This pricing supplement and the short form base shelf prospectus dated March 18, 2011 to which it relates, as amended or supplemented (the "Base Shelf Prospectus"), and each document incorporated by reference into the Base Shelf Prospectus, constitutes a public offering of securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The Notes to be offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and, except as stated under "Plan of Distribution", may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act).

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

Pricing Supplement No. 32 dated April 25, 2012
(to the short form base shelf prospectus dated March 18, 2011)

BMO Bank of Montreal

Bank of Montreal Canadian Enhanced Buffer Principal At Risk Notes, BHPB Series 11, Due December 1, 2014

(Unsecured)

This pricing supplement qualifies the distribution of Bank of Montreal Canadian Enhanced Buffer Principal At Risk Notes, BHPB Series 11 (the "**Notes**") issued by Bank of Montreal (the "**Bank**") and scheduled to mature on December 1, 2014 ("**Maturity**" or "**Maturity Date**"). The objective of the Notes is to generate an enhanced return based on growth in the Canadian equity markets with partial downside protection provided by a "buffer" against a 15% decline in the price return of the Reference Index. As such, the Notes may be suitable for investors with a neutral to slightly bullish view of Canadian equity markets over the next two and a half years.

The return on the Notes will be based on the performance of the price return version of the S&P/TSX 60 Index (the "**Reference Index**") during the two and half year term. The Reference Index is a large-cap index comprising 60 actively traded Canadian companies. Launched in December 1998, the Reference Index is market cap weighted, representing approximately 73% of Canada's equity market capitalization. The Reference Index also represents the Canadian component of the S&P Global 1200 Index. The Reference Index and the return on the Notes will not reflect the value of any dividends or distributions declared on any of the constituent securities comprising the Reference Index.

At Maturity, a holder of Notes (a "**Holder**") will be entitled to receive payment based on the performance of the Reference Index where: (i) if the Index Return is positive, a Holder will receive his, her or its original $100 principal investment in the Notes plus ***1.4 times*** any positive appreciation of the Reference Index, subject to a Cap Level of 132% (or a cumulative Index Return of 22.86% over the term of the Notes), which means that the Maximum Payment Amount will be $132 per Note (or a 32% return on the Notes); (ii) if the Index Return is negative by 15% or less (*i.e.,* within the Protection Buffer), a Holder will be repaid his, her or its entire $100 principal investment in the Notes; and (iii) if the Index Return is negative by more than 15% (*i.e.*, beyond the Protection Buffer), a Holder will receive his, her or its original principal investment reduced by any incremental decline in the Reference Index beyond the Protection Buffer. The "**Index Return**" will be the percentage change in the Closing Level of the Reference Index measured from the Issue Date to the Valuation Date. No interest or other payment will be payable during the term of the Notes.

The Notes are denominated in Canadian dollars and the Bank will pay all amounts on the Notes in Canadian dollars. See "Description of the Notes" for additional details and examples on the calculation of payments at Maturity. In certain special circumstances, it may be necessary to substitute the Reference Index with a successor index or adjust the calculation and timing for payments under the Notes. See "Special Circumstances".

Amounts paid to Holders will depend on the price performance of the Reference Index. Bank of Montreal does not guarantee that Holders will receive an amount equal to their original investment in the Notes beyond the Protection Buffer and does not guarantee that any return will be paid on the Notes. Since the Notes are not fully protected and the Principal Amount will be at risk, it is possible that Holders could lose up to 85% of their original investment in the Notes. See "Additional Risk Factors Specific to the Notes".

An investment in the Notes does not represent a direct or indirect investment in the Reference Index nor does it constitute an investment in any of the constituent securities that comprise the Reference Index. Holders of Notes do not have an ownership interest or other interest (including, without limitation, voting rights or rights to receive dividends or distributions) in any of the constituent securities comprising the Reference Index. Holders of Notes only have a right against the Bank to be paid any amounts due under the Notes.

Price: $100.00 Per Note

Minimum Subscription: $100,000 (1,000 Notes)

	Price	Offering Expenses(2)	Proceeds to the Bank
Per Note...	$100.00	Nil	$100.00
Total(1)...	$25,000,000	Nil	$25,000,000

(1) Reflects the maximum offering size. The Bank reserves the right to change the maximum offering size in its sole and absolute discretion.

(2) There is no selling concession fee for the Notes. A fee of $0.20 per Note will be payable by the Bank to HSBC Securities (Canada) Inc. at closing for acting as agent.

This pricing supplement has been prepared for the sole purpose of assisting prospective investors in making an investment decision with respect to the Notes offered hereby, and does not relate to the Reference Index, the Index Sponsor, any of the constituent securities comprising the Reference Index or any issuers of such constituent securities. Information contained in this pricing supplement relating to the Reference Index has been derived from and based solely upon publicly available information. None of the Bank, BMO Nesbitt Burns Inc. ("**BMO Capital Markets**"), HSBC Securities (Canada) Inc., or any of their respective affiliates or associates, including BMO Harris Investment Management Inc., makes any assurances, representations or warranties with respect to, nor assumes any responsibility for, the accuracy, reliability or completeness of such information, or accepts responsibility for the provision of any future information in respect of the Reference Index, the Index Sponsor, any of the constituent securities comprising the Reference Index or any issuers of such constituent securities, nor has any obligation to update such information up to or after the Issue Date. Investors shall have no recourse against the Bank, the Dealers or any of their respective affiliates or associates, including BMO Harris Investment Management Inc., in connection with any information relating to the Index Sponsor, the Reference Index, any of the constituent securities comprising the Reference Index or any issuers of such constituent securities, whether contained in this pricing supplement or elsewhere. None of the Index Sponsor or such issuers have participated in the preparation of this pricing supplement and the Notes are not in any way sponsored, endorsed, sold or promoted by any of them. See "Description of the Notes" and "S&P/TSX 60 Index".

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

BMO Nesbitt Burns Inc. and HSBC Securities (Canada) Inc., as agents of the Bank (the "**Dealers**"), have agreed to solicit offers to purchase the Notes, on a reasonable best efforts basis, if, as and when such Notes are issued by the Bank pursuant to the terms and conditions contained in the Dealer Agreement and subject to the approval of certain legal matters by Torys LLP, as counsel to the Bank and Stikeman Elliott LLP, as counsel to the Dealers. The Notes will be offered at a price of $100.00 per Note. The Dealers will not be entitled to receive any upfront fee for the Notes. While the Dealers have agreed to use their reasonable best efforts to sell the Notes offered hereby, they will not be obligated to purchase the Notes which are not sold. A fee of $0.20 per Note will be payable by the Bank to HSBC Securities (Canada) Inc. at closing for acting as agent.

BMO Nesbitt Burns Inc., one of the Dealers, is a wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited which is, in turn, an indirect majority-owned subsidiary of the Bank. **As a result, the Bank is a "related issuer" of BMO Nesbitt Burns Inc. for the purposes of National Instrument 33-105 - Underwriting Conflicts.** See "Plan of Distribution".

The closing of this offering (the "**Offering**") is scheduled to occur on or about May 30, 2012 or on such other date as the Bank and the Dealers may agree. Subscriptions for the Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without prior notice to investors. Funds in respect of all subscriptions shall be payable at the time of subscription. Subscriptions for the Notes will be made through FundSERV's transaction processing system under the order code "JHN1702", which will result in funds being accumulated in a non-interest bearing account of BMO Capital Markets pending execution of all documents required for the Offering and satisfaction of closing conditions. If for any reason the closing of this Offering does not occur, all subscription funds will be returned to subscribers without interest or deduction.

The Notes are not a suitable investment for a prospective purchaser who requires a guaranteed return or who cannot withstand a loss of a substantial portion of their investment. There can be no assurance that the Notes will generate positive returns or avoid losses for Holders. Holders will not receive any dividends or any other distributions that they might otherwise receive if they directly owned the constituent securities of the Reference Index and Holders could lose up to 85% of their principal investment in the Notes if the Reference Index declines beyond the Protection Buffer. Prospective purchasers should also take into account additional risk factors associated with this Offering. See "Suitability for Investment" and "Additional Risk Factors Specific to the Notes".

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

"BMO (M-bar roundel symbol)", "BMO" and "BMO Capital Markets" are registered trade-marks of the Bank used under license. "Nesbitt Burns" is a registered trade-mark of BMO Nesbitt Burns Corporation Limited used under license.

"Standard & Poor's®" and "S&P®" are registered trade-marks of Standard & Poor's ("S&P"). "TSX" is a trade-mark of the Toronto Stock Exchange ("TSX"). These marks have been licensed for use by Bank of Montreal and its affiliates. The Notes are not sponsored, endorsed, sold or promoted by S&P or the TSX. S&P and the TSX make no representation, condition or warranty, express or implied, to the holders of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly or the ability of the Reference Index to track general stock market performance or any other economic factors.

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PROSPECTUS FOR NOTES

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

DOCUMENTS INCORPORATED BY REFERENCE

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

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

(a) the Bank's Annual Information Form dated December 6, 2011;

(b) the Bank's audited consolidated financial statements as at and for the year ended October 31, 2011 with comparative consolidated financial statements as at and for the year ended October 31, 2010, together with the auditors' report thereon and the auditors' report on internal control over financial reporting under Standards of the Public Company Accounting Oversight Board (United States);

(c) the Bank's Management's Discussion and Analysis for the year ended October 31, 2011;

(d) the Bank's unaudited consolidated interim financial statements as at and for the three months ended January 31, 2012;

(e) the Bank's Management's Discussion and Analysis for the three months ended January 31, 2012;

(f) the Bank's Management Proxy Circular dated January 31, 2012 in connection with the annual meeting of shareholders of the Bank held on March 20, 2012; and

(g) the Bank's Business Acquisition Report dated July 22, 2011 in connection with the acquisition by the Bank of Marshall & Ilsley Corporation.

Any statement contained in the Base Shelf Prospectus, this pricing supplement or in a document incorporated or deemed to be incorporated by reference herein or in the Base Shelf Prospectus for the purposes of the Offering shall be deemed to be modified or superseded for purposes of this pricing supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or in the Base Shelf Prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement nor include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this pricing supplement.

FORWARD-LOOKING STATEMENTS

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

INFORMATION RELATING TO THE NOTES

This pricing supplement has been prepared for the sole purpose of assisting prospective investors in making an investment decision with respect to the Notes. This pricing supplement relates only to the Notes offered hereby and does not relate to the Reference Index, the Index Sponsor, any of the constituent securities comprising the Reference Index or any issuers of such constituent securities. The Bank has taken reasonable care to ensure that the facts stated in this pricing supplement with respect to the Notes are true and accurate in all material respects. All information contained in this pricing supplement regarding the Reference Index is derived from and based solely upon publicly available information. In addition, certain information contained in this pricing supplement was obtained from public sources. None of the Bank, the Dealers or any of their respective affiliates or associates, including BMO Harris Investment Management Inc., makes any assurances, representations or warranties with respect to, nor assumes any responsibility for, the accuracy, reliability or completeness of such information, or accepts responsibility for the provision of any future information in respect of the Reference Index, the Index Sponsor, any constituent securities comprising the Reference Index or any issuers of such constituent securities, nor has any obligation to update such information up to or after the Issue Date.

Information about the Reference Index can be found at *www.standardandpoors.com/home/en/us* or other publicly available sources. During the term of the Notes, Holders may inquire about the Bid Price of the Notes and the method for determining the Maturity Payment Amount by contacting your local BMO Harris Investment Management Inc. Investment Counsellor at 1-800-844-6442, or 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.

SUITABILITY FOR INVESTMENT

An investment in the Notes is suitable only for investors prepared to assume risks associated with equity investing. There is no guarantee that Holders’ original principal investment will be protected under the Notes, other than $15.00 per Note (the “**Minimum Payment Amount**”). A person should only reach a decision to invest in the Notes after carefully considering, with his, her or its advisors, the suitability of this investment in light of his, her or its investment objectives and the information set out in this pricing supplement. The Notes differ from conventional debt and fixed income investments because they do not guarantee Holders a return or reliable income stream prior to Maturity and the return at Maturity is not calculated by reference to a fixed or floating rate of interest that is determined prior to Maturity. **It is possible that the Reference Index will not increase relative to the Initial Index Level, and that the Final Index Level could be more than 15% lower than the Initial Index Level, in which case Holders could lose up to 85% of their principal investment in the Notes.** Accordingly, the Notes may not be suitable investments for investors requiring or expecting certainty of yield or guaranteed principal repayment at maturity or otherwise. There is no assurance that the Notes will be able to meet the investment objectives or avoid losses to Holders. Investors could lose a substantial portion of their original investment in the Notes. Prospective purchasers should take into account additional risk factors associated with this Offering. See “Additional Risk Factors Specific to the Notes”. Neither the Bank nor the Dealers makes any recommendation concerning the Notes or the suitability of investing in securities generally. Prospective investors should make a decision to invest in the Notes after carefully considering, with their advisors, the suitability of an investment in the Notes in light of their objectives and the information in the prospectus.

ELIGIBILITY FOR INVESTMENT

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

SUMMARY OF THE OFFERING

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

Issue: Bank of Montreal Canadian Enhanced Buffer Principal At Risk Notes, BHPB Series 11, Due December 1, 2014.

Issuer: Bank of Montreal.

Subscription Price: $100.00 per Note.

Minimum Subscription: A Holder must invest a minimum of $100,000 (1,000 Notes). The Bank reserves the right to change the minimum subscription amount in its sole and absolute discretion**.**

Issue Size: The maximum issue size for the Notes will be $25,000,000. The Bank reserves the right to change the maximum issue size in its sole and absolute discretion**.**

Issue Date: The Notes will be issued on or about May 30, 2012.

Maturity Date: The Notes will mature on December 1, 2014 ("**Maturity**" or "**Maturity Date**"). The term to Maturity is approximately two and a half years. The Notes are not redeemable at the option of a Holder. The Notes are not redeemable by the Bank prior to the Maturity Date; however, an Early Payment Amount may be made on the occurrence of an Extraordinary Event.

Objective of the Notes: The objective of the Notes is to generate an enhanced return based on growth in the Canadian equity markets with partial downside protection provided by a "buffer" against a 15% decline in the price return of the Reference Index. As such, the Notes may be suitable for investors with a neutral to slightly bullish view of Canadian equity markets over the next two and a half years.

Reference Index: The price return version of the S&P/TSX 60 Index (the "**Reference Index**") is a large-cap index comprising 60 actively traded Canadian companies. Launched in December 1998, the Reference Index is market cap weighted, representing approximately 73% of Canada's equity market capitalization. The Reference Index also represents the Canadian component of the S&P Global 1200 Index. The return on the Notes will be calculated using the price return version of the Reference Index, which does not reflect the value of any dividends or distributions declared on any of the constituent securities comprising the Reference Index.

The Reference Index is maintained by the S&P/TSX Canadian Index Committee, whose members include representatives from both S&P and the Toronto Stock Exchange ("**TSX**"). It follows a set of published guidelines and policies that provide the transparent methodologies used to maintain the index.

An investment in the Notes does not represent a direct or indirect investment in any of the constituent securities that comprise the Reference Index. The Notes are not sponsored, endorsed, sold or promoted by S&P or the TSX, and neither such party makes any representation, warranty or condition regarding the advisability of investing in the Notes.

Upside Participation: 140% where the Index Return is positive.

Cap Level: 132%, which is equivalent to a cumulative Index Return of 22.86% over the term of the Notes in order to receive the Maximum Payment Amount of $132.00 per Note.

Protection Buffer: 15%, resulting in full principal protection against a decline in the price return of the Reference Index up to 15% from the Initial Index Level and a minimum payment of $15.00 per Note at Maturity (the "**Minimum Payment Amount**").

