Pricing Supplement to Short Form Base Shelf Prospectus dated December 20, 2013, the Prospectus Supplement thereto dated December 23, 2013 and the Prospectus Supplement thereto dated December 23, 2013.

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

This pricing supplement together with the short form base shelf prospectus dated December 20, 2013, the prospectus supplement dated December 23, 2013 and the prospectus supplement dated December 23, 2013, to which it relates, as amended or supplemented, and each document incorporated by reference into such prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly, in the United States of America or for the account or benefit of U.S. persons.

February 26, 2014

Royal Bank of Canada
Senior Note Program
Debt Linked Securities
Maximum $7,000,000 (70,000 Debt Securities)
RBC Non-Protected Bond RoC Securities, Series 1F
Due February 27, 2017
Non-Principal Protected Securities

Royal Bank of Canada (the "**Bank**") is offering up to $7,000,000 of RBC Non-Protected Bond RoC Securities, Series 1F (the "**Debt Securities**"), designed for investors seeking a return based on the weighted performance of a notional portfolio of five provincial government bonds.

The return of the Debt Securities will reflect the return over the three-year term of a notional portfolio (the "**Portfolio**") of bonds (the "**Underlying Bonds"**) of five provincial governments (the "**Underlying Bond Issuers**").

At maturity, each holder of a Debt Security will receive an amount for such Debt Security equal to the Redemption Amount (defined herein). The Redemption Amount will be subject to a minimum payment of $1.00 per Debt Security and will vary throughout the term with the Variable Return (defined herein), which may be positive or negative. The Variable Return reflects the deduction of the fees and expenses of the offering because it is calculated net of the Note Program Amount (defined herein) and the selling commissions. See "Costs and Fees". The Variable Return may also be affected by a number of other factors beyond the control of the Bank. As a result, the Redemption Amount will not be determinable before maturity. See "Risk Factors". If the value of the Portfolio decreases or does not increase sufficiently, holders will receive less than the amount they invested in the Debt Securities and could lose some or substantially all of their investment in the Debt Securities.

Holders will also receive Partial Principal Repayments (defined herein), calculated semi-annually and payable no later than the third business day following the end of each semi-annual period during the term of the Debt Securities other than the final semi-annual period prior to maturity, in an amount equal to $3.00 per Debt Security per annum (i.e., $1.50 on each Partial Principal Repayment Date (defined herein)). Each Partial Principal Repayment will result in a dollar-for-dollar reduction in the Outstanding Principal Amount (defined herein) of Debt Securities. Any interest paid on the Underlying Bonds will be used to make notional purchases of the Underlying Bonds, on a *pro rata* basis (based on the Portfolio Weights (defined herein)), on the next Partial Principal Repayment Date following notional receipt of such interest. Conversely, there will be a notional sale of Underlying Bonds on a *pro rata* basis (based on the Portfolio Weights) in order to notionally fund each Partial Principal Repayment, so that the Value of the Portfolio (defined herein) will be reduced on each Partial Principal Repayment Date by the aggregate amount of the Partial Principal Repayments required to be made on that date.

The Portfolio is notional only, meaning that the Underlying Bonds in the Portfolio will be used solely as a reference to calculate the amount payable on the Debt Securities at maturity. Holders of Debt Securities do not have an ownership interest or other interest (including, without limitation, rights to receive interest payments) in the Underlying Bonds and will only have a right against the Bank to be paid any amounts due under the Debt Securities. All actions (e.g., purchases, sales and liquidations, interest payments, etc.) taken in connection with the Portfolio are notional actions only. The Debt Securities will not represent an interest in the Underlying Bonds, and holders will have no right or entitlement to the Underlying Bonds, including any interest paid on any such Underlying Bond. There will be no requirement for the Bank to hold any interest in the Underlying Bonds.

The Debt Securities are described in this pricing supplement delivered together with our short form base shelf prospectus dated December 20, 2013 (the "**base shelf prospectus**"), the prospectus supplement establishing our Senior Note Program dated December 23, 2013 (the "**program supplement**") and a prospectus supplement which generally describes equity, unit and debt linked securities that we may offer under our Senior Note Program dated December 23, 2013 (the "**product supplement**").

The Debt Securities will not constitute deposits insured under the *Canada Deposit Insurance Corporation Act*.

The Debt Securities will expose investors to the credit risks of both the Bank and the Underlying Bond Issuers. The Underlying Bonds have historically had higher credit ratings than the Bank's debt securities.

An investment in the Debt Securities involves risks. An investment in the Debt Securities is not the same as a direct investment in the securities that comprise the Portfolio and investors have no direct rights with respect to the securities in the Portfolio. The Debt Securities are considered to be "specified derivatives" under applicable Canadian securities laws. If you purchase Debt Securities, you will be exposed to fluctuations in interest rates and changes in the value of the Portfolio, among other factors. Price changes may be volatile and an investment in the Debt Securities may be considered to be speculative. Since the Debt Securities are not principal protected and the Principal Amount will be at risk, you could lose substantially all of your investment. See "Risk Factors".

Price: $100 Per Debt Security
Minimum Subscription: $5,000 (50 Debt Securities)

	Price to public	Selling Commissions and Dealer's fee(1)	Net proceeds to the Bank
Per Debt Security	$100.00	$1.00	$99.00
Total(2)	$7,000,000	$70,000	$6,930,000

(1) No sales commission will be paid in connection with this issuance of Debt Securities. A note program amount of 1.00% of the Principal Amount of Debt Securities issued under this offering will be retained by the Bank. An agency fee will be paid out of the note program amount to Laurentian Bank Securities Inc. in an amount up to 0.15% of the Principal Amount of the Debt Securities issued under this offering for acting as independent agent.

(2) Reflects the maximum offering size for the Debt Securities. **There is no minimum amount of funds that must be raised under this offering. This means that the issuer could complete this offering after raising only a small proportion of the offering amount set out above.**

The Debt Securities are offered severally by RBC Dominion Securities Inc. ("**RBC DS**") and Laurentian Bank Securities Inc. (collectively, the "**Dealers**") as agents under a dealer agreement dated December 23, 2013, as it may be amended. **RBC DS is our wholly owned subsidiary. Consequently, we are a related and connected issuer of RBC DS within the meaning of applicable securities legislation.** See "Dealers" in this pricing supplement and "Plan of Distribution" in the program supplement.

The Debt Securities will not be listed on any stock exchange. Debt Securities may be resold using the FundSERV network at a price determined at the time of sale by the Calculation Agent, which price may be lower than the Principal Amount of such Debt Securities. The Debt Securities will also be subject to specified early trading charges, depending on when the Debt Securities are sold. There is no assurance that a secondary market for Debt Securities will develop or be sustained. See "Secondary Market for Securities", "Description of the Securities – Calculation Agent" and "Risk Factors" in the program supplement and "Secondary Market" in this pricing supplement.

Prospectus for Debt Securities

Debt Securities described in this pricing supplement will be issued under our Senior Note Program and will be unsecured, unsubordinated debt obligations. The Debt Securities are Senior Debt Securities (as defined in the base shelf prospectus referred to below) and are described in four separate documents: (1) the base shelf prospectus, (2) the program supplement, (3) the product supplement, and (4) this pricing supplement, all of which collectively constitute the "prospectus" for the Debt Securities. See "Prospectus for Securities" in the program supplement.

Documents Incorporated by Reference

This pricing supplement is deemed to be incorporated by reference into the base shelf prospectus solely for the purpose of our Senior Note Program and the Debt Securities issued hereunder. Other documents are also incorporated or deemed to be incorporated by reference into the base shelf prospectus and reference should be made to the base shelf prospectus for full particulars.

Marketing Materials

The template versions of the summary for the Debt Securities that were filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada as "marketing materials" (as defined in National Instrument 41-101 − General Prospectus Requirements) on January 24, 2014, February 13, 2014 and February 26, 2014 are deemed to be incorporated by reference into the base shelf prospectus solely for the purpose of our Senior Note Program and the Debt Securities issued hereunder. Any template version of marketing materials filed with the securities commission or similar regulatory authority in each of the provinces and territories of Canada in connection with this offering after the date hereof but prior to the termination of the distribution of the Debt Securities under this pricing supplement (including any amendments to, or an amended version of, the marketing materials) is deemed to be incorporated by reference herein and in the base shelf prospectus solely for the purpose of our Senior Note Program and the Debt Securities issued hereunder. Any such marketing materials are not part of this pricing supplement or the base shelf prospectus to the extent that the contents of the marketing materials have been modified or superseded by a statement contained in an amendment to this pricing supplement.

Caution Regarding Forward-Looking Statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in the base shelf prospectus and in the documents incorporated by reference therein, in the program supplement, in the product supplement, in this pricing supplement, in other filings with Canadian regulators or the United States Securities and Exchange Commission, in reports to shareholders and in other communications. Forward-looking statements in, or incorporated by reference in, this prospectus include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals, the economic and market review and outlook for Canadian, U.S., European and global economies, the regulatory environment in which we operate, the outlook and priorities for each of our business segments, and the risk environment including our liquidity and funding management. The forward-looking information contained in, or incorporated by reference in, this prospectus is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented and our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "believe", "expect", "foresee", "forecast", "anticipate", "intend", "estimate", "goal", "plan" and "project" and similar expressions of future or conditional verbs such as "will", "may", "should", "could" or "would".

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, liquidity and funding, insurance, regulatory compliance, operational, strategic, reputation and competitive risks and other risks discussed in the Risk management section in our management's discussion and analysis for the three month period ended January 31, 2014 (the "**Q1 2014 Management's Discussion and Analysis**") and in the Risk management and Overview of other risks sections in our management's discussion and analysis for the year ended October 31, 2013 (the "**2013 Management's Discussion and Analysis**") incorporated by reference herein; the impact of regulatory reforms, including relating to the Basel Committee on Banking Supervision's (BCBS) global standards for capital and liquidity reform, the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and the regulations issued and to be issued thereunder, over-the-counter derivatives reform, the payments system in Canada, the U.S. *Foreign Account Tax Compliance Act* (FATCA), and regulatory reforms in the United Kingdom (U.K.) and Europe; the high levels of Canadian household debt; cybersecurity; the business and economic conditions in Canada, the U.S. and certain other countries in which we operate; the effects of changes in government fiscal, monetary and other policies; our ability to attract and retain employees; the accuracy and completeness of information concerning our clients and counterparties; the development and integration of our distribution networks; model, information technology and social media risk; and the impact of environmental issues.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us or the Debt Securities, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Material economic assumptions underlying the forward looking statements contained in this prospectus are set out in the Overview and outlook section and for each business segment under the heading Outlook and priorities in our 2013 Management's Discussion and Analysis. Except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

Additional information about these and other factors can be found in the Risk management section in our Q1 2014 Management's Discussion and Analysis and in the Risk management and Overview of other risks sections in our 2013 Management's Discussion and Analysis incorporated by reference in this prospectus.

