

Final Terms dated January 9, 2017



ROYAL BANK OF CANADA
(a Canadian chartered bank)

Issue of GBP500,000,000 1.125 per cent. Covered Bonds due December 22, 2021
under the

€32,000,000,000

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

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

THE COVERED BONDS DESCRIBED IN THESE FINAL TERMS HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Prospectus dated July 29, 2016 and the supplements to it dated August 26, 2016, December 8, 2016 and January 4, 2017 which together constitute a base prospectus (the “Prospectus”) for the purposes of Directive 2003/71/EC, as amended including by Directive 2010/73/EU and includes any relevant implementing measures in a relevant Member State of the EEA (the “Prospectus Directive”). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive as implemented in the United Kingdom and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus and all documents incorporated by reference therein are available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name Royal Bank of Canada and the headline “Publication of Prospectus” and copies may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada M5J 2J5, and the offices of the Issuing and Paying Agent, One Canada Square, London E14 5AL, England.

1.
 - (i) Series Number: CB34
 - (ii) Tranche Number: 1
 - (iii) Date on which the Covered Bonds become fungible: Not Applicable
2. Specified Currency or Currencies: United Kingdom Pounds Sterling (“GBP”)
3. Aggregate Principal Amount:
 - (i) Series: GBP500,000,000
 - (ii) Tranche: GBP500,000,000
4. Issue Price: 99.759 per cent. of the Aggregate Principal Amount
5.
 - (a) Specified Denominations: GBP100,000 and integral multiples of GBP1,000 in excess thereof
 - (b) Calculation Amount: GBP1,000
6.
 - (i) Issue Date: January 11, 2017
 - (ii) Interest Commencement Date: Issue Date

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| 7. | (i) | Final Maturity Date: | Interest Payment Date falling on or nearest to December 22, 2021 |
| | (ii) | Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: | Interest Payment Date falling on or nearest to December 22, 2022 |
| 8. | | Interest Basis: | 1.125 per cent. Fixed Rate |
| 9. | | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date at par |
| 10. | | Change of Interest Basis: | In accordance with paragraphs 13 and 14 |
| 11. | | Put Option /Call Option: | Not Applicable |
| 12. | | Date of Board approval for issuance of Covered Bonds obtained: | Not Applicable |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 13. | Fixed Rate Covered Bond Provisions | Applicable from and including the Interest Commencement Date, to but excluding the Final Maturity Date |
| | (i) | Rate of Interest: |
| | | 1.125 per cent per annum payable in arrears on each Interest Payment Date |
| | (ii) | Specified Interest Payment Date(s): |
| | | December 22 in each year (not adjusted), commencing December 22, 2017 up to and including the Final Maturity Date |
| | (iii) | Business Day Convention: |
| | | Not Applicable |
| | (iv) | Business Centre(s): |
| | | Not Applicable |
| | (v) | Fixed Coupon Amount(s): |
| | | GBP11.25 per Calculation Amount, except in respect of the short first coupon specified in paragraph 13(vi) below |
| | (vi) | Broken Amount(s): |
| | | GBP10.63 per Calculation Amount payable on the Interest Payment Date falling on December 22, 2017 |
| | (vii) | Day Count Fraction: |
| | | Actual/Actual (ICMA) |

	(vii)	Determination Dates:	December 22 in each year
14.	Floating Rate Covered Bond Provisions		Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date to the extent payment of the Final Redemption Amount is deferred until the Extended Due for Payment Date in accordance with Condition 6.01
	(i)	Specified Period(s):	Not Applicable
	(ii)	Specified Interest Payment Dates:	The date falling on or nearest to the 22 nd day of each month from and excluding the Final Maturity Date to and including the Extended Due for Payment Date, subject to adjustment in accordance with the Business Day Convention specified in paragraph 14(iii) below
	(iii)	First Interest Payment Date:	The Specified Interest Payment Date falling on or nearest to January 22, 2022
	(iv)	Business Day Convention:	Modified Following Business Day Convention
	(v)	Business Centre(s):	Toronto and London
	(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
	(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	Royal Bank of Canada, London Branch c/o Royal Bank of Canada, Toronto Branch RBC Centre, 8th Floor 155 Wellington Street West Toronto Ontario Canada M5V 3H1
	(viii)	Screen Rate Determination:	Applicable
	–	Reference Rate:	1 month GBP LIBOR
	–	Interest Determination Date(s):	The first London Business Day of each Interest Period
	–	Relevant Screen Page:	Reuters Screen Page LIBOR01
	–	Relevant Time:	11:00am (London Time)

	–	Reference Banks:	Has the meaning given in the ISDA Definitions
	–	Relevant Financial Centre:	London
	–	Principal Financial Centre:	Not Applicable
(ix)		ISDA Determination:	Not Applicable
(x)		Linear Interpolation:	Not Applicable
(ix)		Margin(s):	+0.4320 per cent. per annum
(xii)		Minimum Rate of Interest:	Not Applicable
(xiii)		Maximum Rate of Interest:	Not Applicable
(xiv)		Day Count Fraction:	Actual/365 (Fixed)
15.		Zero Coupon Covered Bond	Not Applicable
PROVISIONS RELATING TO REDEMPTION			
16.		Call Option	Not Applicable
17.		Put Option	Not Applicable
18.		Final Redemption Amount of each Covered Bond	GBP1,000 per Calculation Amount
19.		Early Redemption Amount	
		Early Redemption Amount(s) payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor LP Event of Default or other early redemption:	GBP1,000 per Calculation Amount
		Early Redemption Amount includes amount in respect of accrued interest:	No: together with the Early Redemption Amount, accrued interest shall also be paid

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

20. Form of the Covered Bonds: Registered Covered Bonds:
Regulation S Global Covered Bond registered in the name of a nominee for a common safekeeper for Euroclear and Clearstream (that is, held under the NSS) and exchangeable only after an Exchange Event
21. New Global Covered Bond: No
22. Financial Centre(s) or other special provisions relating to payment dates: Toronto and London
23. Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): No
24. Euro Conversion Rate: The Aggregate Principal Amount of the Covered Bonds has been translated into Euros at the rate of Euro1.00 = GBP0.85115
25. Branch of Account: Main Toronto Branch located at the Executive Offices at the address indicated at the back of the Prospectus

Third Party Information:

Not Applicable

Signed on behalf of the Issuer:

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

By: _____

By: _____

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to the Official List of the UK Listing Authority and to trading on the Market with effect from January 11, 2017
- (ii) Estimate of total expenses related to admission to trading: GBP3,650

2. RATINGS

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

Moody's: Aaa
Fitch: AAA
DBRS: AAA

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

Save for the fees payable to the Managers, so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Covered Bond Guarantor and their affiliates in the ordinary course of business.

4. FIXED RATE COVERED BONDS ONLY – YIELD

Indication of yield: 1.175 per cent. per annum

5. OPERATIONAL INFORMATION

- (i) ISIN Code: XS1548415550
- (ii) Common Code: 154841555

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| (iii) | WKN: | Not Applicable |
| (iv) | CUSIP: | Not Applicable |
| (v) | CINS: | Not Applicable |
| (vi) | Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A., DTC, CDS, their addresses and the relevant identification number(s): | Not Applicable |
| (vii) | Delivery | Delivery against payment |
| (viii) | Name(s) and address(es) of additional Paying Agent(s) or Transfer Agent(s): | Not Applicable |

6. DISTRIBUTION

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| (i) | U.S. Selling Restrictions: | Regulation S, compliance Category 2; TEFRA Rules not applicable |
| (ii) | Canadian selling restrictions: | Not Applicable |