

Prospectus Supplement

To Short Form Base Shelf Prospectus dated April 26, 2024

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 April 26, 2024 to which it relates, as amended or supplemented, and each document incorporated by reference into this prospectus supplement or 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 under Regulation S under the U.S. Securities Act) and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly, in the United States of America or to or for the account or benefit of U.S. persons. See “Plan of Distribution”.

Information has been incorporated by reference in this prospectus supplement and the accompanying short form base shelf prospectus dated April 26, 2024 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, 200 Bay Street, South Tower, Toronto, Ontario, Canada, M5J 2J5, telephone (416) 955-7804, and are also available electronically at www.sedarplus.com.

New Issue

April 26, 2024



Royal Bank of Canada

Medium Term Notes

(Subordinated Indebtedness)

(Non-Viability Contingent Capital (NVCC))

Royal Bank of Canada (“**the Bank**”, “**we**”, “**us**” or “**our**”) may, at various times during the 25-month period that the short form base shelf prospectus dated April 26, 2024 of the Bank, including any amendments thereto (the “**prospectus**”), remains valid, offer medium term notes constituting subordinated indebtedness with maturities of more than one year from the date of issue (the “**Notes**”).

The Notes will be our direct unsecured obligations which, if we become insolvent, are dissolved or are wound-up, will rank equally with our other subordinated indebtedness (other than subordinated indebtedness which has been further subordinated in accordance with its terms) and will be subordinate in right of payment to the claims of our depositors and other unsubordinated creditors. Upon the occurrence of a Trigger Event (as defined herein), the Notes will be converted into common shares of the Bank (“**Common Shares**”), which will rank on parity with all other Common Shares. See “*Risk Factors*” in the prospectus.

The Notes will not be deposits insured under the CDIC Act (as defined herein) or any other deposit insurance regime.

The offering and sale of the Notes hereunder will be made pursuant to our medium-term note program (the “**MTN Program**”). Certain terms of the Notes, which will be established at the time of the offering and sale of the Notes, will be included in pricing supplements incorporated by reference herein as more particularly described under the heading “*Documents Incorporated by Reference*”. Accordingly, the specific terms of the Notes to be offered and sold hereunder pursuant to the MTN Program will be set out in pricing supplements delivered, together with the prospectus and this prospectus supplement, to purchasers in conjunction with the sale of the Notes. Where Notes are offered and sold in currencies other than Canadian dollars, the Canadian dollar equivalent of the offering price and the rate of exchange at the last feasible date will be included in the applicable pricing supplement. The aggregate amount of the Notes that may be offered may be subject to reduction as a result of a sale by the Bank of other securities pursuant to one or more other prospectus supplements under the prospectus.

RATES ON APPLICATION

The Notes will be offered severally by one or more of RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., TD Securities Inc., Desjardins Securities Inc., iA Private Wealth Inc., Laurentian Bank Securities Inc., Manulife Wealth Inc., Merrill Lynch Canada Inc. and Wells Fargo Securities Canada, Ltd. (collectively, the “**Dealers**”). Under a dealer agreement dated April 26, 2024 between us and the Dealers, the Notes may be purchased or offered at various times by any of the Dealers, as agent, underwriter or principal, at prices and commissions to be agreed upon, for sale to the public at prices to be negotiated with purchasers. Sale prices may vary during the distribution period and as between purchasers. We may also offer the Notes to purchasers directly, pursuant to applicable registration exemptions, at prices and on terms to be negotiated. See “*Plan of Distribution*”.

It is not currently anticipated that the Notes will be listed on any stock exchange or quotation system and, consequently,

there may be no market through which the Notes may be sold and purchasers may therefore be unable to resell Notes purchased under the prospectus. This may affect the pricing of the Notes in any secondary market, the transparency and availability of trading prices, the liquidity of the Notes, and the extent of issuer regulation. See “Risk Factors” in the prospectus.

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

The offering and sale of Notes is subject to approval of certain legal matters on behalf of the Bank by Norton Rose Fulbright Canada LLP and on behalf of the Dealers by Stikeman Elliott LLP.

Table of Contents

<u>Prospectus Supplement</u>	<u>Page</u>	<u>Page</u>	
Caution Regarding Forward-Looking Statements	S-3	Risk Factors	S-16
Documents Incorporated by Reference.....	S-4	Plan of Distribution	S-22
Ratings	S-5	Legal Matters	S-23
Eligibility For Investment.....	S-6	Interests of Experts	S-23
Use of Proceeds	S-6	Certificate of the Dealers.....	C-1
Description of the Notes	S-6		
Canadian Federal Income Tax Considerations	S-13		
<u>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 Ratios.....	9
Documents Incorporated by Reference.....	4	Plan of Distribution.....	10
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	12
Description of the Securities that May be Offered under this Prospectus.....	6	Reliance on Exemptions for Well-Known Seasoned Issuers	12
Book-Entry-Only Securities	8	Statutory Rights of Withdrawal and Rescission	12
		Certificate of the Bank.....	C-1

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 reports to shareholders, and in other communications. In addition, our representatives may communicate forward-looking statements orally to analysts, investors, the media and others. 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.”), United Kingdom (“U.K.”), European and global economies, the regulatory environment in which we operate, the implementation of IFRS 17 *Insurance Contracts*, proposals contained in the Federal Budget tabled in the House of Commons on April 16, 2024, the expected impacts of the HSBC Bank Canada acquisition, the expected closing of the transaction involving the U.K. branch of RBC Investor Services Trust, the risk environment including our credit risk, market risk, liquidity and funding risk, as well as the effectiveness of our risk monitoring, the terms of the offering and sale of the Notes, credit ratings expected to be assigned to the Notes and circumstances that impact the value of the Notes or Common Shares, and includes statements made by our President and Chief Executive Officer and other members of management. The forward-looking statements contained in, or incorporated by reference in, this prospectus supplement represent the views of management and are 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, strategic goals and priorities and anticipated financial performance, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “suggest”, “seek”, “foresee”, “forecast”, “schedule”, “anticipate”, “intend”, “estimate”, “goal”, “commit”, “target”, “objective”, “plan”, “outlook”, “timeline” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “might”, “should”, “could”, “can”, “would” or negative or grammatical variations thereof.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature, 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, that our financial performance, environmental & social or other objectives, vision and strategic goals will not be achieved and that our actual results may differ materially from such predictions, forecasts, projections, expectations or conclusions. We caution readers not to place undue reliance on our forward-looking 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, but are not limited to: 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, model, systemic risks and other risks discussed in the risk sections of our management’s discussion and analysis for the year ended October 31, 2023 (the “**2023 Management’s Discussion and Analysis**”) and the Risk management section in our management’s discussion and analysis for the three month period ended January 31, 2024 (the “**Q1 2024 Management’s Discussion and Analysis**”), incorporated by reference herein, and the “Risk Factors” section in this prospectus supplement and in the prospectus, as supplemented, including business and economic conditions in the geographic regions in which we operate, Canadian housing and household indebtedness, information technology, cyber and third-party risks, geopolitical uncertainty, environmental and social risk (including climate change), digital disruption and innovation, privacy and data-related risks, regulatory changes, culture and conduct risks, the effects of changes in government fiscal, monetary and other policies, tax risk and transparency, and our ability to anticipate and successfully manage risks arising from all of the foregoing factors. Additional factors that could cause actual results to differ materially from the expectations in such forward-looking statements can be found in the risk sections of our 2023 Management’s Discussion and Analysis and the Risk management section of our Q1 2024 Management’s Discussion and Analysis, as may be updated by subsequent quarterly reports, and in the “Risk Factors” section in this prospectus supplement and in the prospectus, as supplemented.

