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Pricing Supplement dated February 15, 2013 to the Prospectus Supplement dated June 22, 2011 and the Prospectus dated June 22, 2011



US\$5,000,000
Senior Medium-Term Notes, Series B
Redeemable Step-Up Coupon Notes, Due February 22, 2033

Issuer:

Bank of Montreal

Title of Notes:

Redeemable Step-Up Coupon Notes, due February 22, 2033 (the "Notes")

Trade Date:

February 15, 2013

Settlement Date (Original Issue Date):

February 22, 2013

Stated Maturity:

February 22, 2033, resulting in a term to maturity of 20 years, subject to our early redemption right, as described in the "Optional Redemption Feature" below.

Principal Amount (in Specified Currency):

US\$5,000,000; Minimum Denomination: US\$1,000 and integral multiples of US\$1,000 in excess of \$1,000

Original Public Offering Price (Issue Price):

100%

Interest Rate Per Annum:

The Notes will bear interest at the rate equal to:

- 3.0% per annum for the period from February 22, 2013 to but excluding February 22, 2018,
- 3.4% per annum for the period from February 22, 2018 to but excluding February 22, 2023, and
- 4.0% per annum for the period from February 22, 2023 to but excluding February 22, 2033.

Interest on the Notes will accrue on the basis of a 360-day year of twelve 30-day months.

Interest Payment Period:

Semi-annually

Interest Payment Date(s):

Interest is payable semi-annually in arrears on February 22 and August 22 of each year, commencing August 22, 2013. See "Optional Redemption Feature" below.

Payment at Maturity:

Subject to our credit risk, you will receive at maturity the principal amount and the final interest payment.

Clearance and Settlement:

DTC global (including through its indirect participants Euroclear and Clearstream, Luxembourg as described under "Ownership and Book-Entry Issuance" in the accompanying prospectus).

CUSIP No.:

06366RLS2

Optional Redemption Provision:

We may, at our option, elect to redeem the Notes in whole or in part semi-annually on February 22 and August 22 (each such date, a "Redemption Date") at 100% of their principal amount plus accrued and unpaid interest to the next Redemption Date. In the event we elect to redeem the Notes, notice will be given to registered holders not more than 30 days prior to the Redemption Date. See "Specific Terms of the Notes — Optional Redemption Feature" below.

We urge you to read this pricing supplement together with the prospectus supplement and prospectus. You may access these documents on the SEC website at www.sec.gov as follows:

- Prospectus supplement dated June 22, 2011:

<http://www.sec.gov/Archives/edgar/data/927971/000095012311060741/071090b5e424b5.htm>

<http://www.oblible.com>

• Prospectus dated June 22, 2011:

<http://www.sec.gov/Archives/edgar/data/927971/000095012311060730/o71090b2e424b2.htm>

Investing in the Notes involves risks, including those described in the “Risk Factors” section beginning on page S-3 of the accompanying prospectus supplement and particular, please note that all payments on the Notes are subject to our credit risk.

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

The Notes will be our unsecured obligations and will not be savings accounts or deposits that are insured by the United States Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency or instrumentality or other entity.

We expect to deliver the Notes through the facilities of The Depository Trust Company on or about February 22, 2013.

We may use this pricing supplement in the initial sale of Notes. In addition, BMO Capital Markets Corp. (“BMOCM”) or another of our affiliates may use this pricing supplement in market-making transactions. ***Unless our agent or we inform you otherwise in the confirmation of sale, this pricing supplement is being used in a market-making transaction.***

The Notes have been offered at varying public offering prices related to prevailing market prices. Each public offering price will include accrued interest from February 22, 2013, if settled on the Notes from us on the settlement date at 98.75% of the principal amount.

BMO CAPITAL MARKETS

SPECIFIC TERMS OF THE NOTES

The Notes are part of a series of our senior debt securities called Senior Medium-Term Notes, Series B, and therefore, this pricing supplement should be read together with the accompanying prospectus supplement, dated June 22, 2011 and the accompanying prospectus, dated June 22, 2011. This pricing supplement has the meanings given them in the accompanying prospectus or accompanying prospectus supplement, unless the context otherwise requires.

In this section, references to “holders” mean those who own the Notes registered in their own names, on the books that we or the trustee maintain. Holders who own beneficial interests in the Notes registered in street name or in the Notes issued in book-entry form through The Depository Trust Company (“DTC”) should read the section entitled “Description of the Notes We May Offer — Legal Ownership” in the accompanying prospectus supplement. Holders of beneficial interests in the Notes should read the section entitled “Description of Debt Securities We May Offer — Legal Ownership and Book-Entry Issuance” in the accompanying prospectus.

