

Fixed Income Investor Presentation

March 31, 2014

Q1 | 14



Forward Looking Statements & Non-GAAP Measures

Caution Regarding Forward-Looking Statements

Bank of Montreal's public communications often include written or oral forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbor" provisions of, and are intended to be forward-looking statements under, the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives and priorities for 2014 and beyond, our strategies or future actions, our targets, expectations for our financial condition or share price, and the results of or outlook for our operations or for the Canadian, U.S. and international economies.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that our assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic and market conditions in the countries in which we operate; weak, volatile or illiquid capital and/or credit markets; interest rate and currency value fluctuations; changes in monetary, fiscal or economic policy; the degree of competition in the geographic and business areas in which we operate; changes in laws or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance; judicial or regulatory proceedings; the accuracy and completeness of the information we obtain with respect to our customers and counterparties; our ability to execute our strategic plans and to complete and integrate acquisitions, including obtaining regulatory approvals; critical accounting estimates and the effect of changes to accounting standards, rules and interpretations on these estimates; operational and infrastructure risks; changes to our credit ratings; general political conditions; global capital markets activities; the possible effects on our business of war or terrorist activities; disease or illness that affects local, national or international economies; natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply; technological changes; and our ability to anticipate and effectively manage risks associated with all of the foregoing factors.

We caution that the foregoing list is not exhaustive of all possible factors. Other factors could adversely affect our results. For more information, please see the discussion on pages 30 to 31 of BMO's 2013 Annual Report, which outlines in detail certain key factors that may affect Bank of Montreal's future results. When relying on forward-looking statements to make decisions with respect to Bank of Montreal, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Bank of Montreal does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by the organization or on its behalf, except as required by law. The forward-looking information contained in this document is presented for the purpose of assisting our shareholders in understanding our financial position as at and for the periods ended on the dates presented, as well as our strategic priorities and objectives, and may not be appropriate for other purposes.

Assumptions about the performance of the Canadian and U.S. economies, as well as overall market conditions and their combined effect on our business, are material factors we consider when determining our strategic priorities, objectives and expectations for our business. In determining our expectations for economic growth, both broadly and in the financial services sector, we primarily consider historical economic data provided by the Canadian and U.S. governments and their agencies. See the Economic Review and Outlook section of BMO's First Quarter 2014 Report to Shareholders..

Non-GAAP Measures

Bank of Montreal uses both GAAP and non-GAAP measures to assess performance. Readers are cautioned that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings under GAAP and are unlikely to be comparable to similar measures used by other companies. Reconciliations of GAAP to non-GAAP measures as well as the rationale for their use can be found in Bank of Montreal's First Quarter 2014 Report to Shareholders and Bank of Montreal's 2013 Annual Report, all of which are available on our website at www.bmo.com/investorrelations.

Examples of non-GAAP amounts or measures include: efficiency and leverage ratios; revenue and other measures presented on a taxable equivalent basis (teb); amounts presented net of applicable taxes; adjusted net income, revenues, provision for credit losses, non-interest expenses, earnings per share, effective tax rate, ROE, efficiency ratio and other adjusted measures which exclude the impact of certain items such as credit-related items on the purchased performing loan portfolio, run-off structured credit activities, acquisition integration costs, amortization of acquisition-related intangibles assets and, decrease (increase) in collective allowance for credit losses.

Bank of Montreal provides supplemental information on combined business segments to facilitate comparisons to peers.

BMO Financial Group

8th largest bank in North America¹; 2nd largest Canadian bank by retail branches in Canada and the U.S.

Who we are

- Established in 1817, Canada's first bank
- In Canada: a strong, full service, universal bank across all of the major product lines - banking, wealth and capital markets
- In the US: banking and wealth management largely in the Midwest, with a mid-cap focused strategy in Capital Markets
- In International markets: select presence, including Asia
- Key numbers (as at January 31, 2014):
 - Assets: \$593 billion
 - Deposits: \$398 billion
 - Employees: ~45,500
 - Branches: 1,564
 - ABMs: 4,238

Q1'14 Results	Adjusted ²	Reported
Revenue (C\$ billions)	4.1	4.1
Net Income (C\$ billions)	1.1	1.1
EPS (\$)	1.61	1.58
ROE (%)	14.5	14.2
Basel III Common Equity Tier 1 Ratio (%)		9.3

Other Information	
Quarterly Dividend Declared (per share)	\$0.76
Dividend payout record: 184 years (longest of any company in Canada)	
Market Capitalization as at: February 28, 2014	C\$47.0 billion
Exchange Listings	TSX, NYSE (Ticker: BMO)
Share Price (February 28, 2014)	
TSX	C\$72.94
NYSE	US\$65.97

¹ As measured by assets as at January 31, 2014; ranking published by Bloomberg

² Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 21 of BMO's First Quarter 2014 Report to Shareholders. See slide 33 for adjustments to reported results.

Operating Group Overview

Canadian Personal & Commercial Banking

- Over 7 million customers
- Over 900 branches; 2,900 ABMs
- #2 market share in commercial lending
- Continued strong momentum in commercial lending with double digit growth in loans and deposits

US Personal & Commercial Banking

- Over 2 million customers
- Over 600 branches; 1,300 ABMs
- Footprint includes six contiguous US Midwest states – Illinois, Wisconsin, Indiana, Minnesota, Missouri and Kansas
- Strong core C&I loan growth of 14% Y/Y

Wealth Management

- Broad offering of wealth management products and solutions including insurance products
- Full range of client segments from mainstream to ultra-high net worth, and institutional
- Operations in Canada, United States, as well as in global markets including Asia and Europe
- AUM/AUA: \$597B

BMO Capital Markets

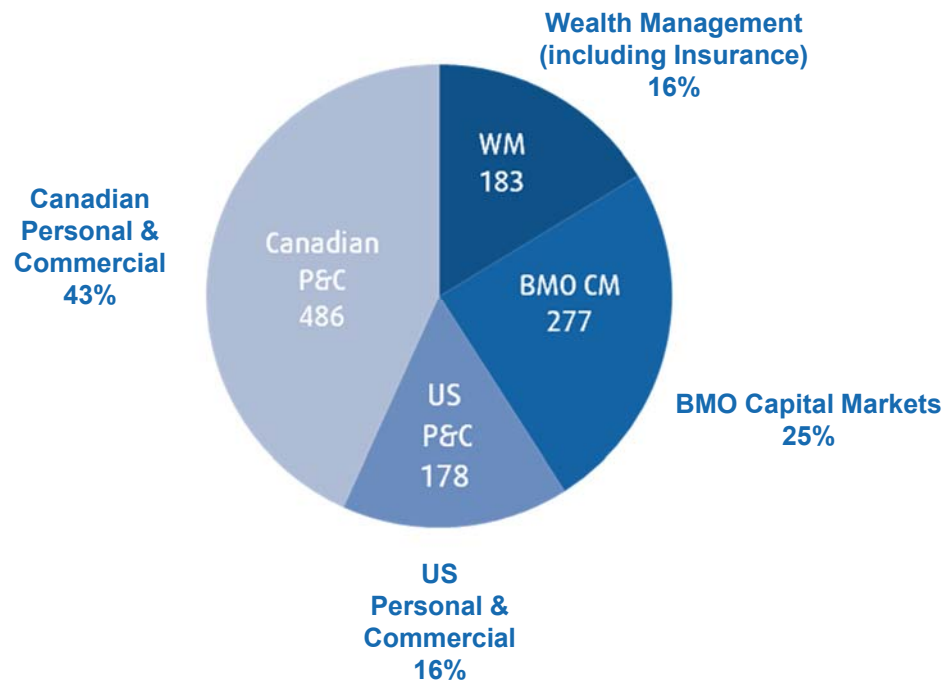
- Offers full service investment banking and sales & trading in Canada
 - #1 in Domestic Bond Trading¹
 - #1 in Canadian Equity Underwriting¹
- Mid-cap focus in the US; focused on strategic sectors where we have expertise and experience
- Unified coverage approach and integrated distribution

