

**Dated June 24, 2019**



**ROYAL BANK OF CANADA**  
*(a Canadian chartered bank)*

**REGISTRATION DOCUMENT**

## INTRODUCTION

### What is this document?

According to Article 5.3 of Directive 2003/71/EC, as amended or superseded (the “**Prospectus Directive**”), a prospectus may be drawn up as a single document or separate documents. A prospectus composed of separate documents shall divide the required information into a registration document, a securities note and a summary note. This document constitutes a registration document (“**Registration Document**”) for the purposes of Article 5.3 of the Prospectus Directive and has been prepared for the purpose of giving information with respect to Royal Bank of Canada (the “**Bank**” or the “**Issuer**”) and its subsidiaries (together with the Bank, the “**RBC Group**”). The Registration Document contains information describing the Bank’s business activities as well as certain financial information and material risks faced by it which, according to the particular nature of the Bank and the debt or derivative securities which it may offer to the public or apply to have admitted to trading on a regulated market during the period of twelve months after the date hereof, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Bank. Some of the information is incorporated by reference into the Registration Document.

Information on any debt or derivative securities issued by the Bank may be found in a separate securities note containing disclosure on such debt or derivative securities (and, where appropriate, in the relevant summary note applicable to the relevant debt or derivative securities) which, together with this Registration Document, constitutes a prospectus issued in compliance with Article 5.3 of the Prospectus Directive.

### How do I use this Registration Document?

You should read and understand fully the contents of this Registration Document, including any documents incorporated by reference. This Registration Document contains important information about the Issuer, as well as describing certain risks relating to the Issuer and its business. An overview of the various sections comprising this Registration Document is set out below.

- The Caution Regarding Forward-Looking Statements section sets out considerations that should be taken into account when reading any statement relating to future events and circumstances.
- A Table of Contents section, with corresponding page references, is set out on page vi.
- The Risk Factors section describes the principal material risks that the Issuer believes could affect its results of operations or financial conditions and its ability to satisfy its obligations under any debt or derivative securities issued by it.
- The Documents Incorporated by Reference section sets out the information that is incorporated by reference into, and forms part of, this Registration Document. This Registration Document should be read together with all information which is deemed to be incorporated into the Registration Document by reference.

- The *Description of Royal Bank of Canada* section provides certain information about the Bank, including its history and development, principal activities and markets, principal markets in which it competes, organisational structure, Issuer ratings, summary financial information, directors, major shareholders and material contracts.
- The *General Information* section sets out further information on the Issuer which the Issuer is required to include under applicable rules. These include the availability of certain relevant documents for inspection and confirmations from the Bank.

### **Responsibility for the information contained in this Registration Document**

The Bank accepts responsibility for the information in this Registration Document. To the best of the knowledge of the Bank, having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Registration Document has been filed with, and approved by, the Financial Conduct Authority (the “**FCA**”) under Part VI of the Financial Services and Markets Act 2000 (the “**FSMA**”).

### **Credit Rating Agency Regulation notice**

Each of Moody’s Investors Service, Inc. (“**Moody’s USA**”), Standard & Poor’s Financial Services LLC (“**S&P USA**”), Fitch Ratings, Inc. (“**Fitch**”) and DBRS Limited (“**DBRS**”) has provided issuer ratings for the Issuer as specified under “*Description of Royal Bank of Canada – Issuer Ratings*”.

In accordance with Article 4.1 of the Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011 (the “**CRA Regulation**”), please note that the following documents (as defined in the section entitled “Documents Incorporated by Reference”) incorporated by reference in this Registration Document contain references to credit ratings from the same rating agencies as well as Kroll Bond Rating Agency (“**KBRA**”), which provided an unsolicited rating:

- (a) the 2018 AIF (pages 13, 14, 28, 29 and 30);
- (b) the 2018 Annual Report (page 78); and
- (c) the Second Quarter 2019 Report to Shareholders (page 37 and 38).

None of S&P USA, Moody’s USA, Fitch, DBRS or KBRA (collectively, the “**non-EU CRAs**”) is established in the European Union or has applied for registration under the CRA Regulation. However, S&P Global Ratings Europe Limited, Moody’s Investors Service Ltd., DBRS Ratings Limited and Fitch Ratings Ltd., which are affiliates of S&P USA, Moody’s USA, Fitch and DBRS, respectively, and which are established in the European Union and registered under the CRA Regulation have endorsed the ratings of their affiliated non-EU CRAs. KBRA is certified under the CRA Regulation. See “*Description of Royal Bank of Canada – Issuer Ratings*”.

### **Use of certain defined terms in this Registration Document**

All references in this Registration Document to “\$”, “C\$”, “CAD” or “Canadian dollars” are to the lawful currency of Canada. In this Registration Document, the term “PRA” shall mean the Prudential Regulation Authority.

## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, the Issuer makes written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. The Issuer may make forward-looking statements in this Registration Document and in the documents incorporated by reference herein, in other filings with Canadian regulators, the United States Securities and Exchange Commission or other securities regulators or, in reports to shareholders and in other communications. The forward-looking statements contained in this Registration Document and in the documents incorporated by reference herein include, but are not limited to, statements relating to the Issuer’s financial performance objectives, vision and strategic goals, the Economic, market and regulatory review and outlook for Canadian, U.S., European and global economies, the regulatory environment in which the Issuer operates and the risk environment including the Issuer’s liquidity and funding risk. The forward-looking information contained in this Registration Document is presented for the purpose of assisting the holders and potential purchasers of the debt or derivative securities issued by the Issuer and financial analysts in understanding the Issuer’s financial position and results of operations as at and for the periods ended on the dates presented as well as the Issuer’s financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”.

By their very nature, forward-looking statements require the Issuer to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that the Issuer’s predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that the Issuer’s assumptions may not be correct and that the Issuer’s financial performance objectives, vision and strategic goals will not be achieved. Readers are cautioned not to place undue reliance on these statements as a number of risk factors could cause the Issuer’s actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond the Issuer’s control and the effects of which can be difficult to predict – include: credit, market, liquidity and funding, insurance, operational, regulatory compliance, strategic, reputation, legal and regulatory environment, competitive and systemic risks and other risks discussed in the risk sections of the Issuer’s 2018 MD&A (as defined in the section entitled “Documents Incorporated by Reference”) contained in the Issuer’s 2018 Annual Report (and incorporated by reference herein) and in the Risk management section of the Issuer’s Second Quarter 2019 MD&A (as defined in the section entitled “Documents Incorporated by Reference”) contained in the Issuer’s Second Quarter 2019 Report to Shareholders (and incorporated by reference herein); including global uncertainty, Canadian housing and household indebtedness, information technology and cyber risk, regulatory changes, digital disruption and innovation, data and third party related risks, climate change, the business and economic conditions in the geographic regions in which the Issuer operates, the effects of changes in government fiscal, monetary and other policies, tax risk and transparency, and environmental and social risk.

The Issuer cautions that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect the Issuer’s results. When relying on the Issuer’s forward-looking statements

to make decisions with respect to the Issuer, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Material economic assumptions underlying the forward-looking statements contained in this Registration Document and in the documents incorporated by reference herein are set out in the Economic, market and regulatory review and outlook section and for each business segment under the Strategic priorities and Outlook headings of the Issuer's 2018 MD&A contained in its 2018 Annual Report, as updated by the economic, market and regulatory review and outlook section of the Issuer's Second Quarter 2019 MD&A contained in its Second Quarter 2019 Report to Shareholders, which sections are incorporated by reference herein. Except as required by law, none of the Issuer, any dealer appointed in relation to any issue of debt or derivative securities by the Issuer or any other person undertakes to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Issuer.

Additional information about these and other factors can be found in the risk sections of the Issuer's 2018 MD&A contained in its 2018 Annual Report and the Risk management section of the Issuer's Second Quarter 2019 MD&A contained in its Second Quarter 2019 Report to Shareholders, which sections are incorporated by reference herein.

