

## Prospectus Supplement

### To Short Form Base Shelf Prospectus dated March 25, 2022

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 March 25, 2022 to which it relates, as amended or supplemented, and each document incorporated by reference into this prospectus supplement or the accompanying 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 and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act). See “Plan of Distribution”.

Information has been incorporated by reference in this prospectus supplement and the accompanying short form base shelf prospectus dated March 25, 2022 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 M5J 2J5, Telephone: (416) 955-7802, and are also available electronically at [www.sedarplus.com](http://www.sedarplus.com).

## New Issue

January 22, 2024



## Royal Bank of Canada \$750,000,000 750,000 Non-Cumulative 5-Year Fixed Rate Reset First Preferred Shares, Series BU (Non-Viability Contingent Capital (NVCC))

The holders of Non-Cumulative 5-Year Fixed Rate Reset First Preferred Shares, Series BU (Non-Viability Contingent Capital (NVCC)) (the “Preferred Shares Series BU”) of Royal Bank of Canada (“we” or the “Bank”) will be entitled to receive fixed rate non-cumulative preferential cash dividends, as and when declared by the board of directors, subject to the provisions of the *Bank Act* (Canada) (the “Bank Act”), for the initial period from and including the closing date of this offering to, but excluding, February 24, 2029 (the “Initial Fixed Rate Period”), payable semi-annually on the 24<sup>th</sup> day of February and August in each year, at a per annum rate of 7.408%, or \$74.08 per share per annum, which results in a yield initially of 7.405%. The first such dividend, if declared, will be payable on August 24, 2024 and will be \$43.12876712 per share, based on the anticipated closing of the offering on January 25, 2024.

For each five-year period after the Initial Fixed Rate Period (each a “Subsequent Fixed Rate Period”), the holders of the Preferred Shares Series BU will be entitled to receive fixed rate non-cumulative preferential cash dividends, as and when declared by the board of directors, subject to the provisions of the Bank Act, payable semi-annually on the 24<sup>th</sup> day of February and August in each year, in an amount per share per annum determined by multiplying the Annual Fixed Dividend Rate (as defined below) applicable to such Subsequent Fixed Rate Period by \$1,000.00. We will determine the Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period on the Fixed Rate Calculation Date (as defined below), which rate will be equal to the sum of the Government of Canada Yield (as defined below) on the applicable Fixed Rate Calculation Date plus 3.90%. See “Description of the Preferred Shares Series BU”.

Upon the occurrence of a Trigger Event (as defined below), each outstanding Preferred Share Series BU will automatically and immediately be converted, on a full and permanent basis, into a number of common shares of the Bank (the “Common Shares”) equal to (Multiplier (as defined below) x Share Value (as defined below)) ÷ Conversion Price (as defined below) (rounding down, if necessary, to the nearest whole number of Common Shares). Investors should therefore carefully consider the disclosure with respect to the Bank, the Preferred Shares Series BU, the Common Shares and the consequences of a Trigger Event included in this prospectus supplement, together with the short form base shelf prospectus dated March 25, 2022 to which it relates (the “prospectus”). See “Description of the Preferred Shares Series BU”.

Subject to the provisions of the Bank Act, the prior written approval of the Superintendent of Financial Institutions (Canada) (the “Superintendent”) and the provisions described below under “Description of the Preferred Shares Series BU – Restriction on Dividends and Retirement of Shares”, during the period from January 25, 2029 to and including February 24, 2029 and during the period from January 24 to and including February 24 every fifth year thereafter, we may redeem all or any part of the outstanding Preferred Shares Series BU, at our option, by the payment of an amount in cash for each share redeemed of \$1,000.00 together with declared and unpaid dividends to, but excluding, the redemption date. See “Description of the Preferred Shares Series BU”.

The Preferred Shares Series BU do not have a fixed maturity date and are not redeemable at the option of the holders of

---

**Price: \$1,000.00 per Preferred Share Series BU  
with an initial dividend rate of 7.408%**

---

The Toronto Stock Exchange (the “TSX”) has conditionally approved the listing of the Common Shares into which Preferred Shares Series BU may be converted upon the occurrence of a Trigger Event subject to us fulfilling all of the TSX’s requirements on or before April 19, 2024. We have also applied to list the Common Shares into which Preferred Shares Series BU may be converted upon the occurrence of a Trigger Event on the New York Stock Exchange (“NYSE”). Listing will be subject to our fulfilling all requirements of the NYSE.

An investment in the Preferred Shares Series BU (and Common Shares into which the Preferred Shares Series BU may be converted upon the occurrence of a Trigger Event) bears certain risks. See “Risk Factors” beginning on page S-11 of this prospectus supplement and page 10 of the prospectus.

	<u>Price to the Public</u>	<u>Agents’ Fee</u>	<u>Net Proceeds to the Bank<sup>(1)</sup></u>
Per Preferred Share Series BU <sup>(2)</sup>	\$1,000.00	\$10.00	\$990.00
Total	\$750,000,000	\$7,500,000	\$742,500,000

(1) After deducting the Agents’ Fee shown in the table above, but before deducting expenses of the offering, estimated to be approximately \$730,000, all of which will be paid by the Bank.

(2) Subscriptions for Preferred Shares Series BU must be for a minimum of 200 shares for a minimum aggregate subscription price of \$200,000.

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

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

The Preferred Shares Series BU are intended to qualify as our additional Tier 1 capital within the meaning of the regulatory capital adequacy requirements to which we are subject. The Preferred Shares Series BU are targeted to institutional investors and as such: (i) they have a minimum par or stated value of \$1,000, (ii) they will be traded on institutional desks and will not be listed on any exchange, (iii) they may only be issued to institutional investors in the primary distribution as described above, and (iv) subscriptions for Preferred Shares Series BU must be for a minimum of 200 shares for a minimum aggregate subscription price of \$200,000.

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

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

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

Subscriptions for Preferred Shares Series BU received will be subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing will take place on January 25, 2024, or such later date as we and the Agents may agree. The Preferred Shares Series BU will be issued in “book-entry only” form. The Preferred Shares Series BU will be issued in certificated or uncertificated form and registered in the name of CDS Clearing & Depository Services Inc. (“CDS”) or its nominee and will be deposited with CDS or its nominee on the closing date of this offering. No physical certificates evidencing the Preferred Shares Series BU will be issued to purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Purchasers of Preferred Shares Series BU will receive only a customer confirmation from the Agent or other registered dealer who is a participant in the depository service of CDS and from or through whom a beneficial interest in the Preferred Shares Series BU is purchased. See “Book-Entry-Only Securities” in the prospectus.