Royal Bank of Canada
Senior Note Program
Debt Linked Securities
Maximum $7,000,000 (70,000 Debt Securities)
RBC Non-Protected Bond RoC Securities, Series 1F
Due February 27, 2017

Issuer:	Royal Bank of Canada
Dealers:	RBC DS and Laurentian Bank Securities Inc. Laurentian Bank Securities Inc., a dealer to which we are neither related nor connected, participated in the due diligence activities performed by the Dealers in respect of the offering, but did not participate in the structuring and pricing of the offering. See "Plan of Distribution" in the program supplement.
Issue:	RBC Non-Protected Bond RoC Securities, Series 1F due February 27, 2017.
FundSERV Code:	RBB100
Issue Price:	The Debt Securities will be issued at a price equal to their Principal Amount (defined below).
Minimum Investment:	50 Debt Securities or $5,000
Denomination:	Debt Securities are issuable in denominations of $100 (the "**Principal Amount**") and in minimum increments of $100.
Issue Date:	February 27, 2014 or such other date as may be agreed to by the Bank and the Dealers.
Issue Size:	The maximum issue size will be an aggregate amount of $7,000,000.
Valuation Date:	February 22, 2017, being the third business day before the Maturity Date (defined below).
Maturity Date:	February 27, 2017 (approximately a three-year term). See "Description of the Equity, Unit and Debt Linked Securities – Maturity Date and Amount Payable" in the product supplement.
Objective of the Debt Securities:	The Debt Securities have been designed for investors seeking a return based on the weighted performance of a notional portfolio of five provincial government bonds.
Principal at Risk Securities:	All but 1% of the Principal Amount of the Debt Securities is fully exposed and you could lose substantially all of your investment. See "Description of the Equity, Unit and Debt Linked Securities – Principal at Risk Securities" and "Risk Factors" in the product supplement.
Return of Capital Securities:	The Debt Securities are RoC Securities. See "Description of the Equity, Unit and Debt Linked Securities – Return of Capital Securities" in the product supplement.
Portfolio:	The notional portfolio (the "**Portfolio**") will be composed of a notional investment in the following bonds (each an "**Underlying Bond**") issued by provincial governments (each an "**Underlying Bond Issuer**"): • 3.85% Province of Manitoba bonds due December 1, 2021 (the "**Manitoba Bonds**"); • 3.35% Province of New Brunswick bonds due December 3, 2021 (the "**New Brunswick Bonds**"); • 3.15% Province of Ontario bonds due June 2, 2022 (the "**Ontario Bonds**");

- 2.55% Province of Alberta bonds due December 15, 2022 (the "**Alberta Bonds**"); and
- 3.30% Province of British Columbia bonds due December 18, 2023 (the "**British Columbia Bonds**").

The following table sets out the indicated bid price from RBC Capital Markets, the corresponding semi-annual yield and the duration of the Underlying Bonds, each as of February 21, 2014.

Underlying Bond	**Bid Price**	**Semi-Annual Yield**	**Duration**
Manitoba Bonds	$107.463	2.774%	6.86
New Brunswick Bonds	$103.303	2.872%	6.97
Ontario Bonds	$101.366	2.962%	7.39
Alberta Bonds	$97.237	2.908%	7.98
British Columbia Bonds	$101.983	3.064%	8.52

The following table sets out the current credit ratings of the Underlying Bonds:

Underlying Bond	**S&P**	**Moody's**	**DBRS**
Manitoba Bonds	AA	Aa1	AH
New Brunswick Bonds	A+	Aa2	AH
Ontario Bonds	AA-	Aa2	AAL
Alberta Bonds	AAA	Aaa	AAA
British Columbia Bonds	AAA	Aaa	AAH

See "Appendix A – Certain Information Concerning the Underlying Bonds" for a further description of the Underlying Bonds. The current bid price and semi-annual yield (based on quotes established by RBC DS at 5:00 p.m. Eastern standard time on each business day) for each of the Underlying Bonds will be published at www.rbccm.com/structuredrates.

The Underlying Bonds will be weighted as to 20% each (the "**Portfolio Weights**") in the Portfolio on the Issue Date. On the Issue Date, $99.00 (being equal to the Principal Amount less the $1.00 upfront portion of the Note Program Amount (defined below)) per Debt Security will be notionally invested in the Underlying Bonds according to the Portfolio Weights. Such weightings will not be adjusted or rebalanced during the term of the Debt Securities, except to the extent permitted upon an Extraordinary Event or Substitution Event (each defined in the product supplement).

The Underlying Bonds will be notionally purchased at a price equal to the prevailing offer price which will reflect any accrued interest for such bonds and notionally sold at a price equal to the prevailing bid price which will reflect any accrued interest for such bonds at the time of notional disposition, in each case as determined by the Calculation Agent, acting in good faith. The prices at which bonds are notionally purchased and sold will be published at www.rbccm.com/structuredrates.

In determining the prices at which the Underlying Bonds are notionally purchased, the Calculation Agent will request an offer price quotation from four dealers (which may include RBC DS but will include at least three dealers that are independent of the Bank and its affiliates) through CanDeal and notionally purchase the Underlying Bonds at a price equal to the lowest offer price quotation. In determining the prices at which the Underlying Bonds are notionally sold, the Calculation Agent will request a bid price quotation from four dealers (which may include RBC DS but will include at least three dealers that are independent of the Bank and its affiliates) through CanDeal and notionally sell the Underlying Bonds at a price equal to the highest bid price quotation. If CanDeal is replaced by a similar or successor trading platform, the Calculation Agent will use such similar or successor trading platform to seek the aforementioned price quotations from four dealers (including at least three independent dealers), and if CanDeal no longer exists and there is no alternate trading platform selected as a replacement, the Calculation Agent will seek the aforementioned price quotations from four dealers (including at least three independent dealers) on the over-the-counter market from dealers that are affiliates of Canadian chartered banks and are duly licensed to trade in bonds.

CanDeal is a global online marketplace for Canadian dollar fixed income government securities. It provides online access to liquidity for bonds and money market instruments. CanDeal's trading platform is available to institutional investors in Canada, the United States and Europe. For more information, please see www.candeal.ca. The information therein is not incorporated by reference in this pricing supplement.

The price quotations that the Calculation Agent obtains from the dealers (whether through CanDeal or otherwise) will be wholesale fixed income market prices that are accessible to institutional investors and will be obtained for the precise number of Underlying Bonds being notionally purchased or sold.

The Debt Securities will not represent an interest in the Underlying Bonds, and holders will have no right or entitlement to the Underlying Bonds, including any interest paid on any such Underlying Bond. There will be no requirement for the Bank to hold any interest in the Underlying Bonds.

The Calculation Agent will adjust the Portfolio if it determines that a Substitution Event has occurred in respect of one or more Underlying Bonds in the Portfolio. See "Extraordinary Events and Substitution Events".

This pricing supplement has been prepared for the sole purpose of assisting prospective investors in making an investment decision with respect to the Debt Securities. This pricing supplement relates only to the Debt Securities offered hereby and does not relate to the Underlying Bonds and/or the Underlying Bond Issuers. The Bank and the Dealers have not verified the accuracy or completeness of any information pertaining to the Underlying Bond Issuers or determined if there has been any omission by any Underlying Bond Issuer to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any information has been furnished by any Underlying Bond Issuer which may affect the significance or accuracy of such information. Neither the Bank nor any Dealer makes any representation that such publicly available information regarding any Underlying Bond or Underlying Bond Issuer are accurate or complete. Prospective investors should independently investigate the Underlying Bond Issuers and decide whether an investment in the Debt Securities is appropriate. None of the Underlying Bond Issuers have participated in the preparation of this pricing supplement and the Debt Securities are not in any way sponsored, endorsed, sold or promoted by any of the Underlying Bond Issuers. See "Description of the Equity, Unit and Debt Linked Securities – Underlying Securities and Underlying Security Issuers" in the product supplement.

The Debt Securities are not sponsored, endorsed, sold or promoted by CanDeal. CanDeal makes no representation or warranty, express or implied, to the holders of the Debt Securities or any member of the public regarding the advisability of investing in the Underlying Bonds generally or in the Debt Securities. CanDeal has no obligation to take the needs of the Bank or the holders of the Debt Securities into consideration. CanDeal is not responsible for and has not participated in the determination of the prices and amount of the Debt Securities or the timing of the issuance or sale of the

Debt Securities or in the determination or calculation of the equation by which the Debt Securities are to be converted into cash. CanDeal has no obligation or liability in connection with the administration, marketing or trading of the Debt Securities. CanDeal does not guarantee the quality, accuracy and/or completeness of (i) statements made herein or in any other materials used to describe, market and/or sell the Debt Securities, or (ii) prices used in computing the return on the Debt Securities. CanDeal makes no warranty, express or implied, as to results to be obtained by the Bank, holders of the Debt Securities, or any other person or entity from the use of any of the price quotations obtained from dealers through CanDeal, and hereby expressly disclaims any liability or responsibility with respect to price quotations obtained from dealers through CanDeal that are used to compute the return on the Debt Securities and is not liable for any error or omission in any price quotations obtained from dealers through CanDeal used in connection with the Debt Securities.

Partial Principal Repayments:

A holder of a Debt Security will receive partial repayments of the Principal Amount ("**Partial Principal Repayments**") on each Partial Principal Repayment Date (defined below) in an amount equal to $3.00 per annum (i.e., $1.50 on each Partial Principal Repayment Date) per Debt Security. Each Partial Principal Repayment will result in a dollar-for-dollar reduction in the Outstanding Principal Amount (defined below) of the Debt Security.

Any interest paid on the Underlying Bonds will be used to make notional purchases of the Underlying Bonds, on a *pro rata* basis (based on the Portfolio Weights), on the next Partial Principal Repayment Date following notional receipt of such interest (except that any interest paid on the Underlying Bonds after the next to last Partial Principal Repayment Date will be used to make notional purchases of the Underlying Bonds on a *pro rata* basis (based on the Portfolio Weights) on the Valuation Date). Conversely, there will be a notional sale of Underlying Bonds on a *pro rata* basis (based on the Portfolio Weights) in order to notionally fund each Partial Principal Repayment, so that the Value of the Portfolio (defined below) will be reduced on each Partial Principal Repayment Date by the aggregate amount of the Partial Principal Repayment required to be made on that date.

Provided that the Debt Securities are not repaid in full by the Bank prior to their maturity as described below under "Extraordinary Events and Substitution Events", the Partial Principal Repayments will be calculated and payable semi-annually on each of the following dates (each a "**Partial Principal Repayment Date**"):

August 27, 2014	February 27, 2015
August 27, 2015	February 29, 2016
August 29, 2016	February 27, 2017

Other than the Partial Principal Repayments, no other payment on the Debt Securities will be payable by the Bank during the term of the Debt Securities.

Outstanding Principal Amount:

The "**Outstanding Principal Amount"** on each $100 Principal Amount per Debt Security at any particular time will be equal to: (i) $100 minus (ii) the sum of all the Partial Principal Repayments made on the Debt Security prior to the particular time. For purposes of determining the Outstanding Principal Amount on the Valuation Date, the final Partial Principal Repayment that is payable on the Maturity Date will be deemed to have been paid.

