

Bank of Montreal Solactive Canada Bank 40 (AR) Index AutoCallable Principal Protected Deposit Notes (USD), Series 119 (F-Class)



10 Year Term



Annual AutoCall Feature
100% AutoCall Level



AutoCall Coupon: **10.00%**
p.a.



100% Principal Protected if
held to Maturity

Investment Highlights

AutoCall Feature: The Deposit Notes will be automatically called by Bank of Montreal if the Closing Level is equal to or above the AutoCall Level on any Valuation Date.

Fixed Return in Year 1: 10.00%; Year 2: 20.00%; Year 3: 30.00%; Year 4: 40.00%; Year 5: 50.00%; Year 6: 60.00%; Year 7: 70.00%; Year 8: 80.00%; Year 9: 90.00%; Year 10: 100.00% (or an annualized return of 10.00%, 9.54%, 9.14%, 8.78%, 8.45%, 8.15%, 7.88%, 7.62%, 7.39%, and 7.18% respectively).

AutoCall Level: 100% of the initial Level, triggering the Deposit Notes to be automatically called by Bank of Montreal if the Closing Level is equal to or above the AutoCall Level on any Valuation Date.

Fundserv: JHN3042

Available until February 22, 2023

www.bmonotes.com

The Index

The Solactive Canada Bank 40 AR Index ("Index") aims to track the gross total return performance of the Solactive Canada Bank TR Index (the "Underlying Index"), calculated in CAD, subject to an adjusted return factor of 40 index points per annum that will be calculated daily in arrears (the "Adjusted Return Factor"). The Underlying Index is a gross total return index that reflects the price return of its constituent securities and the reinvestment of all 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) across all the constituent securities of the Underlying Index.

Index	Solactive Canada Bank 40 AR Index
Ticker	SOLCAB40 Index
Underlying Index	Solactive Canada Bank TR Index
Index Type	Adjusted Return
Index Currency	CAD
Dividends	Reinvested

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Historical Performance of Solactive Canada Bank 40 AR Index



Source: Bloomberg as of February 13, 2023.

Note: The Index and the Underlying Index have limited performance histories. The Index and the Underlying Index were first published on January 27, 2022 and July 28, 2017 respectively. Accordingly, there is negligible trading history for the Index and limited trading history of the Underlying Index. Levels of the Index published for a period prior to the January 27, 2022 (the "Launch Date") have been back-tested. Past performance of the Index is not indicative of future performance.

Underlying Index

The Underlying Index is a free-float market capitalization index. The methodology of the Underlying Index provides that the constituent securities fulfil 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 Underlying Index is a gross total return index that reflects the price changes of its constituent securities and the reinvestment of all 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) across all the constituent securities of the Underlying Index. 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 following table sets forth the top companies that comprise the Underlying Index as of February 13, 2023.

Company	Weight
Royal Bank of Canada	30.54%
The Toronto-Dominion Bank	26.76%
Bank of Montreal	14.56%
The Bank of Nova Scotia	13.91%
Canadian Imperial Bank of Commerce	8.87%
National Bank of Canada	5.36%

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Performance as of February 13, 2023

	30 days	90 days	180 days	360 days	YTD
Solactive Canada Bank 40 AR Index	6.22%	3.90%	2.71%	-12.36%	9.46%

Return Examples

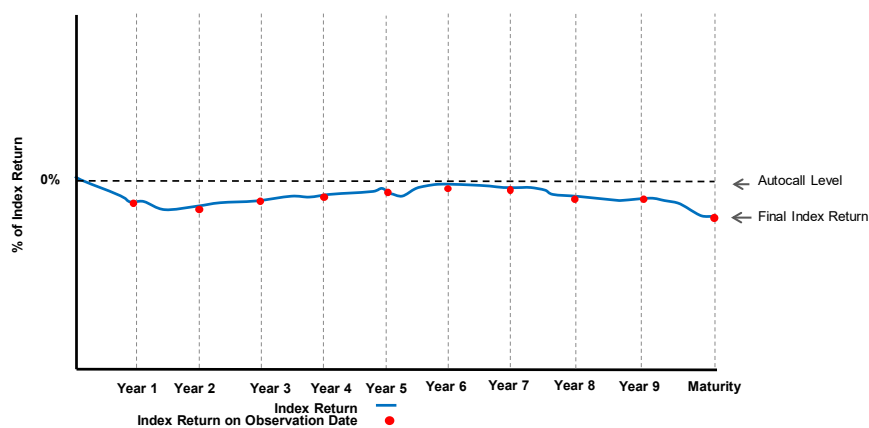
The return examples below are provided for illustration purposes only. These examples assume that a Holder has purchased a Deposit Note with an aggregate principal amount of US\$100.00, that a Holder holds the Deposit Notes until the Deposit Notes are automatically called or until Maturity if the Deposit Notes are not automatically called and that no Extraordinary Event has occurred during the term of the Deposit Notes. The three scenarios are hypothetical and are not estimates or forecasts of expected changes in the Closing Price of the Securities from the Trade Date to and including the Final Valuation Date.

