



Royal Bank

NEWS

FOR IMMEDIATE RELEASE

RBC announces sale of Eastern Caribbean banking operations

December 12, 2019 (Toronto, Canada) — Royal Bank of Canada (RY on TSX and NYSE) today announced it has entered into definitive agreements to sell all banking operations in the Eastern Caribbean to a consortium of indigenous banks within the region. The transaction is subject to regulatory approval and other customary closing conditions, and is expected to be finalized in the coming months.

“Consistent with our strategy of being a competitive leader in the markets where we operate, RBC is always evaluating opportunities for our business. Earlier this year, we were approached by a consortium of indigenous banks with their proposal to acquire all RBC Eastern Caribbean operations,” said Rob Johnston, Head, RBC Caribbean Banking. “After a review of our operations and strategy, we determined this opportunity was a good decision for the long-term future success of RBC Caribbean, and also, that it aligned with our vision to help our clients thrive and communities prosper,” he said.

The sale encompasses the branches of Royal Bank of Canada in Antigua, Dominica, Montserrat, St. Lucia, and St. Kitts and Nevis, as well as regional businesses operating under RBC Royal Bank Holdings (EC) Limited in Nevis, Grenada and St. Vincent and the Grenadines. Collectively, these operations are referred to as “RBC Eastern Caribbean”. The consortium of five financial entities purchasing includes: 1st National Bank of St. Lucia, Antigua Commercial Bank Ltd., National Bank of Dominica Ltd., the Bank of Montserrat and Bank of Nevis Ltd.

Johnathan Johannes, Managing Director, 1st National Bank of St. Lucia, shared, “We formed the consortium for the express purpose of expanding the scale of the locally owned financial entities in the Eastern Caribbean Currency Union. This transaction gives us the size and scale to play a more active role in the development of our respective countries. We see this transaction as the first step in achieving even greater synergies, efficiencies and cross-territory marketing opportunities.”

“RBC has operated in the Caribbean for more 100 years – longer than we have been in many parts of Canada. We remain committed to the future of the Caribbean and to a vision of digital innovation that transcends traditional services,” said Johnson. “This transaction will allow us to realign and focus our strategy on Caribbean markets where we can achieve that vision most successfully.”

“Self-determination is the highest level of empowerment – and the indigenous banks acquiring this business will now have an increased opportunity to influence the development of their communities,” said Johnston.

Johannes added, “And speaking on behalf of the local banks, we embrace and eagerly anticipate that opportunity.”

The consortium was advised by PwC (JA), led by Wilfred Baghaloo, who added “this transaction demonstrates that Caribbean countries and businesses have the capacity and capability to come together when the circumstances are right.”

Financial terms of the transaction were not disclosed. RBC will release its first quarter 2020 results and host an earnings conference call on February 21, 2020.

ABOUT RBC IN THE CARIBBEAN

With more than 100 years of dedicated service to the region, RBC has maintained a presence in 17 countries, with 52 branches and over 3,200 employees serving more than one million clients. As one of the Caribbean’s leading diversified financial services companies, RBC provides personal and commercial banking, wealth management, corporate and investment banking, insurance and trust and asset management services to a wide range of clients, including individuals, small businesses, general commercial entities, regional and multi-national corporations and governments. For more information, please visit rbc.com/caribbean.

ABOUT RBC

Royal Bank of Canada is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 85,000+ employees who bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada’s biggest bank, and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our 17 million clients in Canada, the U.S. and 34 other countries. Learn more at rbc.com.

We are proud to support a broad range of community initiatives through donations, community investments and employee volunteer activities. See how at <https://www.rbc.com/community-social-impact/index.html>

Caution Regarding Forward-Looking Statements

From time to time, we make written or oral 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. We may make forward-looking statements in this press release, in other filings with Canadian regulators or the SEC, in other reports to shareholders, and

in other communications. The forward-looking information contained in this press release is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations, as well as our financial performance objectives, vision and strategic goals, 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”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “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 financial performance objectives, vision and strategic goals will not be achieved. 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: credit, market, liquidity and funding, insurance, operational, regulatory compliance, strategic, reputation, legal and regulatory environment, competitive and systemic risks and other risks discussed in the risk sections of our annual report for the fiscal year ended October 31, 2019 (the 2019 Annual Report); including information technology and cyber risk, privacy, data and third party related risk, geopolitical uncertainty, Canadian housing and household indebtedness, regulatory changes, digital disruption and innovation, climate change, the business and economic conditions in the geographic regions in which we operate, the effects of changes in government fiscal, monetary and other policies, tax risk and transparency, and environmental and social risk.

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 headings in our 2019 Annual Report.

Except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf. Additional information about these and other factors can be found in the risk sections of our 2019 Annual Report.