

*This pricing supplement, together with the short form base shelf prospectus dated March 13, 2014 and the prospectus supplement dated September 10, 2014 (the “Prospectus Supplement”) to which it relates, as amended or supplemented, and each document incorporated by reference into the short form base shelf prospectus (the “Prospectus”), constitutes a public offering of these securities only in the 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 medium-term 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” in the Prospectus Supplement, may not be offered or sold in the United States.*

**PRICING SUPPLEMENT NO. 1 DATED September 12, 2014**

(to short form base shelf prospectus dated March 13, 2014 and prospectus supplement dated September 10, 2014)

**BANK OF MONTREAL**  
(a Canadian chartered bank)  
**SERIES H MEDIUM-TERM NOTES**  
(Subordinated Indebtedness)  
**FIRST TRANCHE**

PRINCIPAL AMOUNT: Cdn.\$1,000,000,000

ISIN No. CA 06369ZBS26

ISSUE PRICE: \$1,000 per \$1,000 principal amount.

ORIGINAL ISSUE DATE: September 19, 2014

STATED MATURITY DATE: September 19, 2024

NET PROCEEDS TO BANK OF MONTREAL (the “Bank”): \$996,200,000

INTEREST PERIODS: Semi-annually (in arrears) until September 19, 2019 and quarterly thereafter.

INTEREST PAYMENT DATES: March 19 and September 19 of each year commencing March 19, 2015 until and including September 19, 2019. Thereafter on the 19 day of March, June, September and December of each year commencing on December 19, 2019 until maturity.

INITIAL INTEREST RATE: 3.12% per annum.

INITIAL OFFERING YIELD TO INITIAL REDEMPTION DATE: 3.12% per annum.

INTEREST RATE BASIS (as of September 19, 2019): 3-month CDOR

SPREAD: plus 1.08%

INTEREST RESET DATE(S): Starting September 19, 2019, the first Business Day of each quarterly interest period.

RECORD DATE(S): The fifteenth calendar day (whether or not a Business Day) immediately preceding such related Interest Payment Date.

INTEREST RESET PERIOD: Starting September 19, 2019, quarterly.

INTEREST DETERMINATION DATE(S): The first Business Day of each quarterly interest period.

INTEREST CALCULATION:

☐ REGULAR FLOATING RATE  
☒ FIXED RATE/ FLOATING RATE  
Initial Fixed Interest Rate: 3.12%  
Floating Rate Commencement Date: September 19, 2019  
Floating Interest Rate Basis: 3-month CDOR  
☐ FLOATING RATE/FIXED RATE  
Fixed Rate Commencement Date:  
Fixed Interest Rate:  
☐ INVERSE FLOATING RATE  
Fixed Rate:  
Interest Rate Basis:

PAYMENT OF PRINCIPAL AND ANY PREMIUM  
AND INTEREST:

☒ Canadian Dollars  
☐ Specified Currency

SPECIFIED CURRENCY:

Canadian Dollars:  
☒ Yes  
☐ No  
Foreign Currency:  
Exchange Rate Agent:

DAY COUNT CONVENTION:

☒ Actual/365 for the period  
From September 19, 2019 to September 19,  
2024  
☐ Actual/Actual for the period  
from            to  
☐ Other

CONVERSION UPON THE  
OCCURRENCE OF A NON-VIABLE  
CONTINGENT CAPITAL TRIGGER  
EVENT ("NVCC AUTOMATIC  
CONVERSION")

In the event of an NVCC Automatic Conversion, when calculating the number of common shares of the Bank ("Common Shares") issuable upon the conversion of the Notes into Common Shares, the following shall apply:

- a) "Multiplier" means 1.5.
- b) "Conversion Price" means the greater of (i) the Floor Price, and (ii) the Current Market Price.
- c) "Current Market Price" means the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange ("TSX") or, if not then listed on the TSX, on another exchange or market chosen by the board of directors of the Bank on which the Common Shares are then traded, for the 10 consecutive trading days ending on the trading day immediately prior to the date on which the Trigger Event occurs (with the conversion occurring as of the start of business on the date on which the Trigger Event occurs). If no such trading prices are available, "Current Market Price" shall be the Floor Price.
- d) "Floor Price" means \$5.00 subject to adjustment in the event of (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares as a stock dividend, (ii) the subdivision, redivision or change of the Common Shares into a greater number of Common Shares, or (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of Common Shares. The adjustment shall be calculated to the nearest one-tenth of one cent provided that no adjustment of the Conversion Price shall be required unless such adjustment

would require an increase or decrease of at least 1% of the Conversion Price then in effect; provided, however, that in such case any adjustment that would otherwise be required to be made will be carried forward and will be made at the time of and together with the next subsequent adjustment which, together with any adjustments so carried forward, will amount to at least 1% of \$5.00.

d) “Note Value” means, in respect of each Note, \$1,000 plus accrued and unpaid interest on such Note.

