

Investor Presentation

For the Quarter Ended January 31, 2016

February 23, 2016



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Q1|16

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; 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 Review and Outlook section of our First Quarter 2016 Report to Shareholders.

Non-GAAP Measures

Bank of Montreal uses both GAAP and non-GAAP measures to assess performance. Readers are cautioned that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings under GAAP and are unlikely to be comparable to similar measures used by other companies. Reconciliations of GAAP to non-GAAP measures as well as the rationale for their use can be found on page 5 of Bank of Montreal's First Quarter 2016 Report to Shareholders and on page 33 of BMO's 2015 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.

Strategic Highlights

For the Quarter Ended January 31, 2016

February 23, 2016

Bill Downe
Chief Executive Officer



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Q1 2016 Financial Highlights

Adjusted EPS growth of 14% with good operating performance

- Adjusted¹ EPS of \$1.75, up 14%
- \$1.2B in adjusted¹ net income
- Adjusted¹ net operating leverage of 2.8%
- CET1 ratio strong at 10.1% after closing BMO Transportation Finance
- Book value per share up 13%
- Continued focus on technology and innovation

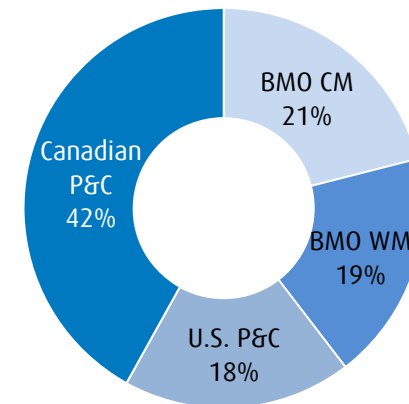
¹ Adjusted measures are non-GAAP measures, see slide 2 for more information. Reported results: EPS \$1.58, up 8%; net income of \$1.1B, net operating leverage 0.5%. See slide 25 for adjustments to reported results

Operating Group Performance

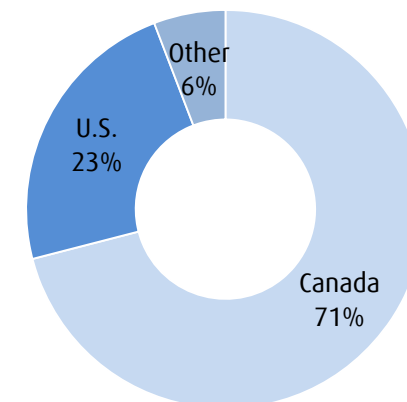
Results reflect benefits of BMO's business mix – well diversified by customer and geography

- Personal and Commercial Banking earnings up 12% Y/Y
 - Canadian P&C net income up 5% with 1.5% positive operating leverage
 - U.S. P&C net income up 29% (11% in USD) with 1.2% positive operating leverage
- BMO Wealth Management results reflect market conditions
- BMO Capital Markets earnings up 18% Y/Y with 4.7% positive operating leverage

Operating Group
Adjusted Net Income – LTM^{1,2}



Adjusted Net Income by
Geography - LTM^{1,2}



¹ Adjusted measures are non-GAAP measures, see slide 2 for more information

² Reported net income by operating group (excludes Corporate Services) Canadian P&C 43%, U.S. P&C 18%, BMO WM 17%, BMO CM 22%; by geography last twelve months (LTM): Canada 71%, U.S. 24%, Other 5%. See slide 25 for adjustments to reported results

Our strategic priorities

1

Achieve industry-leading **customer loyalty** by delivering on our brand promise

2

Enhance **productivity** to drive performance and shareholder value

3

Accelerate deployment of **digital technology** to transform our business

4

Leverage our consolidated **North American platform** and expand strategically in select global markets to deliver growth

5

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

Financial Results

For the Quarter Ended January 31, 2016

February 23, 2016

Tom Flynn
Chief Financial Officer



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Q1 2016 - Financial Highlights

Good operating results with adjusted net income of \$1.2B, EPS up 14% Y/Y

- Adjusted EPS of \$1.75 up 14% Y/Y
- Adjusted net income up 13% Y/Y
- Net revenue up 11% Y/Y or 6% in constant currency¹
 - Good operating performance
 - Benefit from the acquisition of BMO Transportation Finance
- Expenses up 8% Y/Y or 3% in constant currency¹
 - BMO Transportation Finance contributed to the increase
- Positive operating leverage² of 2.8%
- Results include the impact of stock-based compensation for employees eligible to retire recognized in Q1 and the impact of market movements on insurance³
- ROE of 12.1%, with book value per share up 13% Y/Y

Adjusted (\$MM) ⁴	Q1 15	Q4 15	Q1 16
Net Revenue⁵	4,308	4,719	4,793
PCL	163	128	183
Expense	2,953	3,032	3,204
Net Income	1,041	1,264	1,178
Reported Net Income	1,000	1,214	1,068
Diluted EPS (\$)	1.53	1.90	1.75
ROE (%)	12.3	13.5	12.1
Common Equity Tier 1 (CET1) Ratio (%)	10.1	10.7	10.1

