Caution Regarding Forward-Looking Statements

United States Private Securities Litigation Reform Act of 1995

priorities for fiscal 2018 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. Forward-looking statements are typically identified by words such as “will”, “should”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “plan”, “goal”, “target”, “may” and “could”. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. 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 – many of which are beyond our control and the effects of which can be difficult to predict – could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic and market conditions in the countries in which we operate; weak, volatile or illiquid capital and/or credit markets; interest rate and currency value fluctuations; changes in monetary, fiscal, or economic policy and tax legislation and interpretation; 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, and the effect of such changes on funding costs; 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; political conditions, including changes relating to or affecting economic or trade matters; 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; information and cyber security, including the threat of hacking, identity theft and corporate espionage, as well as the possibility of denial of service resulting from efforts targeted at causing system failure and service disruption; and our ability to anticipate and effectively manage risks arising from 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 discussion in the Risks That May Affect Future Results section on page 79 of BMO’s 2017 Annual MD&A, the sections related to credit and counterparty, market, insurance, liquidity and funding, operational, model, legal and regulatory, business, strategic, environmental and social, and reputation risk and risk management, which begin on page 78 of BMO’s 2017 Annual MD&A and the discussion in the Critical Accounting Estimates – Income Taxes and Deferred Tax Assets section on page 114 of BMO’s 2017 Annual MD&A, all of which outline certain key factors and risks that may affect Bank of Montreal’s future results. 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 presentation 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 targets, and may not be appropriate for other purposes.

Material economic assumptions underlying the forward-looking statements contained in this presentation are set out in the 2017 Annual MD&A under the heading “Economic Developments and Outlook”, as updated by the Economic Review and Outlook section set out in our Third Quarter Report to Shareholders. 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, targets 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 governments, historical relationships between economic and financial variables, and the risks to the domestic and global economy.

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 slide 111 of this presentation, page 5 of BMO’s Third Quarter 2018 Report to Shareholders and on page 29 of BMO’s 2017 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; results and measures that exclude the impact of Canadian/U.S. dollar exchange rate movements, adjusted net income, revenues, non-interest expenses, earnings per share, effective tax rate, ROE, efficiency ratio, pre-provision pre-tax earnings, 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, restructing costs and revaluation of U.S. net deferred tax asset as a result of U.S. tax reform. Bank of Montreal provides supplemental information on combined business segments to facilitate comparisons to peers.
Darryl White
Chief Executive Officer

BMO
Today’s themes

1. Strong Foundation
2. Differentiating Strengths
3. Accelerating Growth & Performance
4. One Bank, One Team, One Strategy
Executing on a consistent strategy

Strategic Priorities

- Customer Experience and Loyalty
- Digital Innovation
- Efficiency
- Growth across North American Platform
- Risk Management

BMO Financial Group
Strong foundation built for growth

- 8th Largest Bank in North America
- Respected Brand
- Consistent, Effective Risk Management
- Leading Share in Strategically Chosen Markets
- Diversified and Attractive Earnings Mix
- Strong Capital Position
- Proven Track Record of Financial Performance

BMO Financial Group
Differentiating strengths driving competitive advantage

Integrated North American Platform

**Well-established U.S. Presence**
Strategically invested over time

**Core Strengths in Commercial and Wealth Management**
Deep customer relationships

**Unique Approach to Cross-border Banking**
Dedicated teams with integrated approach to meeting customer needs

**Creating Sustainable Efficiency**
EI3 driving bank-wide productivity benefits and reinvestment capacity

**Digital Investment and Innovation**
Advantaged technology architecture and data capabilities; a leader in digital sales

BMO Financial Group
Leading employee engagement, award-winning culture

**Employee Satisfaction**
- BMO result: 86
- Leading company benchmark: 83
- Median FI benchmark: 75

**Ethical**
- BMO result: 86
- Leading company benchmark: 83
- Median FI benchmark: 77

**Human values**
- BMO result: 86
- Leading company benchmark: 84
- Median FI benchmark: 80

**Collaboration**
- BMO result: 90
- Leading company benchmark: 85
- Median FI benchmark: 80

---

**2 Time Catalyst Award winner**
for accelerating diversity and inclusion

Named one of the
**World’s Most Ethical Companies**
by the Ethisphere Institute
(one of only four banks worldwide)

BMO Volunteer Day contributed
**14,000 volunteer hours** with 215
organizations globally

Recognized **Leader in Gender Equality**
by inclusion in the Bloomberg Gender-
Equality Index 3 years running

**Leader in Diversity and Inclusion,**
among the top 25 in Thomson Reuters Diversity
& Inclusion Index (only Canadian bank)

**Supporting Women Entrepreneurs**
by extending $3B in new capital to
women-owned businesses

---

1 BMOPulse Annual Employee Census, Mercer | Sirota, 2018
### Accelerating growth and performance

<table>
<thead>
<tr>
<th>Delivered</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Leverage</strong></td>
<td><strong>2% adjusted(^1) net operating leverage(^2)</strong>&lt;br&gt;F2016 &amp; F2017</td>
</tr>
<tr>
<td><strong>Efficiency Ratio</strong></td>
<td><strong>340 bps adjusted(^1) efficiency ratio(^3)</strong>&lt;br&gt;improvement since F2015</td>
</tr>
<tr>
<td><strong>Technology Investment</strong></td>
<td><strong>&gt;$2B spend on technology</strong></td>
</tr>
<tr>
<td><strong>U.S. Growth</strong></td>
<td><strong>U.S. Segment grown to 28% of the bank’s YTD adjusted(^1) earnings(^4)</strong></td>
</tr>
<tr>
<td><strong>Sustainable EPS Growth</strong></td>
<td><strong>8% adjusted(^1) EPS growth(^5)</strong>&lt;br&gt;(F2015 to F2017)</td>
</tr>
</tbody>
</table>

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1. Adjusted measures are non-GAAP measures, see slide 2 for more information;
2. Reported Net Operating Leverage: F2016 1%; F2017 4%
3. Efficiency ratio based on net revenue. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Reported efficiency ratio improvement since F2015: 320 bps
4. Reported U.S. Segment YTD contribution: 19%
5. Compound Annual Growth Rate. Reported EPS growth: 10% (F2015 – F2017)
Across geographies and businesses...

One Bank, One Team, One Strategy

... a seamless and consistent customer experience
Key takeaways

1. Strong Foundation
   - Track record of financial performance
   - Well-diversified and attractive earnings mix
   - Strategic investments in technology, people and platforms
   - Consistent and effective risk management

2. Differentiating Strengths
   - Deep U.S. presence and integrated North American platform
   - Core strength in commercial banking and wealth management
   - Advantaged technology architecture and data capabilities
   - Leading employee engagement and award-winning culture

3. Accelerating Growth & Performance
   - Differentiating strengths drive growth and performance
   - Market-leading digital experiences and advanced customer insights
   - Efficiency through simplification, automation and innovation

One Bank, One Team, One Strategy
Driving Value From Digital and Technology

Brett Pitts  Chief Digital Officer
Steve Tennyson  Chief Technology & Operations Officer
Driving customer and business value through digital technology

- Great, digitally-enabled experiences for our customers and team
- Capitalizing on opportunities presented by open banking
- Unique assets for competitive advantage (e.g., brand, data, distribution)
- Growing investment in differentiated technology for scaled digital transformation
- Efficiency and value-capture to self-fund accelerated investment growth
Digital strategy: Accelerate growth, engagement, and self-service

<table>
<thead>
<tr>
<th>Drive leading customer growth and cross-sell</th>
<th>Accelerate and build digital engagement</th>
<th>Self-service for everyday transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital sales penetration&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Digital adoption&lt;sup&gt;2&lt;/sup&gt;</td>
<td>Assisted service transactions&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>F2021 aspiration</strong></td>
<td><strong>70%</strong></td>
<td><strong>&lt;10%</strong></td>
</tr>
<tr>
<td><strong>50%</strong></td>
<td><strong>70%</strong></td>
<td><strong>&lt;15%</strong></td>
</tr>
<tr>
<td><strong>F2023 aspiration</strong></td>
<td><strong>30%</strong></td>
<td><strong>&lt;15%</strong></td>
</tr>
</tbody>
</table>

Partner to accelerate and grow

Continue investing in foundational enablers to scale

---

1. Percent of retail sales where the full product application was submitted in digital channel. Includes chequing, savings, credit card, mortgages and personal loans.
2. Percent of retail chequing / savings customers that have logged into online and/or mobile banking at least once in the last 90 days.
3. Percent of retail transactions that take place with a person in the branch or with a live agent over the phone.
A modern technology foundation built for change

- **World-Class Architecture**
  SmartCore enabling re-use and enterprise scale

- **Accelerated Automation**
  Speed-to-market and quality

- **Advanced Data & Analytics**
  AI platform enabling business decisions and insights

- **Secure Cloud**
  Shared computing resources available on demand

- **Channels**
  Upgraded customer and employee-facing channel experiences

**BMO Technology Delivery Platform**
SmartCore: the heart of our technology architecture

**Connector Grid**
- Open connectivity with enterprise API services
- Real time event processing

**Information Delivery Platform**
- Consolidated book of record data
- Advanced analytics with machine learning

**Customer Identity Access Management**
- Identity and credential management
- Single sign-on

**Master Data Management**
- 360° enterprise customer view
- Enterprise product catalog
- Single source of reference data

**Digitization and Business Process Management**
- Digitization and document management
- Smart robotics

**Data & Analytics**
- Advanced analytics with machine learning

**Enterprise Foundational Components**
- Integration
Investment yielding tangible business benefits...

**Speed**
- Up to **30-40%** improvement in software release cycle-time\(^1\)

**Efficiency**
- **1,600** services designed for re-use

**Quality**
- **70,000** technology changes successfully executed annually

---
\(^1\) For select applications
... and enabling a lift in transformational investment

- **F2016**
  - 67% Run the bank
  - 33% Transform and protect

- **F2020**
  - 59% Run the bank
  - 41% Transform and protect

Accelerating strategic spend towards customer growth and security while driving structural cost efficiencies
Market-leading sales in digital...

