

ROYAL BANK OF CANADA
Form FWP
August 17, 2017

RBC Capital Markets® Filed Pursuant to Rule 433
Registration Statement No. 333-208507

The information in this preliminary terms supplement is not complete and may be changed.

Preliminary Terms

Supplement

Subject to Completion:

Dated August 17, 2017

Pricing Supplement \$ _____

Dated August __, 2017 Contingent Coupon Buffer

to the Product Enhanced Return Notes

Prospectus Supplement Linked to the S&P 500® Index,

ERN-EI-1 Dated January Due __, 2022

12, 2016, Prospectus Royal Bank of Canada

Supplement Dated

January 8, 2016, and

Prospectus Dated

January 8, 2016

Royal Bank of Canada is offering the Contingent Coupon Buffer Enhanced Return Notes (the “Notes”) linked to the performance of the S&P 500® Index (the “Reference Asset”). The CUSIP number for the Notes is 78012K5B9.

If a Knock-In Event (as defined below) occurs and the Final Level is less than the Knock-In Level, you will be exposed on a 1-to1 basis to the decline in the level of the Reference Asset and could lose up to your entire investment, excluding contingent coupon payments on the Notes, if any. If a Knock-In Event occurs and the Final Level is greater than the Knock-In Level, you will receive the principal amount of your investment at maturity plus a positive return.

If a Knock-In Event has not occurred during the monthly Observation Period immediately preceding a Contingent Coupon Payment Date, we will pay the Contingent Coupon on the Contingent Coupon Payment Date. However, if a Knock-In Event occurs during any Observation Period, we will not pay a Contingent Coupon on the immediately following Contingent Coupon Payment Date or on any subsequent Contingent Coupon Payment Date. Therefore, if a Knock-In Event occurs during the first Observation Period, you would not receive any Contingent Coupons during the term of the Notes, in addition to the possibility of losing a substantial portion of the principal amount. Any payments on the Notes are subject to our credit risk.

Please see the discussion below for more details as to the payments to be made on the Notes.

Contingent Coupon: 4.25% per annum Issue Date: September 1, 2017

Buffer Percentage: 20.00% Maturity Date: _____, 2022 (approximately 57 to 63 months after the Issue Date, to be determined on the Pricing Date)

Knock-In Level and Buffer Level:
80.00% of the Initial Level

The Notes will not be listed on any securities exchange.

Investing in the Notes involves a number of risks. See “Risk Factors” beginning on page S-1 of the prospectus supplement dated January 8, 2016, “Additional Risk Factors Specific to the Notes” beginning on page PS-4 of the product prospectus supplement dated January 12, 2016, and “Selected Risk Considerations” beginning on page P-13 of this terms supplement.

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The Notes will not constitute deposits insured by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. government agency or instrumentality.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this terms supplement is truthful or complete. Any representation to the contrary is a criminal offense.

	<u>Per Note</u>	<u>Total</u>
Price to public	100.00%	\$
Underwriting discounts and commissions	0.00%	\$
Proceeds to Royal Bank of Canada	100.00%	\$

The initial estimated value of the Notes as of the date of this terms supplement is \$1,003.58 per \$1,000 in principal amount. The final pricing supplement relating to the Notes will set forth our estimate of the initial value of the Notes as of the Pricing Date, which will not be less than \$963.58 per \$1,000 in principal amount. 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.

RBC Capital Markets, LLC

Contingent Coupon Buffer
Enhanced Notes
Linked to the S&P 500® Index,
Due ____, 2022

SUMMARY

The information in this “Summary” section is qualified by the more detailed information set forth in this terms supplement, the product prospectus supplement, the prospectus supplement, and the prospectus.

