



July 26, 2019

Mr. David Downie  
Royal Bank of Canada  
200 Vesey Street, 28th Floor  
New York, New York 10281

Dear Mr. Downie:

The Board of Governors of the Federal Reserve System (Board) and the Federal Deposit Insurance Corporation (FDIC) (together, the Agencies) have reviewed the resolution plan submission (2018 Plan) that Royal Bank of Canada (Covered Company) submitted in December 2018, as required by section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act<sup>1</sup> and the jointly issued Resolution Plan Rule.<sup>2</sup> The Agencies did not identify shortcomings or deficiencies in the Covered Company's 2018 Plan as a result of this review.

In April 2019, the Agencies invited comment on a proposal (Proposal) to modify the Resolution Plan Rule that would, among other things, adjust the scope of application, submission timeframe, and plan content requirements.<sup>3</sup> Until the Agencies finalize the Proposal in a final rule (Final Rule), the current Resolution Plan Rule continues to apply to the Covered Company, including any provisions relating to the next resolution plan submission date.

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<sup>1</sup> 12 U.S.C. § 5365(d).

<sup>2</sup> 12 CFR Part 243 (Board) and 12 CFR Part 381 (FDIC).

<sup>3</sup> Resolution Plans Required, 84 FR 21600 (May 14, 2019), <https://www.federalregister.gov/documents/2019/05/14/2019-08478/resolution-plans-required>.

Accordingly, the Agencies have jointly determined that the Covered Company's next resolution plan submission will be due on July 1, 2021, or such other date that may be specified when the Agencies adopt the Final Rule. The Covered Company should refer to the Final Rule for the content requirements of its subsequent resolution plan submission.

The 2018 Plan's resolution strategy has changed from prior years and now is a single point of entry at the U.S. intermediate holding company through the conversion of bail-in debt. However, this strategy is not yet feasible as the Covered Company has not completed the issuance of unsecured term debt by its U.S. intermediate holding company. Pursuant to the Board's Regulation YY, the Covered Company is expected to come into compliance with the Total Loss Absorbing Capacity capital requirements by January 1, 2021. *See* 12 C.F.R. §§ 252.162(a)-(b). The Covered Company's next resolution plan submission should provide an update regarding the issuance of unsecured term debt by its U.S. intermediate holding company.

Additionally, the Covered Company is implementing a process to comprehensively review and update contracts to facilitate operational continuity. The next resolution plan should provide an update regarding the changes that have been implemented or are planned as a result of this contract review process.

If you have any questions about the information communicated in this letter, please contact Catherine Tilford, Assistant Director, Federal Reserve Board, at 202-452-5240 or

catherine.a.tilford@frb.gov, or Robert Connors, Associate Director, FDIC, at 202-898-3834 or rconnors@fdic.gov.

Sincerely,



Michael S. Gibson  
Director  
Division of Supervision and Regulation  
Board of Governors  
of the Federal Reserve System



Ricardo R. Delfin  
Director  
Division of Complex Institution Supervision  
and Resolution  
Federal Deposit Insurance Corporation