

FINAL TERMS

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

9 January 2017

Bank of Montreal

**Issue of U.S.\$1,750,000,000 2.500% Covered Bonds due 11 January 2022
unconditionally and irrevocably guaranteed as to payment of principal and interest by
BMO Covered Bond Guarantor Limited Partnership
under the U.S.\$17 billion
Global Registered Covered Bond Program**

PART 1

CONTRACTUAL TERMS

Terms used herein will be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 16 August 2016 (as supplemented by the First Supplement dated 9 September 2016, the Second Supplement dated 5 October 2016 and the Third Supplement dated 21 December 2016) which together constitute a base prospectus (the **Prospectus**) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the final terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus as so supplemented. Full information on the Issuer and the Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms Document and the Prospectus. The Prospectus is available for viewing at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies of the Prospectus are available free of charge to the public at the Executive Offices of the Issuer and from the specified office of each of the Paying Agents.

The Guarantor is not now, and immediately following the issuance of the Covered Bonds pursuant to the Trust Deed will not be, a “covered fund” for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the “Volcker Rule.” In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended, and under the Volcker Rule and its related regulations may be available, the Guarantor has relied on the exemption from registration set forth in Section 3(c)(5) of the Investment Company Act of 1940, as amended. See “Certain Investment Company Act Considerations” in the Prospectus dated 16 August 2016.

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| 1. | (a) | Issuer: | Bank of Montreal |
| | (b) | Guarantor: | BMO Covered Bond Guarantor Limited Partnership |
| 2. | (a) | Series Number: | CBL11 |

- (b) Tranche Number: 1
3. Specified Currency or Currencies: U.S. Dollars (U.S.\$)
4. Aggregate Nominal Amount of Covered Bonds admitted to trading:
- (a) Series: U.S.\$1,750,000,000
- (b) Tranche: U.S.\$1,750,000,000
5. (a) Issue Price: 99.711% of the Aggregate Nominal Amount
6. (a) Specified Denominations: At least U.S.\$250,000 (and no less than the equivalent of €100,000) and integral multiples of U.S.\$1,000 in excess thereof.
- (b) Calculation Amount: U.S.\$1,000
7. (a) Issue Date: 11 January 2017
- (b) Interest Commencement Date: Issue Date
8. (a) Final Maturity Date: 11 January 2022
- (b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: 11 January 2023
9. Interest Basis: From (and including) the Issue Date to (but excluding) the Final Maturity Date: 2.500% Fixed Rate payable semi-annually in arrear
- From (and including) the Final Maturity Date to (but excluding) the Extended Due for Payment Date: 1 month USD LIBOR plus 0.750% Floating Rate payable monthly in arrear
10. Redemption/Payment Basis: Redemption at par on the Final Maturity Date, subject to extension as set out in the Prospectus
11. Change of Interest Basis or Fixed to Floating Redemption/Payment Basis:
12. Put/Call Options: Not Applicable
13. Date of approval for issuance of Covered 29 May 2013

Bonds:

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14.** Fixed Rate Covered Bond Provisions: Applicable
- (a) Rate(s) of Interest: 2.500% per annum payable semi-annually in arrear on each Interest Payment Date
 - (b) Interest Payment Date(s): Beginning on 11 July 2017, 11 January and 11 July in each year to and including the Final Maturity Date (each, an **Original Due for Payment Date**) not adjusted
 - (c) Business Day Convention: Following Business Day Convention (unadjusted)
 - (d) Business Day(s): Toronto, New York
 - (e) Additional Business Centre(s): Not Applicable
 - (f) Fixed Coupon Amount(s): U.S.\$12.50 per Calculation Amount
 - (g) Broken Amount(s): Not Applicable
 - (h) Day Count Fraction: 30 / 360
 - (i) Determination Date(s): 1 January and 1 July in each year
 - (j) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: Not Applicable
- 15.** Floating Rate Covered Bond Provisions: Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date.
- Applicable in respect of the Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee.
- (a) Interest Period(s): The first Interest Period after the Final Maturity Date will be the period from and including the Final Maturity Date to but excluding the next following Interest Payment Date and subsequent Interest Periods will be from and including the Interest Payment Date to but excluding the immediately following Interest Payment Date, up to but excluding the Extended Due for Payment Date.
 - (b) Interest Payment Date(s): The 11th calendar day of each month payable from but

excluding the Final Maturity Date to and including the earlier of:

(i) the date on which the Covered Bonds are redeemed in full; and (ii) the Extended Due for Payment Date.

