

Prospectus Supplement

To Short Form Base Shelf Prospectus dated February 27, 2020

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement together with the short form base shelf prospectus dated February 27, 2020 to which it relates, as amended or supplemented, and each document incorporated by reference into the short form base shelf prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws. The securities to be issued hereunder are being sold only outside the United States to non-U.S. Persons (as defined in Regulation S under the U.S. Securities Act) except that RBC Dominion Securities Inc., acting through its U.S. broker-dealer affiliate, may offer or sell the securities to U.S. Persons that are Qualified Institutional Buyers as defined in Rule 144A under the U.S. Securities Act. See “Plan of Distribution”.

The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available, to retail clients in the United Kingdom (“UK”) or the European Economic Area (“EEA”), as defined in the rules set out in the Markets in Financial Instruments Directive 2014/65/EU, as amended or replaced from time to time (“MiFID II”) and point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (as defined below), as applicable. Prospective investors are referred to the section headed “Prohibition on marketing and sales to retail investors in the UK and EEA” of this prospectus supplement for further information.

Information has been incorporated by reference in this prospectus supplement and the accompanying short form base shelf prospectus dated February 27, 2020 from documents filed with securities regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Investor Relations, Royal Bank of Canada, 155 Wellington Street West, 13th Floor, Toronto, Ontario M5V 3K7, Telephone: (416) 955-7802, and are also available electronically at www.sedar.com.

New Issue

June 3, 2021



Royal Bank of Canada
\$1,000,000,000
3.65% Limited Recourse Capital Notes, Series 3
(Non-Viability Contingent Capital (NVCC))
(Subordinated Indebtedness)
\$1,000,000,000
1,000,000 Non-Cumulative 5-Year Fixed Rate
Reset First Preferred Shares, Series BS
(Non-Viability Contingent Capital (NVCC))

Royal Bank of Canada (“we” or the “Bank”) is offering \$1,000,000,000 aggregate principal amount of 3.65% Limited Recourse Capital Notes, Series 3 (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness) (the “Notes”). The Notes will mature on November 24, 2081. We will pay interest on the Notes in equal (subject to the reset of the interest rate and the short first coupon) semi-annual instalments in arrears on May 24 and November 24 of each year, with the first payment on November 24, 2021. From the date of issue to, but excluding, November 24, 2026, the interest rate on the Notes will be fixed at 3.65% per annum. Starting on November 24, 2026 and on every fifth anniversary of such date thereafter until November 24, 2076 (each such date, an “Interest Reset Date”), the interest rate on the Notes will be reset at an interest rate per annum equal to the Government of Canada Yield on the business day prior to such Interest Reset Date (each, an “Interest Rate Calculation Date”) plus 2.665%. See page S-5 for a definition of Government of Canada Yield. Assuming the Notes are issued on June 8, 2021, the first interest payment on the Notes on November 24, 2021 will be in an amount of \$16.90 per \$1,000 principal amount of Notes.

This prospectus supplement, together with the short form base shelf prospectus dated February 27, 2020 to which it relates (the “prospectus”), also qualifies the distribution of 1,000,000 Non-Cumulative 5-Year Fixed Rate Reset First Preferred Shares, Series BS (Non-Viability Contingent Capital (NVCC)) of the Bank (the “Preferred Shares Series BS”), at a price of \$1,000 per share to be issued to the Limited Recourse Trustee (as defined below) in connection with the issuance of the Notes. The Preferred Shares Series BS offered hereby will be issued concurrently with the closing of the offering of the Notes.

The Notes are intended to qualify as our additional Tier 1 capital within the meaning of the regulatory capital adequacy requirements to which we are subject. In the event of a non-payment by the Bank of the principal amount of, interest on or redemption price for the Notes when due, the sole remedy of holders of Notes shall be the delivery of the Limited Recourse Trust Assets (as defined below), which initially shall consist of the Preferred Shares Series BS. See “Description of the Notes – Limited Recourse”.

The Notes will be our direct unsecured obligations which, if we become insolvent or are wound-up (prior to the occurrence of

a Trigger Event (as defined below)), will rank: (a) subordinate in right of payment to the prior payment of all our Higher Ranked Indebtedness (as defined below), including certain Subordinated Indebtedness (as defined below) and (b) in right of payment equally with our Junior Subordinated Indebtedness (as defined below) (other than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes) and will be subordinate in right of payment to the claims of our depositors and other unsubordinated creditors, provided that in any such case and in case of the Bank's non-payment of the principal amount of, interest on or redemption price for the Notes when due, the sole remedy of the holders of the Notes shall be the delivery of the Limited Recourse Trust Assets. Upon the occurrence of a Recourse Event (as defined below), including if we become insolvent or are wound-up (prior to the occurrence of a Trigger Event), the recourse of each holder of Notes will be limited to such holder's proportionate share of the Limited Recourse Trust Assets and the delivery of the applicable Limited Recourse Trust Assets to holders of the Notes will exhaust all remedies of such holders including in connection with any such event. If the Limited Recourse Trust Assets that are delivered to holders of the Notes under such circumstances comprise Preferred Shares Series BS or common shares of the Bank ("**Common Shares**"), such Preferred Shares Series BS or Common Shares will rank on parity with all other first preferred shares of the Bank ("**First Preferred Shares**") or Common Shares, as applicable. See "Description of the Notes".

The Notes will be direct unsecured obligations of the Bank constituting subordinated indebtedness for the purposes of the *Bank Act* (Canada) (the "Bank Act**") and will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution.**

In the event of the redemption of the Preferred Shares Series BS held by the Limited Recourse Trust (as defined below) prior to the Transfer Date (as defined below), outstanding Notes with an aggregate principal amount equal to the aggregate face amount of the Preferred Shares Series BS redeemed will be automatically redeemed. Upon the occurrence of certain regulatory and tax events, we may, with the approval of the Superintendent of Financial Institutions (Canada) (the "**Superintendent**"), redeem all of the Notes. In the event that there is non-payment by us of interest on the Notes on an Interest Payment Date (as defined below), and we have not cured such non-payment by subsequently paying such interest prior to the fifth business day following such Interest Payment Date, a Recourse Event will have occurred and, on the Failed Coupon Payment Date (as defined below), the Notes shall automatically and immediately be redeemed for a redemption price equal to the principal amount of the Notes together with accrued and unpaid interest to, but excluding, the Failed Coupon Payment Date. From and after the Failed Coupon Payment Date, all Notes will cease to be outstanding, each holder of the Notes will cease to be entitled to interest thereon, and any certificates representing the Notes will represent only the right to receive upon surrender thereof the redemption price. If the Bank does not pay the applicable redemption price in cash under such circumstances, our obligation to pay the redemption price will be satisfied by our delivery of the Limited Recourse Trust Assets to which the recourse of the holders of the Notes will be limited. See "Description of the Notes – Redemption" and "Description of Preferred Shares Series BS – Redemption".

An investment in the Notes (and Preferred Shares Series BS and Common Shares upon delivery of the Limited Recourse Trust Assets, including upon the occurrence of a Trigger Event) bears certain risks. See "Risk Factors" beginning on page S-26 of this prospectus supplement and page 10 of the prospectus.

	<u>Price to the Public</u>	<u>Agents' Fee</u>	<u>Net Proceeds to the Bank⁽¹⁾</u>
Per \$1,000 principal amount of Notes ⁽²⁾	\$1,000.00	\$10.00	\$990.00
Total	\$1,000,000,000	\$10,000,000	\$990,000,000

(1) After deducting the Agents' Fee shown in the table above, but before deducting expenses of the offering, estimated to be approximately \$505,000, all of which will be paid by the Bank.

(2) The Notes will be issued only in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof.

The purchase price to be paid by the Limited Recourse Trust for the Preferred Shares Series BS qualified hereby shall be satisfied by funds deposited by the Bank with the Limited Recourse Trustee as Limited Recourse Trust Assets. As a result, no proceeds will be raised from the offering of the Preferred Shares Series BS pursuant to this prospectus supplement.

RBC Dominion Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Desjardins Securities Inc., Merrill Lynch Canada Inc., National Bank Financial Inc., TD Securities Inc., Wells Fargo Securities Canada, Ltd., HSBC Securities (Canada) Inc., iA Private Wealth Inc., Laurentian Bank Securities Inc. and Manulife Securities Incorporated (collectively, the "**Agents**"), as agents, conditionally offer the Notes, subject to prior sale, on a best efforts basis, if, as and when issued by us in accordance with the conditions contained in the agency agreement described under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Bank by Osler, Hoskin & Harcourt LLP, and on behalf of the Agents by McCarthy Tétrault LLP. See "Plan of Distribution".

The Notes may only be offered and sold in Canada to "accredited investors" (as such term is defined in National Instrument

45-106 – *Prospectus Exemptions* (“NI 45-106”) or section 73.3 of the *Securities Act* (Ontario), as applicable) who are not individuals unless they are also “permitted clients” (as such term is defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“NI 31-103”)). Each Agent will represent and covenant, severally and not on a joint and several basis, to the Bank that it will only sell the Notes to such purchasers in Canada. **By purchasing a Note in Canada and accepting delivery of a purchase confirmation such purchaser will be deemed to represent to the Bank and the Agent from whom the purchase confirmation is received that such purchaser is an “accredited investor” (as such term is defined in NI 45-106 or section 73.3 of the *Securities Act* (Ontario), as applicable) who is not an individual unless such purchaser is also a “permitted client” (as such term is defined in NI 31-103).**

In order to qualify as additional Tier 1 capital within the meaning of OSFI’s regulatory Capital Adequacy Requirements (CAR) Guideline to which the Bank is subject, the Notes and the Preferred Shares Series BS must satisfy certain requirements. These requirements include, among other things, that (i) the Notes and the Preferred Shares Series BS have a minimum par or stated value of \$1,000, (ii) the Notes and the Preferred Shares Series BS must be traded on institutional desks and therefore may not be listed on any exchange, (iii) the Notes may only be issued to institutional investors in the primary distribution as described above, and (iv) the Notes may only be issued in minimum denominations of at least \$200,000 and integral multiples of \$1,000 in excess thereof.

No underwriter has been involved in the issuance of the Preferred Shares Series BS to the Limited Recourse Trustee.

RBC Dominion Securities Inc. is a wholly-owned subsidiary of the Bank. Therefore, the Bank is a related and connected issuer of RBC Dominion Securities Inc. under applicable securities legislation. The decision to distribute the Notes and the determination of the terms of the distribution were made through negotiations between the Bank on the one hand and the Agents on the other hand. Scotia Capital Inc., a dealer in respect of which the Bank is not a related or connected issuer, has participated in the structuring and pricing of the offering, and in the due diligence activities performed by the Agents for the offering. RBC Dominion Securities Inc. will not receive any benefit in connection with this offering other than a portion of the Agents’ fee payable by the Bank.

The Toronto Stock Exchange (the “TSX”) has conditionally approved the listing of the Common Shares into which Preferred Shares Series BS may be converted or for which the Notes may be redeemed upon the occurrence of a Trigger Event subject to us fulfilling all of the TSX’s requirements on or before September 1, 2021. We have also applied to list the Common Shares into which Preferred Shares Series BS may be converted or for which the Notes may be redeemed upon the occurrence of a Trigger Event on the New York Stock Exchange (“NYSE”). Listing will be subject to our fulfilling all requirements of the NYSE.

In connection with this offering, the Agents may, subject to applicable law, over-allot or effect transactions which stabilize or maintain the market price of the Notes at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

There is no market through which these securities may be sold and purchasers of Notes may not be able to resell Notes purchased under this prospectus supplement and holders of Preferred Shares Series BS may not be able to resell Preferred Shares Series BS that may be delivered to holders of the Notes. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.

Subscriptions for Notes received will be subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing will take place on June 8, 2021, or such later date as we and the Agents may agree. The Notes will be issued in “book-entry only” form. The aggregate principal amount of the Notes will be issued in certificated or uncertificated form and registered in the name of CDS Clearing & Depository Services Inc. (“CDS”) or its nominee and will be deposited with CDS or its nominee on the closing date. No physical certificates evidencing the Notes will be issued to purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Purchasers of Notes will receive only a customer confirmation from the Agent or other registered dealer who is a participant in the depository service of CDS and from or through whom a beneficial interest in the Notes is purchased. See “Description of the Notes”.

In this prospectus supplement, unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

Prohibition on marketing and sales to retail investors in the UK and EEA

The Notes discussed in this document are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors.

In particular, in June 2015, the UK Financial Conduct Authority published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (the “PI Instrument”). In addition, (i) on January 1, 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based

investment products (“**PRIIPs Regulation**”) became directly applicable in all EEA member states, (ii) following December 31, 2020 the PRIIPs Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”) became applicable in the UK (“**UK PRIIPs Regulation**”), (iii) MiFID II was required to be implemented in EEA member states by January 3, 2018 and (iv) following December 31, 2020 Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA became applicable in the UK (“**UK MiFIR**”). Together the PI Instrument, the PRIIPs Regulation, the UK PRIIPs Regulation, MiFID II and UK MiFIR are referred to as the “**Regulations**”.

The Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write down or convertible securities, such as the Notes.

Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein) including the Regulations.

Certain of the Agents may be required to comply with some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Bank and/or the Agents, each prospective investor represents, warrants, agrees with and undertakes to the Bank and each of the Agents that:

1. it is not a retail client in the EEA (as defined in MiFID II) or the UK (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 EUWA);
2. whether or not it is subject to the Regulations, it will not
 - (A) sell or offer the Notes (or any beneficial interest therein) to retail clients in the EEA (as defined in MiFID II) or the UK (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 EUWA) or
 - (B) communicate (including the distribution of this document) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the EEA (as defined in MiFID II) or the UK (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 EUWA).

In selling or offering the Notes or making or approving communications relating to the Notes it may not rely on the limited exemptions set out in the PI Instrument.

and

3. it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), including (without limitation) MiFID II, UK MiFIR and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

Each prospective investor further acknowledges that:

1. the identified target market for the Notes (for the purposes of the product governance obligations in MiFID II and UK MiFIR) is eligible counterparties and professional clients; and
2. no key information document (KID) under the PRIIPs Regulation or the UK PRIIPs Regulation has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation or the UK PRIIPs Regulation, as appropriate.

Prohibition of Sales to EEA Retail Investors – The Notes 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 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 MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (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. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of Sales to UK Retail Investors - The Notes 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 United Kingdom (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 UK domestic law by virtue of the EUWA; or (ii) a customer within the

meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Bank and/or the Agents, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Notification under section 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”)

In connection with Section 309B of the SFA and the CMP Regulations 2018, the Bank has determined, and hereby notifies all persons (including all relevant persons (as defined in Section 309A(1) of the SFA)), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in Monetary Authority of Singapore (“MAS”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Table of Contents

<u>Prospectus Supplement</u>	<u>Page</u>		<u>Page</u>
Caution Regarding Forward-Looking Statements	S-1	Description of Common Shares	S-17
Documents Incorporated by Reference	S-2	Canadian Federal Income Tax Considerations	S-17
Marketing Materials	S-2	Ratings	S-21
Eligibility For Investment	S-2	Plan of Distribution	S-22
Use of Proceeds	S-3	Risk Factors	S-26
Share Capital and Changes in the Bank's		Transfer Agent and Registrar	S-34
Consolidated Capitalization	S-3	Legal Matters	S-34
Earnings Coverage	S-3	Interests of Experts	S-34
Trading Price and Volume	S-4	Statutory Rights of Withdrawal and Rescission	S-34
Description of the Notes	S-4	Certificate of the Dealers	C-1
Description of Preferred Shares Series BS	S-13		
<u>Base Shelf Prospectus</u>	<u>Page</u>		<u>Page</u>
Caution Regarding Forward-Looking Statements	3	Bank Act Restrictions	9
Royal Bank of Canada	4	Earnings Coverage	9
Documents Incorporated by Reference	4	Plan of Distribution	9
Share Capital	5	Risk Factors	10
Changes in the Bank's Consolidated Capitalization	5	Use of Proceeds	11
Description of Common Shares of the Bank	5	Legal Matters	11
Description of the Securities that May be Offered		Statutory Rights of Withdrawal and Rescission	11
under this Prospectus	5	Certificate of the Bank	C-1
Book-Entry-Only Securities	7		

In this prospectus supplement, unless the context otherwise indicates, the “Bank”, “we”, “us” or “our” means Royal Bank of Canada together, if the context requires, with its subsidiaries.

Caution Regarding Forward-Looking Statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. We may make forward-looking statements in this prospectus supplement, in the documents incorporated by reference in this prospectus supplement, in other filings with Canadian regulators or the United States Securities and Exchange Commission, in other reports to shareholders, and in other communications. Forward-looking statements in this prospectus supplement, or in the documents incorporated by reference in this prospectus supplement include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals, the Economic, market and regulatory review and outlook for Canadian, United States (“U.S.”), European and global economies, the regulatory environment in which we operate, the “Strategic priorities” and “Outlook” sections for each of our business segments contained in our management’s discussion and analysis for the year ended October 31, 2020 (the “**2020 Management’s Discussion and Analysis**”), the risk environment including our credit risk, liquidity and funding risk, expectations with respect to our CET1 ratio, and the potential continued impacts of the coronavirus (COVID-19) pandemic on our business operations, financial results, condition and objectives and on the global economy and financial market conditions. The forward-looking information contained in this prospectus supplement, or in documents incorporated by reference in this prospectus supplement, is presented for the purpose of assisting the holders of our securities, potential purchasers of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, as well as our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, liquidity and funding, insurance, operational, regulatory compliance (which could lead to us being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties and fines), strategic, reputation, legal and regulatory environment, competitive and systemic risks and other risks discussed in the risk section of this prospectus supplement, the risk sections and “Significant developments: COVID-19” section of our 2020 Management’s Discussion and Analysis and the “Risk management” and “Impact of COVID-19 pandemic” sections of our management’s discussion and analysis for the three and six month periods ended April 30, 2021 (the “**Q2 2021 Management’s Discussion and Analysis**”); including business and economic conditions, information technology and cyber risks, Canadian housing and household indebtedness, geopolitical uncertainty, privacy, data and third-party related risks, regulatory changes, environmental and social risk (including climate change), and digital disruption and innovation, culture and conduct, the business and economic conditions in the geographic regions in which we operate, the effects of changes in government fiscal, monetary and other policies, tax risk and transparency, and the emergence of widespread health emergencies or public health crises such as pandemics and epidemics, including the COVID-19 pandemic and its impact on the global economy and financial market conditions and our business operations, and financial results, condition and objectives.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Material economic assumptions underlying the forward looking statements contained in this prospectus supplement, or incorporated by reference in this prospectus supplement, are set out in the “Economic, market and regulatory review and outlook” section and for each business segment under the “Strategic priorities” and “Outlook” headings in of our 2020 Management’s Discussion and Analysis, as updated by the “Economic, market and regulatory review and outlook” and “Impact of COVID-19 pandemic” sections of our Q2 2021 Management’s Discussion and Analysis. Except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

Additional information about these and other factors can be found in the risk sections and “Significant developments: COVID-19” section of our 2020 Management’s Discussion and Analysis and the “Risk management” and “Impact of COVID-19 pandemic” sections of our Q2 2021 Management’s Discussion and Analysis incorporated by reference in this prospectus supplement.

Documents Incorporated by Reference

This prospectus supplement is deemed to be incorporated by reference into the prospectus solely for the purpose of the Notes and Preferred Shares Series BS issued hereunder. Other documents are also incorporated or deemed to be incorporated by reference into the prospectus and reference should be made to the prospectus for full particulars.

The following documents filed with the Superintendent and the securities commissions or similar authorities in each of the provinces and territories of Canada (the “**Commissions**”) are incorporated by reference into this prospectus supplement:

- (a) our audited annual consolidated financial statements, which comprise the consolidated balance sheets as of October 31, 2020 and 2019, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the years then ended, including the related notes, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), Management’s Report on Internal Control over Financial Reporting as of October 31, 2020, the Independent Auditor’s Report dated December 1, 2020 and the Report of Independent Registered Public Accounting Firm dated December 1, 2020 (the “**2020 Audited Consolidated Financial Statements**”), and our 2020 Management’s Discussion and Analysis;
- (b) our annual information form dated December 1, 2020 (the “**2020 AIF**”);
- (c) our management proxy circular dated February 9, 2021 for our annual meeting of common shareholders held on April 8, 2021; and
- (d) our unaudited interim condensed consolidated financial statements, which comprise the condensed consolidated balance sheets as of April 30, 2021 and October 31, 2020, and the related condensed consolidated statements of income, comprehensive income, changes in equity, and cash flows for the three and six months ended April 30, 2021 and April 30, 2020, including selected explanatory notes, presented in compliance with International Accounting Standard 34 – Interim Financial Reporting (the “**Q2 2021 Interim Condensed Consolidated Financial Statements**”), and our Q2 2021 Management’s Discussion and Analysis.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus supplement or the prospectus or contained in this prospectus supplement or the prospectus is deemed to be modified or superseded, for purposes of this prospectus supplement, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

Marketing Materials

The indicative term sheet dated May 31, 2021 and the indicative term sheet dated June 1, 2021 (collectively, the “**Indicative Term Sheets**”), and the final term sheet dated June 1, 2021 (the “**Final Term Sheet**”), in each case filed with the Commissions, are specifically incorporated by reference into this prospectus supplement, solely for the purpose of the Notes and Preferred Shares Series BS offered hereunder. Any additional marketing materials (as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed with the Commissions in connection with the offering of the Notes hereunder on or after the date hereof but prior to the termination of the distribution of the Notes under this prospectus supplement (including any amendments to, or an amended version of, the marketing materials) are deemed to be incorporated by reference herein. Any marketing materials, including the Indicative Term Sheets and the Final Term Sheet, are not part of this prospectus supplement to the extent that the contents thereof have been modified or superseded by a statement contained in this prospectus supplement.

Eligibility For Investment

In the opinion of our counsel, Osler, Hoskin & Harcourt LLP, and in the opinion of the Agents’ counsel, McCarthy Tétrault LLP, the Notes and the Preferred Shares Series BS, if issued on the date of this prospectus supplement, would be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”) for trusts governed by registered retirement savings plans (“**RRSPs**”), registered retirement income funds (“**RRIFs**”), registered education savings plans (“**RESPs**”), registered disability savings plans (“**RDSPs**”), deferred profit sharing plans (other than, in respect of the Notes, trusts governed by deferred profit sharing plans for which any employer is the Bank, or a corporation with which the Bank does not deal at arm’s length within the meaning of the Tax Act) and tax-free savings accounts (“**TFSAs**”).

