

BANK OF MONTREAL /CAN/
Form 11-K
June 23, 2014
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 11-K

X ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For fiscal year ended December 31, 2013

.. TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number: 001-133354

A. Fill title of the plan and the address of the plan, if different from that of the issuer named below:

Employees 401(k) Savings Plan of

Bank of Montreal/Harris

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Bank of Montreal

100 King Street West

1 First Canadian Place

Toronto, Ontario

Canada M5X 1A1

Documents filed as part of this report:

(a) Index to financial statements filed as part of this report:

The Statements of Net Assets Available for Plan Benefits as of December 31, 2013 and 2012, the Statement of Changes in Net Assets Available for Plan Benefits for the years ended December 31, 2013 and 2012 and supplementary information, together with the report thereon of the Independent Registered Public Accounting Firm dated June 23, 2014. The required financial statement schedule is included in the supplementary information referred to above and should be read in conjunction with the above financial statements.

(b) Exhibits:

Exhibit 23 The consent of George Johnson & Company.

Table of Contents

**EMPLOYEES 401(k) SAVINGS
PLAN OF BANK OF
MONTREAL/HARRIS**

**Financial Statements
December 31, 2013 and 2012**

Table of Contents

EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS

December 31, 2013 and 2012

TABLE OF CONTENTS

| | Page(s) |
|--|----------------|
| <u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u> | 1 |
| FINANCIAL STATEMENTS | |
| <u>Statements of Net Assets Available for Plan Benefits</u> | 2 |
| <u>Statements of Changes in Net Assets Available for Plan Benefits</u> | 3 |
| <u>Notes to Financial Statements</u> | 4 14 |
| <u>SUPPLEMENTARY INFORMATION</u> | 15 |
| <u>Schedule G, Part III Schedule of Nonexempt Transactions</u> | 16 |
| <u>Schedule H, Line 4i Schedule of Assets (Held at End of Year)</u> | 17 18 |

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

June 23, 2014

To the Benefits Administration Committee

BMO Harris Bank N.A.

We have audited the accompanying statements of net assets available for plan benefits of the Employees 401(k) Savings Plan of Bank of Montreal/Harris (the Plan) as of December 31, 2013 and 2012, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2013 and 2012, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets (held at end of year) as of December 31, 2013, and nonexempt transactions for the year then ended, are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ George Johnson & Company

CERTIFIED PUBLIC ACCOUNTANTS

Chicago, Illinois

Table of Contents**EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS**

Statements of Net Assets Available for Plan Benefits

As of December 31, 2013 and 2012

| | 2013 | 2012 |
|---|-------------------------|-----------------------|
| ASSETS | | |
| <i>Participant-directed investments</i> (see Notes 2 and 3) | | |
| Registered investment companies | \$ 382,946,168 | \$ 321,521,245 |
| Money market funds | 117,395,367 | 134,465,091 |
| Common and collective trusts | 580,905,111 | 416,416,164 |
| Common stock Bank of Montreal | 68,002,999 | 58,888,213 |
| Total investments | 1,149,249,645 | 931,290,713 |
| Cash | 617,297 | 411,444 |
| Notes receivable from participants | 18,787,680 | 16,340,030 |
| Accrued interest and dividends receivable | 88,886 | 312,502 |
| Total assets | 1,168,743,508 | 948,354,689 |
| LIABILITIES | | |
| Securities purchased but not paid | 1,545,179 | |
| Accrued administrative expenses | 80,380 | 82,164 |
| Total liabilities | 1,625,559 | 82,164 |
| Net assets available for plan benefits | \$ 1,167,117,949 | \$ 948,272,525 |

The accompanying notes are an integral part of these financial statements.