Scenario 1: Negative Scenario

- AutoCall Level = 0%**

- The Closing Level is below the AutoCall Level on all Valuation Dates during the term of the Deposit Notes so the Deposit Notes are not automatically called by Bank of Montreal and no Variable Return is paid.

Example 1: Negative Return Example



Observation Date	Index Return	Fixed Return	Excess Return
Issue Date			
1	-7.29%	US\$0.00	N/A
2	-7.60%	US\$0.00	N/A
3	-6.90%	US\$0.00	N/A
4	-4.81%	US\$0.00	N/A
5	-3.37%	US\$0.00	N/A
6	-0.85%	US\$0.00	N/A
7	-1.37%	US\$0.00	N/A
8	-3.90%	US\$0.00	N/A
9	-3.35%	US\$0.00	N/A
10	-9.85%	US\$0.00	N/A
Maturity Payment		US\$100.00	

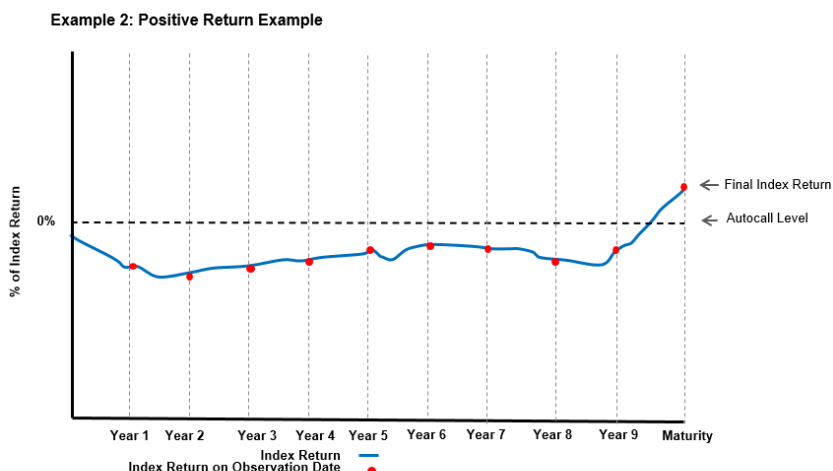
In this hypothetical scenario, the Closing Level is below the AutoCall Level on each Valuation Date, so the Deposit Notes are not automatically called by Bank of Montreal and a Holder would receive no Fixed Return. In addition, since the Closing Level on the Final Valuation Date is below the AutoCall Level, the Index Return is negative and a Holder would receive no Variable Return at Maturity. However, a Holder would receive a Maturity Payment equal to US\$100.00 per Deposit Note, which is 100% of the Deposit Amount.

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Scenario 2: Positive Scenario – Notes Called At Maturity

- AutoCall Level = 0%

- The Closing Level is below the AutoCall Level on all Valuation Dates, but the Closing Level subsequently increases and the Final Level is above the AutoCall Level.



Observation Date	Index Return	Fixed Return	Excess Return
Issue Date			
1	-8.79%	US\$0.00	N/A
2	-9.60%	US\$0.00	N/A
3	-8.90%	US\$0.00	N/A
4	-7.60%	US\$0.00	N/A
5	-5.40%	US\$0.00	N/A
6	-5.13%	US\$0.00	N/A
7	-5.60%	US\$0.00	N/A
8	-7.81%	US\$0.00	N/A
9	-3.37%	US\$0.00	N/A
10	9.26%	US\$100.00	N/A
Maturity Payment		US\$200.00	

In this hypothetical scenario, the Closing Level is below the AutoCall Level on each Valuation Date, so the Deposit Notes would not be automatically called by Bank of Montreal. Since the Closing Level is above the AutoCall Level on the Final Valuation Date, the Index Return is positive and at Maturity, a Holder will receive the Deposit Amount, plus the applicable Variable Return. The Maturity Payment will be calculated as follows:

$$\begin{aligned}
 \text{Variable Return} &= \text{Deposit Amount} \times (\text{Fixed Return} + \text{Excess Return}) \\
 &= \text{US\$100.00} \times (100.00\% + 0.00\%) \\
 &= \text{US\$100.00 per Deposit Note}
 \end{aligned}$$