Variable Return:

The "**Variable Return**" on each $100 Principal Amount per Debt Security will be calculated by the Calculation Agent on the Valuation Date and will be equal to: (i) the Value per Debt Security (defined below) minus (ii) the Outstanding Principal Amount in respect of such Debt Security. The Variable Return may be positive or negative.

Valuation of the Debt Securities:	The value of the Portfolio (the "**Value of the Portfolio**") on any business day will be calculated by the Calculation Agent and will be equal to the proceeds from the notional disposition of the Portfolio on such date. Such notional disposition includes any notional interest accrued on the Portfolio to such date. For purposes of determining the Value of the Portfolio on the Valuation Date, the final Partial Principal Repayment that is payable on the Maturity Date will be deemed to have been paid and thus the Value of the Portfolio will be deemed to be reduced by the aggregate amount of such Partial Principal Repayment. The net value of the Portfolio (the "**Net Value of the Portfolio**") on any business day will be calculated by the Calculation Agent and will be the Value of the Portfolio less the Note Program Amount. The Note Program Amount will accrue daily and be satisfied quarterly in arrears by notionally selling a *pro rata* (based on the Portfolio Weights) portion of the Underlying Bonds, thereby reducing the notional amount of Underlying Bonds in the Portfolio and therefore the Value per Debt Security, the Variable Return and the Redemption Amount. 99.00% of the Principal Amount of the Debt Securities will be notionally invested on the Issue Date. The Value per Debt Security will be approximately $99.00 on the Issue Date. The "**Value per Debt Security**" on any business day will be equal to the Net Value of the Portfolio divided by the number of Debt Securities outstanding on such business day. The Value per Debt Security will fluctuate throughout the term with the Net Value of the Portfolio and may be affected by a number of other factors beyond the control of the Bank. As a result, the Redemption Amount will not be determinable before the Maturity Date. See "Risk Factors". The Calculation Agent may suspend the determination of the Value per Debt Security during the existence of any state of affairs that makes those determinations impossible, impractical or prejudicial to holders of the Debt Securities.
Payment at Maturity:	At maturity, each holder of a Debt Security will receive a payment equal to the Redemption Amount. The "**Redemption Amount**" on each $100 Principal Amount per Debt Security will be equal to the greater of: (i) the Outstanding Principal Amount of such Debt Security, plus the Variable Return (which may be positive or negative); and (ii) $1.00.
Sample Calculations Redemption Amount:	See Appendix B to this pricing supplement for sample calculations of the Redemption Amount.
Publication of Value per Debt Security:	To assist investors in determining whether they wish to sell their Debt Securities prior to maturity, the Bank will publish the most recent net bid price of the Debt Securities (being the Value per Debt Security, less the Early Trading Charge (defined below), if applicable), if any, and the daily Value per Debt Security at www.rbccm.com/structuredrates.
Issuer Credit Rating:	Moody's: Aa3 Standard & Poor's: AA- DBRS: AA The Debt Securities have not been and will not be rated. See "Ratings" in the program supplement and "Risk Factors" in this pricing supplement.
Extraordinary Events and Substitution Events:	**Extraordinary Events** Determination of the Value per Debt Security may be postponed, or we can accelerate determination of the Value per Debt Security and repay the Debt Securities in full prior to their maturity, in certain circumstances. If an Extraordinary Event occurs then the

Calculation Agent may, but is not required to, make such adjustments to any payment or other term of the Debt Securities as it determines to be appropriate, acting in good faith, to account for the economic effect of such event on the Debt Securities and determine the effective date of any such adjustment. See "Description of the Securities – Special Circumstances" in the program supplement and "Description of the Equity, Unit and Debt Linked Securities – Extraordinary Events" in the product supplement. For the purposes of determining the Actualized Fair Value per Debt Security (defined in the product supplement) upon the occurrence of an Extraordinary Event, in addition to the specific factors described in the product supplement and any other factors that are relevant in the circumstances, the Calculation Agent will determine such Actualized Fair Value per Debt Security on the basis of the then Outstanding Principal Amount.

Substitution Events

Upon the determination by the Calculation Agent that a Substitution Event has occurred in respect of an Underlying Bond or Underlying Bonds in the Portfolio (each an "**Affected Underlying Bond**" and collectively the "**Affected Underlying Bonds**"), the following will apply, effective on a date no later than the Substitution Date (defined below):

(i) such Affected Underlying Bond will be notionally sold from the Portfolio, at a price equal to the prevailing bid price which will reflect any accrued interest for such Affected Underlying Bond at the time of disposition (as determined by the Calculation Agent, acting in good faith), and the notional proceeds from such disposition will be used to notionally purchase a different provincial government bond of comparable credit quality and maturity (the "**Replacement Underlying Bond**"), at a price equal to the prevailing offer price which will reflect any accrued interest for such Replacement Underlying Bond (as determined by the Calculation Agent, acting in good faith); and

(ii) the Replacement Underlying Bond will be an Underlying Bond in the Portfolio and the issuer of such Replacement Underlying Bond will be an Underlying Bond Issuer in respect of such Replacement Underlying Bond.

Upon the determination by the Calculation Agent that a Substitution Event has occurred, the Bank will promptly give details of such substitution and brief details of the Substitution Event to holders by posting such details at www.rbccm.com/structuredrates.

"**Substitution Date**" means the business day on which the Calculation Agent determines that a Substitution Event has occurred, provided that the Substitution Date may be a later date if any event or circumstance impedes the making of any necessary changes to the Portfolio.

See "Description of the Equity, Unit and Debt Linked Securities – Adjustment upon the occurrence of a Substitution Event" in the product supplement.

Costs and Fees:

Commission and Agency Fees Payable to the Dealers

No sales commission will be paid in connection with this issuance of Debt Securities. An agency fee will be paid to Laurentian Bank Securities Inc. out of the Note Program Amount referred to below in an amount up to 0.15% of the Principal Amount of the Debt Securities issued under this offering for acting as independent agent.

Note Program Amount

As an allowance for the management of the Debt Securities, the Bank will be entitled to an upfront amount of 1.00% of the Principal Amount of the Debt Securities. The Value per Debt Security on the Issue Date will indirectly reflect the satisfaction of the 1.00% upfront portion of the Note Program Amount. In addition, as an allowance for the on-going management of the Debt Securities, the Bank will be entitled to an on-going annual amount of 0.10% of the Value of the Portfolio. The upfront amount and the ongoing annual amount are referred to as the "**Note Program Amount**". The annual component of the Note Program Amount will be calculated daily and satisfied quarterly in arrears, therefore reducing the Value per Debt Security, the Variable Return and the Redemption Amount.

General

The entitlement of the Bank to the ongoing annual portion of the Note Program Amount will be satisfied by notionally selling a *pro rata* (based on the Portfolio Weights) portion of the Underlying Bonds, thereby reducing the notional amount of Underlying Bonds in the Portfolio and therefore reducing the Value of the Portfolio. The Bank will not receive any other amount or seek reimbursement of any other expense. All other expenses of the offering (other than the Note Program Amount, including the agency fee, described above) will be borne by the Bank.

In order for the payment at maturity to exceed the Principal Amount of the Debt Securities, the return generated by the Portfolio from the Issue Date to the Maturity Date will have to exceed the applicable upfront and ongoing fees and expenses. An early trading charge may also apply. See "Secondary Market" below.

Eligibility for Investment:

Eligible for RRSPs, RRIFs, RESPs, RDSPs, DPSPs and TFSAs. See "Eligibility for Investment" in Appendix C, including the summary of the "prohibited investment" rule.

Risk Factors:

You should carefully consider all the information set out in this prospectus for any Debt Securities in which you are considering investing. **In particular, you should evaluate the risks described under "Risk Factors" in each of the base shelf prospectus, the program supplement and the product supplement, as well as the risks described below.** The return on the Debt Securities is unknown and subject to many variables, including interest rate fluctuations and changes in the value of the Portfolio. You should independently determine, with your own advisors, whether an investment in the Debt Securities is suitable for you having regard to your own investment objectives and expectations.

Interest Rate Risks

Prevailing provincial government bond yields will affect the market price or value of the Underlying Bonds as they carry a fixed interest rate. Assuming all other factors remain unchanged, the market price or value of the Underlying Bonds will decline as prevailing interest rates for comparable debt instruments rise, and will increase as prevailing interest rates for comparable debt instruments decline.

The term to maturity of the Underlying Bonds is longer than the term to maturity of the Debt Securities. Therefore, the market price or value of the Underlying Bonds is more sensitive to changes in prevailing provincial government bond yields than it would be if the Underlying Bonds had the same term to maturity as the Debt Securities.

Time Decay of Underlying Bond Premiums

It is anticipated that some of the Underlying Bonds will be notionally purchased at a premium to their principal amounts. In the absence of a decrease in prevailing yields for provincial government bonds, it is likely that the premium of the market price of the Underlying Bonds over their principal amount will decline by the Maturity Date, which would result in a reduction of the Value per Debt Security.

Uncertain Return Until Maturity

The return, if any, on the Debt Securities will be uncertain until maturity. Whether there is a return on the Debt Securities will depend on the performance of the Portfolio and the amount of the Partial Principal Repayments. There can be no assurance that the Debt Securities will generate a positive return or that the objectives of the Debt

Securities will be achieved; and there is a substantial risk of the Variable Return being negative. Depending on the performance of the Portfolio and the Partial Principal Repayments, holders may not be repaid the amount they invested in the Debt Securities (other than $1.00 per Debt Security). Historical price levels of the Underlying Bonds should not be considered as an indication of the future performance of the Underlying Bonds in the Portfolio. Investors should understand that the risk involved in this type of investment is greater than that normally associated with other types of investments.

Credit Ratings

The Debt Securities have not been and will not be rated. There can be no assurance that any rating agency would be willing to assign a rating to the Debt Securities, or that, if the Debt Securities were rated, they would have the same rating as any other unsubordinated indebtedness of the Bank that is rated.

There can be no assurance that the credit ratings assigned to the Underlying Bonds will remain in effect for any given period of time or that the ratings will not be withdrawn or revised at any time. Real or anticipated changes in credit ratings on the Underlying Bonds may affect the market value of the applicable Underlying Bonds.

Creditworthiness

There can be no assurance that the creditworthiness of the Underlying Bond Issuers will remain the same for any given period of time. Real or anticipated changes in creditworthiness of the Underlying Bond Issuers may affect the market value of the applicable Underlying Bonds.

Bank's Credit Risk

The Debt Securities will expose investors to the credit risks of both the Bank and the Underlying Bond Issuers. Holders of the Debt Securities will therefore be exposed to an additional risk that would not apply if the Underlying Bonds were purchased directly.