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 or our securities, investors and others should carefully consider the foregoing factors and other uncertainties and potential events, as well as the inherent uncertainty of forward-looking statements. Material economic assumptions underlying the forward-looking statements contained in, 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” sections in our 2023 Management’s Discussion and Analysis, as updated by the “Economic, market and regulatory review and outlook” section of our Q1 2024 Management’s Discussion and Analysis. Such sections may be updated by subsequent quarterly reports. 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 2023 Management’s Discussion and Analysis and the Risk management section of our Q1 2024 Management’s Discussion and Analysis, which are incorporated by reference in this prospectus supplement and as may be updated by subsequent quarterly reports, and in the “Risk Factors” section in this prospectus supplement and in the prospectus, as supplemented.

Documents Incorporated by Reference

This prospectus supplement is deemed to be incorporated by reference into the prospectus, solely for the purpose of the Notes issued hereunder.

We incorporate by reference the documents listed below, which documents have been filed with securities commissions or similar authorities in each of the provinces and territories of Canada:

- (a) our unaudited interim condensed consolidated financial statements, which comprise the condensed consolidated balance sheets as of January 31, 2024 and October 31, 2023, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity, and cash flows for the three months ended January 31, 2024 and January 31, 2023, including selected explanatory notes, and our Q1 2024 Management’s Discussion and Analysis;
- (b) our audited annual consolidated financial statements, which comprise the consolidated balance sheets as at October 31, 2023 and 2022, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the years then ended, including the related notes, Management’s Report on Internal Control over Financial Reporting as of November 29, 2023, the Independent Auditor’s Report dated November 29, 2023, the Report of Independent Registered Public Accounting Firm dated November 29, 2023, and our 2023 Management’s Discussion and Analysis;
- (c) our annual information form dated November 29, 2023; and
- (d) our management proxy circular dated February 13, 2024 for our annual meeting of common shareholders held on April 11, 2024.

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.

A pricing supplement describing the specific variable terms of an offering of a series of Notes and containing such other information that the Bank may elect to include will be delivered to purchasers of such series of Notes together with this prospectus supplement and the prospectus and will be deemed to be incorporated by reference into this prospectus supplement

and the prospectus as of the date of the pricing supplement only for the purpose of the Notes issued thereunder.

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 the 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 to be 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 supplement.

Ratings

Unless otherwise specified in a pricing supplement, the following are the current ratings for the Notes by the indicated rating organization:

<u>Rating</u>	<u>Organization (each as defined below)</u>
A.....	DBRS
A3 (hyb).....	Moody's
A-.....	S&P

The Notes are expected to be rated “A” by DBRS Limited (“**DBRS**”), “A3 (hyb)” by Moody’s Canada Inc. (“**Moody’s**”) and “A-” by S&P Global Ratings Canada, a business unit of S&P Global Canada Corp. (“**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 middle of the third highest rating category of the ten rating categories of DBRS for long term debt obligations, which range from AAA 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 “A3” rating expected to be assigned to the Notes by Moody’s ranks in the lower end of the third highest rating category of Moody’s nine rating categories for long term debt obligations, which range from Aaa to C. 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. The modifier “3” indicates that the obligation ranks in the lower end of a rating category. A “(hyb)” indicator is appended by Moody’s to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms. By their terms, hybrid securities allow for the omission of scheduled dividends, interest, or principal payments, which can potentially result in impairment if such an omission occurs. Hybrid securities may also be subject to contractually allowable write-downs of principal that could result in impairment. Together with the hybrid indicator, the long-term obligation rating assigned to a hybrid security is an expression of the relative credit risk associated with that security. The “A-” rating expected to be assigned to the Notes by S&P ranks in the lower end of the third highest rating category of S&P’s ten rating categories for long term debt obligations, which range from AAA to D. S&P uses the “+” or “-” designations to indicate the relative standing of the securities being rated within a particular rating category.

We have made customary payments to each of DBRS, Moody’s and S&P in connection with the assignment of ratings, including 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. 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 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 may not reflect the potential impact of all risks on the value of the Notes. In addition, real or anticipated changes in the credit ratings assigned to the Notes will generally affect the market value of the Notes. 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. Prospective purchasers of the Notes should consult the relevant rating organization with respect to the interpretation and implications of the ratings.

Eligibility For Investment

In the opinion of our counsel, Norton Rose Fulbright Canada LLP, and in the opinion of the Dealers' counsel, Stikeman Elliott LLP, the Notes, 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**"), first home savings accounts ("**FHSAs**"), deferred profit sharing plans ("**DPSPs**"), other than trusts governed by DPSPs to which contributions are made by the Bank or by an employer with which the Bank does not deal with at arm's length, within the meaning of the Tax Act, and tax-free savings accounts ("**TFSAs**").

Notwithstanding that the Notes may be a qualified investment for a trust governed by an RRSP, RRIF, RESP, RDSP, FHSA, or TFSA, the annuitant under an RRSP or RRIF, the holder of a TFSA, FHSA, or RDSP or the subscriber under an RESP will be subject to a penalty tax if such Notes are a "prohibited investment" for the RRSP, RRIF, RESP, RDSP, FHSA, or TFSA within the meaning of the Tax Act. The Notes will not be a prohibited investment for a trust governed by an RRSP, RRIF, RESP, RDSP, FHSA, or TFSA provided that the annuitant of the RRSP or RRIF, the holder of the TFSA, RDSP, or FHSA, the subscriber of the RESP, as the case may be, deals at "arm's length" (within the meaning of the Tax Act) with the Bank and does not have a "significant interest" (within the meaning of the Tax Act) in the Bank.

Prospective purchasers are advised to consult their own advisors in this regard.

Use of Proceeds

Unless a pricing supplement indicates otherwise, 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.

Description of the Notes

Each series of Notes we issue will be described in three separate documents: (1) the prospectus, (2) this prospectus supplement, including any amendments hereto, and (3) a pricing supplement. Since the terms of a series of Notes may differ from the general information provided in the prospectus and this prospectus supplement, in all cases, prospective investors should rely on the information in the pricing supplement where it differs from information in the prospectus or this prospectus supplement.

General

Notes may be issued at various times in different series.

Notes will be our direct unsecured obligations constituting subordinated indebtedness for the purpose of the *Bank Act* (Canada) (the "**Bank Act**"), ranking equally and rateably with, or junior to, our other subordinated indebtedness that may be issued and outstanding at any time (other than subordinated indebtedness which has been further subordinated in accordance with its terms), and will be subordinate in right of payment to the claims of our depositors and other unsubordinated creditors. Upon the occurrence of a Trigger Event, the subordination provisions of the Notes will not be relevant since all Notes will be converted into Common Shares which will rank on parity with all other Common Shares.