Table of Contents**EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS**

Statements of Changes in Net Assets Available for Plan Benefits

For the Years Ended December 31, 2013 and 2012

| | Participant-Directed Investments | |
|--|---|-----------------------|
| | 2013 | 2012 |
| ADDITIONS | | |
| <i>Contributions</i> | | |
| Employer contributions | \$ 51,111,191 | \$ 47,633,789 |
| Employee contributions | 79,040,182 | 72,567,427 |
| Employee rollovers | 6,182,227 | 3,573,019 |
| Total contributions | 136,333,600 | 123,774,235 |
| Interest and dividend income | 8,153,166 | 12,425,662 |
| Interest income on notes receivable from participants | 529,427 | 467,221 |
| Net realized and unrealized appreciation in fair value of investments (see Note 3) | 168,180,577 | 94,656,288 |
| Total additions | 313,196,770 | 231,323,406 |
| DEDUCTIONS | | |
| Benefits payments to participants | 92,112,304 | 73,536,283 |
| Deemed distributions | 1,139,131 | 878,326 |
| Administrative expenses | 1,099,911 | 813,742 |
| Total deductions | 94,351,346 | 75,228,351 |
| Net additions | 218,845,424 | 156,095,055 |
| Net assets available for plan benefits, beginning of year | 948,272,525 | 792,177,470 |
| Net assets available for plan benefits, end of year | \$ 1,167,117,949 | \$ 948,272,525 |

The accompanying notes are an integral part of these financial statements.

Table of Contents

EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS

Notes to Financial Statements

December 31, 2013 and 2012

NOTE 1 DESCRIPTION OF THE PLAN

The following description of the Employees 401(k) Savings Plan of Bank of Montreal/Harris (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a contributory, defined contribution pension plan administered by the Benefits Administration Committee (the Administration Committee) covering all regular full- and part-time employees of BMO Harris Bank N.A. (the Plan administrator) and affiliated companies, as well the U.S. employees of the Bank of Montreal and its subsidiaries. BMO Harris Bank N.A. and the Bank of Montreal are referred to collectively as the Bank, and the employees covered by the Plan are referred to collectively as the Employees. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Eligibility

All regular full- and part-time Employees of the Bank, other than temporary or work-study employees, are eligible to begin participation in the Plan on their date of hire. Participants are immediately eligible to receive the Bank's matching contributions, which are made each pay period.

Administration

Bank of New York Mellon Corporation (Mellon) is the trustee of the Plan.

Contributions

Participants may contribute from 1% to 25% of their pay (as defined) on a pre-tax basis, subject to the annual contribution limits as specified in the Internal Revenue Code of 1986, as amended (the IRC). Participant after-tax contributions are not permitted.

The Bank makes 401(k) matching contributions to the participants' accounts each pay period, dollar for dollar, up to the first 5% of participants' annual eligible pay (as defined), to the maximum annual compensation limit permitted by the Internal Revenue Service (the IRS; \$255,000 in 2013 and \$250,000 in 2012).

Table of Contents

EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS

Notes to Financial Statements

December 31, 2013 and 2012

NOTE 1 DESCRIPTION OF THE PLAN *(continued)*

Contributions *(continued)*

An election made by the participant may provide for an automatic increase either in the amount or rate of his or her 401(k) contributions.

Participant Accounts

Each participant's account is credited with the participant's contributions, including eligible rollover contributions, allocations of the employer contributions and plan earnings. Allocations are based on participant earnings or account balances, as defined. Each participant may direct the investment of his or her account balance among the available investment options, in accordance with the provisions of the Plan. A participant shares in the earnings and losses of the investment options in the ratio that his or her account invested in a fund bears to the total of all participants' accounts invested in that fund.

Vesting

All employee and employer contributions are fully vested at all times.

Benefits

Upon termination of employment, the participant's account balance will be distributed as directed by the participant in a lump sum, subject to the limitations in the IRC. Retirees aged 55 or older also have the option of receiving the participant's account balance in a series of installments.

Participant Loans

A participant may borrow from his or her account in accordance with the provisions of the Plan. Under the Plan's terms, subject to certain restrictions as defined, the Administration Committee may allow a participant to borrow funds from the Plan. A participant may borrow an amount not in excess of the lesser of: (1) \$50,000, reduced by the highest outstanding loan balance in the previous 12 months, or (2) 50% of the participant's account balance. The minimum loan amount is \$1,000. A participant can have up to two loans outstanding at any given time. The interest rate charged to the participant is fixed at the prime rate as published in the *Wall Street Journal* on the last business day of each month. Participants repay such loans with interest through payroll deductions. Principal and interest

repayments are allocated to participants current investment options.

Table of Contents

EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS

Notes to Financial Statements

December 31, 2013 and 2012

NOTE 1 DESCRIPTION OF THE PLAN *(continued)*

Bank of Montreal Stock Fund

The Plan invests in common stock of the Bank through its Bank of Montreal Stock Fund. The Bank of Montreal Stock Fund may also hold cash or other short-term securities, although these are expected to be a small percentage of the fund.

