

PRIIPS REGULATION PROHIBITION OF SALES TO EEA RETAIL INVESTORS – *The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPS Regulation”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

UK PRIIPS REGULATION PROHIBITION OF SALES TO UK RETAIL INVESTORS – *The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (“EUWA”); (ii) a customer within the meaning of the provisions of the UK Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of domestic law of the UK by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.*

IMPORTANT NOTICE

In accessing the attached pricing supplement (the “Pricing Supplement”) an investor agrees to be bound by the following terms and conditions.

The information contained in the Pricing Supplement may be addressed to and/or targeted at persons who are residents of particular countries only as specified in the Pricing Supplement and/or in the Prospectus (as defined in the Pricing Supplement) and is not intended for use and should not be relied upon by any person outside those countries and/or to whom the offer contained in the Pricing Supplement is not

addressed. Prior to relying on the information contained in the Pricing Supplement, an investor must ascertain from the Pricing Supplement and/or Prospectus whether or not it is an intended addressee of the information contained therein.

Neither the Pricing Supplement nor the Prospectus constitutes an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities law of any such jurisdiction.

THESE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION (“CMHC”) NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE DOCUMENT. THESE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 (AS AMENDED) AS IT FORMS PART OF DOMESTIC LAW OF THE UK BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED (“UK PROSPECTUS REGULATION”) FOR THIS ISSUE OF COVERED BONDS. THE COVERED BONDS WHICH ARE THE SUBJECT OF THIS PRICING SUPPLEMENT ARE NOT COMPLIANT WITH THE UK PROSPECTUS REGULATION AND THE FCA HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT.

THE COVERED BONDS DESCRIBED IN THIS PRICING SUPPLEMENT HAVE NOT BEEN REGISTERED UNDER THE U.S. *SECURITIES ACT OF 1933*, AS AMENDED (THE “*SECURITIES ACT*”) OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

Pricing Supplement dated July 6, 2022



ROYAL BANK OF CANADA
(a Canadian chartered bank)

(the “**Issuer**”)

Legal entity identifier (LEI): ES7IP3U3RHIGC71XBU11

Issue of CHF 275,000,000 1.495% Covered Bonds due July 8, 2025
under the

€60,000,000,000

Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
RBC COVERED BOND GUARANTOR
LIMITED PARTNERSHIP
(a limited partnership formed under the laws of Ontario)

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the Financial Services and Markets Act 2000 (as amended) or Regulation (EU) 2017/1129 (as amended) or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended or Regulation (EU) 2017/1129 (as amended), in each case, in relation to such offer.

This document constitutes the Pricing Supplement of the Covered Bonds described herein. This document must be read in conjunction with the Prospectus dated July 23, 2021 and the supplements to it dated August 31, 2021, January 5, 2022, February 25, 2022 and May 27, 2022 which together constitute a base prospectus (the “**Prospectus**”). Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of this Pricing Supplement, the Prospectus and the prospectus dated July 6, 2022 prepared by the Issuer (i) for the offering of the Covered Bonds in Switzerland and (ii) for listing of the Covered Bond on the SIX Swiss Exchange (the “**Swiss Prospectus**”). The Prospectus and

the Swiss Prospectus, including any documents incorporated by reference therein, are available from Credit Suisse AG, Uetlibergstrasse 231, 8070 Zurich, Switzerland or can be ordered by telephone at +41 44 332 52 84 or by email to newissues.fixedincome@credit-suisse.com.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus.