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

## Table of Contents

<b><u>Prospectus Supplement</u></b>	<b><u>Page</u></b>		<b><u>Page</u></b>
Caution Regarding Forward-Looking Statements .....	S-1	Certain Canadian Federal Income Tax	
Documents Incorporated by Reference.....	S-2	Considerations .....	S-8
Marketing Materials.....	S-2	Ratings .....	S-10
Eligibility For Investment.....	S-2	Plan of Distribution .....	S-10
Use of Proceeds .....	S-3	Risk Factors .....	S-11
Share Capital and Changes in the Bank's		Transfer Agent and Registrar.....	S-17
Consolidated Capitalization.....	S-3	Legal Matters.....	S-17
Earnings Coverage.....	S-3	Interests of Experts .....	S-17
Trading Price and Volume.....	S-4	Statutory Rights of Withdrawal and Rescission .....	S-17
Description of Preferred Shares Series BU.....	S-4	Certificate of the Dealers.....	C-1
Description of Common Shares .....	S-8		
<b><u>Base Shelf Prospectus</u></b>	<b><u>Page</u></b>		<b><u>Page</u></b>
Caution Regarding Forward-Looking Statements .....	3	Bank Act Restrictions.....	9
Royal Bank of Canada .....	4	Earnings Coverage.....	9
Documents Incorporated by Reference.....	4	Plan of Distribution .....	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.....	11
Description of the Securities that May be Offered		Well-Known Seasoned Issuer.....	12
under this Prospectus.....	6	Statutory Rights of Withdrawal and Rescission .....	12
Book-Entry-Only Securities .....	8	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 other 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, United Kingdom, European and global economies, the regulatory environment in which we operate, the implementation of IFRS 17 Insurance Contracts, the expected closing of the transaction involving HSBC Bank Canada, including plans for the combination of our operations with HSBC Bank Canada and the financial, operational and capital impacts of the transaction, the expected closing of the transaction involving the U.K. branch of RBC Investor Services Trust and the RBC Investor Services business in Jersey, the expected impact of the Federal Deposit Insurance Corporation’s special assessment, the “Strategic priorities” and “Outlook” sections for each of our business segments contained in our management’s discussion and analysis for the year ended October 31, 2023 (the “**2023 Management’s Discussion and Analysis**”), the risk environment including our credit risk, market risk, liquidity and funding risk, as well as the effectiveness of our risk monitoring, our climate- and sustainability-related beliefs, targets and goals (including our net-zero and sustainable finance commitments) and related legal and regulatory developments. The forward-looking statements contained in this prospectus supplement, or in documents 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, and 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” or “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 section of this prospectus supplement and the risk sections of our 2023 Management’s Discussion and Analysis; 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.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events, as well as the inherent uncertainty of forward-looking statements. Material economic assumptions underlying the forward-looking statements contained in this prospectus supplement, or incorporated by reference in this prospectus supplement, are set out in the “Economic, market and regulatory review and outlook” section and for each business segment under the “Strategic priorities” and “Outlook” headings of our 2023 Management’s Discussion and Analysis. Except as required by law, we do not undertake to update any forward-looking

statement, whether written or oral, that may be made from time to time by us or on our behalf.

Additional information about these and other factors can be found in the risk sections of our 2023 Management's Discussion and Analysis incorporated by reference in this prospectus supplement.

### **Documents Incorporated by Reference**

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

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

- (a) our audited annual consolidated financial statements, which comprise the consolidated balance sheets as of October 31, 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, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), Management's Report on Internal Control over Financial Reporting as of November 29, 2023, the Independent Auditor's Report dated November 29, 2023 and the Report of Independent Registered Public Accounting Firm dated November 29, 2023 (the "**2023 Audited Consolidated Financial Statements**"), and our 2023 Management's Discussion and Analysis;
- (b) our annual information form dated November 29, 2023 (the "**2023 AIF**"); and
- (c) our management proxy circular dated February 7, 2023 for our annual and special meeting of common shareholders held on April 5, 2023 and our special meeting of first preferred shareholders held on May 2, 2023.

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

### **Marketing Materials**

The indicative term sheet dated January 18, 2024 (the "**Indicative Term Sheet**") and the final term sheet dated January 18, 2024 (the "**Final Term Sheet**"), in each case filed with the Commissions, are specifically incorporated by reference into this prospectus supplement, solely for the purpose of the Preferred Shares Series BU offered hereunder. Any additional marketing materials (as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed with the Commissions in connection with the offering of the Preferred Shares Series BU hereunder on or after the date hereof but prior to the termination of the distribution of the Preferred Shares Series BU under this prospectus supplement (including any amendments to, or an amended version of, the marketing materials) are deemed to be incorporated by reference herein. Any marketing materials, including the Indicative Term Sheet and the Final Term Sheet, are not part of this prospectus supplement to the extent that the contents thereof have been modified or superseded by a statement contained in this prospectus supplement or any amendment to this prospectus supplement.

### **Eligibility For Investment**

In the opinion of our counsel, Osler, Hoskin & Harcourt LLP, and in the opinion of the Agents' counsel, McCarthy Tétrault LLP, the Preferred Shares Series BU, if issued on the date of this prospectus supplement, would be qualified investments under the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**") for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), registered education savings plans ("**RESPs**"), registered disability savings plans ("**RDSPs**"), deferred profit sharing plans, tax-free savings accounts ("**TFSAs**") and first home savings account ("**FHSA**").

Notwithstanding the foregoing, if the Preferred Shares Series BU held by a TFSA, FHSA, RRSP, RESP, RDSP or RRIF are a "prohibited investment" under the Tax Act, the holder of the TFSA, FHSA or RDSP, the annuitant of the RRSP or RRIF, or the subscriber of the RESP, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Preferred Shares

Series BU will not be a “prohibited investment” if the holder of a TFSA, FHSA or RDSP, the annuitant of an RRSP or RRIF, or the subscriber of an RESP, as the case may be: (i) deals at arm’s length with the Bank for purposes of the Tax Act; and (ii) does not have a “significant interest” (within the meaning of subsection 207.01(4) of the Tax Act) in the Bank. In addition, the Preferred Shares Series BU will generally not be a “prohibited investment” if they are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for a TFSA, FHSA, RRSP, RRIF, RESP or RDSP. Purchasers of Preferred Shares Series BU who intend to hold Preferred Shares Series BU in a TFSA, FHSA, RRSP, RRIF, RESP or RDSP should consult their own tax advisors in this regard.

### Use of Proceeds

The net proceeds to us from the sale of the Preferred Shares Series BU, after deducting estimated expenses of the issue and the Agents’ fee, are estimated to be approximately \$741,770,000. The net proceeds will be added to our general funds and will be utilized for general banking purposes.

### Share Capital and Changes in the Bank’s Consolidated Capitalization

As at January 19, 2024, we had 1,408,882,770 Common Shares, 106,750,000 first preferred shares of the Bank (“**First Preferred Shares**”) and no second preferred shares outstanding.

