Investor Presentation

For the Quarter Ended October 31, 2016

December 6, 2016

BMO 200 Financial Group

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Q4|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 Fiscal 2017 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; 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; 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 79 to 112 of BMO's 2016 Annual Report, which outlines 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 document is presented for the purpose of assisting our shareholders in understanding our financial position as at and for the periods ended on the dates presented, as well as our strategic priorities and objectives, and may not be appropriate for other purposes.

Assumptions about the performance of the Canadian and U.S. economies, as well as overall market conditions and their combined effect on our business, are material factors we consider when determining our strategic priorities, objectives and expectations for our business. In determining our expectations for economic growth, both broadly and in the financial services sector, we primarily consider historical economic data provided by the Canadian and U.S. governments and their agencies. See the Economic Developments and Outlook section on page 30 of BMO's 2016 Annual MD&A.

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 BMO's Fourth Quarter 2016 Earnings Release and on page 33 of BMO's 2016 Annual MD&A all of which are available on our website at www.bmo.com/investorrelations.

Examples of non-GAAP amounts or measures include: efficiency and leverage ratios; revenue and other measures presented on a taxable equivalent basis (teb); amounts presented net of applicable taxes; 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 and restructuring costs.

Bank of Montreal provides supplemental information on combined business segments to facilitate comparisons to peers.

Strategic Highlights

For the Quarter Ended October 31, 2016

December 6, 2016

Bill Downe
Chief Executive Officer

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F2016 Financial Highlights

Strong results with good business growth and positive operating leverage

- Q4 reported net income of $1.3B, up 11%; adjusted[1] net income of $1.4B, up 10%;
- Annual reported net income of $4.6B, up 5%; adjusted[1] net income of $5B, up 7%
  - Reported EPS of $6.92, up 5%; adjusted[1] EPS of $7.52, up 7%
- Net revenue[2] growth of 8%
- Net operating leverage[2] of 2.1% (reported[2] 1.1%)
- Well-capitalized with CET1 ratio of 10.1%
- Quarterly dividend of $0.88 per common share, up 2 cents
  - Annual dividend of $3.52 per common share, up 5% from a year ago

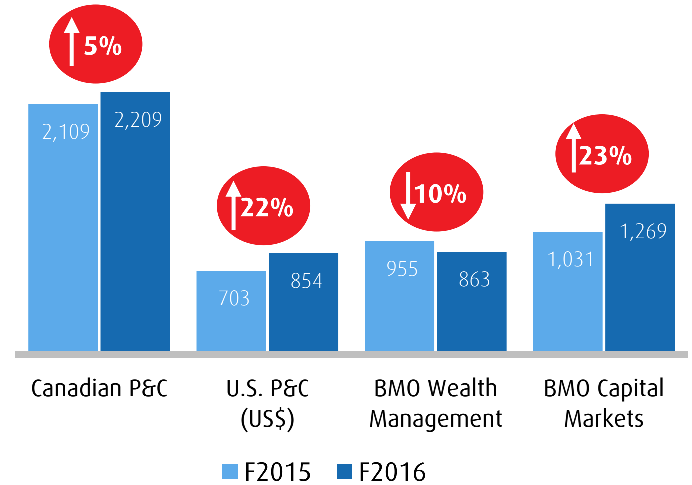
1 Adjusted measures are non-GAAP measures. See slide 2 for more information. See slide 26 for adjustments to reported results
2 Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Net operating leverage based on net revenue

F2016 Operating Group Performance

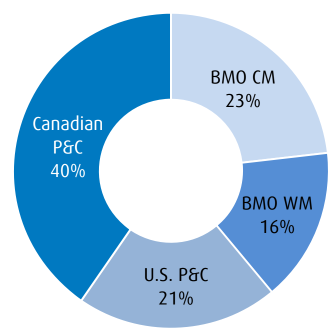
Well-diversified businesses with attractive platforms for continued growth

- Canadian P&C revenue and earnings up 5%; positive adjusted[1] operating leverage of 1.4% (reported 1.5%) and efficiency ratio of 49.6%
- U.S. P&C adjusted[1] net income up 28% (reported 30%) and 22% in USD (reported 24%) benefiting from the addition of BMO Transportation Finance and good organic growth
- BMO Capital Markets net income up 23%, with strong revenue performance and good expense management, partially offset by higher provisions; ROE of 16.2%
- BMO Wealth Management earnings down 10% as underlying growth in a number of businesses was offset by the net impact of non-recurring items in both years; finished the year with good momentum

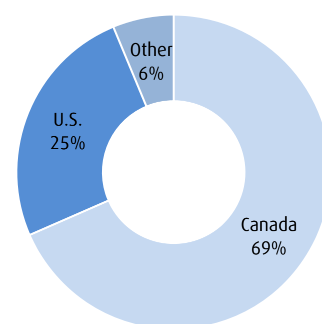
F2016 Adjusted[1] Net Income ($MM)



Operating Group Adjusted[1] Net Income – F2016



Adjusted[1] Net Income by Geography – F2016



1 See slide 26 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. Operating group reported net income ($MM): Canadian P&C F2015 $2,105, F2016 $2,207; US P&C (US$MM) F2015 $661, F2016 $817; BMO Wealth Management F2015 $850, F2016 $762; BMO Capital Markets F2015 $1,029, F2016 $1,268. F2016 operating group reported net income contribution (excludes Corporate Services) Canadian P&C 42%, U.S. P&C 20%, BMO WM 14%, BMO CM 24%; by geography F2016: Canada 71%, U.S. 25%, Other 4%

