



## ROYAL BANK OF CANADA

*(a Canadian chartered bank)*

### **1<sup>st</sup> Supplementary Notes Base Prospectus** **dated September 2, 2019**

#### ***Pursuant to the Programme for the Issuance of Securities***

Pages i to 175 (inclusive) of the Notes Base Prospectus dated July 5, 2019 (the “**Notes Base Prospectus**”) of Royal Bank of Canada (“**RBC**” or the “**Issuer**”) comprise a base prospectus (the “**Base Prospectus**”) for the purposes of Article 5.4 of Directive 2003/71/EC (as amended, the “**Prospectus Directive**”) in respect of notes (“**PD Notes**” or “**Notes**”) to be offered to the public in the Relevant Member States (as defined in the Base Prospectus) and/or to be admitted to the Official List of the Financial Conduct Authority (in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 as amended) and admitted to trading on the Regulated Market of the London Stock Exchange plc (the “**London Stock Exchange**”). Pages 176 to 259 (inclusive) of the Notes Base Prospectus comprise an offering circular (the “**Offering Circular**”), which has been prepared by the Issuer in connection with the issue of Notes other than PD Notes (“**Non PD Notes**”). The Offering Circular has not been reviewed or approved by the Financial Conduct Authority and does not constitute a base prospectus for purposes of the Prospectus Directive.

### **SUPPLEMENTARY PROSPECTUS**

Pages 1 to 6 inclusive of this supplement (the “**1<sup>st</sup> Supplementary Prospectus**”) constitute a supplementary prospectus for the purposes of the Prospectus Directive and for the purposes of Section 87G of the *Financial Services and Markets Act 2000*, as that provision stood immediately prior to July 21, 2019 (the “**FSMA**”) prepared in connection with the programme for the issuance of securities established by RBC (the “**Programme**”). The information on page 7 of this supplement constitutes a supplementary offering circular and does not form part of this 1<sup>st</sup> Supplementary Prospectus.

Terms defined in the Base Prospectus have the same meaning when used in this 1<sup>st</sup> Supplementary Prospectus. The 1<sup>st</sup> Supplementary Prospectus is supplemental to, and shall be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by RBC.

RBC accepts responsibility for the information in this 1<sup>st</sup> Supplementary Prospectus. To the best of the knowledge of RBC, having taken reasonable care to ensure that such is the case, the information contained in this 1<sup>st</sup> Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this 1<sup>st</sup> Supplementary Prospectus is to (a) incorporate by reference in the Base Prospectus the Issuer's unaudited interim condensed consolidated financial statements (the "**Third Quarter 2019 Unaudited Interim Condensed Consolidated Financial Statements**"), together with Management's Discussion and Analysis (the "**Third Quarter 2019 MD&A**") for the three and nine-month periods ended July 31, 2019 set out in the Issuer's Third Quarter 2019 Report to Shareholders (the "**Third Quarter 2019 Report to Shareholders**"); (b) update the Issuer's ratings disclosure in light of the recent ratings and outlook changes by DBRS Limited ("**DBRS**"); (c) include a new statement in respect of no significant change; (d) following the publication of the Third Quarter 2019 Report to Shareholders, update paragraph 3 of the section entitled "General Information" in the Base Prospectus regarding governmental, legal or arbitration proceedings which may have, or have had, a significant effect on the financial position or profitability of the Issuer or of the Issuer and its subsidiaries taken as a whole; (e) update Element B.12 of the Programme Summary to reflect financial information incorporated by reference and update Element B.17 to reflect the ratings and outlook changes of DBRS by virtue of this 1<sup>st</sup> Supplementary Prospectus.

To the extent that there is any inconsistency between (a) any statement in this 1<sup>st</sup> Supplementary Prospectus or any statement incorporated by reference into the Base Prospectus by this 1<sup>st</sup> Supplementary Prospectus and (b) any other statement in, or incorporated by reference in, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this 1<sup>st</sup> Supplementary Prospectus, no significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of PD Notes issued under the Programme has arisen or been noted, as the case may be, since the publication of the Notes Base Prospectus.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The Third Quarter 2019 Unaudited Interim Condensed Consolidated Financial Statements, together with the Third Quarter 2019 MD&A, set out on pages 2 through 79 (excluding page 48 of the same) of the Third Quarter 2019 Report to Shareholders are, by virtue of this 1<sup>st</sup> Supplementary Prospectus, incorporated in, and form part of, the Base Prospectus. The remainder of the Third Quarter 2019 Report to Shareholders is either covered elsewhere in the Base Prospectus or is not relevant for investors.

