

Fixed Income Investor Presentation

April 2017



BMO  Financial Group
We're here to help.™

Q1|17

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 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; 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 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 Review and Outlook section of our First Quarter 2017 Report to Shareholders.

Non-GAAP Measures

Bank of Montreal uses both GAAP and non-GAAP measures to assess performance. Readers are cautioned that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings under GAAP and are unlikely to be comparable to similar measures used by other companies. Reconciliations of GAAP to non-GAAP measures as well as the rationale for their use can be found on page 4 of BMO's First Quarter 2017 Report to Shareholders and on page 33 of BMO's 2016 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 and restructuring costs.

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

BMO Financial Group

8th largest bank in North America¹ with an attractive and diversified business mix

Who we are

- Established in 1817, Canada's first bank
- In Canada: a full service, universal bank across all of the major product lines - banking, wealth management and capital markets
- In the U.S.: banking and wealth management largely in the Midwest, with a mid-cap focused strategy in Capital Markets
- In International markets: select presence, including Europe and Asia
- Key numbers (as at January 31, 2017):
 - Assets: \$692 billion
 - Deposits: \$477 billion
 - Employees: over 45,000
 - Branches: 1,523
 - ABMs: 4,657

Q1 2017 Results *	Adjusted ²	Reported
Net Revenue (\$B) ³	5.4	5.4
Net Income (\$B)	1.5	1.5
EPS (\$)	2.28	2.22
ROE (%)	15.3	14.9
Common Equity Tier 1 Ratio (%)		11.1

Other Information (as at March 31, 2017)		
Annual Dividend Declared (per share) ⁴		\$3.52
Dividend Yield ⁴		3.5%
Market Capitalization		\$64.7 billion
Exchange Listings	TSX, NYSE (Ticker: BMO)	
Share Price:		
TSX		C\$99.33
NYSE		US\$74.79

* All amounts in this presentation in Canadian dollars unless otherwise noted

1 As measured by assets as at January 31, 2017; ranking published by Bloomberg

2 Adjusted measures are non-GAAP measures, see slide 2 for more information. For details on adjustments refer to slide 37

3 For purposes of this slide net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Reported gross revenue was \$5.4B

4 Annualized based on Q2'17 declared dividend of \$0.88 per share

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

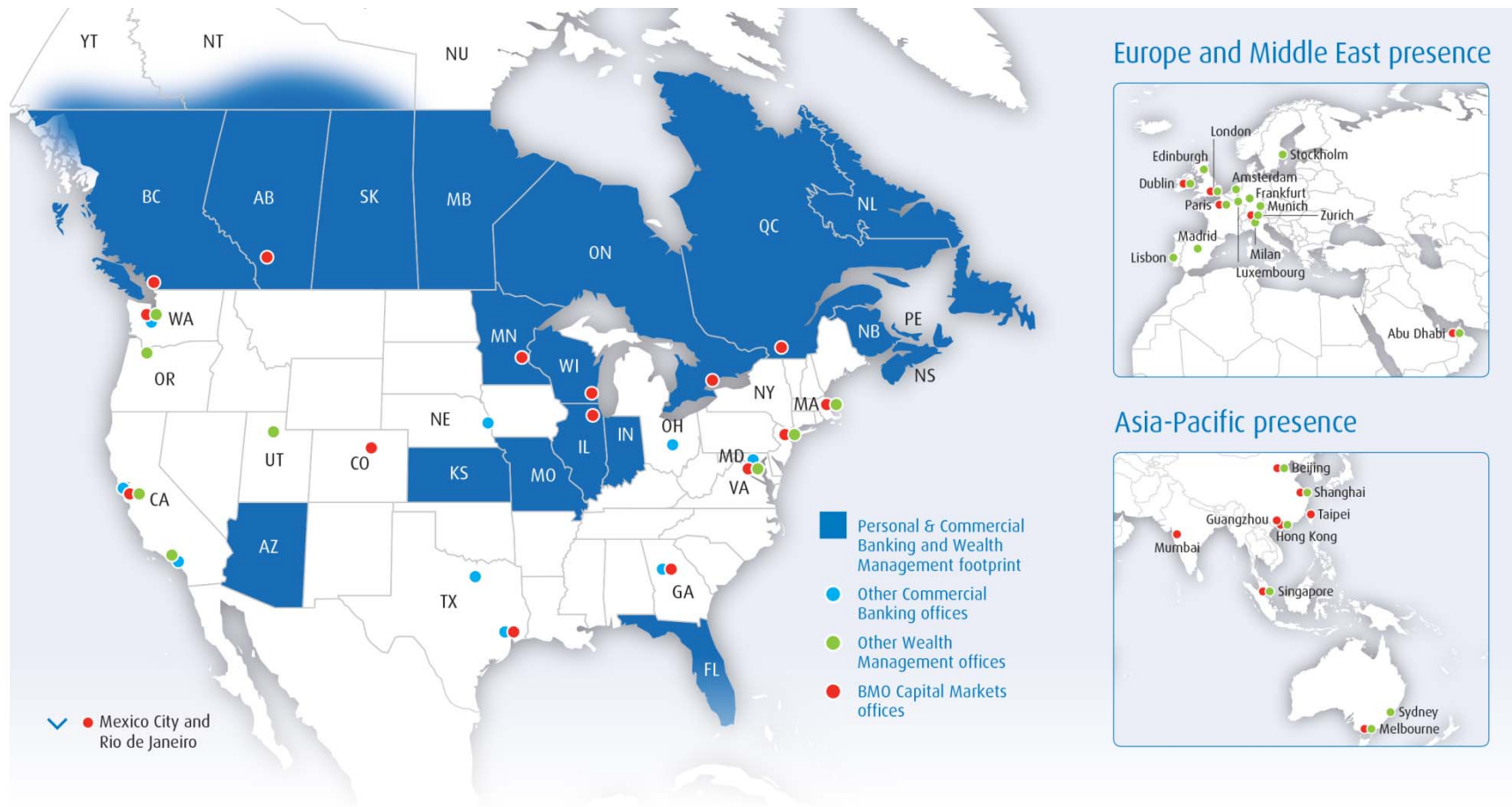
4

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

BMO's Strategic Footprint



Our three operating groups serve individuals, businesses, governments and corporate customers across Canada and the United States with a focus in six U.S. Midwest states – Illinois, Indiana, Wisconsin, Minnesota, Missouri and Kansas. Our significant presence in North America is bolstered by operations in select global markets in Europe, Asia and the Middle East, allowing us to provide all our customers with access to economies and markets around the world.

