

Investor Presentation

For the Quarter Ended – October 31, 2015

December 1, 2015



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Q4|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 2016 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 level 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; the anticipated benefits from the acquisition of the GE Capital Transportation Finance business are not realized in the time frame anticipated or at all; 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; outbreaks of disease or illness that affect 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 86 to 117 of BMO's 2015 Annual MD&A, which outlines 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 Developments and Outlook section on page 30 of BMO's 2015 Annual MD&A.

Assumptions about current and expected capital requirements, GE Capital's Transportation Finance business revenues and expenses, potential for earnings growth as well as costs associated with the transaction and expected synergies, were material factors we considered in estimating the impact of the acquired business on our net income, profitability and margins in 2016 and beyond.

Assumptions about current and expected capital requirements and our models used to assess those requirements under applicable capital guidelines, GE Capital's Transportation Finance business revenues and expenses, potential for earnings growth as well as costs associated with the transaction and expected synergies were material factors we considered in estimating the impact on our capital ratios in 2016 and beyond.

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 2015 Earnings Release and BMO's 2015 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, 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.

Strategic Highlights

For the Quarter Ended – October 31, 2015

December 1, 2015

Bill Downe
Chief Executive Officer



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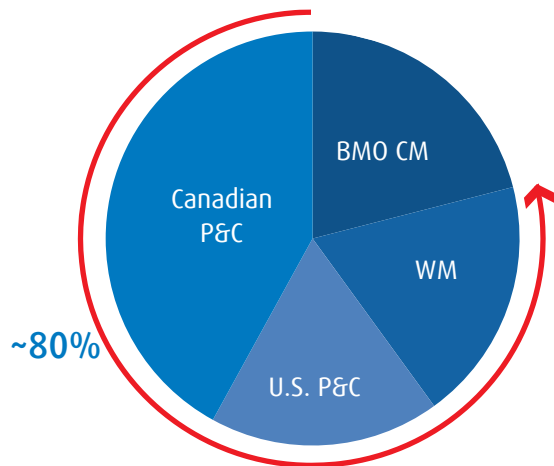
Q4|15

2015 Financial Highlights

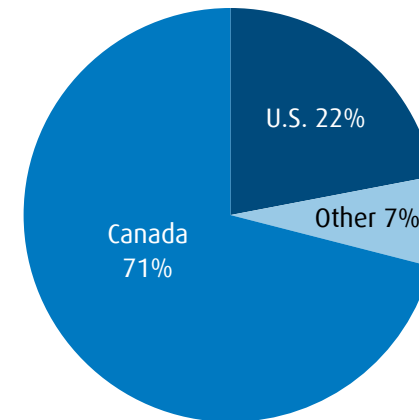
Strong finish to the year with adjusted net income of ~\$4.7B

- Record adjusted¹ EPS of \$7.00, up 6%
- Canadian P&C, U.S. P&C and Wealth Management represent ~80% of adjusted net income
- Personal & Commercial and Wealth Management businesses in the U.S. contributed \$1B to adjusted net income
- Strong Capital position, with CET1 ratio of 10.7%

F2015 Operating Group
Adjusted Net Income^{1,2}



F2015 Adjusted Net Income
by Geography¹



¹ Adjusted measures are non-GAAP measures. See slide 2 of this document, page 33 of BMO's 2015 Annual MD&A and page 6 of BMO's Fourth Quarter 2015 Earnings Release

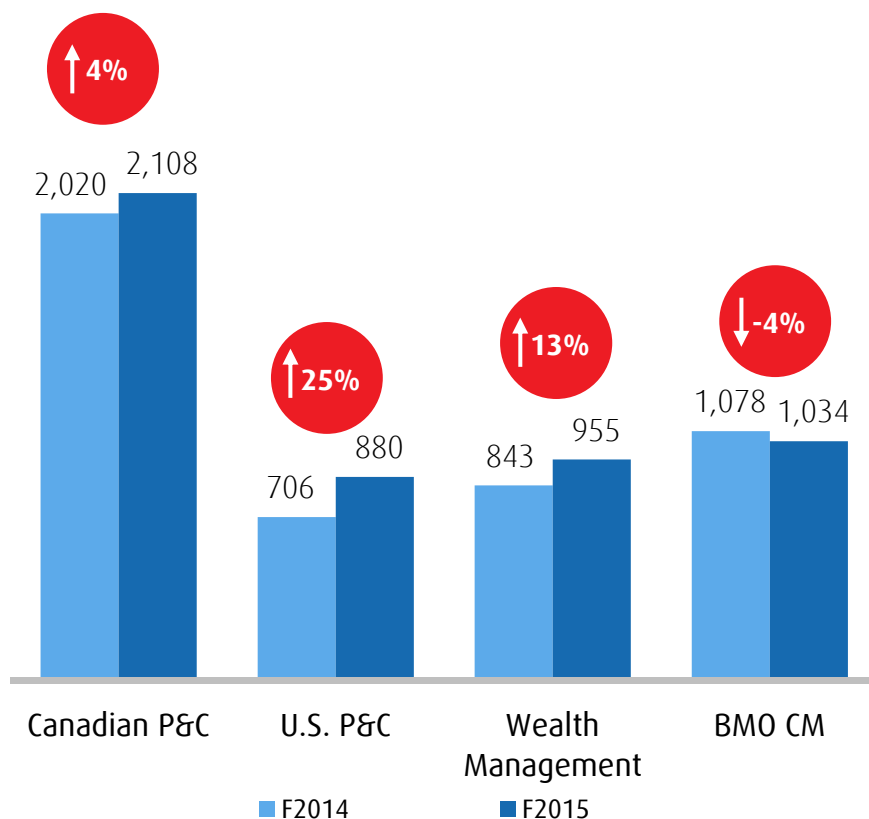
² Excludes Corporate Services

Reported results: net income of \$4.4B, up 2%; EPS \$6.57, up 2.5%. See slide 27 for adjustments to reported results

Operating Group Performance

Good growth in Canadian P&C, U.S. P&C and Wealth Management

F2015 Adjusted¹ Net Income (C\$MM)



- Canadian P&C had good performance in the second half of the year with record annual earnings of \$2.1B, up 4%
- U.S. P&C had a good year with record net income, up 25% (9% in USD). C&I loan growth remained robust
- Wealth Management net income was up 13% reflecting good organic growth, and the addition of F&C
- BMO CM results were solid given market conditions

¹ Adjusted measures are non-GAAP measures. See slide 2 of this document, page 33 of BMO's 2015 Annual MD&A and page 6 of BMO's Fourth Quarter 2015 Earnings Release
Reported Net Income: Canadian P&C: 2015: \$2,104MM, 2014: \$2,016MM; U.S. P&C: 2015: \$827MM, 2014: \$654MM; Wealth Management: 2015: \$850MM, 2014: \$780MM; Capital Markets: 2015: \$1,032, 2014: \$1,077MM
For details on adjustments refer to slide 27

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.

