

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 Bank of Montreal'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 in Bank of Montreal's Third 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.

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 2 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 28 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)

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
- 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

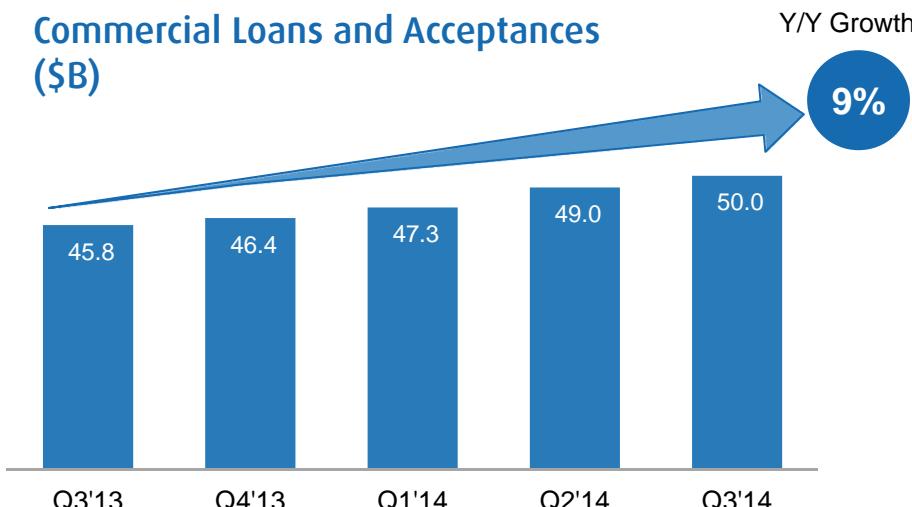
Proven Strength in Commercial Banking

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

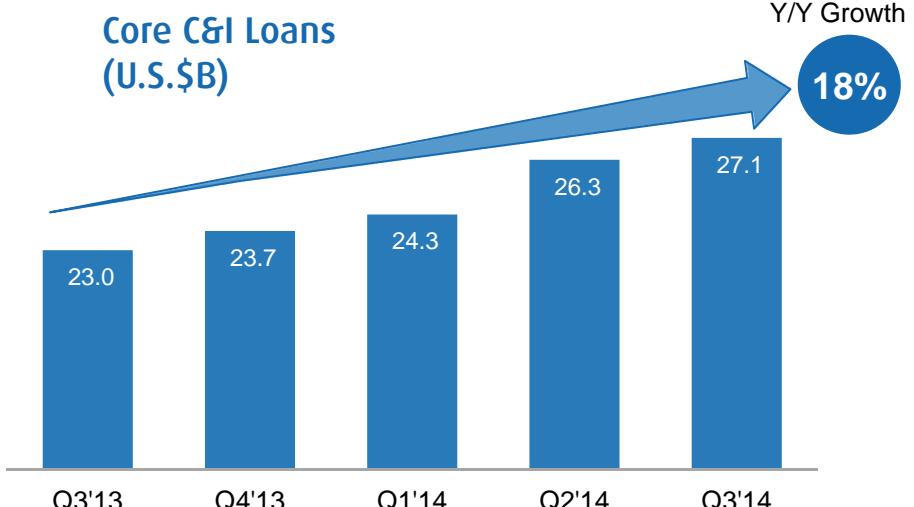
Commercial Loans and Acceptances (\$B)



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

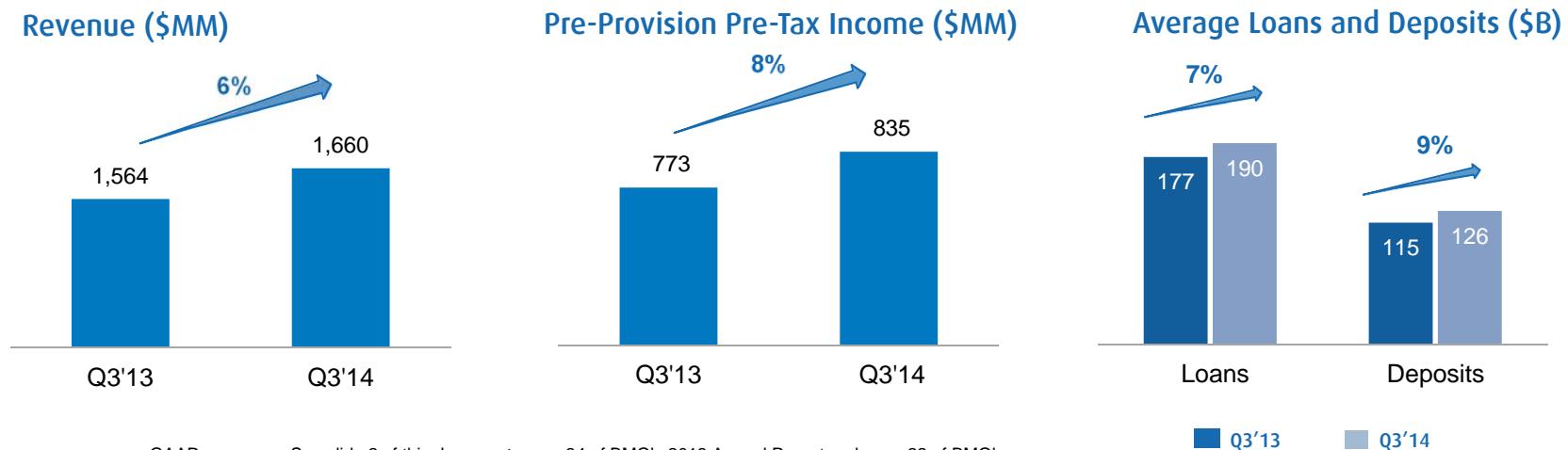
Core C&I Loans (U.S.\$B)



