

This pricing supplement, together with the short form base shelf prospectus dated January 21, 2016, the prospectus supplement thereto dated April 20, 2016 in respect of the distribution of Covered Bonds under our Covered Bond Programme and each document incorporated by reference therein, constitutes a public offering of securities pursuant to such prospectus only in the jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The securities to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. The securities to be issued hereunder are being sold only outside the United States to non-U.S. Persons (as defined under Regulation S under the U.S. Securities Act) and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly, in the United States of America or to or for the account or benefit of U.S. persons.

THESE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE DOCUMENT. THESE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

PRICING SUPPLEMENT DATED April 21, 2016 (to the short form base shelf prospectus dated January 21, 2016 and the prospectus supplement thereto dated April 20, 2016 in respect of the distribution of Covered Bonds under our Covered Bond Programme)



**ROYAL BANK OF CANADA
COVERED BOND PROGRAMME**

**ISSUE OF \$2,000,000,000
1.40% COVERED BONDS
DUE APRIL 26, 2019**

*unconditionally and irrevocably guaranteed as to payments by
**RBC COVERED BOND GUARANTOR
LIMITED PARTNERSHIP**
(a limited partnership formed under the laws of Ontario)*

PART A – CONTRACTUAL TERMS

This document constitutes the pricing supplement in respect of the Covered Bonds described herein. Full information on the Bank and these Covered Bonds is only available on the basis of the combination of this pricing supplement, the short form base shelf prospectus dated January 21, 2016, the prospectus supplement thereto dated April 20, 2016 in respect of the distribution of Covered Bonds under our Covered Bond Programme, and each document incorporated by reference therein. References in the Conditions to Final Terms shall be deemed to be references to the terms set out in Part A below.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the prospectus supplement dated April 20, 2016.

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|----|-------|---|---|
| 1. | (i) | Series Number: | CB32 |
| | (ii) | Tranche Number: | 1 |
| | (iii) | Date on which the Covered Bonds become fungible: | Not Applicable |
| 2. | | Specified Currency or Currencies:
(Condition 1.10) | Canadian dollars |
| 3. | | Aggregate Principal Amount | |
| | (i) | Series: | \$2,000,000,000 |
| | (ii) | Tranche: | \$2,000,000,000 |
| 4. | | Issue Price: | 99.968% of the Aggregate Principal Amount |
| 5. | (a) | Specified Denominations: | \$1,000 and integral multiples of \$1,000 in excess thereof |

	(Condition 1.09)	
	(b) Calculation Amount:	\$1,000
6.	(i) Issue Date:	April 26, 2016
	(ii) Interest Commencement Date:	Issue Date
7.	(i) Final Maturity Date:	April 26, 2019
	(ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	April 26, 2020
8.	Interest Basis:	1.40% Fixed Rate payable semi-annually in arrears from and including the Interest Commencement Date to but excluding the Final Maturity Date; and 30 day Bankers' Acceptance Rate (as defined below) plus 0.47% per annum Floating Rate payable monthly in arrears and subject to adjustment from and including the Final Maturity Date to but excluding the Extended Due for Payment Date.
9.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date or Extended Due for Payment Date, as applicable, at par.
10.	Change of Interest Basis:	Applicable, see item 8 above.
11.	Put Option/Call Option:	Not Applicable
12.	Date of Board approval for issuance of Covered Bonds obtained:	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Covered Bond Provisions (Condition 5.02)	Applicable from and including the Interest Commencement Date to but excluding the Final Maturity Date.
	(i) Rate of Interest:	1.40% per annum payable in arrears on each Interest Payment Date.
	(ii) Interest Payment Date(s):	April 26 and October 26 of each year, commencing October 26, 2016, up to and including the Final Maturity Date.
	(iii) Business Day Conventions:	Following Business Day Convention without adjustment.
	(iv) Business Centre(s):	Toronto
	(v) Fixed Coupon Amount(s):	\$7.00 per Calculation Amount
	(vi) Broken Amount(s):	Not Applicable
	(vii) Day Count Fraction:	Actual/Actual (Canadian Compound Method). “ Actual/Actual (Canadian Compound Method) ” means 30/360 for the Fixed Interest Period, and Actual/365 (Fixed) for any period less than the Fixed Interest Period.
	(viii) Determination Dates:	Not Applicable
	(ix) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds:	Not Applicable.