Financial Results

For the Quarter Ended – October 31, 2015

December 1, 2015

Tom Flynn
Chief Financial Officer



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F2015 - Financial Highlights

Record adjusted net income of \$4.7B, reflecting stronger performance in the second half of the year

Adjusted (\$B) ¹	F2014	F2015
Revenue	18.2	19.4
CCPB²	1.5	1.3
Net Revenue	16.7	18.1
PCL	0.6	0.6
Expense	10.8	11.8
Net Income	4.5	4.7
Reported Net Income	4.3	4.4
Diluted EPS (\$)	6.59	7.00
ROE (%)	14.4	13.3
Common Equity Tier 1 (CET1) Ratio (%)	10.1	10.7

- Adjusted EPS up 6%; adjusted net income up 5%
- Net revenue up 8% (4% ex USD impact), demonstrating the benefit of our diversified businesses
- Underlying credit performance remained stable
- Expenses up 10% (4% ex USD impact)
- Positive operating leverage³ in second half of the year demonstrating efficiency focus
- Effective tax rate⁴ of 18.0% (24.9% on teb⁵ basis) up from 17.5% in F2014
- ROE of 13.3%; book value per share up 17%
- Strong capital position

¹ See slide 27 for adjustments to reported results. Adjusted measures are non-GAAP measures. See slide 2 of this document, page 33 of BMO's 2015 Annual MD&A and page 6 of BMO's Fourth Quarter 2015 Earnings Release. Reported expenses: F2015 \$12.2B; F2014 \$10.9B; Reported EPS - diluted: F2015 \$6.57; F2014 \$6.41; Reported ROE: F2015 12.5%; F2014 14.0%

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 Operating leverage on a net revenue basis

⁴ Reported effective tax rate: F2015 17.5%

⁵ Operating group revenues, income taxes and net interest margin are stated on a taxable equivalent basis (teb). This teb adjustment is offset in Corporate Services, and total BMO revenue, income taxes and net interest margin are stated on a GAAP basis

Q4 2015 - Financial Highlights

Adjusted net income of \$1.3B, EPS up 17% Y/Y with growth across groups

Adjusted (\$MM) ¹	Q4 14	Q3 15	Q4 15
Revenue	4,640	4,826	4,984
CCPB²	300	218	265
Net Revenue	4,340	4,608	4,719
PCL	170	160	128
Expense	2,834	2,922	3,032
Net Income	1,111	1,230	1,264
Reported Net Income	1,070	1,192	1,214
Diluted EPS (\$)	1.63	1.86	1.90
ROE (%)	13.7	14.0	13.5
Common Equity Tier 1 (CET1) Ratio (%)	10.1	10.4	10.7

- Adjusted EPS up 17% Y/Y; adjusted net income up 14% Y/Y
- Net revenue up 9% Y/Y (3% ex USD impact) with growth across all operating groups
- PCL down Y/Y and Q/Q
- Expenses well managed; up 7% Y/Y (flat ex USD impact)
- Operating leverage³ of 1.8% (2.6% ex USD impact)
- Effective tax rate⁴ of 18.9% (24.7% on teb⁵ basis), up from 16.8% in Q4'14
- ROE of 13.5%; book value per share up 17% Y/Y

¹ See slide 27 for adjustments to reported results. Adjusted measures are non-GAAP measures. See slide 2 of this document, page 33 of BMO's 2015 Annual MD&A and page 6 of BMO's Fourth Quarter 2015 Earnings Release. Reported expenses: Q4'15 \$3,093MM; Q3'15 \$2,971MM; Q4'14 \$2,887MM; Reported EPS - diluted: Q4'15 \$1.83; Q3'15 \$1.80; Q4'14 \$1.56; Reported ROE: Q4'15 12.9%; Q3'15 13.6%; Q4'14 13.1%

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 Operating leverage on a net revenue basis and shown Y/Y

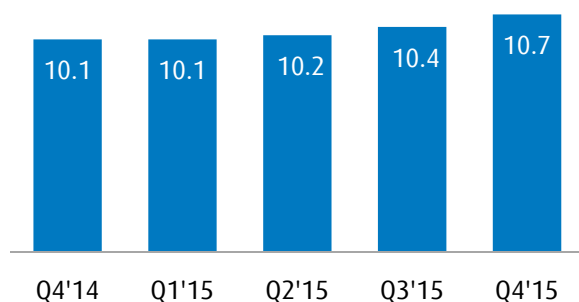
⁴ Reported effective tax rate: Q4'15 18.8%

⁵ Operating group revenues, income taxes and net interest margin are stated on a taxable equivalent basis (teb). This teb adjustment is offset in Corporate Services, and total BMO revenue, income taxes and net interest margin are stated on a GAAP basis

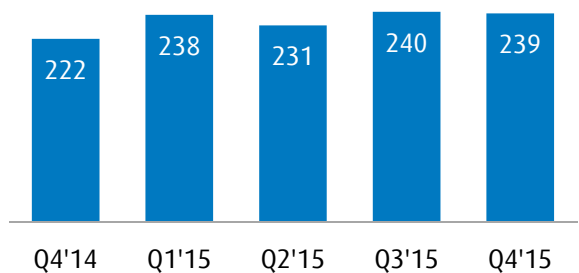
Capital & Risk Weighted Assets

CET1 Ratio strong at 10.7%

Common Equity Tier 1 Ratio (%)



Risk Weighted Assets (\$B)