Duration

Duration measures the degree of a price change in a bond when interest rates change. In general, higher duration bonds will have a higher price volatility than bonds with lower durations. The duration of a bond is generally affected by the bond's time to maturity (duration decreases the closer that a bond is to maturity) and coupon rate (all other factors held constant, a bond with a high coupon rate will have a lower duration than a bond with zero or low coupons). The approximate average duration of the Portfolio as of February 21, 2014 is 7.544 years and will decrease to approximately 4.602 years on the Maturity Date.

The Bank is an Owner of CanDeal

The Bank holds a 12% interest in CanDeal but does not participate in its day-to-day administration. It is possible that in certain circumstances, the Bank's role and responsibilities in its capacity as an owner of CanDeal may give rise to conflicts of interest. See "Risk Factors" in the product supplement.

Tax Treatment Different from Investing in Underlying Bonds

Prospective investors should note that the tax treatment resulting from exposure to the Portfolio through an investment in the Debt Securities is different than, and may be either advantageous or disadvantageous relative to, the tax treatment resulting from exposure to the Portfolio through a direct holding of the Underlying Bonds in the Portfolio. Accordingly, investors should discuss with their investment and tax advisors the advantages and disadvantages in their particular circumstances of holding the Debt Securities as compared to holding the Underlying Bonds. In particular, a prospective investor in the Debt Securities should note that:

- If the Underlying Bonds in the Portfolio were held by an investor directly, the investor would receive periodic payments on such bonds as taxable interest. If the investor obtains exposure to the Underlying Bonds in the Portfolio through an investment in the Debt Securities, the investor will receive semi-annual Partial Principal Repayments at a rate of $3.00 per annum per Debt Security. Based, *inter alia*, on the terms of the Debt Securities and the substantial risk that little or no Variable Return will be received, such amounts should not be included in the investor's income. See "Certain Canadian Taxation Considerations" in Appendix C.
- If the Underlying Bonds in the Portfolio were held by an investor directly as capital property, any gain on a disposition of the Underlying Bonds by the investor would ordinarily be taxed as a capital gain, not attributable to accrued interest. If the investor obtains exposure to the Portfolio through an investment in the Debt Securities and the Debt Securities are held to maturity, any gain on the disposition of the Debt Securities at maturity will be taxed as ordinary income, including any gain resulting from the reduction in the Principal Amount as a consequence of prior Partial Principal Repayments. If the Debt Securities are held as capital property and are disposed of prior to maturity, while the matter is not free from doubt, the investor should realize a capital gain to the extent the proceeds of disposition exceed the adjusted cost base of the Debt Securities, including any capital gain resulting from the reduction in the adjusted cost base as a consequence of prior Partial Principal Repayments.
- Some of the Underlying Bonds, if purchased by an investor directly, would be acquired at a premium over their principal amount and would pay interest coupons at a higher rate than their yield. This generally would result in a greater inclusion in the income of the investor than if the investor had acquired Debt Securities and held them to maturity (which, as described above, would generally result only in the Variable Return being included in the investor's income).

Suitability for Investment: You should consult with your advisors regarding the suitability of an investment in the Debt Securities. The Debt Securities may be suitable for:

- investors seeking an investment product with exposure to a notional portfolio of five provincial government bonds
- investors seeking an investment product with exposure to the specific bonds in the notional portfolio
- investors seeking an alternative to investing in bond exchange-traded funds, bond mutual funds or holding the Underlying Bonds
- investors who consider that a substantial increase to the Maturity Date in prevailing yields on medium-term provincial government bonds is unlikely
- investors who are willing and can afford to risk substantially all of the Principal Amount of their investment
- investors looking to receive a regular repayment of their initial investment in advance of maturity (through the Partial Principal Repayments) and who are prepared to assume the risks associated with an investment linked to the performance of the Portfolio
- investors with an investment horizon equal to the term to maturity of the Debt Securities who are prepared to hold the Debt Securities until maturity

CUSIP: 780086GQ1

Book-entry Registration:	Book-entry only through CDS. See "Description of the Securities – Global Securities" and "– Legal Ownership" in the program supplement and "Book-Entry Only Securities" in the base shelf prospectus.
Listing:	The Debt Securities will not be listed on any stock exchange. See "Risk Factors" in the program supplement.
Secondary Market:	Debt Securities may be purchased through dealers and other firms that facilitate purchase and related settlement using the FundSERV network. Debt Securities may be resold using the FundSERV network at a sale price equal to the closing price posted on FundSERV as of the close of business on the business day on which the order is placed, as determined by and posted to FundSERV by the Calculation Agent, which sale price may be lower than the Principal Amount of such Debt Securities. Information regarding the Portfolio and the Value per Debt Security may be accessed at www.rbccm.com/structuredrates. There is no assurance that a secondary market for the Debt Securities will develop or be sustained. See "Secondary Market for Securities" in the program supplement. If a Debt Security is sold within the first 360 days from the Issue Date, the proceeds from the sale of the Debt Securities will be reduced by an early trading charge ("**Early Trading Charge**") equal to a percentage of the Principal Amount determined as set out below.

If Sold Within the Following No. of Days from Issue Date	Early Trading Charge (% of initial Principal Amount)
1-90 days	1.00%
91-180 days	0.75%
181-270 days	0.50%
271-360 days	0.25%
Thereafter	Nil

Fiscal Agent:	RBC DS. See "Description of the Securities – Fiscal Agency and Calculation Agency Agreement" in the program supplement.
Calculation Agent:	RBC DS. See "Description of the Securities – Calculation Agent" in the program supplement and "Risk Factors" in the product supplement.
Tax:	An initial purchaser of Debt Securities who acquires Debt Securities from the Bank on the Issue Date and who, at all relevant times, for purposes of the *Income Tax Act* (Canada), is an individual (other than a trust), is a resident of Canada, deals at arm's length with and is not affiliated with the Bank, and acquires and holds the Debt Securities as capital property until maturity is herein referred to as a "**Resident Holder**". Based, *inter alia*, on the terms of the Debt Securities and the substantial risk that little or no Variable Return will be received, any Partial Principal Repayments received in respect of the Debt Securities prior to the Maturity Date should not be included in the Resident Holder's income when received, but rather should reduce the Resident Holder's adjusted cost base of the Debt Securities. A Resident Holder will be required to include in computing income for the taxation year in which the Maturity Date (or earlier repayment in full) occurs the amount, if any, by which the amount payable at the date of maturity (or earlier repayment in full) exceeds the Outstanding Principal Amount of the Debt Securities immediately before that date, except to the extent that such amount has been previously included in the income of the Resident Holder. If the Resident Holder receives an amount less than the adjusted cost base of the Debt Securities to the Resident Holder (which generally should be equal to their cost less the total amount of the Partial Principal Repayments previously received by the Resident Holder), the Resident Holder will realize a capital loss equal to the

shortfall. See "Certain Canadian Taxation Considerations" in Appendix C. **Potential purchasers of Debt Securities should consult with their own tax advisors having regard to their particular circumstances.** The tax treatment resulting from exposure to the Portfolio through an investment in the Debt Securities is different than, and may be either advantageous or disadvantageous relative to, the tax treatment resulting from exposure to the Portfolio through a direct holding of the Underlying Bonds in the Portfolio. See "Risk Factors".

APPENDIX A

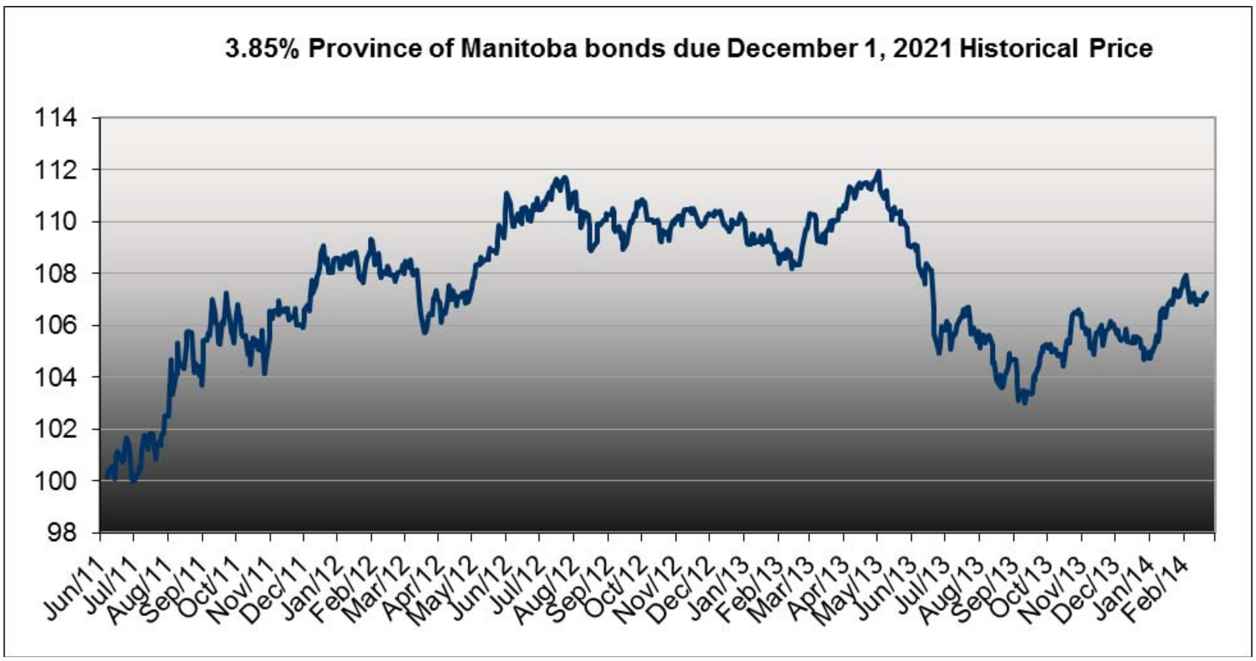
Certain Information Concerning the Underlying Bonds

3.85% Province of Manitoba bonds due December 1, 2021

The 3.85% Province of Manitoba bonds due December 1, 2021, (CUSIP No. 563469TR6) (the "**Manitoba Bonds**"), represent senior, unsecured debt of the Province of Manitoba. The current total outstanding principal amount of the Manitoba Bonds is $600 million. The Province of Manitoba currently has the following credit ratings: S&P: AA, Moody's: Aa1 and DBRS: AH.

