

Prospectus Supplement

To Short Form Base Shelf Prospectus dated March 31, 2021

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 31, 2021 to which it relates, as amended or supplemented, and each document incorporated by reference into the short form base shelf prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or under any state securities laws and, subject to certain exceptions, these securities may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories or possessions, or for the account or benefit of U.S. persons (as defined in Regulation S under the U.S. Securities Act). Reference is made to "Plan of Distribution".

Information has been incorporated by reference in this prospectus supplement and the accompanying short form base shelf prospectus dated March 31, 2021 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 the Corporate Secretariat's Office of Laurentian Bank of Canada, 1360 René-Lévesque Boulevard West, Suite 600, Montreal, Quebec, Canada, H3G 0E5 (email: corporate_secretariat@lbcfg.ca.) or by contacting the Relations Department at (email: investor.relations@lbcfg.ca or by calling 514-284-4500, ext. 40452), and are also available electronically at www.sedar.com.

New Issue

May 3, 2021



Laurentian Bank of Canada

\$125,000,000

**5.30% Limited Recourse Capital Notes, Series 1
(Non-Viability Contingent Capital (NVCC))
(Subordinated Indebtedness)**

\$125,000,000

**125,000 Non-Cumulative 5-Year Fixed Rate
Reset Class A Preferred Shares,
Series 17
(Non-Viability Contingent Capital (NVCC))**

Laurentian Bank of Canada ("we" or the "Bank") is offering \$125,000,000 aggregate principal amount of 5.30% Limited Recourse Capital Notes, Series 1 (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness) (the "Notes"). The Notes will mature on June 15, 2081. We will pay interest on the Notes in equal (subject to the reset of the interest rate and the short first coupon) semi-annual instalments in arrears on June 15 and December 15 of each year, with the first payment on June 15, 2021. From the date of issue to, but excluding, June 15, 2026, the interest rate on the Notes will be fixed at 5.30% per annum. Starting on June 15, 2026 and on every fifth anniversary of such date thereafter until June 15, 2076 (each such date, an "Interest Reset Date"), the interest rate on the Notes will be reset at an interest rate per annum equal to the Government of Canada Yield on the business day prior to such Interest Reset Date (each, an "Interest Rate Calculation Date") plus 4.334%. See page S-5 for a definition of Government of Canada Yield. Assuming the Notes are issued on May 7, 2021, the first interest payment on the Notes on June 15, 2021 will be in an amount of \$5.6630137 per \$1,000 principal amount of Notes.

This prospectus supplement, together with the short form base shelf prospectus dated March 31, 2021 to which it relates (the "prospectus"), also qualifies the distribution of 125,000 Non-Cumulative 5-Year Fixed Rate Reset Class A Preferred Shares, Series 17 (Non-Viability Contingent Capital (NVCC)) of the Bank (the "Preferred Shares Series 17"), at a price of \$1,000 per share to be issued to the Limited Recourse Trustee (as defined below) in connection with the issuance of the Notes. The Preferred Shares Series 17 offered hereby will be issued on or before the closing of the offering of the Notes.

The Notes are intended to qualify as our additional Tier 1 capital within the meaning of the regulatory capital adequacy requirements to which we are subject. In the event of a non-payment by the Bank of the principal amount of, interest on or redemption price for the Notes when due, the sole remedy of holders of Notes shall be the delivery of the Limited Recourse Trust Assets (as defined below), which initially shall consist of the Preferred Shares Series 17. See "Description of the Notes – Limited Recourse".

The Notes will be our direct unsecured obligations which, if we become insolvent or are wound-up (prior to the occurrence of a Trigger Event (as defined below)), will rank: (a) subordinate in right of payment to the prior payment of all our Higher Ranked Indebtedness (as defined below), including certain Subordinated Indebtedness (as defined below) and (b) in right of payment equally with our Junior Subordinated Indebtedness (as defined below) (other than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes) and will be subordinate in right of payment to the claims of our depositors and other unsubordinated creditors, provided that in any such case and in case of the Bank’s non-payment of the principal amount of, interest on or redemption price for the Notes when due, the sole remedy of the holders of the Notes shall be the delivery of the Limited Recourse Trust Assets. Upon the occurrence of a Recourse Event (as defined below), including if we become insolvent or are wound-up (prior to the occurrence of a Trigger Event), the recourse of each holder of Notes will be limited to such holder’s proportionate share of the Limited Recourse Trust Assets and the delivery of the applicable Limited Recourse Trust Assets to holders of the Notes will exhaust all remedies of such holders including in connection with any such event. If the Limited Recourse Trust Assets that are delivered to holders of the Notes under such circumstances comprise Preferred Shares Series 17 or common shares of the Bank (“**Common Shares**”), such Preferred Shares Series 17 or Common Shares will rank on parity with all other class A preferred shares of the Bank (“**Class A Preferred Shares**”) or Common Shares, as applicable. See “Description of the Notes”.

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

In the event of the redemption of the Preferred Shares Series 17 held by the Limited Recourse Trust (as defined below) prior to the Transfer Date (as defined below), outstanding Notes with an aggregate principal amount equal to the aggregate face amount of the Preferred Shares Series 17 redeemed will be automatically redeemed. Upon the occurrence of certain regulatory and tax events, we may, with the approval of the Superintendent of Financial Institutions (Canada) (the “**Superintendent**”), redeem all of the Notes. In the event that there is non-payment by us of interest on the Notes on an Interest Payment Date (as defined below), and we have not cured such non-payment by subsequently paying such interest prior to the fifth business day following such Interest Payment Date, a Recourse Event will have occurred and, on the Failed Coupon Payment Date (as defined below), the Notes shall automatically and immediately be redeemed for a redemption price equal to the principal amount of the Notes together with accrued and unpaid interest to, but excluding, the Failed Coupon Payment Date. From and after the Failed Coupon Payment Date, all Notes will cease to be outstanding, each holder of the Notes will cease to be entitled to interest thereon, and any certificates representing the Notes will represent only the right to receive upon surrender thereof the redemption price. If the Bank does not pay the applicable redemption price in cash under such circumstances, our obligation to pay the redemption price will be satisfied by our delivery of the Limited Recourse Trust Assets to which the recourse of the holders of the Notes will be limited. See “Description of the Notes – Redemption” and “Description of Preferred Shares Series 17 – Redemption”.

An investment in the Notes (and Preferred Shares Series 17 and Common Shares upon delivery of the Limited Recourse Trust Assets, including upon the occurrence of a Trigger Event) bears certain risks. See “Risk Factors” beginning on page S-20 of this prospectus supplement and page 10 of the prospectus.

	<u>Price to the Public</u>	<u>Agents’ Fee</u>	<u>Net Proceeds to the Bank⁽¹⁾</u>
Per \$1,000 principal amount of Notes ⁽²⁾	\$1,000	\$10.00	\$990.00
Total	\$125,000,000	\$ 1,250,000	\$123,750,000

(1) After deducting the Agents’ Fee shown in the table above, but before deducting expenses of the offering, estimated to be approximately \$500,000, all of which will be paid by the Bank.

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

The purchase price to be paid by the Limited Recourse Trust for the Preferred Shares Series 17 qualified hereby shall be satisfied by funds deposited by the Bank with the Limited Recourse Trustee as Limited Recourse Trust Assets. As a result, no proceeds will be raised from the offering of the Preferred Shares Series 17 pursuant to this prospectus supplement.

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

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

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

In order to qualify as additional Tier 1 capital within the meaning of the regulatory capital adequacy requirements to which the Bank is subject, the Notes and the Preferred Shares Series 17 must satisfy certain requirements. These requirements include, among other things, that (i) the Notes and the Preferred Shares Series 17 have a minimum par or stated value of \$1,000, (ii) the Notes and the Preferred Shares Series 17 must be traded on institutional desks and therefore may not be listed on any exchange, (iii) the Notes may only be issued to institutional investors in the primary distribution, and (iv) the Notes may only be issued in minimum denominations of at least \$200,000 and integral multiples of \$1,000 in excess thereof.

No underwriter has been involved in the issuance of the Preferred Shares Series 17 to the Limited Recourse Trustee.

Laurentian Bank Securities Inc., one of the Agents, is a wholly-owned subsidiary of the Bank. Therefore, the Bank is a related and connected issuer of Laurentian Bank Securities Inc. under applicable securities legislation. The decision to distribute the Notes and the determination of the terms of the distribution were made through negotiations between the Bank on the one hand and the Agents on the other hand. CIBC World Markets 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. Laurentian Bank Securities Inc. will not receive any benefit in connection with this offering other than a portion of the Agents’ fee payable by the Bank.

The Toronto Stock Exchange (the “TSX”) has conditionally approved the listing of the Common Shares into which Preferred Shares Series 17 may be converted or for which the Notes may be redeemed upon the occurrence of a Trigger Event subject to us fulfilling all of the TSX’s requirements on or before July 28, 2021.

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

There is no market through which these securities may be sold and purchasers of Notes may not be able to resell Notes purchased under this prospectus supplement and holders of Preferred Shares Series 17 may not be able to resell Preferred Shares Series 17 that may be delivered to holders of the Notes. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.

Subscriptions for Notes received will be subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing will take place on May 7, 2021, or such later date as we and the Agents may agree. The Notes will be issued in “book-entry only” form. The aggregate principal amount of the Notes will be issued in certificated or uncertificated form and registered in the name of CDS Clearing & Depository Services Inc. (“CDS”) or its nominee and will be deposited with CDS or its nominee on the closing date. No physical certificates evidencing the Notes will be issued to purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Purchasers of Notes will receive only a customer confirmation from the Agent or other registered dealer who is a participant in the depository service of CDS and from or through whom a beneficial interest in the Notes is purchased. See “Description of the Notes”.

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

The CUSIP No./ISIN for the Notes will be 51925DBZ8 /CA51925DBZ83. The CUSIP No./ISIN for the Preferred Shares Series 17 will be 51925D767 / CA51925D7678.

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

Documents Incorporated by Reference

This prospectus supplement is deemed to be incorporated by reference into the prospectus solely for the purpose of the Notes and Preferred Shares Series 17 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 of Canada (the “**Commissions**”) are incorporated by reference into this prospectus supplement:

- (a) the Bank’s Annual Information Form dated December 4, 2020;
- (b) the Bank’s Audited Consolidated Financial Statements as at October 31, 2020 and 2019, together with the independent auditors’ report thereon, and Management’s Discussion and Analysis 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) for the three months ended January 31, 2021 (the “**Q1 Financial Statements**”) and management’s discussion and analysis for the three months ended January 31, 2021 (the “**Q1 MD&A**”);
- (d) the Bank’s Management Proxy Circular dated February 5, 2021 in connection with the annual meeting of shareholders of the Bank held on April 6, 2021; and
- (e) the material change report of the Bank dated April 23, 2021.

Any document of the type referred to above, any material change report (excluding confidential material change reports), any business acquisition report or other disclosure document required to be incorporated by reference into a prospectus filed under National Instrument 44-101 – *Short Form Prospectus Distributions* filed by the Bank with the securities commissions or similar authorities in Canada after the date of this Prospectus Supplement and prior to the termination of the offering of the Notes hereunder shall be deemed to be incorporated by reference into this prospectus supplement and the accompanying prospectus.