¹ Constant currency refers to impact of CAD/US exchange rate movements on the U.S. segment only

² Operating leverage on an adjusted net revenue basis; 0.5% on a reported net revenue basis

³ Market movements on insurance includes the combined negative impact of interest rates and equity markets

⁴ See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. Reported results: Net revenue – Q1'16 \$4,709MM, Q4'15 \$4,717MM, Q1'15 \$4,308MM; Expenses - Q1'16 \$3,270MM, Q4'15 \$3,093MM, Q1'15 \$3,006MM; EPS – diluted: Q1'16 \$1.58, Q4'15 \$1.83, Q1'15 \$1.46; ROE - Q1'16 10.9%, Q4'15 12.9%, Q1'15 11.8%

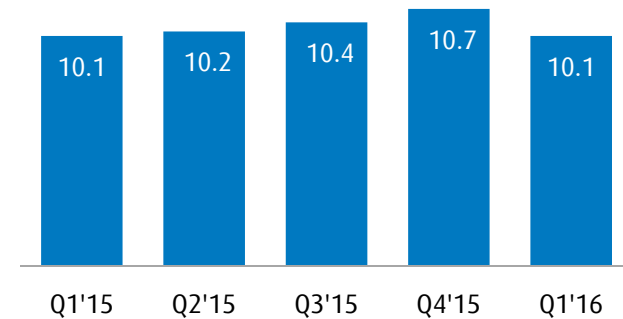
⁵ For purposes of this slide net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Reported gross revenue: Q1'16 \$5,075MM, Q4'15 \$4,982MM, Q1'15 \$5,055MM

Capital & Risk Weighted Assets

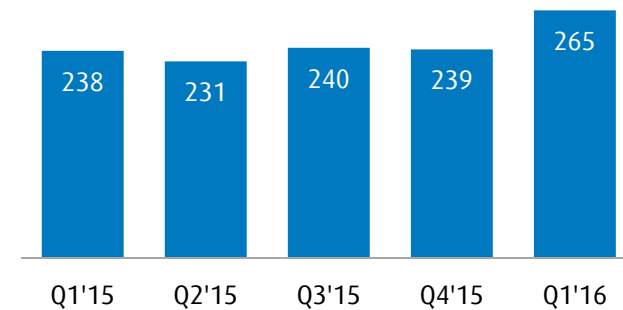
CET1 Ratio strong at 10.1%

- Common Equity Tier 1 Ratio of 10.1%, ~60 bps lower than Q4'15
 - BMO Transportation Finance acquisition impact of ~60 bps, in line with expectations
 - Higher CET1 capital mainly from AOCI and retained earnings growth, partially offset by higher goodwill and intangibles from the acquisition
 - Higher RWA of ~\$26B primarily due to the acquisition (\$11B), FX movement (\$9B) which is largely hedged through AOCI, and business growth (\$6B)
- Attractive dividend yield of +4.5%

Common Equity Tier 1 Ratio (%)



Risk Weighted Assets (\$B)

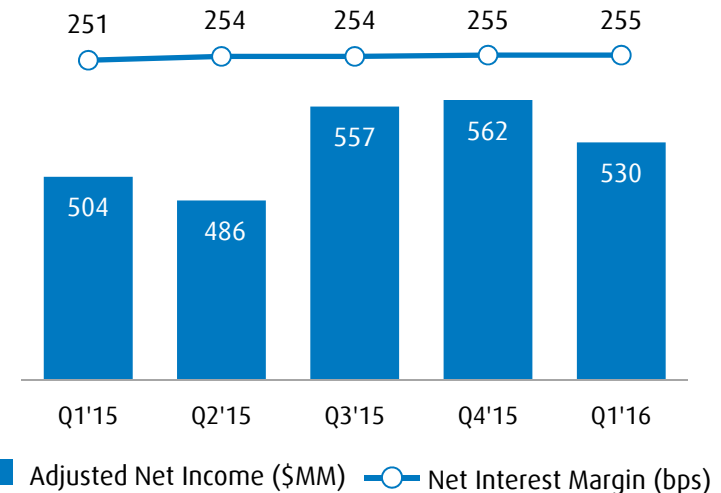


Canadian Personal & Commercial Banking

Net income growth of 5% Y/Y and positive operating leverage of 1.5%

- Adjusted net income of \$530MM with PPPT¹ growth of 8%
- Revenue up 6% Y/Y with higher balances and non-interest revenue
 - Loans up 5% and deposits up 6% Y/Y
 - NIM up 4bps Y/Y and stable Q/Q
- PCL up Y/Y due to higher provisions in the consumer portfolio; up Q/Q from below-trend levels in Q4'15
- Expense growth of 4% Y/Y driven by higher employee-related costs
- Efficiency ratio of 50.5%²
- Operating leverage of 1.5%