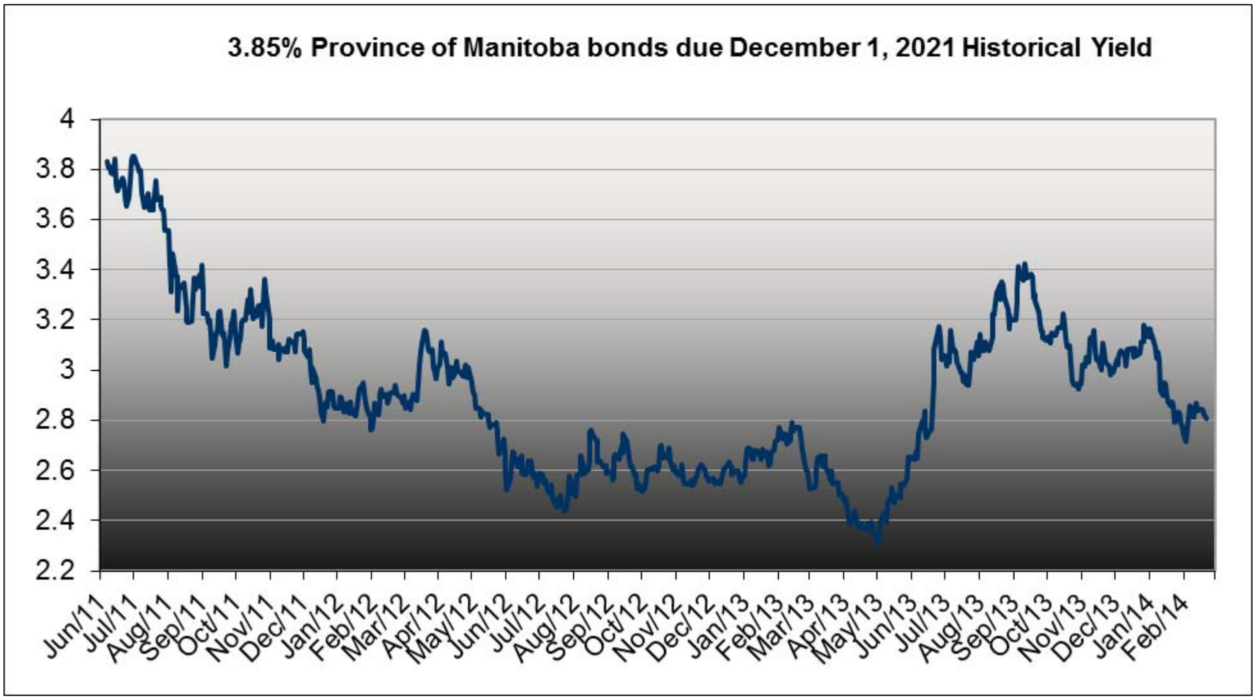
The indicated bid price from RBC Capital Markets of the Manitoba Bonds as of February 21, 2014 was $107.463 which is equivalent to a 2.774% semi-annual yield. The duration of the Manitoba Bonds as of February 21, 2014 is approximately 6.86 years.

The chart below sets out the closing bid prices for the Manitoba Bonds for the period beginning on June 7, 2011 and ending on February 21, 2014. **Past price performance is not an indicator of future price performance**.



Source: RBC Capital Markets

The chart below sets out the closing bid yields for the Manitoba Bonds for the period beginning on June 7, 2011 and ending on February 21, 2014. **Past price performance is not an indicator of future price performance**.



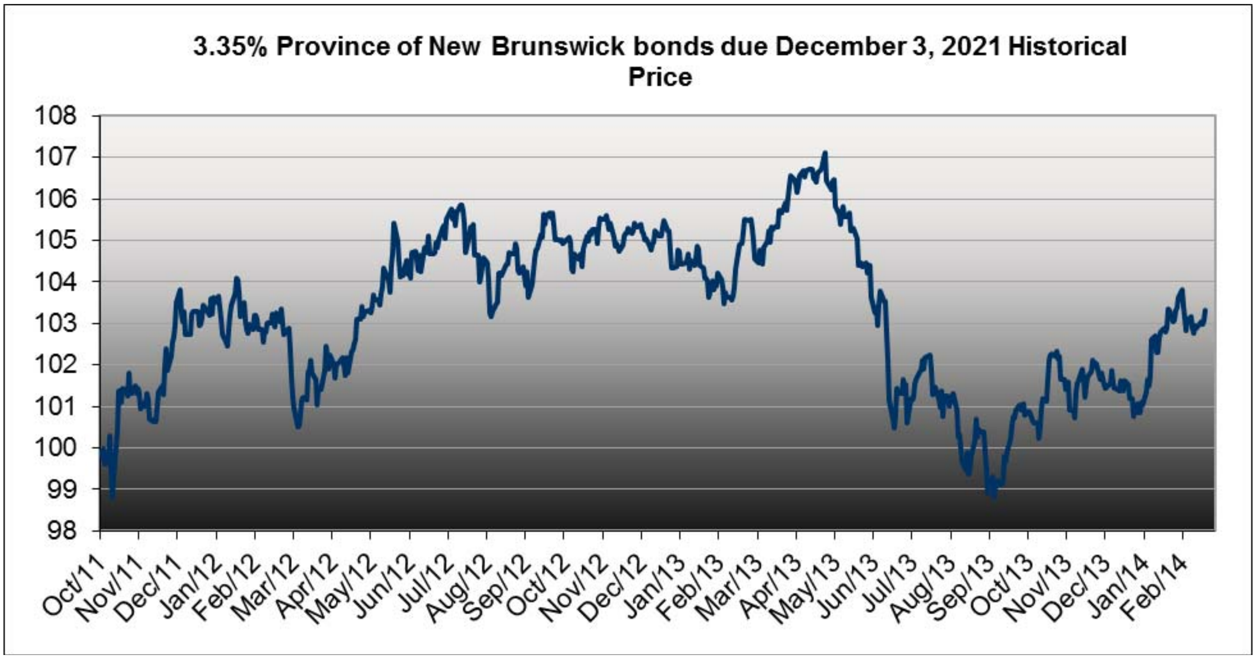
Source: RBC Capital Markets

3.35% Province of New Brunswick bonds due December 3, 2021

The 3.35% Province of New Brunswick bonds due December 3, 2021, (CUSIP No. 642869AD3) (the "**New Brunswick Bonds**"), represent senior, unsecured debt of the Province of New Brunswick. The current total outstanding principal amount of the New Brunswick Bonds is $900 million. The Province of New Brunswick currently has the following credit ratings: S&P: A+, Moody's: Aa2 and DBRS: AH.

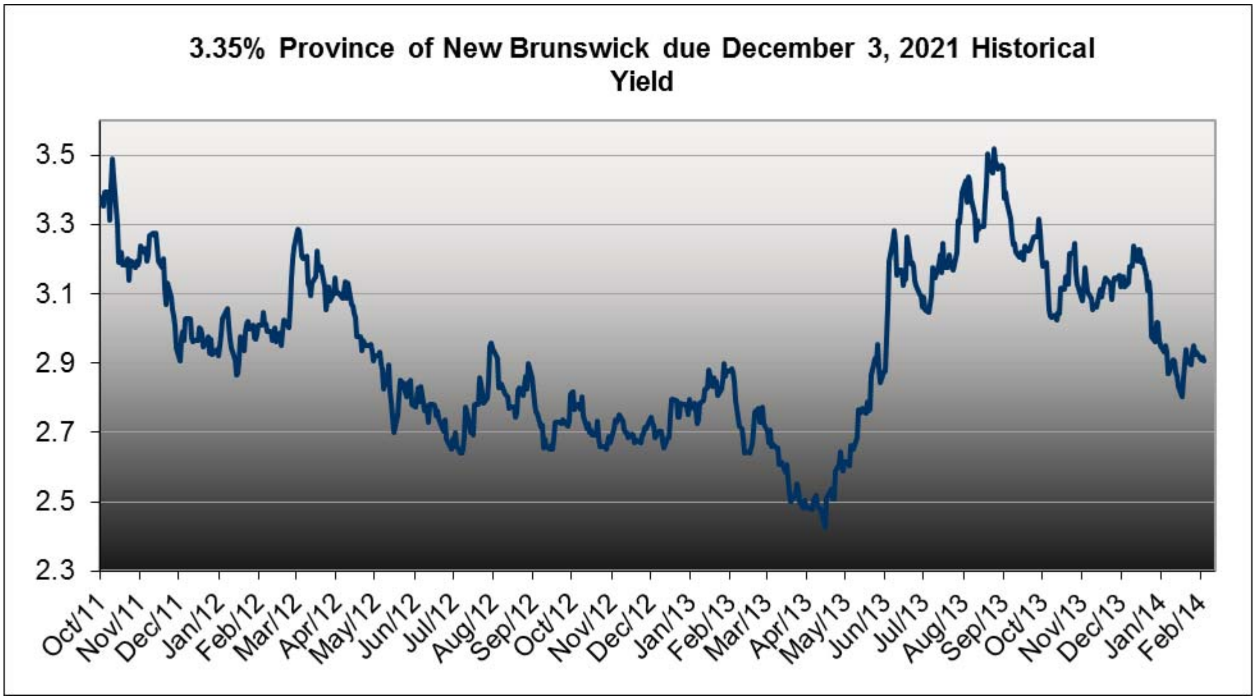
The indicated bid price from RBC Capital Markets of the New Brunswick Bonds as of February 21, 2014 was $103.303 which is equivalent to a 2.872% semi-annual yield. The duration of the New Brunswick Bonds as of February 21, 2014 is approximately 6.97 years.

The chart below sets out the closing bid prices for the New Brunswick Bonds for the period beginning on October 18, 2011 and ending on February 21, 2014. **Past price performance is not an indicator of future price performance**.



Source: RBC Capital Markets

The chart below sets out the closing bid yields for the New Brunswick Bonds for the period beginning on October 18, 2011 and ending on February 21, 2014. **Past price performance is not an indicator of future price performance**.



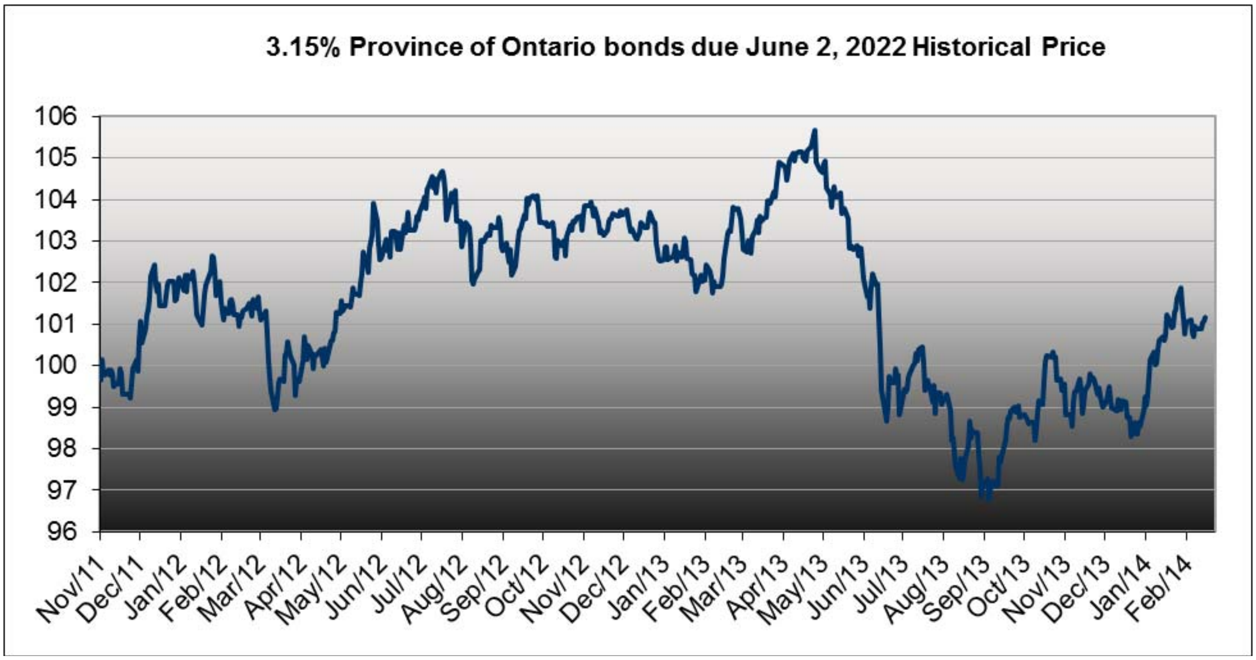
Source: RBC Capital Markets

3.15% Province of Ontario bonds due June 2, 2022

The 3.15% Province of Ontario bonds due June 2, 2022, (CUSIP No. 68323AAW4) (the "**Ontario Bonds**"), represent senior, unsecured debt of the Province of Ontario. The current total outstanding principal amount of the Ontario Bonds is $10.75 billion. The Province of Ontario currently has the following credit ratings: S&P: AA-, Moody's: Aa2 and DBRS: AAL.

