

ROYAL BANK OF CANADA
Form 424B2
January 19, 2018

Filed Pursuant to Rule 424(b)(2)

Registration Statement No. 333-208507

Pricing Supplement SPBELN 260-C to the Prospectus dated January 8, 2016, the Series G Prospectus Supplement dated January 8, 2016, and the Product Prospectus Supplement PB-1 dated January 14, 2016

Royal Bank of Canada

\$2,126,000

Leveraged Buffered Basket-Linked Notes, due April 4, 2019

The notes will not bear interest. The amount that you will be paid on your notes on the stated maturity date (April 4, 2019, subject to adjustment) is based on the performance of a weighted basket comprised of the EURO STOXX 50[®] Index (37% weighting), the FTSE[®] 100 Index (23% weighting), the TOPIX[®] (23% weighting), the Swiss Market Index (9% weighting) and the S&P[®]/ASX 200 Index (8% weighting) as measured from the trade date (January 17, 2018) to and including the determination date (April 1, 2019, subject to adjustment). The initial basket level is 100, and the final basket level will equal the sum of the products, as calculated for each basket underlier, of (i) the final index level for such basket underlier divided by (ii) the initial index level for such basket underlier (3,612.78 with respect to the EURO STOXX 50[®] Index, 7,725.43 with respect to the FTSE[®] 100 Index, 1,890.82 with respect to the TOPIX[®] Index, 9,440.01 with respect to the Swiss Market Index, and 6,015.814 with respect to the S&P[®]/ASX 200 Index) multiplied by (iii) the applicable initial weighted value for such basket underlier. If the final basket level on the determination date is greater than the initial basket level, the return on your notes will be positive, subject to the maximum settlement amount (\$1,162.90 for each \$1,000 principal amount of the notes). If the final basket level declines by up to 12.50% from the initial basket level, you will receive the face amount of the notes. If the final basket level declines by more than 12.50% from the initial basket level, the return on your notes will be negative. You could lose your entire investment in the notes.

To determine your payment at maturity, we will calculate the basket return, which is the percentage increase or decrease in the final basket level from the initial basket level. On the stated maturity date, for each \$1,000 principal amount of your notes, you will receive an amount in cash equal to:

if the basket return is positive (the final basket level is greater than the initial basket level), the sum of (i) \$1,000 plus (ii) the product of (a) \$1,000 times (b) the upside participation rate of 180% times (c) the basket return, subject to the maximum settlement amount; or

if the basket return is zero or negative but not below -12.50% (the final basket level is equal to or less than the initial basket level but not by more than 12.50%), \$1,000; or

if the basket return is negative and is below -12.50% (the final basket level is less than the initial basket level by more than 12.50%), the sum of (i) \$1,000 plus (ii) the product of (a) 100/87.50 (which is approximately 1.1429) times (b) the sum of the basket return plus 12.50% times (c) \$1,000. This amount will be less than \$1,000.

Our initial estimated value of the notes as of the date of this pricing supplement is \$996.597 per \$1,000 in principal amount, which is less than the original issue price. The actual value of the notes 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 below.

Declines in one basket underlier may offset increases in the other basket underliers. Due to the unequal weighting of each basket underlier, the performances of the EURO STOXX 50[®] Index, the FTSE[®] 100 Index and the TOPIX[®] will have a significantly larger impact on your return on the notes than the performance of the Swiss Market Index or the S&P[®]/ASX 200 Index. Your investment in the notes involves certain additional risks, including, among other things, our credit risk. See the section "Additional Risk Factors Specific to Your Notes" beginning on page PS-10 of this pricing supplement.

The foregoing is only a brief summary of the terms of your notes. You should read the additional disclosure provided in this pricing supplement so that you may better understand the terms and risks of your investment.

Original issue date: January 24, 2018 Original issue price: 100.00% of the principal amount

Underwriting discount: 0.00% of the principal amount Net proceeds to the issuer: 100.00% of the principal amount

See “Supplemental Plan of Distribution (Conflicts of Interest)” on page PS-33 of this pricing supplement.

The issue price, underwriting discount and net proceeds listed above relate to the notes we sell initially. We may decide to sell additional notes after the date of this pricing supplement, at issue prices and with underwriting discounts and net proceeds that differ from the amounts set forth above. The return (whether positive or negative) on your investment in the notes will depend in part on the issue price you pay for such notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this pricing supplement, the accompanying product prospectus supplement, the accompanying prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense. The notes will not constitute deposits that are insured by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. governmental agency or instrumentality.

RBC Capital Markets, LLC

Pricing Supplement dated January 17, 2018.

SUMMARY INFORMATION

We refer to the notes we are offering by this pricing supplement as the “offered notes” or the “notes.” Each of the offered notes, including your notes, has the terms described below. Please note that in this pricing supplement, references to “Royal Bank of Canada,” “we,” “our” and “us” mean only Royal Bank of Canada and all references to “\$” or “dollar” are to United States dollars. Also, references to the “accompanying prospectus” mean the accompanying prospectus, dated January 8, 2016, as supplemented by the accompanying prospectus supplement, dated January 8, 2016, of Royal Bank of Canada relating to the Senior Medium-Term Notes, Series G program of Royal Bank of Canada and references to the “accompanying product prospectus supplement PB-1” mean the accompanying product prospectus supplement PB-1, dated January 14, 2016, of Royal Bank of Canada.

This section is meant as a summary and should be read in conjunction with the section entitled “General Terms of the Notes” beginning on page PS-4 of the accompanying product prospectus supplement PB-1. Please note that certain features described in the accompanying product prospectus supplement PB-1 are not applicable to the notes. This pricing supplement supersedes any conflicting provisions of the accompanying product prospectus supplement PB-1.

Key Terms

Issuer: Royal Bank of Canada

Basket underliers: the EURO STOXX 50[®] Index (Bloomberg symbol, “SX5E Index”), as published by STOXX Limited (“STOXX”); the FTSE100 Index (Bloomberg symbol, “UKX Index”), as published by FTSE Russell (“FTSE”); the TOPIX[®] (Bloomberg symbol, “TPX Index”), as maintained by the Tokyo Stock Exchange, Inc. (“TSE”); the Swiss Market Index (Bloomberg symbol, “SMI Index”), as published by SIX Group Ltd. (“SIX Group”); and the S&P 500 Index (Bloomberg symbol, “AS51 Index”), as published by S&P Dow Jones Indices LLC (“S&P”). See “The Basket and the Basket Underliers” on page PS-16

Specified currency: U.S. dollars (“\$”)

Denominations: \$1,000 and integral multiples of \$1,000 in excess of \$1,000. The notes may only be transferred in amounts of \$1,000 and increments of \$1,000 thereafter

Principal amount: each note will have a principal amount of \$1,000; \$2,126,000 in the aggregate for all the offered notes; the aggregate principal amount of the offered notes may be increased if the issuer, at its sole option, decides to sell an additional amount of the offered notes on a date subsequent to the date of this pricing supplement

Purchase at amount other than principal amount: the amount we will pay you at the stated maturity date for your notes will not be adjusted based on the issue price you pay for your notes, so if you acquire notes at a premium (or discount) to principal amount and hold them to the stated maturity date, it could affect your investment in a number of ways.

The return on your investment in such notes will be lower (or higher) than it would have been had you purchased the notes at a price equal to the principal amount. Also, the buffer level would not offer the same measure of protection to your investment as would be the case if you had purchased the notes at the principal amount. Additionally, the cap level would be triggered at a lower (or higher) percentage return than indicated below, relative to your initial investment. See “If the Original Issue Price for Your Notes Represents a Premium to the Principal Amount, the Return on Your Notes Will Be Lower Than the Return on Notes for Which the Original Issue Price Is Equal to the Principal Amount or Represents a Discount to the Principal Amount” on page PS-15 of this pricing supplement

Cash settlement amount (on the stated maturity date): for each \$1,000 principal amount of your notes, we will pay you on the stated maturity date an amount in cash equal to:

- if the final basket level is greater than or equal to the cap level, the maximum settlement amount;
- if the final basket level is greater than the initial basket level but less than the cap level, the sum of (1) \$1,000 plus (2) the product of (i) \$1,000 times (ii) the upside participation rate times (iii) the basket return;
- if the final basket level is equal to or less than the initial basket level but greater than or equal to the buffer level, \$1,000; or
- if the final basket level is less than the buffer level, the sum of (1) \$1,000 plus (2) the product of (i) the buffer rate times (ii) the sum of the basket return plus the buffer amount times (iii) \$1,000. In this case, the cash settlement amount will be less than the principal amount of the notes, and you will lose some or all of the principal amount.

Initial basket level: 100.00

Initial weighted value: the initial weighted value for each of the basket underliers equals the product of the initial weight of such basket underlier times the initial basket level. The initial weight of each basket underlier is shown in the table below:

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Basket Underlier	Initial Weight in Basket	Initial Index Level
EURO STOXX 50 [®] Index	37.00%	3,612.78
FTSE [®] 100 Index	23.00%	7,725.43
TOPIX [®]	23.00%	1,890.82
Swiss Market Index	9.00%	9,440.01
S&P [®] /ASX 200 Index	8.00%	6,015.814

Initial index level: the initial index level of each basket underlier is shown in the table above

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Final index level: the closing level of each basket underlier on the determination date, except in the limited circumstances described under “— Determination date” and “— Consequences of a market disruption event or a non-trading day” below and subject to adjustment as provided under “General Terms of the Notes — Unavailability of the Level of the Underlier” beginning on page PS-6 of the accompanying product prospectus supplement PB-1

Final basket level: the sum of the following: (1) the final index level of the EURO STOXX 50[®] Index divided by the initial index level of the EURO STOXX 50[®] Index, multiplied by the initial weighted value of the EURO STOXX 50[®] Index plus (2) the final index level of the FTSE[®] 100 Index divided by the initial index level of the FTSE[®] 100 Index, multiplied by the initial weighted value of the FTSE[®] 100 Index plus (3) the final index level of the TOPIX[®] divided by the initial index level of the TOPIX[®], multiplied by the initial weighted value of the TOPIX[®] plus (4) the final index level of the Swiss Market Index divided by the initial index level of the Swiss Market Index, multiplied by the initial weighted value of the Swiss Market Index plus (5) the final index level of the S&P[®]/ASX 200 Index divided by the initial index level of the S&P[®]/ASX 200 Index, multiplied by the initial weighted value of the S&P[®]/ASX 200 Index

Basket return: the quotient of (1) the final basket level minus the initial basket level divided by (2) the initial basket level, expressed as a percentage

Upside participation rate: 180%

Cap level: 109.05% of the initial basket level

Maximum settlement amount: \$1,162.90 for each \$1,000 principal amount of the notes

Buffer level: 87.50% of the initial basket level (equal to a basket return of -12.50%)

Buffer amount: 12.50%

Buffer rate: the quotient of the initial basket level divided by the buffer level, which equals approximately 114.29%