Participants can invest any percentage of their contributions in the Bank of Montreal common stock. Each participant is entitled to exercise voting rights attributable to the shares allocated to their account and is notified by the Bank prior to the time that such rights may be exercised. The trustee is not permitted to vote any allocated shares for which instructions have not been given by a participant. The trustee votes any unallocated shares in the same proportion as those shares that were allocated, unless the Administration Committee directs the trustee otherwise. Participants have the same voting rights in the event of a tender or exchange offer.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Contributions

Employee contributions are recorded in the period that payroll deductions are made from participants. Employer contributions are recorded in the period to which they relate, as designated by the Bank's management.

Table of Contents

EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS

Notes to Financial Statements

December 31, 2013 and 2012

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments

The Plan's investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Notes 2 and 3 for further discussion and disclosures related to fair value measurements.

Shares of registered investment companies are valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Plan at the end of the year. Units of common and collective trusts are valued at fair value; the underlying investments consist primarily of securities that are valued at quoted market prices.

Purchases and sales of securities are recorded on a trade-date basis. Gains and losses on sales of securities are based on average costs. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Fair Value Measurements

The Plan uses fair value measurements in preparing its financial statements, which utilize several inputs, including those that can be readily observable, corroborated, or are generally unobservable. The Plan utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the Plan applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk.

The measurement of fair value includes a hierarchy based on the quality of inputs used to measure fair value. Financial assets and liabilities are categorized into this three-level fair value hierarchy, based on the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

Table of Contents

EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS

Notes to Financial Statements

December 31, 2013 and 2012

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fair Value Measurements *(continued)*

The various levels of the fair value hierarchy are described as follows:

Level 1 - Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the Plan has the ability to access at the measurement date

Level 2 - Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability

Level 3 - Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement

The use of observable market data, when available, is required in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Payment of Benefits

Benefits are recorded when paid.

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when incurred. No allowance for credit losses has been recorded as of December 31, 2013 or 2012. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Table of Contents

EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS

Notes to Financial Statements

December 31, 2013 and 2012

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Administrative Expenses

Administrative costs and expenses incurred in the administration of the trust or the Plan are paid from the Plan to the extent determined by the Bank. Administrative costs and expenses include trustee and record keeper providing services to the Plan, as well as other administrative services. Certain additional expenses are paid by the Bank.

Risks and Uncertainties

The Plan invests in various securities, including common stock, registered investment companies, and common and collective trusts. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is quite possible that changes in the value of investment securities will occur in the near term. Such changes could materially affect the amounts reported in the financial statements.

Table of Contents**EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS**

Notes to Financial Statements

December 31, 2013 and 2012

NOTE 3 INVESTMENTS AND FAIR VALUE

The Plan's fair value hierarchy for those assets that are measured at fair value on a recurring basis as of December 31, 2013 and 2012 are summarized as follows:

| | 2013 | | | Total |
|--|--|---|--|-------------------------|
| | Fair Value Measurements | | | |
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| ASSETS | | | | |
| <i>Investments</i> | | | | |
| <i>Registered investment companies</i> | | | | |
| Equity funds | \$ 253,363,770 | \$ | \$ | \$ 253,363,770 |
| Balanced funds | 61,657,248 | | | 61,657,248 |
| Bond funds | 67,925,150 | | | 67,925,150 |
| | 382,946,168 | | | 382,946,168 |
| Money market funds | 114,519,621 | 2,875,746 | | 117,395,367 |
| <i>Common and collective trusts</i> | | | | |
| Equity collective trusts (a) | | 467,298,866 | | 467,298,866 |
| Balanced collective trusts (b) | | 108,429,901 | | 108,429,901 |
| Bond collective trusts (a) | | 5,176,344 | | 5,176,344 |
| | | 580,905,111 | | 580,905,111 |
| <i>Common stock</i> | | | | |
| Bank of Montreal | 68,002,999 | | | 68,002,999 |
| Total investments | \$ 565,468,788 | \$ 583,780,857 | \$ | \$ 1,149,249,645 |