Payment at Maturity: At Maturity, a Holder of Notes will be entitled to receive payment based on the performance of the Reference Index. The "**Index Return**" will be the percentage change in the Closing Level of the Reference Index measured from the Issue Date to the Valuation Date and calculated using the following formula:

$$\frac{\textbf{Final Index Level - Initial Index Level}}{\textbf{Initial Index Level}}$$

A Holder of Notes will receive payment at Maturity of an amount per Note (the "**Maturity Payment Amount**") determined as follows:

(i) If the Index Return is positive, a Holder will receive its original $100.00 Principal Amount *plus* 1.4 times any positive appreciation of the Reference Index, subject to a Cap Level of 132% (or a cumulative Index Return of 22.86% over the term of the Notes), which means that the maximum total payment will be $132.00 per Note (the "**Maximum Payment Amount**").

In this case, the Maturity Payment Amount will be calculated using the following formula (rounded to two decimal places) up to the Maximum Payment Amount:

$100 + [$100 x (Index Return x 1.4)]

(ii) If the Index Return is negative by 15% or less over the term of the Notes (*i.e.*, within the Protection Buffer), a Holder will receive a payment at Maturity equal to its $100.00 original Principal Amount invested in the Notes.

(iii) If the Index Return is negative by more than 15% over the term of the Notes (*i.e.*, beyond the Protection Buffer), the Holder will receive a payment at Maturity that is less than the original $100.00 Principal Amount invested in the Notes, as the Principal Amount will be reduced by 1% for each 1% decline in the Reference Index beyond the Protection Buffer. In this case, the Maturity Payment Amount will be calculated using the following formula (rounded to two decimal places):

$100 + [$100 x (Index Return + 15%)]

The Minimum Payment Amount that a Holder may receive at Maturity will be $15.00 per Note.

While a Holder's original investment will be fully protected against declines in the Reference Index within the Protection Buffer, it is possible for Holders to lose up to 85% of the initial value of their investment in the Notes (or up to $85.00 for each $100.00 Note). The calculation and timing of the payments at Maturity may be adjusted upon the occurrence of certain special circumstances. See "Special Circumstances".

No Payments Until Maturity: No interest or any other payment will be payable by the Bank during the term of the Notes.

Dealers: BMO Nesbitt Burns Inc. and HSBC Securities (Canada) Inc.

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

Secondary Market:

The Notes will not be listed on any exchange or marketplace. BMO Capital Markets will use reasonable efforts under normal market conditions to provide a secondary market for the purchase of the Notes through the order entry system operated by FundSERV but reserves the right to elect not to do so in the future, in its sole and absolute discretion, without prior notice to Holders. The sale of Notes using the FundSERV network carries certain restrictions, including selling procedures that require an irrevocable sale order to be initiated at a price that will not be known prior to placing such sale order. See “Description of the Notes — FundSERV — Sale of FundSERV Notes” in the Base Shelf Prospectus. See “Secondary Market” for factors affecting the Bid Price for the Notes.

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

If a Note is sold within the first 180 days after the Issue Date, the posted Bid Price will be reduced by an early trading charge (“**Early Trading Charge**”) equal to a percentage of the Subscription Price determined as set out below:

If Sold During	Early Trading Charge
First 180 days after Issue Date	1.00%
Thereafter	nil

A Holder will not be able to redeem or sell a Note prior to Maturity other than through a secondary market, if any, provided by BMO Capital Markets. BMO Capital Markets may suspend the secondary market at any time in its sole discretion. The Calculation Agent may suspend the determination of the Bid Price during the existence of any state of affairs that makes the determination of the Bid Price impossible, impractical or prejudicial to Holders, including, without limitation, the interruption, breakdown or suspension of the Reference Index. In the event the Bid Price is not available, the secondary market may be suspended by BMO Capital Markets as it will not be able to fairly and accurately determine the price of the Notes. No other secondary market for the Notes will be available.

Holders choosing to sell their Notes prior to the Maturity Date will receive an amount which (i) may be substantially less than the Subscription Price, and (ii) may not necessarily reflect the performance of the Reference Index up to the date of such sale. A Holder should be aware that any valuation price for the Notes appearing in his, her or its periodic investment account statements, as well as any Bid Price quoted to the Holder to sell his, her or its Notes, within the first 180 days from the Issue Date, will be before the application of any applicable Early Trading Charge. See “Secondary Market — Early Trading Charge” and “Additional Risk Factors Specific to the Notes — General Risks Relating to Principal At Risk Notes — Secondary Trading of the Notes”.

A Holder should consult his, her or its investment advisor as to whether it would be more favourable in the circumstances at any time to sell the Notes (assuming the availability of a secondary market) or hold the Notes until the Maturity Date. A Holder should also consult his, her or its tax advisor as to the tax consequences arising from a sale of a Note prior to the Maturity Date as compared to holding the Note until the Maturity Date. See “Certain Canadian Federal Income Tax Considerations”.

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

Special Circumstances:	If a Market Disruption Event occurs on the Valuation Date, the calculations, valuations or determinations to be made on the Valuation Date may be postponed. Fluctuations in the Closing Level may occur in the interim. If a Market Disruption Event occurs and continues for at least eight consecutive Exchange Days or there is a Material Index Change and no alternative source or replacement index is available, then the Bank may elect to make an accelerated payment to Holders prior to the Maturity Date. In certain circumstances, the Bank may appoint an independent calculation expert to confirm calculations, valuations or determinations of the Calculation Agent. See "Special Circumstances" and "Appointment of Independent Calculation Experts".
Use of Proceeds:	The Bank will use the net proceeds of the Offering for general banking purposes. The Bank and/or its affiliates may use all or any portion of the proceeds in transactions intended to hedge the Bank's obligations under the Notes, including forward and option contracts. The Bank may benefit from any difference between the amount it is obligated to pay under the Notes, net of related fees and expenses, and the returns it may generate in hedging such obligation.
Rank:	The Notes will constitute direct, unconditional obligations of the Bank to the extent the Bank is obligated to make payments to Holders under the Notes. The Notes will be issued on an unsecured and unsubordinated basis and will rank equally, as among themselves, and with all other outstanding direct, unsecured and unsubordinated, present and future obligations (except as otherwise prescribed by law) of the Bank, and will be payable ratably without any preference or priority. **The Notes will not be deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution.** See "Description of the Notes — Rank; No Deposit Insurance".
Book-Entry Only System:	Book-entry only through CDS. See "Description of the Notes — Form of Notes and Transfer" in the Base Shelf Prospectus.
Credit Rating:	**The Notes have not been and will not be rated.** As at the date of this pricing supplement, the deposit liabilities of the Bank with a term to maturity of more than one year were rated AA by DBRS, A+ by S&P and Aa2 by Moody's. There can be no assurance that, if the Notes were specifically rated by these rating agencies, they would have the same rating as the other unsubordinated indebtedness of the Bank. **A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.** See "Description of the Notes — Credit Rating".
FundSERV:	Notes may be purchased through the order system of FundSERV. The FundSERV entry code for the Notes is "JHN1702". See "Additional Details of the Offering" in this pricing supplement, and "Description of the Notes — FundSERV" in the Base Shelf Prospectus.
Eligibility:	In the opinion of Torys LLP, counsel to the Bank, the Notes offered hereby will, at the date of issue, be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, tax-free savings accounts and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by the Bank or by an employer with which the Bank does not deal at arm's length within the meaning of the Tax Act).
Certain Canadian Federal Income Tax Considerations:	This income tax summary applies to an Initial Holder who is resident in Canada and is subject to the limitations and qualifications set out under the heading "Certain Canadian Federal Income Tax Considerations" in the body of this pricing supplement. In the opinion of Torys LLP, counsel to the Bank, an Initial Holder who holds a Note at the Maturity Date (or Early Payment Date) will be required to include in income for the taxation year which includes the Maturity Date (or Early Payment Date), the amount, if any, by which the Maturity Payment Amount (or Early Payment Amount) exceeds the Principal Amount. Generally, based in part on counsel's understanding of the CRA's administrative practice, an Initial Holder should not have to report any amount in respect of the Notes in the Initial Holder's tax return for any taxation

year ending before the year in which the Notes mature, provided that an Extraordinary Event Notification Date has not arisen. However, counsel understands that the CRA is currently reviewing its administrative practice in relation to the relevance of a secondary market for debt obligations such as the Notes in determining whether there is a deemed accrual of interest on such debt obligations. At the Maturity Date (or Early Payment Date) an Initial Holder will be considered to have disposed of the Note and therefore may realize a capital loss to the extent the Subscription Price exceeds the Maturity Payment Amount (or Early Payment Amount).

While the matter is not free from doubt, a disposition or deemed disposition of a Note, other than to the Bank, prior to the Valuation Date and prior to an Extraordinary Event Notification Date by an Initial Holder should give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are less than) the aggregate of the Initial Holder's adjusted cost base of the Note and any reasonable costs of disposition. An Initial Holder who disposes of a Note prior to Maturity should consult his, her or its tax advisor with respect to his, her or its particular circumstances. See "Certain Canadian Federal Income Tax Considerations".

Additional Risk Factors Specific to the Notes:

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

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

- an investment in the Notes is uncertain and Holders could lose a substantial portion of their original investment in the Notes;
- there is no assurance of a secondary market and any such secondary market may be illiquid or offer prices that may not reflect the performance of the Reference Index;
- special circumstances could adversely affect the Valuation Date and/or the Reference Index and/or calculations of amounts paid to Holders;
- subsidiaries of the Bank (including BMO Capital Markets) and the Dealers have published, and in the future expect to publish, research reports with respect to the Reference Index or its constituent securities, which research may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes, and the Bank (including BMO Capital Markets) and the Dealers may engage in transactions that affect the performance of the Reference Index or its constituent securities;
- conflicts of interest may affect the Calculation Agent or the Bank and an independent calculation expert will only be appointed in limited circumstances;
- the Notes have not been rated and will not be insured by the Canada Deposit Insurance Corporation or any other entity and therefore the payments to Holders will be dependent upon the financial health and creditworthiness of the Bank;
- as is the case with other investments made through BMO Harris Investment Management Inc., a Holder's investment in the Notes will not be eligible for protection under the Canadian Investor Protection Fund;
- in certain extraordinary circumstances, the Bank may elect to pay an amount on the Notes prior to their scheduled Maturity, and extinguish any future payment obligations; and
- changes in laws, regulations or administrative practices, including with respect to taxation, could have an impact on Holders.

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

- the return on the Notes, if any, will depend on the performance of the Reference Index;
- the return on the Notes is subject to a Maximum Payment Amount and therefore the

Notes may not participate in the full positive performance of the Reference Index;

- the historical Closing Levels should not be interpreted as an indication of future performance of the Reference Index and the return on the Notes will not reflect a direct investment in the Reference Index;
- the Index Sponsor has no obligations with respect to the Notes, and may make changes to the Reference Index that could affect amounts payable on the Notes and the value of the Notes in any secondary market;
- the payments at Maturity are dependent upon the Closing Level; if the Reference Index closes below the Protection Buffer on the Valuation Date, Holders may not be repaid the full value of their original investment and could lose a substantial portion of their original investment in the Notes;
- the Reference Index may be replaced with a successor index;
- the value of the Reference Index will be affected by changes in the market price of equity securities;
- none of the Bank, the Dealers or any of their respective affiliates or associates, including BMO Harris Investment Management Inc., assume any responsibility for the adequacy of the information concerning the Index Sponsor, the Reference Index, any of the constituent securities that comprise the Reference Index and/or any issuers of such constituent securities, contained herein or that is otherwise publicly available, and investors will have no recourse against the Bank, the Dealers or any of their respective affiliates or associates, including BMO Harris Investment Management Inc., in respect of such information; and
- risks relating to the constituent securities of the Reference Index are also applicable to an investment in the Notes.

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

Additional Information: During the term of the Notes, you may inquire about the Bid Price of the Notes and the method for determining the Maturity Payment Amount by contacting BMO Harris Investment Management Inc. or BMO Capital Markets at the numbers listed below. Additional information about the Reference Index can be obtained from *www.standardandpoors.com/home/en/us* or other publicly available sources. None of the Bank, the Dealers or any of their respective affiliates or associates, including BMO Harris Investment Management Inc., makes any assurances, representations or warranties with respect to, nor assumes any responsibility for, the accuracy, reliability or completeness of such information, or accepts responsibility for the provision of any future information in respect of the Reference Index, the Index Sponsor, any constituent securities that comprise the Reference Index and any issuers of such constituent securities, nor has any obligation to update such information up to or after the Issue Date.

You may request information about the Notes or another copy of this pricing supplement by contacting your local BMO Harris Investment Management Inc. Investment Counsellor at 1-800-844-6442, or 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.

SUMMARY OF FEES AND EXPENSES

There will be no selling concessions, service fee or other fees or expenses paid out of the proceeds of this offering of Notes. A fee of $0.20 per Note will be payable by the Bank to HSBC Securities (Canada) Inc. at closing for acting as agent.

Holders wishing to sell Notes within the first 180 days of their issuance will be subject to an Early Trading Charge of $1.00 per Note. See "Secondary Market — Early Trading Charge" for a description of the Early Trading Charge. The Bid Price quoted in the secondary market will be before the deduction of any applicable Early Trading Charge.

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

GLOSSARY OF TERMS

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

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

"**Base Shelf Prospectus**" means, solely for the purpose of the Offering, the short form base shelf prospectus of the Bank dated March 18, 2011.

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

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

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

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

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

"**Cap Level**" means the Maximum Payment Amount, expressed as a percentage of the Principal Amount.

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

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

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

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

"**DBRS**" means DBRS Limited.

"**Dealer Agreement**" means the dealer agreement dated March 18, 2011 between a syndicate of dealers, including the Dealers, and the Bank, as may be supplemented from time to time.

"**Dealers**" means BMO Nesbitt Burns Inc. and HSBC Securities (Canada) Inc.

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

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

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

"**Early Trading Charge**" means for a Business Day within 180 days after the Issue Date, 1.00% of the Subscription Price.

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

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

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

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

“**Final Index Level**” means the Closing Level on the Valuation Date, subject to the occurrence of a Market Disruption Event described under “Special Circumstances”.

“**FundSERV**” means the order entry system operated by FundSERV Inc.

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

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

“**Index Return**” means the percentage change in the Closing Level measured from the Issue Date to the Valuation Date, calculated using the following formula:

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

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

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

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

“**Issue Date**” means the day the Notes are issued, which shall be a day on or about May 30, 2012 or such other date as the Bank and the Dealers may agree.

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

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

“**Maturity**” or “**Maturity Date**” means December 1, 2014.

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

“**Maximum Payment Amount**” means $132.00 per Note.

“**Minimum Payment Amount**” means a principal repayment of $15.00 per Note at Maturity.

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

“**Notes**” means Bank of Montreal Canadian Enhanced Buffer Principal At Risk Notes, BHPB Series 11, Due December 1, 2014, offered to prospective investors under this pricing supplement.

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

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

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

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

“**Protection Buffer**” means the range of Index Returns falling between 0% and -15% (inclusive) that will result in the Maturity Payment Amount being equal to the original $100.00 Principal Amount for each Note despite a decline in the Final Index Level relative to the Initial Index Level.

“**Reference Index**” means the S&P/TSX 60 Index (Price Return Version), as further described in this pricing supplement.

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

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

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

“**S&P**” means Standard & Poor’s.

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

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

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

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

“**TSX**” means the Toronto Stock Exchange.

“**Valuation Date**” means the third (3rd) Business Day immediately prior to the Maturity Date. In the event that the scheduled Valuation Date is not an Exchange Day for any reason, then the Valuation Date will be the immediately preceding Exchange Day.

“**$**” or “**dollars**” means Canadian dollars, unless otherwise specified.