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 April 30, 2021 (the “**Indicative Term Sheet**”), and the final term sheet dated April 30, 2021 (the “**Final Term Sheet**”), in each case filed with the Commissions, are specifically incorporated by reference into this prospectus supplement, solely for the purpose of the Notes and Preferred Shares Series 17 offered hereunder. Any additional marketing materials (as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed with the Commissions in connection with the offering of the Notes hereunder on or after the date hereof but prior to the termination of the distribution of the Notes under this prospectus supplement (including any amendments to, or an amended version of, the marketing materials) are deemed to be incorporated by reference herein. Any marketing materials, including the Indicative Term 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.

Eligibility For Investment

In the opinion of our counsel, Osler, Hoskin & Harcourt LLP, and in the opinion of the Agents’ counsel, McCarthy Tétrault LLP, the Notes and the Preferred Shares Series 17, if issued on the date of this prospectus supplement, would be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”) for trusts governed by

registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), registered education savings plans (“RESPs”), registered disability savings plans (“RDSPs”), deferred profit sharing plans (other than, in respect of the Notes, trusts governed by deferred profit sharing plans for which any employer is the Bank, or a corporation with which the Bank does not deal at arm’s length within the meaning of the Tax Act) and tax-free savings accounts (“TFSAs”).

Notwithstanding the foregoing, if the Notes or the Preferred Shares Series 17 held by a TFSA, RDSP, RESP, RRSP or RRIF are a “prohibited investment” under the Tax Act, the holder of the TFSA or RDSP, the subscriber of the RESP, or the annuitant of the RRSP or RRIF, as the case may be, may be subject to a penalty tax as set out in the Tax Act. Generally, the Notes and the Preferred Shares Series 17 will not be a “prohibited investment” for a TFSA, RDSP, RESP, RRSP or RRIF provided that the holder of the TFSA or RDSP, the subscriber of the RESP, or the annuitant of the RRSP or RRIF, as the case may be: (i) deals at arm’s length with the Bank for purposes of the Tax Act; and (ii) does not have a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Bank. In addition, the Preferred Shares Series 17 will generally not be a “prohibited investment” if they are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for an TFSA, RDSP, RESP, RRSP or RRIF.

Use of Proceeds

The net proceeds to us from the sale of the Notes, after deducting estimated expenses of the issue of the Notes and the Preferred Shares Series 17 and the Agents’ fee, are estimated to be approximately \$123,250,000. The purpose of the sale of the Notes is to optimize the Bank’s capital structure within the parameters prescribed by the Superintendent for bank capital requirements. The net proceeds to the Bank from the sale of Notes will be used to redeem the outstanding 5,000,000 Non-Cumulative Class A Preferred Shares, Series 15 (Non-Viability Contingent Capital (NVCC)) of the Bank (the “Preferred Shares Series 15”) for an aggregate redemption price of approximately \$125,000,000 (the “Preferred Share Series 15 Redemption”).

The purchase price for the Preferred Shares Series 17 qualified hereby shall be satisfied by funds deposited by the Bank with the Limited Recourse Trustee as Limited Recourse Trust Assets. As a result, no proceeds will be raised from the offering of the Preferred Shares Series 17 pursuant to this prospectus supplement. The offering price of the Preferred Shares Series 17 qualified under this prospectus supplement is \$1,000 per share.

Share Capital and Changes in the Bank’s Consolidated Capitalization

As at April 30, 2021, the Bank had 43,345,368 common shares, 5,000,000 Non-Cumulative Class A Preferred Shares, Series 13 (the “Preferred Shares Series 13”) and 5,000,000 Preferred Shares Series 15 outstanding.

The following table sets out the Banks’ capitalization as at January 31, 2021 on an actual basis and on an as adjusted basis to give effect to the Preferred Shares Series 15 Redemption and this offering of Notes. This table should be read together with the Q1 Financial Statements and our Q1 MD&A, which are incorporated by reference in this prospectus supplement.

	<u>As at January 31, 2021</u>	<u>As adjusted as at January 31, 2021 ⁽¹⁾⁽²⁾</u>
	(\$ millions)	(\$ millions)
Subordinated Debentures	<u>\$350</u>	<u>\$350</u>
Limited Recourse Capital Notes		123
Capital Stock		
Class A Preferred.....	244	122
Common	1,163	1,163
Share-based compensation reserve	3	3
Accumulated other comprehensive income (loss)	38	38
Retained Earnings	<u>1,197</u>	1,194
Total Shareholders’ Equity	2,645	2,643
Total Capitalization	<u>\$2,995</u>	<u>\$2,993</u>

(1) Giving effect to the receipt of anticipated net proceeds from the sale of the Notes, which increased the limited recourse capital notes by \$123 million. For accounting purposes, the Notes are compound instruments with both equity and liability features. The liability component of the Notes would have a nominal value and, as a result, the full proceeds to be received shall be presented as equity. For accounting purposes, the Preferred Shares Series 17 would be eliminated on the Bank’s consolidated balance sheet prior to a Recourse Event. Accordingly, this offering will not result in an increase in Class A Preferred Shares for accounting purposes.

(2) Giving effect to the Preferred Shares Series 15 Redemption, which decreased Class A Preferred Shares by \$122 million and Retained Earnings by \$3 million (share issuance costs of the Preferred Shares Series 15 that were recorded in equity as a deduction from the proceeds).

Earnings Coverage

The following consolidated earnings coverage ratios are calculated for the 12 months ended October 31, 2020 and January 31, 2021, respectively. The earnings coverage ratios for the 12 months ended October 31, 2020 are presented on a *pro forma* as adjusted basis and give effect to the Preferred Shares Series 15 Redemption and this offering of the Notes. The earnings coverage ratios for the 12 months ended January 31, 2021 are presented on a *pro forma* as adjusted basis and gives effect to the Preferred Shares Series 15 Redemption and this offering of the Notes.

	October 31, 2020 (as adjusted)	January 31, 2021 (as adjusted)
Interest coverage on subordinated debentures	8.9	10.3
Grossed up dividend coverage on preferred shares and distribution coverage on Limited Recourse Capital Notes.....	4.9	5.5
Interest coverage on subordinated debentures, grossed up dividend coverage on preferred shares and distribution coverage on Limited Recourse Capital Notes	4.9	5.5

The Bank's interest requirements for its outstanding subordinated debentures ("**interest requirements**") amounted to (i) \$15.2 million for the 12 months ended October 31, 2020 and (ii) \$15.2 million for the 12 months ended January 31, 2021. The Bank's dividend requirements on all of its outstanding Class A Preferred Shares and distribution requirements on Limited Recourse Capital Notes ("**dividend requirements**"), after giving effect to the Preferred Shares Series 15 Redemption and this offering of the Notes, amounted to (i) \$12.4 million for the 12 months ended October 31, 2020, adjusted to a before-tax equivalent using an effective income tax rate of 5.2% and (ii) \$13.2 million for the 12 months ended January 31, 2021, adjusted to a before-tax equivalent using an effective income tax rate of 10.8%. The Bank's earnings before income tax and our interest requirements for (i) the 12 months ended October 31, 2020 were \$135.5 million, 4.9 times our aggregate dividend requirements and interest requirements for the period, and (ii) the 12 months ended January 31, 2021 were \$157.3 million, 5.5 times the Bank's aggregate dividend requirements and interest requirements for such periods, after giving effect to the Preferred Shares Series 15 Redemption and this offering of the Notes.

Trading Price and Volume

The Bank's Common Shares, Preferred Shares Series 13 and Preferred Shares Series 15 are listed on the TSX under the trading symbols "LB", "LB.PR.H" and "LB.PR.J", respectively. The following tables set out the price range and trading volumes of our outstanding Common Shares, Preferred Shares Series 13 and Preferred Shares Series 15 on the TSX for the periods indicated.

Common Shares

Month	High (\$)	Low (\$)	Volume Traded
March 2020	\$39.00	\$26.83	11,569,798
April 2020	\$32.15	\$27.90	8,395,546
May 2020	\$32.83	\$27.23	7,370,387
June 2020	\$32.72	\$28.10	10,051,444
July 2020	\$29.67	\$26.31	5,188,180
August 2020	\$28.62	\$26.25	4,442,926
September 2020	\$30.44	\$27.02	7,414,616
October 2020	\$27.96	\$25.74	3,730,802
November 2020	\$34.26	\$26.11	6,462,384
December 2020	\$33.82	\$30.55	4,662,604
January 2021	\$33.19	\$30.85	3,683,824
February 2021	\$35.23	\$30.93	4,798,675
March 2021	\$41.39	\$34.98	9,058,546
April 2021	\$43.55	\$39.69	4,196,887

Preferred Shares Series 13

Month	High (\$)	Low (\$)	Volume Traded
March 2020	\$15.80	\$8.53	179,451
April 2020	\$12.00	\$9.78	338,453
May 2020	\$12.33	\$11.51	134,799
June 2020	\$12.53	\$11.67	108,145
July 2020	\$12.50	\$11.77	48,850

Month	High (\$)	Low (\$)	Volume Traded
August 2020	\$13.42	\$11.99	128,925
September 2020.....	\$14.25	\$13.39	82,854
October 2020.....	\$13.78	\$14.37	65,696
November 2020.....	\$13.82	\$16.11	96,421
December 2020.....	\$16.46	\$15.41	120,702
January 2021.....	\$16.42	\$15.67	77,290
February 2021.....	\$19.20	\$16.01	140,571
March 2021.....	\$19.49	\$18.62	109,804
April 2021.....	\$20.33	\$19.31	88,645

Preferred Shares Series 15

Month	High (\$)	Low (\$)	Volume Traded
March 2020	\$25.49	\$12.22	292,713
April 2020.....	\$20.26	\$15.56	172,522
May 2020.....	\$19.78	\$18.25	76,044
June 2020.....	\$19.24	\$17.66	171,739
July 2020.....	\$19.35	\$18.17	96,193
August 2020.....	\$22.35	\$19.10	124,689
September 2020.....	\$24.40	\$22.10	201,100
October 2020.....	\$25.48	\$24.25	374,027
November 2020.....	\$25.19	\$24.60	70,083
December 2020.....	\$25.20	\$24.78	86,367
January 2021.....	\$25.46	\$25.06	52,112
February 2021.....	\$25.44	\$25.06	67,527
March 2021.....	\$25.50	\$24.96	156,099
April 2021.....	\$25.35	\$25.17	177,272

Prior Sales

The Bank has not issued any limited recourse capital notes or Class A Preferred Shares or any other securities convertible into, or exchangeable for, limited recourse capital notes or Class A Preferred Shares of the Bank during the 12 months preceding the date of this Prospectus Supplement.