The Third Quarter 2019 Report to Shareholders, which includes the Third Quarter 2019 Unaudited Interim Condensed Consolidated Financial Statements and Third Quarter 2019 MD&A, has been filed with Morningstar plc (appointed by the Financial Conduct Authority to act as the National Storage Mechanism), are available for viewing at <http://www.morningstar.co.uk/uk/NSM> and have been announced via the Regulatory News Service operated by the London Stock Exchange.

For the avoidance of doubt, any document incorporated by reference in the Third Quarter 2019 Unaudited Interim Condensed Consolidated Financial Statements, Third Quarter 2019 MD&A and Third Quarter 2019 Report to Shareholders shall not form part of this 1<sup>st</sup> Supplementary Prospectus.

Copies of this 1<sup>st</sup> Supplementary Prospectus, the Base Prospectus and the documents incorporated by reference in either of these can be (i) viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer and the headline "Publication of Prospectus"; and (ii) obtained on written request and without charge from (a) the Issuer at 20<sup>th</sup> Floor, 200 Bay Street, Toronto, Ontario, Canada M5J 2J5, Attention: Senior Vice President, Wholesale Finance and Investor Relations, and (b) the office of the Issuing and Paying Agent, The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom, Attention: Manager, EMEA Corporate & Sovereign. Certain of the documents incorporated by reference in the Base Prospectus or this 1<sup>st</sup> Supplementary Prospectus may be viewed by accessing the Issuer's disclosure documents through the Internet (a) at the Canadian System for Electronic

Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com) (an internet based securities regulatory filing system), and (b) at the United States Securities and Exchange Commission's website at <http://www.sec.gov>. These websites are not incorporated in, and do not form part of, the Base Prospectus.

## **ISSUER RATINGS**

On June 18, 2019, DBRS revised the Issuer's rating outlook to stable from positive. In addition, DBRS upgraded the Issuer's debt rating on senior long-term debt to AA from AA (low), subordinated debt to AA (low) from A (high), NVCC subordinated debt to A from A (low), preferred shares to Pfd-1 (low) from Pfd-2 (high) and NVCC preferred shares to Pfd-2 (high) from Pdf-2.

DBRS is not established in the European Union. However, ratings issued by DBRS are endorsed by DBRS Ratings Limited, which is established in the European Union and registered under Regulation (EC) No 1060/2009, as amended.

## **STATEMENT OF NO SIGNIFICANT CHANGE**

Since July 31, 2019, the date of the most recently published unaudited Interim Condensed Consolidated Financial Statements of the Issuer, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole.

## **AMENDMENT TO STATEMENT REGARDING GOVERNMENTAL, LEGAL OR ARBITRATION PROCEEDINGS**

Paragraph 3 of the section entitled "General Information" on page 170 of the Base Prospectus is hereby deleted in its entirety and replaced with the following:

"Other than the matters disclosed under the subsection entitled "Tax examinations and assessments" in Note 22 of the 2018 Audited Consolidated Financial Statements set out on page 198 of the Issuer's 2018 Annual Report, and the matters disclosed (with the exception of the subsection entitled "Other matters") in Note 25 of the 2018 Audited Consolidated Financial Statements set out on pages 202 and 203 of the Issuer's 2018 Annual Report and in each case incorporated by reference herein as updated by the matters disclosed under the subsection entitled "Tax examinations and assessments" in Note 8 of the Third Quarter 2019 Unaudited Interim Condensed Consolidated Financial Statements set out on page 71 of the Issuer's Third Quarter 2019 Report to Shareholders, and the litigation matters disclosed in Note 11 of the Third Quarter 2019 Unaudited Interim Condensed Consolidated Financial Statements set out on page 74 of the Issuer's Third Quarter 2019 Report to Shareholders, and in each case incorporated by reference herein, there are no, nor have there been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had during the twelve months prior to the date of this document, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer or of the Issuer and its subsidiaries taken as a whole".

## UPDATES TO THE SUMMARY TO THE PROGRAMME

The Summary to the Programme included in the Base Prospectus is made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A to E (A.1 – E.7).

Following the release of RBC's Third Quarter 2019 Report to Shareholders, Element B.12 of the Summary to the Programme is updated as set out below:

B.12	Key Historical Financial Information; no material adverse change and no significant change statements:	With the exception of the figures for return on common equity, information in the tables below for the years ended October 31, 2018 and 2017 and for the nine-month periods ended July 31, 2019 and 2018 has been extracted from the Issuer's 2018 audited consolidated financial statements (the " <b>2018 Annual Consolidated Financial Statements</b> "), prepared in accordance with International Financial Reporting Standards (" <b>IFRS</b> ") as issued by the International Accounting Standards Board and the unaudited interim condensed consolidated financial statements as at July 31, 2019 and for the three- and nine-month periods ended July 31, 2019 and 2018 (the " <b>Third Quarter 2019 Unaudited Interim Condensed Consolidated Financial Statements</b> "), presented in compliance with International Accounting Standards (IAS) 34 Interim Financial Reporting, respectively, which are incorporated by reference in the Base Prospectus. The amounts under return on common equity for the years ended October 31, 2018 and 2017 and for the nine-month periods ended July 31, 2019 and 2018 have been extracted from the Issuer's 2018 Management's Discussion and Analysis and its Third Quarter 2019 Management's Discussion and Analysis, respectively:
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### Selected Consolidated Balance Sheet Information

