

3rd SUPPLEMENTARY PROSPECTUS DATED MAY 30, 2018



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 Supplementary Prospectus (the “**3rd Supplementary Prospectus**”) to the Prospectus dated September 8, 2017, as supplemented by the 1st Supplementary Prospectus dated December 1, 2017 and the 2nd Supplementary Prospectus dated February 28, 2018 (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 3rd Supplementary Prospectus. The 3rd Supplementary Prospectus 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 3rd Supplementary Prospectus. 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 3rd 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 3rd Supplementary Prospectus is to (a) incorporate by reference in the Prospectus the Issuer's unaudited interim condensed consolidated financial statements (the "**Second Quarter 2018 Financial Statements**"), together with Management's Discussion and Analysis (the "**Second Quarter 2018 MD&A**") for the three- and six-month periods ended April 30, 2018 set out in the Issuer's Second Quarter 2018 Report to Shareholders (the "**Second Quarter 2018 Report to Shareholders**"); (b) incorporate by reference in the Prospectus the Investor Report dated April 30, 2018 (the "**Investor Report**"); (c) include a new statement in respect of no significant change; (d) update the Issuer's ratings disclosure in light of the recent ratings changes by DBRS Limited ("**DBRS Canada**"); (e) to disclose a recent development in relation to the Canadian bail-in regime and consequently to update one of the risk factors in the Prospectus; and (f) following the publication of the Second Quarter 2018 Report to Shareholders, update paragraph 4 of the section entitled "General Information and Recent Developments" in the 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.

To the extent that there is any inconsistency between (a) any statement in this 3rd Supplementary Prospectus or any statement incorporated by reference into the Prospectus by this 3rd Supplementary Prospectus; and (b) any other statement in, or incorporated by reference in, the Prospectus, the statements referenced in (a) above will prevail.

Save as disclosed in this 3rd Supplementary Prospectus, 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 2nd Supplementary Prospectus dated February 28, 2018.

DOCUMENTS INCORPORATED BY REFERENCE

The Second Quarter 2018 Financial Statements, together with the Second Quarter 2018 MD&A, set out on pages 2 through 87 of the Second Quarter 2018 Report to Shareholders are, by virtue of this 3rd Supplementary Prospectus, incorporated in, and form part of, the Prospectus. The remainder of the Second Quarter 2018 Report to Shareholders is either covered elsewhere in the Prospectus or is not relevant for investors. The Investor Report is, by virtue of this 3rd Supplementary Prospectus, incorporated in, and forms part of, the Prospectus.

The Second Quarter 2018 Financial Statements, Second Quarter 2018 MD&A and Second Quarter 2018 Report to Shareholders and the Investor Report have 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 Second Quarter 2018 Financial Statements, Second Quarter 2018 MD&A, Second Quarter 2018 Report to Shareholders and Investor Report shall not form part of this 3rd Supplementary Prospectus.

Copies of this 3rd Supplementary Prospectus, 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 13th Floor, 155 Wellington Street West, Toronto, Ontario, Canada M5V 3K7, Attention: Senior Vice President, Performance Management 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, England, Attention: Manager, EMEA Corporate & Sovereign Department. Certain of the documents incorporated by reference in the Prospectus or this 3rd 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 <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 SIGNIFICANT CHANGE

There has been no significant change in the financial position of the Issuer and its consolidated subsidiaries taken as a whole since April 30, 2018, the last day of the financial period in respect of which the most recent unaudited interim condensed consolidated financial statements of the Issuer have been prepared, or of the financial position or trading position of the Guarantor LP since October 5, 2007, being the date of its formation.

ISSUER RATINGS

On April 19, 2018, DBRS Canada affirmed the Issuer’s stable outlook. After assessing the impact of the Canadian Bail-in regime for domestic systemically important banks (the “**Bail-in Regime**”), which include the Issuer, DBRS Canada lowered the Issuer’s debt rating on subordinated debt issued prior to 2014 by one notch, along with the Issuer’s large Canadian peers, reflecting the structural subordination to the bail-in instruments. DBRS Canada also noted that a downgrade of any long-term ratings of existing senior obligations is unlikely.