Description of the Notes

The following summarizes certain provisions of the Notes and the Series 1 Indenture (as defined below), but does not describe every aspect of the Notes or the Series 1 Indenture. This summary is subject to and qualified in its entirety by reference to all the provisions of the Notes and the Series 1 Indenture, including the definitions of certain terms that are not defined in this prospectus supplement. In this summary, we describe only some of the more important terms. You must look to the Series 1 Indenture for a complete description of what we summarize below. A copy of the Series 1 Indenture will be available on SEDAR at www.sedar.com. The following description of the Notes supplements (and, where different from, supersedes) the description of the Notes in the prospectus.

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

General

The Notes will be issued as subordinated debt securities under an indenture to be dated as of the closing date of the offering hereunder (the “**Series 1 Indenture**”) between us and Computershare Trust Company of Canada, as trustee (the “**indenture trustee**”). The Series 1 Indenture will be subject to the provisions of the Bank Act and governed by the laws of Ontario and the federal laws of Canada applicable therein. Subject to regulatory capital requirements applicable to the Bank, there is no limit on the amount of limited recourse capital notes or other subordinated indebtedness the Bank may issue.

The Notes will be our direct unsecured obligations constituting subordinated indebtedness for the purpose of the Bank Act which, if we become insolvent or are wound-up (prior to the occurrence of a Trigger Event), will rank: (a) subordinate in right of payment to the prior payment in full of all our Higher Ranked Indebtedness (as defined below), including certain Subordinated Indebtedness and (b) in right of payment equally with our Junior Subordinated Indebtedness (as defined below) (other than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes), in each case from time to

time outstanding, and will be subordinate in right of payment to the claims of our depositors and other unsubordinated creditors, provided that in any such case and in case of the Bank's non-payment of the principal amount of, interest on or redemption price for the Notes when due, the sole remedy of the holders of the Notes shall be the delivery of the Limited Recourse Trust Assets. Upon the occurrence of a Recourse Event (as defined below), including if we become insolvent or are wound-up (prior to the occurrence of a Trigger Event), the recourse of each holder of Notes will be limited to such holder's proportionate share of the Limited Recourse Trust Assets and the delivery of the applicable Limited Recourse Trust Assets to holders of the Notes will exhaust all remedies of such holders including in connection with any such event. Accordingly, as a result of the limited recourse feature described in this prospectus supplement, the ranking of the Notes will not be relevant during insolvency proceedings or wind-up of the Bank.

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

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

Principal, Interest and Maturity

The Notes will be issued in an aggregate principal amount of \$125,000,000 and will be repayable at 100% of the principal amount at maturity on June 15, 2081. We will pay interest on the Notes in equal (subject to the reset of the interest rate and the short first coupon) semi-annual instalments in arrears on June 15 and December 15 of each year (each, an "**Interest Payment Date**"), with the first payment on June 15, 2021. From the date of issue to, but excluding, June 15, 2026, the Notes will bear interest at the rate of 5.30% per annum. Starting on June 15, 2026 and on every fifth anniversary of such date thereafter until June 15, 2076 (each such date an "**Interest Reset Date**"), the interest rate on the Notes will be reset at an interest rate per annum equal to the Government of Canada Yield on the business day prior to such Interest Reset Date (each, an "**Interest Rate Calculation Date**") plus 4.334%. Assuming the Notes are issued on May 7, 2021, the first interest payment on the Notes on June 15, 2021 will be in an amount of \$5.6630137 per \$1,000 principal amount of Notes. The principal of, and interest on, the Notes will be paid in Canadian dollars.

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

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

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

A "**business day**" means a day on which bank institutions are open for business in Montreal, Quebec and which is not a Saturday or a Sunday.

Form, Denomination and Transfer

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

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

Subordination

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

The Series 1 Indenture provides that, if we become insolvent or are wound-up (prior to the occurrence of a Trigger Event), the Notes will rank: (a) subordinate in right of payment to the prior payment in full of all our Higher Ranked Indebtedness (including certain Subordinated Indebtedness) and (b) in right of payment equally with and not prior to our Junior Subordinated Indebtedness (other than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes), in each case from time to time outstanding, and will be subordinate in right of payment to the claims of our depositors and other unsubordinated creditors, provided that in any such case and in case of the Bank’s non-payment of the principal amount of, interest on or redemption price for the Notes when due, the sole remedy of the holders of the Notes shall be the delivery of the Limited Recourse Trust Assets. Upon the occurrence of a Recourse Event, including a Trigger Event or if we become insolvent or bankrupt or subject to the provisions of the *Winding-up and Restructuring Act* (Canada) (which is an event of default under the Series 1 Indenture), the recourse of each holder of Notes will be limited to such holder’s proportionate share of the Limited Recourse Trust Assets and the delivery of the applicable Limited Recourse Trust Assets to holders of the Notes will exhaust all remedies of such holders including in connection with any such event. Accordingly, as a result of the limited recourse feature described in this prospectus supplement, the ranking of the Notes will not be relevant during insolvency proceedings or wind-up of the Bank. See “– Limited Recourse”. If the Limited Recourse Trust Assets that are delivered to holders of the Notes under such circumstances comprise Preferred Shares Series 17 or Common Shares, such Preferred Shares Series 17 or Common Shares will rank on parity with all other Class A Preferred Shares or Common Shares, as applicable.

As at January 31, 2021, we had approximately \$42.5 billion of Higher Ranked Indebtedness, including deposits, outstanding which would rank ahead of the Notes.

For these purposes,

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

Events of Default

Under the Series 1 Indenture there will be an event of default only if we become insolvent or bankrupt or subject to the provisions of the *Winding-Up and Restructuring Act* (Canada), if we go into liquidation either voluntarily or under an order of a court of competent jurisdiction, or if we otherwise acknowledge our insolvency. We refer to such an event under the Series 1 Indenture as an “event of default”. For certainty, none of (i) the non-payment of principal or interest on the Notes, (ii) the non-performance of any other covenant of the Bank in the Series 1 Indenture or (iii) the occurrence of a Trigger Event shall constitute an event of default under the Series 1 Indenture.

The occurrence of an event of default is a Recourse Event for which the sole remedy of holders of the Notes shall be delivery of the Limited Recourse Trust Assets to the holders of the Notes. See “– Limited Recourse”. The Series 1 Indenture provides that, notwithstanding any other provision of the Series 1 Indenture, the delivery of the applicable Limited Recourse Trust Assets to holders of the Notes will exhaust all remedies of such holders including in connection with any event of default.

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

Holders of a majority of the outstanding principal amount of the Notes then outstanding under the Series 1 Indenture may, by resolution, direct and control the actions of the indenture trustee or of any holder of Notes who brings an action after the failure

of the indenture trustee to act in any proceedings against the Bank. The indenture trustee must, within 30 days of becoming aware of an event of default, give notice to the holders of the Notes unless the indenture trustee reasonably determines that the withholding of notice of a continuing default is in the best interests of the holders.

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

Limited Recourse

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

The Limited Recourse Trust is a trust established under the laws of Manitoba, governed by an amended and restated declaration of trust to be dated as of May 6, 2021 (as may be further amended or restated from time to time, the “**Limited Recourse Trust Declaration**”) between the Bank, as settlor and beneficiary, and the Limited Recourse Trustee. The Limited Recourse Trust’s objective is to acquire and hold the Limited Recourse Trust Assets in accordance with the terms of the Limited Recourse Trust Declaration. The Limited Recourse Trustee may hold trust assets in respect of more than one series of limited recourse capital notes of the Bank, in which case the Limited Recourse Trustee will hold the trust assets for each such series of notes (including the Bank’s preferred shares) separate from the trust assets for any other series of such notes and shall deliver such trust assets only in respect of the relevant series of notes. The Limited Recourse Trust Assets in respect of the Notes may comprise of (i) Preferred Shares Series 17, (ii) Common Shares issuable upon an NVCC Automatic Conversion, (iii) cash from the redemption of Preferred Shares Series 17, or (iv) any combination thereof, depending on the circumstances. On the closing of the offering of the Notes, the Limited Recourse Trust Assets in respect of the Notes shall consist of 125,000 Preferred Shares Series 17.

If a Recourse Event occurs, the Bank will, no later than one business day after the occurrence of such Recourse Event, notify the Limited Recourse Trustee of the occurrence of such Recourse Event. “**Recourse Event**” means any of the following: (i) there is non-payment by the Bank of the principal amount of the Notes, together with any accrued and unpaid interest, on the maturity date, (ii) a Failed Coupon Payment Date occurs, (iii) in connection with the redemption of the Notes, on the redemption date for such redemption, the Bank does not pay the applicable redemption price in cash, (iv) the occurrence of an event of default under the Series 1 Indenture, or (v) the occurrence of a Trigger Event. “**Failed Coupon Payment Date**” means the fifth business day immediately following an interest payment date upon which the Bank does not pay interest on the Notes and has not cured such non-payment by subsequently paying such interest prior to such fifth business day.

Following receipt of a notice of a Recourse Event, the Limited Recourse Trustee and the Bank will cause the Limited Recourse Trust Assets in respect of the Notes to be delivered to the holders of Notes in accordance with the terms of the Limited Recourse Trust Declaration, provided that notwithstanding any other provision in the Limited Recourse Trust Declaration, the Bank reserves the right not to (i) deliver Series 17 Preferred Shares or Common Shares to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Person (as defined below), or any person who, by virtue of that delivery, would become a Significant Shareholder (as defined below), or (ii) record in its securities register a transfer or issue of the Series 17 Preferred Shares or Common Shares, as the case may be, to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Government Holder (as defined below) based on a declaration submitted to the Bank or its transfer agent by or on behalf of such person. In such circumstances, the Bank will hold, as agent for such persons, the Common Shares or Preferred Shares Series 17 that would have otherwise been delivered to such persons and will attempt to facilitate the sale of such Common Shares or Preferred Shares Series 17 to parties other than the Bank and its affiliates on behalf of such persons through a registered dealer to be retained by the Bank on behalf of such persons. Those sales (if any) may be made at any time and at any price. The Bank shall not be subject to any liability for failure to sell any such Common Shares or Preferred Shares Series 17 on behalf of such persons or at any particular price on any particular day. The net proceeds received by the Bank from the sale of any such Common Shares or Preferred Shares Series 17 will be divided among the applicable persons in proportion to the number of Common Shares or Preferred Shares Series 17 that would otherwise have been delivered to them after deducting the costs of sale and any applicable withholding taxes.

Subject to the foregoing restrictions regarding Ineligible Persons, Significant Shareholders and Ineligible Government Holders, (i) if the Limited Recourse Trust Assets consist of Preferred Shares Series 17 at the time a Recourse Event occurs, the Bank will deliver, or cause the Limited Recourse Trustee to deliver, to each holder of Notes one Preferred Share Series 17 for each \$1,000.00 principal amount of Notes held, which shall be applied to the payment of the principal amount of the Notes, and such delivery of Preferred Shares Series 17 will be each holder’s sole remedy against the Bank for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon then due and payable, and (ii) upon the occurrence of a Recourse Event that is a Trigger Event, the Bank will deliver, or cause the Limited Recourse Trustee to deliver, to each holder of Notes that holder’s proportionate share of the Common Shares issued in connection with the Trigger Event. The number of Common Shares issuable in connection with the Trigger Event will be calculated based on a Share Value (as defined below)

of \$1,000.00. Such Common Shares shall be applied to the payment of the principal amount of the Notes, and such delivery of Common Shares will be each holder's sole remedy against the Bank for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon then due and payable. See "Redemption Upon Occurrence of Non-Viability Contingent Capital Trigger Event" below.