DESCRIPTION OF THE NOTES

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

Objective of the Notes

The objective of the Notes is to generate an enhanced return based on growth in the Canadian equity markets with partial downside protection provided by a "buffer" against a 15% decline in the price return of the Reference Index. As such, the Notes may be suitable for investors with a neutral to slightly bullish view of Canadian equity markets over the next two and a half years. The Notes provide partial protection only and Holders will be subject to risk of loss from any decline in the Reference Index beyond the Protection Buffer.

Payments At Maturity

A Holder of Notes will receive payment at Maturity of an amount per Note (the "**Maturity Payment Amount**") determined as follows:

(A) *Index Return is Positive*

If the Final Index Level is equal to or greater than the Initial Index Level, a Holder will receive the Principal Amount *plus* 1.4 times the Index Return, subject to a Cap Level of 132% (or a cumulative Index Return of 22.86% over the term of the Notes), which means that the maximum total payment will be $132.00 per Note (the "**Maximum Payment Amount**"). In this case, the Maturity Payment Amount will be calculated using the following formula (rounded to two decimal places and subject to the Maximum Payment Amount):

$100 + [$100 x (Index Return x 1.4)]

(B) *Index Return is Negative by 15% or Less (i.e., within the Protection Buffer)*

If the Final Index Level declines from the Initial Index Level by 15% or less over the term of the Notes, a Holder will receive the Principal Amount invested in the Notes, as its initial investment will be protected against losses within the Protection Buffer.

(C) *Index Return is Negative by more than 15% (i.e., beyond the Protection Buffer)*

If the Final Index Level declines from the Initial Index Level by more than 15% over the term of the Notes, the Holder will receive less than its original investment in the Notes as the Principal Amount will be reduced by 1% for each 1% decline in the Reference Index beyond the Protection Buffer. In this case, the Maturity Payment Amount will be calculated using the following formula (rounded to two decimal places):

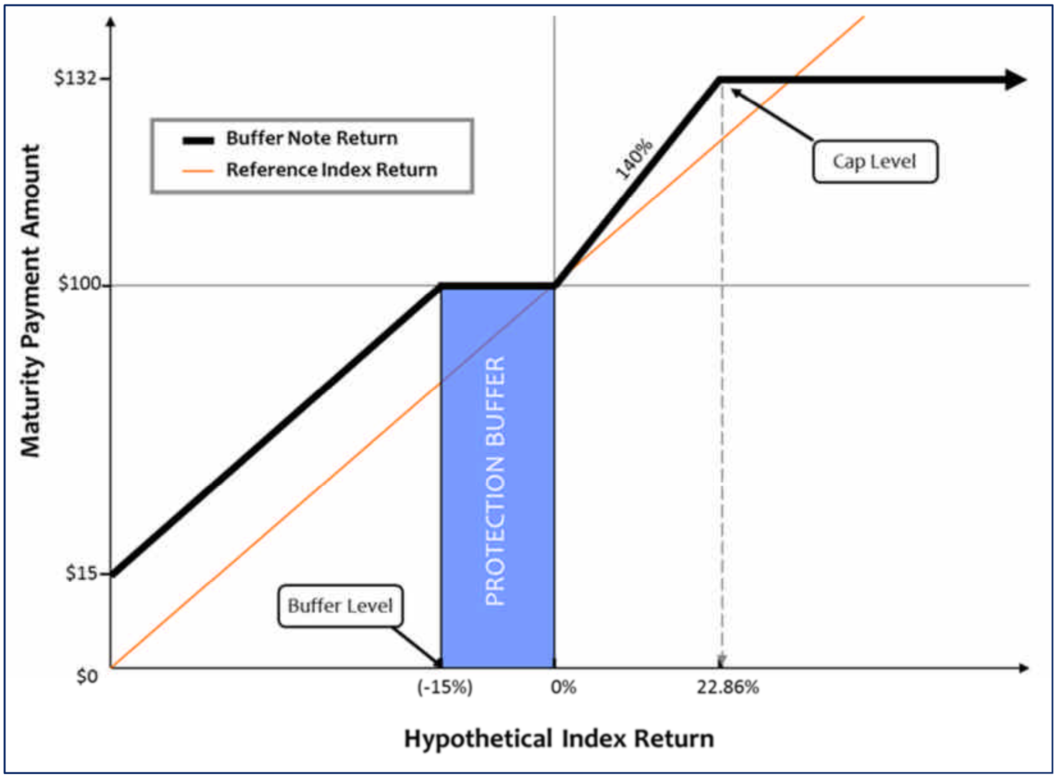
$100 + [$100 x (Index Return + 15%)]

Accordingly, the minimum amount payable to a Holder at Maturity will be $15.00 per Note (the "**Minimum Payment Amount**").

The return on the Notes will be calculated using the price return version of the Reference Index, which will not reflect the value of any dividends or other distributions declared on any of the constituent securities comprising the Reference Index.

Return Profile of the Notes

The diagram below shows the return profile for the Notes at Maturity. The horizontal axis reflects the hypothetical Index Returns that may be generated by the Reference Index. The vertical axis reflects the return on an investment in the Notes depending upon the potential Index Returns.



As shown above, a Holder of Notes benefits from 1.4 times participation in any appreciation of the Reference Index, subject to a Cap Level of 132% (or a cumulative Index Return of 22.86% over the term of the Notes), resulting in a Maximum Payment Amount of $132.00 per Note (or a 32% return on the Notes), provided no special circumstances have occurred, thus providing the Holder with the potential for an enhanced upside return on the Notes in a neutral to slightly bullish Canadian equity market over the next two and half years.

The diagram also demonstrates how the Protection Buffer will cushion a possible decline in the Reference Index over the term of the Notes. If the Closing Level falls by 15% or less over the term of the Notes, a Holder will not sustain any losses on its original investment in the Notes as the Principal Amount will be fully protected within the Protection Buffer. If the Initial Index Level falls by more than 15% over the term of the Notes, the actual loss sustained will be "buffered" by 15% as the Principal Amount will be reduced by 1% for each 1% decline in the Reference Index *beyond* the Protection Buffer to the Minimum Payment Amount of $15.00 per Note.

No Payments Until Maturity

No interest or any other payment will be payable by the Bank during the term of the Notes.

No Rights of Redemption

The Notes are not redeemable at the option of a Holder. The Notes are not redeemable by the Bank prior to the Maturity Date; however, an Early Payment Amount may be made on the occurrence of an Extraordinary Event. See "Special Circumstances — Extraordinary Event".

Rank; No Deposit Insurance

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

Credit Rating

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

Additional Information about the Notes

During the term of the Notes, you may inquire about the Bid Price of the Notes and the method for determining the Maturity Payment Amount by contacting your local BMO Harris Investment Management Inc. Investment Counsellor at 1-800-844-6442 or 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. Additional information about the Reference Index can be obtained from *www.standardandpoors.com/home/en/us* or other publicly available sources. None of the Bank, the Dealers or any of their respective affiliates or associates, including BMO Harris Investment Management Inc., makes any assurances, representations or warranties with respect to, nor assumes any responsibility for, the accuracy, reliability or completeness of such information, or accepts responsibility for the provision of any future information in respect of the Reference Index, the Index Sponsor, any constituent securities that comprise the Reference Index and any issuers of such constituent securities, nor has any obligation to update such information up to or after the Issue Date.

You may request information about the Notes or another copy of this pricing supplement by contacting your local BMO Harris Investment Management Inc. Investment Counsellor or by calling BMO Capital Markets at the numbers listed above.

S&P/TSX 60 INDEX

All information in this pricing supplement relating to the Reference Index and the Index Sponsor, including, without limitation, its make-up, method of calculation and changes in its constituent securities, is derived from and based solely upon publicly available sources and is presented in this pricing supplement in summary form only. Such information is subject to change by the Index Sponsor. The Index Sponsor has no obligation to continue to publish, and may discontinue publication of, the Reference Index at any time. Neither the Bank nor the Dealers make any representation or warranty as to the accuracy, reliability or completeness of such information or accepts responsibility for the calculation or other maintenance of or any adjustments to the Reference Index. Investors in the Notes should make their own investigation into the Reference Index, the constituent securities thereof and the Index Sponsor. In addition, neither the Bank nor the Dealers has independently verified this information.

General Description

The Reference Index is a large-cap index comprising 60 actively traded Canadian companies. Launched in December 1998, the Reference Index is market cap weighted, representing approximately 73% of Canada's equity market capitalization. The Reference Index also represents the Canadian component of the S&P Global 1200 Index.

The Reference Index is maintained by the S&P/TSX Canadian Index Committee, whose members include representatives from both S&P and the TSX. It follows a set of published guidelines and policies that provide the transparent methodologies used to maintain the index.

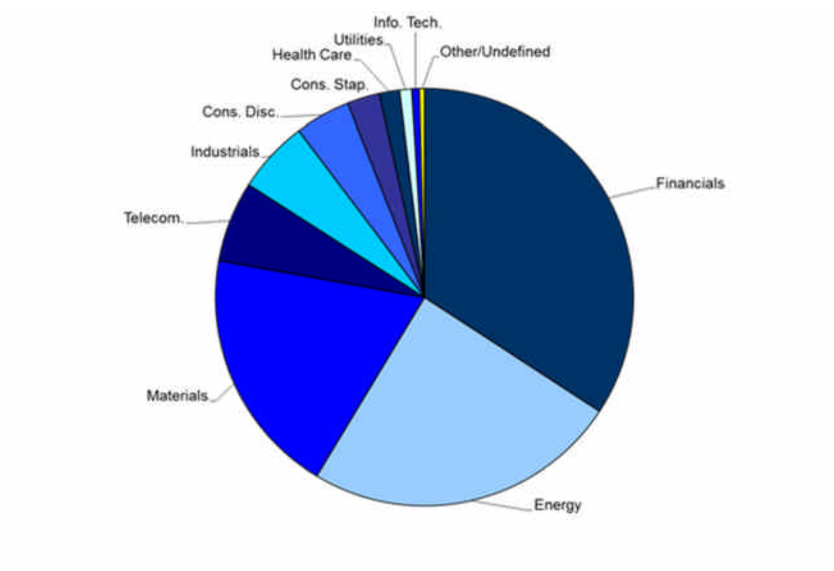
Each stock in the Reference Index is evaluated for sector representation, liquidity, size, and positive company fundamentals. The Reference Index value is determined by multiplying the price of the individual components by their corresponding free-float share amount. Free-float share amount adjusts the outstanding float for control blocks. The market capitalization of all the individual components are summed and divided by the Reference Index divisor, which divisor may be adjusted for corporate actions and significant restructurings. Criteria for removal from the Reference Index include a violation of one or more Reference Index requirements, as well as mergers or acquisitions involving companies in the Reference Index.

The return on the Notes will be calculated using the price return version of the Reference Index, which does not reflect the value of any dividends or distributions declared on any of the constituent securities comprising the Reference Index.

Sector Composition

The sector composition of the Reference Index by weight as at April 20, 2012 is set out below. The historical composition of the Reference Index does not necessarily reflect the composition of the Reference Index in the future:

Financials	34.20%
Energy	24.42%
Materials	19.20%
Telecommunication Services	6.26%
Industrials	5.64%
Consumer Discretionary	4.28%
Consumer Staples	2.52%
Health Care	1.56%
Utilities	0.94%
Information Technology	0.58%
Other/Undefined	0.39%



Constituents of the Reference Index

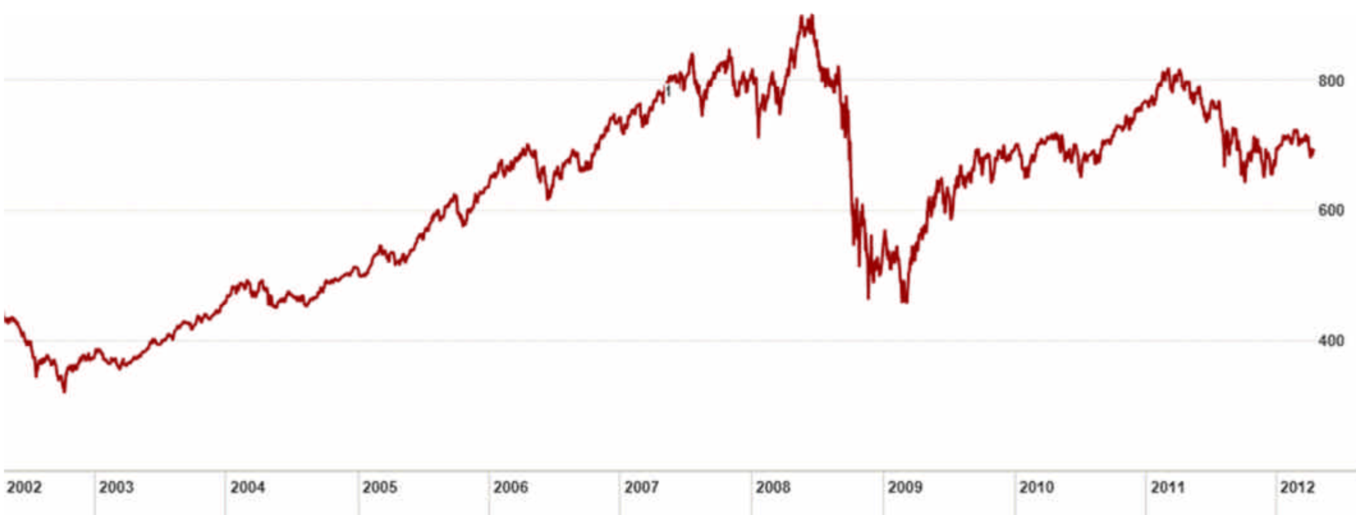
The 60 companies whose securities are included in the Reference Index as of April 20, 2012 are as follows:

Company	Weight	Company	Weight
Agnico-Eagle Mines Ltd.	0.52%	Kinross Gold Corporation	0.96%
Agrium Inc.	1.27%	Loblaw Companies Limited	0.31%
ARC Resources Ltd.	0.52%	Magna International Inc.	0.99%
Bank of Montreal	3.55%	Manulife Financial Corporation	2.24%
Bank of Nova Scotia (The)	5.81%	Metro Inc.	0.50%
Barrick Gold Corporation	3.73%	National Bank of Canada	1.18%
BCE Inc.	2.89%	Nexen Inc.	0.94%
Bombardier Inc.	0.57%	Penn West Petroleum Ltd.	0.74%
Brookfield Asset Management Inc.	1.63%	Potash Corporation Of Saskatchewan Inc.	3.49%
Cameco Corporation	0.81%	Power Corporation of Canada	0.87%
Canadian Imperial Bank Of Commerce	2.80%	Research in Motion Ltd.	0.58%
Canadian National Railway Company	3.31%	Rogers Communications Inc.	1.56%
Canadian Natural Resources Limited	3.29%	Royal Bank Of Canada	7.69%
Canadian Oil Sands Limited	0.94%	Saputo Inc.	0.56%

Company	Weight	Company	Weight
Canadian Pacific Railway Ltd.	1.21%	Shaw Communications Inc.	0.68%
Canadian Tire Corporation Ltd.	0.51%	Shoppers Drug Mart Corporation	0.87%
Cenovus Energy Inc.	2.44%	Silver Wheaton Corp.	0.96%
Eldorado Gold Corporation	0.92%	SNC-Lavalin Group Inc.	0.55%
Enbridge Inc.	2.89%	Suncor Energy Inc.	4.52%
EnCana Corporation	1.23%	Sun Life Financial Inc.	1.34%
Enerplus Resources Corporation	0.33%	Talisman Energy Inc.	1.20%
First Quantum Minerals Ltd.	0.93%	Teck Resources Limited	1.64%
Fortis Inc.	0.59%	TELUS Corporation	1.80%
George Weston Limited	0.27%	Thomson Reuters Corporation	1.00%
Gildan Activewear Inc.	0.31%	Tim Hortons Inc.	0.80%
Goldcorp Inc.	3.10%	Toronto-Dominion Bank (The)	7.09%
Husky Energy Inc.	0.68%	Transalta Corporation	0.35%
IAMGOLD Corporation	0.43%	TransCanada Corporation	2.84%
Imperial Oil Limited	1.06%	Valeant Pharmaceuticals International, Inc.	1.56%
Inmet Mining Corporation	0.26%	Yamana Gold Inc.	0.99%

Historical Performance

The following graph illustrates the price performance of the Reference Index from the period beginning on April 19, 2002 and ending on April 19, 2012. **Past performance of the Reference Index is not indicative of future performance.**



The price performance of the Reference Index shown above does not take into account dividends and/or distributions paid by the issuers of the constituent securities that comprise the Reference Index. The dividend yield of the Reference Index on April 23, 2012 was 2.85%, representing an aggregate dividend yield of approximately 7.30% compounded annually over the term of the Notes (assuming the dividend yield remains constant). Historical performance of the Reference Index will not necessarily predict future performance of the Reference Index or the Notes.