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 October 31, 2016

December 6, 2016

Tom Flynn
Chief Financial Officer

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F2016 - Financial Highlights

Strong results with good business growth and positive operating leverage

- Reported net income of $4.6B and EPS of $6.92, both up 5%
- Adjusted[1] net income of $5.0B and EPS of $7.52, both up 7%
- Net revenue[2] up 8% Y/Y, or 6% Y/Y in CCY[3]
- Adjusted[1] expenses up 6% Y/Y or 4% in CCY[3] (reported up 7% or 5% in CCY[1])
- Positive operating leverage[2] of 2.1% (reported[2] 1.1%)
- PCL of $815MM, or 23bps
- Pre-provision, pre-tax earnings growth of 12% Y/Y (reported 10%)
- Adjusted[1] ROE of 13.1%, ROTCE[4] of 16.1% (reported ROE 12.1%, ROTCE[4] 15.3%)
- Well-capitalized with CET1 ratio of 10.1%

	Adjusted[1]		Reported	
($MM)	F2016	F2015	F2016	F2015
Net Revenue[2]	**19,628**	18,137	**19,544**	18,135
PCL	**815**	612	**815**	612
Expense	**12,544**	11,819	**12,997**	12,182
Net Income	**5,020**	4,681	**4,631**	4,405
Diluted EPS ($)	**7.52**	7.00	**6.92**	6.57
ROE (%)	**13.1**	13.3	**12.1**	12.5
ROTCE[4] (%)	**16.1**	16.4	**15.3**	15.8
Common Equity Tier 1 (CET1) Ratio (%)			**10.1**	10.7

1 See slide 26 for adjustments to reported results. 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). Reported gross revenue: F2016 $21,087MM; F2015 $19,389MM. Operating leverage based on net revenue
3 Constant currency (CCY) refers to impact of CAD/US exchange rate movements on the U.S. segment only and is a non-GAAP measure. For more information see the Foreign Exchange section on page 7 of Bank of Montreal's Fourth Quarter 2016 Earnings Release
4 Adjusted Return on tangible common equity (ROTCE) = (Annualized Adjusted Net Income avail. to Common Shareholders) / (Average Common shareholders equity less Goodwill and acquisition-related intangibles net of associated deferred tax liabilities). Reported ROTCE = (Annualized Reported Net Income avail. to Common Shareholders less amortization of acquisition-related intangibles) / (Average Common shareholders equity less Goodwill and acquisition-related intangibles net of associated deferred tax liabilities)

Q4 2016 - Financial Highlights

Strong results with net income up 11% Y/Y and positive operating leverage

- Reported net income of $1.3B up 11%; EPS of $2.02 up 10%
- Adjusted[1] net income of $1.4B up 10%; EPS of $2.10 up 11%
- Net revenue[2] up 10% Y/Y
- Expenses up 7% Y/Y
- Positive operating leverage[2] of 2.9% (reported[2] 2.8%)
- PCL of $174MM up $46MM Y/Y from below trend provisions in the prior year
- Adjusted[1] ROE of 14.4%, ROTCE[3] of 17.5% (reported ROE 13.8%, ROTCE[3] 17.2%)

($MM)	Adjusted[1]			Reported		
	Q4 16	Q3 16	Q4 15	Q4 16	Q3 16	Q4 15
Net Revenue[2]	**5,199**	4,942	4,719	**5,199**	4,942	4,717
PCL	**174**	257	128	**174**	257	128
Expense	**3,255**	3,025	3,032	**3,323**	3,092	3,093
Net Income	**1,395**	1,295	1,264	**1,345**	1,245	1,214
Diluted EPS ($)	**2.10**	1.94	1.90	**2.02**	1.86	1.83
ROE (%)	**14.4**	13.5	13.5	**13.8**	13.0	12.9
ROTCE[3] (%)	**17.5**	16.6	16.6	**17.2**	16.3	16.3
Common Equity Tier 1 (CET1) Ratio (%)[4]				**10.1**	10.0	10.7

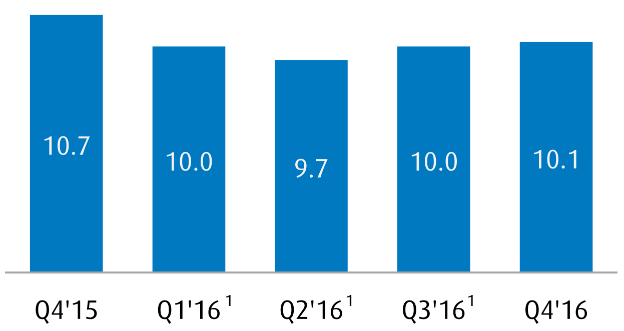
1 See slide 26 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Reported gross revenue: Q4'16 $5,278MM; Q3'16 $5,633MM; Q4'15 $4,982MM. Operating leverage based on net revenue
3 Adjusted Return on tangible common equity (ROTCE) = (Annualized Adjusted Net Income avail. to Common Shareholders) / (Average Common shareholders equity less Goodwill and acquisition-related intangibles net of associated deferred tax liabilities). Reported ROTCE = (Annualized Reported Net Income avail. to Common Shareholders less after-tax amortization of acquisition-related intangibles) / (Average Common shareholders equity less Goodwill and acquisition-related intangibles net of associated deferred tax liabilities)
4 Q3'16 CET1 ratio as amended

