

\$110,000,000



ROYAL BANK OF CANADA

9.30% Debentures due 2023

(subordinated indebtedness)

To mature June 8, 2023

The subordinated indebtedness of Royal Bank of Canada (the "Bank") is evidenced by the 9.30% debentures due June 8, 2023 (the "Debentures"). The Debentures will not be redeemable and will bear interest at the rate of 9.30% per annum payable half-yearly in arrears on December 8 and June 8 in each year.

The Debentures will be direct unsecured obligations of the Bank which in the event of the insolvency or winding-up of the Bank will rank equally with the Bank's other debentures and will be subordinate in right of payment to the claims of depositors and other unsubordinated creditors of the Bank as described under "Details of the Offering — General".

Price: 99.88%

It is expected that the Debentures in definitive form will be available for delivery at closing on or about June 8, 1993 or such other date as may be agreed upon.



Table of Contents

	Page
Documents Incorporated by Reference	2
Royal Bank of Canada	3
Details of the Offering	3
Interest and Asset Coverages	4
Share and Loan Capital	4
Agency Agreement	4
Application of Proceeds	5
Transfer Agent and Registrar	5
Contractual Rights of Action for Rescission or Damages	5

Documents Incorporated by Reference

The following documents of the Bank are specifically incorporated by reference and form an integral part of this offering memorandum:

- (a) Annual Information Form dated December 1, 1992;
- (b) Audited consolidated financial statements for the year ended October 31, 1992 (which include comparative amounts for the year ended October 31, 1991) together with the auditors' report thereon;
- (c) Management Proxy Circular dated December 1, 1992 in connection with the Bank's annual meeting of shareholders held on January 20, 1993;
- (d) Unaudited interim financial statements for the three and six month periods ended January 31 and April 30, 1993 (which include comparative amounts for the corresponding periods in the preceding year) and the financial reviews relating thereto; and
- (e) Material change report dated March 29, 1993 filed with each securities administrator in Canada respecting an agreement in principle by which the Bank would purchase certain Canadian and international operating subsidiaries of Royal Trustco Limited.

Any documents of the type referred to in the preceding paragraph and any material change report (excluding confidential material change reports) filed by the Bank with a securities commission or any similar authority in Canada after the date of this offering memorandum and prior to the termination of the offering shall be deemed to be incorporated by reference herein.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this offering memorandum 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 modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this offering memorandum.

Royal Bank of Canada

Royal Bank of Canada (the "Bank") was chartered under the laws of the Province of Nova Scotia in 1869 and commenced operations in Halifax, Nova Scotia, in that year. Since 1871 the Bank has been a chartered bank under the Bank Act (Canada). The Bank's head office is located in the Royal Bank of Canada Building, 1 Place Ville Marie, Montreal, Quebec, H3C 3A9.

Details of the Offering

The following is a summary of the material attributes and characteristics of the Debentures offered hereby and does not purport to be complete. Reference is made to the Trust Indenture referred to below for the full text of such attributes and characteristics.

General

The Debentures offered hereby will be issued under a trust indenture dated as of October 1, 1984 (the "Original Indenture") between the Bank and Montreal Trust Company of Canada (the "Trustee"), as supplemented, including an eleventh supplemental indenture (the "Supplemental Indenture") to be dated on or about June 8, 1993 (the Original Indenture as so supplemented being hereinafter collectively referred to as the "Trust Indenture").

Debentures will be issued in fully registered form only, in denominations of \$1,000,000 and integral multiples thereof. Interest on the Debentures will be payable in lawful money of Canada by cheque drawn on the Bank and sent by prepaid mail to the registered holder. Payments of principal of the Debentures will be made against surrender of such Debentures at the main branch of the Bank in Montreal, Toronto or Winnipeg.

The Debentures will be direct unsecured obligations of the Bank constituting subordinated indebtedness for the purpose of the Bank Act, ranking equally and rateably with all other subordinated debentures from time to time issued and outstanding under the Trust Indenture and all other subordinated debentures issued by the Bank. In the event of the insolvency or winding-up of the Bank, the indebtedness evidenced by the Debentures, other debentures issued and outstanding under the Trust Indenture and all other subordinated debentures issued by the Bank are subordinate in right of payment to the prior payment in full of the deposit liabilities and other indebtedness of the Bank (except indebtedness which by its terms ranks equally with or subordinate to such debentures).

The Debentures will not be insured deposits as defined by the Canada Deposit Insurance Corporation Act.

The principal amount of the Debentures cannot be paid by the Bank at any time during the period of five years commencing with the date of issue of the Debentures except in the event of the insolvency or winding-up of the Bank.

Interest

Interest on the Debentures at the rate of 9.30% per annum is payable half-yearly in arrears, on December 8 and June 8 in each year, the first payment of which, representing interest from the date of issue, is to be made on December 8, 1993. If the date of issue is June 8, 1993, such interest payment is expected to be \$46,500 per \$1,000,000 principal amount of Debentures.

Redemption and Purchase

The Debentures will not be redeemable until maturity.

After the period of five years commencing with the date of issue of the Debentures and with the prior approval of the Superintendent of Financial Institutions, the Bank will have the right to purchase Debentures in the market or by tender or by private contract at any price.

