

Fixed Income Investor Presentation

August 29, 2014

Q3 | 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 Third 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 on page 22 of Bank of Montreal's Third Quarter 2014 Report to Shareholders and on page 34 of Bank of Montreal's 2013 Annual Report, 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.

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 full service, universal bank across all of the major product lines - banking, wealth and capital markets
- In the U.S.: banking and wealth management largely in the Midwest, with a mid-cap focused strategy in Capital Markets
- In International markets: select presence, including Europe and Asia
- Key numbers (as at July 31, 2014):
 - Assets: \$587 billion
 - Deposits: \$399 billion
 - Employees: ~47,000
 - Branches: 1,556
 - ABMs: 4,305

Q3'14 Results *	Adjusted ²	Reported
Revenue (\$B)	4.2	4.2
Net Income (\$B)	1.2	1.1
EPS (\$)	1.73	1.67
ROE (%)	14.9	14.4
Basel III Common Equity Tier 1 Ratio (%)		9.6

Other Information	
Quarterly Dividend Declared (per share)	\$0.78
Market Capitalization as at: July 31, 2014	\$52.5 billion
Exchange Listings	TSX, NYSE (Ticker: BMO)
Share Price (July 31, 2014)	
TSX	C\$81.27
NYSE	U.S.\$74.57

* All amounts in this presentation in Canadian dollars unless otherwise noted

¹ As measured by assets as at July 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 22 of BMO's Third Quarter 2014 Report to Shareholders. See slide 29 for adjustments to reported results.

Clear and Consistent Strategy

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.

Operating Group Overview

Canadian Personal & Commercial Banking

- Over 7 million customers
- Over 900 branches; 2,900 ABMs
- 2nd in Canadian business banking loan market share
- Strong volume growth with loans up 7% and deposits up 9% Y/Y

U.S. Personal & Commercial Banking

- Over 2 million customers
- Over 600 branches; 1,300 ABMs
- Footprint includes six contiguous U.S. Midwest states – Illinois, Wisconsin, Indiana, Minnesota, Missouri and Kansas
- Core Commercial & Industrial loans up 18% Y/Y

Wealth Management

- Broad offering of products and solutions including insurance
- 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: \$776B

BMO Capital Markets

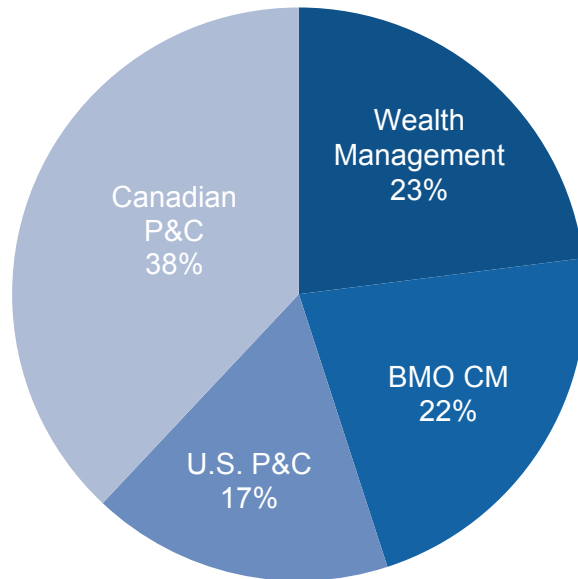
- Offers full service investment banking and sales & trading in Canada
 - Top Tier ranking in Canadian M&A for both volume announced and completed¹
- Mid-cap focus in the U.S.; focused on strategic sectors where we have expertise and experience
- Unified client coverage approach and integrated distribution across North American platform

¹ July 31, 2014 (sources: Bloomberg, IIROC)

