THIRD SUPPLEMENT DATED 13 JUNE 2018 TO THE PROSPECTUS DATED 17 OCTOBER 2017 AS SUPPLEMENTED BY THE FIRST SUPPLEMENT DATED 14 DECEMBER 2017 AND THE SECOND SUPPLEMENT DATED 19 MARCH 2018

BMO Bank of Montreal

BANK OF MONTREAL

(*a Canadian chartered Bank*)

U.S.$21,000,000,000

Global Registered Covered Bond Program

unconditionally and irrevocably guaranteed as to payments of interest and principal by

BMO COVERED BOND GUARANTOR LIMITED PARTNERSHIP

(*a limited partnership established under the laws of the Province of Ontario*)

The Bank of Montreal (the "**Bank**") issued a Prospectus dated 17 October 2017 (as supplemented by the First Supplement to such Prospectus dated 14 December 2017 and the Second Supplement to such Prospectus dated 19 March 2018) (the "**Prospectus**") which is a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU) (the "**Prospectus Directive**"). This third supplement (the "**Third Supplement**") constitutes a supplement in respect of the Prospectus for the purposes of the Prospectus Directive and Section 87G of the Financial Services and Markets Act 2000, and is prepared in connection with the U.S.$21,000,000,000 Global Registered Covered Bond Program established by the Bank (the "**Program**") unconditionally and irrevocably guaranteed as to payments of interest and principal by BMO Covered Bond Guarantor Limited Partnership (the "**Guarantor**").

Terms defined in the Prospectus have the same meaning when used in this Third Supplement. This Third Supplement is supplemental to, and shall be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Bank from time to time.

Each of the Bank and the Guarantor accepts responsibility for the information contained in this Third Supplement. To the best of the knowledge of each of the Bank and the Guarantor (having taken all reasonable care to ensure that such is the case), the information contained in this Third Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THE PROSPECTUS OR THIS THIRD SUPPLEMENT. THE COVERED BONDS ARE NEITHER INSURED NOR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

1. Purpose of the Third Supplement

The purpose of this Third Supplement is (a) to incorporate by reference the Bank's comparative unaudited interim consolidated financial statements and management's discussion and analysis for the three month period ended 30 April 2018, as set out in the Bank's Second Quarter Report 2018, prepared in accordance with International Financial Reporting Standards ("**IFRS**"), (b) to update the "General Information" section of the Prospectus in relation to any significant change in the financial or trading position or material adverse change in the prospects of the Bank and its subsidiaries, each as described in further detail below, (c) to update the Bank's rating disclosure in light of the recent rating changes published by DBRS Limited ("**DBRS**") and (d) to update the "Risk Factors" section of the Prospectus relating to regulations under the Canada Deposit Insurance Corporation Act and the Bank Act (Canada) providing the final details of conversion, issuance and compensation regimes for bail-in instruments issued by domestic systemically important banks, including the Bank (collectively, the "**Bail-In Regulations**").

2. Comparative Unaudited Interim Consolidated Financial Statements and Management's Discussion and Analysis as at and for the Three Month Period Ended 30 April 2018

On 30 May 2018, the Bank published its comparative unaudited interim consolidated financial statements for the three month period ended 30 April 2018 prepared in accordance with IFRS, together with management's discussion and analysis for the three month period ended 30 April 2018, set out on the cover page and pages 1 through 61 of the Bank's Second Quarter Report 2018. The remainder of the Bank's Second Quarter Report 2018 is not incorporated and is either covered elsewhere in the Prospectus or deemed not relevant to investors. A copy of the Bank's Second Quarter Report 2018 has been filed with the Financial Conduct Authority and, by virtue of this Third Supplement, the cover page and pages 1 through 61 of the Bank's Second Quarter Report 2018 are incorporated in, and form part of, the Prospectus for the purposes of Article 5.4 of the Prospectus Directive.

In accordance with Article 4.1 of Regulation (EC) 1060/2009 on Credit Rating Agencies (the "**CRA Regulation**"), please note that the Second Quarter Report 2018 contains references to credit ratings and information on page 33.

3. Update to General Information Section of the Prospectus

There has been no significant change in the financial or trading position of the Bank and its subsidiaries taken as a whole since 30 April 2018, being the date of the latest unaudited interim consolidated financial statements of the Bank for the three month period ended 30 April 2018, and no material adverse change in the prospects of the Bank and its subsidiaries taken as a whole since 31 October 2017, being the date of the latest audited published consolidated financial statements of the Bank.

