

Fixed Income Investor Presentation

December 15, 2014

Q4 | 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 2015 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 and risks could adversely affect our results. For more information, please see the Enterprise-Wide Risk Management section on pages 77 to 105 of BMO's 2014 Annual MD&A, which outlines in detail certain key factors and risks 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 and risks, 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 would be consistent with historical experience. Material factors that were taken into account when establishing our expectations regarding the risk of future 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 Developments and Outlook section on page 30 of BMO's 2014 Annual MD&A.

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 Fourth Quarter 2014 Earnings Release and BMO's 2014 Annual MD&A, 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, acquisition integration costs, amortization of acquisition-related intangibles assets, decrease (increase) in collective allowance for credit losses, run-off structured credit activities 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 with an attractive and diversified business mix

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 October 31, 2014):
 - Assets: \$589 billion
 - Deposits: \$393 billion
 - Employees: more than 46,000
 - Branches: 1,553
 - ABMs: 4,338

F2014 Results *	Adjusted ²	Reported
Revenue (\$B)	16.7	16.7
Net Income (\$B)	4.5	4.3
EPS (\$)	6.59	6.41
ROE (%)	14.4	14.0
Basel III Common Equity Tier 1 Ratio (%)		10.1

Other Information (as at October 31, 2014)	
Annual Dividend Declared (per share) ³	\$3.20
Market Capitalization	\$53.0 billion
Exchange Listings	TSX, NYSE (Ticker: BMO)
Share Price:	
TSX	C\$81.73
NYSE	US\$72.60

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

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

² Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release

³ Based on Q1'15 declared dividend

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

- Provides a full range of financial products and services to more than seven million customers
- Over 900 branches; 3,000 ABMs
- 2nd in Canadian business banking loan market share for business loans of \$25 million and less
- Strong organic volume growth in F2014 with loans up 8% and deposits up 10%

U.S. Personal & Commercial Banking

- Over 600 branches; 1,300 ABMs
- U.S. Midwest footprint includes: Illinois, Wisconsin, Indiana, Minnesota, Missouri and Kansas
- Strong deposit market share positions; #2 in Chicago area (12.1%) and Wisconsin (13.6%)
- Core Commercial & Industrial loans up 18% in F2014

Wealth Management

- Broad offering of wealth management products and services including insurance
- Full range of client segments from mainstream to ultra-high net worth, and institutional
- Global business with an active presence in markets across Canada, the United States, Europe and Asia
- Client Assets (AUM/AUA): \$794B

BMO Capital Markets

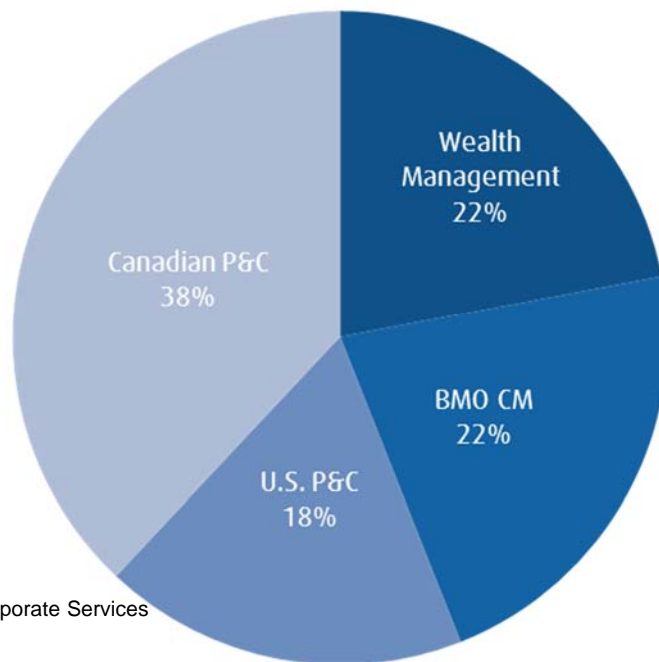
- Offers full service investment banking and sales & trading in Canada
- Top Tier ranking in Canadian M&A for both announced and completed¹ volume
- U.S. Mid-cap strategy focused in select strategic sectors where we have expertise and experience
- Unified client coverage approach and integrated distribution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

¹ October 31, 2014 (sources: Bloomberg, IIRCO)

Advantaged Business Mix

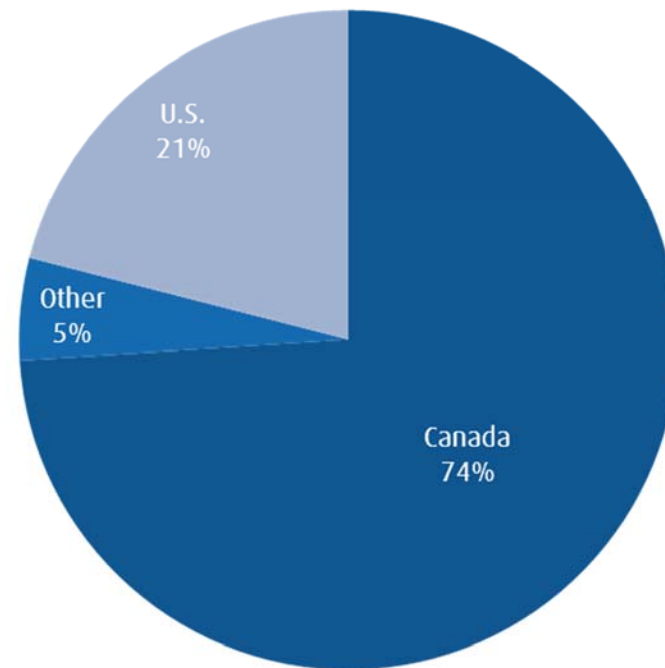
Diversified by both customer segment and geography

F2014 Operating Group Revenue*



* Excludes Corporate Services

F2014 Adjusted Net Income¹ by Geography



Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release. See slide 29 for adjustments to reported results.

¹ Reported net income: Canada 75%; U.S. 20%, Other 5%.

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.