The Notes are part of a series of senior debt securities entitled “Senior Medium-Term Notes, Series B” (the “medium-term notes”) that we are issuing under a senior indenture, dated June 22, 2011, between Bank of Montreal and Wells Fargo Bank, National Association, as trustee. This pricing supplement describes the terms of the Notes and other terms that apply to the Notes. Terms that apply generally to our medium-term notes are described in “Description of the Notes We May Offer” in the accompanying prospectus supplement. The terms described herein supplement those described in the accompanying prospectus and the accompanying prospectus supplement. In the event of any inconsistency between the terms described herein and those described in those documents, the terms described herein are controlling.

Please note that the information about the price to the public and the net proceeds to Bank of Montreal on the front cover of this pricing supplement is preliminary. If you have purchased the Notes in a market-making transaction after the initial sale, information about the price and date of sale to you will be provided in a separate confirmation of sale.

We describe particular terms of the Notes in more detail below.

Interest

The Notes will bear interest at the rate of:

- 3.0% per annum for the period from February 22, 2013 to but excluding February 22, 2018,
- 3.4% per annum for the period from February 22, 2018 to but excluding February 22, 2023, and
- 4.0% per annum for the period from February 22, 2023 to but excluding February 22, 2033.

Interest will be paid on the Interest Payment Dates set forth on the cover page of this pricing supplement. Interest payments will be calculated on the basis of a 360-day year and will be payable in arrears, consisting of twelve 30-day months. Interest will be payable to holders of record on the 3rd business day before each Interest Payment Date. Interest will be paid on the day immediately preceding the Interest Payment Date to but excluding the next Interest Payment Date. In the event an Interest Payment Date, Redemption Date or the Stated Maturity Date falls on a day, principal and/or interest will be paid on the next succeeding business day and no interest on such payment shall accrue for the period from a Redemption Date or Stated Maturity, as the case may be, to such next succeeding business day.

Optional Redemption Feature

We may, at our option, elect to redeem the Notes in whole or in part semi-annually on February 22 and August 22 of each year commencing on the first Redemption Date (“Redemption Date”) at 100% of their principal amount plus accrued and unpaid interest to but excluding the date on which the Notes are redeemed. If we elect to redeem the Notes, notice will be given to registered holders not more than 30 nor less than five business days prior to the Redemption Date.

Certain Investment Considerations

Prospective purchasers should be aware that we have the right to redeem the Notes on any Redemption Date, beginning on the first Redemption Date. We may elect to redeem the Notes prior to their stated maturity date to the extent that the interest payable on the Notes is greater than the interest that would be payable on an issuer of a comparable maturity, terms and credit rating trading in the market. If the Notes are redeemed prior to their stated maturity date, you may experience a lower interest rate environment. See “— Optional Redemption Feature.”

Our credit ratings and credit spreads may adversely affect the market value of the Notes. Investors are dependent on our ability to pay at each interest payment date and at maturity, and therefore investors are subject to our credit risk and to changes in the market’s view of our creditworthiness. An increase or decrease in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the value of the Notes.

SUPPLEMENTAL TAX CONSIDERATIONS

The following is a general description of material tax considerations relating to the Notes. It does not purport to be a complete analysis of the tax consequences of the Notes. Prospective purchasers of the Notes should consult their tax advisers as to the consequences under the tax laws of the country of the Notes, the tax laws of the country of the purchaser, the tax laws of Canada and the U.S. of acquiring, holding and disposing of the Notes and receiving payments under the Notes. This supplement is in effect on the date of this pricing supplement and is subject to any change in law that may take effect after such date.

Supplemental Canadian Tax Considerations

You should carefully consider, among other things, the matters set forth under “Canadian Taxation” in the accompanying prospectus.

Supplemental U.S. Tax Considerations

The following section supplements the discussion of U.S. federal income taxation in the accompanying prospectus and prospectus supplement for United States holders (as defined in the accompanying prospectus). It applies only to those United States holders who are not excluded from the discussion of U.S. federal income taxation in the accompanying prospectus. For purposes of this discussion, any interest with respect to the Notes, as determined for U.S. federal income tax purposes, is taxable to holders outside the United States.

