

**SECOND SUPPLEMENT DATED 10 JUNE 2019 TO THE PROSPECTUS DATED 23
OCTOBER 2018, AS SUPPLEMENTED BY THE FIRST SUPPLEMENT DATED 7
DECEMBER 2018**



BANK OF MONTREAL

(a Canadian chartered Bank)

U.S.\$22,000,000,000

Global Registered Covered Bond Program

unconditionally and irrevocably guaranteed as to payments of interest and principal by

BMO COVERED BOND GUARANTOR LIMITED PARTNERSHIP

(a limited partnership established under the laws of the Province of Ontario)

The Bank of Montreal (the “**Bank**”) issued a Prospectus dated 23 October 2018 (as supplemented by the First Supplement to such Prospectus dated 7 December 2018, the “**Prospectus**”) which is a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU) (the “**Prospectus Directive**”). This second supplement (the “**Second Supplement**”) constitutes a supplement in respect of the Prospectus for the purposes of the Prospectus Directive and Section 87G of the Financial Services and Markets Act 2000 (U.K.) (“**FSMA**”), and is prepared in connection with the U.S.\$22,000,000,000 Global Registered Covered Bond Program established by the Bank (the “**Program**”) unconditionally and irrevocably guaranteed as to payments of interest and principal by BMO Covered Bond Guarantor Limited Partnership (the “**Guarantor**”).

Terms defined in the Prospectus have the same meaning when used in this Second Supplement. This Second Supplement is supplemental to, and shall be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Bank from time to time.

Each of the Bank and the Guarantor accepts responsibility for the information contained in this Second Supplement. To the best of the knowledge of each of the Bank and the Guarantor (having taken all reasonable care to ensure that such is the case), the information contained in this Second Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION (“CMHC”) NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THE PROSPECTUS OR THIS SECOND SUPPLEMENT. THE COVERED BONDS ARE NEITHER INSURED NOR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

1. Purpose of the Second Supplement

The purpose of this Second Supplement is to (a) incorporate by reference the Bank’s comparative unaudited interim consolidated financial statements and management’s discussion and analysis for the three month period ended 31 January 2019, as set out in the Bank’s First Quarter Report 2019, prepared in accordance with International Financial

Reporting Standards (“IFRS”), (b) incorporate by reference the Bank’s comparative unaudited interim consolidated financial statements and management’s discussion and analysis for the three month period ended 30 April 2019, as set out in the Bank’s Second Quarter Report 2019, prepared in accordance with IFRS, (c) disclose a material increase in the Covered Bond Portfolio, and (d) update the Prospectus as a result of a change in Singapore law related to selling restrictions.

To the extent that any document or information incorporated by reference or attached to this Second Supplement itself incorporates any other documents or information by reference therein, either expressly or implicitly, such other documents or information will not form part of this Second Supplement for the purposes of the Prospectus Directive except where such other documents or information are specifically incorporated by reference or attached to this Second Supplement.

2. Comparative Unaudited Interim Consolidated Financial Statements and Management’s Discussion and Analysis as at and for the Three Month Period Ended 31 January 2019

On 27 February 2019, the Bank published its comparative unaudited interim consolidated financial statements for the three month period ended 31 January 2019 prepared in accordance with IFRS, together with management’s discussion and analysis for the three month period ended 31 January 2019, set out on the cover page and pages 1 through 54 of the Bank’s First Quarter Report 2019. A copy of the Bank’s First Quarter Report 2019 has been filed with the Financial Conduct Authority and, by virtue of this Second Supplement, the cover page and pages 1 through 54 of the Bank’s First Quarter Report 2019 are incorporated in, and form part of, the Prospectus for the purposes of Article 5.4 of the Prospectus Directive. The remainder of the Bank’s First Quarter Report 2019 is not incorporated and is either covered elsewhere in the Prospectus or deemed not relevant to investors.

3. Comparative Unaudited Interim Consolidated Financial Statements and Management’s Discussion and Analysis as at and for the Three Month Period Ended 30 April 2019

On 29 May 2019, the Bank published its comparative unaudited interim consolidated financial statements for the three month period ended 30 April 2019 prepared in accordance with IFRS, together with management’s discussion and analysis for the three month period ended 30 April 2019, set out on the cover page and pages 1 through 58 of the Bank’s Second Quarter Report 2019. A copy of the Bank’s Second Quarter Report 2019 has been filed with the Financial Conduct Authority and, by virtue of this Second Supplement, the cover page and pages 1 through 58 of the Bank’s Second Quarter Report 2019 are incorporated in, and form part of, the Prospectus for the purposes of Article 5.4 of the Prospectus Directive. The remainder of the Bank’s Second Quarter Report 2019 is not incorporated and is either covered elsewhere in the Prospectus or deemed not relevant to investors.

4. Covered Bond Portfolio Increase

The Bank sold additional mortgage loans to the Guarantor on 30 May 2019 equalling approximately CAD\$3,800,000,000 in accordance with the terms of the Transaction Documents. The Bank expects this increase to be reflected in the investor report of the Guarantor with the calculation date of 31 May 2019 (the “**May 2019 Investor Report**”).

Such additional mortgage loans have not yet been the subject of an annual audit of the Covered Bond Portfolio. The next annual audit of the Covered Bond Portfolio, which will include such additional mortgage loans, is expected to occur in the first half of 2020.

5. Singapore Selling Restrictions

By virtue of this Second Supplement, the section of the Prospectus entitled “*Subscription and Sale and Transfer and Selling Restrictions—Selling Restrictions—Singapore*” is deleted in its entirety and replaced with the following:

“*Singapore*

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Covered Bonds will be offered pursuant to exemptions under the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA). Accordingly, the Covered Bonds may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Covered Bonds be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Covered Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Covered Bonds pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;

- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Unless otherwise stated in the applicable Final Terms or Pricing Supplement in respect of any Covered Bonds, all Covered Bonds issued or to be issued under the Program shall be capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).”

6. General Information

There has been no significant change in the financial or trading position of the Bank and its subsidiaries taken as a whole since 30 April 2019, being the date of the latest unaudited interim published consolidated financial statements of the Bank and there has been no material adverse change in the prospects of the Bank and its subsidiaries taken as a whole since 31 October 2018, being the date of the latest audited published consolidated financial statements of the Bank.

To the extent that there is any inconsistency between (a) any statement in this Second Supplement or any statement incorporated by reference into the Prospectus by way of this Second Supplement and (b) any other statement in, or incorporated by reference in, the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Second Supplement and any supplement to the Prospectus previously issued, no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Program has arisen or been noted, as the case may be, since the publication of the Prospectus.

Copies of this Second Supplement, the Prospectus and the documents incorporated by reference in either this Second Supplement or the Prospectus can be (i) viewed on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name of the Bank and the headline “Publication of Prospectus”, (ii) viewed on the website of the National Storage Mechanism at www.morningstar.co.uk/uk/NSM and (iii) obtained on written request and without charge from (a) the principal executive offices of the Bank from the Corporate Secretary’s Office, 100 King Street West, 1 First Canadian Place, 68th Floor, Toronto, Ontario, Canada M5X 1A1, and (b) the offices of the Issuing and Paying Agent, The Bank of New York Mellon, London Branch, One Canada Square, 48th Floor, London E14 4AL so long as any of the Covered Bonds issued under the Prospectus and listed on the London Stock Exchange’s Regulated Market are outstanding.