The Limited Recourse Trustee shall distribute the proceeds from the redemption of the Preferred Shares Series 17 held by the Limited Recourse Trustee to the holders of the Notes.

The Limited Recourse Trust will continue until the earlier to occur of the following events: (a) no Notes (or any other limited recourse capital notes) are outstanding and held by a person other than the Bank; and (b) each of the Limited Recourse Trustee and the Bank elects in writing to terminate the Limited Recourse Trust and such termination is approved by the holders of the Notes in accordance with the terms of the Series 1 Indenture and the holders of any other limited recourse capital notes in accordance with the terms of the indentures under which they are issued.

Any amendment or supplement to the Limited Recourse Trust Declaration for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Limited Recourse Trust Declaration (other than with respect to certain immaterial matters) requires the prior consent of the holders of the Notes in accordance with the terms of the Series 1 Indenture and the holders of any other limited recourse capital notes in accordance with the terms of the indentures under which they are issued.

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

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

Redemption

Automatic Redemption on Redemption of Preferred Shares Series 17

The Notes shall be redeemable by the Bank every five years during the period from May 15 to and including June 15, commencing in 2026, only upon the redemption by the Bank of the Preferred Shares Series 17 held by the Limited Recourse Trustee in the Limited Recourse Trust in accordance with the terms of such Preferred Shares Series 17 and with the prior written approval of the Superintendent, in whole but not in part on not less than 10 nor more than 60 days' prior notice, for a cash amount equal to the principal amount of the Notes being redeemed together with accrued and unpaid interest up to, but excluding, the date of redemption.

Upon redemption by the Bank of the Preferred Shares Series 17 held in the Limited Recourse Trust in accordance with the terms of such shares, outstanding Notes with an aggregate principal amount equal to the aggregate face amount of Preferred Shares Series 17 redeemed by the Bank shall automatically and immediately be redeemed, without any action on the part of, or the consent of, the holders of such Notes, for a cash amount equal to the principal amount of the Notes being redeemed together with accrued and unpaid interest to, but excluding, the date of redemption. The Limited Recourse Trust shall distribute the proceeds from the redemption of the Preferred Shares Series 17 held by the Limited Recourse Trustee to the holders of the Notes in partial satisfaction of such redemption price and the Bank shall be required to fund the balance in an amount equal to

the accrued and unpaid interest. For certainty, to the extent that, in accordance with the terms of the Series 1 Indenture, the Bank has immediately prior to or concurrently with such redemption of Preferred Shares Series 17 redeemed or purchased for cancellation outstanding Notes with an aggregate principal amount equal to the aggregate face amount of Preferred Shares Series 17 being redeemed, such requirement to redeem a corresponding number of Notes shall be deemed satisfied. See “Description of Preferred Shares Series 17 – Redemption” below for a description of the circumstances under which the Preferred Shares Series 17 may be redeemed by the Bank.

Redemption for Capital or Tax Reasons

We may, with the prior written approval of the Superintendent and without the consent of the holders of the Notes, redeem all (but not less than all) of the Notes at any time upon at least 30 days and not more than 60 days prior written notice on or following a regulatory event date or a tax event date for a cash amount equal to the principal amount of the Notes being redeemed together with accrued and unpaid interest to, but excluding, the date of redemption. Any such redemption may not occur before the relevant regulatory event date or tax event date, but may occur on or after such regulatory event date or tax event date, as the case may be.

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

A “**tax event date**” means the date on which the Bank has received an opinion of independent counsel of a nationally recognized law firm in Canada experienced in such matters (who may be counsel to the Bank) to the effect that, as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada or any political subdivision or taxing authority thereof or therein, affecting taxation, (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an “**Administrative Action**”) or (iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, Administrative Action, interpretation or pronouncement is made known, which amendment, clarification, change or Administrative Action is effective or which interpretation, pronouncement or Administrative Action is announced on or after the date of issue of the Notes, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or Administrative Action is effective and applicable) that the Bank or the Limited Recourse Trust is, or may be, subject to more than a *de minimis* amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid-up capital with respect to the Notes or the treatment of the Notes or the Preferred Shares Series 17 (including dividends thereon) or other Limited Recourse Trust Assets or the Limited Recourse Trust, as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority.

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

Occurrence of Non-Viability Contingent Capital Trigger Event

Upon the occurrence of a Recourse Event that is a Trigger Event, each Preferred Share Series 17 will be automatically converted, without the consent of the holders of the Notes, the Limited Recourse Trustee or the indenture trustee, into Common Shares pursuant to an NVCC Automatic Conversion (as defined below), and immediately following such NVCC Automatic Conversion, each outstanding Note will automatically and immediately be redeemed, on a full and permanent basis, without any action on the part of, or the consent of, the holders of Notes, for the same number of Common Shares into which the Preferred Shares Series 17 converted pursuant to such NVCC Automatic Conversion (a “**Trigger Event Redemption**”).

Fractions of Common Shares will not be issued or delivered pursuant to a Trigger Event Redemption and no cash payment will be made in lieu of a fractional Common Share. Notwithstanding any other provision of the Notes, the redemption of the Notes in connection with an NVCC Automatic Conversion shall not be an event of default and the only consequence of a Trigger Event and the resulting Trigger Event Redemption under the provisions of the Notes will be the redemption of the Notes for Limited Recourse Trust Assets (being Common Shares). Upon a Trigger Event Redemption, the principal amount of the Notes, together with any accrued but unpaid interest on the Notes, will be deemed paid in full by the delivery of the Limited Recourse Trust Assets (being Common Shares) and the holders of Notes shall have no further rights and the Bank shall have no further obligations under the Series 1 Indenture. Upon a Trigger Event Redemption, each holder of Notes will receive the number of Common Shares in proportion to the principal amount of the outstanding Notes held by such holder (any accrued and unpaid

interest will not be taken into account).

Upon an NVCC Automatic Conversion, the Bank reserves the right not to deliver some or all, as applicable, of the Common Shares issuable thereupon to any Ineligible Person or any person who, by virtue of the operation of the NVCC Automatic Conversion, would become a Significant Shareholder through the acquisition of Common Shares, or who are persons whom the Bank or its transfer agent has reason to believe are Ineligible Government Holders based on a declaration submitted to the Bank or its transfer agent by or on behalf of such person.

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

- **“Ineligible Person”** means (i) any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada to the extent that the issuance by the Bank or delivery by its transfer agent to that person of Preferred Shares Series 17 or, pursuant to an NVCC Automatic Conversion, of Common Shares would require the Bank to take any action to comply with securities, banking or analogous laws of that jurisdiction, or (ii) any person to the extent that the issuance by the Bank or delivery by its transfer agent to that person, of Preferred Shares Series 17 or, pursuant to an NVCC Automatic Conversion, of Common Shares would cause the Bank to be in violation of any law to which the Bank is subject.
- **“Ineligible Government Holder”** means any person who is the federal or a provincial government in Canada or agent or agency thereof, or the government of a foreign country or any political subdivision of a foreign country, or any agent or agency of a foreign government, in each case to the extent that the recording in the Bank’s securities register of a transfer or issue of any share of the Bank to such person would cause the Bank to contravene the Bank Act.
- **“Significant Shareholder”** means any person who beneficially owns directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in concert with such person, a percentage of the total number of outstanding shares of a class of the Bank that is in excess of that permitted by the Bank Act.

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

Automatic Redemption on Failed Coupon Payment Date

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

Restrictions on Redemption

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

Purchase for Cancellation

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

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

No Restriction on Other Indebtedness

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

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

Mergers and Similar Events

Under the Series 1 Indenture, we are generally permitted to merge, amalgamate, consolidate or otherwise combine with another entity. We are also permitted to convey, transfer or lease substantially all of our assets to another entity. However, we may not take any of these actions unless all the following conditions are met:

- when we merge, amalgamate, consolidate or otherwise combine with, or convey, transfer or lease substantially all of our assets, the surviving, resulting or acquiring entity must be a corporation, partnership or trust, must be organized and validly existing and must be legally responsible for the Notes, whether by agreement, operation of law or otherwise;
- the merger, amalgamation, consolidation or other combination, or conveyance, transfer or lease of assets must not cause an event of default, including any event which, after notice or lapse of time or both, would become an event of default, on the Notes; and
- we have delivered an officer's certificate and a legal opinion to the indenture trustee stating that such transaction complies with the Series 1 Indenture.

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

Modification and Waiver of the Notes

There are three types of changes we can make to the Series 1 Indenture and the Notes.

Changes Requiring Approval of All Holders. First, there are changes that cannot be made to the Series 1 Indenture or the Notes without specific approval of each holder of the Notes. The following is a list of those types of changes:

- a change in the stated maturity date or Interest Payment Dates of the Notes;
- a reduction of the principal amount of, or rate of interest on, the Notes;
- a reduction of the amount payable upon a redemption of the Notes;
- a change in the currency of payment on the Notes;
- a change in the place of payment for the Notes;
- an impairment of a holder's right to sue for payment;
- a reduction of the percentage in principal amount of Notes the consent of whose holders is needed to modify or amend the Series 1 Indenture;
- a reduction of the percentage in principal amount of Notes the consent of whose holders is needed to waive compliance with certain provisions of the Series 1 Indenture or to waive certain defaults; or
- a modification of any other aspect of the provisions dealing with modification and waiver of the Series 1 Indenture.

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

Changes Requiring a Majority Vote. The second type of change to the Series 1 Indenture or the Notes requires a vote in favour by holders of Notes owning not less than a majority of the outstanding principal amount of the Notes.

Most changes not requiring the approval of all holders fall into this category, except for clarifying changes and certain other changes that would not adversely affect in any material respect holders of the Notes. We may not modify the subordination provisions of the Series 1 Indenture in a manner that would adversely affect in any material respect the outstanding Notes without the consent of the holders of a majority of the outstanding principal amount of the Notes.

Changes Not Requiring Approval. The third type of change to the Series 1 Indenture or the Notes does not require any vote by

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

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

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding Notes that are entitled to vote or take other action under the Series 1 Indenture. In certain limited circumstances, the indenture trustee will be entitled to set a record date for action by holders. We or the indenture trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action.

In addition to the aforementioned approvals, we will not without, but may from time to time with, the consent of the Superintendent, make any change to the Series 1 Indenture which might affect the classification afforded the Notes from time to time for capital adequacy requirements pursuant to the Bank Act and the regulations and guidelines thereunder, including the OSFI Capital Adequacy Requirements (CAR) Guideline, as may be amended from time to time.

Description of Preferred Shares Series 17

On or before the closing of the offering of the Notes, the Preferred Shares Series 17 will be issued as a series of Class A Preferred Shares of the Bank to the Limited Recourse Trustee to be held in accordance with the terms of the Limited Recourse Trust Declaration. See “Description of Preferred Shares” in the prospectus.

