

BANK OF MONTREAL /CAN/

Form F-3

May 30, 2014

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As filed with the Securities and Exchange Commission on May 29, 2014

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form F-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

BANK OF MONTREAL

(Exact name of Registrant as specified in its charter)

CANADA

**(State or other jurisdiction of
incorporation or organization)**

13-4941092

(I.R.S. Employer)

Identification No.)

100 King Street West

1 First Canadian Place

Toronto, Ontario

Canada M5X 1A1

(416) 867-6785

(Address and telephone number of Registrant's principal executive offices)

Colleen Hennessy

Bank of Montreal

111 West Monroe Street, P.O. Box 755

Chicago, Illinois 60690

(312) 461-7745

(Name, address and telephone number of agent for service)

Please send copies of all communications to:

Robert E. Buckholz, Esq.

Sullivan & Cromwell LLP

125 Broad Street

New York, New York 10004

(212) 558-4000

Jason R. Lehner, Esq.

Shearman & Sterling LLP

Commerce Court West

Suite 4405, P.O. Box 247

Toronto, Canada M5L 1E8

(416) 360-8484

Approximate date of commencement of proposed sale to the public: At such time or times on or after the effective date of this Registration Statement as the Registrant shall determine.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered/Proposed Maximum Offering Price per Unit/Proposed Maximum Offering Price ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Amount of Registration Fee ⁽¹⁾⁽²⁾
Common Shares, without par value		
Class A Preferred Shares, without par value		
Class B Preferred Shares, without par value		
Senior Debt Securities		
Subordinated Debt Securities		
Total	US\$18,000,000,000	US\$1,956,366.90

(1) Pursuant to Rule 415(a)(6) under the Securities Act, the US\$18,000,000,000 of securities covered by this Registration Statement includes US\$2,810,816,000 aggregate principal amount or offering price of the Registrant's securities (the Unsold Securities) that were previously registered by the Registrant on the Registration Statement on Form F-3 under the Securities Act of 1933, as amended (the Securities Act) (File No. 333-173924) filed on May 4, 2011, as amended by Pre-Effective Amendment No. 1 thereto filed on June 20, 2011. Pursuant to Rule 415(a)(6) under the Securities Act, US\$326,335.74 of filing fees previously paid in connection with the

Unsold Securities will continue to be applied to the Unsold Securities that are being carried forward to this Registration Statement. In accordance with Commission rules, the Registrant may continue to offer and sell the Unsold Securities during the grace period afforded by Rule 415(a)(5). If the Registrant sells any Unsold Securities during the grace period, the Registrant will identify in a pre-effective amendment to this Registration Statement the new amount of Unsold Securities to be carried forward to this Registration Statement in reliance upon Rule 415(a)(6) and any filing fee paid in connection with such Unsold Securities and the amount of any new securities to be registered.

- (2) The proposed maximum offering price per security will be determined from time to time in connection with the issuance of the securities registered hereunder. The maximum aggregate offering price will be such amount in U.S. dollars or the equivalent thereof in foreign currencies as shall result in a maximum offering price for all securities of US\$18,000,000,000 or, if any debt securities are issued at an original issue discount, such greater amount as shall result in aggregate net proceeds of all securities not in excess of US\$18,000,000,000 to the registrant or, if any securities are issued with an offering price payable in a foreign currency, such amount as shall result in an aggregate initial offering price of all securities equivalent to US\$18,000,000,000 at the time of initial offering. This Registration Statement also includes an indeterminate amount of securities of the classes specified above that may be reoffered and resold on an ongoing basis after their initial sale in market-making transactions by affiliates of the registrant. These securities consist of an indeterminate amount of such securities that are initially being registered, and will initially be offered and sold, under this Registration Statement and an indeterminate amount of such securities that were initially registered, and were initially offered and sold, under registration statements previously filed by the registrant. All such market-making reoffers and resales of these securities that are made pursuant to a registration statement after the effectiveness of this Registration Statement are being made solely pursuant to this Registration Statement. Pursuant to Rule 457(q) under the Securities Act, no separate registration fee will be paid with respect to any of such securities that may be reoffered or resold after their initial sale in market-making transactions.
- (3) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933.
- (4) Separate consideration may or may not be received for registered securities that are issuable on exercise, conversion or exchange of other securities.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a) of the Act, may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated May 29, 2014

Common Shares

Class A Preferred Shares

Class B Preferred Shares

Senior Debt Securities

Subordinated Debt Securities

up to an aggregate initial offering price of US\$18,000,000,000

or the equivalent thereof in other currencies.