You should consult your tax advisor concerning the U.S. federal income tax and other tax consequences of your investment in the Notes, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

United States Holders

The Notes should not be treated as issued with original issue discount (“OID”) despite the fact that the interest rate on the Notes is scheduled to increase. The Notes are not treated as issued with OID because Treasury regulations generally deem an issuer to exercise a call option in a manner that minimizes the yield on the debt instrument if the debt instrument is issued with OID. The yield on the Notes would be minimized if we redeem the Notes immediately before the increase in the interest rate. Therefore, the Notes should be treated for OID purposes as fixed-rate notes that will mature prior to the step-up in interest rate for the Notes. This treatment is for federal income tax purposes of determining whether the Note is issued with OID and is not an indication of our intention to redeem or not to redeem the Notes prior to the first increase in the interest rate then, solely for OID purposes, the Notes will be deemed to be reissued at their adjusted principal. This deemed reissuance should not give rise to taxable gain or loss to holders and the Notes should not be treated as issued with OID because we should be deemed to be called on the next interest step-up date. The same analysis should apply to each subsequent interest step-up date.

Under this approach, the coupon on a Note will be taxable to a United States holder (as defined in the section “United States Federal Income Taxation” in the prospectus) as ordinary interest income at the time it accrues or is received in accordance with the United States holder’s normal method of accounting (whether we redeem the Notes).

Upon the disposition of a Note by sale, exchange, redemption or retirement (i.e., if we exercise our right to redeem the Notes or otherwise), the United States holder will generally recognize capital gain or loss equal to the difference, if any, between (i) the amount realized on the disposition (other than any unpaid interest, which would be treated as such) and (ii) the United States holder’s adjusted tax basis in the Note. A United States holder’s adjusted tax basis will equal the cost of the Note (net of accrued interest) to the United States holder. Capital gain of individual taxpayers from the sale, exchange, redemption or retirement of a Note held for more than one year may be eligible for reduced rates of taxation. The deductibility of a capital loss is subject to significant limitations.

Backup Withholding and Information Reporting

Please see the discussion under “United States Federal Income Taxation — Backup Withholding and Information Reporting” in the accompanying prospectus for the applicability of the backup withholding and information reporting rules to payments made on your Notes.

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act was enacted on March 18, 2010 and will impose a 30% U.S. withholding tax on certain U.S. source income (including OID), dividends, other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property producing U.S. source interest or dividends (“Withholdable Payments”), if paid to a foreign financial institution (including amounts paid to a foreign financial institution) if such institution enters into an agreement with the Treasury Department to collect and provide to the Treasury Department substantial information regarding the institution’s U.S. owners, including certain account holders that are foreign entities with U.S. owners, with such institution. A Note may constitute an account for these purposes. The Act imposes a withholding tax of 30% on Withholdable Payments made to a non-financial foreign entity unless such entity provides the withholding agent with information that it has at least one substantial U.S. owner or a certification identifying the direct and indirect substantial U.S. owners of the entity.

These withholding and reporting requirements will generally apply to payments made after December 31, 2013. However, pursuant to the Act, the withholding tax will not be imposed on payments pursuant to obligations outstanding on January 1, 2014. Holders are urged to consult with their own tax advisors regarding the impact of this legislation on their investment in the Notes.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974 (“Plan”), should consider the fiduciary standards of ERISA in the context of the Plan’s particular circumstances before authorizing an investment. A fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the purposes and objectives governing the Plan, and whether the investment would involve a prohibited transaction under ERISA or the U.S. Internal Revenue Code (the “Code”).

Section 406 of ERISA and Section 4975 of the Code prohibit Plans, as well as individual retirement accounts, Keogh plans and any other plan (also “Plans”), from engaging in certain transactions involving “plan assets” with persons who are “parties in interest” under ERISA or the Code with respect to the Plan. A violation of these prohibited transaction rules may result in excise tax or other liabilities under ERISA or the Code. Relief is available under an applicable statutory, regulatory or administrative exemption. Employee benefit plans that are governmental plans (as defined in Section 3(33) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) (“Non-ERISA Arrangements”) are exempt from the requirements of Section 406 of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local or foreign laws (“Similar Laws”).