License Arrangements

"BMO (M-bar roundel symbol)", "BMO" and "BMO Capital Markets" are registered trade-marks of Bank of Montreal used under license. "Nesbitt Burns" is a registered trade-mark of BMO Nesbitt Burns Corporation Limited used under license. "Standard & Poor's®" and "S&P®" are registered trade-marks of S&P. "TSX" is a trade-mark of the TSX. These marks have been licensed for use by Bank of Montreal and its affiliates. The Notes are not sponsored, endorsed, sold or promoted by S&P or the TSX. S&P and the TSX make no representation, condition or warranty, express or implied, to the holders of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly or the ability of the Reference Index to track general stock market performance or any other economic factors. S&P's only relationship to Bank of Montreal is the licensing (or sublicensing) of certain trade-marks and trade names of S&P and the TSX and/or of the Reference Index which is determined, composed and calculated by S&P without regard to Bank of Montreal or the Notes. S&P and the TSX have no obligation to take the needs of Bank of Montreal or the holders of the Notes into consideration in determining, composing or calculating the Reference Index. S&P and the TSX are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in the determination or calculation of the equation by which the Notes are to be converted into cash. S&P and the TSX have no obligation or liability in connection with the administration, marketing or trading of the Notes.

S&P AND THE TSX DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE REFERENCE INDEX OR ANY DATA INCLUDED THEREIN AND S&P AND THE TSX SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P AND THE TSX MAKE NO WARRANTY, CONDITION OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY BANK OF MONTREAL, HOLDERS OF THE NOTES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE REFERENCE INDEX OR ANY DATA INCLUDED THEREIN. S&P AND THE TSX MAKE NO EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS OR CONDITIONS, AND EXPRESSLY DISCLAIM ALL WARRANTIES OR CONDITIONS OF MERCHANTABILITY, MERCHANTABLE QUALITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE AND ANY OTHER EXPRESS OR IMPLIED WARRANTY OR CONDITION WITH RESPECT TO THE REFERENCE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P OR THE TSX HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

SECONDARY MARKET

Sale Prior to Maturity

BMO Capital Markets will use reasonable efforts under normal market conditions to provide for a secondary market for the sale of the Notes through the order entry system operated by FundSERV, but reserves the right to elect not to do so in the future, in its sole and absolute discretion, without prior notice to Holders.

A sale of the Notes in such secondary market may occur at a price that is less than the Subscription Price. The Bid Price at which a Holder will be able to sell the Notes prior to the Maturity Date may be at a discount, which could be substantial, from the Maturity Payment Amount that would be payable if the Notes were maturing on such day, based upon one or more factors.

The Bid Price for a Note at any time will be dependent upon, among other things, (i) how much the Closing Level has risen or fallen since the Issue Date and its performance concluded up to such time, and (ii) a number of other interrelated factors, including, without limitation, supply and demand for the Notes, inventory positions with market makers, the volatility of the Reference Index, the prevailing level of interest rates, market expectations of the future levels of interest rates, the time remaining to the Maturity Date, the dividend yields of the constituent securities comprising the Reference Index, the recognition over time by the Bank of its estimated revenue from the Notes (which may or may not be realized), net of the Bank's cost of hedging the Notes, the amortization by the Bank of the upfront costs incurred by the Bank in creating, distributing and issuing the Notes and the creditworthiness of the Bank. The relationship among these factors is complex and may also be influenced by various political, economic, regulatory and other factors that can affect the Bid Price for a Note. In particular, Holders should understand that the Bid Price (a) might have a non-linear sensitivity to rises and falls in the performance of the Reference Index (*i.e.*, the trading price of a Note might increase and decrease at a different rate compared to the percentage increases and decreases in the Closing Level), and (b) may be substantially affected by changes in the level of interest rates independent of the performance of the Reference Index. See “Additional Risk Factors Specific to the Notes — General Risks Relating to Principal At Risk Notes — Conflicts of Interest”, “Additional Risk Factors Specific to the Notes — General Risks Relating to Principal At Risk Notes — No Independent Calculation” and “Additional Risk Factors Specific to the Notes — Risks Relating to the Reference Index — Changes Affecting the Reference Index Could Impact the Notes”.

A Holder should consult his, her or its investment advisor on whether it would be more favourable in the circumstances at any time to sell the Notes or hold the Notes until the Maturity Date and in order to understand the timing and other procedural requirements and limitations of selling the Notes prior to Maturity. For information about selling the Notes through the FundSERV system, see “Description of the Notes — FundSERV” in the Base Shelf Prospectus. A Holder should also consult his, her or its tax advisor as to the tax consequences arising from a sale of a Note prior to the Maturity Date as compared to holding the Note until the Maturity Date. See “Certain Canadian Federal Income Tax Considerations”.

A Holder will not be able to redeem or sell a Note prior to Maturity other than through the secondary market, if any, provided by BMO Capital Markets. BMO Capital Markets may suspend the secondary market at any time in its sole discretion. There can be no assurance that a secondary market will be available or that such market will be liquid or sustainable. Holders choosing to sell their Notes prior to the Maturity Date will receive an amount which (i) may be substantially less than the Subscription Price, and (ii) may not necessarily reflect the appreciation of the Reference Index up to the date of such sale. See “Additional Risk Factors Specific to the Notes — General Risks Relating to Principal At Risk Notes — Secondary Trading of the Notes”.

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

Early Trading Charge

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

If Sold During	Early Trading Charge
First 180 days after Issue Date	**1.00%**
Thereafter	**nil**

A Holder should be aware that any valuation price for a Note appearing on his, her or its periodic investment account statements, as well as any bid price quoted to the Holder to sell his, her or its Notes, within the first 180 days from the Issue Date, will be before any applicable Early Trading Charge. A Holder wishing to sell a Note prior to Maturity should consult his, her or its investment advisor on whether a sale of the Note will be subject to an Early Trading Charge and, if so, the amount of the Early Trading Charge.

Temporary Suspension of Calculation of the Bid Price

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

Consequences of Suspension of Calculation of the Bid Price

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

SPECIAL CIRCUMSTANCES

Determinations of the Calculation Agent

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

Discontinuance or Modification of the Reference Index

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

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

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

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

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

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

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

Market Disruption Event

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

However, there will be a limit for postponement of the Valuation Date. If on the fourth Exchange Day following the date originally scheduled as the Valuation Date, the Valuation Date has not occurred, then despite the occurrence of any Market Disruption Event in respect of the Reference Index on or after such fourth Exchange Day:

(i) such fourth Exchange Day will be the Valuation Date in respect of the Reference Index; and

(ii) where on that fourth Exchange Day a Market Disruption Event in respect of the Reference Index has occurred and is continuing, then the Closing Level to be used for any calculations or determinations on the Valuation Date will be a level estimated by the Calculation Agent taking into account all relevant market circumstances.

A Market Disruption Event may delay the determination of the Closing Level and consequently the calculation of the Maturity Payment Amount that may be payable under the Notes. Where there has been a Market Disruption Event, payment of the Maturity Payment Amount will be made on the Business Day after the Closing Level has been determined for the Reference Index.

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

(i) any failure of trading to commence, or the permanent discontinuation of trading, or any suspension of or limitation on trading of (a) the Reference Index, or (b) securities that comprise 20% or more of the level of the Reference Index on a relevant Exchange, or (c) any futures or options contracts relating to the Reference Index on a relevant Related Exchange, whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise;

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

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

(iv) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) the Reference Index, or (b) securities that comprise 20% or more of the level of the Reference Index on a relevant Exchange, or (c) any futures or options contracts relating to the Reference Index on a relevant Related Exchange;

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

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

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

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

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

Extraordinary Event

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

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

(ii) a Material Index Change has occurred,

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

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

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

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

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

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

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

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

ADDITIONAL DETAILS OF THE OFFERING

The Bank is offering the Notes through FundSERV's transaction processing system. Subscriptions for the Notes will be made using the FundSERV network under the order code "JHN1702", which will result in funds being accumulated in a non-interest bearing account of BMO Capital Markets pending execution of all documents required for this transaction and satisfaction of closing conditions, if any. Funds in respect of all subscriptions shall be payable at the time of subscription. For more information about the issuance, settlement and resale of the Notes, see "Description of the Notes" in the Base Shelf Prospectus.

PLAN OF DISTRIBUTION

The Notes are being issued by the Bank with a subscription price of $100.00 per Note (the "**Subscription Price**") and a minimum subscription of $100,000 (1,000 Notes). The Notes are denominated in Canadian dollars and the Bank will pay all amounts on the Notes in Canadian dollars. The maximum issue size will be $25,000,000 for this Offering. The Bank reserves the right to change the minimum subscription amount and/or the maximum issue size in its sole and absolute discretion**.**

Pursuant to the terms and conditions of the Dealer Agreement, the Dealers, as agents of the Bank, have agreed to solicit offers to purchase the Notes, on a reasonable best efforts basis, if, as and when such Notes are issued by the Bank. The Notes will be offered at a price of $100.00 per Note. While the Dealers have agreed to use their reasonable best efforts to sell the Notes offered hereby, they will not be obligated to purchase the Notes which are not sold. A fee of $0.20 per Note will be payable by the Bank to HSBC Securities (Canada) Inc. at closing for acting as agent.

The Notes are being offered through FundSERV's investment fund transaction processing system. Subscriptions for the Notes will be made on the FundSERV network under the code "JHN1702", which will result in funds being accumulated in a non-interest bearing account of BMO Capital Markets pending execution of all documents required for this transaction and satisfaction of closing conditions if any. Holders should recognize that, unless they have purchased the Notes directly through a representative of BMO Nesbitt Burns Inc., they do not have an account with BMO Nesbitt Burns Inc. Funds in respect of all subscriptions shall be payable at the time of subscription. The Bank will have the sole right to accept offers to purchase the Notes and may reject any proposed purchase of the Notes in whole or in part, and the Bank reserves the right to allot the Notes to investors in an amount less than that subscribed for by the investor. The Bank reserves the right to close the subscription book at any time and may discontinue accepting subscriptions at any time without notice. The Bank may at any time prior to the Issue Date, in its discretion, elect whether or not to proceed in whole or in part with the issue of the Notes.

It is expected that the closing of the Offering will take place on or about May 30, 2012 or on such other date as the Bank and the Dealers may agree, and that the Global Note, representing the Notes, will be available for delivery through the facilities of CDS on or about the Issue Date. Subscribers for the Notes will not have the right to receive physical certificates evidencing their ownership of the Notes. If for any reason the closing of this Offering does not occur, all subscription funds will be returned forthwith to the subscriber's financial advisor without interest or deduction using the FundSERV network.

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

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

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

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

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

USE OF PROCEEDS

The maximum issue size will be $25,000,000 for this Offering. The Bank reserves the right to change the maximum issue size in its sole and absolute discretion**.** The Bank will use the net proceeds of the Offering for general banking purposes. The Bank and/or its affiliates may use all or any portion of the proceeds in transactions intended to hedge the Bank's obligations under the Notes, including forward and option contracts. The Bank may benefit from any difference between the amount it is obligated to pay under the Notes, net of related fees and expenses, and the returns it may generate in hedging such obligation.

CALCULATION AGENT

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

APPOINTMENT OF INDEPENDENT CALCULATION EXPERTS

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

FEES AND EXPENSES

There will be no selling concessions, service fees or other fees or expenses paid out of the proceeds of this offering of Notes. A fee of $0.20 per Note will be payable by the Bank to HSBC Securities (Canada) Inc. at closing for acting as agent.

Early Trading Charge

Holders wishing to sell their Notes within the first 180 days of their issuance will be subject to an Early Trading Charge of $1.00 per Note. The Bid Price quoted in the secondary market will be before deduction of any applicable Early Trading Charge. See "Secondary Market – Early Trading Charge".

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

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to the Bank, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of the Notes by an Initial Holder. This summary is applicable only to an Initial Holder who is an individual (other than a trust) or a corporation (other than a financial institution as defined in subsection 142.2(1) of the Tax Act) and who, for the purposes of the Tax Act, is, or is deemed to be, a resident of Canada, deals at arm's length with and is not affiliated with the Bank and holds Notes as capital property. The Notes will generally be considered to be capital property to an Initial Holder unless: (i) the Initial Holder holds the Notes in the course of carrying on or otherwise as part of a business of trading or dealing in or buying and selling securities; or (ii) the Initial Holder acquired such Notes as an adventure in the nature of trade. Certain Initial Holders resident in Canada whose Notes might not otherwise be considered to be capital property or who desire certainty with respect to the treatment of the Notes as capital property may be entitled to make an irrevocable election to have the Notes and all of the Initial Holder's other "Canadian securities" (as defined in the Tax Act) deemed to be capital property pursuant to subsection 39(4) of the Tax Act.

This summary is based on the current provisions of the Tax Act as in force on the date hereof, counsel's understanding of the current administrative and assessing practices of the CRA and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof. No assurance can be given that any proposal to amend the Tax Act will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or in the CRA's administrative or assessing practices, whether by legislative, governmental or judicial action. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Notes, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

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

Payment at Maturity or Early Payment Date

A Note is a "prescribed debt obligation" within the meaning of the Tax Act. The rules (the "prescribed debt obligations rules") in the Tax Act applicable to a prescribed debt obligation generally require a taxpayer to accrue the amount of any interest, bonus or premium receivable in respect of the obligation over the term of the obligation, based on the maximum amount of interest, bonus or premium receivable on the obligation. Based in part on counsel's understanding of the CRA's administrative practice with regard to "prescribed debt obligations", there should be no deemed accrual of any amount in respect of the Notes under the prescribed debt obligation rules prior to the Valuation Date unless an Extraordinary Event Notification Date has arisen. However, counsel understands that the CRA is currently reviewing its administrative practice in relation to the relevance of a secondary market for prescribed debt obligations such as the Notes in determining whether there is a deemed accrual of interest on such debt obligations. See "Additional Risk Factors Specific to the Notes — General Risks Relating to Principal At Risk Notes — Legislative, Regulatory and Administrative Changes".

An Initial Holder who holds a Note at the Maturity Date (or Early Payment Date) will be required to include in income for the taxation year which includes the Maturity Date (or Early Payment Date), the amount, if any, by which the Maturity Payment Amount (or the Early Payment Amount) exceeds the Principal Amount, except to the extent otherwise included in income for the taxation year or a preceding taxation year. The Bank will file an information return with the CRA in respect of any such amount to be included in an Initial Holder's income and will provide the Initial Holder with a copy of such return.

Generally, at Maturity (or Early Payment Date) an Initial Holder will also be considered to have disposed of the Note and may realize a capital loss to the extent that the Maturity Payment Amount (or Early Payment Amount) is less than the Initial Holder's adjusted cost base of the Note.