1.
 - (i) Series Number: CB76
 - (ii) Tranche Number: 1
 - (iii) Date on which the Covered Bonds become fungible: Not Applicable
2. Specified Currency or Currencies: Swiss Francs (“**CHF**”) (Condition 1.10)
3. Aggregate Principal Amount:
 - (i) Series: CHF 275,000,000
 - (ii) Tranche: CHF 275,000,000
4. Issue Price: 100.000 per cent. of the Aggregate Principal Amount
5.
 - (a) Specified Denominations: CHF 5,000 and integral multiples thereof (Condition 1.8 or 1.9)
 - (b) Calculation Amount: CHF 5,000
6.
 - (i) Issue Date: July 8, 2022
 - (ii) Interest Commencement Date: Issue Date
 - (iii) Trade Date: June 21, 2022
7.
 - (i) Final Maturity Date: July 8, 2025
 - (ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: Interest Payment Date falling on or nearest to July 8, 2026

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| 8. | Interest Basis: | 1.495 per cent. per annum Fixed Rate from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date |
| | | If applicable in accordance with paragraph 14 below, SARON + 0.12 per cent. per annum Floating Rate from and including the Final Maturity Date to, but excluding, the Extended Due for Payment Date (further particulars specified in paragraph 14 below) |
| 9. | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Covered Bonds shall be redeemed on the Maturity Date at par |
| 10. | Change of Interest Basis: | In accordance with paragraphs 13 and 14 below |
| 11. | Put Option /Call Option: | Not Applicable |
| 12. | Date of Board approval for issuance of Covered Bonds obtained: | Not Applicable |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 13. | Fixed Rate Covered Bond Provisions
(Condition 5.02) | Applicable from and including the Interest Commencement Date, to but excluding the Final Maturity Date |
| (i) | Rate of Interest: | 1.495 per cent. per annum payable in arrears on each Interest Payment Date |
| (ii) | Interest Payment Date: | July 8 in each year, commencing on July 8, 2023, adjusted for payment date purposes only in accordance with the Business Day Convention up to and including the Final Maturity Date |
| (iii) | Business Day Convention: | Following Business Day Convention |
| (iv) | Business Centres: | Zurich, London, New York and Toronto |
| (v) | Fixed Coupon Amount(s): | CHF 74.75 per Calculation Amount payable on each Interest Payment Date |
| (vi) | Broken Amount(s): | Not Applicable |
| (vii) | Day Count Fraction: | 30/360 |
| (viii) | Determination Dates: | Not Applicable |

(ix)	Default Rate:	As set out in Condition 5.7
(x)	Calculation Agent:	Not Applicable
(xi)	Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds:	Not Applicable
14.	Floating Rate Covered Bond Provisions (Condition 5.03)	Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date to the extent payment of the Final Redemption Amount is deferred until the Extended Due for Payment Date in accordance with Condition 6.01
(i)	Specified Period(s):	Not Applicable
(ii)	Specified Interest Payment Dates:	The date falling on or nearest to the 8 th day of each month from and excluding the Final Maturity Date to and including the Extended Due for Payment Date, subject to adjustment in accordance with the Business Day Convention specified in paragraph 14(iv) below
(iii)	First Interest Payment Date:	The Specified Interest Payment Date falling on or nearest to August 8, 2026
(iv)	Business Day Convention:	Modified Following Business Day Convention
(v)	Business Centre(s):	Zurich, London, New York and Toronto
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	Credit Suisse AG shall be the Calculation Agent at the following address: Paradeplatz 8 CH-8001 Zurich Switzerland
(viii)	Screen Rate Determination:	Applicable
–	Reference Rate:	SARON (see Annex 1)

- Compounded Daily SONIA Observation Convention: Not Applicable
 - Compounded SOFR Convention: Not Applicable
 - Compounded Daily €STR Convention: Not Applicable
 - SONIA Compounded Index: Not Applicable
 - Interest Determination Date(s): Fifth Zurich Banking Day prior to the end of each Interest Period
 - Calculation Method: Compounded Daily Rate
 - Observation Method: Shift Observation Method
 - Relevant Number: Not Applicable
 - Relevant Screen Page: Not Applicable
 - Relevant Time: Not Applicable
 - Reference Banks: Not Applicable
 - Relevant Financial Centre: Not Applicable
 - Principal Financial Centre: Not Applicable
 - Observation Lookback Period: 5 Zurich Banking Days
- (ix) ISDA Determination: Not Applicable
- (x) Linear Interpolation: Not Applicable
- (xi) Margin(s): + 0.12 per cent. per annum
- (xii) Minimum Rate of Interest: 0.00 per cent. per annum
(Condition 5.05)

