

Investor Presentation

For the Quarter Ended – April 30, 2015

May 29, 2015



BMO  Financial Group
We're here to help.™

Q2|15

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, tax 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 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 our Second Quarter 2015 Report to Shareholders.

Non-GAAP Measures

Bank of Montreal uses both GAAP and non-GAAP measures to assess performance. Readers are cautioned that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings under GAAP and are unlikely to be comparable to similar measures used by other companies. Reconciliations of GAAP to non-GAAP measures as well as the rationale for their use can be found in Bank of Montreal's Second Quarter 2015 Report to Shareholders and BMO's 2014 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, 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, acquisition integration costs, amortization of acquisition-related intangible 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 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 April 30, 2015):
 - Assets: \$633 billion
 - Deposits: \$424 billion
 - Employees: over 47,000
 - Branches: 1,537
 - ABMs: 4,530

Q2'15 Results [*]	Adjusted ²	Reported
Revenue (\$B) – net basis ³	4.5	4.5
Net Income (\$B)	1.1	1.0
EPS (\$)	1.71	1.49
ROE (%)	13.2	11.4
Basel III Common Equity Tier 1 Ratio (%)		10.2

Other Information (as at May 28, 2015)	
Annual Dividend Declared (per share) ⁴	\$3.28
Dividend Yield	4.25%
Market Capitalization	\$49.7 billion
Exchange Listings	TSX, NYSE (Ticker: BMO)
Share Price:	
TSX	C\$77.11
NYSE	US\$61.94

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

¹ As measured by assets as at April 30, 2015; ranking published by Bloomberg

² Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual

Report and page 5 of BMO's Second Quarter 2015 Report to Shareholders. See slide 25 for adjustments to reported results.

³ Commencing Q1'15, insurance claims, commissions and changes in policy benefit liabilities (CCPB) are reported separately. They were previously reported as a reduction in insurance revenue in non-interest revenue.

Prior period amounts and ratios have been reclassified

⁴ Based on Q3'15 declared dividend of \$0.82 per share

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.

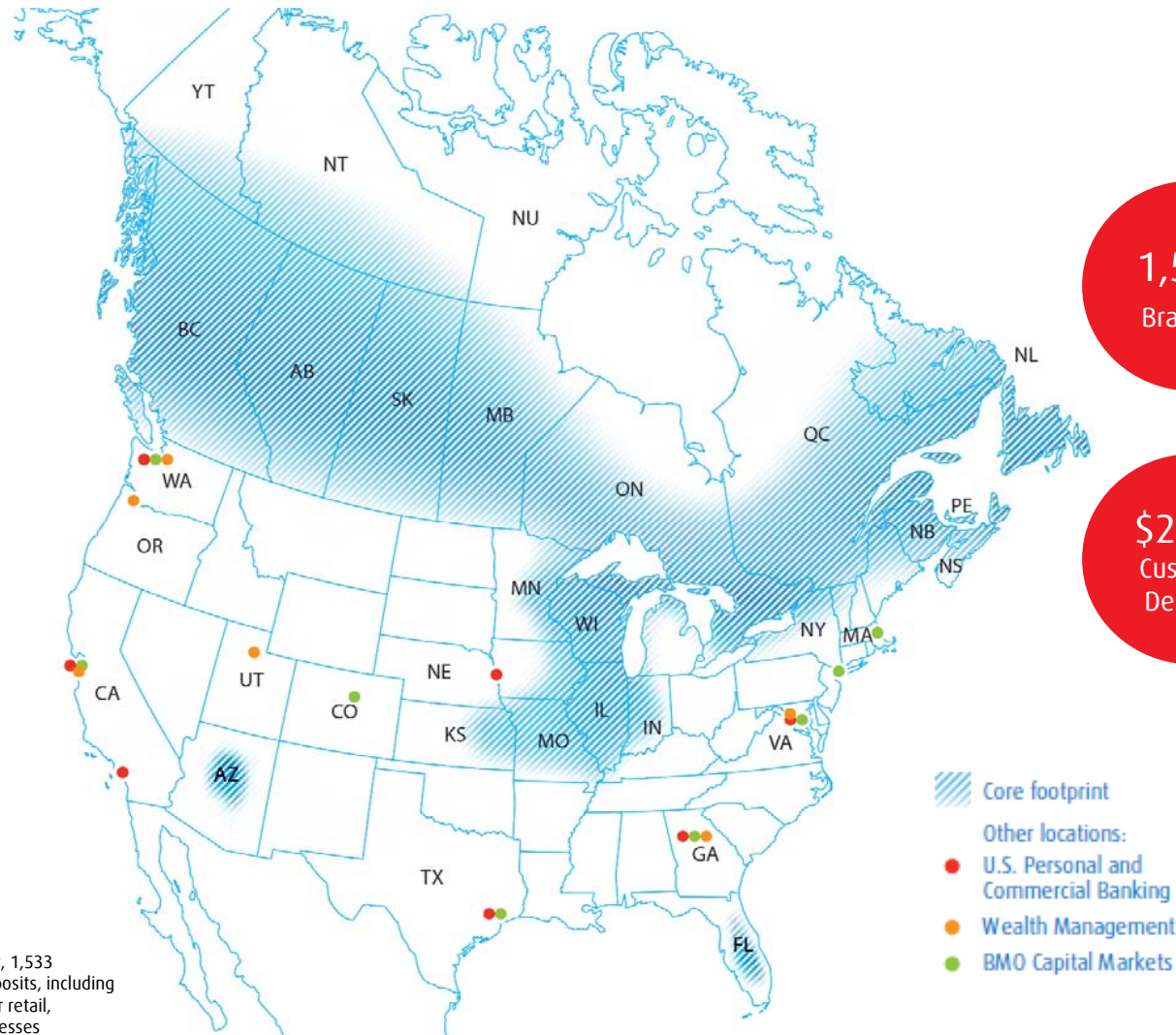
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Ensure our strength in risk management underpins everything we do for our customers.