Reasons to Invest

- Strong, diversified businesses that continue to deliver robust earnings growth and long-term value for shareholders:
 - Large North American commercial banking business with advantaged market share
 - Well-established, highly profitable core banking business in Canada
 - Diversified U.S. banking operations well positioned to benefit from growth opportunities
 - Award-winning wealth franchise with an active presence in markets across Canada, the United States, Europe and Asia
 - Competitively advantaged Canadian and growing mid-cap focused U.S. capital markets business
- Well-capitalized with an attractive dividend yield
- Committed to customer experience, measured through a disciplined loyalty program
- Focus on efficiency through technology innovation, process enhancement and increased digitalization across channels
- Adherence to strong business ethics and corporate governance standards, including sustainability principles that ensure we consider social, economic and environmental impacts as we pursue sustainable growth

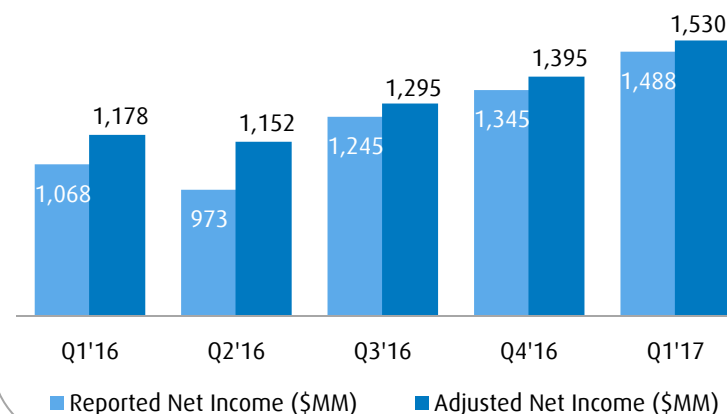
Q1 2017 - Financial Highlights

Strong results with good underlying performance and positive operating leverage

- Reported net income of \$1.5B up 39% Y/Y; EPS of \$2.22 up 40% Y/Y
- Adjusted¹ net income of \$1.5B and EPS of \$2.28, both up 30% Y/Y
- Results include net gain of \$133MM from sale of Moneris US² (\$168MM) net of loss on sale of a portion of US indirect auto portfolio (\$35MM); net gain contributed 11% to adjusted¹ net income growth Y/Y (12% reported) and \$0.20 to EPS
- Adjusted net revenue^{1,3} up 13% Y/Y (reported³ up 15%); net gain contributed ~3% to revenue growth
- Adjusted¹ expenses up 4% Y/Y (reported up 3%)
- Positive adjusted operating leverage^{1,3} of 9.1% (reported³ 11.4%); net gain contributed ~3% to operating leverage
- PCL of \$173MM down \$10MM Y/Y
- Adjusted¹ ROE of 15.3%, ROTCE⁴ of 18.6% (reported ROE 14.9%, ROTCE⁴ 18.5%)

(\$MM)	Reported			Adjusted ¹		
	Q1 17	Q4 16	Q1 16	Q1 17	Q4 16	Q1 16
Net Revenue ²	5,401	5,199	4,709	5,401	5,199	4,793
PCL	173	174	183	173	174	183
Expense	3,379	3,323	3,270	3,320	3,255	3,204
Net Income	1,488	1,345	1,068	1,530	1,395	1,178
Diluted EPS (\$)	2.22	2.02	1.58	2.28	2.10	1.75
ROE (%)	14.9	13.8	10.9	15.3	14.4	12.1
ROTCE ³ (%)	18.5	17.2	14.0	18.6	17.5	15.0
CET1 Ratio (%)	11.1	10.1	10.0			

Net Income¹ Trend



¹ See slide 36 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information

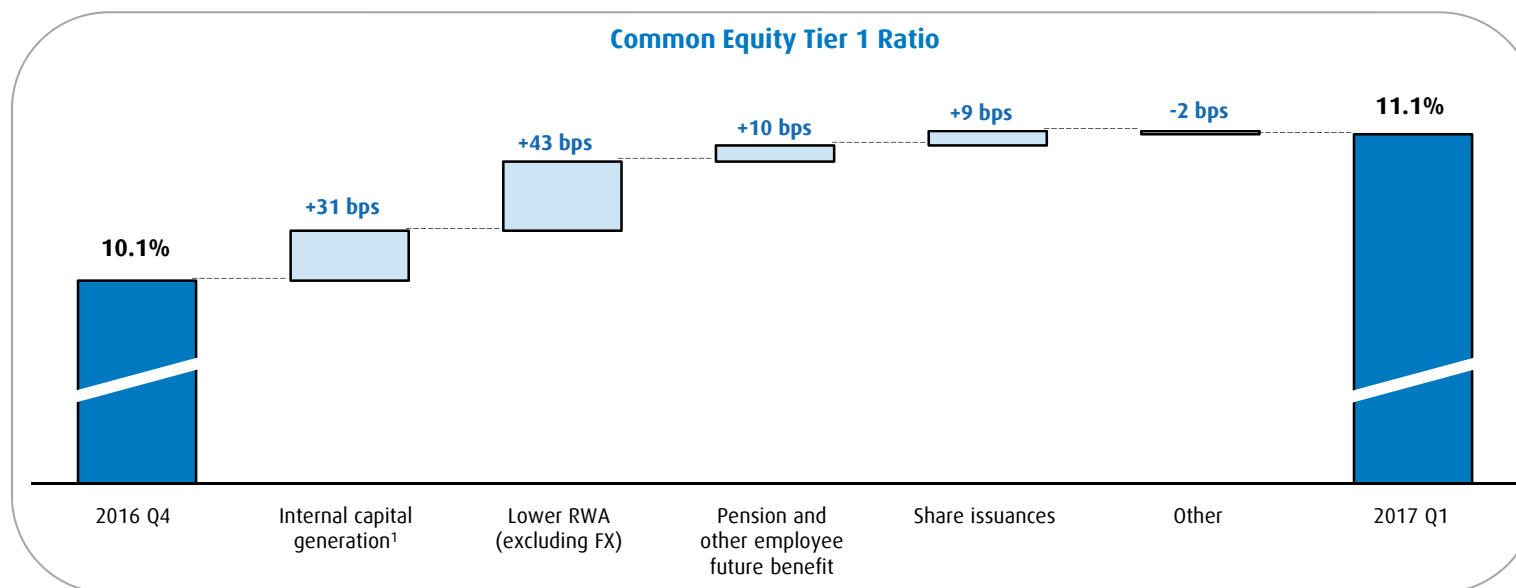
² Our joint venture investment, Moneris Solutions Corporation, sold its U.S. subsidiary (Moneris US) during the quarter. The \$168MM after-tax represents our share of the gain on sale of Moneris US

³ Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Reported gross revenue: Q1'17 \$5,405MM; Q4'16 \$5,278MM; Q1'16 \$5,075MM. Operating leverage based on net revenue

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). Numerator for Reported ROTCE is (Annualized Reported Net Income avail. to Common Shareholders less after-tax amortization of acquisition-related intangibles)

Strong Capital Position

Well capitalized with CET1 Ratio at 11.1%



Basis points may not add due to rounding

- Q1'17 CET1 Ratio of 11.1%, up from 10.1% at Q4'16 due to:
 - Strong earnings in the quarter
 - Lower source currency RWA which principally reflects the benefit from a focus on managing certain risk positions and executing on risk mitigation opportunities, as well as methodology changes
 - Lower pension and other employee plan obligation impacts and higher share issuance driven by DRIP discount. The impact of FX movements on the CET1 ratio was largely offset

¹ Internal capital generation represents retained earnings growth

Economic & Housing Overview

Economic Outlook and Indicators¹

	Canada			United States			Eurozone		
Economic Indicators (%) ^{1, 2}	2015	2016E ²	2017E ²	2015	2016E ²	2017E ²	2015	2016E ²	2017E ²
GDP Growth	0.9	1.4	2.5	2.6	1.6	2.4	1.9	1.7	1.5
Inflation	1.1	1.4	2.0	0.1	1.3	2.8	0.0	0.2	1.5
Interest Rate (3mth Tbills)	0.53	0.49	0.50	0.05	0.32	0.90	(0.02)	(0.28)	(0.35)
Unemployment Rate	6.9	7.0	6.6	5.3	4.9	4.4	10.9	10.0	9.8
Current Account Balance / GDP ³	(3.4)	(3.3)	(1.6)	(2.6)	(2.6)	(3.0)	3.9	4.1	4.0
Budget Surplus / GDP ³	0.0	(1.1)	(1.4)	(2.5)	(3.2)	(2.9)	(2.1)	(1.8)	(1.5)

Canada

- Economic growth is expected to improve to 2.5% in 2017 from 1.4% in 2016, as the downturn in the oil industry subsides and as exports increase in response to the low-valued Canadian dollar and firmer U.S. demand
- The Bank of Canada is expected to keep policy rates steady in 2017 amid calm inflation pressures
- The Canadian dollar will likely weaken against the U.S. dollar in 2017 as U.S. interest rates move higher, though firmer oil prices will provide support

United States

- Economic growth is projected to strengthen to 2.4% in 2017 from 1.6% in 2016 due to fiscal stimulus, an upswing in business investment, and ongoing strength in consumer spending and housing markets
- The unemployment rate is expected to fall to 4.3% by year-end 2017
- The Federal Reserve will likely raise interest rates two more times in 2017, extending the recent upturn in bond yields

¹ This slide contains forward looking statements. See caution on slide 2

² Data is annual average. Estimates as of March 31, 2017

³ Eurozone estimates provided by OECD

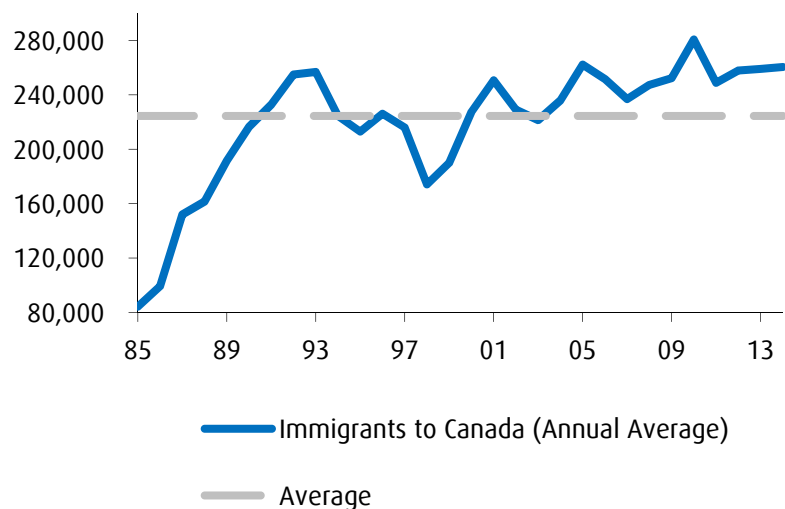
Canadian Residential Mortgages – A Snapshot of Key Features

- Structure of Canadian residential mortgage market lower risk compared to U.S. due to:
 - No lending with loan to value above 80% without government-backed insurance
 - Shorter terms (i.e. 1-10 years)
 - Prepayment charges borne by the borrower
 - No mortgage interest deductibility for income tax purposes (no incentive to take on higher levels of debt)
 - Recourse back to the borrower in most provinces
- The Federal government has made a number of adjustments in recent years to support the stability of the housing market and the financial system
 - Effective October 17, 2016 all insured mortgage loans with loan to value above 80%, regardless of term, will be subject to mortgage rate stress test to qualify for mortgage insurance at an interest rate that is greater of either:
 - a) The contract mortgage rate; **OR**
 - b) Bank of Canada's conventional 5-year fixed posted rate
 - Minimum 20% down payment required for rental / investment properties
 - Minimum 10% down payment on the portion of any insured mortgage over \$500,000. The five per cent rule remains the same for the portion up to \$500,000, effective February 1, 2016
 - Maximum loan-to-value (LTV) on HELOCs dropped to 65% from 80%, effective October 31, 2012
 - Maximum amortization period on insured mortgages lowered from 30 to 25 years, effective July 9, 2012
 - Withdrawal of government backed insurance for home equity secured lines of credit (HELOCs), effective April 18, 2011

