



ROYAL BANK OF CANADA

U.S. RESOLUTION PLAN

SECTION I - PUBLIC SECTION

December 2014



U.S. Resolution Plan - Section I - Public Section

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1. Introduction

1.1 Resolution Plan - Legal Authority and Plan Summary

Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) requires bank holding companies with total consolidated assets of \$50 billion or more and nonbank financial companies designated by the Financial Stability Oversight Council for supervision by the Board of Governors of the Federal Reserve System (“Federal Reserve”) (each, a “covered company”) to submit resolution plans periodically to the Federal Reserve and the Federal Deposit Insurance Corporation (“FDIC”). Each plan must describe the covered company’s strategy for rapid and orderly resolution in the event of material financial distress or failure of the company. The Federal Reserve and the FDIC adopted a joint rule (the “Final Rule”) to implement this requirement.¹

Royal Bank of Canada (“RBC”), a Canadian chartered bank, is a bank holding company registered with the Federal Reserve with total consolidated assets in excess of \$50 billion. Therefore, RBC is required to submit a resolution plan under the Dodd-Frank Act and the Final Rule. For a foreign-based covered company like RBC, the Final Rule requires the resolution plan to include information only with respect to the covered company’s branches, agencies, critical operations and core business lines, as applicable, that are domiciled in the United States or conducted in whole or in material part in the United States.

The Federal Reserve and the FDIC have each, by rule and through the supervisory process, prescribed the assumptions, required approach and scope for resolution plans and have required that certain information be included in the public section of a resolution plan. For purposes of its U.S. resolution plan (“Resolution Plan”), as required by the Federal Reserve and the FDIC, RBC has assumed an idiosyncratic event has occurred that has resulted in the sudden failure of RBC and its “material entities” (as defined below), and their related operations, in the U.S. The Resolution Plan further assumes that there is no disruption to the capital markets, other market participants are functioning normally and RBC has not taken any steps to enhance its capital or liquidity position.

RBC views the likelihood of such an idiosyncratic event occurring as very remote. If such an event were to occur, however, RBC’s Resolution Plan provides for the going concern sale of certain standalone and separable U.S. businesses and the orderly wind down and liquidation of remaining assets and operations of the material entities under the Resolution Plan in a manner that can be accomplished in a reasonable period of time without risk to the larger financial system, thereby avoiding the need for any government or taxpayer support.

¹Resolution Plans Required, 76 Fed. Reg. 67,323 (Nov. 1, 2011), as codified at 12 CFR Part 243 (Federal Reserve) and 12 CFR Part 381 (FDIC).



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For purposes of this year's resolution plan, the Federal Reserve and the FDIC have also required RBC to take into account that material financial distress or failure may occur under adverse or severely adverse economic conditions. Thus, RBC has also provided a narrative discussion with respect to how the resolution strategies identified impediments to resolution and how proposed mitigants described with respect to the idiosyncratic scenario would change under each of the adverse and severely adverse economic conditions.

Unless otherwise indicated, information provided in the Resolution Plan is as of December 31, 2013.

1.2 Royal Bank of Canada

RBC and its subsidiaries operate under the master brand name of RBC. Operating since 1869, RBC is the largest bank in Canada, one of North America's leading diversified financial services companies and the twelfth largest bank in the world, based on market capitalization. RBC provides personal and commercial banking, wealth management services, insurance, investor services and capital markets products and services on a global basis. RBC employs approximately 78,000 full-time and part-time employees who serve more than 16 million personal, business, public sector and institutional clients through offices in Canada, the United States and 38 other countries around the world. Organizationally, RBC is comprised of five business segments:

Personal & Commercial Banking comprises personal and business banking operations as well as auto financing and retail investment businesses in Canada, the Caribbean and the United States. Personal & Commercial Banking accounted for 51% of RBC's total 2014 earnings.

Capital Markets provides public and private companies, institutional investors, governments and central banks with a wide range of products and services. In North America, RBC offers a full suite of products and services which include corporate and investment banking, equity and debt origination and distribution, and structuring and trading. In the U.S., RBC has full industry sector coverage and offers a full investment banking product range and competes with large U.S. and global investment banks as well as smaller regional firms. Outside North America, RBC offers a diversified set of capabilities in its key sections of expertise such as energy, mining and infrastructure and is now expanding into industrial, consumer and health care in Europe. Capital Markets accounted for 23% of RBC's total 2014 earnings.