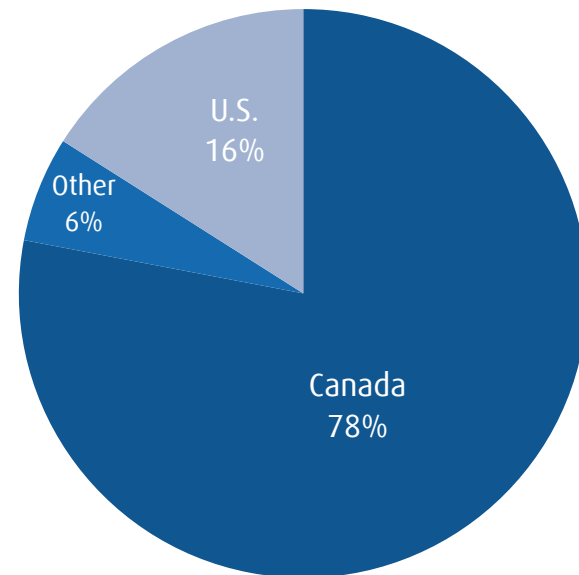
Advantaged Business Mix

Diversified by both customer segment and geography

Q3'14 Operating Group Revenue*



Q3'14 Net Income by Geography



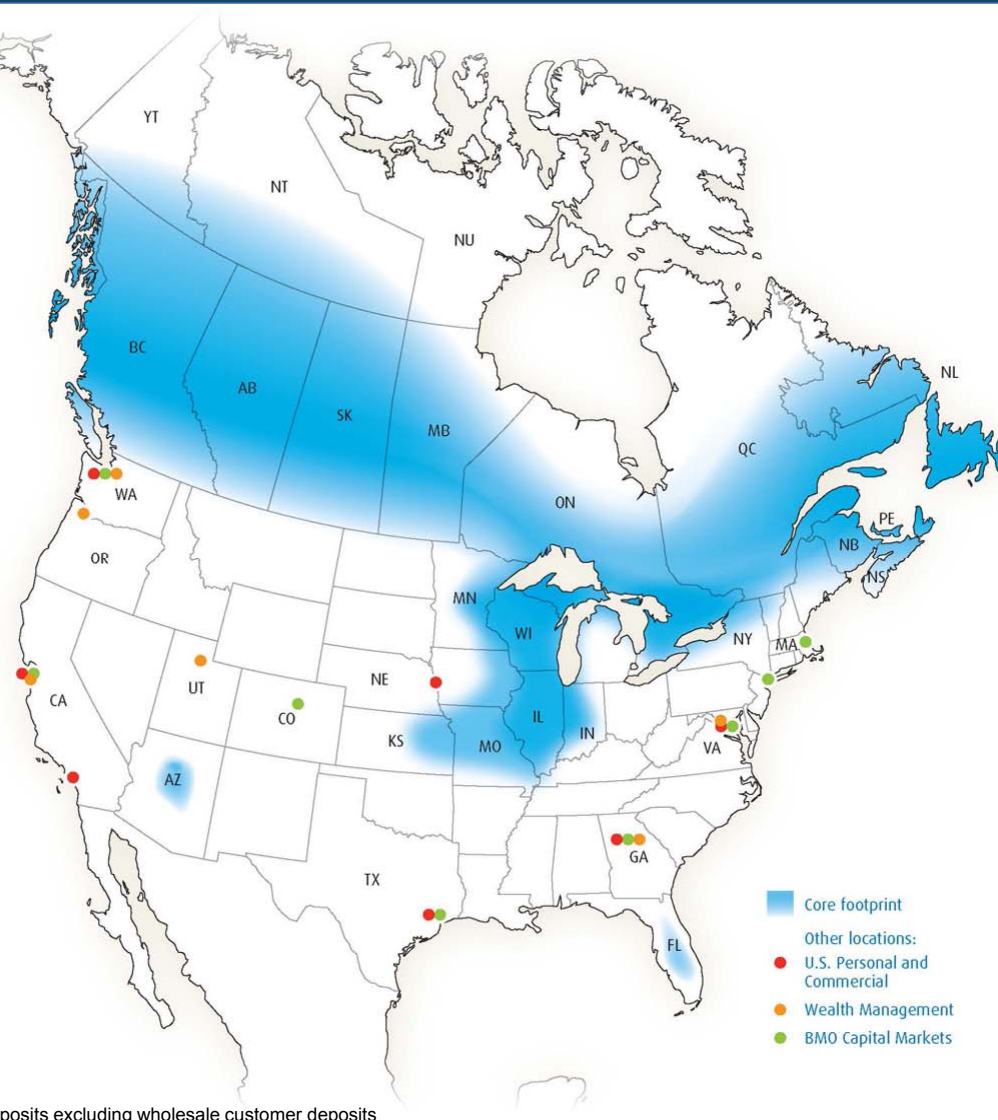
* Excludes Corporate Services

BMO's Strategic Footprint

Combined population and GDP of BMO's U.S. Midwest States is greater than Canada

BMO's strategic footprint is anchored by our business in the heartland of the continental economy. Our three operating groups serve individuals, businesses, governments and corporate customers right across Canada and in six U.S. Midwest states – Illinois, Wisconsin, Indiana, Minnesota, Missouri and Kansas – as well as in other select locations in the United States.

Our significant presence in North America is bolstered by operations in select global markets, including Europe and Asia, allowing us to provide our North American customers with access to economies and markets around the world, and our customers from other countries with access to North America.



1,556¹
Branches

\$231B²
Customer Deposits

¹ Branches in Canada and the U.S., excluding Other, 1,552

² Q3'14 customer deposits: core deposits plus larger fixed-date deposits excluding wholesale customer deposits

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 U.S. businesses
- Well-capitalized with sound underlying bank credit ratings
- 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

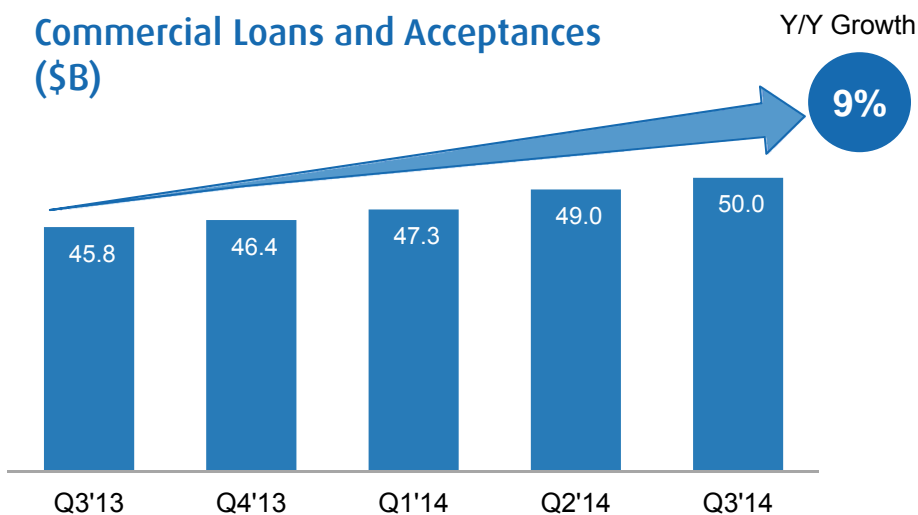
Proven Strength in Commercial Banking

Commercial loan growth remains robust across our large North American platform

Canadian P&C

- Strong commercial lending growth¹, balances up 9% Y/Y and 2% Q/Q
- Strong competitive position, ranked 2nd in Canadian business banking loan market share
- Commercial deposits up 7% Y/Y and 3% Q/Q

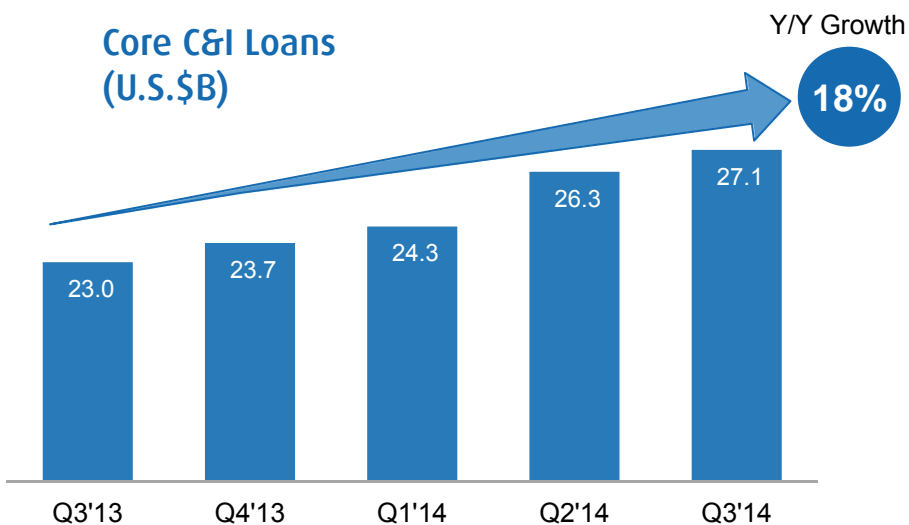
Commercial Loans and Acceptances (\$B)



U.S. P&C

- Strong core C&I loan growth, up 18% Y/Y with increases across all segments
- Core Commercial Real Estate portfolio continues to grow, up 24% Y/Y and 3% Q/Q
- Deposits increased 11% Y/Y and 3% Q/Q, primarily in chequing balances

Core C&I Loans (U.S.\$B)

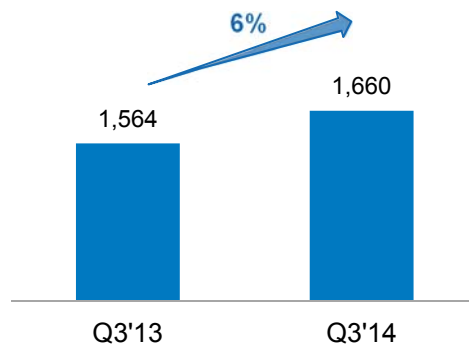


¹ Commercial lending growth excludes commercial cards. Commercial cards balances approximately 11% of total credit card portfolio in each of Q3'13, Q2'14 and Q3'14

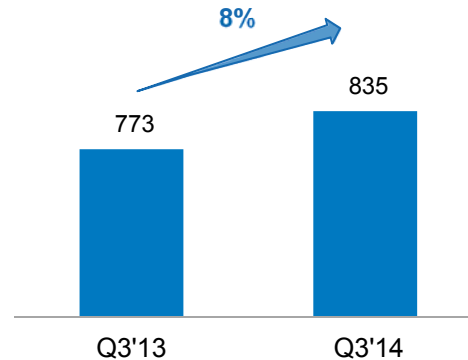
Continued Momentum in our Canadian P&C Banking Business

