principal will pay CIMB up to RM470.3 million for the additional ownership stake.

“Southeast Asia is a growing and important region for Principal as we focus on bringing long-term saving and investing products to the market,” said Pedro Borda, President of Southeast Asia and India for Principal. “By increasing our ownership stake in the CIMB-Principal joint ventures, we will be better able to bring our global asset management expertise and experience to bear while still leveraging the multi-channel distribution power of CIMB to continue to serve our customers.”

The new ownership and governance structure will strengthen the joint ventures' capability to provide specialized and differentiated products and services to meet customer needs. It will further align existing investment management teams with the asset management arm of Principal, Principal Global Investors, and leverage the firm's global distribution capabilities and asset management franchise.

CIMB and Principal have partnered in the region since 2004 and had successfully grown their operations across Malaysia, Singapore, Indonesia and Thailand. The CIMB-Principal Asset Management group of companies has more than RM70 billion in AUM and is one of the largest asset managers in the region. CIMB-Principal Islamic Asset Management has been managing Islamic institutional mandates since 2008 and is the sole end-to-end Islamic asset management boutique of the CIMB Group and Principal Financial Group.

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### **About CIMB**

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 over 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 RM60.3 billion as at 31 December 2017. The Group has 38,000 employees located in 15 countries.



## About Principal

Principal helps people and companies around the world build, protect and advance their financial well-being through retirement, insurance and asset management solutions that fit their lives. Our 15,000 employees around the world are passionate about helping clients of all income and portfolio sizes achieve their goals – offering innovative ideas, investment expertise and real-life solutions to make financial progress possible.

A member of the FORTUNE 250®, we have US\$655.5 billion in assets under management and serve over 22 million customers from offices in 19 countries throughout Asia, Australia, Europe, Latin America and North America (as of 30 September 2017). Principal Financial Group, Inc. is traded on the Nasdaq under the ticker symbol PFG. To find out more, visit us at [principal.com](http://principal.com).

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