Wealth Management serves affluent, high net worth and ultra high net worth clients in Canada, the United States, and selected regions outside North America with a full suite of investment, trust and other wealth management solutions and businesses that provide asset management products and services through RBC distribution channels and third-party distributors. Wealth Management accounted for 12% of RBC's total 2014 earnings.



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Insurance offers insurance products and services through proprietary distribution channels, comprised of the field sales force which includes retail insurance branches, field sales representatives, call centers and online, as well as through independent insurance advisors and affinity relationships in Canada. Outside North America, RBC operates in reinsurance markets globally. Insurance accounted for 9% of RBC's total 2014 earnings.

Investor & Treasury Services serves the needs of institutional investing clients and provides custodial asset servicing, advisory, financing and other services to safeguard assets, maximize liquidity and manage risk in multiple jurisdictions around the world. Investor and Treasury Services accounted for 4% of RBC's total 2014 earnings.

RBC has had a presence in the United States since 1899, when RBC opened a New York State chartered agency. Currently, RBC maintains four Federal branches (three in New York, New York and one in Miami, Florida); two state agencies in Texas; four representative offices, located in California, Delaware, Texas and Washington State; a subsidiary national bank, RBC Bank (Georgia), National Association, and a full service broker-dealer with its principal place of business in New York, New York.

2. *Material Entities*

A material entity is defined by the Final Rule as a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line. For purposes of its Resolution Plan, RBC has designated the entities discussed below as material entities in its U.S. organization.

RBC's Three World Financial Center, New York, New York Branch ("3 WFC Branch") is a Federal branch licensed by the Office of the Comptroller of the Currency ("OCC") with full banking and fiduciary powers. Under the RBC Capital Markets brand name, the 3 WFC Branch provides corporate banking services to companies primarily located in the United States, including a full range of corporate banking products such as revolving and term credit facilities, foreign exchange and risk management products, trade lines and structured finance capabilities.

RBC Capital Markets, LLC ("RBCCM LLC") is a Minnesota limited liability company, a wholly owned indirect subsidiary of RBC and 99% directly owned by RBC USA Holdco Corporation. RBCCM LLC is a registered broker-dealer with the U.S. Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, a Futures Commission Merchant with the Commodity Futures Trading Commission under the Commodity Exchange Act, and a member of the New York Stock Exchange ("NYSE") and other securities and commodities exchanges. RBCCM LLC offers full-service brokerage and investment banking services to individual, institutional, corporate and governmental