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



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 Third Quarter 2014 Report to Shareholders. See slide 28 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

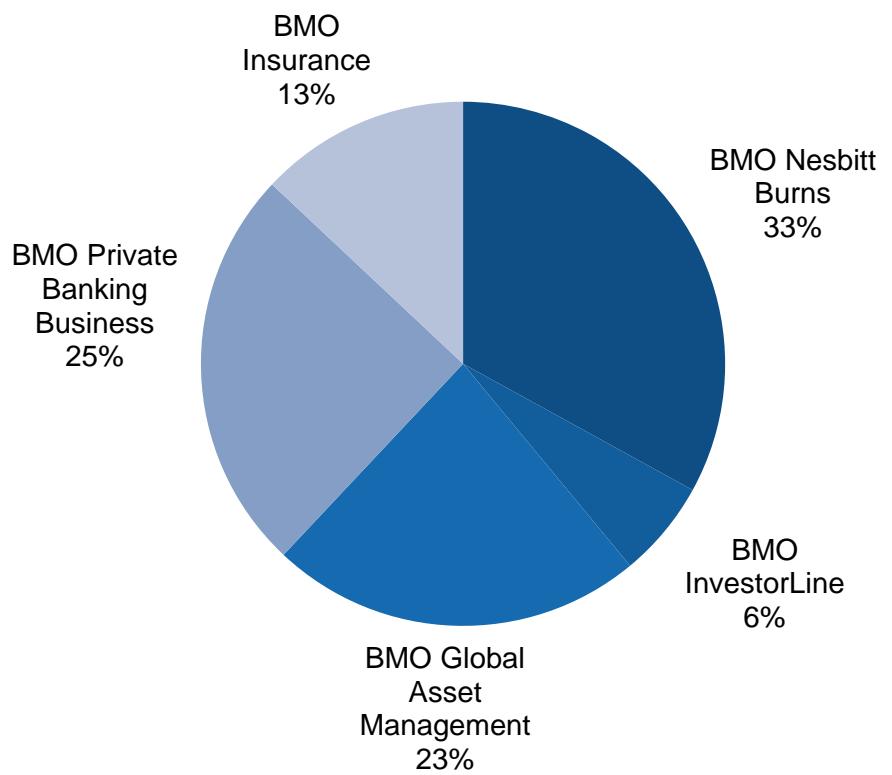
BMO Global Asset Management

- 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 (%)