Notwithstanding the foregoing, if the Notes or the Preferred Shares Series BS held by a TFSA, RDSP, RESP, RRSP or RRIF

are a “prohibited investment” under the Tax Act, the holder of the TFSA or RDSP, the subscriber of the RESP, or the annuitant of the RRSP or RRIF, as the case may be, may be subject to a penalty tax as set out in the Tax Act. Generally, the Notes and the Preferred Shares Series BS will not be a “prohibited investment” for a TFSA, RDSP, RESP, RRSP or RRIF provided that the holder of the TFSA or RDSP, the subscriber of the RESP, or the annuitant of the RRSP or RRIF, as the case may be: (i) deals at arm’s length with the Bank for purposes of the Tax Act; and (ii) does not have a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Bank. In addition, the Preferred Shares Series BS will generally not be a “prohibited investment” if they are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for an TFSA, RDSP, RESP, RRSP or RRIF.

Use of Proceeds

The net proceeds to us from the sale of the Notes, after deducting estimated expenses of the issue of the Notes and the Preferred Shares Series BS and the Agents’ fee, are estimated to be approximately \$989,495,000. The purpose of the sale of the Notes is to enlarge our Tier 1 capital base with a view to optimizing the Bank’s capital structure within the parameters prescribed by the Superintendent for bank capital requirements. The net proceeds to us from the sale of Notes will be added to our general funds and will be utilized for general banking purposes.

The purchase price for the Preferred Shares Series BS qualified hereby shall be satisfied by funds deposited by the Bank with the Limited Recourse Trustee as Limited Recourse Trust Assets. As a result, no proceeds will be raised from the offering of the Preferred Shares Series BS pursuant to this prospectus supplement. The offering price of the Preferred Shares Series BS qualified under this prospectus supplement is \$1,000 per share.

Share Capital and Changes in the Bank’s Consolidated Capitalization

As at June 2, 2021, we had 1,424,857,041 common shares, 138,015,385 First Preferred Shares and no second preferred shares outstanding.

The selected consolidated financial data set out below are extracted from our consolidated financial statements as of October 31, 2020 and as of April 30, 2021. This table should be read together with the 2020 Audited Consolidated Financial Statements, 2020 Management’s Discussion and Analysis, Q2 2021 Interim Condensed Consolidated Financial Statements and our Q2 2021 Management’s Discussion and Analysis, which are incorporated by reference in this prospectus supplement.

	<u>As at October 31, 2020</u>	<u>As at April 30, 2021</u>
	(\$ millions)	(\$ millions)
Subordinated debentures	9,867	9,014
Limited Recourse Capital Notes ⁽¹⁾	1,750	3,000
Preferred shares ⁽²⁾⁽³⁾	4,198	4,198
Common shares	17,628	17,689
Retained earnings	59,806	66,163
Treasury instruments – preferred shares and other equity instruments	(3)	(7)
– common	(129)	9
Other components of equity	3,414	1,683

(1) After giving effect to this offering, Limited Recourse Capital Notes would have amounted to approximately \$4,000 million as at April 30, 2021. For accounting purposes, the Notes are compound instruments with both equity and liability features. The liability component of the Notes would have a nominal value and, as a result, the full proceeds to be received shall be presented as equity.

(2) For accounting purposes, the Preferred Shares Series BS would be eliminated on our consolidated balance sheet prior to a Recourse Event. Accordingly, after giving effect to this offering, there would have been no change in Preferred Shares as at April 30, 2021.

(3) After giving effect to the redemption on May 24, 2021 of \$725 million of our Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series BK (“Preferred Shares Series BK”), Preferred Shares would have amounted to approximately \$3,473 million as of April 30, 2021.

Earnings Coverage

The following consolidated earnings coverage ratios are calculated for the 12 months ended October 31, 2020 and April 30, 2021, respectively. The earnings coverage ratio for the 12 months ended October 31, 2020 is presented on a *pro forma* as adjusted basis and gives effect to (i) this offering of the Notes, (ii) the issuance of \$1.25 billion of our 4.00% Limited Recourse Capital Notes, Series 2 on November 2, 2020, (iii) the redemption of \$1.5 billion of our 3.31% subordinated debentures due 2026 on January 20, 2021, (iv) the issuance of \$1 billion of our 1.67% subordinated debentures due 2033 on January 28, 2021, and (v) the redemption of the Preferred Shares Series BK on May 24, 2021, in each case as if it had occurred at the beginning of such 12 month period. The earnings coverage ratio for the 12 months ended April 30, 2021 is presented on a *pro forma* as adjusted basis and gives effect to (i) this offering of the Notes and (ii) the redemption of the Preferred Shares Series BK on May 24, 2021, in each case as if it had occurred at the beginning of such 12 month period.

	October 31, 2020 (as adjusted)	April 30, 2021 (as adjusted)
Interest coverage on subordinated debentures	59.36	87.69
Grossed up dividend coverage on preferred shares and distribution coverage on Limited Recourse Capital Notes.....	39.07	57.70
Interest coverage on subordinated debentures, grossed up dividend coverage on preferred shares and distribution coverage on Limited Recourse Capital Notes	23.81	35.04

Our interest requirements on subordinated debentures (“**interest requirements**”) amounted to (i) \$247 million for the 12 months ended October 31, 2020 and (ii) \$211 million for the 12 months ended April 30, 2021. Our dividend requirements on our outstanding First Preferred Shares and distribution requirements on Limited Recourse Capital Notes (“**dividend requirements**”), after giving effect to this offering, amounted to (i) \$369 million for the 12 months ended October 31, 2020, adjusted to a before-tax equivalent using an effective income tax rate of 20.47% and (ii) \$317 million for the 12 months ended April 30, 2021, adjusted to a before-tax equivalent using an effective income tax rate of 21.78%. Our earnings before income tax and our interest requirements, adjusted for non-controlling interests, for (i) the 12 months ended October 31, 2020 were \$14,664 million, 23.81 times our aggregate dividend requirements and interest requirements for the period, and (ii) the 12 months ended April 30, 2021 were \$18,502 million, 35.04 times our aggregate dividend requirements and interest requirements for the period.

In calculating the interest, dividend and distribution coverages, foreign currency amounts have been converted to Canadian dollars using the rates of exchange as at the end of each month. For the 12 months ended October 31, 2020, the average exchange rate was U.S. \$0.744 per Cdn. \$1.00, and for the 12 months ended April 30, 2021, the average exchange rate was U.S. \$0.768 per Cdn. \$1.00.

Trading Price and Volume

The Bank’s Common Shares are listed on the TSX and the NYSE under the trading symbol “RY”. The following table sets out the price range and trading volumes of our outstanding Common Shares on the TSX (as reported by TSX Historical Data Access) and the NYSE (as reported by NYSE Intercontinental Exchange (ICE) Connect) for the periods indicated.

Month	Common Shares (TSX)			Common Shares (NYSE)		
	High (\$)	Low (\$)	Volume	High (\$US)	Low (\$US)	Volume
June 1- 2, 2021	126.15	125.11	3,340,654	104.86	104.05	2,314,262
May, 2021	126.90	117.36	65,532,014	104.85	95.11	23,735,797
April, 2021	118.91	114.91	113,430,434	96.47	91.14	23,314,105
March, 2021	117.97	108.51	90,995,952	94.37	85.85	33,121,722
February, 2021	113.39	103.57	90,287,241	90.59	80.85	25,358,858
January, 2021	108.84	103.22	116,360,965	86.14	80.56	22,961,285
December, 2020	108.05	102.74	64,580,865	84.00	79.82	11,733,255
November, 2020	108.44	92.54	98,213,558	83.53	69.83	13,500,096
October, 2020	98.32	90.75	105,523,809	74.91	67.79	21,648,848
September, 2020	100.03	93.10	57,031,383	76.43	69.52	12,866,635
August, 2020	102.85	92.20	66,092,948	78.20	68.82	12,340,926
July, 2020	96.83	90.55	103,428,988	71.57	66.70	23,170,162
June, 2020	99.40	89.11	71,048,858	74.09	65.17	24,836,698

Description of the Notes

The following summarizes certain provisions of the Notes and the Series 3 indenture (as defined below), but does not describe every aspect of the Notes or the Series 3 indenture. This summary is subject to and qualified in its entirety by reference to all the provisions of the Notes and the Series 3 indenture, including the definitions of certain terms that are not defined in this prospectus supplement. In this summary, we describe only some of the more important terms. You must look to the Series 3

indenture for a complete description of what we summarize below. A copy of the Series 3 indenture will be available on SEDAR at www.sedar.com. The following description of the Notes supplements (and, where different from, supersedes) the description of the Notes in the prospectus.

As used in this description, the terms the “Bank”, “we”, “us” and “our” refer only to Royal Bank of Canada and not to any of its subsidiaries.

General

The Notes will be issued as subordinated debt securities under an indenture to be dated as of the closing date of the offering hereunder (the “**Series 3 indenture**”) between us and Computershare Trust Company of Canada, as trustee (the “**indenture trustee**”). The Series 3 indenture will be subject to the provisions of the Bank Act and governed by the laws of Ontario and the federal laws of Canada applicable therein. Subject to regulatory capital requirements applicable to the Bank, there is no limit on the amount of limited recourse capital notes or other subordinated indebtedness the Bank may issue.

The Notes will be our direct unsecured obligations constituting subordinated indebtedness for the purpose of the Bank Act which, if we become insolvent or are wound-up (prior to the occurrence of a Trigger Event), will rank: (a) subordinate in right of payment to the prior payment in full of all our Higher Ranked Indebtedness (as defined below), including certain Subordinated Indebtedness and (b) in right of payment equally with our Junior Subordinated Indebtedness (as defined below) (other than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes), in each case from time to time outstanding, and will be subordinate in right of payment to the claims of our depositors and other unsubordinated creditors, provided that in any such case and in case of the Bank’s non-payment of the principal amount of, interest on or redemption price for the Notes when due, the sole remedy of the holders of the Notes shall be the delivery of the Limited Recourse Trust Assets. Upon the occurrence of a Recourse Event (as defined below), including if we become insolvent or are wound-up (prior to the occurrence of a Trigger Event), the recourse of each holder of Notes will be limited to such holder’s proportionate share of the Limited Recourse Trust Assets and the delivery of the applicable Limited Recourse Trust Assets to holders of the Notes will exhaust all remedies of such holders including in connection with any such event. Accordingly, as a result of the limited recourse feature described in this prospectus supplement, the ranking of the Notes will not be relevant during insolvency proceedings or wind-up of the Bank.

The Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution.

The Notes are not entitled to the benefits of any sinking fund.

Principal, Interest and Maturity

The Notes will be issued in an aggregate principal amount of \$1,000,000,000 and will be repayable at 100% of the principal amount at maturity on November 24, 2081. We will pay interest on the Notes in equal (subject to the reset of the interest rate and the short first coupon) semi-annual instalments in arrears on May 24 and November 24 of each year (each, an “**Interest Payment Date**”), with the first payment on November 24, 2021. From the date of issue to, but excluding, November 24, 2026, the Notes will bear interest at the rate of 3.65% per annum. Starting on November 24, 2026 and on every fifth anniversary of such date thereafter until November 24, 2076 (each such date an “**Interest Reset Date**”), the interest rate on the Notes will be reset at an interest rate per annum equal to the Government of Canada Yield on the business day prior to such Interest Reset Date (each, an “**Interest Rate Calculation Date**”) plus 2.665%. Assuming the Notes are issued on June 8, 2021, the first interest payment on the Notes on November 24, 2021 will be in an amount of \$16.90 per \$1,000 principal amount of Notes. The principal of, and interest on, the Notes will be paid in Canadian dollars.

Each payment of interest on the Notes will include interest accrued to, but excluding, the applicable Interest Payment Date or the date of maturity (or earlier purchase or redemption, if applicable). Any payment of principal or interest required to be made on a day which is not a business day will be made on the next succeeding business day (without any additional interest or other payment in respect of the delay).

The “**Government of Canada Yield**” means, as at any Interest Rate Calculation Date for an Interest Reset Date, the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the period from such Interest Reset Date to, but excluding, the next Interest Reset Date, as determined by two independent Canadian investment dealers

(each of which is a member of the Investment Industry Regulatory Organization of Canada or any successor of or to the Investment Industry Regulatory Organization of Canada) selected by the Bank, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market at or about 10:00 a.m. (Toronto time) on the relevant date for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span the period from such Interest Reset Date to, but excluding, the next Interest Reset Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

“**Bloomberg Screen GCAN5YR Page**” means the display designated on page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada bond yields).

A “**business day**” means a day on which bank institutions are open for business in Toronto and which is not a Saturday or a Sunday.

Form, Denomination and Transfer

The Notes will be issued only in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof.

The Notes will be issued in “**book-entry only**” form and must be purchased or transferred through participants in the depository service of CDS. See “Book-Entry-Only Securities” in the prospectus.

Subordination

The Notes will be our direct unsecured obligations constituting subordinated indebtedness for the purpose of the Bank Act and will therefore rank subordinate to our deposits. **The Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution.** See “Description of the Notes – General”.

The Series 3 indenture provides that, if we become insolvent or are wound-up (prior to the occurrence of a Trigger Event), the Notes will rank: (a) subordinate in right of payment to the prior payment in full of all our Higher Ranked Indebtedness (including certain Subordinated Indebtedness) and (b) in right of payment equally with and not prior to our Junior Subordinated Indebtedness (other than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes), in each case from time to time outstanding, and will be subordinate in right of payment to the claims of our depositors and other unsubordinated creditors, provided that in any such case and in case of the Bank’s non-payment of the principal amount of, interest on or redemption price for the Notes when due, the sole remedy of the holders of the Notes shall be the delivery of the Limited Recourse Trust Assets. Upon the occurrence of a Recourse Event, including a Trigger Event or if we become insolvent or bankrupt or subject to the provisions of the *Winding-up and Restructuring Act* (Canada) (which is an event of default under the Series 3 indenture), the recourse of each holder of Notes will be limited to such holder’s proportionate share of the Limited Recourse Trust Assets and the delivery of the applicable Limited Recourse Trust Assets to holders of the Notes will exhaust all remedies of such holders including in connection with any such event. Accordingly, as a result of the limited recourse feature described in this prospectus supplement, the ranking of the Notes will not be relevant during insolvency proceedings or wind-up of the Bank. See “– Limited Recourse”. If the Limited Recourse Trust Assets that are delivered to holders of the Notes under such circumstances comprise Preferred Shares Series BS or Common Shares, such Preferred Shares Series BS or Common Shares will rank on parity with all other First Preferred Shares or Common Shares, as applicable.

As of April 30, 2021, we had approximately \$1,522 billion of Higher Ranked Indebtedness, including deposits, outstanding which would rank ahead of the Notes.

For these purposes,

- “**Higher Ranked Indebtedness**” means Indebtedness of the Bank then outstanding (including all Subordinated Indebtedness of the Bank then outstanding other than Junior Subordinated Indebtedness).
- “**Indebtedness**” at any time means the deposit liabilities of the Bank at such time; and all other liabilities and obligations of the Bank to third parties (other than fines or penalties which pursuant to the Bank Act are a last charge on the assets of the Bank in the case of insolvency of the Bank and obligations to shareholders of the Bank, as such) which would entitle such third parties to participate in a distribution of the Bank’s assets in the event of the insolvency or winding-up of the Bank.
- “**Junior Subordinated Indebtedness**” means Indebtedness which by its terms ranks equally in right of payment with, or is subordinate to, the Notes.
- “**Subordinated Indebtedness**” at any time means the Bank’s subordinated indebtedness within the meaning of the Bank Act.

Events of Default

Under the Series 3 indenture there will be an event of default only if we become insolvent or bankrupt or subject to the provisions of the *Winding-Up and Restructuring Act* (Canada), if we go into liquidation either voluntarily or under an order of a court of competent jurisdiction, or if we otherwise acknowledge our insolvency. We refer to such an event under the Series 3 indenture as an “event of default”. For certainty, none of (i) the non-payment of principal or interest on the Notes, (ii) the non-performance of any other covenant of the Bank in the Series 3 indenture or (iii) the occurrence of a Trigger Event shall constitute an event of default under the Series 3 indenture.

The occurrence of an event of default is a Recourse Event for which the sole remedy of holders of the Notes shall be delivery of the Limited Recourse Trust Assets to the holders of the Notes. See “– Limited Recourse”. The Series 3 indenture provides that, notwithstanding any other provision of the Series 3 indenture, the delivery of the applicable Limited Recourse Trust Assets to holders of the Notes will exhaust all remedies of such holders including in connection with any event of default.

There will be no right of acceleration in the event of a non-payment of principal or interest or a failure or breach in the performance of any other covenant of the Bank, although legal action could be brought to enforce such covenant, provided that, in the case of non-payment of principal or interest, the sole remedy for any such claims against the Bank shall be recourse to the applicable Limited Recourse Trust Assets. See “– Limited Recourse”.

Holders of a majority of the outstanding principal amount of the Notes then outstanding under the Series 3 indenture may, by resolution, direct and control the actions of the indenture trustee or of any holder of Notes who brings an action after the failure of the indenture trustee to act in any proceedings against the Bank. The indenture trustee must, within 30 days of becoming aware of an event of default, give notice to the holders of the Notes unless the indenture trustee reasonably determines that the withholding of notice of a continuing default is in the best interests of the holders.

A resolution or order for winding-up the Bank, with a view to its consolidation, amalgamation or merger with another entity or the transfer of its assets as an entirety to another entity, does not entitle a holder of Notes to demand payment of principal prior to maturity.

Limited Recourse

In the event of a non-payment by the Bank of the principal amount of, interest on or redemption price for the Notes when due, the sole remedy of holders of Notes shall be the delivery of the assets held by Computershare Trust Company of Canada, as trustee (the “**Limited Recourse Trustee**”) of Leo LRCN Limited Recourse Trust (the “**Limited Recourse Trust**”) from time to time (“**Limited Recourse Trust Assets**”) in respect of the Notes.

The Limited Recourse Trust is a trust established under the laws of Manitoba, governed by an amended and restated declaration of trust dated as of July 28, 2020 (as may be further amended or restated from time to time, the “**Limited Recourse Trust Declaration**”) between the Bank, as settlor and beneficiary, and the Limited Recourse Trustee. The Limited Recourse Trust’s objective is to acquire and hold the Limited Recourse Trust Assets in accordance with the terms of the Limited Recourse Trust Declaration. The Limited Recourse Trustee may hold trust assets in respect of more than one series of limited recourse capital notes of the Bank, in which case the Limited Recourse Trustee will hold the trust assets for each such series of notes (including the Bank’s preferred shares) separate from the trust assets for any other series of such notes and shall deliver such trust assets only in respect of the relevant series of notes. The Limited Recourse Trust Assets in respect of the Notes may comprise of (i) Preferred Shares Series BS, (ii) Common Shares issuable upon an NVCC Automatic Conversion, (iii) cash from the redemption of Preferred Shares Series BS, or (iv) any combination thereof, depending on the circumstances. On the closing of the offering of the Notes, the Limited Recourse Trust Assets in respect of the Notes shall consist of 1,000,000 Preferred Shares Series BS.

If a Recourse Event occurs, the Bank will, no later than one business day after the occurrence of such Recourse Event, notify the Limited Recourse Trustee of the occurrence of such Recourse Event. “**Recourse Event**” means any of the following: (i) there is non-payment by the Bank of the principal amount of the Notes, together with any accrued and unpaid interest, on the maturity date, (ii) a Failed Coupon Payment Date occurs, (iii) in connection with the redemption of the Notes, on the redemption date for such redemption, the Bank does not pay the applicable redemption price in cash, (iv) the occurrence of an event of default under the Series 3 indenture, or (v) the occurrence of a Trigger Event. “**Failed Coupon Payment Date**” means the fifth business day immediately following an interest payment date upon which the Bank does not pay interest on the Notes and has not cured such non-payment by subsequently paying such interest prior to such fifth business day.

Following receipt of a notice of a Recourse Event, the Limited Recourse Trustee and the Bank will cause the Limited Recourse Trust Assets in respect of the Notes to be delivered to the holders of Notes in accordance with the terms of the Limited Recourse Trust Declaration, provided that notwithstanding any other provision in the Limited Recourse Trust Declaration, the Bank reserves the right not to deliver Common Shares or Preferred Shares Series BS to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Person (as defined below) or any person who, by virtue of that delivery, would become a Significant Shareholder (as defined below). In such circumstances, the Bank will hold, as agent for such persons, the Common Shares or Preferred Shares Series BS that would have otherwise been delivered to such persons and will attempt

to facilitate the sale of such Common Shares or Preferred Shares Series BS to parties other than the Bank and its affiliates on behalf of such persons through a registered dealer to be retained by the Bank on behalf of such persons. Those sales (if any) may be made at any time and at any price. The Bank shall not be subject to any liability for failure to sell any such Common Shares or Preferred Shares Series BS on behalf of such persons or at any particular price on any particular day. The net proceeds received by the Bank from the sale of any such Common Shares or Preferred Shares Series BS will be divided among the applicable persons in proportion to the number of Common Shares or Preferred Shares Series BS that would otherwise have been delivered to them after deducting the costs of sale and any applicable withholding taxes.

Subject to the foregoing restrictions regarding Ineligible Persons and Significant Shareholders, (i) if the Limited Recourse Trust Assets consist of Preferred Shares Series BS at the time a Recourse Event occurs, the Bank will deliver, or cause the Limited Recourse Trustee to deliver, to each holder of Notes one Preferred Share Series BS for each \$1,000.00 principal amount of Notes held, which shall be applied to the payment of the principal amount of the Notes, and such delivery of Preferred Shares Series BS will be each holder's sole remedy against the Bank for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon then due and payable, and (ii) upon the occurrence of a Recourse Event that is a Trigger Event, the Bank will deliver, or cause the Limited Recourse Trustee to deliver, to each holder of Notes that holder's proportionate share of the Common Shares issued in connection with the Trigger Event. The number of Common Shares issuable in connection with the Trigger Event will be calculated based on a Share Value (as defined below) of \$1,000.00. Such Common Shares shall be applied to the payment of the principal amount of the Notes, and such delivery of Common Shares will be each holder's sole remedy against the Bank for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon then due and payable. See "Redemption Upon Occurrence of Non-Viability Contingent Capital Trigger Event" below.

