

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 June 1, 2022 to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference into this prospectus supplement or the accompanying short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

**Information has been incorporated by reference in this prospectus supplement and the accompanying short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein or therein by reference may be obtained on request, without charge, from the Corporate Secretary of Canadian Western Bank, Canadian Western Bank Place, Suite 3000, 10303 Jasper Avenue, Edmonton, Alberta T5J 3X6, telephone: (780) 423-8888 and are also available electronically at [www.sedarplus.com](http://www.sedarplus.com).

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 “1933 Act”), or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, 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 (as defined in Regulation S under the 1933 Act), except in certain transactions exempt from, or not subject to, the registration requirements of the 1933 Act and applicable state securities laws. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States.

## Prospectus Supplement

(To the Short Form Base Shelf Prospectus Dated June 1, 2022)

New Issue

January 16, 2024



**\$250,000,000**

### **5.949% Series I Subordinated Debentures Due January 29, 2034 (Non-Viability Contingent Capital (NVCC))**

The 5.949% Series I Subordinated Debentures due January 29, 2034 (Non-Viability Contingent Capital (NVCC)) (the “**Debentures**”) offered (the “**Offering**”) by this prospectus supplement (the “**Prospectus Supplement**”) will be dated January 29, 2024 and will mature on January 29, 2034 (the “**Maturity Date**”). Interest on such Debentures will accrue at the rate of 5.949% per annum from January 29, 2024 to, but excluding, January 29, 2029 (the “**Interest Reset Date**”), and will be payable in equal semi-annual payments in arrears on January 29 and July 29 in each year, with the first payment on July 29, 2024 and the last such payment on the Interest Reset Date. From and after the Interest Reset Date until the Maturity Date, if not redeemed by Canadian Western Bank (the “**Bank**”), such Debentures will bear interest at a rate equal to Daily Compounded CORRA (as defined herein) determined for the Observation Period (as defined herein) in respect of the applicable Floating Interest Period (as defined herein) plus 2.73%, payable quarterly in arrears on the 29<sup>th</sup> day of each of January, April, July and October in each year, beginning on April 29, 2029. Reference is made to “*Details of the Offering — Interest*”.

On or after the Interest Reset Date, the Bank may, at its option, with the prior written approval of the Superintendent of Financial Institutions (Canada) (the “**Superintendent**”), on giving not more than 60 nor less than 30 days’ notice to the registered holders of the Debentures, redeem the Debentures offered by this Prospectus Supplement, in whole or in part, on any date at a redemption price equal to the outstanding principal amount plus accrued and unpaid interest to but excluding the date fixed for redemption. The Bank may, at its option, with the prior written approval of the Superintendent, on giving not more than 60 nor less than 30 days’ notice to the registered holders of the Debentures, redeem the Debentures (i) in whole but not in part, at any time on or following a Regulatory Event Date (as defined herein), at a redemption price equal to the greater of the outstanding principal amount and the Canada Yield Price (as defined herein), and (ii) in whole but not in part, on any date following the occurrence of a Tax Event (as defined

herein), at a redemption price equal to the greater of the outstanding principal amount and the Canada Yield Price, together in each case with accrued and unpaid interest to but excluding the date fixed for redemption. Reference is made to “*Details of the Offering — Redemption*”.

Upon the occurrence of a Trigger Event (as defined herein), each Debenture will be and will be deemed, for all purposes, to be, automatically and immediately converted, on a full and permanent basis, without the consent of the holders thereof, into that number of fully-paid common shares of the Bank (“Common Shares”) determined by dividing a multiplier of the Debenture Value (as defined herein) by the Conversion Price (as defined herein). See “*Details of the Offering – Contingent Conversion*”. Investors should therefore carefully consider the disclosure with respect to the Bank, the Debentures, the Common Shares and the consequences of a Trigger Event included and incorporated by reference in this Prospectus Supplement and the accompanying short form base shelf prospectus of the Bank dated June 1, 2022 (the “Prospectus”).

	Price to the Public	Agents’ Fee	Net Proceeds to the Bank <sup>(1) (2)</sup>
Per \$1,000 principal amount of Debentures .....	\$1,000	\$3.50 (0.35%)	\$996.50 (99.65%)
Total .....	\$250,000,000	\$875,000 (0.35%)	\$249,125,000 (99.65%)

(1) Plus accrued interest, if any, from January 29, 2024 to the date of delivery.

(2) Before deducting expenses of this Offering, estimated at \$500,000, which together with the Agents’ fee are payable by the Bank.

RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., Casgrain & Company Limited, CIBC World Markets Inc., Desjardins Securities Inc., and National Bank Financial Inc. (collectively, the “**Agents**”) have agreed to use their reasonable best efforts to obtain purchasers for the total principal amount of the Debentures offered by this Prospectus Supplement subject to the terms and conditions set forth in the Agency Agreement referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters on behalf of the Bank by Torys LLP and on behalf of the Agents by McCarthy Tétrault LLP, and will receive an aggregate fee of \$875,000, assuming the full amount of the Debentures offered are sold. In the event the full amount of the Debentures are not sold, the fee paid to the Agents will be pro-rated accordingly.

**The Debentures will be the Bank’s direct unsecured obligations 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* (Canada) or any other deposit insurance scheme.**

Subscriptions for Debentures will be received by the Agents 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 the closing of the Offering will take place on January 29, 2024 or at such later date as may be agreed upon, but in any event not later than February 5, 2024 (the “**Closing Date**”). The Debentures will be issued only in minimum denominations of \$1,000 and integral multiples thereof.

A “book-entry only” certificate representing the Debentures distributed hereunder will be issued in registered form to CDS Clearing and Depository Services Inc. (“**CDS**”), or its nominee, and will be deposited with CDS on the Closing Date, and registration will be made in the depository service of CDS. A purchaser of Debentures will receive only a customer confirmation from the registered dealer who is a CDS participant (“**CDS Participant**”) from or through whom the Debentures are purchased. Physical certificates representing the Debentures will be issued to purchasers in certain circumstances. Reference is made to “*Book-Entry Only Securities*”.

**There is no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this Prospectus Supplement. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures and the**

**extent of issuer regulation. An investment in the Debentures is subject to a number of risks that should be considered by prospective investors. See “Risk Factors”.**

The Toronto Stock Exchange (the “**TSX**”) has conditionally approved the listing of the Common Shares into which the Debentures will be converted upon the occurrence of a Contingent Conversion (as defined herein), subject to the Bank fulfilling all of the listing requirements of the TSX on or before April 16, 2024. The Common Shares, the First Preferred Shares Series 5 (Non-Viability Contingent Capital (NVCC)) (the “**Series 5 Preferred Shares**”) and the First Preferred Shares Series 9 (Non-Viability Contingent Capital (NVCC)) (the “**Series 9 Preferred Shares**”) are listed and posted for trading on the TSX under the symbols “CWB”, “CWB.PR.B” and “CWB.PR.D”, respectively. On January 12, 2024, the last day of trading prior to the public announcement of the Offering, the closing prices for the Common Shares, the Series 5 Preferred Shares and the Series 9 Preferred Shares on the TSX were \$29.83, \$19.00 and \$24.53, respectively.

Computershare Trust Company of Canada (the “**Trustee**”), at its office in Calgary, Alberta, is the trustee for the Debentures. See “*Trustee, Transfer Agent and Registrar*”.

There are risks associated with an investment in securities of the Bank. See the risk factors set forth under “*Risk Factors*” for a discussion of factors that should be considered by prospective investors and their advisors in assessing the appropriateness of an investment in the Debentures.

The Bank’s head and registered office is located at 10303 Jasper Avenue, Suite 3000, Edmonton, Alberta T5J 3X6.

The CUSIP No./ISIN for the Debentures will be 136765BX1/CA136765BX17.

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## GENERAL MATTERS

In this Prospectus Supplement, “the Bank”, “we”, “us” and “our” refer collectively to the Bank and its affiliates, unless the context otherwise requires. All references in this Prospectus Supplement to “dollars” or “\$” are to Canadian dollars unless otherwise noted. The Bank’s financial statements incorporated herein by reference have been prepared in accordance with International Financial Reporting Standards.

You should rely only on the information contained in this Prospectus Supplement and in the Prospectus. We have not authorized anyone to provide you with information different from that contained in this Prospectus Supplement or the Prospectus. We are offering to sell, and seeking offers to buy, the Debentures only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted. The information contained in this Prospectus Supplement is accurate only as of the date of this Prospectus Supplement, regardless of the time of delivery of this Prospectus Supplement or of any sale of the Debentures.

## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, the Bank makes written and verbal forward-looking statements. Statements of this type are included in the Prospectus and this Prospectus Supplement, in the most recent Annual Report of the Bank and reports to shareholders and may be included in filings with Canadian securities regulators or in other communications such as media releases and corporate presentations. Forward-looking statements include, but are not limited to, statements about the Bank’s objectives and strategies, targeted and expected financial results, and the outlook for the Bank’s businesses or for the Canadian economy. Forward-looking statements are typically identified by the words “believe”, “expect”, “anticipate”, “intend”, “estimate”, “may increase”, “may impact”, “goal”, “focus”, “potential”, “proposed” and other similar expressions, or future or conditional verbs such as “will”, “should”, “would” and “could”.

By their very nature, forward-looking statements involve numerous assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that management’s predictions, forecasts, projections, expectations and conclusions will not prove to be accurate, that its assumptions may not be correct and that its strategic goals will not be achieved.