Subject to regulatory capital requirements applicable to the Bank, there is no limit on the amount of subordinated indebtedness that we may issue. Notwithstanding any provision of the indenture (as defined herein) in respect of the issue of a series of Notes, we may not, without the prior approval of the Superintendent of Financial Institutions (Canada) (the "**Superintendent**"), amend or vary terms of the Notes that would affect the recognition of the Notes as regulatory capital under capital adequacy requirements adopted by the Superintendent.

The Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act* (the "CDIC 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.**

A pricing supplement will describe the following terms of any series of offered Notes:

- The specific designation of the Notes.
- The issue date and maturity date of the Notes.
- Any limit on the aggregate principal amount of the Notes.
- The price at which the offered Notes will be sold, or how the price will be determined if Notes are offered on a non-fixed price basis, and the amount payable upon maturity of the Notes.
- When and how the principal and any premium or interest on the Notes will be payable and how each of the principal and any premium or interest on the Notes will be calculated.
- Any obligation on us, and the terms on which we may be required, to redeem, repay or purchase the Notes.

- The form in which the Notes are to be issued.
- The currency or currency unit in which the Notes and any premium or interest on the Notes will be denominated.
- The identity of each security registrar or paying agent.
- Any special rights of the holders of Notes upon the occurrence of specified events.
- Any additional obligations on us with respect to a series of Notes or any changes to our obligations from the obligations described in the prospectus or this prospectus supplement.
- Any terms with respect to exchange or conversion of the Notes including, without limitation, the Multiplier, Par Value, Note Value, Conversion Price and Current Market Price (as each such term relates to an NVCC Automatic Conversion (as defined herein)).
- Any other terms of the Notes not inconsistent with the Bank Act.

A pricing supplement may also describe certain income tax considerations that may apply to any Notes to the extent that such considerations are different from those discussed herein.

We may set forth in a pricing supplement variable terms which are not within the options and parameters set forth in the prospectus or this prospectus supplement.

We may offer Notes pursuant to one or more trust indentures, the terms of which will be described in the applicable pricing supplement relating to such Notes.

June 18, 2004 Indenture

General

Unless otherwise specified in a pricing supplement, the Notes will be issued as a series of subordinated debt securities under an indenture dated as of June 18, 2004 as amended or supplemented from time to time (the “**indenture**”) between us and Computershare Trust Company of Canada, as trustee (the “**trustee**”). The indenture is subject to the provisions of the Bank Act and governed by the laws of Ontario and the federal laws of Canada applicable therein. We may issue as many distinct series of subordinated debt securities, including Notes, under the indenture as we wish. The indenture allows us not only to issue subordinated debt securities with terms different from those previously issued under the indenture, but also to “re-open” a previous issue of a series of subordinated debt securities and issue additional subordinated debt securities of that series. However, notwithstanding the foregoing, the Bank will not re-open any issue of a series of subordinated debt securities issued before January 1, 2013 and any “re-opening” of a series is subject to the approval of the Superintendent. We have other subordinated debt outstanding and may issue additional subordinated debt at any time and without notifying the holders of Notes. See “– *Subordination*”.

The following summarizes certain provisions of the Notes and the indenture, but does not describe every aspect of the Notes or the indenture. This summary is subject to and qualified in its entirety by reference to all the provisions of the Notes and the 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. The holders of Notes must look to the indenture for a complete description of what we summarize below. A copy of the indenture is available electronically on SEDAR+ at www.sedarplus.com and in the investor relations section of our website at www.rbc.com/investor-relations.

Interest

The Notes may be issued as floating rate Notes or fixed rate Notes, or a combination of both, and at an interest rate all as specified in a pricing supplement.

Unless otherwise specified in a pricing supplement, Notes will bear interest from their respective dates of issue.

Form, Denomination and Transfer

The Notes will be issued only in minimum denominations of \$1,000 and integral multiples thereof unless otherwise specified in a pricing supplement. Notes may also be denominated in non-Canadian currencies, if so specified in a pricing supplement.

Unless otherwise specified in a pricing supplement, the Notes will be issued in “book-entry only” form and must be purchased or transferred through participants in the depository service of CDS Clearing and Depository Services Inc. 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 CDIC 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*”.

If we become insolvent, our governing legislation provides that priorities among payments of our deposit liabilities and payments of all of our other liabilities (including payments in respect of the Notes) 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, the right of a holder of Notes 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 such holder's 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. Accordingly, the Notes will be structurally subordinated to all existing and future liabilities of our subsidiaries, and holders of Notes should look only to the assets of the Bank and not those of our subsidiaries for payments on the Notes.

Under the indenture, if we become insolvent, are dissolved or are wound-up, subordinated indebtedness issued and outstanding under the indenture will rank equally and rateably with, but not prior to, other subordinated indebtedness (other than subordinated indebtedness which has been further subordinated in accordance with its terms) and subordinate in right of payment to the prior payment in full of (i) indebtedness then outstanding, other than such subordinated indebtedness and (ii) indebtedness to which our other subordinated indebtedness is subordinate in right of payment to the same extent as such other subordinated indebtedness. As of January 31, 2024, we had approximately \$1,846 billion of senior indebtedness, including deposits, outstanding, which would rank ahead of the Notes. The only outstanding subordinated indebtedness issued to date has been issued pursuant to:

- our indentures with Computershare Trust Company of Canada dated October 1, 1984, June 6, 1986 and June 18, 2004, as supplemented from time to time;
- our amended and restated issue and paying agency agreement with Royal Bank of Canada, London branch, Fortis Banque Luxembourg S.A., ING Belgium S.A./N.V., Royal Bank of Canada (Suisse) and Royal Bank of Canada, Toronto branch, dated July 14, 2006, as supplemented from time to time;
- our indenture with The Bank of New York Mellon dated January 27, 2016, as supplemented from time to time;
- our indentures with Computershare Trust Company of Canada (or such other trustee named in such indentures) entered into from time to time in connection with the offering and sale of our limited recourse capital notes; and
- our indenture (as successor by amalgamation to HSBC Bank Canada) in respect of floating rate subordinated debentures due November 1, 2083, as supplemented from time to time.

See “*Share Capital*” in the prospectus.

For purposes of the indenture, “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, dissolution or winding-up of the Bank.

For purposes of the indenture, “subordinated indebtedness” at any time means:

- the liability of the Bank in respect of the principal of and premium, if any, and interest on its outstanding subordinated indebtedness outlined above;
- any indebtedness which ranks equally with, and not prior to, the Bank's outstanding subordinated indebtedness, in right of payment in the event of the insolvency, dissolution or winding-up of the Bank and which, pursuant to the terms of the instrument evidencing or creating such indebtedness, is expressed to be subordinate in right of payment to all indebtedness to which the Bank's outstanding subordinated indebtedness is subordinate in right of payment to at least the same extent as such outstanding subordinated indebtedness is subordinate, pursuant to the terms of the instrument evidencing or creating same;
- any indebtedness which ranks subordinate to and not equally with, or prior to, the Bank's outstanding subordinated indebtedness, in right of payment in the event of the insolvency, dissolution or winding-up of the Bank and which, pursuant to the terms of the instrument evidencing or creating such indebtedness, is expressed to be subordinate in right of payment to all indebtedness to which the Bank's outstanding subordinated indebtedness is subordinate in right

of payment to at least the same extent as such outstanding subordinated indebtedness is subordinate, pursuant to the terms of the instrument evidencing or creating same; and

- the Notes.