RATINGS: “A (low)” by DBRS Limited  
“Baa1 (Hyb)” by Moody’s Canada Inc.  
“BBB” by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies Inc.

AGENTS: BMO Nesbitt Burns Inc., Scotia Capital Inc., CIBC World Markets Inc., Desjardins Securities Inc., RBC Dominion Securities Inc., TD Securities Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., Industrial Alliance Securities Inc., Manulife Securities Incorporated, and Merrill Lynch Canada Inc.

CALCULATION AGENT: BNY Trust Company of Canada.

OTHER PROVISIONS:

“3-month CDOR” means, for any quarterly floating rate interest period, the average bid rate of interest (expressed as an annual percentage rate) rounded to the nearest one-hundred-thousandth of one percent (with 0.000005 per cent being rounded up) for Canadian dollar bankers’ acceptances with maturities of three months which appears on the Reuters CDOR Page as of 10:00 a.m., Toronto time, on the first Business Day of such quarterly interest period. If such rate does not appear on the Reuters CDOR Page on such day, the 3-month CDOR for such period shall be the average of the bid rates of interest (expressed and rounded as set forth above) for Canadian dollar bankers’ acceptances with maturities of 90 days for same-day settlement as quoted by such of the Schedule I banks (as defined in the *Bank Act* (Canada)) as may quote such a rate as of 10:00 a.m., Toronto time, on the first Business Day of such quarterly interest period.

“Reuters CDOR Page” means the display designated as page “CDOR” on the Reuters Monitor Money Rates Service (or such other page as may replace the CDOR page on that service) for purposes of displaying Canadian dollar bankers’ acceptance rates.

The Bank may, at its option, with the prior approval of the Superintendent of Financial Institutions Canada (the “Superintendent”), redeem the Series H Medium-Term Notes offered hereunder (the “Notes”) in whole or in part, on not less than 30 days’ and not more than 60 days’ prior notice to the registered holders of the Notes, at any time or from time to time on or after the first Interest Reset Date at par together with accrued and unpaid interest to but excluding the date fixed for redemption. In cases of partial redemption, the Notes to be redeemed will be selected by the Trustee (as defined in the Prospectus) on a *pro rata* basis or in such other manner as the Trustee may deem equitable. Any Notes redeemed by the Bank will be cancelled and will not be reissued.

The Bank (subject to the prior approval of the Superintendent) will, at any time and from time to time, have the right to purchase the Notes at any price or prices in the open market or otherwise.

A beneficial holder of Notes may, but only upon notice from the Bank which may be given at various times only with the prior approval of the Superintendent, convert all but not less than all of the aggregate principal amount of such holders’ Notes on the date specified in the applicable notice (which date shall be an Interest Payment Date) into an equal aggregate principal amount of a new series of medium-term notes issued by the Bank (the “New Notes”). If

given, such notice from the Bank shall be given not less than 30 days nor more than 60 days from the date fixed for conversion and in accordance with the terms of the Indenture (as defined in the Prospectus).

AGENTS' COMPENSATION: 0.35%

FORM:

- ☐ Fully Registered
- ☒ Book Entry Only

METHOD OF DISTRIBUTION:

- ☒ Agency
- ☐ Principal for Resale
- ☐ Direct

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have been filed by the Bank with the Superintendent and the various securities commissions or similar authorities in Canada, are specifically incorporated by reference in and form an integral part of the Prospectus as amended or supplemented:

- (a) Annual Information Form dated December 3, 2013;
- (b) Audited consolidated financial statements as at and for the year ended October 31, 2013 with comparative consolidated financial statements as at and for the year ended October 31, 2012, 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) Management's Discussion and Analysis as contained in the Bank's Annual Report as of October 31, 2013;
- (d) Management Proxy Circular dated February 7, 2014 in connection with the annual meeting of shareholders of the Bank held on April 1, 2014;
- (e) Unaudited consolidated interim financial statements for the three and nine months ended July 31, 2014;
- (f) Management's Discussion and Analysis, as contained in the Bank's Third Quarter 2014 Report to Shareholders for the three and nine months ended July 31, 2014; and
- (g) Template version (as defined in National Instrument 41-101 • *General Prospectus Requirements* ("NI 41-101")) of the indicative term sheet dated September 10, 2014 (the "Initial Indicative Term Sheet"), the revised indicative term sheet dated September 12, 2014 (the "Revised Indicative Term Sheet"), and the final term sheet dated September 12, 2014 (the "Final Term Sheet"), in each case filed on SEDAR in connection with this offering.