A variety of factors, many of which are beyond the Bank’s control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, general business and economic conditions in Canada, including housing and commercial real estate market conditions and household and business indebtedness, the volatility and level of liquidity in financial markets, fluctuations in interest rates and currency values, the volatility and level of various commodity prices, changes in monetary policy, changes in economic and political conditions, material changes to trade agreements, transition to the Advanced Internal Ratings Based (AIRB) approach for regulatory capital purposes, legislative and regulatory developments, including with respect to capital, interest rate and liquidity management, legal developments, the level of competition, the occurrence of natural catastrophes, outbreaks of disease or illness that affect local, national or international economies, changes in accounting standards and policies, information technology and cyber risk, the accuracy and completeness of information the Bank receives about customers and counterparties, the ability to attract and retain key personnel, the ability to complete and integrate acquisitions, reliance on third parties to provide components of business infrastructure, changes in tax laws, technological developments, unexpected changes in consumer spending and saving habits, timely development and introduction of new products, the impact of bank failures or other adverse developments at other banks that drive negative investor and depositor sentiment regarding the stability and liquidity of banks, and management’s ability to anticipate and manage the risks associated with these factors. It is important to note that the preceding list is not exhaustive of possible factors.

Additional information about these factors can be found in the “Risk Management” section of the 2023 Annual MD&A (as defined below). These and other factors should be considered carefully, and readers are cautioned not to place undue reliance on these forward-looking statements as a number of important factors could cause the Bank’s actual results to differ materially from the expectations expressed in such forward-looking statements. The forward-looking statements in the Prospectus, this Prospectus Supplement or in the documents incorporated by reference in the Prospectus and this Prospectus Supplement reflect, unless otherwise indicated, the Bank’s expectations as of the date of the Prospectus, this Prospectus Supplement or the documents incorporated by reference, as the case may be. Unless required by securities

law, the Bank does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time by it or on its behalf.

Assumptions about the performance of the Canadian economy over the forecast horizon and how it will affect the Bank's businesses are material factors considered when setting organizational objectives and targets. In determining expectations for economic growth, the Bank considers its own forecasts, economic data and forecasts provided by the Canadian government and its agencies, as well as certain private sector forecasts. These forecasts are subject to inherent risks and uncertainties that may be general or specific. Where relevant, material economic assumptions underlying forward-looking statements are disclosed within the "Fiscal 2024 Outlook" and "Allowance for Credit Losses" sections of the 2023 Annual MD&A.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the Offering. The following documents have been filed with the securities regulatory authorities in each province and territory of Canada and are specifically incorporated by reference into, and form an integral part of, this Prospectus Supplement:

- (a) the Bank's Annual Information Form dated December 7, 2023 for the year ended October 31, 2023;
- (b) the Bank's consolidated financial statements for the years ended October 31, 2023 and 2022, together with the auditors' report thereon;
- (c) the Bank's Management's Discussion and Analysis as contained in the Bank's Annual Report for the year ended October 31, 2023 (the "**2023 Annual MD&A**");
- (d) the Bank's Management Proxy Circular attached to its Notice of Annual Meeting dated January 31, 2023 regarding the Bank's annual meeting of shareholders held on April 6, 2023;
- (e) the template version (as defined in National Instrument 41-101 — *General Prospectus Requirements* ("**NI 41-101**")) of the indicative term sheet for the Debentures dated January 15, 2024, filed on SEDAR+ in connection with the Offering (the "**Indicative Term Sheet**"); and
- (f) the template version of the final term sheet for the Debentures dated January 15, 2024, filed on SEDAR+ in connection with the Offering (together with the Indicative Term Sheet, the "**Marketing Materials**").

Any documents of the type described in Section 11.1 of Form 44-101F1— *Short Form Prospectus* filed by the Bank with the various securities commissions or similar authorities in Canada pursuant to the requirements of applicable securities legislation after the date of this Prospectus Supplement and prior to the termination of this distribution are deemed to be incorporated by reference in the Prospectus and this Prospectus Supplement.

**Any statement contained in this Prospectus Supplement, the Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or in the Prospectus will be deemed to be modified or superseded for purposes of this Prospectus Supplement or the Prospectus, as the case may be, 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 or therein 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 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 purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement or the Prospectus.**

## MARKETING MATERIALS

The Marketing Materials are not part of this Prospectus Supplement to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus Supplement. Any “template version” of “marketing materials” (as such terms are defined in NI 41-101) filed on SEDAR+ after the date of this Prospectus Supplement and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) will be deemed to be incorporated by reference in the Prospectus and this Prospectus Supplement.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP, counsel to the Bank, and McCarthy Tétrault LLP, counsel to the Agents, the Debentures would, if issued on the date hereof, be qualified investments under the *Income Tax Act* (Canada) (the “**Tax Act**”) and the regulations thereunder for trusts governed by registered retirement savings plans (“**RRSPs**”), registered retirement income funds (“**RRIFs**”), deferred profit sharing plans (other than a deferred profit sharing plan to which contributions are made by the Bank or by an employer with which the Bank does not deal at arm’s length within the meaning of the Tax Act), tax-free savings accounts (“**TFSAs**”), first home savings accounts (“**FHSA**”), registered education savings plans (“**RESPs**”) and registered disability savings plans (“**RDSPs**”).

Notwithstanding that the Debentures may be a qualified investment for trusts governed by a TFSA, FHSA, RRSP, RRIF, RDSP or RESP, the holder of such TFSA, FHSA or RDSP, the annuitant of such RRSP or RRIF or the subscriber of such RESP, as applicable, will be subject to a penalty tax if such Debentures are a “prohibited investment” within the meaning of the Tax Act. The Debentures will not be a “prohibited investment” for trusts governed by a TFSA, FHSA, RRSP, RRIF, RDSP or RESP on the date hereof unless the holder of such TFSA, FHSA or RDSP, the annuitant of such RRSP or RRIF or the subscriber of such RESP, as applicable, (i) does not deal at arm’s length with the Bank for purposes of the Tax Act, or (ii) has a “significant interest” as defined in the Tax Act in the Bank. Annuitants of an RRSP or RRIF, holders of a TFSA, FHSA or RDSP and subscribers of an RESP should consult their own tax advisors with respect to whether the Debentures would be prohibited investments in their particular circumstances.

## USE OF PROCEEDS

The net proceeds to the Bank from the Offering are estimated to be approximately \$248,625,000, after deducting the expenses of the Offering of approximately \$500,000 and the Agents’ fee of \$875,000. Such net proceeds will be added to the general funds of the Bank and utilized for general corporate purposes.

It is expected that the Debentures will constitute Tier 2 capital of the Bank for the purposes of the Bank Act.

## CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Bank as at October 31, 2023 before and after giving effect to the Offering. Other than the Offering, there have been no material changes to the share or loan capital of the Bank since October 31, 2023. The following table should be read in conjunction with the Bank's consolidated financial statements and the 2023 Annual MD&A.

	As of October 31, 2023 (\$ in millions)	
	Actual	As Adjusted to Give Effect to the Offering
Subordinated Debt	\$523	\$773
Debt Related to Securitization Activities	3,316	3,316
<b>Shareholders' Equity</b>		
Common Shares and Share- based Payment Reserve	1,037	1,037
Limited Recourse Capital Notes <sup>(1)</sup>	325	325
Preferred Shares	250	250
Retained Earnings	2,516	2,516
Accumulated Other Comprehensive Loss	(101)	(101)
Total Shareholders' Equity	<u>\$4,027</u>	<u>\$4,027</u>
<b>Total Capitalization</b>	<u>\$7,866</u>	<u>\$8,116</u>

<sup>(1)</sup> For accounting purposes, the Limited Recourse Capital Notes are presented as equity.

## DETAILS OF THE OFFERING

The following is a summary of certain of the material attributes and characteristics of the Debentures offered hereby, which does not purport to be complete. Reference is made to the Trust Indenture referred to below for the full text of such attributes and characteristics.

### *General*

The Debentures offered hereby will be issued under and pursuant to the provisions of a trust indenture (the "**Original Trust Indenture**") dated as of March 22, 2007 between the Bank and Valiant Trust Company (the "**Initial Trustee**"), as initial trustee, as supplemented by a fourth supplemental indenture (the "**Fourth Supplemental Indenture**") dated as of July 20, 2017 among the Bank, the Initial Trustee and the Trustee, as successor trustee, and an eighth supplemental indenture between the Bank and the Trustee to be dated the Closing Date (together with the Original Trust Indenture and the Fourth Supplemental Indenture, the "**Trust Indenture**"). Such Debentures will be limited to \$250,000,000 aggregate principal amount, will be dated January 29, 2024 and will mature on January 29, 2034. There is no limit to the amount of debentures that may be issued under the Original Trust Indenture. The Debentures will be



direct unsecured Subordinated Indebtedness of the Bank and will rank equally and rateably with all other unsecured Subordinated Indebtedness of the Bank from time to time issued and outstanding (other than Subordinated Indebtedness that has been further subordinated in accordance with its terms).

In the event of the insolvency or winding up of the Bank, the indebtedness evidenced by the Debentures will rank equally with and not prior to any other Subordinated Indebtedness (other than Subordinated Indebtedness that has been further subordinated in accordance with its terms). The Bank covenants and agrees and each holder of any Debenture, by his, her or its acceptance thereof, likewise covenants and agrees and shall be deemed conclusively to have covenanted and agreed, for the benefit of present and future holders of deposit liabilities of the Bank and of other Senior Indebtedness (as defined herein), anything in the Trust Indenture to the contrary notwithstanding, that in the event of the insolvency or winding-up of the Bank the indebtedness evidenced by the Debentures is subordinate in right of payment to the prior payment in full of the deposit liabilities of the Bank and of all other Senior Indebtedness, whether now outstanding or hereafter incurred, in accordance with the terms of such deposit liabilities and other Senior Indebtedness, and each holder of any Debenture by its acceptance thereof agrees to and shall be bound by the provisions of the Trust Indenture. Each holder of Debentures, by its acceptance thereof, authorizes and directs the Trustee on his, her or its behalf to take such action as may be necessary or appropriate to assure the subordination of the Debentures and appoints the Trustee his, her or its agent for any and all such purposes.

The Trust Indenture will contain definitions substantially to the following effect:

**“Indebtedness”** means all deposit liabilities of the Bank and all other liabilities and obligations of the Bank which in accordance with the accounting rules established for Canadian chartered banks issued under the authority of the Superintendent pursuant to the Bank Act or with generally accepted accounting principles (the primary source of which is the CPA Canada Handbook), as the case may be, would be included in determining the total liabilities of the Bank at such time.