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| (xiii) | Maximum Rate of Interest:
(Condition 5.05) | Not Applicable |
| (xiv) | Day Count Fraction: | Actual/360 |
| (xv) | Fall back provisions,
rounding provisions,
denominator and any other
terms relating to the method
of calculating interest on
Floating Rate Covered
Bonds, if different from those
set out in the Conditions: | See Annex 1 and Annex 2 |
15. **Zero Coupon Covered Bond Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

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| 16. | Call Option
(Condition 6.03) | Not Applicable |
| 17. | Put Option
(Condition 6.06) | Not Applicable |
| 18. | Final Redemption Amount of each Covered Bond | CHF 5,000 per Calculation Amount |
| 19. | Early Redemption Amount | |

Early Redemption Amount(s) payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor LP Event of Default or other early redemption and method, if any, of calculation of such amount(s):	CHF 5,000 per Calculation Amount
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Early Redemption Amount includes amount in respect of accrued interest:	No: together with the Early Redemption Amount, accrued interest shall also be paid
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GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

20. Form of the Covered Bonds:

Bearer Covered Bonds:

The Covered Bonds shall be represented by a Permanent Global Covered Bond deposited with SIX SIS Ltd, in Olten, Switzerland (“**SIX SIS**”, which expression shall include any other clearing institution recognised by the SIX Swiss Exchange), or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange (SIX SIS or any such other intermediary, the “**Intermediary**”). Once the Permanent Global Covered Bond has been deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Covered Bonds will constitute intermediated securities (“**Intermediated Securities**”) in accordance with the provisions of the Swiss Federal Intermediated Securities Act.

Each Holder (as defined below) of the Covered Bonds) shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Covered Bond to the extent of its claim against the Issuer, provided that, for so long as the Permanent Global Covered Bond remains deposited with the Intermediary, the co-ownership interest shall be suspended and the Covered Bonds may only be transferred by entry of the transferred Covered Bonds in a securities account of the transferee.

The records of the Intermediary will determine the number of Covered Bonds held through each participant in that Intermediary. In respect of the Covered Bonds held in the form of Intermediated Securities, the holders of the Covered Bonds will be the persons holding the Covered Bonds in a securities account which is in their name, or in case of Intermediaries, the Intermediaries holding the Covered Bonds for their own account in a securities account which is in their name.

Neither the Issuer nor the holders of the Covered Bonds shall at any time have the right to effect or demand the conversion of the Permanent Global Covered Bond into, or the delivery of, uncertificated securities or definitive Covered Bonds (“**Definitive Covered Bonds**”).

Definitive Covered Bonds may only be printed if Credit Suisse AG (including any successor as Swiss Paying Agent for the Covered Bonds, the “**Swiss Paying Agent**”) deems the printing of definitive Covered Bonds to be necessary or desirable for the enforcement of obligations under the Covered Bonds, including,

without limitation, if, under Swiss or any applicable foreign law, the enforcement of obligations under the Covered Bonds can only be assured by means of Definitive Covered Bonds.

In such circumstances, the Issuer will cause sufficient definitive Covered Bonds in denominations of CHF 5,000 and integral multiples thereof to be executed and delivered as soon as practicable (and in any event within ninety days of the Swiss Paying Agent's written request) to the Swiss Paying Agent for completion, authentication and delivery, free of charge, to SIX SIS for the relevant Holders, against cancellation of the Covered Bonds in the Holder's securities account.