Issuer: Royal Bank of Canada (“Royal Bank”)
Issue: Senior Global Medium-Term Notes, Series G
Underwriter: RBC Capital Markets, LLC (“RBCCM”)
Reference Asset: S&P 500® Index
Bloomberg Ticker: SPX
Currency: U.S. Dollars
Minimum Investment: \$1,000 and minimum denominations of \$1,000 in excess thereof
Pricing Date: August 29, 2017
Issue Date: September 1, 2017
CUSIP: 78012K5B9
Valuation Date: ____, 2022 (three trading days prior to the maturity date, to be determined on the Pricing Date).
Maturity Date: ____, 2022 (approximately 57 to 63 months after the Issue Date, to be determined on the Pricing Date).
Term: The maturity date will be subject to postponement for market and other disruptions, as described in the product prospectus supplement dated January 12, 2016.
Term: Between approximately 57 and 63 months (to be determined on the Pricing Date).
A Knock-In Event Does Not Occur:
If a Knock-In Event does not occur, in addition to the final Contingent Coupon Payment, you will receive the principal amount of the Notes. In this case, the Redemption Amount will equal \$1,000 per \$1,000 principal amount of the Notes plus any contingent coupon payments.
A Knock-In Event Does Occur:
If a Knock-In Event occurs, the Redemption Amount will be, for each \$1,000 in principal amount of the Notes, an amount equal to:
 $\text{Principal Amount} \times [1 + (\text{Percentage Change} + \text{Buffer Percentage})]$
Accordingly, if a Knock-In Event occurs, the Redemption Amount may be more or less than the principal amount. However, please note that if, on the Valuation Date, the Percentage Change is negative, by more than the Buffer Percentage (that is, the Percentage Change is between -20% and -100%), then you will lose a portion of the principal amount of the Notes.

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Contingent Coupon Buffer
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The Percentage Change, expressed as a percentage, is calculated using the following formula:

Percentage

Change: $\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$

Initial Level: The closing level of the Reference Asset on the Pricing Date.

Final Level: The closing level of the Reference Asset on the Valuation Date.

Knock-In Event: A Knock-In Event will occur if, on any trading day during any Observation Period, the closing level of the Reference Asset is less than the Buffer Level.

Knock-In Level and Buffer Level: 80.00% of the Initial Level.

Buffer Percentage: 20.00%

Contingent Coupon: 4.25% of the principal amount per annum, corresponding to approximately 0.354167% of the principal amount per month in which it is payable.

Unless a Knock-In Event occurs, Contingent Coupons will be determined and paid as per the table below, subject to postponement as set forth below. The final Contingent Coupon Payment Date will be the maturity date. The Notes will have a term of between 57 and 63 monthly Observation Periods. The first date of the first Observation Period will start on the Pricing Date. The end date of the final Observation Period will end on the Valuation Date. The dates on which the Observation Periods begin and end will be set forth in the final Pricing Supplement relating to the Notes, and will depend upon the actual number of Observation Periods.

Monthly Observation Periods and Contingent Coupon Payment Dates:	Start Date of Each Observation Period	End Date of Each Observation Period	Contingent Coupon Payment Dates
	August 29, 2017	September 29, 2017	October 4, 2017
	October 2, 2017	October 30, 2017	November 2, 2017
	October 31, 2017	November 29, 2017	December 4, 2017
	November 30, 2017	December 29, 2017	January 4, 2018
	January 2, 2018	January 29, 2018	February 1, 2018
	January 30, 2018	February 28, 2018	March 5, 2018
	March 1, 2018	March 29, 2018	April 4, 2018
	March 30, 2018	April 30, 2018	May 3, 2018
	May 1, 2018	May 29, 2018	June 1, 2018
	May 30, 2018	June 29, 2018	July 5, 2018
	July 2, 2018	July 30, 2018	August 2, 2018
	July 31, 2018	August 29, 2018	September 4, 2018
	August 30, 2018	September 28, 2018	October 3, 2018
	October 1, 2018	October 29, 2018	November 1, 2018

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October 30, 2018 November 29, 2018 December 4, 2018
November 30, 2018 December 31, 2018 January 4, 2019

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Contingent Coupon Buffer
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 Due _____, 2022