¹ January 31, 2014

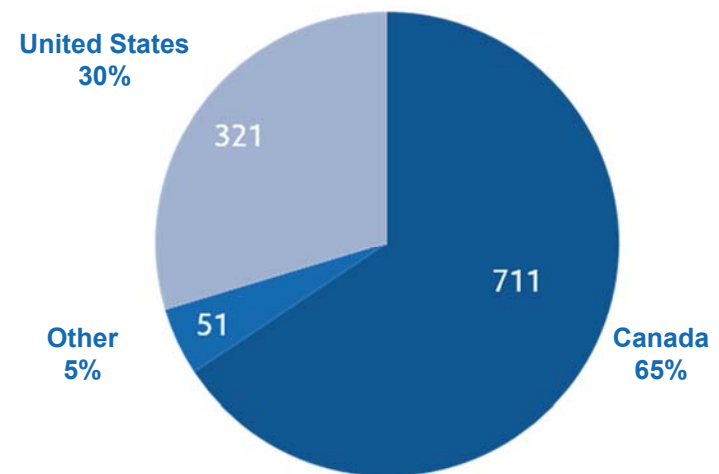
Advantaged Business Mix

Diversified by both customer segment and geography

Q1'14 Adjusted Net Income¹ by Operating Group (C\$MM) - \$1,124MM



Q1'14 Adjusted Net Income² by Geography (C\$MM) - \$1,083MM



Excludes Corporate Services
adjusted net loss of \$41MM

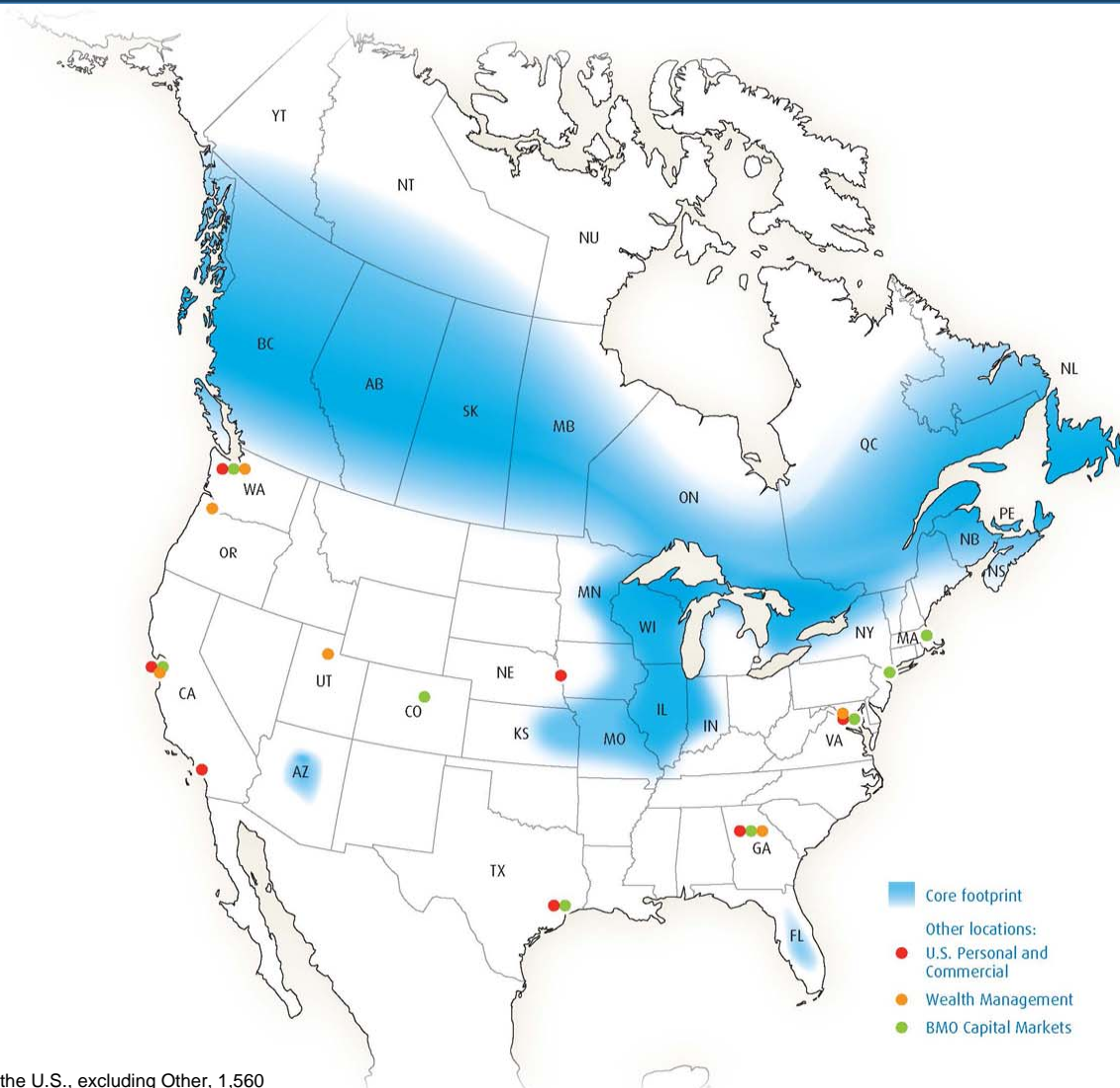
¹ Reported net income by Operating group – Canadian P&C \$484MM; US P&C \$166MM; Wealth Management \$175MM; Capital Markets \$277MM; Other \$(41)MM

² Reported net income by Geography: Canada \$714MM; United States \$297MM; Other \$50MM

Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 21 of BMO's First Quarter 2014 Report to Shareholders
See slide 33 for adjustments to reported results

BMO's Strategic Footprint

Combined population and GDP of BMO's US Midwest States is greater than Canada



1,564¹
Branches

\$228B²
Customer Deposits

- Core footprint
- Other locations:
 - U.S. Personal and Commercial
 - Wealth Management
 - BMO Capital Markets

¹ Branches in Canada and the U.S., excluding Other, 1,560

² Q1'14 customer deposits: core deposits plus larger fixed-date deposits excluding wholesale customer deposits

Economic Indicators



	Canada			United States			Eurozone		
Economic Indicators (%) ¹	2012	2013	2014E	2012	2013	2014E	2012	2013	2014E
GDP Growth	1.7	2.0	2.3	2.8	1.9	2.7	-0.6	-0.4	1.0
Inflation	1.5	0.9	1.5	2.1	1.5	1.8	2.5	1.4	1.0
Interest Rate (3mth Tbills)	0.94	0.97	0.88	0.09	0.06	0.04	0.50	0.15	0.21
Unemployment Rate	7.3	7.1	6.9	8.1	7.4	6.3	11.4	12.1	12.0
Current Account Balance / GDP*	(3.4)	(3.2)	(2.7)	(2.7)	(2.3)	(2.1)	1.9	2.5	2.8
Budget Surplus / GDP*	(1.0)	(0.9)	(0.1)	(6.8)	(4.1)	(3.0)	(3.7)	(3.0)	(2.5)

Sources: OECD Economic Outlook 94 database.

¹Annual average

*Estimates as of February 28, 2014; Eurozone estimates provided by OECD

Reasons to Invest in BMO

- Clear opportunities for growth across a diversified North American footprint
 - ✓ Large North American commercial banking businesses with advantaged market share
 - ✓ Good momentum in our well-established Canadian Personal & Commercial banking
 - ✓ Award-winning wealth franchise with strong growth opportunities in North America and select global markets
 - ✓ Operating leverage across our US businesses
- Strong capital position with an attractive dividend yield
- Focus on productivity through core operations and technology integration, particularly for retail businesses across North America
- Industry-leading customer loyalty and a focus on customer experience to increase market share and drive revenue growth
- Committed to upholding the highest level of business ethics and corporate governance

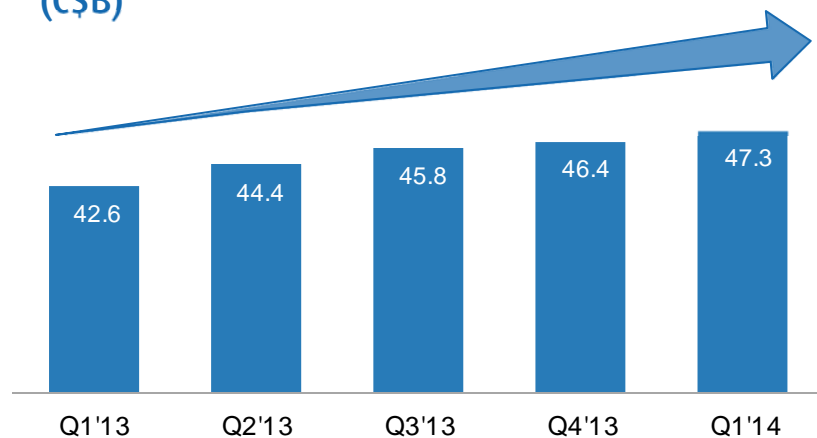
Proven Strength in Commercial Banking

Our large North American platform is a key differentiator and positions us well

Canadian P&C

- Continued momentum in commercial lending with growth¹ of 11% Y/Y and 2% Q/Q
- Strong competitive position in commercial banking, reflected in our number two² ranking in commercial lending market share
- Commercial deposit focus continues to result in strong growth of 14% Y/Y and 4% Q/Q

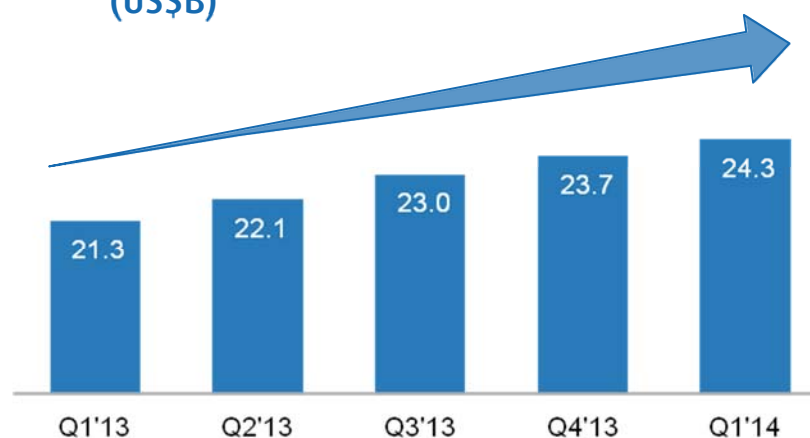
Commercial Loans and Acceptances (C\$B)



US P&C

- Strong core C&I loan growth up 14% Y/Y and 2% Q/Q
- Core Commercial Real Estate portfolio is gaining traction, new commitments of \$1.1B in Q1'14
- Deposits increased 6% Y/Y and Q/Q

