This pricing supplement and the short form base shelf prospectus dated August 25, 2021 to which it relates, as amended or supplemented (the "Base Shelf Prospectus") and each document incorporated by reference into the Base Shelf Prospectus, constitutes a public offering of securities only in those 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 Notes to be offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") 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 pricing supplement from documents filed with the securities commissions or similar regulatory 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. West, 1 First Canadian Place, 21st Floor, Toronto, Ontario, M5X 1A1, telephone: (416) 867-6785 and are also available electronically at www.sedar.com.

Pricing Supplement No. 1874 dated January 25, 2023
(to the short form base shelf prospectus dated August 25, 2021)

BMO Bank of Montreal

BMO Callable Equity Income Notes, Series 3970 (CAD), Due February 15, 2030
Linked to Solactive Canada Bank 40 AR Index

(Unsecured – Principal At Risk Notes)

Maximum $40,000,000

This pricing supplement qualifies the distribution of BMO Callable Equity Income Notes, Series 3970 (CAD) (the "**Notes**") issued by Bank of Montreal (the "**Bank**") and scheduled to mature on February 15, 2030 ("**Maturity**" or "**Maturity Date**"). The Notes offer potential semi-annual coupon payments for investors while providing contingent protection against a slight to moderate decline in the Solactive Canada Bank 40 AR Index (the "**Reference Index**") over the term of the Notes. The Reference Index aims to track the gross total return performance of the Solactive Canada Bank TR Index (the "**Underlying Index**"), less an adjusted return factor of 40 index points per annum that will be calculated daily in arrears (the "**Adjusted Return Factor**"). See "The Reference Index". The Notes provide contingent protection only and, as such, investors should be comfortable with the risk of losing some or substantially all of their principal investment in the Notes. The Notes are denominated in Canadian dollars and all payments owing under the Notes will be made in Canadian dollars.

Subject to the Notes being automatically called, Holders will be entitled to receive a semi-annual coupon payment equal to 4.70% (equivalent to 9.40% per annum) (the "**Coupon**"), so long as the Closing Level is equal to or above the Coupon Knock-Out Level on the relevant Observation Date. The "Coupon Knock-Out Level" will be set at 70% of the Initial Level. If the Closing Level is equal to or above the AutoCall Level on any Observation Date, the Notes will be automatically called by the Bank and Holders will receive the Principal Amount plus the applicable Coupon on the corresponding Coupon Payment Date (in this case, the Call Date). If the Closing Level is never equal to or above the AutoCall Level on any Observation Date, the Notes will not be automatically called by the Bank. The "AutoCall Level" will be set at 105% of the Initial Level.

If the Notes are not automatically called before Maturity, a Holder will be entitled to receive a Maturity Payment based on the performance of the Reference Index equal to: (i) the Principal Amount of the Notes, if the Closing Level is equal to or above the Barrier Level on the Final Valuation Date, or (ii) the Principal Amount of the Notes, reduced by an amount equal to the Index Return (which will be a negative amount reflecting the decline in the Closing Level), if the Closing Level is below the Barrier Level on the Final Valuation Date, subject to the Minimum Payment Amount. The maximum return that a Holder may receive on the Notes is 65.80%, assuming the payment of a Coupon on each Coupon Payment Date as well as the repayment

Amounts paid to Holders will depend on the performance of the Reference Index. The Notes are not designed to be alternatives to fixed income or money market investments. Bank of Montreal does not guarantee that Holders will receive any return or repayment of their principal investment in the Notes at Maturity, subject to the Minimum Payment Amount of $1.00 per Note. The Notes provide contingent protection only, meaning that a Holder could lose some or substantially all of his or her principal investment in the Notes if the Final Level is below the Barrier Level. See "Additional Risk Factors Specific to the Notes".

of the Principal Amount of $100.00 per Note at Maturity. There will be no participation in any appreciation of the Reference Index over the term of the Notes.

The "Initial Level" will be the Closing Level on the Issue Date. The "Barrier Level" will be set at 70% of the Initial Level. See "Description of the Notes" for additional details and examples on the calculation and timing of Coupon payments, the automatic call feature and the contingent protection at Maturity. In certain special circumstances, it may be necessary to substitute the Reference Index with a successor index or adjust the calculation and timing for payments under the Notes. See "Special Circumstances".

An investment in the Notes does not represent a direct or indirect investment in any of the constituent securities that comprise the Underlying Index. Holders do not have an ownership interest or other interest (including, without limitation, voting rights or rights to receive dividends or distributions) in any of the constituent securities comprising the Underlying Index. Holders only have a right against the Bank to be paid any amounts due under the Notes. The Closing Level is used as a reference to determine whether a Coupon will be payable following an Observation Date, whether the Notes will be automatically called by the Bank and the timing and amount of principal repayment under the Notes. **The Notes are linked to the Solactive Canada Bank 40 AR Index which reflects only (a) the applicable price changes of the constituent securities of the Underlying Index and any dividends and distributions paid in respect of such securities, without deduction of any withholding tax or other amounts accruing thereon to which an investor holding the constituent securities of the Underlying Index would typically be exposed, less (b) the Adjusted Return Factor.**

Price: $100.00 Per Note

Minimum Subscription: $2,000.00 (20 Notes)

	Price to the Public	**Dealers' Fee[(2)]**	**Proceeds to the Bank**
Per Note	$100.00	$2.75	$97.25
Total Notes[(1)]	$40,000,000.00	$1,100,000.00	$38,900,000.00

(1) Reflects the maximum Offering size. The Bank reserves the right to change the maximum Offering size in its sole and absolute discretion. **There is no minimum amount of funds that must be raised under the Offering. This means that the Bank could complete the Offering after raising only a small proportion of the Offering amount set out above.**

(2) A selling concession fee of $2.75 per Note sold is payable to the Dealers for further payment to representatives, including representatives employed by the Dealers, whose clients purchase the Notes. An additional fee of up to $0.15 per Note will be payable by the Bank to Raymond James Ltd. at closing for acting as independent agent.

This pricing supplement has been prepared for the sole purpose of assisting prospective purchasers in making an investment decision with respect to the Notes offered hereby, and does not relate to the Reference Index, the Underlying Index, the Index Sponsor, any of the constituent securities comprising the Underlying Index or any issuers of such constituent securities. Information contained in this pricing supplement relating to the Reference Index has been derived from and is based solely upon publicly available information, and its accuracy cannot be guaranteed. None of the Bank, BMO Nesbitt Burns Inc., Raymond James Ltd. or any of their respective affiliates or associates has any obligation or responsibility for the provision of any future information in respect of the Reference Index, the Underlying Index, the Index Sponsor, any of the constituent securities comprising the Underlying Index or any issuers of such constituent securities. Investors shall have no recourse against the Bank, the Dealers or any of their respective affiliates or associates in connection with any information relating to the Reference Index, the Underlying Index, the Index Sponsor, any of the constituent securities comprising the Underlying Index or any issuers of such constituent securities, that is not contained in this pricing supplement. None of the Index Sponsor or such issuers have participated in the preparation of this pricing supplement and the Notes are not in any way sponsored, endorsed, sold or promoted by any of them. See "Description of the Notes" and "The Reference Index".

BMO Capital Markets will use reasonable efforts under normal market conditions to provide a daily secondary market for the sale of the Notes by Holders through the order entry system operated by Fundserv Inc., but reserves the right to elect not to do so in the future, in its sole and absolute discretion, without prior notice to Holders. Except in certain special circumstances described under "Secondary Market", a Note may be sold to BMO Capital Markets through Fundserv on a daily basis at a price equal to the Bid Price for a Note determined by BMO Capital Markets in its sole and absolute discretion, minus any applicable Early Trading Charge (see "Secondary Market — Early Trading Charge"). BMO Capital Markets reserves the right to suspend the secondary market, if any, at any time in its sole and absolute discretion, including in the event that the Calculation Agent is unable to fairly and accurately determine a Bid Price for the Notes. A Holder will not be able to sell a Note prior to Maturity other than through a secondary market, if any, provided by BMO Capital Markets. See “Secondary Market”. Holders choosing to sell their Notes prior to Maturity may receive a price at a discount, which could be substantial, from the Maturity Payment that would be payable if the Notes were maturing on such date. See “Secondary Market” for factors affecting the Bid Price for the Notes. Holders are not entitled to redeem their Notes prior to Maturity and there is no guarantee that any secondary market which may develop will be liquid or sustainable.

BMO Nesbitt Burns Inc. and Raymond James Ltd., as agents of the Bank (the “**Dealers**”), have agreed to solicit offers to purchase the Notes, on a reasonable best efforts basis, if, as and when such Notes are issued by the Bank pursuant to the terms and conditions contained in the Dealer Agreement and subject to the approval of certain legal matters by Torys LLP, as counsel to the Bank, and Stikeman Elliott LLP, as counsel to the Dealers. While the Dealers have agreed to use their reasonable best efforts to sell the Notes offered hereby, they will not be obligated to purchase the Notes which are not sold.

BMO Nesbitt Burns Inc., one of the Dealers, is a wholly owned subsidiary of the Bank. **As a result, the Bank is a “related issuer” of BMO Nesbitt Burns Inc. for the purposes of National Instrument 33-105 - *Underwriting Conflicts*.** See “Plan of Distribution”.

The closing of this offering (the “**Offering**”) is scheduled to occur on or about February 15, 2023 or on such other date as the Bank and the Dealers may agree (the “**Issue Date**”). Subscriptions for the Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without prior notice to investors. Funds in respect of all subscriptions shall be payable at the time of subscription. Subscriptions for the Notes will be made through Fundserv’s transaction processing system under the code “JHN16544”, which will result in funds being accumulated in a non-interest bearing account of BMO Capital Markets pending execution of all documents required for the Offering and satisfaction of closing conditions. If for any reason the closing of the Offering does not occur, all subscription funds will be returned to subscribers without interest or deduction.

The Notes are not a suitable investment for a prospective purchaser who does not understand their terms or the risks involved in holding the Notes. It is possible that no Coupon payments will be made on the Notes and Holders could lose some or substantially all of their principal investment in the Notes. Therefore, the Notes are not suitable investments for any Holder who needs or expects to receive any return or a specific return on investment or needs or expects to have the Principal Amount repaid at Maturity or otherwise. The Notes are designed for investors with a medium-term investment horizon who are comfortable with the possibility of the Notes being automatically called by the Bank prior to Maturity and who are prepared to assume the risks associated with receiving payments based on the Closing Levels on the Observation Dates and the potential for a loss of principal and non-payment of Coupons. There can be no assurance that the Notes will generate positive returns or avoid losses for Holders.

The Bank expects the estimated value of the Notes on the Issue Date, based on its internal pricing models, will be $95.83 per $100.00 principal amount, which is less than the issue price. The estimated value is not an indication of actual profit to the Bank or any of its affiliates, nor is it an indication of the price at which BMO Capital Markets or any other person may be willing to purchase the Notes. See “Additional Risk Factors Specific to the Notes – General Risks Relating to Principal At Risk Notes – Estimated Value of the Notes”.

Holders will not receive any dividends or any other distributions that they might otherwise receive if they directly owned the constituent securities of the Underlying Index and Holders could lose some or substantially all of their principal investment in the Notes if the Final Level is below the Barrier Level. Prospective purchasers should also take into account additional risk factors associated with the Offering. See “Suitability for Investment” and “Additional Risk Factors Specific to the Notes”.

The Notes will constitute direct, unconditional obligations of the Bank to the extent the Bank is obligated to make payments to Holders under the Notes. The Notes will be issued on an unsecured and unsubordinated basis and will rank equally, as among themselves, and with all other outstanding direct, unsecured and unsubordinated, present and future obligations of the Bank (except as otherwise prescribed by law), and will be payable rateably without any preference or priority. **The Notes will not be deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution.** See “Description of the Notes — Rank; No Deposit Insurance”.

“BMO (M-bar roundel symbol)”, “BMO” and “BMO Capital Markets” are registered trademarks of the Bank used under license. The Solactive Canada Bank 40 AR Index is owned, calculated, administered and published by Solactive AG (**“Solactive”**) assuming the role as administrator (the **“Index Sponsor”**) under the Regulation (EU) 2016/1011. The name

"Solactive" is a registered trademark of Solactive. Solactive is registered with and regulated by the German Federal Financial Supervisory Authority ("**BaFin**"). The Reference Index is a product of Solactive, its affiliates and/or its third-party licensors and has been licensed for use by Bank of Montreal and its affiliates. The Notes are not sponsored, endorsed, sold or promoted by Solactive, or any of its respective affiliates. Neither Solactive, nor its respective affiliates, make any representation regarding the advisability of investing in such product(s).

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PROSPECTUS FOR NOTES

The Notes will be issued under the Note Program and will be direct, unsubordinated and unsecured debt obligations of the Bank. The Notes are described in two separate documents: (1) the Base Shelf Prospectus, and (2) this pricing supplement, which collectively constitute the "prospectus" for the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

This pricing supplement is deemed to be incorporated by reference into the Base Shelf Prospectus solely for the purpose of the Note Program and the Notes issued hereunder.

The following documents, filed by the Bank with the Office of the Superintendent of Financial Institutions and/or the various securities commissions or similar authorities in Canada, are specifically incorporated by reference into and form an integral part of this pricing supplement:

(i) the Bank's Annual Information Form dated December 1, 2022;

(ii) the Bank's audited consolidated financial statements as at and for the year ended October 31, 2022 with comparative consolidated financial statements as at and for the year ended October 31, 2021, together with the auditors' reports thereon and the auditors' report on internal control over financial reporting as of October 31, 2022 under the standards of the Public Company Accounting Oversight Board (United States);

(iii) the Bank's Management's Discussion and Analysis as contained in the Bank's Annual Report as of October 31, 2022;

(iv) the Bank's Management Proxy Circular dated February 14, 2022 in connection with the annual meeting of shareholders of the Bank held on April 13, 2022; and

(v) the Bank's marketing materials titled "BMO Callable Equity Income Notes, Series 3970 (CAD), Due February 15, 2030" dated the date hereof.

Any statement contained in the Base Shelf Prospectus, this pricing supplement or in a document incorporated or deemed to be incorporated by reference herein or in the Base Shelf Prospectus for the purposes of the Offering shall be deemed to be modified or superseded for 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 or in the Base Shelf Prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement nor 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 was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this pricing supplement.

FORWARD-LOOKING STATEMENTS

Certain statements included in this pricing supplement constitute forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend" and similar expressions to the extent they relate to the Bank or the Reference Index. The forward-looking statements are not historical facts but reflect the Bank's current expectations regarding future results or events and are based on information currently available to management. Reference is also made to the disclosure relating to forward-looking statements contained in the Bank's most recent Management's Discussion and Analysis. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations or a forecast, projection or conclusion in such forward-looking statements, including the matters discussed under "Certain Risk Factors" in the Base Shelf Prospectus and "Additional Risk Factors Specific to the Notes" in this pricing supplement.

INFORMATION RELATING TO THE NOTES

This pricing supplement has been prepared for the sole purpose of assisting prospective purchasers in making an investment decision with respect to the Notes offered hereby and does not relate to the Reference Index, the Underlying Index, the Index

Sponsor, any of the constituent securities comprising the Underlying Index or any issuers of such constituent securities. The Bank has taken reasonable care to ensure that the facts stated in this pricing supplement with respect to the Notes are true and accurate in all material respects. All information contained in this pricing supplement regarding the Reference Index is derived from and is based solely upon publicly available information and its accuracy cannot be guaranteed. In addition, certain information contained in this pricing supplement was obtained from public sources. None of the Bank, the Dealers or any of their respective affiliates or associates has any obligation or responsibility for the provision of future information in respect of the Reference Index, the Underlying Index, the Index Sponsor, any of the constituent securities comprising the Underlying Index or any issuers of such constituent securities.

Information about the Reference Index can be found at *www.solactive.com* or other publicly available sources. The content of any website referred to in this pricing supplement is not incorporated by reference in, and does not form part of, this pricing supplement. During the term of the Notes, the Bank will identify on its structured products website (*www.bmonotes.com*) the daily Bid Price of the Notes and the Closing Level used by the Calculation Agent to make its determinations and calculations on each Observation Date.