The selected consolidated financial data set out below are extracted from our consolidated financial statements as of October 31, 2023. This table should be read together with the 2023 Audited Consolidated Financial Statements and 2023 Management’s Discussion and Analysis, which are incorporated by reference in this prospectus supplement.

	<u>As at October 31, 2023</u>
	(\$ millions)
Subordinated debentures	11,386
Preferred shares and other equity instruments <sup>(1)</sup>	7,314
Common shares	19,167
Retained earnings	84,328
Treasury – preferred shares and other equity instruments	(9)
– common shares	(231)
Other components of equity	6,852

(1) After giving effect to (i) the redemption of all of our issued and outstanding Non-Cumulative First Preferred Shares, Series C-2 on November 7, 2023 (the “Series C-2 Redemption”); and (ii) this offering of the Preferred Shares Series BU, preferred shares and other equity instruments would have amounted to approximately \$8,403 million as at October 31, 2023.

### Earnings Coverage

The following consolidated earnings coverage ratios are calculated for the 12 months ended October 31, 2023. The earnings coverage ratio for the 12 months ended October 31, 2023 is presented on a *pro forma* as adjusted basis and gives effect to (i) this offering of the Preferred Shares Series BU and (ii) the Series C-2 Redemption, in each case as if it had occurred at the beginning of such 12 month period.

	<u>October 31, 2023</u>
	<u>(as adjusted)</u>
Interest coverage on subordinated debentures .....	28.72
Grossed up dividend coverage on preferred shares and distribution coverage on Limited Recourse Capital Notes.....	55.43
Interest coverage on subordinated debentures, grossed up dividend coverage on preferred shares and distribution coverage on Limited Recourse Capital Notes	19.14

Our interest requirements on subordinated debentures (“**interest requirements**”) amounted to (i) \$666 million for the 12 months ended October 31, 2023. Our dividend requirements on our outstanding First Preferred Shares and distribution requirements on Limited Recourse Capital Notes (“**dividend requirements**”), after giving effect to this offering, amounted to \$333 million for the 12 months ended October 31, 2023, adjusted to a before-tax equivalent using an effective income tax rate of 18.60%. Our earnings before income tax and our interest requirements, adjusted for non-controlling interests, for the 12 months ended October 31, 2023 were \$19,125 million, 19.14 times our aggregate dividend requirements and interest requirements for the period.

In calculating the interest, dividend and distribution coverages, foreign currency amounts have been converted to Canadian dollars using the rates of exchange as at the end of each month. For the 12 months ended October 31, 2023, the average exchange rate was U.S. \$1.3497 per Cdn. \$1.00.

### Trading Price and Volume

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

Month	Common Shares (TSX)			Common Shares (NYSE)		
	High (\$)	Low (\$)	Volume (millions)	High (\$US)	Low (\$US)	Volume
January 1- 19, 2024	135.63	131.35	79.49	101.40	96.71	12,568,239
December, 2023	134.69	121.45	64.42	102.07	89.88	20,769,331
November, 2023	122.99	109.89	85.76	90.53	79.14	22,304,033
October, 2023	119.01	107.92	118.03	87.26	77.90	34,151,919
September, 2023	124.23	117.11	52.68	92.08	86.65	17,090,385
August, 2023	130.50	119.64	72.48	98.49	88.14	21,061,344
July, 2023	132.70	124.78	120.44	100.83	93.66	22,836,318
June, 2023	126.88	120.97	53.17	96.11	89.30	12,222,637
May, 2023	135.35	120.10	83.13	100.01	88.03	17,764,875
April, 2023	135.40	129.36	120.16	100.56	96.00	18,729,095
March, 2023	137.78	125.32	77.29	101.23	90.99	21,585,639
February, 2023	140.18	135.14	78.69	104.69	98.95	12,323,592
January, 2023	136.30	127.36	126.69	102.43	93.31	20,009,132

### Description of Preferred Shares Series BU

The Preferred Shares Series BU will be issued as a series of First Preferred Shares of the Bank. See "Description of the Securities that May be Offered under this Prospectus – First Preferred Shares" in the prospectus.

#### Defined Terms

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

**"Annual Fixed Dividend Rate"** means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.90%.

**"business day"** means any day, other than a Saturday or Sunday, that is not a day on which banking institutions are authorized or required by law or regulation to be closed in Toronto, Ontario, Canada.

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

**"Fixed Period End Date"** means February 24, 2029 and each February 24 every fifth year thereafter.

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

**"Government of Canada Yield"** as at any Fixed Rate Calculation Date means the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-



callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the related Subsequent Fixed Rate Period, as determined by two independent Canadian investment dealers (each of which is a member of the Canadian Investment Regulatory Organization or any successor to or of the Canadian Investment Regulatory Organization) selected by the Bank, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market at or about 10:00 a.m. (Toronto time) on the relevant date for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span such Subsequent Fixed Rate Period on such Fixed Rate Calculation Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

“**Initial Fixed Rate Period**” means the period from and including the closing date of this offering to, but excluding, February 24, 2029.

“**Initial Reset Date**” means February 24, 2029.

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

### ***Issue Price***

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

### ***Dividends***

During the Initial Fixed Rate Period, the holders of the Preferred Shares Series BU will be entitled to receive fixed rate non-cumulative preferential cash dividends, as and when declared by the board of directors, subject to the provisions of the Bank Act, payable semi-annually on the 24<sup>th</sup> day of February and August in each year, at a per annum rate of 7.408%, or \$74.08 per share per annum; provided that, whenever it is necessary to compute any dividend amount in respect of the Preferred Shares Series BU for a period of less than one full semi-annual dividend period, such dividend amount shall be calculated on the basis of the actual number of days in the period and a year of 365 days. The first such dividend, if declared, will be payable on August 24, 2024 and will be \$43.12876712 per share, based on the anticipated closing of the offering on January 25, 2024.

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

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

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

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

### ***Redemption***

The Preferred Shares Series BU will not be redeemable prior to January 25, 2029. Subject to the provisions of the Bank Act (see “Bank Act Restrictions” in the prospectus), the prior written approval of the Superintendent and the provisions described below under “Restriction on Dividends and Retirement of Shares”, during the period from January 25, 2029 to and including February 24, 2029 and during the period from January 24 to and including February 24 every fifth year thereafter, we may redeem all or any part of the outstanding Preferred Shares Series BU, at our option, by the payment of an amount in cash for each share redeemed of \$1,000.00 together with declared and unpaid dividends to, but excluding, the redemption date.