Capital & Risk Weighted Assets

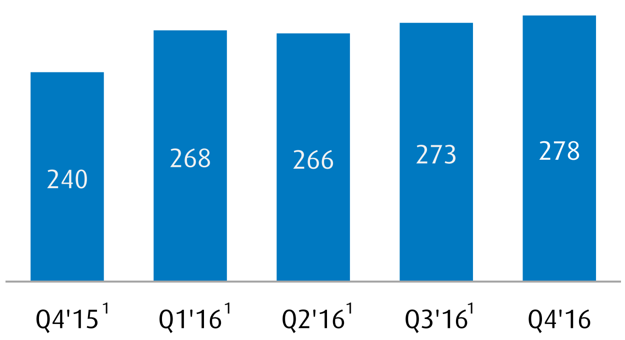
Well-capitalized with CET1 Ratio at 10.1%

- Common Equity Tier 1 Ratio of 10.1%, up from 10.0% in Q3'16[1]
  - Higher CET1 capital from retained earnings and increased AOCI
  - RWA increased $5B primarily due to higher FX movement (~$3B) – which is largely offset through AOCI – and business growth (~$3B), partially offset by changes in book quality (~-$2B) and models (~-$1B), and a higher B1 capital floor (~$2B)
- Acquisition of BMO Transportation Finance business in Q1'16 reduced CET1 Ratio by ~60 bps
- CET1 Capital of $28.2B and Total Capital of $37.9B
- Quarterly common dividend increased 2 cents to $0.88 per share, up 5% Y/Y
  - Attractive dividend yield of ~4%

Common Equity Tier 1 Ratio (%)



Risk Weighted Assets ($B)



1 As amended

Canadian Personal & Commercial Banking

Q4 Net income growth of 5% Y/Y with continued positive operating leverage

- Net income up 5% Y/Y
- Revenue up 5% Y/Y reflecting higher balances across most products and increased non-interest revenue
  - Average loans up 6% and deposits up 8% Y/Y
  - NIM down 2bps Y/Y and Q/Q
- PCL up $11MM Y/Y due to higher consumer and commercial provisions; down $29MM Q/Q mainly due to lower commercial provisions
- Expense growth of 4% Y/Y reflecting investment in the business, net of an ongoing focus on expense management
- Adjusted[1] operating leverage of 1.2% (reported 1.4%)
- Efficiency ratio of 48.9%

($MM)	Adjusted[1]			Reported		
	Q4 16	Q3 16	Q4 15	Q4 16	Q3 16	Q4 15
Revenue (teb)	**1,801**	1,770	1,710	**1,801**	1,770	1,710
PCL	**123**	152	112	**123**	152	112
Expenses	**881**	863	845	**882**	864	847
Net Income	**592**	562	562	**592**	561	561
Net Interest Margin (NIM) %	**2.53**	2.55	2.55	**2.53**	2.55	2.55

1 See slide 26 for adjustments to reported results. Adjusted results are non-GAAP measures, see slide 2 for more information

U.S. Personal & Commercial Banking

Strong growth with Q4 net income up over 30% Y/Y

- Adjusted[1] net income of Cdn$299MM, up 35% Y/Y (reported Cdn$286MM, up 38%)

Figures that follow are in U.S. dollars

- Adjusted[1] net income up 34% Y/Y (reported up 37%) driven by growth in commercial banking including the benefit of BMO Transportation Finance (BMO TF)
  - The acquisition represented ~14% of Q4'16 revenue and expenses
- Revenue up 25% Y/Y
  - NIM up 1 bps Q/Q and 11bps Y/Y
- Average loans and acceptances up 18% and deposits up 7% Y/Y
  - Continued strong organic commercial loan growth of 17%
- PCL up Y/Y due to a consumer loan sale benefit in the prior year, and the addition of BMO TF
- Expenses up 15%, or ~flat ex BMO TF
- Adjusted[1] operating leverage of 9.9% (reported 10.5%)
- Adjusted[1] efficiency ratio of 60.3% improved 510 bps Y/Y (reported 61.7%, improved 560 bps Y/Y)

	Adjusted[1]			Reported		
(US$MM)	Q4 16	Q3 16	Q4 15	Q4 16	Q3 16	Q4 15
Revenue (teb)	**906**	896	724	**906**	896	724
PCL	**50**	58	33	**50**	58	33
Expenses	**546**	530	475	**559**	543	488
Net Income	**226**	221	168	**217**	212	158
Net Interest Margin (%)	**3.58**	3.57	3.47	**3.58**	3.57	3.47

1 See slide 26 for adjustments to reported results. Adjusted results are non-GAAP measures, see slide 2 for more information. 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

Strong net income growth and positive operating leverage

- Adjusted[1] net income up 64% Y/Y (reported 65%)
- Revenue up 27% Y/Y or 26% in CCY[2]:
  - Trading Products benefited from improved trading performance primarily due to higher client activity
  - Investment and Corporate Banking benefited from strong advisory and higher equity and debt underwriting activity, higher corporate banking revenue and net securities gains
- Expense growth of 6% Y/Y reflecting higher costs in-line with performance
- PCL down Y/Y largely due to higher net recoveries in the energy sector
- 5th consecutive quarter of positive operating leverage[1]; Q4 at 20.3% (reported 20.4%)
- Adjusted[1] efficiency ratio of 55.6% (reported 55.7%)

