

ROYAL BANK OF CANADA

Form 424B2

September 04, 2018

Filed Pursuant to Rule 424(b)(2)
Registration Statement No. 333-208507
(To Prospectus dated January 8, 2016,
Prospectus Supplement dated January 8, 2016 and
Product Supplement EQUITY INDICES ARN-1 dated
December 21, 2017)

3,000,000 Date August 30, 2018
Settlement Date September 7, 2018
Maturity Date October 25, 2019
principal
amount
per
unit
CUSIP
No.
78014F650

Accelerated Return Notes® Linked to
the S&P® Regional Banks Select
Industry™ Index

§ Maturity of approximately 14
months

§ 3-to-1 upside exposure to
increases in the Index, subject to a
capped return of 17.20%

§ 1-to-1 downside exposure to
decreases in the Index, with 100% of
your principal at risk

§ All payments occur at maturity
and are subject to the credit risk of
Royal Bank of Canada

§ No periodic interest payments

§ In addition to the underwriting
discount set forth below, the notes
include a hedging-related charge of
\$0.075 per unit. See “Structuring the
Notes.”

§ Limited secondary market
liquidity, with no exchange listing

§ The notes are unsecured debt
securities and are not savings
accounts or insured deposits of a
bank. The notes are not insured or
guaranteed by the Canada Deposit
Insurance Corporation, the U.S.

Federal Deposit Insurance
Corporation, or any other
governmental agency of Canada or
the United States

The notes are being issued by Royal Bank of Canada (“RBC”). There are important differences between the notes and a conventional debt security, including different investment risks and certain additional costs. See “Risk Factors” and “Additional Risk Factors” beginning on page TS-7 of this term sheet and “Risk Factors” beginning on page PS-6 of product supplement EQUITY INDICES ARN-1.

The initial estimated value of the notes as of the pricing date is \$9.7442 per unit, which is less than the public offering price listed below. See “Summary” on the following page, “Risk Factors” beginning on page TS-7 of this term sheet and “Structuring the Notes” on page TS-12 of this term sheet for additional information. The actual value of your notes at any time will reflect many factors and cannot be predicted with accuracy.

None of the Securities and Exchange Commission (the “SEC”), any state securities commission, or any other regulatory body has approved or disapproved of these securities or determined if this Note Prospectus (as defined below) is truthful or complete. Any representation to the contrary is a criminal offense.

	<u>Per Unit</u>	<u>Total</u>
Public offering price	\$ 10.00	\$39,360,890.00
Underwriting discount	\$ 0.20	\$787,217.80
Proceeds, before expenses, to RBC	\$ 9.80	\$38,573,672.20

The notes:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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Merrill Lynch & Co.
August 30, 2018

Accelerated Return Notes®

Linked to the S&P® Regional Banks Select Industry™ Index, due October 25, 2019

Summary

The Accelerated Return Notes® Linked to the S&P® Regional Banks Select Industry™ Index, due October 25, 2019 (the “notes”) are our senior unsecured debt securities. The notes are not guaranteed or insured by the Canada Deposit Insurance Corporation or the U.S. Federal Deposit Insurance Corporation or secured by collateral. The notes will rank equally with all of our other unsecured and unsubordinated debt. Any payments due on the notes, including any repayment of principal, will be subject to the credit risk of RBC. The notes provide you a leveraged return, subject to a cap, if the Ending Value of the Market Measure, which is the S&P® Regional Banks Select Industry™ Index (the “Index”), is greater than the Starting Value. If the Ending Value is less than the Starting Value, you will lose all or a portion of the principal amount of your notes. Any payments on the notes, will be calculated based on the \$10 principal amount per unit and will depend on the performance of the Index, subject to our credit risk. See “Terms of the Notes” below.

The economic terms of the notes (including the Capped Value) are based on our internal funding rate, which is the rate we would pay to borrow funds through the issuance of market-linked notes and the economic terms of certain related hedging arrangements. Our internal funding rate is typically lower than the rate we would pay when we issue conventional fixed or floating rate debt securities. This difference in funding rate, as well as the underwriting discount and the hedging related charge described below, reduced the economic terms of the notes to you and the initial estimated value of the notes on the pricing date. Due to these factors, the public offering price you pay to purchase the notes is greater than the initial estimated value of the notes.

On the cover page of this term sheet, we have provided the initial estimated value for the notes. This initial estimated value was determined based on our and our affiliates’ pricing models, which take into consideration our internal funding rate and the market prices for the hedging arrangements related to the notes. For more information about the initial estimated value and the structuring of the notes, see “Structuring the Notes” on page TS-12.

Terms of the Notes

Issuer:	Royal Bank of Canada (“RBC”)
Principal Amount:	\$10.00 per unit
Term:	Approximately 14 months
Market Measure:	The S&P® Regional Banks Select Industry™ Index (Bloomberg symbol: "SPSIRBK")
Starting Value:	1,963.67
Ending Value:	The average of the closing levels of the Market Measure on each scheduled calculation day occurring during the Maturity Valuation Period. The calculation days are subject to postponement in the event of Market Disruption Events, as described on page PS-18 of product supplement EQUITY INDICES ARN-1.
Participation Rate:	300%
Capped Value:	\$11.72 per unit, which represents a return of 17.20% over the principal amount.
Maturity Valuation Period:	October 16, 2019, October 17, 2019, October 18, 2019, October 21, 2019 and October 22, 2019
Fees and Charges:	The underwriting discount of \$0.20 per unit listed on the cover page and the hedging related charge of \$0.075 per unit described in “Structuring the Notes” on page TS-12.
Calculation Agent:	Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”).

Redemption Amount Determination

On the maturity date, you will receive a cash payment per unit determined as follows:

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Accelerated Return Notes®

Linked to the S&P® Regional Banks Select Industry™ Index, due October 25, 2019

The terms and risks of the notes are contained in this term sheet and in the following:

Product supplement EQUITY INDICES ARN-1 dated December 21, 2017:

<https://www.sec.gov/Archives/edgar/data/1000275/000114036117046985/form424b5.htm>

Series G MTN prospectus supplement dated January 8, 2016:

<https://www.sec.gov/Archives/edgar/data/1000275/000121465916008811/p14150424b3.htm>

Prospectus dated January 8, 2016:

<http://www.sec.gov/Archives/edgar/data/1000275/000121465916008810/j18160424b3.htm>

These documents (together, the “Note Prospectus”) have been filed as part of a registration statement with the SEC, which may, without cost, be accessed on the SEC website as indicated above or obtained from MLPF&S by calling 1-800-294-1322. Before you invest, you should read the Note Prospectus, including this term sheet, for inform