14.	Floating Rate Covered Bond Provisions (Condition 5.03)	Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date.
(i)	Specified Period(s):	The period from and including each Specified Interest Payment Date to but excluding the following Specified Interest Payment Date with the first such period being the period from and including the Final Maturity Date to but excluding the first Specified Interest Payment Date.
(ii)	Specified Interest Payment Date:	The 26 th day of each month from but excluding the Final Maturity Date to and including the Extended Due for Payment Date.
(iii)	First Interest Payment Date:	May 26, 2019
(iv)	Business Day Convention:	Modified Following Business Day Convention
(v)	Business Centre(s):	Toronto
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	RBC Dominion Securities Inc. shall be the Calculation Agent.
(viii)	Screen Rate Determination:	Applicable
	– Reference Rate:	30 day Bankers' Acceptance Rate in respect of the period from and including the Final Maturity Date to but excluding the Extended Due for Payment Date. " 30 day Bankers' Acceptance Rate " means the average bid rate (expressed as an annual percentage rate) rounded to the nearest one-hundred thousandth of 1.00% (with .000005% being rounded up) for Canadian dollar bankers' acceptances with maturities of one month which appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date (subject to item 14(xv) below).
	– Interest Determination Date(s):	First day of each Interest Period.
	– Relevant Screen Page:	The display designated as CDOR on the Reuters Screen (or such other page as may replace the CDOR page on that Service) for purposes of displaying Canadian dollar bankers' acceptance rates.
	– Relevant Time:	10:00am (Toronto time)
	– Reference Banks:	Not Applicable
	– Relevant Financial Centre:	Not Applicable
	– Principal Financial Centre:	Not Applicable
(ix)	ISDA Determination:	Not Applicable
(x)	Linear Interpolation:	Not Applicable
(xi)	Margin(s):	0.47% per annum
(xii)	Minimum Rate of Interest: (Condition 5.05)	Not Applicable
(xiii)	Maximum Rate of Interest: (Condition 5.05)	Not Applicable
(xiv)	Day Count Fraction:	Actual/365 (Fixed)
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different than those set out in the	

Conditions:

If the 30 day Bankers' Acceptance Rate does not appear on the Relevant Screen Page or the Relevant Screen Page is not available on an Interest Determination Date, the Calculation Agent shall request that the principal Toronto office of each of four major Canadian Schedule I chartered banks nominated by the Calculation Agent provide the Calculation Agent with its bid rate (expressed as a percentage rate per annum) for 30 day bankers' acceptances in Canadian dollars for settlement on such Interest Determination Date and in an amount approximately equal to the Aggregate Principal Amount of the Covered Bonds then outstanding accepted by such banks as at the Relevant Time on such Interest Determination Date. If two or more of such banks provide the Calculation Agent with such bid rates as requested, the Reference Rate for such Interest Determination Date shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of such offered quotations, as determined by the Calculation Agent. If fewer than two quotations are provided as requested, the Reference Rate for such Interest Determination Date shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 rounded upwards) of the bid rates quoted by major banks in Toronto, selected by the Calculation Agent, for 30 day bankers' acceptances in Canadian dollars for settlement on such Interest Determination Date and in an amount approximately equal to the Aggregate Principal Amount of the Covered Bonds accepted by those banks as at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent.

15. **Zero Coupon Covered Bond** 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 Covered Bond** \$1,000 per Calculation Amount

19. **Early Redemption Amount**

Early Redemption Amount(s) payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor LP Event of Default or other early redemption and method, if any, of calculation of such amount(s):

\$1,000 per Calculation Amount

Early Redemption Amount includes amount in respect of accrued interest:

No: together with the Early Redemption Amount, accrued interest shall also be paid.

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

20. Form of the Covered Bonds: Registered Covered Bonds book-entry only. See "Book-Entry Only Securities" in the base shelf prospectus dated January 21, 2016.