Trade date: January 17, 2018

Original issue date (settlement date): January 24, 2018

Determination date: April 1, 2019, provided that, if the calculation agent determines that a market disruption event with respect to a basket underlier occurs or is continuing on such day or such day is not a trading day with respect to a basket underlier, the determination date will be the first following trading day on which the calculation agent determines that, on or subsequent to such originally scheduled determination date, each basket underlier has had at least one trading day on which no market disruption event has occurred or is continuing and the closing level of each of the basket underliers will be determined on or prior to the postponed determination date as set forth under “— Consequences of a market disruption event or a non-trading day” below. (In such case, the determination date may differ from the dates on which the levels of one or more basket underliers are determined for the purpose of the calculations to be performed on the determination date.) However, the determination date will not be postponed to a date later than the originally scheduled stated maturity date or, if the originally scheduled stated maturity date is not a business day, later than the first business day after the originally scheduled stated maturity date. On such last possible determination date, if a market disruption event occurs or is continuing with respect to a basket underlier that has not yet had such a trading day on which no market disruption event has occurred or is continuing or if such last possible day is not a trading day with respect to such basket underlier, that day will nevertheless be the determination date

Stated maturity date: April 4, 2019, unless that date is not a business day, in which case the stated maturity date will be postponed to the next following business day. The stated maturity date will also be postponed if determination date is postponed as described under “— Determination date” above. In such a case, the stated maturity date will be postponed by the same number of business day(s) from but excluding the originally scheduled determination date to and including the actual determination date

Consequences of a market disruption event or a non-trading day: if a market disruption event with respect to any basket underlier occurs or is continuing on a day that would otherwise be the determination date, or such day is not a trading day, then the determination date will be postponed as described under “— Determination date” above. As a result of any of the foregoing, the stated maturity date may also be postponed, as described under “— Stated maturity date” above. If the determination date is postponed due to a market disruption event or non-trading day with respect to one or more of the basket underliers, the basket closing level for the postponed determination date will be calculated based on (i) the closing level of each of the basket underliers that is not affected by the market disruption event or non-trading day, if any, on the originally scheduled determination date with respect to each such basket underlier, if any, (ii) the closing level of each of the basket underliers that is affected by the market disruption event or non-trading

day on the first trading day following the originally scheduled determination date on which no market disruption event exists for that basket underlier, and (iii) the calculation agent's assessment, in its sole discretion, of the closing level of each basket underlier on the last possible postponed determination date with respect to each basket underlier as to which a market disruption event or non-trading day continues through the last possible postponed determination date. As a result, this could result in the closing level of differing basket underliers being determined on different calendar dates. For the avoidance of doubt, once the closing level for one or more basket underliers is determined for a determination date, the occurrence of a later market disruption event or non-trading day will not alter such calculation

No interest: the offered notes will not bear interest

No listing: the offered notes will not be listed on any securities exchange or interdealer quotation system

No redemption: the notes are not subject to redemption prior to maturity

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Closing level: the official closing level of the applicable basket underlier or any successor basket underlier published by the applicable basket underlier sponsor on such trading day for that basket underlier

Business day: as described under “General Terms of the Notes — Special Calculation Provisions — Business Day” on page PS-11 of the accompanying product prospectus supplement PB-1

Use of proceeds and hedging: as described under “Use of Proceeds and Hedging” on page PS-13 of the accompanying product prospectus supplement PB-1

ERISA: as described under “Employee Retirement Income Security Act” on page PS-20 of the accompanying product prospectus supplement PB-1

Calculation agent: RBC Capital Markets, LLC (“RBCCM”)

Dealer: RBCCM

Market disruption events: as to each basket underlier, the term “market disruption event” is defined in the section of the product supplement entitled “General Terms of the Notes — Market Disruption Events,” and the consequences of a market disruption event (and non-trading day) are described under “—Determination date,” “—Stated maturity date” and “Consequences of a market disruption event or a non-trading day” above. For the avoidance of doubt, a market disruption event (or non-trading day) as to any basket underlier on the determination date will only result in a postponement of the determination date as to the relevant basket underlier(s), and not as to any basket underlier that is not so affected

Trading day: as to each basket underlier, the term “trading day” is defined in the section of the product supplement entitled “General Terms of the Notes—Special Calculation Provisions—Trading Day—Indices”

U.S. tax treatment: by purchasing a note, each holder agrees (in the absence of a change in law, an administrative determination or a judicial ruling to the contrary) to treat the note as a pre-paid cash-settled derivative contract for U.S. federal income tax purposes. However, the U.S. federal income tax consequences of your investment in the notes are uncertain and the Internal Revenue Service could assert that the notes should be taxed in a manner that is different from that described in the preceding sentence. Please see the discussion in the accompanying prospectus under “Tax Consequences,” the discussion in the accompanying prospectus supplement under “Certain Income Tax Consequences,” and the discussion (including the opinion of our counsel Morrison & Foerster LLP) in the accompanying product prospectus supplement PB-1 under “Supplemental Discussion of U.S. Federal Income Tax Consequences,” and the discussion below under “Supplemental Discussion of U.S. Federal Income Tax Consequences,” which apply to the notes

Canadian tax treatment: for a discussion of certain Canadian federal income tax consequences of investing in the notes, please see the section entitled “Tax Consequences – Canadian Taxation” in the accompanying prospectus

CUSIP no.: 78013XDT2

ISIN no.: US78013XDT25

FDIC: the notes will not constitute deposits that are insured by the Federal Deposit Insurance Corporation, the Canada Deposit Insurance Corporation or any other Canadian or U.S. governmental agency

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HYPOTHETICAL EXAMPLES

The following table and chart are provided for purposes of illustration only. They should not be taken as an indication or prediction of future investment results and are intended merely to illustrate the impact that various hypothetical final basket levels on the determination date could have on the cash settlement amount at maturity, assuming all other variables remain constant.

The examples below are based on a range of final basket levels that are entirely hypothetical. No one can predict what the basket level will be on any day during the term of your notes, and no one can predict what the final basket level will be. The basket underliers have been highly volatile in the past—meaning that the level of each basket underlier has changed considerably in relatively short periods—and its performance cannot be predicted for any future period.

The information in the following examples reflects hypothetical rates of return on the notes assuming that they are purchased on the original issue date with a \$1,000 principal amount and are held to maturity. If you sell your notes in any secondary market prior to maturity, your return will depend upon the market value of your notes at the time of sale, which may be affected by a number of factors that are not reflected in the table below, such as interest rates and the volatility of the basket underliers. In addition, assuming no changes in market conditions or our creditworthiness and any other relevant factors, the value of your notes on the trade date (as determined by reference to pricing models used by RBCCM and taking into account our credit spreads) is, and the price you may receive for your notes may be, significantly less than the principal amount. For more information on the value of your notes in the secondary market, see “Additional Risk Factors Specific to Your Notes — The Price, if Any, at Which You May Be Able to Sell Your Notes Prior to Maturity May Be Less than the Original Issue Price and Our Initial Estimated Value” below. The information in the table also reflects the key terms and assumptions in the box below.

Key Terms and Assumptions

Principal amount	\$1,000
Upside participation rate	180%
Cap level	109.05% of the initial basket level
Maximum settlement amount	\$1,162.90
Buffer level	87.50% of the initial basket level
Buffer rate	, which equals approximately 114.29%
Buffer amount	12.50%

Neither a market disruption event nor a non-trading day occurs on the originally scheduled determination date

No change affecting the methods by which the basket underlier sponsors calculate the basket underliers

Notes purchased on original issue date at a price equal to the principal amount and held to the stated maturity date

The actual performance of the basket over the term of your notes, as well as the amount payable at maturity, if any, may bear little relation to the hypothetical examples shown below or to the historical level of each basket underlier shown elsewhere in this pricing supplement. For information about the historical levels of each basket underlier during recent periods, see “The Basket and the Basket Underliers—Historical Performance of the Basket Underliers” below. Before investing in the notes, you should consult publicly available information to determine the levels of the basket underliers between the date of this pricing supplement and the date of your purchase of the notes.

Also, the hypothetical examples shown below do not take into account the effects of applicable taxes. Because of the U.S. tax treatment applicable to your notes, tax liabilities could affect the after-tax rate of return on your notes to a comparatively greater extent than the after-tax return on the stocks included in the basket underliers (the “underlier stocks”).

The levels in the left column of the table below represent hypothetical final basket levels and are expressed as percentages of the initial basket level. The amounts in the right column represent the hypothetical cash settlement amounts, based on the corresponding hypothetical final basket level (expressed as a percentage of the initial basket level), and are expressed as percentages of the principal amount of a note (rounded to the nearest one-thousandth of a

percent). Thus, a hypothetical cash settlement amount of 100.000% means that the value of the cash payment that we would deliver for each \$1,000 principal amount of the notes at maturity would equal the principal amount of a note, based on the corresponding hypothetical final basket level (expressed as a percentage of the initial basket level) and the assumptions noted above.

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Hypothetical Final Basket Level (as a Percentage of the Initial Basket Level)	Hypothetical Cash Settlement Amount (as a Percentage of the Principal Amount)
150.00%	116.290%
140.00%	116.290%
130.00%	116.290%
120.00%	116.290%
110.00%	116.290%
109.05%	116.290%
107.00%	112.600%
105.00%	109.000%
100.00%	100.000%
95.00%	100.000%
90.00%	100.000%
87.50%	100.000%
85.00%	97.143%
75.00%	85.714%
50.00%	57.143%
25.00%	28.571%
0.00%	0.000%

If, for example, the final basket level were determined to be 25.00% of the initial basket level, the cash settlement amount that we would deliver on your notes at maturity would be approximately 28.571% of the principal amount of your notes, as shown in the hypothetical cash settlement amount column of the table above. As a result, if you purchased your notes at the principal amount on the settlement date and held them to maturity, you would lose approximately 71.429% of your investment.

If the final basket level were determined to be 150.00% of the initial basket level, the cash settlement amount that we would deliver on your notes at maturity would be capped at the maximum settlement amount (expressed as a percentage of the principal amount), or 116.290% of the principal amount of your notes, as shown in the hypothetical cash settlement amount column of the table above. As a result, if you purchased your notes at the principal amount on the settlement date and held them to maturity, you would not benefit from any increase in the final basket level over 109.05% of the initial basket level.

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The following chart also illustrates the hypothetical cash settlement amounts (expressed as a percentage of the principal amount of your notes) that we would pay on your notes on the stated maturity date, if the final basket level (expressed as a percentage of the initial basket level) were any of the hypothetical levels shown on the horizontal axis. The chart shows that any hypothetical final basket level (expressed as a percentage of the initial basket level) of less than the buffer level would result in a hypothetical cash settlement amount of less than 100.00% of the principal amount of your notes (the section below the 100.00% marker on the vertical axis) and, accordingly, in a loss of principal to the holder of the notes. On the other hand, any hypothetical final basket level that is greater than the initial basket level (the section right of the 100.00% marker on the horizontal axis) would result in a hypothetical cash settlement amount that is greater than 100.00% of the principal amount of your notes on a leveraged basis (the section above the 100.00% marker on the vertical axis), subject to the maximum settlement amount.

n The Note Performance

n The Basket Performance

The following examples illustrate the hypothetical cash settlement amount at maturity, on each note based on hypothetical final index levels of the basket underliers, calculated based on the key terms and assumptions above. The levels in Column A represent the hypothetical initial index level for each basket underlier, and the levels in Column B represent hypothetical final index levels for each basket underlier. The percentages in Column C represent hypothetical final index levels for each basket underlier in Column B expressed as percentages of the corresponding hypothetical initial index levels in Column A. The amounts in Column D represent the applicable initial weighted value for each basket underlier, and the amounts in Column E represent the products of the percentages in Column C times the corresponding amounts in Column D. The final basket level for each example is shown beneath each example, and will equal the sum of the five products shown in Column E. The basket return for each example is shown beneath the final basket level for such example, and will equal the quotient of (i) the final basket level for such example minus the initial basket level divided by (ii) the initial basket level, expressed as a percentage. The values below may be rounded for ease of analysis.

