

Investor Presentation

For the Quarter Ended – April 30, 2014

May 28 • 2014

Q2|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 level of default and losses on default were material factors we considered when establishing our expectations regarding the future performance of the transactions into which our credit protection vehicle has entered. Among the key assumptions were that the level of default and losses on default will be consistent with historical experience. Material factors that were taken into account when establishing our expectations regarding the future risk of credit losses in our credit protection vehicle and risk of loss to Bank of Montreal included industry diversification in the portfolio, initial credit quality by portfolio, the first-loss protection incorporated into the structure and the hedges into which Bank of Montreal has entered.

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 Second 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 Second 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, decrease (increase) in collective allowance for credit losses and restructuring costs.

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

Strategic Highlights

For the Quarter Ended – April 30, 2014

May 28 • 2014

Bill Downe

Chief Executive Officer

Q2|14



Q2 2014 Financial Highlights

Results demonstrate continued momentum and strong performance across our operating groups

- \$1.1 billion in both reported and adjusted¹ earnings
 - Adjusted pre-provision pre-tax earnings \$1.5 billion, up 11%

- Adjusted EPS up 13% to \$1.63
 - Revenue up 9% to \$4.0 billion
 - Operating leverage of 1.2%
 - ROE 14.6%

- Basel III CET1 ratio of 9.7%

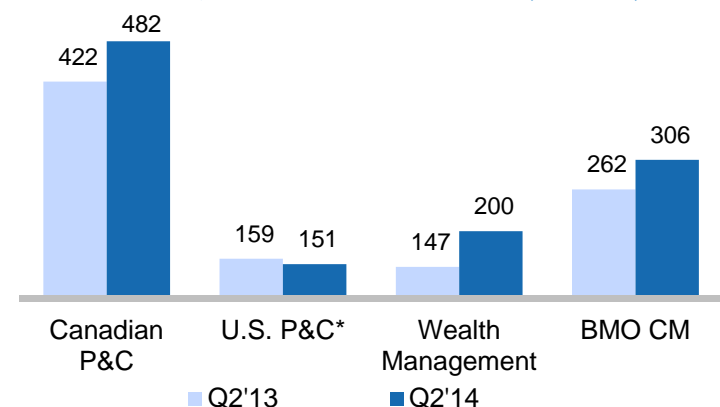
- Quarterly dividend increased 3% to \$0.78 per common share

¹Adjusted measures are non-GAAP measures. See slide 2 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Second Quarter 2014 Report to Shareholders
Reported results: EPS \$1.60; revenue \$4,041MM; operating leverage of 1.9%; pre-provision pre-tax earnings of \$1.4B, up 8%; efficiency ratio of 64.2%, and ROE 14.3%. See slide 25 for adjustments to reported results.

Operating Group Performance

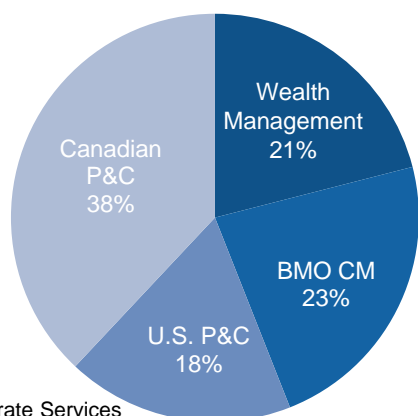
Strong results benefiting from diversification and attractive business mix

Adjusted¹ Net Income (C\$MM)



* In U.S.\$MM

Q2'14 Operating Group Revenue^{**}



** Excludes Corporate Services

- Canadian P&C net income up 14% Y/Y from strong balance sheet growth and operating leverage
- U.S. P&C revenue stable Q/Q due to good loan growth led by commercial
- Continued strong performance in Wealth Management with adjusted earnings up 36% Y/Y
- BMO CM revenue up 14% Y/Y reflecting strength in both I&CB and Trading Products

¹ Adjusted measures are non-GAAP measures. See slide 2 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Second Quarter 2014 Report to Shareholders. For details on adjustments refer to slide 25. Reported and adjusted revenue contribution by operating group are equal. For details on reported net income for operating groups please refer to slides 10 to 13 of this document.

Clear and Consistent Strategy

Four areas of operating focus are going to be dominant in the execution of our strategy

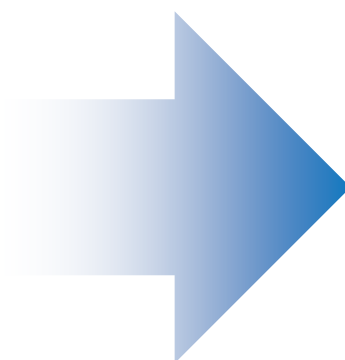
AREAS OF OPERATING FOCUS

Continuing to build a strong, differentiated brand

Extending the digital experience across all channels

Leveraging data to serve customers better

Simplifying and automating for greater efficiency



STRATEGIC PRIORITIES

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.