Events of Default

Under the indenture it 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 indenture as an “event of default”.

If an event of default occurs and continues and a Trigger Event has not occurred, the trustee may in its discretion, and must upon the written request of the holders of not less than 25% of the outstanding aggregate principal amount of a series of Notes then outstanding under the indenture, declare the principal and any premium and interest on all the Notes of that series outstanding to be due and payable immediately. The trustee or the holders of more than 50% of the outstanding principal amount of that series of Notes then outstanding under the indenture may, in some circumstances, cancel or annul the acceleration and waive the event of default. Subject to any such waiver, if we fail to pay on demand any principal and any premium or interest declared by the trustee to be due and payable following an event of default, the trustee may in its discretion, and must upon receiving the written direction of holders of not less than 25% of the outstanding principal amount of that series of Notes then outstanding under the indenture, and upon being indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed to obtain or enforce payment of the amounts due and payable together with other amounts due under the indenture by any remedy provided by law or equity either by legal proceedings or otherwise.

There will be no right of acceleration in the event of a non-payment of interest or a failure/breach in the performance of any other covenant of the Bank, although legal action could be brought to enforce such covenant.

Holders of more than 50% of the outstanding principal amount of a series of Notes then outstanding under the indenture may, by resolution, direct and control the actions of the trustee or of any holder of Notes of that series who brings an action after the failure of the trustee to act in any proceedings against the Bank. The trustee must, within 30 days of becoming aware of an event of default, give notice to the holders of that series of Notes unless the 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.

Defeasance

If authorized pursuant to the indenture in respect of the issue of a series of Notes, we can legally release ourselves from any payment or other obligations on the Notes of that series, called full defeasance, if the following conditions are satisfied:

- we must deposit in trust for the benefit of all holders of Notes of that series a combination of money and notes or bonds of the Canadian government or a Canadian government agency or Canadian government-sponsored entity (the obligations of which are backed by the full faith and credit of the Canadian government) that will generate enough cash to make interest, principal and any other payments on the Notes on their various due dates;
- there must be a change in current Canadian federal tax law or a ruling of the Canada Revenue Agency (“CRA”) that lets us make the above deposit without causing the holders to be taxed on the Notes of that series any differently than if we did not make the deposit and just repaid the Notes of that series ourselves (Under current Canadian federal tax law, the deposit and our legal release from the obligations pursuant to the debt securities would likely be treated as a disposition of the Notes. In that event, a holder of Notes could recognize a gain or a loss on the Notes.);
- we must deliver to the trustee a legal opinion of our counsel confirming the tax law change or ruling of the CRA described above; and
- no event or condition may exist that, under the provisions described under “– *Subordination*” above, would prevent us from making payments of principal, premium or interest on the Notes on the date of the deposit referred to above or during the 90 days after that date.

If we ever did accomplish full defeasance, as described above, a holder of Notes would have to rely solely on the trust deposit for repayment on the Notes. A holder of Notes could not look to us for repayment in the event of any shortfall. All defeasance is subject to applicable law and, where applicable, the approval of the Superintendent. Subject to the foregoing conditions, and notwithstanding that a full defeasance may be authorized pursuant to the indenture in respect of a series of Notes, the Bank will not take such action in respect of a series of Notes until at least the fifth anniversary of the date of issuance of such series.

Redemption and Purchase

If authorized pursuant to the indenture in respect of the issue of a series of Notes, we may at various times prior to maturity redeem the Notes of a series in whole or in part, at such rates of premium, if any, and subject to such conditions as may be determined at the time of issue. All redemptions are subject to applicable law and the approval of the Superintendent.

In addition, we may (subject to the approval of the Superintendent) purchase Notes of any series outstanding under the indenture 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 and to such restrictions or conditions, if any, as may be determined at the time of the issue of the Notes and as have been expressed in the 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.

A notice of redemption shall be irrevocable, except that the occurrence of a Trigger Event prior to the date fixed for redemption shall automatically rescind such notice of redemption and, in such circumstances, no Notes shall be redeemed and no payment in respect of the Notes shall be due and payable.

Exchanges of Notes for Senior Notes

If authorized pursuant to the indenture in respect of the issue of a series of Notes, a holder of Notes of such series will be entitled, but only upon notice from us which may be given at various times only with the prior approval of the Superintendent, to exchange all, but not less than all, of such holder's Notes of that series on the date specified in the notice for an equal aggregate principal amount of senior notes of the Bank, together with accrued and unpaid interest to the date of exchange. The material attributes of the senior notes will be the same as those of the exchanged Notes, except that the senior notes will rank senior to the Notes and equally with the deposit liabilities of the Bank and will include events of default related to default in the payment of principal or interest due thereon. Any such notice from us must be given not less than 30 days but not more than 60 days prior to the date fixed for the exchange. Subject to the foregoing notice and approval requirements, and notwithstanding that an exchange of Notes for senior notes may be authorized pursuant to the indenture in respect of a series of Notes, the Bank will not take such action in respect of a series of Notes until at least the fifth anniversary of the date of issuance of such series.

Conversion of Notes into New Debentures

If authorized pursuant to the indenture in respect of the issue of a series of Notes, a holder of Notes of such series will be entitled, but only upon notice from us which may be given at various times only with the prior approval of the Superintendent, to convert, without payment of additional consideration, all, but not less than all, of such holder's Notes of such series on the date specified in the notice into an equal aggregate principal amount of new debentures issued by the Bank, together with accrued and unpaid interest to the date of conversion. Any such notice from us must be given not less than 30 days but not more than 60 days prior to the date fixed for the conversion. Subject to the foregoing notice and approval requirements, and notwithstanding that a conversion of Notes for new debentures may be authorized pursuant to the indenture in respect of a series of Notes, the Bank will not take such action in respect of a series of Notes until at least the fifth anniversary of the date of issuance of such series (provided that the Bank may do so at any time, with the prior approval of the Superintendent, where the new debentures are of the same capital quality as the Notes under the capital adequacy requirements adopted by the Superintendent).

Interest and Maturity

We must duly and punctually pay or cause to be paid the principal and any premium or interest payable in respect of the Notes, in accordance with the indenture and the Notes.

Unless otherwise specified in a pricing supplement, 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 date, redemption date or conversion date, 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). Unless otherwise specified in a pricing supplement, a "business day" means a day on which banks are open for business in Toronto and which is not a Saturday or a Sunday.

Mergers and Similar Events

Under the indenture, we are generally permitted to consolidate or merge with another entity. We are also permitted to sell or lease substantially all of our assets to another entity, or to buy or lease substantially all of the assets of 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 are acquired by, another entity or sell or lease substantially all of our assets, the surviving, resulting or acquiring entity must be a properly organized entity and must be legally responsible for the Notes, whether by agreement, operation of law or otherwise;
- the merger, amalgamation, consolidation or other combination, or sale or lease of assets must not cause a default on the Notes; and
- we have delivered an officer’s certificate and a legal opinion to the trustee.