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| 21. | New Global Covered Bond: | No |
| 22. | Financial Centre(s) or other special provisions relating to payment dates: | Zurich, London, New York and Toronto |
| 23. | Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature):
(Condition 1.06) | No |
| 24. | Euro Conversion Rate: | 1 EUR = CHF 1.01755 |
| 25. | Other terms and conditions: | <p>(A) The Agency Agreement is amended in respect of the Covered Bonds only by a supplemental agency agreement dated July 6, 2022 among the Issuing and Paying Agent, the Issuer, the Guarantor LP and Credit Suisse AG to, <i>inter alia</i>, provide for the appointment of Credit Suisse AG as Swiss Paying Agent in respect of the Covered Bonds.</p> <p>(B) The Trust Deed is amended by supplemental agreements dated April 1, 2022 and July 6, 2022 among the Bond Trustee, the Issuer and the Guarantor LP to <i>inter alia</i>, incorporate the provisions of Annex 1 and Annex 2 and in respect of the Covered Bonds only provide for the form of the Covered Bonds.</p> <p>(C) Condition 1.02 shall be replaced by the following:</p> <p>1.02 In respect of the Covered Bonds, title to Intermediated Securities is construed and will pass in accordance with the applicable Swiss legislation (in particular the FISA), rules and regulations applicable to and/or issued by SIX SIS, acting as custodian, and any other custodian, if any, that are in force and effect from time to time (the "Rules"). Accordingly, reference to</p> |

the “**Holders**” of Intermediated Securities herein means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

(D) Payments of principal and interest in respect of the Covered Bonds shall be made in freely disposable Swiss Francs without collection costs and whatever the circumstances, irrespective of nationality, domicile or residence of the holder of Covered Bonds and without requiring any certification, affidavit or the fulfilment of any other formality.

Notwithstanding (D) above and anything contrary herein, the Issuer shall make all payments due to the Holders under the Covered Bonds to the Swiss Paying Agent and, upon receipt by the Swiss Paying Agent of the due and punctual payment of such funds in Switzerland, the Issuer shall be discharged from its obligations to the Holders under such Covered Bonds to the extent that such funds have been received by the Swiss Paying Agent as of such date.

(E) Condition 14 shall be replaced as follows:

So long as the Covered Bonds are listed on the SIX Swiss Exchange and so long as the rules of the SIX Swiss Exchange so require, notices must be published (i) on the internet website of the SIX Swiss Exchange (currently <https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html>) or (ii) otherwise in accordance with the regulations of the SIX Swiss Exchange. Any notices so given will be deemed to have been validly given on the date of such publication or if published more than once, on the first date of such publication.

Notices to be given to the Issuer by any Holder of the Covered Bonds shall be given to the Swiss Paying Agent via SIX SIS in such manner as the Swiss Paying Agent and SIX SIS may approve for this purpose.

(F) The following shall be added to Condition 22:

Ontario Courts have non-exclusive jurisdiction in the event of litigation in respect of the Covered Bonds.

26. Branch of Account:

Main Toronto Branch located at the Executive Offices at the address indicated at the back of the Prospectus

RESPONSIBILITY

The Issuer and the Guarantor LP accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

Signed on behalf of the Managing GP for and on behalf of the Guarantor LP:

By: _____
Duly authorized

By: _____
Duly authorized

By: _____
Duly authorized

By: _____
Duly authorized

PART B – OTHER INFORMATION

1. LISTING

Listing and admission to trading:

The Covered Bonds have been provisionally admitted to trading on SIX Swiss Exchange with effect from July 6, 2022. The last trading day of the Covered Bonds will be two trading days prior to redemption of the Covered Bonds.

Application for definitive listing of the Covered Bonds on SIX Swiss Exchange will be made as soon as practicable and (if granted) will only be granted after the Issue Date.

2. RATINGS

Ratings:

The Covered Bonds to be issued are expected to be rated:

Moody's: Aaa
Fitch: AAA
DBRS: AAA

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the fees payable to the Managers, so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Guarantor LP, the Covered Bond Guarantor and their affiliates in the ordinary course of business.