4. Bank of Montreal Ratings

On 19 April 2018, DBRS revised its outlook on the Bank's long-term issuer ratings, senior debt ratings and deposit ratings to stable from negative. DBRS also downgraded the Bank's legacy subordinated indebtedness by one notch to A (high) from AA (low). These actions result from the publication by the Minister of Finance (Canada) of the final rules related to the Canadian Bail-In Regulations for domestic systemically important banks, including the Bank.

The section on pages 67-68 of the Prospectus titled "Issuer Ratings" shall be deleted in its entirety and replaced with the following:

"**Issuer Ratings**

The following table sets out ratings the Bank has received for its outstanding securities from the rating agencies, which are current to 13 June 2018.

	DBRS		Standard & Poor's Ratings Services		Moody's Investors Service, Inc.		Fitch	
	Rating	**Rank [1]**	**Rating**	**Rank**	**Rating**	**Rank**	**Rating**	**Rank**
Short-term instruments	R-1 (high)	1 of 6	A-1	1 of 6	P-1	1 of 4	F1+	1 of 6
Senior debt	AA	2 of 10	A+	3 of 10	A1	3 of 9	AA-	2 of 10
Subordinated debt	A (high)	3of 10	BBB+	4 of 10	Baa1	4 of 9	A+	3 of 10
Subordinated debt – NVCC[2]	A (low)	3 of 10	BBB	4 of 10	Baa2	4 of 9	N/A	N/A
Preferred shares	Pfd-2 (high)/ Pfd-2[3]	2 of 6	BBB- /BB+[4] P-2(low)/ P-3(high)[4]	3&4 of 9 2&3 of 8	Baa3[5]	4 of 9	N/A	N/A
Trend/Outlook	Stable	-	Stable	-	Negative	-	Stable	-

Notes:

1 Rank, according to each rating agency's public website, refers to the assigned ratings ranking of all major assignable ratings for each debt or share class, 1 being the highest. Each assignable major rating may be modified further (+/-, high/low) to show relative standing within the major rating categories.

2 Non-viability contingent capital or NVCC.

3 DBRS rating on non-cumulative preferred shares is Pfd-2(high) and DBRS rating on NVCC preferred shares is Pfd-2.

4 Standard & Poor's Ratings Services' rating on legacy subordinated debt is BBB+ and NVCC subordinated debt is BBB. Legacy preferred shares are rated BBB- and NVCC preferred shares are rated BB+ on the global preferred share scale and rated P-2(low) and P-3(high), respectively, on the Canadian preferred share scale. It is the practice of Standard & Poor's to present an issuer's preferred share ratings on both the global rating scale and on the Canadian national scale when listing the ratings for a particular issuer.

5 Moody's Investors Service, Inc.'s rating on legacy subordinated debt is Baa1, and rating on NVCC subordinated debt is rated Baa2. Both legacy and NVCC preferred shares are rated Baa3 by Moody's Investors Service, Inc.

See page 9 and Appendix II of the Bank's annual information form dated 5 December 2017, incorporated by reference into this Prospectus for further explanation of the credit ratings referred to above.

DBRS, Standard & Poor's and Fitch have a stable outlook on the ratings of the Bank. Moody's has a negative outlook on the ratings of the Bank in response to the federal government's proposal of a bail-in regime for senior unsecured debt.

The credit ratings that external rating agencies assign to some of the Bank's securities are important in the raising of capital and funding to support its business operations. Maintaining strong credit ratings allows the Bank to access capital markets at competitive pricing. Should the Bank's credit ratings experience a material downgrade, its cost of funds will likely increase significantly and the Bank's access to funding and capital through capital markets could be reduced. A material downgrade of the Bank’s ratings could have other consequences, including those set out in Note 8 of the Bank’s audited consolidated financial statements as at and for the year ended 31 October 2017.

Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor. Credit ratings may not reflect the potential impact of all risks on the value of securities. In addition, real or anticipated changes in the rating assigned to a security will generally affect the market value of that security. There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be revised or withdrawn entirely by a rating agency in the future.

As usual, the Bank paid fees to credit agencies to obtain its credit ratings. The Bank may also pay fees for other services from credit agencies in the ordinary course of business.

None of Fitch Ratings, Inc., Moody’s Investors Service, Inc., DBRS Limited and Standard & Poor's Ratings Services, a Division of S&P Global Canada Corporation is established in the European Union or has applied for registration under the CRA Regulation. The ratings have been endorsed by Fitch Ratings Limited, Moody’s Investors Service Ltd., DBRS Ratings Limited and Standard & Poor’s Credit Market Services Europe Limited, respectively, in accordance with the CRA Regulation. Each of Fitch Ratings Limited, Moody’s Investors Service Ltd., DBRS Ratings Limited and Standard & Poor’s Credit Market Services Europe Limited is established in the European Union and registered under the CRA Regulation. As such, each of Fitch Ratings Limited, Moody’s Investors Service Ltd., DBRS Ratings Limited and Standard & Poor’s Credit Market Services Europe Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation. ESMA has indicated that ratings issued in Canada which have been endorsed by Fitch Ratings Limited, Moody’s Investors Service Ltd, DBRS Ratings Limited and Standard & Poor’s Credit Market Services Europe Limited, respectively, may be used in the European Union by the relevant market participants.”