**“Senior Indebtedness”** means all Indebtedness of the Bank which does not constitute Subordinated Indebtedness.

**“Subordinated Indebtedness”** means:

- (i) the liability of the Bank in respect of the principal of and premium, if any, and interest on the Debentures;
- (ii) any Indebtedness which, pursuant to the terms of the instrument evidencing or creating such Indebtedness, is expressed to be subordinate in right of payment to other Indebtedness of the Bank in the same manner and to the same extent as the Debentures, and including any Outstanding Debentures (as defined in the Trust Indenture); or
- (iii) any Indebtedness which, pursuant to the terms of the instrument evidencing or creating such Indebtedness, is expressed to be junior in right of payment to the Debentures and to all other Indebtedness to which the Debentures are subordinated in right of payment.

**The Debentures will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (Canada) or any other deposit insurance scheme.**

### ***Interest***

The Debentures will bear interest at the rate of 5.949% per annum from January 29, 2024 to, but excluding, the Interest Reset Date, and will be payable in equal semi-annual payments in arrears on January 29 and July 29 in each year, with the first payment on July 29, 2024 and the last such payment on the Interest Reset Date. From and after the Interest Reset Date until maturity on January 29, 2034, if not redeemed by the Bank, subject to the provisions set forth under “*Floating Interest Rate Fallback*” below, interest on such Debentures will be payable at a rate equal to Daily Compounded CORRA determined for the Observation Period in respect of the applicable Floating Interest Period plus

2.73%, payable quarterly in arrears on the 29<sup>th</sup> day of each of January, April, July and October in each year, beginning on April 29, 2029.

The Trust Indenture will provide a definition substantially to the following effect:

“**Daily Compounded CORRA**” means, for an Observation Period, the rate calculated as follows, with the resulting percentage rounded, if necessary, to the fifth decimal place, with 0.000005% being rounded upwards and (-) 0.000005% being rounded downwards:

$$\text{Daily Compounded CORRA} = \left( \frac{\text{CORRA Compounded Index}_{\text{end}}}{\text{CORRA Compounded Index}_{\text{start}}} - 1 \right) \times \frac{365}{d}$$

Where:

- “CORRA Compounded Index<sub>start</sub>” is equal to the CORRA Compounded Index value on the date that is two Bank of Canada Business Days preceding the first date of the relevant Floating Interest Period;
- “CORRA Compounded Index<sub>end</sub>” is equal to the CORRA Compounded Index value on the date that is two Bank of Canada Business Days preceding the Interest Payment Date relating to such Floating Interest Period (or, in the case of the final Interest Payment Date, the Maturity Date, or if the Debentures are redeemed prior to the Maturity Date, the date of redemption of such Debentures, as applicable); and
- “d” is the number of calendar days in the relevant Observation Period.

If any Interest Payment Date on or before the Interest Reset Date falls on a day which is not a Business Day (as defined herein), it shall be postponed until the next succeeding Business Day (without any additional interest or other payment in respect of any such delay). If any Interest Payment Date after the Interest Reset Date falls on a day which is not a Bank of Canada Business Day (as defined herein), it shall be postponed until the next succeeding Bank of Canada Business Day, unless that day falls in the next calendar month, in which case the Interest Payment Date will be the previous Bank of Canada Business Day. If the Maturity Date falls on a day that is not a Bank of Canada Business Day, the required payment of principal and interest shall be made on the next succeeding Bank of Canada Business Day.

Interest as aforesaid shall be payable after as well as before maturity and after as well as before default, with interest on overdue interest and premium, if any, at the same rates and on the same dates in each year.

### ***Floating Interest Rate Fallback***

#### **Temporary Non-Publication of CORRA Compounded Index**

If, on or after the Interest Reset Date (i) the CORRA Compounded Index<sub>start</sub> or the CORRA Compounded Index<sub>end</sub> is not published or displayed by the Reference Rate Administrator or an authorized distributor by 11:30 a.m. Toronto time (or an amended publication time, if any, as specified in the Reference Rate Administrator's methodology for calculating the CORRA Compounded Index) on the Interest Determination Date for such Floating Interest Period, but an Index Cessation Effective Date with respect to the CORRA Compounded Index has not occurred, or (ii) an Index Cessation Effective Date with respect to the CORRA Compounded Index has occurred, then Daily Compounded CORRA will be calculated by the Calculation Agent as follows, with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005% being rounded upwards and (-) 0.000005% being rounded downwards:

$$\text{Daily Compounded CORRA} = \left( \prod_{i=1}^{d_o} \left( 1 + \frac{\text{CORRA}_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

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Where:

- “ $d_0$ ” for any Observation Period is the number of Bank of Canada Business Days in the relevant Observation Period;
- “ $i$ ” is a series of whole numbers from one to  $d_0$ , each representing the relevant Bank of Canada Business Day in chronological order from, and including, the first Bank of Canada Business Day in the relevant Observation Period;
- “ $CORRA_i$ ” means, in respect of any Bank of Canada Business Day “ $i$ ” in the relevant Observation Period, a reference rate equal to the daily CORRA rate for that day, as published or displayed by the Reference Rate Administrator or an authorized distributor at 11:00 a.m. Toronto time (or an amended publication time, if any, as specified in the Reference Rate Administrator’s methodology for calculating CORRA) on the immediately following Bank of Canada Business Day, which is Bank of Canada Business Day “ $i$ ” + 1;
- “ $n_i$ ” for any Bank of Canada Business Day “ $i$ ” in the relevant Observation Period, means the number of calendar days from, and including, such Bank of Canada Business Day “ $i$ ” to, but excluding, the following Bank of Canada Business Day, which is Bank of Canada Business Day “ $i$ ” + 1; and
- “ $d$ ” is the number of calendar days in the relevant Observation Period.

#### Temporary Non-Publication of CORRA

If neither the Reference Rate Administrator nor authorized distributors provide or publish CORRA, and an Index Cessation Effective Date with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

#### Effect of an Index Cessation Event with respect to CORRA

If an Index Cessation Effective Date occurs with respect to CORRA, the Trust Indenture will provide that the interest rate for an Interest Determination Date which occurs on or after such Index Cessation Effective Date will be the CAD Recommended Rate, to which the Calculation Agent will apply the most recently published spread and make such adjustments as are necessary to account for any difference in the term, structure or tenor of the CAD Recommended Rate in comparison to CORRA.

If there is a CAD Recommended Rate before the end of the first Bank of Canada Business Day following the Index Cessation Effective Date with respect to CORRA, but neither the Reference Rate Administrator nor authorized distributors provide or publish the CAD Recommended Rate and an Index Cessation Effective Date with respect to the CAD Recommended Rate has not occurred, then, in respect of any day for which the CAD Recommended Rate is required, references to the CAD Recommended Rate will be deemed to be references to the last provided or published CAD Recommended Rate.

If (i) there is no CAD Recommended Rate before the end of the first Bank of Canada Business Day following the Index Cessation Effective Date with respect to CORRA, or (ii) there is a CAD Recommended Rate and an Index Cessation Effective Date subsequently occurs with respect to the CAD Recommended Rate, the Trust Indenture will provide that the interest rate for an Interest Determination Date which occurs on or after such applicable Index Cessation Effective Date will be the BOC Target Rate, to which the Calculation Agent will apply the most recently published spread and make such adjustments as are necessary to account for any difference in the term, structure or tenor of the BOC Target Rate in comparison to CORRA.

In respect of any day for which the BOC Target Rate is required, references to the BOC Target Rate will be deemed to be references to the last provided or published BOC Target Rate as of the close of business in Toronto on that day.

In connection with the implementation of an Applicable Rate, the Calculation Agent may, in consultation with the Bank, make such adjustments to the Applicable Rate or the spread thereon, if any, as well as the business day

convention, the calendar day count convention, Interest Determination Dates, and related provisions and definitions (including the observation dates for reference rates), in each case as are consistent with accepted market practice for the use of the Applicable Rate for debt obligations such as the Debentures in such circumstances.

Any determination, decision or election that may be made by the Bank or the Calculation Agent, as applicable, in relation to the Applicable Rate, including any determination with respect to an adjustment or the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding, absent manifest error, (ii) if made by the Bank, will be made in the sole discretion of the Bank, or, as applicable, if made by the Calculation Agent will be made after consultation with the Bank and the Calculation Agent will not make any such determination, decision or election to which the Bank objects and will have no liability for not making any such determination, decision or election, and (iii) shall become effective without consent from the holders of the Debentures or any other party.