Financial Results

For the Quarter Ended – April 30, 2014

May 28 • 2014

Tom Flynn

Chief Financial Officer

Q2|14



Q2 2014 - Financial Highlights

Adjusted Net Income of \$1.1B with EPS growth of 13%

Adjusted (\$MM) ^{1,2}	Q2 13	Q1 14	Q2 14
Revenue	3,708	4,122	4,041
Expense	2,384	2,653	2,566
Net Income	984	1,083	1,097
Diluted EPS (\$)	1.44	1.61	1.63
ROE (%)	14.6	14.5	14.6
Basel III Common Equity Tier 1 Ratio (%)	9.7	9.3	9.7

- Adjusted EPS up 13% Y/Y reflecting strong operating group performance
- Revenue growth of 9% Y/Y reflecting good growth in Wealth Management, BMO CM and Canadian P&C
- Expenses up 8% Y/Y reflecting higher employee and technology costs related to a changing business and regulatory environment
- Positive adjusted operating leverage³ of 1.2%
- Adjusted efficiency ratio of 63.5% improved 80 bps Y/Y; adjusted efficiency ratio (ex. PBCAE)⁴ of 58.8% in Q2
- PCL up \$53MM Y/Y and \$63MM Q/Q reflecting lower recoveries
- Adjusted effective tax rate⁵ of 16.5% or 24.4% on teb basis

¹ See slide 25 for adjustments to reported results

² Reported Revenue: Q2'13 \$3,893MM; Q1'14 \$4,122MM; Q2'14 \$4,041MM; Reported Expenses: Q2'13 \$2,550MM; Q1'14 \$2,684MM; Q2'14 \$2,594MM; Reported Net Income: Q2'13 \$962MM; Q1'14 \$1,061MM; Q2'14 \$1,076MM; Reported EPS – diluted: Q2'13 \$1.40; Q1'14 \$1.58; Q2'14 \$1.60; Reported ROE: Q2'13 14.2%; Q1'14 14.2%; Q2'14 14.3%

³ Reported Operating Leverage: 1.9%

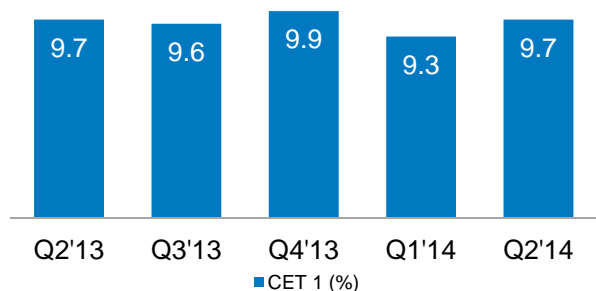
⁴ This ratio is calculated excluding insurance policyholder benefits, claims and acquisition expenses (PBCAE) and is provided to facilitate comparison with peer disclosure

⁵ Reported effective tax rate: Q2'14 16.2%

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Second Quarter 2014 Report to Shareholders

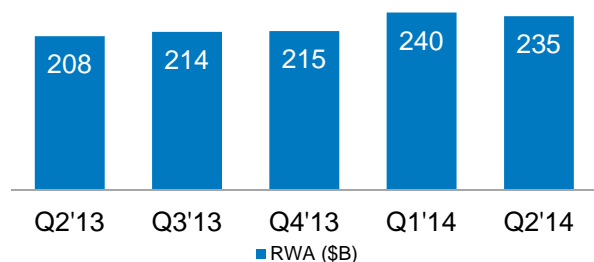
Capital & Risk Weighted Assets

Common Equity Tier 1 Ratio (%)



- CET1 Ratio of 9.7% increased approximately 40 bps from Q1'14 due to lower RWA and benefit from increased retained earnings
- RWA of \$235B decreased \$5B from Q1'14 due to reduced market risk exposures and lower credit risk primarily due to improved risk assessments and favourable FX movement, partially offset by updates to calculation methodologies

Risk Weighted Assets (\$B)



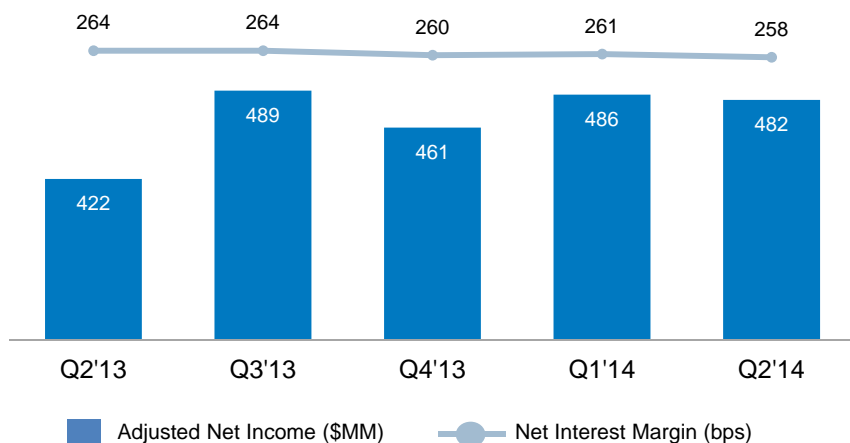
- Q3'14 will include impact of F&C acquisition which will lower CET1 Ratio by approximately 75 bps

Canadian Personal & Commercial Banking

Continued momentum with strong net income growth and operating leverage

As Reported (\$MM)	Q2 13	Q1 14	Q2 14
Revenue (teb)	1,473	1,602	1,560
PCL	153	141	133
Expenses	764	813	784
Net Income	421	484	480
Adjusted Net Income	422	486	482
Efficiency Ratio (%)	51.8	50.8	50.2

- Adjusted net income up 14% Y/Y on good revenue growth and operating leverage. Down 1% Q/Q due to impact of 3 fewer days
- Revenue growth of 6% Y/Y with higher balances and fees partially offset by lower NIM. Q/Q reflects fewer days
 - Strong volume growth with loans up 9% and deposits up 10% Y/Y
 - NIM down 3 bps Q/Q due to changes in mix, including loans growing faster than deposits
- PCL down 13% Y/Y and 5% Q/Q
- Expenses up 3% Y/Y. Q/Q down 4% mainly due to lower employee costs including impact of fewer days
- Strong operating leverage of 3.3% and efficiency ratio of 50.2%, 160 bps better Y/Y



See slide 25 for adjustments to reported results.