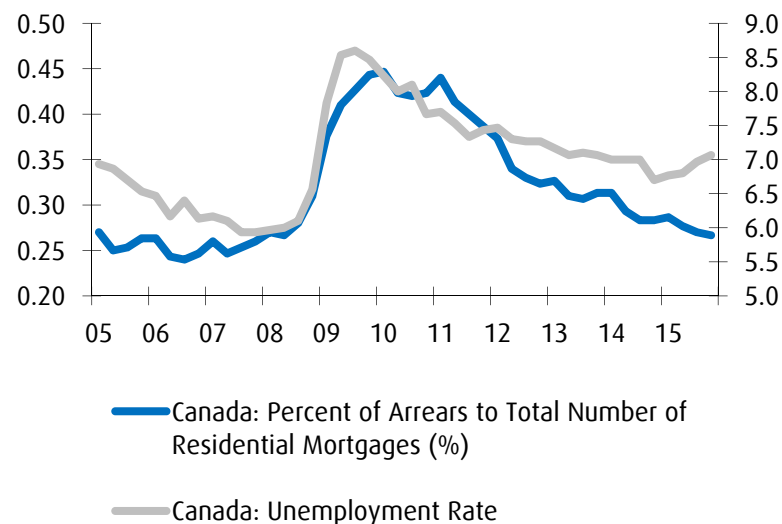
Canada's housing market remains resilient

- Steady immigration, young buyers, low mortgage rates and foreign wealth continue to drive home sales
- Toronto prices accelerating, raising concerns about overheating; Vancouver prices have declined moderately
- Earlier weakness in the energy-producing provinces is stabilizing amid higher oil prices
- Most regions are expected to see modestly rising home prices in 2017
- Mortgage arrears remain near record lows, despite an upturn in Alberta and Saskatchewan
- The increase in the household debt-to-income ratio has slowed but remains elevated because of strong mortgage growth

Immigration to Canada



Mortgage Delinquencies/Unemployment



Source: BMO CM Economics and Canadian Bankers' Association as of March 31, 2017
This slide contains forward looking statements. See caution on slide 2

Canadian Residential Mortgages

- Total Canadian residential mortgage portfolio at \$103.9B
 - 57% of the portfolio is insured
 - Loan-to-value (LTV)¹ on the uninsured portfolio is 54%
 - 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 \$14.8B with 50% insured

Residential Mortgages by Region (\$B)	Insured	Uninsured	Total	% of Total	Uninsured LTV ¹
Atlantic	3.7	1.7	5.4	5%	59%
Quebec	9.3	5.6	14.9	14%	62%
Ontario	24.5	19.6	44.1	42%	54%
Alberta	11.5	4.6	16.1	16%	61%
British Columbia	7.7	11.8	19.5	19%	48%
All Other Canada	2.5	1.4	3.9	4%	56%
Total Canada	59.2	44.7	103.9	100%	54%

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

Loan Portfolio Overview

Our loans are well diversified by geography and industry

Gross Loans & Acceptances By Industry (C\$B)	Canada & Other ¹	U.S.	Total	% of Total
Residential Mortgages	104.0	8.5	112.5	30%
Consumer Instalment and Other Personal	50.8	10.7	61.5	17%
Cards	7.4	0.5	7.9	2%
Total Consumer	162.1	19.7	181.8	49%
Financial Institutions	18.0	19.4	37.4	10%
Service Industries	14.9	19.3	34.2	9%
Commercial Real Estate	15.1	9.1	24.2	7%
Manufacturing	5.9	12.7	18.6	5%
Retail Trade	9.7	8.1	17.8	5%
Wholesale Trade	4.1	7.1	11.2	3%
Agriculture	8.5	2.4	10.9	3%
Transportation	2.0	8.2	10.2	3%
Oil & Gas	4.2	2.8	7.0	2%
Mining	1.1	0.3	1.4	0%
Other Businesses and Governments ²	9.2	4.9	14.1	4%
Total Businesses and Governments	92.7	94.3	187.0	51%
Total Gross Loans & Acceptances	254.8	114.0	368.8	100%

¹ Total Businesses and Governments includes ~\$13.2B from Other Countries

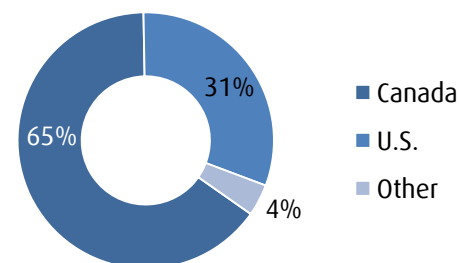
² Other Businesses and Governments includes all industry segments that are each <2% of total loans, except Mining, which is shown separately