($MM)	Adjusted[1]			Reported		
	Q4 16	Q3 16	Q4 15	Q4 16	Q3 16	Q4 15
Trading Products Revenue	**657**	694	564	**657**	694	564
I&CB Revenue	**528**	393	372	**528**	393	372
Revenue (teb)	**1,185**	1,087	936	**1,185**	1,087	936
PCL	**(8)**	37	(2)	**(8)**	37	(2)
Expenses	**660**	621	621	**660**	622	622
Net Income	**396**	322	242	**396**	321	241
ROE (%)	**20.7**	16.2	12.6	**20.7**	16.2	12.5

1 See slide 26 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Constant currency (CCY) refers to impact of CAD/US exchange rate movements on the U.S. segment only and is a non-GAAP measure. For more information see the Foreign Exchange section on page 7 of Bank of Montreal's Fourth Quarter 2016 Earnings Release

BMO Wealth Management

Q4 earnings growth Y/Y in both traditional wealth and insurance

- Adjusted[1] net income of $302MM, up 11% Y/Y (reported $279MM, up 15% Y/Y)
  - Traditional Wealth results up 5% Y/Y (reported up 8%) from improved market conditions and growth across most businesses; growth from a gain on sale in the quarter was offset by a gain on sale net of a legal provision in the prior year
  - Insurance earnings up Y/Y primarily due to business growth and favourable market movements in the current quarter
- Net revenue[2] up Y/Y as improved market conditions and business growth more than offset lower revenue from divestitures and the net impact of gains in each quarter
- Expenses down 2%, or flat CCY[3] mainly due to the impact of divestitures partially offset by continued investment in the business
- Adjusted[1] operating leverage, net of CCPB was 2.7% due to a focus on expense management
- AUM/AUA up 1% Y/Y

	Adjusted[1]			Reported		
($MM)	Q4 16	Q3 16	Q4 15	Q4 16	Q3 16	Q4 15
Net Revenue[2]	**1,203**	1,081	1,192	**1,203**	1,081	1,192
PCL	**1**	4	1	**1**	4	1
Expenses	**803**	778	819	**832**	810	854
Net Income	**302**	227	271	**279**	201	243
Traditional Wealth Net Income	**224**	173	214	**201**	147	186
Insurance Net Income	**78**	54	57	**78**	54	57
AUM/AUA ($B)	**875**	863	864	**875**	863	864

1 See slide 26 for adjustments to reported results. Adjusted results are non-GAAP measures, see slide 2 for more information. Reported results: Revenue and PCL same as adjusted amounts
2 For purposes of this slide revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Gross revenue: Q4'16 $1,282MM, Q3'16 $1,772MM, Q4'15 $1,457MM
3 Constant Currency (CCY) refers to impact of CAD/US exchange rate movements on the U.S. segment and impact of CAD/GBP exchange rate movements

Corporate Services

- Adjusted[1] net loss of $194MM compared to net loss of $33MM in the prior year. Reported net loss of $208MM, compared to net loss of $39MM in the prior year
- Revenue (ex teb)[2] of $(65)MM is lower relative to above-trend revenue in the prior year mainly due to a recovery under a legal settlement in the prior year
- Expenses above trend in the current quarter and credit recoveries lower

($MM)	Adjusted[1,2,3]			Reported[2,3]		
	Q4 16	Q3 16	Q4 15	Q4 16	Q3 16	Q4 15
Revenue	**(65)**	(57)	45	**(65)**	(57)	43
Group teb offset[2]	**(124)**	(106)	(120)	**(124)**	(106)	(120)
Total Revenue (teb)[2]	**(189)**	(163)	(75)	**(189)**	(163)	(77)
PCL (recovery)	**(8)**	(11)	(25)	**(8)**	(11)	(25)
Expenses	**189**	72	121	**210**	89	126
Net Loss	**(194)**	(105)	(33)	**(208)**	(115)	(39)

1 See slide 26 for adjustments to reported results. Adjusted results are non-GAAP measures, see slide 2 for more information
2 Operating group revenue, income taxes and net interest margin are stated on a taxable equivalent basis (teb). The offset to the group teb adjustments is reflected in Corporate Services revenue and income taxes, and total BMO revenue, income taxes and net interest margin are stated on a GAAP basis
3 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

Risk Review

For the Quarter Ended October 31, 2016

December 6, 2016

Surjit Rajpal
Chief Risk Officer

BMO 200 Financial Group
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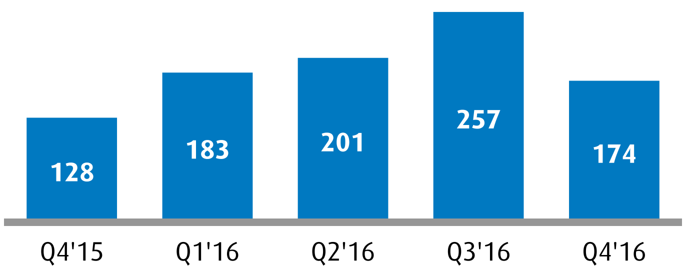
Provision for Credit Losses (PCL)