The hypothetical initial index level for each basket underlier of 100.00 has been chosen for illustrative purposes only and does not represent the actual initial index level for that basket underlier. For historical data regarding the actual historical levels of the basket underliers, please see the historical information set forth below under “The Basket and the Basket Underliers.”

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Example 1: The final basket level is greater than the cap level. The cash settlement amount equals the maximum settlement amount.

	Column A	Column B	Column C	Column D	Column E
Basket Underlier	Hypothetical Initial Index Level	Hypothetical Final Index Level	Column B/Column A	Initial Weighted Value	Column C x Column D
EURO STOXX 50 [®] Index	100.00	120.00	120.00%	37.00	44.40
FTSE [®] 100 Index	100.00	120.00	120.00%	23.00	27.60
TOPIX [®]	100.00	120.00	120.00%	23.00	27.60
Swiss Market Index	100.00	120.00	120.00%	9.00	10.80
S&P [®] /ASX 200 Index	100.00	120.00	120.00%	8.00	9.60
			Final Basket Level:		120.00
			Basket Return:		20.00%

In this example, all of the hypothetical final index levels for the basket underliers are greater than the applicable hypothetical initial index levels, which results in the hypothetical final basket level being greater than the initial basket level of 100.00. Since the hypothetical final basket level was determined to be 120.00, the hypothetical cash settlement amount that we would deliver on your notes at maturity would be capped at the maximum settlement amount of \$1,162.90 for each \$1,000 face amount of your notes (i.e., 116.29% of each \$1,000 face amount of your notes).

Example 2: The final basket level is greater than the initial basket level but less than the cap level.

	Column A	Column B	Column C	Column D	Column E
Basket Underlier	Hypothetical Initial Index Level	Hypothetical Final Index Level	Column B/Column A	Initial Weighted Value	Column C x Column D
EURO STOXX 50 [®] Index	100.00	101.00	101.00%	37.00	37.37
FTSE [®] 100 Index	100.00	102.00	102.00%	23.00	23.46
TOPIX [®]	100.00	101.00	101.00%	23.00	23.23
Swiss Market Index	100.00	115.00	115.00%	9.00	10.35
S&P [®] /ASX 200 Index	100.00	128.00	128.00%	8.00	10.24
			Final Basket Level:		104.65
			Basket Return:		4.65%

In this example, all of the hypothetical final index levels for the basket underliers are greater than the applicable hypothetical initial index levels, which results in the hypothetical final basket level being greater than the initial basket level of 100.00. Since the hypothetical final basket level was determined to be 104.65, the hypothetical cash settlement amount for each \$1,000 face amount of your notes will equal:

$$\text{Cash settlement amount} = \$1,000 + (\$1,000 \times 180.00\% \times 4.65\%) = \$1,083.70$$

Example 3: The final basket level is less than the initial basket level but greater than the buffer level. The cash settlement amount is equal to the \$1,000 face amount.

	Column A	Column B	Column C	Column D	Column E
Basket Underlier	Hypothetical Initial Index Level	Hypothetical Final Index Level	Column B/Column A	Initial Weighted Value	Column C x Column D
EURO STOXX 50 [®] Index	100.00	91.00	91.00%	37.00	33.67
FTSE [®] 100 Index	100.00	91.00	91.00%	23.00	20.93
TOPIX [®]	100.00	91.00	91.00%	23.00	20.93
Swiss Market Index	100.00	91.00	91.00%	9.00	8.19
S&P [®] /ASX 200 Index	100.00	91.00	91.00%	8.00	7.28
			Final Basket Level:		91.00

Basket Return: -9.00%

In this example, all of the hypothetical final index levels for the basket underliers are less than the applicable hypothetical initial index levels, which results in the hypothetical final basket level being less than the initial basket level of 100.00. Since the hypothetical final basket level of 91.00 is greater than the buffer level of 87.50% of the initial basket level but less than the initial basket level of 100.00, the hypothetical cash settlement amount for each \$1,000 face amount of your notes will equal the face amount of the note, or \$1,000.

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Example 4: The final basket level is less than the buffer level. The cash settlement amount is less than the \$1,000 face amount.

	Column A	Column B	Column C	Column D
Basket Underlier	Hypothetical Initial Index Level	Hypothetical Final Index Level	Column B/Column A	Initial Weighted Value
EURO STOXX 50 [®] Index	100.00	40.00	40.00%	37.00
FTSE [®] 100 Index	100.00	100.00	100.00%	23.00
TOPIX [®]	100.00	100.00	100.00%	23.00
Swiss Market Index	100.00	115.00	115.00%	

For more information on the calculation of the value of the Basket, please see the section entitled "LIRNs Basket Market Measures" beginning on page PS-20 of product supplement EQUITY INDEX

If November 26, 2018 were the pricing date, for each Basket Component, the Initial Component Weight, the hypothetical Component Ratio and the initial contribution to the Basket value would be:

Basket Component	Bloomberg Symbol	Initial Component Weight	Closing Level(1)(2)	Hypothetical Component Ratio(1)(3)
EURO STOXX 50 [®] Index	SX5E	40.00%	3,172.71	0.01260752
FTSE [®] 100 Index	UKX	20.00%	7,036.00	0.00284252
Nikkei Stock Average Index	NKY	20.00%	21,812.00	0.00091693
Swiss Market Index	SMI	7.50%	8,931.37	0.00083974
S&P [®] /ASX 200 Index	AS51	7.50%	5,671.571	0.00132238
Hang Seng [®] Index	HSI	5.00%	26,376.18	0.00018956
				Starting Value

(1) The actual closing level of each Basket Component and the resulting actual Component Ratio are determined on the pricing date, subject to adjustment as more fully described in the section entitled "LIRNs Basket Market Measures - Determination of the Component Ratio for Each Basket Component" on page PS-20 of product supplement EQUITY INDICES LIRN-1 if a Market Disruption Event occurs on the pricing date as to any Basket Component.

(2) These were the closing levels of the Basket Components on November 26, 2018.

(3) Each hypothetical Component Ratio equals the Initial Component Weight of the relevant Basket Component (as a percentage) multiplied by 100, and then divided by the closing level of that Basket Component on November 26, 2018 and rounded to eight decimal places.

On each calculation day during the Maturity Valuation Period, the calculation agent will calculate the Ending Value of the Basket on such day by summing the products of (a) the closing level for each Basket Component on such day and (b) the Component Ratio for such Basket Component. The Ending Value of the Basket will be the Ending Value of the Basket on each calculation day during the Maturity Valuation Period. If a Market Disruption Event occurs on any calculation day during the Maturity Valuation Period, the closing level of that Basket Component on any scheduled calculation day, the closing level of that Basket Component will be the closing level of that Basket Component as determined as more fully described in the section entitled "Description of LIRNs - Basket Market Disruption Event" beginning on page PS-21 of product supplement EQUITY INDICES LIRNs.

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While actual historical information on the Basket will not exist before the pricing date, the graph sets forth the hypothetical historical performance of the Basket from January 1, 2008 through December 31, 2018. The graph is based upon actual daily historical levels of the Basket Components, and Component Ratios based on the closing levels of the Basket Components as of December 31, 2007. The Basket value of 100.00 as of that date. This hypothetical historical data on the Basket is not indicative of the future performance of the Basket or what the value of the notes may be. It does not indicate any historical upward or downward trend in the value of the Basket during any period set forth in the graph, nor does it indicate that the value of the Basket is more or less likely to increase or decrease at any time during the term of the notes.

Hypothetical Historical Performance of the Basket

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The Basket Components

All disclosures contained in this term sheet regarding the Basket Components, including, without limitation, the index constituents, index make-up, method of calculation, and changes in their components, have been derived from public sources. The information reflects the policies of, and is subject to change by, each of STOXX Limited (the "STOXX Index Sponsor"), FTSE International Limited (the "FTSE Index Sponsor"), FTSE® 100 Index (the "UKX Index Sponsor"), Nikkei Inc. (the "Nikkei Index Sponsor") with respect to the Nikkei Stock Average Index (the "Nikkei Index"), SIX Group Ltd., certain of its subsidiaries, and the Management Committee of the SIX Exchange (the "SIX Exchange Index Sponsor"), with respect to the Swiss Market Index (the "SMI Index Sponsor"), S&P Dow Jones (the "S&P Index Sponsor"), a division of S&P Global, with respect to the S&P®/ASX 200 Index (the "ASX Index Sponsor"), and Hang Seng Index (the "HSIL Index Sponsor") with respect to the Hang Seng® Index (the "HSI Index Sponsor") (STOXX, FTSE, Nikkei, S&P, Six and Hang Seng together, the "index sponsors"). The index sponsors, which license the copyright and all other rights in the Basket Components, have no obligation to continue to publish, and may discontinue or suspend the publication of, the Basket Components. The consequences of the index sponsors discontinuing publication of the Basket Components are discussed in the section entitled "Description of LIRNs - Discontinuance of an Index" beginning on page 17 of this product supplement EQUITY INDICES LIRN-1. None of us, the calculation agent, or MLPF&S has any responsibility for the calculation, maintenance or publication of the Basket Components or any other aspect of the performance of the Basket Components.

The EURO STOXX 50® Index

The EURO STOXX 50® Index (the "SX5E Index") was created by STOXX Limited (the "STOXX Index Sponsor"), wholly owned by Deutsche Börse AG. Publication of the SX5E began in February 1998, based on an initial index of 30 blue-chip stocks as of December 31, 1991. The SX5E is derived from the EURO STOXX Total Market Index (the "TMI Index") which consists of 1,000 blue-chip stocks from 11 Eurozone countries: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

Index Composition and Maintenance

The stocks in the represented Eurozone countries are ranked in terms of free-float market capitalization. The 40 largest stocks are added to the selection list until the coverage is close to, but still less than, 60% of the free-float market capitalization of the corresponding EURO STOXX TMI, which covers 95% of the free-float market capitalization of the represented Eurozone countries. If the next highest-ranked stock brings the coverage to 60% in absolute terms, then it is also added to the selection list. All current stocks in the SX5E are added to the selection list. All of the stocks on the selection list are then ranked in terms of free-float market capitalization to produce the final index selection list. The largest 40 stocks on the selection list are selected; the next 10 stocks are selected from the largest remaining current stocks ranked between 41 and 60; if the coverage is still below 50, then the largest remaining stocks are selected until there are 50 stocks in the SX5E. The liquidity criteria of the EURO STOXX TMI also applies to the selection of SX5E components.

The SX5E components are subject to a capped maximum index weight of 10%, which is applied on a pro-rata basis.

The composition of the SX5E is reviewed annually in September. The review cut-off date is the August.

The free-float factors for each component stock used to calculate the SX5E, as described below, are calculated, and implemented on a quarterly basis and are fixed until the next quarterly review.