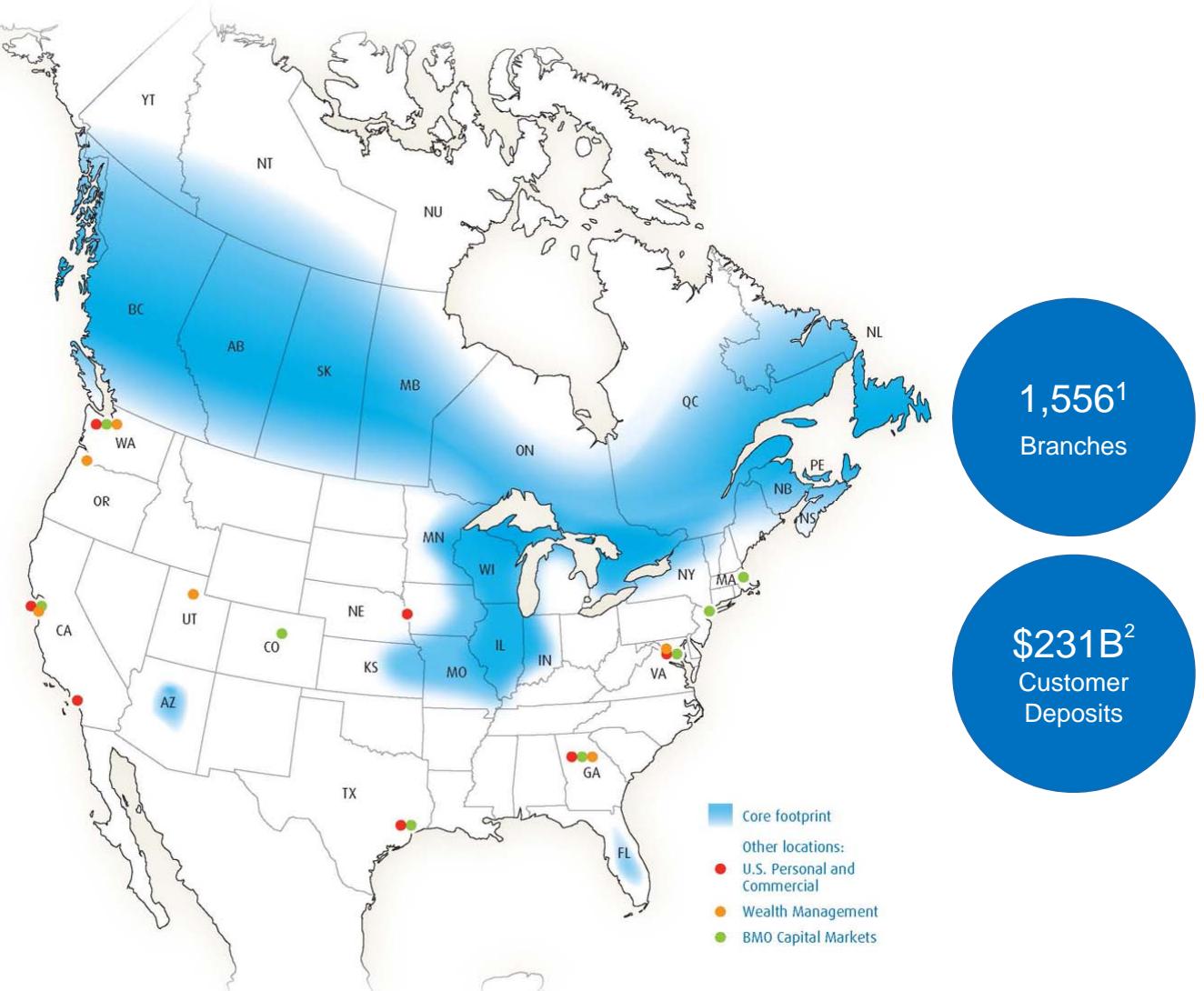


BMO's Strategic Footprint

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.



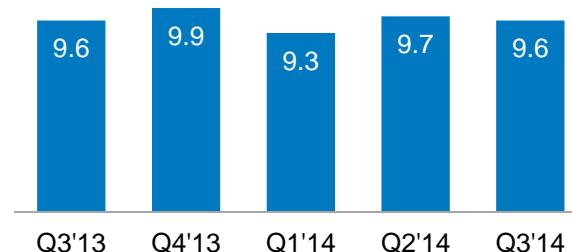
¹ Branches in Canada and the U.S., excluding Other, 1,552

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

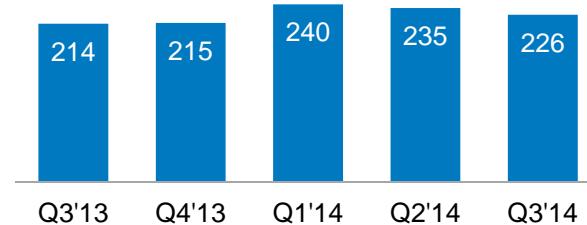
Balanced and Disciplined Approach to Capital Management

- 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 (%)

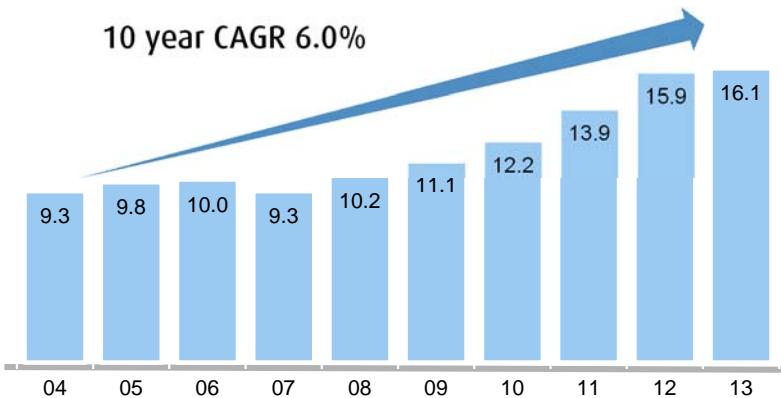


Risk Weighted Assets (\$B)