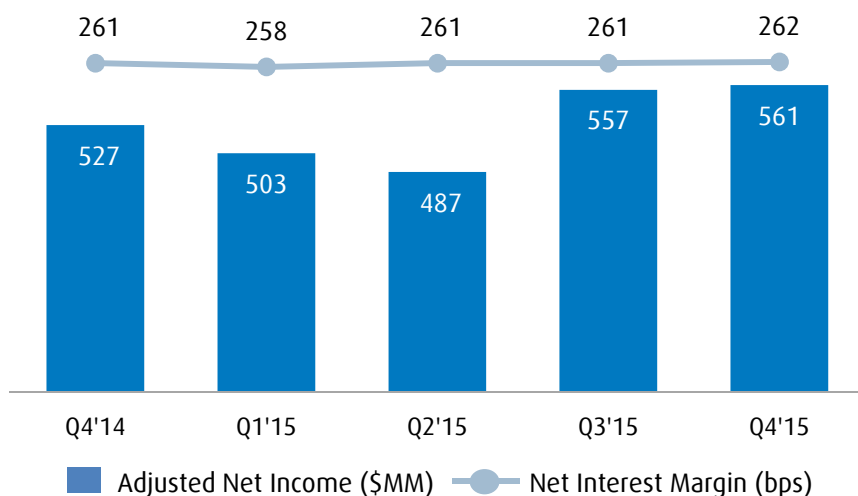


- Common Equity Tier 1 Ratio of 10.7%, ~30 bps higher than Q3'15
 - ~25 bps increase due to CET1 capital mainly from retained earnings growth
 - ~5 bps increase due to lower RWA of ~\$1B primarily driven by changes in book quality and lower market risk, largely offset by increases due to changes in methodology and business growth
- Well positioned for the closing of GE Capital's Transportation Finance business acquisition in Q1
- Effective capital deployment in the year with ~60% of adjusted income returned to shareholders through dividends and the repurchase of 8 million shares, an accretive acquisition announced and good business growth
- Common dividend increased 2 cents to \$0.84 per share. Attractive dividend yield of +4%

Canadian Personal & Commercial Banking

Good net income growth in quarter of 7% Y/Y

Adjusted (\$MM) ¹	Q4 14	Q3 15	Q4 15
Revenue (teb)	1,651	1,698	1,709
PCL	129	109	112
Expenses	818	844	845
Net Income	527	557	561
Reported Net Income	526	556	560
Efficiency Ratio² (%)	49.5	49.7	49.5



Annual Highlights

- Good performance in the second half of the year; annual earnings of \$2.1B, up 4%

Q4 Highlights

- Adjusted net income up 7% Y/Y and 1% Q/Q
- Revenue up 3% Y/Y reflecting higher balances and fee revenue; up 1% Q/Q
 - Loans up 4% and deposits up 5% Y/Y
 - NIM up 1 bp Y/Y and Q/Q
- Strong credit performance with PCL down Y/Y from lower consumer provisions; stable Q/Q
- Expense growth moderated, up 3% Y/Y and flat Q/Q
- Operating leverage positive with improving trend. Efficiency ratio of 49.5% improved 20 bps Q/Q and stable Y/Y

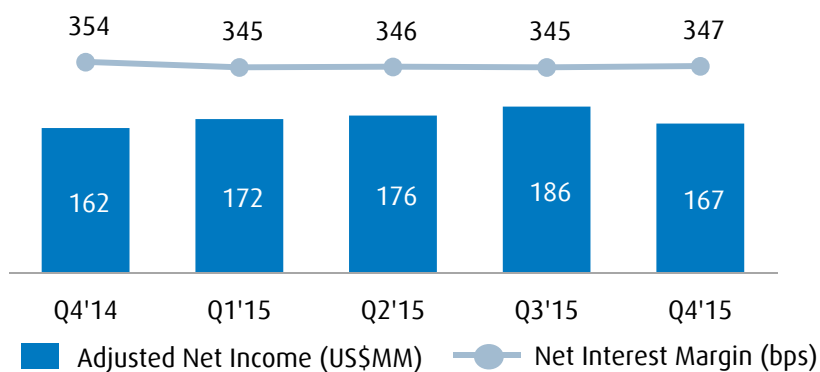
¹ See slide 27 for adjustments to reported results. Adjusted measures are non-GAAP measures. See slide 2 of this document, page 33 of BMO's 2015 Annual MD&A and page 6 of BMO's Fourth Quarter 2015 Earnings Release. Reported revenue and PCL same as adjusted amounts; Reported expenses: Q4'15 \$847MM; Q3'15 \$845MM; Q4'14 \$819MM

² Reported efficiency ratio: Q4'15 49.6%; Q3'15 49.8%; Q4'14 49.6%

U.S. Personal & Commercial Banking

Good annual adjusted net income growth of 25% (9% in USD)

Adjusted (US\$MM) ¹	Q4 14	Q3 15	Q4 15
Revenue (teb)	724	727	723
PCL	42	15	33
Expenses	460	464	474
Net Income	162	186	167
Reported Net Income	151	175	157
Efficiency Ratio² (%)	63.6	63.9	65.5



Annual Highlights

- Adjusted net income up 25% (9% in USD) with strong C&I loan growth, well-controlled expenses (up less than 1%) and good credit performance

Q4 Highlights

- Adjusted net income of \$221MM, up 22% Y/Y and loans up 23%. Figures that follow are in U.S. dollars
- Adjusted net income of \$167MM up 3% Y/Y; down 10% Q/Q primarily due to below trend PCL in Q3'15
- Revenue flat Y/Y as higher loan and deposit volumes and mortgage banking revenue were offset by lower NIM; relatively stable Q/Q
 - Loans³ up 3% Y/Y, including double-digit C&I loan growth
 - NIM up 2 bps Q/Q
- PCL down Y/Y and up Q/Q from a below trend Q3
- Expenses up 3% Y/Y and 2% Q/Q
- Acquisition of GE Capital's Transportation Finance business closed December 1st

¹ See slide 27 for adjustments to reported results. Adjusted measures are non-GAAP measures. See slide 2 of this document, page 33 of BMO's 2015 Annual MD&A and page 6 of BMO's Fourth Quarter 2015 Earnings Release.