The SX5E is subject to a fast exit rule. The index components are monitored for any changes in selection list ranking (i.e., on an ongoing monthly basis). A component is deleted from the SX5E if (a) it ranked below on the monthly selection list and (b) it ranked 75 or below on the selection list of the previous month. The highest-ranked stock that is not an index component will replace it. Changes will be implemented on the fifth trading day of the month, and are effective the next trading day.

The SX5E is also subject to a fast entry rule. All stocks on the latest selection lists and initial listings are reviewed for a fast-track addition on a quarterly basis. A stock is added, if (a) it qualified for the STOXX blue-chip selection list generated at the end of February, May, August or November and (b) it ranked in the lower buffer (ranks 1-25) on this selection list. If the stock is added, it replaces the smallest component of the SX5E.

The SX5E is also reviewed on an ongoing basis. Corporate actions (including IPOs, mergers and acquisitions, spin-offs, delistings, and bankruptcy) that affect the index composition are immediately reviewed and implemented, announced, implemented, and effective in line with the type of corporate action and the magnitude of the change.

A deleted stock is replaced immediately to maintain the fixed number of 50 component stocks. If a stock is deleted in between regular review dates but is still a component of the EURO STOXX TMI, then the stock will remain in the SX5E until the next regular review.

Index Calculation

The SX5E is calculated with the Laspeyres formula, which measures the aggregate price change of the component stocks against a fixed base quantity weight. The formula for calculating the index level is expressed as follows:

$$\text{Index} = \frac{\text{Free float market capitalization of the Index}}{\text{Divisor of the Index}} \times 1,000$$

The free float market capitalization of the index is equal to the sum of the product of the price, outstanding, free float factor, weighting cap factor and exchange rate from local currency to index currency of each component stock as of the time the SX5E is being calculated.

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The SX5E is also subject to a divisor, which is adjusted to maintain the continuity of the index s changes due to corporate actions, such as the deletion and addition of stocks, the substitution of dividends, and stock splits.

Neither we nor any of our affiliates, including the selling agent, accepts any responsibility for the maintenance, or publication of, or for any error, omission, or disruption in, the SX5E or any suc STOXX does not guarantee the accuracy or the completeness of the SX5E or any data include STOXX assumes no liability for any errors, omissions, or disruption in the calculation and disse SX5E. STOXX disclaims all responsibility for any errors or omissions in the calculation and disse SX5E or the manner in which the SX5E is applied in determining the amount payable on the no

The following graph shows the daily historical performance of the EURO STOXX 50® Index from January 1, 2008 through November 26, 2018. We obtained this historical data from L.P. have not independently verified the accuracy or completeness of the information obtained L.P. On November 26, 2018, the closing level of the EURO STOXX 50® Index was 3,172.7

Historical Performance of the EURO STOXX 50® Index

This historical data on the EURO STOXX 50® Index is not necessarily indicative of the fu of the EURO STOXX 50® Index or what the value of the notes may be. Any historical upw trend in the level of the EURO STOXX 50® Index during any period set forth above is not the level of the EURO STOXX 50® Index is more or less likely to increase or decrease at term of the notes.

Before investing in the notes, you should consult publicly available sources for the levels of the Index.

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The FTSE® 100 Index

The FTSE® 100 Index (the UKX) is a market-capitalization weighted index calculated, published and maintained by FTSE Russell. The UKX is designed to measure the composite performance of the 100 largest companies that pass screening for

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size and liquidity traded on the London Stock Exchange Group plc (the LSE). The UKX was established in 1984 and has a base date of December 30, 1983. The UKX is reported by Bloomberg under the

Index Composition

Only equity shares that are premium listed, as defined by the Financial Conduct Authority in the UK, which have been admitted to trading on the London Stock Exchange with a Sterling denomination, are eligible for inclusion in the UKX. Eligible securities are required to pass screens for liquidity and free float. Securities that are not included in the UKX. Investment entities such as exchange traded funds, currency funds, unit trusts, and other investment companies, venture capital trusts and split capital investment trusts are not eligible for inclusion in the UKX. Convertible preference shares and loan stocks are also excluded until converted into eligible securities. Where a unit comprises equity and non-equity, it will not be eligible for inclusion.

All securities in the index universe are assigned a nationality. Only companies assigned UK nationality are eligible for inclusion in the UKX. If a company is UK incorporated, FTSE Russell will allocate the company to UK nationality, provided, that the company has its sole listing in the United Kingdom and the company has a minimum free float of 25%. If a company is not incorporated in the United Kingdom, the company must meet the following criteria in order to be considered eligible for UK nationality assignment: (i) the company must publicly acknowledge its adherence to the principles of the UK Corporate Governance Code, pre-emption rights and the company must, as far as practicable, and (ii) the company must have a free float greater than 50%. If a company is incorporated in a country other than a developed country, it will not be eligible for UK nationality unless the country is a country that is internationally recognized as having a low taxation status and that has been included in the FTSE Russell.

Eligible securities are required to pass the following screens before being added to the UKX:

- ***Price:*** there must be an accurate and reliable price for the purposes of determining the value of a company.
- ***Minimum voting rights:*** companies are required to have greater than 5% of the company's shares in the hands of unrestricted shareholders.
- ***Investability weightings:*** constituents of the UKX are adjusted for free float. Free float is determined using available published information rounded to 12 decimal places. Companies with a free float of less than 25% are excluded from the UKX. To be eligible for inclusion in UKX, a security must have a minimum free float of 25% if the issuing company is UK incorporated and 50% if it is non-UK incorporated.

- *Liquidity:* stocks are screened using the median daily volume for each security calculated as a percentage of the shares in issue for that day adjusted for by the free float at the end of the month.
- Securities which do not turnover at least 0.025% of their shares in issue (after the application of investability weightings) based on their monthly median for at least ten of the twelve months prior to the annual index review, will not be eligible for inclusion in the UKX until the next annual review.
- An existing constituent which does not turnover at least 0.015% of its shares in issue (after the application of any investability weightings) based on its monthly median per month for at least six months prior to the annual index review will be removed and will not be eligible for inclusion in the UKX at the next annual review.
- New issues which do not have a twelve month trading record must have a minimum trading record when reviewed. They must turnover at least 0.025% of their shares in issue (after the application of investability weightings) based on their monthly median each month, on a pro-rata basis since the date of UK Nationality allocation date if non-UK incorporated.

Index Calculation

The UKX is calculated as the summation of the free float adjusted market values (or capitalisations) of all companies within the UKX divided by the divisor. On the base date, the divisor was calculated as the sum of the market capitalisations of the UKX constituents divided by the initial index value of 1,000. The divisor is adjusted for any capital changes in the UKX constituents. In order to prevent discontinuities in the index value in the event of a corporate action or change in constituents it is necessary to make an adjustment to the price of the UKX to ensure that the change in the UKX between two consecutive dates reflects only market movements rather than including changes due to the impact of corporate actions or constituent changes. This adjustment ensures that index values remain comparable over time and that changes in the level of the UKX properly reflect the value of a portfolio of UKX constituents with weights the same as in the UKX. The adjustment used for the Russell is based on the Paasche formula (also known as the current-weighted formula) which adjusts the UKX for the day before a corporate action and calculates the change from that adjusted index value to the following day in which the corporate action occurs.

The UKX is reviewed on a quarterly basis in March, June, September and December based on the first day of business on the Tuesday before the first Friday of the review month. Securities eligible for inclusion in the UKX will comprise the Monitored List. At the periodic review, all securities including in the Monitored List will be ranked by full market capitalisation (i.e., before the application of investability weightings) from largest to smallest. A security will be inserted if it rises to 90th or above on the Monitored List, and a security will be deleted if it falls to 111th or below on the Monitored List. Where a greater number of companies qualify to be inserted than those qualifying to be deleted, the lowest ranking constituents presently included in the UKX will be deleted to ensure that an equal number of companies are inserted and deleted at the periodic review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted, the lowest ranking companies which are presently not included in the UKX will be inserted to match the number of companies being deleted at the periodic review.

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FTSE will be responsible for publishing the Reserve List, the six highest ranking non-constituents, at the time of the periodic review. The Reserve List will be used in the event that one or more constituents are removed from the UKX during the period up to the next quarterly review. The reserve company will be deleted and re-ranking the Reserve List using prices two days prior to the deletion of a constituent.

A new security (IPO) will be added to the UKX outside a quarterly review if it satisfies the eligibility screens other than the liquidity screen and its full market capitalisation (i.e. before the application of investability weighting) using the closing price on the first day of trading is greater than 1% or more of the market capitalisation of the FSTE All-Share Index (before the application of individual constituent investability weighting). The security which is the lowest ranking constituent of the UKX will be selected for removal.

The following graph shows the daily historical performance of the FTSE® 100 Index in the period from January 1, 2008 through November 26, 2018. We obtained this historical data from Bloomberg and have not independently verified the accuracy or completeness of the information obtained from Bloomberg. On November 26, 2018, the closing level of the FTSE® 100 Index was 7,036.00.

Historical Performance of the FTSE® 100 Index

This historical data on the FTSE® 100 Index is not necessarily indicative of the future performance of the FTSE® 100 Index or what the value of the notes may be. Any historical upward or downward movement in the level of the FTSE® 100 Index during any period set forth above is not an indication that the future performance of the FTSE® 100 Index is more or less likely to increase or decrease at any time over the term of the notes.

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The Nikkei Stock Average Index

The Nikkei Stock Average Index (the NKY), also known as the Nikkei, the Nikkei Index, or the Nikkei 225, was developed by Nikkei Inc. and is calculated, maintained and published by Nikkei Digital Media, Inc., a wholly owned subsidiary of Nikkei Inc. The NKY is reported by Bloomberg L.P. under the symbol NKY.

The NKY is a stock index that measures the composite price performance of certain Japanese stocks. The index currently is based on 225 underlying stocks trading on the Tokyo Stock Exchange (the TSE) representing a broad cross-section of Japanese industries. ETFs, REITs, preferred stocks, preferred securities and trust preferred securities are excluded. All 225 components of the NKY are listed in the First Section of the TSE. Stocks listed in the First Section of the TSE are among the most actively traded stocks on the TSE. The index rules require that highly liquid issues (one-third of the components of the NKY) be included in the NKY. Nikkei Inc. was first published the NKY in 1970; prior to 1970, the TSE calculated the NKY.

Index Composition and Maintenance

The NKY is reviewed annually at the beginning of October. Stocks with high market liquidity are added and stocks with low liquidity are deleted. At the same time, to take into account changes in industry structure, the index sponsor examines the balance of the sectors, in terms of the number of constituents. Liquidity of the constituents is assessed by the two measures: trading value and magnitude of price fluctuation by volume. The trading value is measured as (High price/Low price) / Volume. Among stocks on the TSE First Section, the top 450 stocks in trading value are selected to form the high liquidity group. Those constituents not in the high liquidity group are deleted. Non-constituent stocks which are in the top 75 of the high liquidity group are added. After the liquidity adjustments, constituents are deleted and added to balance the number of constituents among sectors. The total number of the constituents equal 225.