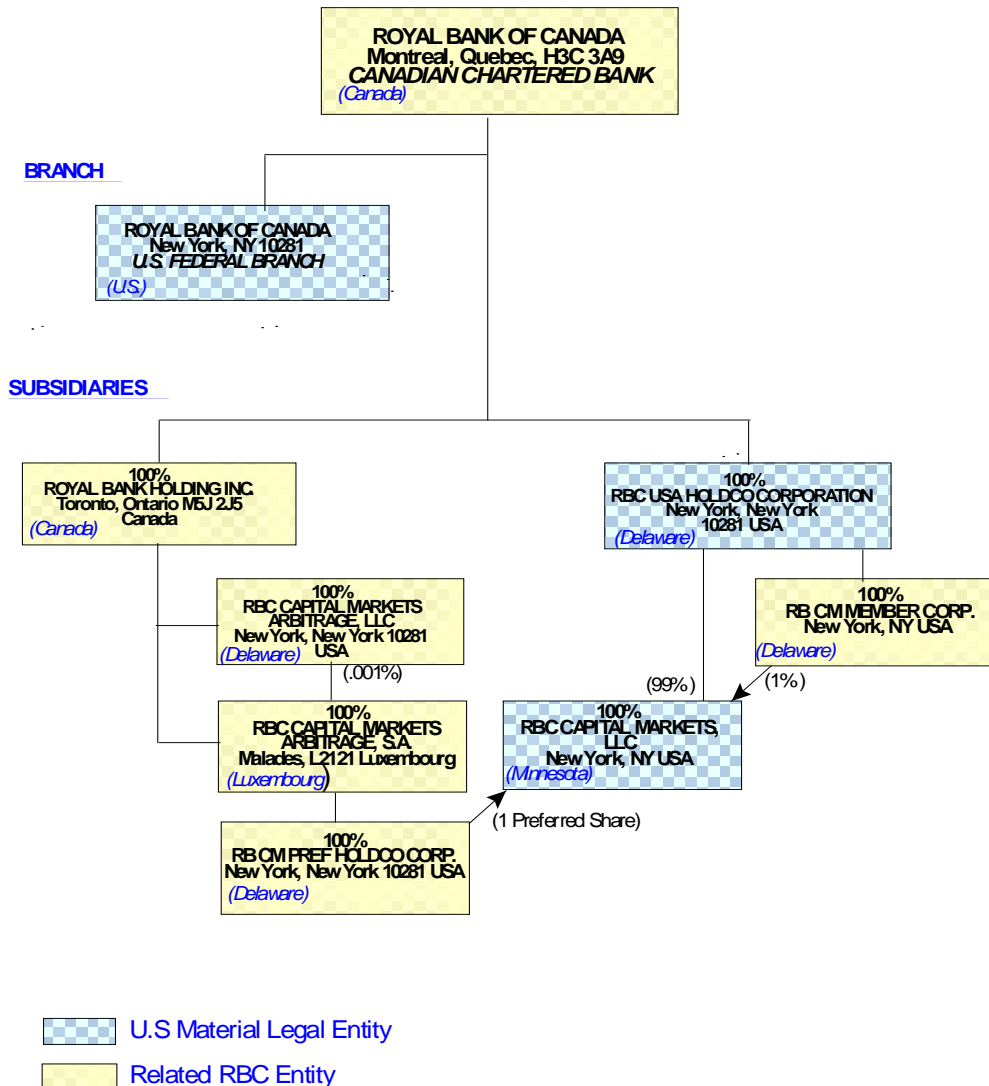
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clients, and provides asset management services for its customers and clearing services to unaffiliated correspondent firms and affiliated broker-dealers.

RBC USA Holdco Corporation (“RBC USA Holdco”), a Delaware corporation and a wholly owned subsidiary of RBC, is a holding company and the parent of RBCCM LLC and several other RBC subsidiaries. RBC USA Holdco does not conduct any business activities of its own.

The diagram below shows RBC’s material entities for its U.S. operations.

**ROYAL BANK OF CANADA
U.S. Material Legal Entities**





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3. Core Business Lines

Core business lines, as defined in the Final Rule, are those business lines of the covered company, including associated operations, services, functions and support, which in the view of the covered company, upon failure, would result in a material loss of revenue, profit or franchise value. RBC identified Capital Markets and Wealth Management as the core business lines that are conducted in whole or in material part in the United States. Table 3.1 lists the core business lines (including areas of focus) and the material entities in which the core business lines operate.

Table 3.1 - Core business lines and material entities in which the business is conducted

| Core Business Lines | Areas of Focus | Material Operating Entity |
|---------------------|--------------------------------|---------------------------|
| Capital Markets | Corporate & Investment Banking | 3 WFC Branch; RBCCM LLC |
| | Global Arbitrage & Trading | 3 WFC Branch; RBCCM LLC |
| | Fixed Income and Currencies | 3 WFC Branch; RBCCM LLC |
| | Global Equities | 3 WFC Branch; RBCCM LLC |
| | Central Funding | 3 WFC Branch; RBCCM LLC |
| | Wealth Management | Private Client Group |

4. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources.

The following summary financial information for RBC was prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. RBC’s consolidated financial statements are stated in Canadian dollars and have been prepared in accordance with all IFRS issued and in effect as of October 31, 2014 (RBC’s fiscal year ends on October 31). The consolidated financial statements also comply with Subsection 308 of the Bank Act (Canada), which states that except as otherwise specified by the Office of the Superintendent of Financial Institutions, consolidated financial statements are to be prepared in accordance with IFRS. This information is taken from the audited consolidated financial statements included in RBC’s 2014 Annual Report.



