

This pricing supplement (this “Pricing Supplement”), together with the short form base shelf prospectus dated December 22, 2022 (the “Shelf Prospectus”) and the prospectus supplement dated August 30, 2023 (the “Prospectus Supplement”, and together with the Shelf Prospectus, the “Prospectus”) to which it relates, as amended or supplemented, and each document incorporated by reference into the short form base shelf prospectus, constitutes a public offering of these securities only in the jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The medium-term notes to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws and, except as stated under “Plan of Distribution” in the Prospectus Supplement, may not be offered, sold or delivered, directly or indirectly, in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act).

PRICING SUPPLEMENT NO. 1 DATED SEPTEMBER 1, 2023

(to short form base shelf prospectus dated December 22, 2022 and prospectus supplement dated August 30, 2023)

BANK OF MONTREAL
(a Canadian chartered bank)
SERIES M MEDIUM-TERM NOTES
(Non-Viability Contingent Capital (NVCC))
(Subordinated Indebtedness)
FIRST TRANCHE

PRINCIPAL AMOUNT: Cdn.\$1,150,000,000

ISIN No. CA06369ZCJ18

ISSUE PRICE: \$1,000 per \$1,000 principal amount.

ORIGINAL ISSUE DATE: September 7, 2023

STATED MATURITY DATE: September 7, 2033

NET PROCEEDS TO BANK OF MONTREAL (the “Bank”): \$1,145,975,000.00

INTEREST PERIODS: Semi-annually (in arrears) until September 7, 2028. On and after September 7, 2028, and until the Stated Maturity Date, if not redeemed by the Bank, quarterly (in arrears) from, and including, each Interest Payment Date commencing on the first Interest Reset Date to, but excluding, the next succeeding Interest Payment Date.

INTEREST PAYMENT DATES: March 7 and September 7 of each year, commencing on March 7, 2024, until and including September 7, 2028. Thereafter, if not redeemed by the Bank, on the 7th day of March, June, September and December of each year commencing on December 7, 2028 and ending on the Stated Maturity Date.

INITIAL INTEREST RATE: 6.034% per annum.

INITIAL OFFERING YIELD TO INITIAL INTEREST RESET DATE: 6.034% per annum.

INTEREST RATE BASIS (as of September 7, 2028): Daily Compounded CORRA

SPREAD: plus 2.02%

INTEREST RESET DATE(S): Starting September 7, 2028, the 7th day of March, June, September and December of each year.

RECORD DATE(S): The fifteenth calendar day (whether or not a Business Day) immediately preceding such related Interest Payment Date.

INTEREST RESET PERIOD: Starting September 7, 2028, quarterly.

INTEREST CALCULATION:

PAYMENT OF PRINCIPAL AND ANY PREMIUM AND INTEREST:

REGULAR FLOATING RATE
 FIXED RATE/ FLOATING RATE
Initial Fixed Interest Rate: 6.034%
Floating Rate Commencement Date: September 7, 2028
Floating Interest Rate Basis: Daily Compounded CORRA (determined for the Observation Period in respect of each Floating Interest Period)
 FLOATING RATE/FIXED RATE
Fixed Rate Commencement Date:
Fixed Interest Rate:
 INVERSE FLOATING RATE
Fixed Rate:
Interest Rate Basis:

Canadian Dollars
 Specified Currency

DAILY COMPOUNDED CORRA: For an Observation Period, the Daily Compounded CORRA will be calculated as follows, with the resulting percentage rounded, if necessary, to the fifth decimal place, with 0.000005% being rounded upwards and (-) 0.000005% being rounded downwards:

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

Where:

- “CORRA Compounded Index_{start}” is equal to the CORRA Compounded Index value on the date that is two Bank of Canada Business Days preceding the first date of the relevant Floating Interest Period.
- “CORRA Compounded Index_{end}” is equal to the CORRA Compounded Index value on the date that is two Bank of Canada Business Days preceding the Interest Payment Date relating to such Floating Interest Period (or, in the case of the final Interest Payment Date, the Stated Maturity Date, or if the Series M Medium-Term Notes offered hereunder (the “Notes”) are redeemed prior to the Stated Maturity Date, the date of redemption of such Notes, as applicable).
- “d” is the number of calendar days in the relevant Observation Period.

OBSERVATION PERIOD: In respect of each Floating Interest Period, the period from, and including, the date that is two Bank of Canada Business Days preceding the first date in such Floating Interest Period to, but excluding, the date that is two Bank of Canada Business Days preceding the Interest Payment Date or, in the case of the final Interest Payment Date, the Stated Maturity Date or, if Notes are redeemed prior to the Stated Maturity Date, the date of redemption of such Notes, as applicable.

BUSINESS DAY CONVENTION: If any Interest Payment Date on or before September 7, 2028 would otherwise fall on a day that is not a Business Day, then the required payment of interest will be made on the next succeeding Business Day (without any additional interest or other payment in respect of any such delay). If any Interest Payment Date after September 7, 2028 would otherwise fall on a day that is not a Bank of Canada Business Day, then the Interest Payment Date will be the next day that is a Bank of Canada Business Day, unless the next Bank of Canada Business Day falls in the next calendar month, in which case the Interest Payment Date will instead be the immediately preceding day that is a Bank of Canada Business Day. If the Stated Maturity Date falls on a day that is not a Bank of Canada Business Day, then the required payment of principal and interest will be made on the next succeeding Bank of Canada Business Day, and no additional interest will accrue in respect of the payment made on that next succeeding Bank of Canada Business Day.

SPECIFIED CURRENCY:

Canadian Dollars:

Yes

No

Foreign Currency:

Exchange Rate Agent:

DAY COUNT CONVENTION:

Actual/365 for the period

From September 7, 2028 to September 7, 2033

Actual/Actual for the period

from to

Other

CONVERSION UPON THE OCCURRENCE OF A NON-VIABLE CONTINGENT CAPITAL TRIGGER EVENT (“NVCC AUTOMATIC CONVERSION”)

In the event of an NVCC Automatic Conversion, when calculating the number of common shares of the Bank (“Common Shares”) issuable upon the conversion of the Notes into Common Shares, the following shall apply:

a) “Multiplier” means 1.5.

b) “Conversion Price” means the greater of (i) the Floor Price, and (ii) the Current Market Price.

c) “Current Market Price” means the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (“TSX”) or, if not then listed on the TSX, on another exchange or market chosen by the board of directors of the Bank on which the Common Shares are then traded, for the 10 consecutive trading days ending on the trading day immediately prior to the date on which the Trigger Event occurs (with the conversion occurring as of the start of business on the date on which the Trigger Event occurs). If no such trading prices are available, “Current Market Price” shall be the Floor Price.

d) “Floor Price” means \$5.00 subject to adjustment in the event of (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all holders of Common Shares as a stock dividend, (ii) the subdivision, redivision or change of the Common Shares into a greater number of Common Shares, or (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of Common Shares. The adjustment shall be calculated to the nearest one-tenth of one cent provided that no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% of the Conversion Price then in effect; provided, however, that in such case any adjustment that would otherwise be required to be made will be carried forward and will be made at the time of and together with the next subsequent adjustment which, together with any adjustments so carried forward, will amount to at least 1% of \$5.00.

d) “Note Value” means, in respect of each Note, \$1,000 plus accrued and unpaid interest on such Note.

RATINGS:

“A (low)” by DBRS Limited (“DBRS”)

“Baa1 (hyb)” by Moody’s Canada Inc. (“Moody’s”)

“BBB+” by S&P Global Ratings Canada, a business unit of S&P Global Canada Corp. (“S&P”)

The Bank has paid customary rating fees to DBRS, Moody’s and S&P in connection with its issue ratings, including the above-mentioned ratings. In addition, the Bank has made customary payments in respect of certain other services provided to the Bank by each of DBRS, Moody’s and S&P during the last two years.

AGENTS: BMO Nesbitt Burns Inc., CIBC World Markets Inc., Desjardins Securities Inc., Laurentian Bank Securities Inc., iA Private Wealth Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., HSBC Securities (Canada) Inc., Manulife Securities Incorporated, Merrill Lynch Canada Inc. and Wells Fargo Securities Canada, Ltd.

CALCULATION AGENT: A third party trustee or financial institution of national standing with experience providing such services (which may be an affiliate of the Bank), which has been selected by the Bank.

OTHER PROVISIONS:

If, on or after September 7, 2028 (i) the CORRA Compounded Index_{start} or the CORRA Compounded Index_{end} is not published or displayed by the Reference Rate Administrator or an authorized distributor by 11:30 a.m. Toronto time (or an amended publication time, if any, as specified in the Reference Rate Administrator’s methodology for calculating the CORRA Compounded Index) on the Interest Determination Date for such Floating Interest Period, but an Index Cessation Effective Date with respect to the CORRA Compounded Index has not occurred, or (ii) an Index Cessation Effective Date with respect to the CORRA Compounded Index has occurred, then Daily Compounded CORRA will be calculated by the Calculation Agent as follows, with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005% being rounded upwards and (-) 0.000005% being rounded downwards:

$$\text{Daily Compounded CORRA} = \left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{CORRA}_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

Where:

- “d₀” for any Observation Period is the number of Bank of Canada Business Days in the relevant Observation Period;
- “i” is a series of whole numbers from one to d₀, each representing the relevant Bank of Canada Business Day in chronological order from, and including, the first Bank of Canada Business Day in the relevant Observation Period;
- “CORRA_i” means, in respect of any Bank of Canada Business Day “i” in the relevant Observation Period, a reference rate equal to the daily CORRA rate for that day, as published or displayed by the Reference Rate Administrator or an authorized distributor at 11:00 a.m. Toronto time (or an amended publication time, if any, as specified in the Reference Rate Administrator’s methodology for calculating CORRA) on the immediately following Bank of Canada Business Day, which is Bank of Canada Business Day “i” + 1;
- “n_i” for any Bank of Canada Business Day “i” in the relevant Observation Period, means the number of calendar days from, and including, such Bank of Canada Business Day “i” to, but excluding, the following Bank of Canada Business Day, which is Bank of Canada Business Day “i” + 1; and
- “d” is the number of calendar days in the relevant Observation Period.

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

If an Index Cessation Effective Date occurs with respect to CORRA, the Indenture will provide that the interest rate for an Interest Determination Date which occurs on or after such Index Cessation Effective Date will be the CAD Recommended Rate, to which the Calculation Agent will apply the most recently published spread and make such

adjustments as are necessary to account for any difference in the term, structure or tenor of the CAD Recommended Rate in comparison to CORRA.

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

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

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

In connection with the implementation of an Applicable Rate, the Calculation Agent may, in consultation with the Bank, make such adjustments to the Applicable Rate or the spread thereon, if any, as well as the business day convention (including the Business Day Convention), the calendar day count convention, Interest Determination Dates, and related provisions and definitions (including the observation dates for reference rates), in each case as are consistent with accepted market practice for the use of the Applicable Rate for debt obligations such as the Notes in such circumstances.

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

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

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

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

“Business Day” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or executive order to close in the City of Toronto.

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

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

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

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

“Floating Interest Period” means the period from, and including, each Interest Payment Date commencing on September 7, 2028 to, but excluding, the next succeeding Interest Payment Date or, in the case of the final Interest Payment Date, the Stated Maturity Date or, if Notes are redeemed prior to the Maturity Date, the date of redemption of such Notes, as applicable.

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

“Index Cessation Event” means:

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

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

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

On or after September 7, 2028, the Bank may, at its option, with the prior approval of the Superintendent of Financial Institutions Canada (the “Superintendent”), redeem the Notes in whole at any time or in part from time to time, on not less than 10 days’ and not more than 60 days’ prior notice to the registered holders of the Notes, at par together with accrued and unpaid interest to, but excluding, the date fixed for redemption. In cases of partial redemption, the Notes to be redeemed will be selected by the Trustee on a *pro rata* basis or in such other manner as the Trustee may deem equitable.

Prior to September 7, 2028, the Bank may, at its option, with the prior approval of the Superintendent, on not less than 10 days’ and not more than 60 days’ prior notice to the registered holders of the Notes, redeem all (but not less than all) of the Notes, at any time on or after a Regulatory Event Date or the date of the occurrence of a Tax Event (a “Special Event Redemption”). The redemption price per Note redeemed pursuant to a Special Event Redemption will be equal to the greater of the Canada Yield Price and par, together in either case with accrued and unpaid interest to, but excluding, the date fixed for redemption.

“Canada Yield Price” means a price equal to the price for the Notes to be redeemed, calculated on the Business Day immediately preceding the date on which the Bank gives notice of the redemption of the Notes, to provide an annual yield thereon from the date fixed for redemption to, but excluding, September 7, 2028 equal to the GOC Redemption Yield (as defined below) plus 0.535%.

“GOC Redemption Yield” on any date means the arithmetic average of the interest rates quoted to the Bank by two registered Canadian investment dealers selected by the Bank, and approved by the Trustee, as being the annual yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada bond would carry, if issued in Canadian dollars in Canada, at 100% of its principal amount on the date of redemption with a maturity date of September 7, 2028.

“Regulatory Event Date” means the date specified in a letter from the Superintendent to the Bank on which the Notes will no longer be recognized in full as eligible “Tier 2 Capital” or will no longer be eligible to be included in full as risk-based “Total Capital” on a consolidated basis under the guidelines for capital adequacy requirements for banks as interpreted by the Superintendent.

“Tax Event” means the Bank has received an opinion of independent counsel of recognized standing experienced in such matters to the effect that, as a result of, (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada, or any political subdivision or taxing authority thereof or therein, affecting taxation; (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an “administrative action”); or (iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any administrative action or any interpretation or pronouncement that provides for a position with respect to such administrative action that differs from the theretofore generally accepted position, in each case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, administrative action, interpretation or pronouncement is made known, which amendment, clarification, change or administrative action is effective or which interpretation, pronouncement or administrative action is announced on or after the date of the issue of the Notes, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or administrative action is effective and applicable) that the Bank is, or may be, subject to more than a de minimis amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid-up capital with respect to the Notes (including the treatment by the Bank of interest on the Notes) or the treatment of the Notes, as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority.

Any Notes redeemed by the Bank will be cancelled and will not be reissued.

The Bank (subject to the prior approval of the Superintendent) will, at any time and from time to time, have the right to purchase the Notes at any price or prices in the open market or otherwise.

A beneficial holder of Notes may, but only upon notice from the Bank which may be given at various times only with the prior approval of the Superintendent, convert all but not less than all of the aggregate principal amount of such holders’ Notes on the date specified in the applicable notice (which date shall be an Interest Payment Date) into an equal aggregate principal amount of a new series of medium-term notes issued by the Bank. If given, such notice from the Bank shall be given not less than 30 days nor more than 60 days from the date fixed for conversion and in accordance with the terms of the Indenture.

Initially capitalized terms used herein and not defined herein have the meaning given to them in the Prospectus.

AGENTS' COMPENSATION: 0.35%

FORM:

Fully Registered

Book Entry Only

METHOD OF DISTRIBUTION:

Agency

Principal for Resale

Direct

DOCUMENTS INCORPORATED BY REFERENCE

This Pricing Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the Notes issuable hereunder. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars. In addition, the following documents have been filed by the Bank with the Superintendent and with the securities commissions or similar authorities in Canada (the “Commissions”) and are specifically incorporated by reference into the Prospectus as of the date of this Pricing Supplement:

- (a) the annual information form dated December 1, 2022 for the year ended October 31, 2022 (the “2022 Annual Information Form”);
- (b) the consolidated balance sheets as at October 31, 2022 and October 31, 2021 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended together with the auditor’s reports thereon and the report of independent registered public accounting firm on the effectiveness of internal control over financial reporting as of October 31, 2022 under the standards of the Public Company Accounting Oversight Board (United States) (the “2022 Audited Consolidated Financial Statements”);
- (c) management’s discussion and analysis as contained in the Bank’s annual report (the “2022 Annual Report”) as of October 31, 2022 (the “2022 Management’s Discussion and Analysis”);
- (d) the management proxy circular dated February 6, 2023 in connection with the annual meeting of shareholders of the Bank held on April 18, 2023;
- (e) the unaudited consolidated interim financial statements as at and for the three and nine months ended July 31, 2023 (the “Q3 2023 Interim Condensed Consolidated Financial Statements”);
- (f) management’s discussion and analysis for the three and nine months ended July 31, 2023; and
- (g) template version (as defined in National Instrument 41-101 – *General Prospectus Requirements* (“NI 41-101”)) of the indicative term sheet dated August 30, 2023 (the “Indicative Term Sheet”), and the final term sheet dated August 30, 2023 (the “Final Term Sheet”), in each case filed on SEDAR+ in connection with this offering.

Any documents of the type described in Section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* filed by the Bank with the Commissions on or after the date of this Pricing Supplement but prior to the termination of the distribution of the Notes under this Pricing Supplement are deemed to be incorporated by reference herein.

Any statement contained in this Pricing Supplement or in a document incorporated or deemed to be incorporated by reference herein or in the Prospectus for the purposes of this offering shall be deemed to be modified or superseded for the purposes of this Pricing Supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Pricing Supplement.

Copies of this Prospectus Supplement, the Prospectus and the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary, Bank of Montreal, 100 King St. W., 1 First Canadian Place, 21st Floor, Toronto, Ontario, M5X 1A1, telephone: (416) 867-6785 and are also available electronically at www.sedarplus.ca.

MARKETING MATERIALS

The Indicative Term Sheet and the Final Term Sheet, in each case filed with the Commissions, are specifically incorporated by reference into this Pricing Supplement, solely for the purpose of the Notes offered hereunder. Any “template version” of “marketing materials” (as defined in National Instrument 41-101 – General Prospectus Requirements) filed with the Commissions in connection with the offering of the Notes under this Pricing Supplement on or after the date of this Pricing Supplement but prior to the termination of the distribution of the Notes under this Pricing Supplement (including any amendments to, or an amended version of, the marketing materials) are deemed to be incorporated by reference herein. Any template version of marketing materials, including the Indicative Term Sheet and the Final Term Sheet, is not part of this Pricing Supplement to the extent that the contents thereof have been modified or superseded by a statement contained in this Pricing Supplement or any amendment to this Pricing Supplement. A copy of the Indicative Term Sheet and the Final Term Sheet can be found under the Bank’s profile at www.sedarplus.ca.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Bank as at July 31, 2023, before and after giving effect to this offering (including issuance costs relating to this offering). The following table should be read together with the 2022 Audited Consolidated Financial Statements and the Q3 2023 Interim Condensed Consolidated Financial Statements, both of which are incorporated by reference in this Pricing Supplement.

	As at July 31, 2023	
	Actual	Pro Forma As Adjusted⁽¹⁾
	<i>(in millions of Canadian dollars)</i>	
Subordinated Debt	\$8,062	\$9,208
Shareholders’ Equity		
Common Shares and Contributed Surplus	\$22,804	\$22,804
Preferred Shares and Other Equity Instruments	\$6,958	\$6,958
Retained Earnings	\$44,500	\$44,500
Accumulated Other Comprehensive Income (Loss)	(\$89)	(\$89)
Total Shareholders’ Equity	\$74,173	\$74,173
Non-controlling interest in subsidiaries	<u>\$21</u>	<u>\$21</u>
Total Equity	\$74,194	\$74,194
Total Capitalization	<u>\$82,256</u>	<u>\$83,402</u>

Notes:

⁽¹⁾ After giving effect to this offering (including issuance costs relating to this offering).

PRIOR SALES

The Bank has not issued any medium-term notes or any other securities convertible into, or exchangeable for, medium-term notes of the Bank during the 12-month period before the date of this Pricing Supplement, other than the issuance on October 27, 2022 of \$750,000,000 aggregate principal amount of Series L Medium-Term Notes (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness), First Tranche at a price of \$1,000 per \$1,000 principal amount of such notes.

EARNINGS COVERAGE RATIOS

The following consolidated financial ratios for the Bank, which are calculated for the 12 months ended October 31, 2022 and July 31, 2023, respectively, are presented on a *pro forma* as adjusted basis, which gives effect to: (a) the issuance by the Bank of 650,000 Non-Cumulative 5-Year Fixed Rate Reset Class B Preferred Shares, Series 52 (Non-Viability Contingent Capital (NVCC)) on January 31, 2023 (the “Preferred Shares Series 52 Issuance”) and (b) this offering, as appropriate for each of the periods presented.

	12 Months Ended October 31, 2022⁽²⁾	12 Months Ended July 31, 2023⁽³⁾
Grossed up dividend coverage on Class B Preferred Shares and other equity instruments ⁽¹⁾	49.65 times	26.73 times
Interest coverage on subordinated indebtedness	61.20 times	21.97 times
Interest and grossed up dividend coverage on subordinated indebtedness, preferred shares and other equity instruments	27.41 times	12.06 times

Notes:

- (1) As at October 31, 2022 and July 31, 2023, there were no Class A Preferred Shares outstanding.
- (2) As adjusted to give effect to the Preferred Shares Series 52 Issuance and this offering.
- (3) As adjusted to give effect to this offering.

The Bank’s dividend requirements on all of its preferred shares and other equity instruments amounted to (i) \$364.8 million for the 12 months ended October 31, 2022 adjusted to a before-tax equivalent using an effective tax rate of 24.31%, and (ii) \$374.3 million for the 12 months ended July 31, 2023, adjusted to a before-tax equivalent using an effective tax rate of 24.74%. The Bank’s interest requirements for its long-term debt and grossed up dividends on its preferred shares and other equity interests for (i) the 12 months ended October 31, 2022 amounted to \$660.7 million, and (ii) the 12 months ended July 31, 2023 amounted to \$829.6 million. The Bank’s earnings before interest and income tax for (i) the 12 months ended October 31, 2022 amounted to \$18,112 million, which was 27.41 times the Bank’s aggregate dividend and interest requirements for this period, and (ii) the 12 months ended July 31, 2023 amounted to \$10,004 million, which was 12.06 times the Bank’s aggregate dividend and interest requirements for this period. The foregoing figures have been calculated after giving effect to the Preferred Shares Series 52 Issuance and this offering, as appropriate for each of the periods presented.

In calculating the dividend and interest coverages, foreign currency amounts have been converted to Canadian dollars using rates of exchange as at the end of each month. For the 12 month period ended October 31, 2022, the average of such exchange rates was \$1.2918 per US\$1.00. For the 12 month period ended July 31, 2023, the average of such exchange rates was \$1.3458 per US\$1.00.

All amounts appearing under this heading, “Earnings Coverage Ratios”, for the 12 months ended October 31, 2022 are derived from financial information which is audited and prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The information presented herein for the 12 months ended July 31, 2023 is based on unaudited financial information. The information in this “Earnings Coverage Ratios” section is disclosed in accordance with Item 6 of Form 44-101F1 – *Short Form Prospectus*.

TRADING PRICE AND VOLUME

The outstanding Common Shares are listed on the TSX under the trading symbol “BMO” and on the NYSE under the trading symbol “BMO”. The following tables set forth the reported high and low trading prices in Canadian dollars and trading volumes of the Common Shares of the Bank on the TSX for the periods indicated.