PCL By Operating Group ($MM)	Q4 15	Q3 16[1]	Q4 16[1]
Consumer – Canadian P&C	95	106	102
Commercial – Canadian P&C	17	46	21
Total Canadian P&C	**112**	**152**	**123**
Consumer – U.S. P&C[1]	(6)	14	6
Commercial – U.S. P&C[1]	48	61	60
Total U.S. P&C	**42**	**75**	**66**
Wealth Management	**1**	**4**	**1**
Capital Markets	**(2)**	**37**	**(8)**
Corporate Services[1]	**(25)**	**(11)**	**(8)**
Specific PCL	**128**	**257**	**174**
Change in Collective Allowance	-	-	-
Total PCL	**128**	**257**	**174**
PCL in bps	**15**	**29**	**19**

- Q4’16 PCL ratio at 19 bps, down from the prior quarter primarily due to lower Oil and Gas provisions
- For F2016, PCL ratio at 23 bps, up from 19 bps in the prior year

Quarterly Specific PCL ($MM)



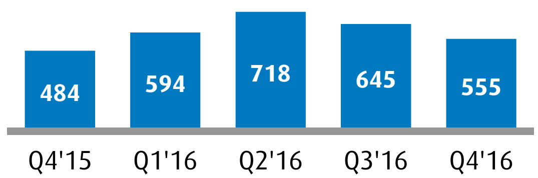
1 Beginning in the first quarter of 2016, the provision for credit losses on the purchased performing portfolio is being recognized in U.S. P&C, consistent with the accounting for the acquisition of BMO Transportation Finance. Results for prior periods have not been reclassified. Recoveries or provisions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

Gross Impaired Loans (GIL) and Formations

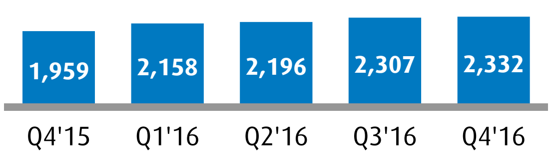
By Industry ($MM)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other[1]	U.S.	Total
Consumer	**160**	**109**	**269**	**356**	**585**	**941**
Oil & Gas	2	67	69	107	346	453
Agriculture	16	42	58	84	156	240
Manufacturing	18	9	27	30	112	142
Service Industries	1	28	29	30	102	132
Transportation	1	32	33	7	90	97
Commercial Real Estate	31	2	33	50	23	73
Construction (non-real estate)	0	0	0	9	40	49
Financial Institutions	1	0	1	3	46	49
Wholesale Trade	3	29	32	22	60	82
Mining	0	0	0	2	1	3
Retail Trade	1	1	2	15	10	25
Other Business and Government[2]	2	0	2	23	23	46
Total Business and Government	**76**	**210**	**286**	**382**	**1,009**	**1,391**
Total Bank	**236**	**319**	**555**	**738**	**1,594**	**2,332**

- Impaired formations decreased this quarter across a broad range of industries
- GIL ratio flat Q/Q at 62 bps

Formations ($MM)



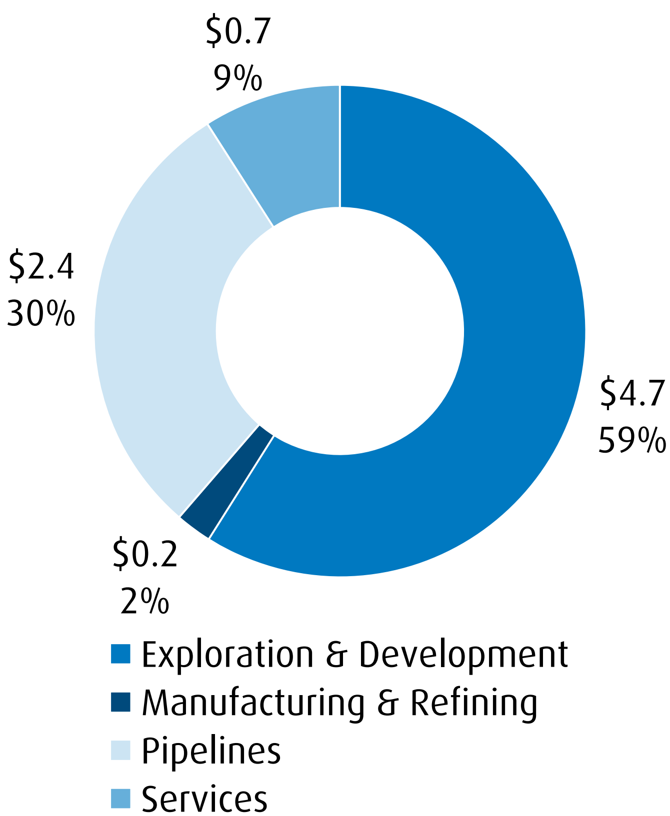
Gross Impaired Loans ($MM)



1 Business and Government includes ~$2MM GIL from Other Countries
2 Other Business and Government includes industry segments that are each <1% of total GIL

Oil and Gas and Alberta Consumer Portfolios

Oil and Gas Balances – By Sector ($B)



Oil and Gas – Corporate/Commercial

- Oil and Gas exposure of $8.0B in gross loans and $8.7B in undrawn exposure[1], with approximately 50% of exposure investment grade
- Portfolio represents 2% of total bank loans

Consumer Exposure in Alberta

- Alberta consumer loans represent 6% of total bank loans of which over 80% are Real Estate Secured (RESL)
  - ~60% of Alberta RESL is insured
  - 56% Loan-to-value (LTV) on uninsured RESL