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| Consolidated Balance Sheets | | |
|--|--------------------|--------------------|
| | As at | |
| <i>(Millions of Canadian dollars)</i> | October 31 2014 | October 31 2013 |
| Assets | | |
| Cash and due from banks | 17,421 | 15,550 |
| Interest-bearing deposits with banks | 8,399 | 9,039 |
| Securities (Note 4) | | |
| Trading | 151,380 | 144,023 |
| Available-for-sale | 47,768 | 38,687 |
| | 199,148 | 182,710 |
| Assets purchased under reverse repurchase agreements and securities borrowed | 135,580 | 117,517 |
| Loans (Note 5) | | |
| Retail | 334,987 | 320,627 |
| Wholesale | 102,236 | 90,182 |
| | 437,223 | 410,809 |
| Allowance for loan losses (Note 5) | (1,994) | (1,959) |
| | 435,229 | 408,850 |
| Segregated fund net assets (Note 16) | 675 | 513 |
| Other | | |
| Customers' liability under acceptances | 11,462 | 9,953 |
| Derivatives (Note 8) | 87,402 | 74,822 |
| Premises and equipment, net (Note 9) | 2,684 | 2,636 |
| Goodwill (Note 10) | 8,647 | 8,332 |
| Other intangibles (Note 10) | 2,775 | 2,777 |
| Investments in joint ventures and associates (Note 12) | 295 | 247 |
| Employee benefit assets (note 17) | 138 | 161 |
| Other assets (Note 13) | 30,695 | 26,638 |
| | 144,098 | 125,566 |
| Total assets | 940,550 | 859,745 |
| Liabilities and equity | | |
| Deposits (Note 14) | | |
| Personal | 209,217 | 194,943 |
| Business and government | 386,660 | 354,593 |
| Bank | 18,223 | 13,543 |
| | 614,100 | 563,079 |
| Segregated fund net liabilities (Note 16) | 675 | 513 |
| Other | | |
| Acceptances | 11,462 | 9,953 |
| Obligations related to securities sold short | 50,345 | 47,128 |
| Obligations related to assets sold under repurchase agreements and securities loaned | 64,331 | 60,416 |
| Derivatives (Note 8) | 88,982 | 76,745 |
| Insurance claims and policy benefit liabilities (note 15) | 8,564 | 8,034 |
| Employee benefit liabilities (Note 17) | 2,420 | 2,027 |
| Other liabilities (Note 18) | 37,309 | 34,947 |
| | 263,413 | 239,250 |
| Subordinated debentures (Note 19) | 7,859 | 7,443 |
| Total liabilities | 886,047 | 810,285 |
| Equity attributable to shareholders (Note 21) | | |
| Preferred shares | 4,075 | 4,600 |
| Common shares (shares issued – 1,442,232,886 and 1,441,055,616) | 14,511 | 14,377 |
| Treasury shares - preferred (shares held (1,207) and (46,641)) | - | 1 |
| - common (shares held – (891,733) and (666,366)) | 71 | 41 |
| Retained earnings | 31,615 | 27,438 |
| Other components of equity | 2,418 | 1,208 |
| | 52,690 | 47,665 |
| Non-controlling interests (Note 21) | 1,813 | 1,795 |
| Total equity | 54,503 | 49,460 |
| Total liabilities and equity | 940,550 | 859,745 |

The accompanying notes are an integral part of these Consolidated Financial Statements. (See Annual Report)
Source: Consolidated Financial Statements -- Royal Bank of Canada Annual Report 2014



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The following financial information is provided for the U.S. entities identified as material entities for the purposes of the Resolution Plan. As required by certain U.S. regulatory filing requirements, the following financial information is provided in U.S. GAAP.

3 WFC Branch: As set out in the 3 WFC Branch Call Report, 3 WFC Branch's total assets as of December 31, 2013, were \$41.6 billion.

RBCCM LLC: As of December 31, 2013, RBCCM LLC had total assets of \$66.6 billion. The majority of RBCCM LLC's assets were comprised of collateralized agreements.

RBC USA Holdco: As of December 31, 2013, RBC USA Holdco had total assets of \$9.9 billion, of which \$9.0 billion related to balances due from internal counterparties (i.e., RBC USA Holdco's affiliates). As of December 31, 2013, RBC USA Holdco's liabilities were \$9.9 billion, of which \$9.8 billion related to shareholders' equity.

U.S. Material Entity Funding and Capital Sources

RBCCM LLC is largely self-financed mostly through senior secured wholesale funding, intragroup funding and liquidity sources and unsecured, uncommitted bank lines of credit with non-affiliated banks.