Core C&I Loans (US\$B)



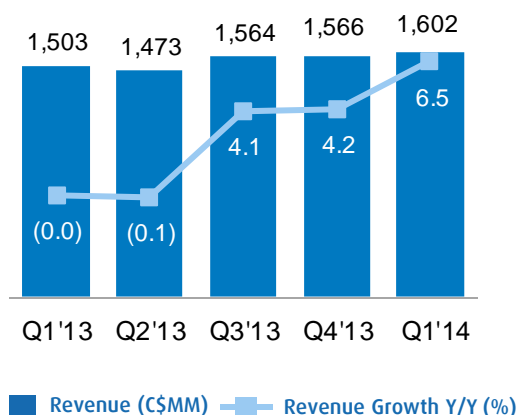
¹ Commercial lending growth excludes commercial cards. Commercial cards balances approximately 11% of total credit card portfolio in each of Q1'13, Q4'13 and Q1'14

² Business loan share (Banks) issued by CBA (one calendar quarter lag basis (Q4 F13: Sep 2013)); market share for loans \$5MM and less

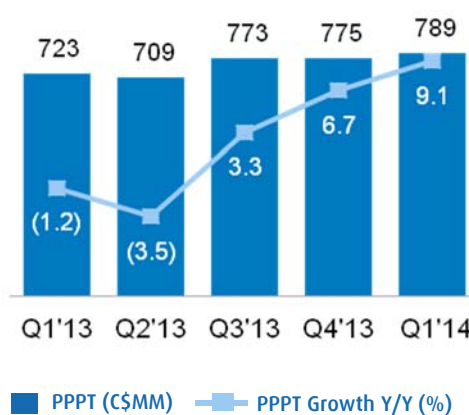
Good momentum in our Canadian P&C Banking Business

- Continued momentum from second half of 2013 with revenue up 7% Y/Y
- Strong operating leverage of 2.3% in Q1; 2nd consecutive quarter above 2%
- Robust volume growth
 - Commercial loans¹ up 11% and Personal loans² up 10% Y/Y
- Highly experienced team of specialists in mid-market commercial banking
- Large loyal customer base supported by strong and differentiated brand
- Largest Mastercard issuer in Canada, as measured by transaction volumes, and one of the top commercial card issuers in North America

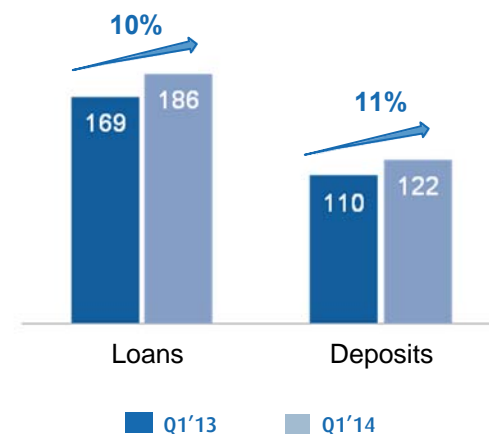
Revenue



Pre-Provision Pre-Tax Income



Average Loans and Deposits (C\$B)



¹ Commercial lending growth excludes commercial cards. Commercial cards balances approximately 11% of total credit card portfolio in each of Q1'13, Q4'13 and Q1'14

² Personal lending includes mortgages and consumer loans but excludes credit cards. Personal Cards balances approximately 89% of total credit card portfolio in each of Q1'13, Q4'13 and Q1'14

Wealth Management

Strong wealth franchise, with good growth prospects, contributing over 20% Q1'14 revenues

- Earnings up 8% Y/Y, with higher revenues, up 11%
- Assets under management and administration up 19% Y/Y

BMO Nesbitt Burns (Full-service brokerage)

- Received the highest client loyalty score for investment advisors in the 2013 Full Service Brokerage Report from Ipsos Reid

BMO InvestorLine (Self-directed investing)

- Named the top bank-owned online brokerage firm by The Globe and Mail for the third consecutive year

BMO Insurance

- Offers life, annuity and creditor insurance products

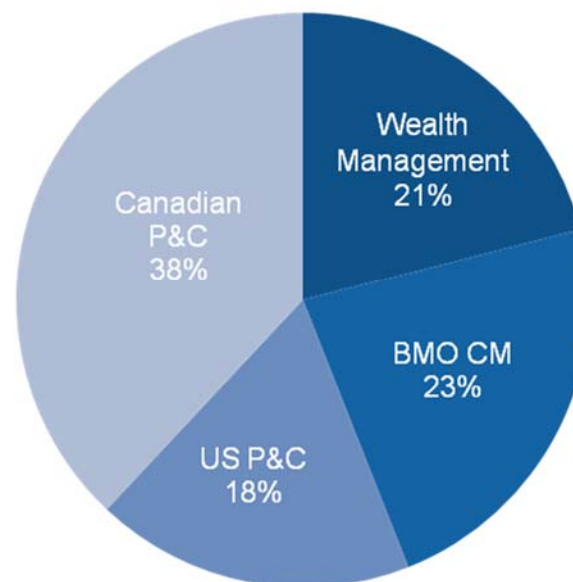
BMO Global Asset Management

- Manufactures and distributes mutual funds in Canada and U.S., ETFs and other products; ETF business has built a #2 share in Canada at 20%¹

BMO Private Bank

- BMO Private Bank named the "Best Domestic Private Bank, U.S." by Global Financial Market Review and "Best Private Bank-U.S. (Midwest) 2013" by World Finance Magazine

Q1'14 Operating Group Revenue*



* Excludes Corporate Services

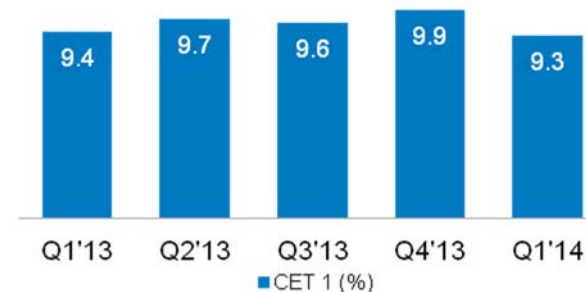
¹ Market share as of January 2014 by Morningstar Direct

Strong Capital Position

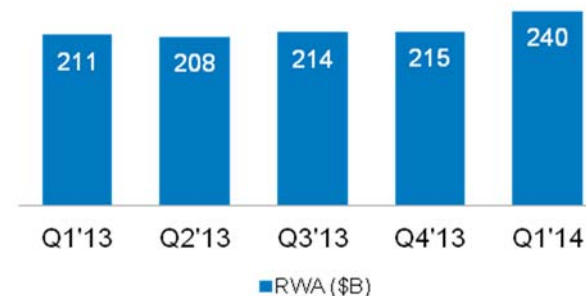
Balanced and disciplined approach to capital management and return of capital to shareholders

- CET1 ratio of 9.3%; change from Q4'13 due to:
 - Higher business driven source currency RWA (-50bps)
 - Newly implemented Credit Valuation Adjustment (CVA) risk capital charge (-20bps)
 - Changes in IFRS accounting standards (-10bps)
 - Net impact of the stronger US dollar (-5bps)
 - Partially offset by the benefit from increased retained earnings (+25bps)
- RWA of \$240B increased \$25B from Q4'13 primarily due to:
 - Increased business driven source currency RWA (~\$11B)
 - Impact of the newly implemented CVA adjustment and IFRS accounting changes (~\$6B)
 - Impact of the stronger US dollar (~\$6B)
- Dividend payout range 40-50%; 10 year dividend CAGR 8.2%¹
- Attractive and competitive dividend yield of +4%

Common Equity Tier 1 Ratio (%)



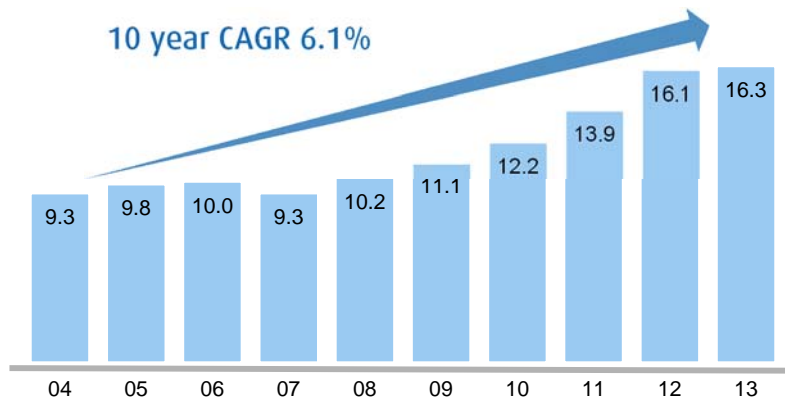
Risk Weighted Assets (\$B)



¹ CAGR on F2013 Dividend

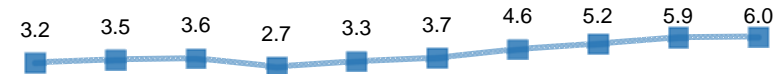
Strong, stable long-term financial trends

Revenue (C\$B)