BMO's strategic footprint

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

BMO's strategic footprint spans strong regional economies. Our three operating groups serve individuals, businesses, governments and corporate customers right across Canada and in six U.S. Midwest states – Illinois, Indiana, Wisconsin, 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 customers in North America with access to economies and markets around the world, and our customers in other countries with access to North America.



¹ Branches in Canada and the U.S., excluding Other, 1,533

² Customer deposits are operating and savings deposits, including term investment certificates, sourced through our retail, commercial, wealth and corporate banking businesses

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 and 3,200 ABMs
- 2nd in Canadian business banking loan market share for small and medium sized loans
- Solid Y/Y revenue growth of 4% in Q2 2015

U.S. Personal & Commercial Banking

- ~600 branches and over 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%) in 2014
- Good volume growth with loans up 6% Y/Y; Strong core C&I loan growth, up 17% Y/Y

Wealth Management

- Broad offering: Full service and direct brokerage, mutual funds, institutional asset management, private banking and 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): \$833B up 36% Y/Y or 14% excluding F&C

BMO Capital Markets

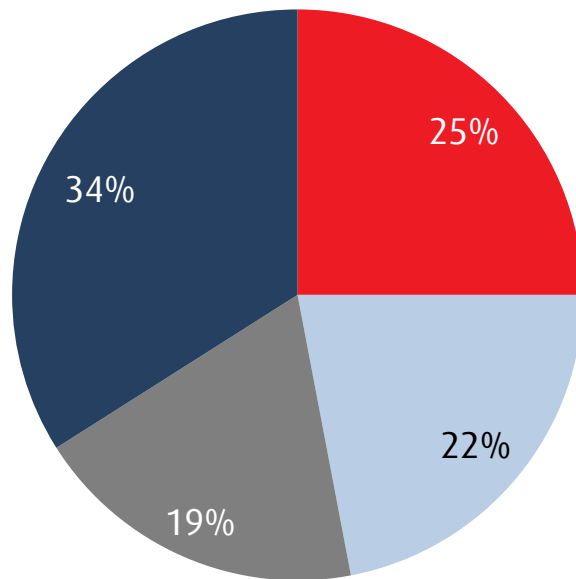
- Offers full service investment banking and sales & trading in Canada
- #2 ranking in Canadian announced M&A¹
- U.S. Mid-cap strategy focused in select strategic sectors where we have expertise and experience
- Unified client coverage approach and integrated distribution across North American platform

¹ April 30, 2015 (Source: Bloomberg)

Advantaged business mix

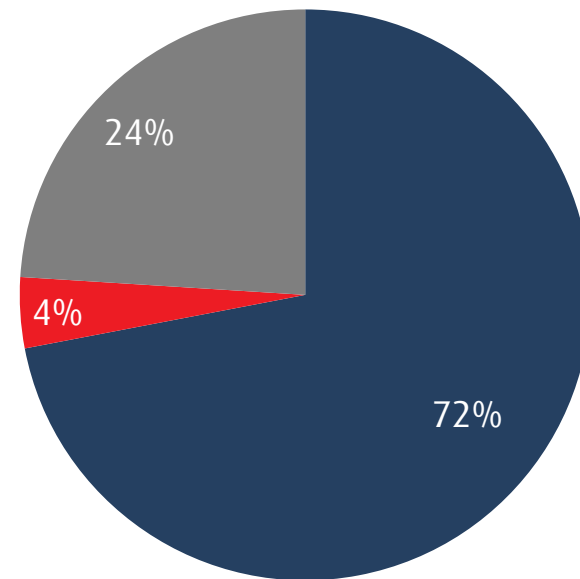
Diversified by both customer segment and geography

Q2 2015 Operating Group Revenue^{1,2}



- Canadian P&C
- U.S. P&C
- Wealth Management
- BMO Capital Markets

Q2 2015 Reported Net Income by Geography



- Canada
- U.S.
- Other

¹ Excludes Corporate Services

² Commencing in Q1-2015, insurance claims, commissions and changes in policy benefit liabilities (CCPB) are reported separately. They were previously reported as a reduction of insurance revenue in non-interest revenue; For the purposes of this slide revenues have been presented net of CCPB. For gross revenue amounts please see: slide 11 for Canadian P&C, slide 12 for U.S. P&C, slide 13 for Wealth Management, slide 14 for BMO Capital Markets

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
 - Highly profitable Canadian Personal & Commercial Banking business
 - Award-winning wealth franchise with strong growth opportunities in North America and select global markets
 - Operating leverage growth across our U.S. businesses
- Strong capital position with share buyback and an attractive dividend yield
- Focus on efficiency through core operations and technology integration
- 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

Q2 2015 - Financial Highlights

Adjusted net income of \$1.1B, with EPS growth of 5% Y/Y

Adjusted (\$MM) ¹	Q2 14	Q1 15	Q2 15
Revenue	4,369	5,055	4,526
CCPB²	328	747	24
Net Revenue	4,041	4,308	4,502
PCL	162	163	161
Expense	2,566	2,953	2,912
Net Income	1,097	1,041	1,146
Reported Net Income	1,076	1,000	999
Diluted EPS (\$)	1.63	1.53	1.71
ROE (%)	14.6	12.3	13.2
Common Equity Tier 1 (CET1) Ratio (%)	9.7	10.1	10.2