Adjusted (\$MM) ²	Q1 15	Q4 15	Q1 16
Revenue (teb)	1,628	1,710	1,725
PCL	132	112	140
Expenses	834	845	871
Net Income	504	562	530
Reported Net Income	503	561	529



¹ PPPT refers to Pre-provision, pre-tax profit contribution, and is the difference between adjusted revenue and adjusted expenses

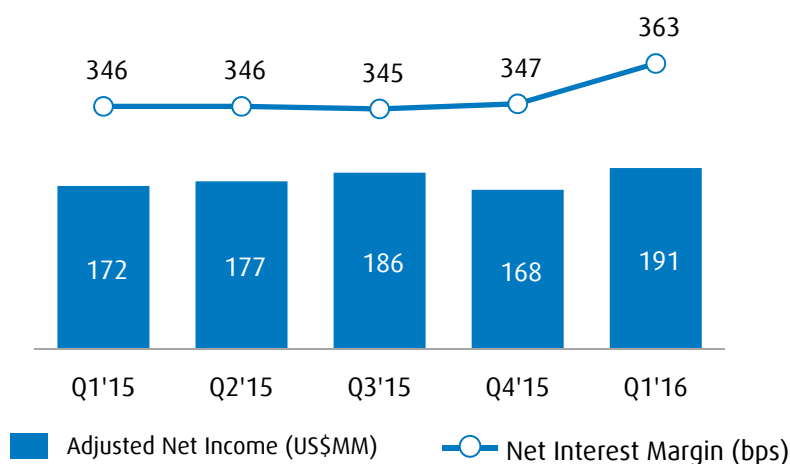
² See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. Reported results: Revenue and PCL same as adjusted amounts; Expenses Q1'16 \$872MM, Q4'15 \$847MM, Q1'15 \$835MM; Efficiency ratio: Q1'16 50.6%

U.S. Personal & Commercial Banking

Strong growth with adjusted net income up 29% or 11% in USD

- Adjusted net income of \$264MM, up 29% Y/Y. Figures that follow are in U.S. dollars
- Adjusted net income up 11% Y/Y
- BMO Transportation Finance (BMO TF) closed on December 1, 2015 and represented ~10% of Q1'16 revenue and adjusted expenses
- Revenue up 15% Y/Y driven by the benefit of BMO TF, higher loan and deposit volumes and higher NIM
 - Average loans up 10% and deposits up 5% Y/Y
 - NIM up 16 bps Q/Q due to higher deposit spreads, the addition of BMO TF and purchased loan accounting²
- PCL up Y/Y and Q/Q
- Expenses up 13% Y/Y primarily due to the addition of the BMO TF business
- Efficiency ratio of 62.5%¹
- Operating leverage of 1.2%

Adjusted (US\$MM) ¹	Q1 15	Q4 15	Q1 16
Revenue (teb)	722	724	828
PCL	33	33	47
Expenses	457	475	518
Net Income	172	168	191
Reported Net Income	161	158	182



¹ See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. Reported results: Revenue and PCL same as adjusted amounts; Expenses: Q1'16 \$531MM, Q4'15 \$488MM, Q1'15 \$471MM; Efficiency ratio: Q1'16 64.1%

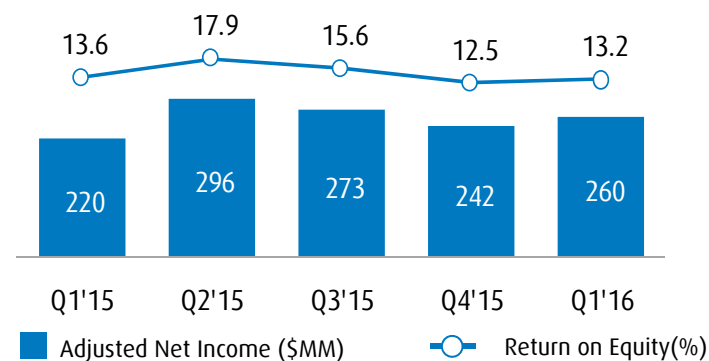
² Beginning in the first quarter of 2016, the reduction in the credit mark that is reflected in net interest income and the provision for credit losses on the purchased performing portfolio are being recognized in U.S. P&C, consistent with the accounting for the acquisition of BMO TF. Results for prior periods have not been reclassified

BMO Capital Markets

Good results given market environment

- Adjusted net income up 18% Y/Y from below-trend results a year ago
- Revenue up 11% Y/Y
 - Up 6% in constant currency¹ as higher merger and acquisition and corporate banking related revenue was partially offset by lower Trading Products revenue due to market conditions
- Expenses were well managed, flat Y/Y in constant currency¹
- Efficiency ratio of 64.8%² improved 280bps Y/Y
- Operating leverage 4.7% or 6.0% in constant currency¹