The Limited Recourse Trustee shall distribute the proceeds from the redemption of the Preferred Shares Series BS held by the Limited Recourse Trustee to the holders of the Notes.

The Limited Recourse Trust will continue until the earlier to occur of the following events: (a) no Notes (or any other limited recourse capital notes) are outstanding and held by a person other than the Bank; and (b) each of the Limited Recourse Trustee and the Bank elects in writing to terminate the Limited Recourse Trust and such termination is approved by the holders of the Notes in accordance with the terms of the Series 3 indenture and the holders of any other limited recourse capital notes in accordance with the terms of the indentures under which they are issued.

Any amendment or supplement to the Limited Recourse Trust Declaration for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Limited Recourse Trust Declaration (other than with respect to certain immaterial matters) requires the prior consent of the holders of the Notes in accordance with the terms of the Series 3 indenture and the holders of any other limited recourse capital notes in accordance with the terms of the indentures under which they are issued.

By acquiring any Note, each holder irrevocably acknowledges and agrees with, and for the benefit of, the Bank and the indenture trustee that the delivery of the applicable Limited Recourse Trust Assets to a holder of the Notes shall exhaust all remedies of such holder under the Notes including in connection with any event of default. All claims of a holder of the Notes against the Bank shall be extinguished upon receipt by such holder of the applicable Limited Recourse Trust Assets. If the Bank does not deliver, or fails to cause the Limited Recourse Trustee to deliver, the applicable Limited Recourse Trust Assets to a holder of the Notes, the sole remedy of such holder for any claims against the Bank shall be recourse to the applicable Limited Recourse Trust Assets. The delivery of Limited Recourse Trust Assets to the holders of the Notes shall be deemed to be in full satisfaction of the Notes and shall extinguish all claims of such holder against the Bank. In case of any shortfall resulting from the value of the Limited Recourse Trust Assets being less than the principal amount of and any accrued and unpaid interest on the Notes, all losses arising from such shortfall shall be borne by the holders of the Notes.

The Bank has entered into an agreement (the "**RBC Indemnity Agreement**") to indemnify the Limited Recourse Trustee against certain claims, liabilities, losses and damages suffered by the Limited Recourse Trustee in connection with acting as trustee of the Limited Recourse Trust. The Limited Recourse Trustee has agreed to exercise and exhaust all its remedies against the Bank under the RBC Indemnity Agreement prior to exercising any rights of indemnity under the Limited Recourse Trust Declaration. Provided that the Limited Recourse Trustee has so exercised and exhausted its rights under the RBC Indemnity Agreement, the Limited Recourse Trustee will be indemnified and saved harmless by the Limited Recourse Trust Assets from and against all claims, liabilities, losses, damages, penalties, actions, suits, demands, levies, expenses and disbursements including, without limitation, any and all reasonable legal and adviser fees and disbursements, whether groundless or otherwise, including costs (including legal costs on a solicitor and client basis), charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Limited Recourse Trustee and also from and against all other costs (including legal costs on a solicitor and client basis), charges, and expenses which it sustains or incurs in or about or in relation to the affairs of the Limited Recourse Trust, except such as may be incurred as a result of the wilful misconduct, gross negligence, fraud or bad faith of the Limited Recourse Trustee.

Redemption

Automatic Redemption on Redemption of Preferred Shares Series BS

Upon redemption by the Bank of the Preferred Shares Series BS held in the Limited Recourse Trust in accordance with the terms of such shares, outstanding Notes with an aggregate principal amount equal to the aggregate face amount of Preferred Shares Series BS redeemed by the Bank shall automatically and immediately be redeemed, without any action on the part of, or the consent of, the holders of such Notes, for a cash amount equal to the principal amount of the Notes being redeemed together with accrued and unpaid interest to, but excluding, the date of redemption. The Limited Recourse Trust shall distribute the proceeds from the redemption of the Preferred Shares Series BS held by the Limited Recourse Trustee to the holders of the Notes in partial satisfaction of such redemption price and the Bank shall be required to fund the balance in an amount equal to the accrued and unpaid interest. For certainty, to the extent that, in accordance with the terms of the Series 3 indenture, the Bank has immediately prior to or concurrently with such redemption of Preferred Shares Series BS redeemed or purchased for cancellation outstanding Notes with an aggregate principal amount equal to the aggregate face amount of Preferred Shares Series BS being redeemed, such requirement to redeem a corresponding number of Notes shall be deemed satisfied. See “Description of Preferred Shares Series BS – Redemption” below for a description of the circumstances under which the Preferred Shares Series BS may be redeemed by the Bank.

Redemption for Capital or Tax Reasons

We may, with the prior written approval of the Superintendent and without the consent of the holders of the Notes, redeem all (but not less than all) of the Notes at any time upon at least 30 days and not more than 60 days prior written notice on or within 90 days following a regulatory event date or a tax event date. Any such redemption may not occur before the relevant regulatory event date or tax event date, but may occur on or after such regulatory event date or tax event date, as the case may be.

A “**regulatory event date**” means the date specified in a letter from the Superintendent to the Bank on which the Notes will no longer be recognized in full as eligible “Additional Tier 1 Capital” or will no longer be eligible to be included in full as risk-based “Total Capital” on a consolidated basis under the guidelines for capital adequacy requirements for banks in Canada as interpreted by the Superintendent.

A “**tax event date**” means the date on which the Bank has received an opinion of independent counsel of a nationally recognized law firm in Canada (who may be counsel to the Bank) to the effect that, as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, of Canada or any political subdivision or taxing authority thereof or therein, affecting taxation, (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an “**Administrative Action**”) or (iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, Administrative Action, interpretation or pronouncement is made known, which amendment, clarification, change or Administrative Action is effective or which interpretation, pronouncement or Administrative Action is announced on or after the date of issue of the Notes, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or Administrative Action is effective and applicable) that the Bank or the Limited Recourse Trust is, or may be, subject to more than a *de minimis* amount of additional taxes, duties or other governmental changes or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid-up capital with respect to the Notes or the Preferred Shares Series BS (including dividends thereon) or other Limited Recourse Trust Assets or the Limited Recourse Trust, as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority.

If we redeem the Notes because of the occurrence of a regulatory event date or tax event date, we will do so at a redemption price per Note equal to the principal amount of the Note together with accrued and unpaid interest to the date of redemption.

Redemption Upon Occurrence of Non-Viability Contingent Capital Trigger Event

Upon the occurrence of a Recourse Event that is a Trigger Event, each Preferred Share Series BS will be automatically converted, without the consent of the holders of the Notes, the Limited Recourse Trustee or the indenture trustee, into Common Shares pursuant to an NVCC Automatic Conversion (as defined below), and immediately following such NVCC Automatic Conversion, each outstanding Note will automatically and immediately be redeemed, on a full and permanent basis, without any action on the part of, or the consent of, the holders of Notes, for the same number of Common Shares into which the Preferred Shares Series BS converted pursuant to such NVCC Automatic Conversion (a “**Trigger Event Redemption**”).

Fractions of Common Shares will not be issued or delivered pursuant to a Trigger Event Redemption and no cash payment will be made in lieu of a fractional Common Share. Notwithstanding any other provision of the Notes, the redemption of the Notes

in connection with an NVCC Automatic Conversion shall not be an event of default and the only consequence of a Trigger Event and the resulting Trigger Event Redemption under the provisions of the Notes will be the redemption of the Notes for Limited Recourse Trust Assets (being Common Shares). Upon a Trigger Event Redemption, the principal amount of the Notes, together with any accrued but unpaid interest on the Notes, will be deemed paid in full by the delivery of the Limited Recourse Trust Assets (being Common Shares) and the holders of Notes shall have no further rights and the Bank shall have no further obligations under the Series 3 indenture. Upon a Trigger Event Redemption, each holder of Notes will receive the number of Common Shares in proportion to the principal amount of the outstanding Notes held by such holder (any accrued and unpaid interest will not be taken into account).

Upon an NVCC Automatic Conversion, the Bank reserves the right not to deliver some or all, as applicable, of the Common Shares issuable thereupon to any Ineligible Person or any person who, by virtue of the operation of the NVCC Automatic Conversion, would become a Significant Shareholder through the acquisition of Common Shares. In such circumstances, the Bank will hold, as agent for such persons, the Common Shares that would have otherwise been delivered to such persons and will attempt to facilitate the sale of such Common Shares to parties other than the Bank and its affiliates on behalf of such persons through a registered dealer to be retained by the Bank on behalf of such persons. Those sales (if any) may be made at any time and at any price. The Bank will not be subject to any liability for failure to sell such Common Shares on behalf of such persons or at any particular price on any particular day. The net proceeds received by the Bank from the sale of any such Common Shares will be divided among the applicable persons in proportion to the number of Common Shares that would otherwise have been delivered to them upon the NVCC Automatic Conversion after deducting the costs of sale and any applicable withholding taxes. For the purposes of the foregoing:

- **“Ineligible Person”** means (i) any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada to the extent that the issuance by the Bank or delivery by its transfer agent to that person, of Preferred Shares Series BS or, pursuant to an NVCC Automatic Conversion, of Common Shares would require the Bank to take any action to comply with securities, banking or analogous laws of that jurisdiction, and (ii) any person to the extent that the issuance by the Bank or delivery by its transfer agent to that person, of Preferred Shares Series BS or, pursuant to an NVCC Automatic Conversion, of Common Shares would cause the Bank to be in violation of any law to which the Bank is subject.
- **“Significant Shareholder”** means any person who beneficially owns directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in concert with such person, a percentage of the total number of outstanding shares of a class of the Bank that is in excess of that permitted by the Bank Act.

At any time prior to a Trigger Event, in the event of our liquidation, dissolution or winding-up, the Limited Recourse Trustee and the Bank will cause the Limited Recourse Trust Assets in respect of the Notes to be delivered to the holders of Notes in accordance with the terms of the Limited Recourse Trust Declaration. See “– Limited Recourse”. If a Trigger Event has occurred, all Notes will have been redeemed for Limited Recourse Trust Assets, being, at such time, Common Shares which will rank on parity with all other Common Shares.

Automatic Redemption on Failed Coupon Payment Date

If a Failed Coupon Payment Date occurs, a Recourse Event will have occurred and, on the Failed Coupon Payment Date, the Notes shall automatically and immediately be redeemed, without any action on the part of, or the consent of, the holders of Notes, for a cash amount equal to the principal amount of the Notes together with accrued and unpaid interest to, but excluding, the Failed Coupon Payment Date. If the Bank does not pay the applicable redemption price in cash under such circumstances, our obligation to pay the redemption price will be satisfied by our delivery of the Limited Recourse Trust Assets. See “– Limited Recourse”.

Restrictions on Redemption

The Bank will not redeem the Notes under any circumstances if such redemption would, directly or indirectly, result in the Bank’s breach of any provision of the Bank Act or the OSFI Capital Adequacy Requirements (CAR) Guideline.

Purchase for Cancellation

In addition, we may (subject to the approval of the Superintendent) purchase Notes in the market or by tender or by private contract at such price or prices and upon such terms and conditions as we in our absolute discretion may determine, subject, however, to any applicable law restricting the purchase of Notes.

In the event of either a redemption of Notes or a purchase of Notes, the Bank will, in either case, cancel any Notes so redeemed or purchased, as the case may be.

No Restriction on Other Indebtedness

The Bank may create, issue or incur any other Indebtedness which, in the event of the insolvency or winding-up of the Bank,

would rank in right of payment in priority to, equally with, or subordinate to the Notes.

Mergers and Similar Events

Under the Series 3 indenture, we are generally permitted to merge, amalgamate, consolidate or otherwise combine with another entity. We are also permitted to convey, transfer or lease substantially all of our assets to another entity. However, we may not take any of these actions unless all the following conditions are met:

- when we merge, amalgamate, consolidate or otherwise combine with, or convey, transfer or lease substantially all of our assets, the surviving, resulting or acquiring entity must be a corporation, partnership or trust, must be organized and validly existing and must be legally responsible for the Notes, whether by agreement, operation of law or otherwise;
- the merger, amalgamation, consolidation or other combination, or conveyance, transfer or lease of assets must not cause an event of default, including any event which, after notice or lapse of time or both, would become an event of default, on the Notes; and
- we have delivered an officer's certificate and a legal opinion to the indenture trustee stating that such transaction complies with the Series 3 indenture.

If the conditions described above are satisfied with respect to the Notes, we will not need to obtain the approval of the holders of the Notes in order to merge, amalgamate or consolidate or to sell or lease our assets. Also, these conditions will apply only if we wish to merge, amalgamate or consolidate with another entity or sell substantially all of our assets to another entity. We will not need to satisfy these conditions if we enter into other types of transactions, including any transaction in which we acquire the stock or assets of another entity, any transaction that involves a change of control but in which we do not merge or consolidate and any transaction in which we sell or lease less than substantially all of our assets. It is possible that this type of transaction may result in a reduction in our credit ratings or market perceptions about our credit ratings, may negatively affect our operating results or may impair our financial condition. Holders of the Notes, however, will have no approval right with respect to any transaction of this type.

Modification and Waiver of the Notes

There are three types of changes we can make to the Series 3 indenture and the Notes.

Changes Requiring Approval of All Holders. First, there are changes that cannot be made to the Series 3 indenture or the Notes without specific approval of each holder of the Notes. The following is a list of those types of changes:

- a change in the stated maturity date or Interest Payment Dates of the Notes;
- a reduction of the principal amount of, or rate of interest on, the Notes;
- a reduction of the amount payable upon a redemption of the Notes;
- a change in the currency of payment on the Notes;
- a change in the place of payment for the Notes;
- an impairment of a holder's right to sue for payment;
- a reduction of the percentage in principal amount of Notes the consent of whose holders is needed to modify or amend the Series 3 indenture;
- a reduction of the percentage in principal amount of Notes the consent of whose holders is needed to waive compliance with certain provisions of the Series 3 indenture or to waive certain defaults; or
- a modification of any other aspect of the provisions dealing with modification and waiver of the Series 3 indenture.

In addition, a modification of certain provisions of, or termination of, the Limited Recourse Trust Declaration requires the specific approval of each holder of the Notes.

Changes Requiring a Majority Vote. The second type of change to the Series 3 indenture or the Notes requires a vote in favour by holders of Notes owning not less than a majority of the outstanding principal amount of the Notes.

Most changes not requiring the approval of all holders fall into this category, except for clarifying changes and certain other changes that would not adversely affect in any material respect holders of the Notes. We may not modify the subordination provisions of the Series 3 indenture in a manner that would adversely affect in any material respect the outstanding Notes without the consent of the holders of a majority of the outstanding principal amount of the Notes.

Changes Not Requiring Approval. The third type of change to the Series 3 indenture or the Notes does not require any vote by

holders of Notes. This type is limited to clarifications and certain other changes that would not adversely affect in any material respect holders of the Notes.

Notes will not be considered outstanding, and therefore not eligible to vote, if we have given a notice of redemption and deposited or set aside in trust for the holders of Notes money for the redemption of the Notes.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding Notes that are entitled to vote or take other action under the Series 3 indenture. In certain limited circumstances, the indenture trustee will be entitled to set a record date for action by holders. We or the indenture trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action.

In addition to the aforementioned approvals, we will not without, but may from time to time with, the consent of the Superintendent, make any change to the Series 3 indenture which might affect the classification afforded the Notes from time to time for capital adequacy requirements pursuant to the Bank Act and the regulations and guidelines thereunder, including the OSFI Capital Adequacy Requirements (CAR) Guideline, as may be amended from time to time.

Additional Amounts

We will pay any amounts to be paid by us on the Notes without deduction or withholding for, or on account of, any and all present or future income, stamp and other taxes, levies, imposts, duties, charges, fees, deductions or withholdings (“**taxes**”) now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of Canada or any Canadian political subdivision or authority that has the power to tax, unless the deduction or withholding is required by law or by the interpretation or administration thereof by the relevant governmental authority. At any time a Canadian taxing jurisdiction requires us to deduct or withhold for or on account of taxes from any payment made under or in respect of the Notes, we will pay such additional amounts (“**Additional Amounts**”) as may be necessary so that the net amounts received by each holder (including Additional Amounts), after such deduction or withholding, shall not be less than the amount the holder would have received had no such deduction or withholding been required.

However, no Additional Amounts will be payable with respect to a payment made to a holder of a Note, or of a right to receive payment in respect thereto (a “**Payment Recipient**”), which we refer to as an “**Excluded Holder**,” in respect of any taxes imposed because the beneficial owner or Payment Recipient:

- (i) is someone with whom we do not deal at arm’s length (within the meaning of the Tax Act) at the time of making such payment;
- (ii) is subject to such taxes by reason of its being connected presently or formerly with Canada or any province or territory thereof other than by reason of the holder’s activity in connection with purchasing such Note, the holding of such Note or the receipt of payments thereunder;
- (iii) is, or does not deal at arm’s length with a person who is, a “specified shareholder” (as defined in subsection 18(5) of the Tax Act) of the Bank;
- (iv) presents such Note for payment (where presentation is required) more than 30 days after the relevant date (except to the extent that the holder thereof would have been entitled to such Additional Amounts on presenting a Note for payment on the last day of such 30 day period); for this purpose, the “relevant date” in relation to any payments on any Note means:
 - (a) the due date for payment thereof, or
 - (b) if the full amount of the monies payable on such date has not been received by the indenture trustee on or prior to such due date, the date on which the full amount of such monies has been received and notice to that effect is given to holders of the Notes in accordance with the Series 3 indenture;
- (v) could lawfully avoid (but has not so avoided) such withholding or deduction by complying, or requiring that any agent comply with, any statutory requirements necessary to establish qualification for an exemption from withholding or by making, or requiring that any agent make, a declaration of non-residence or other similar claim for exemption to any relevant tax authority; or
- (vi) is subject to deduction or withholding on account of any tax, assessment, or other governmental charge that is imposed or withheld by reason of the application of Sections 1471 through 1474 of the United States Internal Revenue Code of 1986 (or any successor provisions), any regulation, pronouncement, or agreement thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto, whether currently in effect or as published and amended from time to time.

For the avoidance of doubt, we will not have any obligation to pay any holders Additional Amounts on any tax which is payable otherwise than by deduction or withholding from payments made under or in respect of the Notes.

We will also make such withholding or deduction and remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. We will furnish to the indenture trustee, within 30 days after the date the payment of any taxes is due pursuant to applicable law, certified copies of tax receipts evidencing that such payment has been made or other evidence of such payment satisfactory to the indenture trustee. We will indemnify and hold harmless each holder of Notes (other than an Excluded Holder) and upon written request reimburse each such holder for the amount of (x) any taxes so levied or imposed and paid by such holder as a result of payments made under or with respect to the Notes, and (y) any taxes levied or imposed and paid by such holder with respect to any reimbursement under (x) above, but excluding any such taxes on such holder's net income or capital.

Description of Preferred Shares Series BS

Concurrently with the closing of the offering of the Notes, the Preferred Shares Series BS will be issued as a series of First Preferred Shares of the Bank to the Limited Recourse Trustee to be held in accordance with the terms of the Limited Recourse Trust Declaration. See "Description of the Securities that May be Offered under this Prospectus – First Preferred Shares" in the prospectus.

Defined Terms

The following definitions are relevant to the Preferred Shares Series BS:

"Annual Fixed Dividend Rate" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.665%.

"Bloomberg Screen GCAN5YR Page" means the display designated on page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada bond yields).

"Fixed Period End Date" means November 24, 2026 and each November 24 every fifth year thereafter.

"Fixed Rate Calculation Date" means, for any Subsequent Fixed Rate Period, the business day prior to the first day of such Subsequent Fixed Rate Period.

"Government of Canada Yield" as at any Fixed Rate Calculation Date means the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the related Subsequent Fixed Rate Period, as determined by two independent Canadian investment dealers (each of which is a member of the Investment Industry Regulatory Organization of Canada or any successor of or to the Investment Industry Regulatory Organization of Canada) selected by the Bank, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market at or about 10:00 a.m. (Toronto time) on the relevant date for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span such Subsequent Fixed Rate Period on such Fixed Rate Calculation Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

"Initial Annual Fixed Dividend Rate" means, for the Initial Fixed Rate Period, the rate equal to the interest rate per annum on the Notes in effect as of the Transfer Date, provided that if the Transfer Date is on or after the Maturity Date, it means the rate (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the Government of Canada Yield on the business day prior to the Maturity Date (and in such case, for purposes of the definition of Government of Canada Yield, such day shall be deemed to be a "Fixed Rate Calculation Date" and such Initial Fixed Rate Period shall be deemed to be a "Subsequent Fixed Rate Period"), plus 2.665%.

"Initial Fixed Rate Period" means, (i) if the Transfer Date is prior to November 24, 2026, the period from and including the Transfer Date to, but excluding, November 24, 2026 and (ii) if the Transfer Date is on or after November 24, 2026, the period from and including the Transfer Date, to but excluding the first Fixed Period End Date following the Transfer Date.

"Initial Reset Date" means, (i) if the Transfer Date is prior to November 24, 2026, November 24, 2026, and (ii) if the Transfer Date is on or after November 24, 2026, the first Fixed Period End Date following the Transfer Date.

"Maturity Date" has the meaning given to such term in the Series 3 indenture.

"Subsequent Fixed Rate Period" means the period from and including the Initial Reset Date to, but excluding, the next Fixed Period End Date and each five year period thereafter from and including such Fixed Period End Date to, but excluding, the next Fixed Period End Date.

“**Transfer Date**” means the date on which all the Preferred Shares Series BS are delivered to the holders of the Notes in accordance with the terms of the Series 3 indenture and the Limited Recourse Trust Declaration.

Issue Price

The issue price per Preferred Share Series BS is \$1,000.00.

Dividends

Prior to the Transfer Date, the holders of the Preferred Shares Series BS shall not be entitled to receive dividends.

Following the Transfer Date, during the Initial Fixed Rate Period, the holders of the Preferred Shares Series BS will be entitled to receive fixed rate non-cumulative preferential cash dividends, as and when declared by the board of directors, subject to the provisions of the Bank Act, payable semi-annually on the 24th day of May and November in each year, in an amount per share per annum determined by multiplying the applicable Initial Annual Fixed Dividend Rate by \$1,000.00; provided that, whenever it is necessary to compute any dividend amount in respect of the Preferred Shares Series BS for a period of less than one full semi-annual dividend period, such dividend amount shall be calculated on the basis of the actual number of days in the period and a year of 365 days.

