Final Term Sheet

Issuer: Royal Bank of Canada

Credit Rating: Moody’s: A1; S&P: A; DBRS: AA

Issue Type: Floored Floating Rate Notes
Quarterly Coupons
Senior Notes (the “Notes”) - Book Based Via CDS

Canadian Bail In Regime Acknowledgement: The Notes are subject to bail-in conversion under the Canadian bail-in regime.

Issue Size: $2,000,000 CAD

Settlement Date: 07-February-2023

New Issue Price: $100.00 CAD

Maturity Date: 07-February-2028

Reference Rate: 3-month CDOR

Coupon: Y1: 7.00%
Y2-Y5: 3-month CDOR + 0.50%, subject to coupon floor

3-month CDOR means the average bid rate of interest (expressed as an annual percentage rate) rounded to the nearest one-hundred-thousandth of 1.00% for Canadian dollar bankers’ acceptances with maturities of three months which appears on the “Reuters Screen CDOR Page” as of approximately 10:30 a.m., Toronto time, on the first business day of such quarterly interest period, as published by Refinitiv Benchmark Services (UK) Limited or any successor thereto, as administrator in accordance with its CDOR Methodology, as amended from time to time, subject to the fallbacks as set out in the Global Senior Note.

Following the announcement by Refinitiv Benchmark Services (UK) Limited (“RBSL”) (the “Benchmark Administrator”) on 16 May 2022 of its intention to cease the calculation and publication of all tenors of CDOR from (and including) 28 June 2024, the Calculation Agent has determined that a Benchmark Transition Event has occurred with respect to the Reference Rate.

Consequently, with respect to the Interest Periods from (and including) 07 August 2024 to (but excluding) the Maturity Date the Reference Rate will be replaced by CORRA daily compounded with the interest determination date set at 5 Toronto Banking Days prior each Interest Payment Date, plus a margin of plus 0.32138 per cent per annum

Coupon Floor: 0.00%

Interest Determination Date: Five Toronto Banking Days prior to the beginning on each interest period.

Interest Payment Date: Interest payments shall be made quarterly on each 7th day of the months of February, May, August and November, commencing May 07, 2023 and ending on the Maturity Date.
**Interest Period**
Each period from and including an Interest Payment date (or, if none, the date of Settlement) to but excluding the next following Interest Payment Date.

**Floating Rate Day Count**
The number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).

**Floating Rate Business Day Convention**
Following, Unadjusted

**Business Centre**
Toronto

**Redemption**
The Notes are not subject to redemption at the option of the holders or the Issuer.

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

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

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

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

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

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

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

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

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

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

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

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**Risk Factors**

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

**Credit Risk** – The Notes will be direct unsecured liabilities of Royal Bank of Canada (credit ratings: Moody’s A1; Standard & Poor’s A; DBRS AA) ranking pari passu with all other unsecured and unsubordinated debt of the Bank.
Holders will not have the benefit of any insurance under the provisions of the Canada Deposit Insurance Corporation Act. Return on the Notes is subject to the creditworthiness of Royal Bank. Investors are dependent on the Royal Bank’s ability to pay all amounts due on the Notes, and therefore, investors are subject to Royal Bank’s credit risk and to changes in the market-view of Royal Bank’s creditworthiness. Any decline in credit ratings or increase in the credit spreads charged by the market for taking Royal Bank’s credit risk is likely to adversely affect the market value of the Notes.

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

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


Benchmark Transition Event – means the occurrence of one or more of the following events with respect to Relevant Benchmark:

(i) a public statement or publication of information by or on behalf of the administrator of the Relevant Benchmark announcing that such administrator has ceased or will cease to provide the Relevant Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Relevant Benchmark;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Benchmark, the central bank for the Relevant Benchmark Currency, an insolvency official with jurisdiction over the administrator for the Relevant Benchmark, a resolution authority with jurisdiction over the administrator for the Relevant Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Relevant Benchmark, which states that the administrator of the Relevant Benchmark has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Relevant Benchmark; or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Benchmark announcing that the Relevant Benchmark is no longer, or as of a specified future date will no longer be, representative.

For the purposes of the above, references to "Relevant Benchmark" shall include any daily published component used in the calculation of the Relevant Benchmark.