Adjusted (\$MM) ²	Q1 15	Q4 15	Q1 16
Trading Products Revenue	570	564	589
I&CB Revenue	350	372	431
Revenue (teb)	920	936	1,020
PCL	9	(2)	8
Expenses	623	621	661
Net Income	220	242	260
Reported Net Income	220	241	260



¹ Constant currency refers to impact of CAD/US exchange rate movements on the U.S. segment only

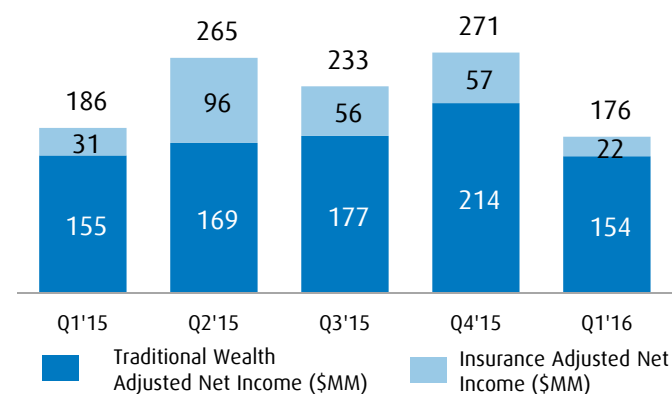
² See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. Reported results: Revenue and PCL same as adjusted amounts; Expenses: Q1'16 \$661MM, Q4'15 \$622MM, Q1'15 \$623MM; Efficiency ratio: Q1'16 64.8%, improved 290 bps

BMO Wealth Management

Solid underlying results in a challenging market

- Adjusted net income impacted by market conditions
 - Traditional Wealth net income flat Y/Y; down Q/Q as the prior quarter benefited from gain on sale
 - Insurance earnings impacted by unfavourable market movements³ in the current quarter (\$33MM after-tax)
- Net revenue up 3% Y/Y driven by the benefit of the lower Canadian dollar with business growth offset by impact of weaker equity markets
- Expenses up Y/Y primarily due to the impact of FX (2% Y/Y in constant currency⁴); Q/Q expenses up largely due to stock-based compensation for employees eligible to retire (\$30MM)
- Efficiency ratio net of CCPB of 78.5%⁵
- AUM/AUA up 1% Y/Y as favourable FX movements partly offset by market declines

Adjusted ¹ (\$MM)	Q1 15	Q4 15	Q1 16
Net Revenue²	1,035	1,192	1,071
PCL	2	1	2
Expenses	793	819	841
Net Income	186	271	176
Reported Net Income	159	243	148
AUM/AUA (\$B)	852	864	864



1 See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. Reported results: Revenue and PCL same as adjusted amounts; Expenses: Q1'16 \$877MM, Q4'15 \$854MM, Q1'15 \$828MM
 2 For purposes of this slide revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Gross revenue: Q1'16 \$1,437MM, Q4'15 \$1,457MM, Q1'15 \$1,782MM
 3 Unfavourable market movements includes the combined negative impact of interest rates and equity markets
 4 Constant currency refers to impact of CAD/US exchange rate movements on the U.S. segment and impact of CAD/GBP exchange rate movements
 5 Reported efficiency ratio (gross): Q1'16 61.0%; Adjusted efficiency ratio (gross): Q1'16 58.5%

Corporate Services

- Adjusted net loss of \$52MM compared to net loss of \$74MM in the prior year due to lower expenses and higher credit recoveries in the current year and higher taxes in the prior year partly offset by lower loan revenues³
- Q/Q adjusted net loss is \$19MM higher mainly due to the benefit of a legal settlement in the prior quarter
- Group teb offset is eliminated in taxes with no impact on net income

Adjusted (\$MM) ^{1,2}	Q1 15	Q4 15	Q1 16
Revenue	54	45	(2)
Group teb offset²	(190)	(120)	(160)
Total Revenue (teb)²	(136)	(75)	(162)
PCL (recovery)	(20)	(25)	(32)
Expenses	159	121	119
Net Loss	(74)	(33)	(52)
Reported Net Loss⁴	(74)	(39)	(120)

1 See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. Reported results: Expenses Q1'16 \$130MM, Q4'15 \$126MM, Q1'15 \$159MM; Total Revenue Q1'16 \$(246)MM, Q4'15 \$(77)MM, Q1'15 \$(136)MM

2 Operating group revenue, 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 Effective November 1, 2015 Purchased Portfolio revenues and PCL are reflected in U.S. P&C

4 The current quarter's reported results include a \$62MM cumulative accounting adjustment related to foreign exchange translation primarily impacting prior periods