Reported revenue and PCL same as adjusted amounts; Reported expenses: Q4'15 \$487MM; Q3'15 \$478MM; Q4'14 \$476MM

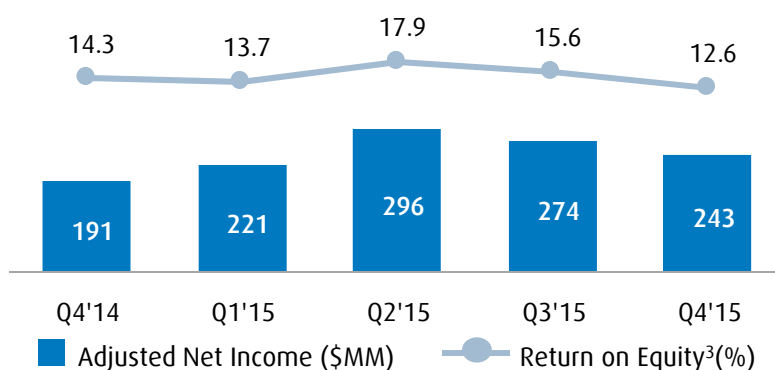
² Reported efficiency ratio: Q4'15 67.4%; Q3'15 65.8%; Q4'14 65.8%

³ Average current loans and acceptances excludes impaired loans

BMO Capital Markets

Solid results given market conditions; Q4 adjusted net income up 27% Y/Y

Adjusted (\$MM) ¹	Q4 14	Q3 15	Q4 15
Trading Products Revenue	470	619	564
I&CB Revenue	341	383	374
Revenue (teb)	811	1,002	938
PCL	(7)	14	(2)
Expenses	572	622	622
Net Income	191	274	243
Reported Net Income	191	273	242
Efficiency Ratio (%)²	70.7	62.2	66.3



Annual Highlights

- Solid results given market conditions, with revenue up 4%; net income over \$1B, down 4% from last year; ROE of 14.9% on higher allocated capital than prior year

Q4 Highlights

- Adjusted net income up 27% Y/Y from below trend results a year ago; down 11% Q/Q due to unsettled markets
- Revenue up 16% Y/Y and down 6% Q/Q
 - Y/Y up 9% ex USD impact due to higher trading revenue, corporate banking and securities commissions and fees
 - Q/Q down 8% ex USD impact due to lower trading revenue and reduced investment banking activity
 - Net securities gains down Y/Y and Q/Q
- Net recoveries of \$2MM compared to \$7MM in the prior year and provisions of \$14MM in Q3'15
- Expenses up 9% Y/Y and flat Q/Q (flat Y/Y; down 2% Q/Q ex USD impact)

¹ See slide 27 for adjustments to reported results. Adjusted measures are non-GAAP measures. See slide 2 of this document, page 33 of BMO's 2015 Annual MD&A and page 6 of BMO's Fourth Quarter 2015 Earnings Release.

Reported revenue and PCL same as adjusted amounts. Reported expenses: Q4'15 \$623MM; Q3'15 \$623MM; Q4'14 \$573MM

² Reported efficiency ratio: Q4'15 66.4%; Q3'15 62.2%; Q4'14 70.8%

³ ROE impacted by F2015 methodology change that increased allocated capital

Wealth Management

Good annual net income growth, up 13% from prior year

Adjusted ¹ (\$MM)	Q4 14	Q3 15	Q4 15
Revenue	1,400	1,336	1,457
CCPB²	300	218	265
Net Revenue²	1,100	1,118	1,192
PCL	(1)	3	1
Expenses³	783	808	819
Net Income	252	233	271
Reported Net Income	225	210	243
Efficiency Ratio⁴ (%) - net of CCPB	71.2	72.3	68.7

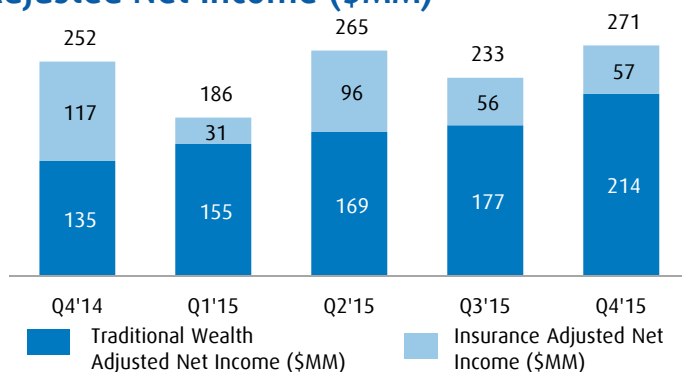
Annual Highlights

- Good organic growth and the addition of F&C drove adjusted net income¹ growth of 13%. Wealth now comprises 20% of BMO's adjusted net income

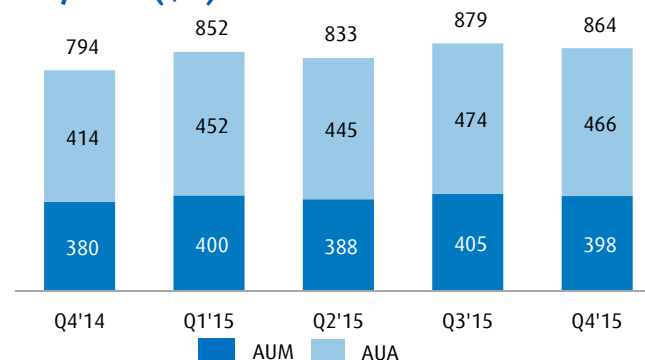
Q4 Highlights

- Adjusted net income up 8% Y/Y and 16% Q/Q
- Traditional Wealth net income up Y/Y and Q/Q, benefitting from gain on sale and underlying business growth partly offset by a legal reserve
- Insurance earnings of \$57MM consistent Q/Q and down Y/Y primarily due to high actuarial benefits in the prior year
- Expenses up Y/Y primarily due to impact of the stronger U.S. dollar and higher revenue-based costs; Q/Q expenses up largely due to the stronger U.S. dollar
- AUM/AUA up 9% Y/Y driven by foreign exchange and market appreciation; down 2% Q/Q

Adjusted Net Income (\$MM)



AUM/AUA (\$B)