- Strong adjusted net income growth of 8% Y/Y on good revenue growth and operating leverage
- Operating leverage of 2.1% in Q3; 4th consecutive quarter above 2%
- Adjusted efficiency ratio¹ of 49.5% improved 100 bps Y/Y
- Commercial loans² up 9% and Personal loans³ up 7% 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

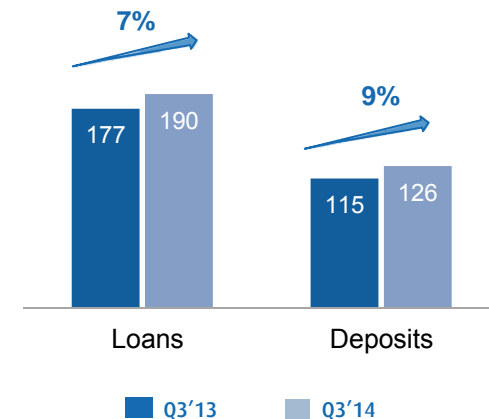
Revenue (\$MM)



Pre-Provision Pre-Tax Income (\$MM)



Average Loans and Deposits (\$B)



Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Third Quarter 2014 Report to Shareholders. See slide 29 for adjustments to reported results.

¹ Reported efficiency ratio 49.7%

² Commercial lending growth excludes commercial cards. Commercial cards balances approximately 11% of total credit card portfolio in each of Q3'13, Q2'14 and Q3'14

³ Personal lending includes mortgages and consumer loans but excludes credit cards. Personal Cards balances approximately 89% of total credit card portfolio in each of Q3'13, Q2'14 and Q3'14

Wealth Management

Strong wealth franchise with good growth prospects; contributes over 20% of total bank revenue

- Assets under management and administration of \$776B

BMO Nesbitt Burns (Full-service brokerage)

- Highest client loyalty score for investment advisors (2013 Full Service Brokerage Report from Ipsos Reid)
- Best Full Service International Advisory in Canada (Global Banking and Finance Review)

BMO InvestorLine (Self-directed investing)

- Top bank-owned online firm, for the third consecutive year (The Globe and Mail)

BMO Insurance

- Offers life, annuity and creditor insurance products

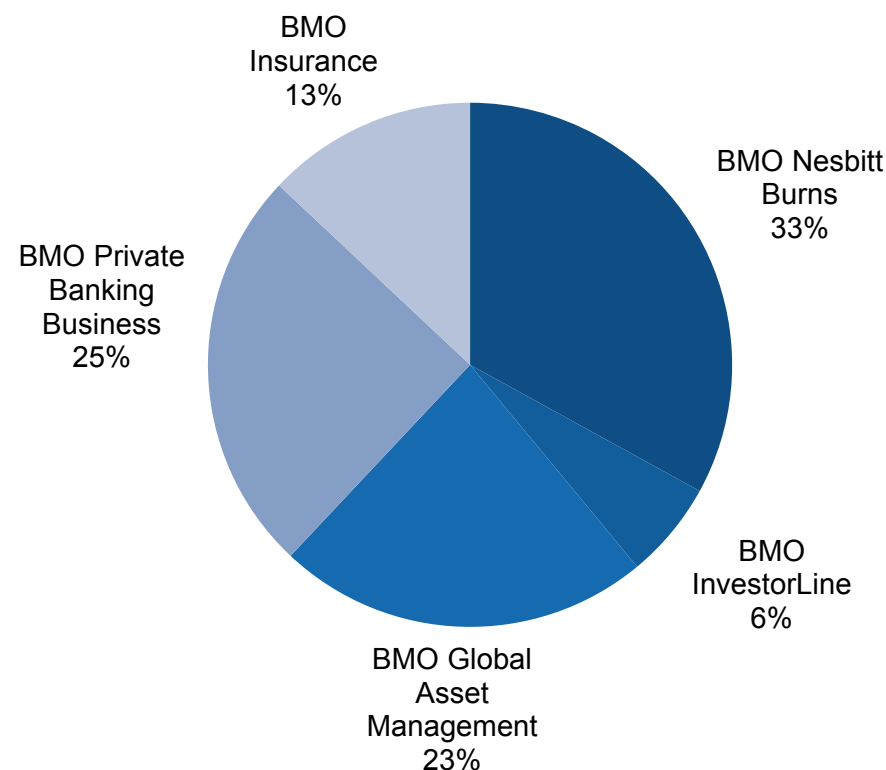
BMO Global Asset Management

- On May 7, 2014 completed acquisition of F&C Asset Management, strengthening BMO GAM's position as a globally significant money manager

BMO Private Bank

- BMO Harris Private Banking - Best Private Bank in Canada, for the fourth consecutive year (Global Banking and Finance Review)
- BMO Private Bank Asia - Best New Private Bank in Hong Kong, and Best New Private Bank in Singapore (Global Banking and Finance Review)

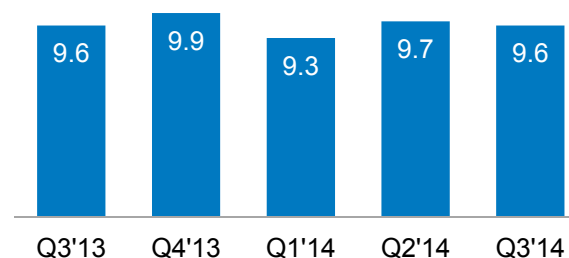
Wealth Management F2013 Revenue by Line of Business (%)



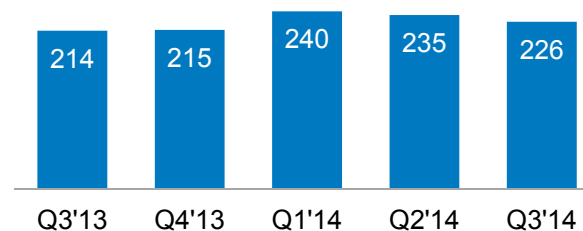
Balanced and Disciplined Approach to Capital Management

- CET1 Ratio of 9.6% decreased approximately 10 bps from Q2'14 primarily due to the F&C acquisition, largely offset by lower RWA and retained earnings growth
- RWA of \$226 billion at July 31, 2014, decreased by \$9 billion from Q2'14 largely due to actions taken to manage certain risk positions and changes in methodology and risk assessments

Common Equity Tier 1 Ratio (%)

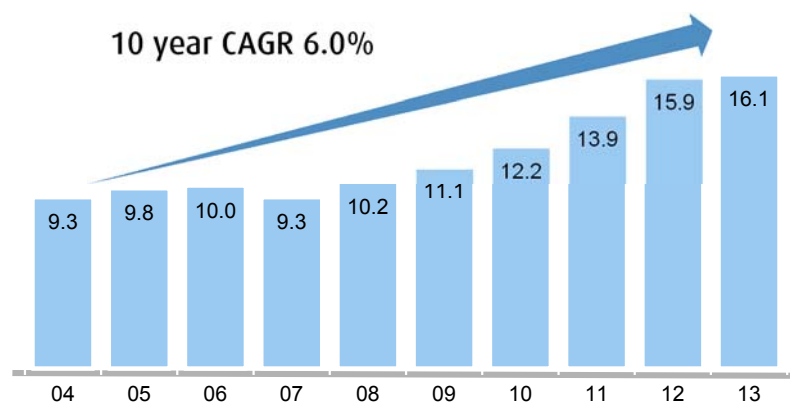


Risk Weighted Assets (\$B)