3 WFC Branch is self-funding. 3 WFC Branch's funding sources are deposits, senior unsecured wholesale third party short-term Yankee bonds and long-term third party loans. 3 WFC Branch also has access to the Federal Reserve Discount Window, from which no funds were drawn as of December, 31, 2013.

As a non-operating entity, RBC USA Holdco has no specific funding requirements.

RBC employs a centralized approach to managing capital needs and resources, i.e., capital is raised centrally and partly redeployed to subsidiaries to meet local regulators' and internal capital adequacy requirements and to maximize returns to shareholders. To ensure capital adequacy and ongoing compliance with all regulatory requirements and self-imposed targets, RBC evaluates and monitors its consolidated capital position in relation to its risk appetite, risk profile, business strategies, operating environment and sensitivity to various stress events.

5. Derivatives and Hedging Activities

Most of RBC's derivative transactions in the United States relate to sales and trading activities. Sales activities include the structuring and marketing of derivative products to clients to enable them to transfer, modify or reduce current or expected risks. Trading includes market-making activities. Market-making involves quoting bid and offer prices to other market participants with the intention of generating revenue based on spread and volume.



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RBC also uses derivatives for purposes other than trading, primarily for hedging, in conjunction with the management of interest rate, credit, equity and foreign exchange risk related to its funding, lending, investment activities and asset/liability management. For example, interest rate swaps are used to manage RBC’s exposure to interest rate risk by modifying the repricing or maturity characteristics of existing and/or forecasted assets and liabilities, including funding and investment activities. Purchased options are used to hedge redeemable deposits and other options embedded in consumer products. RBC manages its exposure to foreign currency risk with cross currency swaps and foreign exchange forward contracts. RBC predominantly uses credit derivatives to manage its credit exposures. For example, credit derivatives are used to mitigate industry sector concentrations and single-name exposures related to RBC’s credit portfolio. RBC applies hedge accounting to minimize volatility in earnings and capital caused by changes in interest rates of foreign exchange rates.

6. Memberships in Material Payment, Clearing and Settlement Systems

RBC participates in a variety of payment, clearing and settlement systems to facilitate the clearing and settlement of securities and cash transactions. These arrangements also allow for greater risk management and operational efficiencies in the trading of financial instruments worldwide. Table 6.1 below shows material payment, clearing and settlement systems of which RBC is a member that are significant to RBC’s U.S. operations.

Table 6.1

| System Name | Type of Service | Member |
|--|-------------------------|---------------|
| Automated Clearing House | Payments | 3 WFC Branch |
| Fedwire Funds Service | Payments | 3 WFC Branch |
| The Bank of New York Mellon | Clearing and Settlement | RBCCM LLC |
| Chicago Mercantile Exchange | Clearing and Settlement | RBCCM LLC |
| The Clearing Corporation | Clearing and Settlement | RBCCM LLC |
| Depository Trust & Clearing Corporation | Clearing and Settlement | RBCCM LLC |
| Fixed Income Clearing Corporation | Clearing and Settlement | RBCCM LLC |
| Intercontinental Exchange | Clearing and Settlement | RBCCM LLC |
| National Securities Clearing Corporation | Clearing and Settlement | RBCCM LLC |
| Options Clearing Corporation | Clearing and Settlement | RBCCM LLC |



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7. Foreign Operations

As Canada's largest bank, RBC generates approximately two-thirds of its revenue (63% in 2014) in Canada where it has an established leadership position and sees opportunities to gain further market share, grow revenue faster than the industry and increase net income.

Outside Canada, RBC is focusing on the largest accessible revenue pools where it can leverage its strengths: high net worth, corporate and institutional clients in the United States, United Kingdom and key emerging market hubs such as Singapore and Hong Kong. This client base values RBC's expertise, its global reach and its track record of stability. In 2014, approximately 19% of RBC's revenue came from the international marketplace outside of Canada and the United States and approximately 18.0% from the United States. For additional information on RBC's global operations, please see Item 1.2 above.