If the conditions described above are satisfied with respect to the Notes, we will not need to obtain the approval of the holders of Notes in order to merge, amalgamate or consolidate or to sell 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 our Notes, however, will have no approval right with respect to any transaction of this type.

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

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

“**Trigger Event**” has the meaning set out in the Office of the Superintendent of Financial Institutions (Canada) (“**OSFI**”) Capital Adequacy Requirements (CAR) Guideline, Chapter 2 – Definition of Capital, effective November 2023, 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 or write-off, as applicable, of all contingent instruments issued by the Bank 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 Notes, the conversion 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 under the provisions of the Notes will be the conversion of the Notes into Common Shares. Upon an NVCC Automatic Conversion, any accrued but unpaid interest will be added to the Par Value of the Notes and such accrued but unpaid interest, together with the principal amount of the Notes, will be deemed paid in full by the issuance of Common Shares upon such conversion and the holders of Notes shall have no further rights and the Bank shall have no further obligations under the indenture.

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 Notes 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 below) or any Person who, by virtue of the operation of the NVCC Automatic Conversion, would become a Significant Shareholder (as defined below) 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, 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, 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.

Rights upon Liquidation

At any time prior to a Trigger Event, in the event of our liquidation, dissolution or winding-up, the trustee may, in its discretion, and must upon the request of holders of not less than 25% of the outstanding aggregate principal amount of a series of Notes then outstanding under the indenture, declare the principal of and any premium and interest on all the Notes of that series outstanding to be immediately due and payable. If a Trigger Event has occurred, all Notes will have been converted into Common Shares which will rank on parity with all other Common Shares.

Modification and Waiver of the Notes

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

Changes Requiring Approval of All Holders

First, there are changes that cannot be made to the indenture or the Notes without specific approval of each holder of Notes affected in any material respect by the change under the indenture. The following is a list of those types of changes:

- a change in the stated maturity of the principal or a reduction of the interest on such Notes;
- a reduction of any amounts due on such Notes;
- a reduction of the amount of principal payable upon acceleration of the maturity of such Notes following a default;
- a change in the currency of payment on such Notes;
- a change in the place of payment for such Notes;
- an impairment of a holder's right to sue for payment;
- a reduction of the percentage of holders of such Notes whose consent is needed to modify or amend the indenture;
- a reduction of the percentage of holders of such Notes whose consent is needed to waive compliance with certain provisions of the indenture or to waive certain defaults; or
- a modification of any other aspect of the provisions dealing with modification and waiver of the indenture.

Changes Requiring a Majority Vote

The second type of change to the indenture or the Notes requires a vote in favour by holders of a series of Notes owning not less than a majority of the outstanding principal amount of the Notes of that series. 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 Notes. We may not modify the subordination provisions of the 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 each series of Notes affected by such modification.

Changes Not Requiring Approval

The third type of change to the 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 Notes.

Notes will not be considered outstanding, and therefore will not be eligible to vote, if we have given a notice of redemption and deposited or set aside in trust for the holders money for the redemption of the Notes. Notes will also not be eligible to vote if they have been fully defeased as described above under “– *Defeasance*”.

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 indenture. In certain limited circumstances, the trustee will be entitled to set a record date for action by holders. We or the 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.

Canadian Federal Income Tax Considerations

The following summary describes, as of the date hereof, the principal Canadian federal income tax consequences under the Tax Act, generally applicable to an initial purchaser of Notes who acquires beneficial ownership of the Notes pursuant to this Offering, and who, at all relevant times and for the purposes of the Tax Act: (i) deals at arm’s length and is not affiliated with the Bank, and (ii) acquires and holds the Notes and will hold the Common Shares acquired on an NVCC Automatic Conversion (as applicable) as capital property (a “**noteholder**”). Generally, the Notes and the Common Shares acquired on an NVCC Automatic Conversion will constitute capital property to a noteholder provided that the noteholder does not hold the Notes or Common Shares (as applicable) in the course of carrying on a business of buying and selling securities and does not acquire them as part of an adventure or concern in the nature of trade.

This summary is not applicable to a noteholder: (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 a “tax shelter investment” as defined in the Tax Act; (iii) that is a “specified financial institution” (as defined in the Tax Act); (iv) that has elected to report its “Canadian tax results” in a currency other than the Canadian currency, or (v) that has entered or will enter into, with respect to the Notes, a “derivative forward agreement” as that term is defined in the Tax Act. Such noteholders should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the “**Regulations**”), all specific proposals to amend the Tax Act or such Regulations publicly announced by the Minister of Finance (Canada) (the “**Minister of Finance**”) prior to the date hereof (the “**Proposed Amendments**”) including the proposals contained in the Federal Budget tabled in the House of Commons on April 16, 2024 (the “**Budget**”) and the Bank’s understanding of the current administrative policies and assessing practices of the CRA published in writing by it. This summary assumes that the Proposed Amendments will be enacted as currently proposed, but no assurance can be given that this will be the case. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, this summary does not take into account or anticipate any changes in the law or the administrative policies or assessing practices of the CRA, whether by judicial, regulatory, governmental or legislative action, nor does it take into account tax laws of any province or territory of Canada, or of any jurisdiction outside Canada.

In general, for the purpose of the Tax Act, all amounts not otherwise expressed in Canadian dollars must be converted into Canadian dollars based on the exchange rate quoted by the Bank of Canada for the applicable day or such other rate of exchange that is acceptable to the CRA.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular noteholder and no representations with respect to the income tax consequences to any particular noteholder are made. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective noteholders should consult their own tax advisors with respect to their particular circumstances.

If the principal Canadian federal income tax considerations applicable to any particular series of Notes are materially different from those that are described in this summary, such Canadian federal income tax considerations will be summarized in the applicable pricing supplement related to that particular series of Notes.

Noteholders Resident in Canada

The following discussion applies to a noteholder who, at all relevant times, for the purposes of the Tax Act, is or is deemed to be resident in Canada (a “**Resident Holder**”). Certain Resident Holders who might not otherwise be considered to hold their Notes or Common Shares as capital property may, in certain circumstances, be entitled to have the Notes and the Common Shares and every other “Canadian security” (as defined in the Tax Act) owned by such Resident Holders, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Resident Holders considering making this election should consult their own tax advisors.

Interest on Notes

A Resident Holder that is a corporation, partnership, unit trust or a trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year the entire amount of any interest (or amount considered to be interest) on the Notes that accrues or is deemed to accrue to it to the end of that taxation year or becomes receivable or is

received by it before the end of that taxation year, to the extent that such amount was not 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 preceding paragraph), will be required to include in computing its income for a taxation year the amount of any interest (or amount considered to be interest) on the Notes that is received or receivable by such Resident Holder in that year (depending on the method regularly followed by the Resident Holder in computing its income) to the extent that such amount was not included in computing the Resident Holder's income for a preceding taxation year. In addition, if at any time a Note becomes an "investment contract" (as defined in the Tax Act) in relation to the Resident Holder, such Resident Holder will be required to include in computing income for a taxation year any interest that accrues to the Resident Holder on the Note up to any "anniversary day" (as defined in the Tax Act) in that year to the extent such interest was not otherwise included in the Resident Holder's income for that or a preceding taxation year.