As a result, the DBRS Canada’s issuer ratings for the Issuer set out on page 20 of the Registration Document dated January 31, 2017 and incorporated by reference in the Prospectus are amended and restated by the following:

	DBRS Canada
Long-term Senior Debt / Issuer Default Rating (Fitch)	AA
Bank Subordinated Debt ¹	A(high)
Short-term Debt / Issuer Default Rating (Fitch)	R-1(high)
Preferred Shares ²	Pfd-2(high)

	DBRS Canada
Deposit Rating (Short-term/ Long-term)	*
Counterparty Risk Assessment (Short-term/ Long-term)	*
Derivative Counterparty Risk Rating (Short-term/ Long-term)	*
Outlook	Stable

^{1.} The Issuer's Basel III-compliant subordinated notes issued after January 1, 2014 have different ratings from these ratings. They are rated "A-" by S&P USA, "Baa2 (hyb)" by Moody's USA and "A (low)" by DBRS Canada.

^{2.} The Issuer's Basel III-compliant preferred shares issued after January 1, 2014 received different credit ratings from the ratings shown in the above table. They are rated "Pfd-2" by DBRS Canada, "P-2" by S&P USA using the S&P Canadian scale for preferred shares and "BBB" using S&P USA's global scale for preferred shares.

* Not assigned/applicable

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

RECENT DEVELOPMENT AND UPDATE OF RISK FACTOR

On June 22, 2016, legislation came into force amending the *Bank Act* (Canada) (the "**Bank Act**") and the *Canada Deposit Insurance Corporation Act* (Canada) (the "**CDIC Act**") and certain other federal statutes pertaining to banks to create a bail-in regime for Canada's domestically systemically important banks, which include the Issuer. On April 18, 2018, the Government of Canada published regulations under the CDIC Act and the Bank Act providing the final details of conversion, issuance and compensation regimes for bail-in instruments issued by domestic systemically important banks, including the Issuer (collectively, the "**Bail-In Regulations**"). The Bail-In Regulations have confirmed that Covered Bonds will not be treated as bail-inable instruments.

As a result of this determination, the risk factor entitled "**Changes in law could adversely affect the ability of the Issuer and the Guarantor LP to meet their respective obligations**" on page 42 of the Prospectus is hereby deleted and replaced with the following:

"Changes in law could adversely affect the ability of the Issuer and the Guarantor LP to meet their respective obligations"

The structure of the issue of the Covered Bonds and the ratings which are to be assigned to them are based on the laws of Ontario and the laws of Canada applicable therein, and in the case of the Swap Agreements the laws of England, including federal banking, bankruptcy and income tax laws in effect as at the date of this document. No assurance can be given as to the impact of any possible judicial decision or change to such laws or administrative practice, including the applicable laws, regulations and policies with respect to the issuance of covered

bonds, the Covered Bonds themselves or the bankruptcy and receivership of the Issuer or the Guarantor LP after the date of this document and before or after the date on which the Covered Bonds are issued, nor can any assurance be given as to whether any such change, could adversely affect the ability of the Issuer to meet its obligations in respect of the Covered Bonds or the Guarantor LP to meet its obligations under the Covered Bond Guarantee. Any such change could materially adversely impact the value of any Covered Bonds affected by it.”

AMENDMENT TO STATEMENT REGARDING GOVERNMENTAL, LEGAL OR ARBITRATION PROCEEDINGS

Paragraph 4 of the section entitled “General Information and Recent Developments” on page 271 of the 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 23 of the Issuer’s 2017 Audited Consolidated Financial Statements set out on page 189 of the Issuer’s 2017 Annual Report, and the matters disclosed (with the exception of the subsection entitled “Other matters”) in Note 26 of the 2017 Audited Consolidated Financial Statements set out on pages 193 and 194 of the Issuer’s 2017 Annual Report and incorporated by reference herein, as updated by the litigation matters disclosed in Note 11 of the Issuer’s Second Quarter 2018 Financial Statements set out on page 85 of the Issuer’s Second Quarter 2018 Report to Shareholders and incorporated by reference herein, there are no, nor have there been any governmental, legal or arbitration proceedings involving the Issuer or any of its subsidiaries or the Guarantor LP (including any such proceedings which are pending or threatened of which the Issuer or Guarantor LP 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 or the Guarantor LP.”