Strong, Stable Long-Term Financial Trends

Revenue (\$B)

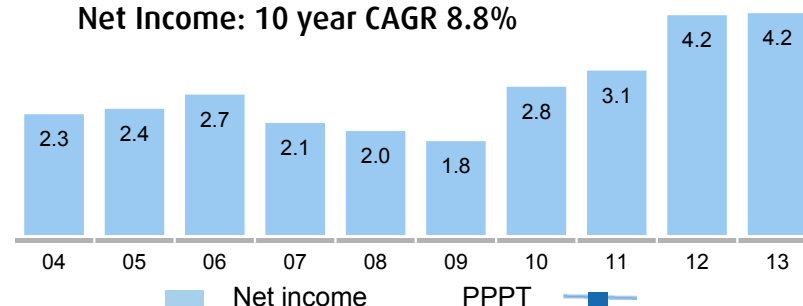


Net Income & Pre-Provision Pre-tax Earnings (\$B)

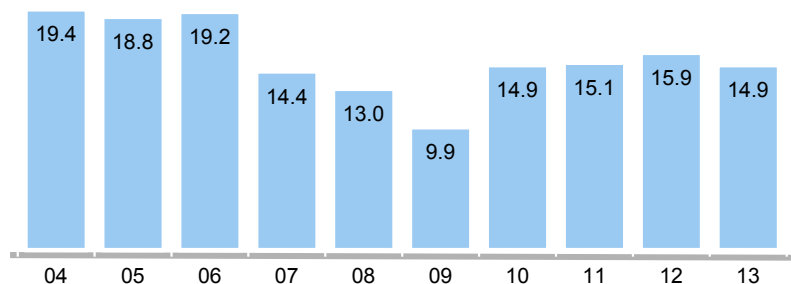
PPPT: 10 year CAGR 7.2%



Net Income: 10 year CAGR 8.8%

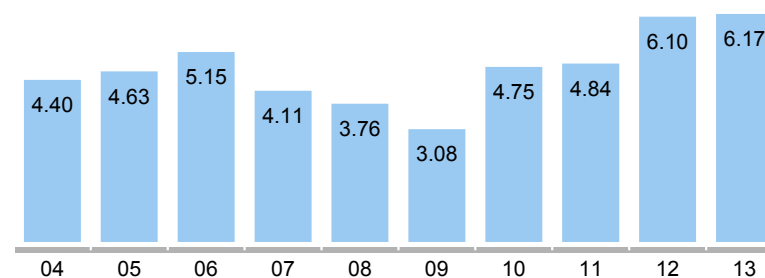


ROE (%)



EPS (\$)

10 year CAGR 6.0%



* 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. F2012 and F2013 financial information restated to reflect changes in IFRS (IAS 19, IFRS 10 and IFRS 11)

Q3 2014 - Financial Highlights

Adjusted Net Income of \$1.2B with double digit underlying earnings growth¹

Adjusted (\$MM) ^{2,3}	Q3 13	Q2 14	Q3 14
Revenue	3,842	4,041	4,215
Expense	2,442	2,566	2,708
Net Income	1,122	1,097	1,162
Diluted EPS (\$)	1.66	1.63	1.73
ROE (%)	15.5	14.6	14.9
Basel III CET1 Ratio (%)	9.6	9.7	9.6

- Growth reflects continued business momentum
 - Adjusted EPS up 4% Y/Y
 - Double digit earnings growth, excluding the impact of net credit-related items and long-term rates on Insurance
- Revenue up 10% Y/Y due to good organic growth and addition of F&C
- Expenses up 11% Y/Y reflecting higher employee costs, F&C acquisition and increased technology and support costs
- PCL of \$130MM up \$118MM Y/Y reflecting lower recoveries; down \$32MM Q/Q
- Adjusted effective tax rate⁴ of 15.6% or 24.0% on teb basis

¹ Underlying earnings calculated as adjusted net income excluding impact of credit-related items on the purchased portfolios and long-term rates on Insurance

² See slide 29 for adjustments to reported results

³ Reported Revenue: Q3'13 \$4,000MM; Q2'14 \$4,041MM; Q3'14 \$4,215MM; Reported Expenses: Q3'13 \$2,526MM; Q2'14 \$2,594MM; Q3'14 \$2,756MM;

Reported Net Income: Q3'13 \$1,123MM; Q2'14 \$1,076MM; Q3'14 \$1,126MM; Reported EPS – diluted: Q3'13 \$1.66; Q2'14 \$1.60; Q3'14 \$1.67; Reported ROE: Q3'13 15.5%; Q2'14 14.3%; Q3'14 14.4%

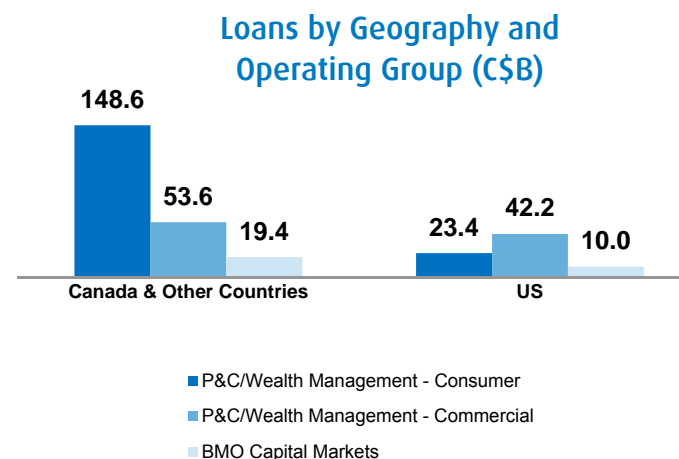
⁴ Reported effective tax rate: Q3'14 15.3%

Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Third Quarter 2014 Report to Shareholders

Loan Portfolio Overview

Gross Loans & Acceptances By Industry (C\$B)	Canada & Other ¹	US	Total	% of Total
Residential Mortgages	91.7	7.9	99.7	34%
Personal Lending	49.3	15.0	64.3	22%
Cards	7.5	0.5	8.0	3%
Total Consumer	148.6	23.4	172.0	58%
Financial Institutions	13.1	9.9	23.0	8%
Service Industries	11.2	9.8	21.0	7%
Commercial Real Estate	11.0	6.0	17.0	6%
Manufacturing	5.1	7.9	13.0	4%
Retail Trade	7.8	3.9	11.7	4%
Agriculture	7.3	1.7	9.0	3%
Wholesale Trade	4.0	4.0	8.0	3%
Other Commercial & Corporate ²	13.5	9.0	22.5	8%
Total Commercial & Corporate	73.0	52.2	125.2	42%
Total Loans	221.6	75.6	297.2	100%

- Loans are well diversified by geography and industry



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

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

Economic Outlook and Indicators



	Canada			United States			Eurozone		
Economic Indicators (%) ¹	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E
GDP Growth	2.0	2.3	2.5	2.2	2.1	3.1	(0.4)	0.8	1.2
Inflation	0.9	2.0	1.9	1.5	2.0	2.2	1.4	0.6	1.0
Interest Rate (3mth Tbills)	0.97	0.93	1.15	0.06	0.04	0.33	0.15	0.22	0.31
Unemployment Rate	7.1	7.0	6.7	7.4	6.2	5.4	12.0	11.7	11.7
Current Account Balance / GDP*	(3.2)	(2.4)	(1.7)	(2.4)	(2.7)	(2.7)	2.8	3.1	3.2
Budget Surplus / GDP*	(0.9)	(0.1)	0.3	(4.1)	(2.8)	(2.6)	(3.0)	(2.5)	(1.8)

¹Annual average

*Estimates as of August 22, 2014; Eurozone estimates provided by OECD.