We may offer from time to time common shares, class A preferred shares, class B preferred shares, senior debt securities or subordinated debt securities. We may offer the securities separately or together, in separate series or classes and in amounts, at prices and on terms described in one or more supplements to this prospectus.

This prospectus provides information about us and describes some of the general terms that may apply to these securities. The specific terms of any securities to be offered, and any other information relating to a specific offering, will be set forth in one or more supplements to this prospectus, which may be filed separately or included in a post-effective amendment to the Registration Statement, or may be set forth in one or more documents incorporated by reference in this prospectus.

We may offer and sell these securities to or through one or more underwriters, dealers or agents, or directly to purchasers, on a continuous or delayed basis. The supplements to this prospectus will provide the specific terms of the plan of distribution. This prospectus may not be used to offer and sell securities unless accompanied by a prospectus supplement.

Our common shares are listed on the New York Stock Exchange and the Toronto Stock Exchange under the trading symbol *BMO*. On May 28, 2014, the last reported sales price of our common shares on the New York Stock Exchange was US\$70.42 per share and the last reported sales price of our common shares on the Toronto Stock Exchange was

CD\$76.62 per share.

You should read this prospectus and any applicable prospectus supplement carefully before you invest in any of our securities.

Investing in these securities involves certain risks. To read about certain factors you should consider before buying any of the Securities, see the *Risk Factors* section on page 7 of this prospectus and in our most recent annual report on Form 40-F, which is incorporated by reference herein, as well as any other reports on Form 6-K that are specifically incorporated by reference herein and, if any, in an applicable prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Prospective investors should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully herein or in any applicable prospectus supplement.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that Bank of Montreal is a Canadian bank, that many of its officers and directors are residents of Canada, that some or all of the underwriters or experts named in the Registration Statement may be residents of Canada, and that all or a substantial portion of the assets of Bank of Montreal and said persons may be located outside the United States.

The senior debt securities and subordinated debt securities will be our unsecured obligations and will not be savings accounts or deposits that are insured by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency or under the Canada Deposit Insurance Corporation Act or any other deposit insurance regime.

We may use this prospectus in the initial sale of any securities. In addition, we or any of our affiliates, including BMO Capital Markets Corp., may use this prospectus in a market-making or other transaction in any security after its initial sale. *Unless we or our agent informs the purchaser otherwise in the confirmation of sale, this prospectus is being used in a market-making transaction.*

This prospectus is dated , 2014

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ABOUT THIS PROSPECTUS**General**

This document is called a prospectus and is part of a registration statement that we filed with the U.S. Securities and Exchange Commission (the *SEC*) using a *shelf* registration or continuous offering process. Under this shelf registration, we may from time to time sell any combination of the common shares, class A preferred shares, class B preferred shares (together with the class A preferred shares, the *preferred shares*), senior debt securities or subordinated debt securities described in this prospectus in one or more offerings, and which we collectively refer to herein as the *securities*. The Registration Statement containing this prospectus, including exhibits to the Registration Statement, provides additional information about us and the securities offered under this prospectus. The Registration Statement can be read at the SEC web site or at the SEC office mentioned under the heading *Where You Can Find More Information*.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities under this shelf registration statement we will provide one or more supplements to this prospectus containing specific information about the terms of the securities being offered. Any such supplements, which we refer to in this prospectus as the *applicable supplements*, may include a discussion of any additional risk factors or other special considerations that apply to those securities and may also add to, update or change the information in this prospectus. The applicable supplements relating to each series of debt securities will be attached to the front of this prospectus. If there is any inconsistency between the information in this prospectus and any applicable supplement, you should rely on the information in the most recent applicable supplement. We urge you to read carefully both this prospectus and any applicable supplement accompanying this prospectus, together with the information incorporated herein and in

any applicable supplement by reference under the heading *Where You Can Find More Information* , before deciding whether to invest in any of the securities being offered.

