

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

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

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") and, except as stated under "Plan of Distribution", 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, a U.S. person (as defined in Regulation S under the U.S. Securities Act).

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Assistant Corporate Secretary of Laurentian Bank of Canada, 1360 René-Lévesque Boulevard West, Suite 600, Montreal, Quebec, Canada, H3G 0E5 (Telephone: (514) 284-4500, ext. 40448), and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

March 31, 2021



\$1,000,000,000
Debt Securities (subordinated indebtedness)
Common Shares
Class A Preferred Shares
Subscription Receipts
Warrants

Laurentian Bank of Canada (the "Bank") may from time to time offer and issue the following securities: (i) unsecured subordinated debt securities (the "Debt Securities"); (ii) common shares (the "Common Shares"); (iii) Class A Preferred Shares (the "Preferred Shares"); (iv) subscription receipts (the "Subscription Receipts"); and (v) warrants (the "Warrants"). The Debt Securities, Common Shares, Preferred Shares, Subscription Receipts and Warrants (collectively, the "Securities") offered hereby may be offered separately or together, in separate series, in amounts, at prices and on terms to be set forth in an accompanying shelf prospectus supplement and any applicable pricing supplement (collectively, a "Prospectus Supplement"). All information permitted under applicable securities legislation to be omitted from this short form base shelf prospectus (the "Prospectus") will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. The Bank may sell up to \$1,000,000,000 in aggregate initial offering price of Securities (or the Canadian dollar equivalent thereof if any of the Securities are denominated in a foreign currency or currency unit) during the 25 month period that this Prospectus, including any amendments thereto, remains valid. All currency amounts in this Prospectus are stated in Canadian dollars, unless otherwise indicated.

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, any terms for redemption at the option of the Bank or the holder, any exchange or conversion terms and any other specific terms; (ii) in the case of Common Shares, the number of shares and the offering price; (iii) in the case of Preferred Shares, the designation of the particular series, the aggregate number of shares offered, the issue price, the dividend rate, the dividend payment

dates, any terms for redemption at the option of the Bank or the holder, any exchange or conversion terms and any other specific terms; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, the procedures for the exchange of the Subscription Receipts for Debt Securities, Preferred Shares or Common Shares, as the case may be, and any other specific terms; and (v) in the case of Warrants, the designation, number and terms of the Debt Securities, Preferred Shares or Common Shares purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms.

This Prospectus does not qualify for issuance of Debt Securities in respect of which the payment of principal and/or interest may be determined, 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, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or a bankers' acceptance rate, or to recognized market benchmark interest rates.

The outstanding Common Shares and Preferred Shares Series 13 and 15 of the Bank are listed on the Toronto Stock Exchange.

Effective January 1, 2013, in accordance with capital adequacy requirements adopted by the Office of the Superintendent of Financial Institutions Canada (the "Superintendent"), non-common capital instruments issued after January 1, 2013, including Debt Securities and 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-Viable Capital Contingency Provisions") in order to qualify as regulatory capital. The specific terms of any Non-Viable Capital Contingency Provisions for any Debt Securities and Preferred Shares that the Bank issues under this Prospectus will be described in one or more Prospectus Supplements relating to such Securities.

The Securities may be sold through underwriters or agents and by the Bank directly pursuant to applicable statutory exemptions. See "Plan of Distribution". The underwriters may decrease the price at which the Securities are distributed for cash from the initial offering price disclosed in a Prospectus Supplement, unless otherwise specified in a Prospectus Supplement. **See "Plan of Distribution" for additional disclosure concerning a possible price decrease.** Each Prospectus Supplement will identify each underwriter or agent engaged in connection with the offering and sale of those Securities, and will also set forth the terms of the offering of such Securities, including the net proceeds to the Bank and, to the extent applicable, any fees payable to the underwriters or agents. Each Prospectus Supplement will be deemed to be incorporated by reference in this Prospectus as of the date of such Prospectus Supplement, but only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains. The offerings are subject to approval of certain legal matters on behalf of the Bank by Osler, Hoskin & Harcourt LLP.

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

Unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Debt Securities may be sold and purchasers may not be able to resell the Debt Securities purchased under the Prospectus. This may affect the pricing of the Debt Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Debt Securities and the extent of issuer regulation. See "Risk Factors".

The Debt Securities will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.

In compliance with applicable Canadian securities laws, the Bank has delivered an undertaking to the applicable securities regulatory authorities that the Bank will not distribute any 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 pre-clearing with the applicable securities regulatory authorities the disclosure contained in the prospectus supplements pertaining to such Securities in accordance with applicable Canadian securities laws.