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Second Quarter 2014 Report to Shareholders

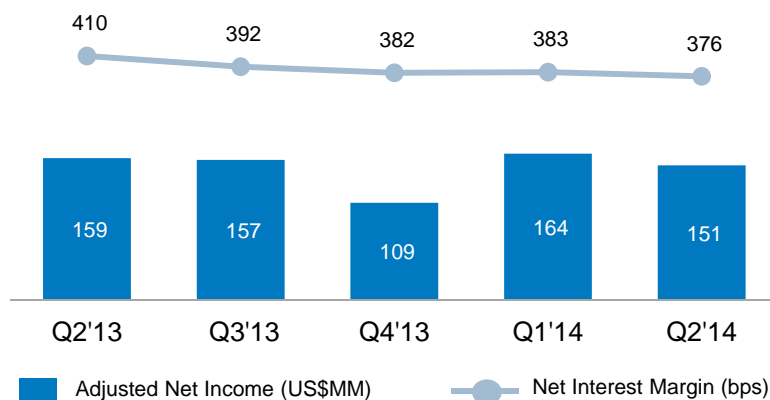
U.S. Personal & Commercial Banking

Good loan growth and stable revenue Q/Q

As Reported (US\$MM)	Q2 13	Q1 14	Q2 14
Revenue (teb)	711	693	691
PCL	53	18	45
Expenses	453	464	451
Net Income	148	153	140
Adjusted Net Income	159	164	151
Adjusted Efficiency Ratio ¹ (%)	61.3	64.6	63.1

(Amounts in US\$MM)

- Adjusted net income down 6% Y/Y and 8% Q/Q
 - Pre-provision, pre-tax earnings² up 4% Q/Q
- Revenue stable Q/Q despite impact of fewer days; down 3% Y/Y
 - Y/Y increased commercial loans offset by lower NIM and mortgage revenue
 - Q/Q NIM decline reflects strong commercial loan growth. Underlying loan and deposit spreads stable
- Loans³ up 7% Y/Y with continued strong double-digit growth in core C&I balances
- PCL down \$8MM Y/Y; up \$27MM from low Q1 level
- Expenses well managed, down Y/Y and Q/Q



¹ Reported efficiency ratio: Q2'13 63.8%; Q1'14 67.0%; Q2'14 65.3%

² Reported pre-provision, pre-tax earnings up 5% Q/Q

³ Average current loans and acceptances (excludes purchased credit impaired loans)

See slide 25 for adjustments to reported results

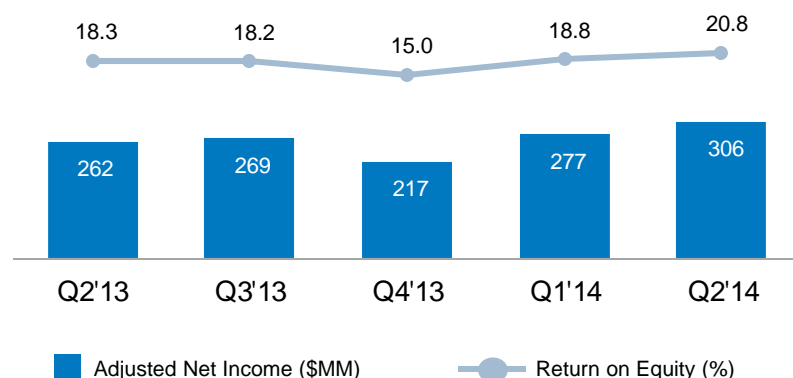
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BMO Capital Markets

Strong results reflect the benefit of a diversified business mix

As Reported (\$MM)	Q2 13	Q1 14	Q2 14
Trading Products Revenue	544	590	599
I&CB Revenue	296	384	354
Revenue (teb)	840	974	953
PCL	(6)	(1)	(4)
Expenses	511	609	581
Net Income	261	277	305
Adjusted Net Income	262	277	306
Efficiency Ratio (%)	61.0	62.5	61.0

- Adjusted net income up 17% Y/Y and 10% Q/Q with good contribution from the U.S. business and a more favourable tax rate
- Revenue up 14% Y/Y; down 2% from Q1
 - Y/Y higher corporate banking revenues, investment banking fees and trading revenue
 - Q/Q lower investment banking fees and securities gains
- Expenses up 14% Y/Y; down 5% Q/Q
 - Y/Y higher employee-related expenses and costs due to changing business and regulatory environment
 - Q/Q lower severance and stock based compensation for employees eligible to retire expensed in Q1
- Strong ROE of 20.8%



See slide 25 for adjustments to reported results

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Second Quarter 2014 Report to Shareholders