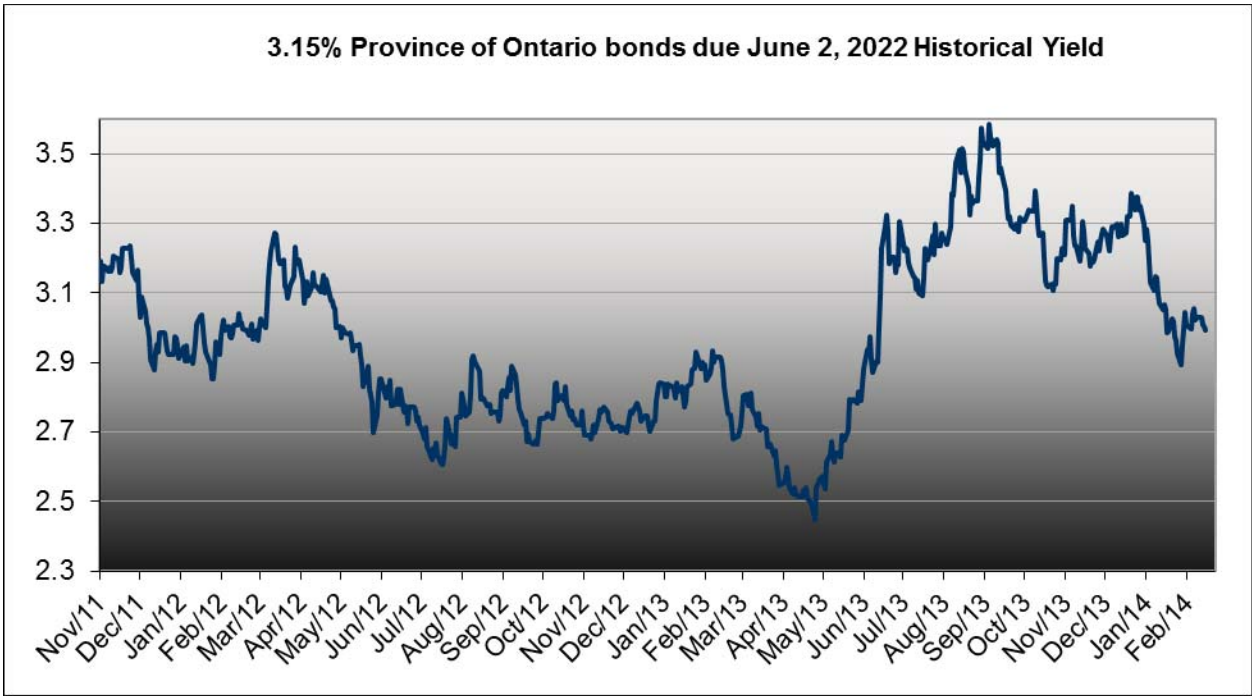
The indicated bid price from RBC Capital Markets of the Ontario Bonds as of February 21, 2014 was $101.366 which is equivalent to a 2.962% semi-annual yield. The duration of the Ontario Bonds as of February 21, 2014 is approximately 7.39 years.

The chart below sets out the closing bid prices for the Ontario Bonds for the period beginning on November 8, 2011 and ending on February 21, 2014. **Past price performance is not an indicator of future price performance**.



Source: RBC Capital Markets

The chart below sets out the closing bid yields for the Ontario Bonds for the period beginning on November 8, 2011 and ending on February 21, 2014. **Past price performance is not an indicator of future price performance**.



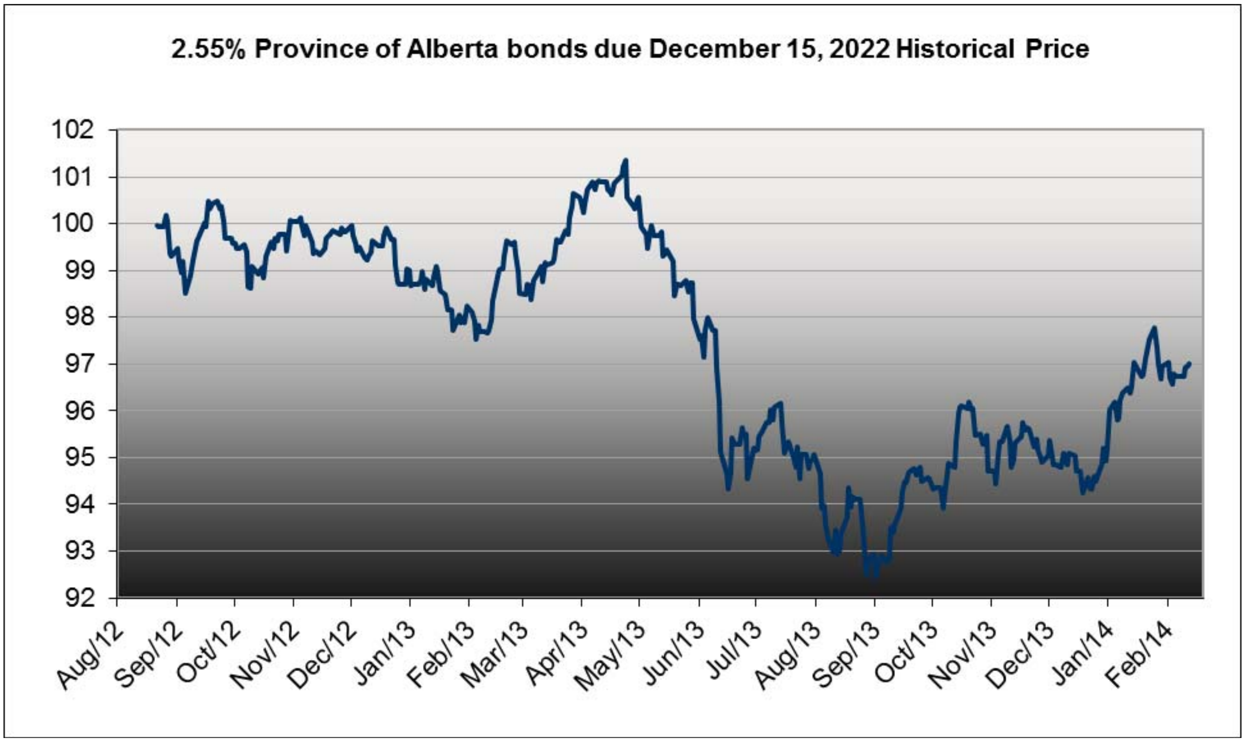
Source: RBC Capital Markets

2.55% Province of Alberta bonds due December 15, 2022

The 2.55% Province of Alberta bonds due December 15, 2022, (CUSIP No. 013051DG9) (the "**Alberta Bonds**"), represent senior, unsecured debt of the Province of Alberta. The current total outstanding principal amount of the Alberta Bonds is $1.82 billion. The Province of Alberta currently has the following credit ratings: S&P: AAA, Moody's: Aaa and DBRS: AAA.

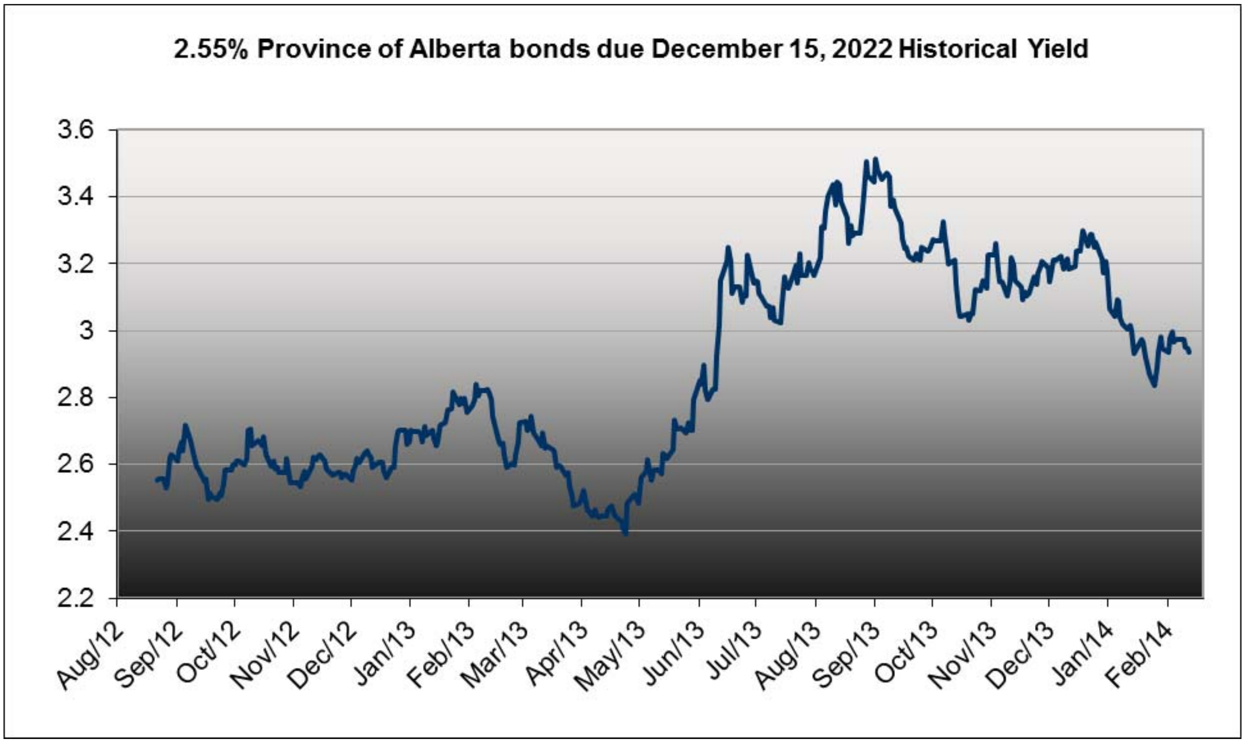
The indicated bid price from RBC Capital Markets of the Alberta Bonds as of February 21, 2014 was $97.237 which is equivalent to a 2.908% semi-annual yield. The duration of the Alberta Bonds as of February 21, 2014 is approximately 7.98 years.