8. Material Supervisory Authorities

Canada

RBC is a "Schedule I" Bank under the Bank Act (Canada) and as such is a federally regulated financial institution in Canada. It is regulated primarily by the Office of the Superintendent of Financial Institutions ("OSFI"), which reports to the Minister of Finance for the supervision of RBC, as well as its Canadian federally regulated trust, loan and insurance subsidiaries. RBC and its Canadian trust, loan and insurance subsidiaries are also subject to regulation under the Financial Consumer Agency of Canada Act ("FCAC Act"). The Financial Consumer Agency of Canada, among other things, enforces consumer-related provisions of the Canadian federal statutes which govern these financial institutions. The Commissioner of the Consumer Agency must report to the Minister of Finance on all matters connected with the administration of the FCAC Act and consumer provisions of other federal statutes, including the Bank Act, Trust and Loan Companies Act and Insurance Companies Act.

RBC and its subsidiaries, Royal Trust Corporation of Canada, The Royal Trust Company, Royal Bank Mortgage Corporation and RBC Investor Services Trust, are member institutions of the Canada Deposit Insurance Corporation ("CDIC") which insures certain deposits held at the member institutions.

United States

In the United States, RBC is characterized as a foreign banking organization ("FBO") and, under the International Banking Act of 1978 and the Bank Holding Company Act of 1956, all of RBC's U.S. banking operations are subject to supervision and regulation by the Federal Reserve. RBC is both a bank holding company and a financial holding company in the United States.



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RBC's U.S. banking subsidiary, RBC Bank (Georgia), National Association, is supervised by the OCC and is also subject to supervision by the Federal Reserve. 3 WFC Branch is a Federal branch licensed and supervised by the OCC, which examines and assesses 3 WFC Branch's operations annually.

RBCCM LLC is a registered broker-dealer with the SEC, a Futures Commission Merchant with the Commodity Futures Trading Commission under the Commodity Exchange Act, and a member of the New York Stock Exchange ("NYSE") and other securities and commodities exchanges.

RBC USA Holdco is not a directly regulated entity.

As a foreign bank with U.S. operations and a U.S. banking subsidiary, RBC is also subject to the USA Patriot Act's requirements to maintain appropriate policies, procedures and controls relating to anti-money laundering compliance, suspicious activity and currency transaction reporting and due diligence on customers to prevent, detect and report individuals and entities involved in money laundering and the financing of terrorism.

Other Jurisdictions

In addition to Canada and the United States, RBC operates in over 40 countries through a network of branches, local banks and non-bank subsidiaries and those activities are subject to supervision in most cases by a local regulator or central bank.

9. Principal Officers

Table 9.1 below lists the principal officers of RBC, including the Group Executive of RBC as of December 1, 2014. The Group Executive is responsible for the day-to-day operational management of RBC, and develops and implements the strategic business plans for RBC overall as well as for the principal businesses, subject to approval by the Board of Directors of RBC. The Group Executive further reviews and coordinates significant initiatives, projects and business developments in the divisions, regions and in the RBC functions and established enterprise-wide policies. For further information about RBC's Group Executive, please see the "Corporate Governance" section below.



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9.1 Principal Officers of RBC:

| NAME | TITLE |
|-------------------------------------|---|
| Allgood, David Russell | Executive Vice-President and General Counsel |
| Blackburn, Francine [■] | Executive Vice-President, Regulatory and Government Affairs and Chief Compliance Officer |
| Fukakusa, Janice Rose ^{^■} | Chief Administrative Officer and Chief Financial Officer |
| Guignard, Robert | Chief Internal Auditor |
| Hirji, Zabeen [^] | Chief Human Resources Officer |
| Hughes, Mark Richard [^] | Chief Risk Officer |
| Lewis, Melville George [^] | Group Head, Wealth Management and RBC Insurance |
| McGregor, Alex Douglas [^] | Group Head, Capital Markets and Treasury & Investor Services |
| McKay, David Ian [^] | President and Chief Executive Officer |
| McCarthy, Karen | Vice-President, Associate General Counsel and Secretary |
| Rajwani, Karim [■] | Global Head, Anti-Money Laundering Compliance, Vice-President and Anti-Money Laundering Officer |
| Ross, Bruce Washington [^] | Group Head, Technology and Operations |
| Samwell, Gerhardt | Vice-President and Chief Accountant |
| Tory, Jennifer [^] | Group Head, Personal and Commercial Banking |

[^] Member of Group Executive [■] OSFI Functional Appointment



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10. Corporate Governance and Resolution Planning

The Resolution Plan project was organized in a manner to ensure effective and efficient collection and analysis of data, decision-making related to the direction of the project and thorough review and internal approval of the final Resolution Plan. The project framework used to develop the initial Resolution Plan included Executive Sponsors, a Steering Committee and Working Group members that participated in various data collection and analysis activities. Responsibility for chairing the Steering Committee and project managing the Resolution Plan was anchored with Legal.