To the extent that the principal amount of a Note exceeds the amount for which it was issued, the excess (the "**Discount**") may be required to be included in computing a Resident Holder's income either (i) in each taxation year in which all or a portion of such amount accrues (in circumstances where the Discount is or is deemed to be interest); or (ii) in the taxation year in which the Discount is received or receivable by the Resident Holder. Resident Holders should consult their tax advisors as to the Canadian income tax treatment of the Discount.

Redemption or other Disposition of Notes

On a disposition or a deemed disposition of a Note (including on a redemption or a repayment at maturity), other than a disposition as the result of an NVCC Automatic Conversion, a Resident Holder will generally be required to include in computing its income for the taxation year in which the disposition occurs the amount of interest (including any amount considered to accrue as interest) that has accrued on such Note to the date of disposition to the extent that such amount has not otherwise been included in computing the Resident Holder's income for that taxation year in which the disposition occurred or a preceding taxation year.

On a disposition of a Note as the result of an NVCC Automatic Conversion, the fair market value of any Common Shares issued in satisfaction of the accrued and unpaid interest owing on the Note at the time of the conversion (the "**Conversion Interest**") will be included in the income of a Resident Holder in the taxation year in which the NVCC Automatic Conversion takes place to the extent such amount was not otherwise included in the Resident Holder's income for that or a preceding taxation year. A Resident Holder that has previously included an amount in income in respect of such accrued and unpaid interest which exceeds the Conversion Interest 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 redemption or 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 a Note, 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 included in the Resident Holder's income as interest and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such Note to the Resident Holder immediately before the disposition. Where the Notes are converted into Common Shares as the result of an NVCC Automatic Conversion, the proceeds of disposition will be equal to the fair market value of the Common Shares received on the conversion (other than any Common Shares issued in satisfaction of accrued and unpaid interest on the Notes). The cost to a Resident Holder of Common Shares acquired pursuant to an NVCC Automatic Conversion will generally equal the fair market value of such Common Shares on the date of acquisition. The adjusted cost base to a Resident Holder of the Common Shares acquired at the time of an NVCC Automatic Conversion will be determined by averaging the cost of such Common Shares with the adjusted cost base of all other Common Shares held by such Resident Holder as capital property immediately before that time.

Resident Holders should consult their own tax advisors regarding the Canadian income tax consequences to them associated with an NVCC Automatic Conversion.

Dividends on Common Shares

A Resident Holder will be required to include in computing its income for a taxation year, any taxable dividends received or deemed to be received on its Common Shares. In the case of a Resident Holder who is an individual (other than certain trusts), such taxable dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations. Taxable dividends received which 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 rules in the Tax Act. In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain.

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 Common Shares to the extent such dividends are deductible in computing its taxable income.

Disposition of Common Shares

A Resident Holder who disposes of or is deemed to dispose of Common Shares (other than to the Bank unless purchased by the Bank in the open market in the manner in which shares are normally purchased by members of the public in the open market) 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. If the Resident Holder is a corporation, any such capital loss realized on a disposition of a Common Share 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 or a share which has been converted into or exchanged for such share. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a “**taxable capital gain**”) realized by a Resident Holder in a taxation year must be included in the Resident Holder’s income in that year. A Resident Holder is required to deduct one-half of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized in the year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years, or carried forward and deducted in any subsequent year, from net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act.

Pursuant to certain proposals in the Budget, the capital gains inclusion rate is proposed to be increased from one-half to two-thirds for (i) all capital gains realized on or after June 25, 2024, by corporations and trusts, and (ii) the portion of capital gains realized on or after June 25, 2024, by individuals in excess of an annual \$250,000 threshold. In determining whether the proposed \$250,000 threshold for individuals is exceeded, the capital gains will be calculated net of, *inter alia*, the individual’s current year capital losses, capital loss carryforwards and carrybacks and capital gains in respect of which the lifetime capital gains exemption is claimed. Corresponding changes to the proportion of a capital loss that is an allowable capital loss are also proposed. For tax years that begin before and end on or after June 25, 2024, two different inclusion rates will apply and transitional rules will apply to separately identify capital gains and losses realized before the effective date of the proposals and capital gains and losses realized on or after the effective date of the proposals. The details of the transitional rules have not yet been released by the Government of Canada.

Resident Holders should consult their own tax advisors regarding the effect, in their particular circumstances, of the proposed increase to the capital gains inclusion rate contained in the Budget.

Additional Refundable Tax

A Resident Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) or, at any time in the year, a “substantive CCPC” (as defined in the Proposed Amendments contained in Bill C-59 that are proposed to be effective for taxation years that end on or after April 7, 2022), may be subject to an additional refundable tax on its investment income, including interest and taxable capital gains. Any such holder should consult with its own tax advisors in this regard.

Alternative Minimum Tax

Taxable dividends received, and capital gains realised by, a Resident Holder who is an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

Noteholders Not Resident in Canada

The following discussion applies to a noteholder who, at all relevant times, for the purposes of the Tax Act: (i) is not resident and is not deemed to be resident in Canada; (ii) deals at arm’s length with any Canadian resident (or deemed Canadian resident) to whom the noteholder disposes of Notes; (iii) does not use or hold and is not deemed to use or hold Notes or the Common Shares received on an NVCC Automatic Conversion in or in the course of carrying on a business in Canada; (iv) is entitled to receive all payments (including any interest and principal) on the Notes; (v) is not, and deals at arm’s length with each person who is, a “specified shareholder” (as defined in subsection 18(5) of the Tax Act) of the Bank; and (vi) is not an insurer carrying on an insurance business in Canada and elsewhere (a “**Non-resident Holder**”).

This discussion applies to a Non-resident Holder that: (i) is not an entity in respect of which the Bank or any transferee resident (or deemed to be resident) in Canada to whom the Non-resident Holder disposes of, loans or otherwise transfers Notes is a “specified entity”, and is not a “specified entity” in respect of such transferee (as defined in the Proposed Amendments contained in Bill C-59) (the “**Hybrid Mismatch Proposals**”); and (ii) does not dispose of Notes under, or in connection with, a “structured arrangement” (as defined in the Hybrid Mismatch Proposals). The Hybrid Mismatch Proposals are highly complex and there remains significant uncertainty as to their interpretation and application. There can be no assurance that the Hybrid Mismatch Proposals will be enacted in their current form, or at all.

Interest on Notes

Interest paid or credited or deemed to be paid or credited by the Bank on a Note (including amounts on account of, or in lieu of, or in satisfaction of interest) to a Non-resident Holder will not be subject to Canadian non-resident withholding tax unless all or any portion of such interest (other than on a “prescribed obligation” described below) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation. A “prescribed obligation” is an “indexed debt obligation” (defined below), no amount payable in respect of which, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent upon any of the criteria described in the preceding sentence. An “indexed debt obligation” is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding that is determined by reference to a change in the purchasing power of money.