The head office and executive offices of the Bank are at 1360 René-Lévesque Boulevard West, Suite 600, Montreal, Quebec, Canada, H3G 0E5.

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

In this Prospectus and in any documents incorporated by reference herein, the Bank may from time to time make written or oral forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements include, but are not limited to, statements regarding the Bank's business plans and strategies, priorities and financial objectives, the regulatory environment in which the Bank operates, the anticipated impact of the coronavirus ("COVID-19") pandemic on the Bank's operations, earnings results and financial performance and statements under the headings "Outlook", "COVID-19 Pandemic" and "Risk Appetite and Risk Management Framework" contained in the 2020 Annual Report (as defined below), including the MD&A (as defined below) and other statements that are not historical facts. The forward-looking statements contained in, or incorporated by reference in, this Prospectus are used to assist readers in obtaining a better understanding of the Bank's financial position and the results of operations as at and for the periods ended on the dates presented and may not be appropriate for other purposes. Forward-looking statements typically are identified with words or phrases such as "believe", "assume", "estimate", "forecast", "outlook", "project", "vision", "expect", "foresee", "anticipate", "plan", "goal", "aim", "target", "may", "should", "could", "would", "will", "intend" or the negative of these terms, variations thereof or similar terminology.

By their very nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. Material economic assumptions underlying the forward-looking statements contained in, or incorporated by reference in, this Prospectus are set out in the 2020 Annual Report under the heading "Outlook". There is significant risk that the predictions, forecasts, projections or conclusions will prove to be inaccurate, that the Bank's assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, projections or conclusions. The Bank cautions readers against placing undue reliance on forward-looking statements, as a number of factors, many of which are beyond the Bank's control and the effects of which can be difficult to predict, could influence, individually or collectively, the accuracy of the forward-looking statements and cause actual future results to differ significantly from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These factors include, but are not limited to risks relating to: the impacts of the COVID-19 pandemic on the Bank, its business, financial condition and prospects; technology, information systems and cybersecurity; technological disruption, competition and the Bank's ability to execute on its strategic objectives; the economic climate in the U.S. and Canada; accounting policies, estimates and developments; legal and regulatory compliance; fraud and criminal activity; human capital; insurance; business continuity; business infrastructure; environmental and social risk and climate change; and the Bank's ability to manage operational, regulatory, legal, strategic, reputational and model risks, all of which are described in more detail in the section titled "Risk Appetite and Risk Management Framework" beginning on page 43 of the 2020 Annual Report, including the MD&A.

The Bank further cautions readers that the foregoing list of factors is not exhaustive. Additional risks and uncertainties not currently known to the Bank or that it currently deems to be immaterial may also have a material adverse effect on its financial position, financial performance, cash flows, business or reputation. Any forward-looking statements contained in, or incorporated by reference in, this Prospectus represent the views of management of the Bank only as at the date hereof, are presented for the purposes of assisting investors and others in understanding certain key elements of the Bank's current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Bank's business and anticipated operating environment and may not be appropriate for other purposes. The Bank does not undertake to update any forward-looking statements, whether oral or written, made by the Bank or on its behalf whether as a result of new information, future events or otherwise, except to the extent required by securities regulations. Additional information relating to the Bank can be located on the SEDAR website at www.sedar.com.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents that have been filed by the Bank with the various securities regulatory authorities in each of the provinces of Canada and with the Superintendent, are specifically incorporated by reference in, and form an integral part of, this Prospectus:

- (a) the Annual Information Form dated December 4, 2020;

- (b) the Audited Consolidated Financial Statements as at October 31, 2020 and 2019, together with the independent auditors' report thereon, and Management's Discussion and Analysis (the "MD&A") as contained in the Bank's Annual Report for the year ended October 31, 2020 (the "2020 Annual Report");
- (c) the Bank's consolidated interim financial statements (unaudited) and management's discussion and analysis for the three months ended January 31, 2021; and
- (c) the Management Proxy Circular dated February 5, 2021 in connection with the annual meeting of shareholders of the Bank to be held on April 6, 2021.

Any documents of the type referred to in the preceding paragraph and any unaudited interim consolidated financial statements, information circulars, material change reports (excluding confidential material change reports), business acquisition reports and other disclosure documents required to be incorporated by reference in this Prospectus filed by the Bank with a securities regulatory authority in Canada pursuant to the requirements of applicable securities legislation, after the date of this Prospectus and prior to the completion or withdrawal of the offering under any Prospectus Supplement, shall be deemed to be incorporated by reference herein.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus 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 is not to 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 shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

A Prospectus Supplement containing the specific terms of an offering of Securities will be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated into this Prospectus as of the date of the Prospectus Supplement solely for the purposes of the offering of the Securities covered by such Prospectus Supplement, unless otherwise expressly provided therein.