- (c) First Interest Payment Date: 11 February 2022
- (d) Business Day Convention: Modified Following Business Day Convention (adjusted)
- (e) Business Day(s): Toronto, New York
- (f) Additional Business Centre(s): Not Applicable
- (g) Manner in which the Rate of Interest and Interest Amount is to be determined: Screen Rate Determination
- (h) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent): Not Applicable
- (i) Screen Rate Determination: Applicable
- Reference Rate and Relevant Financial Centre: Reference Rate: 1 month USD LIBOR
Relevant Financial Centre: New York
- Interest Determination Date(s): The second London Business Day before the Reset Date
- Relevant Screen Page: Reuters USD LIBOR 01
- (j) ISDA Determination: Not Applicable
- (k) Floating Rate Covered Bond Margin(s): 0.750% per annum
- (l) Minimum Rate of Interest: 0.000% per annum
- (m) Maximum Rate of Interest: 60.000% per annum
- (n) Day Count Fraction: Actual / 360
- 16. Zero Coupon Covered Bond Provisions:** Not Applicable

PROVISIONS RELATING TO REDEMPTION

- 17. Issuer Call:** Not Applicable

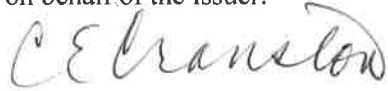
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|------------|--|------------------------------------|
| 18. | Put Option: | Not Applicable |
| 19. | Final Redemption Amount of each Covered Bond: | U.S.\$1,000 per Calculation Amount |
| 20. | Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event of Default or other early redemption and/or the method of calculating the same (if required or if different from that set out in Condition 6.7 (Early Redemption Amounts)): | U.S.\$1,000 per Calculation Amount |

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

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| 21. | Form of Covered Bonds: | Registered Covered Bonds:

Regulation S Global Covered Bond registered in the name of the common depositary for DTC or its nominee. Rule 144A Global Covered Bond registered in the name of the common depositary for DTC or its nominee. |
| 22. | New Global Covered Bond | No |
| 23. | Global Covered Bond held under the New Safekeeping Structure: | No |
| 24. | Financial Centre(s) or other special provisions relating to payment dates: | London, New York, Toronto |
| 25. | Talons for future Coupons to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature): | No |
| 26. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |

Signed on behalf of the Issuer:

By: 

Name: Cathryn E. Cranston
Title: Senior Vice-President and Treasurer

Duly authorized

By: 

Name: Chris Hughes
Title: Vice President, Corporate Treasury

Duly authorized

Signed on behalf of the Guarantor:

By: 

Name: Chris Hughes
Title: President, BMO Covered Bond GP, Inc.

Duly authorized

(signature page to Final Terms)

PART 2

OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the London Stock Exchange's Regulated Market and to the Official List of the UK Listing Authority with effect from 11 January 2017.
- (b) Estimate of total expenses related to admission to trading: £3,650

2. RATINGS

- Ratings: The Covered Bonds to be issued are expected to be rated:
- Fitch: AAA
- Moody's: Aaa
- DBRS: AAA

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in *Selling Restrictions* and in respect of Bank of Montreal, London Branch (as a Dealer in respect of these Series CBL11 Covered Bonds) which is an office of the Issuer, so far as the Issuer and the Guarantor are aware, no person involved in the offer of the Covered Bonds has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. YIELD (*Fixed Rate Covered Bonds only*)

- Indication of yield: 2.562% per annum

5. OPERATIONAL INFORMATION

- (a) ISIN Code: Reg S: USC06156MT45
144A: US06367XD243
- (b) Common Code: Reg S: 154878394
144A: 154895795
- (c) Any clearing system(s) other than DTC, Euroclear or Clearstream, Luxembourg and the relevant Reg S CUSIP: C06156 MT4
144A CUSIP: 06367X D24