1,553¹
Branches

\$239B²
Customer Deposits

¹ Branches in Canada and the U.S., excluding Other, 1,549

² Customer deposits are 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 business with advantaged market share
 - ✓ Good momentum in our well-established Canadian Personal & Commercial Banking business
 - ✓ Award-winning wealth franchise with strong growth opportunities in North America and select global markets
 - ✓ Operating leverage across our U.S. businesses
- Strong capital position with sound underlying bank credit ratings
- Focus on efficiency 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 the highest standards of business ethics and corporate governance

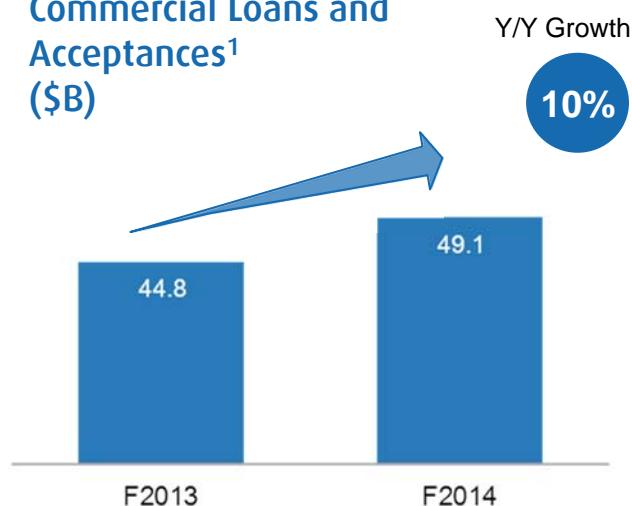
Proven Strength in Commercial Banking

Commercial loan growth remains robust across our large North American platform

Canadian P&C

- Strong commercial lending growth¹, balances up 10% from F2013
- Strong competitive position, ranked 2nd in Canadian business banking loan market share for small and medium-sized loans
- Commercial deposits up 9% from F2013 with growth across number of sectors

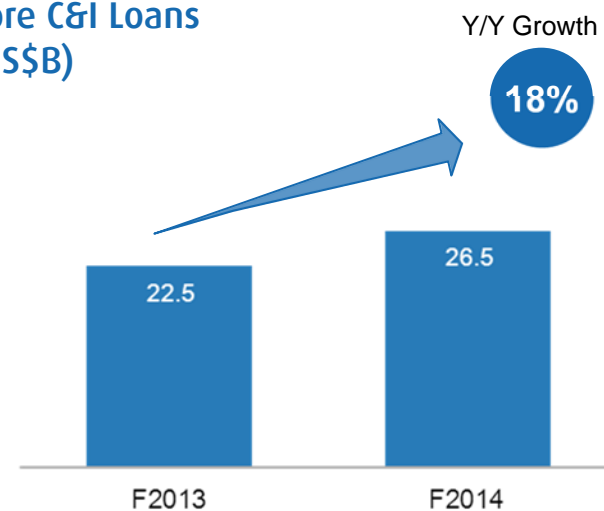
Commercial Loans and Acceptances¹ (\$B)



U.S. P&C

- Large-scale, relationship-based national commercial banking business continues to deliver strong Core C&I loan growth, up 18% from F2013
- Core Commercial Real Estate portfolio continues to grow also, up 18%
- Commercial deposits increased 10% from F2013

Core C&I Loans (US\$B)

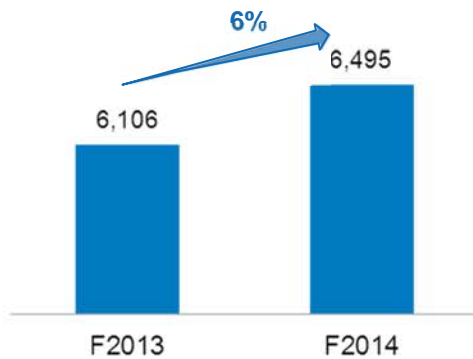


¹ Commercial lending growth excludes commercial cards. Commercial cards balances approximately 11% of total credit card portfolio in F2013 and F2014

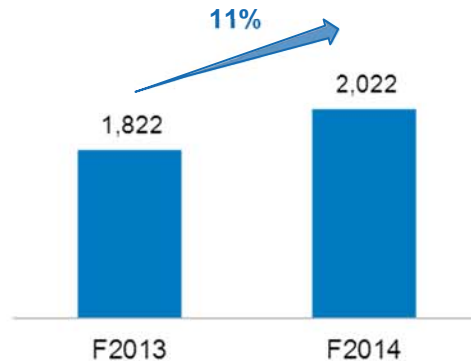
Continued Momentum in our Canadian P&C Banking Business

- Record earnings of \$2B, up 11% on good revenue growth and 2.1% operating leverage
- Adjusted efficiency ratio¹ of 50.1% improved 90 bps from F2013
- Commercial loans² up 10% and Personal loans³ up 7% from F2013
- Highly experienced team of commercial bankers with deep knowledge offering specialized banking programs
- Large loyal customer base supported by strong relationships and differentiated customer experience
- Largest Mastercard issuer in Canada, as measured by transaction volumes, and one of the top commercial card issuers in North America

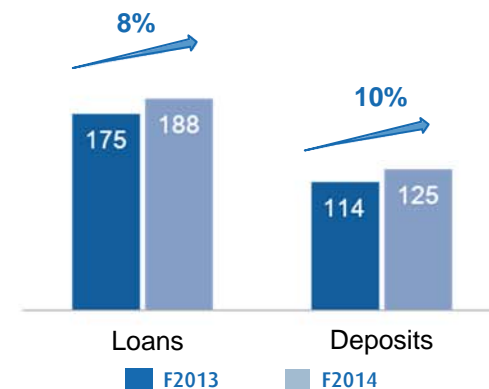
Revenue (\$MM)



Adjusted Net Income⁴ (\$MM)



Average Loans and Deposits (\$B)



Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release.

See slide 29 for adjustments to reported results.

