

THE AUSTRALIAN 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 INFORMATION MEMORANDUM. THE AUSTRALIAN 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 the manufacturer’s product approval process, the target market assessment in respect of the Australian Covered Bonds has led to the conclusion that: (i) the target market for the Australian 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 Australian Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Australian Covered Bonds (a **distributor**) should take into consideration the 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 Australian Covered Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION/PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Australian 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 in 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 MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, 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 Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Australian 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 Australian 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.

IMPORTANT NOTICE

In accessing the attached pricing supplement (the Pricing Supplement) you agree to be bound by the following terms and conditions.

The information contained in the Pricing Supplement may be addressed to and/or targeted at persons who are residents of particular countries only as specified in the Pricing Supplement and/or in the Information Memorandum (as defined in the Pricing Supplement) and is not intended for use and should not be relied upon by any person outside those countries and/or to whom the offer contained in the Pricing Supplement is not addressed. Prior to relying on the information contained in the Pricing Supplement, you must ascertain from the Pricing Supplement and/or Information Memorandum whether or not you are an intended addressee of the information contained therein.

The Guarantor is not now, and immediately following the issuance of the Australian 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 Program Prospectus.

Neither the Pricing Supplement nor the Information Memorandum constitutes an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities law of any such jurisdiction.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH THE PROSPECTUS REGULATION FOR THIS ISSUE OF AUSTRALIAN COVERED BONDS. THE AUSTRALIAN COVERED BONDS WHICH ARE THE SUBJECT OF THIS PRICING SUPPLEMENT ARE NOT COMPLIANT WITH THE PROSPECTUS REGULATION AND THE FCA HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT.

15 April 2020



Bank of Montreal

**Issue of A\$2,000,000,000 Floating Rate Covered Bonds due 17 April 2023
(Australian Covered Bonds)**

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

The Information Memorandum referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Australian Covered Bonds in any member state of the EEA and the UK (each, a **Relevant State**) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Australian Covered Bonds. Accordingly, any person making or intending to make an offer in that Relevant State of the Australian Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus pursuant to the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Australian Covered Bonds in any other circumstances.

PART A

CONTRACTUAL TERMS

The Covered Bonds to which this Pricing Supplement relate comprise Australian Covered Bonds constituted by, and on the terms specified in the Australian Deed Poll executed by the Issuer and dated 9 April 2020 (**Australian Deed Poll**). The conditions set out in the Schedule to the Australian Deed Poll (as supplemented or modified by this Pricing Supplement) (the **Australian Covered Bond Terms and Conditions**) and the program terms set out in the Information Memorandum (**Program Terms**) apply to the Australian Covered Bonds.

This document constitutes the pricing supplement of the Australian Covered Bonds described herein and must be read in conjunction with the Information Memorandum issued in relation to the Australian Covered Bonds and dated 15 April 2020 (**Information Memorandum**). Full information on the Issuer and the Guarantor and the offer of the Australian Covered Bonds is only available on the basis of the combination of this Pricing Supplement and the Information Memorandum. Copies of the Information Memorandum are available free of charge to the public at the Executive Offices of the Issuer and from the specified office of the Australian Agent.

Terms used herein shall be deemed to be defined as such for the purposes of the Australian Covered Bond Terms and Conditions and any reference herein to a **Condition** is a reference to the relevant Condition of the Australian Covered Bond Terms and Conditions. Capitalised terms not defined herein shall have the meaning given to them in the Information Memorandum.

Neither the Issuer nor the Guarantor is a bank or an authorised deposit taking institution authorised to carry on banking business under the Banking Act 1959 of the Commonwealth of Australia (the **Australian Banking Act**). The Australian Covered Bonds are neither "protected accounts" nor "deposit liabilities" within the meaning of the Australian Banking Act. Neither the Australian Covered Bonds nor the Covered Bond Guarantee are the obligations of any government and, in particular, neither are guaranteed by the Commonwealth of Australia. Neither the Issuer nor the Guarantor is supervised by the Australian Prudential Regulation Authority and an investment in the Australian Covered Bonds will not be covered by the

depositor protection provisions of Section 13A of the Australian Banking Act and will not be covered by the Australian Government's bank deposit guarantee (also commonly referred to as the Financial Claims Scheme).

