

MIFID II PRODUCT GOVERNANCE / TARGET MARKET - Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Final Terms dated May 3, 2018



ROYAL BANK OF CANADA
(a Canadian chartered bank)
(the "Issuer")

Issue of ZAR 300,000,000 8.45 per cent. Notes due May 8, 2023
issued pursuant to the Base Prospectus as part of the
Programme for the Issue of Securities

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated January 31, 2018 and the supplemental Prospectus dated February 28, 2018 which together constitute a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC as amended (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus, together with all documents incorporated by reference therein, are available for viewing 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 Royal Bank of Canada and the headline “Publication of Prospectus” and copies may be obtained from the offices of the Issuer, 13th Floor, 155 Wellington Street, Toronto, Ontario, Canada M5V3K7 and the offices of the Issuing and Paying Agent, One Canada Square, London E14 5AL, England.

1. (i) Series Number: 37826
- (ii) Tranche Number: 1
- (iii) Date on which the Notes become fungible: Not Applicable
2. Specified Currency or Currencies: South African Rand (“**ZAR**”)
(Condition 1.11)
3. Aggregate Principal Amount:
 - (i) Series: ZAR 300,000,000
 - (ii) Tranche: ZAR 300,000,000
4. Issue Price: 100 per cent. of the Aggregate Principal Amount
5. (i) Specified Denominations: ZAR 2,000,000
(Condition 1.08 or 1.09)
- (ii) Calculation Amount: ZAR 2,000,000
- (iii) Minimum Trading Size: Applicable: ZAR 2,000,000
6. (i) Issue Date: May 8, 2018
- (ii) Interest Commencement Date: Issue Date
7. Maturity Date: May 8, 2023
8. Interest Basis: 8.45 per cent. Fixed Rate
(Further particulars specified below)
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes would be redeemed on the Maturity Date at par
10. Change of Interest Basis: Not Applicable
11. Put Option/ Call Option: Not Applicable
12. (i) Date of Board approval for issuance of Notes obtained: Not Applicable
- (ii) Status of the Notes: Senior Notes

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions (Condition 5.02 and 5.02a)	Applicable
(i) Rate(s) of Interest:	8.45 per cent. per annum payable annually in arrear on each Interest Payment Date
(ii) Interest Payment Date(s):	May 8 in each year, commencing May 8, 2019, up to and including the Maturity Date, adjusted for payment day purposes only in accordance with the Business Day Convention specified in paragraph 13(iv) below
(iii) Adjusted Interest Periods:	Not Applicable
(iv) Business Day Convention:	Following Business Day Convention
(v) Business Centre(s):	Johannesburg, London, New York and Toronto
(vi) Fixed Coupon Amount:	ZAR 169,000 per Calculation Amount
(vii) Broken Amount(s):	Not Applicable
(viii) Day Count Fraction:	Actual/Actual (ICMA)
(ix) Determination Dates:	May 8
(x) Default Rate:	As set out in Condition 5.04
(xi) Calculation Agent:	Not Applicable
(xii) Fixed Rate Resettable Note Provisions (Condition 5.02b)	Not Applicable
14. Floating Rate Note Provisions (Condition 5.03)	Not Applicable
15. Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

16. Call Option (Condition 6.03)	Not Applicable
17. Put Option (Condition 6.06)	Not Applicable
18. Final Redemption Amount of each Note	Par

19. Early Redemption Amount

- (i) Early Redemption Amount(s) payable on redemption for taxation reasons, Regulatory Event or on event of default: ZAR 2,000,000 per Calculation Amount
- (ii) Early Redemption Amount includes amount in respect of accrued interest: No: together with the Early Redemption Amount, accrued interest shall also be paid

- 20. Provisions relating to the NVCC Automatic Conversion**
(Condition 8) Not Applicable: the Notes are not Subordinated Notes

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. (i) Form of Notes: Bearer Notes
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
Exchange Date: June 17, 2018
- (ii) New Global Note: No
22. Financial Centre(s) or other special provisions relating to payment dates: Johannesburg, London, New York and Toronto
23. Relevant Renmibi Settlement Centre: Not Applicable
24. Calculation Agent for purposes of Condition 9.16 (if other than Fiscal Agent): Not Applicable
25. Name and address of RMB Rate Calculation Agent (for purpose of Condition 9.17): Not Applicable
26. Branch of Account: Main branch in Toronto
27. Unmatured Coupons missing upon Early Redemption: Condition 10.06(i) applies
28. Talons for future Coupons to be attached to Definitive Notes (Condition 1.06) No
29. Issuer access to register of creditors (Sw. *skuldboken*) in respect of Swedish Notes: Not Applicable
30. Alternative Currency Payment: Applicable
Alternative Currency: United States Dollars (USD)

Signed on behalf of the Issuer:

By: /s/ Ken Mason
Duly authorised

By: /s/ Rajneesh Sharma
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing/Admission to Trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the UKLA Stock Exchange and to trading on the London Stock Exchange's regulated market with effect from May 8, 2018.
- (ii) Estimate of total expenses related to admission: GBP 300

2. RATINGS

Ratings: Not Applicable

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to NatWest Markets plc as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. *Fixed Rate Notes only* – YIELD

Indication of yield: 8.45 per cent.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield

5. OPERATIONAL INFORMATION

- (i) ISIN: XS1817688788
- (ii) Common Code: 181768878
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme, their addresses and the relevant identification number(s): Not Applicable
- (vi) Names and addresses of additional Paying Agent(s), Registrar and Transfer Agents (if any): Not Applicable
- (v) Intended to be held in a manner which would allow Eurosystem eligibility: Not Applicable

6. DISTRIBUTION

- (i) Canadian Selling Restrictions: Canadian Sales Not Permitted
- (ii) Prohibition of Sales to EEA Retail Investors: Not Applicable
- (iii) Whether TEFRA D or TEFRA C applicable or TEFRA Rules not applicable: TEFRA D Rules applicable

7. USE OF PROCEEDS

As per Prospectus