Source: OECD Economic Outlook 95 database.

Canada

- The economy is growing at a moderate pace, supported by low interest rates, a weaker currency, rising oil production and improved U.S. demand, while being held back by elevated household debt and fiscal consolidation
- Firmer GDP growth of 2.5% is expected in 2015, as exports respond to a stronger U.S. economy and weaker Canadian dollar
- The Bank of Canada is expected to keep interest rates steady until the mid-2015
- The Canadian dollar should weaken moderately further against the U.S. dollar in response to Canada's trade deficit and tighter U.S. monetary policy next year

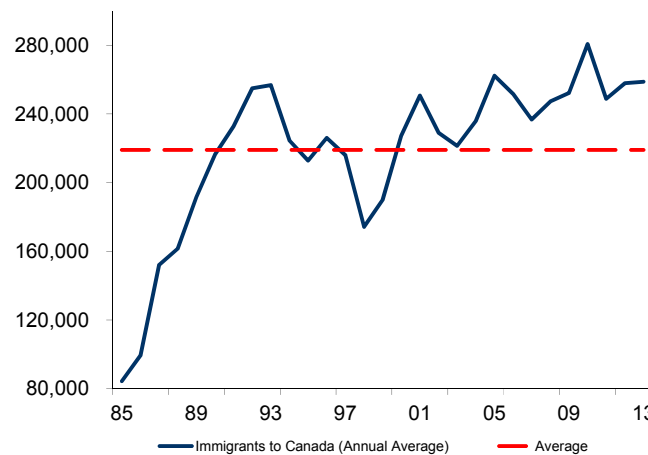
United States

- The economy rebounded strongly in Q2 after several transitory factors, such as harsh weather, caused it to contract in Q1
- Less fiscal restraint will help economic growth strengthen to 3.1% in 2015, with additional support from improved household finances and a strengthening housing market
- The unemployment rate is expected to fall to 5% by late 2015 from just over 6% currently
- The Federal Reserve will likely keep interest rates near zero until the middle of 2015
- The U.S. dollar is expected to strengthen in 2015 as the Federal Reserve shifts toward tighter policy

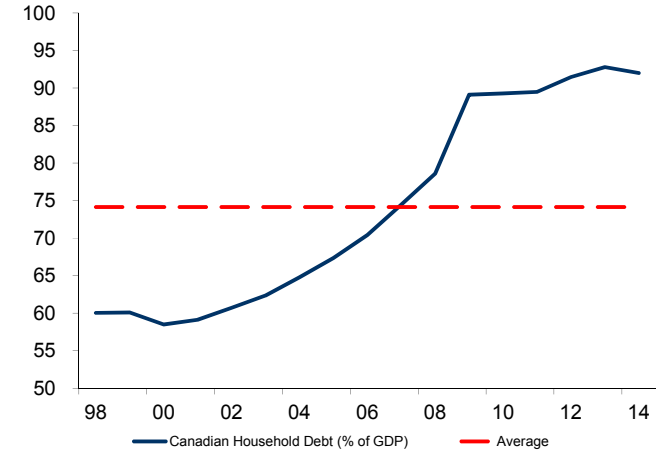
The Canadian Housing Market Remains Healthy

- 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 2015
- Most regions are expected to see steadier prices, sales and homebuilding in 2015
- Canadian home prices have steadily increased and are now rising in line with personal income growth in most regions
- Both mortgage delinquencies and the unemployment rate have continued to improve post financial crisis

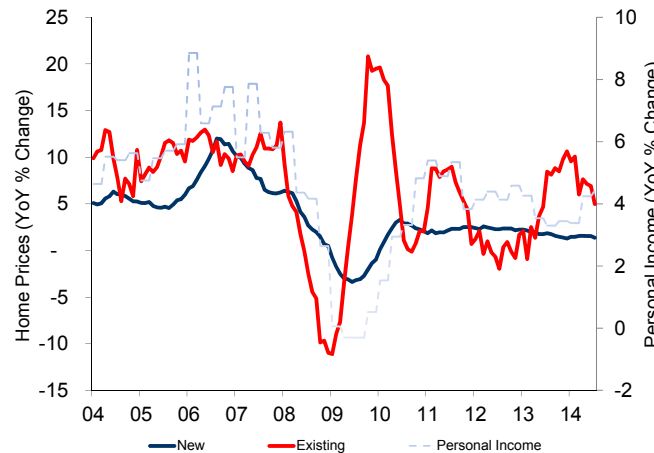
Immigration to Canada



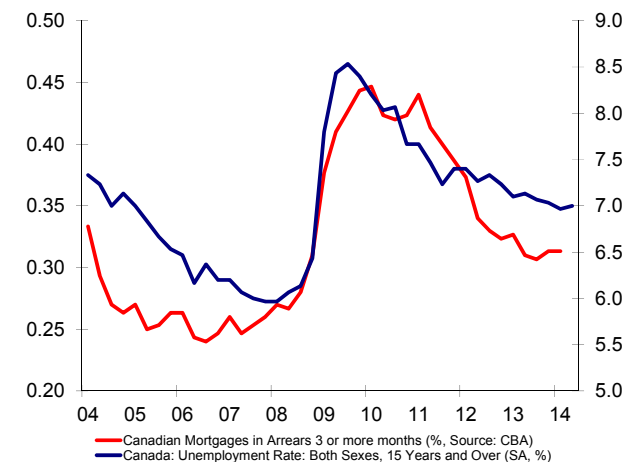
Canadian Household Debt to GDP



CAD Home Prices vs Personal Income



Mortgage Delinquencies / UE Rate



Housing Scorecard

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

Source: BMO CM Economics and Canadian Bankers' Association as of August 28, 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 Federal 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 meet the minimum standards for a five-year fixed rate mortgage, regardless of the mortgage chosen
 - Minimum 20% down payment required for rental / investment 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 \$91.7B represents 43% of Canadian gross loans and acceptances – smallest of the big five banks
 - 64% of the portfolio is insured
 - Loan-to-value (LTV)¹ on the uninsured portfolio is 58%²
 - 68% 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 rate down over recent quarters to a low 27 bps
 - Condo Mortgage portfolio is \$13.0B with 54% insured

Residential Mortgages by Region (C\$B)	Insured	Uninsured	Total	% of Total
Atlantic	3.7	1.5	5.2	6%
Quebec	8.9	4.8	13.7	15%
Ontario	24.6	13.1	37.7	41%
Alberta	10.8	3.8	14.6	16%
British Columbia	8.0	8.9	16.9	18%
All Other Canada	2.4	1.2	3.6	4%
Total Canada	58.4	33.3	91.7	100%