## TABLE OF CONTENTS

INTRODUCTION.....	i
CAUTION REGARDING FORWARD-LOOKING STATEMENTS .....	iv
RISK FACTORS.....	1
DOCUMENTS INCORPORATED BY REFERENCE .....	16
DESCRIPTION OF ROYAL BANK OF CANADA .....	19
• History and Development of the Issuer .....	19
• RBC Group and its Principal Activities and Markets .....	19
• Issuer Ratings .....	20
• Financial Summary.....	21
• Directors.....	24
• Major Shareholders .....	25
• Material Contracts .....	25
• Recent Developments .....	25
GENERAL INFORMATION .....	26

---

## **RISK FACTORS**

*The Issuer is exposed to a variety of risks that could affect its results of operations or financial condition and believes that the following factors are material for the purpose of assessing risks associated with the Issuer. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring or the likelihood or extent to which any such contingencies may affect the ability of the Issuer to pay interest, principal or other amounts on or in connection with any debt or derivative securities issued by it.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in debt or derivative securities issued by it, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any debt or derivative securities issued by it or deliver the specified assets in connection with physical delivery debt or derivative securities issued by it may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any debt or derivative securities issued by it are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its results of operations or financial condition or affect the ability of the Issuer to pay interest, principal or other amounts on or in connection with any debt or derivative securities issued by it or deliver the specified assets in connection with physical delivery debt or derivative securities issued by it. Prospective investors should also read the detailed information set out elsewhere in this document (including information incorporated by reference) and any applicable securities note (and, where appropriate, summary note), final terms or pricing supplement to reach their own views prior to making any investment decisions.*

### **Factors which are material for the purpose of assessing risks associated with the Issuer**

Prospective investors should consider the following risks to which the Issuer's businesses are exposed.

#### **1. Top and emerging risks**

The Issuer's view of risks is not static. An important component of the Issuer's enterprise risk management approach is to ensure that top risks and emerging risks, as they evolve, are identified, managed, and incorporated into the Issuer's existing risk management assessment, measurement, monitoring and escalation processes. These practices ensure a forward-looking risk assessment is maintained by management of the Issuer.

Identification of top and emerging risks occurs in the course of business development and as part of the execution of risk oversight responsibilities by risk owners and risk oversight stakeholders.

A top risk is a risk already identified and well understood that could materially impact the Issuer's financial results, reputation, business model, or strategy in the short to medium term.

The table below sets out the risk factors that the Issuer currently considers its top risks but it should be highlighted that the risks set out in the table are not exhaustive and investors should consider all the risk factors disclosed in the Risk Factors section.

Top Risks	Description
<p><b>Information Technology and Cyber Risks</b></p>	<p>Information technology (IT) and cyber risks remained as key risks, not only for the financial services sector, but for other industries worldwide. Due to the size, scale, and global nature of the Issuer's operations, its heavy reliance on the internet to conduct day-to-day business activities, and its evolving intricate technological infrastructure, the Issuer is subject to heightened risks in the form of cyber-attacks, data breaches, cyber extortion and similar compromises. The Issuer's use of third party service providers, which are also subject to these potential compromises, increases its risk of a potential attack, breach or disruption as it has less immediate oversight over their IT domain. Additionally, clients' use of personal devices can create further avenues for potential cyber-related incidents as the Issuer has little or no control over the safety of these devices. As the volume and sophistication of cyber-attacks continues to increase, the resulting implications could include business interruptions, service disruptions, financial loss, theft of intellectual property and confidential information, litigation, enhanced regulatory attention and penalties, and reputational damage. Furthermore, the adoption of emerging technologies, such as cloud computing, artificial intelligence and robotics, call for continued focus and investment to manage the Issuer's risks effectively.</p>
<p><b>Global Uncertainty</b></p>	<p>Global uncertainty remained a top risk throughout 2018. The U.S. administration continued to advocate for policy changes, particularly those related to trade which added to overall global uncertainty and volatility. The Canadian economy continues to face specific risks with respect to the evolving trade environment. Concerns also remain around the social, political and economic impacts of the changing political landscape in Europe, including the final outcome of Brexit negotiations. In addition, there are growing concerns over an economic slowdown in emerging markets in light of capital outflows in favour of developed markets and expected interest rate increases. Broader geopolitical tensions remained high amongst the U.S., Russia, China, and across the Middle East.</p>

<p><b>Canadian Housing and Household Indebtedness</b></p>	<p>While the Canadian economy continued to grow and low unemployment rates prevailed this fiscal year, the housing market remained a concern for the Canadian financial system, although at a diminishing level. Overall housing prices stayed elevated and affordability remained stretched. The measures implemented by the Canadian government and regulators over the past two years to help safeguard homebuyers and financial institutions alike did have the desired effect of cooling the market and returning balance to demand-supply conditions. Annual price gains decelerated to low single-digits in key markets, specifically across both the Greater Toronto Area and Greater Vancouver Area. However, as the Bank of Canada (BoC) continues to be on a path of gradually raising interest rates, this could have materially negative credit implications for the Issuer's broader consumer lending activities in the future given current levels of elevated household indebtedness.</p>
<p><b>Regulatory Changes</b></p>	<p>The Issuer operates in multiple jurisdictions, and the continued introduction of new or revised regulations leads to increasing focus across the organization on meeting higher regulatory requirements across a number of different markets. Financial and other reforms coming on stream in multiple jurisdictions continue to provide challenges and impact the Issuer's operations and strategies.</p>

An emerging risk is one that could materially impact the Issuer's financial results, reputation, business model, or strategy, but is distinguished by lack of clarity with respect to the probabilities, impacts, timing, and/or ranges of potential outcomes. The Issuer is actively monitoring its emerging risks, which include the following:

<p><b>Emerging Risks</b></p>	<p><b>Description</b></p>
<p><b>Digital Disruption and Innovation</b></p>	<p>Evolving consumer behaviour, the expansion of online shopping and the emergence of disruptors are creating competitive pressures across a number of sectors. In addition, established technology companies, newer competitors, and regulatory changes continue to foster new business models that could challenge traditional banks and financial products. The adoption of new technologies, such as Artificial Intelligence, Robotic Process Automation and Blockchain could result in new and complex risks that would need to be managed effectively. The Issuer identifies, assesses, and manages the risks of emerging technologies prior to their adoption.</p>

<p><b>Data and Third Party Related Risks</b></p>	<p>The management, use, and protection of data are becoming increasingly important, particularly given the adoption of the General Data Protection Regulation (“<b>GDPR</b>”) by the European Union and its implementation in 2018, and the expected proliferation of similar regulatory frameworks in other markets. Further, as the Issuer increasingly partners with third parties, its potential exposure to regulatory compliance, operational and reputational risk increases.</p>
<p><b>Climate Change</b></p>	<p>Extreme weather events and the global transition to a low carbon economy could result in a broad range of impacts, including potential strategic, reputational, structural and credit related risks for the Issuer and its clients in climate sensitive sectors.</p>

## 2. Credit risk

Credit risk is the risk of loss associated with an obligor’s potential inability or unwillingness to fulfill its contractual obligations on a timely basis. Credit risk may arise directly from the risk of default of a primary obligor of the Issuer (e.g., issuer, debtor, counterparty, borrower or policyholder), indirectly from a secondary obligor of the Issuer (e.g., guarantor or reinsurer), through off-balance sheet exposures, contingent credit risk and/or transactional risk. Credit risk includes counterparty credit risk from both trading and non-trading activities. The failure to effectively manage credit risk across all the Issuer’s products, services and activities can have a direct, immediate and material impact on the Issuer’s earnings and reputation.

Credit risk is inherent in a wide range of the Issuer’s businesses. This includes lending to businesses, sovereigns, public sector entities, banks and other financial institutions, as well as certain individuals and small businesses, which comprise the Issuer’s wholesale credit portfolio and residential mortgages, personal loans, credit cards, and small business loans, which comprise the Issuer’s retail credit portfolio. The Issuer’s gross credit exposure includes: loans and acceptances outstanding, undrawn commitments, and other exposures, including contingent liabilities such as letters of credit and guarantees, debt securities carried at fair value through other comprehensive income (FVOCI) or amortized cost (available-for-sale under IAS 39) and deposits with financial institutions, repo-style transactions, and derivatives.