January 2, 2019	January 29, 2019	February 1, 2019
January 30, 2019	February 28, 2019	March 5, 2019
March 1, 2019	March 29, 2019	April 3, 2019
April 1, 2019	April 29, 2019	May 2, 2019
April 30, 2019	May 29, 2019	June 3, 2019
May 30, 2019	June 28, 2019	July 3, 2019
July 1, 2019	July 29, 2019	August 1, 2019
July 30, 2019	August 29, 2019	September 4, 2019
August 30, 2019	September 30, 2019	October 3, 2019
October 1, 2019	October 29, 2019	November 1, 2019
October 31, 2019	November 29, 2019	December 4, 2019
December 2, 2019	December 30, 2019	January 3, 2020
December 31, 2019	January 29, 2020	February 3, 2020
January 30, 2020	February 28, 2020	March 4, 2020
March 2, 2020	March 30, 2020	April 2, 2020
March 31, 2020	April 29, 2020	May 4, 2020
April 30, 2020	May 29, 2020	June 3, 2020
June 1, 2020	June 29, 2020	July 2, 2020
June 30, 2020	July 29, 2020	August 3, 2020
July 30, 2020	August 31, 2020	September 3, 2020
September 1, 2020	September 29, 2020	October 2, 2020
September 30, 2020	October 29, 2020	November 3, 2020
October 30, 2020	November 30, 2020	December 3, 2020
December 1, 2020	December 29, 2020	January 4, 2021
December 30, 2020	January 29, 2021	February 3, 2021
February 1, 2021	February 26, 2021	March 3, 2021
March 1, 2021	March 29, 2021	April 1, 2021
March 30, 2021	April 29, 2021	May 4, 2021
April 30, 2021	May 28, 2021	June 3, 2021
June 1, 2021	June 29, 2021	July 2, 2021
June 30, 2021	July 29, 2021	August 3, 2021
July 30, 2021	August 30, 2021	September 2, 2021
August 31, 2021	September 29, 2021	October 4, 2021
September 30, 2021	October 29, 2021	November 3, 2021
November 1, 2021	November 29, 2021	December 2, 2021
November 30, 2021	December 29, 2021	January 3, 2022
December 30, 2021	January 31, 2022	February 3, 2022
February 1, 2022	February 28, 2022	March 3, 2022
March 1, 2022	March 29, 2022	April 1, 2022

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Contingent Coupon Buffer
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 Due ____, 2022

March 30, 2022 April 29, 2022 May 4, 2022
 May 2, 2022 May 31, 2022 June 3, 2022
 June 1, 2022 June 29, 2022 July 5, 2022
 June 30, 2022 July 29, 2022 August 3, 2022
 August 1, 2022 August 29, 2022 September 1, 2022

If any Contingent Coupon Payment Date is not a business day, the Contingent Coupon will be payable on the first following business day. The amount of any Contingent Coupon will not be adjusted in respect of any postponement of a Contingent Coupon Payment Date and no interest or other payment will be payable on the Notes as a result of any such postponement.

Contingent Coupon payments are not guaranteed. The issuer will not pay you the Contingent Coupon for any Observation Period, or for any Observation Period thereafter, if the closing level of the Reference Asset is less than its Knock-In Level on any trading day during that period.

Principal at Risk: The Notes are NOT principal protected. You may lose a portion of your principal amount at maturity if there is a percentage decrease from the Initial Level to the Final Level of more than 20%.

Record Dates: Contingent Coupons, if any, will be payable to the holders of record at the close of business on the business day immediately preceding the applicable Contingent Coupon Payment Date, provided that the Contingent Coupon payable on the maturity date (if payable) will be payable to the person to whom the Redemption Amount is payable.

Calculation Agent: RBCCM

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 contingent income-bearing 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 (the “IRS”) could assert that the Notes should be taxed in a manner that is different from that described in the preceding sentence. Please see the section below, “Supplemental Discussion of U.S. Federal Income Tax Consequences,” which applies to the Notes.

Secondary Market: RBCCM (or one of its affiliates), though not obligated to do so, plans to maintain a secondary market in the Notes after the Issue Date. The amount that you may receive upon sale of your Notes prior to maturity may be less than the principal amount of your Notes.