The 225 companies included in the NKY are divided into six sector categories: Technology, Financials, Consumer Goods, Materials, Capital Goods/Others and Transportation and Utilities. The six sector categories are further divided into 36 industrial classifications as follows:

- Technology Pharmaceuticals, Electric Machinery, Automobiles and Auto Parts, Precision Machinery, Electronics, Telecommunications, and Communications;
- Financials Banking, Other Financial Services, Securities, Insurance;
- Consumer Goods Fishery, Foods, Retail, Services;

- **Materials** Mining, Textiles and Apparel, Paper and Pulp, Chemicals, Petroleum, Refining, Ceramics, Steel, Nonferrous Metals, Trading Companies;
- **Capital Goods/Others** Construction, Machinery, Shipbuilding, Transportation Equipment, Manufacturing, Real Estate; and
- **Transportation and Utilities** Railway and Bus, Land Transport, Marine Transport, Warehousing, Electric Power, Gas.

Among the 450 high liquidity stocks, half of those that belong to any sector are designated as number of stocks for that sector. The actual number of constituents in a sector is then compared to the appropriate number, and if the actual number is larger or smaller than the appropriate number, then components are added, as necessary. Stocks to be deleted are selected from stocks with lower liquidity and stocks to be added are selected from stocks with higher liquidity. Stocks selected according to the foregoing procedure are added or deleted, as applicable, and the final determinations will be made by the index sponsor.

The NKY is also reviewed on an ongoing basis in response to extraordinary developments, such as mergers. Any stock removed from the TSE First Section due to any of the following reasons will be removed from the NKY: (i) designated to be securities to be delisted or removed due to bankruptcy, including the Bankruptcy and Reorganization Act, Civil Rehabilitation Act, or liquidation; (ii) corporate restructuring such as merger, exchange or share transfer; (iii) excess debt or other reasons; or (iv) transfer to the TSE Second Section. In addition, component stocks designated as securities under supervision become deletion candidates. A decision to delete such candidates will be made by examining the sustainability and the probability of success in each individual case. Upon deletion of a stock from the NKY, the index sponsor will generally select the most liquid stock that is both in the high liquidity group and in the same sector. When deletions are known in advance, replacements may be selected as part of the periodic review process using similar procedures.

Index Calculation

The NKY is a modified price-weighted index (i.e., a stock's weight in the NKY is based on its price relative to the total market capitalization of the issuer) where the sum of the constituent stock prices, divided by the presumed par value, is divided by a divisor.

The NKY is calculated by (i) converting the component stocks that do not have a par value of 50 yen to a par value of 50 yen; (ii) calculating the sum of the adjusted share prices of each component stock; and (iii) dividing the sum by the divisor. Most listed companies in Japan have a par value of 50 yen. All companies included in the NKY are weighted equally based on a par value of 50 yen. Stocks with irregular par values are modified to a par value of 50 yen. For example, a stock with a 500 yen par value will have its share price divided by 10 to give it a par value price. The level of the NKY is calculated every 5 seconds during TSE trading hours.

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In order to maintain continuity in the NKY in the event of certain changes due to non-market factors, such as the addition or deletion of stocks, substitution of stocks, stock splits or the addition of assets to stockholders, the divisor used in calculating the NKY is adjusted in a manner designed to avoid an instantaneous change or discontinuity in the level of the NKY. Thereafter, the divisor remains at the level of the NKY until a further adjustment is necessary as the result of another change. As a result of such change of a component stock, the divisor is adjusted in such a way that the sum of all share prices immediately after such change multiplied by the applicable weight factor and divided by the new divisor (i.e., the level of the NKY immediately after such change) will equal the level of the NKY immediately prior to the change. The divisor is not presumed par value may be changed for large scale splits and reverse splits. The divisor is not changed in the following cases.

The following graph shows the daily historical performance of the Nikkei Stock Average Index from January 1, 2008 through November 26, 2018. We obtained this historical data from Bloomberg L.P. On November 26, 2018, the closing level of the Nikkei Stock Average Index was 21,800.

Historical Performance of the Nikkei Stock Average Index

This historical data on the Nikkei Stock Average Index is not necessarily indicative of the performance of the Nikkei Stock Average Index or what the value of the notes may be. An upward or downward trend in the level of the Nikkei Stock Average Index during any period is not an indication that the level of the Nikkei Stock Average Index is more or less likely to increase or decrease at any time over the term of the notes.

Before investing in the notes, you should consult publicly available sources for the levels of the Nikkei Stock Average Index.

License Agreement

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The notes are not in any way sponsored, endorsed or promoted by Nikkei. Nikkei does not make representation whatsoever, express or implied, either as to the results to be obtained as to the figure at which the NKY stands at any particular day or otherwise. The NKY is compiled and Nikkei. However, Nikkei shall not be liable to any person for any error in the NKY and Nikkei shall have no obligation to advise any person, including a purchaser or seller of the notes, of any error therein. Nikkei is entitled to change the details of the NKY and to suspend the announcement thereof. In addition, Nikkei provides assurance regarding any modification or change in any methodology used in calculating the NKY. Nikkei has an obligation to continue the calculation, publication and dissemination of the NKY.

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The Swiss Market Index

The Swiss Market Index (the SMI) was first launched with a base level of 1,500 as of June 30, 1982. The SMI is calculated, published and maintained by SIX Group Ltd., certain of its subsidiaries, and the Management Committee of the SIX Swiss Exchange (the SIX Exchange) (collectively, the index sponsor). The SMI is listed on Bloomberg under the ticker symbol SMI.

The SMI is a price return float-adjusted market capitalization-weighted index of the 20 largest stocks listed on the SIX Exchange. The Management Committee of SIX Exchange is supported by an Index Commission (the Index Commission) in all index-related matters, notably in connection with changes to the index rules and additions and exclusions outside of the established review and acceptance period. The Index Commission meets twice annually.

Index Composition and Selection Criteria

The SMI is comprised of the 20 highest ranked stocks traded on the SIX Exchange that have a market capitalization of at least CHF 1 billion and that are not investment companies. The equity universe is largely Swiss domestic companies, but in some cases, foreign issuers with a primary listing on the SIX Exchange or investment companies with a primary listing on the SIX Exchange and any shares of any other eligible company and that have a primary listing on the SIX Exchange.

The ranking of each security is determined by a combination of the following criteria:

- average free-float market capitalization over the last 12 months (compared to the entire SIX Exchange index family), and
- cumulative on order book turnover over the last 12 months (compared to the total turnover of the SIX Exchange index family).

Each of these two factors is assigned a 50% weighting in ranking the stocks eligible for the SMI.

The SMI is reconstituted annually after prior notice of at least two months on the third Friday in November at the close of trading.

The reconstitution is based on data from the previous July 1 through June 30. Provisional interim lists are also published following the end of the third, fourth and first financial quarters.

In order to reduce turnover, an index constituent will not be replaced unless it is ranked below 21 or 22, if another share ranks 18 or higher. If a company has primary listings on several exchanges, 50% of that company's total turnover is generated on the SIX Exchange, it will not be included unless it ranks at least 18 or better on the selection list on the basis of its turnover alone (i.e., without considering its free float).

Maintenance of the Index

Constituent Changes. In the case of major market changes as a result of capital events such as mergers, acquisitions, delistings, the Management Committee of SIX Exchange can decide at the request of the Index Company whether a security should be admitted to the SMI outside the annual review period as long as it clearly fulfills the requirements for inclusion. For the same reasons, a security can also be excluded if the requirements for admission are no longer fulfilled. As a general rule, extraordinary acceptances into the SMI take place after a trading day on a quarterly basis after the close of trading on the third Friday of March, June, September and December (for example, a security listed on or before the fifth trading day prior to the end of November cannot be included in the SMI following March). An announced insolvency is deemed to be an extraordinary event and the security is removed from the SMI with five trading days' prior notice if the circumstances permit such notification.

Number of Shares and Free Float. The securities included in the SMI are weighted according to their free float, which means that shares deemed to be in firm hands are subtracted from the total market capitalization. The free float is calculated on the basis of outstanding shares. Issued and outstanding equity capital is defined as the total amount of equity capital that has been fully subscribed and wholly or partially paid in accordance with the Commercial Register. Not counting as issued and outstanding equity capital are the approved but not yet issued conditional capital of a company. The free float is calculated on the basis of listed shares only. In the case of several different categories of listed participation rights, each is treated separately for purposes of the free float calculation.

Shares held deemed to be in firm hands are shareholdings that have been acquired by one person or a group of persons in companies domiciled in Switzerland and which, upon exceeding 5%, have been reported to the SIX Exchange. Shares of persons and groups of persons who are subject to a shareholder agreement or who, for more than 5% of the listed shares or who, according to publicly known facts, have a long-term relationship with the company, are also deemed to be in firm hands.

For the calculation of the number of shares in firm hands, the SIX Exchange may also use other information and reports submitted to it. In particular, the SIX Exchange may use data gained from issuer surveys and other sources available to itself.

In general, shares held by custodian nominees, trustee companies, investment funds, pension funds, and other investment companies are deemed free-floating regardless whether a report has been made to the SIX Exchange. The SIX Exchange classifies at its own discretion persons and groups of persons who, because of their activity or the absence of important information, cannot be clearly assigned.

The free-float rule applies only to bearer shares and registered shares. Capital issued in the form of convertible securities, certificates and bonus certificates is taken into full account in calculating the SMI because it does not have any special rights.

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The number of securities in the SMI and the free-float factors are adjusted after the close of trading on the adjustment dates per year, the third Friday of March, June, September and December. Such changes are pre-announced at least one month before the adjustment date, although the index sponsor reserves the right to take account of recent changes before the adjustment date in the actual adjustment, so the definitions of the index are announced five trading days before the adjustment date.

In order to avoid frequent slight changes to the weighting and to maintain the stability of the SMI, a change of the total number of outstanding securities or the free float will only result in an extraordinary adjustment if it exceeds 10% and 5% respectively and is in conjunction with a corporate action.

After a takeover, the index sponsor may, in exceptional cases, adjust the free float of a component security or the end results after a five-day notification period or may exclude the security from the relevant index. When an insolvency has been announced, an extraordinary adjustment will be made and the affected security will be removed from the SMI after five trading days' notice.

The index sponsor reserves the right to make an extraordinary adjustment, in exceptional cases, outside the notification period.

Calculation of the Index

The index sponsor calculates the SMI using the Laspeyres formula, with a weighted arithmetic average of the number of securities issues. The formula for calculating the index value can be expressed as follows:

$$\text{Index} = \frac{\text{Free Float Market Capitalization of the Index}}{\text{Divisor}}$$

The free float market capitalization of the index is equal to the sum of the product of the last reported price of shares, the free-float factor and, if a foreign stock is included, the current CHF exchange rate of the index value is being calculated. The index value is calculated in real time and is updated whenever there is a change in a component stock. Where any index component stock price is unavailable on any trading day, the index sponsor will use the last reported price for such component stock. Only prices from the SIX Exchange Listing are used in calculating the SMI.

Divisor Value and Adjustments

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The divisor is a technical number used to calculate the SMI and is adjusted to reflect changes in capitalization due to corporate events, and is adjusted by the index sponsor to reflect corporate events described in the index rules.

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The following graph shows the daily historical performance of the Swiss Market Index in January 1, 2008 through November 26, 2018. We obtained this historical data from Bloomberg. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg. On November 26, 2018, the closing level of the Swiss Market Index was 8,931.37.