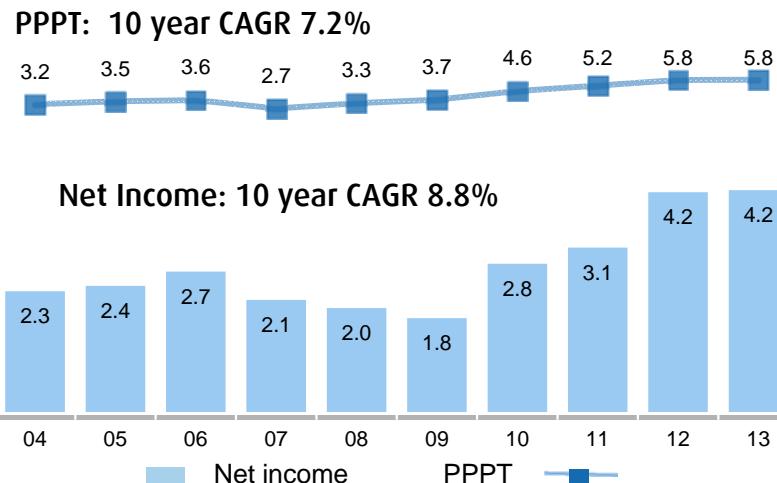


Strong, Stable Long-Term Financial Trends

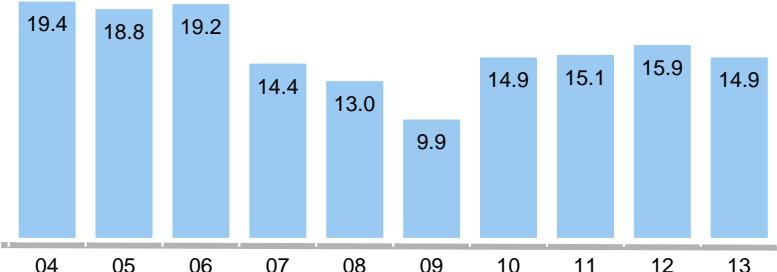
Revenue (\$B)



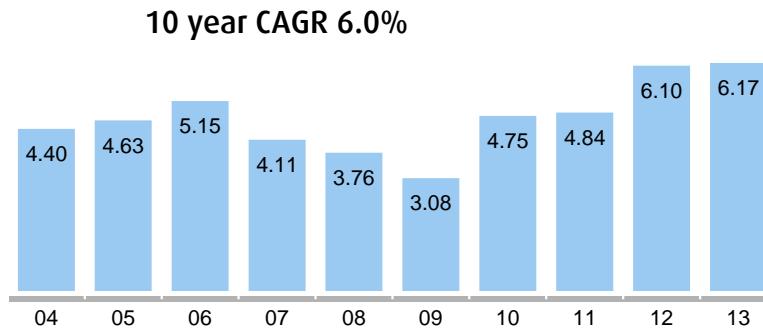
Net Income & Pre-Provision Pre-tax Earnings (\$B)



ROE (%)



EPS (\$)

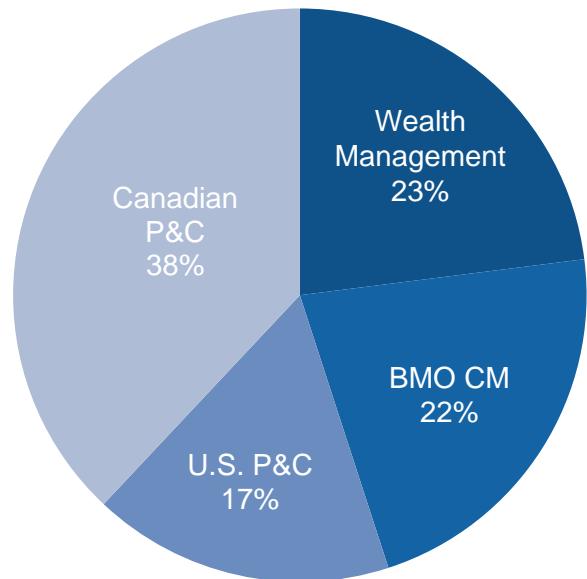


* Financials as reported. 2010 and prior period information based on CGAAP. Prior to 2011, under CGAAP, non-controlling interest in subsidiaries was deducted in the determination of net income. Ten year CAGR based on CGAAP in 2003 and on IFRS in 2013. F2012 and F2013 financial information restated to reflect changes in IFRS (IAS 19, IFRS 10 and IFRS 11)