Risk Review

For the Quarter Ended January 31, 2016

February 23, 2016

Surjit Rajpal
Chief Risk Officer



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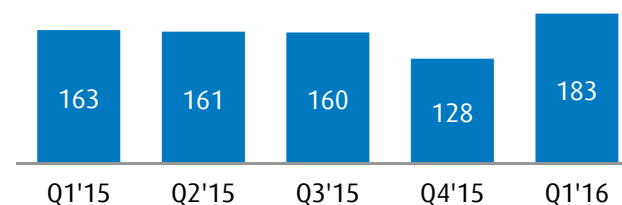
Q1|16

Provision for Credit Losses (PCL)

PCL By Operating Group (\$MM)	Q1 15	Q4 15	Q1 16 ¹
Consumer – Canadian P&C	104	95	113
Commercial – Canadian P&C	28	17	27
Total Canadian P&C	132	112	140
Consumer – U.S. P&C ¹	30	(6)	48
Commercial – U.S. P&C ¹	10	48	17
Total U.S. P&C	40	42	65
Wealth Management	2	1	2
Capital Markets	9	(2)	8
Corporate Services¹	(20)	(25)	(32)
Specific PCL	163	128	183
Change in Collective Allowance	-	-	-
Total PCL	163	128	183
PCL in bps	21	15	21

- PCL ratio at 21 bps, up from prior quarter which included US loan sale

Quarterly Specific PCL (\$MM)



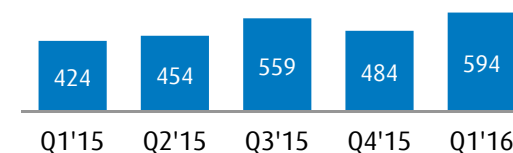
¹ Beginning in the first quarter of 2016 the provision for credit losses on the purchased performing portfolio is being recognized in U.S. P&C, consistent with the accounting for the acquisition of BMO TF. Results for prior periods have not been reclassified. Recoveries or provisions on the 2011 purchased credit impaired portfolio continue to be recognized in Corporate Services. Purchase loan accounting impacts related to BMO TF are recognized in U.S. P&C.

Gross Impaired Loans (GIL) and Formations

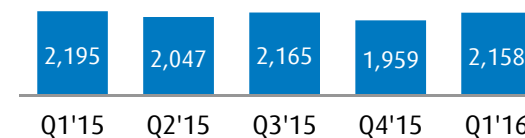
By Industry (\$MM)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other ¹	U.S.	Total
Consumer	162	156	318	383	621	1,004
Agriculture	26	30	56	71	111	182
Oil & Gas	55	1	56	56	106	162
Service Industries	14	14	28	34	119	153
Manufacturing	1	12	13	20	111	131
Commercial Real Estate	13	5	18	57	43	100
Construction (non-real estate)	9	1	10	19	80	99
Transportation	5	38	43	8	65	73
Retail Trade	2	2	4	13	42	55
Financial Institutions	1	0	1	4	47	51
Wholesale Trade	4	2	6	15	32	47
Mining	0	41	41	4	40	44
Other Commercial & Corporate ²	0	0	0	48	9	57
Commercial & Corporate	130	146	276	349	805	1,154
Total Bank	292	302	594	732	1,426	2,158

- GIL and impaired formations increased this quarter mainly due to the strengthening U.S. dollar and Oil & Gas

Formations (\$MM)



Gross Impaired Loans (\$MM)

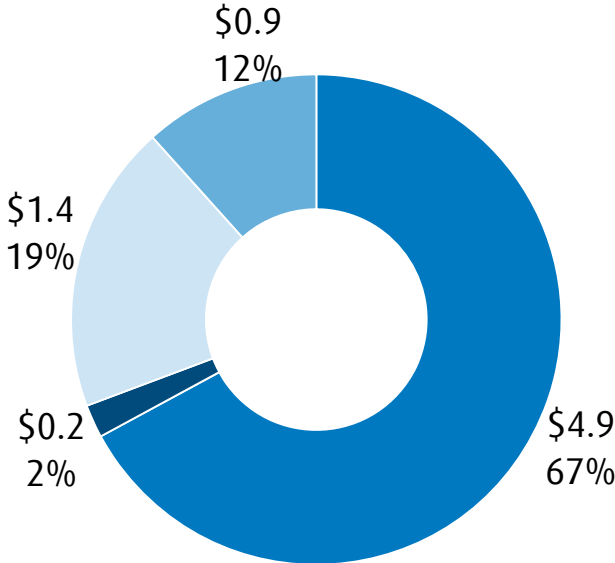


1 Commercial & Corporate includes ~\$3MM GIL from Other Countries

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 (\$B)



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

Oil and Gas – Corporate/Commercial

- Oil and Gas loans of \$7.4B; 2% of total bank loans with >50% investment grade

Consumer Exposure in Alberta

- Alberta consumer represents 6% of total bank loans of which over 80% is Real Estate Secured (RESL)
 - ~60% of Alberta RESL is insured
 - 55% LTV on uninsured RESL