Upon a new Annual Information Form or new audited annual consolidated financial statements, together with the independent auditors' report thereon and Management's Discussion and Analysis relating thereto, being filed by the Bank with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous Annual Information Form, audited annual consolidated financial statements and Management's Discussion and Analysis and all unaudited interim consolidated financial statements, material change reports, information circulars, business acquisition reports and other disclosure documents filed prior to the commencement of the Bank's financial year in which the new Annual Information Form or annual consolidated financial statements are filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder.

Where the Bank updates its disclosure of earnings coverage ratios by Prospectus Supplement, the Prospectus Supplement filed with the applicable securities regulatory authorities that contains the most recent updated disclosure of earnings coverage ratios and any Prospectus Supplement supplying any additional or updated information the Bank may elect to include (provided that such information does not describe a material change that has not already been the subject of a material change report or a prospectus amendment) will be delivered to all subsequent purchasers of Securities together with this Prospectus and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement or Prospectus Supplements.

LAURENTIAN BANK OF CANADA

Laurentian Bank of Canada, a chartered bank subject to the provisions of the *Bank Act* (Canada) (the "Bank Act"), was founded in Montréal in 1846 as a mutual savings company and became a share capital corporation under a charter issued on April 27, 1871 pursuant to an act of the Parliament of Canada concerning savings banks. The head

office and executive offices of the Bank are at 1360 René-Lévesque Boulevard West, Suite 600, Montreal, Quebec, Canada, H3G 0E5.

The Bank, together with its subsidiaries (known collectively as Laurentian Bank Financial Group), is a diversified financial services provider with activities across Canada and a presence in the U.S., and whose mission is to help its customers improve their financial health. Laurentian Bank Financial Group's success is driven by its employees guided by the values of proximity, simplicity and honesty, through which it provides a broad range of advice-based financial solutions and services.

The Bank has three operating segments: Personal Banking, Commercial Banking and Capital Markets. Within Personal Banking, customers can access the Bank's offering of financial advice through our branch network in Quebec, an Advisors and Brokers channel targeting independent financial intermediaries across Canada, and a digital platform available to all Canadians. Commercial Banking caters to the financial needs of commercial customers across Canada and in the United States and provides: commercial lending, including equipment and inventory financing (in the United States) and real estate financing. Capital Markets provides a range of services, including research, market analysis, advisory, corporate underwriting for debt and equity, and administrative services.

DESCRIPTION OF DEBT SECURITIES

The following describes certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement.

General

The Debt Securities will be issued under one or more indentures (each, a "Trust Indenture"), in each case between the Bank and a financial institution to which the Trust and Loan Companies Act (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee (each, a "Trustee"). The statements made below relating to any Trust Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof, are not complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Trust Indenture.

Status and Subordination

The Debt Securities will be direct unsecured obligations of the Bank, constituting subordinated indebtedness for the purposes of the Bank Act, ranking equally and rateably with, or junior to, all other subordinated indebtedness of the Bank from time to time issued and outstanding (other than subordinated indebtedness which has been further subordinated in accordance with its terms). In the event of the insolvency or winding-up of the Bank, the subordinated indebtedness of the Bank, including the Debt Securities (if a trigger event has not occurred as contemplated under the specific Non-Viable Capital Contingency Provisions applicable to such Debt Securities), will be subordinate in right of payment to the prior payment in full of the deposit liabilities of the Bank and all other liabilities of the Bank, except those 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 the Bank, there is no limit on the amount of Debt Securities the Bank may issue.

If the Bank becomes insolvent, the Bank Act provides that priorities among payments of the Bank's deposit liabilities and payments of all of the Bank's other liabilities (including payments in respect of 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 the Bank has subsidiaries, the Bank's right to participate in any distribution of the assets of the Bank's banking or nonbanking subsidiaries, upon a subsidiary's dissolution, winding-up, liquidation or other reorganization and thus a purchaser's ability to benefit indirectly from such distribution, is subject to the prior claims of creditors of that subsidiary, except to the extent that the Bank may be a creditor of that subsidiary and the Bank's claims are recognized. There are legal limitations on the extent to which some of the Bank's subsidiaries may extend credit, pay dividends or otherwise supply funds to, or engage in transactions with, the Bank or some of its other subsidiaries.

The Debt Securities will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.