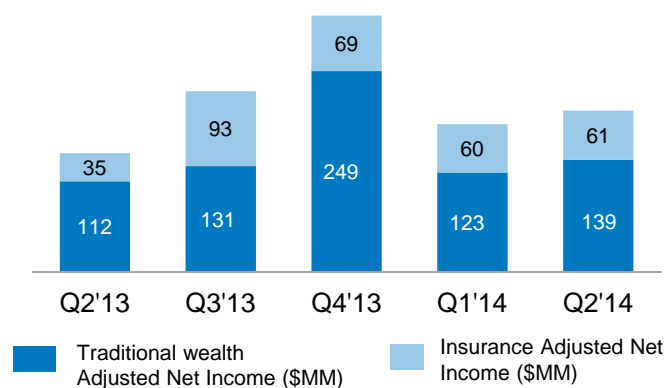
Wealth Management

Continued strong performance with adjusted net income up 36% Y/Y

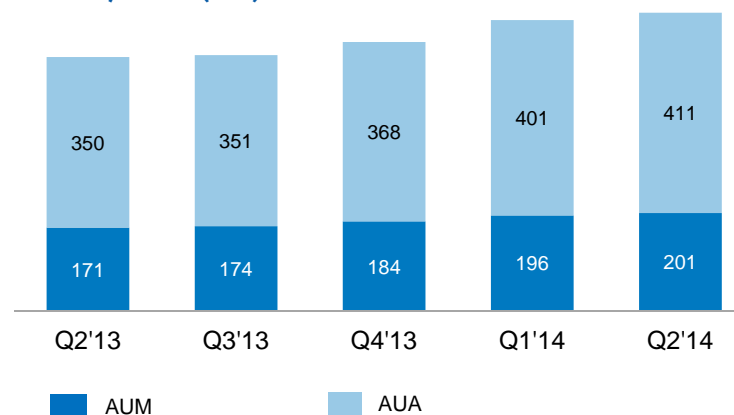
As Reported (\$MM)	Q2 13	Q1 14	Q2 14
Revenue (teb)	763	867	878
PCL	1	(1)	2
Expenses	587	644	630
Net Income	140	175	194
Adjusted Net Income	147	183	200
Adjusted Efficiency Ratio ¹ (%)	75.8	73.1	70.7

- Adjusted net income up 36% Y/Y and 10% Q/Q
- Continued strong performance in traditional wealth with adjusted net income up 23% and revenue up 11%
- Good underlying Insurance results; prior year results impacted by movements in interest rates
- AUM/AUA up 17% Y/Y driven by market appreciation, the stronger U.S. dollar and growth in new client assets

Adjusted Net Income (\$MM)



AUM/AUA(\$B)



¹ Reported efficiency ratio: Q2'13 77.0%; Q1'14 74.3%; Q2'14 71.7%

See slide 25 for adjustments to reported results

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Second Quarter 2014 Report to Shareholders

Corporate Services

Adjusted (\$MM) ^{1,2}	Q2 13	Q1 14	Q2 14
Revenue (teb)^{2,3}	(92)	(69)	(113)
PCL (recovery)^{3,4}	(94)	(59)	(19)
Expenses	92	117	101
Net Income	(11)	(41)	(58)

- Adjusted net loss of \$58MM compared to net loss of \$11MM a year ago primarily due to lower credit recoveries
- Q/Q adjusted net loss \$17MM higher due to lower credit recoveries, partly offset by lower expenses

¹ Reported Revenue: Q2'13 \$93MM; Q1'14 \$(69)MM; Q2'14 \$(113)MM; Reported PCL (recovery): Q2'13 \$(59)MM; Q1'14 \$(59)MM; Q2'14 \$(19)MM; Reported expenses: Q2'13 \$227MM; Q1'14 \$117MM; Q2'14 \$101MM; Reported Net Income: Q2'13 \$(11)MM; Q1'14 \$(41)MM; Q2'14 \$(58)MM

² Operating group revenues, income taxes and net interest margin are stated on a taxable equivalent basis (teb). This teb adjustment is offset in Corporate Services, and total BMO revenue, income taxes and net interest margin are stated on a GAAP basis

³ Beginning in the first quarter of 2014, credit-related items in respect of the purchased performing loan portfolio are included in adjusted results: Q1'14 \$45MM (\$28MM after-tax); Q2'14 \$47MM (\$29MM after-tax)

⁴ Purchased credit impaired loan portfolio recoveries: Q2'13 \$107MM pre-tax (\$66MM after-tax); Q1'14 \$117MM pre-tax (\$72MM after-tax); Q2'14 \$45MM pre-tax (\$28MM after-tax)

See slide 25 for adjustments to reported results. All adjustments impact Corporate Services with the exception of amortization of acquisition-related intangible assets

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Second Quarter 2014 Report to Shareholders