¹ Reported efficiency ratio 50.2%, 100bps improvement from 2013

² Commercial lending growth excludes commercial cards. Commercial cards balances approximately 11% of total credit card portfolio in each of F2013 and F2014

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 F2013 and F2014

⁴ Reported Net Income: F2013 \$1,812MM; F2014 \$2,014MM

Wealth Management

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

- Assets under management and administration of \$794B

BMO Nesbitt Burns (Full-service brokerage)

- Best Full Service Investment Advisory in Canada
(*Global Banking and Finance Review*)

BMO InvestorLine (Self-directed investing)

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

BMO Insurance

- Offers life, annuity and creditor insurance products

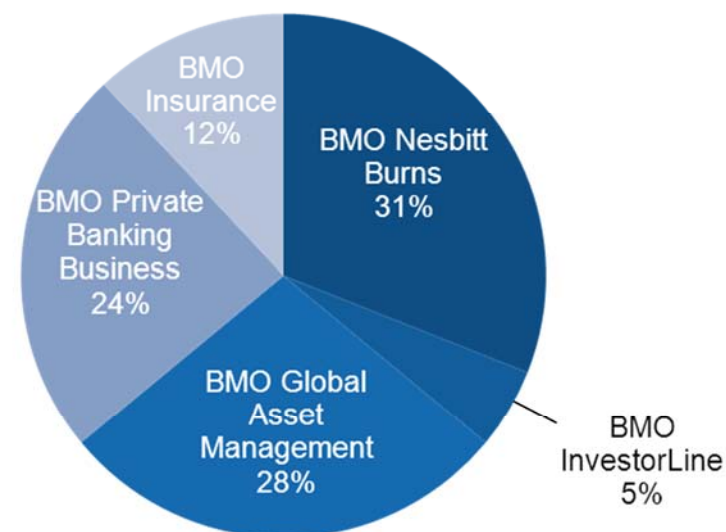
BMO Global Asset Management

- On May 7, 2014 completed acquisition of F&C Asset Management, strengthening BMO GAM's position as a globally significant money manager
- Named Best Wealth Management in Canada, 2014
(*Global Banking and Financial Review*)

BMO Private Bank

- BMO Harris Private Banking - Best Private Bank in Canada 2014, for the fourth consecutive year
(*World Finance Magazine* and *Global Banking and Financial Review*)
- BMO Private Bank Asia - Best New Private Bank in Hong Kong, and Best New Private Bank in Singapore
(*Global Banking and Finance Review*)

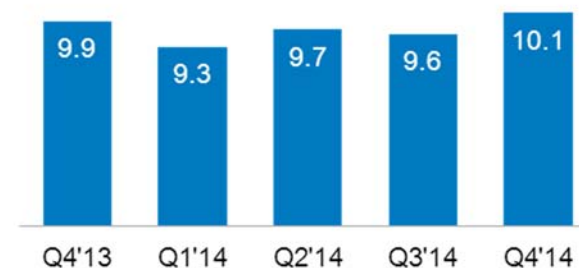
Wealth Management
F2014 Revenue by Line of Business (%)



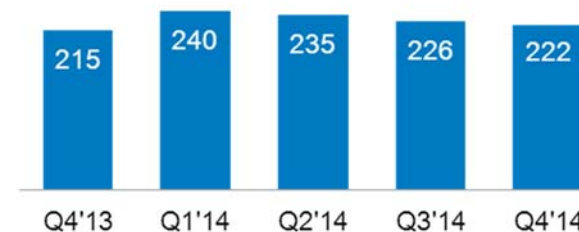
Balanced and Disciplined Approach to Capital Management

- Common Equity Tier 1 Ratio of 10.1% increased by ~50 bps from Q3'14 due to CET1 capital increase of ~35 bps and RWA reduction of ~ 15 bps:
 - Higher CET1 capital mainly driven by retained earnings growth and AOCI due to FX movements
 - RWA down approximately \$4 billion from previous quarter to \$222 billion driven by:
 - Changes in methodology (-\$5B)
 - Book quality including risk mitigation (-\$5B)
 - Lower market risk (-\$1B)
 - Partially offset by business growth (+\$4B) and higher FX impact, which is largely hedged (+\$3B)
- Concurrent with Q4'14 release, we increased the dividend by 3%, lifting the annual declared dividend to \$3.20
 - Target dividend payout range of 40% to 50%
- Announced intention to renew NCIB, subject to regulatory approvals

Common Equity Tier 1 Ratio (%)



Risk Weighted Assets (\$B)



F2014 - Financial Highlights

Record Adjusted Net Income of \$4.5B with EPS growth of 6%

Adjusted (\$B) ^{1,2}	F2013	F2014
Revenue	15.4	16.7
Expense	9.8	10.8
Net Income	4.2	4.5
Diluted EPS (\$)	6.21	6.59
ROE (%)	15.0	14.4
Common Equity Tier 1 (CET1) Ratio (%)	9.9	10.1

- Adjusted EPS up 6%; net income up 5%
- Good operating group performance
- Revenue increased 9% mainly due to growth in Canadian P&C, Wealth Management and BMO Capital Markets
- Core expenses³ up 6% primarily due to higher employee costs, increased technology and regulatory and marketing costs
- PCL⁴ up \$204MM due to lower recoveries
 - Good underlying credit trends
- Effective tax rate⁵ of 17.5% compared to 19.7% in F2013
- ROE of 14.4% on stronger capital position
- Well positioned heading into F2015

¹ Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release
See slide 29 for adjustments to reported results

² Reported Revenue: F2014 \$16.7B; F2013 \$16.1B; Reported Expenses: F2014 \$10.9B; F2013 \$10.2B

Reported Net Income: F2014 \$4.3B; F2013 \$4.2B; Reported EPS – diluted: F2014 \$6.41; F2013 \$6.17; Reported ROE: F2014 14.0%; F2013 14.9%

³ Core expenses are adjusted expenses excluding the impact of the stronger U.S. dollar and F&C