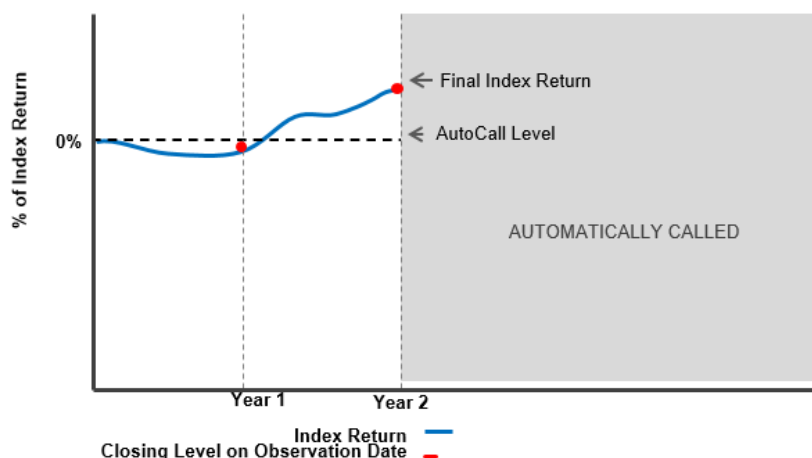
A Holder would receive a Maturity Payment of US\$200.00 per Deposit Note on the Maturity Date (or an annualized return of 7.18%). An Index Return of 9.26% is less than the Fixed Return on the Final Valuation Date, so there is no Excess Return reflected in the Variable Return payable on the Call Date.

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Scenario 3: Deposit Note Automatically Called

- **AutoCall Level = 0%**

- The Closing Level is below the AutoCall Level on the first Valuation Date and then recovers so that the Closing Level is above the AutoCall Level on the second Valuation Date.



Observation Date	Index Return	Fixed Return	Excess Return
Issue Date			
1	-3.79%	US\$0.00	N/A
2	20.48%	20.00%	$(\text{Index Return} - 20\%) \times 5\% = 0.02\%$
3	Automatically Called		
4			
5			
6			
7			
8			
9			
10			
Maturity Payment		US\$120.02	

In this hypothetical scenario, the Closing Level is above the AutoCall Level on the second Valuation Date, resulting in the Deposit Notes being automatically called by Bank of Montreal, so the Holders receive the Deposit Amount plus the applicable Variable Return on the Call Date. The Fixed Return for the second Valuation Date is 20.00%. The Maturity Payment will be calculated as follows:

$$\begin{aligned}
 \text{Excess Return} &= (\text{Index Return} - \text{Fixed Return}) \times 5\% \\
 &= (20.48\% - 20.00\%) \times 5\% \\
 &= 0.02\% \\
 \text{Variable Return} &= \text{Deposit Amount} \times (\text{Fixed Return} + \text{Excess Return}) \\
 &= \text{US\$}100.00 \times (20.00\% + 0.02\%) \\
 &= \text{US\$}20.02 \text{ per Deposit Note}
 \end{aligned}$$

A Holder would receive a Maturity Payment of US\$120.02 per Deposit Note on the Call Date (or an annualized return of 9.56%).

Bank of Montreal Solactive Canada Bank 40 (AR) Index AutoCallable Principal Protected Deposit Notes (USD), Series 119 (F-Class)