The chart below sets out the closing bid prices for the Alberta Bonds for the period beginning on August 30, 2012 and ending on February 21, 2014. **Past price performance is not an indicator of future price performance**.



Source: RBC Capital Markets

The chart below sets out the closing bid yields for the Alberta Bonds for the period beginning on August 30, 2012 and ending on February 21, 2014. **Past price performance is not an indicator of future price performance**.



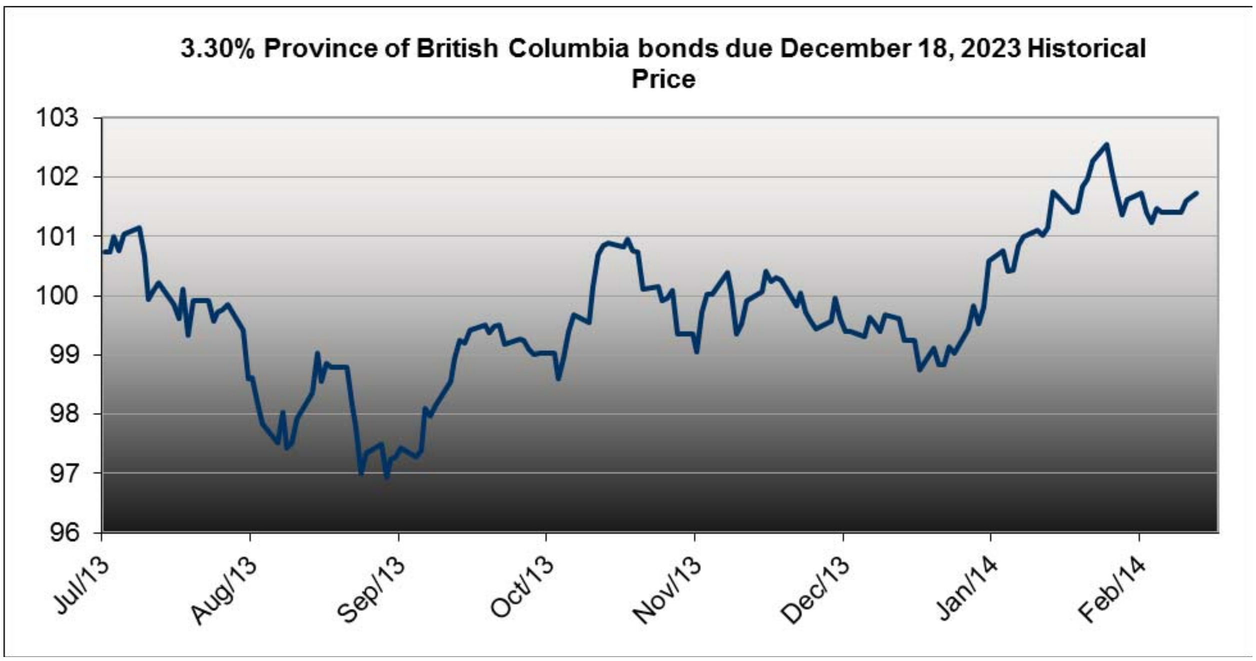
Source: RBC Capital Markets

3.30% Province of British Columbia bonds due December 18, 2023

The 3.30% Province of British Columbia bonds due December 18, 2023, (CUSIP No. 110709GF3) (the "**British Columbia Bonds**"), represent senior, unsecured debt of the Province of British Columbia. The current total outstanding principal amount of the British Columbia Bonds is $1.45 billion. The Province of British Columbia currently has the following credit ratings: S&P: AAA, Moody's: Aaa and DBRS: AAH.

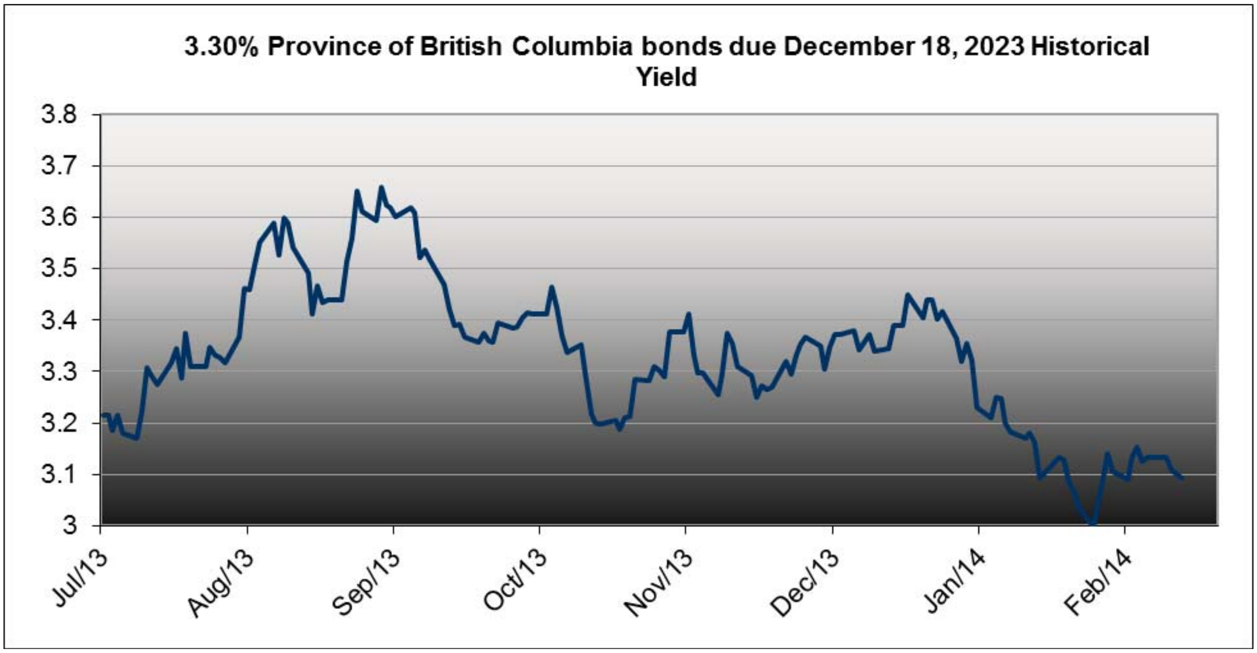
The indicated bid price from RBC Capital Markets of the British Columbia Bonds as of February 21, 2014 was $101.983 which is equivalent to a 3.064% semi-annual yield. The duration of the British Columbia Bonds as of February 21, 2014 is approximately 8.52 years.

The chart below sets out the closing bid prices for the British Columbia Bonds for the period beginning on July 15, 2013 and ending on February 21, 2014. **Past price performance is not an indicator of future price performance**.



Source: RBC Capital Markets

The chart below sets out the closing bid yields for the British Columbia Bonds for the period beginning on July 15, 2013 and ending on February 21, 2014. **Past price performance is not an indicator of future price performance**.



Source: RBC Capital Markets

APPENDIX B

Sample Calculations of Redemption Amount

The examples set out below are included for illustration purposes only. The examples assume that a holder of Debt Securities has purchased such securities with an aggregate principal amount of $100 and that no Extraordinary Event has occurred. The starting Value per Debt Security for each example is $99, which is intended to account for the 1% upfront portion of the Note Program Amount. All dollar amounts are rounded to the nearest whole cent.

Example #1 — Calculation of the Redemption Amount where the Value of the Portfolio increases

In this example, the Value of the Portfolio is assumed to increase at a rate of 2.13% in the first year, 1.59% in the second year and 1.03% in the third year (less the applicable on-going annual portion of the Note Program Amount), which correlates to a decrease in the average yield of the Portfolio of 1.0% during the term of the Debt Securities (a 0.33% decrease each year) such that the average yield of the Portfolio will be 2.04% on the Maturity Date.

Year	Value of the Portfolio (per Debt Security)	Annual Note Program Amount (0.10%)	Value per Debt Security less Note Program Amount	Partial Principal Repayments	Outstanding Principal Amount
1	101.11	0.101	101.01	3.00	97.00
2	102.62	0.103	102.52	3.00	94.00
3	103.58	0.104	103.48	3.00	91.00

Variable Return = Value per Debt Security – Outstanding Principal Amount
= $103.48 – $91.00
= $12.48

Redemption Amount = Outstanding Principal Amount + Variable Return
= $91.00 + $12.48
= $103.48

Total Partial Principal Repayments made during the term of the Debt Securities = $9.00

In this example, the Redemption Amount and the Partial Principal Repayments provide a return equivalent to an annually compounded rate of return of 4.14%.

Example #2 — Calculation of the Redemption Amount where the Value of the Portfolio decreases

In this example, the Value of the Portfolio is assumed to decrease at a rate of 4.41% in the first year, 3.40% in the second year and 2.31% in the third year (less the applicable on-going annual portion of the Note Program Amount), which correlates to an increase in the average yield of the Portfolio of 2.0% during the term of the Debt Securities (a 0.67% increase each year) such that the average yield of the Portfolio will be 5.04% on the Maturity Date.

Year	Value of the Portfolio (per Debt Security)	Annual Note Program Amount (0.10%)	Value per Debt Security less Note Program Amount	Partial Principal Repayments	Outstanding Principal Amount
1	94.63	0.09	94.54	3.00	97.00
2	91.33	0.09	91.24	3.00	94.00
3	89.13	0.09	89.04	3.00	91.00

Variable Return = Value per Debt Security – Outstanding Principal Amount
= $89.04 – $91.00
= -$1.96

Redemption Amount = Outstanding Principal Amount + Variable Return
= $91.00 + (-$1.96)
= $89.04

Total Partial Principal Repayments made during the term of the Debt Securities = $9.00

In this example, the Redemption Amount and the Partial Principal Repayments provide a return equivalent to an annually compounded rate of return of -0.68%.

Example #3 — Calculation of the Redemption Amount where the Value of the Portfolio does not change significantly

In this example, the Value of the Portfolio is assumed to decrease at a rate of 0.10% in the first year, 0.11% in the second year and 0.11% in the third year (less the applicable on-going annual portion of the Note Program Amount), which correlates to no change in the average yield of the Portfolio during the term of the Debt Securities such that the average yield of the Portfolio will remain 3.04% on the Maturity Date.