- Adjusted net income and EPS up 5% Y/Y
 - Good results from Wealth Management, U.S. P&C and CM and solid results in Canadian P&C
 - PCL³ stable
- Net revenue up 11% Y/Y or 8% excluding the impact of the stronger U.S. dollar
- Expenses up 13% Y/Y or 9% excluding the impact of the stronger U.S. dollar, reflecting F&C which added 4%
- The current quarter reported results include a \$106MM charge, primarily due to restructuring to drive operational efficiencies
- Adjusted effective tax rate⁴ of 19.8% or 25.0% on teb basis
- ROE of 13.2%, up from 12.3% in Q1'15

¹ See slide 25 for adjustments to reported results. Reported revenue same as adjusted amounts; Reported expenses: Q2'15 \$3,112MM; Q1'15 \$3,006MM; Q2'14 \$2,594MM
Reported EPS - diluted: Q2'15 \$1.49; Q1'15 \$1.46; Q2'14 \$1.60; Reported ROE: Q2'15 11.4%; Q1'15 11.8%; Q2'14 14.3%

² Commencing Q1'15, insurance claims, commissions and changes in policy benefit liabilities (CCPB) are reported separately. They were previously reported as a reduction in insurance revenue in non-interest revenue. Prior period amounts and ratios have been reclassified

³ Reported PCL same as adjusted amounts

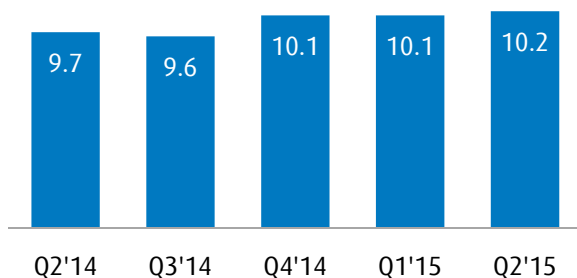
⁴ Reported effective tax rate: Q2'15 18.8%

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual Report and page 5 of BMO's Second Quarter 2015 Report to Shareholders

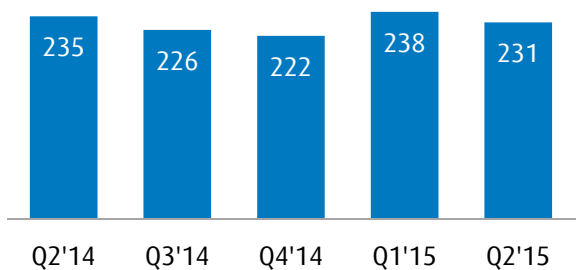
Capital & Risk Weighted Assets

CET1 Ratio strong at 10.2%

Common Equity Tier 1 Ratio (%)



Risk Weighted Assets (\$B)

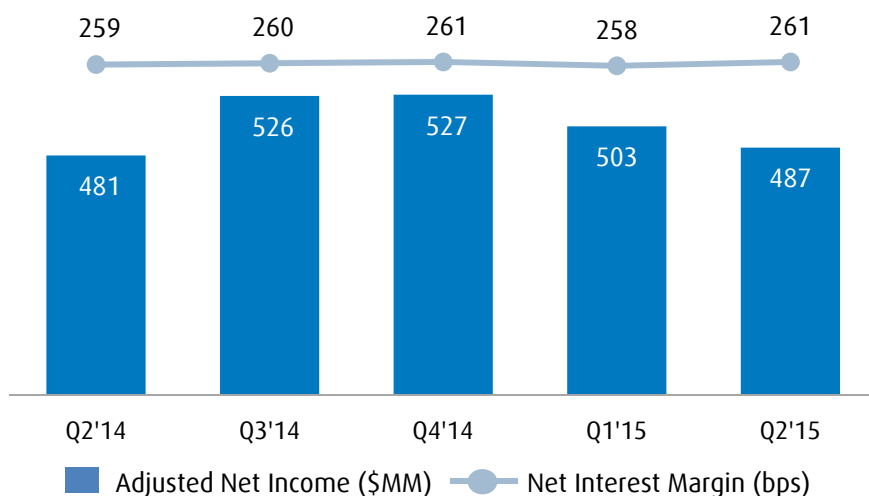


- Common Equity Tier 1 Ratio of 10.2%, ~10 bps higher than Q1'15
 - ~15 bps decrease due to CET1 capital:
 - retained earnings growth (~+20 bps)
 - lower AOCI, net of lower capital deductions (~-25 bps)
 - share repurchases (~-10 bps)
 - ~25 bps increase due to lower RWA of ~\$7B:
 - FX movement (-\$6B) which is largely hedged through AOCI
 - changes in methodology (-\$3B)
 - lower market risk (-\$1B)
 - partially offset by business growth (+\$3B)
- Common dividend increased 2 cents
- Dividend payout range of 40-50%
- 3 million shares repurchased in each of Q1 and Q2
- Q2'15 Leverage Ratio is 3.8%, unchanged from Q1'15

Canadian Personal & Commercial Banking

Revenue growth of 4% Y/Y

Adjusted (\$MM) ¹	Q2 14	Q1 15	Q2 15
Revenue (teb)	1,538	1,628	1,605
PCL	131	132	143
Expenses	764	834	812
Net Income	481	503	487
Reported Net Income	480	502	486
Efficiency Ratio² (%)	49.7	51.2	50.6