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We are responsible for the information provided in this prospectus and the applicable supplements, including the information incorporated by reference. We have not authorized anyone to give you any other information or to make any representation different from or in addition to that contained or incorporated by reference in this prospectus and any applicable supplement and take no responsibility for any other information that others may give you. If you are in a jurisdiction where offers to sell, or solicitations of offers to purchase, the securities offered by this prospectus are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this prospectus does not extend to you. The information contained in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies. Therefore, you should not assume that the information contained in this prospectus or applicable supplement is accurate on any date subsequent to the date set forth on the front of the document or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus and any applicable supplement is delivered or securities are sold on a later date.

We may sell securities to underwriters who will sell the securities to the public on terms fixed at the time of sale. In addition, the securities may be sold by us directly or through dealers or agents designated from time to time, some of which may be our affiliates. If we, directly or through dealers or agents, solicit offers to purchase the securities, we reserve the sole right to accept and, together with the applicable dealers or agents, to reject, in whole or in part, any of those offers. An applicable supplement will contain the names of the underwriters, dealers or agents, if any, together with the terms of the offering, the compensation of those persons and the net proceeds to us. Any underwriters, dealers or agents participating in the offering may be deemed to be *underwriters* within the meaning of the United States Securities Act of 1933, as amended (the *Securities Act*). In addition, one or more of our subsidiaries, including BMO Capital Markets Corp., may buy and sell any of the securities after the securities are issued as part of their business as a broker-dealer. Those subsidiaries may use this prospectus and the applicable supplements in those transactions. Any sale by a subsidiary will be made at the prevailing market price at the time of sale. Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus to the *Bank* , *we* , *us* , *our* or similar references mean Bank of Montreal and its consolidated subsidiaries.

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We prepare our consolidated financial statements in accordance with International Financial Reporting Standards (*IFRS*) as issued by the International Accounting Standards Board (the *IASB*), which replaced Canadian generally accepted accounting principles (*GAAP*) for publicly accountable enterprises beginning in 2011. IFRS became effective for the Bank for its interim and annual periods commencing November 1, 2011 (adoption date), and includes the preparation and reporting of one year of comparative figures, including an opening balance sheet as of November 1, 2010 (transition date).

Additionally, we publish our consolidated financial statements in Canadian dollars. In this prospectus and any applicable supplement, currency amounts are stated in Canadian dollars (\$), unless specified otherwise. As indicated in the table below, the Canadian dollar has fluctuated in value compared to the U.S. dollar over time.

The tables below set forth the high and low daily noon exchange rates, the average yearly rate and the rate at period end between Canadian dollars and U.S. dollars (in U.S. dollars per Canadian dollar) for the five-year period ended October 31, 2013 and the high and low daily noon exchange rates for the three months ended January 31, 2014, the three months ended April 30, 2014 and for the period May 1 through May 28, 2014. On May 28, 2014, the noon exchange rate was US\$0.9202 = \$1.00. Our reference to the *noon exchange rate* is the noon exchange rate as reported by the Bank of Canada.

Year Ended October 31	High	Low	Average Rate⁽¹⁾	At Period End
2009	0.9716	0.7692	0.8603	0.9282
2010	1.0039	0.9278	0.9605	0.9815
2011	1.0583	0.9430	1.0164	1.0065
2012	1.0299	0.9536	0.9968	1.0004
2013	1.0164	0.9455	0.9777	0.9589

Additional Periods	High	Low
Three Months Ended January 31, 2014	0.9602	0.8952
Three Months Ended April 30, 2014	0.9172	0.8888
May 1, 2014 through May 28, 2014	0.9213	0.9113

(1) The average of the noon exchange rates on the last business day of each full month during the relevant period.

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Our public communications often include written or oral forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the SEC, or in other communications. All such statements are made pursuant to the *safe harbor* provisions of, and are intended to be forward-looking statements under, the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives and priorities for 2014 and beyond, our strategies or future actions, our targets, expectations for our financial condition or share price, and the results of or outlook for our operations or for the Canadian and U.S. economies.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that our assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic and market conditions in the countries in which we operate; weak, volatile or illiquid capital and/or credit markets; interest rate and currency value fluctuations; changes in monetary, fiscal or economic policy; the degree of competition in the geographic and business areas in which we operate; changes in laws or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance; judicial or regulatory proceedings; the accuracy and completeness of the information we obtain with respect to our customers and counterparties; our ability to execute our strategic plans and to complete and integrate acquisitions; critical accounting estimates and the effect of changes to accounting standards, rules and interpretations on these estimates; operational and infrastructure risks; changes to our credit ratings; general political conditions; global capital markets activities; the possible effects on our business of war or terrorist activities; disease or illness that affects local, national or international economies; natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply; technological changes; and our ability to anticipate and effectively manage risks associated with all of the foregoing factors.