³ Gross loans and acceptances as of January 31, 2017

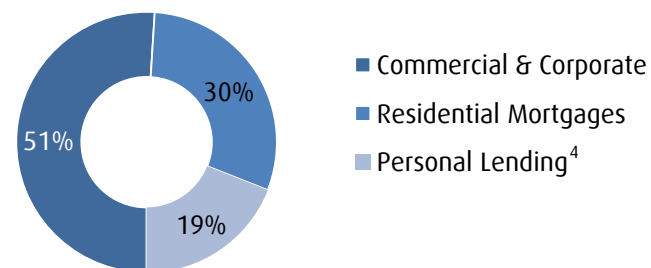
⁴ Including cards

⁵ Average net loans and acceptances as of January 31, 2017

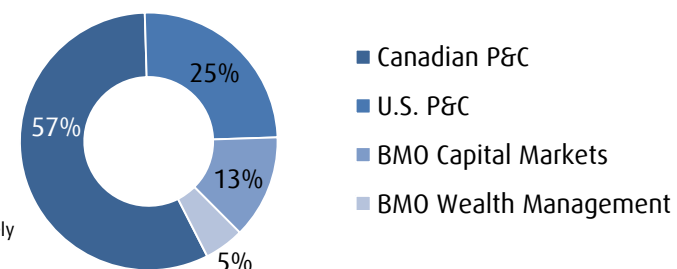
Loans by Geography³



Loans by Product³



Loans by Operating Group⁵



BMO's Canadian Consumer Loan Portfolio

- BMO's Canadian consumer loan portfolio is well diversified and supported by prudent adjudication practices
 - Consumer loans as a percentage of total Bank loans is the lowest of peer banks¹
 - 88% of the consumer loan portfolio is secured
 - Unsecured loan portfolio is the smallest of the big five banks on an absolute basis²; retail credit card portfolio is smaller than peer average
 - Unsecured and non-real estate secured loans are prime only (not sub prime)
 - HELOC portfolio is of high quality; 80% max LTV (65% on revolving⁴). Over 90% of the portfolio is in priority position
 - Consumer lending products (cards, LOCs, auto loans, Indirect & Other Instalment) loss rates lower than peer average over time

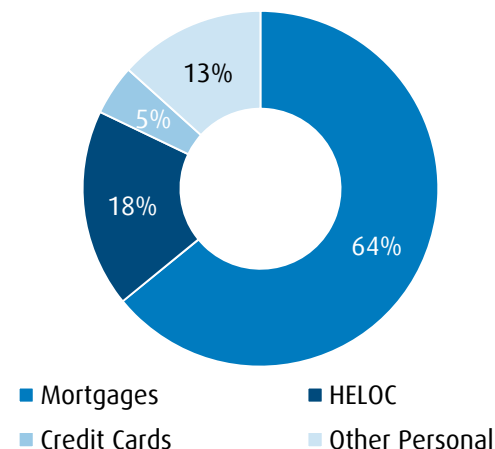
¹ Based on company reports as of Q4'16

² Based on OSFI data as of December 2016

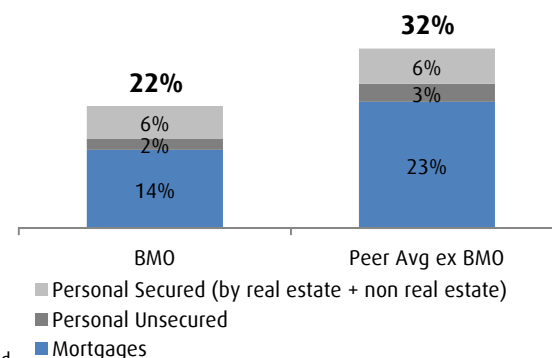
³ Personal refers to non-mortgage loans to individuals for non-business purposes per OSFI filings; total currency less foreign currency denominated

⁴ 65% maximum LTV applies to revolving loans originated, effective November 2012

Total Canadian Consumer Loans: Q1'17 \$162.1B
(88% is secured)

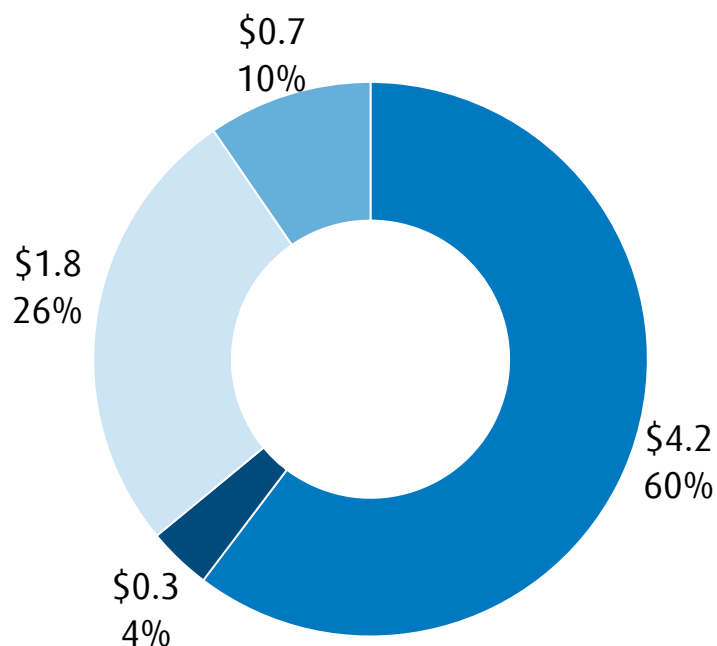


Canadian Consumer Loans^{2,3}
(% of Total Assets)



Oil and Gas and Alberta Consumer Portfolios

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



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

Oil and Gas – Corporate/Commercial

- Oil and Gas exposure of \$7.0B in gross loans and \$8.8B in undrawn¹, with ~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

Gross Impaired Loans (GIL) and Formations

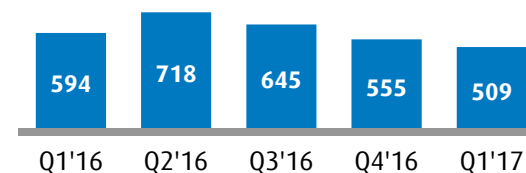
By Industry (C\$MM)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other ¹	U.S.	Total
Consumer	181	106	287	378	568	946
Oil & Gas	4	2	6	55	272	327
Agriculture	18	41	59	71	186	257
Manufacturing	27	15	42	49	115	164
Service Industries	2	52	54	26	123	149
Transportation	1	38	39	7	103	110
Wholesale Trade	1	0	1	20	48	68
Commercial Real Estate	15	1	16	35	21	56
Construction (non-real estate)	0	1	1	6	35	41
Retail Trade	1	1	2	13	10	23
Financial Institutions	0	0	0	2	11	13
Mining	0	0	0	1	1	2
Other Businesses and Governments ²	0	2	2	12	28	40
Total Businesses and Governments	69	153	222	297	953	1,250
Total Bank	250	259	509	675	1,521	2,196

¹ Total Businesses and Governments includes ~\$2MM GIL from Other Countries

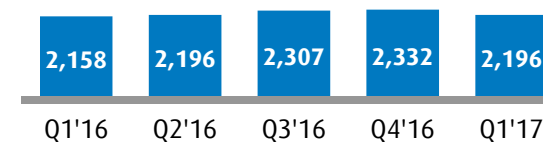
² Other Businesses and Governments includes industry segments that are each <1% of total GIL