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

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

### ***Purchase for Cancellation***

Subject to the provisions of the Bank Act, the provisions described below under “Restriction on Dividends and Retirement of

Shares” and the prior written approval of the Superintendent, we may at any time, by private contract or in the market or by tender, purchase for cancellation any Preferred Shares Series BU at the lowest price or prices at which in the opinion of our board of directors such shares are obtainable.

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

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

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

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

“**Multiplier**” means 1.0.

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

“**Trigger Event**” has the meaning set out in the OSFI Capital Adequacy Requirements (CAR) Guideline, Chapter 2 – Definition of Capital, effective November 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 of all contingent instruments and taking into account any other factors or circumstances that are considered relevant or appropriate, it is reasonably likely that the viability of the Bank will be restored or maintained; or
- a federal or provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Bank would have been determined by the Superintendent to be non-viable.

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

In the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Common Shares, the Bank will take necessary action to ensure that holders of Preferred Shares Series BU 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 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 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 on Liquidation***

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

### ***Restriction on Dividends and Retirement of Shares***

So long as any of the Preferred Shares Series BU are outstanding, the Bank shall not, without the approval of holders of the Preferred Shares Series BU:

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

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

### ***Issue of Additional Series of First Preferred Shares***

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

### ***Amendments to Preferred Shares Series BU***

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

### ***Shareholder Approvals***

The approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Preferred Shares Series BU as a series and any other approval to be given by the holders of Preferred Shares Series BU may be given in writing by the holders of not less than all of the outstanding Preferred Shares Series BU or by a resolution carried by the affirmative vote of

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

### ***Voting Rights***

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

### ***Tax Election***

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

### ***Bank Act Restrictions***

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

### ***Non-Business Days***

If any action or payment is required to be taken or paid by us or any matter, consequence or other thing is provided to occur, in respect of the Preferred Shares Series BU, on a day that is not a business day, then such action or payment will be taken or made and such matter, consequence or other thing will occur on the immediately following day which is a business day unless the Bank determines to take such action or make such payment on the immediately preceding business day.

## **Description of Common Shares**

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

## **Certain Canadian Federal Income Tax Considerations**

The following summary describes, as of the date hereof, the principal Canadian federal income tax considerations under the Tax Act and the Regulations generally applicable to a holder of Preferred Shares Series BU acquired pursuant to this prospectus supplement, and Common Shares acquired on an NVCC Automatic Conversion of Preferred Shares Series BU, who, for the purposes of the Tax Act and at all relevant times, is or is deemed to be a resident of Canada, deals at arm’s length with the Bank and each of the Agents, is not affiliated with the Bank or any Agent, holds the Preferred Shares Series BU and will hold the Common Shares (as applicable) as capital property and is not exempt from tax under Part I of the Tax Act (a “**Holder**”).

Generally, the Preferred Shares Series BU and the Common Shares will be capital property to a Holder provided the Holder does not acquire such shares in the course of carrying on a business of trading or dealing in securities and does not acquire them as part of an adventure or concern in the nature of trade. Certain Holders whose Preferred Shares Series BU or Common Shares would not otherwise qualify as capital property may, in certain circumstances, be entitled to have them and all other “Canadian securities”, as defined in the Tax Act, owned by such Holder in the taxation year of the election and in all subsequent taxation years, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary does not apply to a holder (i) that is a “financial institution”, as defined in the Tax Act for purposes of the market-to-market rules; (ii) an interest in which is or would constitute a “tax shelter investment” as defined in the Tax Act; (iii) that has elected to report its “Canadian tax results”, as defined in the Tax Act, in a currency other than the Canadian currency; or (iv) that has entered into, with respect to the Preferred Shares Series BU or the Common Shares, a “derivative forward agreement”, “synthetic disposition arrangement” or a “dividend rental arrangement” as each term is defined in the Tax Act. Such holders should consult their own tax advisors. Furthermore, this summary is not applicable to a holder that is a “specified financial institution” (as defined in the Tax Act). Any such holder should consult with its own tax advisors regarding the

consequences of investing in Preferred Shares Series BU.

This summary is based upon the current provisions of the Tax Act and the Regulations, and the Bank's Canadian legal counsel's understanding of the current administrative and assessing policies of the Canada Revenue Agency published in writing by it prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that all Tax Proposals will be enacted in the form proposed. However, no assurances can be given that the Tax Proposals will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practice, whether by legislative, regulatory, administrative or judicial action, nor does it take into account provincial, territorial or foreign tax considerations which may differ from those discussed herein.

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

### ***Dividends***

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

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

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

### ***Dispositions***

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

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder in a taxation year must be included in the Holder's income in that year. A 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 (but not against other income) to the extent and under the circumstances described in the Tax Act.

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

### ***Redemption or Purchase for Cancellation***

If the Bank redeems for cash or otherwise acquires Preferred Shares Series BU or Common Shares, other than by a purchase

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

### ***NVCC Automatic Conversion***

The conversion of a Preferred Share Series BU into a Common Share will be deemed not to be a disposition of the Preferred Share Series BU and, accordingly, will not give rise to a capital gain or capital loss. The cost to a Holder of a Common Share received on an NVCC Automatic Conversion will be deemed to be an amount equal to the adjusted cost base to the Holder of the converted Preferred Share Series BU immediately before the NVCC Automatic Conversion. The cost of a Common Share received on an NVCC Automatic Conversion will be averaged with the adjusted cost base of all other Common Shares held by the Holder as capital property at such time for the purpose of determining thereafter the adjusted cost base of each such share.

### **Ratings**

The Preferred Shares Series BU are expected to be rated Pfd-2 (high) by DBRS Limited (“**DBRS**”), Baa2 (hyb) by Moody’s Canada Inc. (“**Moody’s**”) and BBB (global scale) by S&P Global Ratings Canada, a business unit of S&P Global Canada Corp. (“**S&P**”).

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

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

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

### **Plan of Distribution**

Under an agreement dated January 18, 2024 between the Bank and the Agents (the “**Agency Agreement**”), the Agents have agreed to act as our agents to offer the Preferred Shares Series BU for sale to the public on a best efforts basis, if, as and when issued by us, subject to compliance with all necessary legal requirements and in accordance with the terms and conditions of the Agency Agreement. The offering price of the Preferred Shares Series BU was established by negotiation between us and the Agents. The Agents will receive a fee equal to \$10.00 for each Preferred Share Series BU sold.

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

Subscriptions for Preferred Shares Series BU must be for a minimum of 200 shares for a minimum aggregate subscription price of \$200,000.

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

Neither the Preferred Shares Series BU nor the Common Shares into which the Preferred Shares Series BU may be converted upon the occurrence of a Trigger Event have been, or will be, registered under the U.S. Securities Act or any state securities laws, and the Agents have agreed not to (i) buy or offer to buy, (ii) sell or offer to sell or (iii) solicit any offer to buy any Preferred Shares Series BU as part of any distribution under this prospectus supplement in the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person.