Defined Terms

The following definitions are relevant to the Preferred Shares Series 17:

“**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 sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 4.334%.

“**Bloomberg Screen GCAN5YR Page**” means the display designated as 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 June 15, 2026 and each June 15 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. (Montréal time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the related Subsequent Fixed Rate Period, as determined by two independent Canadian investment dealers (each of which is a member of the Investment Industry Regulatory Organization of Canada or any successor to or of the Investment Industry Regulatory Organization of Canada) selected by the Bank, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market at or about 10:00 a.m. (Montréal time) on the relevant date for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span such Subsequent Fixed Rate Period on such Fixed Rate Calculation Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

“**Initial Annual Fixed Dividend Rate**” means, for the Initial Fixed Rate Period, the rate equal to the interest rate per annum on the Notes in effect as of the Transfer Date, provided that if the Transfer Date is on or after the Maturity Date, it means the rate (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the Government of Canada Yield on the business day prior to the Maturity Date (and in such case, for purposes of the definition of Government of Canada Yield, such day shall be deemed to be a “Fixed Rate Calculation Date” and such Initial Fixed Rate Period shall be deemed to be a “Subsequent Fixed Rate Period”), plus 4.334%.

“**Initial Fixed Rate Period**” means, (i) if the Transfer Date is prior to June 15, 2026, the period from and including the Transfer Date to, but excluding, June 15, 2026 and (ii) if the Transfer Date is on or after June 15, 2026, the period from and including the Transfer Date, to but excluding the first Fixed Period End Date following the Transfer Date.

“**Initial Reset Date**” means, (i) if the Transfer Date is prior to June 15, 2026, June 15, 2026, and (ii) if the Transfer Date is on or after June 15, 2026, the first Fixed Period End Date following the Transfer Date.

“**Maturity Date**” has the meaning given to such term in the Series 1 Indenture.

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

“**Transfer Date**” means the date on which all the Preferred Shares Series 17 are delivered to the holders of the Notes in accordance with the terms of the Series 1 Indenture and the Limited Recourse Trust Declaration.

Issue Price

The issue price per Preferred Share Series 17 is \$1,000.00.

Dividends

Prior to the Transfer Date, the holders of the Preferred Shares Series 17 shall not be entitled to receive dividends.

Following the Transfer Date, during the Initial Fixed Rate Period, the holders of the Preferred Shares Series 17 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 15th day of June and December in each year, in an amount per share per annum determined by multiplying the applicable Initial Annual Fixed Dividend Rate by \$1,000.00; provided that, whenever it is necessary to compute any dividend amount in respect of the Preferred Shares Series 17 for a period of less than one full semi-annual dividend period, such dividend amount shall be calculated on the basis of the actual number of days in the period and a year of 365 days.

During each Subsequent Fixed Rate Period, the holders of the Preferred Shares Series 17 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 15th day of June and December 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 17. 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 17.

If the board of directors does not declare a dividend, or any part thereof, on the Preferred Shares Series 17 on or before the dividend payment date therefor, then the rights of the holders of the Preferred Shares Series 17 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 17 in certain circumstances. See “Bank Act Restrictions and Approvals” in the prospectus.

Redemption

Except as noted below, the Preferred Shares Series 17 will not be redeemable prior to May 15, 2026. Subject to the provisions of the Bank Act (see “Bank Act Restrictions and Approvals” 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 May 15, 2026 to and including June 15, 2026 and during the period from May 15 to and including June 15 every fifth year thereafter, we may redeem all (or, if on or after the Transfer Date, all or any part) of the outstanding Preferred Shares Series 17 at our option. If the Preferred Shares Series 17 are redeemed before the Transfer Date, the redemption price per share will be an amount in cash for each share redeemed of \$1,000.00. If the Preferred Shares Series 17 are redeemed on or after the Transfer Date, the redemption price per share will be an amount in cash of \$1,000.00 per share so redeemed together with declared and unpaid dividends to, but excluding, the redemption date.

Upon the occurrence of a Special Event Date before the Transfer Date, subject to the provisions of the Bank Act (see “Bank Act Restrictions and Approvals” in the prospectus), the prior written approval of the Superintendent and the provisions described below under “Restriction on Dividends and Retirement of Shares”, the Bank may, at its option, at any time following a Special Event Date, redeem the Preferred Shares Series 17, in whole but not in part, by the payment of an amount in cash for each share redeemed of \$1,000.00 (a “**Special Event Redemption**”), and, to the extent not otherwise paid by the Bank, apply the proceeds of such redemption towards the redemption of the Notes. “**Special Event Date**” means a regulatory event date or a tax event date.

If at any time before the Transfer Date the Bank, with the prior written approval of the Superintendent, purchases Notes, in whole or in part, by tender offer, open market purchases, negotiated transactions or otherwise, for cancellation, then, subject to the provisions of the Bank Act (see “Bank Act Restrictions and Approvals” in the prospectus) and the provisions described below under “Restriction on Dividends and Retirement of Shares”, the Bank will redeem such number of Preferred Shares Series 17 with an aggregate face amount equal to the aggregate principal amount of Notes purchased for cancellation by the

Bank, by the payment of an amount in cash for each share redeemed of \$1,000.00, and, to the extent not otherwise paid by the Bank, apply the proceeds of such redemption towards the purchase of the Notes.

Concurrently with or upon the maturity of the Notes, subject to the provisions of the Bank Act (see “Bank Act Restrictions and Approvals” in the prospectus) and the provisions described below under “Restriction on Dividends and Retirement of Shares” and with the prior written approval of the Superintendent, the Bank may redeem all but not less than all of the outstanding Preferred Shares Series 17, at the Bank’s option, by the payment of an amount in cash for each share redeemed of \$1,000.00, and, to the extent not otherwise paid by the Bank, apply the proceeds of such redemption towards the repayment of the aggregate principal amount of and any accrued and unpaid interest on the Notes.

We will give notice of any redemption (other than a redemption that is a Special Event Redemption) to registered holders not more than 60 days and not less than 10 days prior to the redemption date. We will give notice of any Special Event Redemption to registered holders not more than 60 and not less than 30 days prior to the redemption date.

Where, on or after the Transfer Date, a part only of the then outstanding Preferred Shares Series 17 is at any time to be redeemed, the Preferred Shares Series 17 will be redeemed *pro rata* disregarding fractions, or in such other manner as our board of directors determines.

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

Purchase for Cancellation

Subject to the provisions of the Bank Act, the provisions described below under “Restriction on Dividends and Retirement of Shares” and the consent of the Superintendent, from and after the Transfer Date, we may at any time, by private contract or in the market or by tender, purchase for cancellation any Preferred Shares Series 17 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 17 will automatically and immediately be converted, on a full and permanent basis, without the consent of the holder thereof, 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) the Floor Price (as defined below), and (ii) the Current Market Price (as defined below) of the Common Shares.

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

“**Floor Price**” means \$5.00 subject to adjustment in the event of (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. 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.

“**Multiplier**” means 1.0.

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

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

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

be non-viable.

Fractions of Common Shares will not be issued or delivered pursuant to an NVCC Automatic Conversion and no cash payment will be made in lieu of a fractional Common Share. Notwithstanding any other provision of the Preferred Shares Series 17, the conversion of the Preferred Shares Series 17 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 17 will be the conversion of the Preferred Shares Series 17 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 17 receive, pursuant to an NVCC Automatic Conversion, the number of Common Shares or other securities that such holders would have received if the NVCC Automatic Conversion occurred immediately prior to the record date for such event.

Right Not to Deliver Common Shares upon NVCC Automatic Conversion

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

Rights on Liquidation

At any time after the Transfer Date and prior to a Trigger Event, in the event of our liquidation, dissolution or winding-up, holders of Preferred Shares Series 17 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 17. The holders of Preferred Shares Series 17 will not be entitled to share in any further distribution of our assets. If a Trigger Event has occurred, all Preferred Shares Series 17 shall have been converted into Common Shares which will rank on parity with all other Common Shares.

Restriction on Dividends and Retirement of Shares

From and after the Transfer Date, so long as any of the Preferred Shares Series 17 are outstanding, the Bank shall not, without the approval of holders of the Preferred Shares Series 17:

- declare, pay or set apart any dividends on any Common Shares or any other shares of the Bank ranking junior to the Preferred Shares Series 17 (other than stock dividends in any shares of the Bank ranking junior to the Preferred Shares Series 17); or
- redeem, purchase or otherwise retire any Common Shares or any other shares of the Bank ranking junior to the Preferred Shares Series 17 (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Preferred Shares Series 17); or
- redeem, purchase or otherwise retire less than all the Preferred Shares Series 17; 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 17,

unless, in each such case, 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 Class A Preferred Shares then issued and outstanding and all other cumulative shares ranking on a parity with the Class A Preferred Shares and there shall have been paid or set apart for payment all declared dividends in respect of each series of non-cumulative Class A Preferred Shares then issued and outstanding and on all other non-cumulative shares ranking on a parity with the Class A Preferred Shares.

Issue of Additional Series of Class A Preferred Shares

We may issue other series of Class A Preferred Shares ranking on a parity with the Preferred Shares Series 17 without the

approval of holders of the Preferred Shares Series 17 as a series.

Amendments to Preferred Shares Series 17

We will not without, but may from time to time with, the approval of holders of the Preferred Shares Series 17 and any approval as may be required by any stock exchange on which the Preferred Shares Series 17 may then be traded, delete or vary any rights, privileges, restrictions or conditions attaching to the Preferred Shares Series 17. 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 17 from time to time for capital adequacy requirements pursuant to the Bank Act and the regulations and guidelines thereunder, including the OSFI Capital Adequacy Requirements (CAR) Guideline, as may be amended from time to time.

Shareholder Approvals

The approval of the holders of the Preferred Shares Series 17 in regard to any question, particularly concerning amendments to any rights, privileges, restrictions and conditions attaching to the Preferred Shares Series 17 may be given in writing by the holders of all outstanding Preferred Shares Series 17 or by a resolution carried by not less than two thirds of the votes cast by the holders of Preferred Shares Series 15 or Preferred Shares Series 16, and Preferred Shares Series 13 or Preferred Shares Series 14, at a duly held meeting of such shareholders. The holders of the majority of issued and outstanding Preferred Shares Series 17 present or represented by proxy at the meeting constitutes the requisite quorum for any meeting of the holders of Preferred Shares Series 17, provided that there are no quorum requirements with respect to a reconvened meeting. At any meeting of the holders of Preferred Shares Series 17, each holder shall be entitled to one vote for each Preferred Share Series 17 held.

Voting Rights

Subject to the provisions of the Bank Act, holders of Preferred Shares Series 17, as such, will not be entitled to receive notice of, or to attend or to vote at, any meeting of our shareholders unless and until the first time at which the rights of such holders to any undeclared dividends have been extinguished as described under “Dividends” above (for clarity, such time may not occur before the Transfer Date because, prior to the Transfer Date, the holders of Preferred Shares Series 17 shall not be entitled to receive dividends). In that event, the holders of Preferred Shares Series 17 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 17 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 17 have again been extinguished, such voting rights will become effective again and so on from time to time.