Disposition of Notes Prior to Maturity

In certain circumstances, where an investor assigns or otherwise transfers a debt obligation prior to its maturity, the amount of interest accrued on the debt obligation to that time, but unpaid, will be excluded from the proceeds of disposition of the obligation and will be required to be included as interest in computing the investor's income for the taxation year in which the transfer occurs, except to the extent that it has been otherwise included in income for that taxation year or a preceding taxation year. As described in more detail above, there should be no amount that will be treated as accrued interest on an assignment or transfer of a Note prior to the Valuation Date unless an Extraordinary Event Notification Date has arisen.

Provided an Extraordinary Event Notification Date has not arisen and while the matter is not free from doubt, a disposition or deemed disposition of a Note by an Initial Holder, other than to the Bank, prior to the Valuation Date should give rise to a capital gain (or capital loss) to the extent the Initial Holder's proceeds of disposition, excluding accrued and unpaid interest, if any, exceed (or are less than) the aggregate of the Initial Holder's adjusted cost base of the Note and any reasonable costs of disposition. An Initial Holder who disposes of a Note prior to Maturity should consult his, her or its tax advisor with respect to the Initial Holder's particular circumstances.

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

Capital gains realized by an individual may give rise to a liability for alternative minimum tax.

An Initial Holder that is a Canadian controlled private corporation (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6⅔% on certain investment income including interest and taxable capital gains.

ADDITIONAL RISK FACTORS SPECIFIC TO THE NOTES

An investment in the Notes is subject to certain risk factors that prospective investors should carefully consider before acquiring the Notes, including but not limited to the risks described below. In addition to the risks described herein and in the Base Shelf Prospectus, reference is made to the disclosure relating to risk factors on pages 30, 31 and 79 to 93 of the Bank's Management's Discussion and Analysis for the year ended October 31, 2011, which disclosure is incorporated herein by reference. The information in the Base Shelf Prospectus is supplemented by, and to the extent inconsistent therewith replaced and superseded by, the information in this pricing supplement. This section describes the most significant risks relating to the terms of the Notes. The Bank urges prospective investors to read the following information about these risks, together with the other information in the Base Shelf Prospectus and this pricing supplement, before investing in the Notes.

General Risks Relating to Principal At Risk Notes

Suitability of Notes for Investment

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

Investments in the Notes are uncertain in nature in that they could produce no return and Holders could lose a substantial portion of their original investment in the Notes. An investment in the Notes is only suitable for investors with a short- to medium-term investment horizon and who are prepared to assume risk with an investment whose return and repayment of principal is dependent upon the change in the Closing Level between the Issue Date and the Valuation Date. The Notes are not a suitable investment for a prospective purchaser who requires a guaranteed return or who cannot withstand a loss of a substantial portion of their investment.

The Notes are not conventional notes or debt securities in that they do not provide Holders with a guaranteed return or income stream prior to Maturity and the return at Maturity is not calculated by reference to a fixed or floating rate of interest that is determinable prior to Maturity nor do they provide Holders with any assurance that the Principal Amount of the Notes will be paid at or prior to Maturity (other than the Minimum Payment Amount).

The return a Holder receives on its original investment may be less than the return that could be earned on other investments. An investment in the Notes may not reflect the full opportunity cost to a Holder when the factors that affect the time value of money are considered.

Secondary Trading of the Notes

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

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

A Holder who sells the Notes in the secondary market (assuming the availability of a secondary market) may receive a price less than the Subscription Price. Holders choosing to sell their Notes prior to the Maturity Date will receive an amount which may be substantially less than the Subscription Price, particularly if the Closing Level is substantially below the Initial Index Level. The price at which a Holder will be able to sell the Notes prior to the Maturity Date may be at a discount, which could be substantial, from the Maturity Payment Amount that might otherwise be payable if the Notes were maturing on such day.

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

Special Circumstances

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

Conflicts of Interest

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

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

No Independent Calculation

As part of its responsibilities, the Calculation Agent will be solely responsible for computing the resale price per Note. Except in circumstances of an Early Payment Date following an Extraordinary Event, no independent calculation agent will be retained to make or confirm the determinations and calculations made by the Calculation Agent.

Credit Rating

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

Credit Risk

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

Rank; No Deposit Insurance

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

Not Eligible for Protection Under the Canadian Investor Protection Fund

As is the case with other investments made through BMO Harris Investment Management Inc., a Holder's investment in the Notes will not be eligible for protection under the Canadian Investor Protection Fund.

Extraordinary Event May Trigger Early Payment Amount

Upon the occurrence of an Extraordinary Event, the Bank may elect to make an Early Payment Amount to discharge its obligations in respect of the Maturity Payment Amount. Upon such payment, the Holder's right to receive any further payments on the Notes will be extinguished.

Legislative, Regulatory and Administrative Changes

Changes in laws, regulations or administrative practices could have an impact on Holders, including changes, if any, as a result of a current review by the CRA of its administrative practices in relation to the relevance of a secondary market for debt obligations such as the Notes in determining whether there is a deemed annual accrual of interest on such debt obligations.

Risks Relating to the Offering

Risk of Loss of Original Investment

The Notes and the Bank do not guarantee the repayment of any principal at Maturity (other than the Minimum Payment Amount). At Maturity, each Holder will receive a Maturity Payment Amount that will depend on the Closing Level on the Valuation Date, which may be affected by a number of factors beyond the control of the Bank. If the Closing Level is below the Protection Buffer on the Valuation Date, then Holders will receive less than the Principal Amount they invested and could lose a substantial portion of their original investment in the Notes.

Uncertain Return Until Maturity

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

Partial or No Principal Protection

A Holder will receive the Principal Amount of their Notes at Maturity if the Final Index Level is lower than the Initial Index Level only if the Final Index Level is greater than or equal to the Protection Buffer.

No Interest Payments

There will be no regular or periodic interest or coupon payments on the Notes as there would be on a conventional fixed-rate or floating-rate debt security having the same maturity. The return that a Holder will receive on the Notes, which could be negative, may be less than the return they could earn on other investments. Even if a Holder's return is positive, their return may be less than the return they would earn on a conventional senior interest bearing debt security of the Bank with the same maturity date or a direct investment in the Reference Index.

Positive Return May Be Limited

As the Maturity Payment Amount is subject to a Maximum Payment Amount of $132.00 per Note (or a 32% return on the Notes) a Holder may not fully participate in the appreciation of the Reference Index because the payment at Maturity will not exceed the Maximum Payment Amount of $132.00 and therefore the Notes may not participate in the full positive performance of the Reference Index. Accordingly, a Holder's return on the Notes may be less than the return on an investment in a security directly linked to the positive performance of the Reference Index.

Owning the Notes Is Not the Same as Owning the Reference Index Directly

The return on the Notes will not reflect the return that may be realized by owning the Reference Index directly because the return on the Notes is subject to a Cap Level of 132%. In addition, a Holder of Notes will not have the same rights and benefits as a direct holder of the constituent securities of the Reference Index, including the rights to vote and receive dividends or other distributions that may be made by the issuers of such constituent securities.

The Notes may trade quite differently from the Reference Index. Changes in the Closing Level may not result in comparable changes in the market value of the Notes. Even if the Closing Level increases during the term of the Notes, the market value of the Notes prior to Maturity may not increase to the same extent. It is also possible for the market value of the Notes prior to Maturity to decrease while the Closing Level increases.

The Amount to Be Paid at Maturity May Not Be Affected by All Developments Relating to the Reference Index

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

Risks Relating to the Reference Index

Future Results

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

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

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

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

No Ownership of the Reference Index or its Constituent Securities

A Holder will not have, and the Notes will not represent, any direct or indirect investment in the Reference Index nor does it constitute an investment in the constituent securities that comprise the Reference Index. Ownership of the Notes will not entitle Holders to any right with respect to the constituent securities that comprise the Reference Index. The return on the Notes will not reflect any increase in the level of the Reference Index or any dividends or other distribution (or the reinvestment thereof) that would be received through ownership of the constituent securities included in the Reference Index. Holders of Notes only have a right against the Bank to be paid any amounts due and payable under the Notes.

Owning the Notes is different from investing in the Reference Index or the constituent securities that comprise the Reference Index. The Notes do not represent a substitute for such an investment.

Limitation on Downside Protection

The Notes offer only partial principal protection as an investor’s principal investment will be reduced by the amount of any decline of the Final Index Level beyond the Protection Buffer. The return on the Notes will be based solely on the performance of the Reference Index. Accordingly, Holders will not receive any dividends or any other distributions that they might otherwise receive if they owned the constituent securities of the Reference Index, and Holders could lose up to 85% of their principal investment in the Notes if the Final Index Level is below the Protection Buffer.

Changes Affecting the Reference Index Could Impact the Notes

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

Potential Modification of the Reference Index

The Reference Index may be replaced with a Replacement Index. Although the Calculation Agent may make certain determinations in certain special circumstances to ensure that a Replacement Index is designated, certain information regarding the successor index may not be readily available to Holders, which may adversely affect the secondary market for trading in the Notes. Moreover, the return generated on such successor index may not be as favourable as the return that would have been generated by the Reference Index if it had not been replaced.

Equity Risk

The value of the Reference Index will be affected by changes in the market price of equity securities, also called stocks or shares. The price of a share is influenced by the outlook for the company that issued it and by general economic, industry and market trends. When the economy is strong, the outlook for many companies will be good, and share prices will generally rise. On the other hand, share prices usually decline with a general economic or industry downturn.

Independent Investigation Required

The Bank and the Dealers have not performed any due diligence investigation or review of the Reference Index, the Index Sponsor, any securities that comprise the Reference Index or any issuers of such securities. Any information relating to the Reference Index, the Index Sponsor, any securities that comprise the Reference Index or any issuers of such securities was derived from and based solely upon publicly available sources. None of the Bank, the Dealers or any of their respective affiliates or associates, including BMO Harris Investment Management Inc., assume any responsibility for the adequacy of the information concerning the Reference Index, the Index Sponsor, any securities that comprise the Reference Index or any issuers of such securities contained herein or that is publicly available otherwise, and investors will have no recourse against the Bank, the Dealers or any of their respective affiliates or associates, including BMO Harris Investment Management Inc., in respect of such information. The Notes are not sponsored, endorsed, sold or promoted by S&P or the TSX, and neither such party makes any representation, warranty or condition regarding the advisability of investing in the Notes. Prospective investors should undertake an independent investigation to determine if an investment in the Notes is suitable for them.

Risks Relating to the Constituent Securities of the Reference Index

The value of most investments, in particular equity securities, is affected by changes in general market conditions. These changes may be caused by corporate developments, changes in interest rates, changes in the level of inflation, and other political and economic developments. These changes can affect the price of equity securities which can move up or down, without any predictability. A decrease in the price of equities of the constituent securities of the Reference Index will adversely affect the Reference Index and thereby may affect the Notes. The resale price per Note and the Maturity Payment Amount is linked to the performance of the Reference Index. Accordingly, risk factors applicable to direct investments in the constituent securities of the Reference Index are also applicable to an investment in the Notes.

LEGAL MATTERS

Legal matters in connection with the Offering will be passed upon on behalf of the Bank by Torys LLP and on behalf of the Dealers by Stikeman Elliott LLP. As of April 24, 2012, the partners and associates of Torys LLP and Stikeman Elliott LLP beneficially owned, directly or indirectly, in the aggregate, less than 1% of the outstanding securities of the Bank and its affiliates and associates. Robert Prichard, the non-executive chair of Torys LLP, is the non-executive chairman of the board of directors of the Bank.

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

This short form base shelf prospectus is a base shelf prospectus and has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of one or more prospectus supplements and/or pricing supplements containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The Notes to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and, except as stated under "Plan of Distribution", may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act).

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

SHORT FORM BASE SHELF PROSPECTUS DATED MARCH 18, 2011

BMO Bank of Montreal

$1,000,000,000
Medium Term Notes (Principal At Risk Notes)

Bank of Montreal (the "Bank") may offer and issue, from time to time, medium term notes (principal at risk notes) (the "Notes") in amounts, at prices and on terms to be set forth in one or more product prospectus supplements and/or pricing supplements, as applicable (collectively, the "Supplements"). All shelf information permitted under applicable securities legislation to be omitted from this short form base shelf prospectus (the "Base Shelf Prospectus") will be contained in one or more Supplements that will be delivered to purchasers together with this Base Shelf Prospectus. The Bank may sell up to $1,000,000,000 in aggregate principal amount of Notes (or the Canadian dollar equivalent thereof if any Notes are denominated in a foreign currency or currency unit) in one or more tranches or series during the 25 month period that this Base Shelf Prospectus, including any amendments hereto, remains valid. All currency amounts in this Base Shelf Prospectus are stated in Canadian dollars, unless otherwise indicated.

The specific terms of the Notes in respect of which this Base Shelf Prospectus is being delivered will be set forth in the applicable Supplements and may include, where applicable, the specific designation, aggregate principal amount, the currency or the currency unit for which the Notes may be purchased, maturity, variable return (including interest) provisions, authorized denominations, offering price, any terms for redemption at the option of the Bank or the holder, any exchange or conversion terms and any other specific terms. The Bank reserves the right to, and may set forth in a Supplement, specific variable terms that are not within the options and parameters set forth herein.

The principal amount of a Note payable at or prior to maturity or any variable return or other payment, other than any minimum payment amount, will be determined, in whole or in part, by reference to one or more equity or other securities or financial instruments, units or other securities of one or more publicly or privately offered investment funds or portfolios, statistical measures of economic or financial performance, the price or value of any commodity or other asset, or any combination of the foregoing.

Amounts paid to holders of the Notes will depend on the performance of the underlying securities or interests. Unless otherwise specified in the applicable Supplements, Bank of Montreal does not guarantee any return of principal, subject to any minimum payment amount, and does not guarantee that any return will be paid on the Notes. Accordingly, there is no assurance that holders will be repaid any principal amount of their investment at or before maturity or will receive any return on an investment in the Notes and holders could lose some or substantially all of their investment in the Notes.

Notes offered under this Base Shelf Prospectus may not be conventional notes or debt securities. Unless otherwise specified in the applicable Supplements, there is no assurance that any of the principal amount of the Notes will be paid at or before maturity, other than the minimum payment amount specified in the applicable Supplement. In addition, Notes may not provide holders with a return or income stream prior to maturity calculated by reference to a fixed or floating rate of interest determinable prior to maturity. An investment in the Notes, unlike traditional debt obligations of Canadian chartered banks, may be uncertain in that they could produce no return on a holder's original investment or not repay any of their principal amount at or prior to maturity or otherwise, other than the minimum payment amount specified in the Supplement. Prospective purchasers are directed to the applicable Supplements for the specific terms of the relevant Notes, including the risk factors set out therein. In compliance with applicable securities laws, the Bank will file with the regulators an undertaking that it will not distribute Notes in Canada that are considered "novel" specified derivatives within the meaning of the applicable laws without pre-clearing with the regulators the disclosure contained in the applicable Supplements pertaining to such Notes.

The Notes will be offered severally by one or more of BMO Nesbitt Burns Inc. ("BMO Capital Markets") and HSBC Securities (Canada) Inc. and other investment dealers that may be appointed from time to time (collectively, the "Dealers"). The Notes may be purchased or offered at various times by any of the Dealers, as agent or principal, at prices and commissions to be agreed upon, for sale to the public at prices to be negotiated with purchasers. Sale prices may vary during the distribution period and as between purchasers. The Bank may also offer the Notes to purchasers directly, pursuant to applicable law, at prices and on terms to be negotiated. The applicable Supplement will identify each Dealer engaged in connection with the offering and sale of any Notes, and will also set forth the terms of the offering of such Notes including the net proceeds to the Bank and, to the extent applicable, any fees payable to the Dealers. The offerings are subject to approval of certain legal matters on behalf of the Bank by Torys LLP and on behalf of the Dealers by Stikeman Elliott LLP. See "Plan of Distribution".