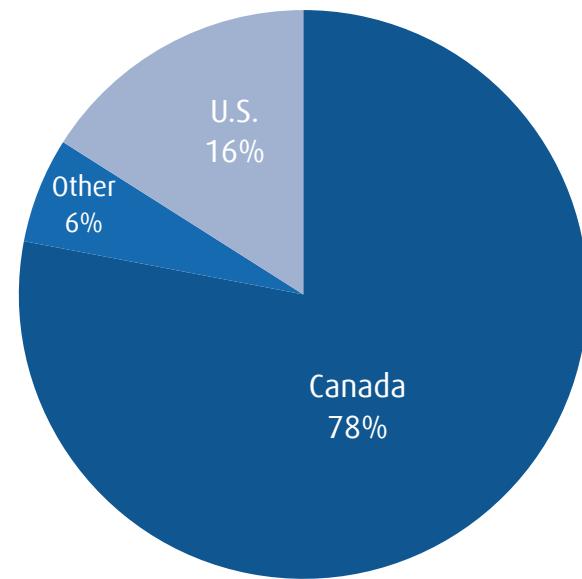
Advantaged Business Mix

Diversified by both customer segment and geography

Q3'14 Operating Group Revenue*



Q3'14 Net Income by Geography



* Excludes Corporate Services

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 28 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%

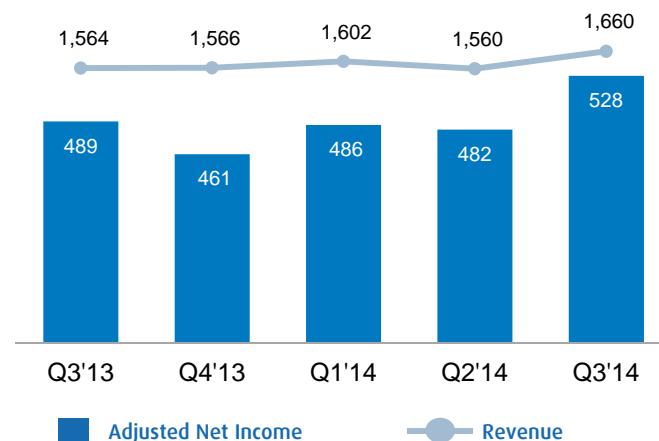
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Canadian Personal & Commercial Banking

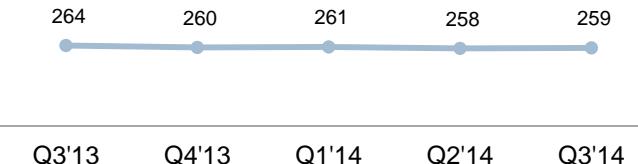
Strong net income growth with continued good operating leverage

- 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 2 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 28 for adjustments to reported results

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

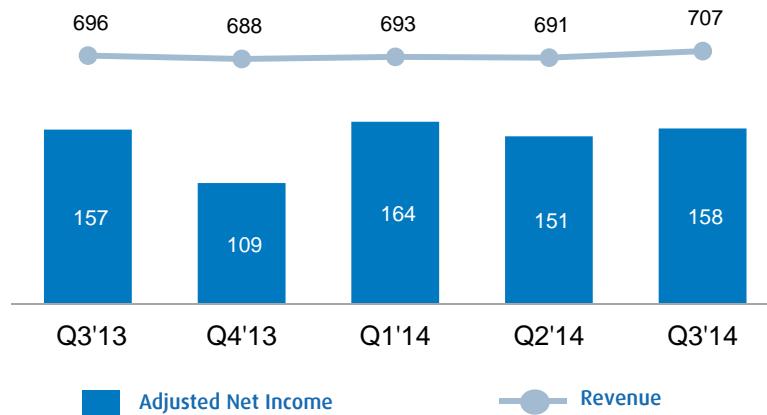
U.S. Personal & Commercial Banking

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

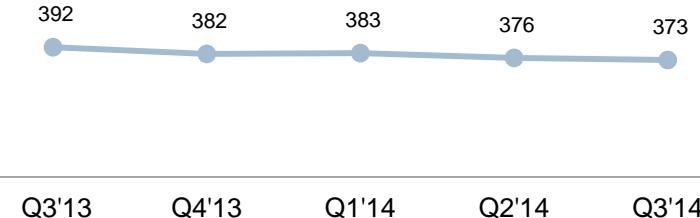
(Amounts in U.S.\$MM)