1 See slide 27 for adjustments to reported results. Adjusted measures are non-GAAP measures. See slide 2 of this document, page 33 of BMO's 2015 Annual MD&A and page 6 of BMO's Fourth Quarter 2015 Earnings Release. Reported revenue and PCL same as adjusted amounts; Reported expenses: Q4'15 \$854MM; Q3'15 \$839MM; Q4'14 \$816MM. F2015 reported net income growth of 9%

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 Q4'15 exclude \$13MM pre-tax for acquisition integration costs and \$22MM of amortization of intangible assets

4 Reported efficiency ratio (gross): Q4'15 58.6%; Q3'15 62.8%; Q4'14 58.3%; Adjusted efficiency ratio (gross): Q4'15 56.2%; Q3'15 60.5%; Q4'14 55.9%;

Corporate Services

Adjusted (\$MM) ^{1,2}	Q4 14	Q3 15	Q4 15
Revenue	72	(15)	47
Group teb offset²	(99)	(114)	(120)
Total Revenue (teb)^{2,3}	(27)	(129)	(73)
PCL (recovery)^{3,4}	2	15	(25)
Expenses	150	59	121
Net Loss	(41)	(69)	(32)
Reported Net Loss	(41)	(69)	(38)

Annual Highlights

- Adjusted net loss⁵ of \$296MM compared to a net loss of \$194MM a year ago primarily due to lower credit recoveries and lower purchased loan portfolio revenues

Q4 Highlights

- Adjusted net loss of \$32MM compared to net loss of \$41MM in the prior year due to lower revenue more than offset by lower PCL and lower expenses
- Q/Q adjusted net loss \$37MM better due to above-trend revenue largely due to a legal settlement and lower PCL due to benefits from a loan sale, partially offset by higher expenses from a low Q3 level
- Group teb offset is eliminated in taxes with no impact on net income

1 See slide 27 for adjustments to reported results. Adjusted measures are non-GAAP measures. See slide 2 of this document, page 33 of BMO's 2015 Annual MD&A and page 6 of BMO's Fourth Quarter 2015 Earnings Release. Reported expenses: Q4'15 \$126MM; Q3'15 \$59MM; Q4'14 \$150MM

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

3 Credit-related items in respect of the purchased performing loan portfolio: Q4'15 \$42MM pre-tax (\$26MM after-tax), includes revenue \$22MM, PCL \$(20)MM; Q3'15 \$1MM pre-tax (\$1MM after-tax); Q4'14 \$14MM pre-tax (\$9MM after-tax)

4 Purchased credit impaired loan portfolio recoveries: Q4'15 \$12MM pre-tax (\$8MM after-tax); Q3'15 \$19MM pre-tax (\$12MM after-tax); Q4'14 \$33MM pre-tax (\$20MM after-tax)

5 Reported net loss: F2015 \$(408)MM; F2014 \$(194)MM

Risk Review

For the Quarter Ended – October 31, 2015

December 1, 2015

Surjit Rajpal
Chief Risk Officer



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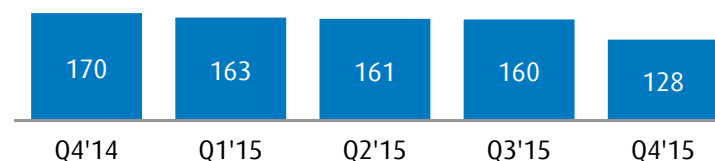
Q4|15

Provision for Credit Losses (PCL)

PCL By Operating Group (C\$MM)	Q4 14 ¹	Q3 15	Q4 15
Consumer – Canadian P&C	111	86	95
Commercial – Canadian P&C	18	23	17
Total Canadian P&C	129	109	112
Consumer – U.S. P&C	35	25	(6)
Commercial – U.S. P&C	12	(6)	48
Total US P&C	47	19	42
Wealth Management	(1)	3	1
Capital Markets	(7)	14	(2)
Corporate Services	2	15	(25)
Specific PCL	170	160	128
Change in Collective Allowance	-	-	-
Total PCL	170	160	128
PCL in bps	23	20	15

- Credit performance for the year remains strong (F2015: 19 bps)
- PCL improved in the quarter (Q4: 15 bps)

Quarterly Specific PCL (C\$MM)



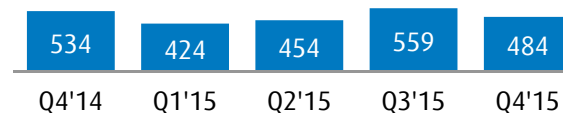
¹ Certain comparative figures have been reclassified to conform with the current year's presentation

Gross Impaired Loans (GIL) and Formations

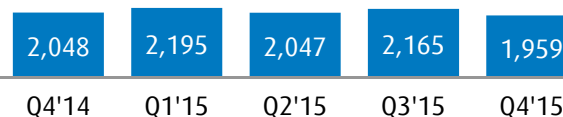
By Industry (C\$MM)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other ¹	U.S.	Total
Consumer	159	126	285	359	557	916
Manufacturing	2	1	3	19	121	140
Service Industries	6	40	46	22	118	140
Agriculture	5	18	23	51	84	135
Commercial Real Estate	5	4	9	55	49	104
Oil & Gas	2	18	20	2	100	102
Construction (non-real estate)	0	1	1	16	75	91
Retail Trade	9	12	21	17	61	78
Wholesale Trade	5	33	38	8	58	66
Financial Institutions	0	34	34	4	47	51
Transportation	0	0	0	6	29	35
Mining	0	0	0	4	0	4
Other Commercial & Corporate ²	4	0	4	82	15	97
Commercial & Corporate	38	161	199	286	757	1,043
Total Bank	197	287	484	645	1,314	1,959

- GIL decreased by 8 bps to 58 bps
- In constant U.S. dollars, GIL down 13% year-over-year
- Impaired formations decreased from prior quarter

Formations (C\$MM)



Gross Impaired Loans (C\$MM)