SUITABILITY FOR INVESTMENT

An investment in the Notes is suitable only for investors seeking exposure to a segment of the Canadian equity markets consisting of large-cap Canadian financial companies. There is no guarantee that any Coupons will be paid to Holders or that a Holder's principal investment will be protected under the Notes, other than the payment of $1.00 per Note (the "**Minimum Payment Amount**"). The Notes may be automatically called by the Bank prior to Maturity. The Notes differ from conventional debt and fixed income investments because they do not guarantee Holders a return or any income stream prior to Maturity and the return at Maturity is not calculated by reference to a fixed or floating rate of interest that is determinable prior to Maturity. **It is possible that the Final Level could be below the Barrier Level, in which case Holders would lose some or substantially all of their principal investment in the Notes.** Accordingly, the Notes may not be suitable investments for investors requiring or expecting certainty of yield or guaranteed principal repayment at Maturity or otherwise. There is no assurance that the Notes will be able to meet the investment objectives of Holders or avoid losses to Holders. Investors could lose some or substantially all of their principal investment in the Notes. Prospective purchasers should take into account additional risk factors associated with the Offering. See "Additional Risk Factors Specific to the Notes". Neither the Bank nor the Dealers make any recommendation as to whether the Notes are a suitable investment for any person or the suitability of investing in securities generally or in securities the return on which is linked to large-cap Canadian financial companies. Prospective purchasers should only make a decision to invest in the Notes after carefully considering, with their advisors, the suitability of an investment in the Notes in light of their objectives and the information in this pricing supplement.

ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP, counsel to the Bank, the Notes offered hereby will, at the date of issue, be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, tax-free savings accounts and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by the Bank or by an employer with which the Bank does not deal at arm's length within the meaning of the Tax Act).

SUMMARY OF THE OFFERING

This is a summary of the Offering of Notes under this pricing supplement. Because this is a summary, it does not contain all of the information that may be important to investors, and investors should read the more detailed information appearing elsewhere in this pricing supplement. In this summary, unless otherwise specified, the "Bank" refers to Bank of Montreal and "BMO Capital Markets" refers to a company owned by the Bank called BMO Nesbitt Burns Inc. and any of its affiliates. Capitalized terms that are used but not defined in this summary are defined in "Glossary of Terms" and elsewhere in this pricing supplement. The Notes are denominated in Canadian dollars and in this pricing supplement "$" refers to Canadian dollars.

Issue:	BMO Callable Equity Income Notes, Series 3970 (CAD), Due February 15, 2030.
Issuer:	Bank of Montreal.
Subscription Price:	$100.00 per Note.
Minimum Subscription:	A Holder must invest a minimum of $2,000.00 (20 Notes). The Bank reserves the right to change the minimum subscription in its sole and absolute discretion.
Issue Size:	The maximum issue size for the Notes will be $40,000,000.00. The Bank reserves the right to change the maximum issue size in its sole and absolute discretion.
Issue Date:	The Notes will be issued on or about February 15, 2023.
Maturity Date:	The Notes will mature on February 15, 2030. The term to Maturity is approximately seven (7) years, subject to the Notes being automatically called by the Bank. The Notes are not redeemable at the option of a Holder. An Early Payment Amount may be paid on the occurrence of an Extraordinary Event. See "Special Circumstances — Extraordinary Event".
Objective of the Notes:	The objective of the Notes is to generate semi-annual coupon payments for investors while providing contingent protection against a slight to moderate decline in the performance of the Reference Index over the term of the Notes.
Reference Index:	The Solactive Canada Bank 40 AR Index (the "**Reference Index**") is an adjusted return index. It aims to track the gross total return performance of the Solactive Canada Bank TR Index (the "**Underlying Index**"), calculated in CAD, less the Adjusted Return Factor. The Closing Level on December 30, 2022 was 765.44. The Adjusted Return Factor divided by the Closing Level was therefore equal to 5.23% on December 30, 2022. Over the term of the Notes, the sum of the Adjusted Return Factor will be approximately 280 index points, representing 36.61% of the Closing Level on December 30, 2022. The Underlying Index is a gross total return index that reflects the price changes of its constituent securities and the reinvestment in the index of any dividends and distributions paid in respect of such securities. For the calculation of the level of the Underlying Index, any dividends or other distributions paid on the constituent securities of the Underlying Index are assumed to be reinvested across all the constituent securities of the Underlying Index. The performance of the Reference Index will vary higher or lower from the performance of the Underlying Index over the term of the Notes depending on whether the impact of the dividends and other distributions reinvested in the Underlying Index is greater or less than the impact the Adjusted Return Factor has on the Closing Level over the term of the Notes. The composition of the Underlying Index is adjusted quarterly, ordinarily in March, June, September, and December, and is also subject to extraordinary adjustments in compliance with the rules of the Index Sponsor. The dividend yield of the Underlying Index on December 30, 2022 was 4.21%, representing an aggregate dividend yield of approximately 29.49% over the term of the Notes (assuming the dividend yield remains constant and the dividends are not reinvested). An investment in the Notes does not represent a direct or indirect investment in any of the constituent securities that comprise the Underlying Index. Holders have no right or entitlement to the dividends or distributions paid on such securities.
Initial Level:	Closing Level on the Issue Date.

Final Level:	Closing Level on the Observation Date that triggers the Notes to be automatically called by the Bank or on the Final Valuation Date.
Coupon Payments:	Subject to the occurrence of an Extraordinary Event or the Notes being automatically called by the Bank, a Holder will be entitled to receive for each Note a semi-annual coupon payment on each Coupon Payment Date equal to 4.70% (equivalent to 9.40% per annum), provided that the Closing Level is equal to or above the Coupon Knock-Out Level on the applicable Observation Date. If the Closing Level is below the Coupon Knock-Out Level on an Observation Date, then no Coupon will be payable to a Holder on the related Coupon Payment Date. If the Closing Level is below the Coupon Knock-Out Level on all Observation Dates, there will be no Coupons paid to Holders during the term of the Notes. See "Description of the Notes — Coupon Payments" and "Additional Risk Factors Specific to the Notes".
Coupon Knock-Out Level:	70% of the Initial Level.
AutoCall Feature:	The Notes will be automatically called by the Bank if the Closing Level is equal to or above the AutoCall Level on any Observation Date. If the automatic call feature is triggered, Holders will receive the Principal Amount plus the applicable Coupon on the corresponding Coupon Payment Date (in this case, the Call Date). If the Closing Level is never equal to or above the AutoCall Level on any Observation Date, the Notes will not be automatically called by the Bank. If the Notes are automatically called by the Bank before Maturity, the Notes will be cancelled and Holders will not be entitled to receive any subsequent payments in respect of the Notes.
AutoCall Level:	105% of the Initial Level, triggering the Notes to be automatically called by the Bank if the Closing Level is equal to or above the AutoCall Level on any Observation Date.
Barrier Level:	70% of the Initial Level, resulting in full principal protection against a decline in the Closing Level on the Final Valuation Date of up to 30% from the Initial Level.
Barrier Event:	A "Barrier Event" will have occurred only if the Final Level is below the Barrier Level. The Notes will be subject to "Final Valuation Date Monitoring", meaning that the Closing Level relative to the Barrier Level will only be observed on the Final Valuation Date to determine whether a Barrier Event has occurred.
Contingent Protection:	If the Index Return is negative, the Principal Amount will be protected so long as the Final Level is equal to or above the Barrier Level. If the Final Level is below the Barrier Level, the Maturity Payment will be equal to the Principal Amount reduced by an amount equal to the Index Return (which will be a negative amount reflecting the decline in the Closing Level), subject to the Minimum Payment Amount. The calculation and timing of the payments at Maturity may be adjusted upon the occurrence of certain special circumstances. See "Special Circumstances".
Maturity Payment:	Subject to the occurrence of an Extraordinary Event or the Notes being automatically called by the Bank, a Holder will receive repayment of some or all of the Principal Amount at Maturity based on the Closing Level on the Final Valuation Date. Holders will not participate in any appreciation of the Reference Index over the term of the Notes and Holders have no right or entitlement to the dividends or distributions paid on any of the constituent securities that comprise the Underlying Index. The Maturity Payment will be determined as follows: (i) If the Final Level is equal to or above the Barrier Level, a Holder will receive a Maturity Payment equal to the Principal Amount. In this case, the Final Level would be equal to or above the Coupon Knock-Out Level, so a Holder will also be entitled to receive the Coupon that would be due and payable in respect of the Final Valuation Date. (ii) If the Final Level is below the Barrier Level, a Holder will receive a Maturity Payment that is less than the Principal Amount, as the Principal Amount will be reduced by an amount equal

to the Index Return (which will be a negative amount reflecting the decline in the Closing Level), subject to the Minimum Payment Amount, calculated using the following formula:

Principal Amount + (Principal Amount × Index Return)

In this case, the Final Level would be below the Coupon Knock-Out Level, so there would be no Coupon payable in respect of the Final Valuation Date.

Observation Dates and Coupon Payment Dates: The Closing Level will be observed on each Observation Date, subject to the occurrence of any special circumstances (see "Special Circumstances") or the Notes being automatically called by the Bank. The specific Observation Dates, Coupon Payment Dates and potential Call Dates for the Notes will be as follows:

Period	Observation Date	Coupon Payment Date/Call Date
1	August 8, 2023	August 15, 2023
2	February 8, 2024	February 15, 2024
3	August 8, 2024	August 15, 2024
4	February 10, 2025	February 18, 2025
5	August 8, 2025	August 15, 2025
6	February 9, 2026	February 17, 2026
7	August 10, 2026	August 17, 2026
8	February 8, 2027	February 16, 2027
9	August 9, 2027	August 16, 2027
10	February 8, 2028	February 15, 2028
11	August 8, 2028	August 15, 2028
12	February 8, 2029	February 15, 2029
13	August 8, 2029	August 15, 2029
14	February 8, 2030	February 15, 2030

In the event that a scheduled Observation Date is not an Exchange Day for any reason, then the Observation Date will be the immediately preceding Exchange Day. In the event that any Coupon Payment Date, the Call Date or the Maturity Date is not a Business Day, then any payment the Bank is obligated to make on such day will be paid to the Holder on the immediately following Business Day and no interest will be paid in respect of such delay. If the Notes are automatically called by the Bank before Maturity, the Notes will be cancelled and Holders will not be entitled to receive any subsequent payments in respect of the Notes.

Calculation Agent: BMO Capital Markets. See "Calculation Agent".

Dealers: BMO Nesbitt Burns Inc. and Raymond James Ltd.

Secondary Market: The Notes will not be listed on any exchange or marketplace. BMO Capital Markets will use reasonable efforts under normal market conditions to provide for a daily secondary market for the sale of the Notes through the order entry system operated by Fundserv Inc. but reserves the right to elect not to do so in the future, in its sole and absolute discretion, without prior notice to Holders. The sale of Notes using the Fundserv network carries certain restrictions, including selling procedures that require an irrevocable sale order to be initiated at a price that will not be known prior to placing such sale order. See "Description of the Notes — Fundserv — Sale of Fundserv Notes" in the Base Shelf Prospectus. Except in certain special circumstances described under "Secondary Market", a Note may be sold to BMO Capital Markets through the Fundserv network on a daily basis at a price equal to the Bid Price for a Note, determined by BMO Capital Markets in its sole and absolute discretion, minus any applicable Early Trading Charge. See "Secondary Market" for factors affecting the Bid Price for the Notes.

BMO Capital Markets reserves the right to suspend the secondary market, if any, at any time, in its sole and absolute discretion, including in the event that the Calculation Agent is unable to fairly and accurately determine a Bid Price for the Notes. A Holder will not be able to redeem or sell a Note prior to Maturity other than through a secondary market, if any, provided by BMO Capital Markets. Holders choosing to sell their Notes prior to Maturity may receive a price at a discount, which could be substantial, from the Maturity Payment that would be payable if the Notes were maturing on such date. There is no provision for the early redemption of the Notes by Holders and there is no guarantee that any secondary market which may develop will be liquid or sustainable.

If a Note is sold within the first 180 days after the Issue Date, the posted Bid Price will be reduced by an Early Trading Charge equal to a percentage of the Subscription Price determined as set out below.

If Notes sold within:	Early Trading Charge
0 - 60 days	3.75%
61 - 120 days	2.50%
121 - 180 days	1.25%
Thereafter	Nil

The Calculation Agent may suspend the determination of the Bid Price during the existence of any state of affairs that makes the determination of the Bid Price impossible, impractical or prejudicial to Holders, including, without limitation, the interruption, breakdown or suspension of the publication of the Reference Index. In the event the Bid Price is not available, the secondary market may be suspended by BMO Capital Markets as it will not be able to fairly and accurately determine the price of the Notes. No other secondary market for the Notes will be available.

Holders choosing to sell their Notes prior to the Maturity Date will receive an amount which (i) may be substantially less than the Subscription Price, and (ii) may not necessarily reflect the performance of the Reference Index up to the date of such sale. A Holder wishing to sell a Note prior to Maturity should consult his or her investment advisor on whether a sale of the Note will be subject to an Early Trading Charge and, if so, the amount of the Early Trading Charge. A Holder should be aware that any valuation price for the Notes appearing in his or her periodic investment account statements within the first 180 days after the Issue Date is not what a Holder would receive on disposition. Any Bid Price quoted to the Holder to sell his or her Notes within the first 180 days after the Issue Date will exclude the application of any applicable Early Trading Charge. See “Secondary Market — Early Trading Charge” and “Additional Risk Factors Specific to the Notes — General Risks Relating to Principal At Risk Notes — Secondary Trading of the Notes”.

A Holder should consult his or her investment advisor as to whether it would be more favourable in the circumstances at any time to sell the Notes (assuming the availability of a secondary market) or hold the Notes until the Maturity Date.

BMO Capital Markets or the Bank, or any of their respective affiliates, may at any time, subject to applicable laws, purchase the Notes at any price in the open market or by private agreement. See “Secondary Market”.

Special Circumstances: If a Market Disruption Event occurs on an Observation Date, the calculations, valuations or determinations to be made on that Observation Date may be postponed. Fluctuations in the Closing Level may occur in the interim. If a Market Disruption Event occurs and continues for at least eight (8) consecutive Exchange Days or there is a Material Index Change and no alternative source or Replacement Index is available, then the Bank may elect to make an accelerated payment to Holders prior to the Maturity Date. In certain circumstances, the Bank may appoint an independent calculation expert to confirm calculations, valuations or determinations of the Calculation Agent. See “Special Circumstances” and “Appointment of Independent Calculation Experts”.

Use of Proceeds:	The Bank will use the net proceeds of the Offering for general banking purposes. The Bank and/or its affiliates may use all or any portion of the proceeds in transactions intended to hedge the Bank's obligations under the Notes, including forward and option contracts. The Bank may benefit from any difference between the amount it is obligated to pay under the Notes, net of related fees and expenses, and the returns it may generate in hedging such obligation.
Rank:	The Notes will constitute direct, unconditional obligations of the Bank to the extent the Bank is obligated to make payments to Holders under the Notes. The Notes will be issued on an unsecured and unsubordinated basis and will rank equally, as among themselves, and with all other outstanding direct, unsecured and unsubordinated, present and future obligations of the Bank (except as otherwise prescribed by law), and will be payable rateably without any preference or priority. **The Notes will not be deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution.** See "Description of the Notes — Rank; No Deposit Insurance".
Book-Entry Only System:	Book-entry only through CDS. See "Description of the Notes — Form of Notes and Transfer" in the Base Shelf Prospectus.
Credit Rating:	**The Notes have not been and will not be rated.** As at the date of this pricing supplement, the deposit liabilities of the Bank with a term to maturity of more than one year were rated AA by DBRS, A+ by S&P and Aa2 by Moody's. There can be no assurance that, if the Notes were rated by these rating agencies, they would have the same rating as the other unsubordinated indebtedness of the Bank. **A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.** See "Description of the Notes — Credit Rating".
Fundserv:	Notes may be purchased through Fundserv. The Fundserv code for the Notes is "JHN16544". No interest will be paid on account of funds deposited through Fundserv pending closing of the Offering or return of such funds if subscriptions are rejected or not fully allotted. See "Additional Details of the Offering" in this pricing supplement, and "Description of the Notes — Fundserv" in the Base Shelf Prospectus.
Eligibility:	In the opinion of Torys LLP, counsel to the Bank, the Notes offered hereby will, at the date of issue, be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, tax-free savings accounts and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by the Bank or by an employer with which the Bank does not deal at arm's length within the meaning of the Tax Act).
Certain Canadian Federal Income Tax Considerations:	This income tax summary applies to an Initial Holder who is resident in Canada and is subject to the limitations and qualifications set out under the heading "Certain Canadian Federal Income Tax Considerations" in the body of this pricing supplement. In the opinion of Torys LLP, counsel to the Bank, an Initial Holder will be required to include a Coupon as interest on the Notes in income for the taxation year in which the Coupon is received or became receivable (depending on the method regularly followed by the Initial Holder in computing income) to the extent such amount was not included in computing the Initial Holder's income for a preceding taxation year. Where an Initial Holder assigns or transfers a Note, the Initial Holder will be required to include in income as accrued interest the amount, if any, by which the price for which the Note was assigned or transferred exceeds the Principal Amount. At the Maturity Date (or an Early Payment Date) an Initial Holder will be considered to have disposed of the Note and therefore may realize a capital loss to the extent the Subscription Price exceeds the Maturity Payment (or the Early Payment Amount). In the event that the Early Payment Amount exceeds the Subscription Price, the excess may be deemed to be interest.