The Executive Sponsors were responsible to: ensure linkages to broader priorities, resolve critical issues, and be accountable for achievement of objectives.

The Steering Committee's role was to: ensure success for benefit of the enterprise, provide appropriate resources to ensure on time delivery of results, and recommend to executives for key decisions.

Various Working Groups were created to: lead or contribute to specific workstreams identified to meet set objectives for fulfilling Resolution Plan requirements; communicate to senior steering committee and relevant operating committees/conclusions reached and provide recommendations, as required, to address the requirements; deliver into timelines and identify/escalate emerging issues; identify/support communication and Change Management opportunities; and work with resources, as appropriate, to deliver work products.

The Resolution Plan Working Groups have a broad representation. The following functional groups are represented on the Working Groups (with others invited as needed): Finance, Treasury, Legal, Group Risk Management, Operations, Technology, Compliance, and Human Resources.

RBC's process for planning and development of this Resolution Plan was based on collaboratively utilizing RBC subject-matter expertise, plans, frameworks and governance structures to manage risks under stressed conditions. A working group is the prime coordinating entity tasked with understanding and evaluating the regulatory (and internal) requirements relating to development of the Resolution Plan; sourcing and contributing respective subject matter expertise; and, submitting the Resolution Plan for senior management review.

As required by the Final Rule, the overall responsibility for the Resolution Plan rests with RBC's Board of Directors. A summary of the Resolution Plan requirements and key aspects was provided to the Board of Directors. As permitted by the Final Rule, RBC's Board of Directors delegated supervision, review and approval of the Resolution Plan to the U.S. Corporate Governance Committee (a committee with responsibility and oversight with respect to all of RBC's businesses in the U.S., including RBCCM LLC, 3 WFC Branch and RBC USA Holdco), which approved the Resolution Plan.



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11. Material Management Information Systems

RBC maintains a robust catalog of management information systems (“MIS”) around risk, financial data, funding and liquidity, regulatory and operations. RBC’s Enterprise Information Planning and Strategy group’s mandate is to develop and promote information management strategies, plans, best practices and architectural guidelines for establishing a quality and integrated data environment across RBC platforms; support system development with expert guidance and consultation in all matters relating to information management to maximize building and re-use of shared data; provide leadership in researching and structuring quality technology solutions to meet business objectives and increase RBC’s business partner satisfaction; and drive consolidation and reusability through a common set of infrastructure components and processes.

The Resolution Plan focuses on key MIS associated with risk management, accounting, financial and regulatory reporting functions. RBC has compiled detailed inventories identifying the systems or applications and has mapped these systems to material entities, core business lines and critical operations. RBC has further identified the scope, content and frequency of key internal reports.

12. Resolution Strategy Summary

RBC’s Resolution Plan provides that certain of its U.S. businesses could be sold to third parties as going concerns and that the remaining assets and operations of its material entities under the Resolution Plan could be liquidated or otherwise resolved in an orderly manner in the event that RBC and its material entities experienced material financial distress or failure. Potential acquirers of RBC’s U.S. businesses include U.S. headquartered global and national banking groups with complementary branch networks and service offerings and non-U.S. based global banking groups interested in entering the U.S. market or expanding their U.S. operations.

In certain instances, sales of businesses or assets might take place prior to or in conjunction with the commencement of insolvency proceedings. The Resolution Plan also describes the orderly resolution of any remaining assets and operations of the material entities through applicable insolvency regimes as required by the Final Rule, which would include resolution of RBCCM LLC under the Securities Investor Protection Act, and RBC USA Holdco under the Bankruptcy Code.

The actual resolution procedures would be determined based on a number of factors, including market conditions, current valuations and the liquidity profile of the U.S. operations. Under applicable insolvency regimes, asset sales and resolutions are not mutually exclusive. For example, resolution may occur through a combination of a sale of business components and a wind-down of remaining businesses and operations.



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Conclusion

RBC has developed a Resolution Plan that provides for resolution of its material entities and core business lines in a rapid and orderly manner that would not pose systemic risk to the U.S. financial system.