Specific Variable Terms

Each Trust Indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Bank. Reference is made to the Prospectus Supplement which accompanies this Prospectus for the terms and other information with respect to the Debt Securities being offered thereby, including: (i) the designation, aggregate principal amount and authorized denominations of the Debt Securities; (ii) the currency for which the Debt Securities may be purchased and the currency in which the principal and any interest is payable (in either case, if other than Canadian dollars); (iii) the percentage of the principal amount at which the Debt Securities will be issued; (iv) the date or dates on which the Debt Securities will mature; (v) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any); (vi) the dates on which such interest will be payable and the record dates for such payments; (vii) the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued; (viii) any redemption term or terms under which such Debt Securities may be defeased; (ix) whether the Debt Securities are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof; (x) any exchange or conversion terms (including terms relating to any conversion of the Debt Securities into Common Shares); (xi) the ratings, if any, issued by rating agencies; and (xii) any other specific terms.

This Prospectus does not qualify for issuance of Debt Securities in respect of which the payment of principal and/or interest may be determined, 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, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or a bankers’ acceptance rate, or to recognized market benchmark interest rates.

Unless otherwise specified in the Prospectus Supplement which accompanies this Prospectus, principal, premium (if any) and interest payable on Debt Securities may be made at the option of the Bank by electronic or wire transfer or by cheque mailed, delivered or otherwise transferred to the persons in whose names the Debt Securities are registered.

Form

Debt Securities may, at the option of the Bank, 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 different 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.

DESCRIPTION OF COMMON SHARES

The authorized common share capital of the Bank consists of an unlimited number of Common Shares, without par value. The holders of Common Shares are entitled to one vote for each share held at all meetings of shareholders, except meetings at which only holders of preferred shares of one or more series are entitled to vote. The holders of Common Shares are entitled to receive dividends if, as and when declared by the board of directors, subject to the rights of holders of preferred shares (including the Preferred Shares). In the event of any liquidation, dissolution or winding-up of the Bank, subject to the rights of holders of preferred shares (including the Preferred Shares), the holders of Common Shares are entitled to participate rateably in any distribution of the remaining property of the Bank.

DESCRIPTION OF PREFERRED SHARES

The following describes certain general terms and provisions of the Preferred Shares. The particular terms and provisions of a series of Preferred Shares offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in such Prospectus Supplement.

Certain Provisions of the Preferred Shares as a Class

Issuance in Series

The Preferred Shares (including any Preferred Shares issued hereunder if a trigger event has not occurred as contemplated under the specific Non-Viable Capital Contingency Provisions applicable to such Preferred Shares) are issuable in series and rank *pari passu* among themselves as to the payment of dividends and return of capital. The directors of the Bank have the right, by resolution, subject to the Bank Act, the provisions contained in the rights, privileges, restrictions and conditions attaching to the Preferred Shares as a class and any conditions attaching to any series of Preferred Shares outstanding, to determine the number of shares in, and to determine the respective designation, rights, privileges, restrictions and conditions of, each series of Preferred Shares. Currently there are 5,000,000 Preferred Shares, Series 13 and 5,000,000 Preferred Shares, Series 15 issued and outstanding.

Dividends

The holders of any series of Preferred Shares are entitled to receive, in priority to the holders of Common Shares of the Bank and of shares of any other class of the Bank ranking as to the payment of dividends junior to the Preferred Shares, if any, dividends, as declared by the board of directors, in the amounts specified or determinable in accordance with the provisions of such series, and such dividends may be cumulative or non-cumulative and payable in cash or by way of stock dividend or in any other manner provided for by the board of directors.

Liquidation or Dissolution

In the event of the liquidation or dissolution of the Bank, or any other distribution of its assets to its shareholders with a view to winding-up its business, before any amount shall be paid or any assets distributed to the holders of Common Shares of the Bank or of shares of any other class of shares of the Bank ranking junior to the Preferred Shares, the holders of Preferred Shares shall be entitled to receive to the extent provided for with respect to each series (i) an amount equal to the price at which such shares were issued, (ii) such premium, if any, as has been provided for with respect to such series, (iii) in the case of cumulative Preferred Shares, all unpaid cumulative dividends, and (iv) in the case of non-cumulative Preferred Shares, all declared and unpaid non-cumulative dividends. After the payment to the holders of Preferred Shares of the amounts so payable, the holders of Preferred Shares shall not be entitled to share in any further distribution of the assets of the Bank.

Voting Rights

Subject to the Bank Act and except as otherwise expressly provided in the rights, privileges, restrictions and conditions attaching to any series of Preferred Shares, the holders of Preferred Shares do not, as such, have any voting rights for the election of directors of the Bank or for any other purpose, nor are they entitled to receive any notice of or attend shareholders' meetings.