See "Certain Canadian Federal Income Tax Considerations".

Additional Risk Factors Specific to the Notes:

Prospective purchasers should carefully consider all of the information set forth in this pricing supplement and the Base Shelf Prospectus and, in particular, should evaluate the specific risk factors set forth herein under "Suitability for Investment" and "Additional Risk Factors Specific to the Notes".

Risk factors relating to the Notes include but are not limited to the following:

- an investment in the Notes is uncertain and differs from conventional debt securities in that they are not principal protected and Holders could lose some or substantially all of their principal investment in the Notes;
- there is no assurance of a secondary market and any such secondary market may be illiquid or offer prices that may not reflect the performance of the Reference Index;
- the Bank's estimated value of the Notes on the Issue Date is only an estimate, and based on a number of factors. The estimated value was determined on the pricing date using the Bank's internal pricing models, which take into account a number of variables and assumptions about future events that may prove to be incorrect, including expectations as to dividends and distributions, volatility, interest rates and the Bank's internal funding rates;
- special circumstances could adversely affect the Observation Dates and/or an Index and/or calculations of amounts paid to Holders;
- subsidiaries of the Bank (including BMO Capital Markets) and the Dealers have published, and in the future expect to publish, research reports with respect to the Reference Index, the Underlying Index or its constituent securities, which research may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes, and the Bank (including BMO Capital Markets) and the Dealers may engage in transactions that affect the performance of the Reference Index, the Underlying Index or its constituent securities;
- conflicts of interest may affect the Calculation Agent or the Bank and an independent calculation expert will only be appointed in limited circumstances;
- the Notes have not been rated and will not be insured by the Canada Deposit Insurance Corporation or any other entity and therefore the payments to Holders will be dependent upon the financial health and creditworthiness of the Bank;
- upon the occurrence of an Extraordinary Event, the Bank may elect to pay an Early Payment Amount to discharge its obligations in respect of the Maturity Payment and any Coupons that may be payable and extinguish any future payment obligations; and
- changes in laws, regulations or administrative practices, including with respect to taxation, could have an impact on Holders.

Risk factors relating to the Offering and the Reference Index include but are not limited to the following:

- the Notes will be automatically called by the Bank if the Closing Level is equal to or above the AutoCall Level on any Observation Date. If the Notes are automatically called by the Bank, Holders will receive the Principal Amount plus the applicable Coupon on the Call Date, and the Notes will be cancelled and Holders will not be entitled to receive any subsequent payments in respect of the Notes;

- Coupon payments are dependent upon the Closing Level on only two Observation Dates per year in which the Notes are outstanding; if the Closing Level is below the Coupon Knock-Out Level on all Observation Dates (including the Final Valuation Date), Holders will receive no Coupons and will not be repaid the full value of their principal investment at Maturity;
- subject to the Notes being automatically called by the Bank, the Maturity Payment will be dependent upon the Closing Level on the Final Valuation Date only; if the Closing Level declines below the Barrier Level on the Final Valuation Date, Holders will receive a Maturity Payment that is less than the Principal Amount, as the Principal Amount will be reduced by an amount equal to the Index Return (which will be a negative amount reflecting the decline in the Closing Level);
- the return on the Notes is calculated with reference to the performance of the Reference Index which aims to track the gross total return performance of the Underlying Index less the Adjusted Return Factor. Although the Underlying Index is a gross total return index that reflects the applicable performance of the constituent securities of the Underlying Index and any dividends and distributions paid in respect of such securities, without deduction of any withholding tax or other amounts to which an investor holding the constituent securities of the Underlying Index would typically be exposed, an investment in the Notes is not the same as making a direct investment in the constituent securities of the Underlying Index, including the fact that an investor will not have the right to receive any dividends, distributions or other income or amounts accruing or paid on such securities, nor will an investor have the right to exercise any voting rights for such securities. In addition, the Adjusted Return Factor is not representative of an estimate or a forecast of any dividends that may be paid or payable, or of any distributions that may be made, now or in the future on the constituent securities of the Underlying Index;
- the performance of the Reference Index will be less than that of the Underlying Index or a direct investment in the constituent securities of the Underlying Index. Since the Closing Level is based on the application of the Adjusted Return Factor to daily changes in the closing level of the Underlying Index, the difference between the Reference Index and the Underlying Index over a longer period is subject to the effects of compounding returns and, as a result, may be greater or less than the Adjusted Return Factor pro-rated over the same period;
- the closing level of the Underlying Index and, in turn, the Closing Level, may be affected by the ability of issuers comprising the Underlying Index to declare and pay dividends or make distributions in respect of the equity securities of the issuers comprising the Underlying Index. Historical levels of dividends and distributions paid in respect of the constituent securities comprising the Underlying Index are not indicative of future payments, which payments are uncertain and depend upon various factors, including, without limitation, the financial position, earnings ratio and cash requirements of the applicable issuer and the state of financial markets in general. It is not possible to predict if dividends or distributions paid in respect of the constituent securities comprising the Underlying Index will increase, decrease or remain the same over the term of the Notes;
- Holders will not participate in any appreciation of the Reference Index over the term of the Notes;
- an Index may be replaced with a successor index;
- the historical Closing Levels should not be interpreted as an indication of future performance of the Reference Index and the return on the Notes will not reflect a direct or indirect investment in the constituent securities comprising the Underlying Index;

- the Reference Index and the Underlying Index have limited performance histories. The Reference Index and Underlying Index were first launched and published on January 27, 2022 and July 28, 2017, respectively. Accordingly, there is limited trading history for the Reference Index;

- the Index Sponsor has no obligations with respect to the Notes, and may make changes to the Reference Index that could affect amounts payable on the Notes and the value of the Notes in any secondary market;

- the Closing Level will be affected by changes in the market price of the constituent securities comprising the Underlying Index;

- the constituent securities in the Underlying Index are concentrated in the Canadian financial services sector and may be considered to be less diversified than a more broadly diversified index. Accordingly, market conditions that adversely affect one or more companies represented in the Underlying Index are more likely to adversely affect other companies represented in the Underlying Index. The profitability of companies in the Underlying Index depends on, among other things, the availability and cost of capital funds and can fluctuate significantly when interest rates change. Losses resulting from financial difficulties of borrowers can negatively impact such companies. Similarly, the extensive governmental regulation to which such companies are subject may affect their profitability;

- based on the calculation methodology applied by the Index Sponsor, the difference in the annual performance of the Reference Index and the Underlying Index may be greater or less than the Adjusted Return Factor;

- none of the Bank, the Dealers or any of their respective affiliates or associates has any obligation or responsibility to Holders for the provision of future information in respect of the Reference Index, the Underlying Index, the Index Sponsor, any of the constituent securities comprising the Underlying Index and/or any issuers of such constituent securities, and investors shall have no recourse against the Bank, the Dealers or any of their respective affiliates or associates in connection with any information relating to the Reference Index, the Underlying Index, the Index Sponsor, any of the constituent securities comprising the Underlying Index or any issuers of such constituent securities that is not contained in this pricing supplement;

- risks relating to the constituent securities of the Underlying Index are also applicable to an investment in the Notes; and

- the common shares of the Bank are included in the Underlying Index and the decisions and actions of the board of directors and management of the Bank will not take into account the effect, if any, of such decisions and actions on an Index or Holders' interests generally.

Prospective purchasers should take into account additional risk factors associated with the Offering. See "Additional Risk Factors Specific to the Notes".

Additional Information: Ongoing information about the performance of the Notes will be available to Holders on the Bank's structured products website (*www.bmonotes.com*), including the daily Bid Price of the Notes (and any applicable Early Trading Charge) and the Closing Level used by the Calculation Agent in its calculations and determinations on each Observation Date. Information relating to the Reference Index can be obtained from *www.solactive.com* or other publicly available sources. The content of any website referred to in this pricing supplement is not incorporated by reference in, and does not form part of, this pricing supplement. None of the Bank, the Dealers or any of their respective affiliates or associates has any obligation or responsibility for the provision of future information in respect of the Reference Index, the Underlying Index, the Index Sponsor, any of the constituent securities comprising the Underlying Index or any issuers of such constituent securities. See “Description of the Notes — Continuous Disclosure”.

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses in respect of the Notes. For further particulars, see "Fees and Expenses".

Type of Charge	Description
Fees payable to the Dealers:	A selling concession fee of \$2.75 per Note (2.75% of the Subscription Price) will be payable to the Dealers from the proceeds of the Offering. Some or all of these fees may be paid to sales representatives, including representatives employed by the Dealers, whose clients purchase the Notes. A fee of up to \$0.15 per Note will be payable directly by the Bank to Raymond James Ltd. at closing from its own funds for acting as independent agent. The payment of these fees will not reduce or have any effect on the amount of any Coupons, the amount payable upon Notes being automatically called or the Maturity Payment payable on the Notes.
Early Trading Charge:	Holders wishing to sell Notes within the first 180 days after the Issue Date will be subject to an Early Trading Charge equal to a percentage of the Subscription Price determined as set out below:

If Notes sold within:	Early Trading Charge
0 - 60 days	3.75%
61 - 120 days	2.50%
121 - 180 days	1.25%
Thereafter	Nil

See "Secondary Market — Early Trading Charge" for a description of the Early Trading Charge. The Bid Price quoted in the secondary market will be before the deduction of any applicable Early Trading Charge.

The Bank will not charge any other fee or seek reimbursement of any other expense in connection with the Notes. For certainty, all expenses of the Offering (other than the selling concession described above) will be borne by the Bank.

GLOSSARY OF TERMS

In addition to the terms defined in the Base Shelf Prospectus and elsewhere in this pricing supplement, unless the context otherwise requires, terms not otherwise defined in this pricing supplement will have the following meanings:

"**$**" or "**CAD**" means Canadian dollars.

"**Adjusted Return Factor**" means an adjusted return factor of 40 index points per annum that will be calculated daily in arrears.

"**AutoCall Level**" means 105% of the Initial Level.

"**Bank**" means Bank of Montreal.

"**Barrier Event**" means the event that will have occurred if the Final Level is below the Barrier Level.

"**Barrier Level**" means 70% of the Initial Level.

"**Base Shelf Prospectus**" means the short form base shelf prospectus of the Bank dated August 25, 2021.

"**Bid Price**" means, for any Business Day, the price at which a Holder will be able to sell the Notes prior to the Maturity Date, which may be at a discount from the Maturity Payment that would be payable if the Notes were maturing on such date and may be based on one or more factors described under "Secondary Market".

"**BMO Capital Markets**" means BMO Nesbitt Burns Inc.

"**Book-Entry Only System**" means the record entry securities transfer and pledge system established and governed by one or more agreements between CDS and CDS Participants pursuant to which the operating rules and procedures for such system are established and administered by CDS, including in relation to CDS.

"**Business Day**" means any day (other than a Saturday, a Sunday or a statutory holiday) on which commercial banks are open for business in Toronto, Ontario. Unless specified otherwise, if any day on which an action is specified to be taken in this pricing supplement in respect of the Notes falls on a day that is not a Business Day, such action will be postponed to the following Business Day.

"**Calculation Agent**" means BMO Capital Markets or a person appointed by BMO Capital Markets to act as calculation agent for the Notes.

"**Call Date**" means the Coupon Payment Date immediately following an Observation Date that triggers the Notes to be automatically called by the Bank, on which Holders will receive the Principal Amount plus the applicable Coupon and the Notes will be cancelled, thus terminating any further payment obligations of the Bank. See "Description of the Notes — Objective of the Notes" and "Description of the Notes — Coupon Payments" for the potential Call Dates for the Notes.

"**CDS**" means CDS Clearing and Depository Services Inc., or its nominee.

"**CDS Participant**" means a broker, dealer, bank or other financial institution or other person for whom CDS effects book-entry transfers and pledges of the Notes through its Book-Entry Only System.

"**Closing Level**" means the official closing level or value of the Reference Index rounded to two decimal places on a given day as announced by the Index Sponsor, provided that, if on or after the Issue Date such Index Sponsor materially changes the time of day at which such official closing level or value is determined or no longer announces such official closing level or value, the Calculation Agent may thereafter deem the Closing Level to be the level or value of such Reference Index as of the time of day used by such Index Sponsor to determine the official closing level or value prior to such change or failure to announce.

"**Coupon**" has the meaning ascribed thereto under "Description of the Notes — Coupon Payments".

"**Coupon Knock-Out Level**" means 70% of the Initial Level.

"**Coupon Payment Date**" means each date upon which the Bank will pay to a Holder the Coupon that is due and payable, if any, following each Observation Date where the Closing Level is equal to or above the Coupon Knock-Out Level. See "Description of the Notes — Coupon Payments" for the specific Coupon Payment Dates for the Notes.

"**CRA**" means Canada Revenue Agency.

"**DBRS**" means DBRS Limited.

"**Dealer Agreement**" means the dealer agreement dated August 25, 2021 between a syndicate of dealers, including the Dealers and the Bank, as amended and supplemented from time to time.

"**Dealers**" means BMO Nesbitt Burns Inc. and Raymond James Ltd.

"**Early Closure**" has the meaning ascribed thereto under "Special Circumstances — Market Disruption Event".

"**Early Payment Amount**" has the meaning ascribed thereto under "Special Circumstances — Extraordinary Event".

"**Early Payment Date**" has the meaning ascribed thereto under "Special Circumstances — Extraordinary Event".

"**Early Trading Charge**" has the meaning ascribed thereto under "Secondary Market — Early Trading Charge".

"**Exchange**" means any exchange or trading system from which prices of securities are used from time to time in the computation of the Closing Level, subject to the provisions set out below under "Special Circumstances — Market Disruption Event".

"**Exchange Day**" means, in respect of an Index, any day on which the Exchange and each Related Exchange are open for trading, notwithstanding the Exchange or any Related Exchange closing prior to its scheduled closing time.

"**Extraordinary Event**" has the meaning ascribed thereto under "Special Circumstances — Extraordinary Event".

"**Extraordinary Event Notification Date**" has the meaning ascribed thereto under "Special Circumstances — Extraordinary Event".

"**Final Level**" means the Closing Level on the Observation Date that triggers the Notes to be automatically called by the Bank or on the Final Valuation Date, provided that if such day is not an Exchange Day, then the Final Level will be determined on the immediately preceding Exchange Day, subject to the occurrence of a Market Disruption Event or Extraordinary Event described under "Special Circumstances".

"**Final Valuation Date**" means the final Observation Date.

"**Final Valuation Date Monitoring**" means that the Closing Level relative to the Barrier Level will only be observed on the Final Valuation Date to determine whether a Barrier Event has occurred under the Notes.

"**Fundserv**" means the order entry system operated by Fundserv Inc.

"**Fundserv Notes**" has the meaning ascribed thereto under "Additional Details of the Offering — Purchase of Fundserv Notes".

"**Global Note**" means the global note that represents the total aggregate amount of Notes issued on the closing of the Offering.

"**Holder**" means any holder of the Notes from time to time.

"**Index**" means the Reference Index or the Underlying Index.

"**Index Return**" means the percentage change in the Closing Level measured from the Issue Date to the Final Valuation Date, which will be used to determine the amount of the principal repaid at Maturity and calculated using the following formula:

$$\frac{\text{Final Level - Initial Level}}{\text{Initial Level}}$$

“**Index Sponsor**” means Solactive or a person appointed by Solactive to act as calculation agent for the Reference Index.

“**Initial Holder**” means a Holder who purchases the Notes only at the time of their issuance.

“**Initial Level**” means the Closing Level on the Issue Date.

“**Issue Date**” means the day the Notes are issued, which shall be a day on or about February 15, 2023 or such other date as the Bank and the Dealers may agree.

“**Market Disruption Event**” has the meaning ascribed thereto under “Special Circumstances — Market Disruption Event”.

“**Material Index Change**” has the meaning ascribed thereto under “Special Circumstances — Discontinuance or Modification of an Index”.

“**Maturity**” or “**Maturity Date**” means February 15, 2030.

“**Maturity Payment**” has the meaning ascribed thereto under “Description of the Notes — Maturity Payment”.

“**Minimum Payment Amount**” means a principal repayment of $1.00 per Note at Maturity.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Note Program**” means the Bank of Montreal Medium Term Notes (Principal At Risk Notes) Program administered by the Note Program Manager.

“**Note Program Manager**” means BMO Capital Markets or a person appointed by the Bank in its sole discretion.

“**Notes**” means BMO Callable Equity Income Notes, Series 3970 (CAD), Due February 15, 2030, offered to prospective purchasers under this pricing supplement.