21. New Global Covered Bond: No

22. Financial Centre(s) or other special provisions relating to payment dates: Toronto

23. Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): No

24. Euro Conversion Rate: The Aggregate Principal Amount of the Covered Bonds issued has been translated into euros at the rate of €1.00 = \$1.4284

RESPONSIBILITY

The Bank and the Guarantor LP accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Bank:

(signed)

“David Power”

(signed)

“James Salem”

Signed on behalf of the Managing GP for and on behalf of the
Guarantor LP:

(signed)

“David Power”

PART B – OTHER INFORMATION

1. LISTING

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| (i) | Listing and admission to trading: | Not Applicable |
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2. RATINGS

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| Ratings: | The Covered Bonds to be issued have been rated:

Moody's: Aaa
Fitch: AAA
DBRS: AAA |
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3. INVESTOR REPORT

The most recently published monthly Investor Report is the March 31, 2016 Investor Report hereby incorporated by reference and available on the Bank's website at http://www.rbc.com/investorrelations/fixed_income/covered-bonds-terms.html and at www.sedar.com.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

Save as discussed in "*Plan of Distribution*" in the prospectus supplement dated April 20, 2016, so far as the Bank is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.

5. FIXED RATE COVERED BONDS ONLY – YIELD

- | | |
|----------------------|--------|
| Indication of yield: | 1.411% |
|----------------------|--------|

6. OPERATIONAL INFORMATION

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|-------|--------------|----------------|
| (i) | ISIN Code: | CA780086MN13 |
| (ii) | Common Code: | 140195685 |
| (iii) | WKN Code: | Not Applicable |
| (iv) | CUSIP: | 780086MN1 |
| (v) | CINS: | Not Applicable |

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|------|---|
| (vi) | Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking Société Anonyme, DTC, CDS, their addresses and the relevant identification number(s): |
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The Covered Bonds are settled through CDS which is directly linked to Euroclear and Clearstream through the CDS accounts of their Canadian subcustodians.

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| (vii) | Delivery |
| (viii) | Name(s) and address(es) of additional Paying Agent(s) or Transfer Agent(s): |

Delivery free of payment

Royal Bank of Canada, acting through its offices located at 55 Wellington Street West, 14th Floor, South Tower, Toronto, Ontario M5V 3K7, has been appointed as Issuing and Paying Agent in respect of the Covered Bonds.

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| (ix) | Intended to be held in a manner which would allow Eurosystem eligibility: |
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Not Applicable

7. DISTRIBUTION

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|-------|----------------------------------|---|
| (i) | U.S. Selling Restrictions: | Regulation S, compliance Category 2; TEFRA Rules not applicable |
| (ii) | Canadian selling restrictions: | Not Applicable |
| (iii) | Method of distribution: | Syndicated. |
| (iv) | If syndicated, names of Dealers: | <u>Lead and Bookrunner:</u>
RBC Dominion Securities Inc. |

Canadian Syndicate:

TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Desjardins Securities Inc., Merrill Lynch Canada Inc., National Bank Financial Inc., Scotia Capital Inc., Citigroup Global Markets Canada Inc., HSBC Securities (Canada) Inc., Wells Fargo Securities Canada, Ltd., Laurentian Bank Securities Inc., Manulife Securities Incorporated.

The Bank wholly-owns RBC Dominion Securities Inc., one of the Dealers. The Bank is a related and connected issuer of RBC Dominion Securities Inc. under applicable securities legislation. The decision to distribute the Covered Bonds and the determination of the terms of this offering were made through negotiations between the Bank on the one hand and the Dealers on the other. TD Securities Inc., a Dealer in respect of which the Bank is not a related or connected issuer, has participated in the structuring and pricing of the offering and in the due diligence activities performed by the Dealers for the offering. RBC Dominion Securities Inc. will not receive any benefit from the Bank in connection with this offering other than a portion of the Dealers' fee.

