

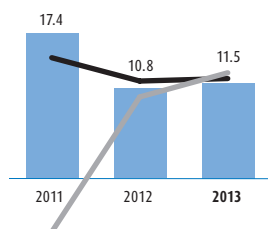
Financial Performance and Condition at a Glance

Our Performance (Note 1)

Total Shareholder Return (TSR)

P 33

- BMO shareholders have earned an average annual return of 11.5% over the past three years, above the 4.8% return on the S&P/TSX Composite Index.
- The one-year TSR of 28.8% and the five-year average annual TSR of 17.0% both outperformed the comparable Canadian indices.

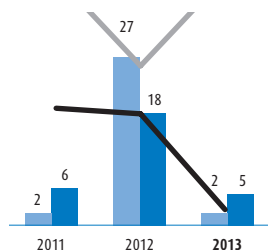


Graph shows average annual three-year TSR.

Earnings per Share (EPS) Growth

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- Adjusted net income grew \$184 million or 5% to \$4,276 million in 2013, and adjusted EPS grew \$0.30 or 5% to \$6.30. Reported net income grew \$59 million to \$4,248 million, and reported EPS grew \$0.11 or 2% to \$6.26.
- There was revenue growth and lower provisions for credit losses on an adjusted basis.

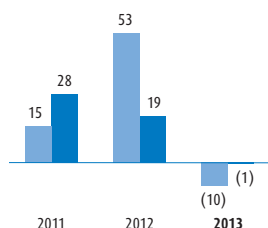


All EPS measures are stated on a diluted basis.

Net Economic Profit (NEP) Growth

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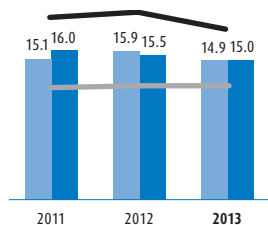
- Adjusted NEP, a measure of added economic value, was \$1,237 million, down \$9 million or 1% from 2012. Reported NEP was \$1,298 million, down \$141 million or 10% from 2012.
- The decrease is reflective of higher earnings being more than offset by a higher charge for capital, as a result of growth in shareholders' equity.



Return on Equity (ROE)

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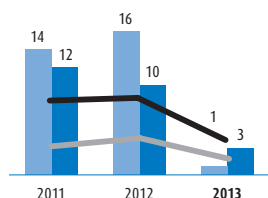
- Adjusted ROE was 15.0% and reported ROE was 14.9% in 2013, compared with 15.5% and 15.9%, respectively, in 2012. There was growth in both reported and adjusted earnings available to common shareholders. There was also an increase in average common shareholders' equity primarily due to internally-generated capital.
- BMO has achieved an ROE of 13% or better in 23 of the past 24 years, one of only two banks in our North American peer group to have done so.



Revenue Growth

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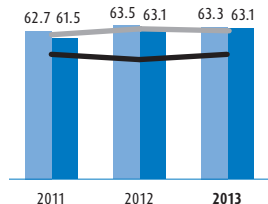
- Adjusted revenue increased \$505 million or 3% in 2013 to \$15,572 million. Reported revenue increased \$133 million to \$16,263 million. The increase was primarily due to revenue growth in Wealth Management, BMO Capital Markets and Canadian P&C.



Efficiency Ratio (Expense-to-Revenue Ratio)

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- The adjusted efficiency ratio was 63.1%, unchanged from 2012. The reported efficiency ratio improved 20 basis points to 63.3%, as revenue growth was higher than expense growth.



Note 1: NEP and adjusted results in this section are non-GAAP. Please see the Non-GAAP Measures section on page 34.

Since November 1, 2011, BMO's financial results and those of our Canadian peers have been reported in accordance with IFRS. The consolidated financial statements for comparative periods in fiscal year 2011 have been restated. 2011 growth rates are based on Canadian GAAP in 2010 and IFRS in 2011, and may not be meaningful. U.S. peer group data continues to be reported in accordance with U.S. GAAP.

In 2013, we changed the methodology for the Canadian and North American peer group averages to a simple-average calculation from a weighted-average calculation, and restated prior periods.

Peer Group Performance

TSR (%)

- The Canadian peer group average annual three-year TSR was 12.0%. The one-year TSR was 22.4% and the five-year average annual TSR was 15.6%.
- The North American peer group average annual three-year TSR was 12.7%, slightly above the Canadian peer group average. The one-year TSR in 2013 was 21.3% and the five-year average annual TSR was 6.1%.

EPS Growth (%)

- The Canadian peer group average EPS increased 3%, with all but two banks in the peer group reporting increases in EPS.
- Average EPS growth for the North American peer group was 69%, with significant variability among our U.S. peer banks.

North American peer group data is not to scale.

NEP Growth (%)

NEP data is not available for all banks in the peer group.

ROE (%)

- The Canadian peer group average ROE of 18.3% was lower than the average return of 20.1% in 2012, as ROE declined for all but one bank in our Canadian peer group.
- Average ROE for the North American peer group was 12.2%, unchanged from 2012.

Revenue Growth (%)

- Revenue growth for the Canadian peer group averaged 4%, less than half the average growth of 9% in 2012.
- Average revenue growth for the North American peer group was 2%, a decline from 4% in 2012, with three of our U.S. peers reporting lower revenues.

Efficiency Ratio (%)

- The Canadian peer group average efficiency ratio was 59.1%, up from 58.3% in 2012 as increases in expenses more than offset revenue growth.
- The average efficiency ratio for the North American peer group was 62.7%, slightly better than the group's average ratio of 63.0% in 2012, and worse than the average of our Canadian peer group.