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

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

The Preferred Shares Series BU will not be listed on any securities exchange and do not have an established trading market. Each of the Agents may from time to time purchase and sell Preferred Shares Series BU in the secondary market, but no Agent is obligated to do so, and there is no assurance that there will be a secondary market for the Preferred Shares Series BU or liquidity in the secondary market if one develops. From time to time, each of the Agents may make a market in the Preferred Shares Series BU, but the Agents are not obligated to do so and may discontinue any market-making activity at any time.

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

### **Risk Factors**

An investment in the Preferred Shares Series BU (and the Common Shares into which the Preferred Shares Series BU may be converted upon the occurrence of a Trigger Event) is subject to certain risks including those set out in this prospectus supplement and the prospectus. Before deciding whether to invest in the Preferred Shares Series BU, potential investors should consider carefully the risks set out herein and incorporated by reference in this prospectus supplement and the prospectus (including subsequently filed documents incorporated by reference). As an investment in the Preferred Shares Series BU may become an investment in Common Shares in certain circumstances, potential investors in the Preferred Shares Series BU should consider the risks set out in the prospectus regarding our Common Shares, in addition to the risks set out in the prospectus regarding our First Preferred Shares and the risks set out herein regarding the Preferred Shares Series BU. Potential investors should also consider the categories of risks identified and discussed in our 2023 Management's Discussion and Analysis, which is incorporated herein by reference.

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

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

*An investment in the Preferred Shares Series BU is subject to our credit risk.*

Real or anticipated changes in credit ratings on the Preferred Shares Series BU may affect the market value of the Preferred Shares Series BU, respectively. In addition, real or anticipated changes in the Bank's credit ratings could also affect the cost at

which the Bank can transact or obtain funding, and thereby affect our liquidity, business, financial condition or results of operations. See our 2023 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.

*There is no market for the Preferred Shares Series BU.*

The Preferred Shares Series BU will not be listed on any stock exchange or quotation system and, consequently, there may be no market through which the Preferred Shares Series BU may be sold and purchasers may therefore be unable to resell such Preferred Shares Series BU. This may affect the pricing of the Preferred Shares Series BU in any secondary market, the transparency and availability of trading prices, the liquidity of the Preferred Shares Series BU, and the extent of the issuer regulation. Each of the Agents may from time to time purchase and sell Preferred Shares Series BU in the secondary market or make a market for the Preferred Shares Series BU, but no Agent is obliged to do so and there can be no assurance as to a secondary market for the Preferred Shares Series BU, liquidity in any such market or any market making activities by any Agent.

*The market value of the Preferred Shares Series BU may fluctuate.*

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

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

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

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

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

*The Preferred Shares Series BU 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 the Preferred Shares Series BU and the value of such Common Shares could be significantly less than the face value of the Preferred Shares Series BU. In such circumstances, holders of Preferred Shares Series BU 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 (as defined below) 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 determination will be beyond the control of the Bank. A Trigger Event will also occur if a federal or provincial government in Canada publicly announces that the Bank accepted or agreed to accept a capital injection, or equivalent support from such government or a political subdivision or agent or agency thereof, without which the Superintendent would have determined to be non-viable. Such determination will be beyond the control of the Bank. See the definition of Trigger Event under "Description of Preferred Shares Series BU — Conversion Upon Occurrence of a Non-Viability Contingent Capital Trigger Event."

OSFI has stated that the Superintendent will consult with the Canada Deposit Insurance Corporation ("CDIC"), the Bank of



Canada, the Department of Finance and the Financial Consumer Agency of Canada prior to making a non-viability determination. The conversion of contingent instruments alone may not be sufficient to restore an institution to viability and other public sector interventions, including liquidity assistance, would likely be used along with the conversion of contingent instruments to maintain an institution as a going concern.

In assessing whether the Bank has ceased, or is about to cease, to be viable and that, after the conversion of all contingent instruments, it is reasonably likely that the viability of the Bank will be restored or maintained, OSFI has stated that the Superintendent will consider, in consultation with the authorities referred to above, all relevant facts and circumstances. Those facts and circumstances may include, in addition to other public sector interventions, a consideration of whether, among other things:

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

If a Trigger Event occurs, then the interests of depositors, other creditors of the Bank, and holders of Bank shares and debt obligations, including Bail-in-able Instruments (as defined below), which are not contingent instruments will all rank in priority to the holders of contingent instruments, including the Preferred Shares Series BU. 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 the Preferred Shares Series BU 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 Preferred Share Series BU 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 Preferred Shares Series BU. Certain series of preferred shares may use a lower effective floor price or a higher multiplier than those applicable to another series of preferred shares 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, subordinated indebtedness and other 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-in-able 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 Preferred Shares Series BU will receive Common Shares pursuant to an NVCC Automatic Conversion at a time when other series of preferred shares, debt obligations of the Bank and potentially Bail-in-able 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 Preferred Shares Series BU, 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 Preferred Shares Series BU that will become holders of Common Shares upon an NVCC Automatic

## Conversion.

In particular, as part of the Canadian bank resolution powers, certain provisions of, and regulations under, the Bank Act, the Canada Deposit Insurance Corporation Act (the “**CDIC Act**”) and certain other Canadian federal statutes pertaining to banks provide for a bank recapitalization regime (collectively, the “**Bail-in Regime**”) for banks designated by the Superintendent as domestic systemically important banks, which include the Bank. If the CDIC were to take action under the Canadian bank resolution powers with respect to the Bank, this could result in a conversion of 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 Preferred Shares Series BU 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 the 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 Preferred Shares Series BU) have previously been converted or are converted at the same time. Accordingly, in the case of a Bail-in Conversion, the Preferred Shares Series BU 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-inable Instruments will receive Common Shares at a conversion rate that would be more favourable than the rate applicable to the Preferred Shares Series BU.

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

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 Preferred Shares Series BU will be mandatorily converted into Common Shares. Accordingly, trading behavior in respect of the Preferred Shares Series BU is not necessarily expected to follow trading behavior associated with other types of convertible or exchangeable securities. Any indication, whether real or perceived, that the Bank is trending towards a Trigger Event can be expected to have an adverse effect on the market price of the Preferred Shares Series BU and the Common Shares, whether or not such Trigger Event actually occurs.

*Holders of Preferred Shares Series BU may be exposed to losses through the use of other Canadian bank resolution powers or in liquidation.*

The holders of Preferred Shares Series BU 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 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 Preferred Shares Series BU 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 Preferred Shares Series BU may lose all of its investment, including the issue price plus any declared and unpaid dividends, if the CDIC were to take action under the Canadian bank resolution powers, and any Common Shares into which the Preferred Shares Series BU 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.