Restrictions on the Creation or Issue of Additional Shares Having a Prior or Equal Rank

The Bank shall not, without the prior approval of the holders of Preferred Shares as a class given as hereinafter specified (but subject to such approval as may be required by the Bank Act or any other legal requirement), create any class ranking in priority to or *pari passu* with Preferred Shares. The Bank shall not, without the prior approval of the holders of Preferred Shares as a class as provided for hereinafter (but subject to such approval as may be required by the Bank Act or any other legal requirement), issue any additional series of Preferred Shares or shares of any other class ranking in priority to or *pari passu* with Preferred Shares, unless at the date of issue all cumulative dividends, including the dividend payment for the last complete period for which such cumulative dividend is payable, shall have been declared and paid or set apart for payment in respect of each series of cumulative Preferred Shares then

outstanding and all declared and unpaid non-cumulative dividends shall have been paid or set apart for payment in respect of each series of non-cumulative Preferred Shares then outstanding.

Shareholder Approval

The approval of the holders of Preferred Shares in regard to any question, particularly concerning amendments to conditions attaching to Preferred Shares as a class, may be given in writing by the holders of all outstanding Preferred Shares or by a resolution carried by not less than two thirds of the votes cast by the holders of Preferred Shares at a duly held meeting of such shareholders. The holders of the majority of issued and outstanding Preferred Shares present or represented by proxy at the meeting constitutes the requisite quorum for any meeting of the holders of Preferred Shares, provided that there are no quorum requirements with respect to a reconvened meeting. At any meeting of the holders of Preferred Shares as a class, each holder shall be entitled to one vote for each Preferred Share held.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following sets forth certain general terms and provisions of the Subscription Receipts. The Bank may issue Subscription Receipts that may be exchanged by the holders thereof for Debt Securities, Preferred Shares or Common Shares upon the satisfaction of certain conditions. The particular terms and provisions of the Subscription Receipts offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms described below apply to those Subscription Receipts, will be described in such Prospectus Supplement.

Subscription Receipts may be offered separately or together with Debt Securities, Preferred Shares or Common Shares, as the case may be. The Subscription Receipts will be issued under a subscription receipt agreement. Under the subscription receipt agreement, a purchaser of Subscription Receipts will have a contractual right of rescission following the issuance of Debt Securities, Preferred Shares or Common Shares, as the case may be, to such purchaser, entitling the purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Debt Securities, Preferred Shares or Common Shares, as the case may be, if this Prospectus, the relevant Prospectus Supplement, and any amendment thereto, contains a misrepresentation, provided such remedy for rescission is exercised within 180 days of the date the Subscription Receipts are issued.

Any Prospectus Supplement for Subscription Receipts supplementing this Prospectus will contain the terms and conditions and other information with respect to the Subscription Receipts being offered thereby, including:

- (i) the number of Subscription Receipts;
- (ii) the price at which the Subscription Receipts will be offered and whether the price is payable in installments;
- (iii) any conditions to the exchange of Subscription Receipts into Debt Securities, Preferred Shares or Common Shares, as the case may be, and the consequences of such conditions not being satisfied;
- (iv) the procedures for the exchange of the Subscription Receipts into Debt Securities, Preferred Shares or Common Shares, as the case may be;
- (v) the number of Debt Securities, Preferred Shares or Common Shares, as the case may be, that may be exchanged upon exercise of each Subscription Receipt;
- (vi) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security, if applicable;
- (vii) the dates or periods during which the Subscription Receipts may be exchanged into Debt Securities, Preferred Shares or Common Shares, as the case may be;
- (viii) whether such Subscription Receipts will be listed on any securities exchange;

- (ix) any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; and
- (x) any other specific terms.

Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities subject to the Subscription Receipts.

DESCRIPTION OF WARRANTS

The following describes certain general terms and provisions that will apply to the Warrants. The particular terms and provisions of Warrants offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below apply to such Warrants, will be described in such Prospectus Supplement.

The Bank may issue Warrants for the purchase of Debt Securities, Preferred Shares or Common Shares. Warrants may be offered separately or together with Debt Securities, Preferred Shares or Common Shares, as the case may be. Each series of Warrants will be issued under a separate indenture (each, a “Warrant Indenture”) in each case between the Bank and a trustee determined by the Bank. The statements below relating to any Warrant Indenture and the Warrants to be issued thereunder are summaries of certain anticipated provisions thereof, are not complete and are subject to, and qualified by reference to all provisions of the applicable Warrant Indenture. The applicable Prospectus Supplement will include details of the Warrant Indenture with respect to the Warrants being offered. Reference is made to the applicable Prospectus Supplement which will accompany this Prospectus for the terms and other information with respect to the offering of Warrants being offered thereby.

The particular terms and provisions of each issue of Warrants providing for the issuance of Debt Securities, Preferred Shares or Common Shares on exercise of Warrants will be described in the related Prospectus Supplement and may include the designation, number and terms of the Debt Securities, Preferred Shares or Common Shares purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms of the Warrants.