- Adjusted net income up 1% Y/Y. Down 3% Q/Q due to impact of 3 fewer days
- Revenue up 4% Y/Y reflecting higher balances and non-interest revenue; Q/Q decline reflects fewer days
 - Loans up 3% and deposits up 7% Y/Y
 - NIM up 3 bps Q/Q
- PCL up \$12MM Y/Y and \$11MM Q/Q
- Expenses up 6% Y/Y reflecting investments to support business growth. Down 3% Q/Q driven by fewer days and lower employee costs
- Adjusted efficiency ratio of 50.6%

¹ Reported revenue and PCL same as adjusted amounts; Reported expenses: Q2'15 \$813MM; Q1'15 \$835MM; Q2'14 \$765MM

² Reported efficiency ratio: Q2'15 50.6%; Q1'15 51.3%; Q2'14 49.8%

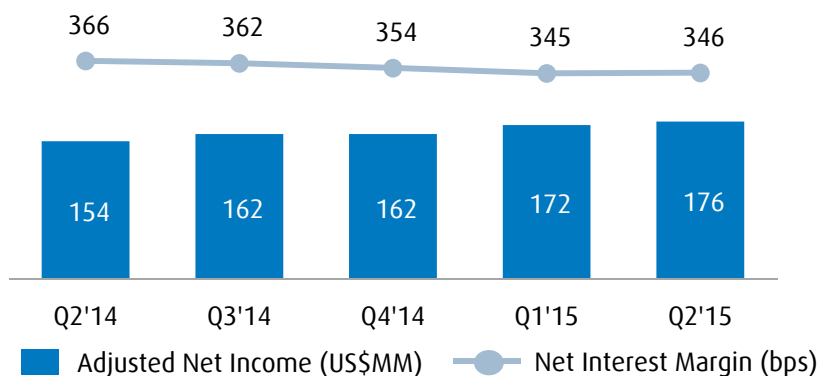
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U.S. Personal & Commercial Banking

Good net income and loan growth Y/Y

Adjusted (US\$MM) ¹	Q2 14	Q1 15	Q2 15
Revenue (teb)	714	720	707
PCL	48	33	14
Expenses	451	456	452
Net Income	154	172	176
Reported Net Income	142	161	166
Efficiency Ratio² (%)	63.2	63.2	63.9

- Adjusted net income of \$219MM up 29% Y/Y in Canadian dollar terms. Figures that follow are in U.S. dollars
- Adjusted net income up 14% Y/Y and 3% Q/Q
- Revenue down 1% Y/Y as the benefit of higher balances and mortgage banking revenue offset by lower NIM; down 2% Q/Q reflecting fewer days
 - Good volume growth with loans³ up 6% Y/Y, including strong growth in C&I balances
 - NIM up 1 bp Q/Q due to a decline in low spread assets, partly offset by a continued decline in loan spreads
- PCL down Y/Y and Q/Q
- Expenses continue to be well-managed
- Adjusted efficiency ratio of 63.9%



¹ Reported revenue and PCL same as adjusted amounts; Reported expenses: Q2'15 \$466MM; Q1'15 \$470MM; Q2'14 \$467MM

² Reported efficiency ratio: Q2'15 65.9%; Q1'15 65.2%; Q2'14 65.5%

³ Average current loans and acceptances excludes impaired loans

See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual Report and page 5 of BMO's Second Quarter 2015 Report to Shareholders

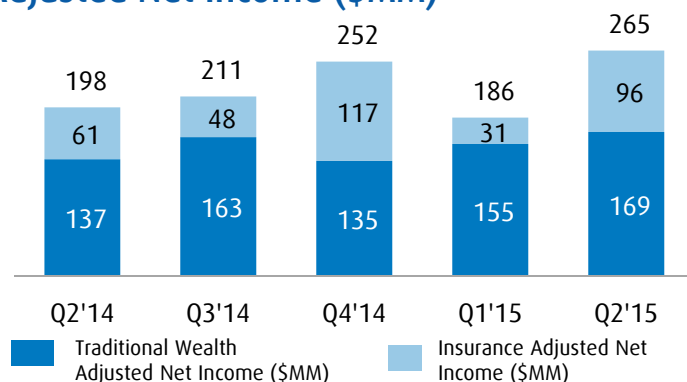
Wealth Management

Net Income up 34% Y/Y; continued good growth in Traditional Wealth and higher rates in Insurance

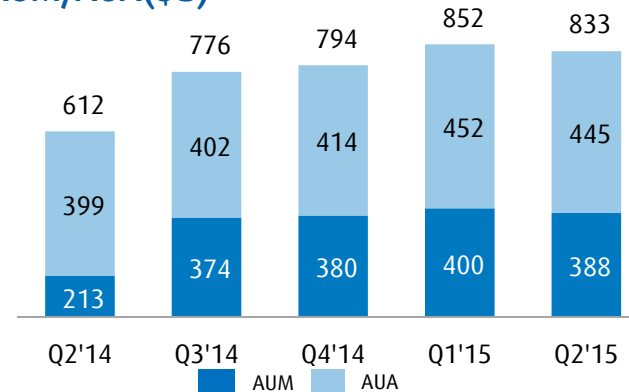
Adjusted ¹ (\$MM)	Q2 14	Q1 15	Q2 15
Revenue	1,207	1,782	1,188
CCPB²	328	747	24
Net Revenue	879	1,035	1,164
PCL	2	2	1
Expenses³	622	793	803
Net Income	198	186	265
Reported Net Income	192	159	238
Efficiency Ratio - net of CCPB⁴ (%)	70.8	76.7	69.0