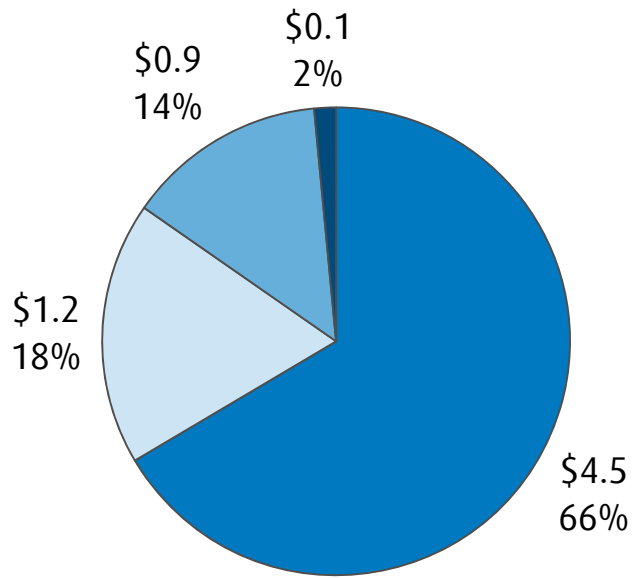


¹ Commercial & Corporate includes ~\$4MM GIL from Other Countries

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

Oil and Gas and Alberta Consumer Portfolios

Oil and Gas Balances – By Sector (C\$B)



- Exploration & Development
- Pipelines
- Services
- Manufacturing & Refining

Oil and Gas – Corporate/Commercial

- Oil and Gas Loans of \$6.7B; 2% of total bank loans with >50% investment grade
- \$7.8B in undrawn exposure; ~60% investment grade

Consumer Exposure in Alberta

- Alberta consumer represents 7% of total bank loans and over 80% is Real Estate Secured (RESL)
 - ~60% of Alberta RESL is insured
 - 56% LTV on uninsured RESL

Loan Portfolio Overview

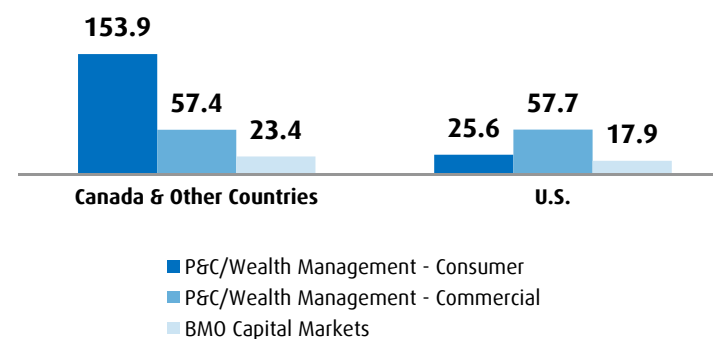
Gross Loans & Acceptances By Industry (C\$B)	Canada & Other ¹	U.S.	Total	% of Total
Residential Mortgages	97.0	8.9	105.9	32%
Personal Lending	49.5	16.1	65.6	19%
Cards	7.4	0.6	8.0	2%
Total Consumer	153.9	25.6	179.5	53%
Financial Institutions	13.7	17.5	31.2	9%
Service Industries	13.6	14.8	28.4	9%
Commercial Real Estate	12.8	7.8	20.6	6%
Manufacturing	5.3	10.9	16.2	5%
Retail Trade	8.1	6.0	14.1	4%
Wholesale Trade	3.5	6.8	10.3	3%
Agriculture	7.7	2.2	9.9	3%
Oil & Gas	4.3	2.4	6.7	2%
Mining	0.8	0.5	1.3	0%
Other Commercial & Corporate ²	11.0	6.7	17.7	6%
Total Commercial & Corporate	80.8	75.6	156.4	47%
Total Loans	234.7	101.2	335.9	100%

¹ Commercial & Corporate includes ~\$11.2B from Other Countries

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

- Loans are well diversified by geography and industry

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



Canadian Residential Mortgages

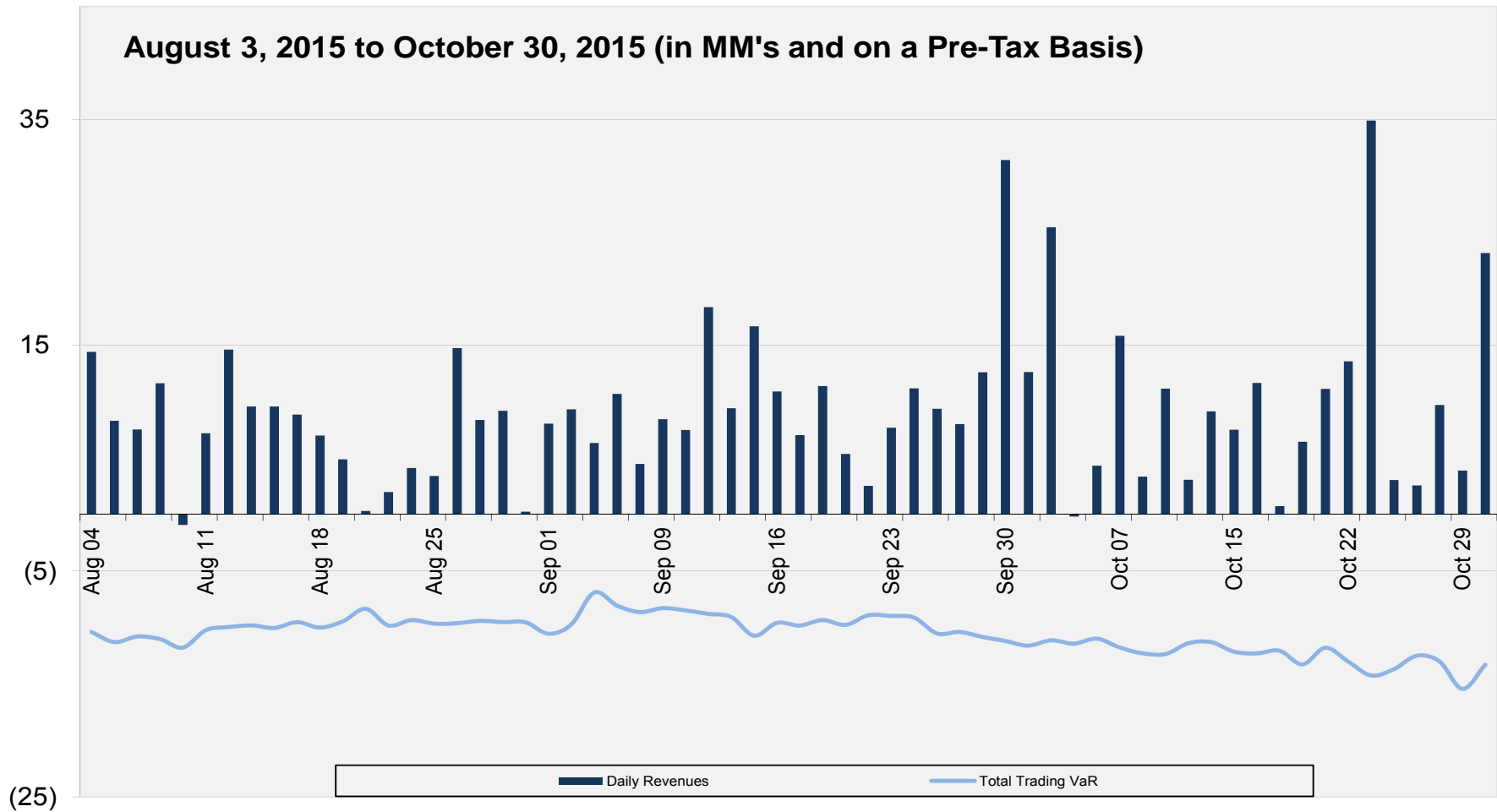
- Total Canadian residential mortgage portfolio at \$97.0B represents 43% of Canadian gross loans and acceptances
 - 58% of the portfolio is insured
 - Loan-to-value (LTV)¹ on the uninsured portfolio is 57%²
 - 71% of the portfolio has an effective remaining amortization of 25 years or less
 - Loss Rates for the trailing 4 quarter period were less than 1bp
 - 90 day delinquency rate at 26 bps
 - Condo Mortgage portfolio is \$14.0B with 51% insured