“**Observation Date**” means each date upon which the Closing Level will be observed by the Calculation Agent to determine whether a Coupon will be paid on the corresponding Coupon Payment Date and whether the Notes will be automatically called by the Bank, provided that if any such day is not an Exchange Day then that Observation Date will be the immediately preceding Exchange Day, subject to the occurrence of a Market Disruption Event or Extraordinary Event. See “Description of the Notes — Coupon Payments” for the specific Observation Dates for the Notes.

“**Offering**” means the offering of the Notes to prospective purchasers under this pricing supplement.

“**Principal Amount**” means the $100.00 principal amount of each Note purchased by any Holder.

“**Reference Index**” means the Solactive Canada Bank 40 AR Index, as further described in this pricing supplement under “The Reference Index”.

“**Related Exchange**” means any exchange or trading system on which futures or options on an Index are listed from time to time.

“**Replacement Event**” has the meaning ascribed thereto under “Special Circumstances — Discontinuance or Modification of an Index”.

“**Replacement Index**” has the meaning ascribed thereto under “Special Circumstances — Discontinuance or Modification of an Index”.

“**S&P**” means Standard & Poor’s Financial Services LLC.

“**Solactive**” means Solactive AG.

“**Special Circumstances**” means the events described in “Special Circumstances”.

“**Subscription Price**” means $100.00 per Note.

"**Successor Sponsor**" means an entity that succeeds the Index Sponsor and continues calculation and publication of the Reference Index, provided such successor is acceptable to the Bank.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

"**Underlying Index**" means the Solactive Canada Bank TR Index.

DESCRIPTION OF THE NOTES

The following is a summary of the material attributes and characteristics relating to the Notes offered hereby. Reference is made to the certificate representing the Global Note, which contains the full text of such attributes and characteristics.

Objective of the Notes

The Notes offer potential semi-annual coupon payments for investors while providing contingent protection against a slight to moderate decline in the performance of the Reference Index over the term of the Notes.

Subject to the Notes being automatically called, the Notes will pay a semi-annual coupon equal to 4.70% (equivalent to 9.40% per annum), so long as the Closing Level is equal to or above the Coupon Knock-Out Level on the relevant Observation Date. If the Closing Level is equal to or above the AutoCall Level on any Observation Date, the Notes will be automatically called by the Bank and Holders will receive the Principal Amount plus the applicable Coupon on the corresponding Coupon Payment Date (in this case, the Call Date). If the Closing Level is never equal to or above the AutoCall Level on any Observation Date, the Notes will not be automatically called by the Bank.

If the Notes are not automatically called before Maturity, a Holder will be entitled to receive a Maturity Payment based on the performance of the Reference Index equal to the Principal Amount of the Notes, if the Final Level is equal to or above the Barrier Level. In this case, the Final Level would be equal to or above the Coupon Knock-Out Level, so a Holder will also be entitled to receive the Coupon that would be due and payable.

Otherwise, the Maturity Payment will equal the Principal Amount of the Notes reduced by an amount equal to the Index Return (which will be a negative amount reflecting the decline in the Closing Level) if the Final Level is below the Barrier Level (subject to the Minimum Payment Amount). The Notes provide contingent protection only, meaning that a Holder could lose some or substantially all of his or her principal investment in the Notes.

Coupon Payments

Subject to the occurrence of an Extraordinary Event or the Notes being automatically called by the Bank, a Holder will be entitled to receive for each Note a semi-annual coupon payment (a "**Coupon**") on each Coupon Payment Date equal to 4.70% (equivalent to 9.40% per annum), provided that the Closing Level is equal to or above the Coupon Knock-Out Level on the applicable Observation Date. If the Closing Level is below the Coupon Knock-Out Level on an Observation Date, then no Coupon will be payable to a Holder on the related Coupon Payment Date. If the Closing Level is below the Coupon Knock-Out Level on all Observation Dates, there will be no Coupons paid to Holders during the term of the Notes. See "Additional Risk Factors Specific to the Notes".

The specific Observation Dates, Coupon Payment Dates and potential Call Dates for the Notes will be as follows:

Period	Observation Date	Coupon Payment Date/Call Date
1	August 8, 2023	August 15, 2023
2	February 8, 2024	February 15, 2024
3	August 8, 2024	August 15, 2024
4	February 10, 2025	February 18, 2025
5	August 8, 2025	August 15, 2025
6	February 9, 2026	February 17, 2026
7	August 10, 2026	August 17, 2026
8	February 8, 2027	February 16, 2027
9	August 9, 2027	August 16, 2027
10	February 8, 2028	February 15, 2028
11	August 8, 2028	August 15, 2028
12	February 8, 2029	February 15, 2029
13	August 8, 2029	August 15, 2029
14	February 8, 2030	February 15, 2030

In the event that a scheduled Observation Date is not an Exchange Day for any reason, then the Observation Date will be the immediately preceding Exchange Day. In the event that any Coupon Payment Date, the Call Date or the Maturity Date is not a Business Day, then any payment the Bank is obligated to make on such day will be paid to the Holder on the immediately following Business Day and no interest will be paid in respect of such delay. If the Notes are automatically called by the Bank before Maturity, the Notes will be cancelled and Holders will not be entitled to receive any subsequent payments in respect of the Notes.

Maturity Payment

Subject to the occurrence of an Extraordinary Event or the Notes being automatically called by the Bank, a Holder will receive repayment of some or all of the Principal Amount at Maturity (the "**Maturity Payment**") based on the Closing Level on the Final Valuation Date. Holders will not participate in any appreciation of the Reference Index over the term of the Notes, and Holders have no right or entitlement to the dividends or distributions paid on any of the constituent securities that comprise the Underlying Index.

(1) Final Level equal to or above the Barrier Level

If the Final Level is equal to or above the Barrier Level, a Holder will receive a Maturity Payment equal to the Principal Amount.

In this case, the Final Level would be equal to or above the Coupon Knock-Out Level, so a Holder will also be entitled to receive the Coupon that would be due and payable in respect of the Final Valuation Date.

(2) Final Level below the Barrier Level

If the Final Level is below the Barrier Level, a Holder will receive a Maturity Payment that is less than the Principal Amount, as the Principal Amount will be reduced by an amount equal to the Index Return (which will be a negative amount reflecting the decline in the Closing Level), subject to the Minimum Payment Amount, calculated using the following formula:

Principal Amount + (Principal Amount × Index Return)

In this case, the Final Level would be below the Coupon Knock-Out Level, so there would be no Coupon payable in respect of the Final Valuation Date.

Illustrative Examples

The following hypothetical examples demonstrate how the Coupons and Maturity Payment will be calculated and determined under three different scenarios. In each scenario below, it has been assumed that an investor purchased and continues to hold $10,000.00 worth of Notes (or 100 Notes). **The hypothetical Closing Levels used in these examples are for illustrative purposes only and should not be construed in any way as estimates or forecasts of the future performance of the Reference Index or the return that a Holder might realize on the Notes.** All hypothetical examples assume that no events described under "Special Circumstances" have occurred during the term.

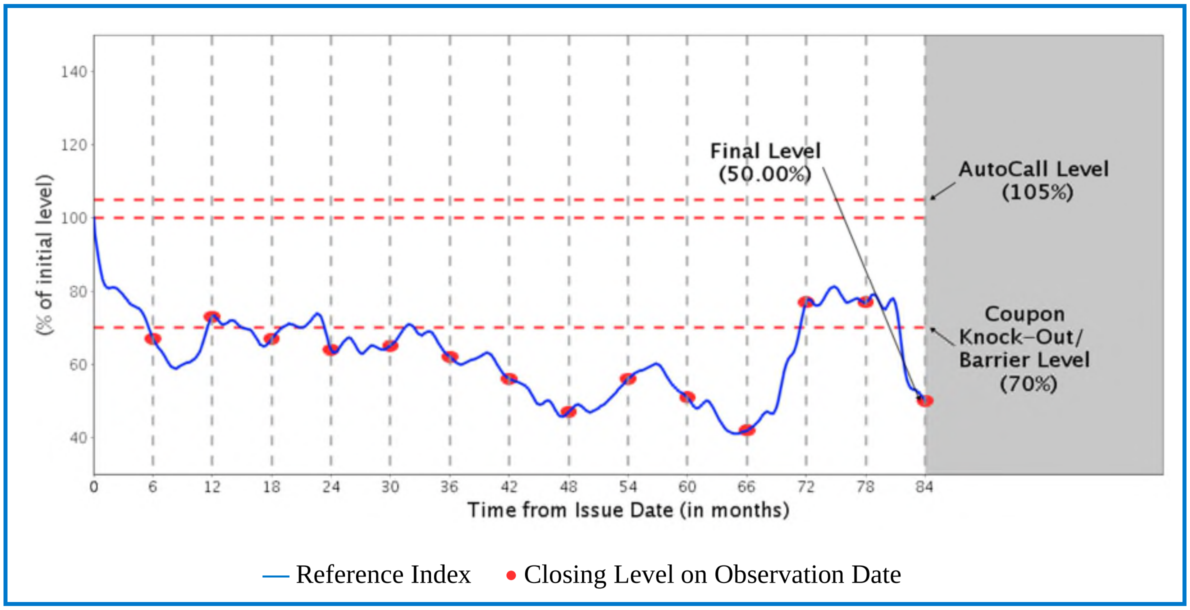
Example 1: Negative Scenario

Initial Level = 750.00

AutoCall Level = 105% of the Initial Level = 787.50

Barrier Level/Coupon Knock-Out Level = 70% of the Initial Level = 525.00

The Closing Level declines significantly over the term of the Notes. The Closing Level is equal to or above the Coupon Knock-Out Level on the 2^{nd}, 12^{th} and 13^{th} Observation Dates only and below the Coupon Knock-Out Level on all other Observation Dates. The Final Level is below the Barrier Level. The Closing Level is below the AutoCall Level on all Observation Dates, so the Notes are not automatically called by the Bank.



In this hypothetical scenario, a Holder will receive three Coupons only (on the 2nd, 12th and 13th Coupon Payment Dates) as the Closing Level is below the Coupon Knock-Out Level on all other Observation Dates. As the Final Level was below the Barrier Level, a Holder will receive a Maturity Payment equal to the Principal Amount reduced by an amount equal to the Index Return (which will be a negative amount reflecting the decline in the Closing Level), subject to the Minimum Payment Amount.

The following table summarizes the payments that would be made to a Holder for each $100.00 Note.

Observation Date	**Closing Level**	**Coupon Payment**
1	502.50	-
2	547.50	$4.70
3	502.50	-
4	480.00	-
5	487.50	-
6	465.00	-
7	420.00	-
8	352.50	-
9	420.00	-
10	382.50	-
11	315.00	-
12	577.50	$4.70
13	577.50	$4.70
14	375.00	-
	TOTAL	$14.10

The Final Level was 375.00, which is below the Barrier Level, so a Holder will receive a Maturity Payment calculated as follows:

Index Return = (Final Level – Initial Level)/Initial Level

= (375.00 – 750.00)/750.00

= -50.00%

Maturity Payment = Principal Amount + (Principal Amount × Index Return)

= $100.00 + ($100.00 × -50.00%)

= $50.00 per Note

Assuming a principal investment of $10,000.00 (or 100 Notes), a Holder will receive a Maturity Payment of $5,000.00 at Maturity (equal to a 50% loss on the initial $10,000.00 investment) together with Coupons totaling $1,410.00 over the term of the Notes (or an annualized loss of 6.15%).

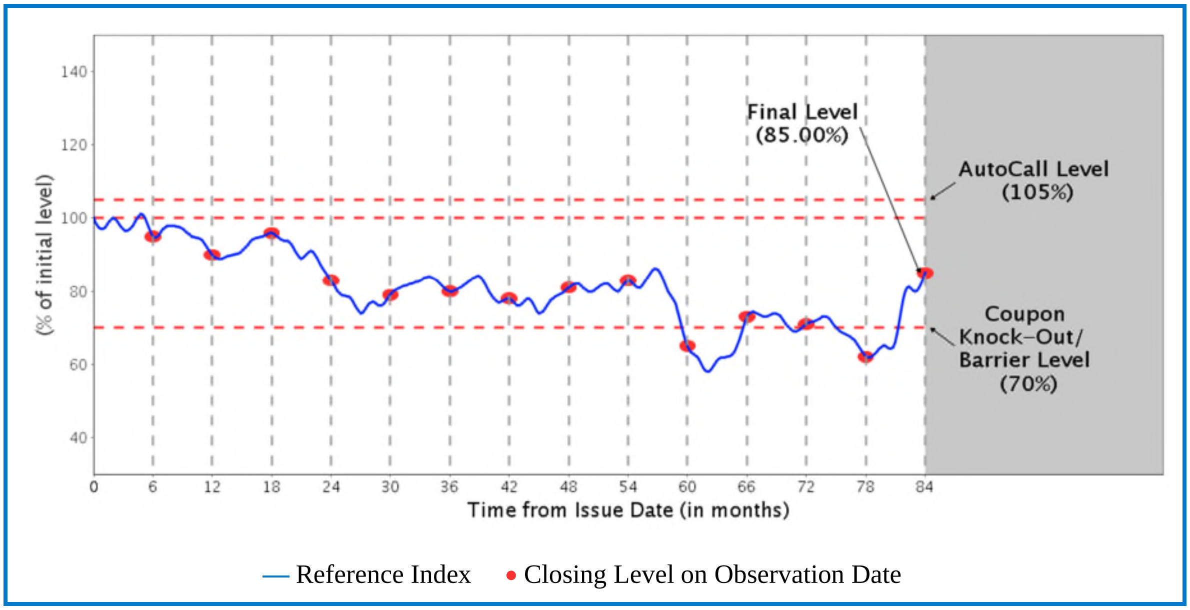
<u>Example 2: Neutral Scenario</u>

Initial Level = 750.00

AutoCall Level = 105% of the Initial Level = 787.50

Barrier Level/Coupon Knock-Out Level = 70% of the Initial Level = 525.00

The Closing Level is below the Initial Level during the term of the Notes. The Closing Level is below the Coupon Knock-Out Level on the 10th and 13th Observation Dates, resulting in no Coupon being paid on the corresponding Coupon Payment Dates. The Final Level is above the Barrier Level. The Closing Level is below the AutoCall Level on all Observation Dates, so the Notes are not automatically called by the Bank.



In this hypothetical scenario, a Holder will receive a Coupon on each Coupon Payment Date except for the 10th and 13th Coupon Payment Dates, which were "knocked-out" because the Closing Level was below the Coupon Knock-Out Level on the 10th and 13th Observation Dates. The Final Level was above the Barrier Level, so a Holder will receive a Maturity Payment equal to the Principal Amount.

The following table summarizes the payments that would be made to a Holder for each $100.00 Note.

Observation Date	Closing Level	Coupon Payment
1	712.50	$4.70
2	675.00	$4.70
3	720.00	$4.70
4	622.50	$4.70
5	592.50	$4.70
6	600.00	$4.70
7	585.00	$4.70
8	607.50	$4.70
9	622.50	$4.70
10	487.50	-
11	547.50	$4.70
12	532.50	$4.70
13	465.00	-
14	637.50	$4.70
	TOTAL	$56.40

The Final Level was 637.50, which is above the Barrier Level, so a Holder will receive a Maturity Payment equal to the Principal Amount.

Assuming a principal investment of $10,000.00 (or 100 Notes), a Holder will receive a Maturity Payment of $10,000.00 at Maturity together with Coupons totaling $5,640.00 over the term of the Notes (or an annualized return of 6.59%).