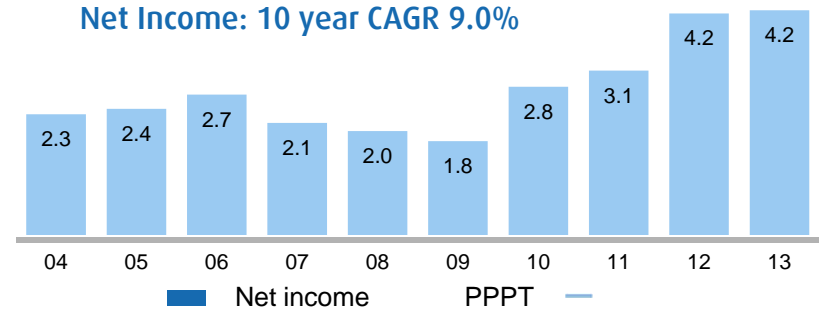


Net Income & Pre-Provision Pre-tax Earnings (C\$B)

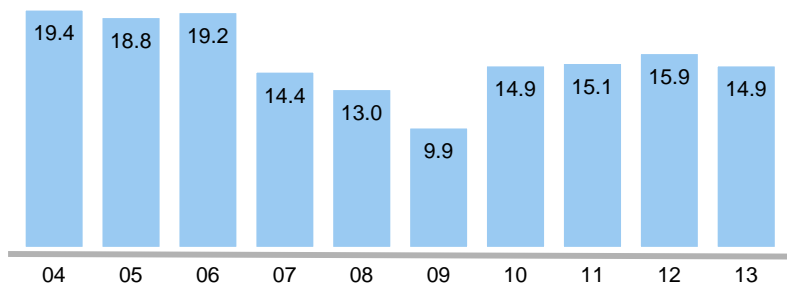
PPPT: 10 year CAGR 7.4%



Net Income: 10 year CAGR 9.0%

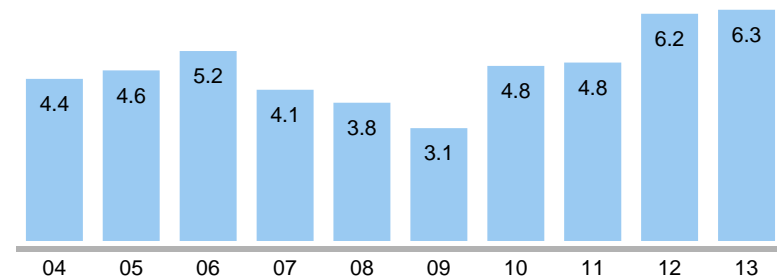


ROE (%)



EPS (C\$)

10 year CAGR 6.2%



* Financials as reported. 2010 and prior period information based on CGAAP. Prior to 2011, under CGAAP, non-controlling interest in subsidiaries was deducted in the determination of net income. Ten year CAGR based on CGAAP in 2003 and on IFRS in 2013

Q1 2014 - Financial Highlights

Adjusted Net Income of \$1.1B and Adjusted EPS growth of 7%

Adjusted (\$MM) ^{1,2}	Q1 13	Q4 13	Q1 14
Revenue	3,812	4,010	4,122
Expense	2,444	2,485	2,653
Net Income	1,029	1,088	1,083
Diluted EPS (\$)	1.50	1.62	1.61
ROE (%)	14.8	15.0	14.5
Basel III Common Equity Tier 1 Ratio (%)	9.4	9.9	9.3

- Adjusted EPS up 7% Y/Y
 - Good growth in Canadian P&C and Wealth Management
- Revenue growth of 8% Y/Y reflecting strong volume growth in Canadian P&C, growth in Wealth Management and BMO CM
- PCL relatively flat Y/Y and down \$41MM Q/Q
- Expenses up 8% Y/Y reflecting higher employee-related costs, including severance and higher technology and support costs related to a changing business and regulatory environment
 - Q1'14 includes \$66MM (\$46MM after-tax) for stock-based compensation for employees eligible to retire
- Adjusted effective tax rate³ of 20.9% compared to 21.5% in Q4'13 and 19.0% in Q1'13

¹ See slide 33 for adjustments to reported results. Effective Q1'14 credit-related items on purchased performing loan portfolio, acquisition integration costs and run-off structured credit activities are no longer adjusting items

² Reported Revenue: Q1'13 \$4,032MM; Q4'13 \$4,138MM; Q1'14 \$4,122MM; Reported Expenses: Q1'13 \$2,570MM; Q4'13 \$2,580MM; Q1'14 \$2,684MM;

Reported Net Income: Q1'13 \$1,036MM; Q4'13 \$1,074MM; Q1'14 \$1,061MM; Reported EPS – diluted: Q1'13 \$1.51; Q4'13 \$1.60; Q1'14 \$1.58; Reported ROE: Q1'13 14.9%; Q4'13 14.8%; Q1'14 14.2%

³ Reported effective tax rate: Q1'13 19.3%; Q4'13 21.6%; Q1'14 20.8%

Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 21 of BMO's First Quarter 2014 Report to Shareholders

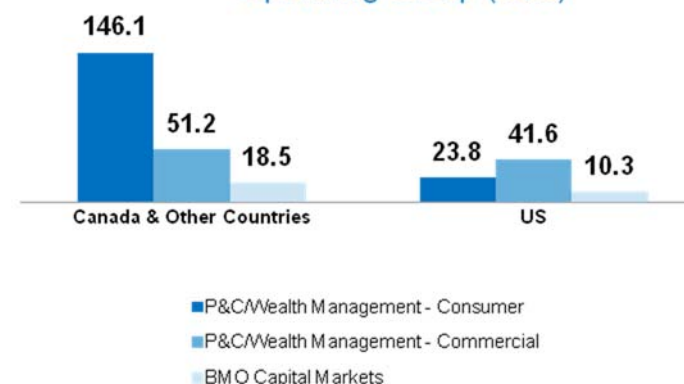
Loan Portfolio Overview

Canadian and US portfolios well diversified by industry

Gross Loans & Acceptances By Industry (C\$B)	Canada & Other ¹	US	Total	% of Total
Residential Mortgages	89.3	8.0	97.3	33%
Personal Lending	49.3	15.3	64.6	22%
Credit Cards	7.5	0.5	8.0	3%
Total Consumer	146.1	23.8	169.9	58%
Financial	13.1	9.4	22.5	8%
Service Industries	10.9	8.2	19.1	7%
Commercial Real Estate	10.5	6.3	16.8	6%
Manufacturing	4.9	7.4	12.3	4%
Retail Trade	7.4	4.0	11.4	4%
Agriculture	7.0	1.7	8.7	3%
Wholesale Trade	3.3	4.0	7.3	3%
Other Commercial & Corporate ²	12.6	10.9	23.5	8%
Total Commercial & Corporate	69.7	51.9	121.6	42%
Total Loans	215.8	75.7	291.5	100%

○ 4% loan growth Q/Q broadly spread across portfolios

Loans by Geography and Operating Group (C\$B)



¹ Commercial & Corporate includes ~\$10.3B from Other Countries

² Other Commercial & Corporate includes industry segments that are each <2% of total loans

Economic Outlook



- The Canadian economy is growing at a moderate pace, supported by low interest rates, rising oil production and improved U.S. demand, while being held back by elevated household debt and fiscal consolidation
- Firmer GDP growth of 2.3% is expected in 2014, as exports respond to a stronger US economy and weaker Canadian dollar
- The unemployment rate is forecast to decline to 6.8% in late 2014
- The Bank of Canada is expected to keep interest rates steady until the second half of 2015
- The Canadian dollar should weaken moderately further against the US dollar in 2014 in response to Canada's trade deficit and less stimulus from the Federal Reserve



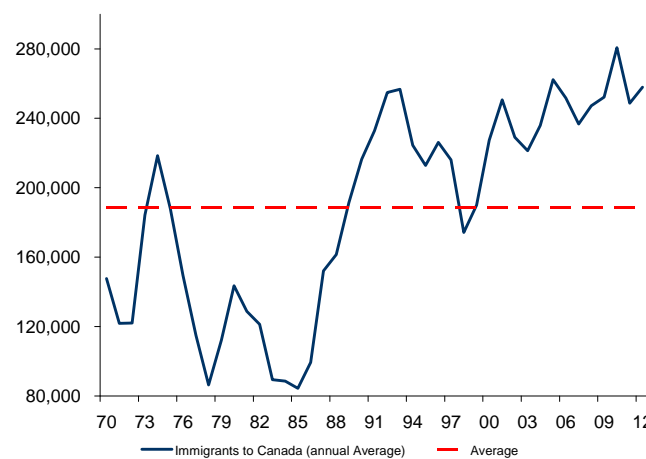
- The US economy grew strongly in the second half of last year, but has since slowed in response to the extreme winter weather
- Less fiscal restraint will allow economic growth to strengthen to 2.7% in 2014, with additional support from improved household finances and strengthening housing markets
- The unemployment rate is expected to fall to 6.1% by the end of 2014
- The Federal Reserve will likely keep interest rates near zero for a sixth straight year in 2014
- The US dollar is expected to strengthen in 2014 as the Fed reduces the pace of asset purchases

Outlook as at March 3, 2014; Source: BMO Economics
This slide contains forward looking statements. See caution on slide 1.

