



## Our Vision

To be the bank that defines great customer experience

## Who We Are

Established in 1817, BMO Financial Group is a highly diversified financial services provider based in North America. With total assets of \$681 billion and over 46,000 employees, BMO provides a broad range of personal and commercial banking, wealth management and investment banking products and services to more than 12 million customers. BMO is the 8th largest bank in North America as measured by assets. <sup>1,2</sup>

## Our Guiding Principle

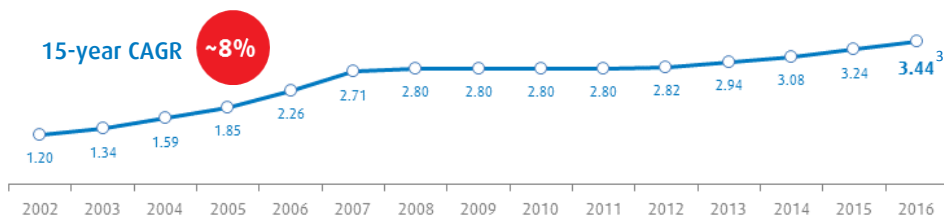
We aim to deliver top-tier total shareholder return and balance our commitments to financial performance, our customers and employees, the environment and the communities where we live and work

## 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

## Dividends Declared (\$ per share)

BMO has the longest running dividend payout record of any company in Canada, at 187 years



## Shareholder Centre

(Ticker: BMO; exchanges: TSX, NYSE)

- Target dividend payout: 40-50%
- Current quarterly dividend: \$0.86; up 2% from Q1
- Dividend Yield <sup>1,3</sup>: 4.21%
- Market Capitalization<sup>1</sup>: \$52.6B
- Common Shares Outstanding<sup>1</sup>: 643.6 million

## Key Metrics — Q2'16

### Balance Sheet (\$ billions)

Assets	681.5
Loans	341.7
Deposits	444.8

### Capital Ratios

CET1	10.0%
Tier 1	11.4%
Total Capital	13.5%

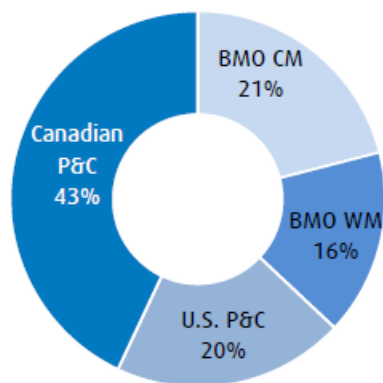
### Bank Information

Employees	46,166
Branches	1,538
ABMs	4,746

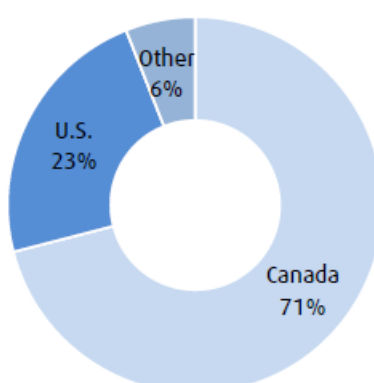
## Credit Ratings (Senior Debt / Outlook)

Moody's	S&P	Fitch	DBRS
Aa3	A+	AA-	AA
Negative	Stable	Stable	Negative

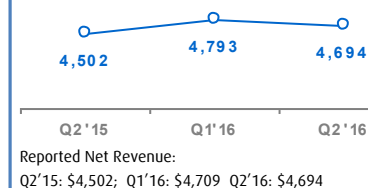
## Adjusted Net Income by Operating Group — LTM<sup>4</sup>



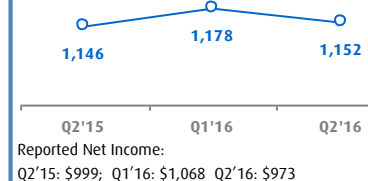
## Adjusted Net Income by Geography — LTM<sup>4</sup>



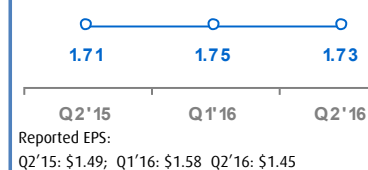
## Adjusted Net Revenue (\$ millions)



## Adjusted Net Income (\$ millions)



## Adjusted Earnings Per Share (\$)



<sup>1</sup> as at April 30, 2016

<sup>2</sup> source: Bloomberg

<sup>3</sup> annualized based on Q3'16 declared dividend of \$0.86

<sup>4</sup> Reported net income by operating group (excludes Corporate Services) last twelve months (LTM): Canadian P&C 44%, U.S. P&C 19%, BMO WM 15%, BMO CM 22%; by geography last twelve months (LTM): Canada 72%, U.S. 23%, Other 5%