Any additional marketing materials (as defined in NI 41-101) filed with the securities commission or similar authority in each of the provinces and territories of Canada in connection with the offering of Notes hereunder on or after the date hereof but prior to the termination of the distribution of the Notes under this Pricing Supplement (including any amendments to, or an amended version of, the marketing materials) are deemed to be incorporated by reference herein. Any marketing materials, including the Initial Indicative Term Sheet, the Revised Indicative Term Sheet and the Final Term Sheet, are not part of this Pricing Supplement to the extent that the contents of the marketing materials have been modified or superseded by a statement contained in an amendment to this Pricing Supplement.

Any statement contained in this Pricing Supplement or in a document incorporated or deemed to be incorporated by reference herein or in the Prospectus for the purposes of the offering of Notes shall be deemed to be modified or superseded for the 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 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 Pricing Supplement.

## CAPITALIZATION

The following table sets out the Bank's capitalization as at July 31, 2014.

	<b>As at July 31, 2014<sup>(1)</sup></b>
	<i>(in millions of Canadian dollars)</i>
<b>Non-Controlling Interest in Subsidiaries</b>	\$1,081
<b>Subordinated Debt</b>	\$3,948
<b>Shareholders' Equity</b>	
Common Shares and Contributed Surplus	\$12,464
Preferred Shares	\$3,040
Retained Earnings	\$16,724
Accumulated Other Comprehensive Income	\$991
<b>Total Shareholders' Equity</b>	\$33,219
 <b>Total Capitalization</b>	 \$38,248

Notes:

- (1) After giving effect to this offering, subordinated debt would have amounted to \$4,945 million as at July 31, 2014.

## EARNINGS COVERAGE RATIOS

The consolidated financial ratios for the Bank set forth in the table below are calculated for the 12 months ended October 31, 2013 and July 31, 2014, respectively, are presented on a pro forma as adjusted basis, which gives effect to the issuance of \$500 million of Non-Cumulative 5-Year Rate Reset Class B Preferred Shares, Series 27 of the Bank on April 23, 2014 (the "Preferred Shares Series 27"), \$400 million of Non-Cumulative 5-Year Rate Reset Class B Preferred Shares, Series 29 of the Bank on June 6, 2014 (the "Preferred Shares Series 29"), \$300 million of Non-Cumulative 5-Year Rate Reset Class B Preferred Shares, Series 31 of the Bank on July 30, 2014 (the "Preferred Shares Series 31") and the Notes.

	<b>12 Months Ended October 31, 2013</b>	<b>12 Months Ended July 31, 2014</b>
Grossed up dividend coverage on Class B Preferred Shares, Series 13, 14, 15, 16, 17, 23, 25, 27, 29 and 31 <sup>(1)</sup>	31.41 times	31.55 times
Interest coverage on subordinated indebtedness	30.20 times	30.12 times
Interest and grossed up dividend coverage on subordinated indebtedness	15.40 times	15.41 times

Notes:

- (1) With respect to the Preferred Shares Series 27, this calculation assumes the payment of a \$0.25 dividend per Preferred Share Series 27 for each of the four quarterly periods during the respective 12 month period. With respect to the Preferred Shares Series 29, this calculation assumes the payment of a \$0.24375 dividend per Preferred Share Series 29 for each of the four quarterly periods during the respective 12 month period. With respect to the Preferred Shares Series 31, this calculation assumes the payment of a \$0.2375 dividend per Preferred Share Series 31 for each of the four quarterly periods during the respective 12 month period.

In calculating the dividend and interest coverages, foreign currency amounts have been converted to Canadian dollars using rates of exchange as at the end of each month. For the 12 month period ending October 31, 2013, the average of such exchange rates was \$1.0235 per US\$1.00. For the 12 month period ending July 31, 2014, the average of such exchange rates was \$1.0763 per US\$1.00.