In the event that a Note, the interest (or deemed interest) payable on which is not exempt from Canadian withholding tax, is redeemed, cancelled or purchased by the Bank or any other person resident or deemed to be resident in Canada from a Non-resident Holder or is otherwise assigned or transferred by a Non-resident Holder to a person resident or deemed to be resident in Canada for an amount which exceeds, generally, the issue price thereof, the excess may be deemed to be interest and may, together with any interest that has accrued on the Note to that time, be subject to non-resident withholding tax. Such excess will not be subject to withholding tax if the Note is considered to be an “excluded obligation” for purposes of the Tax Act. A Note that: (a) is not an indexed debt obligation; (b) was issued for an amount not less than 97% of the principal amount (as defined in the Tax Act) of the Note; and (c) the yield from which, expressed in terms of an annual rate (determined in accordance with the Tax Act) on the amount for which the Note was issued does not exceed 4/3 of the interest stipulated to be payable on the Note, expressed in terms of an annual rate on the outstanding principal amount from time to time, will be an excluded obligation for this purpose.

If applicable, the normal rate of Canadian non-resident withholding tax is 25% but such rate may be reduced under the terms of an applicable income tax treaty or convention between Canada and the country in which the Non-resident Holder is resident.

Generally, there are no other taxes on income (including capital gains) payable by a Non-resident Holder on interest, discount, or premium on a Note or on the proceeds received by a Non-resident Holder on the disposition of a Note including a redemption, payment on maturity, conversion (including an NVCC Automatic Conversion), cancellation or purchase.

Dividends on Common Shares

Dividends paid or credited on the Common Shares, or deemed under the Tax Act to be paid or credited on the Common Shares, to a Non-resident Holder will generally be subject to Canadian non-resident withholding tax at the rate of 25% on the gross amount of such dividends unless the rate is reduced under the provisions of an applicable income tax treaty or convention between Canada and the country of residence of the Non-resident Holder. For example, under the *Canada-United States Tax Convention (1980)* (the “**Treaty**”), the withholding tax rate in respect of a dividend paid to a person who is: (i) the beneficial owner of the dividend; (ii) resident in the U.S. for purposes of the Treaty, and (iii) entitled to full benefits under the Treaty, is generally reduced to 15%.

Disposition of Notes or Common Shares

A Non-resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Note or a Common Share unless the Note or Common Share, as the case may be, is or is deemed to be “taxable Canadian property” of the Non-resident Holder for the purposes of the Tax Act and the Non-resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-resident Holder is resident.

Risk Factors

The terms and conditions of Notes that may be offered under our MTN Program may introduce specific risks and investor concerns which a potential investor should carefully consider before reaching an investment decision. In addition to the risks set out in this prospectus supplement and described in the prospectus under the heading “*Risk Factors*”, risks specific to any Notes offered, if any, will be described under similar headings in the applicable pricing supplement relating to a particular

series of Notes. Potential investors should, in consultation with their own financial and legal advisors, carefully consider, among other matters, such risks before deciding whether an investment in the Notes is suitable. The Notes are not a suitable investment for a prospective purchaser who does not understand their terms or the risks involved in holding the Notes.

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

The Notes 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 advisor) of an investment in the Notes in light of its own circumstances. In particular, each potential investor should understand thoroughly the terms of the Notes, such as the provisions governing the 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 carefully consider, 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 or therein.

The Notes are subject to an automatic and immediate conversion into Common Shares upon the occurrence of 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 Notes and the value of such Common Shares could be significantly less than the principal amount or face value of the Notes. In such circumstances, holders of Notes will be obligated to accept the Common Shares even if such holders do not at the time consider the Common Shares to be an appropriate investment for them, and despite any change in the Bank or any disruption to or lack of a market for such Common Shares or disruption to capital markets generally. 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 losses that may not be offset by compensation, if any, received as part of the compensation process (see "*Risk Factors – Any potential compensation to be provided through the compensation process under the CDIC Act is unknown*").

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 determinations will be beyond the control of the Bank. See the definition of Trigger Event under "*Description of the Notes – 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 Canada and the Financial Consumer Agency of Canada prior to making a determination as to the non-viability of a financial institution. 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 shares and debt obligations, including Bail-inable Instruments (as defined below), which are not contingent instruments, will all rank in priority to the holders of contingent instruments, including the Notes. 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 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 is variable and subject to further dilution

The number of Common Shares to be received for each Note on an NVCC Automatic Conversion 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. Certain series of Notes may use a lower effective floor price or a higher multiplier than those applicable to another series of Notes to determine the maximum number of Common Shares to be issued to holders of such instruments upon an NVCC Automatic Conversion.

The Bank is expected to have outstanding from time to time: (a) other securities including, without limitation, other subordinated indebtedness and preferred shares, that are non-viability contingent capital that will automatically and immediately convert into Common Shares upon the occurrence of a Trigger Event; and (b) Bail-inable Instruments that may be converted into Common Shares in connection with a Trigger Event.

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 certain series of Notes will receive Common Shares pursuant to an NVCC Automatic Conversion at a time when other series of Notes, debt obligations of the Bank and potentially Bail-inable Instruments may be converted into Common Shares, at conversion rates that are more favourable to the holders of such instruments or obligations than the rate applicable to the holders of Notes, 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 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 CDIC Act and certain other Canadian federal statutes pertaining to banks provide for a bank recapitalization regime for banks designated by the Superintendent as domestic systemically important banks (collectively, the “**Bail-in Regime**”), which designated banks include the Bank. If CDIC were to take action under the Canadian bank resolution powers with respect to the Bank, this could result in a conversion of Bail-inable Instruments, in whole or in part – by means of a transaction or series of transactions and in one or more steps – into Common Shares or common shares of any affiliates of the Bank (a “**Bail-in Conversion**”). Subject to certain exceptions for covered bonds, certain derivatives and certain structured notes, senior debt of the Bank 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 (collectively, “**Bail-inable Instruments**”). Bail-inable Instruments also include shares, other than Common Shares, and subordinated debt, unless they are non-viability contingent capital, and liabilities issued before September 23, 2018, the terms of which are amended after September 23, 2018 to increase their principal amount or to extend their term to maturity and that, following such amendment, would otherwise be Bail-inable Instruments.

Given that the Notes are subject to NVCC Automatic Conversion, they are not Bail-inable Instruments and are not subject to Bail-in Conversion. However, the Bail-in Regime provides that CDIC must use its best efforts to ensure that Bail-inable Instruments are converted only if all subordinate non-viability contingent capital (such as the Notes) has previously been converted or are converted at the same time. Accordingly, in the case of a Bail-in Conversion, the Notes 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 Bail-inable Instruments that are subject to Bail-in Conversion must receive an amount of common shares equal to (where the Bail-inable Instruments rank equal with the non-viability contingent capital) or greater than the common shares per dollar received by holders of non-viability contingent capital that are converted during the same restructuring period. As a

result, where there is an NVCC Automatic Conversion in the same restructuring period as a Bail-in Conversion, the holders of the converted Bail-in Instruments will receive Common Shares at a conversion rate that would be more favourable than the rate applicable to the Notes.

Circumstances surrounding a potential NVCC Automatic Conversion will have an adverse effect on the market price of the Notes

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 will be mandatorily converted into Common Shares. Accordingly, trading behaviour in respect of the Notes is not necessarily expected to follow trading behaviour 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 and the Common Shares, whether or not such Trigger Event actually occurs.