The Trust Indenture will provide definitions substantially to the following effect:

**“Applicable Rate”** means one of the CORRA Compounded Index, CORRA, the CAD Recommended Rate or the BOC Target Rate, as applicable;

**“Bank of Canada Business Day”** means a day that Schedule I banks under the Bank Act are open for business in Toronto, Ontario, Canada, other than a Saturday or a Sunday or a public holiday in Toronto (or such revised regular publication calendar for an Applicable Rate as may be adopted by the Reference Rate Administrator from time to time);

**“BOC Target Rate”** means the Bank of Canada’s target for the overnight rate as set by the Bank of Canada and published on the Bank of Canada’s website;

**“Business Day”** means any day on which Canadian chartered banks are open for business in Edmonton, Alberta, Calgary, Alberta, and Toronto, Ontario and which is not a Saturday or a Sunday;

**“CAD Recommended Rate”** means the rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the Bank of Canada for the purpose of recommending a replacement for CORRA (which rate may be produced by the Bank of Canada or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor;

**“Calculation Agent”** means a third party trustee or financial institution of national standing with experience providing such services (which may be an affiliate of the Bank), which has been selected by the Bank;

**“CORRA”** means the Canadian Overnight Repo Rate Average, as published by the Bank of Canada, as the administrator of CORRA (or any successor Reference Rate Administrator), on the website of the Bank of Canada or any successor website;

**“CORRA Compounded Index”** means the measure of the cumulative impact of CORRA compounding over time administered and published by the Bank of Canada (or any successor Reference Rate Administrator);

**“Floating Interest Period”** means the period from and including each Interest Payment Date commencing on the Interest Reset Date to, but excluding, the next succeeding Interest Payment Date or, in the case of the final Interest Payment Date, the Maturity Date or, if Debentures are redeemed prior to the Maturity Date, the date of redemption of such Debentures, as applicable;

**“Index Cessation Effective Date”** means, in respect of an Index Cessation Event, the first date on which the Applicable Rate is no longer provided. If the Applicable Rate ceases to be provided on the same day that it is required to determine the rate for an Interest Determination Date but it was provided at the time at which it is to be observed (or, if no such time is specified, at the time at which it is ordinarily published), then the Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published;

**“Index Cessation Event”** means:

- (A) a public statement or publication of information by or on behalf of the Reference Rate Administrator or provider of the Applicable Rate announcing that it has ceased or will cease to provide the Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor Reference Rate Administrator or provider of the Applicable Rate that will continue to provide the Applicable Rate, or
- (B) a public statement or publication of information by the regulatory supervisor for the Reference Rate Administrator or provider of the Applicable Rate, the Bank of Canada, an insolvency official with jurisdiction over the Reference Rate Administrator or provider of the Applicable Rate, a resolution authority with jurisdiction over the Reference Rate Administrator or provider of the Applicable Rate or a court or an entity with similar insolvency or resolution authority over the Reference Rate Administrator or provider of the Applicable Rate, which states that the Reference Rate Administrator or provider of the Applicable Rate has ceased or will cease to provide the Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor Reference Rate Administrator or provider of the Applicable Rate that will continue to provide the Applicable Rate;

**“Interest Determination Date”** means, in respect of a Floating Interest Period, the date that is two Bank of Canada Business Days preceding each Interest Payment Date, or, in the case of the final Floating Interest Period, preceding the Maturity Date, or, if applicable, preceding the date of redemption of any Debentures;

**“Interest Payment Date”** means (i) from and including January 29, 2024 to, but excluding, the Interest Reset Date, January 29 and July 29 in each year, with the first such Interest Payment Date being July 29, 2024 and the last such Interest Payment Date being the Interest Reset Date; and (ii) from and including the Interest Reset Date to, but excluding, the Maturity Date, the 29<sup>th</sup> day of each of January, April, July and October, with the first such Interest Payment Date being April 29, 2029 and the last such Interest Payment Date being the Maturity Date;

**“Observation Period”** means, in respect of each Floating Interest Period, the period from, and including, the date that is two Bank of Canada Business Days preceding the first date in such Floating Interest Period to, but excluding, the date two Bank of Canada Business Days preceding the Interest Payment Date or, in the case of the final Interest Payment Date, the Maturity Date or, if Debentures are redeemed prior to the Maturity Date, the date of redemption of such Debentures, as applicable; and

**“Reference Rate Administrator”** means the Bank of Canada or any successor administrator for CORRA and/or the CORRA Compounded Index or the administrator (or its successor) of another Applicable Rate, as applicable.

### ***Redemption***

On or after the Interest Reset Date, the Bank may, at its option, with the prior written approval of the Superintendent, on giving not more than 60 nor less than 30 days’ notice to the registered holders of the Debentures, redeem the Debentures offered by this Prospectus Supplement, in whole or in part, on any date at a redemption price equal to the outstanding principal amount plus accrued and unpaid interest to but excluding the date fixed for redemption.

In cases of partial redemption, the Debentures to be redeemed will be selected by the Trustee on a *pro rata* basis or in such other manner as the Trustee may deem equitable. Any Debentures offered by this Prospectus Supplement that are redeemed by the Bank will be cancelled and will not be reissued.

The Bank may also, at its option, with the prior written approval of the Superintendent, on giving not more than 60 nor less than 30 days’ notice to the registered holders of the Debentures, redeem the Debentures, in whole but not in part, at any time on or following a Regulatory Event Date (as defined herein), at a redemption price which is equal to

the greater of the outstanding principal amount and the Canada Yield Price, together in either case with accrued and unpaid interest to but excluding the date fixed for redemption. Additionally, the Bank may, at its option, with the prior written approval of the Superintendent, on giving not more than 60 nor less than 30 days' notice to the registered holders of the Debentures, redeem the Debentures, in whole but not in part, on any date following the occurrence of a Tax Event (as defined herein), at a redemption price which is equal to the greater of the outstanding principal amount and the Canada Yield Price, together in either case with accrued and unpaid interest to but excluding the date fixed for redemption.

The Trust Indenture will contain definitions substantially to the following effect:

**“Canada Yield Price”** means a price equal to the price for the Debentures to be redeemed, calculated on the Business Day immediately preceding the date on which the Bank gives notice of the redemption of the Debentures, to provide an annual yield thereon from the date fixed for redemption to, but excluding, the Interest Reset Date equal to the Government of Canada Yield plus 0.675%.

**“Government of Canada Yield”** means, on any date, the arithmetic average of the interest rates quoted to the Bank by two registered Canadian investment dealers selected by the Bank, and approved by the Trustee, as being the annual yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada bond would carry, if issued in Canadian dollars in Canada at 100% of its principal amount on the date of redemption with a maturity date of the Interest Reset Date.

**“Regulatory Event Date”** means the date specified in a letter from the Superintendent to the Bank on which the Debentures will no longer be recognized in full as eligible “Tier 2 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 in Canada as interpreted by the Superintendent.

**“Tax Event”** means the Bank has received an opinion of independent counsel of recognized standing experienced in such matters 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 (i), (ii) or (iii), 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 the issue of the Debentures, 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 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 Debentures (including the treatment by the Bank of interest on the Debentures) or the treatment of the Debentures, 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.

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

The Bank may at any time, with the prior approval of the Superintendent and subject to any applicable law, purchase Debentures in the market or by tender or by private contract at any price. All Debentures purchased by the Bank shall be cancelled and shall not be reissued.

### ***Events of Default***

The Trust Indenture will provide that an event of default in respect of the Debentures will occur only if the Bank becomes insolvent or bankrupt or if the Bank goes into liquidation, either voluntarily or under an order of a court of competent jurisdiction, or otherwise acknowledges its insolvency.

If an event of default has occurred and is continuing in respect of the Debentures, the Trustee may in its discretion and shall upon the request in writing of the holders of not less than 25% in principal amount of the Debentures then outstanding, declare the principal of and interest on the Debentures, together with the premium, if any, which would have been payable thereon if the Bank had redeemed the Debentures, to be due and payable and the same shall forthwith become immediately due and payable to the Trustee on demand, anything contained therein or in the Trust Indenture to the contrary notwithstanding, and the Bank shall pay forthwith to the Trustee on demand for the benefit of the holders of the Debentures the amount of the principal, premium, if any, as aforesaid, and interest then accrued on all the Debentures and all other moneys payable under the provisions of the Trust Indenture together with interest at the rate of interest borne by the Debentures on such principal, premium, if any, and interest from the date of the said declaration until payment is received by the Trustee, and such payment when made shall be deemed to have been made on the Debentures and any moneys so received by the Trustee shall be applied in the manner provided in the Trust Indenture.

There will be no right of acceleration in the case of a default in the payment of interest or a default in the performance of any other covenant of the Bank in such Trust Indenture. No holder of any Debenture shall have any right to institute any suit, action or proceeding for payment of any principal, premium or interest owing on any Debenture, or for the execution of any trust or power under the Trust Indenture, or for the appointment of a liquidator, receiver or receiver and manager or to have the Bank wound up, or for any other remedy under the Trust Indenture, except in certain limited circumstances specified in the Trust Indenture.

### ***Modification and Waiver of the Debentures***

There are two types of changes the Bank will be able to make to the Trust Indenture or the Debentures.

*Changes Requiring an Extraordinary Resolution.* The first type of change to the Trust Indenture or the Debentures will require approval of the holders by an Extraordinary Resolution. “**Extraordinary Resolution**” is defined in the Trust Indenture to mean a resolution of the registered holders of all of the debentures then outstanding under the Trust Indenture, including the Debentures, at a meeting of such holders at which holders of at least 25% of the principal amount of such debentures then outstanding are present in person or by proxy and passed by the favourable votes of holders of not less than 66⅔% of the votes given upon such poll. All actions that may be taken by the holder of debentures at a meeting of such holders may also be taken in writing by the holders of not less than 66⅔% of the principal amount of all outstanding debentures. The Trust Indenture also provides for series meetings in certain circumstances.

*Changes Not Requiring Approval.* The second type of change to the Trust Indenture or Debentures will not require any vote by holders of Debentures under the Trust Indenture. This type is limited to clarifications and certain other changes that would not adversely affect in any material respect the interests of the holders of Debentures or the rights and powers of the Trustee.

Any deletion, addition or variation of the terms and conditions of the Debentures which might affect the classification afforded the Debentures under the capital adequacy requirements pursuant to the Bank Act and the regulations and guidelines thereunder will require the prior approval of the Superintendent.

### ***Restriction on Other Indebtedness***

So long as any of the Debentures are outstanding, the Bank will not create any Subordinated Indebtedness ranking junior to the Debentures which, pursuant to the terms of the instrument evidencing or creating the same, will have a right attached thereto, in favour of the holders thereof (the “**Junior Right**”) to cause the principal amount thereof to become due and payable prior to the later of its stated maturity or the expiration of any applicable grace period, or

otherwise than at the option of the Bank, unless and until such a right or remedy in respect of the Subordinated Indebtedness is exercisable and unless and until the Trustee, in its discretion, or upon the direction of the Holders of Subordinated Indebtedness, will have exercised any such right or remedy in respect of the Subordinated Indebtedness prior to the exercise of the Junior Right.

So long as any of the Debentures are outstanding, the Bank will not create, issue or incur any Indebtedness which, in the event of the insolvency or winding-up of the Bank, would: (i) rank subordinate in right of payment to the deposit liabilities of the Bank, and (ii) rank in right of payment in priority to the Debentures; provided that nothing will prevent or restrict the Bank from creating, issuing or incurring (a) Subordinated Indebtedness; and (b) Indebtedness that is subordinate in right of payment to the deposit liabilities of the Bank by virtue of any statute or law.