We caution that the foregoing list is not exhaustive of all possible factors. Other factors could adversely affect our results. For more information, please see the discussion in our Annual Report on Form 40-F, which is incorporated by reference herein and which outlines in detail certain key factors that may affect our future results. When relying on forward-looking statements to make decisions with respect to the Bank, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. We do not undertake to update any forward-looking statement, whether written or oral, that may be made, from time to time, by the organization or on its behalf, except as required by law.

The forward-looking information contained or incorporated by reference into this prospectus is presented for the purpose of assisting investors in understanding our operations, prospects, risks and other extreme factors that impact us specifically as of and for the periods ended on the dates presented, as well as certain strategic priorities and objectives, and may not be appropriate for other purposes.

WHERE YOU CAN FIND MORE INFORMATION

In addition to our continuous disclosure obligations under the securities laws of the Provinces and Territories of Canada, we are subject to the information reporting requirements of the United States Securities Exchange Act of 1934, as amended (the *Exchange Act*), and in accordance therewith file or furnish reports and

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other information with the SEC. Under the multijurisdictional disclosure system adopted by the United States, such reports and other information may be prepared in accordance with the disclosure requirements of Canada, which requirements are different from those of the United States. These reports and other information, when filed or furnished by us in accordance with such requirements, can be inspected and copied by you at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. You can get further information about the SEC's Public Reference Room by calling 1-800-SEC-0330. Our filings with the SEC are also available to the public through the SEC's website at www.sec.gov. Our common shares are listed on the New York Stock Exchange, and reports and other information concerning us can be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. Information about us can be located at our website at www.bmo.com. All Internet references in this prospectus are inactive textual references and we do not incorporate website contents into this prospectus.

We have filed with the SEC a registration statement on Form F-3 relating to the securities covered by this prospectus. This prospectus is a part of the Registration Statement and does not contain all the information in the Registration Statement. Whenever a reference is made in this prospectus to a contract or other document of the Bank, the reference is only a summary and you should refer to the exhibits that are a part of the Registration Statement for a copy of the contract or other document. You may review a copy of the Registration Statement at the SEC's public reference room in Washington, D.C., as well as through the SEC's website.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to *incorporate by reference* into this prospectus the information in documents we file with it. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC the information incorporated by reference in this prospectus is considered to be automatically updated and superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. In other words, in the case of a conflict or inconsistency between information contained in this prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded to constitute a part of this prospectus.

We incorporate by reference the documents listed below and all documents which we subsequently file with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with the SEC rules) pursuant to Section 13(a), 13(c), 14, or 15(d) Exchange Act until the termination of the offering of the securities under this prospectus:

Annual Report on Form 40-F for the fiscal year ended October 31, 2013;

Reports on Form 6-K filed on December 3, 2013 (three filings) (Acc-nos: 0001193125-13-460174, 0001193125-13-460185 and 0001193125-13-460589);

Report on Form 6-K filed on December 13, 2013;

Report on Form 6-K filed on December 23, 2013;

Report on Form 6-K filed on January 24, 2014;

Report on Form 6-K filed on January 28, 2014;

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Report on Form 6-K filed on January 30, 2014;

Report on Form 6-K filed on February 7, 2014;

Reports on Form 6-K filed on February 25, 2014 (four filings) (Acc-nos: 0001193125-14-066488, 93125-14-067196, 0001193125-14-067213 and 0001193125-14-067235);

Report on Form 6-K filed on March 7, 2014;

Report on Form 6-K filed on April 1, 2014;

Report on Form 6-K filed on April 10, 2014;

Reports on Form 6-K filed on April 14, 2014 (two filings) (Acc-nos: 0001193125-14-142315 and 0001193125-14-142691);

Report on Form 6-K filed on April 16, 2014;

Report on Form 6-K filed on April 23, 2014;

Report on Form 6-K filed on May 7, 2014 and

Registration Statement on Form 8-A filed on September 26, 1994.