During each Subsequent Fixed Rate Period, the holders of the Preferred Shares Series BS will be entitled to receive fixed rate non-cumulative preferential cash dividends, as and when declared by the board of directors, subject to the provisions of the Bank Act, payable semi-annually on the 24th day of May and November in each year, in an amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$1,000.00.

The Bank will determine the Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Bank and all holders of Preferred Shares Series BS. The Bank will, on the relevant Fixed Rate Calculation Date, give notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of Preferred Shares Series BS.

If the board of directors does not declare a dividend, or any part thereof, on the Preferred Shares Series BS on or before the dividend payment date therefor, then the rights of the holders of the Preferred Shares Series BS to such dividend, or to any part thereof, will be extinguished.

We are restricted under the Bank Act from paying dividends on the Preferred Shares Series BS in certain circumstances. See “Bank Act Restrictions” in the prospectus.

Redemption

Except as noted below, the Preferred Shares Series BS will not be redeemable prior to October 24, 2026. Subject to the provisions of the Bank Act (see “Bank Act Restrictions” in the prospectus), the consent of the Superintendent and the provisions described below under “Restriction on Dividends and Retirement of Shares”, during the period from October 24, 2026 to and including November 24, 2026 and during the period from October 24 to and including November 24 every fifth year thereafter, we may redeem all (or, if on or after the Transfer Date, all or any part) of the outstanding Preferred Shares Series BS at our option. If the Preferred Shares Series BS are redeemed before the Transfer Date, the redemption price per share will be an amount in cash for each share redeemed of \$1,000.00. If the Preferred Shares Series BS are redeemed on or after the Transfer Date, the redemption price per share will be an amount in cash of \$1,000.00 per share so redeemed together with declared and unpaid dividends to, but excluding, the redemption date.

Upon the occurrence of a Special Event Date before the Transfer Date, with the prior written approval of the Superintendent, the Bank may, at its option, at any time within 90 days following a Special Event Date, redeem the Preferred Shares Series BS, in whole but not in part, by the payment of an amount in cash for each share redeemed of \$1,000.00 (a “**Special Event Redemption**”), and apply the proceeds of such redemption towards the redemption of the Notes. “**Special Event Date**” means a regulatory event date or a tax event date.

If at any time before the Transfer Date the Bank, with the prior written approval of the Superintendent, purchases Notes, in whole or in part, by tender offer, open market purchases, negotiated transactions or otherwise, for cancellation, then, with the prior written approval of the Superintendent, the Bank will redeem such number of Preferred Shares Series BS with an aggregate face amount equal to the aggregate principal amount of Notes purchased for cancellation by the Bank, by the payment of an amount in cash for each share redeemed of \$1,000.00, and apply the proceeds of such redemption towards the purchase of the Notes.

Concurrently with or upon the maturity of the Notes, with the prior written approval of the Superintendent, the Bank may redeem all but not less than all of the outstanding Preferred Shares Series BS, at the Bank’s option, by the payment of an amount in cash for each share redeemed of \$1,000.00, and apply the proceeds of such redemption towards the repayment of the aggregate principal amount of and any accrued and unpaid interest on the Notes.

We will give notice of any redemption (other than a redemption that is a Special Event Redemption) to registered holders not

more than 60 days and not less than 15 days prior to the redemption date. We will give notice of any Special Event Redemption to registered holders not more than 60 and not less than 30 days prior to the redemption date.

Where, on or after the Transfer Date, a part only of the then outstanding Preferred Shares Series BS is at any time to be redeemed, the Preferred Shares Series BS will be redeemed *pro rata* disregarding fractions, or in such other manner as our board of directors determines.

The Bank will not redeem the Notes under any circumstances if such redemption would, directly or indirectly, result in the Bank's breach of any provision of the Bank Act or the OSFI Capital Adequacy Requirements (CAR) Guideline.

Purchase for Cancellation

Subject to the provisions of the Bank Act, the provisions described below under "Restriction on Dividends and Retirement of Shares" and the consent of the Superintendent, from and after the Transfer Date, we may at any time, by private contract or in the market or by tender, purchase for cancellation any Preferred Shares Series BS at the lowest price or prices at which in the opinion of our board of directors such shares are obtainable.

Conversion Upon Occurrence of a Non-Viability Contingent Capital Trigger Event

Upon the occurrence of a Trigger Event (as defined below), each outstanding Preferred Share Series BS will automatically and immediately be converted, on a full and permanent basis, into a number of Common Shares equal to $(\text{Multiplier} \times \text{Share Value}) \div \text{Conversion Price}$ (rounding down, if necessary, to the nearest whole number of Common Shares) (an "NVCC Automatic Conversion"). For the purposes of the foregoing:

"**Conversion Price**" means the greater of (i) \$5.00 (which price is subject to adjustment in the event of (a) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all holders of Common Shares as a stock dividend, (b) the subdivision, redivision or change of Common Shares into a greater number of Common Shares, or (c) the reduction, combination or consolidation of the Common Shares into a lesser number of shares), and (ii) the Current Market Price of the Common Shares. The adjustment shall be computed to the nearest one-tenth of one cent provided that no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% of the Conversion Price then in effect.

"**Current Market Price**" of the Common Shares, in connection with a Trigger Event, means the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange, if such shares are then listed on the Toronto Stock Exchange, for the 10 consecutive trading days ending on the trading day preceding the date of the Trigger Event. If the Common Shares are not then listed on the Toronto Stock Exchange, for the purpose of the foregoing calculation reference shall be made to the principal securities exchange or market on which the Common Shares are then listed or quoted or, if no such trading prices are available, "Current Market Price" shall be the fair value of the Common Shares as reasonably determined by the board of directors of the Bank.

"**Multiplier**" means 1.0.

"**Share Value**" means \$1,000.00 plus declared and unpaid dividends as at the date of the Trigger Event.

"**Trigger Event**" has the meaning set out in the OSFI Capital Adequacy Requirements (CAR) Guideline, Chapter 2 – Definition of Capital, effective November 2018, as such term may be amended or superseded by OSFI from time to time, which term currently provides that each of the following constitutes a Trigger Event:

- the Superintendent publicly announces that the Bank has been advised, in writing, that the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and that, after the conversion of all contingent instruments and taking into account any other factors or circumstances that are considered relevant or appropriate, it is reasonably likely that the viability of the Bank will be restored or maintained; or
- a federal or provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Bank would have been determined by the Superintendent to be non-viable.

Fractions of Common Shares will not be issued or delivered pursuant to an NVCC Automatic Conversion and no cash payment will be made in lieu of a fractional Common Share. Notwithstanding any other provision of the Preferred Shares Series BS, the conversion of the Preferred Shares Series BS in connection with an NVCC Automatic Conversion shall not be an event of default and the only consequence of a Trigger Event under the provisions of the Preferred Shares Series BS will be the conversion of the Preferred Shares Series BS into Common Shares.

In the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Common Shares, the Bank will take necessary action to ensure that holders of Preferred Shares Series BS receive, pursuant to an NVCC Automatic Conversion, the number of Common Shares or other securities that such holders would have received

if the NVCC Automatic Conversion occurred immediately prior to the record date for such event.

Right Not to Deliver Common Shares upon NVCC Automatic Conversion

Upon an NVCC Automatic Conversion, the Bank reserves the right not to deliver some or all, as applicable, of the Common Shares issuable thereupon to any Ineligible Person (as defined above) or any person who, by virtue of the operation of the NVCC Automatic Conversion, would become a Significant Shareholder (as defined above) through the acquisition of Common Shares. In such circumstances, the Bank will hold, as agent for such persons, the Common Shares that would have otherwise been delivered to such persons and will attempt to facilitate the sale of such Common Shares to parties other than the Bank and its affiliates on behalf of such persons through a registered dealer to be retained by the Bank on behalf of such persons. Those sales (if any) may be made at any time and at any price. The Bank will not be subject to any liability for failure to sell such Common Shares on behalf of such persons or at any particular price on any particular day. The net proceeds received by the Bank from the sale of any such Common Shares will be divided among the applicable persons in proportion to the number of Common Shares that would otherwise have been delivered to them upon the NVCC Automatic Conversion after deducting the costs of sale and any applicable withholding taxes.

Rights on Liquidation

At any time after the Transfer Date and prior to a Trigger Event, in the event of our liquidation, dissolution or winding-up, holders of Preferred Shares Series BS will be entitled to receive \$1,000.00 per share, together with all dividends declared and unpaid to the date of payment, before any amount may be paid or any of our assets distributed to the registered holders of any shares ranking junior to the Preferred Shares Series BS. The holders of Preferred Shares Series BS will not be entitled to share in any further distribution of our assets. If a Trigger Event has occurred, all Preferred Shares Series BS shall have been converted into Common Shares which will rank on parity with all other Common Shares.

Restriction on Dividends and Retirement of Shares

From and after the Transfer Date, so long as any of the Preferred Shares Series BS are outstanding, the Bank shall not, without the approval of holders of the Preferred Shares Series BS:

- pay any dividends on any second preferred shares, any Common Shares or any other shares of the Bank ranking junior to the Preferred Shares Series BS (other than stock dividends in any shares of the Bank ranking junior to the Preferred Shares Series BS); or
- redeem, purchase or otherwise retire any second preferred shares, any Common Shares or any other shares of the Bank ranking junior to the Preferred Shares Series BS (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Preferred Shares Series BS); or
- redeem, purchase or otherwise retire less than all the Preferred Shares Series BS; or
- except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares, redeem, purchase or otherwise retire any other shares ranking on a parity with the Preferred Shares Series BS;

unless all dividends up to and including the dividend payment date for the last completed period for which dividends shall be payable shall have been declared and paid or set apart for payment in respect of each series of cumulative First Preferred Shares then issued and outstanding and all other cumulative shares ranking on a parity with the First Preferred Shares and there shall have been paid or set apart for payment all declared dividends in respect of each series of non-cumulative First Preferred Shares then issued and outstanding and on all other non-cumulative shares ranking on a parity with the First Preferred Shares.

Issue of Additional Series of First Preferred Shares

We may issue other series of First Preferred Shares ranking on a parity with the Preferred Shares Series BS without the approval of holders of the Preferred Shares Series BS as a series.

Amendments to Preferred Shares Series

We will not without, but may from time to time with, the approval of holders of the Preferred Shares Series BS and any approval as may be required by any stock exchange on which the Preferred Shares Series BS may then be traded, delete or vary any rights, privileges, restrictions or conditions attaching to the Preferred Shares Series BS. In addition to the aforementioned approvals, we will not without, but may from time to time with, the consent of the Superintendent, make any such deletion or variation which might affect the classification afforded the Preferred Shares Series BS from time to time for capital adequacy requirements pursuant to the Bank Act and the regulations and guidelines thereunder, including the OSFI Capital Adequacy Requirements (CAR) Guideline, as may be amended from time to time.

Shareholder Approvals

The approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Preferred Shares Series

BS as a series and any other approval to be given by the holders of Preferred Shares Series BS may be given in writing by the holders of not less than all of the outstanding Preferred Shares Series BS or by a resolution carried by the affirmative vote of not less than 66⅔% of the votes cast at a meeting of holders of the Preferred Shares Series BS at which a quorum of the outstanding Preferred Shares Series BS is represented. Pursuant to our by-laws, a quorum at any meeting of the holders of a series of First Preferred Shares is 51% of the shares entitled to vote at any such meeting, except that at a reconvened meeting following a meeting which was adjourned due to lack of quorum, there is no quorum requirement. At any meeting of holders of Preferred Shares Series BS as a series, each such holder will be entitled to one vote in respect of each share of held.

Voting Rights

Subject to the provisions of the Bank Act, holders of Preferred Shares Series BS, as such, will not be entitled to receive notice of, or to attend or to vote at, any meeting of our shareholders unless and until the first time at which the rights of such holders to any undeclared dividends have been extinguished as described under “Dividends” above (for clarity, such time may not occur before the Transfer Date because, prior to the Transfer Date, the holders of Preferred Shares Series BS shall not be entitled to receive dividends). In that event, the holders of Preferred Shares Series BS will be entitled to receive notice of, and to attend, meetings of shareholders at which directors are to be elected and will be entitled to one vote for each share held. The voting rights of the holders of Preferred Shares Series BS will forthwith cease upon payment by us of the first semi-annual dividend on the shares of such series to which the holders are entitled subsequent to the time such voting rights first arose. At such time as the rights of such holders to any undeclared dividends on the Preferred Shares Series BS have again been extinguished, such voting rights will become effective again and so on from time to time.

Tax Election

The Preferred Shares Series BS will be “taxable preferred shares” as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of such shares. The terms of the Preferred Shares Series BS require us to make the necessary election under Part VI.1 of the Tax Act so that the corporate holders will not be subject to the tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Preferred Shares Series BS. See “Canadian Federal Income Tax Considerations”.

Bank Act Restrictions

We reserve the right not to issue shares, including Preferred Shares Series BS, to any person whose address is in, or whom we or our transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require us to take any action to comply with the securities, banking or analogous laws of such jurisdiction. See also “Bank Act Restrictions” in the prospectus.

Non-Business Days

If any action or payment is required to be taken or paid by us or any matter, consequence or other thing is provided to occur, in respect of the Preferred Shares Series BS, on a day that is a Saturday or a Sunday or on a day on which banking institutions in Toronto, Canada are authorized or obligated to close (a “**non-business day**”), then such action or payment will be taken or made and such matter, consequence or other thing will occur on the immediately following day which is not a non-business day unless the Bank determines to take such action or make such payment on the immediately preceding day which is not a non-business day.

Description of Common Shares

For a description of the terms of our Common Shares, see “Description of Common Shares of the Bank” in the prospectus.

Canadian Federal Income Tax Considerations

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Bank (“**Counsel**”), the following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Notes, including entitlement to all payments thereunder, as beneficial owner, pursuant to this prospectus supplement; Preferred Shares Series BS on a Recourse Event; and Common Shares on a Recourse Event that is a Trigger Event or on an NVCC Automatic Conversion after the Transfer Date, and who, for purposes of the Tax Act and at all relevant times, deals at arm’s length with the Bank and each of the Agents, is not affiliated with the Bank or any of the Agents, holds Notes and will hold any Preferred Shares Series BS or Common Shares (as applicable) as capital property (a “**Holder**”).

Generally, Notes, Preferred Shares Series BS, and Common Shares will be capital property to a Holder, provided the Holder does not acquire Notes, Preferred Shares Series BS or Common Shares in the course of carrying on a business of trading or dealing in securities and does not acquire them as part of an adventure or concern in the nature of trade.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the “**Regulations**”), the *Canada-United States Tax Convention*, and Counsel’s understanding of the administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada)

prior to the date hereof (the “**Tax Proposals**”) and assumes that all Tax Proposals will be enacted in the form proposed. However, no assurances can be given that the Tax Proposals will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practice, whether by legislative, regulatory, administrative or judicial action, nor does it take into account provincial, territorial or foreign tax considerations which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder and no representation with respect to the income tax consequences to any particular Holder is made. This summary is not exhaustive of all federal income tax considerations. Accordingly, prospective Holders should consult their own tax advisors with respect to their particular circumstances.

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act, is, or is deemed to be, resident in Canada (a “**Resident Holder**”). Certain Resident Holders whose Notes, Preferred Shares Series BS or Common Shares would not otherwise qualify as capital property may, in certain circumstances, be entitled to have them and all other “Canadian securities” of the Resident Holder, as defined in the Tax Act, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This portion of the summary is not applicable to a Resident Holder (i) that is a “financial institution” as defined in the Tax Act for purposes of the mark-to-market rules; (ii) an interest in which is or would constitute a “tax shelter investment” as defined in the Tax Act; (iii) that reports its “Canadian tax results”, as defined in the Tax Act, in a currency other than Canadian currency; or (iv) that has entered into, with respect to the Notes, Preferred Shares Series BS or Common Shares a “derivative forward arrangement” as defined in the Tax Act. Such Resident Holders should consult their own tax advisors. Furthermore, this portion of the summary is not applicable to a Resident Holder that is a “specified financial institution” (as defined in the Tax Act) that receives (or is deemed to receive) dividends in respect of Preferred Shares Series BS acquired on a Recourse Event, or in respect of Common Shares acquired on a Recourse Event that is a Trigger Event or on an NVCC Automatic Conversion after the Transfer Date. Such Resident Holders should consult their own tax advisors.

Notes

Interest

A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Notes that accrues (or is deemed to accrue) to it to the end of the particular taxation year or that has become receivable by or is received by the Resident Holder before the end of that taxation year, except to the extent that such interest was included in computing the Resident Holder’s income for a preceding taxation year.

Any other Resident Holder, including an individual (other than a trust described in the immediately preceding paragraph), will be required to include in income for a taxation year all interest on Notes that is received or receivable by such Resident Holder in that taxation year (depending upon the method regularly followed by the Resident Holder in computing income), except to the extent that the interest was included in the Resident Holder’s income for a preceding taxation year.

Dispositions of Notes

On a disposition or deemed disposition of Notes by a Resident Holder, including a repayment by the Bank upon maturity or a purchase or redemption by the Bank, other than a disposition as the result of a Recourse Event, a Resident Holder will generally be required to include in computing its income for the taxation year in which the disposition occurred the amount of interest (including amounts considered to be interest) that has accrued or been deemed to accrue on the Notes from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Resident Holder’s income for the taxation year or a previous taxation year.

On a disposition of Notes by a Resident Holder as a result of a Recourse Event, a Resident Holder that has previously included an amount in income in respect of accrued and unpaid interest on the Notes that exceeds the amount of interest received by such Resident Holder prior to the Recourse Event may be entitled to an offsetting deduction in the year of disposition in an amount equal to the amount of such excess.

Any premium paid by the Bank to a Resident Holder on the repurchase of a Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public) will generally be deemed to be interest received by the Resident Holder at the time of the payment to the extent that it can reasonably be considered to relate to, and does not exceed the value at that time of, the interest that would have been paid or payable by the Bank on the Note for a taxation year of the Bank ending after the time of the payment. Such interest will be required to be included in computing the Resident Holder’s income in the manner described above.

In general, on a disposition or deemed disposition of Notes, a Resident Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount required to be included in the Resident Holder's income as interest or otherwise, exceed (or are exceeded by) the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. On a Recourse Event, the proceeds of disposition will be the fair market value of the Preferred Shares Series BS or the Common Shares, as the case may be, received on such Recourse Event. The cost of a Preferred Share Series BS or Common Share received on such Recourse Event will generally equal the fair market value of such share on the date of acquisition and will be averaged with the adjusted cost base of all Preferred Shares Series BS or Common Shares, as the case may be, held by such Resident Holder as capital property immediately before such time for the purpose of determining thereafter the adjusted cost base of each such share.

Preferred Shares Series BS and Common Shares

Dividends

Dividends (including deemed dividends) received on the Preferred Shares Series BS or Common Shares by a Resident Holder that is an individual (other than certain trusts) will be included in the individual's income and generally will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by individuals from taxable Canadian corporations. Taxable dividends received that are designated by the Bank as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the Tax Act. Dividends (including deemed dividends) on the Preferred Shares Series BS or Common Shares received by a Resident Holder that is a corporation will be included in computing the corporation's income and will generally be deductible in computing the taxable income of the corporation.

The Preferred Shares Series BS will be "taxable preferred shares" as defined in the Tax Act. The terms of the Preferred Shares Series BS require the Bank to make the necessary election under Part VI.1 of the Tax Act so that corporate Resident Holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Preferred Shares Series BS.

A Resident Holder that is a "private corporation" or a "subject corporation", each as defined in the Tax Act, will generally be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received by it on the Preferred Shares Series BS or the Common Shares to the extent such dividends are deductible in computing its taxable income.

Dispositions of Preferred Shares Series BS or Common Shares

A Resident Holder who disposes of or is deemed to dispose of Preferred Shares Series BS or Common Shares (including, generally, on redemption or purchase for cancellation of the shares by the Bank for cash or otherwise) will generally realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to that Resident Holder immediately before the disposition or deemed disposition. The amount of any deemed dividend arising on the redemption or purchase for cancellation, as applicable, by the Bank of Preferred Shares Series BS or Common Shares will generally not be included in computing the proceeds of disposition to any Resident Holder for purposes of computing the capital gain or capital loss arising on the disposition of such shares. See "*Acquisitions by the Bank of Preferred Shares Series BS or Common Shares*" below. If the Resident Holder is a corporation, any such capital loss realized on a disposition of a Preferred Share Series BS or a Common Share, as the case may be, may, in certain circumstances, be reduced by the amount of any dividends which have been received or which are deemed to have been received on such share. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Acquisitions by the Bank of Preferred Shares Series BS or Common Shares

If the Bank redeems for cash or otherwise acquires Preferred Shares Series BS or Common Shares other than by a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market, the Resident Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Bank, including any redemption premium, in excess of the paid-up capital (as determined for purposes of the Tax Act) of such shares at such time. See "*Dividends*" above. Generally, the difference between the amount paid and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such shares. See "*Dispositions of Preferred Shares Series BS or Common Shares*" above. In the case of a corporate Resident Holder, it is possible that in certain circumstances all or part of the amount so deemed to be a dividend may be treated as proceeds of disposition and not as a dividend.

NVCC Automatic Conversion of Preferred Shares Series BS after the Transfer Date

An NVCC Automatic Conversion of Preferred Shares Series BS into Common Shares after the Transfer Date will be deemed not to be a disposition of the Preferred Shares Series BS and, accordingly, will not give rise to any income or loss. The cost to a Resident Holder of Common Shares received on such an NVCC Automatic Conversion will be deemed to be an amount equal to the adjusted cost base to the Resident Holder of the converted Preferred Shares Series BS immediately before such an NVCC Automatic Conversion. The cost of a Common Share received on such an NVCC Automatic Conversion will be averaged with

the adjusted cost base of all other Common Shares held by the Resident Holder as capital property immediately before such time for the purpose of determining thereafter the adjusted cost base of each such share.

Taxation of Capital Gains and Capital Losses

One-half of the amount of any capital gain (a “**taxable capital gain**”) realized by a Resident Holder in a taxation year will generally be included in the Resident Holder’s income for the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Resident Holder in the year. Any excess allowable capital losses over taxable capital gains of the Resident Holder for that year may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years, subject to the detailed provisions of the Tax Act.