### ***Covenants***

Pursuant to the Trust Indenture, the Bank has also covenanted and agreed with the Trustee, among other things:

- (a) to pay or cause to be paid to each holder of Debentures the principal thereof, premium, if any, and interest accrued thereon in accordance with the terms and subject to the conditions contained in the Trust Indenture and the Debentures;
- (b) subject to the express provisions of the Trust Indenture, to do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and rights; provided, however, that nothing will prevent any consolidation or merger of the Bank or any sale or transfer of all or substantially all of its property and assets permitted by the Trust Indenture; and
- (c) to notify the Trustee as soon as practicable upon becoming aware of an event of default or any failure to comply with any provision of the Trust Indenture.

### ***Contingent Conversion***

Upon the occurrence of a Trigger Event, each Debenture will be, and will be deemed, for all purposes, to be, automatically and immediately converted (a “**Contingent Conversion**”), on a full and permanent basis, without the consent of the holder thereof, into that number of fully-paid Common Shares determined by the Contingent Conversion Formula. For the purposes of the foregoing:

“**Bank Rate**” means the minimum rate at which the Bank of Canada extends short-term advances to members of the Canadian Payments Association.

“**Contingent Conversion Formula**” means:

$$(\text{Multiplier} \times \text{Debenture Value}) \div \text{Conversion Price} = \text{number of Common Shares into which each Debenture shall be converted.}$$

“**Conversion Price**” means the greater of (i) the Floor Price and (ii) the Current Market Price of the Common Shares.

“**Current Market Price**” of the Common Shares means the volume-weighted average trading price of the Common Shares on the TSX or, if not then listed on that exchange, on another exchange or market chosen by the board of directors of the Bank on which the Common Shares are then traded, for the ten (10) consecutive Trading Days ending on the day immediately prior to the date of the Contingent Conversion, or, if no such trading prices are available, “Current Market Price” shall be the Floor Price.

“**Debenture Value**” means the principal amount of the Debenture plus accrued and unpaid interest thereon as of the date of the Trigger Event.



**“Equivalent Support”** means a form of support that enhances the Bank’s risk-based capital ratios or is funding that is provided on terms other than normal terms and conditions, provided that, for greater certainty, and without limitation, Equivalent Support does not include:

- (a) Emergency Liquidity Assistance provided by the Bank of Canada at or above the Bank Rate;
- (b) open bank liquidity assistance provided by the Canada Deposit Insurance Corporation at or above its cost of funds; and
- (c) support, including conditional, limited guarantees, provided by the Canada Deposit Insurance Corporation to facilitate a transaction, including an acquisition or amalgamation.

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

- (a) the issuance of Common Shares or securities convertible into or exchangeable for Common Shares to the holders of all of the outstanding Common Shares as a stock dividend;
- (b) the subdivision, re-division or change of the outstanding Common Shares into a greater number of Common Shares; or
- (c) the reduction, combination or consolidation of the outstanding Common Shares into a smaller number of Common Shares.

**“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.

**“Ineligible Person”** means (i) any person whose address is in, or whom the Bank or the Trustee has reason to believe is a resident of, any jurisdiction outside of Canada to the extent that the issuance or delivery by the Bank to such person of Common Shares upon a Contingent Conversion would require the Bank to take any action to comply with securities, banking or analogous laws of such jurisdiction, and (ii) any person to the extent that the issuance or delivery by the Bank to such person of Common Shares upon a Contingent Conversion would cause the Bank to be in violation of any law to which the Bank is subject.

**“Multiplier”** means 1.5.

**“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 (as determined in accordance with the Bank Act), shares of any class of the Bank in excess of 10% of the total number of outstanding shares of that class in contravention of the Bank Act.

**“Trading Day”** means, with respect to any stock exchange or market, a day on which shares may be traded through the facilities of that stock exchange or market.

**“Trigger Event”** has the meaning set out in the Office of the Superintendent of Financial Institutions Canada (“OSFI”) Guideline for Capital Adequacy Requirements (CAR), Chapter 2 — Definition of Capital, effective November 2023, as such term may be amended or superseded by OSFI from time to time, which term currently provides that each of the following constitutes a Trigger Event:

- (a) the Superintendent publicly announces that the Bank has been advised, in writing, that the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and that, after the conversion or write-off, as applicable, of all contingent instruments 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

(b) 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.

As promptly as practicable after the occurrence of a Trigger Event, the Bank shall announce the Contingent Conversion by way of a press release and shall give notice of the Contingent Conversion to the then registered holders of the Debentures. From and after the Trigger Event, the Debentures will cease to be outstanding, the holders of the Debentures will cease to be entitled to interest on such Debentures, including any accrued but unpaid interest as of the date of the Trigger Event, and any Debentures will represent only the right to receive upon surrender of such Debenture the applicable number of Common Shares described above. A Contingent Conversion shall be mandatory and binding upon both the Bank and all holders of the Debentures notwithstanding anything else including: (a) any prior action to or in furtherance of redeeming, exchanging or converting the Debentures pursuant to the other terms and conditions of the Indenture; and (b) any delay in or impediment to the issuance or delivery of the Common Shares to the holders of the Debentures.

In any case where the aggregate number of Common Shares to be issued to a holder of Debentures pursuant to a Contingent Conversion includes a fraction of a Common Share, such number of Common Shares to be issued to such holder shall be rounded down to the nearest whole number of Common Shares and no cash payment shall be made in lieu of such fractional Common Share. Notwithstanding any other provision of the Debentures, the conversion of the Debentures shall not be an event of default under the Trust Indenture and the only consequence of a Trigger Event under the provisions of the Debentures will be the conversion of such Debentures into Common Shares. Upon a Contingent Conversion, any accrued and unpaid interest, together with the principal amount of the Debentures, will be deemed paid in full by the issuance of Common Shares upon such conversion and the holders of Debentures shall have no further rights and the Bank shall have no further obligations under the Trust Indenture. If tax is required to be withheld from such payment of interest in the form of Common Shares, the number of Common Shares received by a holder will reflect an amount net of any applicable withholding tax.

No adjustment of the Floor Price will be made if the amount of such adjustment will be less than 1% of the Floor Price in effect immediately prior to the event giving rise to the adjustment, provided, however, that in such case any adjustment that would otherwise be required then to be made will be carried forward and will be made at the time of and together with the next subsequent adjustment which, together with any adjustments so carried forward, will amount to at least 1% of the Floor Price.

In the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Common Shares, the Bank shall take all necessary action to ensure that the holders of Debentures receive, pursuant to a Contingent Conversion, after such event, the number of Common Shares or other securities that the holders of Debentures would have received if the Contingent Conversion occurred immediately prior to the record date for such event.

#### ***Right Not to Deliver Common Shares upon a Contingent Conversion***

Upon a Contingent Conversion, the Bank reserves the right not to (i) deliver Common Shares to any person whom the Bank or the Trustee has reason to believe is an Ineligible Person or any person who, by virtue of the Contingent Conversion, would become a Significant Shareholder or (ii) record in its securities register a transfer or issue of Common Shares to any person whom the Bank or the Trustee has reason to believe is an Ineligible Government Holder based on a declaration submitted to the Bank or the Trustee by or on behalf of such person. In such circumstances, the Trustee will hold, as agent of any such person, all or the relevant number of Common Shares otherwise to be delivered to such Ineligible Persons or persons who would become Significant Shareholders or registered to such Ineligible Government Holders, as the case may be, and the Trustee will deliver such shares to a broker retained by the Trustee for the purposes of selling such Common Shares to parties other than the Bank and its affiliates on behalf of any such person. Such sales (if any) will be made at such times and at such prices, as the Trustee, in its sole discretion, may determine. Neither the Bank nor the Trustee will be subject to any liability for failure to sell any such Common Shares on behalf of any such person or at any particular

price on any particular day. The net proceeds received by the Trustee from the sale of any such Common Shares will be delivered to any such person, after deducting the costs of sale and any applicable withholding taxes, in accordance with the procedures of CDS or otherwise.

### **BOOK-ENTRY ONLY SECURITIES**

Except in limited circumstances, the Debentures will be issued in “book-entry only” form and must be purchased, transferred, redeemed, converted or exchanged through participants in the depository service of CDS. Reference is made to “*Book-Entry Only Securities*” in the accompanying Prospectus.

### **RATINGS**

The Debentures have been assigned a provisional rating of “BBB (low)” with a Stable trend by DBRS Limited (“**DBRS**”).

A “BBB” rating by DBRS is the fourth highest of ten categories used by DBRS for long term debt obligations which range from AAA to D. Each rating category from “AA” to “C” is subject to a “high” and “low” designation to indicate the relative standing of the securities being rated within a particular rating category. A rating trend, expressed as “Positive”, “Stable” or “Negative”, provides guidance in respect of DBRS’ opinion regarding the outlook for the rating. Obligations that are rated “BBB” by DBRS are judged to be of adequate credit quality and the capacity for the payment of such obligations is considered acceptable, but the obligor may be vulnerable to future events.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Debentures may not reflect the potential impact of all risks on the value of the Debentures. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency. Prospective investors should consult the relevant rating organization with respect to the interpretation and implications of the ratings.

The Bank has paid customary rating fees to DBRS in connection with the above-mentioned rating and will pay customary rating fees to DBRS in connection with the confirmation of such rating for purposes of this Offering. In addition, the Bank has made customary payments in respect of certain other services provided to the Bank by DBRS during the last two years.

### **EARNINGS COVERAGE**

The Bank’s borrowing cost requirements for subordinated debentures and debt securities for the 12 months ended October 31, 2023 amount to \$138,031,000, after giving effect to the issuance of the Debentures, as if such issuance had occurred at the beginning of the period.

The Bank’s net income available to shareholders of the Bank before borrowing cost requirements and income tax for the 12 months ended October 31, 2023 was \$597,808,000, which was 4.33 times the Bank’s borrowing cost requirements for the period, after giving effect to the Offering.