*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 Preferred Shares Series BU who immediately prior to the making of an Order, directly or through an intermediary, own Preferred Shares Series BU 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.

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

The resolution value in respect of the Preferred Shares Series BU is the aggregate estimated value of the following: (a) the Preferred Shares Series BU 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 Preferred Shares Series BU in accordance with their terms after the making of an Order; (c) any dividend payments made, after the making of the Order, with respect to the Preferred Shares Series BU to any person other than CDIC; and (d) any other cash, securities or other rights that are received or to be received with respect to the Preferred Shares Series BU 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 Preferred Shares Series BU 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 Preferred Shares Series BU 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 at least 10% of the liquidation entitlement of the shares 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 liquidation entitlement of the Preferred Shares Series BU 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.

Given the considerations involved in determining the amount of compensation, if any, that a holder that held Preferred Shares Series BU 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, you will no longer have rights as a holder of Preferred Shares Series BU and will only have rights as a holder of Common Shares.*

Upon an NVCC Automatic Conversion, the rights, terms and conditions of the Preferred Shares Series BU, including with respect to priority and rights on liquidation, will no longer be relevant as all such Preferred Shares Series BU 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 Preferred Shares Series BU 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 Preferred Shares Series BU 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 Preferred Shares Series BU will receive Common Shares pursuant to an NVCC Automatic Conversion at a time when 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 Preferred Shares Series BU, who will become holders of Common Shares upon the Trigger Event.

*Holders of Preferred Shares Series BU do not have anti-dilution protection in all circumstances.*

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

*The Preferred Shares Series BU do not have a fixed maturity date.*

The Preferred Shares Series BU do not have a fixed maturity date and are not redeemable at the option of the holders of Preferred Shares Series BU. The ability of a holder to liquidate its holdings of Preferred Shares Series BU may be limited.

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

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

*As required by the Bank Act, the voting rights of the First Preferred Shares are limited to one vote per First Preferred Share.*

Subject to certain exceptions, on a matter submitted to a class vote of the First Preferred Shares, each holder of First Preferred Shares will be entitled to one vote for each First Preferred Share held, as required by the Bank Act, without distinction as to series, regardless of the issue price of the First Preferred Share held by such holder. Accordingly, a holder of a Preferred Share Series BU issued for \$1,000.00 will have the same number of votes as a holder of a First Preferred Share of a series that was issued for \$25.00 per share. As a result, holders of the Bank's outstanding First Preferred Shares that were issued for \$25.00 per share may have influence over the outcome of matters submitted to a class vote of holders of First Preferred Shares for approval.

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

The Bank may elect to redeem the Preferred Shares Series BU without the consent of the holders of the Preferred Shares Series BU in the circumstances described under “Description of Preferred Shares Series BU – Redemption”. In addition, the redemption of Preferred Shares Series BU is subject to the prior written approval of the Superintendent and other restrictions contained in the Bank Act and the regulations and guidelines thereunder, including the OSFI Capital Adequacy Requirements (CAR) Guideline, as may be amended from time to time. See “Bank Act Restrictions” in the prospectus and “Description of Preferred Shares Series BU – Restriction on Dividends and Retirement of Shares” in this prospectus supplement.

*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 will attempt to facilitate the sale of such Common Shares. Those sales (if any) may be made at any time and at any price. The Bank will not be subject to any liability for failure to sell such Common Shares on behalf of such persons or at any particular price on any particular day.

### **Transfer Agent and Registrar**

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

### **Legal Matters**

Certain legal matters relating to this offering will be passed upon by Osler, Hoskin & Harcourt LLP on our behalf and by McCarthy Tétrault LLP on behalf of the Agents.

### **Interests of Experts**

As at January 22, 2024, the partners and associates of each of Osler, Hoskin & Harcourt LLP and McCarthy Tétrault LLP beneficially owned, directly or indirectly, less than 1% of the issued and outstanding securities of each class of the Bank or of any associate or affiliate of the Bank.

### **Statutory Rights of Withdrawal and Rescission**

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

## Certificate of the Dealers

Dated: January 22, 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, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of all provinces and territories of Canada.

RBC DOMINION SECURITIES INC.

(signed)

*“Andrew Franklin”*

TD SECURITIES INC.

(signed)

*“Greg McDonald”*

SCOTIA CAPITAL INC.

(signed)

*“Francesco Battistelli”*

BMO NESBITT  
BURNS INC.

CIBC WORLD  
MARKETS INC.

DESJARDINS  
SECURITIES INC.

MERRILL  
LYNCH  
CANADA INC.

NATIONAL  
BANK  
FINANCIAL INC.

(signed)

*“Michael Cleary”*

(signed)

*“Gaurav Matta”*

(signed)

*“Ryan Godfrey”*

(signed)

*“Matthew  
Margulies”*

(signed)

*“John Carrique”*

IA PRIVATE WEALTH  
INC.

LAURENTIAN BANK  
SECURITIES INC.

MANULIFE WEALTH  
INC.

WELLS FARGO  
SECURITIES CANADA,  
LTD.

(signed)

*“Yanick Brochu”*

(signed)

*“Benoit Lalonde”*

(signed)

*“Stephen Arvanitidis”*

(signed)

*“Jamie McKeown”*

HSBC SECURITIES (CANADA) INC.

(signed)

*“Scott Lampard”*

## Short Form Base Shelf Prospectus

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

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

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

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

## Short Form Base Shelf Prospectus

New Issue

March 25, 2022



## Royal Bank of Canada

### Senior Debt Securities (Unsubordinated Indebtedness)

### Debt Securities (Subordinated Indebtedness)

### First Preferred Shares

Royal Bank of Canada (“**the Bank**”, “**we**”, “**us**” or “**our**”) may from time to time offer: (i) unsecured unsubordinated debt securities (the “**Senior Debt Securities**”); (ii) unsecured subordinated debt securities (the “**Subordinated Debt Securities**”); and (iii) first preferred shares (the “**First Preferred Shares**”) under this prospectus. We may offer Senior Debt Securities, Subordinated Debt Securities and First Preferred Shares (collectively, the “**Securities**”) separately or together, in amounts, at prices and on terms to be described in one or more prospectus supplements.

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

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

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

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

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

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

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

As of January 31, 2022, the Bank has determined it qualifies as a ‘well-known seasoned issuer’, as such term is defined under the WKSI Blanket Orders (as defined below), as the Bank had outstanding listed equity securities with a public float of at least \$500,000,000. See “Well-Known Seasoned Issuer”.