Additional Refundable Tax

A Resident Holder that is throughout the year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax on certain investment income including amounts in respect of interest, dividends received or deemed to be received that are not deductible in computing income for a year and the amount of any taxable capital gains. Any such Resident Holder should consult with its own tax advisors in this regard.

Alternative Minimum Tax

Capital gains realized and taxable dividends received by a Resident Holder who is an individual (other than certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act, is not, and is not deemed to be, resident in Canada, deals at arm’s length with the Bank and any transferee resident (or deemed to be resident) in Canada to whom the Holder disposes of the Notes, is not a “specified non-resident shareholder” of the Bank for purposes of the Tax Act or a non-resident person not dealing at arm's length with a “specified shareholder” (within the meaning of Subsection 18(5) of the Tax Act) of the Bank, and does not use or hold the Notes, Preferred Shares Series BS or Common Shares in a business carried on in Canada (a “**Non-resident Holder**”). Special rules, which are not discussed in this summary, may apply to a Holder that is an insurer that carries on an insurance business in Canada and elsewhere. This summary assumes that no interest paid on the Notes will be in respect of a debt or other obligation to pay an amount to a person with whom the Bank does not deal at arm's length within the meaning of the Tax Act.

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Notes, Preferred Shares Series BS and Common Shares must be determined in Canadian dollars in accordance with the Tax Act, including the amount of interest and dividends required to be included in the income of, and capital gains or capital losses realized by, a Non-resident Holder.

Notes

Interest on and Disposition of the Notes

Under the Tax Act, interest, principal and premium, if any, paid or credited, or deemed to be paid or credited to a Non-resident Holder on Notes will be exempt from Canadian non-resident withholding tax. No other taxes on income (including taxable capital gains) will be payable under the Tax Act in respect of the acquisition, holding, redemption or disposition of Notes, or the receipt of interest, premium or principal thereon by a Non-resident Holder solely as a consequence of such acquisition, holding, redemption or disposition of Notes.

Recourse Events

A Recourse Event will result in a disposition of Notes for purposes of the Tax Act. A Non-resident Holder will not generally be subject to tax under the Tax Act in respect of such disposition. The cost of a Preferred Share Series BS or Common Share received on such Recourse Event will generally equal the fair market value of such share on the date of acquisition and will be averaged with the adjusted cost base of all other Preferred Shares Series BS or Common Shares, as the case may be, held by such Non-resident Holder as capital property immediately before such time for the purpose of determining thereafter the adjusted cost base of each such share.

Preferred Shares Series BS and Common Shares

Dividends

A dividend (including a deemed dividend) paid or credited on the Preferred Shares Series BS or Common Shares to a Non-resident Holder will generally be subject to Canadian non-resident withholding tax under the Tax Act at a rate of 25 percent, subject to any reduction in the rate of such withholding under the provisions of an applicable income tax treaty or convention. For a Non-resident Holder who is a resident of the United States and qualifies for the benefits of the *Canada-United States Tax Convention*, the rate of withholding will generally be reduced to 15 percent.

Dispositions of Preferred Shares Series BS or Common Shares

A Non-resident Holder of Preferred Shares Series BS or Common Shares who disposes of or is deemed to dispose of Preferred Shares Series BS or Common Shares (other than as discussed under “*Acquisitions by the Bank of Preferred Shares Series BS or Common Shares*” below) will not be subject to tax in respect of any capital gain realized on a disposition of Preferred Shares Series BS or Common Shares unless such shares constitute “taxable Canadian property” (as defined in the Tax Act) to the Non-resident Holder at the time of the disposition and the Non-resident Holder is not entitled to relief under an applicable income tax treaty or convention. The Preferred Shares Series BS or Common Shares will be considered taxable Canadian property if such shares are not listed on a “designated stock exchange” (as defined in the Tax Act, and which currently includes the TSX and the NYSE) and, at any time during the 60-month period immediately preceding the disposition, such shares derived (directly or indirectly) more than 50 percent of their fair market value from real or immovable property situated in Canada, Canadian resource properties, timber resource properties or options in respect of, or interests in, or for civil law rights in, any such property, all as defined for the purposes of the Tax Act.

If the Preferred Shares Series BS or Common Shares are considered taxable Canadian property to the Non-resident Holder, a disposition or deemed disposition of such shares will generally give rise to a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Preferred Shares Series BS or Common Shares, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to the Non-resident Holder. Generally, one-half of any such capital gain must be included in the Non-resident Holder’s income for that year and one-half of any such capital loss must be deducted against taxable capital gains realized in that year from dispositions of taxable Canadian property. Certain excess allowable capital losses from the dispositions of taxable Canadian property may be claimed in any of the three preceding taxation years or any subsequent taxation year subject to the rules contained in the Tax Act. In addition, the disposition by a Non-resident Holder of Preferred Shares Series BS or Common Shares that are taxable Canadian property (other than “treaty-exempt property” as defined in the Tax Act) at the time of their disposition may be subject to certain withholding and reporting requirements under section 116 of the Tax Act.

An applicable income tax treaty or convention may apply to exempt a Non-resident Holder from tax under the Tax Act in respect of a disposition of Preferred Shares Series BS or Common Shares notwithstanding that such shares may constitute taxable Canadian property.

Acquisitions by the Bank of Preferred Shares Series BS or Common Shares

If the Bank redeems for cash or otherwise acquires the Preferred Shares Series BS or Common Shares, other than by a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market, the Non-resident Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Bank in excess of the paid-up capital of such shares for purposes of the Tax Act at such time. Such deemed dividend will be subject to the treatment described above under “*Dividends*”. The difference between the amount paid and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on a disposition of such shares. See “*Dispositions of Preferred Shares Series BS or Common Shares*” above.

NVCC Automatic Conversion of Preferred Shares Series BS after the Transfer Date

An NVCC Automatic Conversion of Preferred Shares Series BS into Common Shares after the Transfer Date will be deemed not to be a disposition of the Preferred Shares Series BS and, accordingly, will not give rise to any income or loss. The cost to a Non-resident Holder of Common Shares received on such an NVCC Automatic Conversion will be deemed to be an amount equal to the adjusted cost base to the Non-resident Holder of the converted Preferred Shares Series BS immediately before such an NVCC Automatic Conversion. The cost of a Common Share received on such an NVCC Automatic Conversion will be averaged with the adjusted cost base of all Common Shares held by the Non-resident Holder as capital property immediately before such time for the purpose of determining thereafter the adjusted cost base of each such share.

Ratings

The Notes are expected to be rated A(low) by DBRS Limited (“**DBRS**”), Baa3 by Moody’s Canada Inc. (“**Moody’s**”) and BBB by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (“**S&P**”). Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities and are indicators of the likelihood of the payment capacity and willingness of a company to meet its financial commitment on an obligation in accordance with the terms

of the obligation.

The A rating expected to be assigned to the Notes by DBRS ranks in the lower end of the third highest rating category of DBRS' ten rating categories for long term debt obligations, which range from AAA to D. The Baa rating expected to be assigned to the Notes by Moody's ranks in the lower end of the fourth highest rating category of Moody's nine rating categories for long term debt obligations, which range from Aaa to C. The BBB rating expected to be assigned to the Notes by S&P ranks in the middle of the fourth highest rating category of S&P's ten rating categories for long term debt obligations, which range from AAA to D. DBRS uses the "high" and "low" designations, while S&P uses the "+" or "-" designations, to indicate the relative standing of the securities being rated within a particular rating category. Moody's appends numerical modifiers 1, 2 or 3 to each generic rating classification from Aa through Caa to indicate the relative standing of the securities being rated within a particular rating category. Prospective purchasers of the Notes should consult the relevant rating organization with respect to the interpretation and implications of the foregoing ratings.

The Preferred Shares Series BS are expected to be rated Pfd-2 (high) by DBRS, Baa3 (hyb) by Moody's and BBB (global scale) by S&P.

The Pfd-2 rating expected to be assigned by DBRS is the second highest of six categories available from DBRS for preferred shares, which ranges from Pfd-1 to D. The expected rating of Baa by Moody's is considered medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. The BBB rating expected to be assigned by S&P using its global scale for preferred shares is the third highest of nine categories used by S&P on its global preferred share scale, which ranges from AA to D. DBRS uses the "high" and "low" designations to indicate the relative standing of the securities being rated within a particular rating category. The modifier "3" by Moody's indicates that the obligation ranks in the lower range of the "Baa" rating category. A "(hyb)" indicator is appended to all ratings by Moody's of hybrid securities issued by banks, insurers, finance companies, and securities firms. Prospective purchasers of Preferred Shares Series BS should consult the relevant rating organization with respect to the interpretation and implications of the foregoing.

We have made payments to each of DBRS, Moody's and S&P in connection with the assignment of ratings to our long-term debt and First Preferred Shares and will make payments to each of DBRS, Moody's and S&P in connection with the confirmation of the ratings assigned to the Notes and Preferred Shares Series BS for purposes of the offering hereunder. In addition, we have made payments in respect of certain other services provided to the Bank by such rating agencies during the last two years.

The credit ratings assigned to the Notes and Preferred Shares Series BS are not recommendations to purchase, hold or sell the Notes. The credit ratings do not address market price or suitability for a particular investor. The credit ratings assigned to the Notes and Preferred Shares Series BS may not reflect the potential impact of all risks on the value of the Notes or the Preferred Shares Series BS. In addition, real or anticipated changes in the credit ratings assigned to the Notes or the Preferred Shares Series BS will generally affect the market value of the Notes or the Preferred Shares Series BS, as applicable. There can be no assurance that these ratings will remain in effect for any given period of time or that the ratings will not be revised or withdrawn entirely in the future by DBRS, Moody's or S&P if in their judgment circumstances so warrant.

Plan of Distribution

Under an agreement dated June 1, 2021 between the Agents and us (the "**Agency Agreement**"), the Agents have agreed to act as our agents to offer the Notes for sale to the public on a best efforts basis, if, as and when issued by us, subject to compliance with all necessary legal requirements and in accordance with the terms and conditions of the Agency Agreement. The offering price of the Notes was established by negotiation between us and the Agents. The Agents will receive a fee equal to \$10.00 for each \$1,000 principal amount of Notes sold.

The Preferred Shares Series BS qualified by this prospectus supplement will be issued to the Limited Recourse Trustee. No underwriter has been involved in the offering of the Preferred Shares Series BS qualified by this prospectus supplement. The offering price of the Preferred Shares Series BS was established by us.

The Notes may only be offered and sold in Canada to "accredited investors" (as such term is defined in NI 45-106 or section 73.3 of the *Securities Act* (Ontario), as applicable) who are not individuals unless they are also "permitted clients" (as such term is defined in NI 31-103). Each Agent will represent and covenant, severally and not on a joint and several basis, to the Bank that it will only sell the Notes to such purchasers in Canada. **By purchasing a Note in Canada and accepting delivery of a purchase confirmation such purchaser will be deemed to represent to the Bank and the Agent from whom the purchase confirmation is received that such purchaser is an "accredited investor" (as such term is defined in NI 45-106 or section 73.3 of the *Securities Act* (Ontario), as applicable) who is not an individual unless such purchaser is also a "permitted client" (as such term is defined in NI 31-103).**

The obligations of the Agents under the Agency Agreement may be terminated in their discretion on the basis of their assessment of the state of the financial markets and also upon the occurrence of certain stated events. While the Agents have agreed to use their best efforts to sell the Notes offered under this prospectus supplement, the Agents will not be obligated to purchase any Notes which are not sold.

None of the Notes, the Preferred Shares Series BS nor the Common Shares into which the Preferred Shares Series BS may be converted or for which the Notes may be redeemed upon the occurrence of a Trigger Event have been, or will be, registered under the U.S. Securities Act or any state securities laws, and the Agents have agreed not to (i) buy or offer to buy, (ii) sell or offer to sell or (iii) solicit any offer to buy any Notes as part of any distribution under this prospectus supplement in the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. Person, except that RBC Dominion Securities Inc., acting through a U.S. broker-dealer affiliate, may offer or sell Notes to U.S. Persons that are Qualified Institutional Buyers as defined in Rule 144A under the U.S. Securities Act. In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if that offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act.

In connection with the offering of Notes, the Agents may, subject to applicable laws, over-allot or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

We may withdraw, cancel or modify the offer made hereby without notice and may reject orders in whole or in part (whether placed directly with us or through the Agents). Each Agent may, in its discretion reasonably exercised, reject in whole or in part any offer to purchase Notes received by it.

Neither the Notes nor the Preferred Shares Series BS will be listed on any securities exchange and do not have an established trading market. Each of the Agents may from time to time purchase and sell Notes in the secondary market, but no Agent is obligated to do so, and there is no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, each of the Agents may make a market in the Notes, but the Agents are not obligated to do so and may discontinue any market-making activity at any time.

We indirectly wholly own RBC Dominion Securities Inc., one of the Agents. We are a related and connected issuer of RBC Dominion Securities Inc. under applicable securities legislation. The decision to distribute the Notes and the determination of the terms of the distribution were made through negotiation between us on the one hand and the Agents on the other hand. J.P. Morgan Securities Canada Inc., a dealer in respect of which the Bank is not a related or connected issuer, has participated in the structuring and pricing of this offering of Notes, and in the due diligence activities performed by the Agents for this offering. RBC Dominion Securities Inc. will not receive any benefit from us in connection with this offering, other than a portion of the Agents' fee.

Selling Restrictions

Prohibition of Sales to EEA Retail Investors

Each Agent has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purpose of this provision, a “**retail investor**” means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of 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.

Prohibition of Sales to UK Retail Investors

Each Agent has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purpose of this provision, a “**retail investor**” means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

United Kingdom

Each Agent has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Bank; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

In connection with the offering, the Agents are not acting for anyone other than the Bank and will not be responsible to anyone other than the Bank for providing the protections afforded to their clients nor for providing advice in relation to the offering.

Notice to Prospective Investors in Switzerland

This prospectus supplement is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“**FinSA**”) and no application has been or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this prospectus supplement nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this prospectus supplement nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in Hong Kong

The Notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” in Hong Kong within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Law**”) and each Agent has agreed that it will not offer or sell the Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Korea

The Notes may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The Notes have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the Notes may not be re-sold to Korean residents unless the purchaser of the Notes complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with their purchase.

Notice to Prospective Investors in the People’s Republic of China

Each Agent has represented and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by applicable laws of the People’s Republic of China.

Notice to Prospective Investors in Taiwan

The Notes have not been, and will not be, registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan, the Republic of China (“**Taiwan**”) and/or any other regulatory authority or agency of Taiwan pursuant to applicable securities laws and regulations and the Notes may not be sold, offered or otherwise made available within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Taiwan Securities and Exchange Act or relevant laws and regulations that requires a registration or filing with or the approval of the Financial Supervisory

Commission of Taiwan and/or any other regulatory authority or agency of Taiwan. No person or entity in Taiwan is authorized to offer, sell or otherwise make available any Notes or to provide information relating to this prospectus supplement.

Notice to Prospective Investors in Singapore

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor or to a relevant person, or to any person where such transfer arises from an offer pursuant to Section 275(1A) or Section 276(4)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) where the transfer is by operation of law; (4) as specified in Section 276(7) of the SFA; or (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Notification under section 309B(1) of the SFA and the CMP Regulations 2018

In connection with Section 309B of the SFA and the CMP Regulations 2018, the Bank has determined, and hereby notifies all persons (including all relevant persons (as defined in Section 309A(1) of the SFA)), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Prospective Investors in Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001) in relation to the Notes has been, or will be, lodged with the Australian Securities and Investments Commission ("ASIC"), the Australian Securities Exchange (the "ASX"), or any other stock exchange or trading facility licensed under the Corporations Act. Each Agent has represented and agreed that it:

- (a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any offering circular or any other offering material or advertisement relating to the Notes in Australia,

unless:

- (a) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates (as defined in the Corporations Act)) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act;
- (b) such action complies with all applicable laws, regulations and directives;
- (c) such action does not require any document to be lodged with ASIC or the ASX; and
- (d) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act.

Notice to Prospective Investors in the United Arab Emirates

This prospectus supplement is strictly private and confidential and is being issued to a limited number of investors who are exempt from the requirements of the Securities and Commodities Authority (“SCA”) Board of Directors’ Chairman Decision No.(3/R.M.) of 2017 on the Regulation of Promotion and Introduction (“PIRs”).

No Notes have been or are being publicly offered, sold, promoted or advertised in the United Arab Emirates (“UAE”) in accordance with the PIRs. The Notes will be sold outside the UAE and are not part of a public offering in the UAE. This prospectus supplement and the relevant documents have not been reviewed, approved or licensed by the UAE Central Bank, SCA or any other relevant licensing authorities or governmental agencies in the UAE. This prospectus supplement is strictly private and confidential and has not been reviewed, deposited or registered with any licensing authority or governmental agency in the UAE.

This prospectus supplement must not be shown, made available or provided to any person other than the original recipient and may not be reproduced or used for any other purpose. The Notes may not be offered or sold directly or indirectly to the public in the UAE. If you do not understand the contents of this prospectus supplement you should consult an authorised financial adviser.

Each Agent has represented and agreed that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of Notes.

Risk Factors

An investment in the Notes (and Preferred Shares Series BS and Common Shares upon delivery of the Limited Recourse Trust Assets, including upon the occurrence of a Trigger Event) is subject to certain risks including those set out in this prospectus supplement and the prospectus. Before deciding whether to invest in the Notes, purchasers should consider carefully the risks set out herein and incorporated by reference in this prospectus supplement and the prospectus (including subsequently filed documents incorporated by reference). As an investment in the Notes may become an investment in Preferred Shares Series BS or Common Shares in certain circumstances, potential investors in the Notes should consider the risks set out herein regarding the Preferred Shares Series BS and in the prospectus regarding our First Preferred Shares and Common Shares, in addition to the other risks set out herein regarding the Notes. Prospective purchasers should also consider the categories of risks identified and discussed in our 2020 Management’s Discussion and Analysis and Q2 2021 Management’s Discussion and Analysis, which are incorporated herein by reference.

Pandemics, epidemics or outbreaks of an infectious disease in Canada or worldwide could have an adverse impact on our business, including changes to the way we operate, and on our financial results and condition, and could result in losses on the Notes and/or adversely affect, potentially materially, your ability to resell your Notes.

Pandemics, epidemics or outbreaks of an infectious disease in Canada or worldwide could have an adverse impact on our business, including changes to the way we operate, and on our financial results and condition. The spread of the COVID-19 pandemic, given its severity and scale, continues to adversely affect our business to varying degrees, some of our clients and also continues to pose risks to the global economy. At the onset of the COVID-19 pandemic, governments and regulatory bodies in affected areas imposed a number of measures designed to contain the COVID-19 pandemic, including widespread business closures, social distancing protocols, travel restrictions, school closures, quarantines, and restrictions on gatherings and events. While a number of containment measures have been and continue to be gradually eased or lifted across some regions, additional safety precautions and operating protocols, including the re-imposition of containment measures to varying degrees, aimed at containing the spread of COVID-19, including in light of second and subsequent waves of infections and the emergence and progression of new strains of COVID-19, have been and continue to be instituted in certain regions. In addition, the emergence of a second wave of the COVID-19 pandemic has led to the re-imposition of containment measures to varying degrees in some regions. As a result, containment measures continue to impact global economic activity, including the pace and magnitude of recovery as well as contributing to increased market volatility and changes to the macroeconomic environment. As the impacts of the COVID-19 pandemic continue to materialize, the prolonged effects of the disruption have had and continue to have adverse impacts on our business strategies and initiatives, resulting in ongoing effects to our financial results, including the realization of credit, market or operational risk losses

Governments, monetary authorities, regulators and financial institutions, including us, have taken and continue to take actions in support of the economy and financial system. These actions include fiscal, monetary and other financial measures to increase liquidity, and provide financial aid to individual, small business, commercial and corporate clients. Additionally, regulatory relief measures in support of financial institutions have also been provided.

We are closely monitoring the potential continued effects and impacts of the COVID-19 pandemic, which continues to be a rapidly evolving situation. Uncertainty remains as to the full impacts of the COVID-19 pandemic on the global economy, financial markets, and us, including on our financial results, regulatory capital and liquidity ratios and ability to meet regulatory

and other requirements. The ultimate impacts will depend on future developments that are highly uncertain and cannot be predicted, including the scope, severity, duration and additional subsequent waves of the COVID-19 pandemic, as well as the effectiveness of actions and measures taken by government, monetary and regulatory authorities and other third parties. The ongoing evolution of the development and distribution of vaccines also continues to raise uncertainty. With respect to client relief programs, we may face challenges, including increased risk of client disputes, litigation, government and regulatory scrutiny as a result of the effects of the COVID-19 pandemic on market and economic conditions and actions government authorities take in response to those conditions. We may also face increased operational and reputational risk and financial losses, including higher credit losses amongst other things, depending on the effectiveness of these client relief programs for our individual, small business, commercial and corporate clients. The effectiveness of these programs will depend on the duration and scale of the COVID-19 pandemic and will differ by region and industry, with varying degrees of benefit to our clients.

The COVID-19 pandemic has and may continue to result in disruptions to some of our clients and the way in which we conduct our business, including the closure of certain branches, prolonged duration of staff working from home, and changes to our operations due to higher volumes of client requests, as well as disruptions to key suppliers of our goods and services. These factors have adversely impacted, and may continue to adversely impact, our business operations and the quality and continuity of service to clients. To date, we have taken proactive measures through our business continuity plans to adapt to the ongoing work from home arrangements, carefully planning the return to premise for some of our employees, and our crisis management teams have increased their efforts to preserve the well-being of our employees and our ability to serve clients. Additionally, various temporary relief programs beyond the available government programs were launched to further support our clients in financial need.

In addition to the impact that the COVID-19 pandemic has had and continues to have on our business, it may also continue to increase financial stress on some of our clients. This, in conjunction with operational constraints due to the impacts of social distancing, including but not limited to full closures or reduced operating hours, lost sales opportunities and/or increased operating costs, could lead to increased pressure on some of our individual clients as well as on the financial performance on some of our small business, commercial and corporate clients, which could result in higher than expected credit losses for us.

If the COVID-19 pandemic is prolonged, including the possibility of additional subsequent waves, or further diseases emerge that give rise to similar effects, the adverse impact on the economy could deepen and result in further volatility and declines in financial markets. Moreover, it remains uncertain how the macroeconomic environment, and societal and business norms will be impacted following this COVID-19 pandemic. Unexpected developments in financial markets, regulatory environments, or consumer behaviour and confidence may also have adverse impacts on our financial results and condition, business operations and reputation, for a substantial period of time.