Risk Review

For the quarter ended April 30, 2014

May 28 • 2014

Surjit Rajpal

Chief Risk Officer

Q2|14

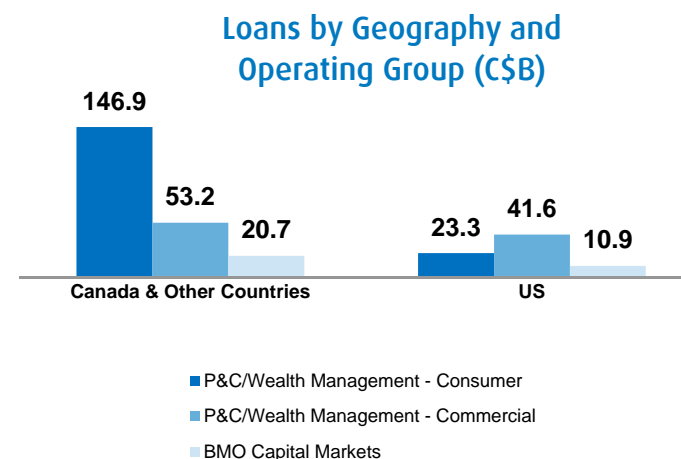


Loan Portfolio Overview

Canadian and US portfolios well diversified by industry

Gross Loans & Acceptances By Industry (C\$B)	Canada & Other ¹	US	Total	% of Total
Residential Mortgages	89.8	7.8	97.6	33%
Personal Lending	49.6	15.0	64.6	22%
Credit Cards	7.5	0.5	8.0	2%
Total Consumer	146.9	23.3	170.2	57%
Financial	13.7	9.5	23.2	8%
Service Industries	11.4	8.4	19.8	7%
Commercial Real Estate	11.1	6.3	17.4	6%
Manufacturing	5.1	7.7	12.8	4%
Retail Trade	8.3	3.9	12.2	4%
Agriculture	7.1	1.7	8.8	3%
Wholesale Trade	3.8	4.0	7.8	3%
Other Commercial & Corporate ²	13.4	11.0	24.4	8%
Total Commercial & Corporate	73.9	52.5	126.4	43%
Total Loans	220.8	75.8	296.6	100%

○ 2% loan growth Q/Q driven primarily by Canadian commercial loans



¹ Commercial & Corporate includes ~\$11.6B from Other Countries

² Other Commercial & Corporate includes industry segments that are each <3% of total loans

Provision for Credit Losses (PCL)

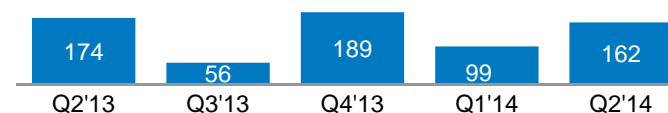
Good credit performance continues

PCL By Operating Group (C\$MM)	Q2 13	Q1 14	Q2 14
Consumer – Canadian P&C	117	91	110
Commercial – Canadian P&C	36	50	23
Total Canadian P&C	153	141	133
Consumer – US P&C	38	20	20
Commercial – US P&C	17	(1)	30
Total US P&C	55	19	50
Wealth Management	1	(1)	2
Capital Markets	(6)	(1)	(4)
Corporate Services^{1,2}	(94)	(59)	(19)
Adjusted PCL	109	99	162
Purchased Performing ¹	65	-	-
Specific PCL	174	99	162
Change in Collective Allowance	(30)	-	-
Total PCL	144	99	162

- Specific PCL improved with a Q/Q \$9MM reduction excluding Purchased Credit Impaired portfolio recoveries of \$45MM (Q1: \$117MM)

- 1 Effective Q1'14, Corporate Services adjusted results include credit-related items in respect of the purchased performing loan portfolio (\$21MM in Q2'14; \$34MM in Q1'14)
- 2 Corporate Services results include purchased credit impaired loan recoveries \$45MM in Q2'14 (\$28MM after-tax); \$117MM in Q1'14 (\$72MM after-tax); and \$107MM in Q2'13 (\$66MM after-tax)

Quarterly Specific PCL (C\$MM)



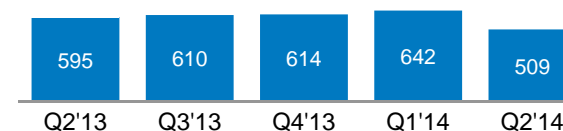
Gross Impaired Loans (GIL) and Formations

Continued reduction in Gross Impaired Loans

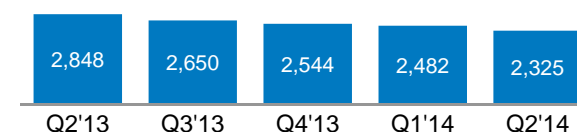
By Industry (C\$MM)	Formations			Gross Impaired Loans		
	Canada & Other	US	Total	Canada & Other ²	US	Total
Consumer	147	106	253	381	719	1,100
Service Industries	3	70	73	55	304	359
Commercial Real Estate	19	13	32	79	158	237
Manufacturing	11	33	44	63	61	124
Agriculture	22	3	25	101	6	107
Construction	17	44	61	40	60	100
Retail Trade	4	6	10	17	75	92
Wholesale Trade	2	3	5	39	46	85
Financial	3	1	4	8	34	42
Other Commercial & Corporate ¹	1	1	2	54	25	79
Commercial & Corporate	82	174	256	456	769	1,225
Total Bank	229	280	509	837	1,488	2,325

- Formations down Q/Q both in Canada and the US
- GIL down Q/Q, primarily due to declining US commercial impairment

Formations (C\$MM)



Gross Impaired Loans (C\$MM)