Terms of the Offering

Issuer	Bank of Montreal (the “Bank”).																																	
Issuer Rating	As of the date of the Information Statement, the deposit liabilities of Bank of Montreal with a term to maturity of more than one year are rated “AA” by DBRS, “A+” by S&P and “Aa2” by Moody’s. The Deposit Notes have not been rated and there is no assurance that, if the Deposit Notes were specifically rated by such rating agencies, they would have the same rating as the other deposit liabilities of Bank of Montreal. The Deposit Notes will not be deposits insured under the <i>Canada Deposit Insurance Corporation Act</i> 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.																																	
Issue Price	US\$100.00 per Deposit Note (the “Deposit Amount”).																																	
Selling Period	Until February 22, 2023.																																	
Trade Date	February 13, 2023.																																	
Issue Date	On or about February 27, 2023.																																	
Maturity Date/Term	Each Deposit Note will mature on February 14, 2033 (“Maturity” or “Maturity Date”), resulting in a term to maturity of approximately 10 years.																																	
Minimum Purchase	US\$2,000.00 (20 Deposit Notes).																																	
The Index	The performance of the Index will determine the amount of Variable Return, if any, Holders will receive at Maturity. The Solactive Canada Bank 40 AR Index (the “Index”) aims to track the gross total return performance of the Solactive Canada Bank TR Index, calculated in CAD, subject to an adjusted return factor of 40 index points per annum applied on a daily basis at the time the Closing Level is calculated (the “Adjusted Return Factor”). Please see “The Index” in the Information Statement for more details.																																	
AutoCall Feature	The Deposit Notes will be automatically called by Bank of Montreal if the Closing Level is equal to or above the AutoCall Level on any Valuation Date. If the Deposit Notes are automatically called by Bank of Montreal, Holders will receive the Deposit Amount plus the applicable Variable Return on the Call Date, and the Deposit Notes will be cancelled and Holders will not be entitled to receive any subsequent payments in respect of the Deposit Notes.																																	
AutoCall Level	100% of the Initial Level.																																	
Payment at Maturity	<p>Subject to the occurrence of an Extraordinary Event, a Holder will receive a payment on either the Call Date or the Maturity Date based on the Closing Level on the applicable Valuation Date or the Final Valuation Date. The Maturity Payment will be determined as follows:</p> <p>(i) If the Closing Level is equal to or above the AutoCall Level on any Valuation Date, the Deposit Notes will be automatically called by Bank of Montreal and a Holder will receive a Maturity Payment equal to the Deposit Amount plus the applicable Variable Return on the applicable Call Date, calculated using the following formula:</p> <p style="text-align: center;">Deposit Amount + Variable Return</p> <p>(ii) If the Deposit Notes are not automatically called by Bank of Montreal and the Closing Level is below the AutoCall Level on the Final Valuation Date, a Holder will receive a Maturity Payment equal to the Deposit Amount on the Maturity Date.</p> <p>If the Deposit Notes are automatically called by Bank of Montreal before Maturity, the Variable Return will be calculated on the applicable Valuation Date and the Maturity Payment will be made on the Call Date. In such circumstances, the Deposit Notes will be cancelled and Holders will not be entitled to receive any subsequent payments in respect of the Deposit Notes. If the Deposit Notes are not automatically called before Maturity, the Maturity Payment will be made on the Maturity Date.</p> <p>If the percentage change in the Closing Level measured from the Trade Date to the Final Valuation Date is zero or negative, no Variable Return will be payable on the Deposit Notes. Beneficial holders of Deposit Notes (each a “Holder”) cannot elect to receive any payments prior to Maturity. No Variable Return or distributions will be paid during the term of the Deposit Notes other than the Variable Return in the event the Deposit Notes are automatically called. It is possible that no Variable Return will be payable on the Deposit Notes.</p>																																	
Variable Return	<p>Subject to the occurrence of an Extraordinary Event, if the Closing Level is equal to or above the AutoCall Level on any Valuation Date, a Holder will be entitled to receive a variable return calculated using the following formula:</p> <p style="text-align: center;">Deposit Amount × (Fixed Return + Excess Return)</p> <p>The Fixed Return and Excess Return for the Deposit Notes will be as follows:</p> <table><tr><th>Valuation Date</th><th>Fixed Return</th><th>Excess Return</th></tr><tr><td>First Valuation Date</td><td>10.00%</td><td>(Index Return - 10.00%) x 5%</td></tr><tr><td>Second Valuation Date</td><td>20.00%</td><td>(Index Return - 20.00%) x 5%</td></tr><tr><td>Third Valuation Date</td><td>30.00%</td><td>(Index Return - 30.00%) x 5%</td></tr><tr><td>Fourth Valuation Date</td><td>40.00%</td><td>(Index Return - 40.00%) x 5%</td></tr><tr><td>Fifth Valuation Date</td><td>50.00%</td><td>(Index Return - 50.00%) x 5%</td></tr><tr><td>Sixth Valuation Date</td><td>60.00%</td><td>(Index Return - 60.00%) x 5%</td></tr><tr><td>Seventh Valuation Date</td><td>70.00%</td><td>(Index Return - 70.00%) x 5%</td></tr><tr><td>Eighth Valuation Date</td><td>80.00%</td><td>(Index Return - 80.00%) x 5%</td></tr><tr><td>Ninth Valuation Date</td><td>90.00%</td><td>(Index Return - 90.00%) x 5%</td></tr><tr><td>Tenth Valuation Date</td><td>100.00%</td><td>(Index Return - 100.00%) x 5%</td></tr></table>	Valuation Date	Fixed Return	Excess Return	First Valuation Date	10.00%	(Index Return - 10.00%) x 5%	Second Valuation Date	20.00%	(Index Return - 20.00%) x 5%	Third Valuation Date	30.00%	(Index Return - 30.00%) x 5%	Fourth Valuation Date	40.00%	(Index Return - 40.00%) x 5%	Fifth Valuation Date	50.00%	(Index Return - 50.00%) x 5%	Sixth Valuation Date	60.00%	(Index Return - 60.00%) x 5%	Seventh Valuation Date	70.00%	(Index Return - 70.00%) x 5%	Eighth Valuation Date	80.00%	(Index Return - 80.00%) x 5%	Ninth Valuation Date	90.00%	(Index Return - 90.00%) x 5%	Tenth Valuation Date	100.00%	(Index Return - 100.00%) x 5%
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This is only a summary of the Offering and should be read in conjunction with the Information Statement dated February 15, 2023.