BOOK-ENTRY ONLY SECURITIES

Except as otherwise provided in an accompanying Prospectus Supplement with respect to a particular issue of Securities, Debt Securities, Preferred Shares, Subscription Receipts and Warrants will be issued in “book-entry only” form. Securities issued in “book-entry only” form must be purchased, transferred or redeemed through participants (“Participants”) in the depository service of CDS Clearing and Depository Services Inc. or a successor (“CDS”) or its nominee. Each of the underwriters or agents, as the case may be, named in an accompanying Prospectus Supplement will be a Participant. On the closing of a book-entry only offering, the Bank may cause a global certificate or certificates representing the aggregate number or aggregate principal amount, as the case may be, of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS or its nominee. The Bank may also utilize the non-certificated issue system maintained by CDS in which case the aggregate number or aggregate principal amount, as the case may be, of Securities subscribed for under such offering will be delivered in the form of an electronic deposit in lieu of a global certificate or certificates and no physical certificate evidencing ownership of Securities will be issued. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from the Bank or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS, except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the registered dealer from which the Securities are purchased in accordance with the practices and procedures of such registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Securities. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

Securities in fully registered and certificated form will be issued to beneficial owners of Securities only if: (i) required by applicable law; (ii) CDS’s book-entry-only system ceases to exist; (iii) the Bank or CDS advises that CDS is no longer willing or able to properly discharge its responsibilities as depository with respect to the Securities and the Bank is unable to locate a qualified successor; (iv) the Bank, at its option, decides to terminate its present

arrangements with CDS; (v) if an event of default has occurred with regard to the Securities and has not been cured or waived; or (vi) as otherwise agreed by the Bank and CDS.

Transfer, Conversion or Redemption of Securities

Transfer of ownership, conversions or redemptions of Securities will be effected through records maintained by CDS or its nominee for such Securities with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities may do so only through Participants.

The ability of a holder to pledge a Security or otherwise take action with respect to such holder's interest in a Security (other than through a Participant) may be limited due to the lack of a physical certificate.

Payments and Notices

As applicable, any payment of principal, redemption price, dividend and interest on a Security will be made by the Bank to CDS or its nominee, as the case may be, as the registered holder of the Security and the Bank understands that such payments will be credited by CDS or its nominee in the appropriate amounts to the relevant Participants. Payments to holders of Securities of amounts so credited will be the responsibility of the Participants.

As long as CDS or its nominee is the registered holder of the Securities, CDS or its nominee, as the case may be, will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. In such circumstances, the responsibility and liability of the Bank in respect of notices or payments on the Securities is limited to giving or making payment of any principal, redemption price, dividend and interest due on the Securities to CDS or its nominee.

Each holder must rely on the procedures of CDS and, if such holder is not a Participant, on the procedures of the Participant through which such holder owns its interest, to exercise any rights with respect to the Securities. The Bank understands that under existing policies of CDS and industry practices, if the Bank requests any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the Participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by the Bank, any Trustee and CDS. Any holder that is not a Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its Participant to give such notice or take such action.

The Bank, the underwriters or agents and any Trustee identified in an accompanying Prospectus Supplement, as applicable, will not have any liability or responsibility for: (i) records maintained by CDS relating to beneficial ownership interest in the Securities held by CDS or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interest; or (iii) any advice or representation made by or with respect to CDS and contained herein or in any Trust Indenture relating to the rules and regulations of CDS or any action to be taken by CDS or at the directions of the Participants. The rules governing CDS provide that it acts as the agent and depository for Participants. As a result, such Participants must look solely to CDS and beneficial owners of Securities must look solely to Participants for payment or deliveries made by or on behalf of the Bank to CDS in respect of the Securities.

BANK ACT RESTRICTIONS AND APPROVALS

Under the Bank Act, the Bank, with the prior consent of the Superintendent, may redeem or purchase any of its shares, unless there are reasonable grounds for believing that the Bank is, or the redemption or purchase would cause the Bank to be, in contravention of any regulation made under the Bank Act respecting the maintenance by banks of adequate capital and adequate and appropriate forms of liquidity, or any directive to the Bank issued by the Superintendent pursuant to subsection 485(3) of the Bank Act regarding its capital or its liquidity. No such directive to the Bank has been issued to date.

The Bank is also prohibited under the Bank Act from paying or declaring a dividend if there are reasonable grounds for believing that the Bank is, or the payment would cause the Bank to be, in contravention of any regulation made under the Bank Act respecting the maintenance by banks of adequate capital and adequate and appropriate forms

of liquidity, or any directive to the Bank issued by the Superintendent pursuant to subsection 485(3) of the Bank Act regarding its capital or its liquidity. No such directive to the Bank has been issued to date.