Drive accelerated digital account opening...

Canadian digital sales penetration¹

![Graph showing Canadian digital sales penetration]

<table>
<thead>
<tr>
<th>Year</th>
<th>渗透率</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2015</td>
<td>13%</td>
</tr>
<tr>
<td>F2018 YTD</td>
<td>25%</td>
</tr>
<tr>
<td>F2021 aspiration</td>
<td>50%</td>
</tr>
</tbody>
</table>

²CAGR F2015 to F2018

...and new customer acquisition²

![Graph showing new customer acquisition]

<table>
<thead>
<tr>
<th>Year</th>
<th>新客户增长</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2015</td>
<td></td>
</tr>
<tr>
<td>F2018 YTD</td>
<td></td>
</tr>
<tr>
<td>F2021 aspiration</td>
<td>²x</td>
</tr>
</tbody>
</table>

新客户增长率 F2018 – F2021

1. 1%的零售销售，其中完整的申请表单在数字渠道提交。包括支票账户、储蓄账户、信用卡、抵押贷款和个人贷款
2. 新的支票账户客户，这是他们在BMO的第一次存款关系，并且完整的申请表单在数字渠道提交

BMO Financial Group
... supporting customer acquisition and deeper relationships

Explore
Highly personalized offers

Apply
Seamless application journeys

Use
Fulfillment and onboarding

Pre-approved “in-line” credit card offers on mobile

Market-first mobile account open

250K+ credit cards sales generated by leads management across all channels¹

Current application complete rate at >50% for new-to-BMO card customers²

Business Xpress: 95% faster time to approval for Small Business³ lending

1 F2018 forecast. Sales are attributed to leads management
2 Percent of applications started in the digital channel that were completed for August 2018
3 Average time savings for “new money” loans

BMO Financial Group
Accelerating growth in digital engagement...

Drive growth in digital adoption¹...

- **Lower annual attrition rate²**: 40%
- **Higher revenue growth³**: 6%
- **Reduction in assisted-serve transactions⁴**: 30%

... to capture tangible customer growth, loyalty and efficiency benefits

1. 90-day active retail deposit customers
2. Percent difference in the annual attrition rate for digital customers vs. non-digital customers
3. Based on internal analysis. Revenue growth measure 6 months post digital registration
4. Reduction from YTD Q3 F2015 to YTD Q3 F2018 in cash withdrawals, deposits, internal funds transfers and bill payments conducted with person inside branch or on the phone with a live agent

BMO Financial Group
... and making digital part of every customer conversation

Compelling experiences built with constant customer collaboration

BMO Quick Bill Pay
Makes payments easier with an entirely new way to pay bills (2019 launch)

Digital part of every conversation, across all points of contact

73% of branch sales are coupled with a digital conversation

Enhanced in-branch digital enrollment experience

60% of BMO Nesbitt Burns accounts opened via assisted digital process

2018 Winner
Gartner Eye on Innovation Award – Americas region

BMO Financial Group

1 Based on customer survey post-sale; YTD Q3 F2018
2 YTD Q3 F2018
3 The identification of a Gartner award winner or finalist is not an endorsement by Gartner of any company, vendor, product or service
Platform for digital acceleration is in place in U.S. Personal

Transformed, low cost digital sales and service experiences enabling U.S. Personal growth strategy; built for North American scale

New digital service platform

New digital sales platform
Elevated mobile experience for Commercial

Redesigned Online Banking for Business

- **Biometric authentication**
- **Real-time account balances**
- **International wire payments**

“Bio Authentication” allowing for confirmation of payments with voice, eyes and face

BMO Financial Group
## Extending our partnership strategy

### Established partnership ecosystem

<table>
<thead>
<tr>
<th>BIGTECH</th>
<th>FINTECHS</th>
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<td>[Image]</td>
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</tr>
</tbody>
</table>

### CONSORTIA

- R3
- SecureKey

### ACCELERATORS / RESEARCH

- Creative3
- kINNeKtor
- Vector Institute
- DMZ

### Investing in partnerships to accelerate value

- Open banking partnership
- Enables mutual customers to more easily and securely exchange data
- API portal to transfer information more safely without having to share banking credentials
- Customers control consent and data to share through secure API

BMO Financial Group
Key takeaways

1. Delivering customer and business value

2. Technology foundation a source of competitive advantage

3. Digital core to BMO’s enterprise strategy to accelerate growth across businesses

4. Embracing open banking and meeting our customers where they are
Optimize and Innovate

Luke Seabrook
Global Head, Enterprise Initiatives, Infrastructure and Innovation

BMO
Continuous optimization of costs, process & resources

Optimize Enterprise Infrastructure + Deliver Strategic Initiatives + Enable Simplification & Automation

Realization of $1B+ in productivity benefits by F2021

Driving bottom-line improvement and creating capacity for investment in strategic revenue growth and innovation
Optimize enterprise infrastructure

**Procurement**
$200-250 million expected run rate cost savings

**Real Estate**
~10%-15% reduction in overall footprint

- Optimize supplier spend through effective sourcing and demand management strategies that leverage our size and scale, while managing third-party risk
- Straight through automation of our supplier lifecycle
- Partner with suppliers to drive innovation that enhances and transforms BMO’s business

- Transform retail branches and create the workplace of the future to focus on agility, collaboration and responsiveness to customer and employee needs
- Improve efficiency through multiple strategies: consolidations, re-designs, renovations, workplace strategies, sale / leaseback
- Maintain strong focus on environmental sustainability
Deliver and enable

**Deliver Strategic Initiatives**
- Optimize core internal operations, infrastructure and other resources
- Seize opportunities to leverage our IT investments and emerging technologies in innovative ways

**Enable Simplification and Automation**
- Streamline end-to-end processes and resources across the organization
- Bring “like work” together to eliminate duplication and create organizational synergies
Data and AI strategies

• Leverage prior foundational investments in data architecture and infrastructure to enable strategic revenue growth

• Accelerate deployment of capabilities to:
  o Streamline, integrate, simplify and accelerate work
  o Enhance customer and digital experience
  o Augment and enhance our employee experience
Talent strategies

- Launching employee-led Innovation Fund program
- Align learning streams in Data Science, AI, Cybersecurity and Digi-tech with strategic talent initiatives for recruitment, onboarding, career and rotational programs
- Reskill employees in targeted roles and move them into new, future-focused work
- Develop strategic partnerships with industry leaders, top academic institutions and internal experts, staying ahead of the curve
BMO Innovation Fund program

**Recent Challenge:**
- 3,000+ North American employees
- 2,000+ employee interactions over a one week submission period
Key takeaways: Optimize & innovate

1. Productivity benefits
   - $1B+ productivity benefits by F2021

2. Creating capacity
   - Investment in strategic revenue growth and practical innovation

3. Future proofing BMO
   - Create a Bank that is more integrated, more innovative, and adaptable to future trends
BMO U.S.: Strategic Growth Driver for BMO

Dave Casper  
CEO – BMO Financial Corp.  
Group Head – North American Commercial Banking

Steve Taylor  
U.S. Chief Financial Officer

Ernie Johannson  
Group Head - U.S. Personal & Business Banking
U.S. Segment: Strategically important for BMO

Core U.S. footprint with an economy the size of Canada

- U.S. footprint
- Commercial Banking offices
- Wealth Management offices
- Capital Markets offices

2017 Nominal GDP¹
(US$ Trillions)

- U.S.: 19.5
- Canada: 1.7
- BMO mid-west footprint States: 2.3

BMO U.S. contribution significant to total Bank
YTD Q3 F2018

- Revenue²: 33%
- Adjusted Net Income³: 28%

¹ Source: BMO Economics
² Contribution based on total bank net revenue. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)
³ Adjusted measures are non-GAAP measures, see slide 2 for more information. Reported net income contribution to BMO is 19%
Strong growth over last several years

<table>
<thead>
<tr>
<th>BMO U.S.</th>
<th>Transportation Finance</th>
<th>Acquisitions have complemented organic growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Greene Holcomb Fisher</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>F2010</th>
<th>F2014</th>
<th>F2017</th>
<th>YTD Q3 F2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Net Income¹ ($MM)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100</td>
<td>835</td>
<td>1,009</td>
<td>957</td>
<td></td>
</tr>
<tr>
<td>Net Income contribution to BMO¹ (%)</td>
<td>3%</td>
<td>20%</td>
<td>24%</td>
<td>28%</td>
</tr>
<tr>
<td>Revenue ($B)</td>
<td>2.5</td>
<td>4.7</td>
<td>5.4</td>
<td>4.2</td>
</tr>
<tr>
<td>Retail branch coverage</td>
<td>3 States</td>
<td>8 States</td>
<td>8 States</td>
<td>8 States</td>
</tr>
<tr>
<td>Assets ($B)</td>
<td>110</td>
<td>184</td>
<td>202</td>
<td>212</td>
</tr>
</tbody>
</table>

**Strong momentum**

<table>
<thead>
<tr>
<th>Y/Y growth</th>
<th>F2017</th>
<th>YTD Q3 F2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Adjusted PPPT¹,²</td>
<td>9%</td>
<td>14%</td>
</tr>
<tr>
<td>Adjusted Net Income¹</td>
<td>9%</td>
<td>29%</td>
</tr>
</tbody>
</table>

¹ Adjusted measures are non-GAAP measures, see slide 2 for more information. Reported net income ($78MM, $766MM, $927MM, $546MM) and reported net income contribution to BMO are (3%, 19%, 23%, 19%) for F2010, F2014, F2017 and YTD Q3 F2018 respectively. Reported PPPT growth (13%, 15%) and net income growth (12%, -22%) for F2017 and YTD Q3 F2018 respectively.