Historical Performance of the Swiss Market Index

This historical data on the Swiss Market Index is not necessarily indicative of the future performance of the Swiss Market Index or what the value of the notes may be. Any historical upward or downward movement in the level of the Swiss Market Index during any period set forth above is not an indication that the Swiss Market Index is more or less likely to increase or decrease at any time over the term of the notes.

Before investing in the notes, you should consult publicly available sources for the levels of the Swiss Market Index.

License Agreement

We have entered into an agreement with SIX Swiss Exchange AG ("SIX Swiss Exchange") pursuant to which we, or our affiliates or subsidiaries identified in that agreement with a non-exclusive license and, for the purpose of the notes, to use the SMI, which is owned and published by SIX Swiss Exchange, in connection with certain aspects of the notes, including the notes.

SIX Swiss Exchange and its licensors (the Licensors) have no relationship to us, other than the Licensors, and the related trademarks for use in connection with the notes.

SIX Swiss Exchange and its Licensors do not sponsor, endorse, sell or promote the notes; recommend any person invest in the notes; have any responsibility or liability for or make any decisions about the pricing of the notes; have any responsibility or liability for the administration, management or maintenance of the notes or consider the needs of the notes or the owners of the notes in determining, composing or calculating the notes; have any obligation to do so.

SIX Swiss Exchange and its Licensors will not have any liability in connection with the notes. SIX Swiss Exchange and its Licensors do not make any warranty, express or implied and disclaim any and all liability for the results to be obtained by the notes, the owners of the notes or any other person in connection with the SMI and the data included in the SMI; the accuracy or completeness of the SMI and its data; the merchantability and the fitness for a particular purpose or use of the SMI and its data. SIX Swiss Exchange and its Licensors will have no liability for any errors, omissions or interruptions in the SMI or its data. Under no circumstances will SIX Swiss Exchange or its Licensors be liable for any lost profits or indirect, special, consequential damages or losses, even if SIX Swiss Exchange or its Licensors knows that they will be. The licensing agreement between us and SIX Swiss Exchange will be solely for our benefit and the benefit of the Exchange and not for the benefit of the owners of the notes or any other third parties.

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The S&P®/ASX 200 Index

The S&P®/ASX 200 Index (Bloomberg ticker AS51 Index) (the AS51):

- was first launched in 1979 by the Australian Securities Exchange and was acquired by its current index sponsor on April 3, 2000; and
- is sponsored, calculated, published and disseminated by S&P Dow Jones Indices L.P. (S&P Dow Jones Indices), a subsidiary of McGraw Hill Financial (S&P).

The AS51 includes 200 companies and covers approximately 80% of the Australian equity market capitalization. As discussed below, the AS51 is not limited solely to companies having their primary headquarters in Australia or to companies having their primary listing on the Australian Securities Exchange (ASX). All ordinary and preferred shares (if such preferred shares are not of a fixed income nature) listed on the ASX, including secondary listings, are eligible for the AS51. Hybrid stocks, bonds, warrants, preferred shares providing a guaranteed fixed return and listed investment companies are not eligible for inclusion in the AS51.

The AS51 is intended to provide exposure to the largest 200 eligible securities that are listed on the ASX based on float-adjusted market capitalization. Constituent companies for the AS51 are chosen based on market capitalization, public float and liquidity. All index-eligible securities that have their primary or secondary listing on the ASX are included in the initial selection of stocks from which the 200 index stocks may be selected.

The float-adjusted market capitalization of companies is determined based on the daily average market capitalization over the last six months. The security's price history over the last six months, the number of shares on issue and the investable weight factor (the IWF), are the factors relevant to the calculation of the float-adjusted market capitalization. The IWF is a variable that is primarily used to determine the available market capitalization for ASX listed securities.

Number of Shares

When considering the index eligibility of securities for inclusion or promotion into S&P/ASX index securities under consideration is based upon the latest available ASX quoted securities. For securities (companies incorporated in Australia and traded on the ASX, companies incorporated in other countries and exclusively listed on the ASX and companies incorporated overseas and traded on other markets) whose trading activity is on the ASX, this figure is purely based upon the latest available data from the ASX.

Foreign-domiciled securities may quote the total number of securities on the ASX that is representative of their global equity capital; whereas other foreign-domiciled securities may quote securities on the ASX.

that represents their Australian equity capital. In order to overcome this inconsistency, S&P will index securities that are represented by CHESS Depository Interests (CDIs) for a foreign entity issued, S&P will use the total securities held on the Australian register (CHESS and, where supported, sponsored register). This quoted number for a foreign entity is representative of the Australian market, thereby allowing the AS51 to be increasingly reflective of the Australian market.

The number of CDIs or shares of a foreign entity quoted on the ASX can experience more volatility than the case for ordinary shares on issue. Therefore, an average number on issue will be applied over a period.

Where CDI information is not supplied to the ASX by the company or the company's share registry, Australian equity capital will be drawn from CHESS data and, ultimately, registry-sourced data.

IWF

The IWF represents the float-adjusted portion of a stock's equity capital. Therefore any strategic holdings classified as either corporate, private or government holdings reduce the IWF which, in turn, reduces the float-adjusted market capital.

The IWF ranges between 0 and 1, is calculated as $1 - \text{Sum of the \% held by strategic shareholders or more of issued shares}$, and is an adjustment factor that accounts for the publicly available shares. A company must have a minimum IWF of 0.3 to be eligible for index inclusion.

S&P Dow Jones Indices identifies the following shareholders whose holdings are considered to be restricted and are subject to float adjustment:

1. Government and government agencies;
2. Controlling and strategic shareholders/partners;
3. Any other entities or individuals which hold more than 5%, excluding insurance companies, pension funds and investment funds; and
4. Other restricted portions such as treasury stocks.

Liquidity Test

Only stocks that are regularly traded are eligible for inclusion. Eligible stocks are considered for inclusion based on their stock median liquidity (median daily value traded divided by its average float-adjusted market capitalization for the last six months) relative to the market capitalization weighted average of the median liquidities of the 500 constituents of the All Ordinaries index, another member of the S&P@/ASX

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Index Maintenance

S&P rebalances constituents quarterly to ensure adequate market capitalization and liquidity using 12 months' data to determine index eligibility. Quarterly review changes take effect the third Friday of September and December. Eligible stocks are considered for index inclusion based on their float-adjusted market capitalization rank relative to the stated quota of 200 securities. For example, a stock that is currently in the S&P®/ASX 300 and is ranked at 175, based on float-adjusted market capitalization, within the top 200 securities may be considered for inclusion into the AS51, provided that liquidity hurdles are met.

In order to limit the level of index turnover, eligible securities will only be considered for index inclusion if another stock is excluded due to a sufficiently low rank and/or liquidity, based on the float-adjusted market capitalization. Potential index inclusions and exclusions need to satisfy buffer requirements in terms of the stock relative to a given index. The buffers are established to limit the level of index turnover that will take place at each quarterly rebalancing.

Between rebalancing dates, an index addition is generally made only if a vacancy is created by the removal of a stock. Index additions are made according to float-adjusted market capitalization and liquidity. An initial addition to the AS51 only when an appropriate vacancy occurs and is subject to proven liquidity for 12 months. An exception may be made for extraordinary large offerings where sizeable trading volume is demonstrated. Inclusion.

Deletions can occur between index rebalancing dates due to acquisitions, mergers and spin-offs, delisting, suspension or bankruptcies. The decision to remove a stock from the AS51 will be made once there is sufficient evidence that the transaction will be completed. Stocks that are removed due to mergers and acquisitions are removed from the AS51 at the cash offer price for cash-only offers. Otherwise, the best available price is used.

Share numbers for all index constituents are updated quarterly and are rounded to the nearest million. An update to the number of issued shares will be considered if the change is at least 5% of the float-adjusted market cap of A\$ 100 million in value.

Share updates for foreign-domiciled securities will take place annually at the March rebalancing. The number of index shares will only take place when the six-month average of CDIs or the Total Shareholder Return is greater than the Australian branch of issuer sponsored register (where supplied) and in CHESS, as of the March rebalancing. Updates from the current index shares by either 5% or a market-cap dollar amount greater than A\$ 100 million. If information is not supplied to the ASX by the company or the company's share register, estimated market capitalization will be drawn from CHESS data and, ultimately, registry-sourced data.

Intra-quarter share changes are implemented at the effective date or as soon as reliable information is available; however, they will only take place in the following circumstances:

1. changes in a company's float-adjusted shares of 5% or more due to market-wide shares issues;
2. rights issues, bonus issues and other major corporate actions; and
3. share issues resulting from index companies merging and major off-market buy-backs.

Share changes due to mergers or acquisitions are implemented when the transaction occurs, even if the companies are not in the same index and regardless of the size of the change.

IWFs are reviewed annually as part of the September quarterly review. However, any event that results in a security in excess of 5% will be implemented as soon as practicable by an adjustment to the IWF.

The function of the IWF is also to manage the index weight of foreign-domiciled securities that are based on a basis of CDIs. Due to the volatility that is displayed by CDIs, unusually large changes in the number of CDIs could result. Where this is the case, the IWF may be used to limit the effect of unusually large changes in the average number of CDIs (and, thereby, limit the potential to manipulate this figure). Where the AS51 Committee sees fit to apply the IWF in this manner, the rationale for the decision will be announced. This will be reviewed annually at the March-quarter index rebalancing date.

Index Calculation

The AS51 is calculated using a base-weighted aggregate methodology. The value of the AS51 index value is published is determined by a fraction, the numerator of which is the aggregate market value of the stock in the AS51 times the number of shares of such stock included in the AS51 times that stock's price, and the denominator of which is the divisor, which is described more fully below.

In order to prevent the value of the AS51 from changing due to corporate actions, all corporate actions are reported to S&P to make an index or divisor adjustment, as described in the index sponsor's rules. This helps to maintain the value of the AS51 and ensures that the movement of the AS51 does not reflect the corporate actions of individual companies that comprise the AS51.

In situations where an exchange is forced to close early due to unforeseen events, such as computer power failures, weather conditions or other events, S&P will calculate the closing price of the index as (1) the closing prices published by the exchange or (2) if no closing price is available, the last reported price for each security before the exchange closed. If the exchange fails to open due to unforeseen circumstances, S&P treats this closure as a standard market holiday. The AS51 will use the prior day's closing prices for all securities affected by corporate actions to the following business day. If all exchanges fail to open or in other extreme circumstances, S&P may determine not to publish the AS51 for that day.

S&P reserves the right to recalculate the AS51 under certain limited circumstances.

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The following graph shows the daily historical performance of the S&P®/ASX 200 Index from January 1, 2008 through November 26, 2018. We obtained this historical data from Bloomberg. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg. On November 26, 2018, the closing level of the S&P®/ASX 200 Index was 5,671.571.

Historical Performance of the S&P®/ASX 200 Index

This historical data on the S&P®/ASX 200 Index is not necessarily indicative of the future performance of the S&P®/ASX 200 Index or what the value of the notes may be. Any historical upward or downward movement in the level of the S&P®/ASX 200 Index during any period set forth above is not an indication that the S&P®/ASX 200 Index is more or less likely to increase or decrease at any time over the term of the notes.