The information in this “Earnings Coverage” section is disclosed in accordance with Item 6 of Form 44-101F1 – *Short Form Prospectus*.

### **PLAN OF DISTRIBUTION**

Pursuant to an agreement (the “**Agency Agreement**”) dated January 15, 2024 between the Bank and the Agents, the Bank has agreed to sell and the Agents have agreed to use their reasonable best efforts to obtain purchasers to purchase on January 29, 2024, or on such other date not later than February 5, 2024 as may be agreed upon, subject to the terms and conditions contained therein, up to \$250,000,000 principal amount of Debentures at a price of \$1,000 per \$1,000 principal amount for a total purchase price of up to \$250,000,000 plus accrued interest, if any, from January 29, 2024 to the date of delivery, payable in cash to the Bank against delivery of the Debentures. The obligations of the Agents under the Agency Agreement may be terminated upon the occurrence of certain stated events. Such events include, but are not limited to: (i) any inquiry, action, suit, investigation or other proceeding is commenced or any order is issued under or pursuant to any

law in Canada (except any such proceeding or order based solely upon the activities of the Agents) or there is any change of law or the interpretation or administration thereof which, in the reasonable opinion of the Agents (or any of them), operates to prevent or materially restrict the trading in or the distribution of the Debentures in any of the provinces and territories of Canada; (ii) there shall occur or be discovered any material change in the assets, liabilities, business or operations (contingent or otherwise) of the Bank and its subsidiaries, taken as a whole, or any change in any material fact or a new material fact that has not been publicly disclosed which, in the reasonable opinion of the Agents (or any of them), would reasonably be expected to have a material adverse effect on the market price or value of the Debentures; or (iii) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any law, regulation or other occurrence of any nature whatsoever which, in the reasonable opinion of the Agents (or any of them), seriously adversely affects or will seriously adversely affect, the financial markets or the business, operations or affairs of the Bank and its subsidiaries taken as a whole. While the Agents have agreed to use their reasonable best efforts to sell the Debentures offered hereby, they are not obligated to purchase any Debentures which are not sold.

The Agency Agreement provides that the Agents will be paid an agency fee per \$1,000 principal amount of Debentures equal to \$3.50 on account of services rendered. In the event the full amount of the Debentures are not sold, the fee paid to the Agents will be pro-rated accordingly.

The TSX has conditionally approved the listing of the Common Shares into which the Debentures will be converted upon the occurrence of a Contingent Conversion, subject to the Bank fulfilling all of the listing requirements of the TSX on or before April 16, 2024.

Each of the Agents has represented and agreed that it will not solicit offers to purchase or sell the Debentures so as to require registration thereof or filing of a prospectus with respect thereto under the laws of any jurisdiction including, without limitation, the United States, except as set forth in the Agency Agreement.

The Offering is being made concurrently in all provinces and territories of Canada. The Debentures have not been and will not be registered under the 1933 Act or the securities laws of any state of the United States 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 1933 Act), except in certain transactions exempt from, or not subject to, the registration requirements of the 1933 Act and applicable state securities laws.

This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Debentures in the United States. In addition, until 40 days after the commencement of this Offering, an offer or sale of Debentures within the United States by any dealer (whether or not participating in this Offering) may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the 1933 Act.

Pursuant to policy statements of certain securities regulators, the Agents may not, throughout the period of distribution under this Prospectus Supplement, bid for or purchase the Debentures. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Canadian Investment Regulatory Organization relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer when the order was not solicited during the period of distribution.

## **RISK FACTORS**

An investment in the Debentures is subject to certain risks.

Investors should carefully consider the risks described below before deciding whether to invest in the Debentures. Investors should also carefully consider any risks that may be described in other filings the Bank makes with securities regulators including, without limitation, the section entitled “*Risk Management*” contained in the 2023 Annual MD&A, which is incorporated by reference in this Prospectus Supplement. That 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. Additional risks and uncertainties not presently known to the Bank may also impair its business operations. If the Bank does not successfully address any of the risks described below or in other filings, there may be a material adverse effect on its business, financial condition or results of operations. As a result, the Bank cannot assure an investor that it will successfully address these risks.

#### ***Automatic conversion into Common Shares upon a Trigger Event***

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

Upon the occurrence of a Trigger Event, pursuant to the Contingent Conversion, an investment in the Debentures will become an investment in fully-paid Common Shares without the consent of the holder. See "*Details of the Offering – Contingent Conversion*". After a Contingent Conversion, a holder of Debentures will no longer have any rights as a holder of subordinated debt of the Bank and will only have rights as a common shareholder. The claims of holders of Debentures have certain priority of payment over the claims of holders of Common Shares. Given the nature of a Trigger Event, a holder of Debentures will become a common shareholder of the Bank at a time when the Bank's financial condition has deteriorated. If the Bank were to become insolvent or wound-up after the occurrence of a Trigger Event, as a result of the Contingent Conversion, the holders of Common Shares may receive, if anything, substantially less than the holders of the Debentures might have received had the Debentures not been converted into Common Shares. A Contingent 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.

#### ***A Trigger Event may involve a subjective determination outside the Bank's control***

The decision as to whether a Trigger Event will occur may involve 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. See the definition of Trigger Event under "*Details of the Offering – Contingent Conversion*".

OSFI has stated that the Superintendent will consult with the Canada Deposit Insurance Corporation, 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 NVCC 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 Debentures. 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, the holders of Debentures may be exposed to losses through the use of other resolution tools or in liquidation.

***Number and value of Common Shares to be received on Contingent Conversion is variable***

The number of Common Shares to be received for each Debenture is calculated by reference to the prevailing market price of Common Shares immediately prior to a Trigger Event, subject to the Floor Price. See "*Details of the Offering – Contingent Conversion*". If there is a Contingent Conversion at a time when the market price of the Common Shares is below the Floor Price, investors will receive Common Shares with an aggregate market price less than the Debenture Value. Investors may also receive Common Shares with an aggregate market price less than the prevailing market price of the Debentures being converted if such shares are trading at a price above the Debenture Value.

The Bank is expected to have outstanding from time to time other subordinated debt and preferred shares that will automatically convert into Common Shares upon a Trigger Event. Other subordinated debt of the Bank that is convertible into Common Shares upon a Trigger Event may also use a lower effective floor price or a higher multiplier than that applicable to the Debentures to determine the maximum number of Common Shares to be issued to holders of such instruments upon a Contingent Conversion. Accordingly, holders of Debentures will receive Common Shares pursuant to a Contingent Conversion at a time when other subordinated debt may be converted into Common Shares, possibly at a conversion rate that is more favourable to the holder of such instruments than the rate applicable to the Debentures, thereby causing substantial dilution to holders of Common Shares and the holders of Debentures, who will become holders of Common Shares upon a Contingent Conversion.

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 convertible into or exchangeable for Common Shares to all holders of Common Shares as a stock dividend, (ii) the subdivision, re-division 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 the Debentures receive, pursuant to a Contingent Conversion, after such event, the number of Common Shares or other securities that such holders would have received if the Contingent 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 Debentures upon a Contingent Conversion.

***Common Shares received on a Contingent Conversion may be subject to further dilution***

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, such as the injection of new capital and the issuance of additional Common Shares or other securities. Accordingly, holders of Debentures will receive Common Shares pursuant to a Contingent Conversion at a time when debt obligations of the Bank may be converted into Common Shares, possibly at a conversion rate that is more favourable to the holder of such obligations than the rate applicable to the Debentures, 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 Debentures, who will become holders of Common Shares upon the Trigger Event.

***Circumstances surrounding Contingent Conversion and effect on market price***

The occurrence of a Trigger Event may involve 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. A Trigger Event will also occur if 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. See the definition of Trigger Event under “*Details of the Offering – Contingent Conversion*”. As a result, a Contingent 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 a Contingent Conversion, the Superintendent may choose not to take that action. Because of the inherent uncertainty regarding the determination of when a Contingent Conversion may occur, it will be difficult to predict, when, if at all, the Debentures will be mandatorily converted into Common Shares. Accordingly, trading behavior in respect of the Debentures 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 Debentures and the Common Shares, whether or not such Trigger Event actually occurs.

***The Debentures May Be Subject to Write-Off or Write-Down under Canadian Resolution Powers***

The Canada Deposit Insurance Corporation, Canada’s resolution authority, was granted enhanced restructuring powers in 2009 to transfer certain assets and liabilities of a bank to a newly created “bridge bank” for such consideration as it determines in the event of a bank getting into distress, to facilitate a sale of the bank to another financial institution as a going concern, or failing that, to wind up the bridge bank. Upon exercise of such power, any remaining assets and liabilities would remain with the “bad bank,” which would be wound up. As such, in this scenario, any liabilities of the Bank, such as the Debentures, that remain with the “bad bank” may be effectively written off or subject to only partial repayment in the ensuing winding-up.

***The value of the Debentures will be affected by the Bank’s general creditworthiness***

The value of the Debentures will be affected by the general creditworthiness of the Bank. Real or anticipated changes in credit ratings on the Debentures may affect the market value of the Debentures. No assurance can be given that any credit ratings assigned to the Debentures will not be lowered or withdrawn entirely by the relevant rating agency. In addition, real or anticipated changes in credit ratings can affect the cost at which the Bank can transact or obtain funding, and thereby affect its liquidity, business, financial condition or results of operations.

### ***Ranking on insolvency or winding-up***

The Debentures will be direct unsecured obligations of the Bank which rank equally with other Subordinated Indebtedness of the Bank in the event of an insolvency or winding-up (other than Subordinated Indebtedness that has been further subordinated in accordance with its terms). If the Bank becomes insolvent or is wound-up while the Debentures remain outstanding, and provided that a Contingent Conversion has not occurred, the Bank's assets must be used to pay deposit liabilities and prior and senior ranking debt before payments may be made on the Debentures and other Subordinated Indebtedness. Except to the extent regulatory capital requirements affect the Bank's decisions to issue subordinated or more senior debt, there is no limit on the Bank's ability to incur additional subordinated or more senior debt.