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Terms of the Offering

Valuation & Call Dates	The Closing Level will be observed every year on the Valuation Date, subject to the occurrence of an Extraordinary Event (see "Special Circumstances" in the Information Statement) or the Deposit Notes being automatically called by Bank of Montreal. The specific Valuation Dates and potential Call Dates for the Deposit Notes will be as follows:		
	Period	Valuation Date	Call / Maturity Date
	Year 1	February 6, 2024	February 13, 2024
	Year 2	February 6, 2025	February 13, 2025
	Year 3	February 6, 2026	February 13, 2026
	Year 4	February 8, 2027	February 16, 2027
	Year 5	February 7, 2028	February 14, 2028
	Year 6	February 6, 2029	February 13, 2029
	Year 7	February 6, 2030	February 13, 2030
	Year 8	February 6, 2031	February 13, 2031
	Year 9	February 6, 2032	February 13, 2032
	Year 10	February 7, 2033	February 14, 2033
Fees and Expenses of the Offering	No expenses will be paid out of the proceeds of the offering to BMO Nesbitt Burns Inc. for its services as selling agent. The Deposit Notes are available to investors who participate in programs that already charge a fee for the advice they are receiving (for example, dealer sponsored "fee for service" or wrap programs) or pay their advisor an hourly or annual asset based fee rather than commissions on each transaction and who purchase the Deposit Notes in connection with such programs.		
Fundserv Code	JHN3042		
No Secondary Market	The Deposit Notes will not be listed on any stock exchange and neither Bank of Montreal nor any of its affiliates will establish or arrange for a secondary market for the sale of Deposit Notes prior to Maturity. Moreover, Bank of Montreal does not have the right to redeem (that is, buy or repay) the Deposit Notes prior to Maturity and investors do not have the right to require Bank of Montreal to redeem the Deposit Notes prior to Maturity. The Deposit Notes are intended to be instruments held to Maturity with their principal being payable on the Maturity Date.		
Currency	The Deposit Notes are denominated in U.S. dollars and all payments owing under the Deposit Notes will be made in U.S. dollars.		
Early Trading Charge	No early trading charge will apply to the sale of a Deposit Note at any time after the closing of the Offering.		
No CDIC	The Deposit Notes are not 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 institution.		

This document should be read in conjunction with Bank of Montreal's information statement dated February 15, 2023 (the "Information Statement").

The Variable Return payable under the Deposit Notes, if any, is uncertain and is based on the performance of the Index. Prospective investors should carefully consider all of the information set forth in the Information Statement and, in particular, should evaluate the specific risk factors set out under the heading "Risk Factors" in the Information Statement. BMO Nesbitt Burns Inc. is a wholly-owned subsidiary of Bank of Montreal. As a result, Bank of Montreal is a "related issuer" of BMO Nesbitt Burns Inc. for the purposes of National Instrument 33-105 - *Underwriting Conflicts*. See "Plan of Distribution" in the Information Statement. The Deposit Notes have not been and will not be rated by any credit rating organization. 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. The Deposit Notes are issued by and constitute direct, unconditional obligations of Bank of Montreal. This summary is issued for discussion purposes only to provide an overview of the proposed Deposit Notes and does not constitute investment advice or an offer to sell or a solicitation to purchase. Details of certain risks of investing in the Deposit Notes, as well as complete disclosure of how the Variable Return on the Deposit Notes is calculated, are contained in the related Information Statement which will be available through your financial advisor or at www.bmonotes.com. You should read the Information Statement carefully before investing and discuss all the key features of the Deposit Notes, including their suitability for you, with your financial advisor. The Deposit Notes may not be suitable for all types of investors. The prices and value of the Deposit Notes may fluctuate and/or be adversely affected by a number of factors. The fluctuation of the performance of the underlying securities will directly impact the Variable Return, if any, on the Deposit Notes at Maturity. The Deposit Notes will not be listed on any stock exchange. You do not have the right to require Bank of Montreal to redeem the Deposit Notes prior to maturity.

Bank of Montreal makes no recommendations concerning equity investments as asset classes or the suitability of investing in securities generally or Deposit Notes in particular. No person has been authorized to give any information or to make any representation not contained in the Information Statement relating to the Deposit Notes and Bank of Montreal does not accept any responsibility for any information not contained in the Information Statement.

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The Index and the Underlying Index are products of Solactive AG or its affiliates ("Solactive") and has been licensed for use by Bank of Montreal and its affiliates. The Index and the Underlying Index are owned, calculated, administered and published by Solactive assuming the role as administrator (the "Index Sponsor") under the Regulation (EU) 2016/1011. The name "Solactive" is a registered trademark of Solactive AG. Solactive is registered with and regulated by the German Federal Financial Supervisory Authority ("BaFin"). The 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. Bank of Montreal's Deposit Notes are not sponsored, endorsed, sold or promoted by Solactive or their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the Index or the Underlying Index.

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Bank of Montreal Solactive Canada Bank 40 (AR) Index AutoCallable Principal Protected Deposit Notes (USD), Series 119 (F-Class)

Key Information for Investors (Oral Disclosure)

Where an investor is considering a purchase of Deposit Notes, the financial advisor must orally disclose all of the following information to the investor:

Offering Overview:

1. The Bank of Montreal Solactive Canada Bank 40 (AR) Index AutoCallable Principal Protected Deposit Notes (USD), Series 119 (F-Class) will be issued by Bank of Montreal on or about February 27, 2023 and will mature on February 14, 2033. The term of the Deposit Notes is approximately 10 years. The principal amount of US\$100.00 per Deposit Note will be repaid at Maturity.
2. The Deposit Notes will be automatically called by Bank of Montreal if the Closing Level is equal to or above the AutoCall Level on any Valuation Date. If the AutoCall feature is triggered, you will receive payment of the Deposit Amount plus a Variable Return that increases each Valuation Date. If the Closing Level is never equal to or above the AutoCall Level on any Valuation Date, the Deposit Notes will not be automatically called by Bank of Montreal and there will be no Variable Return paid on the Deposit Notes.
3. If the Deposit Notes are not automatically called by Bank of Montreal before Maturity, and the Closing Level on the Final Valuation Date is less than the AutoCall Level, a holder will receive the Deposit Amount in respect of each of the holder's Deposit Notes. The Solactive Canada Bank 40 AR Index (the "Index") is an adjusted return index. It aims to track the 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").
4. If the Deposit Notes are automatically called by Bank of Montreal before Maturity, the Variable Return will be calculated on the applicable Valuation Date and the Maturity Payment will be made on the Call Date. In such circumstances, the Deposit Notes will be cancelled and you will not be entitled to receive any subsequent payments in respect of the Deposit Notes. If the Deposit Notes are not automatically called before Maturity, the Maturity Payment will be made on the Maturity Date.
5. You cannot elect to receive any payments prior to Maturity. No Maturity Payment or distributions will be paid during the term of the Deposit Notes other than the Variable Return in the event the Deposit Notes are automatically called. It is possible that no return will be payable on the Deposit Notes.
6. The Deposit Notes are U.S. dollar deposits. All amounts owing on the Deposit Notes will be paid in U.S. dollars.

Fees and Expenses:

7. No expenses will be paid out of the proceeds of the offering to BMO Nesbitt Burns Inc. for its services as selling agent. The Deposit Notes are available to investors who participate in programs that already charge a fee for the advice they are receiving (for example, dealer sponsored "fee for service" or wrap programs) or pay their advisor an hourly or annual asset based fee rather than commissions on each transaction and who purchase the Deposit Notes in connection with such programs.

No Secondary Market:

8. The Deposit Notes will not be listed on any stock exchange and neither Bank of Montreal nor any of its affiliates will establish or arrange for a secondary market for the sale of Deposit Notes prior to Maturity. Moreover, Bank of Montreal does not have the right to redeem (that is, buy or repay) the Deposit Notes prior to Maturity and investors do not have the right to require Bank of Montreal to redeem the Deposit Notes prior to Maturity. The Deposit Notes are intended to be instruments held to Maturity with their principal being payable on the Maturity Date.

Early Trading Charge:

9. No early trading charge will apply to the sale of a Deposit Note at any time after the closing of the Offering.

Tax Consequences:

10. The Canadian income tax consequences of investing in Deposit Notes are described in the Information Statement. However, in summary, (i) if you hold Deposit Notes on a Call Date or at maturity, you will be required to include in your income the amount, if any, by which the payment on a Call Date or at maturity exceeds the Deposit Amount, and (ii) on a disposition of a Deposit Note by you prior to maturity, you will be required to include in income as accrued interest the amount, if any, by which the price for which the Deposit Note was disposed of exceeds the Deposit Amount.
11. The Deposit Notes are denominated in U.S. dollars. For the purposes of the Tax Act, all U.S. dollar amounts relating to the acquisition, holding or disposition of a Deposit Note must generally be expressed in Canadian dollars using the appropriate exchange rate determined in accordance with the detailed rules in the Tax Act in that regard. As a result, an Initial Holder may realize income, capital gains or capital losses by virtue of fluctuations in the value of the U.S. dollar relative to the Canadian dollar.

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Risk Factors:

12. The Deposit Notes may not be suitable for all investors and in deciding whether to invest in Deposit Notes you should take into account various risks associated with such an investment. The Information Statement contains a complete description of these risks, which include the following:

Suitability

An investment in the Deposit Notes may be suitable and appropriate for you if you are prepared to: invest for an uncertain term from one to ten years; receive the Deposit Amount at Maturity if the Deposit Notes are not automatically called by Bank of Montreal prior to Maturity and the Closing Level on the Final Valuation Date is less than the AutoCall Level; receive the Deposit Amount and a Variable Return and no further payments if the Deposit Notes are automatically called by Bank of Montreal; obtain exposure to the Index, the performance of which may not match the performance of a direct investment in the constituent securities of the Underlying Index; and accept the risks set out under "Risk Factors" in the Information Statement, including the risks associated with the performance of the Index.

Non-Conventional Deposit Notes

The Deposit Notes are not conventional instruments or debt securities in that they do not provide you with a return or income stream prior to Maturity, or a return at Maturity, that is calculated by reference to a specific fixed or floating rate of interest that can be determined prior to the Final Valuation Date. The return on the Deposit Notes, unlike that on many deposit liabilities of Canadian chartered banks, is uncertain and the Deposit Notes could provide no return.

Deposit Notes May Pay No Return

Holders may not receive a Variable Return on their Deposit Notes. Whether Holders receive a Variable Return and, if so, how much of a Variable Return will depend on the performance of the Index.

