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Clearstream acquires Swisscanto Funds Centre Ltd. from Zürcher Kantonalbank

Deutsche Börse Group's post-trade services provider Clearstream is expanding its offering in the funds space by acquiring Swisscanto Funds Centre Ltd., London (SFCL), from Zürcher Kantonalbank. A purchase agreement was signed on 23 April 2018. The transaction for a high double-digit million euro amount is expected to close within the third quarter of 2018, subject to approval of relevant authorities. For Deutsche Börse Group, the investment will be accretive in the first year.

The funds platform SFCL will continue to exist as a 100 percent subsidiary of Clearstream. Currently, SFCL is the UK wholly owned subsidiary of Swisscanto Holding Ltd, Zürich, a Zürcher Kantonalbank group company. This transaction will not affect the service for existing customers of SFCL on both investor and fund promoter side. All London-based employees of SFCL will be transferred to Clearstream.

The deal allows Clearstream to expand its services in the funds space with management of distribution contracts and data processing. Clearstream will focus on extending the services offered by SFCL today and providing these services also to its international customers. By adding SFCL to its portfolio, Clearstream expects revenues in the low double digit million euro area as well as cross-selling synergies to materialize. Zürcher Kantonalbank will remain one of the main distribution partners of SFCL going forward. In addition, a long-term contractual agreement was made that the two subsidiaries of Zürcher Kantonalbank, Swisscanto Fund Management Company Ltd. and Swisscanto Asset Management International S.A., will continue to act as large fund providers for the company.

Philippe Seyll, Co-CEO of Clearstream Banking S.A. and Head of Investment Funds Services at Clearstream, said: "We always look for strategic opportunities to further enhance our offering to the market. The knowhow we acquire from SFCL in areas such as distribution contract management, data management and dissemination, combined with our expertise in funds processing will enable us to provide our clients with new value-adding services. This further bolsters our strong position in the funds space."

Dr Stephanino Isele, member of the Executive Board and Head of Institutionals & Multinationals at Zürcher Kantonalbank, commented: "We found a professional and reliable buyer for SFCL (Swisscanto Funds Centre Ltd.) in Clearstream, one of the world's largest and most secure providers in the fund settlement business. When Zürcher Kantonalbank decided to sell SFCL, securing the fund platform for clients, fund providers, and employees – on a sustainable basis and in the long term – was of utmost importance for the bank."

Mark O'Brien, CEO at Swisscanto Funds Centre Ltd., added: "Thanks to the acquisition by Clearstream, SFCL will be able to boost growth and generate the necessary economies of scale. Bundling volumes, tapping into new markets, and incorporating the fund platform business into Clearstream's post-trading product range provides us with new opportunities. The SFCL team is looking forward to offering existing and new clients an even more comprehensive range of services."

About Clearstream

As an international central securities depository (ICSD), headquartered in Luxembourg, Clearstream, which is part of Deutsche Börse Group, provides the post-trade infrastructure for the Eurobond market and services for securities from 56 domestic markets worldwide. With 13 trillion Euros in assets under custody, Clearstream is one of the world's largest settlement and custody firms for domestic and international securities. Alongside its highly automated mutual fund services, Clearstream provides clients with a 'one-stop shop' solution for all fund types.

About Zürcher Kantonalbank

Zürcher Kantonalbank is a leading universal bank in the Zurich economic area with national roots and international reach. It is an independent public-law institution owned by the canton of Zurich and has received top ratings from the rating agencies Standard & Poor's, Moody's and Fitch (AAA/Aaa). With more than 5,000 employees, Zürcher Kantonalbank offers its clients a comprehensive range of products and services. The bank's core activities include financing businesses, asset and wealth management, trading, capital market transactions, deposits, payment transactions and card business. Zürcher Kantonalbank provides clients and distribution partners with a comprehensive range of investment and retirement provision products and services.

About Swisscanto Funds Centre Ltd.

Swisscanto Funds Centre Ltd operates Zürcher Kantonalbank's "Swisscanto Fund Desk", which offers banks a centralised fund trading service – with straightforward order placement and execution, plus custody services. In addition, as part of the trading and execution services provided by Zürcher Kantonalbank, Swisscanto Funds Centre Ltd manages fund sales commissions on behalf of client banks, compiling the relevant data. For client banks, the Swisscanto Fund Desk is the central point of contact for subscription, settlement and custody of investment funds from any provider. Moreover, distribution agreements for all client banks have been entered into with the most important fund providers. At present, approximately 160 fund providers are active on the platform, one of them being Swisscanto Invest (Swisscanto Funds). Swisscanto Funds Centre Ltd, London, is a wholly-owned subsidiary of Swisscanto Holding, a subsidiary of Zürcher Kantonalbank. Swisscanto Funds Centre Ltd has received multiple awards since 2015 as one of the best pan-European platform operators – with recognition for its positioning and outstanding quality of services.

Media contacts:

Clearstream
Christina Hudelmayer
+49 (0)69 2 11-11 500
christina.hudelmayer@deutsche-boerse.com

Zürcher Kantonalbank
Media Relations
+41 (0)44 292 29 79
medien@zkb.ch