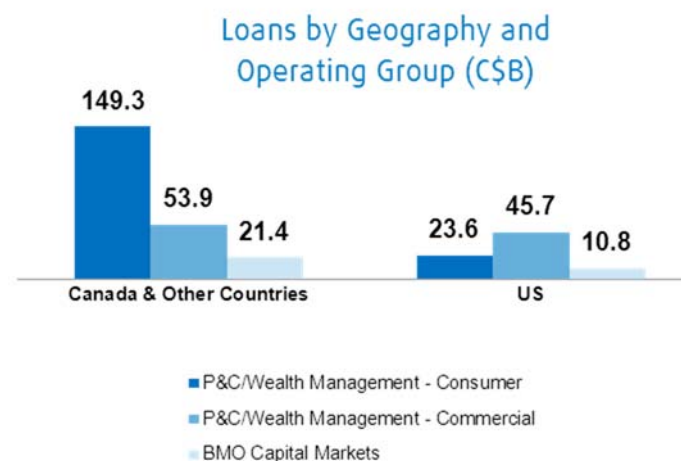
⁴ Reported PCL down \$26MM

⁵ Reported effective tax rate: F2014 17.3%

Loan Portfolio Overview

Gross Loans & Acceptances By Industry (C\$B)	Canada & Other ¹	US	Total	% of Total
Residential Mortgages	93.0	8.0	101.0	33%
Personal Lending	49.0	15.1	64.1	21%
Credit Cards	7.5	0.5	8.0	3%
Total Consumer	149.5	23.6	173.1	57%
Financial	13.4	10.7	24.1	8%
Service Industries	11.7	10.5	22.2	7%
Commercial Real Estate	11.4	6.2	17.6	6%
Manufacturing	5.1	8.5	13.6	4%
Retail Trade	8.0	4.6	12.6	4%
Agriculture	7.3	1.9	9.2	3%
Wholesale Trade	3.9	4.4	8.3	3%
Oil & Gas	3.9	2.0	5.9	2%
Other Commercial & Corporate ²	10.4	7.7	18.1	6%
Total Commercial & Corporate	75.1	56.5	131.6	43%
Total Loans	224.6	80.1	304.7	100%

- Loans are well diversified by geography and industry



¹ Commercial & Corporate includes ~\$11.1B from Other Countries

² Other Commercial & Corporate includes industry segments that are each <2% 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	2.4	2.4	2.2	2.3	3.0	-0.4	0.8	1.0
Inflation	0.9	2.0	1.7	1.5	1.6	1.4	1.4	0.5	0.7
Interest Rate (3mth Tbills)	0.97	0.91	0.96	0.06	0.03	0.25	0.15	0.18	0.06
Unemployment Rate	7.1	6.9	6.5	7.4	6.2	5.3	12.0	11.6	11.6
Current Account Balance / GDP*	(3.2)	(2.5)	(2.2)	(2.4)	(2.3)	(2.4)	2.8	3.0	3.1
Budget Surplus / GDP*	(0.3)	(0.1)	0.3	(4.1)	(2.9)	(2.6)	(2.9)	(2.6)	(2.3)

¹Annual average

*Estimates as of December 5, 2014; Eurozone estimates provided by OECD.

Source: OECD Economic Outlook database.

Canada

- The economy is growing at a moderate pace, supported by low interest rates, a weaker currency, and stronger U.S. demand, while being held back by high household debt
- Firm GDP growth of 2.4% is expected in 2015, as exports respond to a stronger U.S. economy and weaker Canadian dollar, though investment will be held back by lower oil prices
- The Bank of Canada is expected to keep interest rates steady until October 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

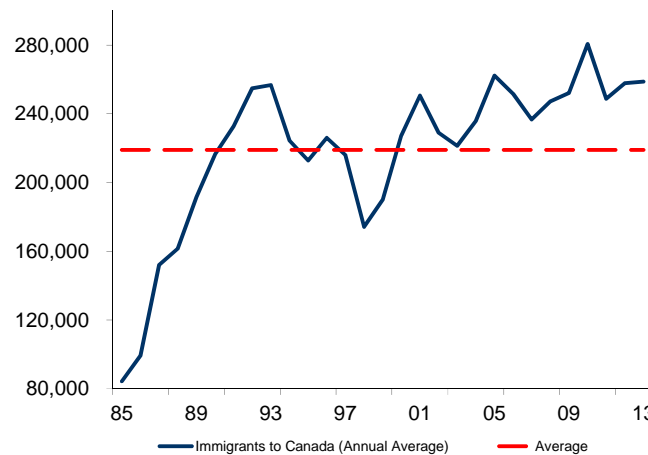
United States

- The economy grew strongly in Q3, and looks to end the year with decent momentum
- Less fiscal restraint will help economic growth strengthen to 3.0% in 2015, with additional support from improved household finances and a strengthening housing market
- The unemployment rate is expected to fall to 5.0% by late 2015
- The Federal Reserve will likely keep interest rates near zero until the middle of 2015
- The U.S. dollar is expected to strengthen further in 2015 as the Federal Reserve shifts toward tighter policy

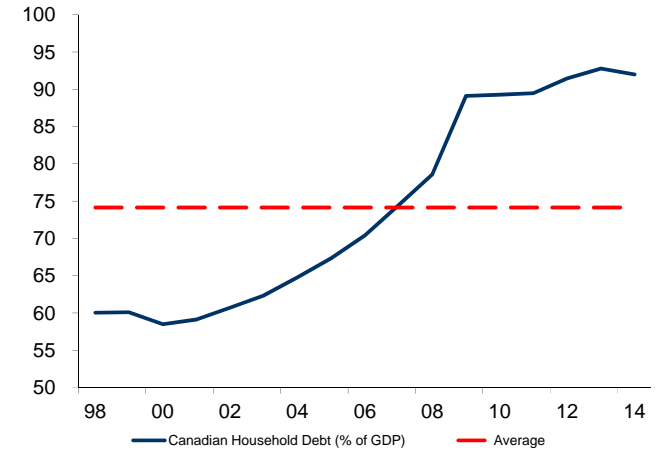
The Canadian Housing Market Remains Healthy