Common Shares (BMO)

Month	High (\$)	Low (\$)	Volume Traded
September 2022.....	\$129.65	\$119.36	39,392,476
October 2022.....	\$128.06	\$113.73	51,408,339
November 2022.....	\$133.98	\$123.37	49,875,159
December 2022.....	\$134.69	\$119.52	42,260,966
January 2023.....	\$135.33	\$123.24	52,917,262
February 2023.....	\$137.64	\$128.06	39,243,629
March 2023.....	\$131.72	\$113.47	50,307,047
April 2023.....	\$124.27	\$118.51	51,379,271
May 2023.....	\$123.17	\$111.88	57,467,672
June 2023.....	\$120.04	\$112.31	38,574,799
July 2023.....	\$124.25	\$118.11	54,337,971
August 2023.....	\$122.32	\$111.18	46,463,419

RISK FACTORS

An investment in Notes is subject to certain risks, including those set out in this Pricing Supplement and the Prospectus. Before deciding whether to invest in any Notes, potential investors should consider carefully the risks set out herein and incorporated by reference in this Pricing Supplement and the Prospectus. As an investment in the Notes may become an investment in Common Shares in certain circumstances, potential investors in the Notes should consider the risks set out in the Prospectus regarding the Bank’s Common Shares, in addition to the other risks set out herein regarding the Notes. Prospective investors should also consider the categories of risks identified and discussed in the Bank’s 2022 Annual Information Form and 2022 Management’s Discussion and Analysis, as updated by quarterly reports, which are incorporated herein by reference.

Risks associated with CORRA Rate Notes

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

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

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

Investors should be aware that the market continues to develop in relation to risk free rates, such as CORRA, as reference rates in capital markets. Further, limited market precedent exists for securities that use a compounded daily reference rate, such as Daily Compounded CORRA, as the reference rate, and the method for calculating a rate of interest based upon a compounded daily reference rate in those precedents varies. In addition, market participants and relevant working groups are exploring alternative reference rates based on different applications of CORRA, including term CORRA reference rates (which seek to measure the market's forward expectation of an average CORRA rate over a designated term). As such, the formula and related documentation conventions used for the Notes may not be widely adopted by other market participants, if at all. Adoption by the market of a different calculation method from the formula and related documentation conventions used for the Notes likely would adversely affect the liquidity, return on, value and market for the Notes.

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

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

No additional amounts will be paid on interest on the Notes

No additional amounts in respect of Canadian non-resident withholding tax will be paid by the Bank on interest, principal and premium, if any, paid or credited, or deemed to be paid or credited to a non-resident holder on Notes.

Holders of Notes do not have anti-dilution protection in all circumstances

The Floor Price that is used to calculate the Conversion Price is subject to adjustment in a limited number of events: (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all holders of Common Shares as a stock dividend, (ii) the subdivision, redivision or change of the Common Shares into a greater number of Common Shares, or (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of Common Shares. In addition, in the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Common Shares, the Bank will take necessary action to ensure that holders of Notes receive, pursuant to an NVCC Automatic Conversion, the number of Common Shares or other securities that such holders would have received if the NVCC Automatic Conversion occurred immediately prior to the record date for such event. See "Description of Notes – Conversion Upon Occurrence of Non-Viability Contingent Capital Trigger Event" in the Prospectus. However, there is no requirement that there should be an adjustment of the Floor Price or other anti-dilutive action by the Bank for every corporate or other event that may affect the market price of the Common Shares. Accordingly, the occurrence of events in respect of which no adjustment to the Floor Price is made may adversely affect the number of Common Shares issuable to a holder of Notes upon the happening of an NVCC Automatic Conversion upon the occurrence of a Trigger Event.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The Canadian federal income tax considerations described in the Prospectus Supplement are applicable to Notes issued under this Pricing Supplement.

ELIGIBILITY FOR INVESTMENT

The considerations described under “Eligibility for Investment” in the Prospectus Supplement are applicable to Notes issued under this Pricing Supplement.

Prospectus Supplement
To Short Form Base Shelf Prospectus dated December 22, 2022

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

This prospectus supplement, together with the short form base shelf prospectus dated December 22, 2022 to which it relates, as amended or supplemented, and each document incorporated by reference into the short form base shelf 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 medium-term notes to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act) except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. See "Plan of Distribution".

Information has been incorporated by reference in this prospectus supplement and the accompanying short form base shelf prospectus dated December 22, 2022 from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary, Bank of Montreal, 100 King St. W., 1 First Canadian Place, 21st Floor, Toronto, Ontario, M5X 1A1, telephone: (416) 867-6785, and are also available electronically at www.sedarplus.ca.

New Issue

August 30, 2023



\$8,000,000,000

Medium-Term Notes
(Non-Viability Contingent Capital (NVCC))
(subordinated indebtedness)

Bank of Montreal (the "**Bank**") may offer from time to time up to \$8,000,000,000 aggregate initial offering price, or the equivalent thereof in one or more non-Canadian currencies or currency units, of its medium-term notes ("**Notes**"). Each Note will mature on any day more than one year from the date of issue (the "**Stated Maturity Date**"), as specified in the applicable pricing supplement (each, a "**Pricing Supplement**") hereto. Each Note may be subject to redemption at the option of the Bank, in whole or in part, prior to its Stated Maturity Date, as specified in the applicable Pricing Supplement.

The Notes will be direct unsecured obligations of the Bank constituting subordinated indebtedness for the purposes of the *Bank Act* (Canada) (the "**Bank Act**") and will rank *pari passu* with all other unsecured and subordinated indebtedness of the Bank from time to time outstanding (other than subordinated indebtedness which has been further subordinated in accordance with its terms). Upon the occurrence of a Trigger Event (as defined herein), the Notes will be automatically and immediately converted into common shares of the Bank ("**Common Shares**") which will rank on parity with all other Common Shares.

The Notes will be direct unsecured obligations of the Bank constituting subordinated indebtedness for the purposes of the Bank Act and will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.

The offering of the Notes hereunder (the "**Offering**") will be made pursuant to the medium-term note program of the Bank (the "**MTN Program**"), as contemplated by National Instrument 44-102 – *Shelf Distributions* of the Canadian Securities Administrators. Such instrument permits the omission from this prospectus supplement (the "**Prospectus Supplement**") of certain terms of the Notes, which will be established at the time of the offering and sale of the Notes and will be included in Pricing Supplements incorporated by reference herein, as more particularly described under the heading "Documents Incorporated by Reference". Accordingly, the specific terms of the Notes to be offered and sold hereunder pursuant to the MTN Program, including the terms of the Notes which are within the options and parameters referred to above, will be set out in Pricing Supplements delivered to purchasers in conjunction with the sale of the Notes. Where Notes are offered and sold in currencies other than Canadian dollars, the Canadian dollar

equivalent of the offering price and the rate of exchange at the last feasible date will be included in the applicable Pricing Supplement.

RATES ON APPLICATION

The Notes will be offered severally by one or more of BMO Nesbitt Burns Inc., CIBC World Markets Inc., Desjardins Securities Inc., HSBC Securities (Canada) Inc., iA Private Wealth Inc., Laurentian Bank Securities Inc., Manulife Securities Incorporated, Merrill Lynch Canada Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., Wells Fargo Securities Canada, Ltd. and any other agents that may be appointed from time to time (collectively, the “**Agents**” or, individually, an “**Agent**”) utilizing their reasonable best efforts on an ongoing basis on behalf of the Bank to solicit offers to purchase Notes at 100% of the principal amount thereof, unless otherwise specified in the applicable Pricing Supplement. If agreed to by the Bank and the Agents, the Agents may purchase the Notes, as principal, from time to time for resale to investors and other purchasers at varying prices relating to prevailing market prices at the time for resale as determined by the Agents or, if so specified in the applicable Pricing Supplement, for resale at a fixed offering price. The rate of commission payable by the Bank in connection with the sales by Agents of Notes shall be as determined by agreement between the Bank and the Agents. See “Plan of Distribution”. The Offering is subject to approval of all legal matters on behalf of the Bank by Osler, Hoskin & Harcourt LLP and on behalf of the Agents by McCarthy Tétrault LLP.

Unless otherwise specified in the applicable Pricing Supplement, the Notes will bear interest at fixed rates (“**Fixed Rate Notes**”) or at floating rates (“**Floating Rate Notes**”). The applicable Pricing Supplement will specify whether a Floating Rate Note is a Regular Floating Rate Note, a Floating Rate/Fixed Rate Note, a Fixed Rate/Floating Rate Note, or an Inverse Floating Rate Note and the interest rate basis or interest rate formula (each an “**Interest Rate Basis**”), as adjusted by any Spread (as defined below) and/or Spread Multiplier (as defined below), and will also specify if such Floating Rate Note is subject to an interest rate floor of not less than zero. Notes will be issued in minimum denominations of \$1,000 unless otherwise specified in the applicable Pricing Supplement. Notes may also be denominated in currencies or currency units other than Canadian dollars in minimum denominations specified in the applicable Pricing Supplement. Interest on each Floating Rate Note will accrue from its date of issue and will be payable in arrears monthly, quarterly, semi-annually or annually, as specified in the applicable Pricing Supplement, and on the Stated Maturity Date. Unless otherwise specified in the applicable Pricing Supplement, the rate of interest on each Floating Rate Note will be reset daily, weekly, monthly, quarterly, semi-annually or annually, as set forth in the applicable Pricing Supplement. Interest on each Fixed Rate Note will accrue from its date of issue and will be payable as specified in the applicable Pricing Supplement. See “Description of Notes”.

The interest rate, if any, or the formula for the determination of any such interest rate, applicable to each Note and the other variable terms thereof as described herein will be specified in the applicable Pricing Supplement. The Bank reserves the right to set forth in a Pricing Supplement specific variable terms of the Notes that are not within the options and parameters set forth in this Prospectus Supplement. Interest rates, interest rate formulae and such other variable terms are subject to change by the Bank, but no change will affect any Note already issued or as to which an offer to purchase has been accepted by the Bank.

Notes may be issued by the Bank and sold in Canada pursuant to this Prospectus Supplement and applicable Pricing Supplements. The Notes are being offered on a continuous basis by the Bank through the Agents. The Bank reserves the right to cancel or modify the offer made hereby without notice. The Bank or any Agent, if it solicits the offer on an agency basis, may reject any offer to purchase Notes in whole or in part.

In connection with an offering of Notes the Agents may, subject to applicable law, over-allot or effect transactions which stabilize or maintain the market price of the Notes at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

Unless otherwise specified in the applicable Pricing Supplement, there is no market through which the Notes may be sold and purchasers of Notes may not be able to resell Notes purchased under this Prospectus Supplement and the applicable Pricing Supplement. This may affect the pricing of such Notes in the secondary

market, the transparency and availability of trading prices, the liquidity of such Notes and the extent of issuer regulation. See “Risk Factors – No Established Trading Market”.

The Notes to be issued pursuant to this Prospectus Supplement and the applicable Pricing Supplement have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act) except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. See “Plan of Distribution”.

Each Note will be issued in “book-entry only” form (a “**Book-Entry Note**”) or in certificated form (a “**Certificated Note**”), in each case as set forth in the applicable Pricing Supplement. Each Book-Entry Note will be represented by one or more fully registered global securities in certificated or uncertificated form (the “**Global Notes**”) deposited with, or on behalf of CDS Clearing and Depository Services Inc. (“**CDS**”) (or such other depository as is identified in the applicable Pricing Supplement or any successor to CDS, as the case may be) and registered in the name of CDS or its nominee. Interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by CDS (with respect to its participants) and CDS’s participants (the “**CDS Participants**”) (with respect to beneficial owners). See “Description of Notes — Book-Entry Notes”.

In the opinion of Canadian counsel, unless otherwise specified in the applicable Pricing Supplement, the Notes offered hereby, if issued on the date of the Prospectus Supplement, would be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account and deferred profit sharing plan (other than trusts governed by a deferred profit sharing plan for which any of the employers is the Bank, or an employer with which the Bank does not deal at arm’s length within the meaning of the *Income Tax Act* (Canada)) and a first home savings account, each as defined in the *Income Tax Act* (Canada). See “Eligibility for Investment”.

BMO Nesbitt Burns Inc., one of the Agents, is a wholly owned subsidiary of the Bank. As a result, the Bank is a related issuer and a connected issuer of BMO Nesbitt Burns Inc. under applicable securities legislation. See “Plan of Distribution”.

Prospectus Supplement

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All references herein to “Canada” mean Canada, its provinces, territories, possessions and all areas subject to its jurisdiction, and all references to “\$” or “Canadian dollars” mean the lawful currency of Canada. In this Prospectus Supplement, all references to “U.S.” or “United States” mean the United States of America, its states, territories, possessions and all areas subject to its jurisdiction, and all references to “US\$”, “U.S. dollars” or “United States dollars” mean the lawful currency of the United States.

In this Prospectus Supplement, unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

The Bank's public communications often include written or oral forward-looking statements. Statements of this type are included in this Prospectus Supplement and in the accompanying short form base shelf prospectus of the Bank dated December 22, 2022 (the "**Prospectus**") (including documents incorporated by reference), and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbor" provisions of, and are intended to be forward-looking statements under, the United States *Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. Forward-looking statements contained or incorporated by reference in this Prospectus Supplement and in the Prospectus may include, but are not limited to, statements with respect to the Bank's objectives and priorities for fiscal 2023 and beyond, the Bank's strategies or future actions, the Bank's targets and commitments (including with respect to the Bank's Climate Ambition), expectations for the Bank's financial condition, capital position, the regulatory environment in which the Bank operates, the results of, or outlook for, the Bank's operations or the Canadian, U.S. and international economies, plans for the combined operations of the Bank and Bank of the West, the timing for converting Bank of the West customer accounts and systems onto the Bank's respective platforms, and the financial, operational and capital impacts of the transaction, and include statements made by the Bank's management. Forward-looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "project", "intend", "estimate", "plan", "commit", "target", "may", "schedule", "forecast", "outlook", "seek" and "could" or negative or grammatical variations thereof.

By their nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that the Bank's assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, conclusions or projections. The Bank cautions readers of this Prospectus Supplement and the Prospectus (including the documents incorporated by reference) not to place undue reliance on its forward-looking statements, as a number of factors – many of which are beyond the Bank's control and the effects of which can be difficult to predict – could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including, but not limited to: general economic and market conditions in the countries in which the Bank operates, including labour challenges; the impact of adverse developments affecting the U.S. and global banking industry, including the risk of bank failures and liquidity concerns, the heightening of economic and market volatility, and regulatory responses to such developments; the anticipated benefits from acquisitions, including Bank of the West, such as potential synergies, accretion to adjusted earnings per share (EPS), and operational efficiencies, are not realized; changes to the Bank's credit ratings; the emergence or continuation of widespread health emergencies or pandemics, and their impact on local, national or international economies, as well as their heightening of certain risks that may affect the Bank's future results; information, privacy and cyber security, including the threat of data breaches, hacking, identity theft and corporate espionage, as well as the possibility of denial of service resulting from efforts targeted at causing system failure and service disruption; benchmark interest rate reforms; technological changes and technology resiliency; political conditions, including changes relating to, or affecting, economic or trade matters; climate change and other environmental and social risk; the Canadian housing market and consumer leverage; inflationary pressures; global supply-chain disruptions; changes in monetary, fiscal, or economic policy; changes in laws, including tax legislation and interpretation, or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance, and the effect of such changes on funding costs; weak, volatile or illiquid capital or credit markets; the level of competition in the geographic and business areas in which the Bank operates; exposure to, and the resolution of, significant litigation or regulatory matters, the Bank's ability to successfully appeal adverse outcomes of such matters and the timing, determination and recovery of amounts related to such matters; the accuracy and completeness of the information the Bank obtains with respect to its customers and counterparties; failure of third parties to comply with their obligations to the Bank; the Bank's ability to execute its strategic plans, complete proposed acquisitions or dispositions and integrate acquisitions, including obtaining regulatory approvals; critical accounting estimates and judgments, and the effects of changes to accounting standards, rules and interpretations on these estimates; operational and infrastructure risks, including with respect to reliance on third parties; global capital markets activities; the possible effects on the Bank's business of war or terrorist activities; natural disasters and disruptions to

public infrastructure, such as transportation, communications, power or water supply; and the Bank's ability to anticipate and effectively manage risks arising from all of the foregoing factors.

The Bank cautions that the foregoing list is not exhaustive of all possible factors. Other factors and risks could adversely affect the Bank's results. For more information, please refer to the discussion in the "Risks That May Affect Future Results" section, and the sections related to credit and counterparty, market, insurance, liquidity and funding, operational non-financial, legal and regulatory, strategic, environmental and social, and reputation risk, in the "Enterprise-Wide Risk Management" section of the Bank's 2022 Annual Report (as defined herein), as updated by quarterly reports, all of which outline certain key factors and risks that may affect the Bank's future results. Investors and others should carefully consider these factors and risks, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by the organization or on its behalf, except as required by law. The forward-looking information contained or incorporated by reference in this Prospectus Supplement and in the Prospectus is presented for the purpose of assisting prospective purchasers of the Bank's securities in understanding the Bank's financial position as at and for the periods ended on the dates presented, as well as its strategic priorities and objectives, and may not be appropriate for other purposes.

Material economic assumptions underlying the forward-looking statements contained or incorporated by reference in this Prospectus Supplement and in the Prospectus include those set out in the "Economic Developments and Outlook" section of the Bank's 2022 Annual Report, as updated by quarterly reports, as well as in the "Allowance for Credit Losses" section of the Bank's 2022 Annual Report, as updated by quarterly reports. Assumptions about the performance of the Canadian and U.S. economies, as well as overall market conditions and their combined effect on the Bank's business, are material factors the Bank considers when determining its strategic priorities, objectives and expectations for its business.

In determining the Bank's expectations for economic growth, the Bank primarily considers historical economic data, past relationships between economic and financial variables, changes in government policies, and the risks to the domestic and global economy. Please refer to the "Economic Developments and Outlook" and "Allowance for Credit Losses" sections of the Bank's 2022 Annual Report, as updated by quarterly reports.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the Notes issuable hereunder. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars. In addition, the following documents have been filed by the Bank with the Superintendent of Financial Institutions (Canada) (the "**Superintendent**") and with the securities commissions or similar authorities in Canada (the "**Commissions**") and are specifically incorporated by reference into the Prospectus as of the date of this Prospectus Supplement:

- (a) the annual information form dated December 1, 2022 for the year ended October 31, 2022 (the "**2022 Annual Information Form**");
- (b) the consolidated balance sheets as at October 31, 2022 and October 31, 2021 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended together with the auditor's reports thereon and the report of independent registered public accounting firm on the effectiveness of internal control over financial reporting as of October 31, 2022 under the standards of the Public Company Accounting Oversight Board (United States);
- (c) management's discussion and analysis as contained in the Bank's annual report (the "**2022 Annual Report**") as of October 31, 2022 (the "**2022 Management's Discussion and Analysis**");
- (d) the management proxy circular dated February 6, 2023 in connection with the annual meeting of shareholders of the Bank held on April 18, 2023;
- (e) the unaudited consolidated interim financial statements as at and for the three and nine months ended July 31, 2023; and

- (f) management’s discussion and analysis for the three and nine months ended July 31, 2023 (the “**Q3 2023 Management’s Discussion and Analysis**”).

Any documents of the type described in Section 11.1 of Form 44-101F1 — *Short Form Prospectus Distributions* filed by the Bank and any template version of “marketing materials” (as defined in NI 41-101 — *General Prospectus Requirements*) that the Bank files with the Commissions on or after the date of this Prospectus Supplement but prior to the termination of the distribution of Notes hereunder shall be deemed to be incorporated by reference in the Prospectus or this Prospectus Supplement, as applicable.

A Pricing Supplement containing the specific variable terms for an issue of Notes will be delivered to purchasers of such Notes together with this Prospectus Supplement and the Prospectus and will be deemed to be incorporated by reference into this Prospectus Supplement and the Prospectus as of the date of the Pricing Supplement solely for the purpose of the Notes issued thereunder.

Updated earnings coverage ratios will be filed quarterly by the Bank with the applicable securities regulatory authorities, either as prospectus supplements or as exhibits to the Bank’s unaudited interim and audited annual financial statements, and will be deemed to be incorporated by reference into this Prospectus Supplement and the Prospectus for the purposes of the issuance of Notes thereafter.

Any statement contained in this Prospectus Supplement, the applicable Pricing Supplement or in a document incorporated or deemed to be incorporated by reference herein or in the Prospectus for the purposes of the Offering shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement.

Copies of this Prospectus Supplement, the Prospectus and the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary, Bank of Montreal, 100 King St. W., 1 First Canadian Place, 21st Floor, Toronto, Ontario, M5X 1A1, telephone: (416) 867-6785 and are also available electronically at www.sedarplus.ca.

CURRENCY EXCHANGE INFORMATION

Purchasers are required to pay for the Notes in Canadian dollars and payments of principal, premium, if any, and interest on the Notes will be made in Canadian dollars unless the applicable Pricing Supplement provides that purchasers are instead required to pay for the Notes in a Specified Currency (as defined below under “Description of Notes — General”), and/or that payments of principal, premium, if any, and interest on such Notes will be made in a Specified Currency.

Currently, there are limited facilities in Canada for conversion of Canadian dollars into foreign currencies and vice versa. In addition, most banks in Canada do not currently offer chequing or savings account facilities in currencies other than Canadian or U.S. dollars. Accordingly, unless otherwise specified in a Pricing Supplement or unless alternative arrangements are made, payment of principal, premium, if any, and interest on Notes in a Specified Currency other than Canadian dollars will be made to an account at a bank outside Canada; provided that no payments shall be made to accounts located in the United States. See “Description of Notes” and “Risk Factors — Risks Relating to Foreign Currency Notes”.

CREDIT RATINGS

The Notes are expected to be rated “Baa1 (hyb)” by Moody’s Canada Inc. (“**Moody’s**”), “A (low)” by DBRS Limited (“**DBRS**”) and “BBB+” by S&P Global Ratings Canada, a business unit of S&P Global Canada Corp. (“**S&P**”).

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities and are indicators of the likelihood of payment and of the capacity and willingness of a company to meet its financial commitment on an obligation in accordance with the terms of the obligation.

The “Baa1 (hyb)” rating expected to be assigned to the Notes by Moody’s indicates that the Notes rank in the fourth highest rating category of Moody’s nine rating categories, with range from Aaa to C. According to information made publicly available by Moody’s, securities rated “Baa” are considered by Moody’s to be of a medium-grade and are subject to moderate credit risk and as such may possess certain speculative characteristics. The modifier “1” indicates that the obligation ranks in the higher end of the “Baa” rating category. A “(hyb)” indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms. By their terms, hybrid securities allow for the omission of scheduled dividends, interest, or principal payments, which can potentially result in impairment if such an omission occurs. Hybrid securities may also be subject to contractually allowable write-downs of principal that could result in impairment. Together with the hybrid indicator, the long-term obligation rating assigned to a hybrid security is an expression of the relative credit risk associated with that security.