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

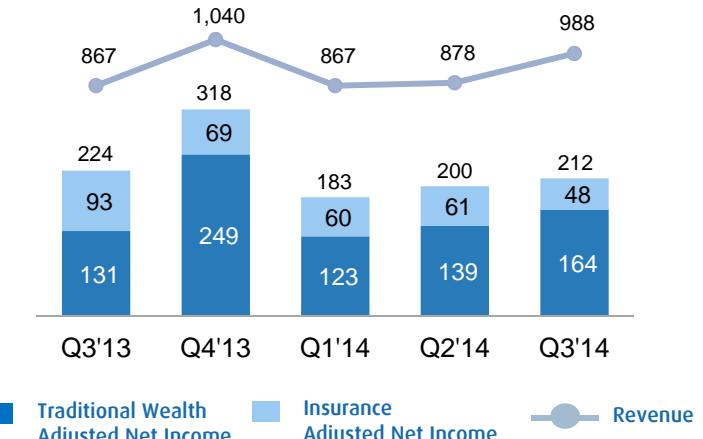
² Reported pre-provision, pre-tax earnings up 4% Q/Q and 4% Y/Y

Wealth Management

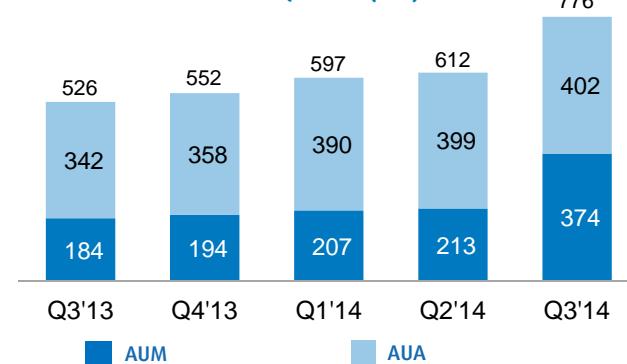
Strong organic growth of 19% Y/Y excluding the impact of interest rates on insurance

- 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 2 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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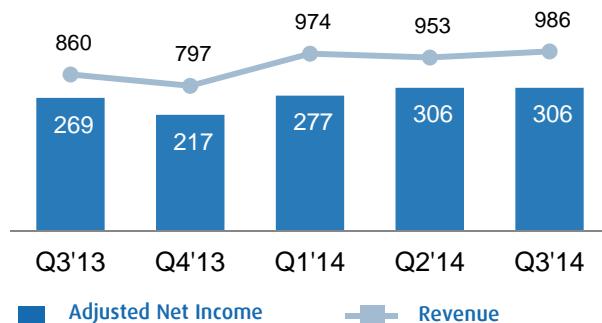
¹ Reported Net Income: Q3'13 \$217MM; Q4'13 \$311MM; Q1'14 \$175MM; Q2'14 \$194MM; Q3'14: \$190MM

BMO Capital Markets

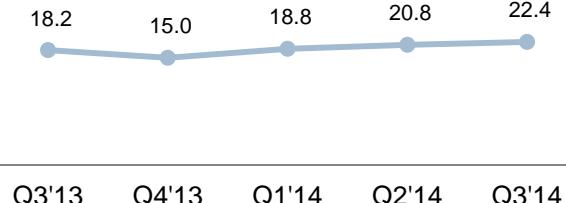
Strong results reflect the benefit of a diversified business mix

- 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 (%)



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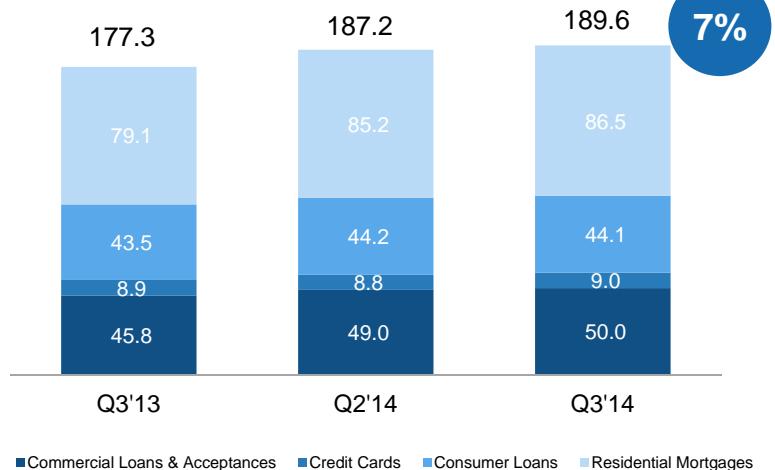
¹ Reported Net Income: Q3'13 \$268MM; Q4'13 \$217MM; Q1'14 \$277MM; Q2'14 \$305MM; Q3'14 \$306MM