² PPPT refers to Pre-Provision, Pre-Tax earnings, defined as the difference between revenue and expenses.
### Diverse portfolio with strong linkages

<table>
<thead>
<tr>
<th>YTD Q3 F2018</th>
<th>Revenue</th>
<th>Adjusted Net Income&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMO U.S.&lt;sup&gt;1&lt;/sup&gt;</td>
<td>4,215</td>
<td>957</td>
</tr>
<tr>
<td>U.S. P&amp;C</td>
<td>2,873</td>
<td>824</td>
</tr>
<tr>
<td>BMO Capital Markets U.S.</td>
<td>915</td>
<td>146</td>
</tr>
<tr>
<td>U.S. Wealth</td>
<td>459</td>
<td>51</td>
</tr>
</tbody>
</table>

#### Strong core capability supported by our One Bank approach

- **Referrals**
  Partner and refer across businesses to deliver clients the right value proposition

- **Cross-sell**
  Deepen relationships and address full spectrum of client needs

- **Cross-border**
  Deliver a seamless North – South experience

---

<sup>1</sup> Total for BMO U.S. includes Corporate Services

<sup>2</sup> Adjusted measures are non-GAAP measures, see slide 2 for more information. Reported net income is $546MM, $798MM, $145MM and $44MM for BMO U.S., U.S. P&C, BMO Capital Markets U.S., and U.S. Wealth respectively.
### U.S. P&C: Strong performance year-to-date

<table>
<thead>
<tr>
<th>US$ MM</th>
<th>U.S. P&amp;C YTD Q3 F2018</th>
<th>U.S. P&amp;C Y/Y change(^1)</th>
<th>U.S. regional peer group average Y/Y change(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,873</td>
<td>8% ↑</td>
<td>5%</td>
</tr>
<tr>
<td>Adjusted PPPT(^2,3)</td>
<td>1,172</td>
<td>15% ↑</td>
<td>10%</td>
</tr>
<tr>
<td>Adjusted Net Income(^2,4)</td>
<td>824</td>
<td>31% ↑</td>
<td>28%</td>
</tr>
<tr>
<td>Loans ($B)</td>
<td>75</td>
<td>9% ↑</td>
<td>2%</td>
</tr>
<tr>
<td>Deposits ($B)</td>
<td>69</td>
<td>5% ↑</td>
<td>1%</td>
</tr>
</tbody>
</table>

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\(^1\) Calendar YTD Q2 2018 for peers. Peer group: PNC, Key, Fifth Third, Huntington, Citizens, Comerica, SunTrust and Regions. Source: SNL; Y/Y growth for peer group and U.S. P&C adjusted for securities gains and other significant non-recurring items.

\(^2\) Adjusted measures are non-GAAP measures, see slide 2 for more information.

\(^3\) Reported PPPT for U.S. P&C is $1,137MM and 16% Y/Y change. PPPT refers to Pre-Provision, Pre-Tax earnings, defined as the difference between revenue and expenses.

\(^4\) Reported net income for U.S. P&C is $798MM and 32% Y/Y change.
### U.S. P&C profitability metrics: progress and outlook

<table>
<thead>
<tr>
<th>Adjusted financials&lt;sup&gt;1,2&lt;/sup&gt;</th>
<th>F2015</th>
<th>YTD Q3 F2018</th>
<th>3-year target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency ratio</td>
<td>64.8%</td>
<td>59.2%</td>
<td>Mid 50s</td>
</tr>
<tr>
<td>ROE</td>
<td>7.7%</td>
<td>11.0%</td>
<td>12% - 13%</td>
</tr>
<tr>
<td>ROTE</td>
<td>11.5%</td>
<td>15.7%</td>
<td>16% - 17%</td>
</tr>
</tbody>
</table>

---

1. Adjusted measures are non-GAAP measures, see slide 2 for more information.
2. Reported efficiency ratio (66.8%, 60.4%), reported ROE (7.2%, 10.7%) and reported ROTE (11.5%, 15.7%) for F2015 and YTD Q3 F2018 respectively.
U.S. P&BB: Serving over 2 million customers across 8 states

- Established markets
- Light branch network markets

Strong deposit contribution, large customer base, valuable brand presence

- ~570 Branches
- ~60% of U.S. P&C deposits\(^1\)
- >40% contribution to customer growth in U.S. Wealth\(^1\)
- #2 Reputation rank among U.S. banks\(^2\)

1. In F2017
2. Among customers; source: ‘America’s most reputable banks 2018’ - Reputation Institute survey
Strong foundational capabilities built over time

**U.S. P&BB**

**Leading share**
Deposit market share\(^1\) %

<table>
<thead>
<tr>
<th>Rank</th>
<th>#2</th>
<th>#2</th>
</tr>
</thead>
<tbody>
<tr>
<td>IL</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>WI</td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

**Continued momentum**
Deposit growth\(^2\) Y/Y %

<table>
<thead>
<tr>
<th></th>
<th>BMO</th>
<th>Large Banks avg.</th>
<th>Regional Banks avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.9%</td>
<td>5.3%</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

**Attractive customer base**
Average deposit balances per HH, $K

<table>
<thead>
<tr>
<th></th>
<th>2013(^3)</th>
<th>2018(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>34</td>
<td>41</td>
</tr>
</tbody>
</table>

---

1. Based on FDIC data for deposit balances as of June 30, 2018
2. Q3 F2018 for BMO and Q2 2018 for competitors for comparable lines of business. Large Banks include Chase and Bank of America; Regional Banks include US Bank, PNC, Key, Fifth Third and Huntington; source: 10Q reports
3. As of May 2013 and May 2018
Targeting highest-value growth opportunities

**Footprint outside IL and WI**
- ~200 Branches
- 2/3 of our deposit opportunity

**Digital**
- 41% Digitally active customers
- Target^2 >70%
- 8% Digital sales penetration
- Target^2 >30%

**Lending**
- 13% Credit card penetration
- Target^2 >20%
- ~25% of balances from non-real estate loans
- Target^2 >40%

Build on existing momentum to capture these opportunities

---

1. Retail deposit customers logging into digital banking at least once in the last 90 days
2. Targets shown are 5 year targets
3. Retail accounts opened digitally; for products sold in the digital channel: checking, savings, money market, CD, credit card, mortgage and home equity
4. Among Personal banking customers
<table>
<thead>
<tr>
<th><strong>U.S. P&amp;BB: Strategic pillars</strong></th>
</tr>
</thead>
</table>
| **Deposits:**  
On the offense | In IL and WI, leverage footprint and accelerate digital enablement  
In all other footprint markets, a “digital first - branch lite” deposit gathering model |
| **Business Banking:**  
A market leading franchise | Digitization and simplification to accelerate growth  
Full personal and business share of wallet through strength of branch and specialized teams |
| **Consumer lending:**  
Increase profitability | In mortgages, a customer responsive approach  
In Home Equity / Cards / Unsecured, deepen penetration and broaden portfolio mix |

Accelerate digitization shift and enhanced guidance delivery
Key takeaways: U.S. P&BB 3 year outlook

1. Revenue growth 6-8% CAGR
2. Deposit growth Top-tier deposit growth, with ~50% coming from markets outside IL and WI
3. Loan growth 3-4% CAGR, and shift in mix to non-real estate lending
4. Digital engagement Strong digital engagement of 50% (and 70% in 5 years)
U.S. Commercial: Strong performance, diversified presence

Profile

- 10,000+ clients
- Leading presence in WI and Chicagoland
- One of the largest Transportation Finance (TF) providers
- Top 3 in Mid-Market Sponsor Finance (SF)¹
- Leading customer loyalty
- Strong cross-border capabilities

Geographical footprint

Specialty businesses

- Financial Institutions
- Asset Based Lending
- Food, Consumer & Agriculture
- Dealer Finance
- Institutional Markets
- Commercial Real Estate
- Sponsor Finance
- Equipment Finance
- Sponsor Fund Lending
- Franchise Finance
- Healthcare
- Transportation Finance
- Engineering & Construction

No business represents more than 10% of U.S. P&C loan portfolio

¹ Source: Thompson Reuters – Admin-Agent only, sponsored transactions <$250MM; Includes acquisitions, dividend recapitalizations, leveraged buyouts, recapitalizations, and takeovers
A leading commercial franchise in the U.S.