Before investing in the notes, you should consult publicly available sources for the levels of the S&P®/ASX 200 Index.

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License Agreement

We and S&P have entered into a non-transferable, non-exclusive license agreement providing for us, in exchange for a fee, of the right to use the AS51 in connection with the issuance of the notes.

The license agreement between us and S&P provides that the following language must be stated in the notes:

The AS51 is a product of S&P, and has been licensed for use by us. Standard & Poor's® and S&P Dow Jones Indices® are trademarks of Standard & Poor's Financial Services LLC; and these trademarks have been licensed and sublicensed for certain purposes by us. The notes are not sponsored, endorsed, sold or prepared by Standard & Poor's Financial Services LLC, any of their respective affiliates (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices make no representation or warranty, express or implied, to the holders of the notes or any member of the public regarding the advisability of investing in securities generally or in the notes specifically, or the ability of the AS51 to track general market performance. S&P Dow Jones Indices' only relationship with respect to the AS51 is the licensing of the AS51 and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices or its licensors. The AS51 is determined, composed and calculated by S&P Dow Jones Indices without regard to us or the notes. S&P Dow Jones Indices have no obligation to take our needs or the needs of holders of the notes into consideration in determining, composing or calculating the AS51. S&P Dow Jones Indices are not responsible for and have not participated in the determination of the prices, and amount of the notes, the timing of the issuance or sale of the notes or in the determination or calculation of the equation of the notes to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of the notes. The inclusion of the AS51 in that investment products based on the AS51 will accurately track AS51 performance or provide returns. S&P is not an investment advisor. Inclusion of a security within an AS51 is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice. In addition to the foregoing, CME Group Inc. and its affiliates may independently issue and/or sponsor financial products unrelated to the notes currently being issued by us, but which may be similar to and competitive with the notes. In addition, CME Group Inc. and its affiliates may trade financial products which are linked to the performance of the AS51.

S&P DOW JONES INDICES DO NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS, COMPLETENESS OF THE AS51 OR ANY DATA RELATED THERETO OR ANY COMMUNICATIONS, OR ANY COMMUNICATIONS, BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE LIABLE FOR ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO THE ACCURACY OF ANY DATA OBTAINED BY US, HOLDERS OF THE NOTES, OR ANY OTHER PERSON OR ENTITY FROM THE AS51 OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANYTHING IN THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING REASONABLE ATTORNEY'S FEES, LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND US, OTHER THAN THE LICENSE AGREEMENT WITH S&P DOW JONES INDICES.

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The Hang Seng® Index

The Hang Seng® Index (the HSI) is calculated, maintained and published by Hang Seng Index Company Limited (HSIL), a wholly owned subsidiary of Hang Seng Bank, in concert with the HSI Advisory Committee. The HSI was first developed, calculated and published on November 24, 1969. The HSI is a free float-adjusted market capitalization weighted stock market index that is designed to reflect the performance of the Hong Kong stock market.

The number of constituents of HSI is fixed at 50. Only companies with a primary listing on the Stock Exchange of Hong Kong (SEHK) are eligible as constituents of the HSI. Mainland Chinese companies with an H-share listing in Hong Kong will not be eligible for inclusion in the HSI unless the company has a primary listing on the SEHK. In addition, to be eligible for selection, a company: (1) must be among those that are in the top 90% of the total market value of all primary listed shares on the SEHK (the market value of a company is based on the average of its month-end market capitalizations for the past 12 months); (2) must be among those that are in the top 90% of the total turnover of all primary listed shares on the SEHK in a sufficient number of sub-periods (turnover is assessed over the last eight quarterly sub-periods: if a company was in the top 90% of the most recent four sub-periods, it receives two points; if it was in the top 90% in any of the last eight sub-periods, it receives one point. A company must attain a score of eight points to meet the selection criteria); and (3) should normally have a listing history of 24 months (there are exceptions for companies with short listing histories but large market values and/or high turnover scores). From the many eligible companies, selections are based on the following: (1) the market value and turnover rankings of the companies; (2) the representation of the sub-sectors within the HSI directly reflecting that of the market; and (3) the performance of the companies.

Index Calculation

The calculation methodology of the HSI is a free float-adjusted market capitalization weighting methodology applied to individual stocks. Under this calculation methodology, shares held by any entities (excluding custodians, mutual funds and investment companies) which control more than 5%, subject to exceptions, are excluded for index calculation:

- *Strategic holdings* (governments and affiliated entities or any other entities which hold substantial amounts of shares in a company would be considered as non-free float unless otherwise proved);
- *Directors and management holdings* (directors, members of the board committee, principal officers and founding members);
- *Corporate cross holdings* (publicly traded companies or private firms / institutions);

- *Lock-up shares* (shareholdings with a publicly disclosed lock-up arrangement).

A free float-adjusted factor representing the proportion of shares that is free floated as a percentage of total shares, is rounded up to the nearest multiple of 5% for the calculation of the HSI and is updated quarterly.

A cap of 15% on individual stock weightings was applied before September 2014. In September 2014, the Index decided that the cap would be lowered to 10%. This change will be phased in over a 12-month period in three rounds of Index rebalancing. A cap factor is calculated quarterly to coincide with the regular update of the free float-adjusted factor. Additional re-capping is performed upon constituent changes.

The formula for the index calculation is as follows:

Current Index =

where:

P_t : current price at day *t*;

P_{t-1}: closing price at day *t-1*;

IS: number of issued shares;

FAF: free-float-adjusted factor, which is between 0 and 1; and

CF: capping factor, which is between 0 and 1.

Index Maintenance

HSIL undertakes regular quarterly reviews of HSI constituents with data cut-off dates of end of February, May, August, November, and December each year. A quarterly review is normally completed within eight weeks of the end of each calendar quarter. In each review, there may or may not be constituent additions or deletions. Constituent changes will be the next trading day after the first Friday of March, June, September, and December.

that Friday falls on a public holiday, it will be postponed to the next Friday, subject to the final de
HSIL. Under normal circumstances, five trading days notice will be given for any constituent ch
effective dates.

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The following graph shows the daily historical performance of the Hang Seng® Index in January 1, 2008 through November 26, 2018. We obtained this historical data from Bloomberg and have not independently verified the accuracy or completeness of the information obtained from Bloomberg. On November 26, 2018, the closing level of the Hang Seng® Index was 26,376.18.

Historical Performance of the Hang Seng® Index

This historical data on the Hang Seng® Index is not necessarily indicative of the future performance of the Hang Seng® Index or what the value of the notes may be. Any historical upward or downward movement in the level of the Hang Seng® Index during any period set forth above is not an indication that the Hang Seng® Index is more or less likely to increase or decrease at any time over the term of the notes.

Before investing in the notes, you should consult publicly available sources for the levels of the

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License Agreement

We will enter into an agreement with HSI providing us and certain of our affiliates or subsidiaries a non-exclusive license and, for a fee, with the right to use the HSI, which is owned and published in connection with certain securities, including the notes.

THE HSI IS PUBLISHED AND COMPILED BY HSI SERVICES LIMITED PURSUANT TO A LICENSE FROM HANG SENG® DATA SERVICES LIMITED. THE MARK AND NAME OF THE HANG SENG® INDEX IS PROPRIETARY TO HANG SENG® DATA SERVICES LIMITED. HSI SERVICES LIMITED AND HANG SENG® DATA SERVICES LIMITED HAVE AGREED TO THE USE OF, AND REFERENCE TO THE HANG SENG® INDEX BY THE ISSUER IN CONNECTION WITH THE NOTES, BUT NEITHER HSI SERVICES LIMITED NOR HANG SENG® DATA SERVICES LIMITED WARRANTS OR REPRESENTS OR GUARANTEES AS A BROKER OR HOLDER OF THE NOTES, OR ANY OTHER PERSON, (i) THE ACCURACY OR COMPLETENESS OF THE HSI AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE SUITABILITY FOR ANY PURPOSE OF THE HSI OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE HSI OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELYING ON THE HSI IS GIVEN OR MAY BE IMPLIED. THE PROCESS AND BASIS OF COMPUTATION AND COMPOSITION OF THE HANG SENG® INDEX AND ANY OF THE RELATED FORMULA OR FORMULAE, CONSTITUTING THE HSI, AND FACTORS MAY AT ANY TIME BE CHANGED OR ALTERED BY HSI SERVICES LIMITED WITHOUT NOTICE.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY SHALL BE ASSUMED BY HSI SERVICES LIMITED OR HANG SENG® DATA SERVICES LIMITED (i) IN RESPECT OF THE HSI AND/OR REFERENCE TO THE HSI BY THE ISSUER IN CONNECTION WITH THE NOTES; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HSI SERVICES LIMITED IN THE COMPUTATION OF THE HSI; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE HSI WHETHER BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE INCURRED OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE NOTES, OR ANY OTHER PERSON DEALING WITH THE NOTES AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HSI SERVICES LIMITED AND/OR HANG SENG® DATA SERVICES LIMITED IN CONNECTION WITH THE NOTES IN ANY MANNER WHATSOEVER BY ANY BROKER, HOLDER OR OTHER PERSON DEALING WITH THE NOTES. ANY BROKER, HOLDER OR OTHER PERSON DEALING WITH THE NOTES DOES SO THEREFORE IN FULL KNOWLEDGE OF THIS DISCLAIMER AND SHALL PLACE NO RELIANCE WHATSOEVER ON HSI SERVICES LIMITED AND HANG SENG® DATA SERVICES LIMITED. FOR THE AVOIDANCE OF DOUBT, THIS DISCLAIMER DOES NOT CREATE ANY CONTRACTUAL OR QUASI- CONTRACTUAL RELATIONSHIP BETWEEN ANY BROKER, HOLDER OR OTHER PERSON AND HSI SERVICES LIMITED AND/OR HANG SENG® DATA SERVICES LIMITED AND MUST NOT BE INTERPRETED TO HAVE CREATED SUCH RELATIONSHIP.

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Supplement to the Plan of Distribution

Under our distribution agreement with MLPF&S, MLPF&S will purchase the notes from us as principal at the offering price indicated on the cover of this term sheet, less the indicated underwriting discount.

The current business of MLPF&S is being reorganized into two affiliated broker-dealers: MLPF&S and BofAML Securities, Inc. (BofAMLS). BofAMLS will be the new legal entity for the services that are now provided by MLPF&S. MLPF&S will be assigning its rights and obligations as agent under our distribution agreement to BofAMLS effective on the Transfer Date . Accordingly, if the pricing of the notes occurs on or after the Transfer Date, BofAMLS will be responsible for the pricing of the notes. If the pricing of the notes occurs on or after the Transfer Date, BofAMLS will, subject to the terms and conditions of the distribution agreement, purchase the notes from us as principal on the settlement date. MLPF&S will purchase the notes from BofAMLS for resale, and it will receive a selling concession in connection with the notes in an amount up to the full amount of underwriting discount set forth on the cover of the term sheet.

We may deliver the notes against payment therefor in New York, New York on a date that is greater than two business days following the pricing date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, securities traded in the secondary market generally are required to settle in two business days, unless the parties to an agreement expressly agree otherwise. Accordingly, if the initial settlement of the notes occurs more than two business days from the pricing date, purchasers who wish to trade the notes more than two business days prior to the issue date will be required to specify alternative settlement arrangements to prevent a failed settlement.