In virtually all aspects of our operations, our view of risks is not static as our business activities expose us to a wide variety of risks. Consistent with our Enterprise Risk Management Framework (ERMF), we actively manage our risks to help protect and enable our businesses. Additionally, we continue to evaluate the impacts that the COVID-19 pandemic has had and continues to have on our business, including the impact on our top and emerging risks, operational and reputational risks as well as credit, market and liquidity and funding risks.

To the extent that the COVID-19 pandemic, or any future epidemics or pandemics, causes material adverse impacts to us, the global economy, and/or financial markets, it could result in losses on the Notes, as well as market volatility and adverse effects on liquidity in the market for the Notes, any of which may affect your ability to resell the Notes.

The Notes and Preferred Shares Series BS are loss-absorption financial instruments that involve significant risk and may not be a suitable investment for all investors.

The Notes and Preferred Shares Series BS are loss-absorption financial instruments designed to comply with applicable Canadian banking regulations and involve significant risks. Each potential investor in the Notes must determine the suitability (either alone or with the help of a financial adviser) of that investment in light of its own circumstances. In particular, each potential investor should understand thoroughly the terms of the Notes and the Preferred Shares Series BS, such as the provisions governing the limited remedies of holders of Notes and NVCC Automatic Conversion, including the circumstances constituting a Trigger Event. A potential investor should not invest in the Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the likelihood of the NVCC Automatic Conversion into Common Shares and the value of the Notes, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this prospectus supplement and the prospectus or incorporated by reference herein.

An investment in the Notes and the Preferred Shares Series BS is subject to our credit risk.

Real or anticipated changes in credit ratings on the Notes or the Preferred Shares Series BS may affect the market value of the Notes and the Preferred Shares Series BS, respectively. In addition, real or anticipated changes in the Bank's credit ratings

could also affect the cost at which the Bank can transact or obtain funding, and thereby affect our liquidity, business, financial condition or results of operations. See our 2020 Management's Discussion and Analysis and Q2 2021 Management's Discussion and Analysis, incorporated by reference in this prospectus supplement, for further discussion of, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on our business, financial condition or results of operations.

A holder of Notes will have limited remedies.

In the event of a non-payment by the Bank of the principal amount of, interest on or redemption price for the Notes when due or the occurrence of an event of default, the sole remedy of holders of Notes shall be the delivery of the Limited Recourse Trust Assets. If the Limited Recourse Trust Assets consist of Preferred Shares Series BS at the time such an event occurs, the Bank will deliver to each Noteholder one Preferred Share Series BS for each \$1,000 principal amount of Notes held, which shall be applied to the payment of the principal amount of the Notes, and such delivery of Preferred Shares Series BS will be each Noteholder's sole remedy against the Bank for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon then due and payable. The market value of the Limited Recourse Trust Assets could be significantly less than the face value of the Notes. In the event that the value of the Limited Recourse Trust Assets delivered to holders of Notes is less than the principal amount of and any accrued and unpaid interest on, or the redemption price of, the Notes, all losses arising from such shortfall shall be borne by such holders and no claim may be made against the Bank.

The Notes will rank subordinate to all higher ranked indebtedness in the event of our insolvency, dissolution or winding-up.

The Notes will be our direct unsecured obligations constituting subordinated indebtedness for the purpose of the Bank Act and will therefore rank subordinate to our deposits. If we become insolvent or are wound-up (prior to the occurrence of a Trigger Event), the Notes will rank: (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness (including certain Subordinated Indebtedness) and (b) in right of payment equally with and not prior to Junior Subordinated Indebtedness (other than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes) of the Bank, in each case from time to time outstanding, provided that in any such case, in case of the Bank's non-payment of the principal amount of, interest on or redemption price for the Notes when due, the sole remedy of the holders of the Notes shall be the delivery of the Limited Recourse Trust Assets. Except to the extent regulatory capital requirements or any resolution regime imposed by the government affect our decisions or ability to issue subordinated or more senior debt, there is no limit on our ability to incur additional subordinated debt or more senior debt.

An investment in the Notes may become an investment in Preferred Shares Series BS or Common Shares of the Bank in certain circumstances.

In the event of a non-payment by the Bank of the principal amount of, interest on or redemption price for the Notes when due, the sole remedy of holders of the Notes will be the delivery of the Limited Recourse Trust Assets, which may comprise Preferred Shares Series BS or, upon a Trigger Event Redemption, Common Shares. Delivery of Limited Recourse Trust Assets to the holders of Notes shall be deemed to be in full satisfaction of the Notes. As a result, you may become a shareholder of the Bank at a time when our financial condition is deteriorating or when we have become insolvent or have been ordered to be wound-up or liquidated. In the event of our liquidation, the claims of our depositors and creditors (including holders of subordinated indebtedness) would be entitled to priority of payment over holders of Preferred Shares Series BS or Common Shares. If we were to become insolvent or be ordered to be wound-up or liquidated after your investment in the Notes has become an investment in Preferred Shares Series BS or Common Shares of the Bank, you may receive, if anything, substantially less than you would have received as a holder of the Notes.

There is no market for the Notes or the Preferred Shares Series BS.

Neither the Notes nor the Preferred Shares Series BS will be listed on any stock exchange and there can be no assurance that there will be a secondary market for the Notes or, after the Transfer Date, the Preferred Shares Series BS. Each of the Agents may from time to time purchase and sell Notes in the secondary market or make a market for the Notes, but no Agent is obliged to do so and there can be no assurance as to a secondary market for the Notes, liquidity in any such market or any market making activities by any Agent.

Where Preferred Shares Series BS are "taxable Canadian property" and not "treaty-exempt property" (both as defined in the Tax Act) of a non-resident holder at the time of their disposition, such holder generally will be required to satisfy certain obligations imposed under section 116 of the Tax Act, in the absence of which a purchaser who intends to acquire such shares would be entitled to withhold 25% of the purchase price. As a result of these administrative requirements, Preferred Shares Series BS that are taxable Canadian property and not treaty exempt property of a non-resident holder may be less liquid than otherwise may be the case. See "Canadian Federal Income Tax Considerations — Holders Not Resident in Canada — Preferred Shares Series BS and Common Shares" for more information.

No additional amounts will be paid on dividends on the Preferred Shares Series BS.

Although under current law, dividends paid or deemed to be paid to non-resident holders of the Preferred Shares Series BS

would generally be subject to Canadian non-resident withholding tax as described under “Canadian Federal Income Tax Considerations — Holders Not Resident in Canada — Preferred Shares Series BS and Common Shares — Dividends, and — Acquisitions by the Bank of Preferred Shares Series BS or Common Shares”, no additional amounts will be paid by the Bank on dividends paid or deemed to be paid on the Preferred Shares Series BS.

The market value of the Notes is subject to interest rate risk and the Notes may trade at a discount from their initial offering price.

Future trading prices of the Notes will depend on many factors, including prevailing interest rates, foreign exchange movements, the market for similar securities, general economic conditions and the Bank’s financial condition, performance, prospects and other factors. If any of the Notes are traded after their initial issuance, they may trade at a discount from their initial offering price.

Prevailing interest rates will affect the market value of the Notes. Assuming all other factors remain unchanged, the market value of the Notes will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Following the Transfer Date, the market value of the Preferred Shares Series BS may fluctuate.

After the Transfer Date, prevailing yields on similar securities will affect the market value of Preferred Shares Series BS. Assuming all other factors remain unchanged, the market value of the Preferred Shares Series BS will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield, T-Bill Rate and comparable benchmark rates of interest for similar securities will also affect the market value of the Preferred Shares Series BS.

The Preferred Shares Series BS are non-cumulative and there is a risk the Bank will be unable to pay dividends on the shares.

The Preferred Shares Series BS are non-cumulative and dividends are payable after the Transfer Date at the discretion of the board of directors. See “Share Capital and Changes in the Bank’s Consolidated Capitalization” and “Earnings Coverage” in this prospectus supplement, each of which is relevant to an assessment of the risk that we will be unable to pay dividends and any redemption price on the Preferred Shares Series BS when due.

Ranking of Preferred Shares Series BS on insolvency, dissolution or winding-up.

The Preferred Shares Series BS are equity capital of the Bank. The Preferred Shares Series BS will rank equally with other preferred shares of the Bank in the event of an insolvency, dissolution or winding-up of the Bank, where an NVCC Automatic Conversion has not occurred. If the Bank becomes insolvent, is dissolved or is wound-up where an NVCC Automatic Conversion has not occurred, the Bank’s assets must be used to pay deposit liabilities and other debt, including subordinated debt, before payments may be made on the Preferred Shares Series BS, if any, and other preferred shares.

The Notes and Preferred Shares Series BS are subject to an automatic and immediate redemption in exchange for Common Shares upon a Trigger Event and an NVCC Automatic Conversion.

Upon the occurrence of a Trigger Event and an NVCC Automatic Conversion, there is no certainty of the value of the Common Shares to be received by the holders of the Notes or the Preferred Shares Series BS and the value of such Common Shares could be significantly less than the face value of the Notes or the Preferred Shares Series BS. Moreover, there may be an illiquid market, or no market at all, in Common Shares received upon an NVCC Automatic Conversion, and investors may not be able to sell the Common Shares at a price equal to the value of their investment and as a result may suffer significant loss.

A Trigger Event involves a subjective determination outside our control.

The decision as to whether a Trigger Event will occur is a subjective determination by the Superintendent that the Bank has ceased, or is about to cease, to be viable and that the conversion of all contingent instruments is reasonably likely, taking into account any other factors or circumstances that are considered relevant or appropriate by the Superintendent, to restore or maintain the viability of the Bank. Such determination will be beyond the control of the Bank. See the definition of Trigger Event under “Description of Preferred Shares Series BS — Conversion Upon Occurrence of a Non-Viability Contingent Capital Trigger Event.”

OSFI has stated that the Superintendent will consult with the Canada Deposit Insurance Corporation (“CDIC”), the Bank of Canada, the Department of Finance and the Financial Consumer Agency of Canada prior to making a non-viability determination. The conversion of contingent instruments alone may not be sufficient to restore an institution to viability and other public sector interventions, including liquidity assistance, would likely be used along with the conversion of contingent instruments to maintain an institution as a going concern.

In assessing whether the Bank has ceased, or is about to cease, to be viable and that, after the conversion of all contingent instruments, it is reasonably likely that the viability of the Bank will be restored or maintained, OSFI has stated that the Superintendent will consider, in consultation with the authorities referred to above, all relevant facts and circumstances. Those

facts and circumstances may include, in addition to other public sector interventions, a consideration of whether, among other things:

- the assets of the Bank are, in the opinion of the Superintendent, sufficient to provide adequate protection to the Bank's depositors and creditors;
- the Bank has lost the confidence of depositors or other creditors and the public (for example, ongoing increased difficulty in obtaining or rolling over short-term funding);
- the Bank's regulatory capital has, in the opinion of the Superintendent, reached a level, or is eroding in a manner, that may detrimentally affect its depositors and creditors;
- the Bank has failed to pay any liability that has become due and payable or, in the opinion of the Superintendent, the Bank will not be able to pay its liabilities as they become due and payable;
- the Bank failed to comply with an order of the Superintendent to increase its capital;
- in the opinion of the Superintendent, any other state of affairs exists in respect of the Bank that may be materially prejudicial to the interests of the Bank's depositors or creditors or the owners of any assets under the Bank's administration; and
- the Bank is unable to recapitalize on its own through the issuance of Common Shares or other forms of regulatory capital (for example, no suitable investor or group of investors exists that is willing or capable of investing in sufficient quantity and on terms that will restore the Bank's viability, nor is there any reasonable prospect of such an investor emerging in the near-term in the absence of conversion of contingent instruments).

If a Trigger Event occurs, then the interests of depositors, other creditors of the Bank, and holders of bank securities which are not contingent instruments will all rank in priority to the holders of contingent instruments, including the Notes or the Preferred Shares Series BS. The Superintendent retains full discretion to choose not to trigger non-viability contingent capital notwithstanding a determination that the Bank has ceased, or is about to cease, to be viable. Under such circumstances, holders of Notes or the Preferred Shares Series BS may be exposed to losses through the use of other resolution tools or in liquidation.

The number and value of Common Shares to be received on an NVCC Automatic Conversion and Trigger Event Redemption is variable and subject to further dilution.

The number of Common Shares to be received for each Note or a Preferred Share Series BS on an NVCC Automatic Conversion and Trigger Event Redemption is calculated by reference to the prevailing market price of Common Shares immediately prior to a Trigger Event, subject to the floor price. If there is an NVCC Automatic Conversion at a time when the Current Market Price of the Common Shares is below the floor price, investors may receive Common Shares with an aggregate market price less than the value of the Notes or Preferred Shares Series BS.

In the circumstances surrounding a Trigger Event, the Superintendent or other governmental authorities or agencies may also require other steps to be taken to restore or maintain the viability of the Bank under the Canadian bank resolution powers, including the injection of new capital and the issuance of additional Common Shares or other securities. Accordingly, holders of Notes or Preferred Shares Series BS will receive Common Shares pursuant to an NVCC Automatic Conversion at a time when other debt obligations of the Bank may be converted into Common Shares, at a conversion rate that is more favorable to the holders of such obligations than the rate applicable to the Notes or Preferred Shares Series BS, and additional Common Shares or securities ranking in priority to the Common Shares may be issued, thereby causing substantial dilution to holders of Common Shares, the holders of shares other than Common Shares, and the holders of Notes or Preferred Shares Series BS that will become holders of Common Shares upon an NVCC Automatic Conversion.

In particular, as part of the Canadian bank resolution powers, certain provisions of, and regulations under, the Bank Act, the Canada Deposit Insurance Corporation Act and certain other Canadian federal statutes pertaining to banks provide for a bank recapitalization regime (collectively, the "**Bail-In Regime**") for banks designated by the Superintendent as domestic systemically important banks, which include the Bank. If the CDIC were to take action under the Canadian bank resolution powers with respect to the Bank, this could result in a conversion of prescribed types of shares and liabilities 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 (a "**Bail-In Conversion**"). Subject to certain exceptions, including for certain structured notes, senior debt issued on or after September 23, 2018, with an initial or amended term to maturity (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and that has been assigned a CUSIP or ISIN or similar identification number, is subject to Bail-In Conversion. Shares, other than Common Shares, and Subordinated Indebtedness are also subject to a Bail-In Conversion, unless they are non-viability contingent capital.

Given that the Notes and Preferred Shares Series BS are subject to NVCC Automatic Conversion, they are not subject to Bail-In Conversion. However, the Bail-In Regime provides that the CDIC must use its best efforts to ensure that the prescribed types of shares and liabilities are converted only if all subordinate prescribed shares and liabilities and any subordinate non-viability

contingent capital (such as the Notes and Preferred Shares Series BS) have previously been converted or are converted at the same time. Accordingly, in the case of a Bail-In Conversion, the Notes and Preferred Shares Series BS would be subject to NVCC Automatic Conversion prior to, or at the same time as, a Bail-In Conversion. In addition, the Bail-in Regime prescribes that holders of unsubordinated or senior ranking instruments that are subject to Bail-In Conversion must receive more common shares per dollar amount converted than holders of any subordinate ranking instruments that are subject to Bail-In Conversion or NVCC instruments converted, including the Notes and Preferred Shares Series BS. The holders of senior ranking instruments that are subject to Bail-In Conversion would therefore receive Common Shares at a conversion rate that would be more favorable to the holders of such obligations than the rate applicable to the Notes and the Preferred Shares Series BS.

Circumstances surrounding a potential NVCC Automatic Conversion will have an adverse effect on the market price of the Notes and Preferred Shares Series BS.

The occurrence of a Trigger Event is a subjective determination by the Superintendent that the conversion of all contingent instruments is reasonably likely to restore or maintain the viability of the Bank. As a result, an NVCC Automatic Conversion may occur in circumstances that are beyond the control of the Bank. Also, even in circumstances where the market expects the Superintendent to cause an NVCC Automatic Conversion, the Superintendent may choose not to take that action. Because of the inherent uncertainty regarding the determination of when an NVCC Automatic Conversion may occur, it will be difficult to predict, when, if at all, the Notes or Preferred Shares Series BS will be mandatorily converted into Common Shares. Accordingly, trading behavior in respect of the Notes or Preferred Shares Series BS is not necessarily expected to follow trading behavior associated with other types of convertible or exchangeable securities. Any indication, whether real or perceived, that the Bank is trending towards a Trigger Event can be expected to have an adverse effect on the market price of the Notes, Preferred Shares Series BS and the Common Shares, whether or not such Trigger Event actually occurs.

Holders of Notes and holders of Preferred Shares Series BS may be exposed to losses through the use of other Canadian bank resolution powers or in liquidation.

The holders of Notes and holders of Preferred Shares Series BS may be exposed to losses through the use of other Canadian bank resolution powers or in liquidation. Under the Canadian bank resolution powers, in circumstances where the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and viability cannot be restored or preserved by exercise of the Superintendent's powers under the Bank Act, the Superintendent, after providing the Bank with a reasonable opportunity to make representations, is required to provide a report to CDIC. Following receipt of the Superintendent's report, CDIC may request the Minister of Finance to recommend that the Governor in Council (Canada) (the "**Governor in Council**") make an order (an "**Order**") and, if the Minister of Finance is of the opinion that it is in the public interest to do so, the Minister of Finance may recommend that the Governor in Council make, and on that recommendation, the Governor in Council may make, one or more Orders vesting in CDIC the shares and subordinated debt of the Bank specified in the Order (a "**vesting order**"), appointing CDIC as receiver in respect of the Bank (a "**receivership order**"), if a receivership order has been made, directing the Minister of Finance to incorporate a federal institution designated in the order as a bridge institution (a "**bridge bank order**") wholly-owned by CDIC and specifying the date and time as of which the Bank's deposit liabilities are assumed; or if a vesting order or receivership order has been made, directing CDIC to carry out a Bail-in Conversion.

Following a vesting order or a receivership order, CDIC will assume temporary control or ownership of the Bank and will be granted broad powers under such Order, including the power to sell or dispose of all or a part of the assets of the Bank, and the power to carry out or cause the Bank to carry out a transaction or a series of transactions the purpose of which is to restructure the business of the Bank. Under a bridge bank order, CDIC has the power to transfer the Bank's insured deposit liabilities and certain assets and other liabilities of the Bank to a bridge institution. Upon the exercise of that power, any assets and liabilities of the Bank that are not transferred to the bridge institution would remain with the Bank, which would then be wound up. In such a scenario, any liabilities of the Bank, including any outstanding Notes, that are not assumed by the bridge institution could receive only partial or no repayment in the ensuing wind-up of the Bank.

There is no limitation on the type of Order that may be made where it has been determined that the Bank has ceased, or is about to cease, to be viable. As a result, a holder of Notes or Preferred Shares Series BS may be exposed to losses through the use of Canadian bank resolution powers other than an NVCC Automatic Conversion or in liquidation.

As a result, a holder of Notes or Preferred Shares Series BS may lose all of its investment, including the principal amount plus any accrued dividends or interest, if the CDIC were to take action under the Canadian bank resolution powers, and any Common Shares into which the Notes or Preferred Shares Series BS are converted upon the occurrence of a Trigger Event, an NVCC Automatic Conversion and a Trigger Event Redemption, may be of little value at the time of an NVCC Automatic Conversion and thereafter.

The Notes are direct unsecured subordinated indebtedness of the Bank which, provided such Notes have not been redeemed for Common Shares upon the occurrence of a Trigger Event, an NVCC Automatic Conversion and a Trigger Event Redemption, rank: (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness (including certain Subordinated Indebtedness) and (b) in right of payment equally with and not prior to Junior Subordinated Indebtedness (other

than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes) of the Bank in the event of the insolvency or winding-up of the Bank. If the Bank becomes insolvent or is wound-up while the Notes remain outstanding, the Bank's assets must be used to pay deposit liabilities and prior and senior ranking indebtedness before payments may be made on the Notes, other subordinated indebtedness and the Common Shares. Subject to the Bank's regulatory capital requirements, there is no limit on the Bank's ability to incur additional subordinated debt. In addition, the terms of the Notes do not restrict the Bank's ability to incur indebtedness that ranks senior to the Notes. Upon the occurrence of a Trigger Event, each Preferred Share Series BS will be automatically converted into Common Shares pursuant to an NVCC Automatic Conversion, and immediately following such NVCC Automatic Conversion, each outstanding Note will automatically and immediately be redeemed for the same number of Common Shares into which the Preferred Shares Series BS converted pursuant to such NVCC Automatic Conversion, such that the terms of the Notes with respect to priority and rights upon liquidation will not be relevant as the Notes will have been converted to Common Shares ranking on parity with all other outstanding Common Shares.

Any potential compensation to be provided through the compensation process under the CDIC Act is unknown.

The *Canada Deposit Insurance Corporation Act* ("CDIC Act") provides for a compensation process for holders of Notes and Preferred Shares Series BS who immediately prior to the making of an Order, directly or through an intermediary, own Notes or Preferred Shares Series BS, as the case may be, that after the Order is made, are converted in whole or in part into Common Shares in accordance with their terms. While this process applies to successors of those holders it does not apply to assignees or transferees of the holder following the making of the Order and does not apply if the amounts owing under the Notes are paid in full.

Under the compensation process, the compensation to which such holders are entitled is the difference, to the extent it is positive, between the estimated liquidation value and the estimated resolution value of the Notes or Preferred Shares Series BS, as the case may be, less an amount equal to an estimate of losses attributable to the conversion of such Notes or Preferred Shares Series BS into Common Shares. The liquidation value is the estimated value the holders would have received if an Order under the *Winding-up and Restructuring Act* (Canada) had been made in respect of the Bank, as if no Order had been made and without taking into consideration any assistance, financial or otherwise, that is or may be provided to the Bank, directly or indirectly, by CDIC, the Bank of Canada, the Government of Canada or a province of Canada, after any Order to wind up the Bank has been made.