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| (v) | Stabilisation Manager(s) (if any): | Not Applicable |
| (vi) | If non-syndicated, name of Dealer: | Not Applicable |

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| (vii) | Additional selling restrictions: | The selling restrictions set out under " <i>Transfer and Selling Restrictions</i> " in the international offering memorandum dated April 21, 2016, that is to accompany the Prospectus for sales outside Canada and the United States, apply to this offering of Covered Bonds. |
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8. PROSPECTUS FOR THE COVERED BONDS

The Covered Bonds offered hereunder are described in three separate documents: (i) the short form base shelf prospectus dated January 21, 2016 (the "**base shelf prospectus**"), (ii) the prospectus supplement dated April 20, 2016; and (iii) this pricing supplement, all of which collectively constitute the "prospectus" for the Covered Bonds. Covered Bonds described in this pricing supplement will be issued under the prospectus.

9. DOCUMENTS INCORPORATED BY REFERENCE

This pricing supplement is deemed to be incorporated by reference into the base shelf prospectus solely for the purpose of our Covered Bond Programme and the Covered Bonds issued hereunder. Other documents are also incorporated or deemed to be incorporated by reference into the base shelf prospectus and reference should be made to the base shelf prospectus for full particulars. Such documents include but are not limited to:

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| (i) | the Bank's Annual Information Form dated December 1, 2015 (including information on the Bank's corporate structure at page 1, intercorporate relationships at page 1, reporting segments at page 3 and business at pages 3 to 9); |
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- (ii) the Management's Discussion and Analysis on pages 9 through 114 of the Bank's 2015 Annual Report for the year ended October 31, 2015;
- (iii) 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 set out on pages 116 through 204 of the Bank's 2015 Annual Report for the year ended October 31, 2015;
- (iv) the Bank's unaudited interim condensed consolidated financial statements, together with Management's Discussion and Analysis for the three-month period ended January 31, 2016 set out on pages 2 through 79 in the Bank's First Quarter 2016 Report to Shareholders;
- (v) the Bank's management proxy circular dated February 8, 2016 for the Bank's annual meeting of common shareholders held on April 6, 2016; and
- (vi) the Bank's March 31, 2016 Investor Report.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this pricing supplement or the Prospectus is deemed to be modified or superseded, for purposes of this pricing supplement, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or therein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this pricing supplement.

Marketing Materials

The indicative term sheet dated April 20, 2016 (the "**Indicative Term Sheet**") and the final term sheet dated April 20, 2016 (the "**Final Term Sheet**"), in each case both in respect of the Covered Bonds offered hereunder and filed with the securities regulatory authorities in each province and territory of Canada, are specifically incorporated by reference into this pricing supplement, solely for the purpose of the Covered Bonds offered hereunder. Any additional marketing materials (as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed with the securities regulatory authorities in each of the provinces and territories of Canada in connection with the offering of Covered Bonds hereunder on or after the date hereof but prior to the termination of the distribution of the Covered Bonds under this pricing supplement (including any amendments to, or an amended version of, the marketing materials) are deemed to be incorporated by reference herein. Any marketing materials, including the Indicative Term Sheet and the Final Term Sheet, are not part of this pricing supplement to the extent that the contents of the marketing materials have been modified or superseded by a statement contained in an amendment to this pricing supplement.

10. CAUTION REGARDING FORWARD-LOOKING STATEMENTS

See "Caution Regarding Forward-Looking Statements" in the prospectus supplement dated April 20, 2016.

11. OTHER INFORMATION

The Bank's Consolidated Ratios of Earnings to Fixed Charges

The tables below set forth the Bank's consolidated ratios of earnings to fixed charges:

	For the 3 Months Ended Jan 31, 2016	For the 12 Months Ended Oct 31, 2015
Excluding Interest on Deposits	6.02	6.14
Including Interest on Deposits	2.63 ⁽¹⁾	2.53

(1) After giving effect to the issue of Series CB32 Covered Bonds, the Bank's consolidated ratios of earnings to fixed charges including interest on deposits for the 3 months ended January 31, 2016 would be 2.62. There would be no change to the other ratios noted above.

Financial Data

The selected consolidated financial data set out below are extracted from the Bank's consolidated financial statements as at and for the year ended October 31, 2015 and as at and for the three month period ended January 31, 2016.