We may also incorporate any other Form 6-K that we submit to the SEC on or after the date of this prospectus and prior to the termination of this offering if the Form 6-K filing specifically states that it is incorporated by reference into the Registration Statement of which this prospectus forms a part.

You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to or telephoning us at the following address:

Bank of Montreal

Corporate Secretary's Department

100 King Street West

1 First Canadian Place

Toronto, Ontario

Canada M5X 1A1

(416) 867-6785

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RISK FACTORS

Investment in these securities is subject to various risks, including those risks inherent in conducting the business of a diversified financial institution. Before deciding whether to invest in any securities, you should consider carefully the risks described in the documents incorporated by reference in this prospectus (including subsequently filed documents incorporated by reference) and, if applicable, those described in the applicable supplements relating to a specific offering of securities. You should consider the categories of risks identified and discussed in the management's discussion and analysis of financial condition and results of operations included in our Annual Report on Form 40-F for the fiscal year ended October 31, 2013, including those summarized under *Caution Regarding Forward-Looking Statements* above.

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BANK OF MONTREAL

Bank of Montreal (*Bank of Montreal* , *BMO* or the *Bank*) started business in Montreal in 1817 and was incorporated in 1821 by an Act of Lower Canada as the first Canadian chartered bank. Since 1871, the Bank has been a chartered bank under the Bank Act (Canada) (the *Bank Act*), and is named in Schedule I of the Bank Act. The Bank Act is the charter of the Bank and governs its operations. The Bank is a registered bank holding company and is a financial holding company under the Bank Holding Company Act of 1956.

The Bank's head office is 129 rue Saint Jacques, Montreal, Quebec, H2Y 1L6. Its executive offices are located at 100 King Street West, 1 First Canadian Place, Toronto, Ontario, M5X 1A1.

Bank of Montreal offers a broad range of products and services directly and through Canadian and non-Canadian subsidiaries, offices and branches. As at October 31, 2013, BMO had more than 12 million customers and approximately 45,500 full-time employees. The Bank also maintained approximately 1,560 bank branches in Canada and the United States and operated internationally in major financial markets and trading areas through our offices in 21 other jurisdictions, including the United States. BMO Financial Corp. (*BFC*) (formerly Harris Financial Corp.), is based in Chicago and wholly-owned by Bank of Montreal. BFC operates primarily through its subsidiary BMO Harris Bank N.A., which provides banking, financing, investing, and cash management services in select markets in the U.S. Midwest. BMO provides a full range of investment dealer services through entities including BMO Nesbitt Burns Inc., a major fully integrated Canadian investment dealer, and BMO Capital Markets Corp., Bank of Montreal's wholly-owned registered securities dealer in the United States.

Bank of Montreal conducts business through three operating groups:

Personal and Commercial (*P&C*) Banking, which comprises Canadian P&C and U.S. P&C. Canadian P&C operates across Canada, offering a broad range of products and services, including banking, lending and treasury management. Operating predominately in the U.S. Midwest under the BMO Harris brand, U.S. P&C offers personal and commercial clients banking, lending, and treasury management products and services;

Wealth Management serves a full range of client segments from mainstream to ultra-high net worth and institutional. It serves them by offering a range of wealth management products and solutions, including insurance products. Wealth Management operates in both Canada and the United States as well as in other global locations.

BMO Capital Markets is a full service North American financial services provider that offers the following services to corporate, institutional, and government clients in Canada, the United States, and select international locations: debt and equity underwriting and research, corporate lending and project financing, mergers and acquisitions, advisory services, securitization and treasury and market risk management.

Corporate Services consists of Corporate Units and Technology and Operations (*T&O*). The Bank's Corporate Units provide enterprise-wide expertise and governance support in a variety of areas, including strategic planning, risk management, finance, legal and compliance, marketing, communications, and human resources. T&O manages, maintains, and provides governance over information technology, operations services, real estate, and sourcing for the Bank.