The “A (low)” rating expected to be assigned to the Notes by DBRS is the third highest rating of DBRS’s ten rating categories, which range from AAA to D. According to information made publicly available by DBRS, under the DBRS rating system debt securities rated “A” are of good credit quality. The capacity for the payment of financial obligations is considered by DBRS to be substantial, but of lesser credit quality than AA. Entities rated A are also considered by DBRS to be vulnerable to future events, but qualifying negative factors are considered manageable. A reference to “(high)” or “(low)” reflects the relative strength within the rating category, while the absence of either a “(high)” or “(low)” designation indicates the rating is placed in the middle of the category.

S&P has ten rating categories, ranging from AAA to D, and may use “+” or “-” designations to indicate the relative standing of the securities being rated within a particular rating category. The “BBB” rating expected to be assigned to the Notes by S&P indicates that the Notes rank in S&P’s fourth highest rating category. According to information made publicly available by S&P, under the S&P rating system debt securities rated “BBB” indicate that the obligation exhibits adequate protection parameters, but that adverse economic conditions or changing circumstances are more likely to weaken the obligor’s capacity to meet its financial commitments on the obligation than in higher rated categories.

The Bank has paid customary rating fees to Moody’s, DBRS and S&P in connection with its issue ratings, including the above-mentioned ratings. In addition, the Bank has made customary payments in respect of certain other services provided to the Bank by each of Moody’s, DBRS and S&P during the last two years.

The credit ratings assigned to the Notes are not recommendations to purchase, hold or sell the Notes. The credit ratings do not address the market price or suitability of the Notes for a particular investor. The credit ratings assigned to the Notes may not reflect the potential impact of all risks on the value of the Notes. In addition, real or anticipated changes in the credit ratings assigned to the Notes will generally affect the market value of the Notes. There can be no assurance that these ratings will remain in effect for any given period of time or that the ratings will not be revised or withdrawn entirely in the future by Moody’s, DBRS or S&P if in their judgment circumstances so warrant. Prospective investors should consult Moody’s, DBRS or S&P with respect to the interpretation and implications of the ratings.

USE OF PROCEEDS

The Notes will be issued from time to time at the discretion of the Bank with an aggregate initial offering price not to exceed \$8,000,000,000 (or the equivalent thereof in one or more non-Canadian currencies or currency units). The net proceeds derived from the issue of Notes under this Prospectus Supplement will be the initial offering price thereof less any commission paid to the Agents in connection therewith. The net proceeds cannot be estimated as the amount thereof will depend on the extent to which Notes are issued under this Prospectus Supplement. Unless

otherwise specified in the applicable Pricing Supplement, the net proceeds of each issuance of Notes will be added to the general funds of the Bank and will be utilized for general banking purposes.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, counsel for the Bank, and in the opinion of McCarthy Tétrault LLP, counsel to the Agents, unless otherwise specified in the applicable Pricing Supplement, the Notes offered hereby, if issued on the date of this Prospectus Supplement, would be qualified investments under the *Income Tax Act* (Canada) (the “**Tax Act**”) and the regulations thereunder for trusts governed by a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), registered education savings plan (“**RESP**”), registered disability savings plan (“**RDSP**”), deferred profit sharing plan (other than trusts governed by a deferred profit sharing plan for which any of the employers is the Bank, or an employer with which the Bank does not deal at arm’s length within the meaning of the Tax Act), a tax-free savings account (“**TFSA**”) and a first home savings account (“**FHSA**”). The Notes will not be a “prohibited investment” for a TFSA, FHSA, RESP, RDSP, RRSP or RRIF on the date of this Prospectus Supplement provided that, for purposes of the Tax Act, the holder of the TFSA, FHSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as applicable, deals at arm’s length with the Bank and does not have a “significant interest” in the Bank. Purchasers of Notes who intend to hold Notes in a TFSA, FHSA, RESP, RDSP, RRSP or RRIF should consult their own tax advisors in this regard.

DESCRIPTION OF NOTES

The Notes will be issued as a series of debt securities under an indenture dated as of December 14, 1995, as supplemented from time to time (the “**Indenture**”), between the Bank and BNY Trust Company of Canada, as trustee (the “**Trustee**”). The following summary of certain provisions of the Notes and the Indenture does not purport to be complete and is qualified in its entirety by reference to the Indenture. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture and the Notes, as the case may be. The following description of Notes will apply to each Note offered hereby unless otherwise specified in the applicable Pricing Supplement. A copy of the Indenture is available on SEDAR+ at www.sedarplus.ca (filed on December 15, 2005).

General

All debt securities, including the Notes, issued and to be issued under the Indenture will be unsecured general obligations of the Bank constituting subordinated indebtedness for the purposes of the Bank Act and will rank *pari passu* with all other unsecured and subordinated indebtedness of the Bank from time to time outstanding (other than subordinated indebtedness which has been further subordinated in accordance with its terms). The Indenture does not limit the aggregate principal amount of debt securities which may be issued thereunder and debt securities may be issued thereunder from time to time in one or more series up to the aggregate principal amount from time to time authorized by the Bank for each series. The Bank may, from time to time, without the consent of the holders of the Notes, provide for the issuance of Notes or other debt securities under the Indenture in addition to the \$8,000,000,000 aggregate initial offering price of Notes offered hereby and any other debt securities previously issued.

The Notes are currently limited to \$8,000,000,000 aggregate initial offering price, or the equivalent thereof in one or more non-Canadian currencies or currency units. The Notes will be offered on a continuous basis and will mature on any day more than one year from their dates of issue, as specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, interest-bearing Notes will either be Fixed Rate Notes or Floating Rate Notes as specified in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, Notes will be denominated in Canadian dollars and payments of principal, premium, if any, and interest on, the Notes will be made in Canadian dollars. The Notes may also be denominated in currencies or currency units other than Canadian dollars (“**Foreign Currency Notes**”) (the currency or currency unit in which a Note is denominated, whether United States dollars, Canadian dollars or otherwise, is herein referred to as the “**Specified Currency**”). See “Risk Factors — Risks Relating to Foreign Currency Notes — Payments of Principal, Premium, if any, and Interest”. Where Notes are offered and sold in a currency other than Canadian dollars, the applicable Pricing Supplement will set out the Canadian equivalent of the offering price and the rate of exchange based on the exchange rate quoted by the Bank of Canada for such currency at the last feasible date.

Unless otherwise specified in the applicable Pricing Supplement, purchasers are required to pay for Foreign Currency Notes in the Specified Currency in which such Notes are denominated. There are limited facilities in Canada for the conversion of Canadian dollars into non-Canadian currencies or currency units other than United States dollars and vice versa, and commercial banks do not generally offer chequing or savings account facilities in Canada in currencies other than Canadian or United States dollars. See “Currency Exchange Information”. If requested on or prior to the third Business Day (as defined below) preceding the date of delivery of the Foreign Currency Notes, or by such other day as determined by an Agent, such Agent is prepared to arrange for the conversion of Canadian dollars into the Specified Currency to enable the purchasers to pay for such Notes. Each such conversion will be made by such Agent on such terms and subject to such conditions, limitations and charges as the Agent may from time to time establish in accordance with its regular foreign exchange practices. All costs of exchange will be borne by the purchasers of the Foreign Currency Notes. See “Risk Factors — Risks Relating to Foreign Currency Notes”.

Interest rates, as applicable, offered by the Bank with respect to the Notes may differ depending upon the aggregate principal amount of Notes purchased in any transaction, and the Bank expects generally to distinguish, with respect to such offered rates, between purchases which are for less than, and purchases which are equal to or greater than, an agreed upon amount. Specific variable terms that are not within the options and parameters set forth herein may be set out in a Pricing Supplement. Interest rates, interest rate formulae and other variable terms of the Notes, as applicable, are subject to change by the Bank from time to time, but no such change will affect any Note already issued or as to which an offer to purchase has been accepted by the Bank.

Each Note will be issued in fully registered form as a Book-Entry Note or a Certificated Note. Unless otherwise specified in the applicable Pricing Supplement, Notes will be issued as Book-Entry Notes.

The authorized denominations of each Note will be \$1,000 and integral multiples thereof unless otherwise specified in the applicable Pricing Supplement, while the authorized denominations of each Foreign Currency Note will be specified in the applicable Pricing Supplement.

Book-Entry Notes may be transferred or exchanged only through CDS. See “Description of Notes — Book-Entry Notes”. Registration of transfer or exchange of Certificated Notes will be made at the office or agency of the Bank maintained by the Bank for such purpose in Toronto, Ontario. No service charge will be made by the Bank or the Trustee for any such registration of transfer or exchange of Notes, but the Bank may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith (other than exchanges pursuant to the Indenture not involving any transfer).

As applicable, any payments of principal, premium and interest on Book-Entry Notes will be made by the Bank through the Trustee to CDS. See “Description of Notes — Book-Entry Notes”. In the case of Certificated Notes, as applicable, any payment of principal, and premium, due on the Stated Maturity Date or any prior date on which the principal, or an instalment of principal, of such Note becomes due and payable, whether by the declaration of acceleration, call for redemption at the option of the Bank or otherwise (the Stated Maturity Date or such prior date, as the case may be, is herein referred to as the “**Maturity Date**”) will be made in immediately available funds upon presentation thereof at the office or agency of the Bank maintained by the Bank for such purpose in Toronto, Ontario. Payment of interest due on the Maturity Date of each Certificated Note will be made to the person to whom payment of the principal and premium, if any, shall be made. Payment of interest due on each Certificated Note on any Interest Payment Date (as defined below) (other than the Maturity Date) will be made at the office or agency of the Bank referred to above maintained for such purpose or, at the option of the Bank, may be made by cheque mailed to the address of the holder entitled thereto as such address shall appear in the security register of the Bank.

As used herein, “**Business Day**” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or executive order to close in the cities of Toronto or New York; *provided, however*, that, with respect to Foreign Currency Notes the payment of which is to be made in a Specified Currency other than Canadian dollars or United States dollars, such day is also not a day on which banking institutions are authorized or required by law or executive order to close in the principal financial center of the country of such Specified Currency (or, in the case of the euro, is not a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET) is closed or otherwise generally regarded in the euro interbank market as a day on which payments in euros shall not be made); and provided, further, that the applicable Pricing Supplement may identify additional or alternate days which constitute Business Days for the purposes of the related Notes.

Redemption or Purchase at the Option of the Bank

Unless otherwise specified in the applicable Pricing Supplement, the Notes will not be subject to any sinking fund. The Notes will be redeemable at the option of the Bank, in whole or in part, subject where applicable to the approval of the Superintendent, prior to the Stated Maturity Date only if an early redemption date is specified in the applicable Pricing Supplement.

The Bank may, at any time, purchase Notes at any price or prices in the open market or otherwise. Notes so purchased by the Bank may be held or resold or, at the discretion of the Bank and with the consent of the Superintendent, may be surrendered to the Trustee for cancellation.

Conversion Option

If so specified in the applicable Pricing Supplement, the holder of a series of Notes may, but only upon notice from the Bank, subject where applicable to the prior approval of the Superintendent, convert all but not less than all of such holder's Notes into an equal aggregate principal amount of a new series of Notes issued by the Bank. If given, such notice from the Bank shall be given not less than 30 days and no more than 60 days prior to the date of conversion and in accordance with the provisions of the Indenture.

Exchanges of Notes for Senior Notes

If authorized pursuant to the supplemental indenture in respect of the issue of a series of Notes and if so specified in the applicable Pricing Supplement, a holder of Notes of such series will be entitled, but only upon notice from the Bank which may be given at various times and only with the prior approval of the Superintendent, to exchange all, but not less than all, of such holder's Notes of that series on the date specified in the notice for an equal aggregate principal amount of senior notes of the Bank, together with accrued and unpaid interest to the date of exchange. The material attributes of the senior notes will be the same as those of the exchanged Notes, except that the senior notes will rank senior to the Notes and equally with the deposit liabilities of the Bank and will include events of default related to default in the payment of principal or interest due thereon. Any such notice from the Bank must be given not less than 30 days but not more than 60 days prior to the date fixed for the exchange in accordance with the provisions of the Indenture.

Conversion Upon Occurrence of Non-Viability Contingent Capital Trigger Event

General

The applicable Pricing Supplement will describe any terms with respect to exchange or conversion of the Notes including, without limitation, the Multiplier, Floor Price, Note Value, Conversion Price and Current Market Price (as each such term relates to an NVCC Automatic Conversion (as defined below) and each of which will be specified in the applicable Pricing Supplement).

Upon the occurrence of a Trigger Event (as defined below), each outstanding Note will automatically and immediately be converted, on a full and permanent basis, without any action on the part of the holders thereof, into a number of fully-paid and freely tradable Common Shares equal to $(\text{Multiplier} \times \text{Note Value}) \div \text{Conversion Price}$ (an "NVCC Automatic Conversion"). For the purposes of the foregoing:

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

- the Superintendent publicly announces that the Bank has been advised, in writing, that the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and that, after the conversion or write-off, as applicable, of all contingent instruments and taking into account any other factors or circumstances that are considered relevant or appropriate, it is reasonably likely that the viability of the Bank will be restored or maintained; or

- a federal or provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Bank would have been determined by the Superintendent to be non-viable.

In any case where the aggregate number of Common Shares to be issued to a holder of Notes pursuant to an NVCC Automatic Conversion includes a fraction of a Common Share, such number of Common Shares to be issued to such holder shall be rounded down to the nearest whole number of Common Shares and no cash payment shall be made in lieu of such fractional Common Share. Notwithstanding any other provision of the Indenture, the conversion of such Notes shall not be an “Event of Default” under the Indenture and the only consequence of a Trigger Event under the provisions of such Notes will be the conversion of such shares into Common Shares. Upon an NVCC Automatic Conversion, any accrued but unpaid interest will be included in the Note Value of the Notes and such accrued but unpaid interest, together with the principal amount of the Notes, will be deemed paid in full by the issuance of Common Shares upon such conversion and the holders of Notes shall have no further rights and the Bank shall have no further obligations under the Indenture to the holders of such Notes.

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

Right Not to Deliver Common Shares upon NVCC Automatic Conversion

Upon an NVCC Automatic Conversion, the Bank reserves the right not to deliver some or all, as applicable, of the Common Shares issuable thereupon to any Ineligible Person (as defined below) or any person who, by virtue of the operation of the NVCC Automatic Conversion, would become a Significant Shareholder (as defined below) through the acquisition of Common Shares. In such circumstances, the Bank will hold, as agent for such persons, the Common Shares that would have otherwise been delivered to such persons and will attempt to facilitate the sale of such Common Shares to parties other than the Bank and its affiliates on behalf of such persons through a registered dealer to be retained by the Bank on behalf of such persons. Those sales (if any) may be made at any time and at any price. The Bank will not be subject to any liability for failure to sell such Common Shares on behalf of such persons or at any particular price on any particular day. The net proceeds received by the Bank from the sale of any such Common Shares will be divided among the applicable persons in proportion to the number of Common Shares that would otherwise have been delivered to them upon the NVCC Automatic Conversion after deducting the costs of sale and any applicable withholding taxes. For the purposes of the foregoing:

“**Ineligible Person**” means (i) any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada to the extent that the issuance by the Bank of Common Shares or delivery of such shares by its transfer agent to that person, pursuant to an NVCC Automatic Conversion, would require the Bank to take any action to comply with securities, banking or analogous laws of that jurisdiction, and (ii) any person to the extent that the issuance by the Bank of Common Shares or delivery of such shares by its transfer agent to that person, pursuant to an NVCC Automatic Conversion, would, at the time of the Trigger Event, cause the Bank to be in violation of any law to which the Bank is subject.

“**Significant Shareholder**” means any person who beneficially owns directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in concert with such person, a percentage of the total number of outstanding shares of a class of the Bank that is in excess of that permitted by the Bank Act.

Interest

General

Unless otherwise specified in the applicable Pricing Supplement, each Note will bear interest from its date of issue at the rate per annum, in the case of a Fixed Rate Note, or pursuant to the interest rate formula, in the case of a Floating Rate Note, in each case as specified in the applicable Pricing Supplement, until the principal thereof is paid

or duly made available for payment. Interest payments in respect of the Notes will equal the amount of interest accrued from and including the immediately preceding Interest Payment Date (as defined below) in respect of which interest has been paid or duly made available for payment (or from and including the applicable date of issue, if no interest has been paid with respect to such Notes) to but excluding the related Interest Payment Date or the Maturity Date (as specified in the applicable Pricing Supplement), as the case may be.

Interest will be due and payable in arrears on each Interest Payment Date (as defined below) specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, the first payment of interest on any Note originally issued between a Record Date (as defined below) and the related Interest Payment Date or on an Interest Payment Date will be made on the Interest Payment Date immediately following the next succeeding Record Date to the holder on such next succeeding Record Date. Unless otherwise specified in the applicable Pricing Supplement, a “**Record Date**” shall be the fifteenth calendar day (whether or not a Business Day) immediately preceding the related Interest Payment Date.

Fixed Rate Notes

The “**Interest Payment Dates**” for the Fixed Rate Notes will be specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes will be calculated and paid on the basis of a 360-day year of twelve 30-day months. For the purpose only of disclosure required by the *Interest Act* (Canada) and without affecting the interest payable on any Fixed Rate Note, whenever in any Fixed Rate Note interest at a specified rate is to be calculated on the basis of a period less than a calendar year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by the actual number of days in the relevant calendar year and divided by the number of days in such period.

If any Interest Payment Date or the Maturity Date of a Fixed Rate Note falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be made on the next succeeding Business Day as if made on the date such payment was due, and no interest will accrue on such Fixed Rate Note for the period from and after such Interest Payment Date or the Maturity Date, as the case may be, to the date of such payment.

Floating Rate Notes

Unless otherwise specified in the applicable Pricing Supplement, Floating Rate Notes will be issued as described below. The applicable Pricing Supplement will specify certain terms with respect to which each Floating Rate Note that is being delivered, including: whether such Floating Rate Note is a “Regular Floating Rate Note” (as defined below), a “Fixed Rate/Floating Rate Note” (as defined below), a “Floating Rate/Fixed Rate Note” (as defined below), or an “Inverse Floating Rate Note” (as defined below), Fixed Rate Commencement Date and Fixed Interest Rate, as applicable, Interest Rate Basis or Interest Rate Bases, Initial Interest Rate, Interest Reset Period and Interest Reset Dates, Record Dates, Interest Payment Period and Dates, Index Maturity, maximum interest rate and minimum interest rate, if any, each as described below, together with any other applicable terms.

The interest rate borne by the Floating Rate Notes will be determined as follows:

- (a) Unless such Floating Rate Note is designated as a “Fixed Rate/Floating Rate Note”, a “Floating Rate/Fixed Rate Note”, an “Inverse Floating Rate Note” or as having an addendum attached, such Floating Rate Note will be designated as a “**Regular Floating Rate Note**” and, except as described below or in the applicable Pricing Supplement, bear interest at the rate determined by reference to the applicable Interest Rate Basis or Interest Rate Bases: (i) plus or minus the applicable Spread, if any; and/or (ii) multiplied by the applicable Spread Multiplier (as defined below), if any. Commencing on the first Interest Reset Date, the rate at which interest on such Regular Floating Rate Note shall be payable shall be reset as of each Interest Reset Date; *provided, however*, that the interest rate in effect for the period from the date of issue to but excluding the first Interest Reset Date will be the Initial Interest Rate.
- (b) If such Floating Rate Note is designated as a “**Fixed Rate/Floating Rate Note**”, then, except as described below or in the applicable Pricing Supplement, such Floating Rate Note will bear interest at the rate determined by reference to the Fixed Interest Rate specified in the applicable Pricing Supplement. Commencing on the Floating Rate Commencement Date specified in the applicable

Pricing Supplement and on each subsequent Interest Reset Date, the rate at which interest on such Fixed Rate/Floating Rate Note shall be payable shall be reset as of such Floating Rate Commencement Date and as of each Interest Reset Date and shall be determined by reference to the applicable Interest Rate Basis: (i) plus or minus the applicable Spread, if any; and/or (ii) multiplied by the applicable Spread Multiplier, if any.

- (c) If such Floating Rate Note is designated as a “**Floating Rate/Fixed Rate Note**”, then, except as described below or in the applicable Pricing Supplement, such Floating Rate Note will bear interest at the rate determined by reference to the applicable Interest Rate Basis or Interest Rate Bases: (i) plus or minus the applicable Spread, if any; and/or (ii) multiplied by the applicable Spread Multiplier, if any. Commencing on the first Interest Reset Date, the rate at which interest on such Floating Rate/Fixed Rate Note shall be payable shall be reset as of each Interest Reset Date; *provided, however*, that (y) the interest rate in effect for the period from the date of issue to but excluding the first Interest Reset Date will be the Initial Interest Rate and (z) the interest rate in effect commencing on the Fixed Rate Commencement Date specified in the applicable Pricing Supplement to but excluding the Maturity Date shall be the Fixed Interest Rate, if such rate is specified in the applicable Pricing Supplement or, if no such Fixed Interest Rate is so specified, the interest rate in effect thereon on the day immediately preceding the Fixed Rate Commencement Date.
- (d) If such Floating Rate Note is designated as an “**Inverse Floating Rate Note**”, then, except as described below or in the applicable Pricing Supplement, such Floating Rate Note will bear interest equal to the Fixed Interest Rate specified in the applicable Pricing Supplement minus the rate determined by reference to the applicable Interest Rate Basis or Interest Rate Bases: (i) plus or minus the applicable Spread, if any; and/or (ii) multiplied by the applicable Spread Multiplier, if any; *provided, however*, that, unless otherwise specified in the applicable Pricing Supplement, the interest rate thereon will not be less than zero. Commencing on the first Interest Reset Date, the rate at which interest on such Inverse Floating Rate Note is payable shall be reset as of each Interest Reset Date; *provided, however*, that the interest rate in effect for the period from the date of issue to but excluding the first Interest Reset Date will be the Initial Interest Rate.

The “**Spread**” means the number of basis points to be added to or subtracted from the related Interest Rate Basis or Interest Rate Bases applicable to such Floating Rate Note. The “**Spread Multiplier**” means the percentage of the related Interest Rate Basis or Interest Rate Bases applicable to such Floating Rate Note by which such Interest Rate Basis or Interest Rate Bases will be multiplied to determine the applicable interest rate on such Floating Rate Note. The “**Index Maturity**” means the period to maturity of the instrument or obligation with respect to which the related Interest Rate Basis or Interest Rate Bases will be calculated.

Notwithstanding the foregoing, if such Floating Rate Note is designated as having an addendum attached as specified on the face thereof, such Floating Rate Note shall bear interest in accordance with the terms described in such addendum and the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, the interest rate with respect to each Interest Rate Basis will be determined in accordance with the applicable provisions below. Except as set forth above or in the applicable Pricing Supplement, the interest rate in effect on each day shall be the interest rate determined as of the Interest Determination Date for such Interest Payment Period.

