



Final Term Sheet

Issuer	Royal Bank of Canada
Credit Rating	Moody's: A2; S&P: A; DBRS: AA (low)
Issue Type	Issuer Extendible Accrual Notes Annual Compounding Senior Notes (the "Notes") - Book Based Via CDS
Canadian Bail In Regime Acknowledgement	The Notes are subject to bail-in conversion under the Canadian bail-in regime.
Issuer's Option	Extendible by the Issuer on the Initial Maturity Date and on each of the Extended Maturity Dates.
Issue Size	\$8,000,000 CAD
Settlement Date	17-December-2020
New Issue Price	\$100.00
Maturity Date	The Initial Maturity Date, subject to extension by the Issuer to an Extended Maturity Date, as the case may be, pursuant to the section entitled "Extension Feature" below.
Initial Maturity Date	17-December-2022
Extended Maturity Date	17-December-2023 17-December-2024 17-December-2025 17-December-2026 17-December-2027 17-December-2028 17-December-2029 17-December-2030 17-December-2031
Final Maturity Date	17-December-2032
Extension Feature	<p>The Notes are extendible at the option of the Issuer on the Initial Maturity Date and on any Extended Maturity Date on which the Notes are outstanding, to the next following Maturity Date, at the Interest Rate set out below in respect of the relevant Interest Period, but in no event beyond the Final Maturity Date.</p> <p>The Issuer will be deemed to have exercised its option to extend the then applicable Maturity Date of the Notes to the next following Extended Maturity Date unless it provides notice in writing to CDS, not less than 15 Toronto business days prior to the then applicable Maturity Date of the Notes, of its intention to redeem the Notes and not</p>

to extend the Maturity Date of the Notes.

Annual Compounding Rate 1.94% per annum, compounded annually. Interest accrues and compounds at the Annual Compounding Rate and is payable once at Maturity as per the Redemption Amounts listed below.

Day Count The number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).

Business Day Convention Following, Unadjusted

Issuer Redemption Schedule	<u>Years</u>	<u>Initial Maturity Date</u>	<u>Initial Redemption Amount</u>
	2	17-Dec-2022	103.92
	<u>Years</u>	<u>Extended Maturity Dates</u>	<u>Extended Redemption Amounts</u>
	3	17-Dec-2023	105.93
	4	17-Dec-2024	107.99
	5	17-Dec-2025	110.08
	6	17-Dec-2026	112.22
	7	17-Dec-2027	114.40
	8	17-Dec-2028	116.62
	9	17-Dec-2029	118.88
	10	17-Dec-2030	121.18
	11	17-Dec-2031	123.54
	<u>Years</u>	<u>Final Maturity Date</u>	<u>Final Redemption Amount</u>
	12	17-Dec-2032	125.93

Redemption The Notes are not subject to redemption at the option of the holders or the Issuer, except as set out above under "Extension Feature", for any reason (including without limitation, on any Maturity Date other than the Final Maturity Date) will be subject to the prior approval of the Superintendent of Financial Institutions if such redemption would lead to a breach of the Bank's Total Loss Absorbing Capacity requirements.

Secondary Market RBC Dominion Securities ("RBC DS") has indicated to Royal Bank that it will use its best reasonable efforts to establish and maintain a market for the Notes by making itself available as purchaser if and so long as RBC DS in its sole discretion believes that there is a reasonable likelihood that it will be able to sell such Notes at a profit or at no more than a nominal loss. RBC DS may, in its sole discretion, cease to offer to purchase Notes. See "Risk Factors" below. If RBC DS offers to purchase Notes in connection with a secondary market transaction, there is no assurance that the purchase price will be the highest possible price available in any secondary market for the Notes and an investor could receive less than the Principal Amount.

CDS Book Based System Registration of interests in and transfer of the Notes will be made only through the book based system of the Canadian Depository for Securities ("CDS"). The Notes must be purchased either directly or indirectly through a participant in the CDS book based system. No holder will be entitled to any certificate or other instrument from the Issuer or CDS evidencing the ownership thereof, and no holder will be shown on the

records maintained by CDS except through an agent who is a participant of CDS.

Bail-inable

The Notes are bail-inable notes subject to conversion in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Bank or any of its affiliates under subsection 39.2(2.3) of the *Canada Deposit Insurance Corporation Act* (the “*CDIC Act*”) and to variation or extinguishment in consequence, and subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Notes. For a description of Canadian bank resolution powers and the consequent risk factors attaching to the Notes reference is made to <http://www.rbc.com/investorrelations/assets-custom/pdf/Bail-in-Disclosure.pdf> which information is hereby incorporated by reference.