Certain Matters Relating to the Bank's Board of Directors

Under the Bank Act, the Bank's board of directors must have at least seven members and the Bank's board of directors may establish by by-law a minimum and maximum number of directors. The Bank Act also requires that no more than two-thirds of the directors may be affiliated with the Bank, as specified by the Bank Act, and no more than 15% of the directors may be employees of the Bank or a subsidiary of the Bank, except that up to four of these employees may be directors if they constitute not more than 50% of the directors. Subject to the foregoing residency requirements, a majority of directors shall constitute a quorum at any meeting of the board of directors. Under the Bank Act, a majority of the directors of the Bank must be resident Canadians and, except in

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limited circumstances, directors may not transact business at a meeting of directors at which a majority of the directors present are not resident Canadians. The Bank Act also requires the directors of a bank to appoint from their members a chief executive officer who must ordinarily be resident in Canada. Under the Bank's by-laws, the minimum number of directors is seven and the maximum number of directors is 40. The Bank's by-laws provide that the number of directors to be elected at any annual meeting of shareholders of the Bank will be fixed by the board of directors before the meeting. Directors may be elected to terms of one, two or three years. The Bank currently has 13 directors.

Under the Bank Act, any director or the entire board of directors may be removed with the approval of a majority of the votes cast at a special meeting of shareholders. A vacancy created by such removal may be filled at the meeting or by a quorum of the directors. Bank policies stipulate that a director shall not stand for re-election at the first annual meeting after reaching the age of 70, and, in addition, directors are subject to maximum term limits of 15 years for new directors (elected after January 1, 2010), except a director serving as chairman, who is subject to a maximum term limit of 20 years.

Conflicts of Interest

The Bank Act contains detailed provisions with regard to a director's power to vote on a material proposal, arrangement or contract in which the director is interested. These provisions include procedures for: disclosure of the conflict of interest and the timing for such disclosure; the presence of directors at board meetings where the proposal, arrangement or contract giving rise to the conflict of interest is being considered, and voting with respect to the proposal, arrangement or contract giving rise to the conflict of interest; and other provisions for dealing with such conflicts of interest. The Bank Act also contains detailed provisions regarding transactions with persons who are related parties of the Bank, including directors of the Bank. See *Borrowing Powers*.

Compensation

The by-laws of the Bank have provisions with regard to the general remuneration of directors. The board of directors may, from time to time, by resolution determine their remuneration that may be paid, but such remuneration may not exceed in each year an aggregate cap set out in the by-laws, and individually may be in such amounts as the board may determine by resolution. In addition, the directors may be paid their reasonable out-of-pocket expenses incurred in attending meetings of the board, shareholders or committees of the board or otherwise in the performance of their duties.

Directors are required to hold at least eight times the cash retainer portion of their annual retainer fee in either common shares or deferred share units (*Deferred Share Units*) under the Bank's Deferred Share Unit Plan for Non-employee Directors and until this level is obtained, directors must take 100% of their annual retainer in the form of either common shares (which are purchased on the open market) or Deferred Share Units. Once this threshold has been reached, directors receive a minimum of \$100,000 of their \$175,000 annual retainer fee in common shares (which are purchased on the open market) or in Deferred Share Units. A Deferred Share Unit is an amount owed by the Bank to directors having the same value as one common share, but is not paid out (in cash or in common shares purchased on the open market) until such time as the director leaves the board, thereby providing an ongoing equity stake in the Bank throughout the director's period of board service. Directors have the option to receive up to 100% of their annual retainer and meeting fees in this manner. Only non-employee directors can receive Deferred Share Units.

Borrowing Powers

The directors of the Bank may, without authorization of the shareholders, authorize the Bank to borrow money. The Bank Act, however, prohibits the Bank from entering into transactions with persons who are deemed to be related

parties of the Bank, subject to certain exceptions. Related party transactions may include loans made on the credit of the Bank. In addition, the by-laws of the Bank may be amended, as described in *Description of Common Shares and Preferred Shares Amendments to the Rights, Privileges, Restrictions and Conditions of the Bank's Share Capital*, to vary the borrowing authority of directors in this regard.

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Additional Regulatory Capital Restrictions

Bail-in Regime

In Canada's federal budget released on March 21, 2013, the Canadian government announced a proposal to implement a bail-in regime for domestic systemically important banks such as the Bank, which would be consistent with key international standards such as the Financial Stability Board's Key attributes of Effective Resolution Regimes for Financial Institutions and would work alongside the existing regulatory capital regime. The details of Canada's bail in regime are not yet clear as the government first intends to consult stakeholders on how best to implement the regime. As a result, there is no clarity as to the scope of the Bank's liabilities that may be subject to the regime when implemented, including whether there will be any grandfathering provisions in respect of any outstanding liabilities of a bank issued prior to the regime's implementation.