The resolution value in respect of the Notes or the Preferred Shares Series BS, as the case may be, is the aggregate estimated value of the following: (a) the Notes or Preferred Shares Series BS, as the case may be, if they are not held by CDIC and they are not converted, after the making of an Order, into Common Shares in accordance with its terms; (b) Common Shares that are the result of a conversion of the Notes or Preferred Shares Series BS, as the case may be, in accordance with their terms after the making of an Order; (c) any dividend or interest payments made, after the making of the Order, with respect to the Notes or Preferred Shares Series BS, as the case may be, to any person other than CDIC; and (d) any other cash, securities or other rights or interests that are received or to be received with respect to the Notes or Preferred Shares Series BS, as the case may be, as a direct or indirect result of the making of the Order and any actions taken in furtherance of the Order, including from CDIC, the Bank, the liquidator of the Bank, if the Bank is wound up, the liquidator of a CDIC subsidiary incorporated or acquired by Order of the Governor in Council for the purposes of facilitating the acquisition, management or disposal of real property or other assets of the Bank that CDIC may acquire as the result of its operations that is liquidated or the liquidator of a bridge institution if the bridge institution is wound up.

In connection with the compensation process, CDIC is required to estimate the liquidation value and the resolution value in respect of the portion of converted Notes or Preferred Shares Series BS, as the case may be, and is required to consider the difference between the estimated day on which the liquidation value would be received and the estimated day on which the resolution value is, or would be, received.

CDIC must, within a period following the Order, make an offer of compensation by notice to the relevant holders that held the Notes or Preferred Shares Series BS equal to, or in value estimated to be equal to, the amount of compensation to which such holders are entitled or provide a notice stating that such holders are not entitled to any compensation. In either case such notice is required to include certain prescribed information, including important information regarding the rights of such holders to seek to object and have the compensation to which they are entitled determined by an assessor (a Canadian Federal Court judge) where holders of liabilities representing at least 10% of the principal amount and accrued and unpaid interest of the liabilities of the same class in the case of the Notes, or at least 10% of the liquidation entitlement of the shares of the same class, in the case of the Preferred Shares Series BS, object to the offer or absence of compensation. The period for objecting is limited (45 days following the day on which a summary of the notice is published in the *Canada Gazette*) and failure by holders holding a sufficient principal amount plus accrued and unpaid interest of the Notes or sufficient liquidation entitlement of the Preferred Shares Series BS to object within the prescribed period will result in the loss of any ability to object to the offered compensation or absence of compensation, as applicable. CDIC will pay the relevant holders the offered compensation within 135 days after the date on which a summary of the notice is published in the *Canada Gazette* if the offer of compensation is accepted, the holder does not notify CDIC of acceptance or objection to the offer or if the holder objects to the offer but the 10% threshold described above is not met within the aforementioned 45-day period.

Where an assessor is appointed, the assessor could determine a different amount of compensation payable, which could either be higher or lower than the original amount. The assessor is required to provide holders, whose compensation it determines, notice of its determination. The assessor's determination is final and there are no further opportunities for review or appeal. CDIC will pay the relevant holders the compensation amount determined by the assessor within 90 days of the assessor's notice.

A similar compensation process to the one set out above applies, in certain circumstances, where as a result of CDIC's exercise of bank resolution powers, Notes are assigned to an entity which is then wound-up.

Given the considerations involved in determining the amount of compensation, if any, that a holder that held Notes or Preferred Shares Series BS may be entitled to following an Order, it is not possible to anticipate what, if any, compensation would be payable in such circumstances.

Following an NVCC Automatic Conversion or Trigger Event Redemption, you will no longer have rights as a holder of Notes or Preferred Shares Series BS and will only have rights as a holder of Common Shares.

Upon an NVCC Automatic Conversion and subsequent Trigger Event Redemption, the rights, terms and conditions of the Notes or Preferred Shares Series BS, as applicable, including with respect to priority and rights on liquidation, will no longer be relevant as all such Notes or Preferred Shares Series BS, as applicable, will have been redeemed or converted, as the case may be, on a full and permanent basis without the consent of the holders thereof into Common Shares ranking on parity with all other outstanding Common Shares. Given the nature of the Trigger Event, a holder of Notes or Preferred Shares Series BS, as applicable, will become a holder of Common Shares at a time when the Bank's financial condition has deteriorated. If the Bank were to become insolvent, is dissolved or wound-up after the occurrence of a Trigger Event, as holders of Common Shares investors may receive substantially less than they might have received had the Notes or Preferred Shares Series BS, as applicable, not been redeemed or converted, as the case may be, for Common Shares.

An NVCC Automatic Conversion may also occur at a time when a federal or provincial government or other government agency in Canada has provided, or will provide, a capital injection or equivalent support, the terms of which may rank in priority to the Common Shares with respect to the payment of dividends, rights on liquidation or other terms. Further, holders of Notes and Preferred Shares Series BS will receive Common Shares pursuant to an NVCC Automatic Conversion at a time when other debt obligations of the Bank may be converted into Common Shares, and additional Common Shares or securities ranking in priority to the Common Shares may be issued, thereby causing substantial dilution to holders of Common Shares and the holders of Notes and Preferred Shares Series BS, who will become holders of Common Shares upon the Trigger Event.

Holders of Notes or Preferred Shares Series BS do not have anti-dilution protection in all circumstances.

The floor price that is used to calculate the Conversion Price is subject to adjustment in a limited number of events: (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all holders of Common Shares as a stock dividend, (ii) the subdivision, redivision or change of the Common Shares into a greater number of Common Shares, or (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of Common Shares. In addition, in the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Common Shares after the date of this prospectus supplement, the Bank will take necessary action to ensure that holders of Preferred Shares Series BS receive, pursuant to an NVCC Automatic Conversion, the number of Common Shares or other securities that such holders would have received if the NVCC Automatic Conversion occurred immediately prior to the record date for such event. However, there is no requirement that there should be an adjustment of the floor price or other anti-dilutive action by the Bank for every corporate or other event that may affect the market price of the Common Shares. Accordingly, the occurrence of events in respect of which no adjustment to the floor price is made may adversely affect the number of Common Shares issuable to a holder of Preferred Shares Series BS and thereafter delivered to a holder of Notes upon an NVCC Automatic Conversion and subsequent Trigger Event Redemption.

The interest rate in respect of the Notes will reset.

The interest rate in respect of Notes will reset every five years. In each case, the new interest rate is unlikely to be the same as, and may be lower than, the interest rate for the applicable preceding interest rate period.

The Bank may redeem the Notes in certain situations.

The Bank may elect to redeem the Notes, or the Notes may be automatically redeemed, without the consent of the holders of the Notes in the circumstances described under "Description of the Notes – Redemption" and "Description of Preferred Shares Series BS — Redemption." If the Bank redeems the Notes in any of the circumstances mentioned above, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low, in which latter case investors may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at the time and consider potential uncertainty with respect to both the rate of interest payable on the Notes, which may fluctuate, and with respect to the length of the remaining term of the Notes, which will be dependent upon whether or not

the Notes are redeemed prior to their maturity.

The dividend rate in respect of the Preferred Shares Series BS will reset.

The dividend rate in respect of Preferred Shares Series BS will reset every five years. The new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding dividend period.

The Bank may redeem the Preferred Shares Series BS at its option in certain situations.

The Bank may elect to redeem the Preferred Shares Series BS without the consent of the holders of the Preferred Shares Series BS in the circumstances described under “Description of Preferred Shares Series BS – Redemption”. In addition, the redemption of Preferred Shares Series BS is subject to the consent of the Superintendent and other restrictions contained in the Bank Act and the regulations and guidelines thereunder, including the OSFI Capital Adequacy Requirements (CAR) Guideline, as may be amended from time to time. See “Bank Act Restrictions” in the prospectus and “Description of Preferred Shares Series BS – Restriction on Dividends and Retirement of Shares” in this prospectus supplement. In the event of the redemption of the Preferred Shares Series BS prior to the Transfer Date, outstanding Notes with an aggregate principal amount equal to the aggregate face amount of the Preferred Shares Series BS redeemed will be automatically redeemed.

The Bank reserves the right not to deliver Common Shares upon an NVCC Automatic Conversion and Trigger Event Redemption.

Upon an NVCC Automatic Conversion and Trigger Event Redemption, the Bank reserves the right not to deliver some or all, as applicable, of the Common Shares issuable or deliverable thereupon to any person whom the Bank has reason to believe is an Ineligible Person or any person who, by virtue of the operation of the NVCC Automatic Conversion or Trigger Event Redemption, would become a Significant Shareholder through the acquisition of Common Shares. In such circumstances, the Bank will attempt to facilitate the sale of such Common Shares. Those sales (if any) may be made at any time and at any price. The Bank will not be subject to any liability for failure to sell such Common Shares on behalf of such persons or at any particular price on any particular day.

The Bank has no limitation on issuing senior or pari passu securities.

The Series 3 indenture governing the Notes will not contain any financial covenants and will contain only limited restrictive covenants. In addition, the Series 3 indenture will not limit the Bank’s or its subsidiaries’ ability to incur additional indebtedness, issue or repurchase securities or engage in transactions with affiliates. The Bank’s ability to incur additional indebtedness and use its funds for any purpose in the Bank’s discretion may increase the risk that the Bank may be unable to service its debt, including paying its obligations under the Notes.

The Notes are not covered by deposit insurance.

The Notes will not be deposits insured under the CDIC or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution. Therefore, you will not be entitled to insurance from the Canada Deposit Insurance Corporation or other such protection, and as a result, you could lose all or a portion of your investment.

Transfer Agent and Registrar

Computershare Trust Company of Canada at its offices in the cities of Toronto and Montreal will be the transfer agent and registrar for the Preferred Shares Series BS.

The trustee and registrar of the Notes is Computershare Trust Company of Canada at its offices in the cities of Toronto and Montreal.

Legal Matters

Certain legal matters relating to this offering will be passed upon by Osler, Hoskin & Harcourt LLP on our behalf and by McCarthy Tétrault LLP on behalf of the Agents. Sullivan & Cromwell LLP are advising us as to United States law matters.

Interests of Experts

As at June 3, 2021, the partners and associates of each of Osler, Hoskin & Harcourt LLP and McCarthy Tétrault LLP beneficially owned, directly or indirectly, less than 1% of the issued and outstanding securities of each class of the Bank or of any associate or affiliate of the Bank.

Statutory Rights of Withdrawal and Rescission

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any

amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

Certificate of the Dealers

Dated: June 3, 2021

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement as required by the securities legislation of all provinces and territories of Canada.

RBC DOMINION SECURITIES INC.

(signed)
“Peter Hawkrigg”

SCOTIA CAPITAL INC.

(signed)
“Graham Fry”

BMO
NESBITT
BURNS INC.

(signed)
“Michael Cleary”

CIBC WORLD
MARKETS
INC.

(signed)
“Amber Choudhry”

DESJARDINS
SECURITIES
INC.

(signed)
“Ryan Godfrey”

MERRILL
LYNCH
CANADA INC.

(signed)
“Jonathan Amar”

NATIONAL
BANK
FINANCIAL
INC.

(signed)
“John Carrique”

TD
SECURITIES
INC.

(signed)
“Greg McDonald”

WELLS FARGO
SECURITIES CANADA,
LTD.

(signed)
“Darin Deschamps”

HSBC SECURITIES
(CANADA) INC.

(signed)
“Bradley Meiers”

IA PRIVATE WEALTH
INC.

(signed)
“David Anderson”

LAURENTIAN BANK
SECURITIES INC.

(signed)
“Benoit Lalonde”

MANULIFE
SECURITIES
INCORPORATED

(signed)
“William Porter”

Short Form Base Shelf Prospectus

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus is referred to as a base shelf prospectus and has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Investor Relations, Royal Bank of Canada, 200 Bay Street, South Tower, Toronto, Ontario, Canada, M5J 2J5, telephone (416) 955-7802, and are also available electronically at www.sedar.com.

Short Form Base Shelf Prospectus

February 27, 2020

New Issue



Royal Bank of Canada \$25,000,000,000

Senior Debt Securities (Unsubordinated Indebtedness) Debt Securities (Subordinated Indebtedness) First Preferred Shares

Royal Bank of Canada (“**the Bank**”, “**we**”, “**us**” or “**our**”) may from time to time offer: (i) unsecured unsubordinated debt securities (the “**Senior Debt Securities**”); (ii) unsecured subordinated debt securities (the “**Subordinated Debt Securities**”); and (iii) first preferred shares (the “**First Preferred Shares**”) under this prospectus. We may offer Senior Debt Securities, Subordinated Debt Securities and First Preferred Shares (collectively, the “**Securities**”) separately or together, in amounts, at prices and on terms to be described in one or more prospectus supplements. We may sell up to \$25 billion in aggregate initial offering price of Securities (or the Canadian dollar equivalent thereof if any of the Securities are denominated in a foreign currency or currency unit) during the 25 month period that this prospectus, including any amendments hereto, remains valid.

The specific terms of the Securities in respect of which this prospectus is delivered will be described in one or more prospectus supplements. All shelf information permitted under applicable securities legislation to be omitted from this prospectus will be contained in one or more prospectus supplements that will be delivered to purchasers together with this prospectus.

Senior Debt Securities will be our direct unsecured unsubordinated obligations that rank equally and rateably with all of our other unsecured and unsubordinated debt, including deposit liabilities, other than certain governmental claims and as otherwise prescribed by law and subject to the exercise of Canadian bank resolution powers.

Subordinated Debt Securities will be our direct unsecured obligations constituting subordinated indebtedness for the purposes of the *Bank Act* (Canada) (the “**Bank Act**”) that will rank equally and rateably with, or junior to, our other subordinated indebtedness from time to time outstanding (other than subordinated indebtedness which has been further subordinated in accordance with its terms).

Neither our Senior Debt Securities nor our Subordinated Debt Securities (together, “Debt Securities”) will constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.

Our First Preferred Shares are issuable in series, all of which rank on parity and are entitled to preference over our second preferred shares and common shares and over any other shares ranking junior to the First Preferred Shares with respect to the payment of dividends and the distribution of property in the event of our liquidation, dissolution or winding-up. Our outstanding First Preferred Shares are listed on the Toronto Stock Exchange (the “**TSX**”).

Effective January 1, 2013, in accordance with capital adequacy requirements adopted by the Office of the Superintendent of Financial Institutions (Canada), non-common capital instruments issued after January 1, 2013, including subordinated debt securities or first preferred shares, must include terms providing for the full and permanent conversion of such securities into common shares upon the occurrence of certain trigger events relating to financial viability (the “**Non-Viability Contingent Capital Provisions**”) in order to qualify as regulatory capital. The specific terms of any Non-Viability Contingent Capital

Provisions for any Subordinated Debt Securities and First Preferred Shares that we issue under this prospectus will be described in one or more prospectus supplements relating to such Securities.

Unless otherwise disclosed in a prospectus supplement relating to specific Securities, there may be no market through which Securities may be sold and purchasers may not be able to resell Securities purchased under this prospectus. This may affect the pricing of Securities in the secondary market, the transparency and availability of trading prices of Securities, the liquidity of Securities and the extent of issuer regulation. See “Risk Factors”.

Securities may be sold through underwriters or dealers, by us directly pursuant to applicable law or through agents designated by us from time to time. See “Plan of Distribution”. A prospectus supplement will identify each underwriter, dealer or agent, if any, engaged in connection with the offering and sale of Securities, and will also set forth the terms of the offering of such Securities including the net proceeds to us and, to the extent applicable, any fees payable to the underwriters, dealers or agents. Unless otherwise specified in the prospectus supplement, offerings of Securities under this prospectus are subject to approval of certain legal matters on our behalf by Norton Rose Fulbright Canada LLP.

Toos N. Daruvala, Maryann Turcke, Bridget A. van Kralingen, Thierry Vandal and Jeffery W. Yabuki (each a director of the Bank resident outside of Canada), have appointed Aglaya Redekopp, Royal Bank Plaza, 200 Bay Street, 12th Floor, South Tower, Toronto, Ontario, Canada, M5J 2J5, as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if such person has appointed an agent for service of process.

The Bank’s corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, Canada, M5J 2Z4, and its head office is located at 1 Place Ville-Marie, Montreal, Quebec, Canada, H3B 1R1.

Table of Contents

<u>Page</u>	<u>Page</u>
Caution Regarding Forward-Looking Statements	3
Royal Bank of Canada	4
Documents Incorporated by Reference.....	4
Share Capital.....	5
Changes in the Bank’s Consolidated Capitalization	5
Description of Common Shares of the Bank	5
Description of the Securities that May be Offered under this Prospectus	5
Book-Entry-Only Securities	7
Bank Act Restrictions.....	9
Earnings Coverage.....	9
Plan of Distribution	9
Risk Factors	10
Use of Proceeds	11
Legal Matters.....	11
Statutory Rights of Withdrawal and Rescission	11
Certificate of the Bank.....	C-1

In this prospectus, unless the context otherwise indicates, “the Bank”, “we”, “us” or “our” means Royal Bank of Canada together, if the context requires, with its subsidiaries. All dollar amounts referred to in this prospectus are expressed in Canadian dollars unless otherwise specifically expressed.

Caution Regarding Forward-Looking Statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in this prospectus, in the documents incorporated by reference in this prospectus, in other filings with Canadian regulators or the United States (“U.S.”) Securities and Exchange Commission, in reports to shareholders, and in other communications. Forward-looking statements in this prospectus, or incorporated by reference in this prospectus include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals, the economic, market, and regulatory review and outlook for Canadian, U.S., European and global economies, the regulatory environment in which we operate, and the risk environment, including our liquidity and funding risk. The forward-looking information contained in, or incorporated by reference in, this document is presented for the purpose of assisting the holders of our securities, potential purchasers of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, as well as our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, liquidity and funding, insurance, operational, regulatory compliance, strategic, reputation, legal and regulatory environment, competitive and systemic risks and other risks discussed in the risk sections of our management’s discussion and analysis for the year ended October 31, 2019 as contained in our 2019 Annual Report (the “**2019 Management’s Discussion and Analysis**”) and the Risk management section of our management’s discussion and analysis for the three months ended January 31, 2020 (the “**Q1 2020 Management’s Discussion and Analysis**”), including information technology and cyber risk, privacy, data and third party related risks, geopolitical uncertainty, Canadian housing and household indebtedness, regulatory changes, digital disruption and innovation, climate change, the business and economic conditions in the geographic regions in which we operate, the effects of changes in government fiscal, monetary and other policies, tax risk and transparency and environmental and social risk.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Material economic assumptions underlying the forward looking statements contained in, or incorporated by reference in, this prospectus are set out in the Economic, market and regulatory review and outlook section and for each business segment under the Strategic priorities and Outlook headings in our 2019 Management’s Discussion and Analysis, as updated by the Economic, market and regulatory review and outlook section of our Q1 2020 Management’s Discussion and Analysis. Except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

Additional information about these and other factors can be found in the risk sections of our 2019 Management’s Discussion and Analysis and the Risk management section of our Q1 2020 Management’s Discussion and Analysis incorporated by reference in this prospectus.

Royal Bank of Canada

Royal Bank of Canada is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 85,000+ employees who bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada's biggest bank, and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our 17 million clients in Canada, the U.S. and 34 other countries.

Documents Incorporated by Reference

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada (the "Commissions"). The Commissions allow us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. Information that is incorporated by reference is an important part of this prospectus. Copies of the documents incorporated herein by reference may be obtained on request without charge from Investor Relations, Royal Bank of Canada, 200 Bay Street, South Tower, Toronto, Ontario, Canada, M5J 2J5, telephone (416) 955-7802, and are also available electronically at www.sedar.com and in the investor relations section of our website at www.rbc.com/investorrelations.

We incorporate by reference the documents listed below, which documents have been filed with the Superintendent of Financial Institutions (Canada) (the "**Superintendent**") and the Commissions:

- (a) our unaudited interim condensed consolidated financial statements, which comprise the condensed consolidated balance sheets as of January 31, 2020 and October 31, 2019, and the related condensed consolidated statements of income, comprehensive income, changes in equity, and cash flows for the three months ended January 31, 2020 and January 31, 2019, including selected explanatory notes, presented in compliance with International Accounting Standard 34 – Interim Financial Reporting, and our Q1 2020 Management's Discussion and Analysis;
- (b) our audited annual consolidated financial statements, which comprise the consolidated balance sheets as of October 31, 2019 and 2018, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the years then ended, including the related notes, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), Management's Report on Internal Control over Financial Reporting as of October 31, 2019, the Independent Auditor's Report dated December 3, 2019, the Report of Independent Registered Public Accounting Firm dated December 3, 2019, and our 2019 Management's Discussion and Analysis;
- (c) our annual information form dated December 3, 2019 (the "**2019 AIF**"); and
- (d) our management proxy circular dated February 11, 2019 for our annual meeting of common shareholders held on April 4, 2019.

Any documents of the type referred to in the preceding paragraph or required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including material change reports (excluding confidential material change reports), interim financial statements and related management's discussion and analysis and marketing materials, filed by us with the Commissions after the date of this prospectus and prior to the completion or withdrawal of any offering hereunder, are deemed to be incorporated by reference in this prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus or contained in this prospectus is deemed to be modified or superseded, for purposes of this prospectus, to the extent that a statement contained in this prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

When a new annual information form, annual consolidated financial statements and management's discussion and analysis accompanying such financial statements are filed by us with, and, where required, accepted by, applicable securities regulatory

authorities, our previous annual information form, annual consolidated financial statements and management's discussion and analysis accompanying such financial statements, all quarterly consolidated financial statements and any management's discussion and analysis accompanying such financial statements and management proxy circulars filed prior to the commencement of our financial year with respect to which the new annual information form is filed, and all material change reports filed in such financial year, will be deemed to be no longer incorporated by reference in this prospectus for purposes of future offers and sales of Securities under this prospectus.

We will deliver one or more prospectus supplements containing the specific variable terms of any Securities offered to purchasers of the Securities together with this prospectus and each such prospectus supplement will be deemed to be incorporated by reference into this prospectus for the purposes of securities legislation as of the date of the prospectus supplement and only for the purpose of the offering of the Securities covered by such prospectus supplement.

We will file updated earnings coverage ratios quarterly with the Commissions, which updates will be deemed to be incorporated by reference into this prospectus.

Share Capital

Our authorized capital consists of: (i) an unlimited number of common shares, without nominal or par value; (ii) an unlimited number of First Preferred Shares, without nominal or par value, which may be issued for a maximum aggregate consideration of \$20 billion; and (iii) an unlimited number of second preferred shares, without nominal or par value, which may be issued for a maximum aggregate consideration of \$5 billion. As at February 25, 2020, we had 1,424,062,771 common shares, 227,015,385 First Preferred Shares and no second preferred shares outstanding.