Strong loan and deposit growth...

Average Loan balances, $B

YTD Q3 2018: 55
F2010: 8
F2014: 31

27% (10% excluding Acquisitions)

Average Deposit balances, $B

YTD Q3 2018: 24
F2010: 6
F2014: 22

21%

...and deep relationships

Treasury & Payment Services (TPS) - revenues, $MM

YTD Q3 2018: 380
F2010: 132
F2014: 314

18%
## U.S. Commercial: Strategic pillars

<table>
<thead>
<tr>
<th>Geographical expansion</th>
<th>High growth geographies</th>
<th>Leverage existing footprint to grow expansion markets (e.g., Minneapolis, Dallas) Selectively expand into new MSAs nationally</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Core market presence</td>
<td>Defend leading market position and deepen relationships in WI and IL</td>
</tr>
<tr>
<td>Specialty growth</td>
<td>High growth sectors</td>
<td>Accelerate growth in existing high growth sectors (e.g., Asset Based Lending, Equipment Finance) Selectively expand into new high growth verticals</td>
</tr>
<tr>
<td></td>
<td>Established sector presence</td>
<td>Build on leading market shares (e.g., Transportation Finance, Sponsor Finance, and Financial Institutions)</td>
</tr>
<tr>
<td>Deepen relationships</td>
<td>Deposits and TPS</td>
<td>Continue to invest in Treasury and Payment capabilities; target deposit-rich industries</td>
</tr>
<tr>
<td></td>
<td>Collaborate</td>
<td>Deliver BMO’s full value proposition to commercial clients through collaboration with Capital Markets and Wealth</td>
</tr>
</tbody>
</table>
Key takeaways: U.S. Commercial 3 year outlook

1. Loan growth
   High single digit (8-10%) loan growth CAGR

2. Deposit growth
   Deposit growth to keep pace with loan growth

3. Customer Loyalty
   Maintain leading customer loyalty (NPS) and deepen customer relationships
North American Commercial Banking: A Differentiating Strength

Sharon Haward-Laird  Head, North American Treasury and Payment Solutions
Ray Whitacre  Co-Head, U.S. Commercial Banking
Dan Marszalek  Co-Head, U.S. Commercial Banking
Christine Cooper  Co-Head, Canadian Commercial Banking
Nadim Hirji  Co-Head, Canadian Commercial Banking

BMO
North American Commercial Banking

**Capabilities**
- Local Presence
- Specialty Sector Expertise
- Broad Product Suite (Lending, Payment & Liquidity Services)

**Customer Experience**
- Industry Leading Loyalty
- Customer Referrals

**Talent**
- Tenured Bankers
- Deep Industry Expertise
- Locally Connected
- Advice Driven

**Risk Management**
- Prudent Risk Management
- Diversified Portfolio

**Collaboration**
- One Bank
- Wealth
- Capital Markets
- Cross Border

**Competitive Advantages**
BMO Capital Markets: Advantaged North American Platform

Pat Cronin  Group Head, BMO CM*
Dan Barclay  Co-Head, Global I&CB*

* Effective as of November 1, 2018, Pat Cronin will assume the role of CRO, BMO Financial Group and Dan Barclay will assume the role of Group Head, BMO CM
Capital Markets: Strong foundation built for growth

- Franchise Strength
- Unique Capabilities
- Accelerating U.S. growth

Delivers steady net income growth
**Steady net income contributor**

### Capital Markets

**Adjusted Net Income ($MM)\(^1\)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>816</td>
<td>986</td>
<td>1,075</td>
<td>1,236</td>
<td>1,277</td>
</tr>
</tbody>
</table>

5 Year CAGR 5.3\(^2\)

Net Income Volatility 17%\(^1,3\)

Industry Average 24%\(^4\)

---

### Contribution to BMO\(^{1,5}\)

- **Canadian P&C**: 43%
- **U.S. P&C**: 22%
- **BMO WM**: 18%
- **BMO CM**: 17%

---

1 Adjusted measures are non-GAAP measures, see slide 2 for more information. Report net income for F2010: $816MM; F2012: $985MM; F2014: $1,074MM; F2016: $1,235MM; F2017: $1,275MM. Contribution to BMO (reported) in F2017 for Canadian P&C: 43%; U.S. P&C: 18%; BMO WM: 17%; BMO CM: 22%

2 5-year Compound Annual Growth Rate from F2012 to F2017

3 Net Income Volatility 17% is calculated as quarterly volatility for the period Q1’13 - Q3’18

4 Industry Average includes: BNS, CIBC, NBF, RBC and TD for the period Q1’13 - Q3’18

5 Operating Net Income excludes Corporate Segment
Well diversified business

[Sectors 1]

- Oil, Gas & Energy
- Mining
- Tech
- Industrials
- Healthcare
- Consumer
- P&EI
- RE
- Gov’t & Media & Comm
- Diversified

[Client Type 1]

- Investor
- Corporate
- FI
- Other

[Product Type 2]

- Corporate Banking
- Global Equity Products
- Global Structured Products
- Global Trade & Banking
- Global Fixed Income, Currency & Commodities
- Merchant Banking
- Investment Banking

1 As a % of F2018 YTD revenue, excluding non-client revenues
2 As a % of F2017 revenue
Strong Canadian franchise with unique capabilities

- World’s Best Metals & Mining Investment Bank (2010-2018)
- Equity Research Franchise Canada (2018)
- Equity & Fixed Income Futures Clearing
- CB NPS 66 (2018)
- Best House in Canada 2018
- 82% Employee Engagement
- Best Bank for the Canadian Dollar (2011-2018)
- ECM (2012-2017)
Established scalable U.S. platform

- % U.S. contribution to CM Revenue: 31% to 38%
- U.S. Revenue ($USMM): 1,019 to 1,318
- U.S. FTE: 976 to 1,080
- U.S. Loan Authorizations (US$B): 12 to 24

U.S. Commitment:

- ~40% of Clients¹
- ~40% of Capital²
- ~40% of FTE³

¹ % of revenue-generating entities domiciled in the U.S. (as of August 31, 2018)
² U.S. Capital as a % of Total (as of July 31, 2018)
³ U.S. FTE as a % of Total (as of July 31, 2018)
Differentiating strengths driving competitive advantage

- Strong Capital Position
- Full Product Capability
- High Performing Culture
- Lower Cost of Wholesale Funding
- High Quality Content
- Strong Reputation
- Long Standing Client Relationships
- Unique Cross-Border Capability
- Best in class control environment
Accelerating U.S. growth and performance

Increase Client Footprint
Expand Balance Sheet
Broaden Product Capabilities
Need to Lead Strategy
Hire Strong Talent
One Bank Alignment

Build & strengthen client relationships
Key takeaways: 5 year aspirations

1. U.S. Market Share: Double
2. U.S. Revenue Contribution: 45 – 50%
3. U.S. Revenue Growth: ~10% CAGR
4. Total CM Efficiency: <60%

Goal: Top 10 North American Investment Bank
BMO Wealth Management: Accelerating Our Growth Trajectory

Joanna Rotenberg
Group Head, Wealth Management

Gilles Ouellette
Group Head, BMO Asset Management
BMO Wealth Management: Key takeaways

**TODAY:**
Strong foundation, strong momentum

**TOMORROW:**
Bold ambition to double earnings in next five years
Wealth Management: Strong and stable growth engine

Strong momentum...

- BMO Wealth Management Adjusted\(^1\) Net Income
  - \(14\%\)/yr.
  - \$544MM to \$1.0B

...and stable business

- CAGR: net AUM/AUA, net loans & deposits
  - 10%

- Improved efficiency\(^1,2\)
  - 540 bps
  - From 14 to 17%

- BMO net income\(^3\)
  - >60% Fee-based revenues

- Client retention\(^4\)
  - 95%

---

1. Adjusted measures are non-GAAP measures, see slide 2 for more information. F2012 reported net income $527MM; reported efficiency ratio 76.4%. F2017 reported net income $967MM; adjusted net efficiency ratio 71.7%
2. Efficiency ratio based on net revenue. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)
3. Total bank adjusted net income, excludes Corporate Services
Well diversified...