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

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

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



## Table of Contents

<u>Page</u>	<u>Page</u>
Caution Regarding Forward-Looking Statements .....	3
Royal Bank of Canada .....	4
Documents Incorporated by Reference .....	4
Share Capital .....	5
Changes in the Bank’s Consolidated Capitalization .....	5
Description of Common Shares of the Bank .....	5
Description of the Securities that May be Offered under this Prospectus .....	6
Book-Entry-Only Securities .....	8
Bank Act Restrictions .....	9
Earnings Coverage .....	9
Plan of Distribution .....	10
Risk Factors .....	10
Use of Proceeds .....	11
Legal Matters .....	11
Well-Known Seasoned Issuer .....	12
Statutory Rights of Withdrawal and Rescission .....	12
Certificate of the Bank .....	C-1

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

### Caution Regarding Forward-Looking Statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in this prospectus, in the documents incorporated by reference in this prospectus, in other filings with Canadian regulators or the United States Securities and Exchange Commission, in reports to shareholders, and in other communications. Forward-looking statements in this prospectus, or in the documents incorporated by reference in this prospectus include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals, the economic, market, and regulatory review and outlook for Canadian, United States (“**U.S.**”), European and global economies, the regulatory environment in which we operate, and the risk environment including our credit risk, market risk, liquidity and funding risk, the potential continued impacts of the coronavirus (COVID-19) pandemic on our business operations, financial results, condition and objectives and on the global economy and financial market conditions and includes our President and Chief Executive Officer’s statements therein, as set out in our management’s discussion and analysis for the year ended October 31, 2021 (the “**2021 Management’s Discussion and Analysis**”) and in our management’s discussion and analysis for the three month period ended January 31, 2022 (the “**Q1 2022 Management’s Discussion and Analysis**”). The forward-looking information contained in, or incorporated by reference in, this document is presented for the purpose of assisting the holders of our securities, potential purchasers of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, as well as our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, liquidity and funding, insurance, operational, regulatory compliance (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, competitive, legal and regulatory environment, and systemic risks and other risks discussed in the risk sections and “Impact of COVID-19 pandemic” section of our 2021 Management’s Discussion and Analysis and in the “Risk management” section of the Q1 2022 Management’s Discussion and Analysis; including business and economic conditions, information technology and cyber risks, environmental and social risk (including climate change), digital disruption and innovation, Canadian housing and household indebtedness, geopolitical uncertainty, privacy, data and third-party related risks, regulatory changes, culture and conduct, the business and economic conditions in the geographic regions in which we operate, the effects of changes in government fiscal, monetary and other policies, tax risk and transparency, and the emergence of widespread health emergencies or public health crises such as pandemics and epidemics, including the COVID-19 pandemic and its impact on the global economy, financial market conditions and our business operations, and financial results, condition and objectives. In addition, as we work to advance our climate goals, external factors outside of the Bank’s reasonable control may act as constraints on their achievement, including varying decarbonization efforts across economies, the need for thoughtful climate policies around the world, more and better data, reasonably supported methodologies, technological advancements, the evolution of consumer behaviour, the challenges of balancing interim emissions goals with an orderly and just transition, and other significant considerations such as legal and regulatory obligations.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Material economic assumptions underlying the forward-looking statements contained in, or incorporated by reference in, this prospectus are set out in the “Economic, market and regulatory review and outlook” section and for each business segment under the “Strategic priorities” and “Outlook” headings in our 2021 Management’s Discussion and Analysis, as updated by the “Economic, market and regulatory review and outlook” section of our Q1 2022 Management’s Discussion and Analysis. Except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

Additional information about these and other factors can be found in the risk sections and “Impact of COVID-19 pandemic” section of our 2021 Management’s Discussion and Analysis and in the “Risk management” section of our Q1 2022 Management’s Discussion and Analysis incorporated by reference in this prospectus.

### **Royal Bank of Canada**

Royal Bank of Canada is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 88,000+ employees who leverage their imaginations and insights to bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada’s biggest bank, and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our 17 million clients in Canada, the U.S. and 27 other countries.

### **Documents Incorporated by Reference**

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

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

- (a) our unaudited interim condensed consolidated financial statements, which comprise the condensed consolidated balance sheets as of January 31, 2022 and October 31, 2021, and the related condensed consolidated statements of income, comprehensive income, changes in equity, and cash flows for the three months ended January 31, 2022 and January 31, 2021, including selected explanatory notes, presented in compliance with International Accounting Standard (IAS) 34 – Interim Financial Reporting, and our Q1 2022 Management’s Discussion and Analysis;
- (b) our audited annual consolidated financial statements, which comprise the consolidated balance sheets as at October 31, 2021 and 2020, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the years then ended, including the related notes, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), Management’s Report on Internal Control over Financial Reporting as of November 30, 2021, the Independent Auditor’s Report dated November 30, 2021, the Report of Independent Registered Public Accounting Firm dated November 30, 2021, and our 2021 Management’s Discussion and Analysis;
- (c) our annual information form dated November 30, 2021 (the “**2021 AIF**”); and
- (d) our management proxy circular dated February 8, 2022 for our annual meeting of common shareholders to be held on April 7, 2022.

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

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

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

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

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

### **Share Capital**

Our authorized capital consists of: (i) an unlimited number of common shares, without nominal or par value; (ii) an unlimited number of First Preferred Shares, without nominal or par value, which may be issued for a maximum aggregate consideration of \$20 billion; and (iii) an unlimited number of second preferred shares, without nominal or par value, which may be issued for a maximum aggregate consideration of \$5 billion. As at March 24, 2022, we had 1,408,501,034 common shares, 102,765,385 First Preferred Shares and no second preferred shares outstanding.

### **Changes in the Bank's Consolidated Capitalization**

On February 24, 2022, the Bank redeemed all 6,000,000 (\$150 million) outstanding Non-Cumulative First Preferred Shares, Series BJ (Non-Viability Contingent Capital) (the "**Series BJ redemption**").

### **Description of Common Shares of the Bank**

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

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

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

## **Description of the Securities that May be Offered under this Prospectus**

### **Debt Securities**

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

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

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

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

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

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

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

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

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

At our option, Debt Securities may be issued in fully registered form, in bearer form or in "book-entry-only" form. See "Book-Entry-Only Securities" below. Debt Securities in registered form will be exchangeable for other Debt Securities of the same series and tenor, registered in the same name, for the same aggregate principal amount in authorized denominations and will be transferable at any time or from time to time at the corporate trust office of the trustee for the Debt Securities. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

For a list of our senior long-term debt credit ratings, refer to the "Risk management – Liquidity and funding risk – Credit ratings" section of our Q1 2022 Management's Discussion and Analysis incorporated by reference in this prospectus.

### **First Preferred Shares**

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

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

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

The holders of the First Preferred Shares are not entitled to any voting rights except as provided below or by law. The Non-Cumulative First Preferred Shares, Series C-2 have certain limited voting rights as described in our 2021 AIF.