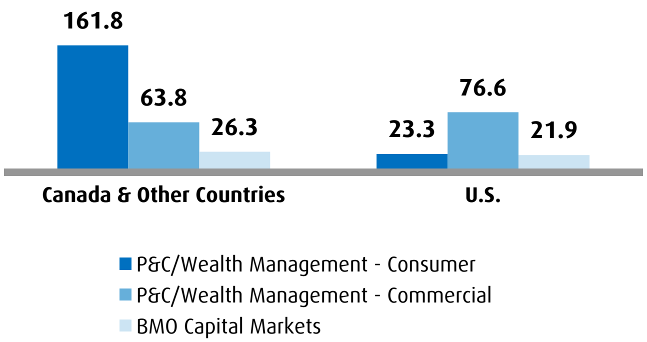
1 Credit exposures on committed undrawn amounts of loans. See Credit Risk Exposure by Industry table on page 43 of Supplementary Financial Information

Loan Portfolio Overview

Gross Loans & Acceptances By Industry ($B)	Canada & Other[1]	U.S.	Total	% of Total
Residential Mortgages	103.6	8.7	112.3	30%
Consumer Instalment and Other Personal	50.7	14.0	64.7	17%
Cards	7.5	0.6	8.1	2%
Total Consumer	**161.8**	**23.3**	**185.1**	**49%**
Service Industries	14.7	20.8	35.5	9%
Financial Institutions	15.7	20.3	36.0	10%
Commercial Real Estate	14.7	9.4	24.1	6%
Manufacturing	5.9	12.8	18.7	5%
Retail Trade	9.6	7.3	16.9	5%
Wholesale Trade	3.8	8.4	12.2	3%
Agriculture	8.5	2.5	11.0	3%
Transportation	1.9	8.8	10.7	3%
Oil & Gas	5.0	3.0	8.0	2%
Mining	1.5	0.4	1.9	1%
Other Business and Government[2]	8.8	4.8	13.6	4%
Total Business and Government	**90.1**	**98.5**	**188.6**	**51%**
Total Gross Loans & Acceptances	**251.9**	**121.8**	**373.7**	**100%**

- Loans are well diversified by geography and industry

Loans by Geography and Operating Group ($B)



1 Business and Government includes ~$10.8B from Other Countries
2 Except for Mining, Other Business and Government includes industry segments that are each <2% of total loans

Canadian Residential Mortgages

- Total Canadian residential mortgage portfolio at $103.6B
  - 56% of the portfolio is insured
  - LTV[1] on the uninsured portfolio is 54%[2]
  - 70% 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 remains good at 24 bps
  - Condo Mortgage portfolio is $14.7B with 49% insured

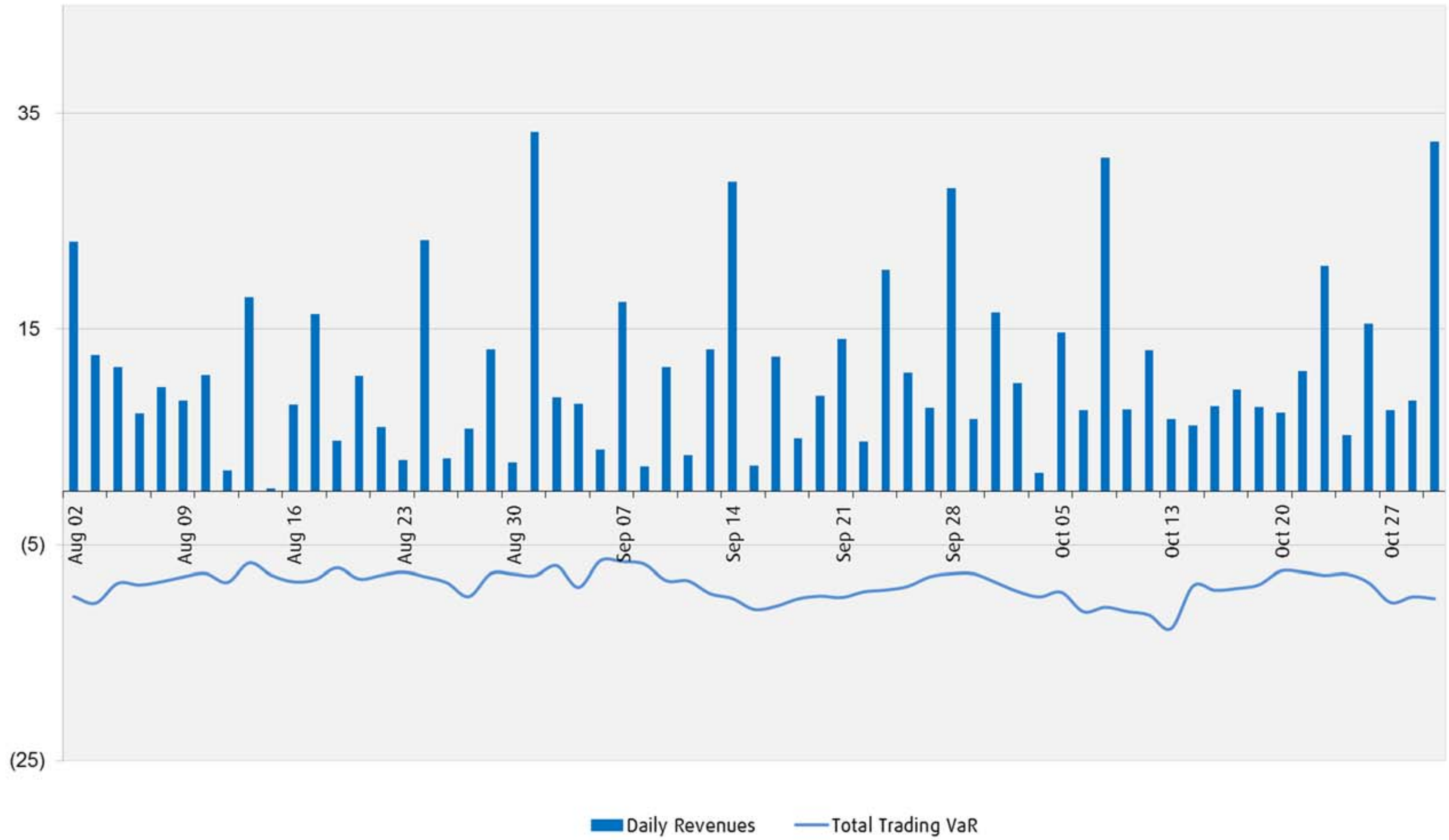
Residential Mortgages by Region ($B)	Insured	Uninsured	Total	% of Total
Atlantic	3.7	1.7	5.4	5%
Quebec	9.2	5.7	14.9	14%
Ontario	23.6	20.1	43.6	42%
Alberta	11.5	4.8	16.2	16%
British Columbia	7.5	12.1	19.6	19%
All Other Canada	2.5	1.4	3.9	4%
Total Canada	**57.9**	**45.7**	**103.6**	**100%**