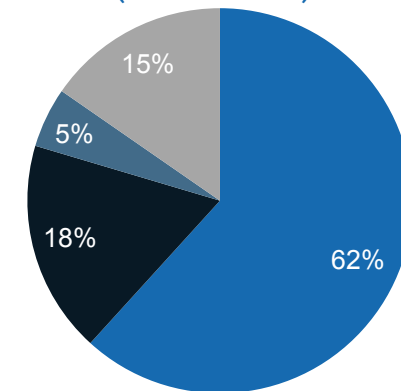
¹ LTV is the ratio of outstanding mortgage balance to the original property value indexed using Teranet data. Portfolio LTV is the combination of each individual mortgage LTV weighted by the mortgage balance

² To facilitate comparisons, the equivalent simple average LTV on uninsured mortgages in Q3'14 was 51%

BMO's Canadian Consumer Loan Portfolio

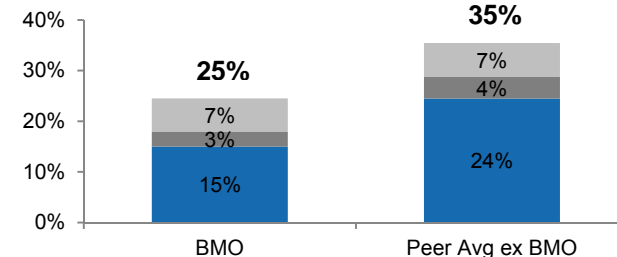
- BMO's Canadian consumer loan portfolio is well diversified, supported by prudent historical and current adjudication practices
 - Consumer loans as a percentage of total bank loans is the lowest of peer banks
 - 88% of consumer loan portfolio is secured
 - Unsecured loan portfolio is the smallest of the big five banks on an absolute basis; retail credit card portfolio is smaller than peer average
 - Unsecured and non-real estate secured loans are prime only (not sub prime)
 - HELOC portfolio is of high quality; 80% max LTV (65% on revolving). Over 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 Consumer Loans: Q3'14 \$149B
(88% is secured)



■ Mortgages ■ HELOC ■ Credit Cards ■ Other Personal

Canadian Consumer Loans¹
(% of Total Assets)



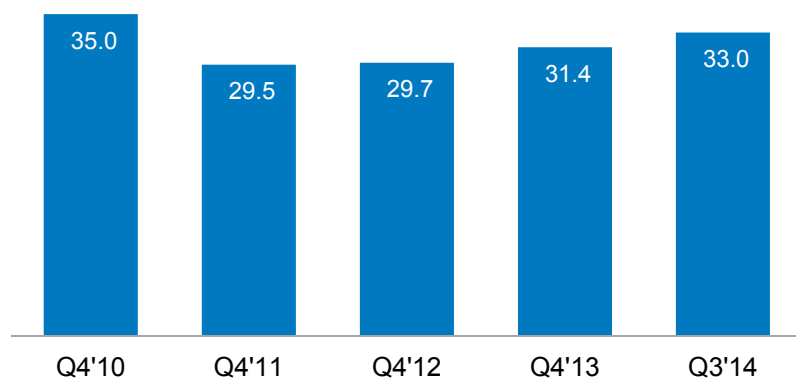
■ Personal Secured (by real estate + non real estate)
■ Personal Unsecured
■ Mortgages

¹ Based on OSFI data as of June 30, 2014; personal refers to non-mortgage loans to individuals for non-business purposes per OSFI filings; total currency less foreign currency denominated

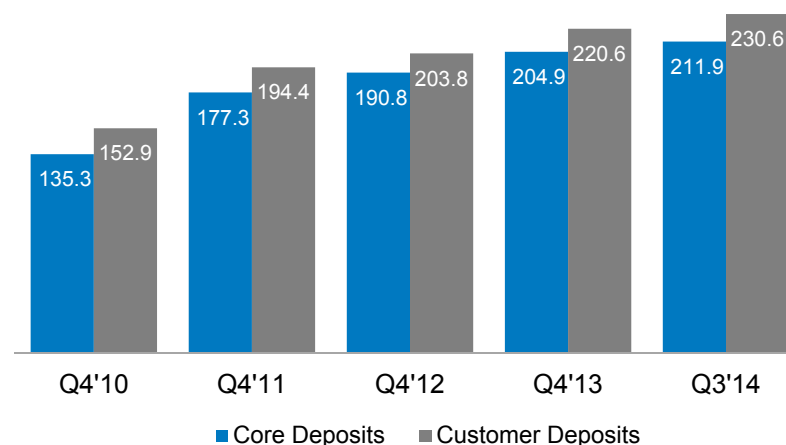
Liquidity and Funding Strategy

- 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



Core and Customer Deposits (\$B)



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

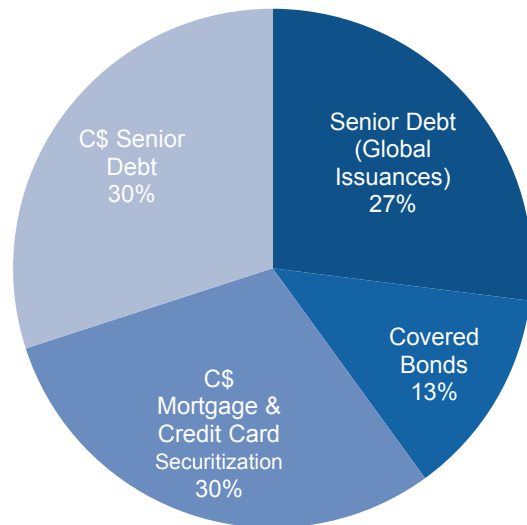
** Customer Deposits are core deposits plus large fixed-date deposits excluding wholesale customer deposits

Diversified Wholesale Term Funding Mix

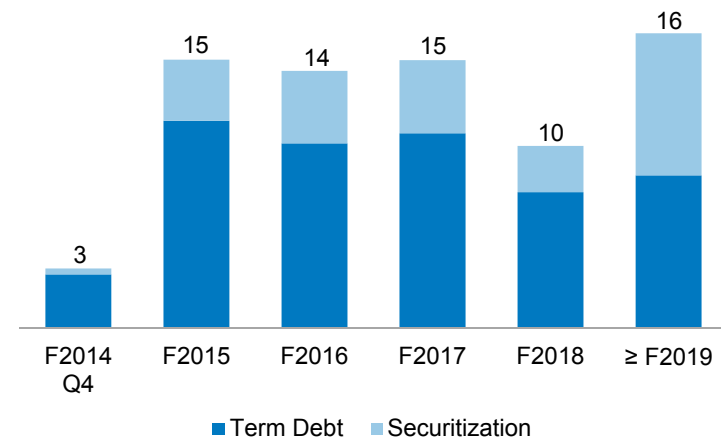
- BMO's wholesale funding principles seek to match the term of assets with the term of funding. Loans for example are funded with customer deposits and capital, with any difference provided by longer-term wholesale funding
- BMO has a well diversified wholesale funding platform across markets, products,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

Senior Note Credit Ratings			
Moody's (1)	S&P (2)	Fitch	DBRS
Aa3	A+	AA-	AA

Wholesale Capital Market
Term Funding Composition³
\$72.9B as at July 31, 2014



Wholesale Capital Market
Term Funding Maturity Profile^{3 4}
\$72.9B as at July 31, 2014



(1) On June 11, 2014 Moody's affirmed the long-term ratings of the seven largest Canadian banks, including BMO, and changed the outlook to negative from stable.