5. Bank Recapitalization (Bail-In) Regime Risk Factor

The subsection of the “Risk Factors” section of the Prospectus titled “Proposed Bail-in Regulations”, set out on pages 45 to 46, shall be deleted in its entirety and replaced with the following:

“***Bank Recapitalization (Bail-In) Regime***

On 22 June 2016 legislation came into force amending the Bank Act (Canada), the Canada Deposit Insurance Corporation Act (Canada) (the **CDIC Act**) and certain other federal statutes pertaining to banks to create a bank recapitalisation regime (the **Regime**) for domestic systemically important banks (**D-SIBs**), including the Bank. The expressed objectives of the Regime include (i) reducing government and taxpayer exposure in the unlikely event of a failure of a D-SIB and (ii) reducing the likelihood of such a failure by increasing market discipline and reinforcing that bank shareholders and creditors are responsible for the D-SIB’s risks and not taxpayers.

Pursuant to the Regime and under the CDIC Act, in circumstances where the Superintendent of Financial Institutions has determined that the Bank has ceased, or is about to cease, to be viable the Governor in Council may, upon recommendation of the Minister of Finance that he or she is of the opinion that it is in the public interest to do so, grant an order directing CDIC to convert all or a portion of certain shares or liabilities of the Bank into common shares of the Bank or any of its affiliates (a **Bail-in Conversion**).

In connection with Bail-in Conversion powers, the Government of Canada has published regulations under the CDIC Act and the Bank Act (Canada) providing the details of conversion, issuance and compensation regimes for bail-in instruments issued by D-SIBs, including the Bank, namely the Recapitalization (Bail-in) Conversion Regulations, the Bank Recapitalization (Bail-in) Issuance Regulations and the Compensation Regulations (collectively, the **Bail-in Regulations**).

The Bail-in Regulations prescribe the types of shares and liabilities that will be subject to a Bail-in Conversion (**prescribed liabilities**). In general, any senior debt issued after 23 September 2018 with an initial or amended term to maturity (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and has been assigned a CUSIP or ISIN or similar identification number would be prescribed liabilities subject to a Bail-in Conversion. Shares, other than common shares, and subordinated debt would also be prescribed liabilities subject to a Bail-in Conversion, unless they are non-viability contingent capital. However, certain other debt obligations of the Bank such as structured notes (as defined in the Bail-in Regulations), covered bonds (as defined in section 21.5 of the National Housing Act (Canada)), including the Covered Bonds issued by the Bank under this Program, and certain derivatives would not be subject to a Bail-in Conversion. The Regime could adversely affect the Bank's cost of funding."

Copies of the documents incorporated by reference have been filed with the Financial Conduct Authority and, by virtue of this Third Supplement, these documents are incorporated in, and form part of, the Prospectus for the purposes of Article 5.4 of the Prospectus Directive.

6. General Information

To the extent that any document or information incorporated by reference or attached to this Third Supplement itself incorporates any other documents or information by reference therein, either expressly or implicitly, such other documents or information will not form part of this Third Supplement for the purposes of the Prospectus Directive except where such other documents or information are specifically incorporated by reference or attached to this Third Supplement.

To the extent that there is any inconsistency between (a) any statement in this Third Supplement or any statement incorporated by reference into the Prospectus by way of this Third Supplement and (b) any other statement in, or incorporated by reference in, the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Third Supplement and any supplement to the Prospectus previously issued, no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Program has arisen or been noted, as the case may be, since the publication of the Prospectus.

Copies of this Third Supplement, the Prospectus and the documents incorporated by reference in either this Third Supplement or the Prospectus can be (i) viewed on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name of the Bank and the headline "Publication of Prospectus", (ii) viewed on the website of the National Storage Mechanism at www.morningstar.co.uk/uk/NSM and (iii) obtained on written request and without charge from (a) the principal executive offices of the Bank from the Corporate Secretary's Office, 100 King Street West, 1 First Canadian Place, 68th Floor, Toronto, Ontario, Canada M5X 1A1, and (b) from the offices of the Issuing and Paying Agent, The Bank of New York Mellon, London Branch, One Canada Square, 48th Floor, London E14 4AL so long as any of the Covered Bonds issued under the Prospectus and listed on the London Stock Exchange's Regulated Market are outstanding.