4. OPERATIONAL INFORMATION

(i)	ISIN Code:	CH1194355033
(ii)	Common Code:	249637378
(iii)	CFI:	Not Applicable
(iv)	FISN:	Not Applicable
(v)	WKN Code or any other relevant codes:	Not Applicable
(vi)	CUSIP:	Not Applicable
(vii)	CINS:	Not Applicable

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| (viii) | Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A., DTC, CDS, their addresses and the relevant identification number(s): | SIX SIS Ltd
Swiss Security Number: 119435503 |
| (ix) | Delivery | Delivery against payment |
| (x) | Name(s) and address(es) of additional Paying Agent(s) or Transfer Agent(s): | <p>The Issuer will at all times maintain a Paying Agent in relation to the Notes having a specified office in Switzerland and will at no time maintain a Paying Agent having a specified office outside Switzerland in relation to the Notes, unless permitted by applicable law.</p> <p>The Issuer has contractually appointed Credit Suisse AG at the following address and any other offices in Switzerland as the sole Paying Agent for the Notes pursuant to Section 16.04 of the Agency Agreement (as defined in the Conditions):</p> <p>Credit Suisse AG
Paradeplatz 8
CH-8001 Zurich
Switzerland</p> |
| (xi) | Intended to be held in a manner which would allow Eurosystem eligibility: | Not Applicable |

5. DISTRIBUTION

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| (i) | U.S. Selling Restrictions: | <p>Regulation S, compliance Category 2; TEFRA D Rules apply in accordance with usual Swiss practice</p> <p>Each of the Joint-Lead Managers covenants that:</p> <p>(i) it has offered and sold and will offer and sell the Notes only in accordance with practices and documentation customary in Switzerland;</p> <p>(ii) it has used and will use reasonable efforts to sell the Notes only in Switzerland; and</p> <p>(iii) it will use reasonable efforts to ensure that more than 80% by value of the Notes will be offered and sold to non-distributors by distributors maintaining an offer in Switzerland</p> |
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(“**distributors**” having the meaning ascribed thereto in the U.S. Internal Revenue Code and regulations thereunder).

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| (ii) | Method of distribution: | Syndicated |
| (iii) | If syndicated, names of Managers: | Credit Suisse AG
Underwriting Commitment: CHF 275,000,000

RBC Europe Limited
Underwriting Commitment: Nil

(together, the “ Joint-Lead Managers ”) |
| (iv) | Stabilisation Manager(s) (if any): | Not Applicable |
| (v) | If non-syndicated, name of Dealer: | Not Applicable |
| (vi) | Additional selling restrictions: | Switzerland:

A public offer based on the Swiss Prospectus is permitted in Switzerland and therefore limb (b) of the Switzerland selling restriction in “Selling Restrictions” of the Prospectus is applicable to the Covered Bonds |
| (vii) | Prohibition of Sales to EEA Retail Investors | Applicable |
| (ix) | Prohibition of Sales to UK Retail Investors | Applicable |
| (x) | Prohibition of Sales to Belgian Consumers: | Applicable |

6. PROCEEDS

- | | | |
|------|-------------------------|-------------------------------------|
| (i) | Use of Proceeds | As specified in the Base Prospectus |
| (ii) | Estimated Net Proceeds: | CHF 274,187,500 |

ANNEX 1

SARON PROVISIONS

The following provision shall be added after Condition 5.03(iii)(c):

(d) (A) Where the Reference Rate is specified in the applicable Pricing Supplement as being “**SARON**” and the Calculation Method is specified in the applicable Pricing Supplement as being “**Compounded Daily Rate**” and the Observation Method is specified in the applicable Pricing Supplement as being “**Observation Shift Convention**”, the Rate of Interest for each Interest Period will, subject as provided below, be SARON Compounded (as defined below) for such Interest Period, plus or minus (as specified in the applicable Pricing Supplement) the applicable Margin.

