



RBC Capital Markets®

February 8, 2017

INDEX LINKED SECURITIES | RBC GLOBAL INVESTMENT SOLUTIONS

# RBC LIONS™ S&P/TSX 60 Booster Securities, Series 38, F-Class Non-Principal Protected Security

5.5 Year Term

60.00% Booster

No Cap on Return

## Subscriptions Close

on or about  
March 10, 2017

## FundSERV

RBC2638

This summary is qualified in its entirety by a pricing supplement (the "Pricing Supplement"), the base shelf prospectus dated January 21, 2016, the program prospectus supplement dated January 22, 2016 and the product prospectus supplement dated January 22, 2016 in respect of Index Linked Securities.

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## KEY TERMS

Issuer:	Royal Bank of Canada (the "Bank")
Issuer Credit Ratings:	Moody's: Aa3; S&P: AA-; DBRS: AA
Currency:	CAD
Minimum Investment:	50 Securities or \$5,000.
Term:	Approximately 5.5 years.
Principal at Risk:	The Securities are not principal protected
Index:	The return on the Securities is linked to the price performance of the S&P/TSX 60 Index (the "Index"). Securities do not represent an interest in the Index or in the securities of the companies that comprise the Index, and holders have no right or entitlement to such securities, including, without limitation, redemption rights (if any), voting rights or rights to receive dividends or other distributions paid on those securities (the annual dividend yield on the Index as of February 2, 2017 was 2.749%, representing an aggregate dividend yield of approximately 16.085% compounded annually over the 5.5 year term, on the assumption that the dividend yield remains constant).
Issue Date:	March 17, 2017.
Initial Index Level:	The "Initial Index Level" is the Closing Level, as published by the Index Sponsor, on March 13, 2017.
Final Index Level:	The "Final Index Level" is the Closing Level, as published by the Index Sponsor, on September 13, 2022.
Maturity Date:	September 16, 2022.

A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

## KEY TERMS CONTINUED

<b>Payment at Maturity:</b>	<p>Payment at maturity will be based on the price performance (or "<b>Percentage Change</b>") of the Index measured from the Initial Index Level to the Final Index Level. The amount payable (the "<b>Redemption Amount</b>") on each \$100 Principal Amount per Security at maturity will be determined as follows:</p> <p>If the Percentage Change in the Index is <b>greater than or equal to 60.00%</b>, then the Redemption Amount will be:</p> <ul style="list-style-type: none"><li>• <math>\\$100 + (\\$100 \times \text{Percentage Change})</math></li></ul> <p>If the Percentage Change in the Index is <b>zero or positive and less than 60.00%</b>, then the Redemption Amount will be:</p> <ul style="list-style-type: none"><li>• <math>\\$100 + (\\$100 \times \text{Booster Amount})</math></li></ul> <p>If the Percentage Change in the Index is <b>negative</b>, then the Redemption Amount will be:</p> <ul style="list-style-type: none"><li>• <math>\\$100 + (\\$100 \times \text{Percentage Change})</math></li></ul> <p>All dollar amounts will be rounded to the nearest whole cent. The minimum payment at maturity is \$1.00.</p>
<b>Percentage Change:</b>	<p>The "<b>Percentage Change</b>" is the amount, expressed as a percentage rounded to three decimal places, equal to:</p> $\frac{(\text{Final Index Level} - \text{Initial Index Level})}{\text{Initial Index Level}}$
<b>Booster Amount:</b>	<b>60.00%</b> , applied only if the Percentage Change is greater than or equal to 0% and less than 60.00%.
<b>Secondary Market:</b>	FundSERV, RBC2638
<b>Initial Estimated Value:</b>	The initial estimated value of the Securities as of February 2, 2017 was \$95.65 per Security, which is less than the price to the public and is not an indication of the actual profit to the Bank or its affiliates. The actual value of the Securities at any time will reflect many factors, cannot be predicted with accuracy, and may be less than this amount. We describe our determination of the initial estimated value in more detail in the Pricing Supplement.