- Traditional Wealth net income up 23% Y/Y driven by good organic growth and the acquired F&C business; up 9% Q/Q
- Insurance net income up 58% Y/Y benefiting from favourable movement in interest rates relative to a year ago and changes in investments to improve asset-liability management
- Net revenue up 33% Y/Y and 12% Q/Q
- Expenses up Y/Y primarily due to F&C, higher revenue-based costs and a stronger U.S. dollar. Q/Q expenses relatively flat
- AUM/AUA up 36% Y/Y or 14% excluding F&C driven by the stronger U.S. dollar, market appreciation and new client assets. AUM/AUA up 2% Q/Q in source currency

Adjusted Net Income (\$MM)



AUM/AUA(\$B)



1 Reported revenue and PCL same as adjusted amounts; Reported expenses: Q2'15 \$836MM; Q1'15 \$828MM; Q2'14 \$631MM

2 Commencing Q1'15, insurance claims, commissions and changes in policy benefit liabilities (CCPB) are reported separately. They were previously reported as a reduction in insurance revenue in non-interest revenue. Prior period amounts and ratios have been reclassified

3 Adjusted expenses in Q2'15 exclude \$11MM pre-tax for acquisition integration costs and \$22MM of amortization of intangible assets

4 Reported efficiency ratio (gross): Q2'15 70.4%; Q1'15 46.5%; Q2'14 52.3%; Adjusted efficiency ratio (gross): Q2'15 67.6%; Q1'15 44.5%; Q2'14 51.6%;

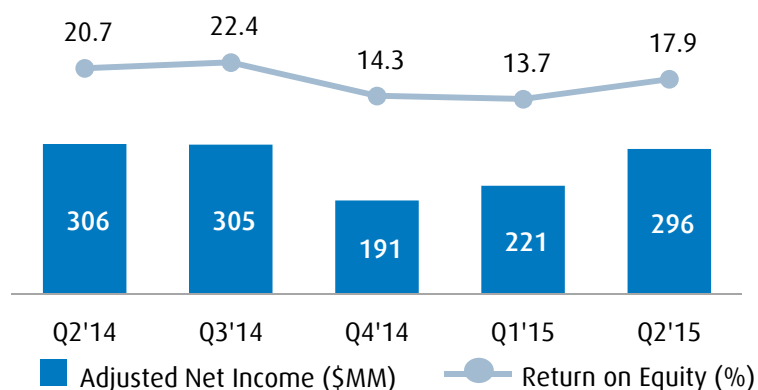
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BMO Capital Markets

Results up from Q1 reflecting good performance and benefits of diversified business model

Adjusted (\$MM) ¹	Q2 14	Q1 15	Q2 15
Trading Products Revenue	599	569	660
I&CB Revenue	352	352	352
Revenue (teb)	951	921	1,012
PCL	(4)	9	5
Expenses	580	623	617
Net Income	306	221	296
Reported Net Income	305	221	296
Efficiency Ratio (%)²	61.0	67.6	60.9

- Adjusted net income down 3% Y/Y; up 34% Q/Q
- Revenue up 6% Y/Y and 10% Q/Q due to higher revenue from Trading Products and the impact of the stronger U.S. dollar. Prior quarter was impacted by a negative credit and funding valuation adjustment
- Expenses up 6% Y/Y and down 1% Q/Q
 - Excluding the impact of the stronger U.S. dollar, expenses up 1% Y/Y
 - Down Q/Q due to stock-based compensation for employees eligible to retire recognized in Q1
- ROE 17.9%; Y/Y decline largely due to higher allocated capital



¹ Reported revenue and PCL same as adjusted amounts. Reported expenses: Q2'15 \$617MM; Q1'15 \$623MM; Q2'14 \$581MM

² Reported efficiency ratio same as adjusted ratio

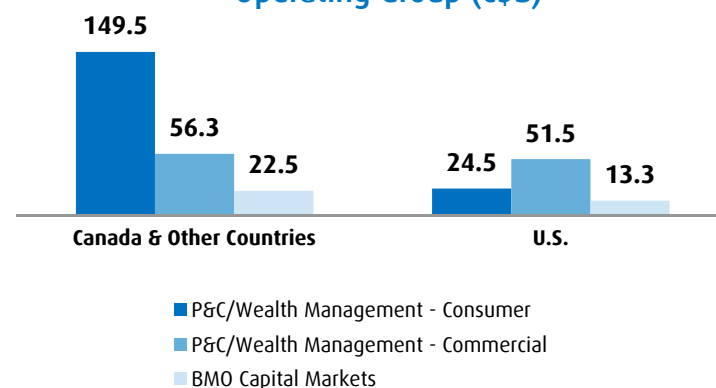
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Loan Portfolio Overview

Gross Loans & Acceptances By Industry (C\$B)	Canada & Other ¹	U.S.	Total	% of Total
Residential Mortgages	93.4	8.4	101.8	32%
Personal Lending	48.7	15.6	64.3	20%
Cards	7.4	0.5	7.9	3%
Total Consumer	149.5	24.5	174.0	55%
Financial Institutions	14.2	14.1	28.3	9%
Service Industries	11.9	12.6	24.5	8%
Commercial Real Estate	11.5	6.6	18.1	6%
Manufacturing	5.3	10.2	15.5	5%
Retail Trade	8.4	4.9	13.3	4%
Wholesale Trade	3.8	5.9	9.7	3%
Agriculture	7.7	1.9	9.6	3%
Oil & Gas	4.3	2.3	6.6	2%
Other Commercial & Corporate ²	11.7	6.3	18.0	5%
Total Commercial & Corporate	78.8	64.8	143.6	45%
Total Loans	228.3	89.3	317.6	100%