Transfer

Transfer of the Debentures may be effected on the books maintained by the Trustee for such purpose at the principal office of the Trustee in the cities of Montreal, Toronto and Winnipeg.

Additional Debentures

The Trust Indenture and the trust indenture dated April 15, 1971 and indentures supplemental thereto (the "1971 Trust Indenture") under which outstanding debentures of the Bank were issued contain no restrictions on the amount of debentures which may be issued thereunder.

Covenant

The Trust Indenture will contain a covenant which will have the effect of prohibiting the Bank from creating, incurring or permitting the existence of indebtedness which, in the event of the insolvency or winding-up of the Bank, will rank subordinate to deposit liabilities and in priority to subordinated indebtedness issued and outstanding pursuant to the Trust Indenture or the 1971 Trust Indenture.

Modification

The Trust Indenture provides that modifications and alterations of the Trust Indenture and of the debentures issued thereunder may be made if authorized by extraordinary resolution. The term "extraordinary resolution" is defined in the Trust Indenture to mean, in effect, a resolution passed by the affirmative vote of the holders of not less than two-thirds of the debentures affected by such modification or alteration represented and voted at a meeting of such debenture holders or an instrument or instruments in writing signed by the holders of not less than two-thirds of such debentures then outstanding. If any modification or alteration affects the rights of the holders of any series of debentures in a manner substantially different from that in which it affects the holders of other series, such extraordinary resolution must, in addition, be approved in a similar manner by the holders of the series of debentures so affected.

Interest and Asset Coverages

The following consolidated financial ratios, which give effect to this issue are calculated for the 12 months ended April 30, 1993;

	April 30, 1993 (1)
Interest coverage on subordinated indebtedness	1.3 times
Net asset coverage for each \$1,000 of subordinated debentures	3.6 times

(1) Assuming as at April 30, 1993 for the Bank's floating rate debentures, a 3-month LIBOR of 3.31%, a 30-day Bankers' Acceptance rate of 4.85%, a 3-month LIMEAN of 3.25% and a 6-month LIBOR of 3.43% and assuming a conversion rate of C\$1.271 per US\$1.00.

Share and Loan Capital

The following table sets out the share and loan capital of the Bank as at April 30, 1993:

	As at April 30, 1993 (unaudited) (in millions of dollars)
Subordinated Debentures	\$3,131 (1)
Capital Stock — Preferred	2,221
— Common	2,910
Retained Earnings	3,233

(1) After giving effect to this issue, Subordinated Debentures would amount to \$3,241 million.

Agency Agreement

The Bank and Nesbitt Thomson Ltd. (the "Agent") have entered into an Agency Agreement pursuant to which the Bank will pay the Agent a fee, in consideration of advising the Bank and offering the Debentures for sale.

Application of Proceeds

The net proceeds to the Bank from the sale of the Debentures offered hereby, after deducting estimated expenses of the issue and the Agent's fee to be paid out of the general corporate funds of the Bank, will amount to \$109 million. The proceeds will be added to the Bank's general funds and will be utilized for general banking purposes. The purpose of this issue is to enlarge the Bank's capital base.

Transfer Agent and Registrar

Montreal Trust Company of Canada at its principal transfer office in the cities of Montreal, Toronto and Winnipeg will be the transfer agent and registrar for the Debentures.

Contractual Rights of Action for Rescission or Damages

Securities legislation in certain of the provinces of Canada provides investors with, in addition to any other right they may have at law, rights of rescission or damages, or both, where this Offering Memorandum and any amendment contains a misrepresentation. However, such rights must be exercised by investors within the prescribed time limits. Investors should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal adviser. The following is a concise description of the rights of rescission or damages, or both, available to investors under the securities legislation of Ontario. The rights are expressly conferred upon subscribers in the subscription agreements to be executed by investors in connection with the offering contemplated hereby.

Section 32 of the Regulations to the Securities Act (Ontario), provides, in effect, that when, in certain circumstances, an offering memorandum is or is required to be delivered to an investor to whom securities are sold, the investor must be given a contractual right of action against the issuer of the securities for rescission or damages.

This right of action must reasonably correspond to the rights provided in section 130 of the Ontario Act. In the event that this Offering Memorandum, together with any amendment, contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made (herein called a "misrepresentation") and it was a misrepresentation on the date of investment, an investor to whom this Offering Memorandum was sent or delivered and who purchases the Debentures shall have, subject as hereinafter provided, a right of action, exercisable in the case of Ontario on notice given not more than 90 days subsequent to the date on which payment was made for the securities offered hereunder, either for damages or alternatively of rescission against the Bank while still the owner of any of the Debentures provided that:

(a) the Bank will not be held liable under this paragraph if the investor purchased the Debentures with knowledge of the misrepresentation;

(b) in an action for damages, the Bank will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Debentures as a result of the misrepresentation relied upon;

(c) in no case will the amount recoverable exceed the price at which the Debentures were sold to the investor; and

(d) the rights herein conferred are in addition to any other right or remedy available at law to the investor.

The foregoing rights of action will be provided to investors in their subscription agreements.

The rights discussed above are in addition to and without derogation from any other rights or remedies which investors may have at law.