- Impaired formations down \$46MM Q/Q
- GIL ratio 60 bps, down 2 bps Q/Q

Formations (\$MM)



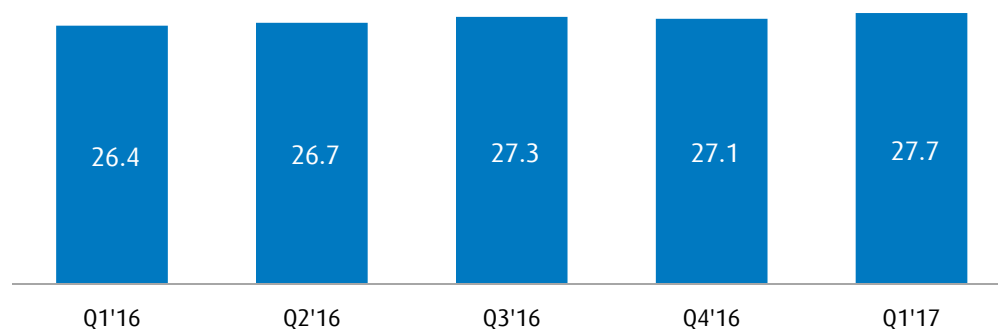
Gross Impaired Loans (\$MM)



Liquidity & Wholesale Funding Mix

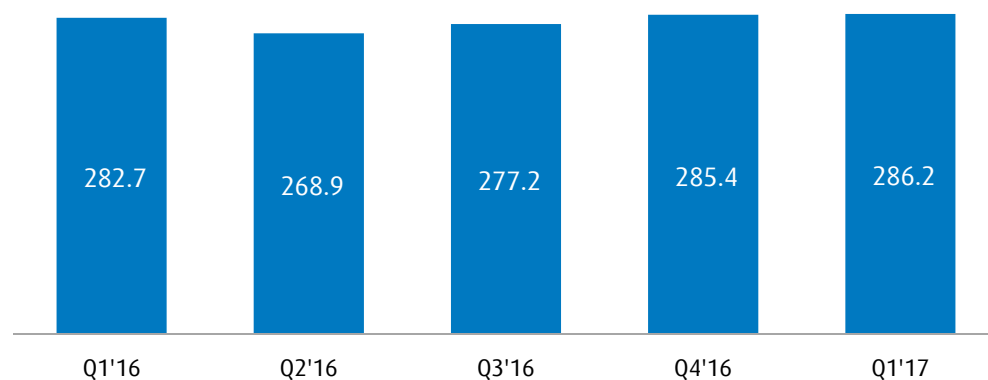
Liquidity and Funding Strategy

Cash and Securities to Total Assets Ratio (%)



- BMO's Cash and Securities to Total Assets Ratio reflects a strong and stable liquidity position

Customer Deposits¹ (\$B)



- BMO's large base of customer deposits, along with our strong capital base, reduces reliance on wholesale funding

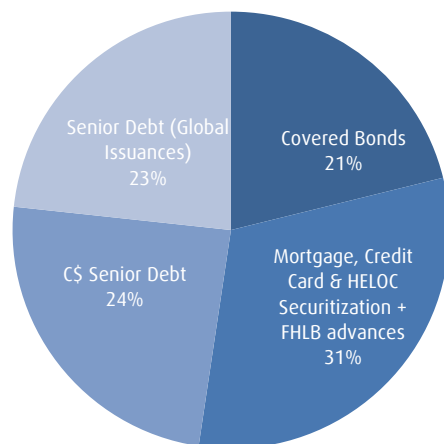
¹ Customer Deposits are core deposits plus large fixed-date deposits, excluding wholesale customer deposits

Diversified Wholesale Term Funding Mix

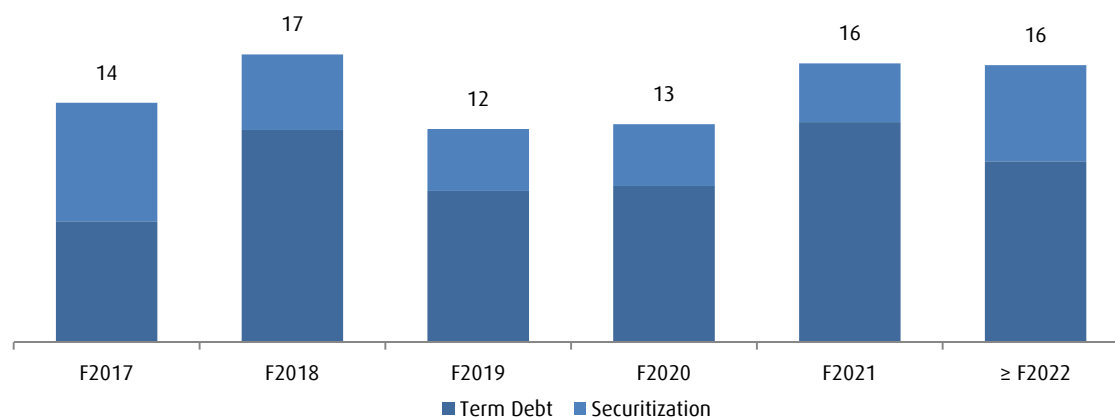
- BMO's wholesale funding principles seek to match the term of assets with the term of funding. Loans for example are funded with customer deposits and capital, with any difference provided by longer-term wholesale funding
- BMO has a well diversified wholesale funding platform across markets, products, terms, currencies and maturities

Senior Note Credit Ratings ¹			
Moody's	S&P	Fitch	DBRS
Aa3	A+	AA-	AA

Wholesale Capital Market
Term Funding Maturity Profile²
\$88B as at January 31, 2017



Wholesale Capital Market
Term Funding Maturity Profile^{2,3}
\$88B as at January 31, 2017



¹ Standard & Poor's and Fitch have a stable outlook. Moody's and DBRS have a negative outlook pending further details on the government's approach to implementing a bail-in regime for Canada's domestic systemically important banks

² Wholesale capital market term funding primarily includes non-structured funding for terms greater than or equal to two years. Excludes Extendible Notes and Capital issuances

