



Press Release

CACEIS and Royal Bank of Canada sign a Memorandum of Understanding on the proposed acquisition of RBC Investor Services operations in Europe

Paris / Toronto, 17 October 2022 - Today CACEIS, the asset servicing banking group of Crédit Agricole S.A. and Santander, and Royal Bank of Canada (RBC) announced that they have signed a Memorandum of Understanding with a view for CACEIS to acquire the European asset servicing activities of RBC Investor Services and its associated Malaysian centre of excellence. This would include custody, global custody FX, fund administration, transfer agency, middle office and securities lending.

RBC Investor Services is a leading provider of asset services and holds Assets under Administration (AuA) in Europe of around €1.2 trillion and Assets under Custody (AuC) in Europe of around €0.5 trillion. Together, the combined entity of RBC Investor Services and CACEIS would have around €4.8 trillion in AuC and €3.5 trillion in AuA (*all figures as at 31/03/2022*).

The transaction would combine two strong asset servicers in Europe and would strengthen CACEIS' position as a global leader in asset servicing with access to a broader and complementary client base and service offering.

The integration of the RBC Investor Services business into CACEIS would deliver scale and stronger competitive positioning as CACEIS would benefit from a larger geographical presence, full coverage of the value chain and an expanded offering for both existing and new clients.

The execution of the final agreements between CACEIS and RBC requires prior consultation with the relevant works councils of CACEIS.

The completion of the contemplated transaction will be subject to customary closing conditions, including regulatory and antitrust approvals, and is expected to take place by the end of the third quarter of the 2023 calendar year.

Jean-François Abadie, CEO of CACEIS, commented: "This combination with RBC Investor Services helps us consolidate our position as a leading European player in asset servicing. We are enhancing our leadership across a range of services, increasing our position in a number of key markets, growing relationships with global asset managers, and increasing our capabilities and scale. Additionally, the staff from RBC Investor Services will bring their expert knowledge of the servicing needs of international investor clients and distribution services."

Francis Jackson, CEO of RBC Investor Services, added: “We are proud of the business that we have built in Europe, and are excited for CACEIS to continue to deepen relationships with our clients. This is an opportunity for our European clients to enjoy the combined scale of RBC Investor Services' European business and Malaysia centre of excellence and CACEIS' global footprint, while allowing us to focus on our Canadian asset services franchise in our home market. CACEIS has a track record of growth. This is an important milestone as they strengthen their position as a leading European asset servicer. We are confident this proposed transaction will bring benefits to our clients and our employees.”

This transaction will have a de minimus impact to RBC's common equity Tier 1 (CET1) ratio and earning per share (EPS). The proposed transaction excludes RBC Investor Services' Canadian operations.

About CACEIS

CACEIS is the asset servicing banking group of Crédit Agricole S.A. and Santander dedicated to asset managers, insurance companies, pension funds, banks, private equity and real estate funds, brokers and corporate clients. Through offices across Europe, North and South America, and Asia, CACEIS offers a broad range of services covering execution, clearing, forex, securities lending, custody, depositary and fund administration, fund distribution support, middle office outsourcing and issuer services. With AUC of €4.3 trillion and AUA of €2.3 trillion, CACEIS is a European leader in asset servicing and one of the major players worldwide (figures as of 31 March 2022).

www.caceis.com

About RBC Investor & Treasury Services

[RBC Investor & Treasury Services](#) provides asset and payment services to corporate investors and financial institutions globally. Trusted with CAD 4.1 trillion in AUA, clients are at the heart of our service offering. As a financially strong partner, our focus is on safeguarding client assets as we leverage data and technology solutions to deliver meaningful insights, simplify our clients' operations and support their growth.

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Caution Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation, with respect to RBC's and CACEIS' financial performance, beliefs, plans, expectations, and estimates. Forward-looking statements in this press release may include, but are not limited to, statements with respect to plans for the combined operations of CACEIS and RBC Investor Services, the financial, operational and capital impacts of the proposed transaction, our strategies or future actions, and our objectives and commitments. The forward-looking information contained in this press release is presented for the purpose of assisting holders of our securities and financial analysts in understanding the proposed transaction and may not be appropriate for other purposes. Forward looking statements are typically identified by words such as "believe", "expect", "foresee", "forecast", "anticipate", "intend", "estimate", "goal", "commit", "target", "objective", "plan" and "project" and similar expressions of future or conditional verbs such as "will", "may", "might", "should", "could" or "would".

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our actual results may differ materially from such predictions, forecasts, projections, expectations or conclusions.

We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include, but are not limited to: the possibility that the anticipated benefits from the proposed transaction, such as delivering scale strengthening competitive positioning, are not realized in the time frame anticipated or at all as a result of changes in general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations and their enforcement, and the degree of competition in the geographic and business areas in which RBC Investor Services and CACEIS currently operate; the risk that any announcements relating to the combination could have adverse effects on the market price of the common stock of RBC; the possibility that the business of RBC Investor Services and CACEIS may not perform as expected or in a manner consistent with historical performance; the ability to promptly and effectively integrate RBC Investor Services; our ability to achieve our capital objectives; our ability to cross-sell more products to customers; reputational risks and the reaction of RBC Investor Services' customers and employees to the transaction; diversion of management time on integration-related issues; increased exposure to exchange rate fluctuations; material adverse changes in economic and industry conditions; general competitive, economic, political and market conditions; and other risks discussed in the risk sections and Impact of COVID-19 pandemic section of RBC's 2021 Annual Report and the Risk management section of RBC's Q3 2022 Report to Shareholders, all of which outline certain key factors and risks that may affect our future results and our ability to anticipate and effectively manage risks arising from all of the foregoing factors.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Material economic assumptions underlying the forward looking-statements contained in this press release are set out in the Economic, market and regulatory review and outlook section and for each business segment under the Strategic priorities and Outlook sections in RBC's 2021 Annual Report, as updated by the Economic, market and regulatory review and outlook section of RBC's Q3 2022 Report to Shareholders.

Any forward-looking statements contained in this document represent the views of RBC and CACEIS only as of the date hereof. Except as required by law, neither RBC nor CACEIS undertakes to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.