Interest on Floating Rate Notes will be determined by reference to the applicable Interest Rate Basis or Interest Rate Bases set forth in the applicable Pricing Supplement, as adjusted by any Spread and/or Spread Multiplier; *provided, however*, that with respect to a Floating Rate/Fixed Rate Note, the interest rate commencing on the Fixed Rate Commencement Date specified in the applicable Pricing Supplement to but excluding the Maturity Date shall be the Fixed Interest Rate, if such rate is specified in the applicable Pricing Supplement or, if no such Fixed Interest Rate is so specified, the interest rate in effect thereon on the day immediately preceding the Fixed Rate Commencement Date.

The applicable Pricing Supplement will specify whether the rate of interest on the related Floating Rate Note will be reset daily, weekly, monthly, quarterly, semi-annually, annually or such other specified period (each, an “**Interest Reset Period**”) and the dates on which such rate of interest will be reset (each, an “**Interest Reset Date**”).

Unless otherwise specified in the applicable Pricing Supplement, the Interest Reset Date will be, in the case of Floating Rate Notes the rates of interest of which reset: (i) daily, each Business Day; (ii) weekly, the Wednesday of each week; (iii) monthly, the third Wednesday of each month; (iv) quarterly, the third Wednesday of March, June, September and December of each year; (v) semi-annually, the third Wednesday of the two months specified in the applicable Pricing Supplement; and (vi) annually, the third Wednesday of the month specified in the applicable Pricing Supplement; *provided, however*, that, with respect to Floating Rate/Fixed Rate Notes, the fixed rate of interest in effect for the period from the Fixed Rate Commencement Date specified in the applicable Pricing Supplement to but excluding the Maturity Date shall be the Fixed Interest Rate or, if no such Fixed Interest Rate is specified, the interest rate in effect on the day immediately preceding the Fixed Rate Commencement Date, as specified in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, the interest rate applicable to each Interest Reset Period commencing on the Interest Reset Date with respect to such Interest Reset Period will be the rate determined as of the applicable Interest Determination Date on or prior to the Calculation Date (as defined below).

Unless otherwise specified in the applicable Pricing Supplement, the “**Interest Determination Date**” pertaining to a Floating Rate Note the interest rate of which is determined by reference to two or more Interest Rate Bases will be the most recent Business Day which is at least two Business Days prior to the applicable Interest Reset Date for such Floating Rate Note on which each Interest Rate Basis is determinable. Each Interest Rate Basis will be determined on such date, and the applicable interest rate will take effect on the applicable Interest Reset Date.

A Floating Rate Note may also have either or both of the following: (i) a maximum numerical limitation, or ceiling, on the rate at which interest may accrue during any interest period and (ii) a minimum numerical limitation, or floor, on the rate at which interest may accrue during any interest period, including an interest rate floor of not less than zero. In addition to any maximum interest rate that may be applicable to any Floating Rate Note pursuant to the above provisions, the maximum interest rate that may be applicable to any Floating Rate Note pursuant to the above provisions will in no event be higher than the maximum rate permitted by the laws of Canada.

Except as provided below or in the applicable Pricing Supplement, interest will be payable, in the case of Floating Rate Notes the rates of interest of which reset: (i) daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified in the applicable Pricing Supplement; (ii) quarterly, on the third Wednesday of March, June, September and December of each year; (iii) semi-annually, on the third Wednesday of the months of each year specified in the applicable Pricing Supplement; and (iv) annually, on the third Wednesday of the month specified in the applicable Pricing Supplement and, in each case, on the Maturity Date (each, an “**Interest Payment Date**”). Unless otherwise specified in the applicable Pricing Supplement, if any Interest Payment Date for any Floating Rate Note (other than the Maturity Date) would otherwise be a day that is not a Business Day, such Interest Payment Date will be postponed to the next succeeding day that is a Business Day. If the Maturity Date of a Floating Rate Note falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be made on the next succeeding Business Day as if made on the date such Floating Rate Note was due, and no interest shall accrue on such payment for the period from and after the Maturity Date to the date of such payment.

Except as provided below or in the applicable Pricing Supplement, all percentages resulting from any calculation on Floating Rate Notes will be rounded to the nearest one-hundred-thousandth of one per cent, with five one-millionths of one per cent rounded upwards (e.g., 4.876545% (or 0.04876545) would be rounded to 4.87655% or (0.0487655)), and all amounts used in or resulting from such calculation on Floating Rate Notes will be rounded, in the case of United States dollars or Canadian dollars, to the nearest cent or, in the case of a Specified Currency other than United States dollars or Canadian dollars, to the nearest unit of the Specified Currency (such unit being the smallest unit of the Specified Currency in general use) (with one-half cent or one-half of the applicable unit of the Specified Currency being rounded upward).

Unless otherwise specified in the applicable Pricing Supplement, interest payments on Floating Rate Notes will equal the amount of interest accrued from and including the next preceding Interest Payment Date in respect of

which interest has been paid (or from and including the applicable date of issue, if no interest has been paid with respect to such Floating Rate Notes), to but excluding the applicable Interest Payment Date, redemption date or the Maturity Date, as the case may be.

With respect to each Floating Rate Note, accrued interest is calculated by multiplying its principal amount by an accrued interest factor. Such accrued interest factor is calculated by adding the interest factor calculated for each day in the period for which accrued interest is being calculated. Unless otherwise specified in the applicable Pricing Supplement, the interest factor for each such day will be calculated by dividing the interest rate applicable to such day by the actual number of days in the year. Unless otherwise specified in the applicable Pricing Supplement, the interest factor for Notes for which the interest rate is calculated with reference to two or more Interest Rate Bases will be calculated in each period in the same manner as if only one of the applicable Interest Rate Bases applied as specified in the applicable Pricing Supplement. For the purposes of disclosure under the *Interest Act* (Canada) and without affecting the interest payable on any Floating Rate Note, whenever in any Floating Rate Note interest at a specified rate is to be calculated on the basis of a period less than a calendar year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by the actual number of days in the relevant calendar year and divided by the number of days in such period.

The applicable Pricing Supplement will specify the “**Calculation Agent**” with respect to the Notes. Upon request of the holder of any Floating Rate Note, the Calculation Agent will disclose the interest rate then in effect and, if determined, the interest rate that will become effective as a result of a determination made for the next succeeding Interest Reset Date with respect to such Floating Rate Note. Unless otherwise specified in the applicable Pricing Supplement, the “**Calculation Date**”, if applicable, pertaining to any Interest Determination Date will be the earlier of (i) the tenth calendar day after such Interest Determination Date, or, if such day is not a Business Day, the next succeeding Business Day or (ii) the Business Day immediately preceding the applicable Interest Payment Date, redemption date or the Maturity Date, as the case may be.

Other Provisions

Any provisions with respect to the Notes, including the determination of an Interest Rate Basis, the calculation of the interest rate applicable to a Floating Rate Note, and the specification of one or more Interest Rate Bases, the Interest Payment Dates, the Maturity Date or any other variable term relating thereto, may be modified as specified under “Other Provisions” on the face thereof or in an Addendum relating thereto, if so specified on the face thereof and in the applicable Pricing Supplement.

Amortizing Notes

The Bank may from time to time offer amortizing Notes (“**Amortizing Notes**”). Unless otherwise specified in the applicable Pricing Supplement, interest on each Amortizing Note will be calculated on the basis of a 360-day year of twelve 30-day months. For the purposes of disclosure under the *Interest Act* (Canada) and without affecting the interest payable on any Amortizing Note, whenever in any Amortizing Note interest at a specified rate is to be calculated on the basis of a period less than a calendar year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by the actual number of days in the relevant calendar year and divided by the number of days in such period.

Payments with respect to Amortizing Notes will be applied first to interest due and payable thereon and then to the reduction of the unpaid principal amount thereof, as specified in the applicable Pricing Supplement. Further information concerning additional terms and provisions of Amortizing Notes will be specified in the applicable Pricing Supplement. A table setting forth repayment information in respect of each Amortizing Note will be included in the applicable Pricing Supplement and set forth in each such Note.

Extendible Notes

The Bank may, from time to time, offer extendible Notes (“**Extendible Notes**”) the maturity of which may be extended, either in whole or in part, at the option of the Bank for one or more periods up to but not beyond the applicable Extendible Note’s final Maturity Date, as specified in the applicable Pricing Supplement. The specific terms for such extensions, including the date or dates on which the option can be exercised and whether the option can be exercised with respect to some but not all of the Extendible Note’s outstanding principal balance, will be as set

forth in the applicable Global Note or Certificated Note. Further information concerning additional terms and provisions of Extendible Notes including, among other things, the specific terms and conditions upon which the maturity of such Extendible Notes may be extended, will be specified in the applicable Pricing Supplement.

Indexed Notes

The Bank may from time to time offer indexed Notes (“**Indexed Notes**”). Payments in respect of Indexed Notes, whether in respect of principal or interest and whether at maturity or otherwise, will be calculated by reference to such index and/or formula as may be agreed between the Bank and the relevant Agent or Agents, as specified in the applicable Pricing Supplement.

Book-Entry Notes

The following provisions assume that the Bank has established a depository arrangement with CDS with respect to the Book-Entry Notes. Any additional or differing terms of the depository arrangements with respect to the Book-Entry Notes will be described in the applicable Pricing Supplement.

As applicable, upon issuance, all Book-Entry Notes bearing interest at the same rate or pursuant to the same formula and having the same date of issue, redemption provisions, repayment provisions, Stated Maturity Date and other variable terms will be represented by a single global security (each a “**Global Note**”). Each Global Note representing Book-Entry Notes will be held by, or on behalf of, CDS as custodian of the Book-Entry Notes (for CDS Participants) and will be registered in the name of CDS or a nominee of CDS. No Global Note may be transferred except as a whole by a nominee of CDS to CDS or to another nominee of CDS, or by CDS or any such nominee to a successor of CDS or a nominee of such successor. Unless otherwise specified in the applicable Pricing Supplement, all Book-Entry Notes will be denominated in Canadian dollars.

So long as CDS or its nominee is the registered owner of a Global Note, CDS or its nominee, as the case may be, will be the sole registered holder of the Book-Entry Notes represented thereby for all purposes under the Indenture. Except as otherwise provided in this section, a purchaser of a Book-Entry Note represented by a Global Note will not be entitled to a certificate or other instrument from the Bank or CDS evidencing such purchaser’s ownership thereof, will not be considered the holder thereof for any purpose under the Indenture and will not be shown on the records maintained by CDS except through book-entry accounts of a Canadian agent which is a CDS Participant acting on behalf of such beneficial owner. Accordingly, each person owning a beneficial interest in a Global Note must rely on the procedures of CDS and, if such person is not a CDS Participant, on the procedures of the CDS Participant through which such person owns its interest in order to exercise any rights of a holder under the Indenture. Each purchaser of a Note represented by a Global Note will receive a customer confirmation of purchase from the Agent or Agents from which such Note is purchased in accordance with the practices and procedures of the Agent or Agents. The practices of Agents may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for CDS Participants having interests in such Notes.

Transfer of Notes represented by Global Notes

Transfers of beneficial ownership in the Notes represented by the Global Notes will be effected through records maintained by CDS or its nominee for such Global Notes (with respect to interests of CDS Participants) and on the records of CDS Participants (with respect to interests of persons other than CDS Participants). Beneficial owners who are not CDS Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interest in Global Notes, may do so only through CDS Participants. A purchaser’s interest in a Note represented by a Global Note may only be exchanged for Certificated Notes in the limited circumstances set forth below and in accordance with the procedures established by CDS or its nominee.

The ability of a beneficial owner of an interest in a Note represented by a Global Note to pledge such Note or otherwise take action with respect to his interest in a Note represented by a Global Note (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

No transfer of a Note represented by a Global Note will be registered during the ten Business Days immediately preceding any day fixed for payment of interest or principal.

Exchange for Certificated Notes

Unless otherwise specified in the applicable Pricing Supplement, each Global Note representing Book-Entry Notes is exchangeable for Certificated Notes of like tenor and terms and of differing authorized denominations aggregating a like amount, only if: (i) CDS notifies the Bank that it is unwilling or unable to continue as depository in connection with the Global Notes; (ii) at any time CDS ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Bank and the Trustee are unable to locate a qualified successor; (iii) the Bank in its sole discretion determines that the Global Notes shall be exchangeable for Certificated Notes; or (iv) there shall have occurred and be continuing an Event of Default under the Indenture with respect to the Notes. Upon any such exchange, the Certificated Notes shall be registered in the names of the beneficial owners of the Global Note or Global Notes representing Book-Entry Notes as provided by CDS's relevant CDS Participants (as identified by CDS).

The registered holder of a Certificated Note may transfer it upon payment of any taxes and transfer fees incidental thereto by executing a form of transfer and returning it along with the Note at the principal office of the Trustee in the city of Toronto, Ontario for issuance of one or more new Certificated Notes in authorized denominations in the same aggregate principal amount registered in the name(s) of the transferee(s).

Payment of Interest and Principal

Payments of interest and principal of each Global Note will be made to CDS or its nominee, as the case may be, as registered holder of the Global Note. A record date will be established at least two Business Days (and not more than 30 Business Days) prior to the payment date. Interest payments on Global Notes denominated in Canadian dollars will be made by electronic funds transfer or by cheque dated the date interest is payable and delivered to CDS or its nominee, as the case may be, at least two Business Days before the date interest is payable. Principal payments on Global Notes will be made in the Specified Currency by electronic funds transfer or by cheque dated the Maturity Date delivered to CDS or its nominee, as the case may be, at maturity against receipt of the Global Note. As long as CDS or its nominee is the registered owner of a Global Note, CDS or its nominee, as the case may be, will be considered the sole owner of the Global Note for the purposes of receiving payment on such Global Note and for all other purposes under the Indenture and the Note.

The Bank expects that CDS or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note, will credit CDS Participants' accounts, on the date principal or interest is payable, with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of CDS or its nominee. The Bank also expects that payments of principal and interest by CDS Participants to the owners of beneficial interests in such Global Note held through such CDS Participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such CDS Participants. The responsibility and liability of the Bank and the Trustee in respect of Notes represented by Global Notes is limited to making payment of any principal and interest due on such Global Note to CDS or its nominee.

Interest payments on Notes denominated in a Specified Currency other than Canadian dollars, if any are issued, will be made in the manner set out in the applicable Pricing Supplement and the Note.

Payments of interest on each Certificated Note will be made in such manner as agreed between the Bank and the Trustee and set out in the applicable Pricing Supplement and Certificated Note. Payments of principal will be made at the principal office of the Trustee in Toronto, Ontario against surrender of the Certificated Note.

Events of Default

An "**Event of Default**" in respect of the Notes will occur if the Bank shall become insolvent or bankrupt or subject to the provisions of the *Winding-up and Restructuring Act* (Canada), or any act that may be substituted therefor, as from time to time amended, or if the Bank goes into liquidation, either voluntary or under an order of a court of competent jurisdiction, passes a resolution for the winding-up, liquidation or dissolution of the Bank or otherwise acknowledges its insolvency (provided that a resolution or order for the winding-up of the Bank with a view to its consolidation, amalgamation or merger with another bank or the transfer of its assets as an entirety to such other bank will not constitute an Event of Default if such successor bank will, as a part of such consolidation, amalgamation, merger or transfer, and prior to or contemporaneously with the consummation of the transaction, comply with certain

conditions provided for in the Indenture). There will not be a right of acceleration in the case of a default in the payment of any amount due on the Notes or a default in the performance of any covenant of the Bank in the Indenture, although a legal action could be commenced to enforce such covenant. At any time prior to a Trigger Event, upon the occurrence of an Event of Default that is continuing, the Trustee may in its discretion, and will upon receipt of a request of holders of not less than 25% of the aggregate principal amount of the debt securities issued by the Bank pursuant to the Indenture, declare the principal of and interest on the Notes immediately due and payable. If a Trigger Event has occurred, all Notes will have been converted into Common Shares which will rank on parity with all other Common Shares. If any provisions of the Bank Act prohibit the payment of such unpaid principal and interest before a specified time, the obligation of the Bank to make such payment shall be subject to such prohibition. An Event of Default may be waived by the holders of not less than a majority of the aggregate principal amount of the debt securities issued under the Indenture. Pursuant to the Indenture, the Trustee has been granted certain rights in order to enforce the payment obligations of the Bank upon an Event of Default that is continuing and has not been waived. This paragraph is a summary of certain provisions of the Notes and the Indenture relating to an Event of Default and does not purport to be complete and is qualified in its entirety by reference to the Indenture.

Modification and Waiver of the Notes

There are two types of changes the Bank may make to the Indenture or the Notes after the issue date.

The first type of change to the Indenture or the Notes requires a vote in favour by holders owning not less than 66⅔% of the principal amount of the debt securities outstanding under the Indenture, or in the case of a change that specifically affects the Notes, a vote in favour by holders owning not less than 66⅔% of the principal amount of the Notes then outstanding. Most changes to the Indenture fall into this category, except for clarifying changes and certain other changes that would not adversely affect in any material respect holders of the Notes or any other debt securities outstanding under the Indenture.

The second type of change to the Indenture or the Notes does not require any vote by holders of the Notes or any other holders of debt securities outstanding under the Indenture. This type is limited to clarifications and certain other changes that would not adversely affect in any material respect the interests of the holders of the Notes or holders of any other debt securities outstanding under the Indenture.

The Notes will not be considered outstanding, and therefore not eligible to vote, if they have been cancelled or delivered to the Trustee for cancellation or moneys for the redemption or payment thereof have been set aside by the Bank in accordance with the provisions of the Indenture or the Notes have been redeemed or purchased by the Bank pursuant to the provisions of the Indenture.

The Bank will not, without the prior approval of the Superintendent, amend or vary the terms of the Notes in any manner that would affect the recognition of the Notes as regulatory capital under the Capital Adequacy Requirements (CAR) Guideline, Chapter 2 – Definition of Capital, effective February 2023, as amended or superseded by OSFI from time to time.

Restriction on Assignment of Obligations

The Bank will agree for the benefit of the holders of the Notes under the terms of the Indenture that the Bank will not assign or otherwise transfer any of its obligations under the Indenture, except in the case of a merger, amalgamation, reorganization or a sale of substantially all of the assets of the Bank, as the case may be.

RISK FACTORS

An investment in the Notes is subject to certain risks, including those set out in this Prospectus Supplement and the Prospectus. Before deciding whether to invest in any Notes, potential investors should consider carefully the risks set out herein and incorporated by reference in this Prospectus Supplement and the Prospectus (including subsequently filed documents incorporated by reference). As an investment in the Notes may become an investment in Common Shares in certain circumstances, potential investors in the Notes should consider the risks set out in the Prospectus regarding the Bank's Common Shares, in addition to the other risks set out herein regarding the Notes. Prospective investors should also consider the categories of risks identified and discussed in the Bank's 2022 Annual

Information Form and 2022 Management's Discussion and Analysis, as updated by quarterly reports, which are incorporated herein by reference.

Optional Redemption by the Bank

Each Note may be subject to redemption at the option of the Bank, in whole or in part, prior to its Stated Maturity Date, as specified in the applicable Pricing Supplement. An optional redemption feature of the Notes is likely to limit their market value. During any period when the Bank may elect to redeem Notes prior to the Stated Maturity Date, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

If Notes are redeemable at the option of the Bank prior to the Stated Maturity Date, the Bank may redeem all or some of the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, a holder of a Note generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential purchasers should consider reinvestment risk in light of other investments available at that time and consider potential uncertainty with respect to both the rate of interest payable on the Notes, which may fluctuate, and with respect to the length of the remaining term of the Notes, which will be dependent upon whether or not the Notes are redeemed prior to their maturity.

Risks Related to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the MTN Program. Some Notes may be complex financial instruments which may have features that contain particular risks for potential investors. A potential investor should not invest in Notes which are complex financial instruments unless such investor has the expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effect on the value of the Notes, the impact this investment will have on the potential investor's overall investment portfolio and whether such Notes are suitable to the potential investor.

Risks associated with Floating Rate Notes

Investments in Floating Rate Notes entail significant risks not associated with investments in Fixed Rate Notes. The resetting of the applicable rate on a Floating Rate Note may result in lower interest compared to a Fixed Rate Note issued at the same time. The applicable rate on a Floating Rate Note will fluctuate in accordance with fluctuations in the instrument or obligation on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which the Bank has no control.

Credit Ratings and Creditworthiness of the Bank

Real or anticipated changes in credit ratings on the Notes may affect the market value of the Notes. In addition, real or anticipated changes in the Bank's credit ratings can affect the cost at which the Bank can transact or obtain funding, and thereby affect its liquidity, business, financial condition, prospects or results of operations. Refer to the Bank's 2022 Management's Discussion and Analysis, as updated by quarterly reports, incorporated by reference in this Prospectus Supplement, for further discussion of, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on the Bank's business, financial condition or results of operations.

The Bank's earnings are significantly affected by changes in general business and economic conditions in the regions in which it operates. These conditions include short- and long-term interest rates, inflation, fluctuations in the debt and capital markets (including changes in credit spreads, credit migration and rates of default), equity or commodity prices, exchange rates, the strength of the economy, the stability of various financial markets, threats of terrorism, pandemics, issues affecting the global banking sector, such as bank failures and liquidity issues, and the level of business conducted in a specific region and/or any one sector within each region. Challenging market conditions and the health of the economy as a whole may have a material effect on the Bank's business, financial condition, liquidity and results of operations, which may affect the market value of the Notes.

Change of Law

The terms and conditions of the Notes are based on the laws of the Province of Ontario and the federal laws of Canada applicable therein in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Province of Ontario or the federal laws of Canada applicable therein or administrative practice after the date of issue of the relevant Notes.

The Notes will not be insured under the *Canada Deposit Insurance Corporation Act*

The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (the “**CDIC Act**”) or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution. Therefore, you will not be entitled to insurance from the Canada Deposit Insurance Corporation (“**CDIC**”) or other such protection, and as a result, you could lose all or a portion of your investment.

Modification and Waivers

The terms and conditions of the Notes contain a provision for calling meetings of holders of Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of Notes including holders of Notes who did not attend and vote at the relevant meeting and holders of Notes who voted in a manner contrary to the majority. See “Description of Notes - Modification and Waiver of the Notes”.

Risks Relating to the Unsecured and Subordinated Nature of the Notes

The Notes will not be secured by any of the assets of the Bank and will be unsecured and subordinated obligations of the Bank. The Notes will, in the event of the insolvency or winding-up of the Bank (prior to the occurrence of a Trigger Event), be subordinated in right of payment to all deposit liabilities and all other liabilities of the Bank except those which by their terms rank equally with or are subordinate to such subordinated indebtedness and except as otherwise prescribed by law. In the event of the insolvency or winding-up of the Bank, the Bank may not have enough assets remaining after payments to senior creditors to pay amounts due under the Notes.

Upon an NVCC Automatic Conversion of the Notes, the terms of the Notes with respect to priority and rights upon liquidation will not be relevant to holders of the Notes as such securities will have been converted to Common Shares ranking on parity with all other outstanding Common Shares.