RESTRAINTS ON BANK SHARES UNDER THE BANK ACT

The Bank Act contains restrictions on the issue, transfer, acquisition and beneficial ownership of all shares of a chartered bank. By way of summary, no person, or persons acting jointly or in concert, shall be a major shareholder of a bank if such bank has equity of \$12 billion or more. While the equity of the Bank is less than \$12 billion and the Bank Act would otherwise permit a person to own up to 100% (and after April 10, 2021, 65%) of any class of shares of the Bank, the Bank is deemed to be a bank to which the ownership restrictions for banks with equity of \$12 billion or more apply until the Minister of Finance (Canada) specifies, on application by the Bank, that these restrictions no longer apply to the Bank. A person is a major shareholder of a bank where: (i) the aggregate shares of any class of voting shares beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person is more than 20% of that class of voting shares; or (ii) the aggregate shares of any class of non-voting shares beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person is more than 30% of that class of non-voting shares.

No person shall have a significant interest in any class of shares of a bank, including the Bank, unless the person first receives the approval of the Minister of Finance (Canada). For purposes of the Bank Act, a person has a significant interest in a class of shares of a bank where the aggregate shares of the class beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person exceeds 10% of all of the outstanding shares of that class of shares of such bank.

In addition, the Bank Act prohibits banks, including the Bank, from transferring or issuing shares of any class to Her Majesty in right of Canada or of a province, an agent of Her Majesty, a foreign government or an agent of a foreign government.

CHANGES TO SHARE CAPITAL AND SUBORDINATED INDEBTEDNESS

There have been no material changes in the share capital or in the subordinated indebtedness of the Bank since October 31, 2020.

EARNINGS COVERAGE RATIOS

The following consolidated financial ratios for the Bank, which are calculated for the 12 months ended October 31, 2020 and January 31, 2021, respectively, do not reflect the issue of any Securities under this Prospectus.

	<u>October 31, 2020</u>	<u>January 31, 2021</u>
Interest coverage on subordinated indebtedness	8.9 times	10.3 times
Grossed up dividend coverage on Preferred Shares	4.8 times	5.4 times
Interest and grossed up dividend coverage on subordinated indebtedness and Preferred Shares	4.8 times	5.4 times

The Bank's dividend requirements on all of its outstanding preferred shares amounted to (i) \$13.1 million for the twelve months ended October 31, 2020, adjusted to a before-tax equivalent using an effective tax rate of 5.2 % for the twelve months ended October 31, 2020, and (ii) \$14.0 million for the twelve months ended January 31, 2021, adjusted to a before-tax equivalent using an effective tax rate of 10.8 % for the twelve months ended January 31, 2021.

The Bank's interest requirements for its outstanding long term debt amounted to (i) \$15.2 million for the twelve months ended October 31, 2020, and (ii) \$15.2 million for the twelve months ended January 31, 2021.

The Bank's net income before interest and income taxes amounted to (i) \$135.5 million for the twelve months ended October 31, 2020, which was 4.8 times the Bank's aggregate dividend and interest requirements for this period, and (ii) \$157.3 million for the twelve months ended January 31, 2021, which was 5.4 times the Bank's aggregate dividend and interest requirements for this period.

The amounts and ratios reported above with respect to the twelve months ended January 31, 2021 is based on unaudited financial information.

The Bank will file updated earnings coverage ratios quarterly with the various securities commissions or similar authorities in each of the provinces of Canada, either as prospectus supplements or as exhibits to the Bank's unaudited interim and audited annual consolidated financial statements.

PLAN OF DISTRIBUTION

The Bank may sell Securities to or through underwriters or agents, and may also sell Securities to one or more purchasers directly relying on applicable statutory exemptions. Debt Securities may be sold from time to time in one or more transactions at a fixed or non-fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices determined by reference to the prevailing market prices or at prices to be negotiated with purchasers.

A Prospectus Supplement will set forth the terms of any offering of Securities, including the type of Securities being offered, the name or names of any underwriters or agents involved in the offering and sale of the Securities, the initial public offering price, the purchase price of such Securities, the proceeds to the Bank, any underwriting discount or commission or discount or commission to be paid to any agents and any discounts, concessions or commissions allowed or reallocated or paid by any underwriters to other dealers. Only underwriters or agents so named in a Prospectus Supplement are deemed to be underwriters or agents, as applicable, in connection with the Securities offered.

