

## FINAL TERMS

**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 THESE FINAL TERMS. THE COVERED BONDS ARE NEITHER INSURED NOR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.**

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturers’ (or manufacturer’s) target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers’ (or manufacturer’s) target market assessment) and determining appropriate distribution channels.

**PRIIPS REGULATION / PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) or the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

24 March 2020

**Bank of Montreal**

**Issue of €1,250,000,000 0.125% Covered Bonds due 26 March 2023  
unconditionally and irrevocably guaranteed as to payment of principal and interest by  
BMO Covered Bond Guarantor Limited Partnership  
under the U.S.\$30 billion  
Global Registered Covered Bond Program**

**PART 1**

**CONTRACTUAL TERMS**

Terms used herein will be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the prospectus dated 16 July 2019, as supplemented by the first supplement dated 18 December 2019 and the second supplement dated 6 March 2020, which together constitute a base prospectus (the **Prospectus**) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (as amended or superseded, the **Prospectus Directive**). This document constitutes the final terms of the Covered Bonds described herein for the purposes of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer and the Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms Document and the Prospectus. The Prospectus is available for viewing at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies of the Prospectus are available free of charge to the public at the Executive Offices of the Issuer and from the specified office of each of the Paying Agents.

The Guarantor is not now, and immediately following the issuance of the Covered Bonds pursuant to the Trust Deed will not be, a “covered fund” for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the “Volcker Rule.” In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended, and under the Volcker Rule and its related regulations may be available, the Guarantor has relied on the exemption from registration set forth in Section 3(c)(5) of the Investment Company Act of 1940, as amended. See “*Certain Volcker Rule Considerations*” in the Prospectus.

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|-----------|-----|--|--|
| <b>1.</b> | (a) | Issuer:  | Bank of Montreal                               |
|           | (b) | Guarantor:   | BMO Covered Bond Guarantor Limited Partnership |
| <b>2.</b> | (a) | Series Number:   | CBL18  |
|           | (b) | Tranche Number:  | 1  |
| <b>3.</b> |     | Specified Currency or Currencies:                              | EUR, Euro or € (“€”)                           |
| <b>4.</b> |     | Aggregate Nominal Amount of Covered Bonds admitted to trading: |  |
|           | (a) | Series:  | €1,250,000,000                                 |
|           | (b) | Tranche:   | €1,250,000,000                                 |

5. (a) Issue Price: 99.812% of the Aggregate Nominal Amount
6. (a) Specified Denominations: €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000.
- (b) Calculation Amount: €1,000
7. (a) Issue Date: 26 March 2020
- (b) Interest Commencement Date: Issue Date
8. (a) Final Maturity Date: 26 March 2023
- (b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: 26 March 2024
9. Interest Basis: From (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date: 0.125% Fixed Rate payable annually in arrears on each Interest Payment Date
- From (and including) the Final Maturity Date to (but excluding) the Extended Due for Payment Date: 1 month EURIBOR plus 0.608% Floating Rate payable monthly in arrears on each Interest Payment Date, subject to a minimum interest rate of 0.00%
10. Redemption/Payment Basis: Redemption at par on the Final Maturity Date, subject to extension as set out in this Final Terms Document
11. Change of Interest Basis or Fixed to Floating Redemption/Payment Basis:
12. Put/Call Options: Not Applicable
13. Date of approval for issuance of Covered Bonds: 29 May 2013, 30 March 2015, 4 April 2016, 24 July 2017, 23 July 2018 and 29 May 2019

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Covered Bond Provisions: Applicable
- (a) Rate(s) of Interest: 0.125% per annum payable annually in arrears on each Interest Payment Date
- (b) Interest Payment Date(s): Commencing on 26 March 2021, 26 March in each

year to and including the Final Maturity Date (each, an **Original Due for Payment Date**) (*provided however that after the Extension Determination Date, the Interest Payment Date shall be monthly*)

- (c) Interest Period(s): Up to (but excluding) the Final Maturity Date, the first Interest Period after the Interest Commencement Date will be the period from and including the Interest Commencement Date to but excluding the following Interest Payment Date and subsequent Interest Periods will be from and including the applicable Interest Payment Date to but excluding the immediately following Interest Payment Date.
- (d) Business Day Convention: Following Business Day Convention
- (e) Business Day(s): London, Toronto, and a day on which the TARGET System is open
- (f) Additional Business Centre(s): The centres specified under item 14(e) above
- (g) Fixed Coupon Amount(s): €1.25 per Calculation Amount
- (h) Broken Amount(s): Not Applicable
- (i) Day Count Fraction: Actual / Actual (ICMA) (not adjusted)
- (j) Determination Date(s): 26 March in each year
- (k) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: Not Applicable

**15. Floating Rate Covered Bond Provisions:** Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date.

Applicable in respect of the Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee.