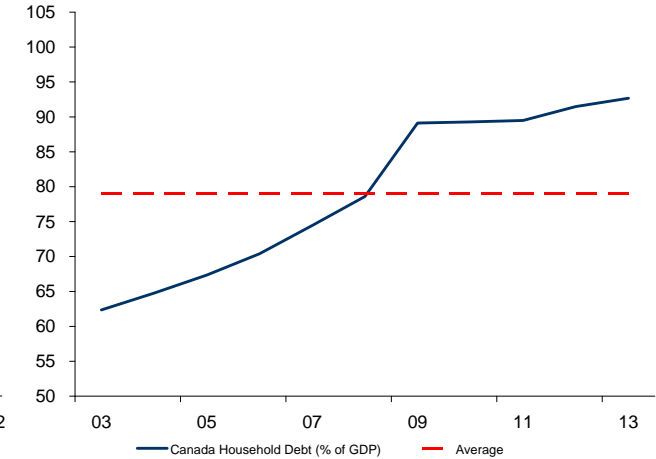
The Canadian Housing Market Remains Healthy

- Consistent immigration flows into Canada continue to drive household demand
 - The prime-home buying age group (30 to 34 year olds) is growing about twice as fast as the general population
- Still, elevated household debt and modestly higher long-term interest rates should restrain sales in 2014
- Most regions are expected to see steadier prices, sales and homebuilding in 2014
- Canadian home prices have steadily increased and are now rising in line with personal income growth
- Both mortgage delinquencies and the unemployment rate have continued to improve post financial crisis

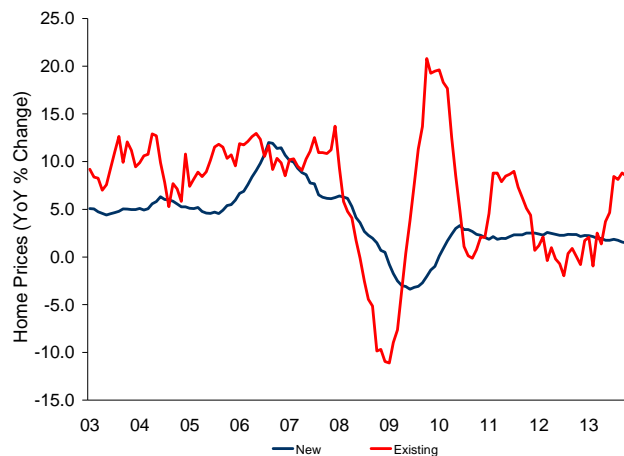
Immigration to Canada



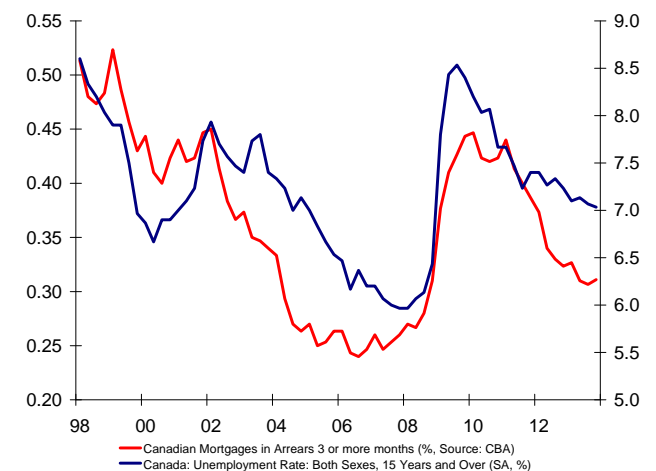
Canadian Household Debt to GDP



Canadian Home Prices



Mortgage Delinquencies / UE Rate



Housing Scorecard

+	-
Job Growth	Tighter Mortgage Rules
Immigration	Elevated Valuations
Echo Boomers	High Household Debt
Still-low Mortgage Rates	Modestly Higher Interest Rates

Source: BMO CM Economics and Canadian Bankers' Association As of March 3, 2014
This slide contains forward looking statements. See caution on slide 1.

Canadian Residential Mortgages – A Snapshot of Key Features

- Structure of Canadian residential mortgage market lower risk compared to U.S. due to:
 - No lending with loan to value above 80% without government backed insurance
 - Shorter terms (i.e., 1-10 years)
 - Prepayment charges borne by the borrower
 - No mortgage interest deductibility for income tax purposes (no incentive to take on higher levels of debt)
 - Recourse back to the borrower in most provinces

- The government has made a number of adjustments in recent years to support the stability of the housing market and the financial system
 - All borrowers must at least meet the standards for a five-year fixed rate mortgage, regardless of the mortgage chosen
 - Minimum 20% down payment required for rental properties
 - Maximum amortization period on insured mortgages lowered from 30 to 25 years, effective July 9, 2012
 - Maximum amount Canadians can withdraw when refinancing their mortgages lowered to 80 percent of the value of their homes, effective July 9, 2012
 - Withdrawal of government backed insurance for home equity secured lines of credit (HELOCs), effective April 18, 2011
 - Maximum loan-to-value (LTV) on HELOCs dropped to 65% from 80%, effective October 31, 2012

Canadian Residential Mortgages

- Total Canadian residential mortgage portfolio at \$89.3B represents 43% of Canadian gross loans and acceptances – smallest of the big five banks
 - 58% of the portfolio is insured
 - Loan-to-value (LTV)¹ on the uninsured portfolio is 59%²
 - 67% of the portfolio has an effective remaining amortization of 25 years or less
 - Loss Rates for the trailing 4 quarter period were less than 1 bps
 - 90 day delinquency rates remain stable at 33 bps
 - Condo Mortgage portfolio is \$12.5B with 51% insured

Residential Mortgages by Region (C\$B)	Insured	Uninsured	Total	% of Total
Atlantic	3.5	1.7	5.2	6%
Quebec	8.0	5.1	13.2	15%
Ontario	21.5	15.4	36.9	41%
Alberta	9.7	4.5	14.2	16%
British Columbia	7.2	9.3	16.5	18%
All Other Canada	2.1	1.3	3.4	4%
Total Canada	51.9	37.4	89.3	100%

¹ LTV is the ratio of outstanding mortgage balance to the original property value indexed using Teranet data. Portfolio LTV is the combination of each individual mortgage LTV weighted by the mortgage balance

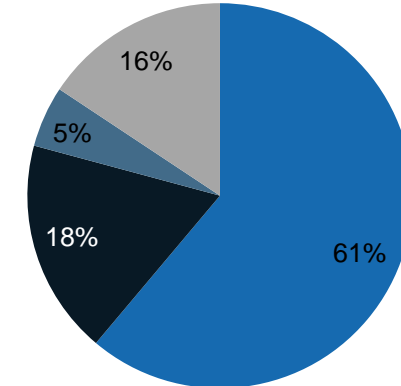
² To facilitate comparisons, the equivalent simple average LTV on uninsured mortgages in Q1'14 was 51%

BMO's Canadian Consumer Loan Portfolio

- BMO's Canadian consumer loan portfolio is well diversified, supported by prudent historical and current adjudication practices
 - Consumer loans as a percentage of total bank loans is the lowest of peer banks
 - 89% of consumer loan portfolio is secured
 - Unsecured loan portfolio is the smallest of the big five banks on an absolute basis; retail credit card portfolio is smaller than peer average (\$7.5B at Q1'14)
 - Unsecured and non-real estate secured loans are prime only (not sub prime)
 - HELOC portfolio is of high quality; 80% max LTV. Approximately 90% of the portfolio is in priority position
 - Consumer lending products (cards, LOCs, auto loans, Indirect & Other Instalment) loss rates lower than peer average over time

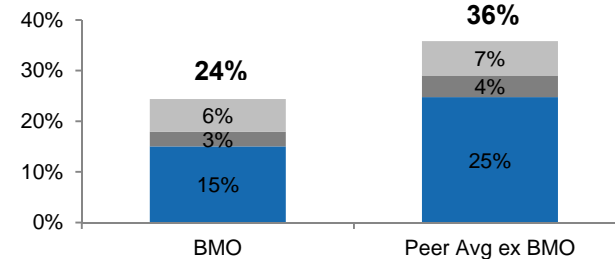
- Total Canadian residential mortgage portfolio at \$89.3B represents 43% of Canadian gross loans and acceptances – smallest of the big five banks
 - Portfolio is of high quality given loss history, insured portion and LTV
 - 58% (\$51.9B) of portfolio is insured
 - LTV on uninsured portfolio is 59%
 - Losses over past 25 years averaged 1.6bps, with highest annual rate experienced between 4 and 5 bps

Total Canadian Consumer Loans: Q1'14 \$146B
(89% is secured)



■ Mortgages ■ HELOC ■ Credit Cards ■ Other Personal

Canadian Consumer Loans¹
(% of Total Assets)



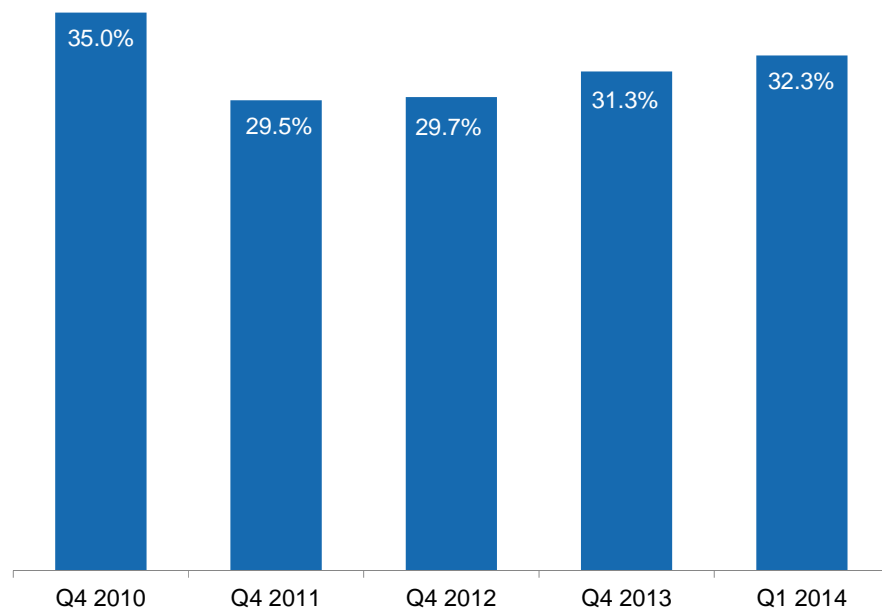
■ Personal Secured (by real estate + non real estate)
■ Personal Unsecured
■ Mortgages

¹ Based on OSFI data as of January 31, 2014; personal refers to non-mortgage loans to individuals for non-business purposes per OSFI filings; total currency less foreign currency denominated.