No Established Trading Market

Upon issuance, the Notes will not have an established trading market. The Notes will not be listed on any securities exchange or quotation system and the Bank does not intend to list the Notes on any securities exchange or quotation system. Each of the Agents may from time to time purchase and sell Notes in the secondary market, but no Agent is obligated to do so, and there can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, each of the Agents may make a market in the Notes, but the Agents are not obligated to do so and may discontinue any market-making activity at any time. Accordingly, purchasers of Notes may not be able to resell Notes purchased under this Prospectus Supplement and the applicable Pricing Supplement. This may affect the pricing of such Notes in the secondary market, the transparency and availability of trading prices, the liquidity of such Notes and the extent of issuer regulation.

Interest Rate Risk

Future trading prices of the Notes will depend on many factors, including prevailing interest rates, foreign exchange movements, the market for similar securities, general economic conditions and the Bank’s financial condition, performance, prospects and other factors. If any of the Notes are traded after their initial issuance, they may trade at a discount from their initial offering price.

Prevailing interest rates will affect the market value of the Notes. Assuming all other factors remain unchanged, the market value of the Notes will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

The Notes are loss-absorption financial instruments

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

Automatic Conversion into Common Shares upon a Trigger Event and an NVCC Automatic Conversion

Upon the occurrence of a Trigger Event and an NVCC Automatic Conversion, an investment in the Notes will automatically and immediately become an investment in Common Shares without the consent of the holders. In such circumstances, there is no certainty of the value of the Common Shares to be received by the holders of the Notes and the value of such Common Shares could be significantly less than the face value of the Notes. Moreover, there may be an illiquid market, or no market at all, in Common Shares received upon an NVCC Automatic Conversion, and investors may not be able to sell the Common Shares at a price equal to the value of their investment and as a result may suffer significant loss.

After an NVCC Automatic Conversion, a holder of Notes will only have rights as a holder of Common Shares. Given the nature of a Trigger Event, a holder of Notes will become a holder of Common Shares at a time when the Bank's financial condition has deteriorated. If the Bank were to become insolvent or wound-up after the occurrence of a Trigger Event, as a result of an NVCC Automatic Conversion, the holders of Common Shares may receive, if anything, substantially less than the holders of the Notes might have received had the Notes not been converted into Common Shares. An NVCC Automatic Conversion may also occur at a time when a federal or provincial government or other government agency in Canada has provided, or will provide, a capital injection or equivalent support, the terms of which may rank in priority to the Common Shares with respect to the payment of dividends, rights on liquidation or other terms.

A Trigger Event involves a subjective determination outside the Bank's control

The decision as to whether a Trigger Event will occur is a subjective determination by the Superintendent that the Bank has ceased, or is about to cease, to be viable and that the conversion of all contingent instruments is reasonably likely, taking into account any other factors or circumstances that are considered relevant or appropriate by the Superintendent, to restore or maintain the viability of the Bank. Such determination will be beyond the control of the Bank. A Trigger Event will also occur if a federal or provincial government in Canada publicly announces that the Bank accepted or agreed to accept a capital injection, or equivalent support from such government or a political subdivision or agent or agency thereof, without which the Superintendent would have determined to be non-viable. See the definition of Trigger Event under "Description of Notes".

OSFI has stated that the Superintendent will consult with the CDIC, the Bank of Canada, the Department of Finance and the Financial Consumer Agency of Canada prior to making a determination as to the non-viability of a financial institution. The conversion of contingent instruments alone may not be sufficient to restore an institution to viability and other public sector interventions, including liquidity assistance, would likely be used along with the conversion of contingent instruments to maintain an institution as a going concern.

In assessing whether the Bank has ceased, or is about to cease, to be viable and that, after the conversion of all contingent instruments, it is reasonably likely that the viability of the Bank will be restored or maintained, OSFI has stated that the Superintendent will consider, in consultation with the authorities referred to above, all relevant facts and circumstances. Those facts and circumstances may include, in addition to other public sector interventions, a consideration of whether, among other things:

- the assets of the Bank are, in the opinion of the Superintendent, sufficient to provide adequate protection to the Bank's depositors and creditors;
- the Bank has lost the confidence of depositors or other creditors and the public (for example, ongoing increased difficulty in obtaining or rolling over short-term funding);
- the Bank's regulatory capital has, in the opinion of the Superintendent, reached a level, or is eroding in a manner, that may detrimentally affect its depositors and creditors;
- the Bank has failed to pay any liability that has become due and payable or, in the opinion of the Superintendent, the Bank will not be able to pay its liabilities as they become due and payable;
- the Bank failed to comply with an order of the Superintendent to increase its capital;
- in the opinion of the Superintendent, any other state of affairs exists in respect of the Bank that may be materially prejudicial to the interests of the Bank's depositors or creditors or the owners of any assets under the Bank's administration; and
- the Bank is unable to recapitalize on its own through the issuance of Common Shares or other forms of regulatory capital (for example, no suitable investor or group of investors exists that is willing or capable of investing in sufficient quantity and on terms that will restore the Bank's viability, nor is there any reasonable prospect of such an investor emerging in the near-term in the absence of conversion of contingent instruments).

If a Trigger Event occurs, then the interests of depositors, other creditors of the Bank, and holders of bank securities (other than Common Shares) which are not contingent instruments will all rank in priority to the holders of contingent instruments, including the Notes. The Superintendent retains full discretion to choose not to trigger non-viability contingent capital notwithstanding a determination that the Bank has ceased, or is about to cease, to be viable. Under such circumstances, holders of Notes may be exposed to losses through the use of other resolution tools or in liquidation.

Number and value of Common Shares to be received on an NVCC Automatic Conversion is variable and subject to further dilution

The number of Common Shares to be received for each Note on an NVCC Automatic Conversion is calculated by reference to the prevailing market price of Common Shares immediately prior to a Trigger Event, subject to the Floor Price. If there is an NVCC Automatic Conversion at a time when the Current Market Price of the Common Shares is below the Floor Price, investors will receive Common Shares with an aggregate market price less than the Note Value. Investors may also receive Common Shares with an aggregate market price less than the prevailing market price of the Notes being converted if such shares are trading at a price above the Note Value.

The Bank is expected to have outstanding from time to time other securities including, without limitation, other subordinated indebtedness and preferred shares that are non-viability contingent capital, that will automatically and immediately be converted into Common Shares upon a Trigger Event. Such other securities (including another series of Notes) may use a lower floor price or a higher multiplier than those applicable to another series of Notes to determine the maximum number of Common Shares to be issued to holders of such instruments upon an NVCC Automatic Conversion. Accordingly, holders of certain series of Notes will receive Common Shares pursuant to an NVCC Automatic Conversion at a time when other securities of the Bank (including another series of Notes) may be converted into Common Shares at a conversion rate that is more favourable to the holders of such other securities than the rate applicable to the holders of such series of Notes, thereby the value of the Common Shares received by holders of such series of Notes following an NVCC Automatic Conversion could be further diluted.

In the circumstances surrounding a Trigger Event, the Superintendent or other governmental authorities or agencies may also require other steps to be taken, or implement other resolution tools, to restore or maintain the viability of the Bank, such as a Bail-In Conversion (as defined in the Prospectus), the injection of new capital and the issuance of additional Common Shares or other securities. Accordingly, holders of Notes will receive Common Shares pursuant to an NVCC Automatic Conversion at a time when other debt obligations or preferred shares of the Bank, as

the case may be, are converted into Common Shares, possibly at a conversion rate that is more favourable to the holders of such instruments than the rate applicable to the Notes, and additional Common Shares or other securities ranking in priority to the Common Shares may be issued, thereby causing substantial dilution to holders of Common Shares and the former holders of Notes, who will then become holders of Common Shares upon the occurrence of a Trigger Event and an NVCC Automatic Conversion.

In addition to any such dilution of the Common Shares issued to the holders of Notes upon the occurrence of a Trigger Event and an NVCC Automatic Conversion, if a Bail-In Conversion of Eligible Shares and Liabilities (as defined in the Prospectus) were to occur concurrent with, or following, such Trigger Event and NVCC Automatic Conversion, such Common Shares could be further diluted as a result of such Bail-In Conversion. See “Other Material Facts” in the Prospectus.

Given that the Notes are subject to NVCC Automatic Conversion, they are not subject to Bail-In Conversion. However, the Bail-In Regime (as defined in the Prospectus) provides that the CDIC must use its best efforts to ensure that the prescribed types of shares and liabilities are converted only if all subordinate prescribed shares and liabilities and any subordinate non-viability contingent capital (such as the Notes) have previously been converted or are converted at the same time. Accordingly, in the case of a Bail-In Conversion, the Notes may be subject to NVCC Automatic Conversion prior to, or at the same time as, such Bail-In Conversion. In addition, the Bail-in Regime prescribes that holders of unsubordinated or senior ranking instruments that are subject to Bail-In Conversion must receive more common shares per dollar amount converted than holders of any subordinate ranking instruments that are subject to Bail-In Conversion or any subordinate non-viability contingent capital instruments, including the Notes, that are converted during the same restructuring period. The holders of senior ranking instruments that are subject to Bail-In Conversion would therefore receive Common Shares at a conversion rate that would be more favourable to the holders of such instruments than the rate applicable to the Notes.

Circumstances surrounding a potential NVCC Automatic Conversion will have an adverse effect on the market price of the Notes

The occurrence of a Trigger Event is a subjective determination by the Superintendent that the conversion of all contingent instruments is reasonably likely to restore or maintain the viability of the Bank. As a result, an NVCC Automatic Conversion may occur in circumstances that are beyond the control of the Bank. Also, even in circumstances where the market expects the Superintendent to cause an NVCC Automatic Conversion, the Superintendent may choose not to take that action. Because of the inherent uncertainty regarding the determination of when an NVCC Automatic Conversion may occur, it will be difficult to predict, when, if at all, the Notes will be mandatorily converted into Common Shares. Accordingly, trading behavior in respect of the Notes is not necessarily expected to follow trading behavior associated with other types of convertible or exchangeable securities. Any indication, whether real or perceived, that the Bank is trending towards a Trigger Event can be expected to have an adverse effect on the market price of the Notes and the Common Shares, whether or not such Trigger Event actually occurs.

Holders of Notes may be exposed to losses through the use of other Canadian bank resolution powers or in liquidation

The holders of Notes may be exposed to losses through the use of other Canadian bank resolution powers or in liquidation. Under the Canadian bank resolution powers, in circumstances where the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and viability cannot be restored or preserved by exercise of the Superintendent’s powers under the Bank Act, the Superintendent, after providing the Bank with a reasonable opportunity to make representations, is required to provide a report to CDIC. Following receipt of the Superintendent’s report, CDIC may request the Minister of Finance to recommend that the Governor in Council (Canada) (the “**Governor in Council**”) make an order (an “**Order**”) and, if the Minister of Finance is of the opinion that it is in the public interest to do so, the Minister of Finance may recommend that the Governor in Council make, and on that recommendation, the Governor in Council may make, one or more Orders vesting in CDIC the shares and subordinated debt of the Bank specified in the Order (a “**vesting order**”), appointing CDIC as receiver in respect of the Bank (a “**receivership order**”), if a receivership order has been made, directing the Minister of Finance to incorporate a federal institution designated in the Order as a bridge institution (a “**bridge bank order**”) wholly-owned by CDIC and specifying the date and time as of which the Bank’s deposit liabilities are assumed; or if a vesting order or receivership order has been made, directing CDIC to carry out a Bail-in Conversion.

In the case of a D-SIB, which includes the Bank, the Governor in Council may also make an order requiring CDIC to apply for a winding-up order in respect of the Bank.

Following a vesting order or a receivership order, CDIC will assume temporary control or ownership of the Bank and will be granted broad powers under such Order, including the power to sell or dispose of all or a part of the assets of the Bank, and the power to carry out or cause the Bank to carry out a transaction or a series of transactions the purpose of which is to restructure the business of the Bank. Under a bridge bank order, CDIC has the power to transfer the Bank's insured deposit liabilities and certain assets and other liabilities of the Bank to a bridge institution. Upon the exercise of that power, any assets and liabilities of the Bank that are not transferred to the bridge institution would remain with the Bank, which would then be wound up. In such a scenario, any liabilities of the Bank, including any outstanding Notes, that are not assumed by the bridge institution could receive only partial or no repayment in the ensuing wind-up of the Bank.

There is no limitation on the type of Order that may be made where it has been determined that the Bank has ceased, or is about to cease, to be viable. As a result, a holder of Notes may be exposed to losses through the use of Canadian bank resolution powers other than an NVCC Automatic Conversion or in liquidation.

As a result, a holder of Notes may lose all of its investment, including the principal amount plus any accrued interest, if the CDIC were to take action under the Canadian bank resolution powers, and any Common Shares into which the Notes are converted upon the happening of an NVCC Automatic Conversion upon the occurrence of a Trigger Event may be of little value at the time of an NVCC Automatic Conversion and thereafter.

Any potential compensation to be provided through the compensation process under the CDIC Act is unknown

The CDIC Act provides for a compensation process for holders of Notes who immediately prior to the making of an Order, directly or through an intermediary, own Notes that after the Order is made, are converted in whole or in part into Common Shares in accordance with their terms. While this process applies to successors of those holders it does not apply to assignees or transferees of the holder following the making of the Order and does not apply if the amounts owing under the Notes are paid in full.

Under the compensation process, the compensation to which such holders are entitled is the difference, to the extent it is positive, between the estimated liquidation value and the estimated resolution value of the Notes less an amount equal to an estimate of losses attributable to the conversion of such Notes into Common Shares. The liquidation value is the estimated value the holders would have received if an order under the *Winding-up and Restructuring Act* (Canada) had been made in respect of the Bank, as if no order had been made and without taking into consideration any assistance, financial or otherwise, that is or may be provided to the Bank, directly or indirectly, by CDIC, the Bank of Canada, the Government of Canada or a province of Canada, after any Order to wind up the Bank has been made.

The resolution value in respect of the Notes is the aggregate estimated value of the following: (a) the Notes if they are not held by CDIC and they are not converted, after the making of an Order, into Common Shares in accordance with its terms; (b) Common Shares that are the result of a conversion of the Notes in accordance with their terms after the making of an Order; (c) any interest payments made, after the making of the Order, with respect to the Notes to any person other than CDIC; and (d) any other cash, securities or other rights or interests that are received or to be received with respect to the Notes as a direct or indirect result of the making of the Order and any actions taken in furtherance of the Order, including from CDIC, the Bank, the liquidator of the Bank, if the Bank is wound up, the liquidator of a CDIC subsidiary incorporated or acquired by Order of the Governor in Council for the purposes of facilitating the acquisition, management or disposal of real property or other assets of the Bank that CDIC may acquire as the result of its operations that is liquidated or the liquidator of a bridge institution if the bridge institution is wound up.

In connection with the compensation process, CDIC is required to estimate the liquidation value and the resolution value in respect of the portion of converted Notes and is required to consider the difference between the estimated day on which the liquidation value would be received and the estimated day on which the resolution value is, or would be, received.

CDIC must, within a period following the Order, make an offer of compensation by notice to the relevant holders that held the Notes equal to, or in value estimated to be equal to, the amount of compensation to which such holders are entitled or provide a notice stating that such holders are not entitled to any compensation. In either case such notice is required to include certain prescribed information, including important information regarding the rights of such holders to seek to object and have the compensation to which they are entitled determined by an assessor (a Canadian Federal Court judge) where holders of liabilities representing at least 10% of the principal amount and accrued and unpaid interest of the liabilities of the Notes object to the offer or absence of compensation. The period for objecting is limited (45 days following the day on which a summary of the notice is published in the Canada Gazette) and failure by holders holding a sufficient principal amount plus accrued and unpaid interest of the Notes to object within the prescribed period will result in the loss of any ability to object to the offered compensation or absence of compensation, as applicable. CDIC will pay the relevant holders the offered compensation within 135 days after the date on which a summary of the notice is published in the Canada Gazette if the offer of compensation is accepted, the holder does not notify CDIC of acceptance or objection to the offer or if the holder objects to the offer but the 10% threshold described above is not met within the aforementioned 45-day period.

Where an assessor is appointed, the assessor could determine a different amount of compensation payable, which could either be higher or lower than the original amount. The assessor is required to provide holders, whose compensation it determines, notice of its determination. The assessor's determination is final and there are no further opportunities for review or appeal. Pursuant to CDIC Act amendments that are not yet in effect, in reviewing CDIC's determination of compensation, the assessor must decide whether CDIC made its determination based on an erroneous finding of fact that it made in a perverse or capricious manner or without regard for the material before it or on an unreasonable estimate. If the assessor decides that CDIC did not make its determination based on such a finding of fact or on such an estimate, the assessor must confirm CDIC's determination. However, if the assessor decides that CDIC made its determination based on such a finding of fact or on such an estimate, then the assessor must determine, in accordance with regulations and bylaws made under the CDIC Act, the amount of compensation, if any, to be paid and substitute the assessor's determination for CDIC's determination. CDIC will pay the relevant holders the compensation amount determined by the assessor within 90 days of the assessor's notice.

A similar compensation process to the one set out above applies, in certain circumstances, where as a result of CDIC's exercise of bank resolution powers, Notes are assigned to an entity which is then wound-up.

Given the considerations involved in determining the amount of compensation, if any, that a holder that held Notes may be entitled to following an Order, it is not possible to anticipate what, if any, compensation would be payable in such circumstances.

The Bank reserves the right not to deliver Common Shares upon an NVCC Automatic Conversion

Upon the happening of an NVCC Automatic Conversion upon the occurrence of a Trigger Event, the Bank reserves the right not to deliver some or all, as applicable, of the Common Shares issuable or deliverable thereupon to any person whom the Bank has reason to believe is an Ineligible Person or any person who, by virtue of the operation of the NVCC Automatic Conversion, would become a Significant Shareholder through the acquisition of Common Shares. In such circumstances, the Bank or its transfer agent will attempt to facilitate the sale of such Common Shares. Those sales (if any) may be made at any time and at any price. The Bank or its transfer agent will not be subject to any liability for failure to sell such Common Shares on behalf of such persons or at any particular price on any particular day.

The Bank has no limitation on issuing senior or *pari passu* securities

The Indenture governing the Notes will not contain any financial covenants and will contain only limited restrictive covenants. In addition, the Indenture will not limit the Bank's or its subsidiaries' ability to incur additional indebtedness, issue or repurchase securities or engage in transactions with affiliates. The Bank's ability to incur additional indebtedness and use its funds for any purpose in the Bank's discretion may increase the risk that the Bank may be unable to service its debt, including paying its obligations under the Notes.

Risks Relating to Foreign Currency Notes

General

Unless otherwise specified in the applicable Pricing Supplement, Notes denominated in other than Canadian dollars will not be sold in, or to residents of, the country issuing the Specified Currency in which the particular Notes are denominated. The information set forth in this Prospectus Supplement is directed to prospective purchasers who are Canadian residents and, with respect to Foreign Currency Notes, is by necessity incomplete. The Bank disclaims any responsibility to advise prospective purchasers who are residents of countries other than Canada with respect to any matters that may affect the purchase, holding or receipt of payments of principal, premium, if any, and interest on the Notes. Such persons should consult their own financial and legal advisors with regard to such matters.

This Prospectus Supplement does not describe all risks of an investment in Foreign Currency Notes that result from such Notes being denominated or payable in a Specified Currency other than Canadian dollars, either as such risk exists at the date hereof or as such risks may change from time to time. Prospective purchasers should consult their own financial and legal advisors as to the risk entailed by an investment in Foreign Currency Notes. Foreign Currency Notes are not an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions.

Exchange Rates and Exchange Controls

An investment in Notes denominated in a currency (a “**Foreign Currency**”) other than the currency of the jurisdiction in which a holder resides (a “**Domestic Currency**”) entails significant risks that are not associated with a similar investment by a holder in a debt security denominated in a Domestic Currency. Such risks include, without limitation, the possibility of significant changes in the rate of exchange between the Domestic Currency and the Foreign Currency and the possibility of the imposition or modification of foreign exchange controls by either domestic or foreign governments. Such risks generally depend on events over which the Bank has no control, such as economic and political events and the supply and demand for the relevant currencies. In recent years, rates of exchange between certain world currencies have been highly volatile and such volatility may be expected in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in the rate that may occur during the term of any Note. Depreciation of a Foreign Currency applicable to a particular Note against the Domestic Currency would result in a decrease in the Domestic Currency-equivalent yield of such Note, in the Domestic Currency-equivalent value of the principal and premium, if any, payable on the Maturity Date of such Note, and, generally, in the Domestic Currency-equivalent market value of such Note.

Governments have imposed from time to time exchange controls and may in the future impose or revise exchange controls at or prior to the date on which any payment of principal, premium, if any, or interest on a Note denominated in a Foreign Currency is due, which could affect exchange rates as well as the availability of the Foreign Currency on such date. Even if there are no exchange controls, it is possible that the Foreign Currency for any such Note would not be available on the applicable payment date due to other circumstances beyond the control of the Bank. In that event, in the case of Foreign Currency Notes, the Bank will be entitled to make the required payment in respect of such Notes in Canadian or United States dollars, at the Bank’s option, on the basis of the Market Exchange Rate (as defined below). In the case of Notes denominated in United States dollars, the Bank will be entitled to make the required payment in respect of such Notes in Canadian dollars on the basis of the Canadian Market Exchange Rate (as defined below). See “— Payment Currency” below.

Governing Law; Judgments

The Notes will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. If an action based on the Notes were commenced in a court in Canada, the court would render judgment only in Canadian dollars. It is not clear, however, whether in granting judgment the rate of conversion of a Specified Currency other than Canadian dollars to Canadian dollars would be determined by reference to the date of default, the date judgment is rendered or some other date. In addition, the *Courts of Justice Act* (Ontario) provides that the interest payable before and after judgment may be at a rate other than that agreed to between the parties.

Payment of Principal, Premium, if any, and Interest

The Bank is obligated to make payments of principal, premium, if any, and interest on Foreign Currency Notes in the applicable Specified Currency (or, if such Specified Currency is not at the time of such payment legal tender for the payment of public and private debts, in such other coin or currency of the country which issued such Specified Currency as at the time of such payment is legal tender for the payment of such debts). Any such amounts paid by the Bank will, unless otherwise specified in the applicable Pricing Supplement, be converted by an exchange rate agent named in the applicable Pricing Supplement (the “**Exchange Rate Agent**”) into Canadian dollars for payment to holders. However, unless otherwise specified in the applicable Pricing Supplement, the holder of a Foreign Currency Note may elect to receive such payments in the applicable Specified Currency as hereinafter described.

Any United States dollar amount to be received by a holder of a Foreign Currency Note will be based on the highest bid quotation in the city of New York received by the Exchange Rate Agent at approximately 11:00 A.M. (New York City time) on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers (one of whom may be the Exchange Rate Agent) selected by the Exchange Rate Agent and approved by the Bank for the purchase by the quoting dealer of the Specified Currency for United States dollars for settlement on such payment date in the aggregate amount of the Specified Currency payable to all holders of Foreign Currency Notes scheduled to receive United States dollar payments and at which the applicable dealer commits to execute a contract. All currency exchange costs will be borne by the holder of such Foreign Currency Note by deductions from such payments. If three such bid quotations are not available, payments will be made in the Specified Currency.

