

Press Release

## **CITIC Securities and Crédit Agricole Corporate & Investment Bank to explore the combination of their equity businesses around the world**

- ***jointly create a leading China and Asia-Pacific focused investment bank***
- ***provide solid foundation for a unique and powerful global equity platform, aligned with CA-CIB brokerage (CLSA, Cheuvreux, CA Securities) and ECM businesses***
- ***combine strengths to capture increasing cross border capital market opportunities in high growth regions***

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*Beijing / Paris / Hong Kong – May 3rd, 2010:* CITIC Securities and Crédit Agricole Corporate & Investment Bank (CA-CIB) announce today that they have entered into exclusive negotiations to explore the combination of their respective leaderships in global equity brokerage and investment banking businesses following the signing of a memorandum of understanding (MOU) today. Areas covered by the business combination include global equity, cash as well as client driven derivatives, and investment banking businesses in China and Asia Pacific region, offering financial advisory and equity market (ECM) services.

The signing of the MOU reflects that both firms share the same strategic intents. By leveraging on their combined strengths, the two firms have common ambition and vision to create a leading China and Asia-Pacific focused broker and investment bank in order to capture growing capital market opportunities in Asian markets, especially in the Greater China region.

Furthermore, the two firms aim for their business combination in the Asia-Pacific Region to provide a solid foundation for the build out of a unique and powerful global equity business platform aligned with CA-CIB's brokerage, ECM and client driven equity derivatives businesses.

Both firms intend to explore the combination of their respective leaderships:

- CITIC Securities, a leading institutional broker and investment bank in China; together with those respective businesses under CITIC Securities International, its overseas business platform based in Hong Kong.
- For CA-CIB:
  - CLSA, the N°1 independent research and brokerage firm in Asia Pacific;
  - Cheuvreux, a leading independent research and brokerage firm in Europe;
  - CA-CIB's ECM franchise in Asia Pacific, in Europe and in the US;
  - CA-CIB's expertise in client driven equity linked products;
  - CA-CIB's established US broker-dealer.

The business combination aims to:

- create a global leader in equity brokerage with first-class independent research (with over 350 analysts worldwide), exceptional distribution and execution capabilities championed through CITIC Securities, CLSA and Cheuvreux and CA Securities;
- build a leading investment banking platform with a focus in China and Asia-Pacific, with CITIC Securities becoming CLSA's JV partner in China on institutional brokerage and investment banking ;
- further develop the ECM franchise in Europe and in the US and build cross-border synergies.

In addition, this partnership will foster business cooperation mutually beneficial to both firms in other lines of business.

**Dongming Wang, Chairman of CITIC Securities**, commented: "The formation of the strategic partnership with CA-CIB, a leading investment banking partner, marks another significant step of CITIC Securities towards internationalization. Riding on our roots and strengths in China, our goal is to reinforce our already strong capabilities in servicing international companies seeking to tap Asian capital markets, as well as Chinese entrepreneurs, corporations, and state-owned enterprises looking to access capital or to pursue investment opportunities outside of the region. Concurrent with today's announcement, we remain committed to our specialization in other core businesses that are outside the scope of the partnership. CITIC Securities will continue to strengthen and develop our retail brokerage business, asset management, and investment business which are currently focused on China and Hong Kong, adding an international edge to these business arms".

**Jean-Paul Chifflet, CEO of Crédit Agricole S.A. and Chairman of CA-CIB** said: "CITIC Securities, a leading brokerage and investment bank in China, is the best possible partner to create with CA-CIB a truly global equity platform spanning Europe, Asia, and the U.S. This partnership, client driven, is an additional opportunity to consolidate the Crédit Agricole Group's presence in China, where it operates since 1898, and more generally in Asia, a high growth region".

**Patrick Valroff, CEO of Crédit Agricole CIB**, said: "We are excited to explore such a partnership, which would bring together an unmatched pool of entrepreneurial talents and combine our equity product offering globally to create a successful player with a unique positioning in the market place".

**Boming Cheng, President of CITIC Securities**, remarked: "At CITIC Securities, we are eager to extend our equity market services, offering our clients with enhanced, distribution network, financing, research and advisory capabilities beyond China."

The parties will use their best efforts to carry on further negotiations on the transaction agreements.

The transaction is subject to corporate and regulatory approvals, as well as consultation or consents of relevant third parties (including employee representatives).

**About CITIC Securities Company Limited (SSE:600030)**

CITIC Securities Company Limited is a leading full service investment bank in China. It is listed on the Shanghai Stock Exchange. CITIC Securities maintains top rankings in China's capital markets across its principal business areas of securities brokerage, investment banking, and asset management.

With a current market capitalization of over RMB 190 billion (approximately USD 28 billion), CITIC Securities is one of the SSE 50 constituents stocks, as well as one of the top five constituents stocks in FTSE/Xinhua A50 China Index.

For more information about CITIC Securities, please visit its website at [www.cs.ecitic.com](http://www.cs.ecitic.com)

**About Crédit Agricole Corporate & Investment Bank:**

Crédit Agricole Corporate & Investment Bank is the Corporate and Investment Banking arm of the Crédit Agricole Group, one of the world's largest financial institutions with preeminent presence in France and in the rest of Europe.

With more than 13,000 employees in 50 countries, CA-CIB is structured around 4 major divisions: Corporate and Investment Banking, Equity Brokerage and Derivatives, Fixed Income Markets and Structured Finance.

For additional information about CA-CIB, please visit its Web site at [www.ca-cib.com](http://www.ca-cib.com)

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