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 Q4'16 was 50%

Trading Revenue vs. VaR

August 2, 2016 to October 31, 2016 (in MM's and on a Pre-Tax Basis)



APPENDIX

BMO Financial Group
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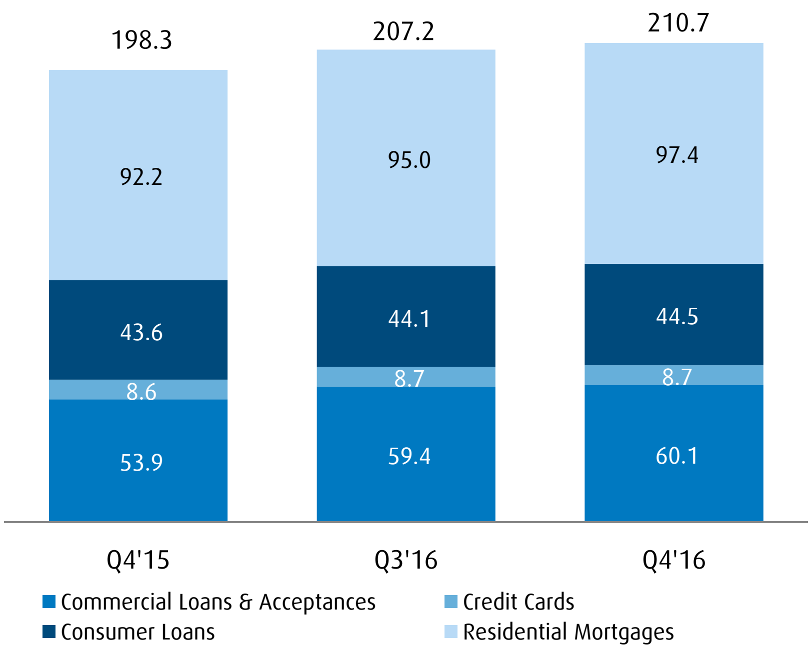
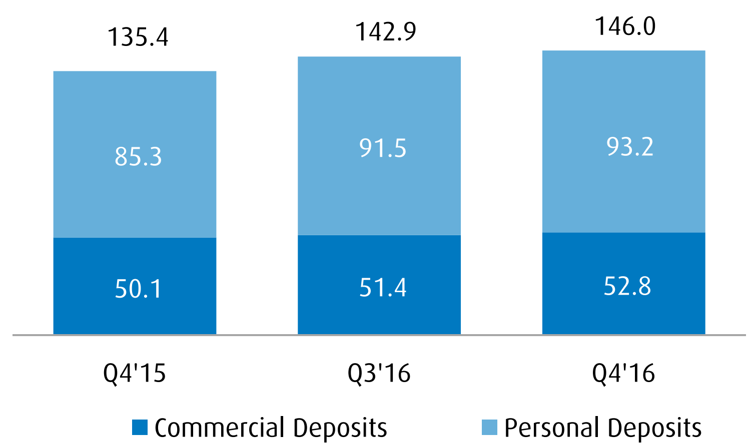
Canadian Personal and Commercial Banking - Balances

Average Loans & Acceptances ($B)



- Loan growth of 6% Y/Y
  - Mortgages up 6%
  - Consumer loan balances up 2%
  - Commercial loan balances[1] up 12%

Average Deposits ($B)