Unless otherwise specified in the applicable Pricing Supplement, a holder of a Foreign Currency Note may elect to receive payment of the principal, premium, if any, and/or interest on such Note in the Specified Currency by submitting a written request for such payment to the Trustee in the city of Toronto on or prior to the applicable Record Date or at least 15 calendar days prior to the applicable Maturity Date, as the case may be. Such written request may be mailed or hand delivered or sent by cable, telex or other form of facsimile transmission. A holder of such Foreign Currency Note may elect to receive payment in the applicable Specified Currency for all such principal, premium, if any, and interest payments and need not file a separate election for such payment. Such election will remain in effect until revoked by written notice to the Trustee but written notice of any such revocation must be received by the Trustee on or prior to the applicable Record Date or at least 15 calendar days prior to the applicable Maturity Date, as the case may be. Holders of Foreign Currency Notes whose Notes are to be held in the name of a broker or nominee should contact such broker or nominee to determine whether and how an election to receive payments in the applicable Specified Currency may be made.

Payments of interest on Foreign Currency Notes which are to be made in the applicable Specified Currency on an Interest Payment Date (other than the applicable Maturity Date) will be made by cheque mailed to the addresses of the persons entitled thereto as they appear in the security register. Payments of principal, premium, if any, and interest on Foreign Currency Notes which are to be made in the applicable Specified Currency on the applicable Maturity Date will be made by wire transfer in immediately available funds to an account with a bank designated at least 15 calendar days prior to the applicable Maturity Date by the applicable holder, provided that such bank has appropriate facilities therefor and that the applicable Note is presented at the principal office in the city of Toronto of the Trustee in time for the Trustee to make such payments in such funds in accordance with its normal procedures.

Unless otherwise specified in the applicable Pricing Supplement, a beneficial owner of a Global Note or Global Notes representing Book-Entry Notes denominated in a Specified Currency other than Canadian dollars which elects to receive payments of principal, premium, if any, and interest in such Specified Currency must notify CDS Participant through which its interest is held on or prior to the applicable Record Date or at least 15 calendar days prior to the applicable Maturity Date, as the case may be, of such beneficial owner’s election to receive all or a portion of such payment in such Specified Currency. Such CDS Participant must notify CDS of such election on or prior to the third Business Day after such Record Date or at least ten calendar days prior to the applicable Maturity Date, as the case may be, and CDS will notify the Trustee of such election on or prior to the fifth Business Day after such Record Date or at least ten calendar days prior to the applicable Maturity Date, as the case may be. If complete instructions are received by CDS Participant and forwarded by CDS Participant to CDS and by CDS to the Trustee on or prior to such dates, then the beneficial owner will receive payments in such Specified Currency.

Payment Currency

If the applicable Specified Currency is not available for the payment of principal, premium, if any, or interest with respect to a Foreign Currency Note or a Note denominated in United States dollars due to the imposition of exchange controls or other circumstances beyond the control of the Bank, the Bank will be entitled to satisfy its obligations to the holder of such notes by making such payment in Canadian or United States dollars, at the Bank's option, in the case of a Foreign Currency Note, and in Canadian dollars, in the case of a Note denominated in United States dollars on the basis of the Market Exchange Rate or the Canadian Market Exchange Rate, as applicable, on the second Business Day prior to such payment or, if such Market Exchange Rate or Canadian Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate or Canadian Market Exchange Rate or as otherwise specified in the applicable Pricing Supplement. With respect to payments made in United States dollars, the "**Market Exchange Rate**" for a Specified Currency other than United States dollars means the dollar buying rate in the city of New York for cable transfers in such Specified Currency as certified for customs purposes by (or if not so certified, as otherwise determined by) the Federal Reserve Bank of New York. With respect to payments made in Canadian dollars, the "**Canadian Market Exchange Rate**" for a Specified Currency other than Canadian dollars means the dollar buying rate announced by the Bank of Canada for such Specified Currency. Any payment made under such circumstances in Canadian dollars where the required payment is in United States dollars, or any payment made under such circumstances in Canadian or United States dollars where the required payment is in a Specified Currency other than Canadian or United States dollars, will not constitute an Event of Default under the Indenture with respect to the Notes.

If payment in respect of a Foreign Currency Note is required to be made in any currency unit and such currency unit is unavailable due to the imposition of exchange controls or other circumstances beyond the Bank's control, then the Bank will be entitled, but not required, to make any payments in respect of such Note in Canadian or United States dollars, at the Bank's option, until such currency unit is again available. The amount of each payment in Canadian or United States dollars shall be calculated on the basis of the equivalent of the currency unit in Canadian or United States dollars, as applicable, which shall be determined by the Bank or its agent on the following basis. The component currencies of the currency unit for this purpose (collectively, the "**Component Currencies**" and each a "**Component Currency**") shall be the currency amounts that were components of the currency unit as of the last day on which the currency unit was used. The equivalent of the currency unit in Canadian or United States dollars shall be calculated by aggregating the Canadian or United States dollar equivalents of the Component Currencies, as applicable. The Canadian or United States dollar equivalent of each of the Component Currencies shall be determined by the Bank or such agent on the basis of the most recently available Market Exchange Rate or Canadian Market Exchange Rate for each such Component Currency, as applicable, or as otherwise specified in the applicable Pricing Supplement.

If the official unit of any Component Currency is altered by way of combination or subdivision, the number of units of the currency as a Component Currency shall be divided or multiplied in the same proportion. If two or more Component Currencies are consolidated into a single currency, the amounts of those currencies as Component Currencies shall be replaced by an amount in such single currency. If any Component Currency is divided into two or more currencies, the amount of the original Component Currency shall be replaced by the amounts of such two or more currencies, the sum of which shall be equal to the amount of the original Component Currency.

All determinations referred to above made by the Bank or its agent (including the Exchange Rate Agent) shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the holders of the Foreign Currency Notes.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel for the Bank, and in the opinion of McCarthy Tétrault LLP, counsel to the Agents, except as otherwise specified in the applicable Pricing Supplement, the following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser of Notes pursuant to the applicable Pricing Supplement who, for purposes of the Tax Act at all relevant times, is or is deemed to be a resident of Canada, deals at arm's length and is not affiliated with the Bank or the Agents and holds Notes and will hold Common Shares acquired on an NVCC Automatic Conversion as capital property (a "**holder**"). Generally, the Notes and the Common Shares will be capital property to a holder provided the holder does not acquire the Notes or the Common Shares in the course of carrying on a business or as part of an adventure or concern in the

nature of trade. Certain holders whose Notes or Common Shares would not otherwise qualify as capital property may, in certain circumstances, be entitled to have them and all other “Canadian securities”, as defined in the Tax Act, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary is not applicable to a purchaser (i) an interest in which is a “tax shelter investment”, (ii) who is a “financial institution” for purposes of the “mark-to-market” rules, (iii) who is a “specified financial institution”, (iv) who enters into a “derivative forward agreement” with respect to the Notes or the Common Shares, or (v) who makes or has made a “functional currency” reporting election, each as defined in the Tax Act. Such purchasers should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the “**Regulations**”), and counsel’s understanding of the current administrative and assessing policies of the Canada Revenue Agency published in writing by it prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and assumes that all Tax Proposals will be enacted in the form proposed. However, no assurances can be given that the Tax Proposals will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practice, whether by legislative, regulatory, administrative or judicial action, nor does it take into account any other federal, provincial, territorial or foreign tax considerations which may differ from those discussed herein. Additional or alternative Canadian federal income tax considerations may be described in the applicable Pricing Supplement. For greater certainty, in the event of any inconsistency, the Canadian federal income tax considerations contained in the applicable Pricing Supplement govern.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular holder. This summary is not exhaustive of all federal income tax considerations. Accordingly, prospective purchasers of Notes should consult their own tax advisors with respect to their particular circumstances.

Taxation of Interest and Other Amounts

A holder of a Note that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest or amount that is considered for the purposes of the Tax Act to be interest on the Note that accrues or is deemed to accrue to such holder to the end of the year or became receivable or is received by the holder before the end of the year, to the extent that such amount was not included in computing the holder’s income for a preceding taxation year.

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

Dispositions

On a disposition or deemed disposition of a Note (including a purchase or redemption by the Bank prior to maturity or a repayment by the Bank upon maturity) other than a disposition as the result of an NVCC Automatic Conversion, a holder will generally be required to include in computing its income for the taxation year in which the disposition or deemed disposition occurs the amount of interest (including any amount considered to accrue as interest) that has accrued on the Note to the date of disposition to the extent that such amount has not otherwise been included in computing the holder’s income for the year in which the disposition or deemed disposition occurred or a preceding taxation year. On a disposition of a Note as a result of an NVCC Automatic Conversion, a holder will be required to include in computing its income for the taxation year in which the NVCC Automatic Conversion occurs the fair market value of any Common Shares issued in satisfaction of accrued and unpaid interest on the Note to the date of the NVCC Automatic Conversion, to the extent that such amount has not otherwise been included in computing the holder’s income for that year or a preceding taxation year. A holder that has previously included an amount in income in respect of such interest which exceeds the fair market value of the Common Shares issued in satisfaction thereof may be entitled to an offsetting deduction in the year of disposition in an amount equal to the amount of such excess.

Any premium paid by the Bank to a holder on the purchase or redemption of a Note (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public) will generally be deemed to be interest received by the holder at the time of payment to the extent that it can reasonably be considered to relate to, and does not exceed the value at that time of, the interest that would have been paid or payable by the Bank on the Note for a taxation year of the Bank ending after the time of payment. Such interest will be required to be included in computing the holder's income in the manner described above.

In general, on a disposition or deemed disposition of a Note, a holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount included in the holder's income as interest and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such Note to the holder immediately before the disposition or deemed disposition. Where the Notes are converted into Common Shares as the result of an NVCC Automatic Conversion, the proceeds of disposition will be equal to the fair market value of the Common Shares received on the conversion (other than any Common Shares issued in satisfaction of accrued and unpaid interest on the Notes). The cost to a holder of Common Shares acquired pursuant to an NVCC Automatic Conversion will generally equal the fair market value of such Common Shares on the date of acquisition. The cost of a Common Share received on an NVCC Automatic Conversion will be averaged with the adjusted cost base to a holder of all other Common Shares owned by the holder as capital property at such time for the purposes of determining the adjusted cost base of each Common Share.

Generally, a holder is required to include in computing its income for a taxation year one-half of the amount of any such capital gain (a "**taxable capital gain**"). Subject to and in accordance with the provisions of the Tax Act, a holder is required to deduct one-half of the amount of any such capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the holder in the year and allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

Additional Refundable Tax

A holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) throughout the year or a "substantive CCPC" (as proposed to be defined in the Tax Act as announced in the April 7, 2022 federal budget and as supplemented by legislative proposals released on August 9, 2022) at any time in the year may be liable to pay an additional refundable tax on certain investment income including amounts in respect of interest and taxable capital gains.

Currency Conversion

If the Notes are denominated in a currency other than Canadian dollars, all amounts relating to the acquisition, holding or disposition of the Notes must be converted into Canadian dollars based on exchange rates determined in accordance with the Tax Act. The amount of interest required to be included in the income of, and capital gains or capital losses realized by, a holder may be affected by currency fluctuations.

PLAN OF DISTRIBUTION

The Notes are being offered on a continuous basis for sale by the Bank, through the Agents, who will utilize their reasonable best efforts on an agency basis to solicit offers to purchase the Notes at 100% of the principal amount thereof, unless otherwise specified in the applicable Pricing Supplement. If agreed to by the Bank and the Agents, the Agents may purchase the Notes, as principal, from the Bank from time to time, for resale to investors and other purchasers at varying prices relating to prevailing market prices at the time of resale as determined by the Agents, or if so specified in the applicable Pricing Supplement, for resale at a fixed public offering price. The rate of commission payable in connection with sales by the Agents of Notes will be as determined by mutual agreement of the Bank and the Agent or Agents, as the case may be.

The Notes have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act) except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Bank reserves the right to withdraw, cancel or modify the offer made hereby without notice and may reject orders in whole or in part (whether placed directly with the Bank or through the Agents). Each Agent will have the right, in its discretion reasonably exercised, to reject in whole or in part any offer to purchase Notes received by it on an agency basis.

Unless otherwise specified in the applicable Pricing Supplement, payment of the purchase price of Notes will be required to be made in immediately available funds in the applicable Specified Currency in Toronto, Ontario on the date of settlement. See “Description of Notes — General”.

Upon issuance, the Notes will not have an established trading market. The Notes will not be listed on any securities exchange. Each of the Agents may from time to time purchase and sell Notes in the secondary market, but no Agent is obligated to do so, and there can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, each of the Agents may make a market in the Notes, but the Agents are not obligated to do so and may discontinue any market-making activity at any time.

Concurrently with the offering of Notes described herein, the Bank may issue other debt securities described in the accompanying Prospectus pursuant to the Indenture.

In connection with an offering of Notes the Agents may, subject to applicable law, over-allot or effect transactions which stabilize or maintain the market price of the Notes at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

BMO Nesbitt Burns Inc., one of the Agents, was involved in the decision to distribute the Notes and in determining the terms of the Notes set forth in this Prospectus Supplement and will be involved in the determination of the terms of each particular offering of Notes, which shall be made based on the direction and advice of one or more officers of BMO Nesbitt Burns Inc. BMO Nesbitt Burns Inc. may receive a commission in connection with it acting as a dealer for the distribution of Notes and may earn a profit in connection with the acquisition or disposition of Notes acting as principal. BMO Nesbitt Burns Inc. is a wholly owned subsidiary of the Bank. As a result, the Bank is a “related issuer” and a “connected issuer” of BMO Nesbitt Burns Inc. under applicable securities legislation. BMO Nesbitt Burns Inc. will not receive any benefit in connection with any offering of Notes, other than its share of any commission payable by the Bank to the Agents.

As required under applicable Canadian securities legislation, one or more independent Agents that is not related or connected to the Bank or BMO Nesbitt Burns Inc. has and will participate with all of the other Agents in due diligence meetings with the Bank and its representatives in relation to offerings of Notes pursuant to this Prospectus Supplement, has and will review the Prospectus and this Prospectus Supplement, has and will have the opportunity to propose such changes to this Prospectus Supplement considered appropriate, and will participate, together with the other Agents, in establishing the terms of the Notes and the price at which they will be sold by the Bank from time to time.

LEGAL MATTERS

Legal matters in connection with the issue and sale of the Notes will be passed upon, on behalf of the Bank, by Osler, Hoskin & Harcourt LLP and, on behalf of the Agents, by McCarthy Tétrault LLP. As at August 30, 2023, partners and associates of each of Osler, Hoskin & Harcourt LLP and McCarthy Tétrault LLP, collectively, beneficially owned, directly or indirectly, less than 1% of any class of issued and outstanding securities of the Bank or any associates or affiliates of the Bank.

CERTIFICATE OF THE AGENTS

Dated: August 30, 2023

To the best of our knowledge, information and belief, the short form prospectus dated December 22, 2022, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement(s) as required by the *Bank Act* (Canada) and the regulations thereunder and the securities legislation of all provinces and territories of Canada.

BMO NESBITT BURNS INC.

By: (signed) MICHAEL CLEARY

CIBC WORLD MARKETS INC.

BY: (signed) GAURAV MATTA

HSBC SECURITIES (CANADA) INC.

BY: (signed) MICHAEL HUGHES

LAURENTIAN BANK SECURITIES INC.

BY: (signed) BENOIT LALONDE

MERRILL LYNCH CANADA INC.

BY: (signed) MATTHEW MARGULIES

RBC DOMINION SECURITIES INC.

BY: (signed) ANDREW FRANKLIN

TD SECURITIES INC.

BY: (signed) GREG McDONALD

DESJARDINS SECURITIES INC.

BY: (signed) RYAN GODFREY

IA PRIVATE WEALTH INC.

BY: (signed) FRANK LACHANCE

MANULIFE SECURITIES INCORPORATED

BY: (signed) STEPHEN ARVANITIDIS

NATIONAL BANK FINANCIAL INC.

BY: (signed) JOHN CARRIQUE

SCOTIA CAPITAL INC.

BY: (signed) GRAHAM FRY

WELLS FARGO SECURITIES CANADA, LTD.

BY: (signed) DARIN DESCHAMPS

Short Form Base Shelf Prospectus

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

This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirement is available. This short form base shelf prospectus has been filed in reliance on an exemption from the preliminary base shelf prospectus requirement for a well-known seasoned issuer.

This short form base shelf 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 offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and, except as stated under “Plan of Distribution”, may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act).

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary, Bank of Montreal, 100 King St. W., 1 First Canadian Place, 21st Floor, Toronto, Ontario, M5X 1A1, telephone: (416) 867-6785, and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue and/or Secondary Offering

December 22, 2022



Bank of Montreal Debt Securities (subordinated indebtedness) Common Shares Class A Preferred Shares Class B Preferred Shares Subscription Receipts Instalment Receipts

Bank of Montreal (the “**Bank**”) may from time to time offer and issue during the 25 month period that this short form base shelf prospectus (this “**Prospectus**”), including any amendments hereto, remains valid the following securities: (i) unsecured subordinated debt securities, including convertible or exchangeable debt securities and debt securities payable on an instalment basis and represented by instalment receipts (“**Debt Securities**”); (ii) common shares (“**Common Shares**”); (iii) Class A Preferred Shares and Class B Preferred Shares (collectively, “**Preferred Shares**”), and (iv) subscription receipts, including subscription receipts payable on an instalment basis and represented by instalment receipts (“**Subscription Receipts**”). The Debt Securities, Common Shares, Preferred Shares and Subscription Receipts (collectively, the “**Securities**”) offered hereby may be offered separately or together, in amounts, at prices and on terms to be set forth in an accompanying shelf prospectus supplement and any applicable pricing supplement (collectively, a “**Prospectus Supplement**”). One or more selling securityholders may also offer and sell Securities under this Prospectus. The Bank is not currently aware of any such selling securityholders, but such selling securityholders may include a subsidiary of the Bank in the case of an offering of Debt Securities represented by instalment receipts. This Prospectus qualifies the distribution of Securities by the Bank and by any selling securityholders.

All shelf information permitted under applicable securities legislation to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus, except in cases where an exemption from such delivery requirement is available. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the securities to which the Prospectus Supplement pertains. All currency amounts in this Prospectus are stated in Canadian dollars, unless otherwise indicated.

The specific terms of any offering of Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, any terms for redemption at the option of the Bank or the holder, any exchange or conversion terms, whether the Debt Securities are payable on an instalment basis and any other specific terms; (ii) in the case of Common Shares, the currency or the currency unit for which the Common Shares may be purchased, the number of Common Shares offered and offering price; (iii) in the case of Preferred Shares, the designation of the particular class, series, aggregate principal amount, the currency or currency unit for which the Preferred Shares may be purchased, the number of Preferred Shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at the option of the Bank or the holder, any exchange or conversion terms and any other specific terms, and (iv) in the case of Subscription Receipts, the currency or the currency unit for which the Subscription Receipts may be purchased, the number of Subscription Receipts being offered, the offering price, the conditions and procedures for the exchange of the Subscription Receipts for Debt Securities, Preferred Shares or Common Shares, as the case may be, whether the Subscription Receipts are payable on an instalment basis and any other specific terms.

For greater clarity, the Bank reserves the right to include in a Prospectus Supplement specific variable terms pertaining to the Securities that are not within the descriptions set forth in this Prospectus.

This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or a bankers' acceptance rate, or to recognized market benchmark interest rates.

The Debt Securities will be direct unsecured obligations of the Bank constituting subordinated indebtedness for the purposes of the *Bank Act* (Canada) (the "**Bank Act**") ranking at least equally with other subordinated indebtedness of the Bank from time to time issued and outstanding (other than subordinated indebtedness which has been further subordinated in accordance with its terms).

The Debt Securities will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.

The outstanding Common Shares are currently listed on the Toronto Stock Exchange and the New York Stock Exchange and the outstanding Preferred Shares, to the extent they are listed, are listed on the Toronto Stock Exchange.

Effective January 1, 2013, in accordance with capital adequacy requirements adopted by the Office of the Superintendent of Financial Institutions (Canada) (the "**Superintendent**"), non-common capital instruments issued after January 1, 2013, including subordinated debt securities or preferred shares, must include terms providing for the full and permanent conversion of such securities into common shares upon the occurrence of certain trigger events relating to financial viability (the "**Non-Viability Capital Contingency Provisions**") in order to qualify as regulatory capital. The specific terms of any Non-Viability Capital Contingency Provisions for any subordinated Debt Securities and Preferred Shares that the Bank issues under this Prospectus will be described in one or more Prospectus Supplements relating to such Securities.

The Bank and the selling securityholders(s) may offer and sell the Securities through underwriters or dealers purchasing as principal, and may also sell Securities directly to one or more purchasers or through agents acting as agent. See "Plan of Distribution". The underwriters may decrease the price at which the Securities are distributed for cash from the initial offering price disclosed in a Prospectus Supplement unless otherwise specified in a Prospectus Supplement. **See "Plan of Distribution" for additional disclosure concerning a possible price decrease.** The Prospectus Supplement will identify each underwriter, dealer or agent, as the case may be, engaged in connection with the offering and sale of those Securities, and will also set forth the terms of the offering of such Securities including the initial public offering price of such Securities (or the manner of determination thereof if offered on a non-fixed price basis), the method of distribution of such Securities, the net proceeds to the Bank and, to the extent applicable, any fees, discounts or other compensation payable to the underwriters, dealers or agents and any other material terms of the plan of distribution. If offered on a non-fixed price basis, the Securities may be offered at market prices

prevailing at the time of sale (including, without limitation, sales deemed to be an “at-the-market distribution” as defined in National Instrument 44-102 – *Shelf Distributions* (“NI 44-102”), including sales made directly on the TSX or other existing trading markets for the Securities), at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale, which prices may vary between purchasers and during the period of distribution. This Prospectus may qualify an “at-the-market distribution”, as defined in NI 44-102. If any Securities are offered on a non-fixed price basis where the underwriters or dealers are purchasing Securities, the underwriters’ or dealers’ compensation, as the case may be, may increase or decrease by the amount by which the aggregate price paid for Securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriters or dealers for the Securities. See “Plan of Distribution”.

Unless otherwise specified in the applicable Prospectus Supplement, in connection with any offering of Securities, other than an “at-the-market distribution”, the underwriters, dealers or agents may over-allot or effect transactions that stabilize or maintain the market price of the Securities at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See “Plan of Distribution”.

Investing in the Securities involves significant risks. Prospective investors should carefully read and consider the risk factors described or referenced under the heading “Caution Regarding Forward-Looking Statements” and “Risk Factors” in this Prospectus, contained in any of the documents incorporated by reference herein, and in any applicable Prospectus Supplement, before purchasing Securities.