“**SARON Compounded**” means, in respect of an Interest Period, the rate of return of a daily compound interest investment (with the daily overnight interest rate of the secured funding market for Swiss franc) as calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards):

$$\left[\prod_{i=1}^{d_b} \left(1 + \frac{SARON_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d_c}$$

where:

“***d_b***” means the number of Zurich Banking Days in the relevant Observation Period;

“***d_c***” means the number of calendar days in the relevant Observation Period;

“***i***” indexes a series of whole numbers from one to *db*, representing the Zurich Banking Days in the relevant Observation Period in chronological order from, and including, the first Zurich Banking Day in such Observation Period;

“***n_i***” means, in respect of any Zurich Banking Day *i*, the number of calendar days from, and including, the Zurich Banking Day *i* up to, but excluding, the first following Zurich Banking Day;

“**Observation Lookback Period**” is as specified in the applicable Pricing Supplement;

“**Observation Period**” means, in respect of an Interest Period, the period from, and including, the date falling “*p*” Zurich Banking Days prior to the first day of such Interest Period and ending on, but excluding, the date falling “*p*” Zurich Banking Days prior to the Interest Payment Date for such Interest Period;

“**p**” is the number of Zurich Banking Days included in the Observation Lookback Period, as specified in the applicable Pricing Supplement;

“**Relevant Time**” means, in respect of any Zurich Banking Day, close of trading on SIX Swiss Exchange on such Zurich Banking Day, which is expected to be on or around 6 p.m. (Zurich time);

“**SARON_{*i*}**” means, in respect of any Zurich Banking Day *i*, SARON for such Zurich Banking Day *i*;

“**SARON**” means, in respect of any Zurich Banking Day, the Swiss Average Rate Overnight for such Zurich Banking Day published by the SARON Administrator on the SARON Administrator Website at the Relevant Time on such Zurich Banking Day; or

- (i) if SARON does not so appear on the SARON Administrator Website or is not so published by the Relevant Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have not both occurred on or prior to such Zurich Banking Day, the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the first preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website; or
- (ii) if such rate does not so appear on the SARON Administrator Website or is not so published by the Relevant Time on such Zurich Banking Day and a SARON Index Cessation Event and a SARON Index Cessation Effective Date have both occurred on or prior to such Zurich Banking Day, then SARON shall be determined to be the SARON Replacement determined in accordance with Condition 13.2 (c.1); and

“**Zurich Banking Day**” means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 7, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Covered Bonds become due and payable, and the Rate of Interest on such Covered Bonds shall, for so long as such Covered Bonds remain outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

ANNEX 2

SARON INDEX CESSATION EVENT PROVISIONS

The following provision shall be added after Condition 13.2(c):

Effect of a SARON Index Cessation Event on SARON-referenced Floating Rate Covered Bonds

(c.1) If the Issuer or its designee determines on or prior to the Relevant Time that a SARON Index Cessation Event and its related SARON Index Cessation Effective Date (each as defined below) have occurred with respect to SARON-referenced Covered Bonds, then the Bond Trustee shall be obliged, without the consent or sanction of the Covered Bondholders (including without the requirement to provide to Covered Bondholders an opportunity to object) and subject to the consent only of the Secured Creditors (x) party to the relevant Transaction Document being amended or (y) whose ranking in any Priorities of Payments is affected, subject to satisfaction of Condition 13.2(c.1)(iv) (the “**Benchmark Transition Event Conditions**”), to concur with the Issuer or its designee in making any modification (other than in respect of a Series Reserved Matter, provided that neither replacing SARON with the SARON Replacement nor any SARON Replacement Conforming Changes (each as defined below) shall constitute a Series Reserved Matter) of these Conditions or any of the Transaction Documents solely with respect to any SARON-referenced Floating Rate Covered Bonds that the Issuer or its designee decides may be appropriate to give effect to the provisions set forth under this Clause (c.1) in relation only to all determinations of the rate of interest payable on any SARON-referenced Floating Rate Covered Bonds (and any related swap agreements), provided that:

(i) *Benchmark Replacement.* If the Issuer or its designee determines that a SARON Index Cessation Event and its related SARON Index Cessation Effective Date have occurred prior to the Relevant Time in respect of any determination of SARON on any date applicable to any SARON-referenced Floating Rate Covered Bonds, subject to satisfaction of the Benchmark Transition Event Conditions, the SARON Replacement will replace SARON for all purposes relating to any Floating Rate Covered Bonds calculated by reference to SARON in respect of such determination on such date and all determinations on all subsequent dates;