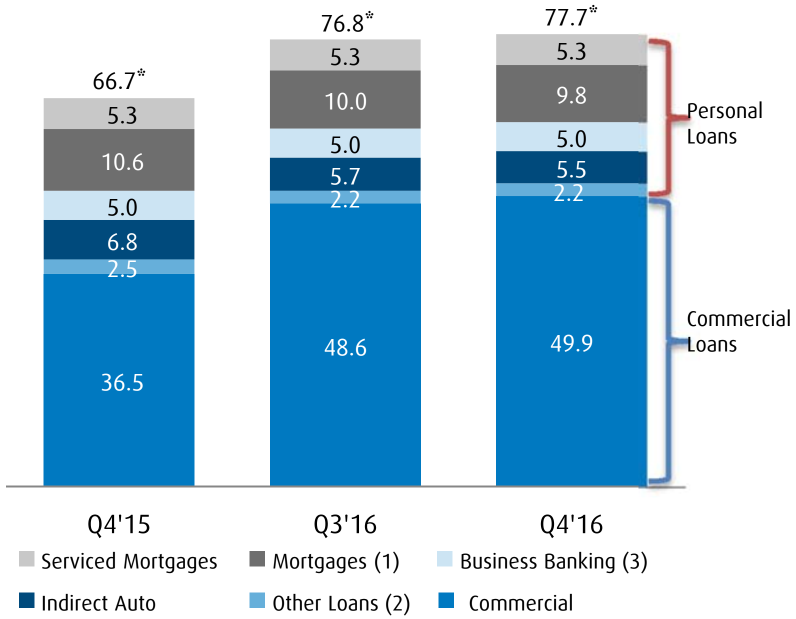


- Deposit growth of 8% Y/Y
  - Personal deposit balances up 9% including strong chequing account growth
  - Commercial deposit balances up 5%

1 Commercial lending growth excludes commercial cards. Commercial card balances represent approximately 7% of the total credit card portfolio in Q4'16, Q3'16 and Q4'15

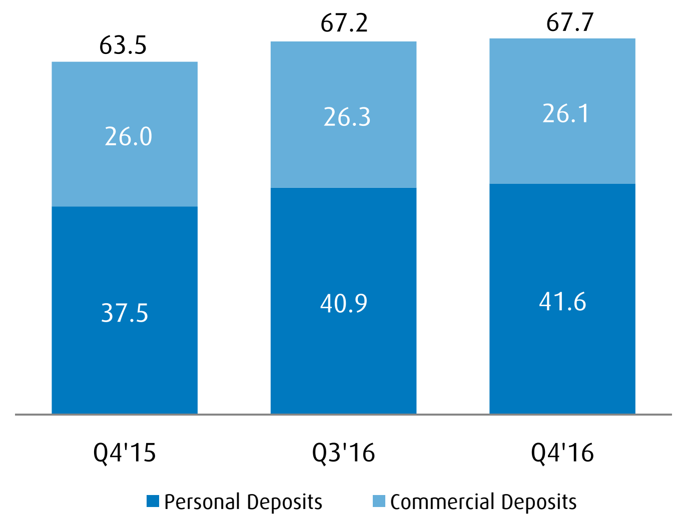
U.S. Personal & Commercial Banking – Balances

Average Loans & Acceptances (US$B)



- Commercial loans up 17% Y/Y excluding BMO TF
- Serviced mortgage portfolio flat Y/Y; mortgage portfolio down 7% Y/Y
- Business Banking flat Y/Y
- Indirect Auto down 19% Y/Y due to strategic decision to reduce portfolio originations

Average Deposits (US$B)



- Commercial deposit balances up marginally Y/Y
- Personal Deposit balances up 11% Y/Y
  - Chequing and money market balance growth of 3% Y/Y

* Total includes Serviced Mortgages which are off-balance sheet
1 Mortgages include Wealth Management Mortgages (Q4'16 $1.9B, Q3'16 $1.9B, Q4'15 $1.7B) and Home Equity (Q4'16 $3.6B, Q3'16 $3.7B, Q4'15 $4.0B)
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, other personal loans and credit mark on certain purchased performing loans
3 Business Banking includes Small Business

Adjusting Items

Adjusting[1] items – Pre-tax ($MM)	Q4 16	Q3 16	Q4 15	F2016	F2015
Amortization of acquisition-related intangible assets[2]	**(37)**	(40)	(43)	**(160)**	(163)
Acquisition integration costs[2]	**(31)**	(27)	(20)	**(104)**	(53)
Cumulative accounting adjustment[3]	**-**	-	-	**(85)**	-
Restructuring costs[4]	**-**	-	-	**(188)**	(149)
Adjusting items included in reported pre-tax income	**(68)**	(67)	(63)	**(537)**	(365)

Adjusting[1] items – After-tax ($MM)	Q4 16	Q3 16	Q4 15	F2016	F2015
Amortization of acquisition-related intangible assets[2]	**(29)**	(31)	(33)	**(124)**	(127)
Acquisition integration costs[2]	**(21)**	(19)	(17)	**(71)**	(43)
Cumulative accounting adjustment[3]	**-**	-	-	**(62)**	-
Restructuring costs[4]	**-**	-	-	**(132)**	(106)
Adjusting items included in reported net income after tax	**(50)**	(50)	(50)	**(389)**	(276)
Impact on EPS ($)	**(0.08)**	(0.08)	(0.07)	**(0.60)**	(0.43)

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
4 Restructuring charge in Q2'16, as we accelerate the use of technology to enhance customer experience and focus on driving operational efficiencies. Restructuring charge in Q2'15, primarily due to restructuring to drive operational efficiencies

Investor Relations

Contact Information

bmo.com/investorrelations
E-mail: investor.relations@bmo.com

JILL HOMENUK
Head, Investor Relations
416.867.4770
jill.homenuk@bmo.com

CHRISTINE VIAU
Director, Investor Relations
416.867.6956
christine.viau@bmo.com

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