Unless otherwise indicated in the Prospectus Supplement relating to an offering of Securities, the particular offering of Securities will be subject to approval of certain legal matters on behalf of the Bank by Osler, Hoskin & Harcourt LLP.

As of the date hereof, the Bank has determined that it qualifies as a “well-known seasoned issuer”, as such term is defined under the WKSJ Blanket Orders (as defined below). See “Reliance on Exemptions for Well-Known Seasoned Issuers”.

Each of Janice M. Babiak, Craig W. Broderick, Christine A. Edwards, Dr. Martin S. Eichenbaum, Linda S. Huber and Madhu Ranganathan, each a director of the Bank, reside outside of Canada and have appointed the Bank, at 100 King Street West, 1 First Canadian Place, 21st Floor, Toronto, Ontario, M5X 1A1, Canada, as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if such person has appointed an agent for service of process.

The head and registered office of the Bank is at 129 rue Saint Jacques, Montréal, Québec, H2Y 1L6, and the executive offices are located at 100 King Street West, 1 First Canadian Place, Toronto, Ontario, M5X 1A1.

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

The Bank's public communications often include written or oral forward-looking statements. Statements of this type are included in this Prospectus (including documents incorporated by reference), and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbor" provisions of, and are intended to be forward-looking statements under, the United States *Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. Forward-looking statements included in this Prospectus (including documents incorporated by reference) may include, but are not limited to, statements with respect to the Bank's objectives and priorities for fiscal year 2023 and beyond, the Bank's strategies or future actions, the Bank's targets and commitments (including with respect to net zero emissions), expectations for the Bank's financial condition, capital position or share price, the regulatory environment in which the Bank operates, the results of, or outlook for, the Bank's operations or for the Canadian, U.S. and international economies, the closing of the Bank's proposed acquisition of Bank of the West, including plans for the combined operations of the Bank and Bank of the West and the financial, operational and capital impacts of the transaction, statements with respect to the closing of the concurrent private placement, and include statements made by the Bank's management. Forward-looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "project", "intend", "estimate", "plan", "goal", "commit", "target", "may", "might", "schedule", "forecast", "outlook", "timeline", "suggest", "seek" and "could" or negative or grammatical variations thereof.

By their nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that the Bank's assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, conclusions or projections. The Bank cautions readers of this Prospectus not to place undue reliance on its forward-looking statements, as a number of factors – many of which are beyond the Bank's control and the effects of which can be difficult to predict – could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including, but not limited to: general economic and market conditions in the countries in which the Bank operates, including labour challenges; the severity, duration and spread of the COVID-19 pandemic, and possibly other outbreaks of disease or illness, and their impact on local, national or international economies, as well as its heightening of certain risks that may affect the Bank's future results; information, privacy and cyber security, including the threat of data breaches, hacking, identity theft and corporate espionage, as well as the possibility of denial of service resulting from efforts targeted at causing system failure and service disruption; benchmark interest rate reforms; technological changes and technology resiliency; political conditions, including changes relating to, or affecting, economic or trade matters; climate change and other environmental and social risk; the Canadian housing market and consumer leverage; inflationary pressures; global supply-chain disruptions; changes in monetary, fiscal, or economic policy; changes in laws, including tax legislation and interpretation, or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance, and the effect of such changes on funding costs; weak, volatile or illiquid capital or credit markets; the level of competition in the geographic and business areas in which the Bank operates; exposure to, and the resolution of, significant litigation or regulatory matters, the Bank's ability to successfully appeal adverse outcomes of such matters and the timing, determination and recovery of amounts related to such matters; the accuracy and completeness of the information the Bank obtains with respect to its customers and counterparties; failure of third parties to comply with their obligations to the Bank; the Bank's ability to execute its strategic plans and to complete proposed acquisitions or dispositions and integrate acquisitions, including obtaining regulatory approvals; critical accounting estimates and the effects of changes to accounting standards, rules and interpretations on these estimates; operational and infrastructure risks, including with respect to reliance on third parties; the possibility that the Bank's proposed acquisitions, including the Bank's proposed acquisition of Bank of the West, do not close when expected, or at all, because required regulatory approvals or other conditions to closing are not received or satisfied on a timely basis, or at all, or are received subject to adverse conditions or requirements; the anticipated benefits from the proposed acquisitions, including the Bank's proposed acquisition of Bank of the West, such as potential synergies and operational efficiencies, are not realized; the Bank's ability to manage exposure to capital arising from changes in fair value of assets and liabilities between announcing and closing any such proposed acquisitions; the Bank's ability to perform effective fair value management actions and unforeseen consequences arising from such actions; changes to the Bank's credit ratings; global capital markets activities; the possible effects

on the Bank's business of war or terrorist activities; natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply; and the Bank's ability to anticipate and effectively manage risks arising from all of the foregoing factors.

The Bank cautions that the foregoing list is not exhaustive of all possible factors. Other factors and risks could adversely affect the Bank's results. For more information, please refer to the discussion in the "Risks That May Affect Future Results" section, and the sections related to credit and counterparty, market, insurance, liquidity and funding, operational non-financial, legal and regulatory, strategic, environmental and social, and reputation risk, in the "Enterprise-Wide Risk Management" section of the Bank's 2022 Annual Report (as defined herein), as updated by quarterly reports, all of which outline certain key factors and risks that may affect the Bank's future results. Investors and others should carefully consider these factors and risks, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by the organization or on its behalf, except as required by law. The forward-looking information contained or incorporated by reference in this Prospectus is presented for the purpose of assisting prospective purchasers of the Bank's securities in understanding the Bank's financial position as at and for the periods ended on the dates presented, as well as its strategic priorities and objectives, and may not be appropriate for other purposes.

Material economic assumptions underlying the forward-looking statements contained or incorporated by reference in this Prospectus are set out in the "Economic Developments and Outlook" section of the Bank's 2022 Annual Report, as updated by quarterly reports, as well as in the "Allowance for Credit Losses" section of the Bank's 2022 Annual Report, as updated by quarterly reports. Assumptions about the performance of the Canadian and U.S. economies, as well as overall market conditions and their combined effect on the Bank's business, are material factors the Bank considers when determining its strategic priorities, objectives and expectations for its business. Assumptions about Bank of the West's balance sheet, product mix and margins, and interest rate sensitivity were material factors the Bank considered in estimating the fair value and goodwill and intangibles amounts at closing, and assumptions about the Bank's integration plan, the efficiency and duration of integration and alignment of organizational responsibilities were material factors the Bank considered in estimating pre-tax cost-synergies. In determining the Bank's expectations for economic growth, the Bank primarily considers historical economic data, past relationships between economic and financial variables, changes in government policies, and the risks to the domestic and global economy.

DOCUMENTS INCORPORATED BY REFERENCE

As of the date of this Prospectus, the following documents have been filed by the Bank with the Superintendent and with the securities commissions or similar authorities in Canada (the "**Commissions**") and are specifically incorporated by reference in this Prospectus:

- (a) the annual information form dated December 1, 2022 for the year ended October 31, 2022;
- (b) the consolidated balance sheets as at October 31, 2022 and October 31, 2021 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended together with the auditor's report thereon and the report of independent registered public accounting firm on the effectiveness of internal control over financial reporting as of October 31, 2022 under the standards of the Public Company Accounting Oversight Board (United States) (the "**2022 Audited Consolidated Financial Statements**");
- (c) management's discussion and analysis as contained in the Bank's annual report as of October 31, 2022 (the "**2022 Annual Report**"); and
- (d) the management proxy circular dated March 1, 2022 in connection with the annual meeting of shareholders of the Bank held on April 13, 2022.

Any documents of the type described in Section 11.1 of Form 44-101F1 – *Short Form Prospectus* filed by the Bank with the Commissions after the date of this Prospectus but prior to the termination of the offering under any Prospectus Supplement are deemed to be incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

A Prospectus Supplement containing the specific terms of an offering of Securities will be delivered to purchasers of such Securities together with this Prospectus (except in cases where an exemption from such delivery requirements is available) and will be deemed to be incorporated into this Prospectus as of the date of the Prospectus Supplement solely for the purposes of the offering of the Securities covered by such Prospectus Supplement unless otherwise expressly provided therein.

Upon a new annual information form and the related audited annual consolidated financial statements together with the auditors' report thereon, the auditors' report on the effectiveness of internal control over financial reporting under the standards of the Public Company Accounting Oversight Board (United States) and management's discussion and analysis being filed by the Bank with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous audited annual consolidated financial statements and management's discussion and analysis and all unaudited interim consolidated financial statements, material change reports, information circulars, business acquisition reports and other disclosure documents filed prior to the commencement of the Bank's financial year in which the new annual information form is filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder.

Updated earnings coverage ratios, as required, will be filed quarterly with the applicable securities commissions or similar authorities in Canada, either as Prospectus Supplements or as exhibits to the Bank's unaudited interim and audited annual financial statements, and will be deemed to be incorporated by reference into this Prospectus. Where the Bank updates its disclosure of earnings coverage ratios by Prospectus Supplement, the Prospectus Supplement filed with the applicable securities regulatory authorities that contains the most recent updated disclosure of earnings coverage ratios and any Prospectus Supplement supplying any additional or updated information the Bank may elect to include (provided that such information does not describe a material change that has not already been the subject of a material change report or a prospectus amendment) will be delivered to all subsequent purchasers of Securities together with this Prospectus and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement or Prospectus Supplements.

In addition, certain marketing materials (as that term is defined in applicable Canadian securities legislation) may be used in connection with a distribution of Securities under this Prospectus and any applicable Prospectus Supplement. Any "template version" of "marketing materials" (as those terms are defined in applicable Canadian securities legislation) pertaining to a distribution of Securities filed by the Bank after the date of the applicable Prospectus Supplement and before termination of the distribution of the Securities offered pursuant to such Prospectus Supplement will be deemed to be incorporated by reference into such Prospectus Supplement for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

Copies of this Prospectus and the documents incorporated herein by reference may be obtained on written or oral request without charge from the Corporate Secretary, Bank of Montreal, 100 King St. W., 1 First Canadian Place, 21st Floor, Toronto, Ontario, M5X 1A1, telephone: (416) 867-6785 and are also available electronically at www.sedar.com.

BANK OF MONTREAL

Bank of Montreal started business in Montreal in 1817 and was incorporated in 1821 by an Act of Lower Canada as the first Canadian chartered bank. Since 1871, the Bank has been a chartered bank under the Bank Act and is named in Schedule I of the Bank Act. The Bank Act is the charter of the Bank and governs its operations.

The Bank's head and registered office is 129 rue Saint Jacques, Montreal, Quebec, H2Y 1L6. The address and telephone number of its executive offices are 100 King Street West, 1 First Canadian Place, Toronto, Ontario, M5X 1A1, (416) 867-6785.

The Bank is a highly diversified financial services provider based in North America, providing a broad range of personal and commercial banking, wealth management, global markets and investment banking products and services directly and through Canadian and non-Canadian subsidiaries, offices, and branches. As at October 31, 2022, the Bank had 12 million customers and more than 46,000 full-time equivalent employees. As at October 31, 2022, the Bank had more than 1,300 bank branches and approximately 4,700 automated banking machines, as well as online and mobile digital banking platforms. The Bank operates in Canada, the United States and select markets globally through its offices in a number of jurisdictions around the world. BMO Financial Corp. is based in Chicago and is wholly-owned by Bank of Montreal. BMO Financial Corp. operates primarily through its subsidiary BMO Harris Bank N.A., which provides banking, financing, investing, and cash management services in the United States. The Bank provides a full range of investment dealer services through entities, including BMO Nesbitt Burns Inc., a major fully integrated Canadian investment dealer, and BMO Capital Markets Corp., the Bank's wholly-owned registered broker dealer in the United States.

RECENT DEVELOPMENTS

Domestic Stability Buffer Announcement

On December 8, 2022, the Superintendent announced that the Domestic Stability Buffer (“**DSB**”) level will be set at 3.0% as of February 1, 2023. In addition, the Superintendent increased the DSB's range from 0% to 4.0%, from the previous range of 0% to 2.5%. The DSB applies to all Domestic Systemically Important Banks, including the Bank.

Public Offering of Common Shares

On December 16, 2022, the Bank issued and sold in a public offering 13,575,750 Common Shares at a price of \$118.60 per Common Share for aggregate gross proceeds to the Bank of \$1,610,083,950 (the “**Common Share Public Offering**”). The Common Shares issued and sold included Common Shares issued pursuant to the exercise in full of the over-allotment option granted to the underwriters of the Common Share Public Offering. The Common Share Public Offering was underwritten on a bought-deal basis by a syndicate of underwriters led by BMO Nesbitt Burns Inc.

Concurrent Private Placement

Concurrently with the Common Share Public Offering, on December 16, 2022, the Bank issued and sold, on a private placement basis, an aggregate of 8,431,700 Common Shares at a price of \$118.60 per Common Share to Caisse de dépôt et placement du Québec, OMERS, Alberta Investment Management Corporation, Healthcare of Ontario Pension Plan, Public Sector Pension Investment Board and Canada Pension Plan Investment Board, for aggregate gross proceeds to the Bank of \$999,999,620. The Bank has also agreed to sell to BNP Paribas S.A. (“**BNPP**”), on a private placement basis, an aggregate of 6,323,777 Common Shares at a price of \$118.60 per Common Share for gross proceeds to the Bank of \$749,999,952. Such private placements are referred to in this Prospectus collectively as the “**Concurrent Private Placement**”. Closing of the private placement with BNPP is conditional on the closing of the Bank's previously-announced acquisition of Bank of the West from BNPP. Closing of the private placement with BNPP will occur no later than concurrently with the closing of the Bank of the West acquisition.

DESCRIPTION OF DEBT SECURITIES

The following describes certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement.

The Debt Securities will be direct unsecured obligations of the Bank, constituting subordinated indebtedness for the purposes of the Bank Act, ranking at least equally with other subordinated indebtedness of the Bank from time to time issued and outstanding (other than subordinated indebtedness or any Debt Securities which have been further subordinated in accordance with their terms). In the event of the insolvency or winding-up of the Bank, the subordinated indebtedness issued by the Bank (including any Debt Securities issued hereunder if a trigger event has not occurred as contemplated under the specific Non-Viability Capital Contingency Provisions as may be applicable to such Debt Securities) will be subordinate in right of payment to the prior payment in full of the deposit liabilities of the Bank and other liabilities of the Bank, except those liabilities which by their terms rank in right of payment equally with, or are subordinate to, such subordinated indebtedness.

Subject to regulatory capital requirements applicable to the Bank, there is no limit on the amount of Debt Securities that the Bank may issue.

If the Bank becomes insolvent, the Bank Act provides that priorities among payments of the Bank's deposit liabilities and payments of all of the Bank's other liabilities (including payments in respect of Debt Securities) are to be determined in accordance with the laws governing priorities and, where applicable, by the terms of the indebtedness and liabilities. Because the Bank has subsidiaries, the Bank's right to participate in any distribution of the assets of such banking or non-banking subsidiaries, upon a subsidiary's dissolution, winding-up liquidation or reorganization or otherwise, and thus a purchaser's ability to benefit indirectly from such distribution, is subject to the prior claims of creditors of that subsidiary, except to the extent that the Bank may be a creditor of that subsidiary and the Bank's claims are recognized. There are legal limitations on the extent to which some of the Bank's subsidiaries may extend credit, pay dividends or otherwise supply funds to, or engage in transactions with, the Bank or some of the Bank's other subsidiaries.

The Debt Securities will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.

The Debt Securities will be issued under one or more indentures (each, a "**Trust Indenture**"), in each case between the Bank and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee (each, a "**Trustee**"). Any series of Debt Securities may also be created and issued without a Trust Indenture or a fiscal agency or paying agency agreement. The Bank may also appoint a calculation agent in connection with any Debt Securities issued under this Prospectus, which agent may be an affiliate or otherwise non-arm's length to the Bank. The statements made below relating to any Trust Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof, are not complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Trust Indenture.

Each Trust Indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Bank. Reference is made to the Prospectus Supplement which accompanies this Prospectus for the terms and other information with respect to the Debt Securities being offered thereby, including: (i) the designation, aggregate principal amount and authorized denominations of the Debt Securities; (ii) the currency for which the Debt Securities may be purchased and the currency in which the principal and any interest is payable (in either case, if other than Canadian dollars); (iii) the percentage of the principal amount at which the Debt Securities will be issued; (iv) the date or dates on which the Debt Securities will mature; (v) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any); (vi) the dates on which such interest will be payable and the record dates for such payments; (vii) the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued; (viii) any redemption term or terms under which such Debt Securities may be defeased; (ix) whether the Debt Securities are to be issued in registered form, "book-entry only" form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof; (x) any exchange or conversion terms; (xi) the ratings, if any, issued by rating agencies; and (xii) any other specific terms.

The Bank may issue Debt Securities that are convertible debentures or that are otherwise convertible, exchangeable or exercisable for other securities of the Bank.

Unless otherwise specified in the Prospectus Supplement which accompanies this Prospectus, principal, premium (if any) and interest payable on Debt Securities are to be payable at any branch in Canada of the Bank provided that such payments may also be made at the option of the Bank by electronic or wire transfer or, by cheque mailed, delivered or otherwise transferred to the persons in whose names the Debt Securities are registered.

Debt Securities may, at the option of the Bank, be issued in fully registered form, in bearer form or in “book-entry only” form. See “Book-Entry Only Securities” below. Debt Securities in registered form will be exchangeable for other Debt Securities of the same series and tenor, registered in the same name, for the same aggregate principal amount in different authorized denominations and will be transferable at any time or from time to time at the corporate trust office of the Trustee for the Debt Securities. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

The Debt Securities offered pursuant to this Prospectus and any Prospectus Supplement may be represented by instalment receipts, the particular terms and provisions of which will be described in the applicable Prospectus Supplement and set out in an instalment receipt and pledge agreement or similar agreement. Any such instalment receipt will evidence, among other things: (a) the fact that a first instalment payment has been made in respect of the Debt Securities represented thereby, and (b) the beneficial ownership of the Debt Securities represented by the instalment receipt, subject to a pledge of such Debt Securities securing the obligation to pay the balance outstanding under such Debt Securities on or prior to a certain date. A copy of any such instalment receipt and pledge agreement or similar agreement will be available on SEDAR at www.sedar.com.

DESCRIPTION OF COMMON SHARES

The authorized capital of the Bank includes an unlimited number of Common Shares without nominal or par value, which may be issued for unlimited consideration. The holders of Common Shares are entitled to (i) vote at all meetings of the shareholders of the Bank, except for meetings where only holders of a specified class or series of shares are entitled to vote; (ii) receive dividends as and when declared by the board of directors of the Bank, subject to the preference of the Bank’s holders of preferred shares; and (iii) receive the remaining property of the Bank if it is liquidated, dissolved, or wound up, only after paying the Bank’s holders of preferred shares and paying all outstanding debt.

DESCRIPTION OF PREFERRED SHARES

The authorized capital of the Bank includes an unlimited number of Class A Preferred Shares and Class B Preferred Shares without nominal or par value, in series, which may be issued for unlimited consideration. Class B Preferred Shares may be issued in a foreign currency.

The following describes certain general terms and conditions of the Preferred Shares. The particular terms and conditions of a series of Preferred Shares offered by a Prospectus Supplement, and the extent to which the general terms and conditions described below may apply thereto, will be described in such Prospectus Supplement.

Certain Provisions of the Class A Preferred Shares as a Class

Issuable in Series

The Class A Preferred Shares may be issued, from time to time, in one or more series with such rights, privileges, restrictions and conditions as the Board of Directors of the Bank may determine by resolution. As at the date hereof, there were no outstanding Class A Preferred Shares.

The Class A Preferred Shares of each series rank equally to all other series of Class A Preferred Shares and Class B Preferred Shares (including any Preferred Shares issued hereunder if a trigger event has not occurred as contemplated under the specific Non-Viability Capital Contingency Provisions applicable to such Preferred Shares) and are entitled to preference over the Common Shares and over any other shares ranking junior to the Class A

Preferred Shares and the Class B Preferred Shares with respect to the payment of dividends and in the distribution of property in the event of the liquidation, dissolution or winding up of the Bank.

Creation and Issue of Shares

Under the Bank Act, the Bank may not, without the approval of the holders of the Class A Preferred Shares, create any other class of shares ranking equal with or superior to the Class A Preferred Shares. Shareholders must give this approval as set out below in “Shareholder Approvals.” The Bank Act and other laws may also require other forms of approval.

The Bank does not require approval of the holders of Class A Preferred Shares to create or issue additional Class A Preferred Shares or shares of equal rank if, on the date they are created or issued, the Bank has declared and paid or set apart for payment all dividends payable on cumulative and non-cumulative Class A Preferred Shares, including for the most recently completed fiscal period.

Voting Rights

The holders of the Class A Preferred Shares are not entitled to any voting rights as a class except as provided herein or by law.

Shareholder Approvals

Any approval to be given by the holders of the Class A Preferred Shares may be given by a resolution carried by the affirmative vote of not less than 66% of the votes cast at a meeting of holders of Class A Preferred Shares at which a majority of the outstanding Class A Preferred Shares is represented or, if no quorum is present at such meeting, at any adjourned meeting at which no quorum requirements would apply.

Certain Provisions of the Class B Preferred Shares as a Class

Issuable in Series

The Class B Preferred Shares may be issued, from time to time, in one or more series with such rights, privileges, restrictions and conditions as the board of directors of the Bank may determine by resolution.

The Class B Preferred Shares of each series rank equally to all other series of Class B Preferred Shares and Class A Preferred Shares (including any Preferred Shares issued hereunder if a trigger event has not occurred as contemplated under the specific Non-Viability Capital Contingency Provisions applicable to such Preferred Shares) and are entitled to preference over the Common Shares and over any other shares ranking junior to the Class A Preferred Shares and the Class B Preferred Shares with respect to the payment of dividends and in the distribution of property in the event of the liquidation, dissolution or winding up of the Bank.

Creation and Issue of Shares

Under the Bank Act, the Bank may not, without the approval of the holders of the Class B Preferred Shares, create any other class of shares ranking equal with or superior to the Class B Preferred Shares. Shareholders must give this approval as set out below in “Shareholder Approvals.” The Bank Act and other laws may also require other forms of approval.

The Bank does not require approval of the holders of Class B Preferred Shares to create or issue additional Class B Preferred Shares or shares of equal rank if, on the date they are created or issued, the Bank has declared and paid or set apart for payment all dividends payable on cumulative and non-cumulative Class B Preferred Shares, including for the most recently completed fiscal period.

Voting Rights

The holders of the Class B Preferred Shares are not entitled to any voting rights as a class except as provided herein or by law.

Shareholder Approvals

Any approval to be given by the holders of the Class B Preferred Shares may be given by a resolution carried by the affirmative vote of not less than 66⅔% of the votes cast at a meeting of holders of Class B Preferred Shares at which a majority of the outstanding Class B Preferred Shares is represented or, if no quorum is present at such meeting, at any adjourned meeting at which no quorum requirements would apply.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following sets forth certain general terms and provisions of the Subscription Receipts. The Bank may issue Subscription Receipts that may be exchanged by the holders thereof for Debt Securities, Preferred Shares or Common Shares upon the satisfaction of certain conditions. The particular terms and provisions of the Subscription Receipts offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms described below apply to those Subscription Receipts, will be described in such Prospectus Supplement.