	October 31, 2015 (\$ millions)	January 31, 2016 (\$ millions)
Subordinated debentures	7,362	9,854
Trust capital securities	0	0
RBC Trust capital securities included in non-controlling interest in subsidiaries	1,724	492
Preferred share liabilities	0	0
Preferred shares ⁽¹⁾	5,100	6,205
Common shares	14,573	17,774
Retained earnings ⁽²⁾	37,811	38,856
Treasury shares – preferred	(2)	(1)
– common	38	88
Other components of equity	4,626	6,393

(1) After giving effect to the offering of the Series BM preferred shares and the tender offer to purchase \$242 million of depositary shares, each of which respectively represent a 1/40th interest in a 5.50% Non-cumulative Perpetual First Preferred Share, Series C-1 and a 6.750% Fixed Rate/Floating Rate Non-cumulative First Preferred Share, Series C-2 (collectively, the “**Tender Offer**”), which settled on February 24, 2016, preferred shares would have amounted to approximately \$6,713 million as at January 31, 2016.

(2) After giving effect to the issuance cost and four quarters of dividends on the Series BM preferred shares, retained earnings would be reduced by approximately \$58 million as at January 31, 2016. After giving effect to the Tender Offer, retained earnings would be reduced by approximately \$23 million as at January 31, 2016. After giving effect to this offering of Series BM Preferred Shares and the Tender Offer, retained earnings would have amounted to approximately \$38,775 million as at January 31, 2016.

Canadian bail-in regime

On April 21, 2016, the Government of Canada (“**GoC**”) introduced legislation to amend the Bank Act, the Canada Deposit Insurance Corporation Act and certain other federal statutes pertaining to banks to create a bank recapitalization or bail-in regime for domestic systemically important banks (“**D-SIB**”). Under the regime, if the Superintendent of Financial Institutions is of the opinion that a D-SIB has ceased or is about to cease to be viable and its viability cannot be restored through the exercise of the Superintendent's powers, the GoC can, among other things, appoint the Canada Deposit Insurance Corporation (“**CDIC**”) as receiver of the bank and direct CDIC to convert certain shares and liabilities of the bank into common shares of the bank or any of its affiliates. The shares and liabilities that will be subject to the conversion, as well as the terms and conditions of conversion, are to be prescribed by regulations to be made at a future date. However, under the legislation, the conversion authority would not apply to shares and liabilities issued or originated before the date on which such regulations come into force unless, on or after such date, they are amended or, in the case of liabilities, their term is extended. Although the legislation requires that the Superintendent formally designate a bank as a D-SIB, the Superintendent has already stated that Royal Bank of Canada is considered to be a domestic systemically important bank. The legislation also provides that the Superintendent will require such designated D-SIBs to maintain a minimum capacity to absorb losses.

The legislation is to come into force on a date to be determined by the GoC once it has been approved by parliament and receives Royal Assent. The legislation may also be amended prior to being approved by Parliament.

Certificate of the Dealers

Dated: April 21, 2016

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement as required by the securities legislation of all provinces and territories of Canada.

TD SECURITIES INC.

(signed)
“Greg McDonald”

BMO NESBITT
BURNS INC.

(signed)
“Michael Cleary”

CIBC WORLD
MARKETS INC.

(signed)
“Amber Choudhry”

DESJARDINS
SECURITIES INC.

(signed)
“Michael Giansante”

MERRILL LYNCH
CANADA INC.

(signed)
“Jamie Hancock”

NATIONAL BANK
FINANCIAL INC.

(signed)
“Linda Roy”

SCOTIA CAPITAL
INC.

(signed)
“Graham Fry”

CITIGROUP GLOBAL MARKETS CANADA
INC.

(signed)
“Gaurav Marwaha”

HSBC SECURITIES (CANADA) INC.

(signed)
“David Loh”

WELLS FARGO SECURITIES CANADA, LTD.

(signed)
“Darin Deschamps”

LAURENTIAN BANK SECURITIES INC.

(signed)
“Thomas Berkey”

MANULIFE SECURITIES INCORPORATED

(signed)
“David MacLeod”