³ BMO term debt maturities includes term unsecured and Covered Bonds

Wholesale Funding Platform

- Programs provide BMO with diversification and cost effective funding

Canada ¹	U.S. ¹	Europe, Australia & Asia ¹
<ul style="list-style-type: none"> • Canadian MTN Shelf (C\$8B) • Master Credit Card Trust II (C\$4B) • Fortified Trust (C\$5B) • Other Securitization (Canada Mortgage Bonds, Mortgage Backed Securities) 	<ul style="list-style-type: none"> • SEC Registered U.S. Shelf (US\$18B) • Global Registered Covered Bond Program (US\$17B)² 	<ul style="list-style-type: none"> • Note Issuance Programme (US\$20B) • Australian MTN Programme (A\$5B) • Global Registered Covered Bond Program (US\$17B)²

Recent Notable Transactions

- US\$793.7 million 3-yr Master Credit Card Trust Securitization
- US\$1.75 billion 5-yr Fixed Covered Bond at 2.5%
- C\$750 million 5-yr Senior Unsecured Notes (Re-opening) at 1.61%
- C\$750 million 10-yr Senior Unsecured Notes at 2.7%
- C\$600 million 5-yr Rate-Reset Preferred Shares at 4.85%
- US\$1.0 billion 3-yr Fixed Senior Unsecured Notes at 2.1%
- US\$250 million 3-yr Floating Rate Senior Unsecured Notes

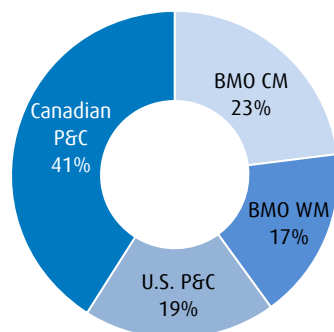
¹ Indicated dollar amounts beside each wholesale funding program denotes program issuance capacity limits

² The program allows for issuance in both Europe and the US

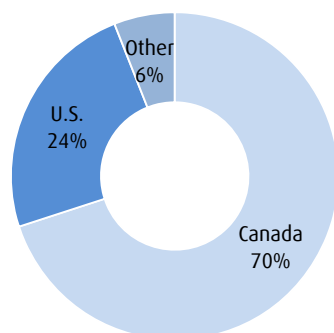
Appendix

Diversified by businesses, customer segments and geographies

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



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



Canadian P&C

- Full range of financial products and services to eight million customers
- Over 900 branches and nearly 3,300 ABMs
- Strong commercial banking business, as evidenced by BMO's number two ranking in Canadian market share for business loans up to \$25 million

U.S. P&C

- Helping more than two million customers feel confident in their financial decisions
- Customers are served through nearly 600 branches, contact centres, online and mobile banking platforms and almost 1,400 ABMs across eight states
- Attractive branch footprint and top-tier deposit market share in key U.S. Midwest markets (including Illinois, Wisconsin, Indiana, Minnesota, Missouri and Kansas)

BMO Wealth Management

- Global business with an active presence in markets across Canada, the United States, Europe and Asia
- Full service and direct brokerage, mutual funds, institutional asset management, private banking and insurance
- Full range of client segments from mainstream to ultra-high net worth, and institutional

BMO Capital Markets

- North American-based financial services provider offering a complete range of products and services to corporate, institutional and government clients
- ~2,400 professionals in 30 locations around the world, including 16 offices in North America
- U.S. Mid-cap strategy focused in select strategic sectors where we have expertise and experience

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

² Reported net income by operating group (excludes Corporate Services), last twelve months (LTM): Canadian P&C 42%, U.S. P&C 19%, BMO WM 15%, BMO CM 24%. By geography (LTM): Canada 72%, U.S. 23%, Other 5%. For details on adjustments refer to slide 36

Canadian Personal & Commercial Banking

Strengths and Value Drivers

- Highly engaged team of dedicated employees focused on providing a personalized banking experience
- #2 market share for business loans up to \$25 million with lending and deposit growth of 10% and 6% respectively in our commercial banking business
- Largest MasterCard® issuer in Canada for both retail and commercial cards
- Consistently applied credit risk management practices, providing reliable access to appropriate financing solutions

Our Strategic Priorities

Focused on capturing key growth and loyalty opportunities while capitalizing on the shift to digital channels to achieve greater efficiency

- Continue to focus on improving customer loyalty by deepening relationships
 - In personal banking, deliver a leading customer experience leveraging new digital channels and existing networks
 - In commercial banking, target opportunities through diversification and product expansion
- Accelerate our digital capabilities to deliver a seamless customer experience
- Continue strengthening risk management practices and enhancing automation capabilities while delivering a great customer experience

Recent Accomplishments



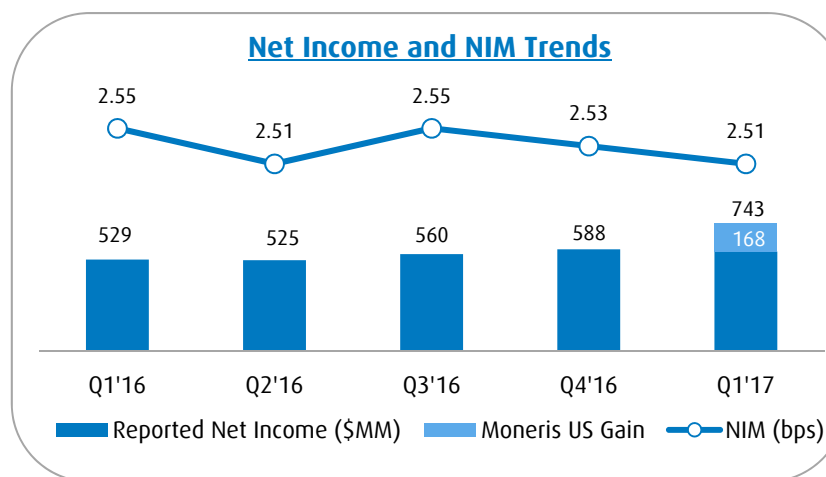
- Launched a new digital capability that allows customers to open an account in minutes using their smartphone; now extended capability to online channel
- Launched biometric security enhancements to select corporate card customers with MasterCard Identity Check™
- Named Best Commercial Bank in Canada by *World Finance Magazine* for the second consecutive year