Table of Contents**EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS**

Notes to Financial Statements

December 31, 2013 and 2012

NOTE 3 INVESTMENTS AND FAIR VALUE (continued)

| | 2012 | | | Total |
|--|--|---|--|-----------------------|
| | Fair Value Measurements | | | |
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| ASSETS | | | | |
| <i>Investments</i> | | | | |
| <i>Registered investment companies</i> | | | | |
| Equity funds | \$ 198,573,781 | \$ | \$ | \$ 198,573,781 |
| Balanced funds | 11,973,460 | | | 11,973,460 |
| Bond funds | 110,974,004 | | | 110,974,004 |
| | 321,521,245 | | | 321,521,245 |
| Money market funds | 132,408,368 | 2,056,723 | | 134,465,091 |
| <i>Common and collective trusts</i> | | | | |
| Equity collective trusts (a) | | 332,914,652 | | 332,914,652 |
| Balanced collective trusts (b) | | 80,095,744 | | 80,095,744 |
| Bond collective trusts (a) | | 3,405,768 | | 3,405,768 |
| | | 416,416,164 | | 416,416,164 |
| <i>Common stock</i> | | | | |
| Bank of Montreal | 58,888,213 | | | 58,888,213 |
| Total investments | \$ 512,817,826 | \$ 418,472,887 | \$ | \$ 931,290,713 |

(a) These funds offer a range of risk/return characteristics and performance goals are to consistently outperform benchmarks, other funds, or certain indexes. Redemptions occur at net asset value by contract. There are

currently no redemption restrictions on these funds. The fair value of these funds has been estimated using the net asset value per share and are classified in Level 2 of the fair value hierarchy.

- (b) This category includes investments in highly diversified target date funds designed to remain appropriate for investors in terms of risk throughout a variety of life circumstances. These common and collective trust funds share the common goal of first growing and then later preserving principal and contain a mix of equity, bond and money market funds. There are currently no redemption restrictions on these investments. The fair values of the investments in this category have been estimated using the net asset value per share.

Table of Contents**EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS**

Notes to Financial Statements

December 31, 2013 and 2012

NOTE 3 INVESTMENTS AND FAIR VALUE (continued)

The fair values of individual investments that represented 5% or more of the Plan's net assets available for Plan benefits as of December 31, 2013 and 2012 are as follows:

| | 2013 | | 2012 | |
|---|---------------------------------|----------------|---------------------------------|---------------|
| | Number of Shares or Units | Fair Value | Number of Shares or Units | Fair Value |
| DFA U.S. Small Cap Portfolio | 3,348,210 | \$ 103,794,510 | 3,063,297 | \$ 69,444,948 |
| PIMCO Total Return Fund, Institutional Class | 6,354,083 | 67,925,150 | 7,191,147 | 80,828,496 |
| T. Rowe Price Emerging Markets Equity Fund | 2,515,566 | 73,957,641 | 2,518,037 | 78,462,048 |
| Virtus Money Market Fund | 114,519,621 | 114,519,621 | 132,408,368 | 132,408,368 |
| EB DL Non-SL Stock Index Fund of The Bank of New York Mellon | 814,660 | 151,388,261 | 774,014 | 108,659,149 |
| Waddell & Reed Core Equity CIT | 16,905,752 | 241,752,251 | 17,438,421 | 184,672,884 |
| Bank of Montreal common stock | 1,020,147 | 68,002,999 | 960,656 | 58,888,213 |

Net appreciation of Plan assets by type of investment during the years ended December 31, 2013 and 2012 are as follows:

| | 2013 | 2012 |
|----------------------------------|----------------|---------------|
| <i>Investments at fair value</i> | | |
| Registered investment companies | \$ 35,176,228 | \$ 57,196,313 |
| Common and collective trusts | 127,528,300 | 31,250,648 |
| Common stock Bank of Montreal | 5,476,049 | 6,209,327 |
| | \$ 168,180,577 | \$ 94,656,288 |

The Plan's investments in Level 2 assets consist of common and collective trusts which invest in equities and a money market fund that calculate NAV per unit. The fair value of these accounts has been estimated using the NAV per unit. Investments in common and collective trusts are marked to market and priced daily. The money market fund calculates its NAV using the amortized cost method. These accounts may be redeemed at any time without any restrictions. There are no unfunded commitments to acquire additional units of any of these accounts as of

December 31, 2013.

-12-

Table of Contents

EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS

Notes to Financial Statements

December 31, 2013 and 2012

NOTE 4 PLAN TERMINATION

Although it has not expressed any such intent, the Bank has the right under the Plan to discontinue its contributions at any time and to terminate the Plan at any time. Upon termination, the trustee is required to distribute each participant's share in accordance with the Plan's provisions.