Liquidity and Funding Strategy

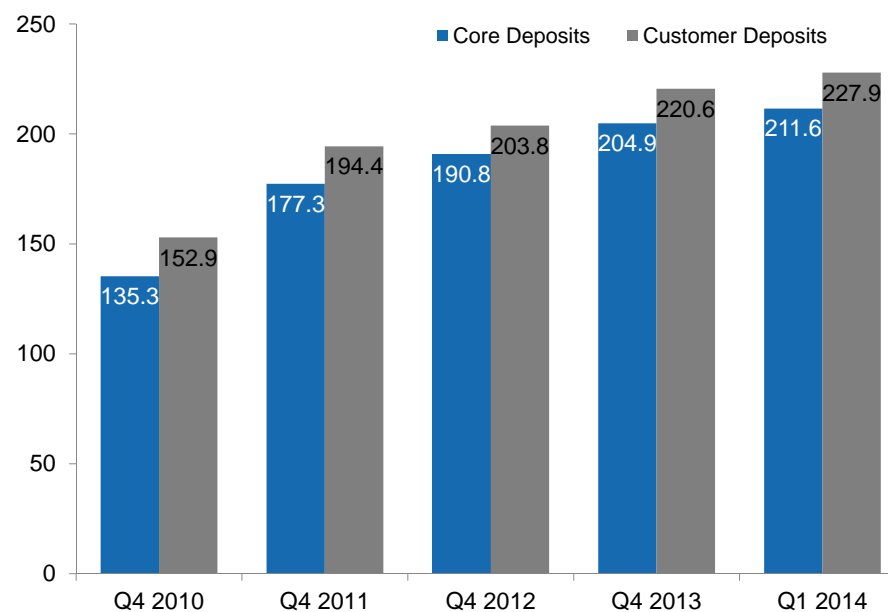
- BMO's Cash and Securities to Total Assets Ratio reflects a strong liquidity position
- BMO's large base of customer deposits, along with our strong capital base, reduces reliance on wholesale funding

Cash and Securities to Total Assets Ratio (%) ⁽¹⁾



⁽¹⁾ The decline in the ratio in 2011 from 2010 is the result of including securitized loans and mortgages previously reported off balance sheet under Canadian GAAP on balance sheet under IFRS

Core and Customer Deposits (C\$B)



* Core Deposits are comprised of customer operating and saving deposits and smaller fixed-date deposits (less than or equal to C\$100,000)

** Customer Deposits are core deposits plus large fixed-date deposits excluding wholesale customer deposits

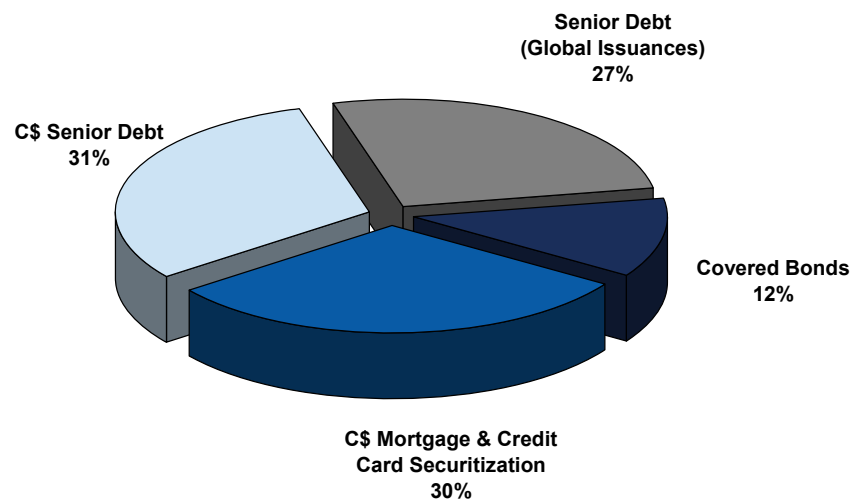
Diversified Wholesale Term Funding Mix

- BMO's wholesale funding principles seek to match the term of assets with the term of funding. Loans for example are funded with customer deposits and capital, with any difference provided by longer-term wholesale funding
- BMO has a well diversified wholesale funding platform across markets, products, terms, currencies and maturities

Senior Note Credit Ratings			
Moody's	S&P	Fitch	DBRS
Aa3	A+	AA-	AA

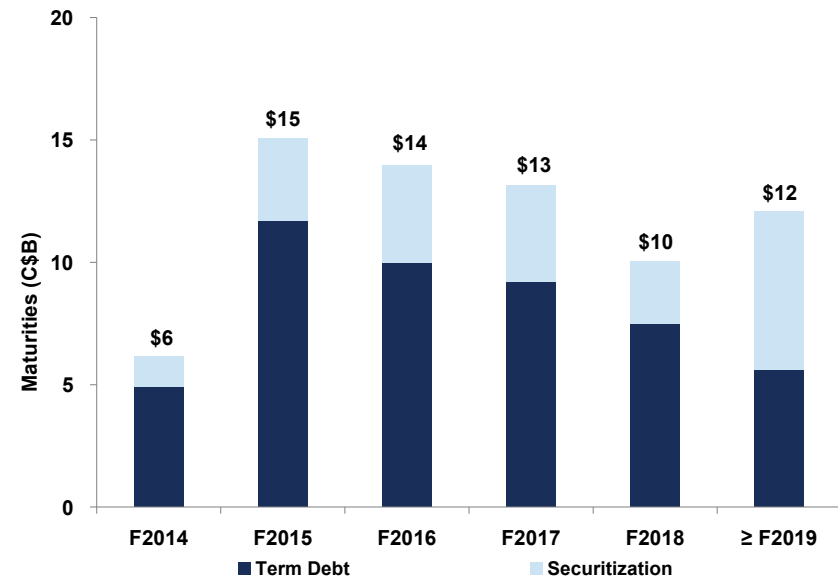
Wholesale Capital Market
Term Funding ⁽¹⁾ Composition
(Total \$70.5B)

As at January 31, 2014



Wholesale Capital Market
Term Funding ⁽¹⁾ Maturity Profile ⁽²⁾
(Total \$70.5B)

As at January 31, 2014



(1) Wholesale capital market term funding primarily includes non-structured funding for terms greater than or equal to two years. Excludes Extendible Notes and Capital issuances.

(2) BMO term debt maturities includes term unsecured and Covered Bonds.

Wholesale Funding Platform

- Variety of programs provide BMO with diversification and cost effective funding

Canada

- Canadian MTN Shelf (C\$8B)
- Master Credit Card Trust II (C\$4B)
- Other Securitization (Canada Mortgage Bonds, Mortgage Backed Securities)

U.S.

- SEC Registered U.S. MTN Shelf (US\$15B)
- SEC Registered Covered Bond Program

Europe & Asia

- Note Issuance Programme (US\$20B)

Recent Benchmark Transactions

- €0.7B 3-yr FRN MTN at 3M EURIBOR +34bps
- C\$1.0B 5-yr Credit Card Securitization (via MCCT II) at GOC+90bps
- C\$0.75B 5-yr Fixed Senior Unsecured Deposit Notes at GOC+79bps

A New Legislative Regime for Canadian Covered Bonds

Robust Regulatory Regime

- The establishment of the Canadian legal framework for covered bonds in June 2012 was followed by CMHC's thorough regulatory framework in December 2012
- Enhanced disclosure requirements (e.g., monthly investor reports, program website)

High Quality Collateral

- Prime uninsured Canadian residential mortgages
- The relatively short maturity / renewal date of mortgage products provides an excellent source of internal liquidity for the cover pool

Well-known Structure, With Full (Direct) Recourse

- The structure of new programmes will be familiar to investors
 - Similar to “old Canadian”, UK, and Australian structures
- Dual recourse: Investors have direct recourse to the cover pool in addition to the unsecured claim against the issuer
- Legislative certainty protecting investors in the event of a default

