

ANNUAL COMPLIANCE CERTIFICATE

TO: Canada Mortgage and Housing Corporation

RE: Royal Bank of Canada's Registered Covered Bonds Program (the "Program")

Each of James Salem and David Power, hereby certifies, as Executive Vice-President and Treasurer of Royal Bank of Canada (the "**Issuer**") and Vice-President, Corporate Treasury of the Issuer, respectively, and not in his personal capacity, for the year ending July 31, 2015 (the "**Certificate Period**"), that:

(a) except as disclosed below with respect to waiver of set-off, the Issuer and the Program have complied with all conditions, obligations, restrictions and requirements contained in the Canadian Registered Covered Bond Programs Guide (in the version of the Guide applicable at the relevant time) and Part I.1 of the *National Housing Act* (Canada); and

(b) the Issuer has complied, in all material respects, with all securities laws, regulations and rules applicable to covered bonds which are promulgated by each jurisdiction and market in which covered bonds issued under the Program have been offered by it or have been listed or otherwise posted for trading by it.

Each of James Salem and David Power, hereby certifies, as Executive Vice-President and Treasurer of the Issuer and Vice-President, Corporate Treasury of the Issuer, respectively and not in his personal capacity that, as at July 31, 2015, being the last day of the Certificate Period, all loans held by RBC Covered Bond Guarantor Limited Partnership as the Program's covered bond collateral constitute Eligible Loans meeting the criteria of Section 21.6 of Part I.1 of the *National Housing Act* (Canada) and the requirements or qualifications set out in Section 4.2.1 (a) through (j) of the Canadian Registered Covered Bond Programs Guide. Between August 1, 2014 and October, 17, 2014 a *de minimus* number of loans held by RBC Covered Bond Guarantor Limited Partnership as the Program's covered bond collateral, to the extent they were extended, advanced or renewed on or after July 1, 2014, may not have included an express waiver on the part of the borrower in respect of any right of set-off.

Each of James Salem and David Power, hereby certifies, as Executive Vice-President and Treasurer of the Issuer and Vice-President, Corporate Treasury of the Issuer, respectively and not in his personal capacity that:

(a) each Lender has provided a Release of Security in relation to all Retained Loans and a Security Sharing Agreement has been entered into by the Issuer, each Lender and the guarantor entity; and

(b) the Issuer and each Lender have complied with the provisions of the Security Sharing Agreement (including those provisions relating to priority of payment and the servicing of Eligible Loans and Retained Loans) for the Certificate Period, except to the extent of any non-compliance which has been waived by the Bond Trustee and the Guarantor on the basis that such non-compliance would not be materially prejudicial to the interests of any of the Covered Bondholders.

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DATED October 30, 2015.

ROYAL BANK OF CANADA

Per: "James Salem"

Name: James Salem

Title: Executive Vice-President and
Treasurer

Per: "David Power"

Name: David Power

Title: Vice-President, Corporate Treasury