



**ROYAL BANK OF CANADA**  
*(a Canadian chartered bank)*

**€32,000,000,000**  
**Global Covered Bond Programme**  
***unconditionally and irrevocably guaranteed as to payments by***

**RBC COVERED BOND GUARANTOR LIMITED PARTNERSHIP**  
***(a limited partnership formed under the laws of Ontario)***

This Supplement (the “**Supplement**”) to the Prospectus dated July 31, 2015, as supplemented by the 1<sup>st</sup> Supplementary Prospectus dated September 8, 2015 (together, the “**Prospectus**”), which comprises a base prospectus under Article 5.4 of the Prospectus Directive for Royal Bank of Canada (“**RBC**” or the “**Issuer**”), constitutes a supplementary prospectus in respect of the base prospectus for RBC for purposes of Section 87G of the *Financial Services and Markets Act 2000* (the “**FSMA**”) and is prepared in connection with €32,000,000,000 Global Covered Bond Programme of Royal Bank of Canada, unconditionally and irrevocably guaranteed as to payments by RBC Covered Bond Guarantor Limited Partnership (the “**Guarantor LP**”), established by RBC.

Terms defined in the Prospectus have the same meaning when used in this Supplement. The Supplement is supplemental to, and shall be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by RBC.

RBC and the Guarantor LP accept responsibility for the information in this Supplement. To the best of the knowledge of RBC and the Guarantor LP, having taken reasonable care to ensure that such is the case, the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this Supplement is to (a) incorporate by reference in the Prospectus the Issuer’s latest audited consolidated financial statements (including management’s discussion and analysis thereof) and Annual Information Form; (b) incorporate by reference in the Prospectus the Investor Report dated October 30, 2015; (c) include new statements in respect of material adverse change and significant change; (d) to supplement the section

entitled “Risk Factors” in the Registration Document incorporated by reference into the Prospectus in light of the publication of the latest Management’s Discussion and Analysis by introducing new risk factors relating to weaker oil and gas prices and exposure to more volatile sectors; and (e) to update the section entitled “Issuer Ratings” in the Registration Document incorporated by reference into the Prospectus in light of the publication of the Annual Information Form.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in, or incorporated by reference in, the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Programme has arisen or been noted, as the case may be, since the publication of the 1<sup>st</sup> Supplementary Prospectus dated September 8, 2015.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents are, by virtue of this Supplement, incorporated in, and form part of, the Prospectus:

- (i) RBC's Annual Information Form dated December 2, 2015 (the "**2015 AIF**");
  - (ii) the following sections of RBC's 2015 Annual Report (the "**2015 Annual Report**") for the year ended October 31, 2015:
    - (a) the Management's Discussion and Analysis on pages 9 through 115 (the "**2015 MD&A**"); and
    - (b) the audited consolidated financial statements, which comprise the consolidated balance sheets as at October 31, 2015 and October 31, 2014, and the consolidated statements of income, statements of comprehensive income, statements of changes in equity, and statements of cash flows for each of the years in the three-year period ended October 31, 2015, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, together with the Report of Independent Registered Public Accounting Firm thereon on pages 116 through 209 (the "**2015 Audited Consolidated Financial Statements**") (excluding, for greater certainty, Management's Report on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm thereon on pages 118 and 119, respectively),
- the remainder of the 2015 Annual Report is either not relevant for prospective investors or covered elsewhere in this Supplement and is not incorporated by reference; and
- (c) the Investor Report dated October 30, 2015 (the "**Investor Report**").

The 2015 AIF, the 2015 Audited Consolidated Financial Statements, the 2015 MD&A and the Investor Report 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 2015 AIF, the 2015 Audited Consolidated Financial Statements, the 2015 MD&A and the Investor Report shall not form part of this Supplement.

Copies of this Supplement, the 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 200 Bay Street, 4<sup>th</sup> Floor, North Tower, Toronto, Ontario, Canada M5J 2W7, Attention: Vice President & Head, 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, England, Attention: Manager, EMEA Corporate & Sovereign Department. Certain of the documents incorporated by reference in the Prospectus or this Supplement 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 <http://www.SEDAR.com> (an internet based securities regulatory filing system), and (b) at the U.S. Securities and Exchange Commission's website at <http://www.sec.gov> which websites are not incorporated in, and do not form part of, the Prospectus.

## **STATEMENT OF NO MATERIAL ADVERSE CHANGE**

Since October 31, 2015, the date of the most recently published audited consolidated financial statements of the Issuer, there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole.

## **STATEMENT OF NO SIGNIFICANT CHANGE**

Since October 31, 2015, 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.

## **RISK FACTORS**

The section entitled "Risk Factors" in the Registration Document incorporated by reference in the Prospectus is supplemented by the following:

**Weak oil and gas prices:** Oil prices continued to be low throughout 2015 and are forecast to remain depressed in the near future. This has had a severe, direct impact on the energy sector and has led, indirectly, to a softening of the housing market in Alberta. A failure to manage this risk could have an adverse effect on the Issuer's results of operations and financial position.

**Exposure to more volatile sectors:** The Issuer's wholesale loan growth has been strong in recent years, largely driven by Capital Markets. Demand for lending related to commercial real estate and leveraged financing has been particularly strong. In the event of significant economic deterioration, this may have an adverse effect on the Issuer's results of operations and financial condition.

## **ISSUER RATINGS**

The section entitled "Issuer Ratings" on page 20 of the Registration Document incorporated by reference is updated in its entirety by the section entitled "Ratings" on pages 12 to 14 of the 2015 AIF and the explanations of the ratings set out in "Appendix B - Explanation of Ratings and Outlook" of the 2015 AIF incorporated herein by reference.