Credit risk also includes (i) counterparty credit risk; and (ii) wrong way risk. Counterparty credit risk is the risk that a party with whom the Issuer has entered into a financial or non-financial contract will fail to fulfil its contractual agreement and default on the obligation. It is measured not only by its current value, but also by how this value can move as market conditions change. Counterparty credit risk usually occurs in trading-related derivative and repo-style transactions. Derivative transactions include financial (e.g., forwards, futures, swaps and options) and non-financial (e.g., precious metal and commodities) derivatives.

Wrong-way risk is the risk that exposure to a counterparty is adversely correlated with the credit quality of that counterparty. There are two types of wrong-way risk: (i) specific wrong-way risk, which exists when the Issuer's exposure to a particular counterparty is positively correlated with the probability of default of the counterparty due to the nature of the Issuer's transactions with them (e.g., loan collateralized by shares or debt issued by the counterparty or a related party); and (ii) general wrong-way risk, which exists when there is a positive correlation between the probability of default of counterparties and general macroeconomic or market factors. This typically occurs with derivatives (e.g., the size of the exposure increases) or with collateralized transactions (e.g., the value of the collateral declines).

Geographically, as at October 31, 2018, Canada represented approximately 47% of the Issuer's gross credit risk exposure while the United States represented 30%, Europe 14% and the other international regions 9%. Accordingly, deterioration in general business and economic conditions in Canada and the United States could adversely affect the credit quality of the Issuer's borrowers and counterparties and could thus affect the value of the Issuer's assets and require an increase in loan impairment charges and provisions. Even though efforts are made to manage such risks diligently, there can be no assurances that these risks will not materialize.

### **3. Market risk**

Market risk is defined to be the impact of market prices upon the financial condition of the Issuer. This includes potential gains or losses due to changes in market determined variables such as interest rates, credit spreads, equity prices, commodity prices, foreign exchange rates and implied volatilities. For example, changes in interest rates and credit spreads may affect the interest rate margin realized by the Issuer between lending and borrowing costs. The interest rate risk arising from traditional banking products, such as deposits and loans, is referred to as Structural Interest Rate Risk (SIRR) and is subject to limits and controls. SIRR measures also include related hedges as well as the interest rate risk from securities held for liquidity management. Factors contributing to SIRR include the mismatch between asset and liability repricing dates, relative changes in asset and liability rates, and other product features that could affect the expected timing of cash flows, such as options to pre-pay loans or redeem term deposits prior to contractual maturity. Foreign exchange rate risk is the potential adverse impact on earnings and economic value due to changes in foreign currency rates. The Issuer's revenue, expenses and income denominated in currencies other than the Canadian dollar are subject to fluctuations as a result of changes in the value of the average Canadian dollar relative to the average value of those currencies. The Issuer's most significant exposure is to the U.S. dollar, due to the Issuer's operations in the U.S. and other activities conducted in U.S. dollars. Other significant exposures are to the British pound and the Euro, due to the Issuer's activities conducted internationally in these currencies. A strengthening or weakening of the Canadian dollar compared to the U.S. dollar, British pound and the Euro could reduce or increase, as applicable, the translated value of the Issuer's foreign currency denominated revenue, expenses and earnings and could have a significant effect on the results of the Issuer's operations. The Issuer is also exposed to foreign exchange rate risk arising from its investments in foreign operations.

Potential losses from trading activity due to market volatility would also impact the Issuer's ability to pay interest, principal or other amounts on or in connection with any debt or derivative securities issued by it.

The measures of financial condition impacted by market risk are as follows: positions whose revaluation gains and losses are reported in revenue, Common Equity Tier 1 ("CET1") capital, CET1 ratio, and the economic value of the Issuer.

#### **4. Liquidity and funding risk**

Liquidity and funding risk ("**liquidity risk**") is the risk that the Issuer may be unable to generate sufficient cash or its equivalents in a timely and cost-effective manner to meet its commitments as they come due. Liquidity risk arises from mismatches in the timing and value of on-balance sheet and off-balance sheet cash flows.

Core funding, comprising capital, longer-term wholesale liabilities and a diversified pool of personal and, to a lesser extent, commercial and institutional deposits, is the foundation of the Issuer's structural liquidity position.

The Issuer's ability to access unsecured funding markets and to engage in certain collateralized business activities on a cost-effective basis are primarily dependent upon maintaining competitive credit ratings. Credit ratings and outlooks provided by rating agencies reflect their views and methodologies. Ratings are subject to change, based on a number of factors including, but not limited to, the Issuer's financial strength, competitive position, liquidity and other factors not completely within the Issuer's control. A lowering of the Issuer's credit ratings may have potentially adverse consequences for the Issuer's funding capacity or access to the capital markets, may affect the Issuer's ability, and the cost, to enter into normal course derivative or hedging transactions and may require the Issuer to post additional collateral under certain contracts, any of which may have an adverse effect on its results of operations and financial condition.

#### **5. Insurance risk**

Insurance risk refers to the potential financial loss to the Issuer that may arise where the amount, timing and/or frequency of benefit and/or premium payments under insurance or reinsurance contracts are different than expected. Insurance risk is distinct from those risks covered by other parts of the Issuer's risk management framework (e.g., credit, market and operational risk) where those risks are ancillary to, or accompany the risk transfer. The four insurance sub-risks are: morbidity, mortality, longevity and travel risk.

#### **6. Operational risk**

Operational risk is the risk of loss or harm to the Issuer resulting from people, inadequate or failed internal processes and systems or from external events. Operational risk is inherent in all of the Issuer's activities, including the practices and controls used to manage other risks. Failure to manage operational risk can result in direct or indirect financial loss, reputational impact, regulatory censure, or failure in the management of other risks such as credit or market risk.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List of the FCA or as a supervised firm regulated by the FCA or PRA.

The Issuer's operations expose it to many different operational risks, which may adversely affect its businesses and financial results. The following table is not exhaustive, as other factors could also adversely affect the Issuer's results.

Risk	Description
<b>Information Technology and Cyber Risks</b>	As the Issuer continues to digitize its business operations, IT and cyber risks are present in the use, ownership, operation, involvement and adoption of IT within its organization. As described in the Top and emerging risk section above, the impact of a cyber-attack could be significant to the Issuer's businesses and clients.
<b>Third Party Risk</b>	Third party risk continues to receive attention as the Issuer increasingly engages third parties to augment its operational capabilities. Failure to effectively onboard and manage the Issuer's service providers may expose it to service disruption, financial loss, and other risks.
<b>Money Laundering Risk</b>	<p>As a global financial institution, the Issuer is subject to a number of expanding and constantly evolving anti-money-laundering/anti-terrorist financing and economic sanctions, laws and regulations internationally. Failure to comply with these sanctions, laws and regulations represent regulatory, legal, financial and reputational risk to the Issuer.</p> <p>The Issuer has an enterprise-wide program to deter, detect and report suspected money laundering and terrorist financing activities. Its Global Anti-Money Laundering Compliance Group is dedicated to the continuous development and maintenance of robust policies, guidelines, training and risk-assessment tools and models to help its employees deal with ever-evolving money laundering and terrorist financing risks.</p>
<b>Privacy Risk</b>	Privacy risk relates to the improper use of personal information or failing to safeguard confidential client, employee or the Issuer's proprietary information.

<b>Climate Change</b>	Climate change continues to impact the frequency and intensity of weather-related events. Climate change may be a driver of other risk types including systemic, regulatory, competitive, strategic, reputation, credit and market risk, which could ultimately affect the Issuer's financial performance. Although the Issuer has not had a significant adverse impact from weather-related events through the course of the year, it has a Business Continuity Management program in place to ensure resiliency in the event of extreme weather to ensure client and business impacts are minimal.
-----------------------	--

## **7. Regulatory compliance risk**

Regulatory compliance risk is the risk of potential non-conformance with laws, rules, regulations and prescribed practices in any jurisdiction in which the Issuer operates. Issues regarding compliance with laws and regulations can arise in a number of areas in a large complex financial institution such as the Issuer, and are often the result of inadequate or failed internal processes, people or systems.

Laws and regulations are in place to protect the financial and other interests of the Issuer's clients, investors and the public. As a large-scale global financial institution, the Issuer is subject to numerous laws and to extensive and evolving regulation by governmental agencies, supervisory authorities and self-regulatory organizations in Canada, the U.S., Europe and other jurisdictions in which the Issuer operates. In recent years, such regulation has become increasingly extensive and complex. In addition, the enforcement of regulatory matters has intensified. Recent resolution of such matters involving other global financial institutions have involved the payment of substantial penalties, agreements with respect to future operation of their business, actions with respect to relevant personnel and guilty pleas with respect to criminal charges.