- (a) Interest Period(s): The first Interest Period after the Final Maturity Date will be the period from and including the Final Maturity Date to but excluding the following Interest Payment Date and subsequent Interest Periods will be from and including the applicable Interest Payment Date to but excluding the immediately following Interest Payment Date, to but excluding the Extended Due for Payment Date.
- (b) Interest Payment Date(s): The 26th calendar day of each month payable from but

excluding the Final Maturity Date to and including the earlier of:

(i) the date on which the Covered Bonds are redeemed in full; and (ii) the Extended Due for Payment Date

*(provided however that after the Extension Determination Date, the Interest Payment Date may be monthly)*

- (c) First Interest Payment Date: 26 April 2023, if applicable
  - (d) Business Day Convention: Modified Following Business Day Convention
  - (e) Business Day(s): London, Toronto, and a day on which the TARGET System is open
  - (f) Additional Business Centre(s): The centres specified under item 15(e) above
  - (g) Manner in which the Rate of Interest and Interest Amount is to be determined: Screen Rate Determination
  - (h) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent): Not Applicable
  - (i) Screen Rate Determination: Applicable  
Reference Rate and Relevant Financial Centre: Reference Rate: 1 month EURIBOR  
Relevant Financial Centre: Brussels  
Interest Determination Date(s): The second day on which the TARGET System is open prior to the start of each Interest Period  
Relevant Screen Page: Reuters EURIBOR 01
  - (j) ISDA Determination: Not Applicable
  - (k) Floating Rate Covered Bond Margin(s): +0.608% per annum
  - (l) Minimum Rate of Interest: 0.000% per annum
  - (m) Maximum Rate of Interest: 60.000% per annum
  - (n) Day Count Fraction: Actual / 360 (adjusted)
- 16. Zero Coupon Covered Bond Provisions:** Not Applicable

## **PROVISIONS RELATING TO REDEMPTION**

- |            |  |                               |
|------------|--|-------------------------------|
| <b>17.</b> | Issuer Call:   | Not Applicable                |
| <b>18.</b> | Put Option:  | Not Applicable                |
| <b>19.</b> | Final Redemption Amount of each Covered Bond:  | €1,000 per Calculation Amount |
| <b>20.</b> | Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default or other early redemption and/or the method of calculating the same (if required or if different from that set out in Condition 6.7 (Early Redemption Amounts)): | €1,000 per Calculation Amount |

## **GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

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|------------|--|--|
| <b>21.</b> | Form of Covered Bonds:   | Registered Covered Bonds:<br><br>Regulation S Global Covered Bond registered in the name of the common safekeeper for Euroclear and Clearstream, Luxembourg or its nominee |
| <b>22.</b> | New Global Covered Bond  | No   |
| <b>23.</b> | Global Covered Bond held under the New Safekeeping Structure:  | Yes  |
| <b>24.</b> | Financial Centre(s) or other special provisions relating to payment dates:   | London, Toronto, and a day on which the TARGET System is open  |
| <b>25.</b> | Talons for future Coupons to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature): | No   |
| <b>26.</b> | Redenomination, renominatisation and reconventioning provisions:   | Not Applicable   |

Signed on behalf of the Issuer:

By: 

Name: Stephen Lobo

Title: Treasurer

*Duly authorized*

Signed on behalf of the Guarantor:

By: 

Name: Stephen Lobo

Title: Director

*Duly authorized*

*(signature page to Final Terms)*

## PART 2

### OTHER INFORMATION

#### 1. LISTING AND ADMISSION TO TRADING

- (a) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the London Stock Exchange's Regulated Market and to the Official List of the UK Listing Authority with effect from 26 March 2020.
- (b) Estimate of total expenses related to admission to trading: £4,790

#### 2. RATINGS

Ratings: The Covered Bonds to be issued are expected to be rated:

Fitch: AAA

Moody's: Aaa

DBRS: AAA

#### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in *Subscription and Sale and Transfer and Selling Restrictions* and in respect of Bank of Montreal, London Branch (as a Dealer in respect of these Series CBL18 Covered Bonds) which is an office of the Issuer, so far as the Issuer and the Guarantor are aware, no person involved in the offer of the Covered Bonds has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

#### 4. YIELD (*Fixed Rate Covered Bonds only*)

Indication of yield: 0.188% per annum

#### 5. OPERATIONAL INFORMATION

- (a) ISIN Code: XS2141192182
- (b) Common Code: 214119218
- (c) Any clearing system(s) other than DTC, Euroclear or Clearstream, Luxembourg and the relevant identification number(s) or codes such as CUSIP and CINS codes: Not Applicable



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|-----|---|--|
| (d) | Name and address of initial Paying Agent(s)/Registrar(s)/Transfer Agent(s):   | The Bank of New York Mellon<br>One Canada Square, 48th Floor<br>London E14 4AL   |
| (e) | Names and addresses of additional Paying Agent(s)/Transfer Agent(s) (if any): | None   |
| (f) | Intended to be held in a manner which would allow Eurosystem eligibility:     | Yes. Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. |

**6. DISTRIBUTION**

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| U.S. Selling Restrictions                            | Regulation S compliance category 2, TEFRA Rules not applicable; Not Rule 144A eligible |
| Prohibition of Sales to EEA and UK Retail Investors: | Applicable   |