Net AUM/A by Region (C$), F2017

- 0.3% Asia
- 19% Europe
- 39% U.S.
- 41% Canada

Net Revenue by Business (C$), F2017

- 10% Insurance
- 31% Asset Mgmt.
- 59% Personal Wealth

...and well positioned

Strong market position

- Private Banking¹: Leading AUM, #2 in banking share
- ETFs²: #2 share in Canadian market
- BMO Nesbitt Burns³: Top 2 revenue, top 3 assets
- BMO InvestorLine⁴: Top 3
- U.S. Private Client⁵: Top 25

Winning with clients

- InvestorLine #1 in investor satisfaction, 2018
- BMO Nesbitt Burns recognized for client satisfaction, 2018
- Best Private Bank Canada, 8 consecutive years

Engaged teams

- 82% employee engagement⁶

---

¹ Canadian Private Banking share position #1 as of June 2018 per Strategic Insight (AUM per Strategic Insight June 2018 PIC Survey; balances per 2018 Strategic Insight)
² BMO Analytics, Morningstar Direct
³ BMO Nesbitt Burns: Strategic Insight 2018, trailing 12 months revenue
⁴ InvestorLine: Strategic Insight 2018
⁵ Barron’s 2017
⁶ BMOPulse Annual Employee Census, Mercer | Sirota, 2018
**Culture of client-focused innovation**

**First Canadian Bank to launch ETFs**

- BMO ETF Market Share\(^1\)
  - F2011: ~8%
  - F2018: ~31%

19 Funds & ETFs awarded for outstanding performance

**Early adopter - unique digital advice platforms**

- **BMO adviceDirect**
  - Only Canadian platform of its kind

- **BMO SmartFolio**
  - First bank-owned firm to launch

Projected $40B+ assets in Canadian online advice market by 2023\(^2\)

**Innovator in Responsible Investing**

- **Europe’s 1\(^{st}\) ethically screened strategy**

- **Founder Signatory**: UN Principles for Responsible Investment

- **A+ Rating** by UN Principles for Responsible Investment

---

1. Morningstar Direct, as of July 2018
Bold ambition moving forward

Accelerating earnings growth

Driving scale benefits

**Adjusted Net Income**

<table>
<thead>
<tr>
<th>F2012</th>
<th>F2017</th>
<th>F2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>$544MM</td>
<td>$1B</td>
<td>$2B+</td>
</tr>
</tbody>
</table>

**Adjusted Net Efficiency**

<table>
<thead>
<tr>
<th>F2012</th>
<th>F2017</th>
<th>F2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>75.4%</td>
<td>70.0%</td>
<td>Low 60s</td>
</tr>
</tbody>
</table>

1 Adjusted measures are non-GAAP measures. See slide 2 for more information. F2012 reported net income $527MM; reported efficiency ratio 76.4%. F2017 reported net income $967MM; reported efficiency ratio 71.7%.

2 Efficiency ratio based on net revenue. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB).
Personal Wealth: Clear 5 year strategic roadmap to win

**Value Proposition:**

Make a meaningful difference in the lives of our clients, by working together to grow, protect and transition their wealth with confidence.
## Differentiating with top growth segments

<table>
<thead>
<tr>
<th>Business owners</th>
<th>Ultra HNW</th>
<th>Women</th>
<th>Cross-border</th>
<th>Next Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our competitive advantage</strong></td>
<td><strong>Our next act</strong></td>
<td><strong>BMO Financial Group</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Top 2 loan share in Canadian Business Banking(^1)</td>
<td>• Leading Canadian Private Bank AUM(^3)</td>
<td>• World-class partnership with Commercial Banking</td>
<td>• Innovative digital investing platforms</td>
<td></td>
</tr>
<tr>
<td>• Leading U.S. Commercial franchise</td>
<td>• Strength in BMO Nesbitt Burns</td>
<td>• Build out our differentiated Ultra HNW platform</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Best Private Bank for Entrepreneurs in North America(^2)</td>
<td>• U.S. / Asian Private Bank</td>
<td>• Entrench brand leadership position and grow our base</td>
<td>• Scale up operating model</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Strong global Capital Markets platform</td>
<td></td>
<td>• Extend capabilities &amp; market coverage</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Extend digital advice</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Canadian Market Share for Business Banking Deposits Quarterly Report, March 2018
\(^2\) Global Finance Magazine: World’s Best Private Banks 2018; 2 consecutive years
\(^3\) Strategic Insight June 2018 PIC Survey
2 Strong track record of collaboration

<table>
<thead>
<tr>
<th>Across Businesses</th>
<th>Across Borders</th>
</tr>
</thead>
<tbody>
<tr>
<td>~$19B</td>
<td>~40%</td>
</tr>
<tr>
<td>Closed referrals(^1) between Canadian</td>
<td>60%</td>
</tr>
<tr>
<td>Wealth and Canadian Personal &amp; Business</td>
<td>50%</td>
</tr>
<tr>
<td>Banking</td>
<td>45%</td>
</tr>
<tr>
<td>Wealth branches co-located with Business</td>
<td></td>
</tr>
<tr>
<td>Banking</td>
<td></td>
</tr>
<tr>
<td>BMO Nesbitt Burns branches with</td>
<td></td>
</tr>
<tr>
<td>dedicated Banker in place</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Assets and balances, F2017
\(^2\) July 2018 year over year
Building One Team to Win

Strong collaboration today...with great opportunity ahead

Building a world-class partnership with Commercial

North American commercial client base¹...

400M+

<40M

...that are BMO Wealth Management clients today

Helping our HNW clients

~16,000

HNW Nesbitt households without a BMO banking relationship

~25,000

HNW U.S. Personal clients without a BMO Wealth relationship

One team

Specialized offers

Relationship pricing

Co-location

¹ North American Commercial client base includes clients in Canadian Commercial Banking, Canadian Business Banking, U.S. Commercial Banking and U.S. Business Banking; excludes clients in Transportation Finance and Small Business Clients in U.S. Retail Banking
Making it Easy through continued technology investment

Simplified, digitized processes
Client on-boarding

- Reduced number of forms by 90%
- Funding accounts 4 days faster\(^1\)
- ~50% of new accounts e-signed\(^2\)

Digitally-enabled client experiences
WealthPath financial planning

- Dynamic, goals-based platform
- Easily explores multiple scenarios
- Clients can explore their plan online

Using data to deepen relationships
Customer 360

- 360 degree client view
- Personalized recommendation capabilities

---

\(^1\) As at July 2018, comparing accounts opened through digital process vs. traditional process
\(^2\) As of March 2018
Accelerating growth in U.S. Personal Wealth

Well positioned for growth

12% Adjusted\(^1\) Net Income CAGR (F2015-F2017)

400+ bps Adjusted efficiency\(^{1,2}\) improvement (F2015-F2017)

Clear strategic priorities

- Expand market presence
- Deepen Commercial/Wealth partnership
- Advance digital agenda
- Accelerate banking growth

U.S. Personal Wealth includes Private Banking, BMO Harris Financial Advisors and CTG/myCFO

\(^1\) Adjusted measures are non-GAAP measures, see slide 2 for more information. Unadjusted net income CAGR 15%

\(^2\) Efficiency ratio based on net revenue. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)
BMO GAM: A globally significant asset manager

- Globally organized around product, distribution, operations, and technology
- Manufacturing concentrated in 4 global centres
- 11 consultant-credible investment specializations
- Distribution in 20+ offices

BMO Financial Group
Well diversified across geographies, channels, and asset types

BMO GAM AUM, YTD Q3 F2018 (% of total)

Client location
- EMEA 44%
- Canada 31%
- U.S. 19%
- Asia 6%

Channel segment
- Institutional 59%
- Intermediary 28%
- Retail 14%

Investment type
- Active equity 22%
- Active fixed income 31%
- Passive 14%
- Money-market 4%
- Alternatives 5%
- Active multi-asset 23%

1 Client location as of August 2018; Channel segment as of August 2018; Investment type as of December 2017
Award-winning global products for clients around the world

Leading European Liability Driven Investments Manager
• $160B liabilities managed
• 70+ consultant buy ratings
• 485+ client mandates

Globally recognized Environmental, Social and Governance Offering
15 Professionals dedicated to responsible investing
A+ Rating by UN Principles for Responsible Investment

First Canadian bank to launch Exchange Traded Funds
• #2 in Canadian market share at 31%³
• #1 in sales for the past 5 years³
• Tested ETF programs in Asia and Europe; plan to export globally

$700B Opportunity in Canada¹

$10T USD ESG AUM in North America²

$4.6T USD ETF AUM globally⁴

¹ Source: Bank of Canada, “Large Canadian Public Pension Funds: A Financial System Perspective”
² Source: Global Sustainable Investment Alliance
³ Morningstar Direct, as of July 2018
⁴ BMO ETF Outlook 2018
Investments aligned to growth areas; consistently strong performance

In the Investments Platform subsection, there are several categories:
- **Quant & ETFs**
- **Fundamental Investments**
- **Multi-asset & Alternatives**
- **Fixed Income**
  - Quant
  - Absolute Return
  - Income
  - Liquidity, Treasury
- **Equities**
  - Alpha
  - Beta
  - Factor
- **Solutions and Alternatives**
  - Balance Sheet
  - Multi-Asset
  - Fiduciary
  - Alternatives

In the Excellent Performance section, the table shows the percentage of funds meeting or beating the 5-year benchmark for different years:
- F2014: 79%
- F2015: 82%
- F2016: 79%
- F2017: 77%
- YTD Q3 F2018: 83%

1 Represents average performance of BMO GAM funds and individually managed institutional accounts in our global regions as at Q3 2018, including Canadian ETF funds, weighted by AUM. Each benchmark is established by the investment manager and is consistent with client disclosures. Excludes funds that do not have a pre-determined benchmark or a track record of 5 years of performance. Source: BMO GAM
Utilize our strengths to continue to grow the business

**Strengths**

- Distributing global products to clients worldwide
- Investment excellence
- Global platform

**Growth Trajectory**

**BMO GAM AUM (C$B)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2012</td>
<td>113</td>
</tr>
<tr>
<td>F2017</td>
<td>325</td>
</tr>
</tbody>
</table>

Net new assets grew by 107% Y/Y (July 2018)