The Bank's dividend requirements on all of its preferred shares amounted to (i) \$169.7 million for the 12 months ended October 31, 2013, adjusted to a before-tax equivalent using an effective tax rate of 20.11%, and (ii) \$171.6 million for the 12 months ended July 31, 2014, adjusted to a before-tax equivalent using an effective tax rate of 18.52%. The Bank's interest requirements for its long term debt and grossed up dividends on its preferred shares for (i) the 12 months ended October 31, 2013 amounted to \$346.1 million, and (ii) the 12 months ended July 31, 2014 amounted to \$351.4 million. The Bank's earnings before interest and income tax for (i) the 12 months ended October 31, 2013 amounted to \$5,329.5 million, which was 15.40 times the Bank's aggregate dividend and interest requirements for this period, and (ii) the 12 months ended July 31, 2014 amounted to \$5,414.1 million, which was 15.41 times the Bank's aggregate dividend and interest requirements for this period. The foregoing figures have been calculated after giving effect to the issuance of the Preferred Shares Series 27, the Preferred Shares Series 29, the Preferred Shares Series 31 and the Notes.

## TRADING PRICE AND VOLUME

The outstanding Common Shares are listed on the TSX under the trading symbol "BMO" and on the NYSE under the trading symbol "BMO". The outstanding preferred shares of the Bank are listed on the TSX with the following trading symbols: "BMO.PR.J" for the Class B Preferred Shares Series 13; "BMO.PR.K" for the Class B Preferred Shares Series 14; "BMO.PR.L" for the Class B Preferred Shares Series 15; "BMO.PR.M" for the Class B Preferred Shares Series 16; "BMO.PR.R" for the Class B Preferred Shares Series 17; "BMO.PR.P" for the Class B Preferred Shares Series 23; "BMO.PR.Q" for the Class B Preferred Shares Series 25; "BMO.PR.S" for the Class B Preferred Shares Series 27; "BMO.PR.T" for the Class B Preferred Shares Series 29; and "BMO.PR.W" for the Class B Preferred Shares Series 31. The following tables set forth the reported high and low trading prices in Canadian dollars and trading volumes of the common and preferred shares of the Bank on the TSX for the periods indicated.

### Common Shares (BMO)

Month	High (\$)	Low (\$)	Volume Traded
December 2013 .....	\$74.18	\$68.35	34,578,136
January 2014 .....	\$73.23	\$68.01	31,104,338
February 2014 .....	\$73.60	\$67.04	26,317,290
March 2014 .....	\$74.29	\$71.64	27,085,036
April, 2014 .....	\$76.68	\$73.51	23,298,987
May, 2014 .....	\$77.45	\$74.28	16,673,578
June, 2014 .....	\$78.86	\$76.01	23,106,988
July, 2014 .....	\$82.79	\$78.45	20,771,437
August, 2014 .....	\$83.81	\$78.59	24,511,809
September 1 - 11, 2014.....	\$85.24	\$83.41	9,151,807

### Class B Preferred Shares Series 13 (BMO.PR.J)

Month	High (\$)	Low (\$)	Volume Traded
December 2013 .....	\$25.61	\$25.20	142,216
January 2014 .....	\$25.59	\$25.14	193,398
February 2014 .....	\$25.64	\$25.19	275,376
March 2014 .....	\$25.89	\$25.50	338,203
April, 2014 .....	\$26.09	\$25.71	486,377
May, 2014 .....	\$26.12	\$25.56	245,677
June, 2014 .....	\$25.91	\$25.57	84,724
July, 2014 .....	\$25.93	\$25.60	159,688
August, 2014 .....	\$25.79	\$25.60	79,427
September 1 - 11, 2014.....	\$25.90	\$25.75	72,078

**Class B Preferred Shares Series 14 (BMO.PR.K)**

<b>Month</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume Traded</b>
December 2013 .....	\$26.24	\$25.86	80,325
January 2014 .....	\$26.17	\$25.50	74,110
February 2014 .....	\$26.11	\$25.55	66,367
March 2014 .....	\$26.21	\$26.01	45,558
April, 2014 .....	\$26.36	\$26.00	65,722
May, 2014 .....	\$26.15	\$26.00	63,323
June, 2014 .....	\$26.17	\$26.01	91,573
July, 2014 .....	\$26.20	\$25.85	498,150
August, 2014 .....	\$26.04	\$25.77	29,808
September 1 - 11, 2014.....	\$26.10	\$25.91	19,999

**Class B Preferred Shares Series 15 (BMO.PR.L)**

<b>Month</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume Traded</b>
December 2013 .....	\$26.43	\$26.23	152,092
January 2014 .....	\$26.44	\$26.04	93,541
February 2014 .....	\$26.24	\$26.03	167,603
March 2014 .....	\$26.35	\$26.11	89,508
April, 2014 .....	\$26.58	\$26.21	213,424
May, 2014 .....	\$26.88	\$26.37	172,289
June, 2014 .....	\$26.69	\$26.45	65,056
July, 2014 .....	\$26.65	\$26.12	76,401
August, 2014 .....	\$26.45	\$26.12	67,733
September 1 - 11, 2014.....	\$26.39	\$26.25	25,335