	As at July 31, 2019	As at October 31, 2018	As at October 31, 2017
	<i>(in millions of Canadian dollars)</i>		
Loans, net of allowance for loan losses	612,393	576,818	542,617
Total assets	1,406,893	1,334,734	1,212,853
Deposits	881,211	837,046	789,635
Other liabilities	431,884	407,234	338,309
Subordinated debentures	9,818	9,131	9,265
Non-Controlling interests	99	94	599
Equity attributable to shareholders	82,279	79,861	73,829

## Condensed Consolidated Statement of Income Information<sup>1</sup>

	Nine-months ended July 31, 2019	Nine-months ended July 31, 2018	Year ended October 31, 2018	Year ended October 31, 2017
<i>(in millions of Canadian dollars, except per share amounts and percentage amounts)</i>				
Net interest income	14,769	13,462	18,191	17,140
Non-interest income	19,863	18,445	24,385	23,529
Total revenue	34,632	31,907	42,576	40,669
Provision for credit losses	1,365	954	1,307	1,150
Insurance policyholder benefits, claims and acquisition expense	3,431	2,182	2,676	3,053
Non-interest expense	17,820	16,951	22,833	21,794
Net Income	9,665	9,181	12,431	11,469
Earnings per share				
– basic	\$6.59	\$6.19	\$8.39	\$7.59
– diluted	\$6.57	\$6.16	\$8.36	\$7.56
Return on common equity (ROE) <sup>2,3</sup>	17.0%	17.6%	17.6%	17.0%

- Effective November 1, 2017, the Issuer adopted IFRS 9 Financial Instruments (IFRS 9). Results from periods prior to November 1, 2017 are reported in accordance with IAS 39 Financial Instruments: Recognition and Measurement (IAS 39). For further details on the impacts of the adoption of IFRS 9 including the description of accounting policies selected, refer to Note 2 of the Issuer's 2018 Annual Consolidated Financial Statements.
- This measure does not have a standardized meaning under generally accepted accounting principles (GAAP) and may not be comparable to similar measures disclosed by other financial institutions. For further details, refer to the Key performance and non-GAAP measures section of the Issuer's 2018 Management's Discussion and Analysis in the Issuer's 2018 Annual Report and the Key performance and non-GAAP measures section of the Issuer's Third Quarter 2019 Management's Discussion and Analysis in the Issuer's Third Quarter 2019 Report to Shareholders.
- Average amounts are calculated using methods intended to approximate the average of the daily balances for the period. This includes Average common equity used in the calculation of ROE. For further details, refer to the Key performance and non-GAAP measures section of the Issuer's 2018 Management's Discussion and Analysis in the Issuer's 2018 Annual Report and the Key performance and non-GAAP measures section of the Issuer's Third Quarter 2019 Management's Discussion and Analysis in the Issuer's Third Quarter 2019 Report to Shareholders.

		<b>Statement of no significant or material adverse change</b> Since October 31, 2018, there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole.
		Since July 31, 2019, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole.

Following the ratings and outlook changes of DBRS, Element B.17 of the Summary to the Programme is updated as set out below:

B.17	Credit Ratings Assigned to the Issuer or its Debt Securities at the Request of or in Cooperation with the Issuer:	<p>The credit ratings assigned to the Issuer are:</p> <p>(i) Aa2 (legacy senior long-term debt)<sup>1</sup>, A2 (senior long-term debt)<sup>2</sup>, P-1 (short-term senior debt), Baa1 (subordinated debt), Baa1 (NVCC subordinated debt)<sup>3</sup>, Baa3 (preferred shares and NVCC preferred shares)<sup>3</sup>, each with a stable outlook, by Moody's Investors Services, Inc. ("<b>Moody's USA</b>"),</p> <p>(ii) AA- (legacy senior long-term debt)<sup>1</sup>, A (senior long-term debt)<sup>2</sup>, A-1+ (short-term senior debt), A (subordinated debt), A- (NVCC subordinated debt)<sup>3</sup>, BBB+ (preferred shares) and BBB (NVCC preferred shares)<sup>3</sup>, each with a stable outlook, by Standard &amp; Poor's Financial Services LLC ("<b>S&amp;P USA</b>");</p> <p>(iii) AA (legacy senior long-term debt)<sup>1</sup>, AA (senior long-term debt)<sup>2</sup>, F1+ (short-term senior debt), AA- (subordinated debt) and AA- (NVCC subordinated debt)<sup>3</sup>, each with a stable outlook, by Fitch Ratings, Inc. ("<b>Fitch USA</b>"); and</p> <p>(iv) AA (high) (legacy senior long-term debt)<sup>1</sup>, AA (senior long-term debt)<sup>2</sup>, R-1 (high) (short-term senior debt), AA (low) (subordinated debt), A (NVCC subordinated debt)<sup>3</sup>, Pfd-1 (low) (preferred shares) and Pfd-2 (high) (NVCC preferred shares)<sup>3</sup>, each with a stable outlook, by DBRS Limited ("<b>DBRS</b>").</p> <p>The Senior Notes issuable under the Programme have been generally rated Aa2 (legacy long-term senior debt)<sup>1</sup>, A2 (long-term senior debt)<sup>2</sup> and P-1 (short-term debt) by Moody's Canada Inc. ("<b>Moody's Canada</b>") and AA- (legacy long-term senior debt)<sup>1</sup>, A (long-term senior debt)<sup>2</sup> and A-1+ (short-term debt) by S&amp;P Global Ratings, acting through S&amp;P Global Ratings Canada, a business unit of S&amp;P Global Canada Corp. ("<b>S&amp;P Canada</b>").</p> <p>1 Includes (a) senior long-term debt issued prior to September 23, 2018; and (b) senior long-term debt issued on or after September 23, 2018 which is excluded from the Canadian Bank Recapitalization ("<b>Bail-in</b>") regime.</p> <p>2 Includes senior long-term debt issued on or after September 23, 2018 which is subject to conversion under the Bail-in regime.</p> <p>3 Non-Viability contingent capital or NVCC.</p>
		<p><i>Issue specific summary</i></p> <p>[The Senior Notes to be issued [have been/are expected to be] rated [•] by [•]]</p> <p>[The Senior Notes to be issued have not been specifically rated.]</p>

## SUPPLEMENTARY OFFERING CIRCULAR

Page 7 of this Supplement (the “**1<sup>st</sup> Supplementary Offering Circular**”) constitutes a supplement to the Offering Circular and is prepared in connection with the Programme for the Issuance of Securities established by RBC.

Terms defined in the Offering Circular have the same meaning when used in this 1<sup>st</sup> Supplementary Offering Circular. The 1<sup>st</sup> Supplementary Offering Circular is supplemental to, and shall be read in conjunction with, the Offering Circular and any other prior supplements to the Offering Circular issued by RBC (together, the “**Offering Circular**”).

**NEITHER THE OFFERING CIRCULAR NOR THIS 1<sup>ST</sup> SUPPLEMENTARY OFFERING CIRCULAR TO THE OFFERING CIRCULAR HAVE BEEN REVIEWED OR APPROVED BY THE FINANCIAL CONDUCT AUTHORITY AND THE OFFERING CIRCULAR DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSE OF THE PROSPECTUS DIRECTIVE.**

RBC accepts responsibility for the information in this 1<sup>st</sup> Supplementary Offering Circular. To the best of the knowledge of RBC, having taken reasonable care to ensure that such is the case, the information contained in this 1<sup>st</sup> Supplementary Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This 1<sup>st</sup> Supplementary Offering Circular is supplemental to, and should be read in conjunction with, the Offering Circular and the documents incorporated by reference therein. This 1<sup>st</sup> Supplementary Offering Circular is to be read in conjunction with the following sections of the 1<sup>st</sup> Supplementary Prospectus (as amended herein):

- (i) Documents Incorporated by Reference;
- (ii) Issuer Ratings;
- (iii) Statement of No Significant Change; and
- (iv) Amendment to Statement Regarding Governmental, Legal or Arbitration Proceedings;

each of which will be deemed to be incorporated by reference herein, save that references to “**Base Prospectus**” shall be deemed to be to the “**Offering Circular**”, references to “**1<sup>st</sup> Supplementary Prospectus**” shall be deemed to be to the “**1<sup>st</sup> Supplementary Offering Circular**” and, references to “**Notes**” shall be deemed to be reference to “**Non PD Notes**”.

To the extent that there is any inconsistency between (a) any statement in this 1<sup>st</sup> Supplementary Offering Circular or any statement incorporated by reference into the Offering Circular by this 1<sup>st</sup> Supplementary Offering Circular and (b) any other statement in, or incorporated by reference in, the Offering Circular, the statements in (a) above will prevail.

Save as disclosed in this 1<sup>st</sup> Supplementary Offering Circular, no significant new factor, material mistake or inaccuracy relating to the information included in the Offering Circular which is capable of affecting the assessment of Non PD Notes issued under the Programme has arisen or been noted, as the case may be, since the publication of the Offering Circular.