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 the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time. In particular, in connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), after the underwriters have made a reasonable effort to sell all of the Securities at the initial public offering price disclosed in a Prospectus Supplement, the public offering price may be decreased, and further changed from time to time, by the underwriters to an amount not greater than the initial public offering price disclosed in the Prospectus Supplement and, in such case, the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Bank.

The Securities may also be sold directly by the Bank at such prices and upon such terms as agreed to by the Bank and the purchaser or through agents designated by the Bank from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by the Bank to such agent will be set forth, in the Prospectus Supplement.

The Bank may agree to pay the 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 the general corporate funds of the Bank. Underwriters and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Bank to indemnification by the Bank 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 thereof.

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.

The Securities to be issued hereunder have not been, and will not be, registered under the U.S. Securities Act 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, a U.S. person (as defined in Regulation S under the U.S. Securities Act), except in certain transactions exempt from the requirements of the U.S. Securities Act.

TRADING PRICE AND VOLUME OF BANK'S SECURITIES

Trading prices and volume of the Bank's Securities will be provided for all of the Bank's issued and outstanding Common Shares and Preferred Shares in each Prospectus Supplement.

PRIOR SALES

Prior sales will be provided in a Prospectus Supplement with respect to the Securities being distributed under such Prospectus Supplement.

RISK FACTORS

Investment in the Securities is subject to various risks including those risks inherent in conducting the business of a diversified financial institution. Before deciding whether to invest in any Securities, investors should consider carefully the risks set out herein and incorporated by reference in this Prospectus (including subsequently filed documents incorporated by reference) and those described in a Prospectus Supplement relating to a specific offering of Securities. Prospective investors should consider the categories of risks identified and discussed in the MD&A and the Annual Information Form of the Bank dated December 4, 2020 and the documents incorporated by reference therein, including, but not limited to, the risks associated with the impact of COVID-19 on the Bank, credit and counterparty risk, market risk, liquidity and funding risk, operational risk, business risk, reputation risk and other factors that may affect the Bank's results.

USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds to the Bank from the sale of the Securities will be added to the general funds of the Bank and utilized for general banking purposes.

LEGAL MATTERS

Unless otherwise specified in the Prospectus Supplement, certain legal matters relating to the Securities offered by a Prospectus Supplement will be passed upon, on behalf of the Bank, by Osler, Hoskin & Harcourt LLP. As of the date hereof, partners, counsel and associates of Osler, Hoskin & Harcourt LLP beneficially owned, directly or indirectly, less than one percent of any securities of the Bank or any associates or affiliates of the Bank.

AUDITORS

The independent auditors of the Bank are Ernst & Young LLP, 900 De Maisonneuve Boulevard West, Suite 2300, Montreal, Quebec, Canada, H3A 0A8. The auditors have confirmed to the Bank that they are independent within the meaning of the Code of Ethics of Chartered Professional Accountants of the Ordre des comptables professionnels agréés du Québec.

PURCHASER'S STATUTORY RIGHTS

Securities legislation in certain of the provinces 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, the accompanying prospectus supplements relating to securities purchased by a purchaser and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, the accompanying prospectus

supplements relating to securities purchased by a purchaser 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. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

Original Canadian purchasers of Debt Securities or Preferred Shares that are convertible or exchangeable into other securities of the Bank will have a contractual right of rescission against the Bank in respect of the conversion, exchange or exercise of such convertible, exchangeable or exercisable securities. The contractual right of rescission will entitle such original purchasers to receive from the Bank, upon surrender of the underlying securities acquired upon the conversion, exchange or exercise of such Debt Securities or Preferred Shares, the amount paid for the Debt Securities or Preferred Shares (and any additional amount paid upon conversion, exchange or exercise), in the event that this Prospectus, the applicable Prospectus Supplement or any amendment contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the Debt Securities or Preferred Shares that are convertible, exercisable or exchangeable under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the Debt Securities or Preferred Shares that are convertible, exercisable or exchangeable under this Prospectus and the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the Securities Act (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the Securities Act (Ontario) or otherwise at law. Original Canadian purchasers are further advised that in certain provinces and territories the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible or exchangeable security that was purchased under a prospectus and, therefore, a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the province or territory in which the purchaser resides for the particulars of these rights, or consult with a legal adviser.

CERTIFICATE OF THE BANK

Dated: March 31, 2021

This short form base shelf 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 *Bank Act* (Canada) and the regulations thereunder and the securities legislation of all provinces of Canada.

(Signed) RANIA LLEWELLYN
President and Chief Executive Officer

(Signed) FRANÇOIS LAURIN
Executive Vice-President and
Chief Financial Officer

On Behalf of the Board of Directors

(Signed) MICHAEL T. BOYCHUK
Director

(Signed) MICHAEL MUELLER
Director