Regulatory Issuance Limit

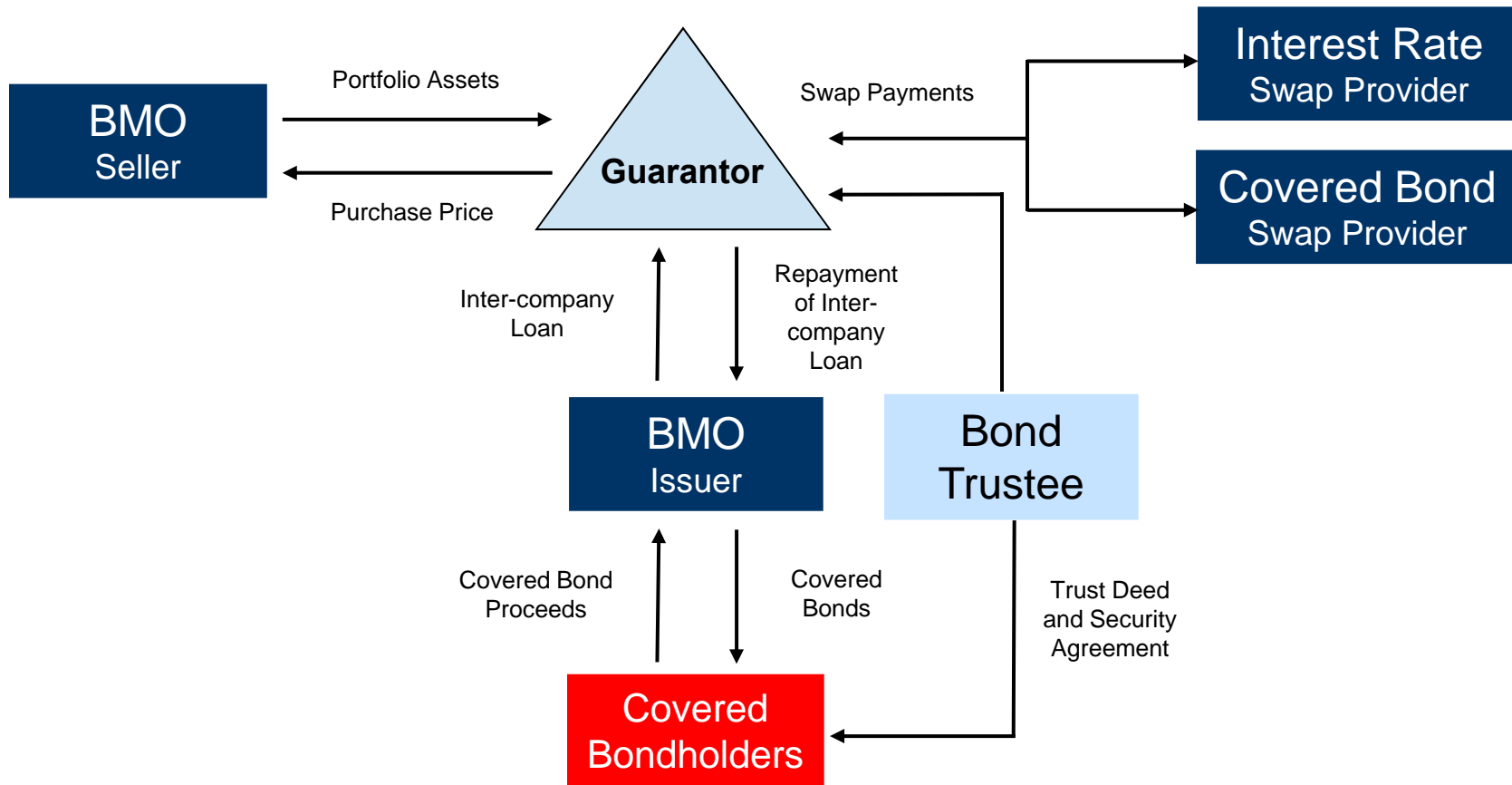
- Regulatory cap (4% of adjusted assets) will limit the amount of covered bond issuance by Canadian issuers

Comparison of Non CMHC Registered Covered Bonds and CMHC Registered Covered Bonds

	Non CMHC Registered Covered Bonds	CMHC Registered Covered Bonds
Issuance Framework:	<ul style="list-style-type: none"> No legal framework 	<ul style="list-style-type: none"> Canadian Registered Covered Bond Programs' Legal Framework (Canadian National Housing Act) Canadian Registered Covered Bond Programs Guide issued by Canada Mortgage and Housing Corporation (CMHC)
Eligible Assets:	<ul style="list-style-type: none"> CMHC-insured loans secured by residential property 	<ul style="list-style-type: none"> Uninsured loans secured by residential property
Mortgage LTV Limits:	<ul style="list-style-type: none"> LTV limits in compliance with CMHC requirements 	<ul style="list-style-type: none"> LTV limit of 80%
Basis for Valuation of Mortgage Collateral:	<ul style="list-style-type: none"> Latest valuation (unindexed) 	<ul style="list-style-type: none"> Starting in July 2014, issuers are required to index the value of the property underlying mortgage loans in the cover pool
Substitute Assets:	<ul style="list-style-type: none"> Exposures to institutions with 10 or 20% risk weighting under the Standardised Approach Canadian dollar denominated residential mortgage-backed securities 	<ul style="list-style-type: none"> Securities issued by the Government of Canada Repos of Government of Canada securities having terms acceptable to CMHC
Cash Restriction:	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> The cash assets of the Guarantor cannot exceed the Guarantor's payment obligations for the immediately succeeding six months
Coverage Test:	<ul style="list-style-type: none"> Asset Coverage Test Amortization Test 	<ul style="list-style-type: none"> Asset Coverage Test Amortization Test
Market Risk Reporting:	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Valuation Calculation
Covered Bond Registrar:	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> CMHC
Requirement to Register Issuer and Program:	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Yes; prior to first issuance of the covered bond program
Registry:	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Yes; http://www.cmhc-schl.gc.ca/en/hoficlincl/cacobo/cacobo_004.cfm
Disclosure Requirements:	<ul style="list-style-type: none"> Monthly investor report 	<ul style="list-style-type: none"> Monthly investor report with prescribed disclosure requirements set out by CMHC

Legislative Covered Bond Structure

- Consistent with Canadian peers and similar to UK and Australian programs



APPENDIX

Strategic Priorities

A clear vision: To be the bank that defines great customer experience

1

Achieve industry-leading customer loyalty by delivering on our brand promise.

2

Enhance productivity to drive performance and shareholder value.

3

Leverage our consolidated North American platform to deliver quality earnings growth.

4

Expand strategically in select global markets to create future growth.

5

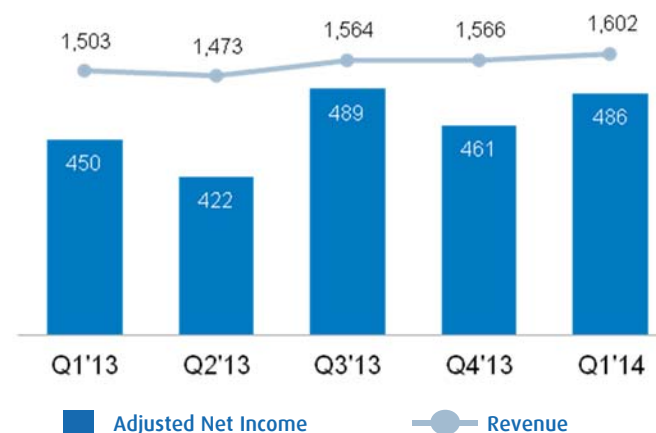
Ensure our strength in risk management underpins everything we do for our customers.

Canadian Personal & Commercial Banking

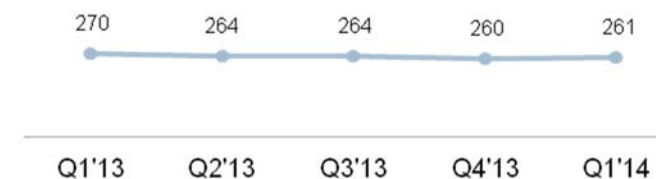
Continued momentum in revenue and net income growth with positive operating leverage

- Net income of \$486MM up 8% from a year ago
- Good revenue growth of 7%
- Stable NIM Q/Q
- Strong operating leverage of 2.3%
- Continued strong volume growth across both our personal and commercial businesses
 - Total loans up 10%
 - Total deposits up 11%
- Continued momentum in commercial banking with loans² up 11% Y/Y and 2% Q/Q
- Efficiency ratio of 50.8%, 110bps better Y/Y
- BMO World Elite Mastercard 'UPGRADE' campaign has been successful in attracting new customers

Adjusted Net Income¹ and Revenue (\$MM)



Net Interest Margin (bps)



See slide 33 for adjustments to reported results

Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 21 of BMO's First Quarter 2014 Report to Shareholders

¹ Canadian P&C Reported Net Income: Q1'13 \$447MM; Q2'13 \$421MM; Q3'13 \$486MM; Q4'13 \$458MM; Q1'14 \$484MM

² Commercial lending growth excludes commercial cards. Commercial cards balances approximately 11% of total credit card portfolio in each of the five quarters

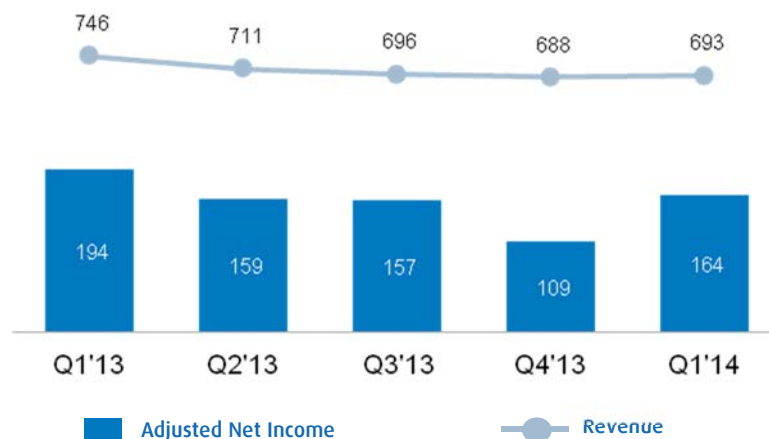
U.S. Personal & Commercial Banking

Q/Q net income up with stable revenue and good credit performance

(Amounts in US\$MM)