Operating in this increasingly complex regulatory environment and intense regulatory enforcement environment, the Issuer is and has been subject to a variety of legal proceedings, including civil claims and lawsuits, criminal charges, regulatory examinations, investigations, audits and requests for information by various governmental regulatory agencies and law enforcement authorities in various jurisdictions, and the Issuer anticipates that its ongoing business activities will give rise to such matters in the future. Changes to laws, including tax laws, regulations or regulatory policies, as well as the changes in how they are interpreted, implemented or enforced, could adversely affect the Issuer, for example, by lowering barriers to entry in the businesses in which the Issuer operates, increasing the Issuer's costs of compliance or limiting the Issuer's activities and ability to execute its strategic plans. Further, there is no assurance that the Issuer always will be or will be deemed to be in compliance with laws, regulations or regulatory policies. Accordingly, it is possible that the Issuer could receive a judicial or regulatory judgment or decision that results in fines, damages, penalties, and other costs or injunctions, criminal convictions or loss of licences or registrations that would damage the Issuer's reputation and negatively impact its earnings and ability to conduct some of its businesses. In addition, the Issuer is subject to litigation arising in the ordinary course of its business and the adverse resolution of any litigation could have a significant adverse effect on the Issuer's results

or could give rise to significant reputational damage, which in turn could impact the Issuer's future business prospects.

Regulatory compliance risk includes the regulatory risks associated with financial crimes (which include, but are not limited to, money laundering, bribery and sanctions), privacy, market conduct, consumer protection, business conduct, prudential, and other generally applicable non-financial requirements.

## **8. Strategic risk**

Strategic risk is the risk that the Issuer or particular business areas of the Issuer will make inappropriate strategic choices, or will be unable to successfully implement selected strategies or related plans and decisions. Business strategy is the major driver of the Issuer's risk appetite and consequently the strategic choices the Issuer makes in terms of business mix determine how the Issuer's risk profile changes. The Issuer's ability to execute on its objectives and strategic goals will influence its financial performance. If the Issuer is unable to successfully implement selected strategies or related plans and decisions, if the Issuer makes inappropriate strategic choices or if the Issuer makes a change to its strategic goals, its financial results could be adversely affected.

## **9. Reputation risk**

Reputation risk is the risk of an adverse impact on stakeholders' perception of the Issuer due to (i) an activity of the Issuer, its representatives, service providers (third parties and intra-group), or clients, or (ii) public sentiment towards a global or industry issue. The Issuer's reputation is rooted in the perception of its stakeholders, and the trust and loyalty they place in the Issuer is core to the Issuer's purpose as a financial services organization. A strong and trustworthy reputation will generally strengthen the Issuer's market position, reduce the cost of capital, increase shareholder value, strengthen the Issuer's resiliency, and help attract and retain top talent. Conversely, damage to the Issuer's reputation can result in reduced share price and market capitalization, increased cost of capital, loss of strategic flexibility, inability to enter or expand into markets, loss of client loyalty and business, or regulatory fines and penalties. The sources of reputation risk are widespread; risk to the Issuer's reputation can occur in connection with credit, regulatory, legal and operational risks. The Issuer can also experience reputation risk from a failure to maintain an effective control environment, exhibit good conduct, or have strong risk culture practices.

## **10. Legal and regulatory environment risk**

Legal and regulatory environment risk is the risk that new or modified laws and regulations, and the interpretation or application of those laws and regulations, will negatively impact the way in which the Issuer operates, both in Canada and abroad. The full impact of some of these changes on the Issuer's business will not be known until final rules are implemented and market practices have developed in response. The following provides a high-level summary of some of the key regulatory changes that have potential to increase the Issuer's costs, impact its profitability, and increase the complexity of its operations.

### *Global Trade Agreements*

Global trade tensions remains a risk to the global economic outlook, including Brexit negotiations, and Canadian and U.S. trade tensions with China. The outcome of the Brexit negotiations and its resulting impact on global trade remains uncertain. The U.S., Mexico, and Canada successfully concluded trade talks at the beginning of October 2018. The proposed new agreement, the U.S.-Mexico-Canada Agreement (CUSMA), will keep the dispute resolution provision, prevent tariffs in the auto sector, and reduce uncertainty regarding future trading relations within North America. While Canada, the U.S. and Mexico have successfully renegotiated the North American Free Trade Agreement, the new CUSMA deal has yet to be ratified and could face challenges in a divided U.S. Congress. In May 2019, Canada and the U.S. also reached an agreement which lifted import duties imposed on steel and aluminum. In March, China imposed a ban on the imports of Canadian canola, and tensions remain elevated between China and the U.S. as they continue to negotiate a trade deal. In its semi-annual forecast update, the International Monetary Fund noted that trade tensions were partly responsible for the downgrade of global growth projections for 2018 and 2019. In April, the International Monetary Fund further lowered its 2019 global growth projections, with the possibility for additional downgrades should these and other downside risks materialize.

### *Consumer Protection*

The Canadian federal government has focused attention on issues relating to consumer protection and the sales practice of banks. For example, Canadian regulatory agencies undertook reviews of sales practices at Canadian banks. On March 20, 2018, the Financial Consumer Agency of Canada (FCAC) released a report on its review of sales practices. On September 13, 2018, the Issuer received a supervisory letter from FCAC which detailed the FCAC's recommendations and observations arising out of the domestic retail sales practices review they conducted on the Issuer. While no widespread misconduct was identified, several areas for improvement were noted. On October 29, 2018 the Canadian federal government tabled proposed legislative changes to the consumer protection provisions applicable to banks, including enhancements in areas like corporate governance, business conduct, disclosure and transparency, and new powers for the FCAC. While the government's proposed legislative changes to consumer protection provision applicable to banks was approved on December 13, 2018, the government remains in the early stages of developing a regulation framework to support the new provisions.

### *Privacy*

Legislative developments in data privacy are being closely monitored following the enactment of GDPR in the European Union (EU). California was the first state to enact post-GDPR legislation (effective January 2020), articulating specific individual rights and requirements in connection with the sale of data. In Canada, mandatory breach reporting began on November 1, 2018, and the Privacy Commissioner of Canada (the Commissioner) has called for modernization of legislation given the pace of technological change, including the ability for the Commissioner to audit businesses and levy fines. The Office of the Privacy Commissioner of Canada has also revisited its position on consent for certain cross-boarder transfers of personal information and has issued

revised guidance for consultation. As European privacy laws are further enhanced to align with the GDPR, legislative and regulatory developments are expected to accelerate around the world.

#### *Canadian Housing Market and Consumer Debt*

The Government of Canada and a number of provinces have introduced measures to respond to concerns relating to the level and sustainability of Canadian household debt. Risks in this area continue to be closely monitored with further regulatory responses possible depending on market conditions and any heightened concerns that may be raised.

#### *Payments Issues*

The Canadian federal government is engaged in several initiatives that could have an impact on the payments system in Canada. These include the following: amendments to the Canadian Payments Act concerning governance of Payments Canada and access considerations; the development of a regulatory oversight framework for the retail payments system; and initiatives under consideration to modernize the payments system.

#### *London Interbank Offered Rate (LIBOR)*

LIBOR is the most widely referenced interest benchmark rate across the globe for derivatives, bonds, loans and other floating rate instruments; however, there is a regulator-led push to transition the market from LIBOR to alternative risk-free, or nearly risk-free, rates that are based on actual overnight transactions. The main accelerator for the change has been the FCA's statement last year that after 2021, the FCA will no longer persuade or compel panel banks to make the submissions required to calculate LIBOR. As a result, U.K. and U.S. regulators have warned the industry they will need to be prepared for LIBOR to be discontinued at the end of 2021. Derivatives, floating rate notes and other financial contracts whose terms extend beyond 2021, and that refer to LIBOR as the reference rate, will be impacted.