Loan Portfolio Overview

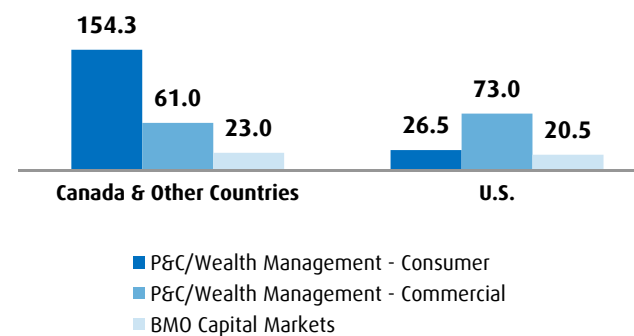
Gross Loans & Acceptances By Industry (\$B)	Canada & Other ¹	U.S.	Total	% of Total
Residential Mortgages	97.6	9.4	107.0	30%
Personal Lending	49.4	16.5	65.9	18%
Cards	7.3	0.6	7.9	2%
Total Consumer	154.3	26.5	180.8	50%
Financial Institutions	13.0	19.8	32.8	9%
Service Industries	13.8	17.9	31.7	9%
Commercial Real Estate	13.4	8.7	22.1	6%
Manufacturing	5.7	12.2	17.9	5%
Retail Trade	8.8	8.2	17.0	5%
Wholesale Trade	3.8	7.4	11.2	3%
Transportation	1.9	8.8	10.7	3%
Agriculture	8.1	2.5	10.6	3%
Oil & Gas	4.5	2.9	7.4	2%
Mining	1.4	0.5	1.9	1%
Other Commercial & Corporate ²	9.6	4.6	14.2	4%
Total Commercial & Corporate	84.0	93.5	177.5	50%
Total Loans	238.3	120.0	358.3	100%

1 Commercial & Corporate includes ~\$10.0B 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 (\$B)



Canadian Residential Mortgages

- Total Canadian residential mortgage portfolio at \$97.6B or 43% of Canadian gross loans and acceptances
 - 59% 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 1 bp
 - 90 day delinquency rate at 28 bps
 - Condo Mortgage portfolio is \$14.1B with 51% insured

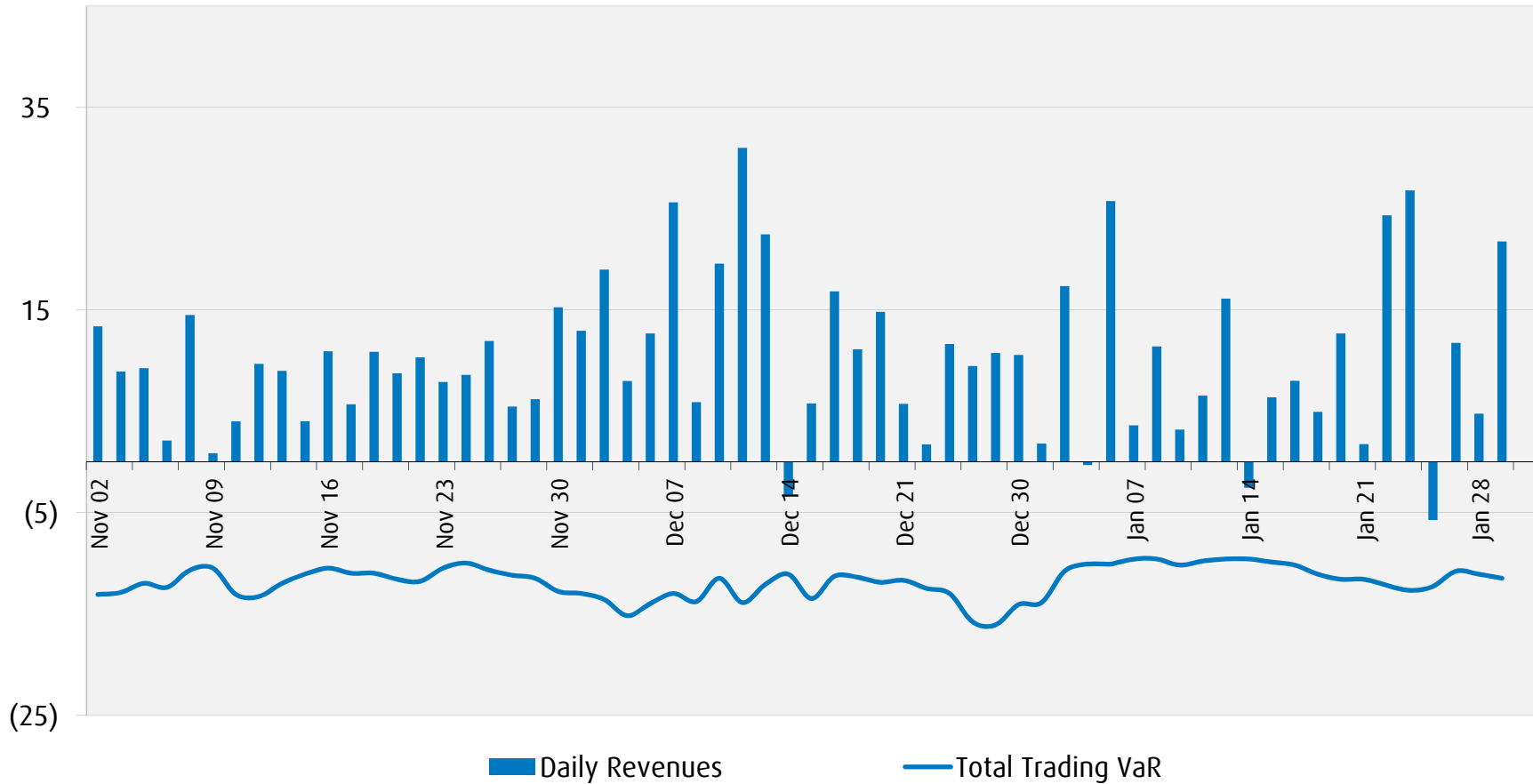
Residential Mortgages by Region (\$B)	Insured	Uninsured	Total	% of Total
Atlantic	3.7	1.7	5.4	6%
Quebec	9.0	5.4	14.4	15%
Ontario	23.8	16.6	40.4	41%
Alberta	11.3	4.5	15.8	16%
British Columbia	7.5	10.4	17.9	18%
All Other Canada	2.4	1.3	3.7	4%
Total Canada	57.7	39.9	97.6	100%