- Adjusted net income up \$55MM Q/Q and down from a strong quarter a year ago
- Revenues up modestly Q/Q with stable NIM
- Expenses remain well managed
- Commercial banking team continues to deliver strong volume growth
 - Core C&I Loans up 14% Y/Y and 2% Q/Q
 - Commercial deposits up 6% Y/Y and Q/Q
- Core Commercial Real Estate portfolio is gaining traction, new commitments of \$1.1B in Q1'14

Adjusted Net Income¹ and Revenue (US\$MM)



Net Interest Margin (bps)



See slide 33 for adjustments to reported results

Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 21 of BMO's First Quarter 2014 Report to Shareholders

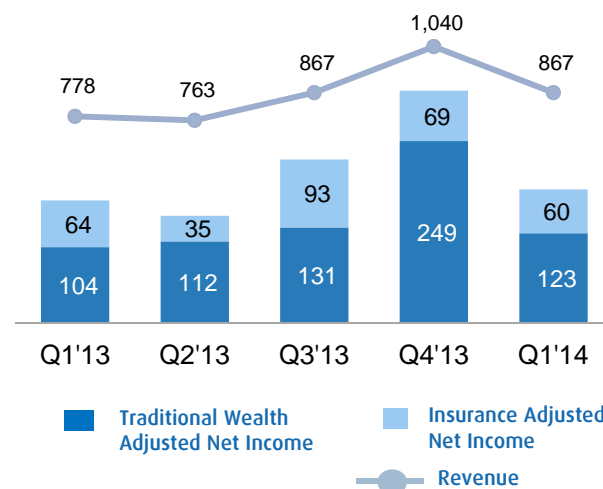
¹ U.S. P&C Reported Net Income (US\$): Q1'13 \$180MM; Q2'13 \$148MM; Q3'13 \$144MM; Q4'13 \$98MM; Q1'14 \$153MM

Wealth Management

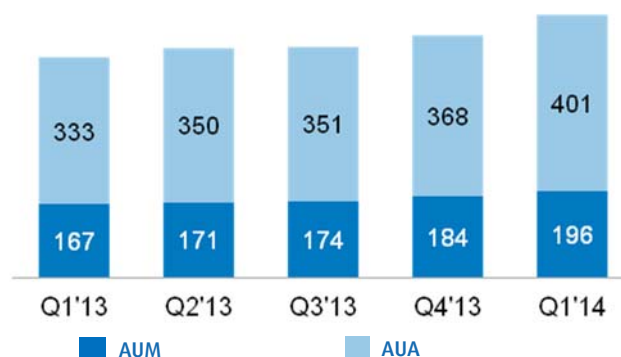
Continued strong performance in traditional wealth businesses with earnings up 17% Y/Y

- Adjusted net income up 8% Y/Y; down 43% Q/Q. Q4 included a \$121MM after-tax security gain
 - Continued strong performance in traditional wealth businesses with revenue up 13%
 - Continued good underlying Insurance results
- Expenses up Y/Y due to higher revenue-based and support costs driven by growth in businesses
- AUM/AUA up 19% Y/Y driven by market appreciation, the stronger U.S. dollar and growth in new client assets
 - AUM up 17% Y/Y and 7% Q/Q
 - AUA up 21% Y/Y and 9% Q/Q
- Stable market share in most businesses and we continue to have large Y/Y gains in ETFs
- BMO InvestorLine named top bank-owned online brokerage firm in Canada for the third consecutive year in the 15th annual *Globe and Mail* ranking of online brokers
- In January, announced agreement on the terms of a cash offer to acquire all of the shares of F&C Asset Management plc (F&C)²

Adjusted Net Income¹ and Revenue (\$MM)



AUM/AUA (\$B)



See slide 33 for adjustments to reported results

Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 21 of BMO's First Quarter 2014 Report to Shareholders

¹ Wealth Management Reported Net Income: Q1'13 \$162MM; Q2'13 \$140MM; Q3'13 \$217MM; Q4'13 \$311MM; Q1'14 \$175MM

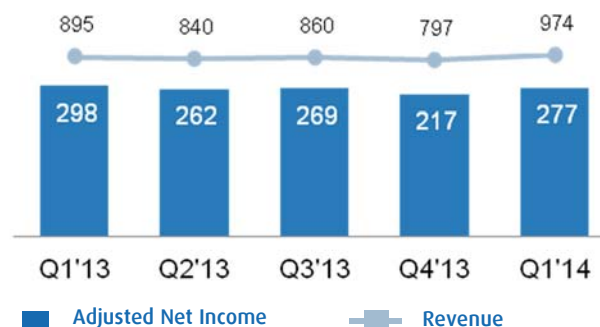
² Subject to F&C shareholder approval and satisfaction of all regulatory and other conditions

BMO Capital Markets

Good revenue performance with strong contribution from U.S. business

- Adjusted net income up 27% Q/Q; down 7% Y/Y with a strong contribution from US businesses
- ROE 18.8%
- Revenue growth of 9% Y/Y benefited from strength in both Investment and Corporate Banking and Trading Products
 - Higher equity underwriting fees, securities gains in corporate banking and higher trading revenue
- Expenses higher on employee-related expenses including severance and increased support costs, both driven by a changing business and regulatory environment
- Continued focus on core clients recognized
 - Selected during the quarter as a 2013 Greenwich Quality leader in Canadian M&A and in Canadian Equity Capital Markets
 - Selected as a 2013 Greenwich Share Leader in Canadian Investment Banking and Canadian Debt Capital Markets for Market Penetration

Adjusted Net Income¹ and Revenue (\$MM)



Return on Equity (%)



See slide 33 for adjustments to reported results

Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 21 of BMO's First Quarter 2014 Report to Shareholders

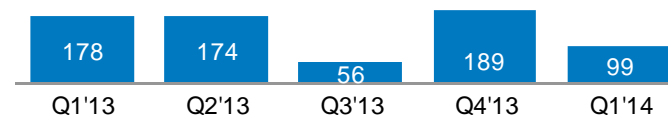
¹ BMO CM Reported Net Income: Q1'13 \$298MM; Q2'13 \$261MM; Q3'13 \$268MM; Q4'13 \$217MM; Q1'14 \$277MM

Provision for Credit Losses (PCL)

PCL By Operating Group (C\$MM)	Q1 13	Q4 13	Q1 14
Consumer – Canadian P&C	109	114	91
Commercial – Canadian P&C	19	52	50
Total Canadian P&C	128	166	141
Consumer – US P&C	33	55	20
Commercial – US P&C	(1)	41	(1)
Total US P&C	32	96	19
Wealth Management	2	1	(1)
Capital Markets	(15)	(17)	(1)
Corporate Services^{1,2}	(51)	(106)	(59)
Adjusted PCL	96	140	99
Purchased Performing ¹	82	49	-
Specific PCL	178	189	99
Change in Collective Allowance	-	-	-
Total PCL	178	189	99

- Specific PCL down Q/Q due to lower P&C provisions in both Canada and the US
- Consumer:
 - Canadian P&C provisions declined
 - US continues to improve. Last quarter was above trend
- Commercial:
 - Significant improvement in US P&C
 - Canadian P&C remained elevated

Quarterly Specific PCL (C\$MM)



¹ Effective Q1'14, Corporate Services adjusted results include credit-related items in respect of the purchased performing loan portfolio, including \$34MM specific provisions for credit losses

² Corporate Services results include purchased credit impaired loan recoveries (\$117MM in Q1'14 (\$72MM after-tax); \$104MM in Q4'13 (\$64MM after-tax); and \$59MM in Q1'13 (\$37MM after-tax))

Adjusting Items

Adjusting ¹ items – Pre-tax (\$MM)	Q1 13	Q4 13	Q1 14
Credit-related items on the M&I purchased performing loan portfolio	128	49	-
Acquisition integration costs	(92)	(60)	-
Amortization of acquisition-related intangible assets	(31)	(31)	(31)
Decrease/(increase) in the collective allowance for credit losses	-	-	-
Run-off structured credit activities	7	26	-
Adjusting items included in reported pre-tax income	12	(16)	(31)

Adjusting ¹ items – After-tax (\$MM)	Q1 13	Q4 13	Q1 14
Credit-related items on the M&I purchased performing loan portfolio	79	30	-
Acquisition integration costs	(57)	(37)	-
Amortization of acquisition-related intangible assets	(22)	(22)	(22)
Decrease/(increase) in the collective allowance for credit losses	-	(5)	-
Run-off structured credit activities	7	20	-
Adjusting items included in reported net income after tax	7	(14)	(22)
EPS (\$)	0.01	(0.02)	0.03

¹ All adjusting items are reflected in Corporate Services with the exception of the amortization of acquisition-related intangible assets, which is reflected across the Operating Groups. Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 21 of BMO's First Quarter 2014 Report to Shareholders

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