Subsequent Holders

Each holder or beneficial owner of a Note that acquires an interest in the Note in the secondary market and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any such holder or beneficial owner shall be deemed to acknowledge, accept, agree to be bound by and consent to the same provisions specified in the Note to the same extent as the holders or beneficial owners that acquire an interest in the Note upon its initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to the terms of the Note related to the bail-in regime.

Events of Default

Non-payment of principal and interest when due for a period of 30 business days and acts of insolvency. Default rights may not be exercised where an order has been made pursuant to s. 39.13(1) of the CDIC Act in respect of the Bank. The Notes will remain subject to bail-in conversion until repaid in full.

Set-Off

The holders and beneficial owners of the Notes will not be entitled to exercise, or direct the exercise of, any set-off or netting rights with respect to the Notes.

Documentation

Issued by way of a single global note registered in the name of CDS & Co. No offering memorandum, prospectus, sales or advertising literature, or any other document describing or purporting to describe the business and affairs of the Bank has been prepared or is being provided to prospective purchasers in order to assist them in making an investment decision in respect of the Notes.

Selling Restrictions

This document does not constitute an offer or invitation to sell, or a solicitation of an offer to purchase, any securities, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to whom it is unlawful to make such an offer or solicitation. This term sheet constitutes an offering of the Notes only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale and then only through persons duly qualified to effect such sales. The Notes have not been and will not be registered under the US Securities Act of 1933 and may not be offered or sold within the United States or to US persons.

Not CDIC Insured

The Notes do not constitute deposits that are insured under the CDIC Act.

Tax

All holders of the Notes should consult their own tax advisors with respect to their tax positions and the tax consequences of holding the Notes.

Governing Laws

The Notes shall be governed by, and construed in accordance with, the laws of the province of Ontario and the laws of Canada applicable therein.

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Risk Factors

Suitability – An investment in the Notes may not be suitable for all investors. The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*. An investor should reach a decision to invest in the Notes after carefully considering the suitability of the Notes and his or her investment objectives. Royal Bank makes no recommendation as to the suitability of the Notes for an investor's investment purposes. Investors should consult with their investment advisor before making a decision regarding an investment in Notes.

Early Redemption Risk – Royal Bank retains the option to redeem their Notes on any Extended Maturity Date, commencing December 17, 2022. It is more likely that Royal Bank will redeem the Notes prior to the Final Maturity Date to the extent that the interest payable on the notes is greater than the interest that would be payable on other instruments of a comparable maturity, terms and credit rating trading in the market. If the notes are redeemed prior to their stated maturity date, holders may have to re-invest the proceeds in a lower rate environment.

Credit Risk - The Notes will be direct unsecured liabilities of Royal Bank of Canada (credit ratings: Moody's A2; Standard & Poor's A; DBRS AAL) ranking *pari passu* with all other unsecured and unsubordinated debt of the Bank. **Holders will not have the benefit of any insurance under the provisions of the *Canada Deposit Insurance Corporation Act*.** Return on the Notes is subject to the creditworthiness of Royal Bank. Investors are dependent on the Royal Bank's ability to pay all amounts due on the Notes, and therefore, investors are subject to Royal Bank's credit risk and to changes in the market-view of Royal Bank's creditworthiness. Any decline in credit ratings or increase in the credit spreads charged by the market for taking Royal Bank's credit risk is likely to adversely affect the market value of the Notes.

Secondary Market – The Notes will not be listed on any stock exchange and there is no assurance that a secondary market for Notes will develop or be sustainable. RBC DS may, from time to time, purchase and sell Notes, but will not be obligated to do so. If RBC DS determines, in its sole discretion, to stop facilitating a secondary market for the Notes, holders of Notes may not be able to resell their Notes. If RBC DS offers to purchase Notes in connection with a secondary market transaction, there is no assurance that the purchase price will be the highest possible price available in any secondary market for the Notes. The resale price of Notes could be below the \$100 Principal Amount per Note. The value of the Notes in any secondary market will be affected by a number of complex and inter-related factors, including prevailing interest rates, interest rate volatility, any actual or anticipated changes in our credit ratings or credit spreads, and the time remaining until maturity. The effect of any one factor may be offset or magnified by the effect of another factor.

Potential conflicts of interest – Royal Bank or our subsidiary, RBC DS (RBC DS is a wholly owned subsidiary of the Royal Bank of Canada), will perform functions or engage in activities that could adversely impact on the value of the Notes, the ability of a holder to resell their Notes or the amount or timing of receipt of entitlements under the Notes. Consequently, potential conflicts between the interests of holders and Royal Bank's interests may arise.

Bail-in – See <http://www.rbc.com/investorrelations/assets-custom/pdf/Bail-in-Disclosure.pdf> starting on page 5 for additional risk factors which are hereby incorporated by reference.

Additional Information: If required, agents may contact the RBC structured notes desk at 416-842-6400. Retail clients must contact their investment advisor