None of the Information Memorandum, the Program Prospectus or any other disclosure document in relation to the Australian Covered Bonds has been, and nor will any such document be, lodged with the Australian Securities and Investments Commission and no such document is, nor does it purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or Part 7.9 of the Corporations Act 2001 of the Commonwealth of Australia (the **Corporations Act**). Neither the Information Memorandum nor the Program Prospectus is intended to be used in connection with any offer for which such disclosure is required and neither such document contains all the information that would be required by those provisions if they applied. Neither the Information Memorandum nor the Program Prospectus is to be provided to any 'retail client' as defined in section 761G of the Corporations Act and neither such document takes into account the individual objectives, financial situation or needs of any prospective investor. In addition, neither the FCA nor any other securities regulatory authority has reviewed information contained in the Information Memorandum or the Program Prospectus in connection with the Australian Covered Bonds.

1. (a) Issuer: Bank of Montreal
- (b) Guarantor: BMO Covered Bond Guarantor Limited Partnership
2. (a) Series Number: CBL23
- (b) Tranche Number: 1
3. Specified Currency: Australian dollars (A\$)
4. Aggregate Nominal Amount of Covered Bonds admitted to trading:
 - (a) Series: A\$2,000,000,000
 - (b) Tranche: A\$2,000,000,000
5. (a) Issue Price: 100.00 per cent. of the Aggregate Nominal Amount
- (b) Canadian Dollar exchange rate on the date hereof: A\$1.00:Cdn\$0.8623
- (c) U.S. Dollar exchange rate on the date hereof: A\$1.00:U.S.\$0.6146
6. (a) Specified Denominations: A\$10,000 provided that Australian Covered Bonds shall only be issued, and may (as described in Condition 2.1) only be transferred, in, into or from Australia, in parcels comprising minimum aggregate principal amounts, and for a minimum consideration, of A\$500,000, disregarding any amounts provided by the transferor or its associates.
- (b) Calculation Amount: A\$10,000
7. (a) Issue Date: 17 April 2020
- (b) Interest Commencement Date: Issue Date

8. (a) Final Maturity Date: 17 April 2023
- (b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: 17 April 2024
9. Interest Basis: 3-month BBSW Rate + 1.20 per cent. Floating Rate from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date.
- If applicable in accordance with Paragraph 15 below, 1-month BBSW Rate + 1.20 per cent. Floating Rate from (and including) the Final Maturity Date to (but excluding) the Extended Due for Payment Date.
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest Basis or Redemption/Payment Basis: Applicable if and only to the extent that payment of the Guaranteed Amount corresponding to the Final Redemption Amount is deferred until the Extended Due for Payment Date in accordance with Program Term 2.1 (as specified in paragraph 9)
12. Put/Call Options: Not Applicable
13. Date of Board approval for issuance of Covered Bonds: Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Covered Bond Provisions: Not Applicable
15. Floating Rate Covered Bond Provisions: Applicable
- (a) Interest Period(s): The first Interest Period will be the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date. The subsequent Interest Periods will be the period from (and including) each Interest Payment Date to (but excluding) the next following Interest Payment Date.
- (b) Interest Payment Date(s): The 17th of January, April, July and October from (and including) 17 July 2020 to (and including) the Final Maturity Date and (if and to the extent that payment of the Guaranteed Amount corresponding to the Final Redemption Amount is deferred until the Extended Due for Payment Date) the 17th day of each month from (but excluding) the Final Maturity Date to (and including) the Extended Due for

Payment Date, subject, in each case, to adjustment in accordance with the Business Day Convention specified in paragraph 15(d) below.

- (c) First Interest Payment Date: 17 July 2020
 - (d) Business Day Convention: Modified Following Business Day Convention
 - (e) Additional Business Centre(s): Sydney, Toronto, New York and London
 - (f) Manner in which the Rate of Interest and Interest Amount is to be determined: BBSW Rate for Floating Rate Australian Covered Bonds (Condition 4.2(b)(iii))
 - (g) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent): Not Applicable
 - (h) Screen Rate Determination: Not Applicable
 - (i) ISDA Determination: Not Applicable
 - (j) Floating Rate Covered Bond Margin(s): + 1.20 per cent. per annum
 - (k) Minimum Rate of Interest: Not Applicable
 - (l) Maximum Rate of Interest: Not Applicable
 - (m) Day Count Fraction: Actual/365 (Fixed)
16. Zero Coupon Covered Bond Provisions: Not Applicable

PROVISIONS RELATING TO REDEMPTION

- 17. Issuer Call: Not Applicable
- 18. Put Option: Not Applicable
- 19. Final Redemption Amount of each Covered Bond: A\$10,000 per Calculation Amount
- 20. 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)): A\$10,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