## SAMPLE CALCULATIONS OF REDEMPTION AMOUNT

The examples set out below are included for illustration purposes only. The levels of the Index used to illustrate the calculation of the payment at maturity are not estimates or forecasts of the Initial Index Level and Final Index Level on which the calculation of the Percentage Change, and in turn the Redemption Amount, will depend. All examples assume that a holder of the Securities has purchased Securities with an aggregate Principal Amount of \$100 and that no Extraordinary Event has occurred. All dollar amounts are rounded to the nearest whole cent.

### **Example #1 — Calculation of the Redemption Amount where the Percentage Change is negative**

Assuming that the Initial Index Level is 908.52 and the Final Index Level is 272.56, the Redemption Amount would be calculated as follows:

Initial Index Level = 908.52

Final Index Level = 272.56

Percentage Change =  $(272.56 - 908.52) / 908.52 = -0.7000$  or -70.00%

Since the Percentage Change is negative, the Redemption Amount is calculated as follows:

Redemption Amount =  $\$100 + (\$100 \times -70.00\%) = \$30.00$

In this example, the Redemption Amount results in a loss on the Principal Amount equivalent to an annually compounded loss rate of 19.66%.

### **Example #2 — Calculation of the Redemption Amount where the Percentage Change is negative**

Assuming that the Initial Index Level is 908.52 and the Final Index Level is 863.09, the Redemption Amount would be calculated as follows:

Initial Index Level = 908.52

Final Index Level = 863.09

Percentage Change =  $(863.09 - 908.52) / 908.52 = -0.0500$  or -5.00%

Since the Percentage Change is negative, the Redemption Amount is calculated as follows:

Redemption Amount =  $\$100 + (\$100 \times -5.00\%) = \$95.00$

In this example, the Redemption Amount results in a loss on the Principal Amount equivalent to an annually compounded loss rate of 0.93%.

### **Example #3 — Calculation of the Redemption Amount where the Percentage Change is zero or positive and less than 60.00%**

Assuming that the Initial Index Level is 908.52 and the Final Index Level is 953.95, the Redemption Amount would be calculated as follows:

Initial Index Level = 908.52

Final Index Level = 953.95

Percentage Change =  $(953.95 - 908.52) / 908.52 = 0.0500$  or 5.00%

Since the Percentage Change is zero or positive and less than 60.00%, the Redemption Amount is calculated as follows:

Redemption Amount =  $\$100 + (\$100 \times 60.00\%) = \$160.00$

In this example, the Redemption Amount provides a return on the Principal Amount equivalent to an annually compounded rate of return of 8.92%.

### **Example #4 — Calculation of the Redemption Amount where the Percentage Change is greater than or equal to 60.00%**

Assuming that the Initial Index Level is 908.52 and the Final Index Level is 1,544.48, the Redemption Amount would be calculated as follows:

Initial Index Level = 908.52

Final Index Level = 1,544.48

Percentage Change =  $(1,544.48 - 908.52) / 908.52 = 0.7000$  or 70.00%

Since the Percentage Change is greater than or equal to 60.00%, the Redemption Amount is calculated as follows:

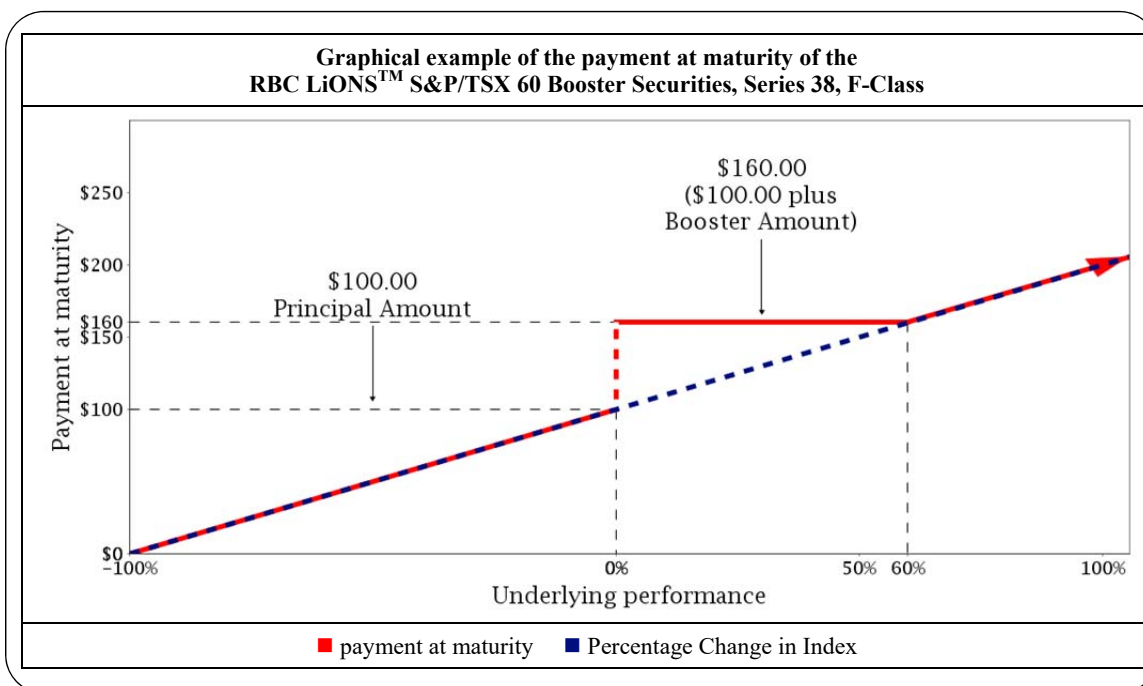
Redemption Amount =  $\$100 + (\$100 \times 70.00\%) = \$170.00$

In this example, the Redemption Amount provides a return on the Principal Amount equivalent to an annually compounded rate of return of 10.13%.



## GRAPHICAL DESCRIPTION OF THE PAYMENT AT MATURITY

The graph set out below is included for illustration purposes only. The Index levels used to illustrate the calculation of the payment at maturity are not estimates or forecasts of the Initial Index Level and Final Index Level on which the calculation of the Percentage Change, and in turn the Redemption Amount, will depend. This graph shows a limited range of hypothetical returns on the Index and is intended to be representative of that range only. Returns on the Index not shown on the graph are still possible to achieve and the corresponding returns on the Securities should be calculated using the formulas set out in the Pricing Supplement. This graph demonstrates what the return on the Securities will be for a specific return on the Index. There can be no assurance that any specific return will be achieved. All examples assume that a holder of the Securities has purchased Securities with an aggregate Principal Amount of \$100 and that no Extraordinary Event has occurred. The minimum payment at maturity is \$1.00.



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All capitalized terms unless otherwise defined have the meanings ascribed to them in the Pricing Supplement.

Clients should evaluate the financial, market, legal, regulatory, credit, tax and accounting risks and consequences of the proposal before entering into any transaction, or purchasing any instrument. Clients should evaluate such risks and consequences independently of Royal Bank of Canada and the Dealers, RBC Dominion Securities Inc. and Richardson GMP Limited, respectively.

The Securities will not constitute deposits insured under the *Canada Deposit Insurance Corporation Act*.

An investment in the Securities involves risks. An investment in the Securities is not the same as a direct investment in the securities that comprise the index to which the Securities are linked and investors have no rights with respect to the securities underlying such index. The Securities are considered to be "specified derivatives" under applicable Canadian securities laws. If you purchase Securities, you will be exposed to changes in the level of the Index and fluctuations in interest rates, among other factors. Index levels are volatile and an investment in the Securities may be considered to be speculative. Since the Securities are not principal protected and the Principal Amount will be at risk, you could lose substantially all of your investment. Potential purchasers of Securities should consult with their own tax advisors having regard to their particular circumstances.

The Securities are not fixed income securities and are not designed to be alternatives to fixed income or money market instruments. The Securities are structured products that possess downside risk.