(ii) *SARON Replacement Conforming Changes.* In connection with the implementation of a SARON Replacement with respect to any Floating Rate Covered Bonds calculated by reference to SARON, the Issuer or its designee will have the right, subject to satisfaction of the Benchmark Transition Event Conditions, to make SARON Replacement Conforming Changes with respect to any SARON-referenced Floating Rate Covered Bonds from time to time;

(iii) *Decisions and Determinations.* Any determination, decision or election that may be made by the Issuer or its designee pursuant to this clause (c.1), including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any Floating Rate Covered Bonds calculated by reference to SARON:

(A) will be conclusive and binding absent manifest error;

- (B) if made by the Issuer, will be made in the Issuer's sole discretion;
- (C) if made by the Issuer's designee, will be made after consultation with the Issuer, and the designee will not make any such determination, decision or election to which the Issuer objects; and
- (D) shall become effective without consent, sanction or absence of objection from the Covered Bondholders or any other party, except as otherwise provided in this Condition 13.2(c.1).

Any determination, decision or election pursuant to the benchmark replacement provisions not made by the Issuer's designee will be made by the Issuer on the basis as described above. The designee shall have no liability for not making any such determination, decision or election absent bad faith or fraud.

In no event shall the Calculation Agent (except as noted under the definition of "Recommended Adjustment Spread" below) or Swiss Paying Agent be the "designee" of the Issuer nor be responsible for determining any substitute for SARON, or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, interest determination dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, the Calculation Agent (except as noted under the definition of "Recommended Adjustment Spread" below) will be entitled to conclusively rely on any determinations made by the Issuer or its designee and will have no liability for such actions taken at the direction of the Issuer or its designee.

None of the Swiss Paying Agent or the Calculation Agent will have any liability for any determination made by or on behalf of the Issuer or its designee in connection with a SARON Index Cessation Event or a SARON Replacement.

(iv) *Other conditions.*

(A) The Issuer shall certify in writing to the Bond Trustee, the Swiss Paying Agent and the Calculation Agent in writing (such certificate, a "**SARON Base Rate Modification Certificate**") that (I) a SARON Index Cessation Event and its related SARON Index Cessation Effective Date have occurred specifying the SARON Replacement; and (II) that the SARON Replacement Conforming Changes have been made in accordance with this Clause (c.1);

(B) The Issuer shall have obtained the consent of each Secured Creditor (x) which is party to the relevant Transaction Document being amended, or (y) whose ranking in any Priorities of Payments is affected has been obtained (evidence of which shall be provided by the Issuer to the Bond Trustee with the SARON Base Rate Modification Certificate) and no other consents are required to be obtained in relation to the SARON Replacement, provided, for the avoidance of doubt, that the Calculation Agent and the Swiss Paying Agent, as Secured Creditors, shall not be obliged to agree to any SARON Replacement Conforming Changes to any Transaction Documents, which, in the sole opinion of such Calculation Agent or the Swiss Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to any such person in the Agency Agreement;

(C) With respect to each Rating Agency, a Rating Agency Confirmation (as defined in Condition 20) has been obtained; and

(D) The Issuer shall pay (or arrange for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Bond Trustee in connection with such SARON Replacement.

(v) *Definitions.* The following definitions shall apply with respect to this Clause (c.1):

“**designee**” means an affiliate or other agent of the Issuer designated by the Issuer.

“**Recommended Replacement Rate**” means the rate that has been recommended as the replacement for the Swiss Average Rate Overnight by any working group or committee in Switzerland organized in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland (any such working group or committee, the “**Recommending Body**”).

“**Recommended Adjustment Spread**” means, with respect to any Recommended Replacement Rate, the spread (which may be positive, negative or zero), or formula or methodology for calculating such a spread,

- (a) that the Recommending Body has recommended be applied to such Recommended Replacement Rate in the case of fixed income securities with respect to which such Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon; or
- (b) if the Recommending Body has not recommended such a spread, formula or methodology as described in clause (a) above, to be applied to such Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with such Recommended Replacement Rate for purposes of determining SARON, which spread will be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, and be consistent with industry-accepted practices for fixed income securities with respect to which such Recommended Replacement Rate has replaced the Swiss Average Rate Overnight as the reference rate for purposes of determining the applicable rate of interest thereon.