Variable Return May Be Limited

Since the Variable Return for each Deposit Note, if any, will equal the Fixed Return plus the Excess Return, of the percentage change, if positive, of the Index from the Trade Date to and including the Final Valuation Date, a Holder's exposure under the Deposit Notes to the Index is not the same as an investment in the Securities and therefore the Variable Return that may be payable at Maturity may be less than the return realized from a direct investment in the Securities.

Currency Risk

The Deposit Notes are denominated in U.S. dollars and all payments owing under the Deposit Notes will be made in U.S. dollars. An investment in the Deposit Notes should be made with an understanding that the Deposit Amount and the variable return, if any, payable at Maturity (or any Variable Return Early Payment Amount) will be denominated and payable in U.S. dollars. To the extent other assets or income of a Holder are denominated in another currency, such as the Canadian dollar, an investment in the Deposit Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of such currency relative to the U.S. dollar because of economic, political and other factors. Appreciation of the Canadian dollar against the U.S. dollar could result in a loss to a Holder on a Canadian dollar basis. Non-Canadian investors who are not U.S. persons or based in the United States could be subject to comparable exchange rate-related risks. In addition, for the purposes of the Tax Act, all U.S. dollar amounts must generally be expressed in Canadian dollars. See "Certain Canadian Federal Income Tax Considerations — Currency Conversion" in the Information Statement.

Automatic Call Feature

The Deposit Notes will be automatically called by Bank of Montreal if the Closing Level is equal to or above the AutoCall Level on any Valuation Date. If the Deposit Notes are automatically called by Bank of Montreal, Holders will receive the Deposit Amount plus the applicable Variable Return on the Call Date, and the Deposit Notes will be cancelled and Holders will not be entitled to receive any subsequent payments in respect of the Deposit Notes.

Risk Factors Relating to the Securities, the Index, the Underlying Index and the Companies

The Variable Return, if any, payable on the Deposit Notes is based on the performance of the Index. Accordingly, certain risk factors applicable to investors who invest directly in the Index, or the Securities are also applicable to an investment in the Deposit Notes to the extent that such risk factors could adversely affect the performance of the Index.

Holders should recognize that it is impossible to know whether the Closing Level at any time will rise or fall. The Closing Level will be influenced by the performance of the Index and the performance of the Underlying Index will be impacted by changes in the market prices of the Securities and the outlook for the applicable Companies and by general economic, industry and market trends. These factors are beyond the control of Bank of Montreal. Historical performance of the Index and the Securities should not be considered as an indication of the future performance of the Index or the Securities.

The Index was established on January 27, 2022 and therefore has limited history to evaluate its likely performance. Past performance of the Index is not indicative of future performance of the Index.

The return on the Deposit Notes is calculated with reference to the performance of the Index which aims to track the gross total return performance of the Underlying Index subject to 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 Deposit 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. 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.

You should also recognize that the Index Sponsor has no obligations with respect to the Deposit Notes or to you and that changes to the policies of the Index Sponsor could affect amounts payable on the Deposit Notes. In addition, the Index could be replaced with a replacement index by the Index Sponsor.

None of the Bank, BMO Capital Markets or their respective affiliates or associates has performed any due diligence investigation or review of any of the Index, the Underlying Index, the securities included in the Underlying Index (the "Securities") or the issuers of the Securities (the "Companies"). Any information relating to the Index, the Underlying Index, the Securities or the Companies was derived from and based solely upon publicly available sources and its accuracy cannot be guaranteed. None of the Bank, BMO Capital Markets or any of their respective affiliates or associates has any obligations or responsibility for the provision of future information in respect of the Index, the Underlying Index, the Securities or the Companies. Investors shall have no recourse against the Bank, BMO Capital Markets or any of their respective affiliates or associates in connection with any information about and/or relating to the Index, the Underlying Index, the Securities or the Companies that is not contained in the Information Statement. Prospective investors should undertake an independent investigation to determine if an investment in the Deposit Notes is suitable for them. None of the Companies or the Index Sponsor has participated in the preparation of the Information Statement and the Deposit Notes are not in any way sponsored, endorsed, sold or promoted by any of the Companies or the Index Sponsor.

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This is not a complete description of the risks applicable to the Index, the Underlying Index, the Securities and the Companies. For a description of the risks applicable to the Securities and the Companies, an investor should consult the disclosure documents made publicly available by each Company at www.sedar.com. Information about the Index and the Underlying Index can be found at www.solactive.com or other publicly available sources.

No Secondary Trading of Deposit Notes

The Deposit Notes will not be listed on any stock exchange and neither Bank of Montreal nor any of its affiliates will establish or arrange for a secondary market for the sale of Deposit Notes prior to Maturity.

The Deposit Notes are intended to be instruments held to Maturity with their principal being payable on the Maturity Date.