(2) On August 8, 2014 S&P affirmed the long-term ratings on six of the largest Canadian banks, including BMO, and changed the outlook to negative from stable.

(3) 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.

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

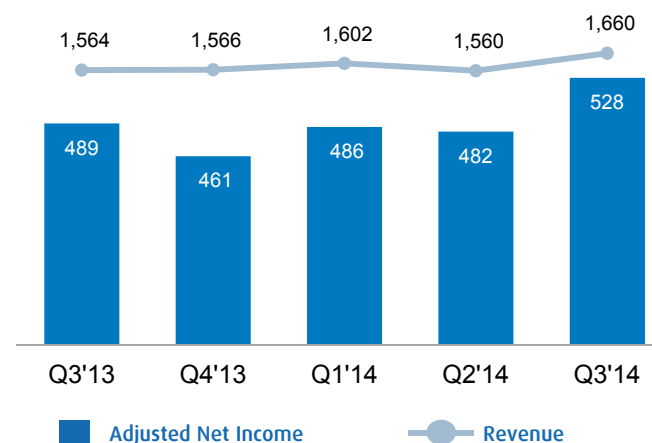
APPENDIX

Canadian Personal & Commercial Banking

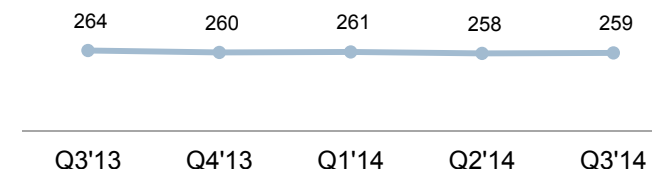
Strong net income growth with continued good operating leverage

- Adjusted net income¹ of \$528MM up 8% Y/Y
- Strong operating leverage of 2.1%; above 2% for the 4th consecutive quarter
- Revenue growth of 6% both Y/Y and Q/Q reflects higher balances and fee volumes
 - Good volume growth with loans up 7% and deposits up 9% Y/Y
 - NIM up 1 bp Q/Q
- Adjusted efficiency ratio of 49.5%, 100bps better Y/Y
- YTD earnings up 10%

Adjusted Net Income¹ and Revenue (\$MM)



Net Interest Margin (bps)



Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Third Quarter 2014 Report to Shareholders
See slide 29 for adjustments to reported results

¹ Reported net income: Q3'13 \$486MM; Q4'13 \$458MM; Q1'14 \$484MM; Q2'14 \$480MM; Q3'14 \$526MM

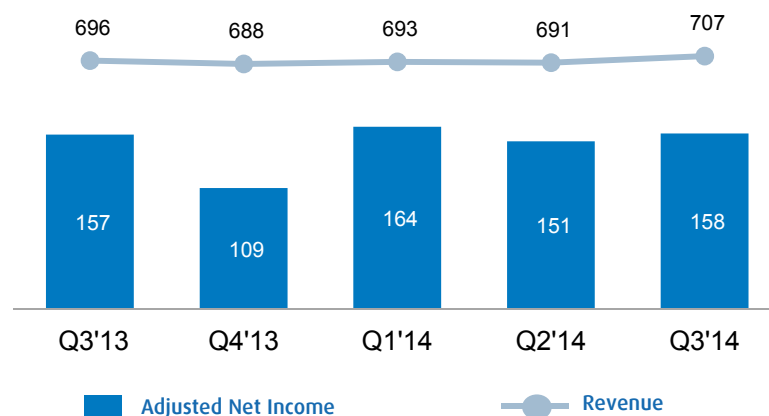
U.S. Personal & Commercial Banking

Net income and pre-provision, pre-tax earnings up with improved revenue trend

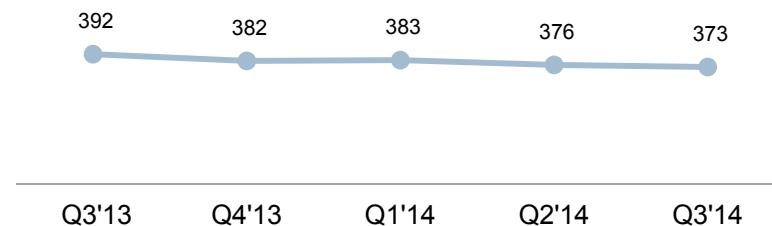
(Amounts in U.S.\$MM)

- Adjusted net income up 1% Y/Y and 4% Q/Q
- Pre-provision, pre-tax earnings² up 2% Y/Y and 4% Q/Q
 - Revenue up due to strong commercial loan growth
 - Expenses well managed
- Total loans up 8% Y/Y and 2% Q/Q with strong commercial volume growth
 - Core C&I Loans up 18% Y/Y and 3% Q/Q
 - Core Commercial Real Estate loans up 24% Y/Y and 3% Q/Q
 - Commercial deposits up 11% Y/Y and 3% Q/Q

Adjusted Net Income¹ and Revenue (US\$MM)



Net Interest Margin (bps)



Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Third Quarter 2014 Report to Shareholders. See slide 29 for adjustments to reported results.

¹ Reported Net Income (US\$): Q3'13 \$144MM; Q4'13 \$98MM; Q1'14 \$153MM; Q2'14 \$140MM; Q3'14 \$147MM

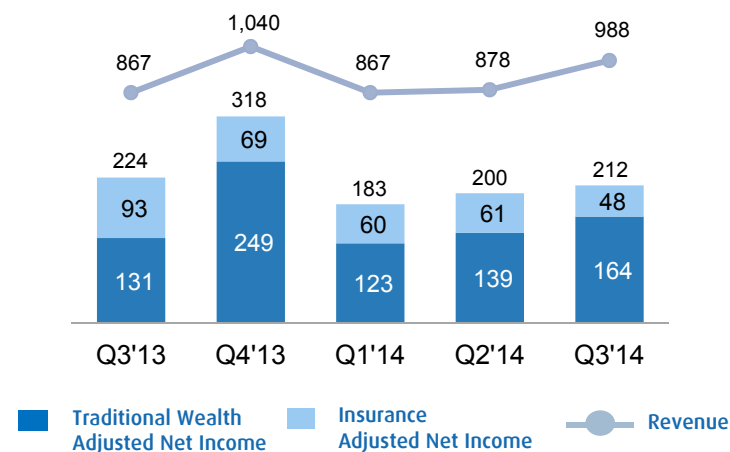
² Reported pre-provision, pre-tax earnings up 4% Q/Q and 4% Y/Y