Listing: The Notes will not be listed on any securities exchange.

Clearance and Settlement: DTC global (including through its indirect participants Euroclear and Clearstream, Luxembourg as described under “Description of Debt Securities—Ownership and Book-Entry Issuance” in the prospectus dated January 8, 2016).

Terms Incorporated in the Master Note: All of the terms appearing above the item captioned “Secondary Market” on pages P-2 to P-5 of this terms supplement and the terms appearing under the caption “General Terms of the Notes” in the product prospectus supplement dated January 12, 2016, as modified by this terms supplement.

Contingent Coupon Buffer
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ADDITIONAL TERMS OF YOUR NOTES

You should read this terms supplement together with the prospectus dated January 8, 2016, as supplemented by the prospectus supplement dated January 8, 2016 and the product prospectus supplement dated January 12, 2016, relating to our Senior Global Medium-Term Notes, Series G, of which these Notes are a part. Capitalized terms used but not defined in this terms supplement will have the meanings given to them in the product prospectus supplement. In the event of any conflict, this terms supplement will control. The Notes vary from the terms described in the product prospectus supplement in several important ways. You should read this terms supplement carefully.

This terms supplement, together with the documents listed below, contains the terms of the Notes and supersedes all prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in “Risk Factors” in the prospectus supplement dated January 8, 2016 and “Additional Risk Factors Specific to the Notes” in the product prospectus supplement dated January 12, 2016, as the Notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the Notes. You may access these documents on the Securities and Exchange Commission (the “SEC”) website at www.sec.gov as follows (or if that address has changed, by reviewing our filings for the relevant date on the SEC website):

Prospectus dated January 8, 2016:

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

Prospectus Supplement dated January 8, 2016:

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

Product Prospectus Supplement ERN-EI-1 dated January 12, 2016:

<https://www.sec.gov/Archives/edgar/data/1000275/000114036116047560/form424b5.htm>

Our Central Index Key, or CIK, on the SEC website is 1000275. As used in this terms supplement, “we,” “us,” or “our” refers to Royal Bank of Canada.

Royal Bank of Canada has filed a registration statement (including a product prospectus supplement, a prospectus supplement, and a prospectus) with the SEC for the offering to which this terms supplement relates. Before you invest, you should read those documents and the other documents relating to this offering that we have filed with the SEC for more complete information about us and this offering. You may obtain these documents without cost by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, Royal Bank of Canada, any agent or any dealer participating in this offering will arrange to send you the product prospectus supplement, the prospectus supplement and the prospectus if you so request by calling toll-free at 1-866-609-6009.

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HYPOTHETICAL RETURNS

The tables and examples set out below are included for illustration purposes only. The hypothetical Percentage Changes of the Reference Asset used to illustrate the calculation of the Redemption Amount (rounded to two decimal places) are not estimates or forecasts of the Initial Level, the Final Level or the level of the Reference Asset on any trading day prior to the Maturity Date. All tables and examples assume that a holder purchased Notes with an aggregate principal amount of \$1,000, the Contingent Coupon rate of 4.25% of the principal amount per annum (approximately 0.354167% per month), the Knock-In Level of 80% of the Initial Level, a Buffer Percentage of 20% (the Buffer Level is 80% of the Initial Level), a hypothetical term of the Notes of 60 months (the midpoint of the term range of 57 and 63 months), and that no market disruption event occurs on the Valuation Date.

Table 1 — A Knock-In Event DOES NOT occur:

Percentage Change from Initial Level	Redemption Amount (excluding contingent coupon payments)	Total Contingent Coupon Payments	Total Payment
100.00%	\$1,000.00	\$212.50	\$1,212.50
90.00%	\$1,000.00	\$212.50	\$1,212.50
80.00%	\$1,000.00	\$212.50	\$1,212.50
70.00%	\$1,000.00	\$212.50	\$1,212.50
60.00%	\$1,000.00	\$212.50	\$1,212.50
50.00%	\$1,000.00	\$212.50	\$1,212.50
40.00%	\$1,000.00	\$212.50	\$1,212.50