- 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

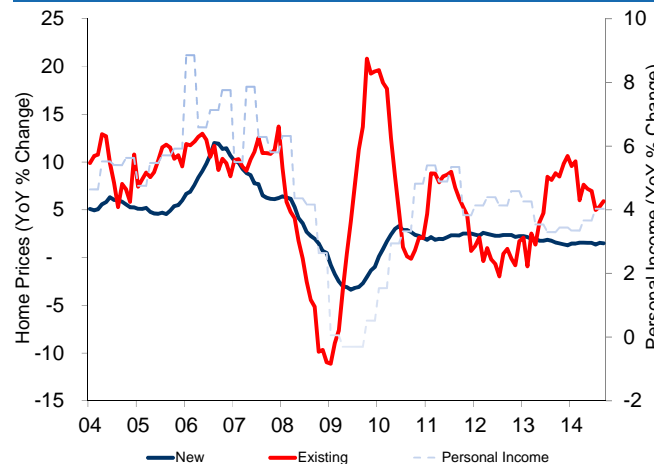
Immigration to Canada



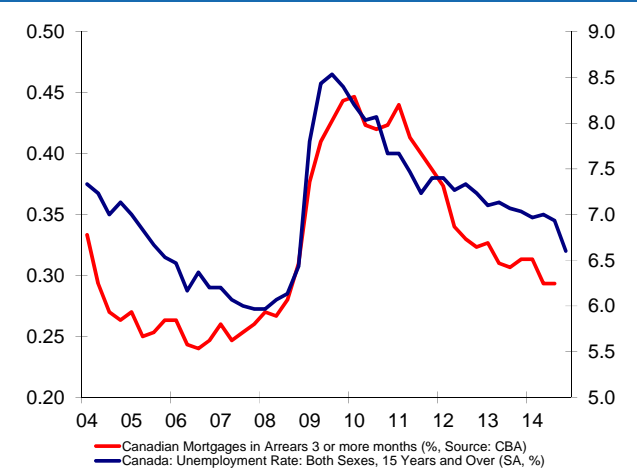
Canadian Household Debt to GDP



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 December 5, 2014
This slide contains forward looking statements. See caution on slide 2.

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 \$93.0B represents 43% of Canadian gross loans and acceptances
 - 63% 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 27 bps
 - Condo Mortgage portfolio is \$13.3B with 54% insured

Residential Mortgages by Region (C\$B)	Insured	Uninsured	Total	% of Total
Atlantic	3.7	1.6	5.3	6%
Quebec	9.0	4.8	13.8	15%
Ontario	24.6	13.6	38.2	41%
Alberta	10.9	4.1	15.0	16%
British Columbia	7.9	9.2	17.1	18%
All Other Canada	2.4	1.2	3.6	4%
Total Canada	58.5	34.5	93.0	100%

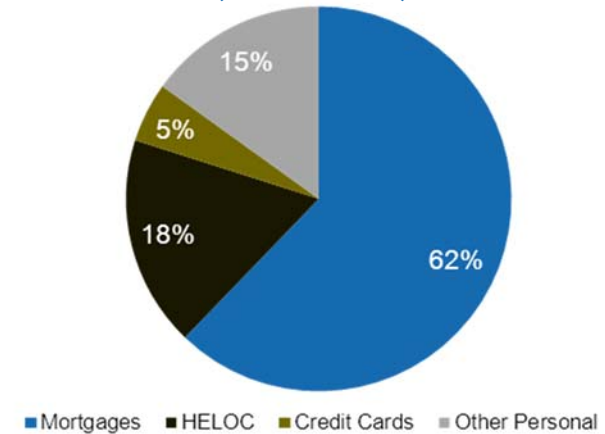
¹ LTV is the ratio of outstanding mortgage balance to the original property value indexed using Teranet data. Portfolio LTV is the combination of each individual mortgage LTV weighted by the mortgage balance

² To facilitate comparisons, the equivalent simple average LTV on uninsured mortgages in Q4'14 was 51%

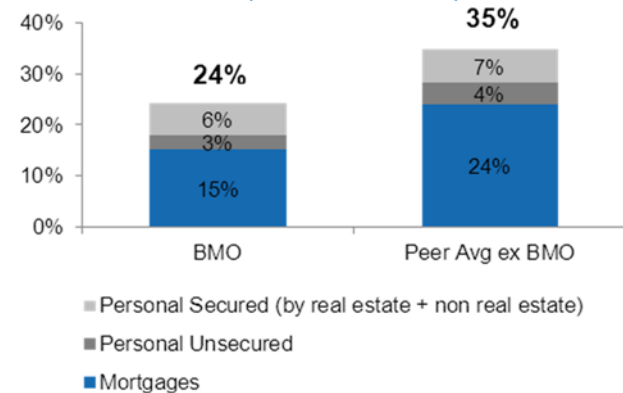
BMO's Canadian Consumer Loan Portfolio

- 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: Q4'14 \$150B
(88% is secured)



Canadian Consumer Loans¹
(% of Total Assets)

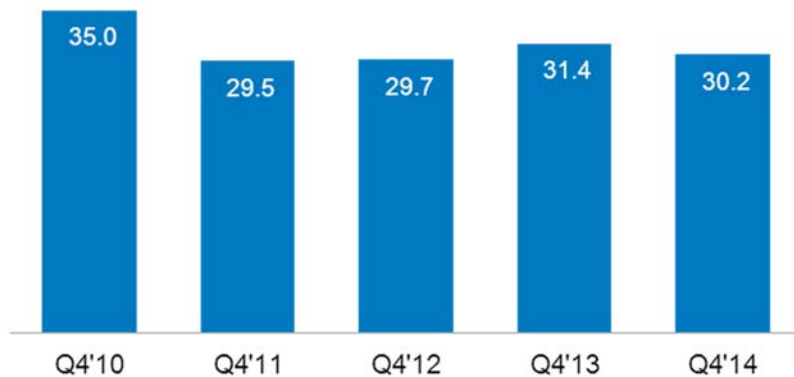


¹ Based on OSFI data as of September 30, 2014; personal refers to non-mortgage loans to individuals for non-business purposes per OSFI filings; total currency less foreign currency denominated

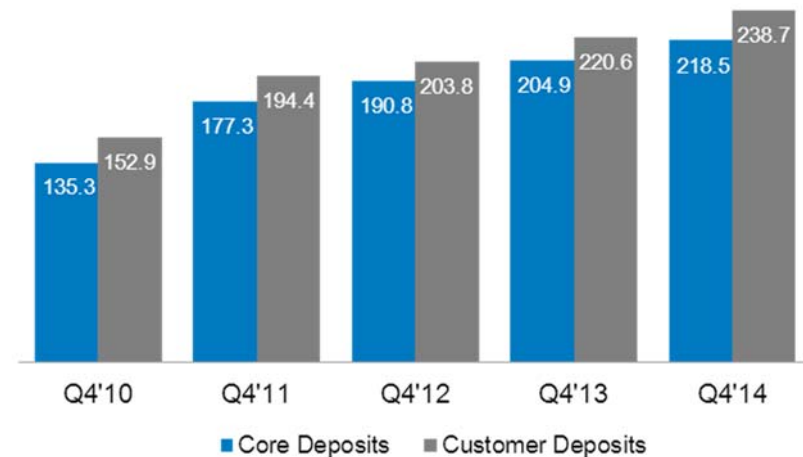
Liquidity and Funding Strategy

- 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)