#### *Other Regulatory Initiatives Impacting Financial Services in Canada*

Several initiatives are underway or contemplated. From the perspective of the Canadian federal government these include: a consultation process on the merits of open banking in a Canadian context; a consultation on the digital/data-driven economy; proposed changes to the regulatory framework for the anti-money laundering regime in Canada; and consultations on the details of its deposit insurance review. From a provincial perspective, the Canadian Securities Administrators are engaged in a consultation process on registration and business conduct rules relating to OTC derivatives products, including bank activities in this area.

#### *United States Regulatory Initiatives*

Policymakers are considering reforms to various U.S. regulations, certain of which may, if implemented, result in reduced complexity of the U.S. regulatory framework and lower compliance costs. These include possible reforms to the Volcker Rule; the SEC's proposed standards of conduct for brokers and advisors (i.e. Regulation Best Interest); the regulation of OTC derivatives; and key aspects of the capital, leverage, liquidity, and oversight framework in the U.S. (e.g., enhanced prudential standards applicable to foreign bank organizations; the

Federal Reserve's Comprehensive Capital Analysis and Review program; and total loss absorbing capacity rules). These initiatives may lead to financial regulatory reforms, the extent, timing, and impact of which are unknown at this time.

#### *United States Tax Reform*

In December 2017, the U.S. Tax Cuts and Jobs Act legislation was signed into law. Most provisions of the new law took effect at the beginning of calendar 2018 or for fiscal years starting in 2018. The tax law reduces individual and corporate rates and permits expensing of many capital expenditures. The law also eliminates deductions for Federal Deposit Insurance Corporation premiums and tightens deductibility rules for meals and entertainment, as well as certain legal settlement costs. In addition, a portion of executive salaries allocated to the U.S. would be non-deductible. Effective for fiscal years beginning after December 31, 2017, the law also established a Base Erosion Anti-Abuse Tax ("**BEAT**") that may have an impact on cross-border related party payments. Regulations implementing and/or clarifying certain aspects of the legislation are being released on a rolling basis. In December 2018, the U.S. Treasury released proposed regulations clarifying some of the rules for calculating a BEAT as well as proposed regulations relating to deductions on certain cross-border interest and royalty payments. The Issuer is currently reviewing the impact of these proposed regulations.

#### *U.K. and European Regulatory Reform*

The revised directive and regulation on Markets in Financial Instruments (MiFID II/MiFIR) became effective January 2018 with a significant technological and procedural impact for certain businesses operating in the European Union. The reforms will introduce changes to pre- and post-trade transparency, market structure, trade and transaction reporting, algorithmic trading, and conduct of business.

Political uncertainty in the U.K. has stalled negotiations with respect to the U.K.'s exit from the European Union. In April 2019, all members of the European Union agreed to extend the deadline for the U.K.'s departure from the European Union, originally set for March 29, 2019, to October 31, 2019. Until the date of its exit, if any, or, if there is a transition period, until the period expires, the U.K. will remain a European Union Member State, subject to all European Union legislation.

Other forthcoming regulatory initiatives include: the extension of the Senior Managers Regime to all U.K. regulated firms which is effective December 2019; transaction reporting of securities financing transactions which is expected to take effect in the first calendar quarter of 2020; and the implementation of new settlement disciplines, including mandatory buy-ins, for participants in European Central Securities Depositories which is scheduled to take effect in September 2020.

#### *Climate Change*

Climate change regulations, frameworks, and guidance that apply to banks, insurers and asset managers are rapidly evolving. In March, the Bank of Canada (BoC) joined the Network for Greening the Financial System (NGFS), a group of over 34 central banks and supervisors, who issued recommendations on managing environmental and climate-related risks in April 2019.

More recently, the BoC has identified climate change as one of the six vulnerabilities in their 2019 Financial System Review. At this time, the BoC has not released its expectations related to these recommendations; however, as a federally-regulated financial institution, we will be obligated to comply with any resulting requirements and incur any related additional costs.

#### **11. Competitive Risk**

Competitive risk is the risk of an inability to build or maintain a sustainable competitive advantage in a given market or markets and includes the potential for loss of market share due to competitors offering superior products and services. Competitive risk can arise within or outside the financial sector, from traditional or non-traditional competitors, domestically or globally. The competition for clients among financial services companies in the markets in which the Issuer operates is intense. Client loyalty and retention can be influenced by a number of factors, including new technology used or services offered by the Issuer's competitors, relative service levels and prices, product and service attributes, the Issuer's reputation, actions taken by the Issuer's competitors, and adherence with competition and anti-trust laws. Other companies, such as insurance companies and non-financial companies, are increasingly offering services traditionally provided by banks. This competition could also reduce net interest income and fee revenue and adversely affect the Issuer's results.

#### **12. Systemic Risk**

Systemic risk is the risk that the financial system as a whole, or a major part of it – either in an individual country, a region, or globally – is put in real and immediate danger of collapse or serious damage with the likelihood of material damage to the economy, and that this will result in financial, reputation or other risks for the Issuer.

The Issuer's earnings are significantly affected by the general business and economic conditions in the geographic regions in which it operates. These conditions include consumer saving and spending habits as well as consumer borrowing and repayment patterns, business investment, government spending, exchange rates, sovereign debt risks, the level of activity and volatility of the capital markets, strength of the economy and inflation. For example, an extended economic downturn may result in high unemployment and lower family income, corporate earnings, business investment and consumer spending, and could adversely affect the demand for the Issuer's loan and other products and result in higher provisions for credit losses. Given the importance of the Issuer's Canadian operations, an economic downturn in Canada or in the U.S. impacting Canada would largely affect the Issuer's personal and business lending activities in its Canadian banking businesses, including mortgages and credit cards, and could significantly impact the Issuer's results of operations.

The Issuer's earnings are also sensitive to changes in interest rates, which have increased in Canada and the U.S. over the last year but remain historically low. A continuing low interest rate environment in Canada, the U.S. and globally would result in net interest income being unfavorably impacted by spread compression largely in Personal & Commercial Banking and Wealth Management. While a further increase in interest rates would benefit the Issuer's businesses, a significant increase in interest rates could also adversely impact household balance sheets. This could result in credit deterioration which might negatively impact the Issuer's

financial results particularly in some of its Personal and Commercial Banking and Wealth Management businesses.

Deterioration in global capital markets could result in volatility that would impact results in Capital Markets while in Wealth Management, weaker market conditions would lead to lower average fee-based client assets and transaction volumes. In addition, worsening financial and credit market conditions may adversely affect the Issuer's ability to access capital markets on favorable terms and could negatively affect the Issuer's liquidity, resulting in increased funding costs and lower transaction volumes in Capital Markets and Investor & Treasury Services.

Systemic risk is considered to be the least controllable risk facing the Issuer. The Issuer's ability to mitigate this risk when undertaking business activities is limited, other than through collaborative mechanisms between key industry participants, and, as appropriate, the public sector to reduce the frequency and impact of these risks.

### **13. Overview of other risks**

In addition to the risks described above, there are other risk factors, described below, which may adversely affect the Issuer's businesses and financial results. The following discussion is not exhaustive as other factors could adversely affect the Issuer's results.

#### *Government fiscal, monetary and other policies*

The Issuer's businesses and earnings are affected by monetary policies that are adopted by the BoC, the Federal Reserve in the U.S., the European Central Bank in the European Union and monetary authorities in other jurisdictions in which the Issuer operates; as well as the fiscal policies of the governments of Canada, the U.S., Europe and such other jurisdictions. Such policies can also adversely affect the Issuer's clients and counterparties in Canada, the U.S. and internationally, which may increase the risk of default by such clients and counterparties.

#### *Tax risk and transparency*

Tax risk refers to the risk of loss related to unexpected tax liabilities. The tax laws and systems that are applicable to the Issuer are complex and wide ranging. As a result, the Issuer ensures that any decisions or actions related to tax always reflect its assessment of the long-term costs and risks involved, including their impact on the Issuer's relationship with clients, shareholders, and regulators, and its reputation.

The Issuer's tax strategy is designed to ensure transparency and support its business strategy, and is aligned with the Issuer's corporate vision and values. The Issuer seeks to maximize shareholder value by ensuring that its businesses are structured in a tax-efficient manner while considering reputational risk by being in compliance with all laws and regulations. The Issuer's framework seeks to ensure that it:

- Acts with integrity and in a straightforward, open and honest manner in all tax matters;
- Ensures tax strategy is aligned with the Issuer's business strategy supporting only bona fide transactions with a business purpose and economic substance;

- Ensures all intercompany transactions are conducted on arm's length terms;
- Ensures the Issuer's full compliance and full disclosure to tax authorities of its statutory obligations; and
- Endeavours to work with the tax authorities to build positive long-term relationships and where disputes occur, address them constructively.