- Loans are well diversified by geography and industry
- Exposure to Oil & Gas represents 2% of the loan portfolio

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



1 Commercial & Corporate includes ~\$11.5B from Other Countries

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

Provision for Credit Losses (PCL)

PCL By Operating Group (C\$MM)	Q2 14 ¹	Q1 15	Q2 15
Consumer – Canadian P&C	109	104	114
Commercial – Canadian P&C	22	28	29
Total Canadian P&C	131	132	143
Consumer – U.S. P&C	21	30	24
Commercial – U.S. P&C	31	10	(6)
Total U.S. P&C	52	40	18
Wealth Management	2	2	1
Capital Markets	(4)	9	5
Corporate Services²	(19)	(20)	(6)
Specific PCL	162	163	161
Change in Collective Allowance	-	-	-
Total PCL	162	163	161
PCL in bps	22	21	20

- PCL consistent Q/Q
- Lower provisions in U.S. P&C were offset by lower recoveries in Corporate Services and higher Canadian P&C provisions

Quarterly Specific PCL (C\$MM)



¹ Prior period balances were reclassified to conform with the current period's presentation

² Corporate Services results include purchased credit impaired loan recoveries of \$26MM in Q2'15, \$29MM in Q1'15 and \$45MM in Q2'14

Canadian Residential Mortgages

- Total Canadian residential mortgage portfolio at \$93.4B represents 43% of Canadian gross loans and acceptances
 - 61.3% of the portfolio is insured
 - Loan-to-value (LTV)¹ on the uninsured portfolio is 58%²
 - 69% 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 \$13.4B with 52.8% insured

Residential Mortgages by Region (C\$B)	Insured	Uninsured	Total	% of Total
Atlantic	3.7	1.6	5.3	6%
Quebec	8.8	5.1	13.9	15%
Ontario	23.7	14.6	38.3	41%
Alberta	11.0	4.2	15.2	16%
British Columbia	7.7	9.4	17.1	18%
All Other Canada	2.4	1.2	3.6	4%
Total Canada	57.3	36.1	93.4	100%

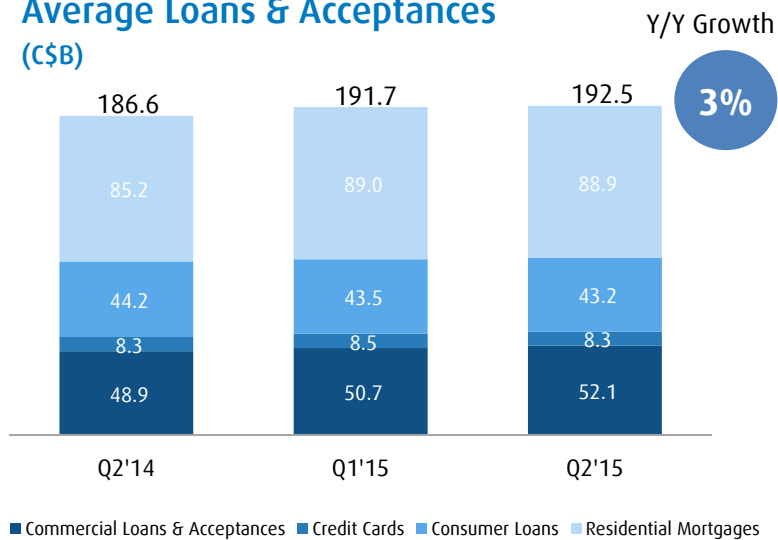
¹ LTV is the ratio of outstanding mortgage balance to the original property value indexed using Teranet data. Portfolio LTV is the combination of each individual mortgage LTV weighted by the mortgage balance

² To facilitate comparisons, the equivalent simple average LTV on uninsured mortgages in Q2'15 was 52%

APPENDIX

Canadian Personal & Commercial Banking – Balances

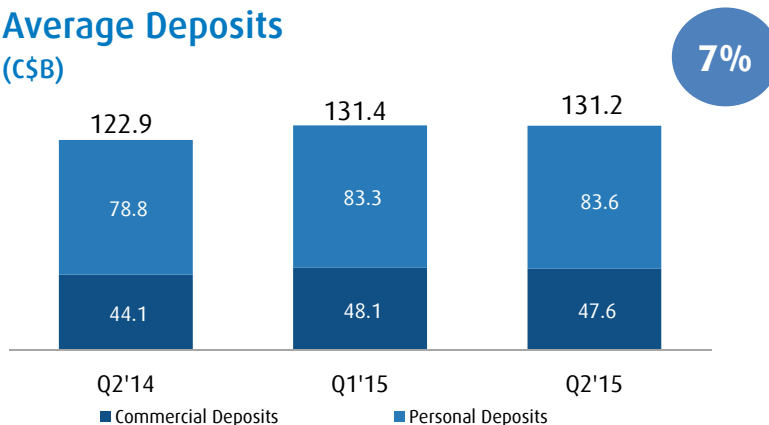
Average Loans & Acceptances (C\$B)



Loans

- Total loan growth of 3% Y/Y
 - Mortgages up 4% Y/Y
 - Consumer loans down 2% Y/Y due in part to reducing exposure to certain auto loans
 - Auto loans down 8% Y/Y
 - Commercial loan balances¹ up 6% Y/Y