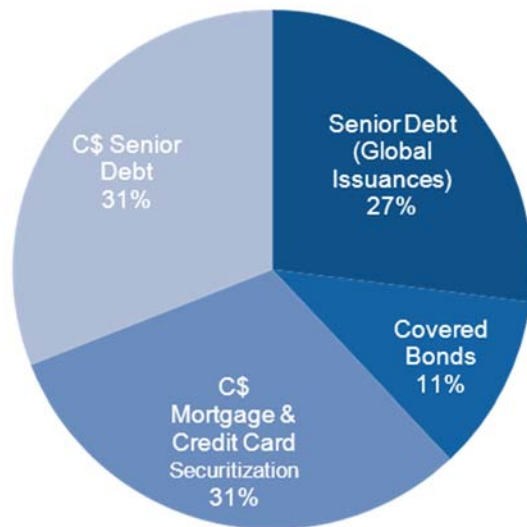
** Customer Deposits are core deposits plus large fixed-date deposits excluding wholesale customer deposits

Diversified Wholesale Term Funding Mix

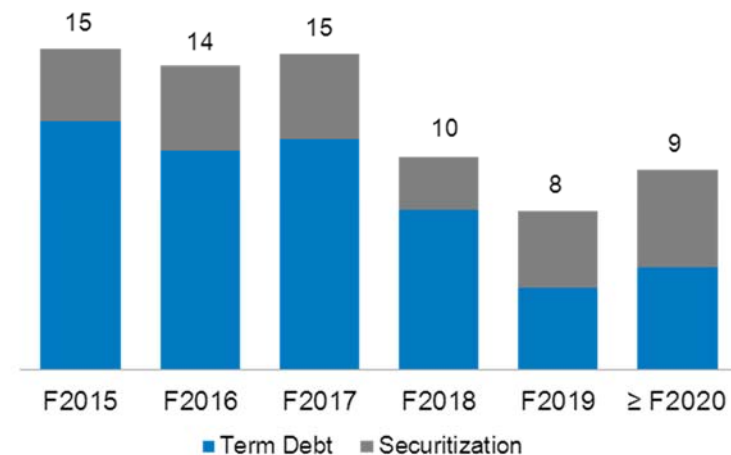
- BMO's wholesale funding principles seek to match the term of assets with the term of funding. Loans for example are funded with customer deposits and capital, with any difference provided by longer-term wholesale funding
- BMO has a well diversified wholesale funding platform across markets, products, 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
\$71.4B as at October 31, 2014



Wholesale Capital Market
Term Funding Maturity Profile^{3 4}
\$71.4B as at October 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

Record annual earnings with strong organic volume growth; good momentum heading into 2015

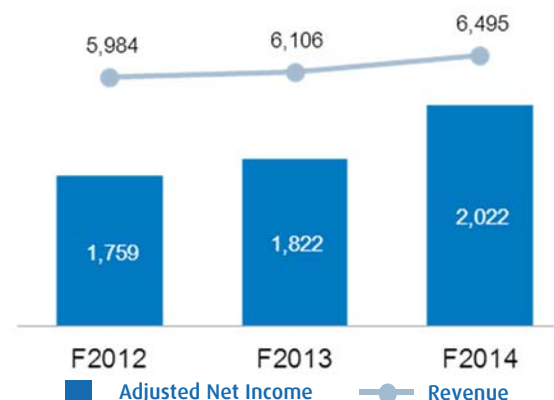
F2014 Financial Highlights

- Adjusted net income¹ up 11% to over \$2.0B, and operating leverage of 2.1%
- Adjusted efficiency² improved 90bps to 50.1%
- Total loans up \$13.3B or 8%
 - Personal³ up \$9.0B or 7%
 - Commercial³ up \$4.2B or 9%
- Total deposits up \$11.0B or 10%
 - Personal up \$7.1B or 10%
 - Commercial up \$3.9B or 9%, with growth coming across a wide number of sectors

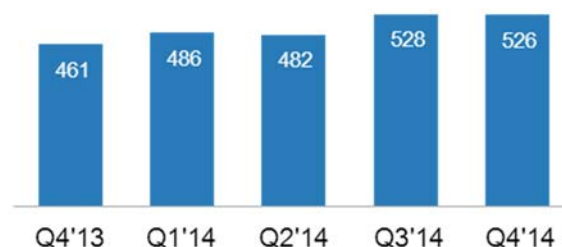
Q4 Financial Highlights

- Adjusted net income⁴ up 14% Y/Y
- Revenue growth of 7% Y/Y reflecting higher balances and fees
- Operating leverage 0.7%

Revenue and Adjusted Net Income¹ (\$MM)



Adjusted Net Income¹ (\$MM)



Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release. See slide 29 for adjustments to reported results.

¹ Reported Net Income: Q4'13 \$458MM; Q1'14 \$484MM; Q2'14 \$480MM; Q3'14 \$526MM; Q4'14 \$524MM; F2012 \$1,749MM; F2013 \$1,812MM; F2014 \$2,014MM, up 11%

² Reported efficiency improved 100bps to 50.2%

³ Personal lending and Commercial lending annual growth includes credit cards

⁴ Q4 reported net income up 14%

U.S. Personal & Commercial Banking

Improved trends in revenue and earnings in second half of F2014

(Amounts in US\$MM)