With respect to assessing the needs of its clients, the Issuer considers a number of factors including the purposes of the transaction. The Issuer seeks to ensure that it only supports bona fide client transactions with a business purpose and economic substance. Should the Issuer become aware of client transactions that are aimed at evading their tax obligations, the Issuer will not proceed with the transaction.

Given that the Issuer operates globally, complex tax legislation and accounting principles have resulted in differing legal interpretations between the respective tax authorities the Issuer deals with and itself, and the Issuer is at risk of tax authorities disagreeing with prior positions the Issuer has taken for tax purposes. When this occurs, the Issuer is committed to an open and transparent dialogue with the tax authorities to ensure a quick assessment and prompt resolution of the issues where possible. Failure to adequately manage tax risk and resolve issues with tax authorities in a satisfactory manner could adversely impact the Issuer's results, potentially to a material extent in a particular period, and/or significantly impact the Issuer's reputation.

#### *Environmental and social risk*

Environmental and social (E&S) risk is the risk that an E&S issue associated with a client, transaction, product, supplier or activity will create a risk of loss of financial, operational, legal and/or reputational value to the Issuer. E&S issues include, but are not limited to, site contamination, waste management, land and resource use, biodiversity, water quality and availability, climate change, environmental regulation, human rights, Indigenous Peoples' rights and consultation, and community engagement.

The Issuer cautions that the foregoing discussion of risk factors, many of which are beyond the Issuer's control, is not exhaustive and other factors could also affect the Issuer's results.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this document and as at the date of this document have been approved by or filed with the FCA are hereby incorporated in, and form part of, this Registration Document:

- (a) the entire Annual Information Form dated November 27, 2018 (the “**2018 AIF**”), including, without limitation, the following sections:
  - (i) “Description of the Business – General Summary” on page 3;
  - (ii) “Competition” on page 3; and
  - (iii) “Appendix A – Principal Subsidiaries” on page 27; and
- (b) the following sections of the Bank’s 2018 Annual Report (the “**2018 Annual Report**”) for the year ended October 31, 2018:
  - (i) the audited annual consolidated financial statements, which comprise the consolidated balance sheets as at October 31, 2018 and October 31, 2017, 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 two-year period ended October 31, 2018 and a summary of significant accounting policies and other explanatory information, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS**”) (the “**2018 Audited Consolidated Financial Statements**”) on pages 113 through 211, together with Management’s Report on Internal Control over Financial Reporting as of October 31, 2018, and the Report of Independent Registered Public Accounting Firm thereon on pages 114 and 115, respectively;
  - (ii) the entire Management’s Discussion and Analysis for the year ended October 31, 2018 (the “**2018 MD&A**”) on pages 12 through 111, including, without limitation, a description of risk factors related to the Bank and its business, and the steps taken to manage such risks, under the risk sections on pages 49 to 90 and information about trends, commitments, events and uncertainties for the Bank and each business segment known to the Bank’s management which is provided under the heading “Economic, market and regulatory review and outlook – data as at November 27, 2018” on page 14 to 15, “Strategic Priorities” and “Outlook” on pages 26, 30, 36, 39, and 41 together with the caution provided under the heading “Caution regarding forward-looking statements” on page 12;

the remainder of the 2018 Annual Report is either not relevant for investors or covered elsewhere in this Registration Document and is not incorporated by reference;

- (c) the following sections of the Bank's Second Quarter 2019 Report to Shareholders (the "**Second Quarter 2019 Report to Shareholders**"):
- (i) the entire Management's Discussion and Analysis (the "**Second Quarter 2019 MD&A**") on pages 2 to 45, including, without limitation, information about trends, commitments, events and uncertainties for the Bank known to the Bank's management which is provided on pages 4 to 5 and 19 to 20 under the headings "Economic, market and regulatory review and outlook – data as at May 22, 2019" and "Quarterly results and trend analysis", respectively, together with the caution provided under the heading "Caution regarding forward-looking statements" on page 2;
  - (ii) the unaudited interim condensed consolidated financial statements as at April 30, 2019 and for the three- and six-month periods ended April 30, 2019 with comparative unaudited interim condensed consolidated financial statements for the three- and six-month periods ended April 30, 2018 (the "**Second Quarter 2019 Unaudited Interim Condensed Consolidated Financial Statements**"), set out on pages 47 to 74 presented in compliance with international Accounting Standard (IAS) 34 Interim Financial Reporting, which have not been audited or reviewed by auditors pursuant to the International Standard on Review Engagements (UK and Ireland) 2410; and
  - (iii) the information about tax examinations and assessments in Note 8 on page 69 and the information about legal proceedings and regulatory matters to which the Issuer and its subsidiaries are or have been subject in Note 11 on page 71;

the remainder of the Issuer's Second Quarter 2019 Report to Shareholders either is not relevant for an investor or is covered elsewhere in this Registration Document and is not incorporated by reference; and

provided that any statement contained in a document, all or the relative portion of which is incorporated by reference, shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein or in any supplement hereto filed under Article 16 of the Prospectus Directive or section 87G of FSMA, as the case may be, including any document incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Information, documents or statements expressed to be incorporated by reference into, or that form part of one or more of, the documents noted above form part of this document but do not form part of the Registration Document of the Issuer approved by the FCA for purposes of the Prospectus Directive.

Copies of this Registration Document and the documents incorporated by reference herein and any supplement hereto approved by the FCA 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 St. W, Toronto, Ontario, Canada M5V 3K7, Attention: Senior Vice President, Performance Management & Investor Relations, (b) the office of the Issuing and Paying Agent, The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom, Attention: Manager, EMEA Corporate & Sovereign, and (c) at the specified offices of any other paying agent (together with The Bank of New York Mellon, London Branch, the "**Paying Agents**") appointed in connection with the issuance of securities with respect to which the Registration Document forms part of a prospectus prepared by the Issuer or relating to such securities. The website referred to above is not incorporated in, and does not form part of, the Registration Document or a prospectus.

## DESCRIPTION OF ROYAL BANK OF CANADA

*The information appearing below is supplemented by the more detailed information contained in the documents incorporated by reference in this Registration Document. See paragraphs (a) and (b) of the section entitled “Documents Incorporated by Reference”.*

### History and Development of the Issuer

Royal Bank of Canada (the “**Bank**”) is a Schedule I bank under the *Bank Act* (Canada) (the “**Bank Act**”), which constitutes its charter. The Bank was created as Merchants Bank in 1864 and was incorporated under the “Act to Incorporate the Merchants’ Bank of Halifax” assented to June 22, 1869. The Bank changed its name to The Royal Bank of Canada in 1901 and to Royal Bank of Canada in 1990.

The Bank’s corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, Canada M5J 2J5 and the telephone contact number is +1 (416) 974-5151. Its head office is located at 1 Place-Ville Marie, Montreal, Quebec, Canada.

On November 21, 2017, the Bank was added to the list of global systemically important banks (“**G-SIBs**”) by the Financial Stability Board (“**FSB**”) and was designated a G-SIB by the FSB. On November 26, 2018 the Bank remained designated as G-SIB on the FSB’s annual updated G-SIB list. The Bank does not expect any significant impacts resulting from the designation and began disclosing the detailed template used in the calculation of each of the twelve G-SIB indicators beginning in its first quarter of 2018.

### RBC Group and its Principal Activities and Markets

The Bank’s business and powers are set out in Part VIII of the Bank Act. In particular, section 409 provides that, subject to the Bank Act, the Bank shall not engage in or carry on business other than the business of banking and such business as generally appertains thereto.

The RBC Group is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. The RBC Group’s success comes from the 84,000+ employees who bring its vision, values and strategy to life so it can help its clients thrive and communities prosper. As Canada’s biggest bank, and one of the largest in the world based on market capitalization, the RBC Group has a diversified business model with a focus on innovation and providing exceptional experiences to more than 16 million clients in Canada, the U.S. and 34 other countries. As at April 30, 2019, the RBC Group has total assets of approximately C\$1.38 trillion and total equity attributable to shareholders of approximately C\$81.85 billion.