² YTD reported earnings up 7%

APPENDIX

Canadian Personal & Commercial Banking – Balances

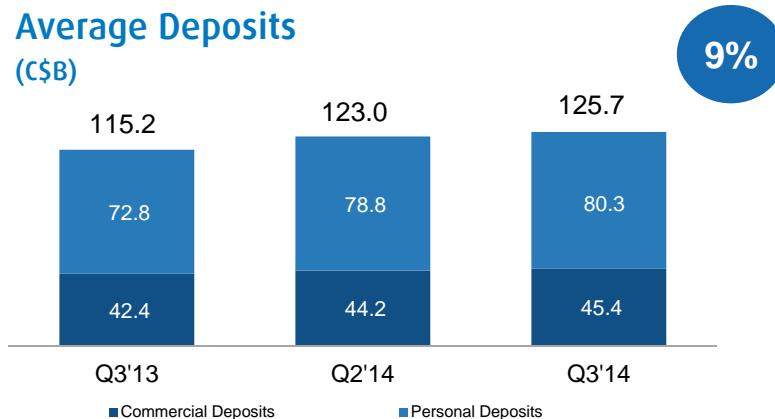
Average Loans & Acceptances (c\$B)



Loans

- Total loan growth of 7% Y/Y and 1% Q/Q
- Good personal lending growth¹, balances up 7% Y/Y and 1% Q/Q; mortgages up 9% Y/Y and 2% Q/Q
- Strong commercial lending growth², balances up 9% Y/Y and 2% Q/Q

Average Deposits (c\$B)



Deposits

- Strong growth in personal deposits, balances up 10% Y/Y and 2% Q/Q driven by term products
- Good growth in commercial deposits, balances up 7% Y/Y and 3% Q/Q

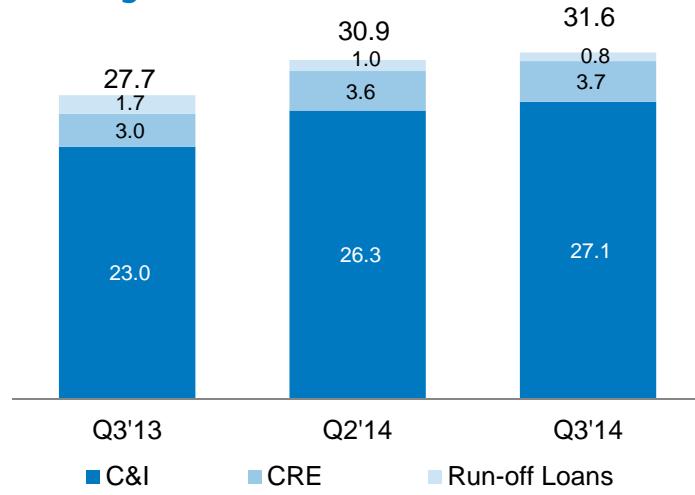
¹ Personal lending includes mortgages and consumer loans but excludes credit cards. Personal Cards balances approximately 89% of total credit card portfolio in each of Q3'13, Q2'14 and Q3'14