**Class B Preferred Shares Series 16 (BMO.PR.M)**

<b>Month</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume Traded</b>
December 2013 .....	\$25.30	\$24.79	127,373
January 2014 .....	\$25.43	\$24.55	128,456
February 2014 .....	\$25.05	\$24.64	296,185
March 2014 .....	\$25.34	\$24.99	228,212
April, 2014 .....	\$25.65	\$25.21	128,990
May, 2014 .....	\$25.87	\$24.90	237,065
June, 2014 .....	\$25.34	\$24.90	88,513
July, 2014 .....	\$25.48	\$25.25	75,449
August, 2014 .....	\$25.39	\$25.21	56,696
September 1 - 11, 2014.....	\$25.45	\$25.25	26,591

**Class B Preferred Shares Series 17 (BMO.PR.R)**

<b>Month</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume Traded</b>
December 2013 .....	\$25.29	\$25.14	389,045
January 2014 .....	\$25.20	\$24.79	301,980
February 2014 .....	\$24.90	\$24.60	408,311
March 2014 .....	\$24.92	\$24.76	358,623
April, 2014 .....	\$25.38	\$24.85	136,245
May, 2014 .....	\$25.22	\$24.91	188,992
June, 2014 .....	\$25.34	\$24.88	85,385
July, 2014 .....	\$25.55	\$25.12	35,450
August, 2014 .....	\$25.54	\$25.20	31,087



September 1 - 11, 2014.....	\$25.59	\$25.37	49,935
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**Class B Preferred Shares Series 23 (BMO.PR.P)**

Month	High (\$)	Low (\$)	Volume Traded
December 2013 .....	\$26.29	\$25.88	235,056
January 2014 .....	\$26.63	\$25.65	131,123
February 2014 .....	\$26.13	\$25.66	448,445
March 2014 .....	\$26.08	\$25.88	296,238
April, 2014 .....	\$26.17	\$25.75	92,775
May, 2014 .....	\$26.40	\$25.56	205,123
June, 2014 .....	\$25.72	\$25.50	173,962
July, 2014 .....	\$26.11	\$25.45	225,599
August, 2014 .....	\$25.59	\$25.18	105,040
September 1 - 11, 2014.....	\$25.60	\$25.46	21,292

**Class B Preferred Shares Series 25 (BMO.PR.Q)**

Month	High (\$)	Low (\$)	Volume Traded
December 2013 .....	\$24.65	\$24.12	157,803
January 2014 .....	\$24.90	\$24.14	163,351
February 2014 .....	\$24.62	\$24.07	135,485
March 2014 .....	\$24.70	\$24.44	179,969
April, 2014 .....	\$24.92	\$24.54	277,822
May, 2014 .....	\$25.25	\$24.40	305,206
June, 2014 .....	\$24.70	\$24.30	136,435
July, 2014 .....	\$25.15	\$24.51	141,717
August, 2014 .....	\$24.99	\$24.72	155,219
September 1 - 11, 2014.....	\$24.95	\$24.64	202,137

**Class B Preferred Shares Series 27 (BMO.PR.S)**

Month	High (\$)	Low (\$)	Volume Traded
April 23 – 30, 2014 .....	\$25.59	\$25.31	2,391,736
May, 2014 .....	\$25.79	\$25.12	1,522,640
June, 2014 .....	\$25.60	\$25.10	365,768
July, 2014 .....	\$25.84	\$25.25	1,355,629
August, 2014 .....	\$25.64	\$25.33	365,226
September 1 - 11, 2014.....	\$25.46	\$25.26	36,549

**Class B Preferred Shares Series 29 (BMO.PR.T)**

Month	High (\$)	Low (\$)	Volume Traded
June 6 - 30, 2014 .....	\$25.35	\$24.90	2,167,368
July, 2014 .....	\$25.52	\$25.15	1,197,289
August, 2014 .....	\$25.39	\$25.18	241,445
September 1 - 11, 2014.....	\$25.35	\$25.24	78,468

**Class B Preferred Shares Series 31 (BMO.PR.W)**

Month	High (\$)	Low (\$)	Volume Traded
July 30-31, 2014 .....	\$25.05	\$24.95	1,799,890
August, 2014 .....	\$25.15	\$24.95	1,530,276
September 1 - 11, 2014.....	\$25.12	\$25.06	140,266