The RBC Group’s business segments are Personal & Commercial Banking, Wealth Management, Insurance, Investor & Treasury Services, Capital Markets and Corporate Support. Additional information about the RBC Group’s business and each segment (including segment results) can be found under “Overview and outlook” beginning on page 13 and under “Business segment results” beginning on page 21 of the Issuer’s 2018 Annual Report, which sections form part of the 2018 MD&A incorporated by reference herein and under “Overview and outlook” beginning on page 2 and under “Business segment results” beginning on page 10 of the Issuer’s Second Quarter 2019 Report to Shareholders, which sections form part of the Second Quarter 2019 MD&A incorporated by reference herein.

The Bank's common shares are listed on the Toronto Stock Exchange in Canada, New York Stock Exchange in the U.S. and the SIX Swiss Exchange in Switzerland. The trading symbol is "RY". Its preferred shares are listed on the Toronto Stock Exchange.

Except as indicated in Notes 19 and 20 of the 2018 Audited Consolidated Financial Statements, there are no other convertible bonds or options on the Bank's common or preferred shares outstanding which have been issued by the Bank or by group companies of the Bank.

Except for the number of Treasury Shares as at October 31, 2018 specified in the Bank's 2018 Audited Consolidated Financial Statements incorporated herein by reference, neither the Bank nor any third party on its behalf owns any of its issued common or preferred shares.

### Competition

The principal markets in which the Bank competes as at October 31, 2018 are described in the 2018 MD&A incorporated by reference herein.

### Organizational Structure

The Bank's principal subsidiaries as at October 31, 2018 are listed in "Appendix A" of the Issuer's 2018 AIF, which is incorporated by reference herein.

### ISSUER RATINGS

Each of the Bank's solicited debt and preferred share ratings as at the date of this Registration Document are listed below:

	Moody's USA	S&P USA	Fitch	DBRS
	Rating	Rating	Rating	Rating
Legacy Senior Long-term Debt <sup>1</sup>	Aa2	AA-	AA	AA (high)
Senior Long-term Debt <sup>2</sup>	A2	A	AA	AA(low)
Subordinated Debt	Baa1	A	AA-	A (high)
NVCC Subordinated Debt <sup>3</sup>	Baa1	A-	AA-	A (low)
Short-term Senior Debt	P-1	A-1+	F1+	R-1 (high)
Preferred Shares	Baa3	BBB+	-	Pfd-2 (high)
NVCC Preferred Shares <sup>3</sup>	Baa3	BBB / P-2 <sup>4</sup>	-	Pfd-2
Outlook	Stable	Stable	Stable	Positive

Notes:

<sup>1</sup> Includes senior long-term debt issued prior to September 23, 2018 and senior long-term debt issued on or after September 23, 2018 which is excluded from the Canadian Bank Recapitalization ("Bail-in") regime.

<sup>2</sup> Includes senior long-term debt issued on or after September 23, 2018 which is subject to conversion under the Bail-in regime.

<sup>3</sup> Non-viability contingent capital or NVCC

<sup>4</sup> It is the practice of S&P USA to present an issuer's preferred share ratings on both the global rating scale and on the Canadian national scale when listing the ratings for a particular issuer.

See pages 28 to 30 of the 2018 AIF incorporated by reference into this Registration Document for a definition of the categories of each of the credit ratings referred to above.

Credit ratings including stability or provisional ratings (collectively, "**Ratings**") are not recommendations to purchase, sell or hold a security or financial obligation inasmuch as they do not comment on market price or suitability for a particular investor. Ratings may not reflect the potential impact of all risks on the value of securities or financial obligation. In addition, real or anticipated changes in the rating assigned to a security or financial obligation will generally affect the market value of that security or financial obligation. Ratings are determined by the rating agencies based on criteria established from time to time by them and are subject to revision or withdrawal at any time by the rating organization. Each Rating listed in the chart above should be evaluated independently of any other Rating applicable to the Issuer's debt and preferred shares. As is customary, the Issuer pays ratings agencies to assign Ratings for the parent company as well as its subsidiaries, and for certain other services.

### **FINANCIAL SUMMARY**

With the exception of the figures for return on common equity, information in the tables below for the years ended October 31, 2018 and 2017 and for the six-month periods ended April 30, 2019 and 2018 have been extracted from the Issuer's 2018 audited consolidated financial statements, prepared in accordance with IFRS as issued by the International Accounting Standards Board and the unaudited interim condensed consolidated financial statements for the six-month period ended April 30, 2019 and 2018 presented in compliance with IAS 34 Interim Financial Reporting, respectively, all of which are incorporated by reference in this Registration Document. The amounts under return on common equity for the years ended October 31, 2018 and 2017 and for the six-month periods ended April 30, 2019 and 2018 have been extracted from the Issuer's 2018 MD&A and its Second Quarter 2019 MD&A, respectively.

An audit comprises audit tests and procedures deemed necessary for the purpose of expressing an opinion on financial statements taken as a whole. An audit opinion has not been expressed on individual balances of accounts or summaries of selected transactions in the table below.

**Selected Consolidated Balance Sheet Information**

	<b>As at April 30, 2019</b>	<b>As at October 31, 2018</b>	<b>As at October 31, 2017</b>
	<i>(in millions of Canadian dollars)</i>		
Loans, net of allowance for loan losses	602,392	576,818	542,617
Total assets	1,378,876	1,334,734	1,212,853
Deposits	864,101	837,046	789,635
Other liabilities	421,908	407,234	338,309
Subordinated debentures	9,360	9,131	9,265
Non-Controlling interests	101	94	599
Equity attributable to shareholders	81,845	79,861	73,829

## Condensed Consolidated Statement of Income Information<sup>1</sup>

	Six-months ended April 30, 2019	Six-months ended April 30, 2018	Year ended October 31, 2018	Year ended October 31, 2017
	<i>(in millions of Canadian dollars, except per share amounts and percentage amounts)</i>			
Net interest income	9,721	8,866	18,191	17,140
Non-interest income	13,367	12,016	24,385	23,529
Total revenue	23,088	20,882	42,576	40,669
Provision for credit losses	940	608	1,307	1,150
Insurance policyholder benefits, claims and acquisition expense	2,385	1,257	2,676	3,053
Non-interest expense	11,828	11,093	22,833	21,794
Net Income	6,402	6,072	12,431	11,469
Earnings per share				
– basic	\$4.36	\$4.08	\$8.39	\$7.59
– diluted	\$4.34	\$4.07	\$8.36	\$7.56
Return on common equity (ROE) <sup>2,3</sup>	17.1%	17.7%	17.6%	17.0%

- Effective November 1, 2017, the Issuer adopted IFRS 9 Financial Instruments (IFRS 9). Results from periods prior to November 1, 2017 are reported in accordance with IAS 39 Financial Instruments: Recognition and Measurement (IAS 39). For further details on the impacts of the adoption of IFRS 9 including the description of accounting policies selected, refer to Note 2 of the Issuer's 2018 Annual Consolidated Financial Statements.
- This measure does not have a standardized meaning under generally accepted accounting principles (GAAP) and may not be comparable to similar measures disclosed by other financial institutions. For further details, refer to the Key performance and non-GAAP measures section of the Issuer's 2018 Management's Discussion and Analysis in the Issuer's 2018 Annual Report and the Key performance and non-GAAP measures section of the Issuer's Second Quarter 2019 Management's Discussion and Analysis in the Issuer's Second Quarter 2019 Report to Shareholders.
- Average amounts are calculated using methods intended to approximate the average of the daily balances for the period. This includes Average common equity used in the calculation of ROE. For further details, refer to the Key performance and non-GAAP measures section of the Issuer's 2018 Management's Discussion and Analysis in the Issuer's 2018 Annual Report and the Key performance and non-GAAP measures section of the Issuer's Second Quarter 2019 Management's Discussion and Analysis in the Issuer's Second Quarter 2019 Report to Shareholders.