Wealth Management

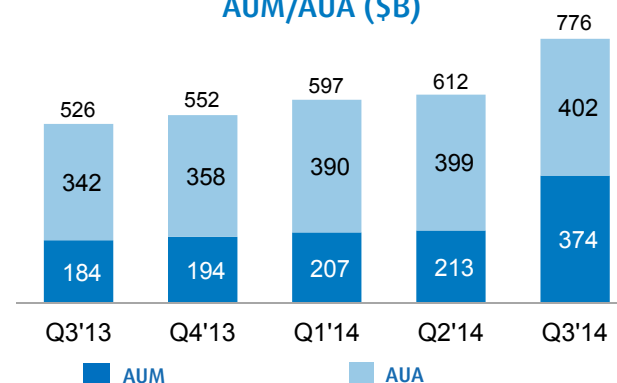
Strong organic growth of 19% Y/Y excluding the impact of interest rates on insurance

- Adjusted net income up 7% Q/Q; Y/Y growth impacted by rates
 - Traditional wealth adjusted net income up 27% Y/Y reflecting good organic growth and the acquired F&C business
 - Good underlying Insurance results; current quarter included \$22MM after tax charge from movement in interest rates compared to a \$42MM after tax benefit a year ago
 - F&C contributed approximately 10% to revenue, adjusted expense and adjusted net income
- AUM/AUA up 48% or 19% ex F&C
- Named Best Wealth Management in Canada, 2014, by *Global Banking and Finance Review*

Adjusted Net Income¹ and Revenue (\$MM)



AUM/AUA (\$B)



Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Third Quarter 2014 Report to Shareholders. See slide 29 for adjustments to reported results.

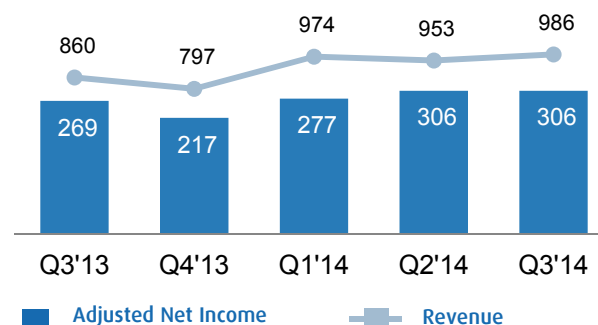
¹ Reported Net Income: Q3'13 \$217MM; Q4'13 \$311MM; Q1'14 \$175MM; Q2'14 \$194MM; Q3'14: \$190MM

BMO Capital Markets

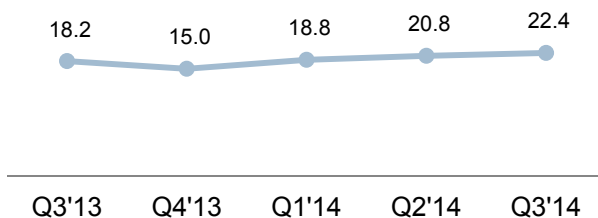
Strong results reflect the benefit of a diversified business mix

- Adjusted net income up 14% Y/Y driven by good revenue growth, particularly in Investment and Corporate Banking
- Strong ROE of 22.4%
- Revenue up 15% Y/Y with higher M&A and debt and equity underwriting fees as well as higher corporate banking revenue
- Operating leverage of 1.7%
- Clear progress in U.S. business, YTD adjusted earnings up 25%
- Recognition for continued focus on understanding and meeting core clients' needs:
 - Best Trade Bank in Canada for the fifth consecutive year by *Trade Finance Magazine*
 - 2014 Greenwich Quality Leader in both Canadian Equity Sales and in Canadian Equity Research and Analyst Service for Portfolio Managers
 - Greenwich Share Leader in Canadian Equity Trading Share and Canadian Equity Research/Advisory Portfolio Managers Vote Share

Adjusted Net Income¹ and Revenue (\$MM)



Return on Equity (%)



Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Third Quarter 2014 Report to Shareholders

See slide 29 for adjustments to reported results

¹ Reported Net Income: Q3'13 \$268MM; Q4'13 \$217MM; Q1'14 \$277MM; Q2'14 \$305MM; Q3'14 \$306MM

² YTD reported earnings up 7%

Provision for Credit Losses (PCL)

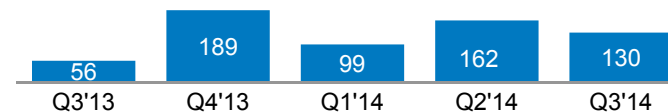
Improved PCL Q/Q

PCL By Operating Group (C\$MM)	Q3 13	Q2 14	Q3 14
Consumer – Canadian P&C	100	110	110
Commercial – Canadian P&C	25	23	24
Total Canadian P&C	125	133	134
Consumer – US P&C	40	20	30
Commercial – US P&C	-	30	22
Total US P&C	40	50	52
Wealth Management	(1)	(1)	(3)
Capital Markets	2	(3)	(6)
Corporate Services^{1,2}	(154)	(19)	(47)
Adjusted PCL	12	162	130
Purchased Performing ¹	44	-	-
Specific PCL	56	162	130
Change in Collective Allowance	20	-	-
Total PCL	76	162	130

- PCL improved Q/Q primarily due to increased recoveries in Corporate Services

- Effective Q1'14, Corporate Services adjusted results include credit-related items in respect of the purchased performing loan portfolio of \$(3)MM specific provisions for credit losses in the current period, \$21MM in Q2'14 and \$34MM in Q1'14
- Corporate Services results include purchased credit impaired loan recoveries of \$57MM in Q3'14, \$45MM in Q2'14 and \$140MM in Q3'13

Quarterly Specific PCL (C\$MM)



Corporate Governance

- Comprehensive code of business conduct and ethics, *FirstPrinciples*, guides conduct and ethical decision-making by our directors, officers and employees
- Governance practices reflect emerging best practices and BMO meets or exceeds legal, regulatory, TSX and NYSE requirements
- We have share ownership requirements to ensure directors' and executives' compensation is aligned with shareholder interests
- *The Globe and Mail's Board Games 2013* annual review of corporate governance practices in Canada ranked BMO 15th overall among 232 Canadian reporting issuers

Adjusting Items

Adjusting ¹ items – Pre-tax (\$MM)	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
Credit-related items on the purchased performing loan portfolio	110	49	-	-	-
Acquisition integration costs	(49)	(60)	-	-	(9)
Amortization of acquisition-related intangible assets	(32)	(31)	(31)	(28)	(39)
Decrease/(increase) in the collective allowance for credit losses	(20)	-	-	-	-
Run-off structured credit activities	1	26	-	-	-
Adjusting items included in reported pre-tax income	10	(16)	(31)	(28)	(48)

Adjusting ¹ items – After-tax (\$MM)	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
Credit-related items on the purchased performing loan portfolio	68	30	-	-	-
Acquisition integration costs	(30)	(37)	-	-	(7)
Amortization of acquisition-related intangible assets	(23)	(22)	(22)	(21)	(29)
Decrease/(increase) in the collective allowance for credit losses	(15)	(5)	-	-	-
Run-off structured credit activities	1	20	-	-	-
Adjusting items included in reported net income after tax	1	(14)	(22)	(21)	(36)
Impact on EPS (\$)	-	(0.02)	(0.03)	(0.03)	(0.06)

¹ Amortization of acquisition-related intangible assets reflected across the Operating Groups, F&C Acquisition integration costs reflected in Wealth Management, all other adjusting items reflected in Corporate Services. Adjusted measures are non-GAAP measures. See slide 1 of this document, page 34 of BMO's 2013 Annual Report and page 22 of BMO's Third Quarter 2014 Report to Shareholders.

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