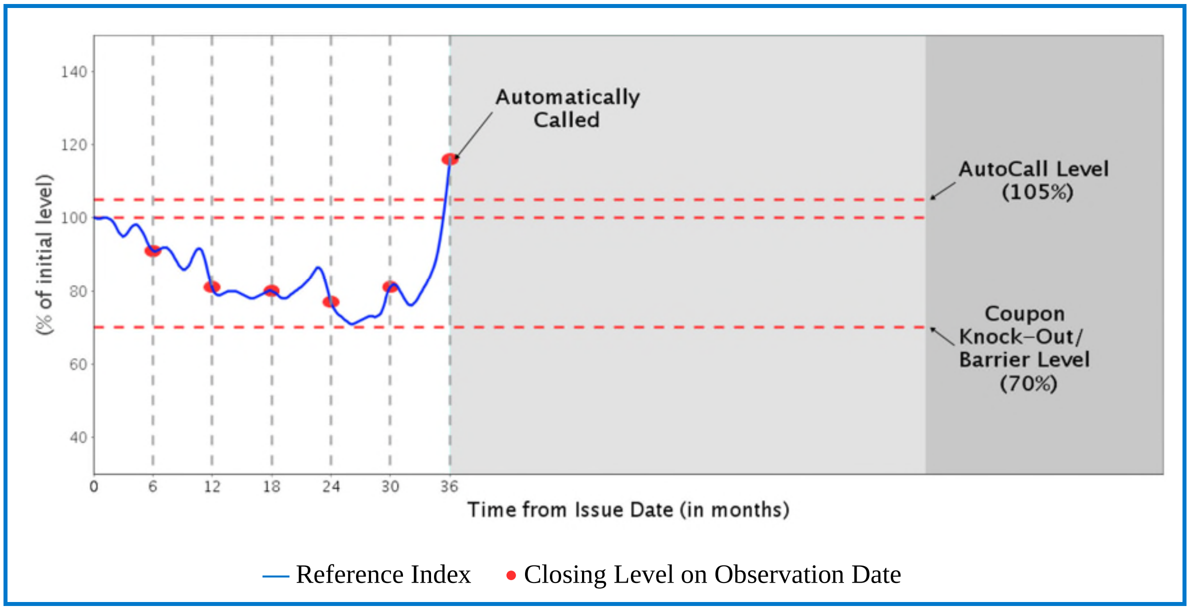
Example 3: Note Automatically Called

Initial Level = 750.00

AutoCall Level = 105% of the Initial Level = 787.50

Barrier Level/Coupon Knock-Out Level = 70% of the Initial Level = 525.00

The Closing Level is equal to or above the Coupon Knock-Out Level on each of the first six Observation Dates, resulting in Coupons being paid on each corresponding Coupon Payment Date. The Closing Level is above the AutoCall Level on the 6th Observation Date.



In this hypothetical scenario, a Holder will receive a Coupon on the first six Coupon Payment Dates. The Closing Level is above the AutoCall Level on the 6th Observation Date, resulting in the Notes being automatically called by the Bank on the 6th Coupon Payment Date (in this case, the Call Date). Upon being automatically called by the Bank, Holders receive the Principal Amount plus the applicable Coupon on the Call Date. In addition, the Notes are cancelled and Holders are not entitled to receive any subsequent payments in respect of the Notes.

The following table summarizes the payments that would be made to a Holder for each $100.00 Note.

Observation Date	Closing Level	Coupon Payment
1	682.50	$4.70
2	607.50	$4.70
3	600.00	$4.70
4	577.50	$4.70
5	607.50	$4.70
6	870.00	$4.70
7	Automatically Called	
8		
9		
10		
11		
12		
13		
14		
	TOTAL	$28.20

On the 6^{th} Observation Date, the Final Level was 870.00, which is above the AutoCall Level, so a Holder will receive the Principal Amount on the Call Date.

Assuming a principal investment of $10,000.00 (or 100 Notes), a Holder will receive a Maturity Payment of $10,000.00 on the Call Date together with Coupons totaling $2,820.00 over the term of the Notes (or an annualized return of 8.61%).

If the Closing Level is below the Coupon Knock-Out Level on each Observation Date including the Final Valuation Date and below the Barrier Level on the Final Valuation Date, a Holder would not receive any Coupons during the term of the Notes and the Maturity Payment would be less than the Principal Amount invested in the Notes. In such a case, a Holder would receive no return on the Notes and sustain a capital loss on the principal investment in the Notes.

No Rights of Redemption

The Notes are not redeemable at the option of a Holder. An Early Payment Amount may be paid on the occurrence of an Extraordinary Event. See “Special Circumstances — Extraordinary Event”.

Rank; No Deposit Insurance

The Notes will constitute direct, unconditional obligations of the Bank to the extent the Bank is obligated to make payments to Holders under the Notes. The Notes will be issued on an unsecured and unsubordinated basis and will rank equally, as among themselves, and with all other outstanding direct, unsecured and unsubordinated, present and future obligations of the Bank (except as otherwise prescribed by law), and will be payable rateably without any preference or priority. **The Notes will not be deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution.**

Credit Rating

The Notes have not been and will not be rated. As at the date of this pricing supplement, the deposit liabilities of the Bank with a term to maturity of more than one year were rated AA by DBRS, A+ by S&P and Aa2 by Moody’s. There can be no assurance that, if the Notes were rated by these rating agencies, they would have the same rating as the other unsubordinated indebtedness of the Bank. Additional information concerning these ratings is included in the Base Shelf Prospectus and the Bank’s continuous disclosure filings that are incorporated by reference in the Base Shelf Prospectus. A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.

Continuous Disclosure

Ongoing information about the performance of the Notes will be available to Holders on the Bank's structured products website (*www.bmonotes.com*), including the daily Bid Price of the Notes (and any applicable Early Trading Charge) and Closing Level used by the Calculation Agent in its calculations and determinations on each Observation Date. Information relating to the Reference Index can be obtained from *www.solactive.com* or other publicly available sources. The content of any website referred to in this pricing supplement is not incorporated by reference in, and does not form part of, this pricing supplement. None of the Bank, the Dealers or any of their respective affiliates or associates has any obligation or responsibility for the provision of future information in respect of the Reference Index, the Underlying Index, the Index Sponsor, any of the constituent securities comprising the Underlying Index or any issuers of such constituent securities.

THE REFERENCE INDEX

All information in this pricing supplement relating to the Reference Index and the Index Sponsor, including, without limitation, its composition, method of calculation and changes in the constituent securities comprising the Underlying Index, is derived from and based solely upon publicly available sources dated as of the date indicated and is presented in this pricing supplement in summary form only. Such information may not be current and is subject to change by the Index Sponsor. The Index Sponsor has no obligation to continue to publish, and may discontinue publication of, the Reference Index at any time. Neither the Bank nor the Dealers make any representation or warranty as to the accuracy, reliability or completeness of such information or accepts responsibility for the calculation or other maintenance of or any adjustments to the Reference Index. Investors in the Notes should make their own investigation into the Reference Index, the Underlying Index, the constituent securities of the Underlying Index and the Index Sponsor. In addition, neither the Bank nor the Dealers have independently verified this information.

General Description

The Solactive Canada Bank 40 AR Index is an adjusted return index. It aims to track the gross total return performance of the Underlying Index, calculated in CAD, less the Adjusted Return Factor. The Underlying Index is a free-float market capitalization index. The methodology of the Underlying Index provides that the constituent securities fulfill all of the following criteria: listed on the Toronto Stock Exchange that have their primary listing in Canada, classified by the Index Sponsor as "Major Banks" or "Regional Banks", security market capitalization of at least $4 billion, and a minimum average daily trading value of $10 million across all Canadian exchanges, as calculated by the Index Sponsor. The Closing Level on December 30, 2022 was 765.44. The Adjusted Return Factor divided by the Closing Level was therefore equal to 5.23% on December 30, 2022. Over the term of the Notes, the sum of the Adjusted Return Factor will be approximately 280 index points, representing 36.61% of the Closing Level on December 30, 2022.

The Underlying Index is a gross total return index that reflects the price changes of its constituent securities and the reinvestment in the index of any dividends and distributions paid in respect of such securities. For the calculation of the level of the Underlying Index, any dividends or other distributions paid on the constituent securities of the Underlying Index are assumed to be reinvested across all the constituent securities of the Underlying Index. The composition of the Underlying Index is adjusted quarterly, ordinarily in March, June, September, and December, and is also subject to extraordinary adjustments in compliance with the rules of the Index Sponsor.

The performance of the Reference Index will vary higher or lower from the performance of the Underlying Index over the term of the Notes depending on whether the impact of the dividends and other distributions reinvested in the Underlying Index is greater or less than the impact the Adjusted Return Factor has on the Closing Level over the term of the Notes.

The dividend yield of the Underlying Index on December 30, 2022 was 4.21%, representing an aggregate dividend yield of approximately 29.49% over the term of the Notes (assuming the dividend yield remains constant and the dividends are not reinvested). An investment in the Notes does not represent a direct or indirect investment in any of the constituent securities that comprise the Underlying Index. Holders have no right or entitlement to the dividends or distributions paid on such securities.

Constituents of the Underlying Index

The following table sets forth the companies that comprise the Underlying Index as of December 30, 2022.

Company	Weight
Royal Bank of Canada	30.55%

The Toronto-Dominion Bank	27.50%
Bank of Montreal	14.38%
The Bank of Nova Scotia	13.68%
Canadian Imperial Bank of Commerce	8.59%
National Bank of Canada	5.30%

Source: www.solactive.com

License Arrangements

The Notes are not sponsored, promoted, sold or supported in any other manner by Solactive nor does Solactive offer any express or implicit guarantee or assurance either with regard to the results of using the Reference Index and/or Reference Index trademark or the Closing Level at any time or in any other respect. The Reference Index is calculated and published by Solactive. Solactive uses its best efforts to ensure that the Reference Index is calculated correctly. Irrespective of its obligations towards the Bank, Solactive has no obligation to point out errors in the Reference Index to third parties including but not limited to investors and/or financial intermediaries of the Notes. Neither publication of the Reference Index by Solactive nor the licensing of the Reference Index or Reference Index trademark for the purpose of use in connection with the Notes constitutes a recommendation by Solactive to invest capital in the Notes nor does it in any way represent an assurance or opinion of Solactive with regard to any investment in the Notes.

SECONDARY MARKET

Sale Prior to Maturity

BMO Capital Markets will use reasonable efforts under normal market conditions to provide for a daily secondary market for the sale of the Notes through the order entry system operated by Fundserv Inc., but reserves the right to elect not to do so in the future, in its sole and absolute discretion, without prior notice to Holders. Except in certain special circumstances described herein, a Note may be sold to BMO Capital Markets through Fundserv on a daily basis at the posted Bid Price, minus any applicable Early Trading Charge. In order to sell a Note, a Holder must arrange through his or her investment broker to give notice to BMO Capital Markets either in writing or electronically through Fundserv's investment fund transaction processing system. BMO Capital Markets may suspend the secondary market at any time in its sole and absolute discretion, including in the event that the Calculation Agent suspends the determination of the Bid Price as BMO Capital Markets would not be able to fairly and accurately determine the price of the Notes.

A sale of the Notes in such secondary market may occur at a price that is less than the Subscription Price. The Bid Price at which a Holder will be able to sell the Notes prior to the Maturity Date may be at a discount, which could be substantial, from the Maturity Payment that would be payable if the Notes were maturing on such date. The Bid Price for a Note at any time will be dependent upon, among other things, (i) how much the Closing Level has risen or fallen since the Issue Date and the performance of the Reference Index concluded up to such time, and (ii) a number of other interrelated factors, including, without limitation, supply and demand for the Notes, inventory positions with market makers, the volatility of the Reference Index, the prevailing level of interest rates, market expectations of the future levels of interest rates, the time remaining to a Coupon Payment Date, the time remaining to the Final Valuation Date, the dividend yield of the Underlying Index, the recognition over time by the Bank of its estimated revenue from the Notes (which may or may not be realized) net of the Bank's cost of hedging the Notes, the amortization by the Bank of the upfront costs incurred by the Bank in creating, distributing and issuing the Notes and the creditworthiness of the Bank. The relationship among these factors is complex and may also be influenced by various political, economic, regulatory and other factors that can affect the Bid Price for a Note. In particular, Holders should understand that the Bid Price (a) might have a non-linear sensitivity to rises and falls in the performance of the Reference Index (i.e., the trading price of a Note might increase and decrease at a different rate compared to the percentage increases and decreases in the Closing Level) and (b) may be substantially affected by changes in the level of interest rates independent of the performance of the Reference Index. See "Additional Risk Factors Specific to the Notes — General Risks Relating to Principal At Risk Notes — Conflicts of Interest" and "Additional Risk Factors Specific to the Notes — Risks Relating to the Reference Index and the Underlying Index — Changes Affecting the Reference Index or the Underlying Index Could Impact the Notes".

A Holder should consult his or her investment advisor on whether it would be more favourable in the circumstances at any time to sell the Notes or hold the Notes until the Maturity Date and in order to understand the timing and other procedural requirements and limitations of selling the Notes prior to Maturity. For information about selling the Notes through the Fundserv system, see "Description of the Notes — Fundserv" in the Base Shelf Prospectus.

A Holder will not be able to redeem or sell a Note prior to Maturity other than through the secondary market, if any, that may be provided by BMO Capital Markets. Holders choosing to sell their Notes prior to the Maturity Date will receive an amount which may be substantially less than the Subscription Price particularly if (a) Coupons have not been payable in respect of Observation Dates prior to the date of such sale and (b) the Closing Level is substantially below the Initial Level. There is no guarantee that any secondary market which may develop will be liquid or sustainable. See "Additional Risk Factors Specific to the Notes — General Risks Relating to Principal At Risk Notes — Secondary Trading of the Notes".

BMO Capital Markets or the Bank, or any of their respective affiliates, may at any time, subject to applicable laws, purchase or sell Notes at any price in the open market or by private agreement.

Early Trading Charge

A sale of a Note to BMO Capital Markets prior to Maturity may be subject to an early trading charge ("**Early Trading Charge**"). If a Holder sells a Note within the first 180 days after the Issue Date, the posted Bid Price will be reduced by an Early Trading Charge equal to a percentage of the Subscription Price determined as set out below.

If Notes sold within:	Early Trading Charge
0 - 60 days	3.75%
61 - 120 days	2.50%
121 - 180 days	1.25%
Thereafter	Nil

A Holder should be aware that any valuation price for the Notes appearing on his or her periodic investment account statements within the first 180 days after the Issue Date is not what a Holder would receive on disposition. Any Bid Price quoted to the Holder to sell his or her Notes within the first 180 days after the Issue Date will exclude the application of any applicable Early Trading Charge. A Holder wishing to sell a Note prior to Maturity should consult his or her investment advisor on whether a sale of the Note will be subject to an Early Trading Charge and, if so, the amount of the Early Trading Charge.

Temporary Suspension of Calculation of the Bid Price

The Calculation Agent may suspend the determination of the Bid Price during the existence of any state of affairs that makes the determination of the Bid Price impossible, impractical or prejudicial to Holders, including, without limitation, the interruption, breakdown or suspension of the publication of the Reference Index. See "Special Circumstances".

Consequences of Suspension of Calculation of the Bid Price

If the Calculation Agent suspends the calculation of the Bid Price, BMO Capital Markets will not be able to fairly and accurately determine the price of the Notes in order to facilitate a secondary market. BMO Capital Markets may suspend the secondary market (assuming the availability of a secondary market) for the Notes if the Calculation Agent suspends the calculation of the Bid Price.

SPECIAL CIRCUMSTANCES

Determinations of the Calculation Agent

All calculations and determinations in respect of the Notes made by the Calculation Agent will, absent manifest error, be final and binding on the Holders and will be made in the Calculation Agent's sole and absolute discretion. In certain circumstances, if a calculation or valuation to be made by the Calculation Agent involves the application of material discretion and is not based on information or calculation methodologies compiled or utilized by, or derived from, independent third party sources, the Bank will appoint one or more independent calculation experts to confirm such calculations or valuations of the Bank or the

Calculation Agent. The Calculation Agent will not be responsible for its errors or omissions if made in good faith. See "Calculation Agent" and "Appointment of Independent Calculation Experts".

Discontinuance or Modification of an Index

If the Reference Index or the Underlying Index (each an "**Index**") is (i) not calculated and announced by the Index Sponsor existing on the Issue Date but is calculated and announced by a Successor Sponsor, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then the Index will be deemed to be the Reference Index or Underlying Index, as the case may be, so calculated and announced by the Successor Sponsor or that successor index, as the case may be, and any subsequent Coupons and the Maturity Payment will be calculated by reference to the closing level of the applicable index.

If any of the following occurs in respect of an Index (each a "**Material Index Change**"):

(i) on or prior to any Observation Date, the Index Sponsor announces that it will make a material change in the formula for or the method of calculating the Closing Level or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and capitalization and other routine events) or permanently cancels the Index and no successor index exists;

(ii) on any Observation Date, the failure of the Index Sponsor to calculate, announce and/or publish the Closing Level (or the information necessary for determining the Closing Level), or the temporary or permanent discontinuance or unavailability of the Index Sponsor; or

(iii) prior to the Final Valuation Date, the Bank determines, in its sole discretion, that it has ceased to have any necessary license or right to utilize the Index in connection with the Notes,

then the Calculation Agent may (A) determine if such Material Index Change has a material effect on the calculation of a Coupon or the Maturity Payment and, if so, shall calculate those payments using, in lieu of a published Closing Level for the Reference Index, the level for the Reference Index as at that Observation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Closing Level last in effect prior to the change, failure or cancellation, but using only those constituent securities that comprised the Underlying Index immediately prior to that Material Index Change, or (B) determine if another comparable equity index exists that (1) is reasonably representative of the equity market which was represented by the Index, and (2) may be as efficiently and economically hedged by dealers in such equity market as the Index was so hedged. If the Calculation Agent determines that such other comparable index exists, then the comparable index (the "**Replacement Index**") shall replace the Index as of the date of such determination. Upon such replacement (a "**Replacement Event**"), the Replacement Index shall be deemed to be the Index for purposes of determining any subsequent Coupons and the Maturity Payment and the Bank shall, as soon as practicable after such Replacement Event, make adjustments to the Initial Level, or any other component or variable relevant to the determination of any amounts payable in respect of the Notes. Adjustments will be made in such a way as the Calculation Agent determines appropriate to account for the performance of the Index up to the occurrence of such Replacement Event and the subsequent performance of the Replacement Index thereafter. Upon any Replacement Event and the making of any adjustments, the Calculation Agent shall promptly give notice to the Holders or their agents.