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

2 Commercial & Corporate includes ~\$7MM GIL from Other Countries

Canadian Residential Mortgages

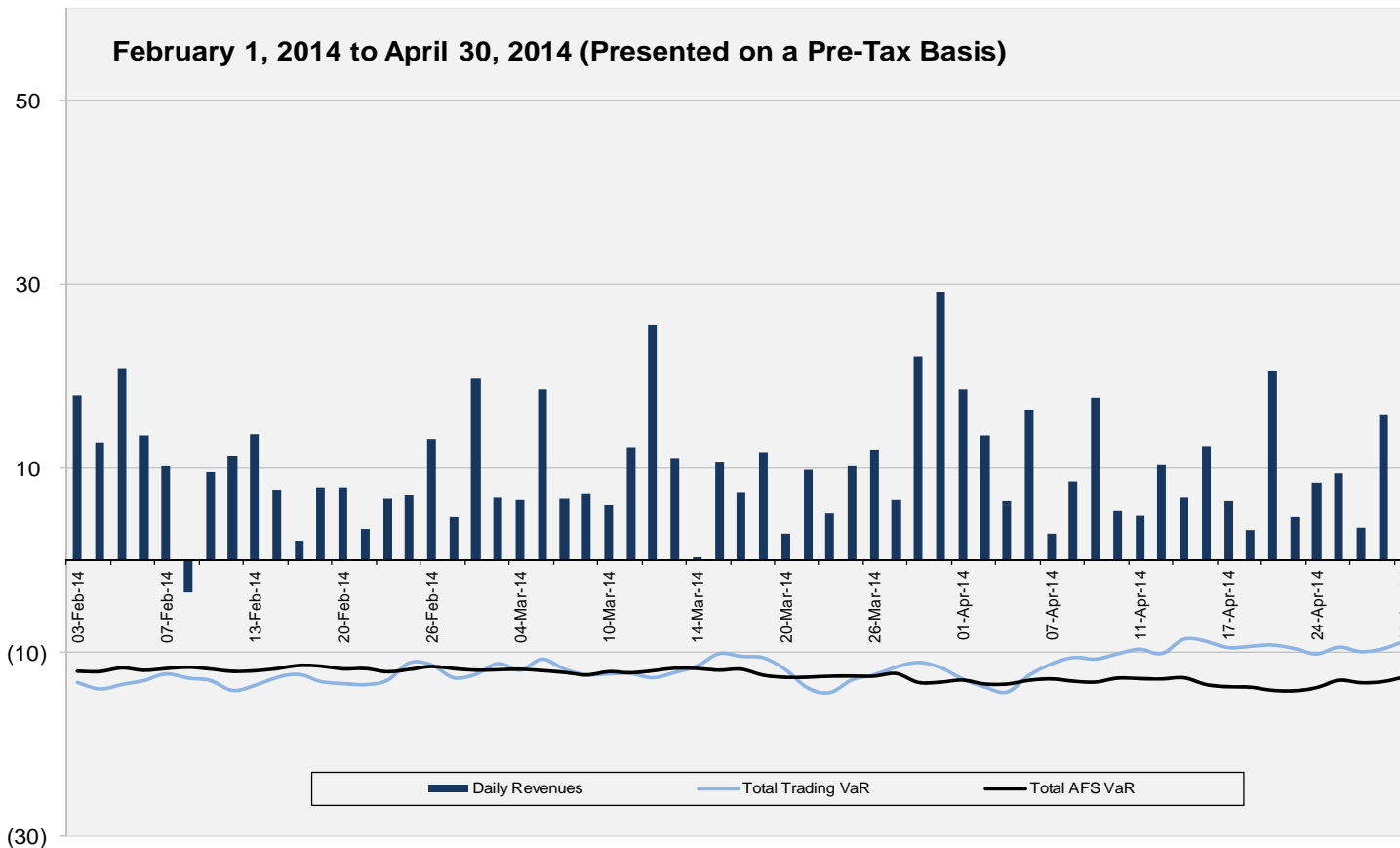
- Total Canadian residential mortgage portfolio at \$89.8B represents 43% of Canadian gross loans and acceptances – smallest of the big five banks
 - 60% of the portfolio is insured
 - Loan-to-value (LTV)¹ on the uninsured portfolio is 59%²
 - 67% of the portfolio has an effective remaining amortization 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 29 bps
 - Condo Mortgage portfolio is \$12.7B with 52% insured

Residential Mortgages by Region (C\$B)	Insured	Uninsured	Total	% of Total
Atlantic	3.5	1.6	5.1	6%
Quebec	8.2	5.1	13.3	15%
Ontario	22.5	14.5	37.0	41%
Alberta	9.9	4.4	14.3	16%
British Columbia	7.4	9.3	16.7	18%
All Other Canada	2.1	1.3	3.4	4%
Total Canada	53.6	36.2	89.8	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 Q2'14 was 51%