Year	Value of the Portfolio (per Debt Security)	Annual Note Program Amount (0.10%)	Value per Debt Security less Note Program Amount	Partial Principal Repayments	Outstanding Principal Amount
1	98.90	0.10	98.80	3.00	97.00
2	98.69	0.10	98.59	3.00	94.00
3	98.48	0.10	98.38	3.00	91.00

Variable Return = Value per Debt Security – Outstanding Principal Amount
= $98.38 – $91.00
= $7.38

Redemption Amount = Outstanding Principal Amount + Variable Return
= $91.00 + $7.38
= $98.38

Total Partial Principal Repayments made during the term of the Debt Securities = $9.00

In this example, the Redemption Amount and the Partial Principal Repayments provide a return equivalent to an annually compounded rate of return of 2.49%.

APPENDIX C

Certain Canadian Taxation Considerations

In the opinion of the Bank's counsel, Davies Ward Phillips & Vineberg LLP, the following summary fairly describes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "**Tax Act"**) generally applicable to an initial purchaser of Debt Securities under this pricing supplement who, at all relevant times, for purposes of the Tax Act, deals at arm's length with and is not affiliated with the Bank, and acquires and holds the Debt Securities as capital property (a "**Holder"**).

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act or such Regulations publicly announced by the federal Minister of Finance prior to the date hereof (the "**Proposals"**) and counsel's understanding of the current administrative policies and practices of the Canada Revenue Agency ("**CRA**"). Except for the Proposals, this summary does not take into account or anticipate any changes (including retroactive changes) in the law or the administrative policies or practices of the CRA, whether by judicial, regulatory, governmental or legislative action, nor does it take into account tax laws of any province or territory of Canada, or of any jurisdiction outside Canada. Provisions of provincial income tax legislation vary from province to province in Canada and may differ from federal income tax legislation. No assurance can be given that the Proposals will be implemented in their current form, or at all. This summary assumes that the Holder will neither undertake nor arrange a transaction in respect of the Debt Securities primarily for the purpose of obtaining a tax benefit, has not entered into a "derivative forward agreement" (as defined in the Tax Act) in respect of the Debt Securities and that the Debt Securities are not issued at a discount.

This summary is of a general nature only and is not intended to constitute, nor should it be relied upon or construed as, tax advice to any particular Holder, nor is it exhaustive of all possible Canadian federal income tax considerations. Holders should consult their own tax advisors as to the potential consequences to them of the acquisition, ownership and disposition of Debt Securities having regard to their particular circumstances. In particular, Holders should consult their tax advisors as to whether they will hold the Debt Securities as capital property for purposes of the Tax Act, which determination should take into account, among other factors, whether the Debt Securities are acquired with the intention or secondary intention of selling them prior to their Maturity Date.

The tax treatment resulting from exposure to the Portfolio through an investment in the Debt Securities is different than, and may be either advantageous or disadvantageous relative to, the tax treatment resulting from exposure to the Portfolio through a direct holding of the Underlying Bonds in the Portfolio. See "Risk Factors".

Holders Resident in Canada

The following discussion applies to a Holder who, at all relevant times, for the purposes of the Tax Act and any applicable income tax treaty or convention, is an individual (other than a trust) resident in Canada (a "**Resident Holder"**). Certain Resident Holders who might not otherwise be considered to hold their Debt Securities as capital property may, in certain circumstances, be entitled to have their Debt Securities, and all other "Canadian securities" (as defined in the Tax Act) owned by such Resident Holders in the taxation year and each subsequent taxation year, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

Partial Principal Repayments

The Partial Principal Repayments are specified under the terms of the Debt Securities to be repayments of principal and not to be payments of interest thereon. In addition, while any return on the Debt Securities will be income (see the definition and discussion of the Return below under "Payment at Maturity or Earlier Repayment in Full"), it may not be interest. Moreover, there is a substantial risk that minimal, or no, Return will be received (see "Risk Factors" in this pricing supplement). Accordingly, Partial Principal Repayments should not be regarded as payments as, on account of, in lieu of payment of or in satisfaction of, current or future interest on the Debt Securities. In light *inter alia* of the foregoing, the Bank's counsel is of the view that Partial Principal Repayments received prior to the Maturity Date in respect of the Debt Securities should not be included in the Resident Holder's income when received but, rather, should reduce the Resident Holder's adjusted cost base of the Debt Securities.

Holding Debt Securities

In certain circumstances, provisions of the Tax Act require a holder of a "prescribed debt obligation" (as defined for the purposes of the Tax Act) to include in income as interest for each taxation year the amount of any interest, bonus or premium receivable on the obligation over its term based on the maximum amount of interest, bonus or premium receivable on the obligation. While the Debt Securities will generally be considered to be prescribed debt obligations, counsel's understanding of CRA's current administrative practice is that where the return on a prescribed debt obligation is not determinable, no deemed interest inclusion is required until such time as the return thereon becomes determinable. If this administrative practice (which has been applied by CRA to equity indexed notes) applies to the Debt Securities, there should be no deemed interest inclusion on the Debt Securities prior to the date that the Variable Return is calculable in respect of their maturity (or, if applicable, their earlier repayment in full). While it is reasonable to anticipate that this CRA administrative practice will extend to the Debt Securities, having regard to their terms and the potential volatility of the Net Value of the Portfolio, CRA may be of the view that there should be some annual recognition of interest income under the prescribed debt obligation rules. Any amount that is so included in income, but that is not received on maturity or early repayment by the Bank or on the disposition of the Debt Securities for their fair market value will be deductible by the Resident Holder in the year the Debt Securities are repaid or otherwise disposed of. See also "CRA Review" below.

Payment at Maturity or Earlier Repayment in Full

A Resident Holder who holds the Debt Securities until maturity (or earlier repayment in full by the Bank) will be required to include in computing the Resident Holder's income for the taxation year in which the Maturity Date (or repayment in full) occurs the amount, if any, by which the amount payable on the date of maturity (or repayment in full) exceeds the remaining Outstanding Principal Amount of the Debt Securities immediately prior to that date (the "**Return**"). Alternatively, the Resident Holder will realize a capital loss to the extent that the amount received on such date is less than the Resident Holder's adjusted cost base of such Debt Securities (which generally should be equal to the cost of the Debt Securities to the Resident Holder less the total amount of the Partial Principal Repayments previously received by the Resident Holder). The income tax considerations associated with the realization of a capital loss are described below.

Disposition of Debt Securities

Changes in the Underlying Bonds comprising the Portfolio or changes in the Portfolio will not result in the disposition of a Debt Security by a Resident Holder.

Where a Resident Holder disposes of a Debt Security (other than to the Bank on the Maturity Date or earlier repayment in full), the Tax Act requires the amount of interest, if any, accrued on the Debt Security that is unpaid at that time to be included in computing the income of the Resident Holder for the taxation year in which the disposition occurs and excludes such amount from the proceeds of disposition, except to the extent such amount has otherwise been included in computing the income of the Resident Holder for that year or a preceding year. However, based on CRA's current administrative practice described above, there should be no inclusion of accrued interest on such disposition.

In addition, while the matter is not free from doubt, the Resident Holder should realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of amounts included in income as interest and any reasonable costs of disposition, exceed (or are less than) the Resident Holder's adjusted cost base of the Debt Securities (which generally should be equal to the cost of the Debt Securities to the Resident Holder less the total amount of the Partial Principal Repayments previously received by the Resident Holder). **Resident Holders who dispose of Debt Securities prior to the Maturity Date thereof, particularly those who dispose of Debt Securities shortly prior to the Maturity Date (or earlier repayment in full by the Bank), should consult their own tax advisors with respect to their particular circumstances.**

Treatment of Capital Gains and Losses

One-half of any capital gain realized will constitute a taxable capital gain that must be included in the calculation of the Resident Holder's income. One-half of any capital loss incurred will constitute an allowable capital loss that is deductible against taxable capital gains of the Resident Holder, subject to and in accordance with the provisions of the Tax Act. Capital gains realized by a Resident Holder may give rise to alternative minimum tax under the Tax Act.

CRA Review

Counsel to the Bank understands that in 2008 the CRA commenced a review of its administrative policies and practices with regard to obligations such as the Debt Securities. This review, which may be continuing, may result in changes to or adoption of policies or practices that may affect, among other things, the CRA's views concerning (1) whether there is a deemed accrual of any amount of interest, bonus or premium on such obligations, and (2) whether amounts received on the disposition of such obligations prior to maturity are on capital account or income account. There can be no assurance that the CRA's administrative policies and practices will not be subject to adverse development, change or qualification with respect to these or other issues. Any change in or development of new administrative policies and practices respecting obligations such as the Debt Securities could result in the tax considerations relevant to acquiring, holding and disposing of the Debt Securities being materially different from those described above. See "Risk Factors" in the product supplement.

Holders Not Resident in Canada

The following discussion applies to a Holder who, at all relevant times, for the purposes of the Tax Act is neither resident nor deemed to be resident in Canada, deals at arm's length with any Canadian resident (or deemed Canadian resident) to whom the Holder disposes of the Debt Securities, is not a "specified shareholder" of the Bank or a person who does not deal at arm's length with a specified shareholder of the Bank for purposes of the "thin capitalization" rule contained in subsection 18(4) of the Tax Act, does not use or hold and is not deemed to use or hold the Debt Securities in the course of carrying on a business in Canada and is not an insurer carrying on an insurance business in Canada and elsewhere (a "**Non-Resident Holder"**).

Interest paid or credited or deemed to be paid or credited on the Debt Securities (including any amount paid at maturity (or earlier repayment in full) in excess of the principal amount, and any interest deemed to be paid in certain cases involving the assignment or other transfer of a Debt Security to a resident or deemed resident of Canada), to a Non-Resident Holder will not be subject to Canadian non-resident withholding tax unless any portion of such interest is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion ("**Participating Debt Interest**"). Having regard to the terms of the Debt Securities and the likely policy of the Participating Debt Interest provisions of the Tax Act, interest paid or credited or deemed to be paid or credited on the Debt Securities should not be considered to be Participating Debt Interest.

Eligibility for Investment

The Debt Securities, if issued on the date of this pricing supplement, would be qualified investments (for purposes of the Tax Act) for trusts governed by registered retirement savings plans ("**RRSPs"**), registered retirement income funds ("**RRIFs**"), registered disability savings plans, registered education savings plans, tax-free savings accounts ("**TFSAs**") and deferred profit sharing plans, each within the meaning of the Tax Act (other than a deferred profit sharing plan to which payments are made by the Bank or a corporation or partnership with which the Bank does not deal at arm's length within the meaning of the Tax Act).

Notwithstanding the foregoing, if Debt Securities are "prohibited investments" (as that term is defined in the Tax Act) for a TFSA, an RRSP or a RRIF, a holder of the TFSA, or an annuitant of the RRSP or the RRIF, as the case may be, (each a "**Plan Holder**") will be subject to a penalty tax as set out in the Tax Act. Debt Securities will be "prohibited investments" (as that term is defined in the Tax Act) to a TFSA, an RRSP or a RRIF of a Plan Holder who has a "significant interest" (as defined in the Tax Act for purposes of the prohibited investment rules) in the Bank or who does not deal at arm's length, within the meaning of the Tax Act, with the Bank. Investors should consult their own tax advisors in this regard.