NOTE 5 INCOME TAX STATUS

On March 9, 2012, the IRS issued a favorable determination letter with respect to the qualified status of the Plan. The favorable determination letter indicates that the terms of the Plan conform to the requirements of Sections 401(a) and 401(k) of the IRC and, therefore, the related trust is exempt from taxation. The Bank, therefore, also has a basis for deducting contributions to the Plan. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualified status. The Plan administrator believes the Plan is operated in compliance with the applicable requirements of the IRC and therefore believes the Plan is qualified and the related trust is tax exempt.

U.S. GAAP requires the Plan's management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more-likely-than-not, based on the technical merits, to be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is also subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2010.

Table of Contents

EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS

Notes to Financial Statements

December 31, 2013 and 2012

NOTE 6 RELATED PARTIES

Mellon acts as the sole trustee over the Plan's assets. Additionally, BMO Global Asset Management acts as one of the Plan's investment managers. All investment and trustee activities are monitored by the Benefits Administration and Investment Committees of the Bank.

In connection with a review of Plan investment options, it was identified that Plan investments in certain mutual funds advised by Virtus Investment Advisers (the "Virtus Funds") may have resulted in an indirect benefit to BMO Financial Corp., the 100 percent owner of BMO Harris Bank N.A., sponsor of the Plan. The indirect benefit occurred by reason of BMO Financial Corp.'s indirect ownership of a 23 percent interest in Virtus Investment Advisers. Based on BMO Financial Corp.'s percentage ownership interest in Virtus Investment Advisers, the value of the benefit to BMO Financial Corp. attributable to Plan investments in the Virtus Funds from January 1, 2009 through July 24, 2012 (the "Correction Period") totaled \$618,098.

As of October 12, 2012, the Bank had made restorative payments for the Plan's benefit of \$618,098 (representing its profits during the Correction Period) plus lost earnings of \$36,534, calculated using DOL's Voluntary Fiduciary Correction Program Online Calculator. The restorative payments were paid into an account within the Plan's trust. The Bank filed the Form 5330 in connection with the prohibited transaction on February 25, 2013.

Table of Contents

SUPPLEMENTARY INFORMATION

-15-

Table of Contents

EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS

(Federal Employer Identification No.: 36-2085229; Plan Number: 001)

Schedule G, Part III Schedule of Nonexempt Transactions

Year Ended December 31, 2013

| Identity of Party Involved | Relationship to Plan, Employer, or Party-in-Interest | Description of Transactions (Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value) | | | | Expense Incurred | Cost of Transaction | Current Value of Asset on Transaction Date | Net Gain (Loss) | | | |
|----------------------------|--|--|---------------|--------------|------------------|------------------|---------------------|--|-----------------|---------|---------|-------|
| | | Purchase Price | Selling Price | Lease Rental | with Transaction | | | | | | | |
| One employee | Participant in the Plan | After BMO's merger with another bank, some employees participating in both 401(K) plans that are administered by different record keepers obtained multiple loans in excess of \$50,000. (see attachment to Form 5500 for more details) | | | | \$9,876 | \$-0- | \$-0- | \$-0- | \$9,876 | \$9,876 | \$-0- |

Table of Contents**EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS**

(Federal Employer Identification No.: 36-2085229; Plan Number: 001)

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2013

| Party-in-Interest | Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment (Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value) | Cost | Current Value |
|-------------------|---|--|------|------------------|
| | <i>Common and collective trusts</i> | | | |
| | BlackRock LifePath Index Retirement Non-Lendable Fund F | 919,742 units | (a) | \$ 14,739,418 |
| | BlackRock LifePath Index 2055 Non-Lendable Fund F | 87,229 units | (a) | 1,436,905 |
| | BlackRock LifePath Index 2050 Non-Lendable Fund F | 149,767 units | (a) | 3,414,402 |
| | BlackRock LifePath Index 2045 Non-Lendable Fund F | 249,368 units | (a) | 5,511,602 |
| | BkacjRock LifePath Index 2040 Non-Lendable Fund F | 284,204 units | (a) | 6,069,599 |
| | BlackRock LifePath Index 2035 Non-Lendable Fund F | 414,572 units | (a) | 8,550,048 |
| | BlackRock LifePath Index 2030 Non-Lendable Fund F | 700,551 units | (a) | 13,894,090 |
| | BlackRock LifePath Index 2025 Non-Lendable Fund F | 1,224,596 units | (a) | 23,290,228 |
| | BlackRock LifePath Index 2020 Non-Lendable Fund F | 1,211,690 units | (a) | 21,867,243 |
| | BlackRock LifePath Index 2015 Non-Lendable Fund F | 567,644 shares | (a) | 9,656,366 |
| | Waddell & Reed Core Equity CIT | 16,905,752 shares | (a) | 241,752,251 |
| * | EB DL Non-SL Aggregate Bond Index Fund of The Bank of New York Mellon | 27,533 shares | (a) | 3,401,831 |
| * | EB DL Non-SL TIPS Index Fund of The Bank of New York Mellon | 15,490 shares | (a) | 1,774,513 |
| * | EB DL Non-SL ACWI ex-U.S. Fund of The Bank of New York Mellon | 45,079 shares | (a) | 5,881,708 |
| * | EB DL Non-SL Small Cap Index Fund of The Bank of New York Mellon | 279,661 shares | (a) | 55,847,485 |
| * | | 69,382 shares | (a) | 12,429,161 |