CAGR through F2023: +8%
BMO Wealth Management: Key takeaways

**TODAY:**
Strong foundation, strong momentum

**TOMORROW:**
Bold ambition to double earnings in next five years
Canadian P&C: BMO’s Flagship Business

Cameron Fowler  
President, North American Personal & Business Banking

Andrew Irvine  
Head, Customer Solutions, Canadian Personal & Business Banking
Canadian P&C: Flagship business for BMO

Highly attractive

F2017

- Customers: 8MM
- Revenue: $7.4B
- Net Income: $2.5B
- ROE: 29.9%

Important driver of total bank performance

- 35% of total operating group revenue\(^1\)
- 43% of total operating group net income\(^2\)

Positive operating leverage in 10 of the past 11 quarters\(^3\)

---

\(^1\) F2017 percentage on an adjusted and reported basis, based on net revenue excluding Corporate Services. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)

\(^2\) F2017 on an adjusted and reported basis. Excludes Corporate Services

\(^3\) Excludes Moneris gain in Q1 F2017
Bold aspirations for our business over five years

<table>
<thead>
<tr>
<th>Top-tier net income growth</th>
<th>Market-leading efficiency ratio improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>7-8% Net Income CAGR</strong></td>
<td><strong>Efficiency ratio &lt;45%</strong></td>
</tr>
<tr>
<td>Top-tier customer franchise growth in Personal</td>
<td>Double-digit growth in Commercial</td>
</tr>
<tr>
<td><strong>1 million net new customers</strong></td>
<td><strong>10% Net Income CAGR</strong></td>
</tr>
</tbody>
</table>
Consistent formula to drive our strategy

Market-leading capacity growth... deployed against...highest-value opportunities... fueled by...distinctive enablers
Personal: Strong foundation for growth

- 7+ million customers and 900+ branches
- Largest Mastercard® and AIR MILES® issuer in Canada
- Top-tier premium travel rewards card
- Top-tier digital sales performance
- Official bank of the Canadian Defence Community
- Official bank of Toronto FC and Montreal Impact
Well-positioned to lead in a more digital future

Undergoing a customer-led shift from physical to digital...

86% BMO’s service transactions via digital, self-service

2x BMO’s growth in digital sales mix since F2015

...and have built distinctive capabilities in the areas critical to win

**Digital and Partnerships**
- Top-tier digital sales (25% of total)
- #1 rated mobile banking app in App Store

**Offers and Marketing**
- Innovative offer portfolio and pipeline
- Robust digital marketing (cost per acquisition ~1/3rd better over 3 years)

**Data and Analytics**
- Single view of full customer relationship (“Customer 360”)
- Leads Engine driving value from offers

---

1 As of October 19, 2018
Clear strategy in Personal to add 1MM customers over five years

- Market-leading capacity growth...
  deployed against
  - ...highest-value opportunities...
    fueled by
    - ...distinctive enablers

- Grow salesforce capacity by 50%
  • Aggressively hire specialist roles (~150 in F2019)
  • Drive productivity improvements via digital enablement

- Drive leading growth focused on primary relationships
  • “Anchor” products: Deposits, Payments (including Unsecured Lending)
  • Customer segments: Defence Community, New Canadians, Bank at Work

- Leverage critical enablers needed to win in the future
  • Digital and Partnerships: 50% sales, 70% adoption
  • Offers and Marketing: 50% increase in marketing investment, 70% digital
  • Data and Analytics: Double revenue from data-driven offers
Growing Personal capacity by 50%

Aggressively hiring specialist sales roles...

**Financial Planners + Associates**

<table>
<thead>
<tr>
<th></th>
<th>F2015</th>
<th>F2018</th>
<th>F2019</th>
<th>F2021</th>
</tr>
</thead>
<tbody>
<tr>
<td># FTE</td>
<td>710</td>
<td>710</td>
<td>775</td>
<td>1,000+</td>
</tr>
</tbody>
</table>

**Mortgage Specialists**

<table>
<thead>
<tr>
<th></th>
<th>F2015</th>
<th>F2018</th>
<th>F2019</th>
<th>F2021</th>
</tr>
</thead>
<tbody>
<tr>
<td># FTE</td>
<td>430</td>
<td>520</td>
<td>600</td>
<td>700+</td>
</tr>
</tbody>
</table>

...and driving individual productivity via digital enablement

**Onboarding platform**
Tailored customer conversations

**E-Signature**
Straight-through processing

Branch salesforce appointments up Y/Y in F2018

14%
Accelerating top-tier digital sales, driving engagement

**Acquire**

**Digital sales penetration**  
% of total units

- F2015: 13%
- F2018: 25%
- F2021: 50%

**Engage**

**Digital adoption**  
% of customers

- F2015: 45%
- F2018: 54%
- F2021: 70%

Our most valuable customers are digital

- 40% Lower annual attrition\(^1\)
- 6% Higher revenue growth\(^2\)
- 30% Fewer assisted service transactions\(^3\)

---

\(^1\) Percent difference in the annual attrition rate for digital customers vs. non-digital customers  
\(^2\) Based on internal analysis. Revenue growth measure 6 months post digital registration  
\(^3\) Reduction from YTD Q3 F2015 to YTD Q3 F2018 in cash withdrawals, deposits, funds transfers and bill payments conducted with person inside branch or on the phone with a live agent
Developing leading offers and investing more in marketing

Track record of innovative products and offers...

...and growing marketing

Marketing investment

- 70+% digital
- 50%

F2017 | F2018 | F2021

Positive momentum

- +7 bps
- +19 bps
- +40%
- +10%

Deposit market share growth Q/Q\(^1\)
Cards spend market share Q/Q\(^2\)
Primary customer acquisition Y/Y as at YTD Q3 F2018
Higher per account cards profitability vs benchmark

---

1. OSFI; deposit market share, as of July 2018
2. Canadian Bankers Association; net retail sales share, as of March 2018
Building leading data and analytics capabilities

Key capabilities

**Customer 360**
Single view of full customer relationship (products, preferences, characteristics, interactions, etc.)

**Pricing**
Machine learning driven analytics to enable sophisticated pricing decisions based on customer behaviour

**Predictive insights**
Real-time recommendations based on individual preferences and behaviour

---

**Leads Engine**
Using data to grow relationships with data-driven offers

- **Offers presented in digital (all products)**
  - Mature: 40+MM
  - Emerging: Increase by 2x

- **Card sales generated via leads engine**
  - Mature: +250M

---

1 Forecast 2018
Personal: Top-tier customer franchise growth

1. Strong foundational assets
   - 7+ million customers
   - #1 Mastercard® and AIR MILES® issuer in Canada
   - Top-tier digital sales

2. Strong momentum and market-leading capacity growth
   - Share growth in deposits and payments
   - Creating 50% more capacity

3. Distinctive enablers for a more digital future
   - Digital and Partnerships: 50% sales, 70% adoption
   - Offers and Marketing: 50% increase in marketing, 70% digital
   - Data and Analytics: Double revenue from data-driven offers
Commercial: Proven strength

- **400,000** commercial clients
- **#2** market share in business lending
- **#1** in upper mid-market
- **#1** in agriculture
- **Leader** in indigenous banking
- **Strong** cross-border business

**Best Commercial Bank in Canada** 2015, 2016, 2017, 2018

---

1. Canadian Bankers Association; loan market share $0-$25MM, as of March 2018
2. Canadian Bankers Association; loan market share $25-$100MM, as of March 2018
Commercial: Opportunities to diversify for continued growth

Strong momentum in loans and deposits...

<table>
<thead>
<tr>
<th>Loans (C$ billions)</th>
<th>Deposits (C$ billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2015</td>
<td>F2016</td>
</tr>
<tr>
<td>53</td>
<td>58</td>
</tr>
<tr>
<td>+9%</td>
<td>+7%</td>
</tr>
</tbody>
</table>

...clear opportunity areas going forward

Ranked growth #1 / #2 in Q2’18 Q/Q

+68 bps market share Y/Y

**Loan share by sector**

<table>
<thead>
<tr>
<th>Overall</th>
<th>Health</th>
<th>Services / Tech</th>
</tr>
</thead>
<tbody>
<tr>
<td>#2</td>
<td>#3</td>
<td>#4</td>
</tr>
</tbody>
</table>

**Loan share by market**

<table>
<thead>
<tr>
<th>Overall</th>
<th>Alberta</th>
<th>GTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>#2</td>
<td>#3</td>
<td>#5</td>
</tr>
</tbody>
</table>

**Loan share by segment**

<table>
<thead>
<tr>
<th>Overall</th>
<th>Small Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>#2</td>
<td>#3</td>
</tr>
</tbody>
</table>

1. Compound annual growth rate for YTD Q3 F2018 vs YTD Q3 F2015
2. Ranking includes BMO, BNS, CIBC, RBC, TD
3. Canadian Bankers Association; deposit market share as of March 2018
4. Canadian Bankers Association; loan market share $0-$25MM as of March 2018
5. Canadian Bankers Association; loan market share $0-$5MM as of March 2018
6. Canadian Bankers Association; loan market share $0-1MM as of March 2018
Clear strategy for double-digit Commercial growth over five years

Market-leading capacity growth...
deployed against
...highest-value opportunities...
fueled by
...distinctive enablers

Grow Commercial capacity by 50%
• Accelerate hiring (~125 RM in F2019)
• Drive individual productivity via digital enablement

Maintain strengths while diversifying for growth
• Sectors: Healthcare, Services / Tech
• Markets: GTA, Alberta
• Customer segments: Small Business

Enhance enablers, starting in Small Business, and scaling up across portfolio
• Digital / Partnership: Build leading digital lending platform, integrate Partnerships
• Products / Marketing: Create compelling products and value propositions
• Data / Analytics: Leverage real-time data to automate portfolio monitoring

BMO Financial Group
Growing Commercial capacity by 50%

Accelerating salesforce hiring...