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

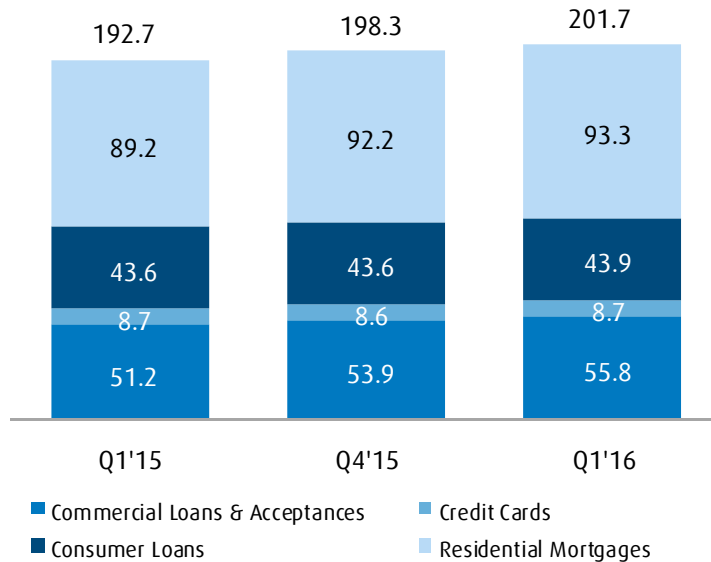
November 2, 2015 to January 29, 2016 (in MM's and on a Pre-Tax Basis)



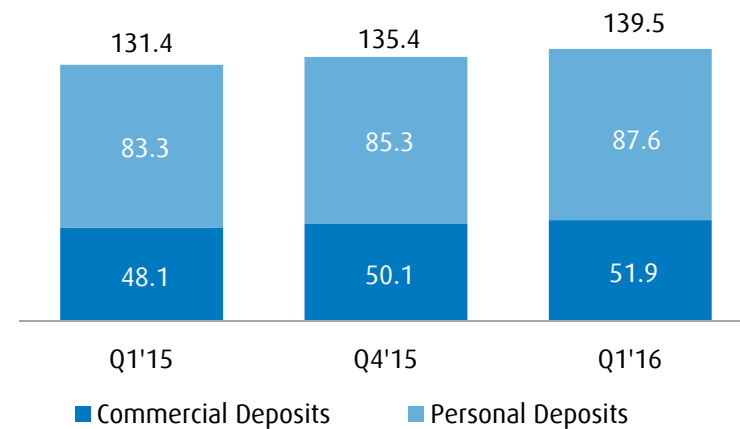
Appendix

Canadian Personal and Commercial Banking - Balances

Average Loans & Acceptances (\$B)



Average Deposits (\$B)



- Loan growth of 5% Y/Y

- Mortgages up 5%
- Consumer loan balances relatively stable
- Commercial loan balances¹ up 9%