Average Deposits (C\$B)



Deposits

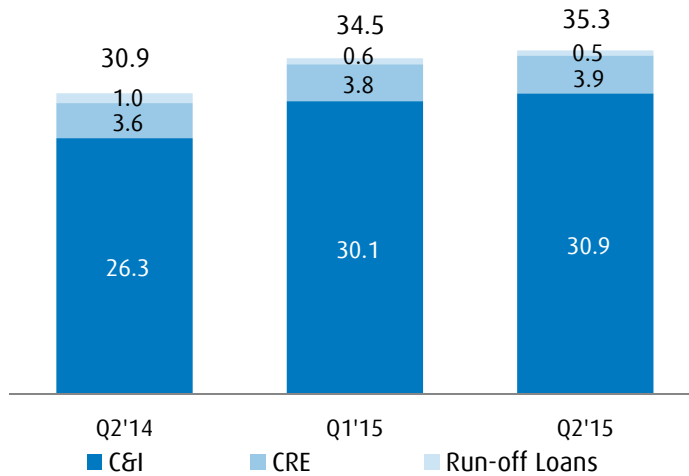
- Continued strong deposit growth with total deposits up 7% Y/Y
 - Personal deposit balances up 6% Y/Y due to growth in term and chequing products
 - Commercial deposit balances up 8% Y/Y

¹ Commercial lending growth excludes commercial cards. Commercial cards balances approximately 8% of total credit card portfolio in Q2'15, and approximately 7% in each of Q1'15 and Q2'14

U.S. Personal & Commercial Banking – Commercial Balances

All amounts in US\$B

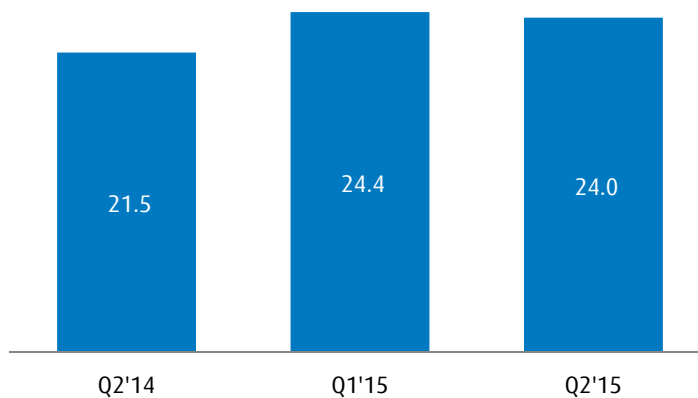
Average Commercial Loans



Loans

- Strong core C&I loan growth, up 17% Y/Y
- Core Commercial Real Estate portfolio up 11% Y/Y

Average Commercial Deposits



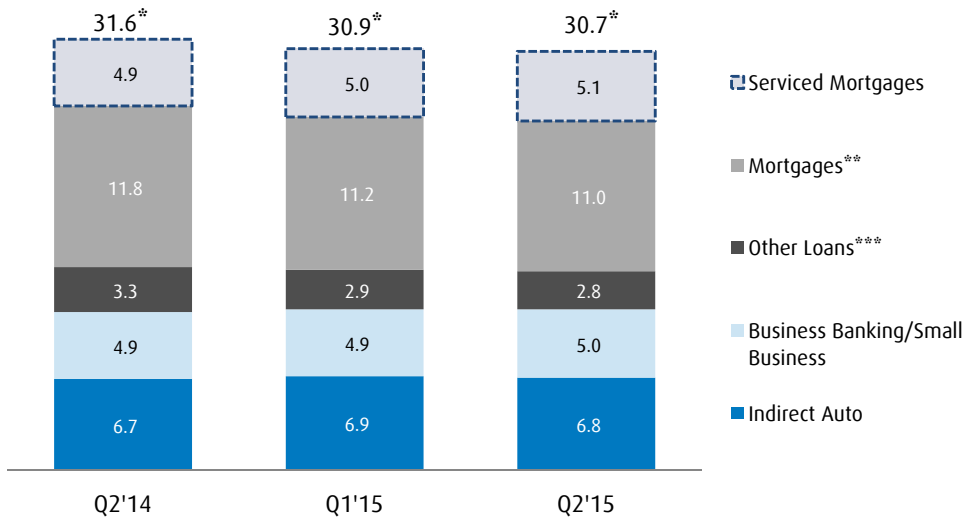
Deposits

- Deposits up 11% Y/Y

U.S. Personal & Commercial Banking – Personal Balances

All amounts in US\$B

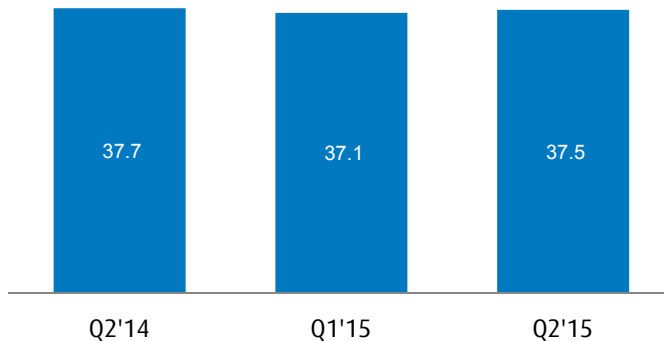
Average Personal Loans



Loans

- Core Business Banking up 3% Y/Y
- Indirect Auto up 2% Y/Y
- Mortgage portfolio down 7% Y/Y
- Serviced mortgage portfolio up 5% Y/Y