<table>
<thead>
<tr>
<th>Relationship Managers</th>
<th># FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2015</td>
<td>926</td>
</tr>
<tr>
<td>F2018</td>
<td>975</td>
</tr>
<tr>
<td>F2019</td>
<td>1,100</td>
</tr>
<tr>
<td>F2021</td>
<td>1,300+</td>
</tr>
</tbody>
</table>

...and driving digital enablement

- Modernizing platforms to improve user experience, enable straight-through processing
- Leveraging data and analytics to improve client risk monitoring, eliminating manual intervention required for annual reviews by 50%
- Using robotics and AI to automate routine work
- Transforming policies and procedures to simplify work
Diversifying beyond core sectors

**Sector % Book Share¹**

<table>
<thead>
<tr>
<th>Sector</th>
<th>% Book</th>
<th>Share¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>22%</td>
<td>#4</td>
</tr>
<tr>
<td>Agriculture</td>
<td>17%</td>
<td>#1</td>
</tr>
<tr>
<td>Healthcare</td>
<td>5%</td>
<td>#3</td>
</tr>
<tr>
<td>Services / Tech</td>
<td>3%</td>
<td>#4</td>
</tr>
</tbody>
</table>

**Actions:**

- Adding bankers with sector expertise (e.g., added 20 sector specialists in past 4 quarters)
- Developing market-leading sector solutions
- Building sector-specific credit, risk management, and pricing capabilities

**Strengths Focus Areas**

**Good momentum**

<table>
<thead>
<tr>
<th>Y/Y Market share Δ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
</tr>
<tr>
<td>Services / Tech</td>
</tr>
</tbody>
</table>

**Y/Y loan growth¹**

<table>
<thead>
<tr>
<th>Y/Y Market share Δ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
</tr>
<tr>
<td>Services / Tech</td>
</tr>
</tbody>
</table>

¹ Canadian Bankers Association; loan market share $0-$25MM as of March 2018
## Growing in key markets

<table>
<thead>
<tr>
<th>Region</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC</td>
<td>#1</td>
</tr>
<tr>
<td>Prairies</td>
<td>#2</td>
</tr>
<tr>
<td>Atlantic</td>
<td>#2</td>
</tr>
<tr>
<td>Quebec</td>
<td>#3</td>
</tr>
<tr>
<td>Ontario</td>
<td>#3</td>
</tr>
<tr>
<td>Alberta</td>
<td>#3</td>
</tr>
<tr>
<td>GTA</td>
<td>#5&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

### Actions:
- Hiring aggressively to drive growth in key markets
- Developing dedicated coverage teams to focus on most valuable opportunities in key urban centers (e.g., Tech sector coverage team in GTA)
- Maintaining dedicated relationship coverage through all phases of the cycle

### Good progress

- **Alberta**
  - Loan market share<sup>1</sup> growth Y/Y: +83 bps
- **GTA**
  - Deposit market share<sup>2</sup> growth Y/Y: +87 bps

---

<sup>1</sup> Canadian Bankers Association; loan market share $0-$25MM as of March 2018

<sup>2</sup> Canadian Bankers Association; deposit market share as of March 2018

<sup>3</sup> Canadian Bankers Association; loan market share $0-$5MM as of March 2018
Profitably growing Small Business

**Digital platform**

- **Business Xpress**
  - 95% faster time to approval

**Partnerships**

- **Cloud Accounting Software**
  - Integrating for Small Business clients

**Products and marketing**

- **Small Business Cards**
  - Launched suite of market-leading cards

**Data and analytics**

- **Automated loan monitoring**
  - Freed-up time from annual reviews

**Key Performance Indicators**

- **+40%**
  - New Small Business Cards client growth Y/Y Q3 YTD

- **+82 bps**
  - Deposit market share growth Y/Y¹

---

¹ Canadian Bankers Association, deposits market share <$100M as of March 2018
Commercial: Double-digit earnings growth

1. Leading Commercial franchise
   - “Best Commercial Bank in Canada”¹
   - #2 loan share overall²
   - #1 in Upper Mid-Market, Agriculture²

2. Clear opportunities to diversify growth
   - Sectors (Healthcare, Services / Tech)
   - Markets (GTA, Alberta)
   - Segments (Small Business)

3. Strong momentum and market-leading capacity growth
   - Top-tier loan growth and deposit market share gains
   - Creating 50% more capacity

¹ World Finance Banking Awards, 2015-2018
² Canadian Bankers Association; loan market share as of March 2018
## Bold aspirations for our business over five years

<table>
<thead>
<tr>
<th>Top-tier net income growth</th>
<th>Market-leading efficiency ratio improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>7-8% Net Income CAGR</strong></td>
<td><strong>Efficiency ratio &lt;45%</strong></td>
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<tr>
<td>Top-tier customer franchise growth in Personal</td>
<td>Double-digit growth in Commercial</td>
</tr>
<tr>
<td><strong>1 million net new customers</strong></td>
<td><strong>10% Net Income CAGR</strong></td>
</tr>
</tbody>
</table>
Strong Financial Performance, Foundation for Growth

Tom Flynn  Chief Financial Officer

BMO
Strong financial performance

### Adjusted\(^1\) Diluted EPS ($)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted</td>
<td>4.75</td>
<td>4.84</td>
<td>6.10</td>
<td>6.17</td>
<td>6.41</td>
<td>6.57</td>
<td>6.92</td>
<td>7.92</td>
</tr>
<tr>
<td>Diluted</td>
<td>4.81</td>
<td>5.10</td>
<td>5.95</td>
<td>6.21</td>
<td>6.59</td>
<td>7.00</td>
<td>7.52</td>
<td>8.16</td>
</tr>
</tbody>
</table>

\(^1\) Adjusted measures are non-GAAP measures, see slide 2 for more information

### Net Revenue\(^2\) ($B)

<table>
<thead>
<tr>
<th></th>
<th>F2015</th>
<th>F2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net</td>
<td>18.1</td>
<td>20.7</td>
</tr>
<tr>
<td>Revenue</td>
<td>+7%</td>
<td>+8%</td>
</tr>
</tbody>
</table>

\(^2\) Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)

### Average Annual Total Shareholder Return\(^3\)

<table>
<thead>
<tr>
<th></th>
<th>3 year</th>
<th>10 year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BMO</td>
<td>15.6%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Peer average</td>
<td>6.9%</td>
<td>12.6%</td>
</tr>
<tr>
<td>S&amp;P/TSX Comp</td>
<td>8.1%</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

\(^3\) The average annual total shareholder return (TSR) represents the average annual total return earned on an investment in BMO common shares made at the beginning of a fixed period. The return includes the change in share price and assumes dividends received were reinvested in additional common shares. As of October 19, 2018. Peers include: BNS, CIBC, NA, RY, TD

---

1. Adjusted measures are non-GAAP measures, see slide 2 for more information
2. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)
3. The average annual total shareholder return (TSR) represents the average annual total return earned on an investment in BMO common shares made at the beginning of a fixed period. The return includes the change in share price and assumes dividends received were reinvested in additional common shares. As of October 19, 2018. Peers include: BNS, CIBC, NA, RY, TD
Diversified and attractive mix by business and geography

Adjusted Net Income – YTD Q3 F2018

- ~80% of earnings from retail businesses
- U.S. Segment expected to represent ~1/3 of earnings (5 years)
- Strong Commercial and Wealth

1 Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Adjusted net income by operating group and by geography excludes Corporate Services. Reported mix by operating group: Canadian P&C 41%, U.S. P&C 22%, BMO WM 18%, BMO CM 19%; by geography (excluding Corporate Services): Canada 65% (Canadian P&C 62%, BMO CM 19%, BMO WM 19%), U.S. 27% (U.S. P&C 81%, BMO CM 15%, BMO WM 4%), Other 8% (BMO CM 32%, BMO WM 68%)
3 Retail businesses comprised of Canadian P&C, U.S. P&C and BMO Wealth Management
Diversified revenue provides opportunity for growth, stability and resilience

Net Revenue\(^1,2\)

Net Revenue Growth Volatility\(^1,4\)

Adjusted Net Income Growth Volatility\(^3,4\)

Retail focused business mix; diverse range of fee-based revenues; strength in commercial

1 Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)
2 Based on YTD Q3 F2018 net revenue; excludes Corporate Services
3 Adjusted measures are non-GAAP measures, see slide 2 for more information
4 Measured as the volatility in quarterly net revenue and adjusted net income growth (Q1 F2013 – Q3 F2018). U.S. P&C volatility based on US$
Disciplined and integrated approach to risk management