Trading Revenue vs. VaR

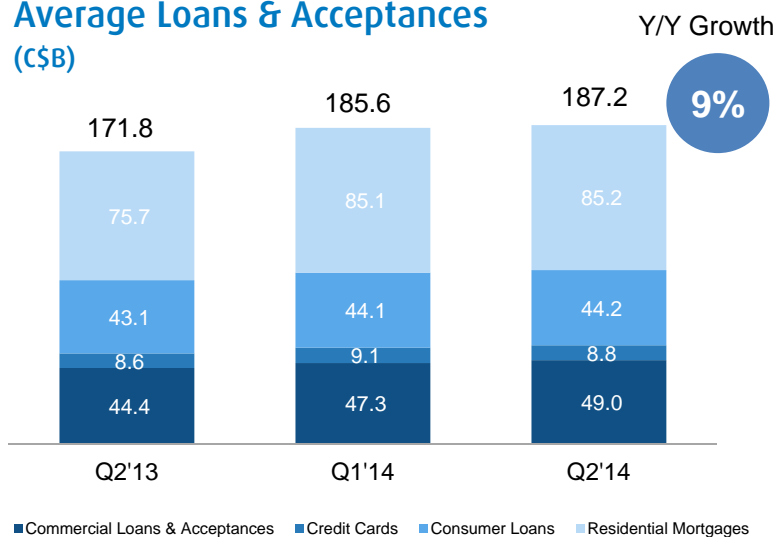


- Trading VaR decreased in the quarter while AFS VaR was stable
- The largest daily P&L gains for the quarter are as follows:
 - **February 5** – Primarily reflects normal trading activity, C\$20.8 million;
 - **March 12** – Primarily reflects normal trading activity and underwriting, C\$25.6million;
 - **March 28** – Primarily reflects normal trading activity, C\$22.2 million;
 - **March 31** – Primarily reflects normal trading activity and underwriting, C\$29.1 million;
 - **April 30** – Primarily reflects normal trading activity and underwriting, C\$28.8 million

APPENDIX

Canadian Personal & Commercial Banking – Balances

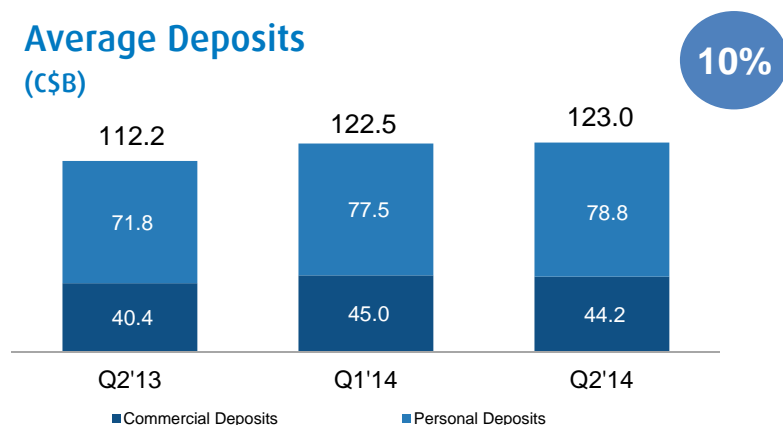
Average Loans & Acceptances (c\$B)



Loans

- Total loan growth of 9% Y/Y and 1% Q/Q
- Good personal lending growth¹ with balances up 9% Y/Y and flat Q/Q
- Strong commercial lending with growth² of 10% Y/Y and 4% Q/Q
- Cards down Q/Q reflecting seasonality

Average Deposits (c\$B)



Deposits

- Strong growth in personal deposits as balances up 10% Y/Y and 2% Q/Q driven by term products
- Commercial deposits up 9% Y/Y and down 2% Q/Q reflecting seasonality

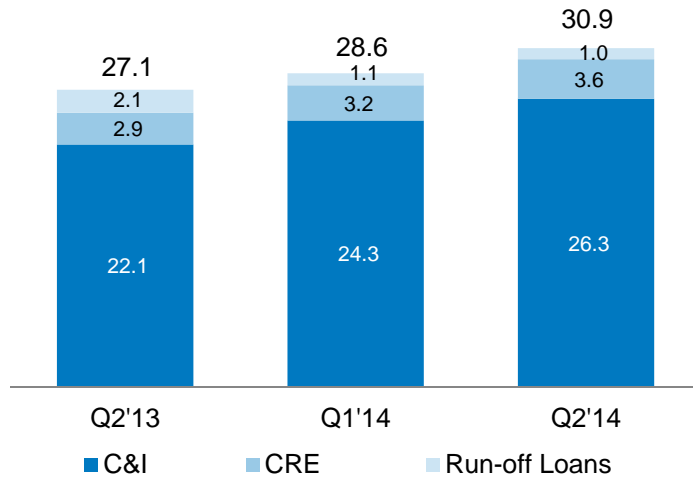
¹ Personal lending includes mortgages and consumer loans but excludes credit cards. Personal Cards balances approximately 89% of total credit card portfolio in each of Q2'13, Q1'14 and Q2'14

² Commercial lending growth excludes commercial cards. Commercial cards balances approximately 11% of total credit card portfolio in each of Q2'13, Q1'14 and Q2'14

U.S. Personal & Commercial Banking – Commercial Balances

All amounts in US \$B

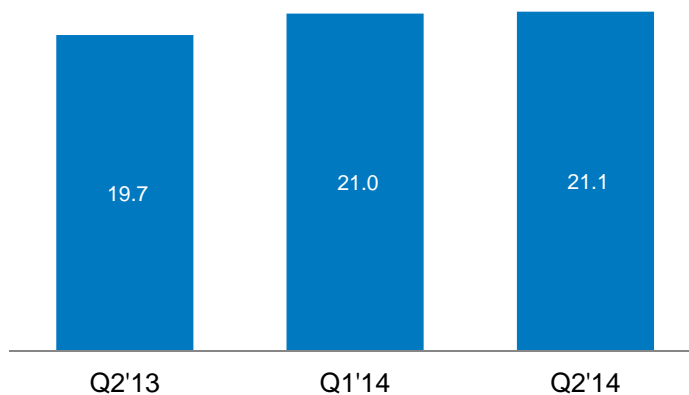
Average Commercial Loans



Loans

- Strong core C&I loan growth, up 19% Y/Y
 - Growth in core C&I reflects balance increases across all segments
- Good growth in Commercial Real Estate portfolio, 21% Y/Y and 9% Q/Q