For greater certainty, the Calculation Agent, acting in its sole and absolute discretion, may determine that no other comparable index exists such that a Replacement Index is not substituted for the Index. See "Special Circumstances – Extraordinary Event".

Market Disruption Event

If the Calculation Agent, acting in its sole and absolute discretion, determines that a Market Disruption Event in respect of an Index has occurred and is continuing on any day that but for that event would be an Observation Date, then that Observation Date will be postponed to the next Exchange Day on which there is no Market Disruption Event in effect in respect of the Index.

However, there will be a limit for postponement of that Observation Date. If on the eighth (8^{th}) Exchange Day following the date originally scheduled as the Observation Date, the Observation Date has not occurred, then despite the occurrence of any Market Disruption Event in respect of an Index on or after such eighth (8^{th}) Exchange Day:

(i) such eighth (8^{th}) Exchange Day will be the Observation Date in respect of the Reference Index; and

(ii) the Closing Level to be used for any calculations or determinations on that Observation Date will be a level estimated by the Calculation Agent taking into account all relevant market circumstances.

A Market Disruption Event may delay the determination of the Closing Level and consequently the calculation of any Coupon or the Maturity Payment that may be payable under the Notes. Where there has been a Market Disruption Event, payment of any Coupon or the Maturity Payment will be made on the fifth (5^{th}) Business Day after the Closing Level has been determined for the Reference Index.

"**Market Disruption Event**" means, in respect of an Index, any event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of the Bank or any person that does not deal at arm's length with the Bank which has or will have a material adverse effect on the ability of the Bank and/or its affiliates generally to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of the Notes and the Index or to realize, recover or remit the proceeds of any such hedge transaction. A Market Disruption Event may include, without limitation, any of the following events:

(i) any failure of trading to commence, or the permanent discontinuation of trading, or any suspension of or limitation on trading of (a) the Index, (b) securities that comprise 10% or more of the level of the Index on a relevant Exchange, or (c) any futures or options contracts relating to the Index on a relevant Related Exchange, whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise;

(ii) the failure of the Index Sponsor, or the Successor Sponsor, to determine or announce the Closing Level (or the information necessary for determining the Closing Level), or the temporary or permanent discontinuance or unavailability of such announcements;

(iii) the closure ("**Early Closure**") on any Exchange Day for the Index of a relevant Exchange or Related Exchange prior to its scheduled closing time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Day and (b) the deadline for orders to be submitted for entry in the Exchange or Related Exchange system for execution at the close of trading on such Exchange Day;

(iv) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) the Index, (b) securities that comprise 10% or more of the level of the Index on a relevant Exchange, or (c) any futures or options contracts relating to the Index on a relevant Related Exchange;

(v) the failure of a relevant Exchange or Related Exchange to open for trading during its regular trading session on an Exchange Day;

(vi) the adoption, change, enactment, publication, decree or other promulgation of any statute, regulation, rule or notice, howsoever described, or any order of any court or other governmental or regulatory authority, or any issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described or any other event that makes or would make it unlawful or impracticable for the Bank to perform its obligations under the Notes or for dealers to generally acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of the Index or to realize, recover or remit the proceeds of any such hedge transaction in respect of the Index or has or would have a material adverse effect on the economy or the trading of securities generally on any relevant Exchange or Related Exchange;

(vii) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada or any other country, or any political subdivision thereof, that has a material adverse effect on the financial markets of the United States, Canada or a country in which any applicable Exchange or Related Exchange is located;

(viii) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) that has or would have a material adverse effect on the ability of the Bank to perform its obligations under the Notes or of dealers generally to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of the Index or to realize, recover or remit the proceeds of any such hedge transaction in respect of the Index or has or would have a material adverse effect on the economy or the trading of securities generally on any relevant Exchange or Related Exchange; or

(ix) an increase in the cost of acquiring, placing, establishing, re-establishing, substituting, maintaining, modifying or unwinding or disposing of any hedge transaction in connection with the Index or in the cost of realizing, recovering or remitting the proceeds of any such hedge transaction.

Extraordinary Event

If the Calculation Agent determines in its sole and absolute discretion that:

(i) a Market Disruption Event in respect of an Index has occurred and has continued for at least eight (8) consecutive Exchange Days;

(ii) a Material Index Change has occurred; or

(iii) there is any change or proposed change in applicable law (or the interpretation or administration thereof) that, in the opinion of the Calculation Agent, acting reasonably, would have a significant adverse effect on the market price, value, marketability or return payable with respect to the Notes,

the Calculation Agent may decide not to choose a Replacement Index as a substitute for the Index (an "**Extraordinary Event**"). Such a decision may be made if the Calculation Agent has determined that there is no comparable index traded on a major exchange or market quotation system that offers sufficient liquidity in order for the Calculation Agent to (A) acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction for that index or (B) realize, recover or remit the proceeds of any hedge transaction. If an Extraordinary Event occurs, the Bank may, upon notice to the Holders or their agents to be given effective on an Exchange Day (the date of such notification being the "**Extraordinary Event Notification Date**"), elect to discharge its obligations in respect of the Maturity Payment and any Coupon that may have been payable by making an accelerated payment to Holders prior to the Maturity Date (an "**Early Payment Amount**"). The Early Payment Amount will be determined by the Calculation Agent acting in good faith in accordance with industry-accepted methods and based on all relevant market circumstances.

Upon such election, the following consequences will arise as of the Extraordinary Event Notification Date:

(i) any payment on the Notes that may otherwise be payable by the Bank will not be calculated in accordance with the provisions set out in "Description of the Notes" above;

(ii) the Early Payment Amount will be determined as of the Extraordinary Event Notification Date, whether or not any Extraordinary Event is continuing on such date; and

(iii) the Bank shall be discharged of all its obligations in respect of any further payments on the Notes.

Payment of the Early Payment Amount, if any, will be made on the tenth (10^{th}) Business Day after the Extraordinary Event Notification Date (the "**Early Payment Date**"). Upon such payment, the Holder's right to receive any further payments on the Notes will be extinguished.

It is possible that the Early Payment Amount may be less than the Maturity Payment and any Coupons that might have been payable absent the occurrence of the Extraordinary Event and an election by the Bank to pay the Early Payment Amount.

If the Bank determines that an Extraordinary Event has occurred and the Extraordinary Event is the result of a Market Disruption Event or Material Index Change, then, in lieu of electing to pay the Early Payment Amount, the Bank may use an alternative exchange or index source to determine the Closing Level, or replace the Index Sponsor with an alternative reference source or basis for determining the Closing Level which, in the reasonable determination of the Bank, most closely approximates the value for the Reference Index, and thereafter such alternative reference source or basis for determining the value may become the Successor Sponsor for determining the Closing Level in the future.

ADDITIONAL DETAILS OF THE OFFERING

The Bank is offering the Notes through Fundserv's transaction processing system. Subscriptions for the Notes will be made using the Fundserv network under the code "JHN16544", which will result in funds being accumulated in a non-interest bearing account of BMO Capital Markets pending execution of all documents required for this transaction and satisfaction of closing conditions, if any. Funds in respect of all subscriptions shall be payable at the time of subscription. For more information about the issuance, settlement and resale of the Notes, see "Description of the Notes" in the Base Shelf Prospectus.

Fundserv

Purchases of the Notes will be effected through dealers and other firms that facilitate purchase and related settlement through the order entry system operated by Fundserv Inc.

Fundserv is owned and operated by both fund sponsors and distributors and provides distributors of funds and certain other financial products with an online transaction processing system for such financial products, including the Notes. Fundserv's network facilitates the matching of orders to settlement instructions, facilitates reconciliation, aggregates and reports net settlement amounts and distributes settlement instruction information to the financial product distribution channel. Holders should consult with their financial advisors as to whether their Notes have been purchased through Fundserv and to obtain further information on Fundserv procedures applicable to those Holders.

Where a Holder's purchase order for the Notes is effected by a dealer or other firm using the Fundserv network, such dealer or other firm may not be able to accommodate a purchase of the Notes through certain registered plans for purposes of the Tax Act. Holders should consult their financial advisors as to whether their orders for the Notes will be made using the Fundserv network and any limitation on their ability to purchase the Notes through registered plans.

Purchase of Fundserv Notes

In order to purchase Notes using the Fundserv network ("**Fundserv Notes**"), the full aggregate Subscription Price must be delivered to BMO Capital Markets, as agent, in immediately available funds prior to the Issue Date. Despite delivery of such funds, BMO Capital Markets reserves the right not to accept any offer to purchase Fundserv Notes. If the Fundserv Notes are not issued to the subscriber for any reason, such funds will be returned forthwith to the subscriber. In any case, whether or not the Fundserv Notes are issued, no interest or other compensation will be paid to the subscriber on such funds.

Sale of Fundserv Notes

A Holder wishing to sell Fundserv Notes prior to Maturity is subject to certain procedures and limitations. Any Holder wishing to sell a Fundserv Note should consult with his or her financial advisor in advance in order to understand the timing and other procedural requirements and limitations of selling. A Holder must sell Fundserv Notes by using the sale procedures of Fundserv's transaction processing system; any other sale is not possible. Accordingly, a Holder will not be able to negotiate a sale price for Fundserv Notes. Instead, the financial advisor for the Holder will need to initiate an irrevocable request to sell the Fundserv Note in accordance with then established procedures of Fundserv. Generally, this will mean that the financial advisor will need to initiate the sale request by 1:00 p.m. (Toronto time, or such other time as may hereafter be established by Fundserv) on a Business Day. Any request received after such time will be deemed to be a request sent and received in respect of the next following Business Day. Sale of a Fundserv Note will be effected at a price equal to the Bid Price for the Note, determined by BMO Capital Markets in its sole and absolute discretion, minus any applicable Early Trading Charge. The Holder should be aware of the limitations and restrictions surrounding the secondary market. See "Secondary Market".

The Holder should also be aware that, although the "redemption" procedures of Fundserv's transaction marketing system would be utilized, the Fundserv Notes of the Holder will actually be sold in the secondary market (assuming the availability of a secondary market) to BMO Capital Markets. In turn, BMO Capital Markets will be able to deal with such Fundserv Notes in its discretion, including, without limitation, selling those Fundserv Notes to other parties at any price or holding them in its inventory or having them cancelled.

Holders should also be aware that from time to time such sale mechanism to sell Fundserv Notes may be suspended for any reason without notice, thus effectively preventing Holders from selling their Fundserv Notes. Prospective purchasers requiring liquidity should carefully consider this possibility before purchasing Fundserv Notes.

The Calculation Agent is required to post (or arrange to be posted) the Bid Price on each Business Day, subject to a suspension of the calculation of the Bid Price described under "Secondary Market — Temporary Suspension of Calculation of the Bid Price". The posted Bid Price may also be used for valuation purposes in any statement sent to Holders.

In certain circumstances Fundserv Notes may not be transferable to another dealer, if the Holder were to decide to move his or her investment accounts to such other dealer. In that event, the Holder would have to sell the Fundserv Notes pursuant to the procedures outlined above.

Settlement of Payments

The Bank will be required to make available to CDS, no later than 10:00 a.m. (Toronto time) on each Coupon Payment Date, the Call Date and the Maturity Date, funds in an amount sufficient to pay the amounts then due, if any, under the Notes.

All amounts payable in respect of the Notes will be made available by the Bank through CDS or its nominee. CDS or its nominee will, upon receipt of any such amount, facilitate payment to the applicable CDS Participants or credit the account of such CDS Participants, in amounts proportionate to their respective interests as shown on the records of CDS. BMO Capital Markets will facilitate payment through Fundserv's transaction processing system to non-CDS Participants or credit the account of such non-CDS Participants, in amounts proportionate to their respective interests.

The Bank expects that payments by CDS Participants and non-CDS Participants to Holders will be governed by standing instructions and customary practices, as is the case with securities or instruments held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such CDS Participants or non-CDS Participants. The responsibility and liability of the Bank in respect of the registered Notes that it issues in the form of a Global Note is limited to making payment of the amounts due in respect of the Global Note to CDS or its nominee. Neither the Bank nor the Calculation Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership of the Notes represented by the Global Note or for maintaining, supervising or reviewing records relating to any such ownership.

The Bank retains the right, as a condition to payment of amounts due at Maturity, to require the surrender for cancellation of any certificate evidencing the Notes.

Neither the Bank nor CDS will be bound to see to the execution of any trust affecting the ownership of any Note or be affected by notice of any equity that may be subsisting with respect to any Note.

Book-Entry Only System

The Notes will be issued in book-entry form and will be represented by a registered Global Note certificate. The Global Note will name a depository or its nominee as the owner of the Notes, which shall initially be CDS. (All references to the Notes and a Note contained in this pricing supplement will include the Global Note unless the context otherwise requires.) The Bank will issue the Notes evidenced by certificates in definitive form to a particular Holder only in limited circumstances. For further information about the Notes held through a depository, see "Description of the Notes — Form of Notes and Transfer" in the Base Shelf Prospectus.

Global Note

The Global Note issued by the Bank will be deposited with a depository (initially being CDS) and registered in the name of such depository or its nominee in denominations equal to the aggregate Principal Amount of the Notes. Fundserv Notes will also be evidenced by the Global Note. Holders holding Fundserv Notes will have a beneficial interest in the Global Note held by CDS. The Notes will be recorded by CDS as being held by BMO Capital Markets, as a direct participant in CDS on behalf of the Holders. BMO Capital Markets will in turn record or cause to be recorded the respective interests of Holders in the Fundserv Notes which recordings will be made as instructed by Fundserv. Unless and until the registered Global Note is exchanged in whole for the Notes in definitive registered form, the registered Global Note may not be transferred except as a whole by and among the depository, its nominee or any successors of such depository or nominee. Each person owning a beneficial interest in a registered Global Note must rely on the procedures of the depository for that registered Global Note and if that person is not a participant, on the procedures of the participant through which the person owns its interest, to exercise any rights of a Holder.

Definitive Notes

If the depository for any of the Notes represented by the registered Global Note is at any time unwilling or unable to continue to properly discharge its responsibilities as depository, and a successor depository is not appointed by the Bank within 90 days, the Bank will issue the Notes in definitive form in exchange for the registered Global Note that had been held by the depository.

In addition, the Bank may at any time and in its sole and absolute discretion decide not to have any of the Notes represented by one or more registered Global Notes. If the Bank makes that decision, the Bank will issue the Notes in definitive form in exchange for the registered Global Note representing the Notes.

Except in the circumstances described above and in the Base Shelf Prospectus, beneficial owners of the Notes will not be entitled to have any portions of such Notes registered in their name, will not receive or be entitled to receive physical delivery of the Notes in certificated, definitive form and will not be considered the owners or holders of a Global Note.

Notices to Holders

All notices to Holders regarding the Notes will be validly given if published once in a French language Canadian newspaper and in the national edition of an English language Canadian newspaper, or if communicated to Holders or their agents by mail, electronic and/or any other means. Unless stated otherwise, the Calculation Agent will give notice as aforesaid to the Holders or their agents of any material change or material fact relating to the Notes.

Amendments to the Notes

The Global Note and the terms and conditions thereunder may be amended without the consent of the Holders by agreement between the Bank and the Calculation Agent if, in the reasonable opinion of the Bank and the Calculation Agent, the amendment would not materially and adversely affect the interests of the Holders. In all other cases, the Global Note may be amended if the amendment is approved by a resolution passed by the favourable votes of the Holders representing not less than 66⅔% of the outstanding aggregate Notes represented at a meeting convened for the purpose of considering the resolution or by written resolution signed by the Holders of not less than 66⅔% of the outstanding principal amount of Notes. Each Holder is entitled to one vote per $100.00 principal amount of Note held for the purpose of approving such a resolution at a meeting. The Notes do not carry the right to vote in any other circumstances.

PLAN OF DISTRIBUTION

The Notes are being issued by the Bank with a subscription price of $100.00 per Note (the "**Subscription Price**") and a minimum subscription of $2,000.00 (20 Notes). The Notes are denominated in Canadian dollars and all payments owing under the Notes will be made in Canadian dollars. The maximum issue size will be $40,000,000.00 of Notes for the Offering. The Bank reserves the right to change the minimum subscription amount and/or the maximum issue size in its sole and absolute discretion.