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

U.S. Personal & Commercial Banking – Commercial Balances

All amounts in U.S. \$B

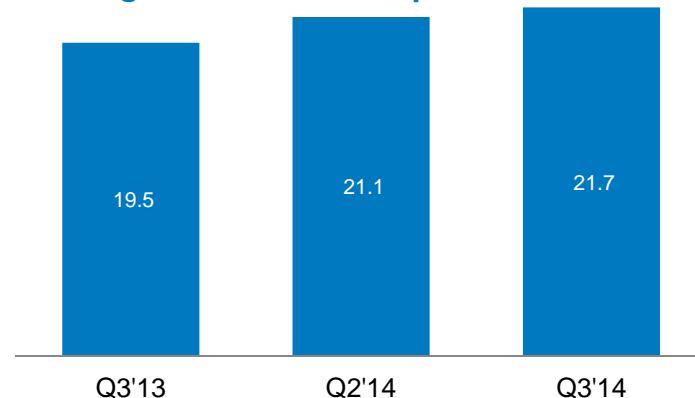
Average Commercial Loans



Loans

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

Average Commercial Deposits



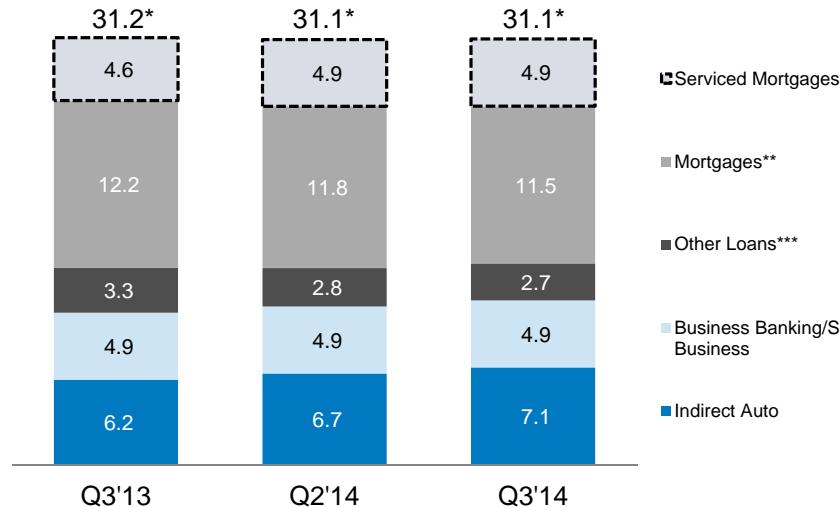
Deposits

- Deposits up 11% Y/Y and 3% Q/Q, primarily in chequing account balances

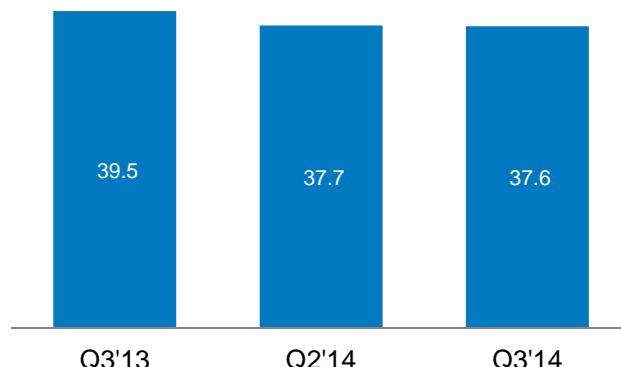
U.S. Personal & Commercial Banking – Personal Balances

All amounts in U.S. \$B

Average Personal Loans



Average Personal Deposits



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

** Mortgages include Home Equity (Q3'13 \$5.3B; Q2'14 \$5.0B; Q3'14 \$4.8B) and Wealth Management Mortgages (Q3'13 \$1.2B; Q2'14 \$1.4B; Q3'14 \$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

Loans

- Core Business Banking up 2% Y/Y and Q/Q; pipeline remains strong
- Indirect Auto up 15% Y/Y and 6% Q/Q
- Serviced mortgage portfolio up 6% Y/Y
- Mortgage portfolio down 6% Y/Y

Deposits

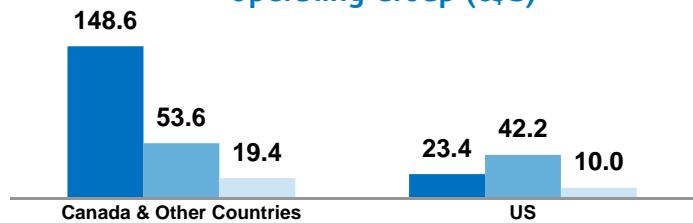
- Deposit balances relatively stable Q/Q
- Chequing balances up 7% Y/Y. Total deposits down due to Q1 deposit balance transfer to Wealth Management and planned reductions in higher cost CDs

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

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



- P&C/Wealth Management - Consumer
- P&C/Wealth Management - Commercial
- BMO Capital Markets

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

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

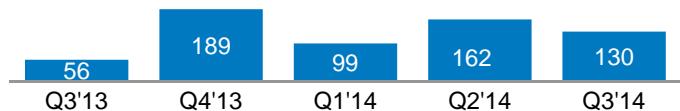
Provision for Credit Losses (PCL)

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

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 of \$(3)MM specific provisions for credit losses in the current period, \$21MM in Q2'14 and \$34MM in Q1'14

2 Corporate Services results include purchased credit impaired loan recoveries of \$57MM in Q3'14, \$45MM in Q2'14 and \$140MM in Q3'13

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%

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

Economic Outlook and Indicators



| Economic Indicators (%) ¹ | Canada | | | United States | | | Eurozone | | |
|--------------------------------------|--------|-------|-------|---------------|-------|-------|----------|-------|-------|
| | 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

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 2 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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