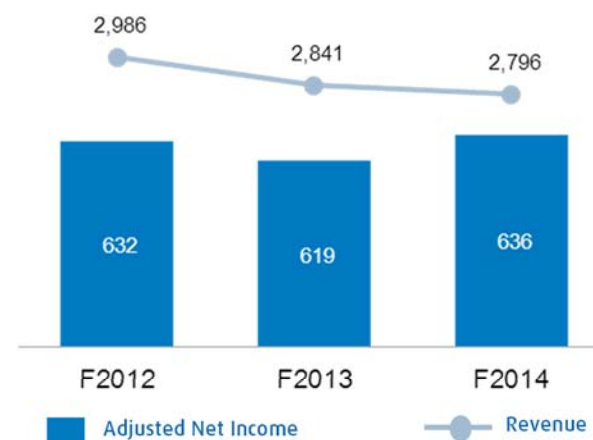
F2014 Financial Highlights

- Adjusted net income¹ up 3% driven by continued strong performance from commercial
- Loans up \$3.4B or 7%
 - Personal down \$0.7B or 3%
 - Commercial up \$4.0B or 15%
- Average deposits relatively unchanged
 - Checking deposit balances up 9%
 - Personal deposits down \$1.9B or 5% due to planned reduction in higher cost deposits
 - Commercial deposits up \$2.0B or 10%

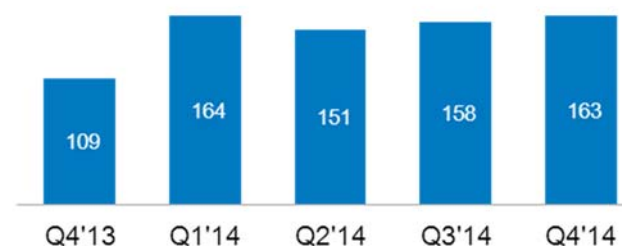
Q4 Financial Highlights

- Adjusted net income² up 48% and PPPT³ up 5% Y/Y
- Adjusted operating leverage⁴ 1.3%
- PCL lower Y/Y and Q/Q

Adjusted Net Income¹ and Revenue (\$MM)



Adjusted Net Income¹ (\$MM)



Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release. See slide 29 for adjustments to reported results.

¹ Reported Net Income (US\$): Q4'13 \$98MM; Q1'14 \$153MM; Q2'14 \$140MM; Q3'14 \$147MM; Q4'14 \$152MM; F2012 \$569MM; F2013 \$570MM; F2014 \$592MM; F2014 reported net income up 4%

² Q4 reported net income up 55%

³ Q4 reported pre-provision, pre-tax earnings up 7% Y/Y

⁴ Q4 reported operating leverage 2.1%

Wealth Management

Strong underlying growth across the business with earnings¹ up 15%

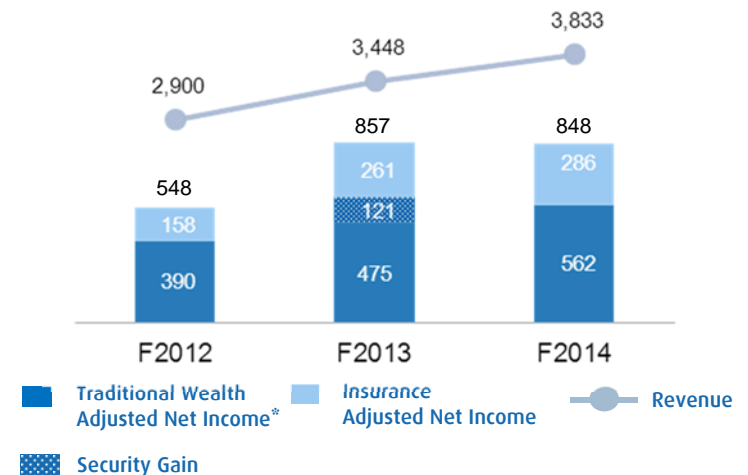
F2014 Financial Highlights

- Adjusted net income of \$848MM compared to \$857MM a year ago; prior year included a \$121MM after-tax security gain
- Revenue in traditional wealth businesses up 19% excluding security gain reflecting growth in client assets and a contribution from the F&C acquisition
- Insurance revenue up 12% with continued business growth in the creditor and life insurance businesses of 10% and favourable changes in actuarial reserves
- AUA/AUM up 44%; 17% excluding F&C

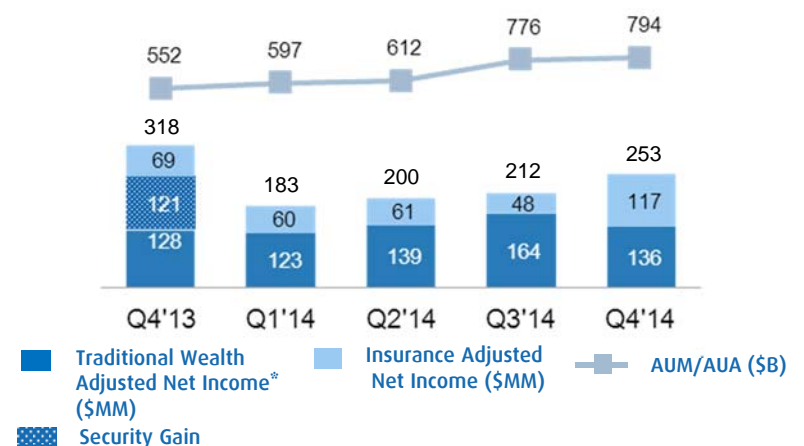
Q4 Financial Highlights

- Underlying earnings up 28%¹ Y/Y with good organic growth and F&C
- Traditional wealth impacted by security gain in Q4'13. Excluding this and settlement of legal matter in Q4'14 (\$23MM after-tax), earnings up 25% Y/Y
- Good Insurance results; current quarter includes the impact of beneficial changes in actuarial reserves of \$44MM after-tax

Adjusted Net Income² and Revenue (\$MM)



Adjusted Net Income² and AUM/AUA



Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release. See slide 29 for adjustments to reported results

¹ Q4'14 underlying earnings growth calculated excluding a \$121MM after tax security gain in Q4'13

² Reported Net Income: Q4'13 \$311MM; Q1'14 \$175MM; Q2'14 \$194MM; Q3'14: \$190MM; Q4'14 \$226MM ; F2012 \$527MM; F2013 \$830MM; F2014 \$785MM