Residential Mortgages by Region (c\$B)	Insured	Uninsured	Total	% of Total
Atlantic	3.6	1.7	5.3	6%
Quebec	9.0	5.4	14.4	15%
Ontario	23.0	17.0	40.0	41%
Alberta	11.1	4.6	15.7	16%
British Columbia	7.5	10.3	17.8	18%
All Other Canada	2.4	1.4	3.8	4%
Total Canada	56.6	40.4	97.0	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 Q4'15 was 52%

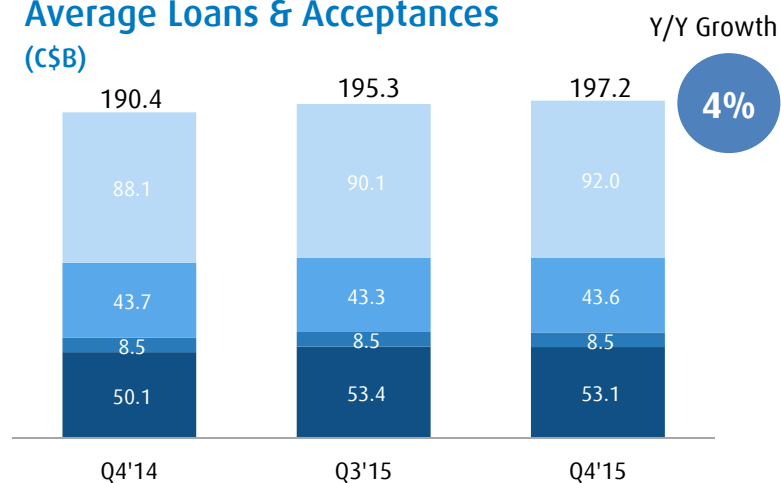
Trading Revenue vs. VaR



APPENDIX

Canadian Personal & Commercial Banking – Balances

Average Loans & Acceptances (C\$B)

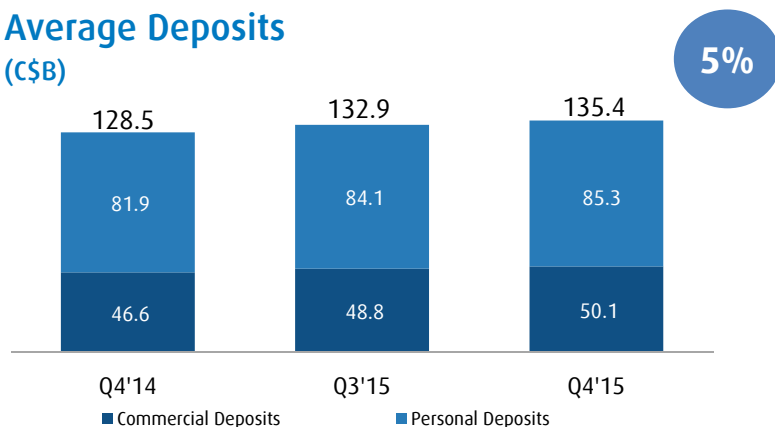


■ Commercial Loans & Acceptances ■ Credit Cards ■ Consumer Loans ■ Residential Mortgages

Loans

- Loan growth of 4% Y/Y
 - Mortgages up 4% Y/Y
 - Consumer loan balances relatively stable
 - Commercial loan balances¹ up 6% Y/Y

Average Deposits (C\$B)



■ Commercial Deposits ■ Personal Deposits

Deposits

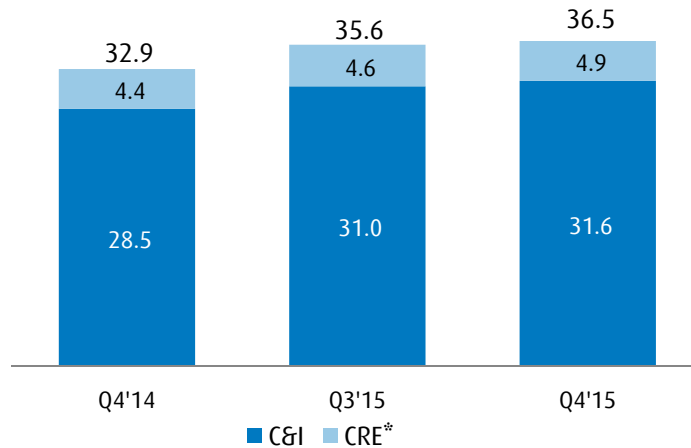
- Deposit growth of 5% Y/Y
 - Personal deposit balances up 4% Y/Y reflecting strong chequing account growth
 - Commercial deposit balances up 7% Y/Y