“**Relevant Time**” has the meaning set out in Annex 1;

“**SARON Administrator**” means SIX Index AG or any successor administrator of SARON;

“**SARON Administrator Website**” means the website of the SARON Administrator;

“**SARON Index Cessation Event**” means the occurrence of one or more of the following events:

- (a) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide the Swiss Average Rate Overnight permanently or indefinitely,

provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Swiss Average Rate Overnight; or

- (b) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (x) the Swiss Average Rate Overnight is no longer representative or will as of a certain date no longer be representative, or (y) the Swiss Average Rate Overnight may no longer be used after a certain date, which statement, in the case of subclause (y), is applicable to (but not necessarily limited to) fixed income securities and derivatives.

“SARON Index Cessation Effective Date” means, in respect of a SARON Index Cessation Event, the earliest of:

- (a) (in the case of a SARON Index Cessation Event described in clause (a) of the definition thereof) the date on which the SARON Administrator of the Swiss Average Rate Overnight ceases to provide the Swiss Average Rate Overnight;
- (b) (in the case of a SARON Index Cessation Event described in clause (b)(x) of the definition thereof) the latest of
 - (i) the date of such statement or publication;
 - (ii) the date, if any, specified in such statement or publication as the date on which the Swiss Average Rate Overnight will no longer be representative; and
 - (iii) if a SARON Index Cessation Event described in clause (b)(y) of the definition of SARON Index Cessation Event has occurred on or prior to either or both dates specified in subclauses (i) and (ii) of this clause (b), the date as of which the Swiss Average Rate Overnight may no longer be used; and
- (c) (in the case of a SARON Index Cessation Event described in clause (b)(y) of the definition thereof) the date as of which the Swiss Average Rate Overnight may no longer be used.

“SARON Replacement” means (i) the Recommended Replacement Rate, giving effect to the Recommended Adjustment Spread, if any or (ii) if there is no Recommended Replacement Rate within one Zurich Business Day of the SARON Index Cessation Effective Date, the policy rate of the Swiss National Bank (the **“SNB Policy Rate”**) for such Zurich Banking Day, giving effect to the SNB Adjustment spread, if any.

“SARON Replacement Conforming Changes” means, with respect to any SARON Replacement, any technical, administrative or operational changes (including without limitation changes to the definition of "Interest Period", determination dates, timing and frequency of determining rates and making payments, rounding of amounts, or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such SARON Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market

practice for use of the SARON Replacement exists, in such other manner as the Issuer or its designee) determines is reasonably necessary).

“**SIX Swiss Exchange**” means SIX Swiss Exchange AG and any successor thereto;

“**SNB Adjustment Spread**” means, with respect to the SNB Policy Rate, the spread to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the Swiss Average Rate Overnight with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, taking into account the historical median between the Swiss Average Rate Overnight and the SNB Policy Rate during the two year period ending on the date on which the SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred); and

“**Zurich Banking Day**” has the meaning set out in Annex 1.

(vi) *Conflict.* To the extent that there is any inconsistency between the conditions set out in Condition 13.2(c.1) and any other Condition, the statements in this section shall prevail with respect to any Floating Rate covered bonds calculated by reference to SARON.

Without prejudice to the obligations of the Issuer under this Condition 13.2(c.1), SARON and the temporary fallback provisions provided for in Condition 5.03(iii)(d) will continue to apply unless and until the Bond Trustee has received the SARON Base Rate Modification Certificate in accordance with this Condition 13.2(c.1). For the avoidance of doubt, this Clause (c.1) shall apply to the determination of the Interest Rate on the relevant Interest Determination Date, and the Rate of Interest applicable to any subsequent Interest Period(s) is subject to the operation of, and to adjustment as provided in, this Condition 13.2 (c.1).