## DIRECTORS

The Directors of the Bank, each of whose address is the executive offices of the Bank, Royal Bank Plaza, 200 Bay Street, South Tower, Toronto, Ontario, Canada M5J 2J5, their function in the Bank and their other principal activities (if any) outside the Bank of significance to the Bank, are as follows:

<b>Name</b>	<b>Function</b>	<b>Other Principal Activities outside the Bank</b>
Andrew A. Chisholm Toronto, Ontario	Director	Corporate Director
Jacynthe Côté Montreal, Québec	Director	Chair of the Board, Hydro-Québec
Toos N. Daruvala New York, New York	Director	Co- Chief Executive Officer, MIO Partners Inc.
David F. Denison Toronto, Ontario	Director	Chair of the Board, Element Fleet Management Corp.
Alice D. Laberge Vancouver, British Columbia	Director	Corporate Director
Michael H. McCain Toronto, Ontario	Director	President and Chief Executive Officer, Maple Leaf Foods Inc.
David I. McKay Toronto, Ontario	President and Chief Executive Officer and Director	Not applicable
Dr. Heather Munroe-Blum Montreal, Québec	Director	Chairperson, Canada Pension Plan Investment Board
Kathleen P. Taylor Toronto, Ontario	Chair of the Board and Director	Corporate Director
Bridget A. van Kralingen New York, New York	Director	Senior Vice-President, Global Industries, Platforms and Blockchain, IBM Corporation
Thierry Vandal Mamaroneck, New York	Director	President, Axium Infrastructure US Inc.
Jeffery W. Yabuki Fox Point, Wisconsin	Director	President and Chief Executive Officer, Fiserv Inc.

There are no conflicts of interests between any duties owed to the Bank by the Directors and the private interests and/or other duties owed by these individuals. If a Director were to have

a material interest in a matter being considered by the Board or any of its Committees, such Director would not participate in any discussions relating to, or any vote on, such matter.

### **MAJOR SHAREHOLDERS**

To the extent known to the Bank, the Bank is not directly or indirectly owned or controlled by any person.

Subject to certain exceptions contained in the Bank Act, no person may be a major shareholder of a bank having equity of \$12 billion or more (which includes the Bank). A person is a major shareholder if: (a) the aggregate of the shares of any class of voting shares of the Bank beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person is more than 20 per cent of that class of voting shares, or (b) the aggregate of shares of any class of non-voting shares of the Bank beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person is more than 30 per cent of that class of non-voting shares.

Additionally, no person may have a significant interest in any class of shares of a bank (including the Bank) unless the person first receives the approval of the Minister of Finance. For purposes of the Bank Act, a person has a significant interest in a class of shares of a bank where the aggregate of any shares of the class beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person exceeds 10 per cent of all of the outstanding shares of that class of shares of such bank.

### **MATERIAL CONTRACTS**

The Bank has not entered into any contracts outside the ordinary course of the Bank's business which could materially affect the Bank's obligations in respect of any securities to be issued by the Bank.

### **RECENT DEVELOPMENTS**

On June 4, 2019, following its semi-annual review, OSFI set the Domestic Stability Buffer for Canadian D-SIBs, including the Issuer, at 2.00% of total risk-weighted assets, effective October 31, 2019 (up from 1.75% of total risk-weighted assets, effective April 30, 2019). This reflects OSFI's assessment that, on balance, the identified systemic vulnerabilities remain elevated while economic conditions continue to be accommodative. Specific vulnerabilities covered by the buffer continue to include: (i) Canadian consumer indebtedness; (ii) asset imbalances in the Canadian market; and (iii) Canadian institutional indebtedness.

## GENERAL INFORMATION

1. The Registration Document was authorized by (i) resolutions of the Board of Directors of the Issuer passed on February 29, 2012 amending and restating prior resolutions of the Board of the Issuer in respect of the Programme and Administrative Resolutions of the Board of Directors of the Issuer adopted on October 14, 2004 and most recently amended at a meeting held on October 19, 2017, and (ii) a resolution of the Board of Directors authorizing the issuance of subordinated indebtedness dated November 28, 2017 or any subsequent resolution replacing such resolution as is specified in the relevant Final Terms. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the Registration Document.
2. Other than the matters disclosed under the subsection entitled "Tax examinations and assessments" in Note 22 of the 2018 Audited Consolidated Financial Statements set out on page 198 of the Issuer's 2018 Annual Report, and the matters disclosed (with the exception of the subsection entitled "Other matters") in Note 25 of the 2018 Audited Consolidated Financial Statements set out on pages 202 and 203 of the Issuer's 2018 Annual Report and in each case incorporated by reference herein as updated by the matters disclosed under the subsection entitled "Tax examinations and assessments" in Note 8 of the Second Quarter 2019 Unaudited Interim Condensed Consolidated Financial Statements set out on page 69 of the Issuer's Second Quarter 2019 Report to Shareholders, and the litigation matters disclosed in Note 11 of the Second Quarter 2019 Unaudited Interim Condensed Consolidated Financial Statements set out on page 71 of the Issuer's Second Quarter 2019 Report to Shareholders, and in each case incorporated by reference herein, there are no, nor have there been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer 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.
3. Since April 30, 2019, 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 published, there has been no significant change in the financial position of the Issuer and its subsidiaries taken as a whole. Since October 31, 2018, the date of its last published audited consolidated financial statements, there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole.
4. The independent auditors of the Issuer are PricewaterhouseCoopers LLP (PwC) who are Chartered Professional Accountants, and Licensed Public Accountants and are subject to oversight by the Canadian Public Accounting Board and Public Company Accounting Oversight Board (United States). PwC is also registered in the Register of Third Country Auditors maintained by the Professional Oversight Board in the United Kingdom, the Irish Auditing and Accounting Supervisory Authority in Ireland and the Supervisory Board of Public Accounting in Sweden, all in accordance with the European Commission Decision of January 19, 2011 (Decision 2011/30/EU). PwC is independent of the Bank within the meaning of the Rules of Professional Conduct of

the Chartered Professional Accountants of Ontario and has no material interest in the Bank. The address for PwC is set out on the last page hereof.

5. The 2018 Audited Consolidated Financial Statements, prepared in accordance with IFRS, were audited in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) by PwC. PwC expressed an unmodified opinion on the audited consolidated financial statements for the year ended October 31, 2018 in their report dated November 27, 2018.
6. For so long as the Issuer may issue securities with respect to which this Registration Document forms part of a prospectus prepared by the Bank relating to such securities, copies of the following documents may be inspected during normal business hours at the specified office of the Paying Agents and obtained from the executive and head offices of the Issuer, namely:
  - (i) the *Bank Act* (Canada) (being the charter of the Issuer) and by-laws of the Issuer;
  - (ii) the latest Annual Report of the Issuer for the two most recently completed fiscal years, which includes audited annual comparative consolidated financial statements of the Issuer, management's report on internal control over financial reporting and the auditor's reports thereon;
  - (iii) the most recent quarterly report including the unaudited interim condensed consolidated financial statements; and
  - (iv) a copy of the Registration Document together with any supplement to the Registration Document.

In addition, copies of this Registration Document will be available for inspection on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-newshome.html> of the National Storage Mechanism at <http://www.morningstar.co.uk/uk/NSM>. Copies of the Bank's periodic financial reports may also be available for viewing under the name of the Issuer on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) (an internet based securities regulatory filing system). Please note that the websites and urls referred to herein do not form part of the Registration Document or a prospectus.

# **ROYAL BANK OF CANADA**

## **HEAD OFFICE**

4th Floor, South Wing  
1 Place Ville Marie  
Montréal, Québec  
Canada H3C 3A9

## **EXECUTIVE OFFICES**

Royal Bank Plaza  
South Tower, 8<sup>th</sup> Floor  
200 Bay Street  
Toronto, Ontario  
Canada M5J 2J5

## **LEGAL ADVISERS TO THE ISSUER**

### **Norton Rose Fulbright LLP**

3 More London Riverside  
London SE1 2AQ  
England

### **Norton Rose Fulbright Canada LLP**

Suite 3800  
200 Bay Street  
Toronto, Ontario  
Canada M5J 2Z4

## **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM TO THE ISSUER**

### **PricewaterhouseCoopers LLP**

PwC Tower, 18 York Street  
Suite 2600  
Toronto, Ontario  
Canada M5J 0B2