Pursuant to the terms and conditions of the Dealer Agreement, the Dealers, as agents of the Bank, have agreed to solicit offers to purchase the Notes, on a reasonable best efforts basis, if, as and when such Notes are issued by the Bank. The Notes will be offered at a price of $100.00 per Note. The Dealers will be entitled to receive an upfront selling concession fee equal to $2.75 per Note sold (or 2.75% of the Principal Amount per Note). While the Dealers have agreed to use their reasonable best efforts to sell the Notes offered hereby, they will not be obligated to purchase the Notes which are not sold. A fee of up to $0.15 per Note will be payable directly by the Bank to Raymond James Ltd. at closing from its own funds for acting as independent agent. Raymond James Ltd., as the independent agent, has performed due diligence in connection with the Offering but has not participated in the structuring or the pricing of the Offering.

The Notes are being offered through Fundserv's investment fund transaction processing system. Subscriptions for the Notes will be made on the Fundserv network under the code "JHN16544", which will result in funds being accumulated in a non-interest bearing account of BMO Capital Markets pending execution of all documents required for this transaction and satisfaction of closing conditions if any. Holders should recognize that, unless they have purchased the Notes directly through a representative of BMO Nesbitt Burns Inc., they do not have an account with BMO Nesbitt Burns Inc. Funds in respect of all subscriptions shall be payable at the time of subscription. The Bank will have the sole right to accept offers to purchase the Notes and may reject any proposed purchase of the Notes in whole or in part, and the Bank reserves the right to allot the Notes to investors in an amount less than that subscribed for by the investor. The Bank reserves the right to close the subscription book at any time and may discontinue accepting subscriptions at any time without notice. The Bank may at any time prior to the Issue Date, in its discretion, elect whether or not to proceed in whole or in part with the issue of the Notes.

It is expected that the closing of the Offering will take place on or about February 15, 2023 or on such other date as the Bank and the Dealers may agree, and that the Global Note representing the Notes will be available for delivery through the facilities of CDS on or about the Issue Date. Except in certain limited circumstances, subscribers for the Notes will not have the right to receive physical certificates evidencing their ownership of the Notes. If for any reason the closing of the Offering does not occur, all subscription funds will be returned forthwith to the subscriber's financial advisor without interest or deduction using the Fundserv network.

The Bank may from time to time issue any additional series of the Notes or any other Notes or other debt instruments (which may or may not resemble the Notes) which may be offered by the Bank concurrently with the Offering.

BMO Nesbitt Burns Inc. is a wholly-owned subsidiary of the Bank. As a result, the Bank is a "related issuer" of BMO Nesbitt Burns Inc. for the purposes of National Instrument 33-105 — *Underwriting Conflicts*. The decision to offer the Notes and the determination of the terms of the Notes was based on a number of factors including the direction and advice of officers of BMO Capital Markets. The terms of the Notes were based on negotiations between BMO Capital Markets, as agent of the Bank, and the Dealers. The Bank or BMO Capital Markets, as agent on behalf of the Bank, may enter into arrangements to hedge the Bank's risks associated with the Notes. The Bank has agreed that BMO Capital Markets may retain a portion of any profits, and may be required to compensate the Bank for a portion of any losses, resulting from such hedging arrangements. In addition, BMO Capital Markets will serve as Calculation Agent and facilitate payment of amounts payable, if any, in respect of the Notes. BMO Capital Markets will also use commercially reasonable efforts under normal market conditions to provide for a daily secondary market for the sale of the Notes, as described herein, but reserves the right to elect not to do so in the future, in its sole and absolute discretion, without prior notice to Holders, and may earn a profit in connection with the acquisition or subsequent disposition of the Notes acting as principal. BMO Nesbitt Burns Inc. will receive its share of the Dealers' fee as described under "Fees and Expenses".

The Bank reserves the right to purchase for cancellation at its discretion any amount of Notes in the secondary market, without notice to Holders.

In connection with the issue and sale of the Notes by the Bank, no person is authorized to give any information or to make any representation not expressly contained in this pricing supplement or the Global Note and the Bank does not accept responsibility for any information not contained herein. This pricing supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Notes in any jurisdiction outside Canada where any action is required.

The Notes to be issued hereunder have not been, and will not be, registered under the U.S. Securities Act 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.

USE OF PROCEEDS

The maximum issue size will be $40,000,000.00 for the Offering. The Bank reserves the right to change the maximum issue size in its sole and absolute discretion. The Bank will use the net proceeds of the Offering for general banking purposes. The Bank and/or its affiliates may use all or any portion of the proceeds in transactions intended to hedge the Bank's obligations under the Notes, including forward and option contracts. The Bank may benefit from any difference between the amount it is obligated to pay under the Notes, net of related fees and expenses, and the returns it may generate in hedging such obligation.

CALCULATION AGENT

BMO Capital Markets or a person appointed by BMO Capital Markets will act as Calculation Agent for the Notes. Except in circumstances described in "Appointment of Independent Calculation Experts", all calculations and determinations to be made in connection with the Notes will be made by the Calculation Agent and will be made at the sole and absolute discretion of the Calculation Agent. Whenever the Calculation Agent is required to act, it will do so in good faith using its reasonable judgment and its determinations will be binding in the absence of manifest error. The Calculation Agent does not warrant the accuracy, reliability or completeness of information made available with respect to the Reference Index or calculations made by it in connection with the Notes. The Calculation Agent receives no fees for acting in such capacity. Conflicts that may arise as a result of BMO Capital Markets or an affiliate of the Bank acting as the Calculation Agent are disclosed in "Additional Risk Factors Specific to the Notes — General Risks Relating to Principal At Risk Notes — Conflicts of Interest".

APPOINTMENT OF INDEPENDENT CALCULATION EXPERTS

If a calculation or valuation described in "Special Circumstances" contemplated to be made by the Calculation Agent in respect of the Notes following an Extraordinary Event involves the application of material discretion and is not based on information or calculation methodologies compiled or utilized by, or derived from, independent third party sources, the Bank will appoint one or more calculation experts to confirm such calculation or valuation. Such calculation experts will be independent from the Bank and active participants in the financial markets in Canada. Calculation experts will not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders or the Bank. Holders will be entitled to rely on any valuations, calculations or confirmations made by such calculation experts and such valuations, calculations and confirmations will (except in the case of manifest error) be final and binding on the Bank, the Calculation Agent and the Holders. Calculation experts will not be responsible for good faith errors or omissions in the making of any such valuations, calculations and confirmations. Calculation experts may, with the consent of the Bank, delegate any of their obligations and functions to a third party as they deem appropriate, but acting honestly and reasonably at all times. The valuations, calculations and confirmations of calculation experts will be made available to a Holder at the principal executive offices of the Bank.

FEES AND EXPENSES

Fees Payable to the Dealers

The selling concession fee of $2.75 per Note (2.75% of the Subscription Price) will be payable to the Dealers from the proceeds of the Offering and some or all of these fees may be paid to sales representatives, including representatives employed by the Dealers, whose clients purchase the Notes. An additional fee of up to $0.15 per Note will be payable by the Bank to Raymond James Ltd. at closing for acting as independent agent. The payment of these fees will not reduce or have any effect on the amount of any Coupons, the amount payable upon Notes being automatically called or the Maturity Payment payable on the Notes.

Early Trading Charge

Holders wishing to sell their Notes within the first 180 days after the Issue Date will be subject to an Early Trading Charge of up to $3.75 per Note. See "Secondary Market — Early Trading Charge" for a description of the Early Trading Charge. The Bid Price quoted in the daily secondary market will be before deduction of any applicable Early Trading Charge. See "Secondary Market – Early Trading Charge".

The Bank will not charge any other fee or seek reimbursement of any other expense in connection with the Notes. For certainty, all expenses of the Offering (other than the selling concession described above) will be borne by the Bank.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to the Bank, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of the Notes by an Initial Holder. This summary is applicable only to an Initial Holder who is an individual (other than a trust) and, for the purposes of the Tax Act, is, or is deemed to be, a resident of Canada, deals at arm's length with and is not affiliated with the Bank and holds the Notes as capital property. The Notes will generally be considered to be capital property to an Initial Holder unless: (i) the Initial Holder holds the Notes in the course of carrying on or otherwise as part of a business of trading or dealing in or buying and selling securities; or (ii) the Initial Holder acquired such Notes as an adventure in the nature of trade. Certain Initial Holders resident in Canada whose Notes might not otherwise be considered to be capital property or who desire certainty with respect to the treatment of the Notes as capital property may be entitled to make an irrevocable election to have the Notes and all of the Initial Holder's other "Canadian securities" (as defined in the Tax Act) deemed to be capital property pursuant to subsection 39(4) of the Tax Act.

This summary is based on the current provisions of the Tax Act as in force on the date hereof, counsel's understanding of the current published administrative policies and assessing practices of the CRA and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. No assurance can be given that any proposal to amend the Tax Act will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or in the CRA's administrative or assessing practices, whether by legislative, governmental or judicial action. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Notes and does not take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only and is not intended to be, nor should it be relied upon or construed as, legal or tax advice to any particular Holder. Holders should consult their own tax advisors for advice with respect to the income tax consequences of an investment in the Notes, based on their particular circumstances.

Interest

An Initial Holder will be required to include a Coupon, if any, as interest on the Notes in income for the taxation year in which the Coupon is received or became receivable (depending on the method regularly followed by the Initial Holder in computing income) to the extent such amount was not included in computing the Initial Holder's income for a preceding taxation year.

A Note is a "prescribed debt obligation" within the meaning of the Tax Act. The rules (the "**prescribed debt obligations rules**") in the Tax Act applicable to a prescribed debt obligation generally require a taxpayer to accrue the amount of any interest, bonus or premium receivable in respect of the obligation over the term of the obligation, based on the maximum amount of interest, bonus or premium receivable on the obligation. Based in part on counsel's understanding of the CRA's administrative practice with regard to "prescribed debt obligations", there should be no deemed accrual of interest on the Notes under the prescribed debt obligations rules.

The Bank will file an information return with the CRA in respect of any interest to be included in an Initial Holder's income as and when required by law and will provide the Initial Holder with a copy of such return.

Disposition of Notes

Where an Initial Holder assigns or transfers a Note, the Initial Holder will be required to include in income as accrued interest the amount, if any, by which the price for which the Note was assigned or transferred exceeds the Principal Amount. An Initial Holder may realize a capital loss on such disposition to the extent that the price for which the Note was assigned or transferred is less than the Principal Amount.

At the Maturity Date (or an Early Payment Date) an Initial Holder will be considered to have disposed of a Note and may realize a capital loss to the extent the Subscription Price exceeds the Maturity Payment (or the Early Payment Amount). In the event that an Early Payment Amount is paid and the Early Payment Amount exceeds the Subscription Price of the Note, the excess may be deemed to be interest.

One-half of a capital loss (an "**allowable capital loss**") realized by an Initial Holder is deductible against one-half of any capital gain (a "**taxable capital gain**") realized by an Initial Holder in the taxation year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted against net taxable capital gains realized in the three preceding taxation years or carried forward and deducted against net taxable capital gains realized in subsequent years, subject to the detailed rules in the Tax Act.

ADDITIONAL RISK FACTORS SPECIFIC TO THE NOTES

An investment in the Notes is subject to certain risk factors that prospective purchasers should carefully consider before acquiring the Notes, including but not limited to the risks described below. In addition to the risks described herein and in the Base Shelf Prospectus, reference is made to the disclosure relating to risk factors on pages 17 and 73 to 113 of the Bank's

Management's Discussion and Analysis for the year ended October 31, 2022, which disclosure is incorporated herein by reference. The information in the Base Shelf Prospectus is supplemented by, and to the extent inconsistent therewith replaced and superseded by, the information in this pricing supplement. This section describes the most significant risks relating to the terms of the Notes. The Bank urges prospective purchasers to read the following information about these risks, together with the other information in the Base Shelf Prospectus and this pricing supplement, before investing in the Notes.

General Risks Relating to Principal At Risk Notes

Suitability of Notes for Investment

An investor should decide to invest in the Notes only after carefully considering with an advisor, whether the Notes are a suitable investment in light of the information set out in this pricing supplement. Neither the Bank nor BMO Capital Markets makes any recommendation as to whether the Notes are a suitable investment for any person.

Investments in the Notes are uncertain in nature in that they could produce no return and Holders could lose some or substantially all of their principal investment in the Notes. An investment in the Notes is only suitable for investors with a medium-term investment horizon and who are prepared to assume risk with an investment whose return and repayment of principal is dependent upon the Closing Level on the Observation Dates. It is possible that a Holder will receive no Coupons during the term of the Notes. The Notes are not a suitable investment for a prospective purchaser who requires a guaranteed return or who cannot withstand a loss of some or substantially all of his or her principal investment.

The Notes are not conventional notes or debt securities in that they do not provide Holders with a guaranteed return or income stream prior to Maturity and the return at Maturity is not calculated by reference to a fixed or floating rate of interest that is determinable prior to Maturity nor do they provide Holders with any assurance that the Principal Amount will be paid at or prior to Maturity (other than the Minimum Payment Amount). The return a Holder receives on his or her principal investment could be less than the return that could be earned on other investments. An investment in the Notes may not reflect the full opportunity cost to a Holder when the factors that affect the time value of money are considered. The Notes are not a suitable investment for a prospective purchaser who does not understand their terms or the risks involved in holding the Notes.

Secondary Trading of the Notes

There is currently no market through which Notes may be sold. The Bank does not intend to apply to have the Notes listed on any securities exchange or marketplace. Holders are not entitled to redeem their Notes prior to Maturity and there is no guarantee that any secondary market which may develop will be liquid or sustainable. Consequently, the Notes should not be viewed as trading instruments.

BMO Capital Markets will use reasonable efforts under normal market conditions to provide for a daily secondary market for the sale of the Notes through Fundserv, but reserves the right to elect not to do so in the future, in its sole and absolute discretion, without prior notice to Holders and may earn a profit in connection with the acquisition or subsequent disposition of the Notes acting as principal. The Calculation Agent may suspend the determination of the Bid Price per Note during the existence of any state of affairs that makes those determinations impossible, impractical or prejudicial to Holders. If the Calculation Agent suspends these calculations, BMO Capital Markets will not be able to fairly and accurately determine the price for the Notes in order to facilitate a secondary market and, consequently, may suspend the secondary market for the Notes.

A Holder who sells the Notes in the secondary market (assuming the availability of a secondary market) prior to the Maturity Date may receive a price substantially less than the Subscription Price, particularly if (a) Coupons have not been payable in respect of Coupon Payment Dates prior to the date of such sale and (b) the Closing Level is substantially below the Initial Level. The price at which a Holder will be able to sell the Notes prior to the Maturity Date may be at a discount, which could be substantial, from the Maturity Payment that might otherwise be payable if the Notes were maturing on such day.

The value of the Notes in the secondary market will be affected by a number of complex and inter-related factors, which are described in "Secondary Market — Sale Prior to Maturity". A Holder should consult his or her respective investment advisors on whether it would be more favourable in the circumstances at any time to sell or to hold their Notes until Maturity.

Estimated Value of the Notes

The Bank's estimated value of the Notes on the Issue Date is only an estimate, and based on a number of factors. The estimated value was determined on the pricing date using the Bank's internal pricing models, which take into account a number of variables and assumptions about future events that may prove to be incorrect, including expectations as to dividends and distributions, volatility, interest rates and the Bank's internal funding rates. The Bank's internal funding rates may differ from the market rates for the Bank's conventional debt securities. The use of different pricing models and assumptions could result in materially different values as compared to the Bank's estimated value. An estimated value calculated on the Issue Date may differ from the current estimate, and the actual value of the Notes at any time will reflect many factors and cannot be predicted with accuracy.

The initial offering price of the Notes exceeds the estimated value of the Notes. The difference between the initial offering price and the estimated value of the Notes results from several factors, including any fees to be paid to the Dealers, the estimated profit that the Bank and its affiliates expect to earn (which may or may not be realized) for assuming the risks in hedging the Bank's obligations under the Notes, and the estimated cost of hedging these obligations.

The estimated value of the Notes is not an indication or prediction of the price at which BMO Capital Markets or any other person may be willing to purchase or sell the Notes in the secondary market. The value of the Notes after the date of this pricing supplement will vary based on many factors, including changes in market conditions, and cannot be predicted with accuracy. As a result, the actual value that a Holder would receive upon selling the Notes in the secondary market, if any, should be expected to differ materially from the initial estimated value of the Notes. See "– Secondary Trading of the Notes" and "Secondary Market – Sale Prior to Maturity" for more information concerning the value of the Notes in the daily secondary market.