Table of Contents**CONSOLIDATED CAPITALIZATION OF THE BANK**

The following table sets forth the consolidated capitalization of the Bank at April 30, 2014.

	As at April 30, 2014 (In millions of Canadian dollars)
Subordinated Debt	3,965
Preferred Share Liabilities⁽¹⁾	493
Shareholders' Equity	
Preferred Shares ⁽²⁾	2,115
Common Shares	12,071
Contributed Surplus	313
Retained Earnings	16,162
Accumulated Other Comprehensive Loss	1,100
Total Shareholders' Equity	31,761
Non-Controlling Interest in Subsidiaries	1,071
Total Equity	32,832
Total Capitalization	\$ 37,290

- (1) Preferred Shares classified under Liabilities consist of Class B Preferred Shares Series 27. For more information on the classification of Preferred Share Liabilities, please refer to Note 11 of the unaudited interim consolidated financial statements of the Bank for the quarter ended April 30, 2014 incorporated by reference in this prospectus.
- (2) Preferred Shares classified under Shareholders' Equity consist of Class B Preferred Shares Series 13, 14, 15, 16, 17, 18, 21, 23 and 25. For more information on the classification of Preferred Shares, please refer to Note 20 of the audited consolidated financial statements of the Bank for the year ended October 31, 2013 incorporated by reference in this prospectus and Note 11 of the unaudited interim consolidated financial statements of the Bank for the quarter ended April 30, 2014 incorporated by reference in this prospectus.

Table of Contents**CONSOLIDATED EARNINGS RATIOS**

The following table provides the Bank's consolidated ratios of earnings to fixed charges and ratios of earnings to combined fixed charges and preferred share dividends, calculated in accordance with Part V of Canadian GAAP for each of the years in the two year period ended October 31, 2010 and in accordance with IFRS for the six month period ended April 30, 2014 and each of the years in the three year period ended October 31, 2013.

	Years Ended October 31,					Six months Ended April 30,
	2013 ⁽¹⁾	2012 ⁽¹⁾	2011 ⁽¹⁾	2010 ⁽²⁾	2009 ⁽²⁾	2014 ⁽¹⁾
Consolidated Ratios of Earnings to Fixed Charges						
Excluding interest on deposits	3.52	3.07	2.49	4.56	2.90	3.97
Including interest on deposits	2.07	1.96	1.72	2.06	1.40	2.17
Consolidated Ratios of Earnings to Combined Fixed Charges and Preferred Dividends						
Excluding interest on deposits	3.28	2.86	2.32	3.90	2.58	3.69
Including interest on deposits	2.01	1.90	1.67	1.96	1.37	2.10

(1) Calculated in accordance with IFRS.

(2) Calculated in accordance with Part V of Canadian GAAP.

For purposes of computing these ratios:

earnings represent income from continuing operations plus income taxes and fixed charges (excluding capitalized interest);

fixed charges, excluding interest on deposits, represent interest (including capitalized interest), estimated interest within rent, and amortization of debt issuance costs; and

fixed charges, including interest on deposits, represent all interest.

Table of Contents**COMPARATIVE PER SHARE MARKET PRICE**

The Bank's common shares are listed on the Toronto Stock Exchange (the *TSX*) and the New York Stock Exchange (the *NYSE*) under the trading symbol *BMO*.

The table below sets forth, for the periods indicated, the per share high and low closing sales prices for the Bank's common shares as reported on the NYSE and the TSX. TSX closing prices of the Bank's common shares are presented in Canadian dollars, and the NYSE closing prices of the Bank's common shares are presented in U.S. dollars.

	BMO shares TSX (in C\$)		BMO shares NYSE (in US\$)	
	High	Low	High	Low
Annual information for the past fiscal years				
2009	54.55	24.51	51.25	19.51
2010	65.41	49.95	65.30	46.52
2011	63.67	55.67	66.29	53.85
2012	61.08	53.48	60.84	51.41
2013	73.90	57.08	70.66	56.54
Quarterly information for the past two fiscal years and subsequent quarters:				
2012, quarter ended				
January 31	61.08	54.52	60.60	52.65
April 30	59.63	57.06	60.09	57.06
July 31	58.34	53.48	59.13	51.41
October 31	59.74	56.82	60.84	56.47
2013, quarter ended				
January 31	64.53	57.08	64.52	56.98
April 30	 			