PCL on Impaired Loans as a % of Average Net Loans & Acceptances

• BMO’s PCL loss rates have been lower than peer average over time

1 BMO F2016 and F2017 PCL on impaired loans and average net loans & acceptances have been restated to conform with the current period’s presentation
2 Effective Q1’12 PCL include the impact of IFRS accounting treatment and F2011 comparatives have been restated accordingly
3 Peer ratios calculated using publicly disclosed provisions and average net loans & acceptances, and may differ slightly from their reported ratios. Canadian Competitors Weighted Average excludes BMO
4 BMO and peer F2012 average net loans & acceptances have been restated to conform with the current period’s presentation
5 Effective in the first quarter of 2018, the bank prospectively adopted IFRS 9. Under IFRS 9, we refer to the provision for credit losses on impaired loans and the provision for credit losses on performing loans. Prior periods have not been restated
Strong pre-provision, pre-tax earnings

If PCL moved to ~40 bps, long term average and ~2x current level, impact to income ~10%\(^1,3\)

Current PPPT would cover PCL rate in excess of 220 bps, higher than any time in at least 30 years, over five times average

\(\text{Adjusted PPPT}^{1,2} \text{ (SMM)}\)

\(\begin{array}{c|c}
\text{F2012} & 5,456 \\
\text{F2017} & 7,687
\end{array}\)

\(\text{Adjusted PCL}^{1,2} \text{ (SMM)}\)

\(\begin{array}{c|c}
\text{F2012} & 470 \\
\text{F2017} & 822
\end{array}\)

\(\text{~10%} \text{ Annual net income impact}\)

\(\text{+7\%}\)

1 Adjusted measures are non-GAAP measures, see slide 2 for more information
2 PPPT: Pre-provision, pre-tax earnings; defined as the difference between revenue and expenses. Reported PPPT: F2012 $5,794MM; F2017 $7,392MM. Reported PCL: F2012 $764MM; F2017 $746MM
3 Based on annualized 03 F2018 adjusted net income and a combined tax rate of 30% (for illustrative purposes)
Ongoing commitment to improving efficiency

Total Bank Adjusted Efficiency (%)\textsuperscript{1,2}

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. P&amp;L</th>
<th>Canadian P&amp;L</th>
<th>BMO WM</th>
<th>BMO CM</th>
<th>Corporate Services</th>
<th>YTD Q3 F2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2015</td>
<td>65.5</td>
<td>(1.5)</td>
<td>(1.2)</td>
<td>(0.4)</td>
<td>0.0</td>
<td>(0.3)</td>
</tr>
</tbody>
</table>

- Investing in areas of opportunity (e.g. U.S., Wealth, technology)
- Efficiency improved 340 bps since F2015
- Focused on innovation, simplification and digitization

2% Operating Leverage each year

58% Expected Efficiency by F2021

1 Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Reported efficiency F2015 67.5%; YTD Q3 F2018 64.3%
Strong capital position provides flexibility

**Strong CET1 Capital**

- 8.7% in F2012
- 11.4% in F2017
- 11.4% in Q3 F2018
- Current OSFI expectation: 10.5%
- Domestic Stability Buffer: 9.5%
- D-SIB Surcharge: 1.5%
- Capital Conservation Buffer: 1.0%
- Minimum CET1: 2.5%
- Total earnings of ~$15B over 3 years, of which $8B returned to shareholders

**Good Record of Capital Deployment**

- Return of Capital: 56%
- Ratio Growth: 15%
- RWA Growth: 18%
- Acquisitions: 11%

- Share buybacks used to moderate CET1 ratio growth when above ~11%
- Repurchased 5 million shares in F2017 and 9 million shares YTD Q3 F2018, ~2.2% of outstanding shares

1 Return of capital through dividends and share buybacks over a 3 year period from Q4 F2015 to Q3 F2018
Strong balance sheet, disciplined approach to liquidity and funding

- Strong and sound liquidity and funding position
- Deep customer deposit base along with capital growth
- Customer deposits have grown 6% per annum over last 3 years

Customer Deposits and Capital to Customer Loans Ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>35</td>
<td>38</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>Total Capital ($B)</td>
<td>270</td>
<td>295</td>
<td>303</td>
<td>318</td>
</tr>
</tbody>
</table>

Cash and Securities to Total Assets Ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>27.8</td>
<td>27.1</td>
<td>28.5</td>
<td>28.2</td>
</tr>
</tbody>
</table>

Customer deposits are operating and savings deposits, including term investment certificates and retail structured deposits, primarily sourced through our retail, commercial, wealth and corporate banking businesses.
Committed to meeting medium-term financial objectives

<table>
<thead>
<tr>
<th>Total Bank</th>
<th>Medium-term Objective&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS growth</td>
<td>7 – 10%</td>
</tr>
<tr>
<td>Net operating leverage</td>
<td>2% or more</td>
</tr>
<tr>
<td>ROE</td>
<td>15% or more</td>
</tr>
<tr>
<td>Capital Ratios</td>
<td>exceed regulatory requirements</td>
</tr>
</tbody>
</table>

<sup>1</sup> Medium-term financial objectives are on an adjusted basis. Adjusted measures are non-GAAP measures, see slide 2 for more information.
Key takeaways

1. Strong Foundation
   - Track record of financial performance
   - Well-diversified and attractive earnings mix
   - Strategic investments in technology, people and platforms
   - Consistent and effective risk management

2. Differentiating Strengths
   - Deep U.S. presence and integrated North American platform
   - Core strength in commercial banking and wealth management
   - Advantaged technology architecture and data capabilities
   - Leading employee engagement and award-winning culture

3. Accelerating Growth & Performance
   - Differentiating strengths drive growth and performance
   - Market-leading digital experiences and advanced customer insights
   - Efficiency through simplification, automation and innovation

4. One Bank, One Team, One Strategy
### Appendix: Adjusting Items

#### Adjusting Items (Pre-tax)

<table>
<thead>
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<tr>
<td>Amortization of acquisition-related intangible assets</td>
<td>(85)</td>
<td>(149)</td>
<td>(160)</td>
<td>(163)</td>
<td>(140)</td>
<td>(125)</td>
<td>(134)</td>
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<td>Acquisition integration costs</td>
<td>(16)</td>
<td>(87)</td>
<td>(104)</td>
<td>(53)</td>
<td>(20)</td>
<td>(251)</td>
<td>(402)</td>
<td>(238)</td>
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<tr>
<td>Cumulative accounting adjustment</td>
<td>-</td>
<td>-</td>
<td>(85)</td>
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<td>-</td>
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<tr>
<td>Restructuring costs</td>
<td>(260)</td>
<td>(59)</td>
<td>(188)</td>
<td>(149)</td>
<td>-</td>
<td>(82)</td>
<td>(173)</td>
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<td>(Increase) / decrease in collective allowance</td>
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<td>407</td>
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<td>Run-off structured credit activities</td>
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<td>40</td>
<td>264</td>
<td>(50)</td>
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<tr>
<td><strong>TOTAL</strong></td>
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<td>(219)</td>
<td>(537)</td>
<td>(365)</td>
<td>(160)</td>
<td>(10)</td>
<td>44</td>
<td>(191)</td>
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#### Adjusting Items (After-tax)

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<td>(250)</td>
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<td>Restructuring costs</td>
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<td>(Increase) / decrease in collective allowance</td>
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<td>-</td>
<td>-</td>
<td>250</td>
<td>251</td>
<td>107</td>
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<tr>
<td>Run-off structured credit activities</td>
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<td>-</td>
<td>-</td>
<td>34</td>
<td>261</td>
<td>(50)</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>(695)</td>
<td>(158)</td>
<td>(389)</td>
<td>(276)</td>
<td>(120)</td>
<td>(28)</td>
<td>97</td>
<td>(161)</td>
<td>(32)</td>
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**Impact on EPS ($)**

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<tbody>
<tr>
<td>(1.08)</td>
<td>(0.24)</td>
<td>(0.60)</td>
<td>(0.43)</td>
<td>(0.18)</td>
<td>(0.04)</td>
<td>0.15</td>
<td>0.26</td>
<td>0.35</td>
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1. Adjusted measures are non-GAAP measures, see slide 2 for more information. Adjusting items are included in Corporate Services, with the exception of the amortization of acquisition-related intangible assets and certain acquisition integration costs, which are charged to the operating groups.
2. These expenses were charged to the non-interest expense of the operating groups.
3. Acquisition integration costs are primarily recorded in non-interest expense.
4. Cumulative accounting adjustment recognized in other non-interest revenue related to foreign currency translation, largely impacting prior periods.
5. Restructuring costs are recorded in non-interest expense.
6. Adjustments to the collective allowance for credit losses are recorded in Corporate Services provision for credit losses.
7. Change due to the revaluation of our U.S. net deferred tax asset as a result of the enactment of the U.S. Tax Cuts and Jobs Act.
8. Credit-related items on the purchased performing portfolio in 2013 were comprised of revenue of $638 million, provisions for credit losses of $232 million and provisions for income taxes of $156 million, resulting in an increase in reported net income after tax of $250 million. Effective the first quarter of 2014, Corporate Services adjusted results include credit-related items in respect of the purchased performing loan portfolio, including $103 million of revenue and $5 million of specific provisions for credit losses in 2015 ($238 million and $82 million in 2014, respectively).
9. Primarily comprised of valuation changes associated with these activities that are mainly included in trading revenues in non-interest revenue.
Investor Relations

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