BMO Capital Markets was involved in the decision to distribute the Notes and in determining the terms of the Notes set forth in this Base Shelf Prospectus and will be involved in the determination of the terms of each particular offering of Notes, which shall be made based on the direction and advice of one or more officers of BMO Capital Markets. BMO Capital Markets may receive a commission in connection with it acting as a dealer for the distribution of Notes and may earn a profit in connection with the acquisition or disposition of Notes acting as principal. BMO Capital Markets is a wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited which is, in turn, an indirect majority-owned subsidiary of the Bank. **As a result, the Bank is a "related issuer" of BMO Capital Markets for the purposes of National Instrument 33-105 - Underwriting Conflicts ("NI 33-105") in connection with the offering of the Notes under this Base Shelf Prospectus.** See "Plan of Distribution".

Unless otherwise specified in the applicable Supplement, BMO Capital Markets will use reasonable efforts under normal market conditions to provide a secondary market for the purchase and sale of the Notes by investors, but will reserve the right to elect not to do so in the future, in its sole and absolute discretion, without prior notice to holders. In the event that BMO Capital Markets does not provide a secondary market for the purchase and sale of Notes, there may be no market through which the Notes may be sold and purchasers may not be able to resell Notes purchased under the Base Shelf Prospectus. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Certain Risk Factors".

Unless otherwise stated in the applicable Supplement, a Note may be sold by the holder to BMO Capital Markets on a daily basis at a price equal to the bid price for a Note determined by BMO Capital Markets in its sole and absolute discretion, minus any applicable early trading charge; provided, however, that BMO Capital Markets may suspend the secondary market at any time in its sole discretion. Unless otherwise specified in the applicable Supplement, a holder will not be able to sell a Note prior to maturity other than through a secondary market, if any, provided by BMO Capital Markets. See "Description of the Notes".

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

The head office of the Bank is at 129 rue Saint-Jacques, Montreal, Québec, H2Y 1L6, and its executive offices are located at 100 King Street West, 1 First Canadian Place, 24th Floor, Toronto, Ontario, M5X 1A1.

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ABOUT THIS BASE SHELF PROSPECTUS

Notes issued by the Bank under its Medium Term Notes (Principal At Risk Notes) Program will be described in separate documents, including: (i) this Base Shelf Prospectus; (ii) one or more prospectus supplements which generally describe a particular type of Notes that the Bank may issue (each a "product prospectus supplement"); and/or (iii) one or more prospectus supplements that contain the specific terms (including pricing information) about the Notes being offered (each a "pricing supplement", and together with the product prospectus supplement, a "Supplement"). In respect of any particular Notes the Bank may offer, this Base Shelf Prospectus together with the applicable Supplement will collectively constitute the offering document for such Notes. Since the specific terms of Notes that the Bank may offer may differ from the general information provided in this Base Shelf Prospectus, in all cases investors should rely on the information in the applicable Supplement where it differs from that in this Base Shelf Prospectus.

FORWARD-LOOKING STATEMENTS

Certain statements included in this Base Shelf Prospectus constitute forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend" and similar expressions to the extent they relate to the Bank. The forward-looking statements are not historical facts but reflect the Bank's current expectations regarding future results or events and are based on information currently available to management. Reference is also made to the disclosure relating to forward-looking statements on page 29 of the Bank's Annual Report for the year ended October 31, 2010, and on page 5 of the Bank's First Quarter 2011 Report to Shareholders, which disclosure is incorporated herein by reference. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations or a forecast, projection or conclusion in such forward-looking statements, including the matters discussed under "Certain Risk Factors" and in other sections of this Base Shelf Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents that have been filed by the Bank with the various securities commissions or similar authorities in each of the provinces and territories of Canada and with the Superintendent of Financial Institutions, are specifically incorporated by reference in, and form an integral part of, this Base Shelf Prospectus:

(a) Annual Information Form dated December 7, 2010;

(b) the Bank's audited consolidated financial statements as at and for the year ended October 31, 2010 with comparative consolidated financial statements as at and for the year ended October 31, 2009, together with the auditors' report thereon and the auditors' report on internal control over financial reporting under Standards of the Public Company Accounting Oversight Board (United States);

(c) the Bank's Management's Discussion and Analysis for the year ended October 31, 2010;

(d) the Bank's unaudited consolidated interim financial statements as at and for the three months ended January 31, 2011;

(e) the Bank's Management's Discussion and Analysis for the three months ended January 31, 2011;

(f) the Bank's Management Proxy Circular dated January 31, 2011 in connection with the annual meeting of shareholders of the Bank to be held on March 22, 2011;

(g) the Bank's Material Change Report dated December 17, 2010 in connection with the proposed acquisition by the Bank of Marshall & Ilsley Corporation ("M&I") (referred to in this Base Shelf Prospectus as the "Proposed Merger"); and

(h) the M&I Consolidated Financial Statements and Supplementary Data for years ended December 31, 2010, 2009 and 2008, the M&I Consolidated Financial Statements and Supplementary Data for years ended December 31, 2010, 2009 and 2008—Reconciliation of Canadian and United States Generally Accepted Accounting Principles, and Unaudited Pro Forma Condensed Combined Consolidated Financial Information of the Bank for the year ended October 31, 2010 and M&I for the year ended December 31, 2010 and of the Bank at and for the three months ended January 31, 2011 and M&I at and for the three months ended December 31, 2010, included as Schedules "A", "B" and "C" to the Bank's prospectus supplement dated March 4, 2011, as filed with the Canadian securities commissions and similar authorities.

Any documents of the type referred to in the preceding paragraph and any unaudited interim consolidated financial statements, information circulars, material change reports (excluding confidential material change reports), business acquisition reports and other disclosure document filed by the Bank with a securities regulatory authority in Canada, after the date of this Base Shelf Prospectus and prior to the termination of the offering under any Supplement, shall be deemed to be incorporated by reference into this Base Shelf Prospectus.

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

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

A Supplement containing the specific terms of an offering of Notes will be delivered to purchasers of such Notes together with this Base Shelf Prospectus and will be deemed to be incorporated into this Base Shelf Prospectus as of the date of such Supplement solely for the purposes of the offering of the Notes covered by that Supplement unless otherwise expressly provided therein.

Upon a new Management Proxy Circular, Annual Information Form and the related audited annual consolidated financial statements together with the auditors' report thereon and the auditors' report on internal control over financial reporting under Standards of the Public Company Accounting Oversight Board (United

States) and related Management's Discussion and Analysis being filed by the Bank with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Base Shelf Prospectus, the previous Management Proxy Circular, Annual Information Form, audited annual consolidated financial statements and related Management's Discussion and Analysis and all unaudited interim consolidated financial statements, material change reports, information circulars, business acquisition reports and other disclosure documents filed prior to the commencement of the Bank's financial year in which the new Management Proxy Circular, Annual Information Form and financial statements are filed shall be deemed no longer to be incorporated into this Base Shelf Prospectus for purposes of future offers and sales of Notes hereunder.

Where the Bank updates its disclosure of earnings coverage ratios through a Supplement or otherwise, the document filed with the applicable securities regulatory authorities that contains the most recent updated disclosure of earnings coverage ratios and any Supplement supplying any additional or updated information the Bank may elect to include (provided that such information does not describe a material change that has not already been the subject of a material change report or a prospectus amendment) will be deemed to be incorporated into this Base Shelf Prospectus as of the date of such Supplement or Supplements.

BANK OF MONTREAL

Bank of Montreal, a chartered bank subject to the provisions of the *Bank Act* (Canada), was founded in 1817 and is Canada's oldest chartered bank. The head office of the Bank is at 129 rue Saint-Jacques, Montreal, Québec, H2Y 1L6, and its executive offices are located at 100 King Street West, 1 First Canadian Place, Toronto, Ontario, M5X 1A1.

The Bank offers, domestically and internationally, a broad range of credit and non-credit products and services to individuals, industry, financial institutions and governments directly and through special-purpose domestic and foreign subsidiaries. The Bank had total assets as at October 31, 2010 of approximately $411.6 billion.

EARNINGS COVERAGE RATIO

The following consolidated financial ratios for the Bank, which are calculated for the 12 months ended October 31, 2010 and January 31, 2011, reflect the full year impact of the redemption of $500 million 4.00% Series C Medium Term Notes, First Tranche on January 21, 2010, the redemption of $350 million BMO Capital Trust Securities Series A on June 30, 2010, the redemption of $400 million of BMO Capital Trust Securities Series B on December 31, 2010 and the issuance of $1.5 billion of 3.979% Series G Medium Term Notes on March 9, 2011, but do not reflect the issuance of any Notes under this Base Shelf Prospectus. These ratios are also presented on a pro forma as adjusted basis, to reflect the foregoing transactions and the Proposed Merger.

	12 Months Ended October 31, 2010(1)		**12 Months Ended January 31, 2011**(1)	
	Actual	**Pro Forma as Adjusted Giving Effect to the Proposed Merger**(2)	**Actual**	**Pro Forma as Adjusted Giving Effect to the Proposed Merger**(2)
Interest coverage on subordinated Indebtedness(1), Capital Trust Securities A, B and C(3), and BMO T1Ns Series A(4)	10.98 times	5.51 times	11.70 times	5.79 times

Notes:

(1) Includes $800 million of 5.75% Subordinated Notes due 2022 issued by BMO Subordinated Notes Trust.

(2) The information in the "Pro Forma as Adjusted Giving Effect to the Proposed Merger" column includes M&I's long term borrowing of $5,019 million as included in the Pro Forma Condensed Combined Consolidated Balance Sheet in Schedule "C" to the prospectus supplement dated March 4, 2011 incorporated by reference in this Base Shelf Prospectus.

(3) For more information on the classification of Capital Trust Securities, please refer to Note 18 of the audited consolidated financial statements of the Bank for the year ended October 31, 2010 incorporated by reference in this Base Shelf Prospectus.

(4) Includes $450 million of BMO T1Ns — Series A issued by BMO Capital Trust II. For more information on the classification of BMO T1Ns — Series A, please refer to Note 18 of the audited consolidated financial statements of the Bank for the year ended October 31, 2010 incorporated by reference in this Base Shelf Prospectus.

In calculating the interest coverage ratios, foreign currency amounts have been converted to Canadian dollars using rates of exchange as at the end of each month. For the 12 month periods ending October 31, 2010 and January 31, 2011, the average monthly exchange rates were $1.0427 per US$1.00 and $1.0299 per US$1.00, respectively.

The Bank's earnings before interest and income tax was $3,781.70 million for the 12 months ended October 31, 2010 and $3,976.29 million for the 12 months ended January 31, 2011, which are 10.98 times and 11.70 times the Bank's aggregate interest requirements for such respective periods, in each case, after giving effect to the transactions noted above (other than the Proposed Merger). The Bank's earnings before interest and income tax was $2,761.60 million for the 12 months ended October 31, 2010 and $2,956.19 million for the 12 months ended January 31, 2011, which are 5.51 times and 5.79 times the Bank's aggregate interest requirements for such respective periods, in each case, after giving effect to the Proposed Merger and the transactions noted above.

The amounts and ratios reported above are derived from the Bank's audited consolidated financial statements for the 12 months ended October 31, 2010, the Bank's unaudited consolidated interim financial statements for the three months ended January 31, 2011, and the unaudited pro forma condensed combined consolidated financial information of the Bank for the year ended October 31, 2010 and M&I for the year ended December 31, 2010 and of the Bank at and for the three months ended January 31, 2011 and M&I at and for the three months ended December 31, 2010, incorporated by reference in this Base Shelf Prospectus. The financial statements and financial information mentioned in the preceding sentence are prepared in accordance with Canadian generally accepted accounting principles. These financial statements and financial information have been supplemented for the purposes of the foregoing calculations by the information concerning the offering of the Series G Medium Term Notes.

DESCRIPTION OF THE NOTES

The Notes will be issued from time to time during the 25 month period that this Base Shelf Prospectus remains valid in an aggregate principal amount outstanding on the date of issue not to exceed $1,000,000,000 or the Canadian dollar equivalent thereof if the Notes are issued in currencies or currency units other than Canadian dollars.

The Notes will be direct, unconditional obligations of the Bank. The Notes will be issued on an unsecured and unsubordinated basis and will rank equally, as among themselves, and with all other outstanding direct, unsecured and unsubordinated, present and future obligations (except as otherwise prescribed by law) of the Bank, and will be payable rateably without any preference or priority. The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime (unless otherwise specified in the applicable Supplement).

The Notes will be issued in one or more tranches of one or more series.

The specific terms of any offering of Notes not described herein, including, without limitation, the initial offering price, any discount or commission to be paid to any Dealers, the aggregate principal amount, currency, issue price and maturity date of the Notes being offered, applicable fees and the proceeds to the Bank, will be set forth in a Supplement that will accompany this Base Shelf Prospectus. The following description of Notes will apply unless otherwise specified in an applicable Supplement.

Principal at Risk Notes

The applicable Supplement for the Notes will specify the amount of the principal of the Notes that is "protected", which amount may be as little as 1% of the principal amount of such Notes. Notes in respect of which the Bank will repay a minimum principal amount in excess of 1% of the principal are referred to as "partially protected notes". All other Notes offered under this Base Shelf Prospectus are "non-protected notes" which means that all but 1% of the principal amount of such Notes will be fully exposed and an investor could lose substantially their entire investment.

Terms of Notes

The Notes will be offered on a continuing basis and will mature on a day from one month to 30 years from the date of issue, as specified in the applicable Supplement. Unless otherwise specified in the applicable Supplement, the Notes will be issuable in minimum denominations of $100 and integral multiples thereof. The Notes may provide for a variable return (including fixed or floating rates of interest) by reference to a formula specified in the applicable Supplement, which will be delivered to purchasers together with this Base Shelf Prospectus in connection with the sale of such Notes.

The principal amount of a Note payable at or prior to maturity or any variable return or other payment will be determined, in whole or in part, by reference to:

(a) one or more equity or other securities or financial instruments, including, but not limited to, the market price or yield of such securities;

(b) units or other securities of one or more publicly or privately offered investment funds or portfolios, including, but not limited to, the net asset value, market price or yield of such units or other securities;

(c) any statistical measure of economic or financial performance, including, but not limited to, any exchange rate, interest rate, consumer price or other variable index or reference point;

(d) the price or value of any commodity or other asset; or

(e) any combination of the foregoing;

(collectively, “underlying securities”).

Unless otherwise indicated in a Note and in the applicable Supplement, Notes will be denominated in Canadian dollars and the Bank will make payments of principal of, and premium and variable return, if any, on, Notes in Canadian dollars. Unless otherwise specified in the applicable Supplement, the Bank will pay money upon payment of the discharge of Notes when due or upon redemption.

If the date or dates on which any amounts are payable at or prior to maturity or on redemption of a Note or if any variable return payment date falls on a day that is not a Business Day (as defined in the applicable Supplement), the related payment of principal and premium or variable return, if any, on such Note, will be made on the next succeeding Business Day as if made on the date the applicable payment was due and no variable return will accrue on the amount payable for the period from and after the variable return payment date or maturity, as the case may be, unless otherwise indicated in the applicable Supplement.

Notes may be issued from time to time at such variable return rates and at par, at a premium or at a discount, the principal amount of which payable at or prior to maturity may be determined, in whole or in part, by reference to one or more underlying securities, any amounts of principal and variable return may be payable in instalments over the term of the Notes, and the Notes may be subject to redemption or repayment prior to maturity, in each case as specified in the applicable Supplement.