Tax Election

The Preferred Shares Series 17 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 17 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 17. See “Canadian Federal Income Tax Considerations”.

Bank Act Restrictions

We reserve the right not to issue shares, including Preferred Shares Series 17, 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 and Approvals” 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 17, on a day that is a Saturday or a Sunday or on a day on which banking institutions in Montreal, Canada are authorized or obligated to close (a “**non-business day**”), then such action or payment will be taken or made and such matter, consequence or other thing will occur on the immediately following day which is not a non-business day unless the Bank determines to take such action or make such payment on the immediately preceding day which is not a non-business day.

Description of Common Shares

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

Canadian Federal Income Tax Considerations

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Bank (“**Counsel**”), the following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Notes, including entitlement to all payments thereunder, as beneficial owner, pursuant to this prospectus supplement; Preferred Shares Series 17 on a Recourse Event; and Common Shares on a Recourse Event that is a Trigger Event or on an NVCC Automatic Conversion after the Transfer Date, and who, for purposes of the Tax Act and at all relevant times, is, or is deemed to be, resident in Canada, deals at arm’s length with the Bank and each of the Agents, is not affiliated with the Bank or any of the Agents, holds Notes and will hold any Preferred Shares Series 17 or Common Shares (as applicable) as capital property (a “**Holder**”).

Generally, Notes, Preferred Shares Series 17, and Common Shares will be capital property to a Holder, provided the Holder does not acquire Notes, Preferred Shares Series 17 or Common Shares in the course of carrying on a business of trading or dealing in securities and does not acquire them as part of an adventure or concern in the nature of trade. Certain Holders whose Notes, Preferred Shares Series 17 or Common Shares would not otherwise qualify as capital property may, in certain circumstances, be entitled to have them and all other “Canadian securities” of the Holder, as defined in the Tax Act, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

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

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

This summary is not applicable to a Holder (i) that is a “financial institution” as defined in the Tax Act for purposes of the mark-to-market rules; (ii) an interest in which is or would constitute a “tax shelter investment” as defined in the Tax Act; (iii) that reports its “Canadian tax results”, as defined in the Tax Act, in a currency other than Canadian currency; or (iv) that has entered into, with respect to the Notes, Preferred Shares Series 17 or Common Shares a “derivative forward arrangement” as defined in the Tax Act. Such Holders should consult their own tax advisors. Furthermore, this portion of the summary is not applicable to a Holder that is a “specified financial institution” (as defined in the Tax Act) that receives (or is deemed to receive) dividends in respect of Preferred Shares Series 17 acquired on a Recourse Event, or in respect of Common Shares acquired on a Recourse Event that is a Trigger Event or on an NVCC Automatic Conversion after the Transfer Date. Such Holders should consult their own tax advisors.

Notes

Interest

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

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

Dispositions of Notes

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

the taxation year or a previous taxation year.

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

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

In general, on a disposition or deemed disposition of Notes, a Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount required to be included in the Holder's income as interest or otherwise, exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition. On a Recourse Event, the proceeds of disposition will be the fair market value of the Preferred Shares Series 17 or the Common Shares, as the case may be, received on such Recourse Event. The cost of a Preferred Share Series 17 or Common Share received on such Recourse Event will generally equal the fair market value of such share on the date of acquisition and will be averaged with the adjusted cost base of all Preferred Shares Series 17 or Common Shares, as the case may be, held by such Holder as capital property immediately before such time for the purpose of determining thereafter the adjusted cost base of each such share.

Preferred Shares Series 17 and Common Shares

Dividends

Dividends (including deemed dividends) received on the Preferred Shares Series 17 or 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. Taxable dividends received that are designated by the Bank as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the Tax Act. Dividends (including deemed dividends) on the Preferred Shares Series 17 or 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 17 will be "taxable preferred shares" as defined in the Tax Act. The terms of the Preferred Shares Series 17 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 17.

A Holder that is a "private corporation" or a "subject corporation", each as defined in the Tax Act, will generally be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received by it on the Preferred Shares Series 17 or the Common Shares to the extent such dividends are deductible in computing its taxable income.

Dispositions of Preferred Shares Series 17 or Common Shares

A Holder who disposes of or is deemed to dispose of Preferred Shares Series 17 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 17 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 "*Acquisitions by the Bank of Preferred Shares Series 17 or Common Shares*" below. If the Holder is a corporation, any such capital loss realized on a disposition of a Preferred Share Series 17 or a Common Share, as the case may be, may, in certain circumstances, be reduced by the amount of any dividends which have been received or which are deemed to have been received on such share. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Acquisitions by the Bank of Preferred Shares Series 17 or Common Shares

If the Bank redeems for cash or otherwise acquires Preferred Shares Series 17 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 of Preferred Shares Series 17 or Common Shares” 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 of Preferred Shares Series 17 after the Transfer Date

An NVCC Automatic Conversion of Preferred Shares Series 17 into Common Shares after the Transfer Date will be deemed not to be a disposition of the Preferred Shares Series 17 and, accordingly, will not give rise to any income or loss. The cost to a Holder of Common Shares received on such an NVCC Automatic Conversion will be deemed to be an amount equal to the adjusted cost base to the Holder of the converted Preferred Shares Series 17 immediately before such an NVCC Automatic Conversion. The cost of a Common Share received on such an NVCC Automatic Conversion will be averaged with the adjusted cost base of all other Common Shares held by the Holder as capital property immediately before such time for the purpose of determining thereafter the adjusted cost base of each such share.

Taxation of Capital Gains and Capital Losses

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

Additional Refundable Tax

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

Alternative Minimum Tax

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

Ratings

The Notes are expected to be rated BB (high) by DBRS Limited (“**DBRS**”) and BB- by S&P Global Ratings Canada, a business unit of S&P Global Canada Corp. (“**S&P**”). Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities and are indicators of the likelihood of the payment capacity and willingness of a company to meet its financial commitment on an obligation in accordance with the terms of the obligation.

The BB (high) rating expected to be assigned to the Notes by DBRS ranks in the high end of the fifth highest rating category of DBRS’ ten rating categories for long term debt obligations, which range from AAA to D. The BB- rating expected to be assigned to the Notes by S&P ranks in the low end of the fifth highest rating category of S&P’s ten rating categories for long term debt obligations, which range from AAA to D. DBRS uses the “high” and “low” designations, while S&P uses the “+” or “-” designations, to indicate the relative standing of the securities being rated within a particular rating category. Prospective purchasers of the Notes should consult the relevant rating organization with respect to the interpretation and implications of the foregoing ratings.

The Preferred Shares Series 17 are expected to be rated Pfd-3 by DBRS and BB- (global scale) by S&P.

The Pfd-3 rating expected to be assigned by DBRS is the third highest of six categories available from DBRS for preferred shares, which ranges from Pfd-1 to D. The BB- rating expected to be assigned by S&P using its global scale for preferred shares is the fourth highest of nine categories used by S&P on its global preferred share scale, which ranges from AA to D. S&P uses the “+” and “-” designations to indicate the relative standing of the securities being rated within a particular rating category. Prospective purchasers of Preferred Shares Series 17 should consult the relevant rating organization with respect to the interpretation and implications of the foregoing.

We have made payments to each of DBRS and S&P in connection with the assignment of ratings to our long-term debt and Class A Preferred Shares and will make payments to each of DBRS and S&P in connection with the confirmation of the ratings assigned to the Notes and Preferred Shares Series 17 for purposes of the offering hereunder. In addition, we have made payments in respect of certain other services provided to the Bank by such rating agencies during the last two years.

The credit ratings assigned to the Notes and Preferred Shares Series 17 are not recommendations to purchase, hold or sell the Notes. The credit ratings do not address market price or suitability for a particular investor. The credit ratings assigned to the Notes and Preferred Shares Series 17 may not reflect the potential impact of all risks on the value of the Notes or the Preferred Shares Series 17. In addition, real or anticipated changes in the credit ratings assigned to the Notes or the Preferred Shares Series 17 will generally affect the market value of the Notes or the Preferred Shares Series 17, as applicable. There can be no assurance that these ratings will remain in effect for any given period of time or that the ratings will not be revised or withdrawn entirely in the future by DBRS or S&P if in their judgment circumstances so warrant.

Plan of Distribution

Under an agreement dated April 30, 2021 between the Agents and us (the “**Agency Agreement**”), the Agents have agreed to act as our agents to offer the Notes for sale to the public on a best efforts basis, if, as and when issued by us, subject to compliance with all necessary legal requirements and in accordance with the terms and conditions of the Agency Agreement. The offering price of the Notes was established by negotiation between us and the Agents. The Agents will receive a fee equal to \$10.00 for each \$1,000 principal amount of Notes sold.

The Preferred Shares Series 17 qualified by this prospectus supplement will be issued to the Limited Recourse Trustee. No underwriter has been involved in the offering of the Preferred Shares Series 17 qualified by this prospectus supplement. The offering price of the Preferred Shares Series 17 was established by us.

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

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

None of the Notes, the Preferred Shares Series 17 nor the Common Shares into which the Preferred Shares Series 17 may be converted or for which the Notes may be redeemed upon the occurrence of a Trigger Event have been, or will be, registered under the U.S. Securities Act or any state securities laws, and the Agents have agreed not to (i) buy or offer to buy, (ii) sell or offer to sell or (iii) solicit any offer to buy any Notes as part of any distribution under this prospectus supplement in the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. Person.

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

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

Neither the Notes nor the Preferred Shares Series 17 will be listed on any securities exchange and do not have an established trading market. Each of the Agents may from time to time purchase and sell Notes in the secondary market, but no Agent is obligated to do so, and there is no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, each of the Agents may make a market in the Notes, but the Agents are not obligated to do so and may discontinue any market-making activity at any time.

Laurentian Bank Securities Inc., one of the Agents, is a wholly-owned subsidiary of the Bank. Therefore, we are a related and connected issuer of Laurentian Bank Securities Inc. under applicable securities legislation. The decision to distribute the Notes and the determination of the terms of the distribution were made through negotiation between us on the one hand and the Agents on the other hand. CIBC World Markets Inc, a dealer in respect of which the Bank is not a related or connected issuer, has participated in the structuring and pricing of this offering of Notes, and in the due diligence activities performed by the Agents for this offering. Laurentian Bank 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 Notes (and Preferred Shares Series 17 and Common Shares upon delivery of the Limited Recourse Trust Assets, including upon the occurrence of a Trigger Event) is subject to certain risks including those set out in this prospectus

supplement and the prospectus. Before deciding whether to invest in the Notes, purchasers should consider carefully the risks set out herein and incorporated by reference in this prospectus supplement and the prospectus (including subsequently filed documents incorporated by reference). As an investment in the Notes may become an investment in Preferred Shares Series 17 or Common Shares in certain circumstances, potential investors in the Notes should consider the risks set out herein regarding the Preferred Shares Series 17 and in the prospectus regarding our Class A Preferred Shares and Common Shares, in addition to the other risks set out herein regarding the Notes. Reference is also made to the risks described in the prospectus and the documents incorporated by reference in this prospectus supplement (including subsequently filed documents incorporated by reference), including, but not limited to those described under the headings “Risk Appetite and Risk Management Framework” and “COVID-19 Pandemic” in the 2020 Annual Report and MD&A section in the First Quarter 2021 Report to Shareholders. 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 the Bank’s business, financial condition or results of operations. To the extent that the COVID-19 pandemic, or any future epidemics or pandemics, causes material adverse impacts to the Bank, the global economy, and/or financial markets, it could result in losses on the Notes or the Preferred Shares Series 17.