Subscription Receipts may be offered separately or together with Debt Securities, Preferred Shares or Common Shares, as the case may be. The Subscription Receipts will be issued under a subscription receipt agreement.

Any Prospectus Supplement for Subscription Receipts supplementing this Prospectus will contain the terms and conditions and other information with respect to the Subscription Receipts being offered thereby, including:

- (a) the number of Subscription Receipts;
- (b) the price at which Subscription Receipts will be offered and whether the price is payable in instalments;
- (c) any conditions to the exchange of Subscription Receipts into Debt Securities, Preferred Shares or Common Shares, as the case may be, and the consequences of such conditions not being satisfied;
- (d) the procedures for the exchange of the Subscription Receipts into Debt Securities, Preferred Shares or Common Shares, as the case may be;
- (e) the manner in which funds will be invested and held, and procedures for the release of funds (including interest or other income earned on funds) pending satisfaction or non-satisfaction of the escrow release or other conditions;
- (f) the number of Debt Securities, Preferred Shares or Common Shares, as the case may be, that may be exchanged upon exercise of each Subscription Receipt;
- (g) the identity of the subscription receipt agent;
- (h) the designation and terms of any other securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each security, if applicable;
- (i) the dates or periods during which the Subscription Receipts may be exchanged into Debt Securities, Preferred Shares or Common Shares, as the case may be;
- (j) any entitlements of the holders of Subscription Receipts to receive dividends declared on Common Shares or dividend-equivalent payments;
- (k) whether such Subscription Receipts will be listed on any securities exchange;
- (l) any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; and
- (m) any other specific terms.

Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities that may be exchanged upon exercise of the Subscription Receipts.

The Subscription Receipts offered pursuant to this Prospectus and any Prospectus Supplement may be represented by instalment receipts, the particular terms and provisions of which will be described in the applicable Prospectus Supplement and set out in an instalment receipt and pledge agreement or similar agreement. Any such instalment receipt will evidence, among other things: (a) the fact that a first instalment payment has been made in respect of the Subscription Receipts represented thereby, and (b) the beneficial ownership of the Subscription Receipts represented by the instalment receipt, subject to a pledge of such Subscription Receipts securing the obligation to pay the balance outstanding under such Subscription Receipts on or prior to a certain date. A copy of any such instalment receipt and pledge agreement or similar agreement will be available on SEDAR at www.sedar.com.

SELLING SECURITYHOLDERS

This Prospectus may also, from time to time, relate to the offering of Securities by way of a secondary offering by certain selling securityholders. The Bank is not currently aware of any such selling securityholders, but such selling securityholders may include a subsidiary of the Bank in the case of an offering of Debt Securities represented by instalment receipts. The terms under which the Securities will be offered by selling securityholders will be described in the Prospectus Supplement. The Prospectus Supplement for or including any offering of the Securities by selling securityholders will include, without limitation, where applicable:

- (a) the name(s) of the selling securityholders;
- (b) the number or amount of Securities owned, controlled or directed by each selling securityholder;
- (c) the number or amount of Securities being distributed for the account of each selling securityholder;
- (d) the number or amount of Securities to be owned, controlled or directed by each of the selling securityholders after the distribution and the percentage that number or amount represents out of the total number or amount of outstanding Securities of the class or series being distributed;
- (e) whether the Securities are owned by the selling securityholders both of record and beneficially, of record only or beneficially only;
- (f) if the selling securityholder purchased any of the Securities held by it in the two years preceding the date of the Prospectus Supplement, the date or dates the selling securityholder acquired the Securities; and
- (g) if the selling securityholder acquired the Securities held by it in the 12 months preceding the date of the Prospectus Supplement, the cost thereof to the selling securityholder in the aggregate and on a per-security basis.

To the extent any selling securityholder is resident outside of Canada, (i) the selling securityholder will file a non-issuer's submission to jurisdiction form with the corresponding Prospectus Supplement, and (ii) the "Selling Securityholders" section of the Prospectus Supplement will include a statement to that effect. A selling securityholder will not sell any Securities under an "at-the-market distribution", as defined in NI 44-102.

BOOK-ENTRY ONLY SECURITIES

Securities issued in “book-entry only” form must be purchased, transferred or redeemed through participants (“**Participants**”) in the depository service of CDS Clearing and Depository Services Inc. (“**CDS**”) (or such other depository as is identified in an accompanying Prospectus Supplement or any successor to CDS, as the case may be). Each of the underwriters, dealers or agents, as the case may be, named in an accompanying Prospectus Supplement will be a Participant or will have arrangements with a Participant. On the closing of a book-entry only offering, the Bank may cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS or its nominee, or otherwise deliver and register such Securities. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from the Bank or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS or its nominee except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the registered dealer from which the Securities are purchased in accordance with the practices and procedures of such registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Securities. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

If the Bank determines, or CDS notifies the Bank in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and the Bank is unable to locate a qualified successor, or if the Bank at its option elects, or is required by law, to terminate the book-entry system, then the Securities will be issued in fully registered form to holders or their nominees.

Transfer, Conversion or Redemption of Securities

As long as CDS or its nominee is the registered holder of the Securities, transfer of ownership, conversion or redemptions of Securities will be effected through records maintained by CDS or its nominee for such Securities with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities may do so only through Participants.

The ability of a holder to pledge a Security or otherwise take action with respect to such holder’s interest in a Security (other than through a Participant) may be limited due to the lack of a physical certificate.

Payments and Notices

Any payment of principal, redemption price, dividends and interest on a Security (as applicable) will be made by the Bank to CDS or its nominee, as the case may be, as the registered holder of the Security and the Bank understands that such payments will be credited by CDS or its nominee, as the case may be, in the appropriate amounts to the relevant Participants. Payments to holders of Securities of amounts so credited will be the responsibility of the Participants.

As long as CDS or its nominee is the registered holder of the Securities, CDS or its nominee, as the case may be, will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. In such circumstances, the responsibility and liability of the Bank in respect of notices or payments on the Securities is limited to giving or making payment of any principal, redemption price, dividends and interest due on the Securities (as applicable) to CDS or its nominee.

Each holder must rely on the procedures of CDS and, if such holder is not a Participant, on the procedures of the Participant through which such holder owns its interest, to exercise any rights with respect to the Securities. The Bank understands that under existing policies of CDS and industry practices, if the Bank requests any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the Participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by the Bank, any Trustee and CDS. Any holder that is not a Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its Participant to give such notice or take such action.

The Bank, the underwriters, dealers or agents and any Trustee identified in an accompanying Prospectus Supplement, as applicable, will not have any liability or responsibility for: (i) records maintained by CDS or its nominee relating to beneficial ownership interest in the Securities held by CDS or its nominee or the book-entry accounts maintained by CDS or its nominee; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interest; or (iii) any advice or representation made by or with respect to CDS and contained herein or in any Trust Indenture relating to the rules and regulations of CDS or any action to be taken by CDS or at the directions of the Participants.

BANK ACT RESTRICTIONS AND APPROVALS

Under the Bank Act, the Bank, with the prior consent of the Superintendent, may redeem or purchase any of its shares unless there are reasonable grounds for believing that the Bank is, or the redemption or purchase would cause the Bank to be, in contravention of any regulation made under the Bank Act respecting the maintenance by banks of adequate capital and adequate and appropriate forms of liquidity, or any direction to the Bank made by the Superintendent pursuant to subsection 485(3) of the Bank Act regarding its capital or its liquidity. No such direction to the Bank has been made to date.

The Bank is also prohibited under the Bank Act from paying or declaring a dividend if there are reasonable grounds for believing that the Bank is, or the payment would cause the Bank to be, in contravention of any regulation made under the Bank Act respecting the maintenance by banks of adequate capital and adequate and appropriate forms of liquidity, or any direction to the Bank made by the Superintendent pursuant to subsection 485(3) of the Bank Act regarding its capital or its liquidity. No such direction to the Bank has been made to date.

RESTRAINTS ON BANK SHARES UNDER THE BANK ACT

The Bank Act restricts the beneficial ownership of shares of a bank. The following is a summary of such restrictions. No person may be a major shareholder of a bank if such bank has equity of \$12 billion or more, which applies to the Bank. A major shareholder is defined as a person, or group of persons under common control or acting jointly or in concert, that beneficially owns more than 20% of any class of voting shares or more than 30% of any class of non-voting shares of a bank.

In addition, no person may have a significant interest in any class of shares of a bank, including the Bank, unless the person first receives the approval of the Minister of Finance (Canada). A person has a significant interest in a class of shares of a bank when the person, or group of persons under common control or acting jointly or in concert, beneficially owns more than 10% of any class of shares of a bank.

Governments and their agents are also restricted from acquiring shares of a bank, except for certain cases that require the Minister of Finance's consent.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Bank as at October 31, 2022, before and after giving effect to (i) the Common Share Public Offering (including issuance costs relating to the Common Share Public Offering) and (ii) the Concurrent Private Placement (including the commitment fees payable by the Bank to the private placement investors in connection with the Concurrent Private Placement), and does not reflect the issuance of any Securities under this Prospectus. The following table should be read together with the 2022 Audited Consolidated Financial Statements, which are incorporated by reference in this Prospectus.

	As at October 31, 2022	
	Actual	Pro Forma As Adjusted⁽¹⁾
	<i>(in millions of Canadian dollars)</i>	
Subordinated Debt	\$8,150	\$8,150
Shareholders' Equity		
Common Shares and Contributed Surplus	\$18,061	\$21,421
Preferred Shares and Other Equity Instruments	\$6,308	\$6,308
Retained Earnings	\$45,117	\$45,017
Accumulated Other Comprehensive Income	<u>\$1,552</u>	<u>\$1,552</u>
Total Shareholders' Equity	\$71,038	\$74,298
Total Capitalization	<u>\$79,188</u>	<u>\$82,448</u>

Notes:

- ⁽¹⁾ After giving effect to (a) the Common Share Public Offering (including issuance costs relating to the Common Share Public Offering) and (b) the Concurrent Private Placement (including the commitment fees payable by the Bank to the private placement investors in connection with the Concurrent Private Placement). Includes giving effect to the issuance and sale of 6,323,777 Common Shares to BNPP in the Concurrent Private Placement for gross proceeds of \$749,999,952. Closing of the private placement with BNPP is conditional on the closing of the Bank's previously-announced acquisition of Bank of the West from BNPP. Closing of the private placement with BNPP will occur no later than concurrently with the closing of the Bank of the West acquisition.

As at December 21, 2022, the Bank had 694,885,925 Common Shares, 86,500,000 Class B Preferred Shares and no Class A Preferred Shares issued and outstanding.

EARNINGS COVERAGE RATIOS

The following consolidated financial ratios for the Bank, which are calculated for the 12 months ended October 31, 2022, do not reflect the issuance of any Securities under this Prospectus.

	12 Months Ended October 31, 2022
Grossed up dividend coverage on Class B Preferred Shares and other equity instruments ⁽¹⁾	59.54 times
Interest coverage on subordinated indebtedness	79.95 times
Interest and grossed up dividend coverage on subordinated indebtedness, preferred shares and other equity interests	34.12 times

Notes:

- ⁽¹⁾ As at October 31, 2022, there were no Class A Preferred Shares outstanding.

The Bank's dividend requirements on all of its preferred shares and other equity instruments amounted to \$304.2 million for the 12 months ended October 31, 2022 adjusted to a before-tax equivalent using an effective tax rate of 24.31%. The Bank's interest requirements for its long-term debt and grossed up dividends on its preferred shares and other equity interests for the 12 months ended October 31, 2022 amounted to \$530.7 million. The Bank's earnings before interest and income tax for the 12 months ended October 31, 2022 amounted to \$18,112 million, which was 34.12 times the Bank's aggregate dividend and interest requirements for this period.

In calculating the dividend and interest coverages, foreign currency amounts have been converted to Canadian dollars using rates of exchange as at the end of each month. For the 12-month period ended October 31, 2022, the average of such exchange rates was \$1.2918 per US\$1.00.

All amounts appearing under this heading, “Earnings Coverage Ratios”, for the 12 months ended October 31, 2021 are derived from financial information which is audited and prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The information in this “Earnings Coverage Ratios” section is disclosed in accordance with Item 6 of Form 44-101F1 – *Short Form Prospectus*.

PLAN OF DISTRIBUTION

The Bank or a selling securityholder may sell Securities: (a) through underwriters, dealers or agents purchasing as principal or acting as agent; (b) directly or indirectly to one or more purchasers, including sales upon the exercise of conversion or exchange rights attaching to convertible or exchangeable securities held by the purchaser; or (c) through a combination of any of these methods of sale. Securities may be sold from time to time in one or more transactions at fixed prices or non-fixed prices which may be changed, such as at market prices prevailing at the time of sale (including, without limitation, sales deemed to be an “at-the-market distribution” as defined in NI 44-102, including sales made directly on the TSX or other existing trading markets for the Securities), at prices related to such prevailing market prices or at prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution. Unless otherwise specified in a Prospectus Supplement, if, in connection with the offering of Securities at a fixed price or prices, the underwriters, dealers or agents have made a reasonable effort to sell all of the Securities at the initial public offering price disclosed in the applicable Prospectus Supplement, then the public offering price may be decreased and thereafter further changed from time to time, to an amount not greater than the initial public offering price disclosed in the Prospectus Supplement and, in such case, the compensation realized by the underwriters, dealers or agents will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters, dealers or agents to the Bank.

A Prospectus Supplement will set forth the terms of any offering of Securities, including the name or names of any underwriters, dealers or agents, as the case may be, involved in the offering and sale of the Securities, and will also set forth the terms of the offering of such Securities including the offering price of such Securities (or the manner of determination thereof if offered on a non-fixed price basis), the method of distribution of such Securities, the net proceeds to the Bank or, if applicable, the selling securityholder(s) and any underwriters’, dealers’ or agents’ fees, commissions or other items constituting underwriters’, dealers’ or agents’ compensation. Only underwriters, dealers or agents so named in the applicable Prospectus Supplement are deemed to be underwriters, dealers or agents, as the case may be, in connection with the Securities offered thereby.

If underwriters are used in an offering, the Securities offered thereby will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale (including sales deemed to be an “at-the-market distribution” as defined in NI 44-102, including sales made directly on the TSX or other existing trading markets for the Securities) or at prices related to such prevailing market prices. Only underwriters named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time.

The Securities may also be sold directly by the Bank or, if applicable, a selling securityholder at such prices and upon such terms as agreed to by the Bank or the selling securityholder(s), as the case may be, and the purchaser or through agents designated by the Bank or the selling securityholders(s) from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable to such agent will be set forth in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent is acting on a “best efforts” basis for the period of its appointment.

In connection with the issue and sale of any Securities offered hereby, underwriters, dealers or agents may receive compensation from the Bank or the selling securityholders(s) in the form of commissions, fees, concessions

or discounts. Any such commissions or fees payable by the Bank may be paid out of the general corporate funds of the Bank or the proceeds of the sale of the Securities.

Underwriters, dealers and agents who participate in the distribution of Securities may be entitled under agreements to be entered into with the Bank and, if applicable, selling securityholder(s), to indemnification by the Bank and, if applicable, selling securityholder(s), against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof.

Underwriters, dealers or agents may make sales of Securities in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an “at-the-market distribution” as defined in NI 44-102. Unless otherwise specified in the applicable Prospectus Supplement, in connection with any offering of Securities, other than an “at-the-market distribution”, the underwriters, dealers or agents who participate in the distribution of such Securities may over-allot or effect transactions which stabilize or maintain the price of the Securities offered at levels other than those which otherwise might prevail on the open market. These transactions may be commenced, interrupted or discontinued at any time.

Unless stated to the contrary in any Prospectus Supplement, the Securities to be issued hereunder have not been, and will not be, registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act), except in certain transactions exempt from the requirements of the U.S. Securities Act.

PRIOR SALES

Prior sales will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

TRADING PRICE AND VOLUME OF SECURITIES

Trading prices and volume of the Bank’s Securities will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

OTHER MATERIAL FACTS

On June 22, 2016, legislation came into force amending the Bank Act, the Canada Deposit Insurance Corporation Act (the “**CDIC Act**”) and certain other Canadian federal statutes pertaining to banks to create a bail-in regime for Canada’s domestic systemically important banks, which include the Bank. On April 18, 2018, the Government of Canada published the final regulations under the CDIC Act and the Bank Act providing the final details of the conversion, issuance and compensation regimes for bail-in instruments issued by domestic systemically important banks, including the Bank (collectively, the “**Bail-In Regulations**”). Pursuant to the CDIC Act, in circumstances where the Superintendent has determined that the Bank has ceased, or is about to cease, to be viable, the Governor in Council may, upon a recommendation of the Minister of Finance that he or she is of the opinion that it is in the public interest to do so, grant an order directing CDIC to convert all or a portion of certain shares and liabilities of the Bank into common shares of the Bank or any of its affiliates (a “**Bail-In Conversion**”).

The Bail-In Regulations prescribe the types of shares and liabilities (“**Eligible Shares and Liabilities**”) that will be subject to a Bail-In Conversion. Subject to certain exceptions, including for structured notes, in general, any senior debt issued on or after September 23, 2018 with an initial or amended term to maturity (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and has been assigned a CUSIP or ISIN or similar identification number would be prescribed liabilities subject to a Bail-In Conversion. Shares, other than Common Shares, and subordinated debt would also be prescribed liabilities subject to a Bail-In Conversion, unless they are non-viability contingent capital. Holders of Common Shares, and holders of Debt Securities or Preferred Shares who receive Common Shares following the occurrence of a trigger event under the Non-Viability Capital Contingency Provisions, may sustain substantial dilution following a Bail-In Conversion of the Eligible Shares and Liabilities.

Notwithstanding the above, any shares and liabilities issued before the date the Bail-In Regulations came into force would not be subject to a Bail-In Conversion, unless, in the case of a liability, the terms of such liability are, on or after that day, amended to increase its principal amount or to extend its term to maturity and the liability, as amended, meets the requirements to be subject to a Bail-In Conversion. The Bail-In Regulations came into force on September 23, 2018 and the related compensation regime came into force on March 26, 2018.

In the event any Securities issued under this Prospectus are subject to the bail-in regime, the applicable Prospectus Supplement will provide details of that regime.

For a description of Canadian bank resolution powers and the consequent risk factors, reference is made to the disclosure set out under the heading “Description of the Business – Supervision and Regulation in Canada” contained in the annual information form, which disclosure is incorporated by reference herein.

RISK FACTORS

Investment in the Securities is subject to various risks including those risks inherent in conducting the business of a diversified financial institution. Before deciding whether to invest in any Securities, investors should consider carefully the risks set out herein and incorporated by reference in this Prospectus (including subsequently filed documents incorporated by reference) and those described in a Prospectus Supplement relating to a specific offering of Securities. Prospective investors should consider the categories of risks identified and discussed in the annual information form and management’s discussion and analysis incorporated herein by reference including but not limited to credit and counterparty risk, market risk, insurance risk, liquidity and funding risk, operational non-financial risk, legal and regulatory risk, strategic risk, environmental and social risk, and reputation risk and other factors that may affect the Bank’s results.

USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds to the Bank from the sale of the Securities will be added to the general funds of the Bank and utilized for general banking purposes.

LEGAL MATTERS

Unless otherwise specified in the Prospectus Supplement, certain legal matters relating to the Securities offered by a Prospectus Supplement will be passed upon, on behalf of the Bank, by Osler, Hoskin & Harcourt LLP. As at December 22, 2022, the partners and associates of Osler, Hoskin & Harcourt LLP beneficially owned, directly or indirectly, less than 1% of the issued and outstanding securities of each class of the Bank or of any associate or affiliate of the Bank.

RELIANCE ON EXEMPTIONS FOR WELL-KNOWN SEASONED ISSUERS

The securities regulatory authorities in each of the provinces and territories of Canada have adopted substantively harmonized blanket orders, including Ontario Instrument 44-501 – *Exemption from Certain Prospectus Requirements for Well-known Seasoned Issuers (Interim Class Order)* (together with the equivalent local blanket orders in each of the other provinces and territories of Canada, collectively, the “**WKSI Blanket Orders**”). This Prospectus has been filed by the Bank in reliance upon the WKSI Blanket Orders, which permit “well-known seasoned issuers”, or “WKSIs”, to file a final short form base shelf prospectus as the first public step in an offering, and exempt qualifying issuers from certain disclosure requirements relating to such final short form base shelf prospectus. The Bank intends to rely on such exemptions to the full extent permitted by the WKSI Blanket Orders notwithstanding the inclusion in this Prospectus of any disclosure that is permitted to be excluded pursuant to the WKSI Blanket Orders. As of the date hereof, the Bank has determined that it qualifies as a “well-known seasoned issuer” under the WKSI Blanket Orders.

PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

The below description of purchasers' statutory and contractual rights does not apply to purchasers under an "at-the-market distribution", as defined in NI 44-102. A description of purchasers' statutory rights, in the form required by paragraph 9.3(1)(h) of NI 44-102, along with the certificate for the Bank and any agent(s) in connection with an at-the-market distribution, in the applicable form required by section 9.6 of NI 44-102, will be included in any Prospectus Supplement establishing an at-the-market distribution.

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser. Notwithstanding the foregoing, in certain cases, the Bank may determine to seek to obtain an exemption from the prospectus delivery requirements.

Original Canadian purchasers of Debt Securities, Preferred Shares or Subscription Receipts that are convertible, exchangeable or exercisable into other securities of the Bank will have a contractual right of rescission against the Bank in respect of the conversion, exchange or exercise of such convertible, exchangeable or exercisable Securities. The contractual right of rescission will entitle such original purchasers to receive from the Bank, upon surrender of the underlying securities acquired upon the conversion, exchange or exercise of such Securities, the amount paid for such Securities (and any additional amount paid upon conversion, exchange or exercise), in the event that this Prospectus, the applicable Prospectus Supplement or any amendment contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the Securities that are convertible, exercisable or exchangeable under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the Securities that are convertible, exercisable or exchangeable under this Prospectus and the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law. Original Canadian purchasers are further advised that in certain provinces and territories the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the Securities that are convertible or exchangeable into other securities of the Bank that were purchased under a prospectus, and therefore a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the province or territory in which the purchaser resides for the particulars of these rights, or consult with a legal adviser.

CERTIFICATE OF THE BANK

Dated: December 22, 2022

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the *Bank Act* (Canada) and the regulations thereunder and the securities legislation of all provinces and territories of Canada.

(signed) DARRYL WHITE
Chief Executive Officer

(signed) TAYFUN TUZUN
Chief Financial Officer

On Behalf of the Board of Directors

(signed) GEORGE A. COPE
Director

(signed) CHRISTINE A. EDWARDS
Director