Average Personal Deposits



Deposits

- Deposit balances relatively stable. The benefit of chequing balance growth was more than offset by declines in CD and money market balances
- Chequing balances up 9% Y/Y

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

** Mortgages include Home Equity (Q2'15 \$4.3B; Q1'15 \$4.5B; Q2'14 \$5.0B) and Wealth Management Mortgages (Q2'15 \$1.6B; Q1'15 \$1.5B; Q2'14 \$1.4B)

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

Corporate Governance

- Code of Conduct based on BMO's values, provides ethical guidance and expectations of behaviour for all 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

Sustainability at BMO

Operating our business responsibly and considering the social and environmental impacts of our activities

Sustainability Initiatives

- Attained and maintained Carbon Neutrality across the enterprise since 2010
- Achieved ISO 14001 certification for Environmental Management System in two buildings in the GTA
- Signatory to the United Nations Principles for Responsible Investing – a framework for incorporating environmental, social and corporate governance issues into investment portfolios
- Signatory to the Equator Principles – a credit risk management framework for project financing
- Member of the United Nations Global Compact Canada Network

Positive Social and Environmental Impact

In 2014, we:

- Contributed \$57.7MM to non-profit organizations across North America
- Nearly 6,700 employees donated 22,000 hours to their communities through bank programs
- Helped raise approximately \$2.8B of equity and debt in the capital markets for North American renewable energy mandates
- Provided more than US\$701.6MM in loans to support community development in the U.S.

Recognized as a Leader

- Global 100: Most Sustainable Corporations in the World (2015)
- Highest ranked by Report on Business' Board Games 2014
- Dow Jones Sustainability North America Index for 2014/15
- Canada's Best 50 Corporate Citizens by Corporate Knights'
- Maclean's/Sustainalytics list of the Top 50 Socially Responsible Corporations in Canada
- 2014 Newsweek Green Rankings
- 2014 Canada 200 Carbon Disclosure Leadership Index by the Carbon Disclosure Project



Economic Outlook and Indicators



Economic Indicators (%) ¹	Canada			United States			Eurozone		
	2014	2015E	2016E	2014	2015E	2016E	2014	2015E	2016E
GDP Growth	2.5	1.7	2.2	2.4	2.5	2.6	0.9	1.4	1.5
Inflation	1.9	1.1	2.0	1.6	0.2	2.2	0.4	(0.0)	1.1
Interest Rate (3mth Tbills)	0.91	0.64	0.84	0.03	0.12	0.95	0.18	0.01	0.06
Unemployment Rate	6.9	6.8	6.6	6.2	5.3	4.7	11.6	11.1	10.5
Current Account Balance / GDP ²	(2.2)	(3.1)	(2.0)	(2.4)	(2.5)	(2.8)	3.0	3.1	3.2
Budget Surplus / GDP ²	(0.1)	0.1	0.1	(2.8)	(2.7)	(2.4)	(2.6)	(2.3)	(1.9)

¹Annual average

²Estimates as of May 25, 2015; Eurozone estimates provided by OECD

Canada

- The economy likely contracted slightly in Q1 because of a sharp decline in investment in the energy sector
- Economic growth will likely slow to 1.7% in 2015 due to lower oil prices, though exports should continue to strengthen in response to a weaker currency and firmer U.S. demand
- The Bank of Canada is expected to keep interest rates steady for the remainder of this year, before raising rates in 2016
- The Canadian dollar may weaken moderately further against the greenback in response to lower interest rates in Canada than in the U.S., but should strengthen in 2016 on higher oil prices

United States

- The economy stalled in Q1 due to a decline in energy investment, the strong dollar, and the temporary effects of severe winter weather and shipping disruptions
- A stronger consumer and housing market will lead economic growth of 2.5% in 2015
- The unemployment rate is expected to fall below 5% by year-end
- The Federal Reserve will likely begin raising interest rates in September
- The U.S. dollar is expected to strengthen further in 2015 as the Federal Reserve begins to tighten policy

Adjusting Items

Adjusting ¹ items – Pre-tax (\$MM)	Q2 14	Q3 14	Q4 14	Q1 15	Q2 15
Acquisition integration costs	-	(9)	(11)	(13)	(11)
Amortization of acquisition-related intangible assets	(28)	(39)	(42)	(40)	(40)
Restructuring costs ²	-	-	-	-	(149)
Adjusting items included in reported pre-tax income	(28)	(48)	(53)	(53)	(200)

Adjusting ¹ items – After-tax (\$MM)	Q2 14	Q3 14	Q4 14	Q1 15	Q2 15
Acquisition integration costs	-	(7)	(9)	(10)	(10)
Amortization of acquisition-related intangible assets	(21)	(29)	(32)	(31)	(31)
Restructuring costs ²	-	-	-	-	(106)
Adjusting items included in reported net income after tax	(21)	(36)	(41)	(41)	(147)
Impact on EPS (\$)	(0.03)	(0.06)	(0.07)	(0.07)	(0.22)

1 Amortization of acquisition-related intangible assets reflected across the Operating Groups; acquisition integration costs related to F&C are charged to Wealth Management and are recorded in non-interest expense

2 Primarily due to restructuring to drive operational efficiencies. Also includes the settlement of a legacy legal matter from an acquired entity

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 32 of BMO's 2014 Annual Report and page 5 of BMO's Second Quarter 2015 Report to Shareholders

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