Upon a Contingent Conversion of the Debentures, the terms of the Debentures with respect to priority and rights upon liquidation will not be relevant as such securities will have been converted to Common Shares ranking on parity with all other outstanding Common Shares. If the Bank were to become insolvent or wound-up after the occurrence of a Trigger Event, the holders of the Common Shares may receive, if anything, substantially less than the holders of the Debentures might have received had the Debentures not been converted into Common Shares.

### ***Market and Interest Rate Fluctuations***

The value of the Debentures may be affected by market value fluctuations resulting from factors which influence the Bank's operations, including legislative or regulatory developments, competition, technological change and global market activity.

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

If CORRA is no longer published following an Index Cessation Event with respect to CORRA, the terms of the Debentures will require that the Bank use another Applicable Rate, as described under "Details of the Offering — Interest". In so acting, the Bank would not assume any obligations or relationship of agency or trust, including, but not limited to, any fiduciary duties or obligations, for or with any of the holders of the Debentures. There is no assurance that the characteristics and behaviour of any Applicable Rate will be similar to CORRA and such rates may result in interest payments that are lower than or that do not otherwise correlate over time with the payments that would have been made on the Debentures if CORRA was available in its current form. In addition, such rates may not always operate as intended (including, without limitation, as a result of limited history and changes and developments in respect of such rates, the availability of rates information and the determination of the applicable adjustment spread (if any) at the relevant time). Uncertainty with respect to market conventions related to the calculation of another Applicable Rate and whether such alternative reference rate is a suitable replacement or successor for Daily Compounded CORRA may adversely affect the liquidity, return on, value and market for the Debentures. Further, the Bank may in the future issue debentures or notes referencing CORRA that differ materially in terms of interest determination when compared with the Debentures or any other previous CORRA-referenced debentures or notes issued by it, which could adversely affect the liquidity, return on, value and market for the Debentures. Any of the outcomes noted above may result in different than expected distributions and could materially affect the value of the Debentures.

Upon the occurrence of an Index Cessation Event with respect to CORRA and a related Index Cessation Effective Date, the Calculation Agent will make changes and adjustments as set forth above that may adversely affect the liquidity, return on, value and market for the Debentures.

As CORRA is published by the Bank of Canada, the Bank has no control over its determination, calculation or publication. There can be no guarantee that CORRA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in securities that reference CORRA, including the Debentures. If the manner in which CORRA is calculated is changed, then that change might result in a reduction of the amount of interest payable on the relevant securities and the market prices of such securities, including the Debentures.



Investors should be aware that the market continues to develop in relation to risk free rates, such as CORRA, as reference rates in capital markets. Further, limited market precedent exists for securities that use a compounded daily reference rate, such as Daily Compounded CORRA, as the reference rate, and the method for calculating a rate of interest based upon a compounded daily reference rate in those precedents varies. In addition, market participants and relevant working groups are exploring alternative reference rates based on different applications of CORRA. As such, the formula and related documentation conventions used for the Debentures issued pursuant to this Prospectus Supplement may not be widely adopted by other market participants, if at all. Adoption by the market, including by the Bank, of a different calculation method from the formula and related documentation conventions used for the Debentures issued pursuant to this Prospectus Supplement likely would adversely affect the liquidity, return on, value and market for the Debentures.

Investors should also be aware that the floating rate in respect of the Debentures will only be capable of being determined on the Interest Determination Date near the end of the relevant Floating Interest Period and immediately or shortly prior to the relevant Interest Payment Date relating to such Floating Interest Period. It may be difficult for investors to reliably estimate the amount of interest which will be payable on the Debentures in advance of the Interest Determination Date, and some investors may be unable or unwilling to trade the Debentures without changes to their information technology systems, both of which factors could adversely affect the liquidity, return on, value and market for the Debentures.

In addition, the manner of adoption or application of CORRA reference rates in the debt securities markets may differ materially compared with the application and adoption of CORRA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of CORRA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of securities that reference CORRA, including the Debentures.

#### ***Amendments to the “Criminal Rate” of Interest***

The *Criminal Code* (Canada) prohibits the receipt of “interest” at a “criminal rate” (currently, an effective annual rate of interest that exceeds 60%). On June 22, 2023, the federal government of Canada passed Bill C-47 (*Budget Implementation Act, 2023, No.1*), which will make certain changes to the *Criminal Code* (Canada) to, among other things, lower the “criminal rate” of interest from the current rate of 60% to an annual percentage rate of 35%. Further, on December 23, 2023, the federal government of Canada released associated proposed *Criminal Interest Rate Regulations*. The proposed amendments and associated regulations will come into force concurrently on a date to be determined. Some of the Bank’s financial instruments may be impacted by the proposed amendments and associated regulations. While the Bank continues to monitor developments in Canada regarding the “criminal rate” of interest, the impacts of the proposed amendments and associated regulations on the Bank and/or the financial services industry cannot be accurately predicted at this time.

#### ***The Bank is subject to an extensive regulatory regime designed to protect depositors first and foremost, not shareholders***

The Bank is subject to extensive oversight in the jurisdictions in which it does business. These regulations are primarily intended to protect depositors first and foremost, not shareholders. The Bank’s business may be adversely affected by changes in applicable law or regulation or the interpretation or enforcement thereof.

The redemption or purchase by the Bank of the Debentures is subject to the consent of the Superintendent and other restrictions contained in the Bank Act.

#### ***Reinvestment Risk***

The Debentures may be redeemed, in the sole discretion of the Bank but with the prior approval of the Superintendent, (i) in whole or in part, at any time on or after the Interest Reset Date, at a redemption price which is equal to the outstanding principal amount; (ii) in whole but not in part, at any time on or following a Regulatory Event Date, at a redemption price equal to the greater of the outstanding principal amount and the Canada Yield Price; and (iii) in whole but not in part, on any date following the occurrence of a Tax Event, at a redemption price equal to the greater

of the outstanding principal amount and the Canada Yield Price, together in each case with accrued and unpaid interest to but excluding the date fixed for redemption.

An optional redemption feature is likely to limit the market value of the Debentures. During any period when the Bank may elect to redeem the Debentures, the market value of the Debentures generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. In addition, investors will not receive a make-whole amount or any other compensation in the event of an early redemption of Debentures.

It is not possible to predict whether any of the circumstances mentioned above will occur and so lead to the circumstances in which the Bank is able to elect to redeem the Debentures, and if so, whether or not the Bank will elect to exercise such option to redeem the Debentures. Additionally, although the terms of the Debentures have been established to satisfy the criteria to be eligible as Tier 2 capital within the meaning of the regulatory capital adequacy requirements to which the Bank is subject, it is possible that the Debentures may not satisfy the criteria in future rulemaking or interpretations. If the Bank redeems the Debentures in any of the circumstances mentioned above, there is a risk that the Debentures may be redeemed at times when the redemption proceeds are less than the current market value of the Debentures 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.

If the Debenture is not redeemed on the Interest Reset Date, investors will thereafter be subject to uncertainty with respect to both the rate of interest payable on the Debentures, which will fluctuate quarterly based on Daily Compounded CORRA, and with respect to the length of the remaining term of the Debentures, which will be dependent upon whether or not the Debentures are redeemed prior to their Maturity Date. If the Debentures are not redeemed prior to their Maturity Date, the principal amount on the Debentures will not be payable until the Maturity Date.

Potential investors should consider reinvestment risk in light of other investments available at that time.

#### ***Lack of Public Market, Liquidity of and Dealings in Debentures***

This Offering is a new issue of securities for which there is no existing trading market. The Bank does not intend to list the Debentures on any securities exchange or to arrange for any quotation system to quote them. There can be no assurance as to the liquidity of any trading market for the Debentures or that a trading market for any of the Debentures will develop. Even if a trading market develops in the Debentures, those Debentures could trade at prices that may be higher or lower than their initial offering prices. The market price for the Debentures may be affected by prevailing interest rates, the results of operations of the Bank and financial position, changes in general market conditions, fluctuations in the market for equity or debt securities and numerous other factors beyond the control of the Bank. The ability of a holder to pledge Debentures or otherwise take action with respect to its interest in Debentures (other than through a participant) may be limited due to the lack of a physical certificate. No prediction can be made as to the effect, if any, that future issues of subordinated debentures by the Bank will have on the market price of issued Debentures prevailing from time to time. Issues from treasury or sales in the secondary market by holders of Debentures involving substantial numbers or principal amounts of Debentures in the secondary market, or the perception that such issues or sales could occur, could adversely affect prevailing market prices for such Debentures and the issuer's ability to raise additional capital in the equity and debt markets.

#### ***Regulatory Consents***

The redemption of the Debentures is subject to the consent of the Superintendent and other restrictions contained in the Bank Act. Reference is made to "*Details of the Offering – Redemption*".

#### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Torys LLP and McCarthy Tétrault LLP, the following is a summary of the principal Canadian federal income tax considerations generally applicable as of the date hereof to a purchaser of the Debentures pursuant to this Prospectus Supplement who, within the meaning of the Tax Act and at all relevant times, is resident in Canada or deemed

to be a resident of Canada, deals at arm's length with the Bank, is not affiliated with the Bank and holds the Debentures and will hold any Common Shares received on a Contingent Conversion as capital property (a "**Holder**").

Generally, the Debentures and Common Shares will be capital property to a Holder provided the Holder does not hold the Debentures or Common Shares, as the case may be, in the course of carrying on a business of trading or dealing in securities and does not acquire them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold Debentures or Common Shares as capital property may, in certain circumstances, be entitled to have them and every other "Canadian security", as defined in the Tax Act, owned by such Holder in the taxation year the election is made and all subsequent taxation years, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Holder (i) that is a "financial institution" for the purposes of the "mark-to-market rules", (ii) that is a "specified financial institution", (iii) an interest in which would be a "tax shelter investment", (iv) that enters into a "derivative forward agreement" or "synthetic disposition arrangement" with respect to the Debentures or Common Shares, (v) that makes a "functional currency" reporting election, or (vi) that receives dividends on Common Shares under or as part of a "dividend rental arrangement", each as defined in the Tax Act. Such Holders should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, all specific proposals to amend the Tax Act and the regulations publicly announced by or on behalf of the Minister of Finance prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current administrative policies and assessing practices published in writing by the Canada Revenue Agency prior to the date hereof. This summary does not otherwise take into account or anticipate any changes in law or in administrative policies or assessing practices, whether by legislative, administrative or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations, which may be different from those discussed herein. No assurance can be given that the Proposals will be enacted as proposed or at all.