The Notes and Preferred Shares Series 17 are loss-absorption financial instruments that involve significant risk and may not be a suitable investment for all investors.

The Notes and Preferred Shares Series 17 are loss-absorption financial instruments designed to comply with applicable Canadian banking regulations and involve significant risks. Each potential investor in the Notes must determine the suitability (either alone or with the help of a financial adviser) of that investment in light of its own circumstances. In particular, each potential investor should understand thoroughly the terms of the Notes and the Preferred Shares Series 17, such as the provisions governing the limited remedies of holders of Notes and NVCC Automatic Conversion, including the circumstances constituting a Trigger Event. A potential investor should not invest in the Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the likelihood of the NVCC Automatic Conversion into Common Shares and the value of the Notes, and the impact this investment will have on the potential investor’s overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this prospectus supplement and the prospectus or incorporated by reference herein.

An investment in the Notes and the Preferred Shares Series 17 is subject to our credit risk.

Real or anticipated changes in credit ratings on the Notes or the Preferred Shares Series 17 may affect the market value of the Notes and the Preferred Shares Series 17, 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 the 2020 MD&A and Q1 MD&A, incorporated by reference in this prospectus supplement, for further discussion of, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on our business, financial condition or results of operations.

A holder of Notes will have limited remedies.

In the event of a non-payment by the Bank of the principal amount of, interest on or redemption price for the Notes when due or the occurrence of an event of default, the sole remedy of holders of Notes shall be the delivery of the Limited Recourse Trust Assets. If the Limited Recourse Trust Assets consist of Preferred Shares Series 17 at the time such an event occurs, the Bank will deliver to each Noteholder one Preferred Share Series 17 for each \$1,000 principal amount of Notes held, which shall be applied to the payment of the principal amount of the Notes, and such delivery of Preferred Shares Series 17 will be each Noteholder’s sole remedy against the Bank for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon then due and payable. The market value of the Limited Recourse Trust Assets could be significantly less than the face value of the Notes. In the event that the value of the Limited Recourse Trust Assets delivered to holders of Notes is less than the principal amount of and any accrued and unpaid interest on, or the redemption price of, the Notes, all losses arising from such shortfall shall be borne by such holders and no claim may be made against the Bank.

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

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

An investment in the Notes may become an investment in Preferred Shares Series 17 or Common Shares of the Bank in certain circumstances.

In the event of a non-payment by the Bank of the principal amount of, interest on or redemption price for the Notes when due, the sole remedy of holders of the Notes will be the delivery of the Limited Recourse Trust Assets, which may comprise Preferred Shares Series 17 or, upon a Trigger Event Redemption, Common Shares. Delivery of Limited Recourse Trust Assets to the holders of Notes shall be deemed to be in full satisfaction of the Notes. As a result, you may become a shareholder of the Bank at a time when our financial condition is deteriorating or when we have become insolvent or have been ordered to be wound-up or liquidated. In the event of our liquidation, the claims of our depositors and creditors (including holders of subordinated indebtedness) would be entitled to priority of payment over holders of Preferred Shares Series 17 or Common Shares. If we were to become insolvent or be ordered to be wound-up or liquidated after your investment in the Notes has become an investment in Preferred Shares Series 17 or Common Shares of the Bank, you may receive, if anything, substantially less than you would have received as a holder of the Notes.

There is no market for the Notes or the Preferred Shares Series 17.

Neither the Notes nor the Preferred Shares Series 17 will be listed on any stock exchange and there can be no assurance that there will be a secondary market for the Notes or, after the Transfer Date, the Preferred Shares Series 17. Each of the Agents may from time to time purchase and sell Notes in the secondary market or make a market for the Notes, but no Agent is obliged to do so and there can be no assurance as to a secondary market for the Notes, liquidity in any such market or any market making activities by any Agent.

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

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

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

Following the Transfer Date, the market value of the Preferred Shares Series 17 may fluctuate.

After the Transfer Date, prevailing yields on similar securities will affect the market value of Preferred Shares Series 17. Assuming all other factors remain unchanged, the market value of the Preferred Shares Series 17 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 17.

The Preferred Shares Series 17 are non-cumulative and there is a risk the Bank will be unable to pay dividends on the shares.

The Preferred Shares Series 17 are non-cumulative and dividends are payable after the Transfer Date at the discretion of the board of directors. See "Share Capital and Changes in the Bank's Consolidated Capitalization" and "Earnings Coverage" in this prospectus supplement, each of which is relevant to an assessment of the risk that we will be unable to pay dividends and any redemption price on the Preferred Shares Series 17 when due.

Ranking of Preferred Shares Series 17 on insolvency, dissolution or winding-up.

The Preferred Shares Series 17 are equity capital of the Bank. The Preferred Shares Series 17 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 17, if any, and other preferred shares.

The Notes and Preferred Shares Series 17 are subject to an automatic and immediate redemption in exchange for Common Shares upon a Trigger Event and an NVCC Automatic Conversion.

Upon the occurrence of a Trigger Event and an NVCC Automatic Conversion, there is no certainty of the value of the Common Shares to be received by the holders of the Notes or the Preferred Shares Series 17 and the value of such Common Shares could be significantly less than the face value of the Notes or the Preferred Shares Series 17. Moreover, there may be an illiquid market, or no market at all, in Common Shares received upon an NVCC Automatic Conversion, and investors may not be able to sell the Common Shares at a price equal to the value of their investment and as a result may suffer significant loss.

A Trigger Event involves a subjective determination outside our control.

The decision as to whether a Trigger Event will occur is a subjective determination by the Superintendent that the Bank has ceased, or is about to cease, to be viable and that the conversion of all contingent instruments is reasonably likely, taking into account any other factors or circumstances that are considered relevant or appropriate by the Superintendent, to restore or maintain the viability of the Bank. Such determination will be beyond the control of the Bank. See the definition of Trigger Event under “Description of Preferred Shares Series 17 — Conversion Upon Occurrence of a Non-Viability Contingent Capital Trigger Event.”

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

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

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

If a Trigger Event occurs, then the interests of depositors, other creditors of the Bank, and holders of bank securities which are not contingent instruments will all rank in priority to the holders of contingent instruments, including the Notes or the Preferred Shares Series 17. The Superintendent retains full discretion to choose not to trigger non-viability contingent capital notwithstanding a determination that the Bank has ceased, or is about to cease, to be viable. Under such circumstances, holders of Notes or the Preferred Shares Series 17 may be exposed to losses through the use of other resolution tools or in liquidation.

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

The number of Common Shares to be received for each Note or a Preferred Share Series 17 on an NVCC Automatic Conversion and Trigger Event Redemption is calculated by reference to the prevailing market price of Common Shares immediately prior to a Trigger Event, subject to the floor price. If there is an NVCC Automatic Conversion at a time when the Current Market Price of the Common Shares is below the floor price, investors may receive Common Shares with an aggregate market price less than the value of the Notes or Preferred Shares Series 17.

In the circumstances surrounding a Trigger Event, the Superintendent or other governmental authorities or agencies may also require other steps to be taken to restore or maintain the viability of the Bank under the Canadian bank resolution powers, including the injection of new capital and the issuance of additional Common Shares or other securities. Accordingly, holders of Notes or Preferred Shares Series 17 will receive Common Shares pursuant to an NVCC Automatic Conversion at a time when other debt obligations of the Bank may be converted into Common Shares, at a conversion rate that is more favorable to the holders of such obligations than the rate applicable to the Notes or Preferred Shares Series 17, and additional Common Shares or securities ranking in priority to the Common Shares may be issued, thereby causing substantial dilution to holders of Common Shares, the holders of shares other than Common Shares, and the holders of Notes or Preferred Shares Series 17 that will become holders of Common Shares upon an NVCC Automatic Conversion.

Circumstances surrounding a potential NVCC Automatic Conversion will have an adverse effect on the market price of the Notes and Preferred Shares Series 17.

The occurrence of a Trigger Event is a subjective determination by the Superintendent that the conversion of all contingent instruments is reasonably likely to restore or maintain the viability of the Bank. As a result, an NVCC Automatic Conversion may occur in circumstances that are beyond the control of the Bank. Also, even in circumstances where the market expects the Superintendent to cause an NVCC Automatic Conversion, the Superintendent may choose not to take that action. Because of the inherent uncertainty regarding the determination of when an NVCC Automatic Conversion may occur, it will be difficult to predict, when, if at all, the Notes or Preferred Shares Series 17 will be mandatorily converted into Common Shares. Accordingly, trading behavior in respect of the Notes or Preferred Shares Series 17 is not necessarily expected to follow trading behavior associated with other types of convertible or exchangeable securities. Any indication, whether real or perceived, that the Bank is trending towards a Trigger Event can be expected to have an adverse effect on the market price of the Notes, Preferred Shares Series 17 and the Common Shares, whether or not such Trigger Event actually occurs.

Holders of Notes and holders of Preferred Shares Series 17 may be exposed to losses through the use of other Canadian bank resolution powers or in liquidation.

The holders of Notes and holders of Preferred Shares Series 17 may be exposed to losses through the use of other Canadian bank resolution powers or in liquidation. Under the Canadian bank resolution powers, in circumstances where the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and viability cannot be restored or preserved by exercise of the Superintendent's powers under the Bank Act, the Superintendent, after providing the Bank with a reasonable opportunity to make representations, is required to provide a report to CDIC. Following receipt of the Superintendent's report, CDIC may request the Minister of Finance to recommend that the Governor in Council (Canada) (the "**Governor in Council**") make an order (an "**Order**") and, if the Minister of Finance is of the opinion that it is in the public interest to do so, the Minister of Finance may recommend that the Governor in Council make, and on that recommendation, the Governor in Council may make, one or more Orders vesting in CDIC the shares and subordinated debt of the Bank specified in the Order (a "**vesting order**"), appointing CDIC as receiver in respect of the Bank (a "**receivership order**"), if a receivership order has been made, directing the Minister of Finance to incorporate a federal institution designated in the order as a bridge institution (a "**bridge bank order**") wholly-owned by CDIC and specifying the date and time as of which the Bank's deposit liabilities are assumed.

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

There is no limitation on the type of Order that may be made where it has been determined that the Bank has ceased, or is about to cease, to be viable. As a result, a holder of Notes or Preferred Shares Series 17 may be exposed to losses through the use of Canadian bank resolution powers other than an NVCC Automatic Conversion or in liquidation.