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| 21. | Form of Covered Bonds: | Australian Covered Bonds in registered uncertificated form constituted by the Australian Deed Poll |
| 22. | New Global Covered Bond: | No |
| 23. | Global Covered Bond held under the New Safekeeping Structure: | No |
| 24. | Financial Centre(s) or other special provisions relating to payment dates: | Sydney, Toronto, New York and London |
| 25. | Talons for future Coupons to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature): | No |
| 26. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |

DISTRIBUTION

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| 27. | (a) | If syndicated, names of Managers: | <i>Joint Lead Managers</i>
Bank of Montreal, London Branch
Commonwealth Bank of Australia (ABN 48 123 123 124)
National Australia Bank Limited (ABN 12 004 044 937)
UBS AG, Australia Branch (ABN 47 088 129 613)
Westpac Banking Corporation (ABN 33 007 457 141)

<i>Co-Managers</i>
Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)
Nomura International plc |
| | (b) | Stabilising Manager (if any): | Not Applicable |
| 28. | | If non-syndicated, name and address of Dealer: | Not Applicable |
| 29. | (a) | U.S. Selling Restrictions: | Reg. S Category 2; TEFRA not applicable |
| | (b) | ERISA: | No |
| 30. | | Non-exempt Offer: | Not Applicable |
| 31. | | Additional selling restrictions: | Not Applicable |
| 32. | | Additional United States Tax Considerations | Not Applicable |
| 33. | | Prohibition of Sales to EEA and UK Retail Investors: | Applicable |

34. Other terms and conditions:

If the Extended Due for Payment Date applies in respect of any Australian Covered Bonds that are held in the Austraclear System, the Austraclear System will require each person in whose Security Record (as defined in the Austraclear Regulations) such an Australian Covered Bond is recorded (each an **Austraclear Participant**) to enter such dealings in the Austraclear System as are then required by the Austraclear System to give effect to the Extended Due for Payment Date. The Issuer and the Australian Agent have agreed that the Issuer will notify the Australian Agent if the Extended Due for Payment Date will apply and, if so notified, the Australian Agent will modify the Final Maturity Date until the Extended Due for Payment Date. Failure of the Austraclear Participant to enter any such dealings will prevent subsequent payments in respect of the Australian Covered Bonds from being effected through the Austraclear System. However, if any dealings are so required and there is a failure to enter any such dealings in a timely manner, the Australian Agent may take such action (including entering into such dealings) on behalf of an Austraclear Participant as may be required at the applicable time including the removal of the relevant Australian Covered Bonds from the Austraclear System in accordance with the Australian Covered Bond Terms and Conditions. None of the Issuer, the Guarantor or the Australian Agent is responsible for anything Austraclear or the Austraclear System or any other clearing system does or omits to do with respect to the above, which is a matter for Austraclear, its nominees (if any), the Austraclear Participants and the investors.

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the pricing supplement required for issue of Exempt Covered Bonds described herein pursuant to the U.S.\$30 billion Global Registered Covered Bond Program of Bank of Montreal.

RESPONSIBILITY

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: 

Duly authorised

Signed on behalf of the Guarantor:

By: 

Duly authorised

PART B

OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Listing and admission to trading: Not Applicable
- (b) Estimate of total expenses related to admission to trading: Not Applicable

2. RATINGS

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

Fitch: AAA

Moody's: Aaa

DBRS: AAA

A credit rating is not a recommendation to buy, sell or hold Australian Covered Bonds and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Credit ratings are for distribution only to a person who is (a) not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any person who is not entitled to receive it.

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

Save as discussed in *Subscription and Sale and Transfer and Selling Restrictions* of the Information Memorandum and the Program Prospectus, so far as the Issuer and the Guarantor are aware, no person involved in the offer of the Australian 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: Not Applicable

5. OPERATIONAL INFORMATION

- (a) ISIN Code: AU3FN0053823
- (b) Common Code: 215724832
- (c) WKN Code: Not Applicable
- (d) 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: Austraclear System
Austraclear Series ID: BOMO09
- (e) Name and address of initial Paying Agent(s)/Registrar(s)/Transfer Agent(s): Computershare Investor Services Pty Limited (ABN 48 078 279 277), Level 3, 60 Carrington Street, Sydney NSW 2000, Australia

(Paying Agent and Registrar only. No Transfer Agent has been appointed)
- (f) Names and addresses of additional Paying Agent(s)/Transfer Agent(s) (if any): The Issuer has appointed Dabserv Corporate Services Pty Ltd (ABN 73 001 824 111), Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Australia as its agent to receive service of process in Australia in connection with the Australian Covered Bonds.
- (g) Intended to be held in a manner which would allow Eurosystem Eligibility: Not Applicable