# Operating Group Overview

# Q2 2016 Fact Sheet

## Canadian P&C

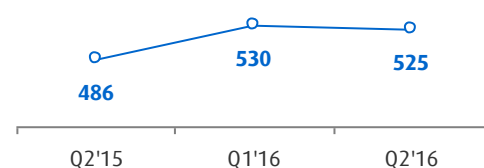
- Provides a full range of financial products and services to eight million customers; with over 900 branches and 3,400 ABMs
- Strong competitive position, ranked 2<sup>nd</sup> in Canadian market share for business loans of \$25MM or less
- Helping customers make the right financial decisions as they do business with us seamlessly across our channels: in branches, on mobile devices, online, over the telephone, or through ABMs

### Q2'16 Highlights

- Good net income growth<sup>1</sup> of 8% Y/Y with continued positive operating leverage
- Loans up 5% and deposits up 7% Y/Y

<sup>1</sup> On Reported basis: net income growth was 8% with positive operating leverage

### \* Adjusted Net Income (\$ millions)



\* Reported net income:  
Q2'15: \$485; Q1'16: \$529; Q2'16: \$525

## U.S. P&C

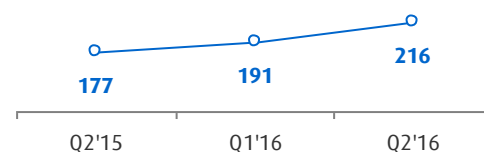
- Helps more than two million customers feel confident with their financial decisions by providing a banking experience with a human touch; with almost 600 branches and over 1,300 ABMs
- Strong deposit market share positions; ranked 2<sup>nd</sup> in Chicago area with 12.5% market share and in Wisconsin with 12.8% in 2015
- Serving customers through branches, contact centres, online and mobile banking platforms across eight states

### Q2'16 Highlights

- Strong growth with adjusted net income<sup>2</sup> up 27% or 21% in USD due to the addition of BMO TF and good organic growth; positive operating leverage<sup>2</sup> of 3.7% in USD
- Loans up 16% due to the benefits of BMO TF as well as organic commercial loan growth of 13%

<sup>2</sup> On a Reported Basis: net income up 29% or 23% in USD; positive operating leverage of 4.5% in USD

### \* Adjusted Net Income (US\$ millions)



\* Reported net income:  
Q2'15: \$167; Q1'16: \$182; Q2'16: \$206

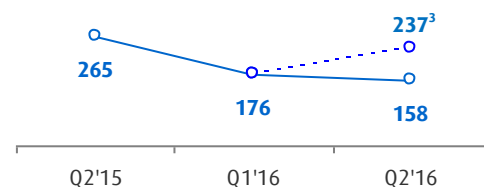
## BMO Wealth Management

- Serves a full range of client segments, from mainstream to ultra-high net worth and institutional, with a broad offering of wealth management products and services including insurance products
- Global business with an active presence in markets across Canada, the United States, Europe and Asia
- Lines of business include: BMO Nesbitt Burns, BMO InvestorLine, BMO Private Banking, BMO Global Asset Management, and BMO Insurance
- Named Best Wealth Management in Canada, Best Private Bank in Canada, Best Full-Service Investment Advisory in Canada and Best Integrated Investment Advisor Digital Platform by Global Banking & Finance Review

### Q2'16 Highlights

- Solid underlying performance with impacts from \$79MM after-tax write-down of an investment and lower year-over-year equity markets
- AUM/AUA down Y/Y mainly due to market depreciation partially offset by favourable FX movements

### \* Adjusted Net Income (\$ millions)



\* Reported net income:  
Q2'15: \$238; Q1'16: \$148; Q2'16: \$134

<sup>3</sup> Adjusted net income excluding a \$79MM after-tax investment write-down; Reported net income excluding a \$79MM after-tax investment write-down: \$213MM

## BMO Capital Markets

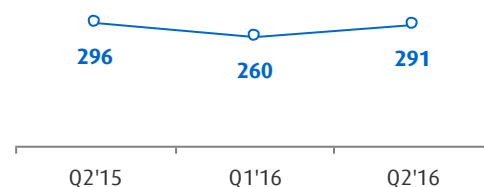
- A North American-based financial services provider offering a complete range of products and services to corporate, institutional and government clients
- Approximately 2,200 professionals in 29 locations around the world, including 16 offices in North America
- Top-ranked economic, equity and fixed income research, sales and trading capabilities with deep expertise in core sectors

### Q2'16 Highlights

- Good results in an improving market environment with PPPT<sup>4</sup> up 10% Y/Y
- Positive operating leverage<sup>4</sup> of 3.0%

<sup>4</sup> On a reported basis: PPPT up 11%; positive operating leverage of 3.0%

### \* Adjusted Net Income (\$ millions)



\* Reported net income:  
Q2'15: \$296; Q1'16: \$260; Q2'16: \$291

## Contact Information

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Corporate Service net income / (loss) - not included in Operating Group Net income:		
(C\$ millions)	Adjusted	Reported
Q2'16	(\$101)	(\$244)
Q1'16	(\$52)	(\$120)
Q2'15	(\$121)	(\$227)

Adjusted measures are non-GAAP measures, see page 5 of the Q2 2016 Report to Shareholders for more information