Legislative, Regulatory and Administrative Changes

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

The Bail-In Regulations, which came into effect in September 2018, prescribe the types of shares and liabilities that will be subject to a Bail-In Conversion. In general, any senior debt with an initial or amended term to Maturity (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and has been assigned a CUSIP or ISIN or similar identification number would be subject to a Bail-In Conversion. Shares, other than common shares, and subordinated debt would also be subject to a Bail-In Conversion, unless they are non-viability contingent capital. However, structured notes meeting the requirements of the Bail-In Regulations will not be subject to a Bail-In Conversion. Accordingly, it is not expected that these Deposit Notes will be subject to a Bail-In Conversion.

Conflicts of Interest

In the course of normal business operations, Bank of Montreal and BMO Capital Markets may hold interests linked to the Companies. Conflicts may also arise because Bank of Montreal may engage in trading activities related to the Companies and the Securities that are not for the account of Holders or on their behalf which may present a conflict between the Holders' interest in the Deposit Notes and the interests that Bank of Montreal will have in their proprietary accounts in facilitating transactions. Such trading activities could be adverse to the interests of the Holders. Subsidiaries of Bank of Montreal have published, and in the future expect to publish, research reports with respect to some or all of the Securities. This research is modified from time to time and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Deposit Notes. If Bank of Montreal or BMO Capital Markets take any such actions, Bank of Montreal and BMO Capital Markets will not necessarily take into account the effect, if any, that such actions could have on the Deposit Notes or the return that may be payable on the Deposit Notes.

Credit Rating

There is no assurance that the Deposit Notes, if rated, would receive the same rating as other deposit liabilities of Bank of Montreal.

Credit Risk

The likelihood that you will receive all the payments owing to you under the Deposit Notes will depend on the financial health and creditworthiness of Bank of Montreal.

No Deposit Insurance

Unlike conventional bank deposits, the Deposit Notes are not insured under the Canada Deposit Insurance Corporation Act or any other deposit insurance regime designed to ensure that depositors receive payment of all or a portion of their deposits if the deposit taking financial institution becomes insolvent.

Canadian Investor Protection Fund

There is no assurance that your investment in the Deposit Notes will be eligible for protection under the Canadian Investor Protection Fund.

Special Circumstances (Extraordinary Event)

In certain circumstances, BMO Capital Markets may, as it determines appropriate, (i) adjust the components or variables in calculating the Maturity Payment (ii) defer the timing of the determination of the Closing Price of the Securities or the calculation of the Maturity Payment (iii) change the Securities, or (iv) on the occurrence of an Extraordinary Event, instead of paying the Maturity Payment at Maturity, pay the estimated present value on the occurrence of the Extraordinary Event of such Maturity Payment, that would have been payable at Maturity if the Extraordinary Event had not occurred. See "Special Circumstances" in the Information Statement for a discussion of these circumstances.

No Independent Calculation

Bank of Montreal has no obligation to retain an independent person to make or confirm the determinations and calculations made in respect of the Deposit Notes.

No Ownership of the Index or the Securities

You will have no rights of ownership in the Index or any Securities. The Deposit Notes do not represent a substitute for an investment in the Securities.

Other Important Information

13. Bank of Montreal may amend the terms of the Deposit Notes without your consent after the Deposit Notes have been issued if Bank of Montreal and BMO Capital Markets agree that the amendment would not materially and adversely affect your interests. In all other cases amendments must be approved by the votes of holders representing at least two-thirds of the outstanding Deposit Notes represented at a meeting convened to consider the amendment.
14. If you place an order for Deposit Notes in person or electronically, the agreement to purchase the Deposit Notes will be deemed to have been entered into on the third day after the later of (i) the day your purchase order is received, and (ii) five business days after the postmark date, if the Information Statement is provided to you by mail, or the date the Information Statement is actually received by you, if it is provided other than by mail. If an order to purchase Deposit Notes is received by telephone, the agreement will be deemed to have been entered into at the time your purchase order is received.
15. You may cancel an order to purchase a Deposit Note (or cancel its purchase if the Deposit Note has been issued) by providing instructions to Bank of Montreal through your financial advisor any time up to 48 hours after the later of (i) the day on which the agreement to purchase the Deposit Note is entered into, and (ii) deemed receipt of the Information Statement. You will receive the Information Statement by mail with the trade confirmation.

This is only a summary of the Offering and should be read in conjunction with the Information Statement dated February 15, 2023.

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16. You may request information about the Deposit Notes or a copy of the Information Statement by calling BMO Capital Markets at 1-866-864-7760 to speak to someone in English and 1-866-529-0017 to speak to someone in French. A copy of the Information Statement will be posted at www.bmonotes.com. During the term of the Deposit Notes, you may inquire as to the net asset value of, and the formula for determining variable return under, a Deposit Note by contacting BMO Capital Markets at the above numbers.

This is only a summary of certain terms of the Deposit Notes. You should read the Information Statement for more detailed and complete information on all aspects of the Deposit Notes.

1-866-750-5190

www.bmonotes.com

This is only a summary of the Offering and should be read in conjunction with the Information Statement dated February 15, 2023.