The notes will not be listed on any securities exchange. In the original offering of the notes, the minimum investment amounts of 100 units. If you place an order to purchase the notes, you are purchasing the notes from MLPF&S acting as a principal in effecting the transaction for your account.

MLPF&S may repurchase and resell the notes, with repurchases and resales being made at prices that are then-prevailing market prices or at negotiated prices, and these prices will include MLPF&S's costs and mark-ups. MLPF&S may act as principal or agent in these market-making transactions; however, MLPF&S is not obligated to engage in any such transactions. At MLPF&S's discretion, for a short, undetermined period after the issuance of the notes, MLPF&S may offer to buy the notes in the secondary market at a price that is less than the initial estimated value of the notes. Any price offered by MLPF&S for the notes will be based on current market conditions and other considerations, including the performance of the Basket and the price of the notes. However, none of us, MLPF&S, or any of our respective affiliates is obligated to purchase the notes at any price or at any time, and we cannot assure you that we, MLPF&S or any of our respective affiliates will purchase your notes at a price that equals or exceeds the initial estimated value of the notes.

The value of the notes shown on your account statement will be based on MLPF&S's estimate of the value of the notes if MLPF&S or another of its affiliates were to make a market in the notes, which it is not obligated to do. This estimate will be based upon the price that MLPF&S may pay for the notes in light of then-prevailing market conditions, and other considerations, as mentioned above, and will include transaction costs. At any time, the price may be higher than or lower than the initial estimated value of the notes.

The distribution of the Note Prospectus in connection with these offers or sales will be solely for providing investors with the description of the terms of the notes that was made available to investors with their initial offering. Secondary market investors should not, and will not be authorized to, re-distribute the Prospectus for information regarding CIBC or for any purpose other than that described in the preceding sentence.

An investor's household, as referenced on the cover of this term sheet, will generally include all of the following, as determined by MLPF&S in its discretion and acting in good faith based upon information available to MLPF&S:

- the investor's spouse (including a domestic partner), siblings, parents, grandparents, children and grandchildren, but excluding accounts held by aunts, uncles, cousins, nieces, nephews or other family relationship not directly above or below the individual investor;
- a family investment vehicle, including foundations, limited partnerships and personal trusts, but only if the beneficial owners of the vehicle consist solely of the investor or members of the investor's household as described above; and
- a trust where the grantors and/or beneficiaries of the trust consist solely of the investor or members of the investor's household as described above; provided that, purchases of the notes by a trust generally will not be aggregated together with any purchases made by a trustee's personal account.

Purchases in retirement accounts will not be considered part of the same household as an individual's personal or other non-retirement account, except for individual retirement accounts (IRAs), simple pension plans (SEPs), savings incentive match plan for employees (SIMPLEs), and single-employer pension only accounts (i.e., retirement accounts held by self-employed individuals, business owners or partners or employees other than their spouses).

Please contact your Merrill Lynch financial advisor if you have any questions about the application of these provisions to your specific circumstances or think you are eligible.

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Structuring the Notes

The notes are our debt securities, the return on which is linked to the performance of the Basket. All of our debt securities, including our market-linked notes, are priced based on the economic terms of the notes and our perceived creditworthiness at the time of pricing. The internal funding rate we use in pricing the notes is typically lower than the rate we would pay when we issue conventional fixed-rate debt securities of similar maturity. This difference is based on, among other things, our view of the funding value of the notes at the time of higher issuance, operational and ongoing liability management costs of the notes in comparison to the cost of our conventional fixed-rate debt. This generally results in a lower internal funding rate, which is reflected in the economic terms of the notes, along with the fees and charges associated with market-linked notes. The difference between the initial estimated value of the notes on the pricing date and their public offering price is typically less than their public offering price.

At maturity, we are required to pay the Redemption Amount to holders of the notes, which will be based on the performance of the Basket and the \$10 per unit principal amount. In order to meet these obligations, at the time we issue the notes, we may choose to enter into certain hedging arrangements (which may include call options, put options or other derivatives) with MLPF&S or one of its affiliates. The terms of these hedging arrangements are determined by seeking bids from market participants, including MLPF&S and its affiliates, and take into account a number of factors, including our creditworthiness, interest rate volatility of the Basket Components, the tenor of the notes and the tenor of the hedging arrangements. The economic terms of the notes and their initial estimated value depend in part on the terms of these hedging arrangements.

MLPF&S has advised us that the hedging arrangements will include a hedging-related charge of \$0.075 per unit, reflecting an estimated profit to be credited to MLPF&S from these transactions. This charge entails risk and may be influenced by unpredictable market forces; additional profits and losses from these hedging arrangements may be realized by MLPF&S or any third party hedge providers.

For further information, see Risk Factors General Risks Relating to LIRNs beginning on page PS-14 and Proceeds and Hedging on page PS-15 of product supplement EQUITY INDICES LIRN-1.

MLPF&S Reorganization

As discussed above under Supplement to the Plan of Distribution, the current business of MLPF&S will be reorganized into two affiliated broker-dealers. Effective on the Transfer Date, BofAMLS will be the provider for the institutional services that are now provided by MLPF&S. As such, beginning on the Transfer Date, the institutional services currently being provided by MLPF&S, including acting as agent for the notes, calculation agent for the notes, acting as principal or agent in secondary market-making transactions and entering into hedging arrangements with respect to the notes, are expected to be provided by BofAMLS. Accordingly, references to MLPF&S in this term sheet as such references relate to MLPF&S's business as such as those described above, should be read as references to BofAMLS to the extent these services are performed on or after the Transfer Date.

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Summary of Canadian Federal Income Tax Considerations

In the opinion of Blake, Cassels & Graydon LLP, our Canadian tax counsel, the following summarizes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "Act") generally applicable at the date hereof to a purchaser who acquires beneficial ownership of a note under the term sheet and who for the purposes of the Canadian Tax Act and the regulations thereto and a Non-Resident Holder (a) is neither resident nor deemed to be resident in Canada; (b) deals at arm's length with CIBC; (c) is not resident (or deemed to be resident) in Canada to whom the purchaser disposes of the note; (d) does not receive all payments (including any interest and principal) made on the note; and (e) is not a, an agent, or an authorized representative of, or acting in the name of, CIBC or any of its subsidiaries, affiliates, or related companies, or together with any, specified shareholder of CIBC for purposes of the thin capitalization rules in the Act (a Non-Resident Holder). A specified shareholder for these purposes generally includes a shareholder or together with persons with whom that person is not dealing at arm's length for the purposes of the Act) owns or has the right to acquire or control or is otherwise deemed to own 25% or more of CIBC as determined on a votes or fair market value basis. Special rules which apply to non-resident investors in a business in Canada and elsewhere are not discussed in this summary.

This summary is supplemental to and should be read together with the description of material Canadian federal income tax considerations relevant to a Non-Resident Holder owning notes under "Material Income Tax Consequences Canadian Taxation" in the accompanying prospectus and a Non-Resident Holder should read that description as well.

Based on Canadian tax counsel's understanding of the Canada Revenue Agency's administrative practice, having regard to the terms of the notes, interest payable on the notes should not be considered to be Canadian debt interest as defined in the Canadian Tax Act and accordingly, a Non-Resident Holder should not be liable for Canadian non-resident withholding tax in respect of amounts paid or credited or deemed to have been paid or credited by CIBC on a note as, on account of or in lieu of payment of, or in satisfaction of, interest on the note.

Non-Resident Holders should consult their own tax advisors regarding the consequences to them of investing in the notes to a person with whom they are not dealing at arm's length for purposes of the Canadian Tax Act.

Summary of U.S. Federal Income Tax Considerations

The following discussion is a brief summary of the material U.S. federal income tax consequences of an investment in the notes. The following summary is not complete and is both qualified and supplemented in some cases by the discussion entitled "U.S. Federal Income Tax Summary" beginning on page 54 of the product supplement EQUITY INDICES LIRN-1, which you should carefully review prior to investing in the notes.

The U.S. federal income tax consequences of your investment in the notes are uncertain. No statement of administrative authority directly discusses how the notes should be treated for U.S. federal income tax purposes. In the opinion of our tax counsel, Mayer Brown LLP, it would generally be reasonable to treat the notes as equity-linked instruments for cash-settled derivative contracts. Pursuant to the terms of the notes, you agree to treat the notes as equity-linked instruments for all U.S. federal income tax purposes. If your notes are so treated, you should generally recognize a capital gain or loss upon the sale, exchange, redemption or payment on maturity in an amount equal to the difference between the amount you receive at such time and the amount that you paid for your notes. Such gain or loss is a long-term capital gain or loss if you have held your notes for more than one year.

The characterization described above is not binding on the U.S. Internal Revenue Service (the IRS). Thus, it is possible that the IRS would seek to characterize your notes in a manner that results in different tax consequences to you that are different from those described above or in the accompanying product supplement. For a detailed discussion of certain alternative characterizations with respect to your notes and certain tax considerations with respect to your investment in the notes, you should consider the discussion in the "Alternative Federal Income Tax Summary" of the product supplement. We are not responsible for any adverse tax consequences that you may experience as a result of any alternative characterization of the notes for U.S. federal income tax or other tax purposes.

Regarding the discussion in the product supplement EQUITY INDICES LIRN-1 with respect to a dividend payment made with respect to a U.S. stock or equity-linked debt instrument under the section e of the Internal Revenue Code, Holders, even if the notes should be treated as equity-linked instruments, since the notes refer to U.S. stocks or equity-linked instruments which should be treated as qualified indices, the notes should be exempt from the withholding tax on dividend equivalents.

You should consult your tax advisor as to the tax consequences of such characterization of the notes. We are not providing any alternative characterizations of the notes for U.S. federal income tax purposes. You should consult your tax advisor concerning the U.S. federal income tax and other tax consequences of your investment in the notes in your particular circumstances, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

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Where You Can Find More Information

We have filed a registration statement (including a product supplement, a prospectus supplement, and a prospectus) with the SEC for the offering to which this term sheet relates. Before you invest, you should read the registration statement, including this term sheet, and the other documents that we have filed with the SEC for the offering. You may get these documents without cost by visiting the SEC website at www.sec.gov. Alternatively, we, any agent, or any dealer participating in the offering can arrange to send you these documents if you so request by calling MLPF&S toll-free at 1-800-291-1234.

Market-Linked Investments Classification

MLPF&S classifies certain market-linked investments (the "Market-Linked Investments") into categories based on different investment characteristics. The following description is meant solely for informational purposes and is not intended to represent any particular Enhanced Return Market-Linked Investment or guarantee a particular outcome.

Enhanced Return Market-Linked Investments are short- to medium-term investments that offer enhanced exposure to a particular market view without taking on a similarly enhanced level of market risk. They can be especially effective in a flat to moderately positive market (or, in the case of bearish market conditions, to moderately negative market). In exchange for the potential to receive better-than-market returns on your asset, you must generally accept market downside risk and capped upside potential. As these investments are not market downside protected, and do not assure full repayment of principal at maturity, you need to be aware of the possibility that you may lose all or part of your investment.

Leveraged Index Return Notes® and LIRNs® are registered service marks of Bank of America, the parent company of MLPF&S.

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