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

### ***Interest on Debentures***

A Holder of a Debenture that is a corporation, partnership, unit trust or 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 or amount that is considered for the purposes of the Tax Act to be interest on the Debenture that accrued to, or was deemed to accrue to, the Holder to the end of the taxation year or becomes receivable or is received by it before the end of the year, to the extent that the interest (or amount considered to be interest) was not included in computing its income for a preceding taxation year.

A Holder of a Debenture (other than a Holder referred to in the previous paragraph) will be required to include in computing the Holder's income for a taxation year any amount received or receivable (depending upon the method regularly followed by the Holder in computing its income) by the Holder as interest in the taxation year on the Debenture, to the extent that such amount was not included in computing the Holder's income for a preceding taxation year.

Any amount paid by the Bank to a Holder in a taxation year as a premium, penalty or bonus because of the repayment of all or part of the principal amount of a Debenture before maturity, will be deemed to be received by such Holder as interest on the Debenture at that time and will be required to be included in computing the Holder's income for that taxation year, as described above, to the extent that such amount can reasonably be considered to relate to, and does not exceed the value at the time of payment of, the interest that, but for the repayment, would have been paid or payable by the Bank on the Debenture for a taxation year ending after that time and to the extent not otherwise included in computing the Holder's income for that taxation year or a previous taxation year.

### ***Dispositions of Debentures***

On a disposition or deemed disposition of a Debenture, including a purchase or redemption by the Bank or a repayment by the Bank on maturity, but excluding a disposition as the result of a Contingent Conversion, a Holder will generally be required to include in computing its income for the taxation year in which the disposition or deemed disposition occurred the amount of interest (including amounts considered to be interest) that has accrued on the Debenture to the date of disposition to the extent that such amount has not otherwise been included in computing the Holder's income for the taxation year in which the disposition occurred or a preceding taxation year.

On a disposition of a Debenture as the result of a Contingent Conversion, the fair market value of any Common Shares issued in satisfaction of accrued and unpaid interest owing on the Debenture at the time of the Contingent Conversion will be included in the income of a Holder in the taxation year in which the Contingent Conversion takes place to the extent such amount was not otherwise included in the Holder's income for that or a preceding taxation year. A Holder that has previously included an amount in income in respect of such interest which exceeds the fair market value of the Common Shares issued in satisfaction thereof may be entitled to an offsetting deduction in the year of disposition in an amount equal to the amount of such excess.

In general, on a disposition or deemed disposition of Debentures (including on a redemption, payment on maturity or purchase for cancellation or as a result of a Contingent Conversion), 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 included in the Holder's income as interest, exceed (or are less than) the adjusted cost base of such Debentures to the Holder immediately before the disposition or deemed disposition and any reasonable costs of disposition. Where the Debentures are exchanged for Common Shares as the result of a Contingent Conversion, the proceeds of disposition will be equal to the fair market value of the Common Shares received on the exchange (other than any Common Shares issued in satisfaction of accrued and unpaid interest on the Debentures).

The cost to a Holder of Common Shares acquired pursuant to a Contingent Conversion will generally equal the fair market value of such Common Shares on the date of acquisition. The adjusted cost base to the Holder of the Common Shares acquired at the time of a Contingent Conversion will be determined by averaging the cost of such Common Shares with the adjusted cost base of all other Common Shares held by such Holder as capital property immediately before that time.

### ***Dividends on Common Shares***

Dividends received (or deemed to be received) in a taxation year on Common Shares by a Holder that is an individual (other than certain trusts) will be required to be included in the individual's income for such taxation year and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from "taxable Canadian corporations" as defined in the Tax Act, including the enhanced gross-up and dividend tax credit rates applicable to any dividends designated by the Bank as "eligible dividends" in accordance with the provisions of the Tax Act.

Dividends on the Common Shares received (or deemed to be received) by a Holder that is a corporation in a taxation year will be included in computing its income for such taxation year and generally will be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Holder that is a corporation as proceeds of disposition or a capital gain. Holders of Common Shares that are corporations should consult their own tax advisors having regard to their own circumstances.

A Holder that is a "private corporation" or a "subject corporation", each as defined in the Tax Act, or any other corporation controlled, whether by reason of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be subject to an additional tax (refundable in certain circumstances) under Part IV of the Tax Act on dividends received (or deemed to be received) on the Common Shares to the extent such dividends are deductible in computing its taxable income for that taxation year. Such Holders should consult their own tax advisors for advice with respect to the potential application of such provision.

### ***Disposition of Common Shares***

In general, a disposition or deemed disposition of Common Shares by a Holder (other than a purchase for cancellation or other acquisition by the Bank unless purchased by the Bank in the open market in the manner in which shares are normally purchased by a member of the public in the open market), will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition, exceed (or are less than) the adjusted cost base of the Common Shares to that Holder immediately before the disposition or deemed disposition and any reasonable costs of disposition. If the Holder is a corporation, any capital loss realized on a disposition or deemed disposition of Common Shares may in certain circumstances be reduced by the amount of any dividends which have been received (or deemed to be received) on such shares. Analogous rules apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or trust.

### ***Taxation of Capital Gains and Capital Losses***

Generally, one-half of a capital gain realized by a Holder in a taxation year must be included in computing the Holder's income as a taxable capital gain and one-half of a capital loss (or "allowable capital loss") realized by a Holder in a taxation year generally must be deducted from the taxable capital gains realized by the Holder in that year in accordance with the rules contained in the Tax Act. Allowable capital losses in excess of taxable capital gains realized in any particular year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act.

### ***Alternative Minimum Tax***

Taxable dividends received or deemed to be received and capital gains realized by a Holder that is an individual or a trust (other than certain specified trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. Such Holders should consult their own tax advisors for advice with respect to the potential application of such provisions.

### ***Refundable Tax***

A Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) or, at any time in the year, a "substantive CCPC" (as proposed to be defined in the Tax Act by Tax Proposals released on November 28, 2023) may be subject to an additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act) for the year, including amounts of interest and taxable gains. Such Holders should consult their own tax advisors for advice with respect to the potential application of such provisions.

## **TRADING PRICE AND VOLUME OF THE BANK'S SECURITIES**

The Common Shares are listed and traded on the TSX under the symbol "CWB". The following table shows the price ranges and volumes traded for the Common Shares for each of the previous 12 months (January 2023 through December 2023) plus such information for the current month to the last trading day before the date of this Prospectus Supplement.

Period	Common Shares	
	Price	Volume
January 2023	\$24.15 - 28.33	8,794,831
February 2023	\$27.46 - 29.11	8,409,335
March 2023	\$23.08 - 28.06	15,561,820
April 2023	\$23.44 - 24.98	5,735,296
May 2023	\$22.96 - 25.39	7,644,548
June 2023	\$23.21 - 25.50	5,389,880

Period	Common Shares	
	Price	Volume
July 2023	\$24.21 - 27.14	4,736,119
August 2023	\$24.80 - 26.72	4,715,582
September 2023	\$27.25 - 29.39	7,665,018
October 2023	\$26.65 - 28.49	7,156,757
November 2023	\$27.32 - 29.46	5,065,645
December 2023	\$29.25 - 31.64	6,702,401
January 1 to January 15, 2024	\$29.31 – 30.87	2,089,125

### INTERESTS OF EXPERTS

KPMG LLP (“**KPMG**”), Chartered Professional Accountants, Edmonton, Alberta, was the external auditor who issued the Auditors’ Report to Shareholders with respect to the consolidated balance sheets of the Bank as at October 31, 2023 and 2022, and the consolidated statements of income, comprehensive income, changes in shareholders’ equity, and cash flow for the years then ended. KPMG are the auditors of the Bank and have confirmed with respect to the Bank, that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

### LEGAL MATTERS

Legal matters in connection with the issue and sale of the Debentures will be passed upon, on behalf of the Bank, by Torys LLP and, on behalf of the Agents, by McCarthy Tétrault LLP. As of the date of this Prospectus Supplement, the partners, associates and counsel of each of Torys LLP and McCarthy Tétrault LLP beneficially own, directly or indirectly, less than 1% of the issued and outstanding securities of the Bank or of any associate or affiliate of the Bank.

### TRUSTEE, TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada will act as trustee for the Debentures and as transfer agent and registrar for any Common Shares issued upon a Contingent Conversion at its principal office in Calgary, Alberta.

### STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, 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 such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal adviser.

## **CERTIFICATE OF THE AGENTS**

Dated: January 16, 2024

To the best of our knowledge, information and belief, the short form base shelf prospectus dated June 1, 2022, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of all of the provinces and territories of Canada.

**RBC DOMINION SECURITIES INC.**

**SCOTIA CAPITAL INC.**

**TD SECURITIES INC.**

BY: (SIGNED) PATRICK MACDONALD

BY: (SIGNED) FRANCESCO BATTISTELLI

BY: (SIGNED) GREG McDONALD

**BMO NESBITT  
BURNS INC.**

**CASGRAIN &  
COMPANY  
LIMITED**

**CIBC WORLD  
MARKETS INC.**

**DESJARDINS  
SECURITIES INC.**

**NATIONAL BANK  
FINANCIAL INC.**

BY: (SIGNED) MICHAEL  
CLEARY

BY: (SIGNED) PIERRE  
CASGRAIN

BY: (SIGNED) GAURAV  
MATTA

BY: (SIGNED) MICHAEL  
GIANANTE

BY: (SIGNED) TUSHAR  
KITUR