| | | | | |
|---|--|----------------|-----|----------------|
| | EB DL Non-SL Mid Cap Stock Fund of The Bank of New York Mellon | | | |
| * | EB DL Non-SL Stock Index Fund of The Bank of New York Mellon | 814,660 shares | (a) | 151,388,261 |
| | | | | \$ 580,905,111 |

Table of Contents**EMPLOYEES 401(k) SAVINGS PLAN OF BANK OF MONTREAL/HARRIS**

(Federal Employer Identification No.: 36-2085229; Plan Number: 001)

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2013

| Party-in-Interest | Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment (Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value) | Cost | Current Value |
|-------------------|---|---|--------|------------------|
| | <i>Registered Investment Companies:</i> | | | |
| | DFA U.S. Small Cap Portfolio | 3,348,210 shares | (a) \$ | 103,794,510 |
| | PIMCO Total Return Fund, Institutional Class | 6,354,083 shares | (a) | 67,925,150 |
| | PIMCO All Asset Fund, Institutional Class | 593,555 shares | (a) | 7,170,144 |
| * | BMO Diversified Income Fund | 72,622 units | (a) | 2,321,848 |
| * | BMO Moderate Balanced Fund | 160,258 units | (a) | 6,001,112 |
| * | BMO Growth Balanced Fund | 166,734 units | (a) | 6,954,041 |
| * | BMO Aggressive Balanced Fund | 173,420 units | (a) | 7,921,771 |
| * | BMO Diversified Stock Fund | 91,160 units | (a) | 4,514,677 |
| * | BMO Aggressive Stock Fund | 104,150 units | (a) | 5,526,647 |
| * | Virtus High Yield Income Fund, Class I | 2,244,499 shares | (a) | 31,288,332 |
| | MFS Institutional International Equity Fund | 2,560,020 shares | (a) | 57,421,257 |
| | T. Rowe Price Emerging Markets Equity Fund | 2,515,566 shares | (a) | 73,957,641 |
| | Hartford Mid Cap Stock Fund | 286,635 shares | (a) | 8,149,038 |
| | | | | 382,946,168 |
| | <i>Money Market Funds</i> | | | |
| * | Virtus Money Market Fund | 114,519,621 shares | (a) | 114,519,621 |
| * | EB Temporary Investment Fund of The Bank of New York Mellon | 2,875,746 units | (a) | 2,875,746 |
| | | | | 117,395,367 |
| | <i>Common Stock</i> | | | |
| * | Bank of Montreal | 1,020,147 shares | (a) | 68,002,999 |
| | <i>Notes Receivable from participants</i> | | | |
| * | Participant loans | Notes receivable; interest rates ranging from 3.25 percent to | | |

| | | |
|-----------------------|-------|------------|
| 9.50 percent for 2013 | \$-0- | 18,787,680 |
|-----------------------|-------|------------|

\$ 1,168,037,325

(a) These are participant-directed investments; therefore, the cost is not required to be reported. There were no investment assets reportable as acquired and disposed of during the year ended December 31, 2013.

-18-

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**EMPLOYEES 401(k) SAVINGS PLAN OF
BANK OF MONTREAL/HARRIS**

/s/ Mary P. Wessel
Mary P. Wessel
Vice President Benefits
BMO Harris Bank N.A.,

its administrator

Date: June 23, 2014