The Bank has adopted written policies and procedures for determining the estimated value of the Notes which include: (i) the methodologies used for valuing each type of component embedded in the Notes, (ii) the methods by which the Bank will review and test valuations to assess the quality of the prices obtained as well as the general functioning of the valuation process, and (iii) conflicts of interest. The independent agent will not participate in the preparation of, or review the calculation of, the estimated value of the Notes.

Special Circumstances

If a Market Disruption Event occurs on an Observation Date, then that Observation Date will be postponed to the next Exchange Day on which there is no Market Disruption Event in effect. Fluctuations in the Closing Level may occur in the interim. In certain special circumstances an Index may be replaced by a Replacement Index or the Coupon and/or Maturity Payment payable to Holders may be determined in an alternate manner. If an Extraordinary Event has occurred, the Bank may elect to pay an Early Payment Amount to Holders. In that case, a Holder would not be entitled to any additional payments on the Notes. See "Special Circumstances".

Conflicts of Interest

Each of the Bank and BMO Capital Markets, whether in its capacity as Dealer, Calculation Agent or otherwise, and any of their respective affiliates, may from time to time, in the course of its normal business operations, hold interests linked to the Reference Index or hold securities that comprise the Underlying Index, extend credit to or enter into other business dealing with one or more of the issuers whose securities comprise the Underlying Index, including under hedging arrangements relating to the Notes. Conflicts may also arise because the Bank and/or its affiliates expect to engage in trading activities related to the Reference Index, the Underlying Index or the issuers whose securities comprise the Underlying Index that are not for the account of Holders or on their behalf. These trading activities may present a conflict between the Holders' interest in the Notes and the interests of the Bank and/or its affiliates will have in their proprietary accounts in facilitating transactions, including block trades and options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the Reference Index, the Underlying Index or securities that comprise the Underlying Index, could be adverse to the interests of the Holders. Moreover, subsidiaries of the Bank (including BMO Capital Markets) and the Dealers have published, and in the future expect to publish, research reports with respect to the Reference Index, the Underlying Index or securities that comprise the Underlying Index. This research is modified from time to time and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Each of the Bank and BMO Capital Markets has agreed that all such actions taken by it or its affiliates shall be taken based on normal commercial criteria in the particular circumstances, which may include payment of trailer fees. The foregoing actions by any of the Bank, BMO Capital

Markets and their respective affiliates may not take into account the effect, if any, of such actions on the amount payable at Maturity of the Notes.

BMO Capital Markets, an indirect subsidiary of the Bank, is the Calculation Agent and is responsible for, among other things, calculating the Bid Price per Note, Coupon, Maturity Payment and Early Payment Amount, and facilitating sales of Notes, as described under “Secondary Market”, and may enter into derivative transactions or other arrangements with the Bank in respect of the Bank’s investment of the net proceeds of the Offering. BMO Capital Markets may have economic interests adverse to those of Holders, including with respect to certain determinations that the Calculation Agent must make with respect to the Notes. Any of these activities by the Bank and/or other affiliates thereof may affect the Reference Index, the Underlying Index or the market price of constituent securities that comprise the Underlying Index and, therefore, the market value of the Notes.

Credit Rating

The Notes have not been and will not be rated. As at the date of this pricing supplement, the deposit liabilities of the Bank with a term to maturity of more than one year were rated AA by DBRS, A+ by S&P and Aa2 by Moody’s. There can be no assurance that, if the Notes were rated by these rating agencies, they would have the same rating as the other unsubordinated indebtedness of the Bank. Additional information concerning these ratings is included in the Base Shelf Prospectus and the Bank’s continuous disclosure filings that are incorporated by reference in the Base Shelf Prospectus. A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.

Credit Risk

Because the obligation to make payments to Holders is an obligation of the Bank, the likelihood that such Holders will receive the payments owing to them in connection with the Notes will be dependent upon the financial health and creditworthiness of the Bank.

Rank; No Deposit Insurance

The Notes will constitute direct, unconditional obligations of the Bank to the extent the Bank is obligated to make payments to Holders under the Notes. The Notes will be issued on an unsecured and unsubordinated basis and will rank equally, as among themselves, and with all other outstanding direct, unsecured and unsubordinated, present and future obligations of the Bank (except as otherwise prescribed by law), and will be payable rateably without any preference or priority. The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution. Therefore, a Holder will not be entitled to Canada Deposit Insurance Corporation protection.

Extraordinary Event May Trigger Early Payment Amount

Upon the occurrence of an Extraordinary Event, the Bank may elect to pay an Early Payment Amount to discharge its obligations in respect of the Maturity Payment and any Coupons that may have been payable under the Notes. Upon such payment, the Holder’s right to receive any further payments on the Notes will be extinguished.

Legislative, Regulatory and Administrative Changes

Changes in laws, regulations or administrative practices, including with respect to taxation, could have an impact on Holders.

Risks Relating to the Offering

Risk of Loss of Principal Investment

The Bank does not guarantee the repayment of any principal at Maturity (other than the Minimum Payment Amount). At Maturity, each Holder will receive a Maturity Payment that will depend on the Final Level, which may be affected by a number of factors beyond the control of the Bank. A Holder will receive the Principal Amount at Maturity only if the Final Level is equal to or above the Barrier Level. If the Final Level is below the Barrier Level, then Holders will receive less than the Principal Amount and could lose some or substantially all of their principal investment in the Notes.

The Notes are Subject to Being Automatically Called by the Bank

If the Closing Level is equal to or above the AutoCall Level on any Observation Date, the Notes will be automatically called by the Bank. If the Notes are automatically called by the Bank, Holders will receive the Principal Amount plus the applicable Coupon on the Call Date, and the Notes will be cancelled and Holders will not be entitled to receive any subsequent payments in respect of the Notes.

Uncertain Return Until Maturity

The return, if any, on the Notes will be uncertain until the Call Date or Maturity. Whether there is a return on the Notes will depend on the performance of the Reference Index. There can be no assurance that the objectives of the Holders will be achieved by an investment in the Notes. Depending on the performance of the Reference Index, Holders may not receive any Coupons and may not be repaid the amount of their principal investment in the Notes (other than the Minimum Payment Amount). Historical performance of the Reference Index should not be considered as an indication of the future performance of the Reference Index or the Notes. Investors should understand that the risk involved in this type of investment is greater than that normally associated with other types of fixed income investments.

Coupon Payments Depend on the Closing Level

The Closing Level is used as a reference to determine whether a Coupon will be payable on any Coupon Payment Date. If the Closing Level is below the Coupon Knock-Out Level on any Observation Date, Holders will not receive a Coupon on the related Coupon Payment Date. There is no guarantee that the performance of the Reference Index will result in the payment of any Coupons to a Holder.

The Return on the Notes will not Reflect a Direct Investment in the Constituent Securities of the Underlying Index

The Closing Level is used solely as a reference to determine whether a Coupon will be payable on any Coupon Payment Date, whether the Notes will be automatically called by the Bank and the timing and amount of principal to be repaid under the Notes. The amount of the Coupon payable to Holders will be a fixed amount that will not be based on the performance of the Reference Index. The Maturity Payment will depend on the Closing Level relative to the Barrier Level on the Final Valuation Date. Holders will not participate in any appreciation of the Reference Index over the term of the Notes. If the Closing Level is below the Barrier Level on the Final Valuation Date, then the Maturity Payment will equal the Principal Amount reduced by an amount equal to the Index Return (which will be a negative amount reflecting the decline in the Closing Level). Accordingly, the return on the Notes will be different than a direct investment in the constituent securities of the Underlying Index.

Owning the Notes Is Not the Same as Owning the Constituent Securities of the Underlying Index Directly

A Holder will not have, and the Notes will not represent, any direct or indirect investment in the constituent securities that comprise the Underlying Index and the Notes do not represent a substitute for such an investment. A Holder will not have the same rights and benefits as a direct holder of the constituent securities of the Underlying Index, including the rights to vote and receive dividends or other distributions that may be made by the issuers of such constituent securities. Holders only have a right against the Bank to be paid any amounts due and payable under the Notes.

The Notes may trade quite differently from the constituent securities of the Underlying Index. Changes in the Closing Level may not result in comparable changes in the market value of the Notes. Even if the Closing Level increases during the term of the Notes, the market value of the Notes prior to Maturity may not increase to the same extent. It is also possible for the market value of the Notes prior to Maturity to decrease while the Closing Level increases. The return on the Notes will not reflect the return that may be realized by investing in the constituent securities of the Underlying Index directly.

The performance of the Reference Index will be less than that of the Underlying Index or a direct investment in the constituent securities of the Underlying Index

The Reference Index aims to track the gross total return performance of the Underlying Index as reduced by the Adjusted Return Factor, therefore the performance of the Reference Index will be less than that of the Underlying Index or a direct investment in the constituent securities of the Underlying Index. Since the Closing Level is based on the application of the Adjusted Return Factor to daily changes in the closing level of the Underlying Index, the difference between the Reference

Index and the Underlying Index over a longer period is subject to the effects of compounding returns and, as a result, may be greater or less than the Adjusted Return Factor pro-rated over the same period.

The Maturity Payment May Not Be Affected by All Developments Relating to the Reference Index

Changes in the Closing Level during the term of the Notes before the Final Valuation Date may not be reflected in the calculation of the Maturity Payment due to the impact of various features incorporated into the Note structure. The Calculation Agent will calculate the return on the Notes, if any, by determining the Closing Level on an Observation Date. No other levels of the Reference Index will be taken into account. As a result, a Holder may receive less than the Principal Amount, even if the Closing Level has increased at certain times during the term of the Notes before decreasing to a Closing Level below the Barrier Level as of the Final Valuation Date.

Risks Relating to the Reference Index and the Underlying Index

Future Results

Historical performance of the constituent securities that comprise the Underlying Index from time to time should not be taken as an indication of future performance. The Closing Level will fluctuate and will be used to determine Coupon payments, whether the Notes will be automatically called following an Observation Date and the Maturity Payment. It is impossible to predict whether the Closing Level will increase or decrease. The Closing Level from time to time will be influenced by both the complex and interrelated political, economic, financial and other factors that can affect equity trading markets and the capital markets generally. The Reference Index may also change from time to time, as described in “Special Circumstances — Discontinuance or Modification of an Index”.

The level of the Underlying Index and, in turn, the Closing Level, may be affected by the ability of the issuers comprising the Underlying Index to declare and pay dividends or make distributions in respect of the equity securities of the issuers comprising the Underlying Index. Historical levels of dividends and distributions paid in respect of the constituent securities comprising the Underlying Index are not indicative of future payments, which payments are uncertain and depend upon various factors, including, without limitation, the financial position, earnings ratio and cash requirements of the applicable issuer and the state of financial markets in general. It is not possible to predict if dividends or distributions paid in respect of the constituent securities comprising the Underlying Index will increase, decrease or remain the same over the term of the Notes.

The Index Sponsor has no Obligations Relating to the Notes or the Holders

The Index Sponsor has no obligations relating to the Notes or amounts to be paid to Holders, including any obligation to take the interests of Holders into consideration for any reason. The Index Sponsor will not receive any of the proceeds of the Offering and is not responsible for, and has not participated in, the Offering and is not responsible for, and will not participate in, the determination or calculation of the amount receivable by Holders.

The Index Sponsor is under no obligation to continue the calculation and dissemination of the Reference Index or the Underlying Index. The Notes are not sponsored, endorsed, sold or promoted by the Index Sponsor. No inference should be drawn from the information contained in this pricing supplement that the Index Sponsor makes any representation or warranty, implied or express, to the Bank, the Holders or any member of the public regarding the advisability of investing in securities generally or in the Notes in particular or the ability of the Reference Index to track general stock market performance.

Changes Affecting the Reference Index or the Underlying Index Could Impact the Notes

The policies of the Index Sponsor in respect of the Reference Index, the Underlying Index and their calculation, additions, deletions or substitutions of the constituent securities of the Underlying Index and the manner in which changes affecting the constituent securities of the Underlying Index, such as stock dividends, reorganizations or mergers, are reflected, could affect the Closing Level and, therefore, could affect the amounts payable on the Notes, and the Bid Price of the Notes prior to Maturity.

Potential Modification of an Index

Either Index may be replaced with a Replacement Index. Although the Calculation Agent may make certain determinations in certain special circumstances to ensure that a Replacement Index is designated, certain information regarding the successor index may not be readily available to Holders, which may adversely affect the secondary market for trading in the Notes.

Moreover, the return generated on such successor index may not be as favourable as the return that would have been generated by the Index if it had not been replaced.

Concentration Risk

The constituent securities in the Underlying Index are concentrated in the Canadian financial services sector and may be considered to be less diversified than a more broadly diversified index. Accordingly, market conditions that adversely affect one or more companies represented in the Underlying Index are more likely to adversely affect other companies represented in the Underlying Index. The profitability of companies in the Underlying Index depends on, among other things, the availability and cost of capital funds and can fluctuate significantly when interest rates change. Losses resulting from financial difficulties of borrowers can negatively impact such companies. Similarly, the extensive governmental regulation to which such companies are subject may affect their profitability. These factors, which are beyond the control of the Bank or the Dealers, can affect the price of equity securities without any predictability. Accordingly, certain risk factors applicable to investors who invest directly in the securities comprising the Underlying Index are also applicable to an investment in the Notes to the extent that such risk factors could adversely affect the return of the Notes.

Equity Risk

The Closing Level will be affected by changes in the market price of its constituent securities. The price of equity securities is influenced by the outlook for the company that issued them and by general economic, industry and market trends. When the economy is strong, the outlook for many companies will be good, and share prices will generally rise. On the other hand, share prices usually decline with a general economic or industry downturn.

Recently, the spread of coronavirus ("**COVID-19**") has caused a slowdown in the global economy and increased volatility in global financial markets. Although the full impact of COVID-19 on the global economy and its duration remains uncertain, disruptions caused by COVID-19 or any other outbreak or public health emergency may adversely affect the performance of the Reference Index and the return on the Notes.

Independent Investigation Required

The Bank and the Dealers have not performed any due diligence investigation or review of the Reference Index, the Underlying Index, the Index Sponsor, any securities that comprise the Underlying Index or any issuers of such securities. Any information relating to the Reference Index, the Underlying Index, the Index Sponsor, any securities that comprise the Underlying Index or any issuers of such securities was derived from and is based solely upon publicly available sources and its accuracy cannot be guaranteed. None of the Bank, the Dealers, or any of their respective affiliates or associates has any obligation or responsibility for the provision of future information in respect of the Reference Index, the Underlying Index, the Index Sponsor, any of the constituent securities comprising the Underlying Index or any issuers of such constituent securities. Investors shall have no recourse against the Bank, the Dealers or any of their respective affiliates or associates in connection with any information relating to the Reference Index, the Underlying Index, the Index Sponsor, any of the constituent securities comprising the Underlying Index or any issuers of such constituent securities that is not contained in this pricing supplement. The Notes are not sponsored, endorsed, sold or promoted by the Index Sponsor or its affiliates and none of the Index Sponsor or its affiliates make any representation or warranty, express or implied, to the Holder or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly. Prospective purchasers should undertake an independent investigation to determine if an investment in the Notes is suitable for them.

The Reference Index and Underlying Index have Limited Performance History

The Reference Index and Underlying Index were first launched and published on January 27, 2022 and July 28, 2017, respectively. Accordingly, there is limited trading history for the Reference Index.

Risks Relating to the Constituent Securities of the Underlying Index

The value of most investments, in particular equity securities, is affected by the outlook for the company that issued the security and by changes in general economic, industry and market trends. These changes may be caused by corporate developments, changes in interest rates, changes in the level of inflation, and other political and economic developments. These changes can affect the price of equity securities which can move up or down, without any predictability. A decrease in the price of the constituent securities of the Underlying Index will adversely affect the Reference Index and thereby may affect the Notes. The

Bid Price per Note and the Maturity Payment is linked to the performance of the Reference Index. Accordingly, risk factors applicable to direct investments in the constituent securities of the Underlying Index are also applicable to an investment in the Notes.

Common Shares of the Bank are Included in the Underlying Index

The common shares of the Bank are included in the Underlying Index and the decisions and actions of the board of directors and management of the Bank will not take into account the effect, if any, of such decisions and actions on an Index or Holders' interests generally.

LEGAL MATTERS

Legal matters in connection with the Offering will be passed upon on behalf of the Bank by Torys LLP and on behalf of the Dealers by Stikeman Elliott LLP. As of January 24, 2023, the partners and associates of Torys LLP and Stikeman Elliott LLP beneficially owned, directly or indirectly, in the aggregate, less than 1% of the outstanding securities of the Bank and its affiliates and associates.