The acquisition of Notes by a Plan or any entity whose underlying assets include “plan assets” by reason of any Plan’s investment in the Notes with respect to which we or certain of our affiliates is or becomes a party in interest or disqualified person may result in a prohibited transaction under ERISA or the Code unless the Notes are acquired pursuant to an applicable exemption. The U.S. Department of Labor has issued five prohibited transaction class exemptions (“PTCEs”) providing exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of Notes. These exemptions include PTCE 90-1 (for certain transactions involving insurance company group-term life insurance policies), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 95-60 (for transactions involving certain insurance company group-term life insurance policies managed by in-house asset managers). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide an exemption for the purchase or holding of securities offered hereby, provided that neither the issuer of securities offered hereby nor any of its affiliates have or exercise any discretionary authority over the investment advice with respect to the assets of any Plan involved in the transaction, and provided further that the Plan pays no more and receives no less in connection with the transaction (the “service provider exemption”). There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Any purchaser or holder of Notes or any interest therein will be deemed to have represented by its purchase and holding of Notes offered hereby that it is not a Plan Asset Entity or a Non-ERISA Arrangement and is not purchasing the Notes on behalf of or with the assets of any Plan, a Plan Asset Entity or a Non-ERISA Arrangement. The purchase and holding of the Notes will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or any applicable Similar Laws.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, persons considering purchasing Notes on behalf of or with the assets of any Plan, a Plan Asset Entity or Non-ERISA Arrangement consult with their legal counsel. Even if exemptive relief under any of the PTCEs listed above, the service provider exemption or the potential consequences of any purchase or holding of Notes, Purchasers of Notes have exclusive responsibility for ensuring that their purchase and holding of Notes do not violate the fiduciary or prohibited transaction rules or any similar provisions of Similar Laws. The sale of any Notes to a Plan, Plan Asset Entity or Non-ERISA Arrangement is in no respect a representation or warranty by us or our representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plans, Plan Asset Entities or Non-ERISA Arrangements or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement or that such investment is appropriate for such Plans, Plan Asset Entities or Non-ERISA Arrangements.

SUPPLEMENTAL PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

BMOCM will purchase the Notes from us on the settlement date at 98.75% of the principal amount. BMOCM has informed us that, as part of its distribution effort, it may reoffer the Notes to other dealers who will sell them at varying prices related to prevailing market prices. Each such dealer, or further engaged dealer, who purchases the Notes, will purchase the Notes at an agreed discount to the initial offering price.

We own, directly or indirectly, all of the outstanding equity securities of BMOCM, the agent for this offering. In accordance with FINRA rules, we will not sell the Notes in this offering to any of its discretionary accounts without the prior written approval of the customer.

You should not construe the offering of any of the Notes as a recommendation as to the suitability of an investment in the Notes.

BMOCM may, but is not obligated to, make a market in the Notes. BMOCM will determine any secondary market prices that it is prepared to pay for the Notes.

We may use this pricing supplement in the initial sale of the Notes. In addition, BMOCM or another of our affiliates may use this pricing supplement in subsequent transactions in any Notes after their initial sale. Unless BMOCM, or we inform you otherwise in the confirmation of sale, this pricing supplement will not be used in any subsequent trading transaction.

We expect that delivery of the Notes will be made against payment for the Notes on or about February 22, 2013, which is the fourth (4th) business day after the Issue Date (this settlement cycle being referred to as "T+4"). Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally will be settled on the fourth (4th) business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes more than three (3) business days after the Issue Date will be required to specify alternative settlement arrangements to prevent a failed settlement.

VALIDITY OF THE NOTES

In the opinion of Osler, Hoskin & Harcourt LLP, the issue and sale of the notes has been duly authorized by all necessary corporate action of the Bank of Montreal, and when this pricing supplement has been attached to, and duly notated on, the master note that represents the notes, the notes will be validly issued and, to the extent validity of the notes is a matter governed by the laws of the Province of Ontario, or the laws of Canada applicable thereto, the Bank, subject to the following limitations (i) the enforceability of the Senior Indenture may be limited by the *Canada Deposit Insurance Corporation Act* (Canada) and bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement or winding-up laws or other similar laws affecting creditors' rights generally; (ii) the enforceability of the Senior Indenture may be limited by equitable principles, including the principle that equitable subordination and injunction may only be granted in the discretion of a court of competent jurisdiction; (iii) pursuant to the *Currency Act* (Canada), interest on the Indenture will be subject to the limitations contained in the *Limitations Act, 2002* (Ontario), and such counsel expresses no opinion as to whether the Senior Debt Indenture will be unenforceable as an attempt to vary or exclude a limitation period under that Act. This opinion is given as of the date of the delivery of the Indenture and the genuineness of signatures and certain factual matters, all as stated in the letter of such counsel dated October 22, 2012, to Bank of Montreal's Form 6-K filed with the SEC on October 22, 2012.

In the opinion of Morrison & Foerster LLP, when the pricing supplement has been attached to, and duly notated on, the master note that represents the notes, the notes will be valid, binding and enforceable obligations of the Bank of Montreal, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonable expectations of the general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith). This opinion is given as of the date of the delivery of the Indenture and the genuineness of signatures and certain factual matters, all as stated in the legal opinion dated October 22, 2012, to such counsel's reliance on the Bank and other sources as to certain factual matters, all as stated in the legal opinion dated October 22, 2012, to Bank of Montreal's Form 6-K dated October 22, 2012.