Average Commercial Deposits



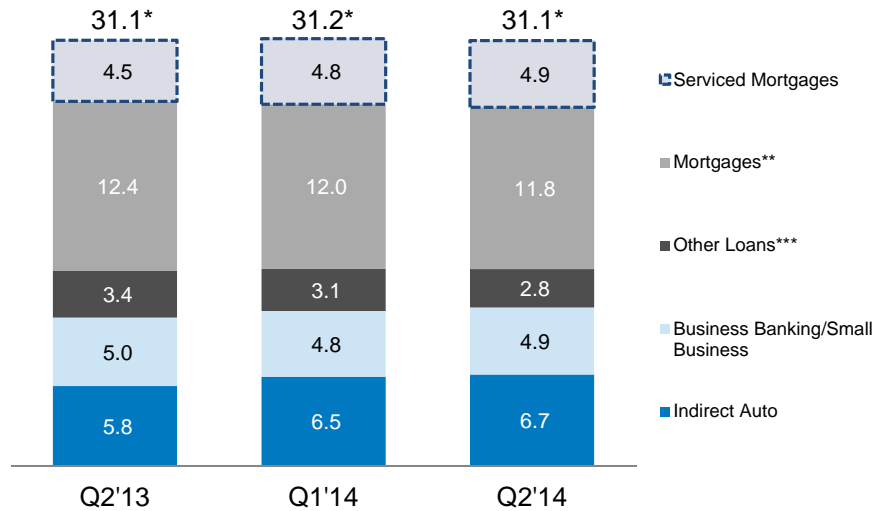
Deposits

- Deposits up 7% Y/Y, primarily in checking accounts
- Deposits stable Q/Q

U.S. Personal & Commercial Banking – Personal Balances

All amounts in US \$B

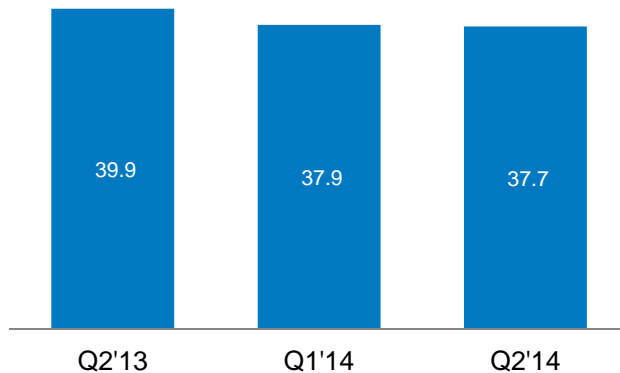
Average Personal Loans



Loans

- Business Banking up 1% Q/Q; pipeline remains strong
- Serviced mortgage portfolio up 9% Y/Y and 1% Q/Q
- Overall mortgage portfolio relatively stable Y/Y and Q/Q

Average Personal Deposits



Deposits

- Deposit balances relatively stable Q/Q
- Y/Y decline reflecting Q1 deposit balance transfer to Wealth Management and planned reductions in higher cost CDs, partially offset by growth in checking balances which were up 5% Y/Y

* Total includes Serviced Mortgages which are off-Balance Sheet and Wealth Management Mortgages

** Mortgages include Home Equity (Q2'13 \$5.5B; Q1'14 \$5.1B; Q2'14 \$5.0B) and Wealth Management Mortgages (Q2'13 \$1.1B; Q1'14 \$1.3B; Q2'14 \$1.4B)

*** Other loans include non-strategic portfolios such as wholesale mortgages, purchased home equity, and certain small business CRE, as well as credit card balances and other personal loans

Adjusting Items

Adjusting ¹ items – Pre-tax (\$MM)	Q2 13	Q1 14	Q2 14
Credit-related items on the purchased performing loan portfolio	119	-	-
Acquisition integration costs	(50)	-	-
Amortization of acquisition-related intangible assets	(31)	(31)	(28)
Decrease/(increase) in the collective allowance for credit losses	22	-	-
Run-off structured credit activities	6	-	-
Restructuring costs	(82)	-	-
Adjusting items included in reported pre-tax income	(16)	(31)	(28)

Adjusting ¹ items – After-tax (\$MM)	Q2 13	Q1 14	Q2 14
Credit-related items on the purchased performing loan portfolio	73	-	-
Acquisition integration costs	(31)	-	-
Amortization of acquisition-related intangible assets	(22)	(22)	(21)
Decrease/(increase) in the collective allowance for credit losses	11	-	-
Run-off structured credit activities	6	-	-
Restructuring costs	(59)	-	-
Adjusting items included in reported net income after tax	(22)	(22)	(21)
Impact on EPS (\$)	(0.04)	(0.03)	(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 2 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Second Quarter 2014 Report to Shareholders

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