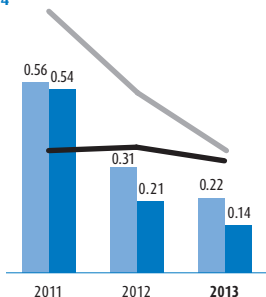
■ BMO reported
■ BMO adjusted
— Canadian peer group average
— North American peer group average

Our Performance (Note 1)

Credit Losses

P 42, 77, 84

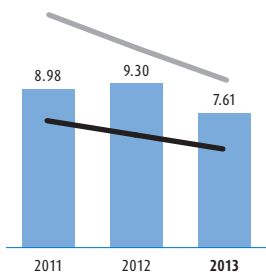
- The adjusted provision for credit losses (PCL) was \$359 million, down from \$471 million in 2012. Reported PCL was \$589 million, down from \$765 million. The decline in adjusted PCL reflects decreases in provisions in all of our operating groups, offset in part by lower recoveries on the purchased credit impaired loan portfolio.
- Adjusted PCL as a percentage of average net loans and acceptances improved to 14 basis points from 21 basis points a year ago, and reported PCL as a percentage of average net loans and acceptances improved to 22 basis points from 31 basis points. These positive ratio trends reflect lower provisions across both our consumer and commercial loan portfolios and all of our operating groups, compared to 2012.



Impaired Loans

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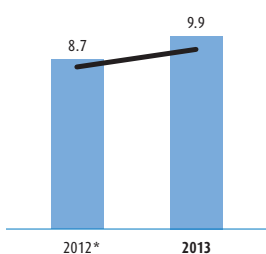
- Gross impaired loans and acceptances (GIL), excluding purchased credit impaired loans, decreased to \$2,544 million from \$2,976 million in 2012, and represented 7.61% of equity and allowances for credit losses, compared with 9.30% a year ago.
- Formations of new impaired loans and acceptances, a key driver of provisions for credit losses, were \$2,449 million, down from \$3,101 million in 2012, primarily due to a \$535 million decrease in formations in the purchased performing loan portfolio.



Capital Adequacy

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- BMO's Basel III Common Equity Tier 1 (CET1) Ratio exceeds regulatory requirements.
- The Basel III CET1 Ratio was 9.9%, up from 8.7% on a pro-forma basis in 2012, primarily due to an increase in common equity.



*2012 Basel III CET1 Ratio is a pro-forma estimate.

Credit Rating

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- Credit ratings for BMO's long-term debt, as assessed by the four major rating agencies, are listed below and all four ratings are considered to indicate high-grade, high-quality issues. On January 28, 2013, Moody's lowered the long-term senior debt ratings of six Canadian banks, including BMO, by one notch and removed systemic support from the ratings of all rated Canadian banks' subordinated debt instruments. Moody's affirmed BMO's short-term rating.

Credit Rating

- Moody's Canadian peer group median credit rating was lower in 2013 compared with 2012, as Moody's downgraded the senior long-term debt ratings for four of our Canadian peers by one notch.
- S&P's Canadian peer group median credit rating was also lower in 2013, as S&P downgraded the long-term debt ratings of one of our Canadian peers by one notch.
- The credit ratings awarded by the two remaining ratings agencies to the Canadian peer group were unchanged.
- Moody's North American peer group median credit rating was lower compared with 2012, as Moody's downgraded the ratings for two of our U.S. peers by one notch and upgraded the rating of one of our U.S. peers by two notches. The North American peer group median credit ratings remain slightly lower than the median of the Canadian peer group for two of the ratings.

	BMO Financial Group		
	2011	2012	2013
DBRS	AA	AA	AA
Fitch	AA-	AA-	AA-
Moody's	Aa2	Aa2	Aa3
S&P	A+	A+	A+

	Canadian peer group median*		
	2011	2012	2013
DBRS	AA	AA	AA
Fitch	AA-	AA-	AA-
Moody's	Aa1	Aa2	Aa3
S&P	AA-	AA-	A+

	North American peer group median*		
	2011	2012	2013
DBRS	AAL	AAL	AAL
Fitch	AA-	AA-	AA-
Moody's	Aa3	Aa3	A1
S&P	A+	A+	A+

*Data for all years reflects the peer group composition in the most recent year.

The Canadian peer group averages exclude BMO and are based on the performance of Canada's five other largest banks: Canadian Imperial Bank of Commerce, National Bank of Canada, RBC Financial Group, Scotiabank and TD Bank Financial Group. The North American peer group averages are based on the performance of 12 of the largest banks in North America. These include the Canadian peer group, except National Bank of Canada, as well as BB&T Corporation, Bank of New York Mellon, Fifth Third Bancorp, Key Corp., The PNC Financial Services Group Inc., Regions Financial, SunTrust Banks Inc. and U.S. Bancorp.

Results are as at or for the years ended October 31 for Canadian banks and as at or for the years ended September 30 for U.S. banks.

■ BMO reported
■ BMO adjusted
— Canadian peer group average
— North American peer group average

Peer Group Performance

Provision for Credit Losses as a % of Average Net Loans and Acceptances

- The Canadian peer group average PCL represented 33 basis points of average net loans and acceptances, down from 37 basis points in 2012.
- The North American peer group average PCL represented 36 basis points, down from 53 basis points in 2012, and was slightly higher than the average PCL for the Canadian peer group.

Gross Impaired Loans and Acceptances as a % of Equity and Allowances for Credit Losses

- The Canadian peer group average ratio of GIL as a percentage of equity and allowances for credit losses was 5.66% in 2013, down from 6.40% in 2012.
- The average ratio for our North American peer group improved from 11.32% a year ago to 9.55% in 2013, but continues to be higher than the average for the Canadian peer group.