Issuance of Notes

The Bank may issue Notes upon establishing the principal terms of the particular Notes being issued, which shall include the following, to the extent applicable:

(a) the title of such Notes and the applicable series;

(b) the underlying securities upon which payments of amounts at or prior to maturity or on redemption or upon which variable return on such Notes are to be determined, the methods or formulas pursuant to which such payments of amounts at or prior to maturity or on redemption or pursuant to which variable return will be determined, including how and the extent to which such determination depends on the performance of such underlying securities, the calculation agent with respect to such determination, and the relevant considerations, including investment objectives and risk factors, applicable to an investment in or exposure to the performance of such underlying securities;

(c) the date or dates on which amounts payable at or prior to maturity or on redemption, if any, of such Notes are payable, the basis upon which any such amounts will be determined and the calculation agent with respect thereto;

(d) details about any investment manager engaged to provide investment advisory services in respect of any underlying securities;

(e) the aggregate principal amount, on the date of issue, of the Notes of such title, including any maximum or minimum principal amount of Notes to be issued;

(f) whether, and the extent to which the Bank covenants to repay at or prior to maturity any part of the principal amount of such Notes;

(g) the date or dates on which the Notes will be issued and delivered;

(h) the method by which such Notes may be distributed and the basis on which such Notes may be purchased, including whether such Notes are to be issued or payable on an instalment basis, the names of any Dealers engaged to distribute the Notes, any commissions, fees, selling concessions or other fees or expenses payable by holders of such Notes or to be deducted from any amount that would otherwise be payable to such holders in respect of such Notes;

(i) all commissions, fees or expenses payable to the Bank or any of its affiliates in connection with the issue, maintenance or administration of, or provision of services in respect of, the Notes;

(j) whether such Notes are to be issuable in certificated definitive form or as book-entry only securities and, if in definitive form, whether such Notes are to be issuable initially in global form and, if so, (i) whether beneficial owners of interests in any such Notes in global form may exchange such interests for Notes of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur, and (ii) the name of the clearing agency through which any book-entry only Note may be purchased or transferred or a temporary global form of Note may be deposited;

(k) the date as of which any book-entry only Note or temporary global Note representing outstanding Notes will be dated if other than the original issue date of the first such Note to be issued;

(l) if such Notes are to be issuable in definitive form (whether upon original issue or upon exchange of a temporary global Note) only upon receipt of certain certificates or other documents or satisfaction of other conditions, then the form and terms of such certificates, documents or conditions;

(m) whether Notes will provide a variable return or whether Notes will be issued at par or at a premium or a discount, the rate or rates at which, or the formula based on which, such Notes will provide a variable return, if any, and, if applicable, the interest rate basis (including whether fixed or floating) and/or any method by which such rate or rates or variable return will be determined, whether, and the extent to which, the Bank covenants to make minimum payments of interest or on account of variable return in a specified amount or based on a specified fixed or floating rate, the date or dates from which such interest will accrue or such variable return will be calculated, the payment dates on which such interest or variable return will be payable and the regular record date for the interest or variable return payable on such Notes on any payment date, whether any interest will be paid on defaulted interest or payments of variable return, and the basis upon which interest will be calculated or variable return will be determined, as applicable;

(n) the place or places, if any, where amounts payable at or prior to maturity or on redemption or where variable return on, or additional amounts, if any, payable in respect of, such Notes will be payable, where such Notes may be surrendered for registration or transfer, where such Notes may be surrendered for exchange and where demand to or upon the Bank in respect of such Notes may be served;

(o) the period or periods within which, the price or prices at which, the terms and conditions upon which and the procedure pursuant to which such Notes may be redeemed or purchased, in whole or in part, at the option of the Bank;

(p) the right or obligation, if any, of the Bank or any affiliate to redeem, purchase or "make a market" in such Notes and the period or periods within which, the price or prices at which and the terms and conditions, including any redemption, purchase or early trading charges upon which such Notes will be redeemed or purchased, in whole or in part, pursuant to such obligation, and any provisions for the remarketing of such Notes;

(q) the denominations in which such Notes will be issuable if other than denominations of $100.00 and any integral multiple thereof;

(r) the market disruption events, extraordinary events and special circumstances which may trigger an acceleration or postponement of the maturity or amounts payable under the Notes;

(s) if other than the principal amount thereof on the date of issue, the portion of the principal amount of such Notes or such other amount which will be payable upon declaration, if any, of acceleration of the maturity thereof;

(t) if other than Canadian dollars, the currency in which payment of amounts payable at or prior to maturity or on redemption or in which variable return, if any, on, and additional amounts, if any, in respect of, such Notes will be payable and the manner in which the amount of such currency will be determined for purposes of such payments;

(u) if amounts payable at or prior to maturity or on redemption (and premium or discount, if any) or variable return, if any, on, and additional amounts, if any, in respect of, such Notes are to be payable, at the election of the Bank or a holder thereof, in a currency other than the original currency of such Notes specified in the applicable Supplement, the period or periods within which, and the terms and conditions upon which, such election may be made;

(v) whether the amounts payable at or prior to maturity or on redemption (and premium or discount, if any) or variable return, if any, on, and additional amounts, if any, in respect of such Notes may be satisfied, at the election of the Bank or a holder of a Note, as applicable, by delivery of securities of one or more other issuers (which may include the Bank) specified in the applicable Supplement, the terms and conditions on which such option may be exercised, and the method by which the number or value of such securities that may be issued or delivered will be determined;

(w) any additional terms and provisions with respect to, and any additional conditions, representations, covenants and events of default, if any, for such Notes;

(x) any other provisions, requirements, conditions, indemnities, enhancements or other matters of any nature or kind whatsoever relating to such Notes, including any terms which may be required by, or advisable under, any applicable law or any rules, procedures or requirements of any exchange on which any of the Notes are, or are proposed to be, listed or of any over-the-counter market in which any of the Notes are, or are proposed to be, traded or which may be advisable in connection with the marketing of such Notes; and

(y) any other terms of such Notes.

The Bank may, without the consent of holders of any Notes, issue additional Notes with terms substantially similar or different from those of Notes previously issued under this Base Shelf Prospectus. All Notes of a particular series will have substantially similar terms except as to terms as to denomination, stated maturity and the date from which interest, if any, will accrue and except as may otherwise be provided in or pursuant to any applicable Supplement or Note certificate.

Amounts Payable on Notes

Except as provided in the applicable Supplements, amounts payable at or prior to maturity or on redemption of the Notes, variable return rates (including interest rates), variable return formulas and other variable terms of the Notes are subject to change by the Bank from time to time, but no change will affect any Note already issued, or as to which the Bank has accepted an offer to purchase, without the holder's consent. Such amounts and variable returns with respect to Notes offered by the Bank may differ depending upon a number of factors. The Bank may at any time concurrently offer Notes with similar variable terms but different amounts payable or variable return rates. The Bank may also concurrently offer Notes having different variable terms to different investors.

The variable return for each Note providing for a variable return will be calculated from the date of issue, unless otherwise specified in the applicable Supplement, pursuant to the formula or method of determination stated in the applicable Note and in the applicable Supplement, until the amount payable at maturity of the Note is paid or made available for payment. Unless otherwise specified in the applicable Supplement, payments of variable returns will be made in arrears on each payment date specified in the applicable Supplement on which an instalment of variable return is due and payable and at maturity. Unless otherwise indicated in the applicable Supplement, the Bank will be the calculation agent. Where the Bank or one of its affiliates is the calculation agent, it will discharge its duties in such capacity honestly and in good faith.

Settlement of Payments

In the case of Notes in book-entry only form, payments of principal, the redemption price, if any, and variable return, if any, as applicable, on the Notes will be made by the Bank to CDS Clearing and Depository Services Inc. ("CDS") or its nominee or any other depository specified in the applicable Supplement, or, in either case, its nominee, as the case may be, as the registered holder of the Notes. The Bank's understanding of payment procedures applicable to CDS are described below under "Form of Notes and Transfer − Book-Entry Only Notes". Payment procedures applicable to a depository other than CDS or its nominee will be described in the applicable Supplement.

Payments of amounts payable prior to maturity or variable return, if any, on definitive Notes, if issued, will be made to registered holders of such Notes and may be made by cheque or by electronic funds transfer on the terms specified in the applicable Supplement. The Bank will make payment of amounts payable at maturity or on the redemption of each Note in immediately available funds upon presentation and surrender of the Note and, in the case of any repayment on an optional repayment date, in accordance with the provisions described in the applicable Supplement, at or from the place or places of payment set forth in the applicable Supplement. Payment of variable return due at maturity will be made to the person to whom payment of amounts payable at maturity of the Note in definitive form will be made. The Bank or an agent on behalf of the Bank reserves the right, in the case of payment of any principal or variable return on definitive Notes prior to the maturity date thereof, to mark on the Note that such principal or variable return has been paid in full or in part (as the case may be), or, in the case of payment in full at any time, to retain the Note and mark it as cancelled.

Redemption at the Option of the Bank

The Bank may redeem Notes at its option prior to their stated maturity only if an initial redemption date is specified in the applicable Notes and in the applicable Supplement. If so indicated in the applicable Supplement, the Bank may redeem Notes at its option on one or more dates or during any period or periods on and after the applicable initial redemption date specified in the applicable Supplement. On and after the initial redemption date, if any, the Bank may redeem the related Note at any time or times specified in the applicable Supplement in whole or from time to time in part at its option at the applicable redemption price or redemption prices specified in the applicable Supplement, together with any variable return payable in respect of the applicable Note payable to the redemption date, on notice given to the holders of such Notes.

Redemption at the Option of the Holder

Unless otherwise specified in the applicable Supplement, the Notes will not be redeemable at the option of a holder prior to their stated maturity. However, the applicable Supplement may provide for the creation of a secondary market through which Notes may be "redeemed" or sold, together with the procedures and limitations on redemptions or sales effected through such secondary market and the basis on which prices payable in such secondary market on such redemption or sale will be determined. If specified in the applicable Supplement, the proceeds from the sale of a Note may be reduced by an early trading charge determined with reference to the length of the period between the issuance of such Notes and the date of their redemption.

Secondary Market

BMO Capital Markets will use reasonable efforts under normal market conditions to provide a secondary market for the purchase and sale of the Notes by holders following the closing of an offering, but reserves the right to elect not to do so in the future, in its sole and absolute discretion, without prior notice to holders. Unless otherwise specified in the applicable Supplement, a Note may be sold to BMO Capital Markets on a daily basis at the posted bid price, minus any applicable early trading charge.

In order to sell a Note, a holder must arrange through his, her or its investment broker to give notice to BMO Capital Markets either in writing or, if applicable, electronically through FundSERV's investment fund transaction processing system. See "Description of the Notes — FundSERV".

The sale of a Note to BMO Capital Markets will be effected at a price equal to (i) the bid price on the sale date, minus (ii) any applicable early trading charge. The applicable early trading charge will be set out in the applicable Supplement. A sale of the Notes may occur at a price that is less than the subscription price of the Notes. The bid price at which a holder will be able to sell the Notes prior to the maturity may be at a discount from the amount that would be payable if the Notes were maturing on such day, based upon one or more factors. The manner in which the bid price for the Notes is calculated and factors that may affect such calculation will be set forth in the applicable Supplement.

A holder should consult his, her or its investment advisor on whether it would be more favourable in the circumstances at any time to sell the Notes or hold the Notes until the applicable maturity date and in order to understand the timing and other procedural requirements and limitations of selling his, her or its Notes. A holder should also consult his, her or its tax advisor as to the tax consequences arising from a sale of a Note prior to maturity as compared to holding the Note until maturity. See "Tax Consequences".

Unless otherwise specified in the applicable Supplement, the Notes will not be listed on any stock exchange, and a holder will not be able to redeem or sell a Note prior to maturity of the Note other than through the secondary market, if any, provided by BMO Capital Markets. BMO Capital Markets may suspend the secondary market at any time in its sole discretion. There can be no assurance that a secondary market will be available or that such market will be liquid or sustainable.

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

FundSERV

Unless otherwise provided in the applicable Supplement, the Bank will offer the Notes through FundSERV's transaction processing system. The applicable Supplement will set forth the applicable FundSERV order codes for the Notes. Funds in respect of all subscriptions for the Notes shall be payable at the time of subscription. Unless otherwise specified in the applicable Supplement, no interest will be payable on such funds prior to the issue date of the Notes. If for any reason the closing of an offering of Notes does not occur, all subscription funds will be returned forthwith to the subscriber's financial advisor using the FundSERV network.

Unless otherwise provided in the applicable Supplement, purchases of the Notes will be effected through dealers and other firms that facilitate purchase and related settlement through a clearing and settlement service operated by FundSERV Inc. ("**FundSERV**").

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

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

Purchase of FundSERV Notes

In order to purchase Notes using the FundSERV network ("**FundSERV Notes**"), the full aggregate subscription price of the Notes must be delivered to BMO Capital Markets, as agent, in immediately available funds prior to the issue date of the Notes. Despite delivery of such funds, BMO Capital Markets, reserves the right not to accept any offer to purchase FundSERV Notes. If the FundSERV Notes are not issued to the subscriber for any reason, such funds will be returned forthwith to the subscriber.

Sale of FundSERV Notes

A holder wishing to sell FundSERV Notes prior to maturity of the Notes is subject to certain procedures, conditions, requirements and limitations relating to the FundSERV system or as may otherwise be specified in the applicable Supplement. Any holder wishing to sell a FundSERV Note should consult with his, her or its financial advisor in order to understand the timing, procedures, conditions, requirements and limitations of selling through the FundSERV system. A holder must sell FundSERV Notes by using the sale procedures of FundSERV's transaction processing system; any other sale is not possible. Accordingly, a holder will not be able to negotiate a sale price for FundSERV Notes. Instead, the financial advisor for the holder will need to initiate an irrevocable request to sell the FundSERV Note in accordance with then established procedures of FundSERV. Generally, this will mean the financial advisor will need to initiate the sale request by 1:00 p.m. (Toronto time, or such other time as may hereafter be established by FundSERV) on a Business Day. Any request received after such time will be deemed to be a request sent and received in respect of the next following Business Day. Sale of a FundSERV Note will be effected at a bid price for the Note, determined by BMO Capital Markets in its sole and absolute discretion, minus any applicable early trading charge. The holder should be aware of the limitations and restrictions surrounding the secondary market. See "Description of the Notes — Secondary Market" and the related information set out in the applicable Supplement.

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

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

The calculation agent named in the applicable Supplement will be required to publish (or arrange to be published) the bid price on each Business Day. The posted bid price may also be used for valuation purposes in any statement sent to holders.

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

Form of Notes and Transfer

The Notes will be issued in fully registered form only and will be issued either as book-entry only Notes transferable only through CDS or its nominee or any other depository specified in the applicable Supplement or in definitive form.

Book-Entry Only Notes

The following is the Bank's understanding with respect to Notes issued in book-entry only form to CDS or its nominee. Procedures applicable to a depository other than CDS or its nominee will be described in the applicable Supplement. Notes issued in book-entry only form must be purchased, transferred or redeemed through participants in the depository service of CDS or its nominee ("Participants"). Each of the Dealers involved in the offering and sale of the Notes will be a Participant. On the closing of a book-entry only offering, the Bank will cause a global certificate or certificates representing the aggregate number of Notes subscribed for under such offering to be delivered to, and registered in the name of, CDS or its nominee. Except as described below and in any Supplement, no purchaser of Notes will be entitled to a certificate or other instrument from the Bank or CDS evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Notes will receive a customer confirmation of purchase from the Dealer from which the Notes are purchased in accordance with the practices and procedures of such Dealer. The practices of Dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Notes. Reference in this Base Shelf Prospectus to a holder of Notes means, unless the context otherwise requires, the owner of the beneficial interest in the Notes.