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

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

The approval of all amendments to the provisions attaching to the First Preferred Shares as a class and any other approval to be given by the holders of the First Preferred Shares may be given in writing by the holders of not less than all of the outstanding First Preferred Shares or by a resolution carried by the affirmative vote of not less than 66⅔% of the votes cast at a meeting of holders of First Preferred Shares at which a quorum of the outstanding First Preferred Shares is represented. A quorum at any

meeting of holders of First Preferred Shares is 51% of the shares entitled to vote at such meeting, except that at a reconvened meeting following a meeting that was adjourned due to lack of quorum there is no quorum requirement.

### **Book-Entry-Only Securities**

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

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

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

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

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

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

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

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

## Transfers of Securities

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

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

## Bank Act Restrictions

The Bank Act contains restrictions (which are subject to any orders that may be issued by the Governor in Council) on the issue, transfer, acquisition, beneficial ownership and voting of all shares of a chartered bank. A summary of such restrictions is included in our 2021 AIF incorporated by reference in this prospectus under the heading “Constraints”.

## Earnings Coverage

The following consolidated earnings coverage ratios are calculated for the 12 months ended October 31, 2021 and January 31, 2022, respectively. The earnings coverage ratios for the 12 months ended October 31, 2021 are presented on a *pro forma* as adjusted basis and give effect to (i) the offering of 750,000 (\$750 million) Non-Cumulative 5-Year Fixed Rate Reset First Preferred Shares, Series BT (Non-Viability Contingent Capital (NVCC)) on November 5, 2021 (the “**Series BT issuance**”), (ii) the offering of \$1 billion of our 2.94% subordinated debentures due 2032 (Series 25 Medium Term Notes) on January 25, 2022 (the “**Series 25 MTN issuance**”), and (iii) the Series BJ redemption on February 24, 2022, in each case as if it had occurred at the beginning of such 12 month period. The earnings coverage ratios for the 12 months ended January 31, 2022 are presented on a *pro forma* as adjusted basis and give effect to the Series BJ redemption on February 24, 2022, as if it had occurred at the beginning of such 12 month period. The following consolidated earnings coverage ratios do not reflect the issuance of any Securities under this prospectus.

	October 31, 2021 (as adjusted)	January 31, 2022 (as adjusted)
Interest coverage on subordinated debentures.....	99.80	125.96
Grossed up dividend coverage on preferred shares and distribution coverage on limited recourse capital notes .....	61.28	75.42
Interest coverage on subordinated debentures, grossed up dividend coverage on preferred shares and distribution coverage on limited recourse capital notes .....	38.23	47.41

Our interest requirements on subordinated debentures (“**interest requirements**”) amounted to (i) \$208 million for the 12 months ended October 31, 2021, as adjusted for the Series 25 MTN issuance, and (ii) \$169 million for the 12 months ended January 31, 2022, as adjusted for the Series 25 MTN issuance. Our dividend requirements on our outstanding First Preferred Shares and distribution requirements on our outstanding Limited Recourse Capital Notes (“**dividend requirements**”) amounted to (i) \$336 million for the 12 months ended October 31, 2021, as adjusted for the Series BT issuance and the Series BJ redemption, adjusted to a before-tax equivalent using an effective income tax rate of 22.20%, and (ii) \$280 million for the 12 months ended January 31, 2022, adjusted to a before-tax equivalent using an effective income tax rate of 22.87%, as adjusted for the Series BJ redemption. Our earnings before income tax and our interest requirements, adjusted for non-controlling interests, for (i) the 12 months ended October 31, 2021 were \$20,798 million, 38.23 times our aggregate dividend requirements and interest requirements for the period, and (ii) the 12 months ended January 31, 2022 were \$21,287 million, 47.41 times our aggregate dividend requirements and interest requirements for the period.

In calculating the interest, dividend and distribution coverages, foreign currency amounts have been converted to Canadian dollars using the rates of exchange as at the end of each month. For the 12 months ended October 31, 2021, the average exchange rate was U.S. \$0.796 per Cdn. \$1.00 and for the 12 months ended January 31, 2022, the average exchange rate was U.S. \$0.799 per Cdn. \$1.00.

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

## **Plan of Distribution**

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

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all of the Securities offered by the prospectus supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters may be changed from time to time.

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

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

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

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

## **Risk Factors**

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

### *General Risks Relating to Creditworthiness*

The value of Securities will be affected by our general creditworthiness. See our 2021 Management's Discussion and Analysis and Q1 2022 Management's Discussion and Analysis which are incorporated by reference herein, and similar disclosure to be incorporated by reference from time to time during the period of effectiveness of this prospectus (see "Documents Incorporated by Reference"). This analysis discusses, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on our business, financial condition or results of operations.

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



### *Credit Ratings*

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

### *Ranking of Securities*

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

In the event of our insolvency, any First Preferred Shares issued hereunder that remain outstanding will rank equally with our other outstanding First Preferred Shares. If we become insolvent or are wound-up, our assets must be used to pay our deposit liabilities and other debt, including subordinated debt, before payments may be made on First Preferred Shares and other preferred shares.

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

### *Interest Rate Risks*

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

### *Market Value of First Preferred Shares*

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

### *Market for Securities*

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

## **Use of Proceeds**

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

## **Legal Matters**

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

As at March 24, 2022, the partners and associates of Norton Rose Fulbright Canada LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Bank or of any associate or affiliate of the Bank.

### **Well-Known Seasoned Issuer**

On December 6, 2021, each of the Canadian provincial and territorial securities regulatory authorities adopted a series of substantively harmonized blanket orders (collectively, the “**WKSI Blanket Orders**”) with the intention of reducing the regulatory burden associated with certain prospectus requirements under NI 44-101 and National Instrument 44-102 – *Shelf Distributions* for certain large, established reporting issuers with strong disclosure records. The WKSI Blanket Orders came into effect on January 4, 2022. This prospectus is filed by the Bank in reliance on the WKSI Blanket Orders, which allow “well-known seasoned issuers” (as such term is defined in the WKSI Blanket Orders) or “WKSIIs” to file a final short form base shelf prospectus as the first public step in an offering, and exempt qualifying issuers from certain disclosure requirements relating to such final short form base shelf prospectus. As of January 31, 2022, the Bank has determined it qualifies as a ‘well-known seasoned issuer’, as such term is defined under the WKSI Blanket Orders, as the Bank had outstanding listed equity securities with a public float of at least \$500,000,000.

### **Statutory Rights of Withdrawal and Rescission**

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

## Certificate of the Bank

Dated: March 25, 2022

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

“DAVID MCKAY”  
President and  
Chief Executive Officer

“NADINE AHN”  
Chief Financial Officer

On behalf of the Board of Directors

“KATHLEEN TAYLOR”  
Director

“FRANK VETTESE”  
Director