As a result, a holder of Notes or Preferred Shares Series 17 may lose all of its investment, including the principal amount plus any accrued dividends or interest, if the CDIC were to take action under the Canadian bank resolution powers, and any Common Shares into which the Notes or Preferred Shares Series 17 are converted upon the occurrence of a Trigger Event, an NVCC Automatic Conversion and a Trigger Event Redemption, may be of little value at the time of an NVCC Automatic Conversion and thereafter.

The Notes are direct unsecured subordinated indebtedness of the Bank which, provided such Notes have not been redeemed for Common Shares upon the occurrence of a Trigger Event, an NVCC Automatic Conversion and a Trigger Event Redemption, rank: (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness (including certain Subordinated Indebtedness) and (b) in right of payment equally with and not prior to Junior Subordinated Indebtedness (other than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes) of the Bank in the event of the insolvency or winding-up of the Bank. If the Bank becomes insolvent or is wound-up while the Notes remain outstanding, the Bank's assets must be used to pay deposit liabilities and prior and senior ranking indebtedness before payments may be made on the Notes, other subordinated indebtedness and the Common Shares. Subject to the Bank's regulatory capital requirements, there is no limit on the Bank's ability to incur additional subordinated debt. In addition, the terms of the Notes do not restrict the Bank's ability to incur indebtedness that ranks senior to the Notes. Upon the occurrence of a Trigger Event, each Preferred Share Series 17 will be automatically converted into Common Shares pursuant to an NVCC Automatic Conversion, and immediately following such NVCC Automatic Conversion, each outstanding Note will automatically and immediately be redeemed for the same number of Common Shares into which the Preferred Shares Series 17 converted pursuant to such NVCC

Automatic Conversion, such that the terms of the Notes with respect to priority and rights upon liquidation will not be relevant as the Notes will have been converted to Common Shares ranking on parity with all other outstanding Common Shares.

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

The *Canada Deposit Insurance Corporation Act* (“**CDIC Act**”) provides for a compensation process for holders of Notes and Preferred Shares Series 17 who immediately prior to the making of an Order, directly or through an intermediary, own Notes or Preferred Shares Series 17, as the case may be, that after the Order is made, are converted in whole or in part into Common Shares in accordance with their terms. While this process applies to successors of those holders it does not apply to assignees or transferees of the holder following the making of the Order and does not apply if the amounts owing under the Notes are paid in full.

Under the compensation process, the compensation to which such holders are entitled is the difference, to the extent it is positive, between the estimated liquidation value and the estimated resolution value of the Notes or Preferred Shares Series 17, as the case may be, less an amount equal to an estimate of losses attributable to the conversion of such Notes or Preferred Shares Series 17 into Common Shares. The liquidation value is the estimated value the holders would have received if an Order under the *Winding-up and Restructuring Act* (Canada) had been made in respect of the Bank, as if no Order had been made and without taking into consideration any assistance, financial or otherwise, that is or may be provided to the Bank, directly or indirectly, by CDIC, the Bank of Canada, the Government of Canada or a province of Canada, after any Order to wind up the Bank has been made.

The resolution value in respect of the Notes or the Preferred Shares Series 17, as the case may be, is the aggregate estimated value of the following: (a) the Notes or Preferred Shares Series 17, as the case may be, if they are not held by CDIC and they are not converted, after the making of an Order, into Common Shares in accordance with its terms; (b) Common Shares that are the result of a conversion of the Notes or Preferred Shares Series 17, as the case may be, in accordance with their terms after the making of an Order; (c) any dividend or interest payments made, after the making of the Order, with respect to the Notes or Preferred Shares Series 17, as the case may be, to any person other than CDIC; and (d) any other cash, securities or other rights or interests that are received or to be received with respect to the Notes or Preferred Shares Series 17, as the case may be, as a direct or indirect result of the making of the Order and any actions taken in furtherance of the Order, including from CDIC, the Bank, the liquidator of the Bank, if the Bank is wound up, the liquidator of a CDIC subsidiary incorporated or acquired by Order of the Governor in Council for the purposes of facilitating the acquisition, management or disposal of real property or other assets of the Bank that CDIC may acquire as the result of its operations that is liquidated or the liquidator of a bridge institution if the bridge institution is wound up.

In connection with the compensation process, CDIC is required to estimate the liquidation value and the resolution value in respect of the portion of converted Notes or Preferred Shares Series 17, as the case may be, and is required to consider the difference between the estimated day on which the liquidation value would be received and the estimated day on which the resolution value is, or would be, received.

CDIC must, within a period following the Order, make an offer of compensation by notice to the relevant holders that held the Notes or Preferred Shares Series 17 equal to, or in value estimated to be equal to, the amount of compensation to which such holders are entitled or provide a notice stating that such holders are not entitled to any compensation. In either case such notice is required to include certain prescribed information, including important information regarding the rights of such holders to seek to object and have the compensation to which they are entitled determined by an assessor (a Canadian Federal Court judge) where holders of liabilities representing at least 10% of the principal amount and accrued and unpaid interest of the liabilities of the same class in the case of the Notes, or at least 10% of the liquidation entitlement of the shares of the same class, in the case of the Preferred Shares Series 17, object to the offer or absence of compensation. The period for objecting is limited (45 days following the day on which a summary of the notice is published in the *Canada Gazette*) and failure by holders holding a sufficient principal amount plus accrued and unpaid interest of the Notes or sufficient liquidation entitlement of the Preferred Shares Series 17 to object within the prescribed period will result in the loss of any ability to object to the offered compensation or absence of compensation, as applicable. CDIC will pay the relevant holders the offered compensation within 135 days after the date on which a summary of the notice is published in the *Canada Gazette* if the offer of compensation is accepted, the holder does not notify CDIC of acceptance or objection to the offer or if the holder objects to the offer but the 10% threshold described above is not met within the aforementioned 45-day period.

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

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

Given the considerations involved in determining the amount of compensation, if any, that a holder that held Notes or Preferred Shares Series 17 may be entitled to following an Order, it is not possible to anticipate what, if any, compensation would be payable in such circumstances.

Following an NVCC Automatic Conversion or Trigger Event Redemption, you will no longer have rights as a holder of Notes or Preferred Shares Series 17 and will only have rights as a holder of Common Shares.

Upon an NVCC Automatic Conversion and subsequent Trigger Event Redemption, the rights, terms and conditions of the Notes or Preferred Shares Series 17, as applicable, including with respect to priority and rights on liquidation, will no longer be relevant as all such Notes or Preferred Shares Series 17, as applicable, will have been redeemed or converted, as the case may be, on a full and permanent basis without the consent of the holders thereof into Common Shares ranking on parity with all other outstanding Common Shares. Given the nature of the Trigger Event, a holder of Notes or Preferred Shares Series 17, as applicable, will become a holder of Common Shares at a time when the Bank's financial condition has deteriorated. If the Bank were to become insolvent, is dissolved or wound-up after the occurrence of a Trigger Event, as holders of Common Shares investors may receive substantially less than they might have received had the Notes or Preferred Shares Series 17, as applicable, not been redeemed or converted, as the case may be, for Common Shares.

An NVCC Automatic Conversion may also occur at a time when a federal or provincial government or other government agency in Canada has provided, or will provide, a capital injection or equivalent support, the terms of which may rank in priority to the Common Shares with respect to the payment of dividends, rights on liquidation or other terms. Further, holders of Notes and Preferred Shares Series 17 will receive Common Shares pursuant to an NVCC Automatic Conversion at a time when other debt obligations of the Bank may be converted into Common Shares, and additional Common Shares or securities ranking in priority to the Common Shares may be issued, thereby causing substantial dilution to holders of Common Shares and the holders of Notes and Preferred Shares Series 17, who will become holders of Common Shares upon the Trigger Event.

Holders of Notes or Preferred Shares Series 17 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 17 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 17 and thereafter delivered to a holder of Notes upon an NVCC Automatic Conversion and subsequent Trigger Event Redemption.

The interest rate in respect of the Notes will reset.

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

The Bank may redeem the Notes in certain situations.

The Bank may elect to redeem the Notes, or the Notes may be automatically redeemed, without the consent of the holders of the Notes in the circumstances described under "Description of the Notes – Redemption" and "Description of Preferred Shares Series 17 — Redemption." If the Bank redeems the Notes in any of the circumstances mentioned above, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low, in which latter case investors may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at the time and consider potential uncertainty with respect to both the rate of interest payable on the Notes, which may fluctuate, and with respect to the length of the remaining term of the Notes, which will be dependent upon whether or not the Notes are redeemed prior to their maturity.

The dividend rate in respect of the Preferred Shares Series 17 will reset.

The dividend rate in respect of Preferred Shares Series 17 will reset every five years. The new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding dividend period.

The Bank may redeem the Preferred Shares Series 17 at its option in certain situations.

The Bank may elect to redeem the Preferred Shares Series 17 without the consent of the holders of the Preferred Shares Series

17 in the circumstances described under “Description of Preferred Shares Series 17 – Redemption”. In addition, the redemption of Preferred Shares Series 17 is subject to the consent of the Superintendent and other restrictions contained in the Bank Act and the regulations and guidelines thereunder, including the OSFI Capital Adequacy Requirements (CAR) Guideline, as may be amended from time to time. See “Bank Act Restrictions and Approvals” in the prospectus and “Description of Preferred Shares Series 17 – Restriction on Dividends and Retirement of Shares” in this prospectus supplement. In the event of the redemption of the Preferred Shares Series 17 prior to the Transfer Date, outstanding Notes with an aggregate principal amount equal to the aggregate face amount of the Preferred Shares Series 17 redeemed will be automatically redeemed.

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

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

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

The Series 1 Indenture governing the Notes will not contain any financial covenants and will contain only limited restrictive covenants. In addition, the Series 1 Indenture will not limit the Bank’s or its subsidiaries’ ability to incur additional indebtedness, issue or repurchase securities or engage in transactions with affiliates. The Bank’s ability to incur additional indebtedness and use its funds for any purpose in the Bank’s discretion may increase the risk that the Bank may be unable to service its debt, including paying its obligations under the Notes.

The Notes are not covered by deposit insurance.

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

Transfer Agent and Registrar

Computershare Investor Services at its offices in the cities of Toronto and Montreal will be the transfer agent and registrar for the Preferred Shares Series 17.

The trustee and registrar of the Notes is Computershare Trust Company of Canada at its office in the city of Toronto.

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

Statutory Rights of Withdrawal and Rescission

Securities legislation in certain of the provinces 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 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. 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 advisor.

Certificate of the Dealers

Dated: May 3, 2021

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

LAURENTIAN BANK SECURITIES INC.

By: (signed) BENOIT LALONDE

CIBC WORLD MARKETS INC.

By: (signed) AMBER CHOUDHRY

BMO NESBITT BURNS INC.

By: (signed) MICHAEL CLEARY

RBC DOMINION SECURITIES INC.

By: (signed) ANDREW FRANKLIN

TD SECURITIES INC.

By: (signed) GREG McDONALD

NATIONAL BANK FINANCIAL INC.

By: (signed) ALEXIS ROCHETTE GRATTON

SCOTIA CAPITAL INC.

By: (signed) GRAHAM FRY

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