¹ Commercial lending growth excludes commercial cards. Commercial cards balances approximately 7% of total credit card portfolio in Q4'15, 8% in Q3'15 and 7% in Q4'14

U.S. Personal & Commercial Banking – Commercial Balances

All amounts in US\$B

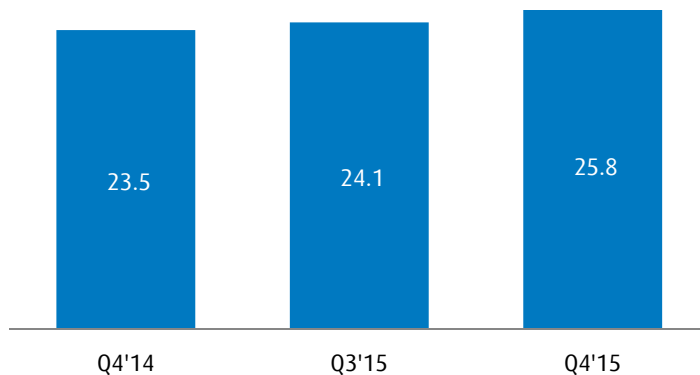
Average Commercial Loans



Loans

- C&I loan growth up 11% Y/Y
- Good growth in the Commercial Real Estate portfolio, up 21% Y/Y

Average Commercial Deposits



Deposits

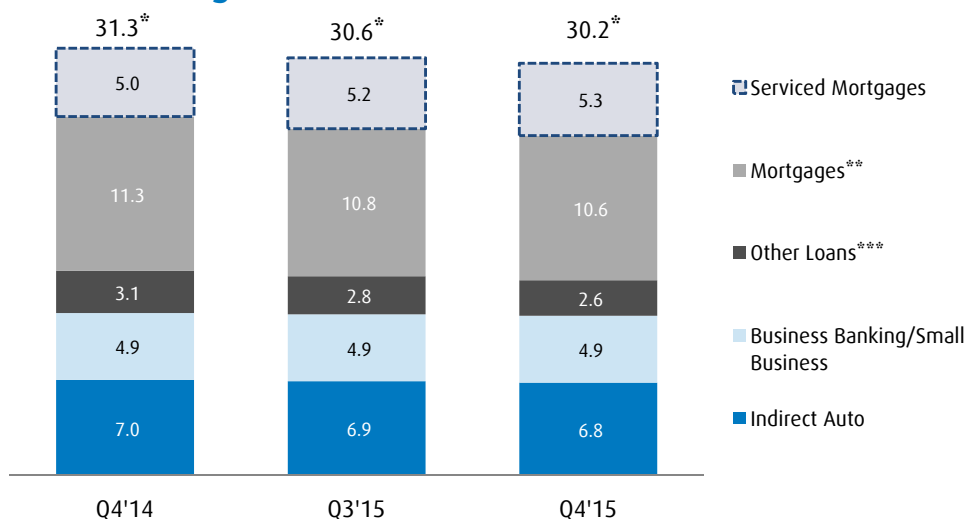
- Good deposit growth, up 10% Y/Y

* Commercial Real Estate portfolio includes Run-off Loans (Q4'15 \$0.4B; Q3'15 \$0.4B; Q4'14 \$0.7B)

U.S. Personal & Commercial Banking – Personal Balances

All amounts in US\$B

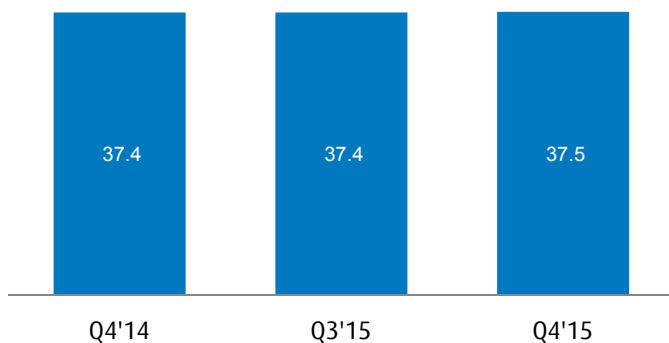
Average Personal Loans



Loans

- Business Banking up 2% Y/Y
- Serviced mortgage portfolio up 8% Y/Y
- Mortgage portfolio down 7% Y/Y
- Indirect Auto down 3% Y/Y due to strategic decision to manage portfolio levels

Average Personal Deposits



Deposits

- Deposit balances up modestly Y/Y. The benefit of chequing balance growth was offset by lower CD and money market balances
- Good growth in chequing balances, up 7% Y/Y

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

** Mortgages include Home Equity (Q4'15 \$4.0B; Q3'15 \$4.2B; Q4'14 \$4.6B) and Wealth Management Mortgages (Q4'15 \$1.7B; Q3'15 \$1.6B; Q4'14 \$1.4B)

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

Adjusting Items

Adjusting ^{1,2} items – Pre-tax (\$MM)	Q4 14	Q3 15	Q4 15	F2014	F2015
Amortization of acquisition-related intangible assets	(42)	(40)	(43)	(140)	(163)
Acquisition integration costs	(11)	(9)	(20)	(20)	(53)
Restructuring costs	-	-	-	-	(149)
Adjusting items included in reported pre-tax income	(53)	(49)	(63)	(160)	(365)

Adjusting ^{1,2} items – After-tax (\$MM)	Q4 14	Q3 15	Q4 15	F2014	F2015
Amortization of acquisition-related intangible assets	(32)	(32)	(33)	(104)	(127)
Acquisition integration costs	(9)	(6)	(17)	(16)	(43)
Restructuring costs	-	-	-	-	(106)
Adjusting items included in reported net income after tax	(41)	(38)	(50)	(120)	(276)
Impact on EPS (\$)	(0.07)	(0.06)	(0.07)	(0.18)	(0.43)

1 Adjusted measures are non-GAAP measures. See slide 2 of this document, page 33 of BMO's 2015 Annual MD&A and page 6 of BMO's Fourth Quarter 2015 Earnings Release.

2 Amortization of acquisition-related intangible assets reflected across the Operating Groups. Acquisition integration costs related to F&C are charged to Wealth Management and acquisition integration costs related to GE Capital are charged to Corporate Services. Acquisition integration costs are primarily recorded in non-interest expense

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