Changes in the Bank's Consolidated Capitalization

Since the quarter ended January 31, 2020, the Bank has repurchased for cancellation an aggregate of 100,000 Common Shares under the Bank's normal course issuer bid as at February 25, 2020.

Description of Common Shares of the Bank

The holders of our common shares are entitled to notice of, to attend and to one vote per common share at all meetings of our shareholders, except meetings at which only holders of a specified class, other than common shares, or series of shares are entitled to vote. The holders of our common shares are entitled to receive dividends if, as and when declared by our board of directors, subject to the preference of our preferred shares. After payment to the holders of our preferred shares of the amount or amounts to which they may be entitled, and after payment of all outstanding debts, the holders of our common shares will be entitled to receive the remaining property of the Bank upon liquidation, dissolution or winding-up.

Our directors may declare, and we may pay, dividends in money or property or by the issue of our common shares or options or rights to acquire our common shares. We have an uninterrupted history of paying dividends on our common shares in each year since 1870. The declaration and payment of future dividends and the amount of dividends will be subject to the discretion of our directors and will be dependent upon our results of operations, financial condition, cash requirements and future prospects, and regulatory restrictions on the payment of dividends by us, and other factors deemed relevant by our directors. Our directors may not declare, and we may not pay, a dividend if there are reasonable grounds for believing that we are, or the payment would cause us to be, in contravention of any regulation made under the Bank Act respecting the maintenance by banks of adequate capital and appropriate forms of liquidity, or if so directed by the Superintendent regarding our capital or liquidity.

Our common shares are listed on the TSX, the New York Stock Exchange and the SIX Swiss Exchange under the trading symbol "RY".

Description of the Securities that May be Offered under this Prospectus

Debt Securities

The following is a general description of our Debt Securities. The particulars of any series of Debt Securities offered, and the extent to which the general terms described below apply to such Debt Securities, will be described in one or more prospectus supplements. Since the terms of a series of Debt Securities may differ from the general information provided in this prospectus, in all cases you should rely on the information in the applicable prospectus supplement(s) where it differs from information in this prospectus.

Senior Debt Securities will be our direct unsubordinated obligations that rank equally and rateably with all of our unsecured and unsubordinated debt, including deposit liabilities, other than certain governmental claims, as otherwise prescribed by law and subject to the exercise of Canadian bank resolution powers.

Subordinated Debt Securities will be our direct unsecured obligations, constituting subordinated indebtedness for the purposes of the Bank Act, and will rank equally and rateably with, or junior to, our other subordinated indebtedness from time to time outstanding (other than subordinated indebtedness which has been further subordinated in accordance with its terms). In the event of our insolvency, dissolution or winding-up, our outstanding subordinated indebtedness (including any Subordinated Debt Securities issued hereunder if a trigger event has not occurred as contemplated under the specific Non-Viability Contingent Capital Provisions as may be applicable to such Securities) will be subordinate in right of payment to the prior payment in full of our deposit liabilities and all of our other liabilities, including Senior Debt Securities, certain governmental claims and as otherwise prescribed by law, except liabilities which by their terms rank equally in right of payment with, or are subordinate to, such subordinated indebtedness.

Subject to regulatory capital requirements applicable to us, there is no limit on the amount of Senior Debt Securities or Subordinated Debt Securities we may issue.

If we become insolvent, the Bank Act provides that priorities among payments of our deposit liabilities and payments of all of our other liabilities (including payments in respect of Senior Debt Securities and Subordinated Debt Securities) are to be determined in accordance with the laws governing priorities and, where applicable, by the terms of the indebtedness and liabilities. Because we have subsidiaries, our right to participate in any distribution of the assets of our banking or non-banking subsidiaries, upon a subsidiary's dissolution, winding-up, liquidation or reorganization or otherwise, and thus your ability to benefit indirectly from such distribution, is subject to the prior claims of creditors of that subsidiary, except to the extent that we may be a creditor of that subsidiary and our claims are recognized. There are legal limitations on the extent to which some of our subsidiaries may extend credit, pay dividends or otherwise supply funds to, or engage in transactions with, us or some of our other subsidiaries.

Neither our Senior Debt Securities nor our Subordinated Debt Securities will constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution.

The specific terms of Debt Securities that we issue under this prospectus will be described in one or more prospectus supplements and may include, where applicable: the specific designation, aggregate principal amount, the currency or the currency unit for which such securities may be purchased, maturity, interest provisions, authorized denominations, offering price, any terms for redemption at our option or the holder's option, any exchange or conversion terms and any other specific terms.

In addition, this prospectus qualifies the issuance of Senior Debt Securities in respect of which the payment of principal and/or interest may be determined or linked, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, a currency, consumer price or mortgage index, or the price or value of one or more commodities, indices, securities, financial ratios or other items, or other model or formula, or any combination or basket of the foregoing items. The specifics of any such provisions will be described in applicable prospectus supplements. In compliance with applicable Canadian securities laws, we will file an undertaking with the Commissions that we will not distribute, among other things, any Debt Securities that are considered novel specified derivatives or asset-backed securities (as such terms are defined under applicable Canadian securities laws) at the time of distribution without preclearing with the Commissions the disclosure contained in the prospectus supplement(s) pertaining to such Debt Securities in accordance with applicable Canadian securities laws.

Debt Securities may be issued up to the aggregate principal amount which may be authorized from time to time by us. We may issue Debt Securities under one or more indentures (in each case between us and a trustee determined by us in accordance with applicable laws) or pursuant to a fiscal agency and paying agency agreement (between us and an agent, which agent may be an affiliate of or otherwise non-arm's length to us). Any series of Debt Securities may also be created and issued without a trust indenture or a fiscal agency and paying agency agreement. We may also appoint a calculation agent in connection with any Debt Securities issued under this prospectus, which agent may be an affiliate of or otherwise non-arm's length to us. We make reference to the applicable prospectus supplements which will accompany this prospectus for the terms and other information with respect to the offering of Debt Securities being offered thereby.

At our option, Debt Securities may be issued in fully registered form, in bearer form or in "book-entry-only" form. See "Book-Entry-Only Securities" below. Debt Securities in registered form will be exchangeable for other Debt Securities of the same series and tenor, registered in the same name, for the same aggregate principal amount in authorized denominations and will be

transferable at any time or from time to time at the corporate trust office of the trustee for the Debt Securities. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

For a list of our senior long-term debt credit ratings, refer to the “Risk management – Liquidity and funding risk – Credit ratings” section of our 2019 Management's Discussion and Analysis incorporated by reference in this prospectus.

First Preferred Shares

The following is a general description of the First Preferred Shares. The particulars of any series of First Preferred Shares offered and the extent to which the general terms described below may apply to such First Preferred Shares will be described in a prospectus supplement. Since the terms of a series of First Preferred Shares may differ from the general information provided in this prospectus, in all cases you should rely on the information in the applicable prospectus supplement where it differs from information in this prospectus.

We may issue First Preferred Shares from time to time, in one or more series with such series rights, privileges, restrictions and conditions as our board of directors may determine by resolution, subject to the Bank Act and to the Bank's by-laws. The specific terms and conditions of any series of First Preferred Shares that we issue under this prospectus will be described in one or more prospectus supplements and may include the designation of the particular series, the aggregate amount, the number of shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at our option or the holder's option, any exchange or conversion terms and any other specific terms.

The First Preferred Shares of each series rank *pari passu* with the First Preferred Shares of every other series and outstanding First Preferred Shares (including any First Preferred Shares issued hereunder if a trigger event has not occurred as contemplated under the specific Non-Viability Contingent Capital Provisions applicable to such First Preferred Shares) are entitled to preference over the second preferred shares and common shares of the Bank and over any other shares ranking junior to the First Preferred Shares with respect to the payment of dividends and in the distribution of property in the event of our liquidation, dissolution or winding-up.

The holders of the First Preferred Shares are not entitled to any voting rights except as provided below or by law. The Non-Cumulative First Preferred Shares, Series C-2 have certain limited voting rights as described in our 2019 AIF.

Pursuant to our by-laws, we may not, without the prior approval of the holders of the First Preferred Shares as a class (in addition to such approvals as may be required by the Bank Act or any other legal requirement), (i) create or issue any shares ranking in priority to the First Preferred Shares or (ii) create or issue any additional series of First Preferred Shares or any shares ranking *pari passu* with the First Preferred Shares unless at the date of such creation or issuance all cumulative dividends up to and including the dividend payment for the last completed period for which such cumulative dividends are payable have been declared and paid or set apart for payment in respect of each series of cumulative First Preferred Shares then issued and outstanding and any declared and unpaid non-cumulative dividends have been paid or set apart for payment in respect of each series of non-cumulative First Preferred Shares then issued and outstanding. Currently, there are no outstanding First Preferred Shares which carry the right to cumulative dividends.

No amendment may be made to the rights, privileges, restrictions or conditions of the First Preferred Shares as a class without the approval of the holders of First Preferred Shares voting separately as a class.

The approval of all amendments to the provisions attaching to the First Preferred Shares as a class and any other approval to be given by the holders of the First Preferred Shares may be given in writing by the holders of not less than all of the outstanding First Preferred Shares or by a resolution carried by the affirmative vote of not less than 66 $\frac{2}{3}$ % of the votes cast at a meeting of holders of First Preferred Shares at which a quorum of the outstanding First Preferred Shares is represented. A quorum at any meeting of holders of First Preferred Shares is 51% of the shares entitled to vote at such meeting, except that at a reconvened meeting following a meeting that was adjourned due to lack of quorum there is no quorum requirement.

Book-Entry-Only Securities

Unless otherwise specified in the applicable prospectus supplement, Securities will be issued through the “book-entry-only system” and must be purchased, transferred or redeemed through financial institutions that participate in the depository service of CDS Clearing and Depository Services Inc. (“CDS”). We refer to those financial institutions who are participants in the depository service of CDS as “**participants**”. Participants include securities brokers and dealers, banks and trust companies. On the date of closing of any offering of Securities, such Securities will be registered in the name of CDS or its nominee, as the case may be, which will hold such Securities as depository on behalf of the participants. The participants in turn will hold beneficial interests in such Securities on behalf of themselves or their customers.

Except as described below, a purchaser acquiring a beneficial interest in Securities will not be entitled to a certificate or other instrument from the Bank, any trustee or the depository evidencing that purchaser's interest therein, and such purchaser will not be shown on the records maintained by the depository, except through a book-entry account of a participant acting on behalf of such purchaser. Each such purchaser of Securities will receive a customer confirmation of purchase from the registered dealer through whom the Securities are purchased in accordance with the practices and procedures of that registered dealer.

As long as the Securities are held in the book-entry-only system, we will recognize only the depository as the holder of the Securities and we will make all payments on the Securities, including deliveries of any property other than cash, to the depository. The depository passes along the payments it receives to its participants, which in turn pass the payments along to their customers who are the beneficial owners. We understand that the depository and its participants do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the Securities.

As a result, investors will not own Securities directly. Instead, they will own beneficial interests in the Securities, through a bank, broker or other financial institution that participates in the depository's book-entry-only system or holds an interest through a participant. As long as the Securities are held in the book-entry-only system, investors will be indirect owners, and not registered holders, of Securities.

Neither we nor the underwriters, agents or dealers in connection with any offering of Securities will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of Securities held by a depository or the payments or deliveries relating thereto; (b) maintaining, supervising or reviewing any records relating to the Securities; or (c) any advice or representation made by or with respect to a depository, including those contained in this prospectus, relating to the rules governing the depository or any action to be taken by the depository or at the direction of participants. The rules governing the depository provide that it acts as the agent and depository for participants. As a result, such participants must look solely to the depository and beneficial owners of Securities must look solely to participants for payment or deliveries made by or on behalf of the Bank to the depository in respect of the Securities.

As indirect holders of Securities, investors should be aware that, except in the circumstances described below, they: (a) may not have Securities registered in their name; (b) may not have physical certificates representing their interest in the Securities; (c) may not be able to sell the Securities to institutions required by law to hold physical certificates for securities they own; and (d) may be unable to pledge Securities as security.

Securities in fully registered and certificated form will be issued to beneficial owners of Securities only if: (i) required by applicable law; (ii) the depository's book-entry-only system ceases to exist; (iii) the Bank or the depository advises that the depository is no longer willing or able to properly discharge its responsibilities as depository with respect to the Securities and we are unable to locate a qualified successor; (iv) the Bank, at its option, decides to terminate its present arrangements with the depository; (v) an event of default has occurred with regard to the Securities and has not been cured or waived; or (vi) otherwise agreed by the Bank and the depository. If the Securities issued are represented by global certificates, such global certificates may be held by the Bank in its capacity as domestic custodian for the depository, pursuant to the rules of the depository as amended from time to time.

If Securities are issued in fully registered and certificated form in the circumstances described above, dividends and interest, as applicable, will be paid by cheque drawn on the Bank and sent by prepaid mail to the registered holder or by such other means as may become customary for the payments. Any redemption price to be paid in respect of First Preferred Shares will be paid upon surrender thereof to the transfer agent and registrar for such shares. The principal amount of Debt Securities and the interest due at maturity or early redemption, if applicable, will be paid upon surrender thereof at any branch of the Bank in Canada or of the trustee.

Transfers of Securities

Unless otherwise specified in the applicable prospectus supplement, transfers of ownership of Securities will be effected only through records maintained by CDS or its nominee, as the case may be, with respect to interests of participants, and on the records maintained by the participants with respect to interests of persons other than participants. If you hold Securities through a participant and desire to purchase, sell or otherwise transfer ownership of or other interests in Securities, you may do so only through participants.

Your ability to pledge Securities or otherwise take action with respect to your interest in Securities (other than through a participant) may be limited due to the lack of a physical certificate.

Bank Act Restrictions

The Bank Act contains restrictions (which are subject to any orders that may be issued by the Governor in Council) on the issue, transfer, acquisition, beneficial ownership and voting of all shares of a chartered bank. A summary of such restrictions is included in our 2019 AIF incorporated by reference in this prospectus under the heading “Constraints”.

Earnings Coverage

The following consolidated earnings coverage ratios are calculated for the 12 months ended October 31, 2019 and January 31, 2020, respectively. The earnings coverage ratios for the 12 months ended October 31, 2019 are presented on a *pro forma* as adjusted basis and give effect to: (i) the redemption by the Bank on December 6, 2019 of all \$2,000,000,000 of its 2.99% Subordinated Debt Securities (Series 15 medium term notes) due December 6, 2024 (the “**Series 15 MTN redemption**”), (ii) the repurchase for cancellation by the Bank on December 17, 2019, by way of private agreement, of 5,000 6.750% Non-Cumulative First Preferred Shares, Series C-2 and the related depositary shares (the “**Series C-2 repurchase**”), and (iii) the issuance by the Bank on December 23, 2019 of \$1,500,000,000 of 2.88% Subordinated Debt Securities (Series 21 medium term notes) due December 23, 2029 (the “**Series 21 MTN issuance**”), as appropriate for each of the figures presented. The following consolidated earnings coverage ratios do not reflect the issuance of any Securities under this prospectus.

	October 31, 2019	January 31, 2020
	(as adjusted)	
Interest coverage on subordinated debentures.....	46.75	47.03
Grossed up dividend coverage on preferred shares.....	47.95	50.73
Interest and grossed up dividend coverage on subordinated debentures and preferred shares.....	23.92	24.66

Our interest requirements on subordinated debentures (“**interest requirements**”) amounted to (i) \$348 million for the 12 months ended October 31, 2019, as adjusted for the Series 15 MTN redemption and the Series 21 MTN issuance, and (ii) \$356 million for the 12 months ended January 31, 2020. Our dividend requirements on our outstanding First Preferred Shares (“**dividend requirements**”) amounted to (i) \$332 million for the 12 months ended October 31, 2019, as adjusted for the Series C-2 repurchase, adjusted to a before-tax equivalent using an effective income tax rate of 19.1%, and (ii) \$323 million for the 12 months ended January 31, 2020, adjusted to a before-tax equivalent using an effective income tax rate of 19.5%. Our earnings before income tax and our interest requirements, adjusted for non-controlling interests, for (i) the 12 months ended October 31, 2019 were \$16,268 million, 23.92 times our aggregate dividend requirements and interest requirements for the period, and (ii) the 12 months ended January 31, 2020 were \$16,743 million, 24.66 times our aggregate dividend requirements and interest requirements for the period.

In calculating the dividend and interest coverages, foreign currency amounts have been converted to Canadian dollars using the rates of exchange as at the end of each month. For the 12 months ended October 31, 2019, the average exchange rate was U.S. \$0.752 per Cdn. \$1.00 and for the 12 months ended January 31, 2020, the average exchange rate was U.S. \$0.760 per Cdn. \$1.00.

We will file updated earnings coverage ratios quarterly with the Commissions, which updates will be deemed to be incorporated by reference into this prospectus.

Plan of Distribution

We may sell Securities through underwriters or agents or directly to one or more purchasers pursuant to applicable law. Securities may be sold at fixed prices or non-fixed prices, such as prices determined by reference to the prevailing price of the Securities in a specified market, at market prices prevailing at the time of sale or at prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities. The prospectus supplement for any Securities offered will set forth the terms of the offering of such Securities, including the type of Security being offered, the name or names of any underwriters or agents, the purchase price of such Securities, the proceeds to us from such sale, any underwriters’ or agents’ compensation, any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters or agents. Only underwriters or agents so named in a prospectus supplement are to be underwriters or agents, as applicable, in connection with the Securities offered thereby.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the

underwriters will be obligated to purchase all of the Securities offered by the prospectus supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters may be changed from time to time.

We may also sell Securities directly at such prices and upon such terms as agreed to by us and the purchaser or through agents designated by us from time to time. Any agent involved in the offering and sale of Securities in respect of which this prospectus is delivered will be named, and any commissions payable by us to such agent will be set forth, in the applicable prospectus supplement. Unless otherwise indicated in a prospectus supplement, any agent is acting on a reasonable best efforts basis for the period of its appointment.

We may agree to pay underwriters or agents a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission will be paid out of our general corporate funds. Underwriters and agents who participate in the distribution of Securities may be entitled, under agreements to be entered into with us, to indemnification by us against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters or agents may be required to make in respect of such liabilities.

In connection with any offering of the Securities (unless otherwise specified in a prospectus supplement), the underwriters or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time.

Unless otherwise specified in a prospectus supplement, the Securities will not be registered under the U.S. *Securities Act of 1933*, as amended.

Risk Factors

An investment in any of the Securities is subject to certain risks. In addition to the risk factors set out below and incorporated by reference in this prospectus (including subsequently filed documents incorporated by reference), the terms and conditions of any particular Securities issued hereunder may have specific risks and investor concerns which you should carefully consider before making an investment decision. These considerations will be described under “Risk Factors” in the applicable prospectus supplements.

General Risks Relating to Creditworthiness

The value of Securities will be affected by our general creditworthiness. See our 2019 Management's Discussion and Analysis which is incorporated by reference herein, and similar disclosure to be incorporated by reference from time to time during the period of effectiveness of this prospectus (see “Documents Incorporated by Reference”). This analysis discusses, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on our business, financial condition or results of operations.

See “Earnings Coverage”, which is relevant to an assessment of the risk that we will be unable to pay dividends and any redemption price on First Preferred Shares or interest and principal on Debt Securities when due.

Credit Ratings

Real or anticipated changes in credit ratings on Securities may affect the market value of Securities. In addition, real or anticipated changes in credit ratings can affect the cost at which we can transact or obtain funding, and thereby affect our liquidity, business, financial condition or results of operations.

Ranking of Securities

Subordinated Debt Securities will be direct unsecured obligations of the Bank which rank equally with, or junior to, our other subordinated indebtedness in the event of our insolvency, dissolution or winding-up. If we become insolvent or are wound-up while Subordinated Debt Securities remain outstanding, our assets must be used to pay deposit liabilities and prior and senior ranking debt before payments may be made on Subordinated Debt Securities and other subordinated indebtedness. Except to the extent regulatory capital requirements or any resolution regime imposed by the government affect our decisions or ability to issue subordinated or more senior debt, there is no limit on our ability to incur additional subordinated or more senior debt.

In the event of our insolvency, any First Preferred Shares issued hereunder that remain outstanding will rank equally with our other outstanding First Preferred Shares. If we become insolvent or are wound-up, our assets must be used to pay our deposit

liabilities and other debt, including subordinated debt, before payments may be made on First Preferred Shares and other preferred shares.

If Subordinated Debt Securities or First Preferred Shares issued hereunder are converted to common shares in accordance with Non-Viability Contingent Capital Provisions, the terms of such Securities, including with respect to priority and rights on liquidation, will no longer be relevant as such Securities will have been converted to common shares ranking on parity with all other outstanding common shares of the Bank.

Interest Rate Risks

Prevailing interest rates will affect the market value of Debt Securities which have fixed interest rates. Assuming all other factors remain unchanged, the market value of Debt Securities which carry a fixed interest rate will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Market Value of First Preferred Shares

Prevailing yields on similar securities will affect the market value of First Preferred Shares. Assuming all other factors remain unchanged, the market value of First Preferred Shares will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield, T-Bill Rate and comparable benchmark rates of interest for similar securities will also affect the market value of First Preferred Shares.

Market for Securities

Unless otherwise specified in an applicable prospectus supplement, there may be no market through which Securities may be sold and purchasers may therefore be unable to resell such Securities. This may affect the pricing of the Securities in any secondary market, the transparency and availability of trading prices, and the liquidity of such Securities.

Use of Proceeds

Except as otherwise set forth in a prospectus supplement, the net proceeds from the sale of Securities will be added to our general funds and will be used for general banking purposes.

Legal Matters

Unless otherwise specified in a prospectus supplement, certain legal matters relating to the Securities will be passed upon by Norton Rose Fulbright Canada LLP on our behalf.

As at February 26, 2020, the partners and associates of Norton Rose Fulbright Canada LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Bank or of any associate or affiliate of the Bank.

Statutory Rights of Withdrawal and Rescission

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

Certificate of the Bank

Dated: February 27, 2020

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of all provinces and territories of Canada.

(Signed) "DAVID I. MCKAY"
President and
Chief Executive Officer

(Signed) "ROD BOLGER"
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "KATHLEEN P. TAYLOR"
Director

(Signed) "DAVID F. DENISON"
Director