Holders of Notes may be exposed to losses through the use of other Canadian bank resolution powers or in liquidation

The holders of Notes 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 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 of the following orders (each, an "**Order**"):

- 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;
- if a vesting order or a receivership order has been made, directing CDIC to carry out a Bail-in Conversion; or
- requiring CDIC to apply for a winding-up order in respect of the Bank.

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, holders of Notes may be exposed to losses through the making of more than one such Order or in liquidation pursuant to an Order or otherwise.

As a result, a holder of Notes may lose all of its investment, including the principal amount plus any accrued dividends or interest, if CDIC were to take action under the Canadian bank resolution powers, and any Common Shares into which the Notes are converted upon the occurrence of a Trigger Event and an NVCC Automatic Conversion, 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 converted into Common Shares upon the occurrence of a Trigger Event and an NVCC Automatic Conversion, rank equally with other subordinated indebtedness of the Bank (other than subordinated indebtedness which has been further subordinated in accordance with its terms) 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 and an NVCC Automatic Conversion of the Notes, the terms of such 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 CDIC Act provides for a compensation process for holders of Notes who, immediately prior to the making of an Order, directly or through an intermediary, own Notes 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 relevant 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 relevant Notes less an amount equal to an estimate of losses attributable to the conversion of such Notes 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 relevant Notes is the aggregate estimated value of the following: (a) the relevant Notes, 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 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 relevant Notes 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 relevant Notes 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 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 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 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 affected Notes 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 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, a holder of Notes will no longer have rights as a creditor and will only have rights as a holder of Common Shares

Upon an NVCC Automatic Conversion, the rights, terms and conditions of the Notes, including with respect to priority and rights on liquidation, will no longer be relevant as all such Notes will have been converted 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 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 not been converted into 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 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, who will become holders of Common Shares upon the Trigger Event.

Holdings 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 Notes 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 Notes upon an NVCC Automatic Conversion.

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.

No established trading market

It is not currently anticipated that the Notes will be listed on any stock exchange or quotation system and, consequently, there may be no market through which the Notes may be sold and purchasers may therefore be unable to resell such Notes. This may affect the pricing of the Notes in any secondary market, the transparency and availability of trading prices, the liquidity of the Notes, and the extent of issuer regulation. In addition, holders of Notes should be aware of the prevailing and widely reported global credit market conditions, whereby there is at times a general lack of liquidity in the secondary market.

Optional redemption by the Bank and reinvestment risk

Each Note may be subject to redemption at the option of the Bank, in whole or in part, prior to its stated maturity date, as specified in the applicable pricing supplement. An optional redemption feature of the Notes is likely to limit their market value. During any period when the Bank may elect in its sole discretion but with prior approval of the Superintendent to redeem Notes prior to the applicable maturity date, the market value of those Notes generally will not rise substantially above the price at

which they can be redeemed. This also may be true prior to any redemption period.

If Notes are redeemable at the option of the Bank prior to the applicable maturity date, the Bank may redeem all or some of the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, a holder of a Note generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential purchasers should consider reinvestment risk in light of other investments available at that time and consider potential uncertainty with respect to both the rate of interest payable on such Notes, which may fluctuate, and with respect to the length of the remaining term of such Notes, which will be dependent upon whether or not such Notes are redeemed prior to their maturity.

An investment in the Notes is subject to our credit risk

Real or anticipated changes in credit ratings on the Notes may affect the market value of the Notes. 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 2023 Management's Discussion and Analysis and Q1 2024 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.

The Bank's earnings are significantly affected by changes in general business and economic conditions in the regions in which it operates. These conditions include short- and long-term interest rates, inflation, fluctuations in the debt and capital markets (including changes in credit spreads, credit migration and rates of default), equity or commodity prices, exchange rates, the strength of the economy, the stability of various financial markets, threats of terrorism, pandemics, issues affecting the global banking sector, such as bank failures and liquidity issues, and the level of business conducted in a specific region and/or any one sector within each region. Challenging market conditions and the health of the economy as a whole may have a material effect on the Bank's business, financial condition, liquidity and results of operations, which may affect the market value of the Notes.

The Bank reserves the right not to deliver Common Shares upon an 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 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, would become a Significant Shareholder through the acquisition of Common Shares. In such circumstances, the Bank or its transfer agent 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 or its transfer agent 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 indenture governing the Notes does not contain any financial covenants and contains only limited restrictive covenants. In addition, the indenture does not generally 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 Act 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, a holder of Notes will not be entitled to insurance from CDIC or other such protection, and as a result, a holder of Notes could lose all or a portion of the investment amount in the Notes.

Plan of Distribution

The Notes will be offered severally by one or more of the Dealers from time to time. Under a dealer agreement dated April 26, 2024 between us and the Dealers, the Notes may be purchased or offered at various times by any of the Dealers, as agent, underwriter or principal, at prices and commissions to be agreed upon, for sale to the public at prices to be negotiated with purchasers. Sale prices may vary during the distribution period and between purchasers. We may also offer the Notes to purchasers directly at prices and terms to be negotiated.

The Notes are not, and will not be, registered under the U.S. Securities Act or any state securities laws, and the Dealers 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 U.S., 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 pursuant to exemptions from the registration requirements of the U.S.

Securities Act.

In connection with the offering of Notes, the Dealers 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.

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 Dealers). Each Dealer may, in its discretion reasonably exercised, reject in whole or in part any offer to purchase Notes received by it.

Unless otherwise indicated in a pricing supplement, the Notes will not be listed on any securities exchange and do not have an established trading market. Each of the Dealers may from time to time purchase and sell Notes in the secondary market, but no Dealer 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 Dealers may make a market in the Notes, but the Dealers are not obligated to do so and may discontinue any market-making activity at any time.

At the same time that a Dealer offers, or Dealers offer, the Notes, we may issue other debt securities.

Legal Matters

The matters referred to under “*Certain Canadian Federal Income Tax Considerations*” and certain other legal matters relating to this Offering will be passed upon by Norton Rose Fulbright Canada LLP on our behalf and Stikeman Elliott LLP on behalf of the Dealers.

Interests of Experts

As at April 25, 2024, the partners and associates of each of Norton Rose Fulbright Canada LLP and Stikeman Elliott 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.

Certificate of the Dealers

Dated: April 26, 2024

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)

“Andrew Franklin”

BMO NESBITT BURNS INC.

(signed)

“Michael Cleary”

CIBC WORLD MARKETS INC.

(signed)

“Gaurav Matta”

NATIONAL
BANK
FINANCIAL INC.

(signed)

“John Carrique”

SCOTIA CAPITAL
INC.

(signed)

*“Francesco
Battistelli”*

TD SECURITIES
INC.

(signed)

*“Gregory
McDonald”*

DESJARDINS
SECURITIES INC.

(signed)

“Ryan Godfrey”

IA PRIVATE
WEALTH INC.

(signed)

“Yanick Brochu”

LAURENTIAN
BANK
SECURITIES INC.

(signed)

“Benoit Lalonde”

MANULIFE WEALTH INC.

(signed)

“Stephen Arvanitidis”

MERRILL LYNCH CANADA
INC.

(signed)

“Jamie Hancock”

WELLS FARGO SECURITIES
CANADA, LTD.

(signed)

“Darin Deschamps”