* Excludes security gain of \$121MM after-tax

BMO Capital Markets

Results reflect the benefit of a diversified business mix

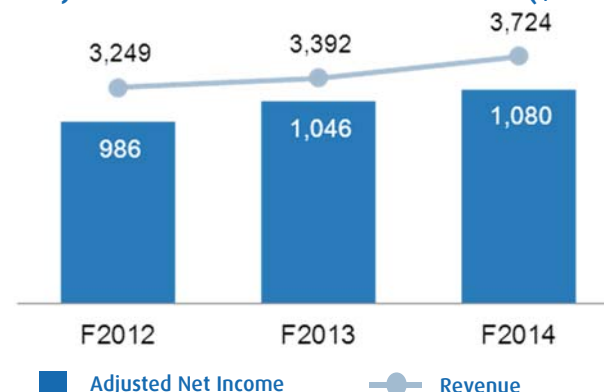
F2014 Financial Highlights

- Adjusted net income¹ of \$1.1B up 3% with strong ROE of 19.2% and continued progress on U.S. strategy
- Revenue up 10% reflecting diversified growth across the business, led by growth in Investment and Corporate Banking of 16%
- Expenses increased 13% resulting from higher employee-related expenses and increased support costs
- Named 2014 Greenwich Quality Leader for Canadian Fixed Income Research, Canadian Equity Sales, Canadian Equity Research and Analyst Service, Canadian Mergers and Acquisitions and Canadian Equity Capital Markets by Greenwich Associates

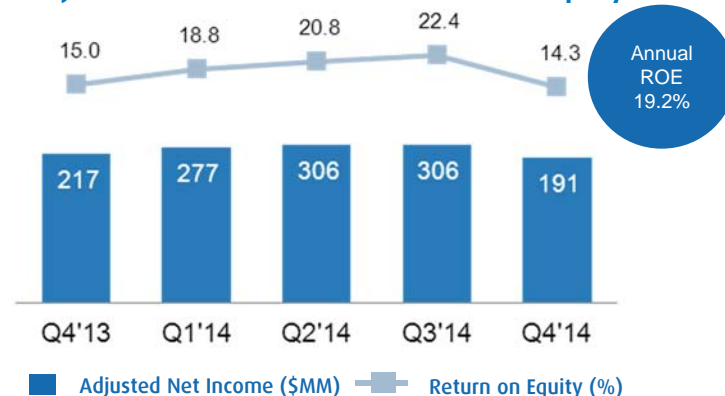
Q4 Financial Highlights

- Adjusted net income² down 12% Y/Y and below trend
- Introduction of funding valuation adjustment in the quarter reduced net income by \$28MM and revenue by \$39MM
- Results reflect less favourable market conditions and lower client activities

Adjusted Net Income¹ and Revenue (\$MM)



Adjusted Net Income¹ and Return on Equity



Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release
See slide 29 for adjustments to reported results

¹ Reported Net Income: Q4'13 \$217MM; Q1'14 \$277MM; Q2'14 \$305MM; Q3'14 \$306MM; Q4'14 \$191MM; F2012 \$985MM; F2013 \$1,044MM; F2014 \$1,079MM; F2014 reported net income up 3%

² Q4 reported net income: down 12% Y/Y

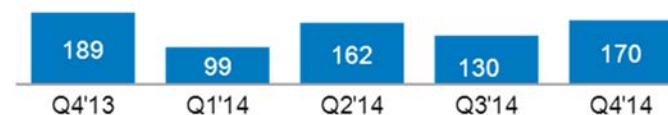
Provision for Credit Losses (PCL)

PCL By Operating Group (C\$MM)	Q4 13	Q3 14	Q4 14
Consumer – Canadian P&C	114	110	113
Commercial – Canadian P&C	52	24	20
Total Canadian P&C	166	134	133
Consumer – US P&C	55	30	32
Commercial – US P&C	41	22	11
Total US P&C	96	52	43
Wealth Management	1	(3)	(1)
Capital Markets	(17)	(6)	(7)
Corporate Services^{1,2}	(106)	(47)	2
Adjusted PCL	140	130	170
Purchased Performing ¹	49	-	-
Specific PCL	189	130	170
Change in Collective Allowance	-	-	-
Total PCL	189	130	170

- Effective Q1'14, Corporate Services adjusted results include credit-related items in respect of the purchased performing loan portfolio. Specific provisions for credit losses were \$30MM in the current quarter, \$(3)MM in Q3'14, \$21MM in Q2'14 and \$34MM in Q1'14
- Corporate Services results include purchased credit impaired loan recoveries of \$33MM in Q4'14, \$57MM in Q3'14 and \$104MM in Q4'13

- Operating groups had stable or improving results
- PCL increased Q/Q due to lower recoveries in Corporate Services
- Y/Y PCL decreased from 22 bps to 19 bps

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 2014* annual review of corporate governance practices in Canada ranked BMO 1st overall among 247 companies and income trusts in the S&P/TSX composite index as of September 1, 2014

Adjusting Items

Adjusting ¹ items – Pre-tax (\$MM)	Q4 13	Q1 14	Q2 14	Q3 14	Q4 14	F2013	F2014
Credit-related items on the purchased performing loan portfolio	49	-	-	-	-	406	-
Acquisition integration costs	(60)	-	-	(9)	(11)	(251)	(20)
Amortization of acquisition-related intangible assets	(31)	(31)	(28)	(39)	(42)	(125)	(140)
Decrease in the collective allowance for credit losses	-	-	-	-	-	2	-
Run-off structured credit activities	26	-	-	-	-	40	-
Restructuring costs	-	-	-	-	-	(82)	-
Adjusting items included in reported pre-tax income	(16)	(31)	(28)	(48)	(53)	(10)	(160)

Adjusting ¹ items – After-tax (\$MM)	Q4 13	Q1 14	Q2 14	Q3 14	Q4 14	F2013	F2014
Credit-related items on the purchased performing loan portfolio	30	-	-	-	-	250	-
Acquisition integration costs	(37)	-	-	(7)	(9)	(155)	(16)
Amortization of acquisition-related intangible assets	(22)	(22)	(21)	(29)	(32)	(89)	(104)
Increase in the collective allowance for credit losses	(5)	-	-	-	-	(9)	-
Run-off structured credit activities	20	-	-	-	-	34	-
Restructuring costs	-	-	-	-	-	(59)	-
Adjusting items included in reported net income after tax	(14)	(22)	(21)	(36)	(41)	(28)	(120)
Impact on EPS (\$)	(0.02)	(0.03)	(0.03)	(0.06)	(0.07)	(0.04)	(0.18)

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 32 of BMO's 2014 Annual MD&A and page 19 of BMO's Fourth Quarter 2014 Earnings Release.

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