If (i) the book-entry system ceases to exist, (ii) the Bank determines, or CDS notifies the Bank in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Notes and the Bank is unable to locate a qualified successor, or (iii) the Bank at its option elects, or is required by law, to terminate the book-entry system, then physical certificates representing the Notes will be issued to holders of Notes or their nominees.

Transfer, Conversion or Redemption of Notes

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

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

Payments and Notices

Any payment of principal, redemption price, if any, dividend and interest, as applicable, on a Note will be made by the Bank to CDS or its nominee, as the case may be, as the registered holder of the Note. The Bank understands that CDS shall, upon receiving any payment in respect of any Notes, credit a Participant's account in amounts proportionate to such Participant's respective interest in the principal amount of such Notes, as shown on the records of CDS. Payments to holders of Notes of amounts so credited will be the responsibility of the Participants.

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

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

The Bank and any Dealers involved in the offering and sale of the Notes will not have any liability or responsibility for (i) records maintained by CDS relating to beneficial ownership interest in the Notes held by CDS or the book-entry accounts maintained by CDS, (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interest, or (iii) any advice or representation made by or with respect to CDS and contained herein or in any Supplement relating to the rules and regulations of CDS or any action to be taken by CDS or at the directions of the Participants.

Custodian

If specified in the applicable Supplement, the Bank or a person appointed by the Bank will act as custodian to hold the Notes for Participants in the relevant depository and persons that do not have accounts with the relevant depository (including, in certain cases, holders of Notes), referred to herein as non-participants, in accordance with their respective entitlements as reflected in a register to be maintained by the custodian solely on the basis of and in reliance upon instructions received from such Participants or non-participants, as the case may be. Upon receiving amounts payable in respect of Notes, the custodian will arrange for payment to Participants and non-participants (including holders) in amounts proportionate to their respective interests in the Notes recorded in the register maintained by the custodian.

All records maintained by the custodian shall, absent manifest error, be final for all purposes and binding on all persons, including the holders. The custodian shall not be responsible for its errors if made in good faith.

Definitive Notes

If specified in the applicable Supplement, the Bank may issue Notes in definitive form. In addition, if the book-entry system ceases to exist or if the Bank determines, in the circumstances described above under "Form of Notes and Transfer − Book-Entry Only Notes", to terminate the book-entry system, then the Notes will be issued in fully registered form to holders or their nominees in exchange for the registered global note that had been held by the depository. Any Notes issued in definitive form in exchange for a registered global note will be registered in the name or names that the depository gives to the Bank or its agent, as the case may be. It is expected that the depository's instructions will be based upon directions received by the depository from Participants with respect to ownership of beneficial interests in the registered global note that had been held by the depository. Definitive Notes, if issued, will name holders or their nominees as the owners of the Notes. In addition, the Bank may at any time and in its sole discretion decide not to have any of the Notes represented by one or more registered global notes. If the Bank makes that decision, the Bank will issue Notes in definitive form in exchange for all of the registered global notes representing the Notes.

The text of any Notes issued in definitive form will contain such provisions as the Bank may deem necessary or advisable. Unless otherwise specified in the applicable Supplement, the Bank shall keep or cause to be kept a register in which will be recorded registrations and transfers of Notes in definitive form if issued. Such register will be kept at the offices of the paying and transfer agent specified in the applicable Supplement or at such other offices notified by the Bank to holders of the Notes.

No transfer of a definitive Note will be valid unless made at such offices upon surrender of the certificate in definitive form for cancellation with a written instrument of transfer in form and as to execution satisfactory to the Bank or its agent, and upon compliance with such reasonable conditions as may be required by the Bank or its agent and with any requirement imposed by law and entered on the register.

Unless otherwise specified in the applicable Supplement, payments on a definitive Note, if issued, will be made by cheque mailed to the applicable registered holder at the address of the holder appearing in the aforementioned register in which registrations and transfers of Notes are to be recorded or, if requested in writing by the holder at least five Business Days before the date of the payment and agreed to by the Bank, by electronic funds transfer to a bank account nominated by the holder with a bank in Canada. Payment under any definitive Note is conditional upon the holder first delivering the Note to the paying and transfer agent who reserves the right on behalf of the Bank, in the case of payment of the return on the Notes prior to the maturity date, to mark on the Note that such return has been paid in full or in part (as the case may be), or, in the case of payment in full at any time of any amount due on the maturity or redemption of any Note, to retain the Note and mark the Note as cancelled.

Deferred Payment

Federal laws of Canada preclude the charging of interest or other amounts for the advancing of credit at effective rates in excess of 60% per annum. Therefore, when any payment is to be made by the Bank to a holder at maturity, payment of a portion of such payment constituting a return on the Notes that would exceed an effective rate of 60% per annum may be deferred to ensure compliance with such laws. The Bank will pay the portion so deferred to the holder together with interest at the Bank's equivalent term deposit rate as soon as Canadian law permits. In addition, the Bank may withhold a portion of any payment to a holder that the Bank is legally able or required to withhold.

Notices to Holders

All notices to the holders regarding the Notes will be validly given if published once in a French language Canadian newspaper and in the national edition of an English language Canadian newspaper, or if communicated to the holders by mail, electronic and/or any other means. Unless otherwise specified in the applicable Supplement, the Bank or a person appointed by the Bank will give notice as aforesaid to the holders of any material change or material fact relating to the Notes including a complete discontinuance of investing in any underlying securities.

Amendments to the Notes

The following applies unless otherwise specified in the applicable Supplement. The Notes or any global note representing Notes may be amended without the consent of the holders by an agreement between the Bank and BMO Capital Markets if, in the reasonable opinion of the Bank and BMO Capital Markets or its appointee, the amendment would not materially and adversely affect the interests of the holders. In all other cases, any particular issue of Notes or any global notes representing such issue of Notes may be amended if the amendment is approved by a resolution passed by the favourable votes of holders representing not less than 66⅔% of the outstanding aggregate principal amount of such issue of Notes represented at a meeting convened for the purpose of considering the resolution, or by written resolution signed by the holders of not less than 66⅔% of the outstanding principal amount of such issue of Notes. Each holder is entitled to one vote per Note held for the purpose of voting at meetings convened to consider a resolution. The Notes do not carry the right to vote in any other circumstances.

Governing Law

Unless otherwise specified in an applicable Supplement, the Notes will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

PLAN OF DISTRIBUTION

The Notes will be offered severally by one or more of the Dealers from time to time. The Notes may be purchased or offered from time to time by any of the Dealers, as agent or principal at prices and commissions to be agreed upon, for sale to the public at prices to be negotiated with purchasers. Sale prices may vary during the distribution period and between purchasers. The Bank may also offer the Notes to purchasers directly, pursuant to applicable law, at prices and terms to be negotiated. At the same time that a Dealer or Dealers offers the Notes, the Bank may issue other debt securities. The Bank has entered into a dealer agreement dated March 18, 2011 with the Dealers named in this Base Shelf Prospectus, and may enter into one or more agreements with other Dealers in connection with offerings of Notes from time to time.

The applicable Supplements will set forth the terms of any offering of Notes, including the type of Notes being offered, the name or names of any Dealers involved in the offering and sale of the Notes, the offering price, the proceeds to the Bank from such sale, any discount or commission to be paid to any Dealer involved in the offering and sale of the Notes and any discounts, concessions or commissions allowed or reallowed or paid by any Dealer to other Dealers. Any offering price or discounts or commission to be paid to any Dealer may be changed from time to time as agreed to in writing between the Bank and the Dealers. Unless otherwise indicated in the applicable Supplement, any Dealer is acting on a “best efforts” basis for the period of its appointment.

In connection with any offering of the Notes (unless otherwise specified in a Supplement), the Dealers may over-allot or effect transactions which stabilize or maintain the market price of the Notes offered at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time.

Dealers who participate in the distribution of the Notes may be entitled under agreements to be entered into with the Bank to indemnification by the Bank against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such dealers or agents may be required to make in respect thereof.

Unless otherwise provided for in the applicable Supplements, the Notes will be offered through FundSERV’s investment fund transaction processing system which will result in funds being accumulated in a non-interest bearing account pending execution of all documents required for the applicable offering of Notes and satisfaction of closing conditions. The applicable Supplements will set forth the applicable FundSERV order codes for the Notes. Funds in respect of all subscriptions for the Notes shall be payable at the time of subscription. The Bank will have the sole right to accept offers to purchase the Notes and may reject any proposed purchase of the Notes in whole or in part, and the Bank reserves the right to allot the Notes to investors in an amount less than that subscribed for by the investor. The Bank reserves the right to close the subscription book at any time and may discontinue accepting subscriptions at any time without notice. The Bank may at any time prior to the issue date for an offering of Notes, in its discretion, elect whether or not to proceed in whole or in part with the issue of the Notes. If for any reason the closing of an offering of Notes does not occur, all subscription funds will be returned forthwith to the subscriber’s financial advisor using the FundSERV network.

BMO Capital Markets was involved in the decision to distribute Notes and in determining the terms of the Notes set forth in this Base Shelf Prospectus and will be involved in the determination of the terms of each particular offering of Notes, which shall be made based on the direction and advice of one or more officers of BMO Capital Markets. BMO Capital Markets may receive a commission in connection with it acting as a dealer for the distribution of Notes and may earn a profit in connection with the acquisition or disposition of Notes acting as principal. BMO Capital Markets is a wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited which is, in turn, an indirect majority-owned subsidiary of the Bank. **As a result, the Bank is a "related issuer" of BMO Capital Markets for the purposes of NI 33-105 in connection with the offering of Notes under this Base Shelf Prospectus.**

As required under applicable Canadian securities legislation, one or more independent Dealers that are not related or connected to the Bank or BMO Capital Markets will participate with any other Dealer or Dealers in due diligence meetings with the Bank and its representatives in relation to offerings of Notes pursuant to this Base Shelf Prospectus, and will review the Base Shelf Prospectus and the applicable Supplement, and will have the opportunity to propose such changes to this Base Shelf Prospectus considered appropriate, and will participate, together with the other Dealers, in establishing the terms of the Notes and the price at which they will be offered by the Bank from time to time.

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

CERTAIN RISK FACTORS

Investment in the Notes 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 Notes, investors should consider carefully the risks set out herein and incorporated by reference in this Base Shelf Prospectus (including subsequently filed documents incorporated by reference) and those described in a Supplement relating to a specific offering of Notes. Prospective investors should consider the categories of risks identified and discussed in the Management's Discussion and Analysis incorporated herein by reference including but not limited to credit and counterparty risk, market risk, liquidity and funding risk, strategic risk, operational risk, business risk, reputational risk, legal risk and other factors that may affect the Bank's results.

Risks Relating to Underlying Securities

The principal amount of a Note payable at or before maturity and any variable return or other payment will be determined, in whole or in part, by reference to one or more underlying securities or interests. Accordingly, certain risk factors applicable to investors who invest directly in the underlying securities or interests are also applicable to an investment in Notes.

Principal at Risk; Non-Conventional Debt Securities

Notes offered under this Base Shelf Prospectus may not be conventional notes or debt securities. If specified in the applicable Supplement, Notes may provide no assurance that any of the principal amount of the Notes will be paid at or before maturity, other than the minimum payment amount specified in the Supplement. In addition, Notes may not provide holders with a return or income stream prior to maturity calculated by reference to a fixed or floating rate of interest determinable prior to maturity. An investment in the Notes, unlike traditional debt obligations of Canadian chartered banks, may be uncertain in that they could produce no return on a holder's original investment or not repay any principal amount at or before maturity, other than the minimum payment amount specified in the Supplement. Prospective purchasers are directed to the applicable Supplement for the specific terms of the relevant Notes, including the risk factors set out therein.

Market for Notes

Unless otherwise specified in the applicable Supplement, there may be no market through which the Notes may be sold and holders may not be able to sell Notes. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation.

Fees and Transaction Costs

Expenses and transaction costs may reduce a holder's return on the Notes.

Redemption May Adversely Affect Your Return on the Notes

If Notes are redeemable or are otherwise subject to any mandatory redemption or repayment by the Bank, such Notes may be redeemed or repaid at times when prevailing interest rates may be relatively low. In such case, a holder generally would not be able to reinvest the redemption proceeds so as to realize an expected return at such time comparable to the return that might have been realized had the Notes not been redeemed or repaid at such time.

Conflicts of Interest

The Bank and its affiliates may, from time to time, in the course of its normal business operations, hold interests linked to the underlying securities or hold securities of, extend credit to or enter into other business dealings with issuers thereof or persons affiliated, associated or in a business relationship with such issuers, including under hedging arrangements relating to the Notes. Each of the Bank and its affiliates has agreed that all such actions taken by it shall be taken based on normal commercial criteria in the particular circumstances, which may include payment of trailer fees. Such actions may not take into account the effect, if any, of such actions on the amount of variable return that may be payable on the Notes.

The Bank or one of its affiliates, including BMO Capital Markets, may be the calculation agent, and may have economic interests adverse to those of holders of Notes, including with respect to certain determinations that the calculation agent must make with respect to the Notes.

Changes in Laws and Regulations

Changes in laws and regulations, including how they are interpreted and enforced in applicable jurisdictions, could have an impact on holders of Notes or on the value of the Notes.

No Ownership of Underlying Securities or Interests

The Notes will not entitle a holder to any direct or indirect ownership or entitlement to any underlying securities or interests, except as specified in the applicable Supplement. A holder will not be entitled to the rights and benefits of a holder of underlying securities or interests, including any right to receive any distributions or dividends or to vote at or attend any meetings of holders of underlying securities.

Credit Risk

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

No Deposit Insurance

The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of the deposit taking financial institution. Therefore a holder will not be entitled to Canada Deposit Insurance Corporation protection.

Payments May be Deferred if Returns are Greater than 60%

Federal laws of Canada preclude the charging of interest or other amounts for the advancing of credit at effective rates in excess of 60% per annum. Therefore, when the payment at maturity is to be made by the Bank to a holder at maturity, payment of a portion of such payment that would exceed an effective rate in excess of 60% per annum may be deferred to ensure compliance with such laws. The Bank will pay the portion so deferred to the holder together with interest at the Bank's equivalent term deposit rate as soon as Canadian law permits. In addition, the Bank may withhold a portion of any payment to a holder that the Bank is legally able or required to withhold.

USE OF PROCEEDS

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

TAX CONSEQUENCES

Where appropriate, the applicable Supplement will describe certain Canadian federal income tax considerations relevant to the Notes being offered.

PURCHASER'S STATUTORY RIGHTS

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

CERTIFICATE OF THE BANK

Dated: March 18, 2011

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

(Signed) WILLIAM A. DOWNE President and Chief Executive Officer	(Signed) RUSSEL C. ROBERTSON Chief Financial Officer

On Behalf of the Board of Directors

(Signed) J. ROBERT S. PRICHARD Director	(Signed) BRUCE H. MITCHELL Director

CERTIFICATE OF THE DEALERS

Dated: March 18, 2011

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

BMO NESBITT BURNS INC.

Per: (Signed) Robin G. Tessier

HSBC SECURITIES (CANADA) INC.

Per: (Signed) Brent Larkan

APPENDIX A

AUDITORS' CONSENT

We have read the short form base shelf prospectus of Bank of Montreal (the "Bank") dated March 18, 2011, relating to the issue of up to $1,000,000,000 of medium term notes (Principal At Risk Notes) (the "Base Shelf Prospectus"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use, through incorporation by reference in the above-mentioned Base Shelf Prospectus of (i) our auditors' report to the shareholders of the Bank on the consolidated balance sheets of the Bank as at October 31, 2010 and October 31, 2009 and the consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the years then ended and (ii) our report on the effectiveness of internal control over financial reporting of the Bank as of October 31, 2010. Our reports are dated December 7, 2010.

(Signed) KPMG LLP
Chartered Accountants, Licensed Public Accountants

Toronto, Canada
March 18, 2011