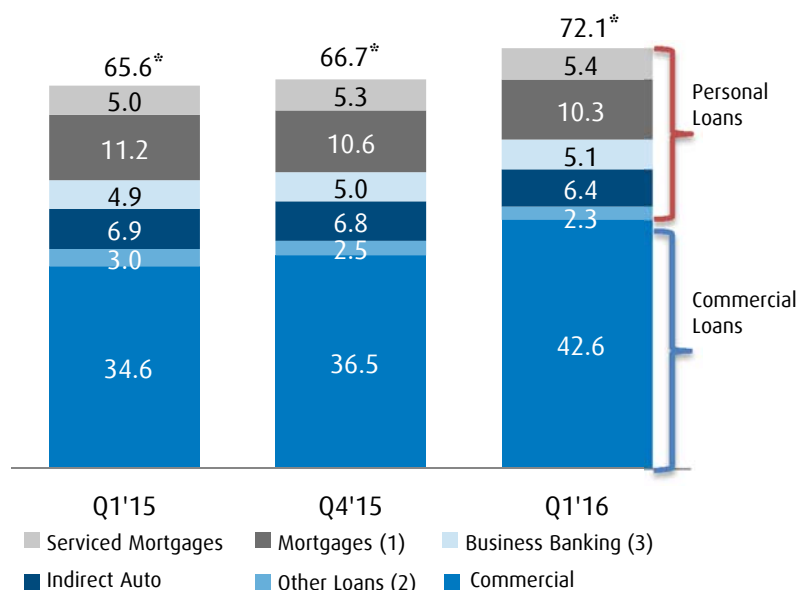
- Deposit growth of 6% Y/Y

- Personal deposit balances up 5% reflecting strong chequing account growth
- Commercial deposit balances up 8%

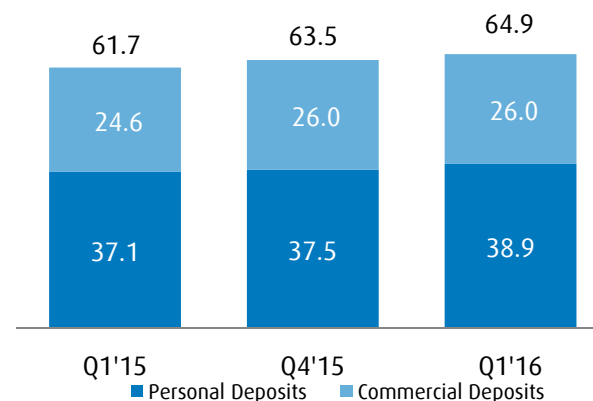
¹ Commercial lending growth excludes commercial cards. Commercial cards balances approximately 7% of total credit card portfolio in Q1'16, Q4'15 and Q1'15

U.S. Personal & Commercial Banking – Balances

Average Loans & Acceptances (US\$B)



Average Deposits (US\$B)



- Serviced mortgage portfolio up 7% Y/Y; mortgage portfolio down 8% Y/Y
- Business Banking up 3% Y/Y
- Indirect Auto down 7% Y/Y due to strategic decision to reduce portfolio levels
- BMO TF added \$4.9B of average loans in Q1'16 (\$7.4B on a period end basis)
- Excluding BMO TF, Commercial loans up 9% Y/Y

- Commercial deposit growth of 6% Y/Y
- Personal Deposit balances up 5% Y/Y
 - Chequing balance growth of 9% Y/Y

* Total includes Serviced Mortgages which are off-balance sheet

1 Mortgages include Wealth Management Mortgages (Q1'16 \$1.8B, Q4'15 \$1.7B, Q1'15 \$1.5B) and Home Equity (Q1'16 \$3.9B, Q4'15 \$4.0B, Q1'15 \$4.5B)

2 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

3 Business Banking includes Small Business

Adjusting Items

Adjusting ^{1,2,3} items – Pre-tax (\$MM)	Q1 15	Q4 15	Q1 16
Amortization of acquisition-related intangible assets	(40)	(43)	(43)
Acquisition integration costs	(13)	(20)	(22)
Cumulative accounting adjustment	-	-	(85)
Adjusting items included in reported pre-tax income	(53)	(63)	(150)

Adjusting ^{1,2,3} items – After-tax (\$MM)	Q1 15	Q4 15	Q1 16
Amortization of acquisition-related intangible assets	(31)	(33)	(33)
Acquisition integration costs	(10)	(17)	(15)
Cumulative accounting adjustment	-	-	(62)
Adjusting items included in reported net income after tax	(41)	(50)	(110)
Impact on EPS (\$)	(0.07)	(0.07)	(0.17)

1 Adjusted measures are non-GAAP measures, see slide 2 for more information

2 Amortization of acquisition-related intangible assets reflected across the Operating Groups. Acquisition integration costs related to F&C are charged to Wealth Management. Acquisition integration costs related to BMO TF are charged to Corporate Services since the acquisition impacts both Canadian and U.S. P&C businesses. Acquisition integration costs are primarily recorded in non-interest expense

3 Cumulative accounting adjustment recognized in other non-interest revenue, related to foreign currency translation, largely impacting prior periods

Investor Relations

Contact Information

Fax: 416.867.3367

bmo.com/investorrelations

E-mail: investor.relations@bmo.com

LISA HOFSTATTER

Managing Director, Investor Relations

416.867.7019

lisa.hofstatter@bmo.com

CHRISTINE VIAU

Director, Investor Relations

416.867.6956

christine.viau@bmo.com

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