Canadian Personal & Commercial Banking

Good performance with continued positive operating leverage

- Net income up 40% Y/Y; the gain on sale of Moneris US (\$168MM)² contributed 31%
- Revenue up 15% Y/Y reflecting higher non-interest revenue, including gain of \$187MM and higher balances, partially offset by lower NIM; the gain contributed 11% to revenue growth
- NIM down 4bps Y/Y and 2bps Q/Q
- Average loans up 5% (personal³ 4%, commercial³ 9%) and deposits up 8% Y/Y (personal 8%, commercial 6%)
- PCL down \$22MM Y/Y and \$5MM Q/Q
- Expenses up 3% Y/Y
- Adjusted¹ and reported operating leverage of 11.5%; gain on sale contributed ~10.8% to operating leverage
- Efficiency ratio of 45.5%, including gain on sale benefit of ~4.7%

(\$MM)	Reported			Adjusted ¹		
	Q1 17	Q4 16	Q1 16	Q1 17	Q4 16	Q1 16
Revenue (teb)	1,979	1,802	1,725	1,979	1,802	1,725
PCL	118	123	140	118	123	140
Expenses	901	886	872	900	885	871
Net Income	743	588	529	744	588	530



¹ See slide 36 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information

² Our joint venture investment, Moneris Solutions Corporation, sold its U.S. subsidiary (Moneris US) during the quarter. The \$168MM after-tax represents our share of the gain on sale of Moneris US

³ Personal loan growth excludes retail cards and commercial loan growth excludes corporate cards

U.S. Personal & Commercial Banking

Strengths and Value Drivers

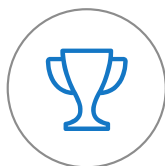
- Rich heritage of 170 years in the U.S. Midwest, with a deep commitment to our communities and helping our customers succeed
- Unique, differentiated platform for profitable growth with attractive branch footprint and top-tier deposit market share in key U.S. Midwest markets
- Large-scale, relationship-based national commercial banking business centred in the U.S. Midwest, complemented by in-depth industry knowledge in select sectors
- Comprehensive and integrated risk management and compliance framework to manage within our risk appetite and respond to regulatory expectations

Our Strategic Priorities

Aim to grow our business and be a leader in our markets by creating a differentiated, intuitive customer experience and advising our customers on a wide range of financial topics, leveraging our brand reputation, local presence and high-performance teams

- Continue to build market share and expand into high opportunity segments, drive customer acquisition through enhanced value proposition, while focusing on consistent service delivery and developing expert bankers
- Build digital capabilities to align to customer behaviour and market demand
- Continue to deepen market share in our flagship businesses
- Focus on effectively controlling potential risks related to new digital capabilities to safeguard customer identity and personal information

Recent Accomplishments



- Presented with the 2016 Corporate Citizen of the Year Award by *BizTimes Milwaukee*
- Launched a customer insight tool to generate intuitive and meaningful individualized offers and services to help deepen customer relationships
- Introduced a new U.S. Enterprise Wire Payment system to deliver a flexible, faster and more efficient platform for customers

U.S. Personal & Commercial Banking

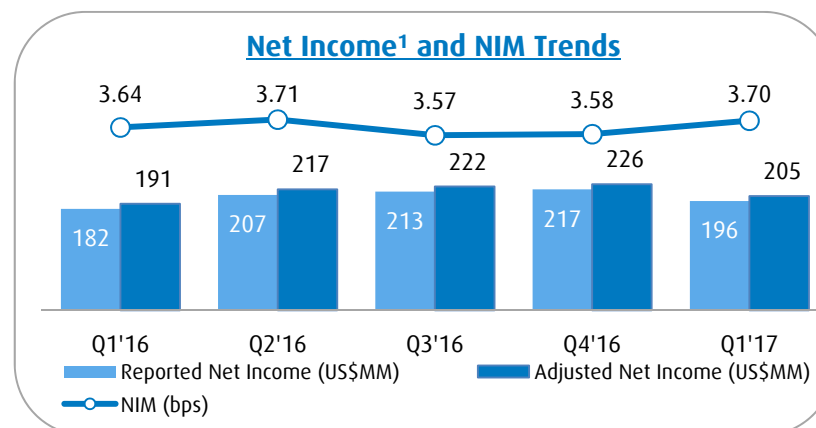
Good net income growth with higher net interest margin

- Adjusted¹ net income of \$272MM, up 3% Y/Y (reported \$260MM, up 4%)

Figures that follow are in U.S. dollars

- Adjusted¹ net income up 7% Y/Y (reported 8%) driven by higher deposit revenue and loan growth; includes negative impact on growth of ~14% (reported ~15%) from loss on sale of indirect auto loans (\$27MM)
- Revenue up 3% Y/Y; includes negative impact of ~5% from loan sale
- NIM up 12 bps Q/Q and 6 bps Y/Y due to loan sale and higher rates
- Average loans and acceptances up 6% and deposits up 3% Y/Y; continued strong organic commercial loan growth of 14%
- Expenses up 5% Y/Y
- PCL down 5% Y/Y
- Adjusted¹ operating leverage (1.6)% (reported (1.3)%), including negative ~5.3% impact from loan sale
- Adjusted¹ efficiency ratio of 63.6% (reported 65.0%), including negative ~3.1% impact from loan sale

(US\$MM)	Reported			Adjusted ¹		
	Q1 17	Q4 16	Q1 16	Q1 17	Q4 16	Q1 16
Revenue (teb)	856	909	828	856	909	828
PCL	45	50	47	45	50	47
Expenses	556	559	531	544	546	518
Net Income	196	217	182	205	226	191



¹ See slide 36 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information

BMO Wealth Management

Strengths and Value Drivers

- Planning and advice-based approach that integrates investment, insurance, specialized wealth management and core banking solutions
- Strong presence in North America, globally in asset management and in private banking in select markets, including Europe and Asia
- Diversified portfolio of digital investment solution platforms ranging from self-directed investing to professional money management
- Strong risk management framework to enable us to operate within our risk appetite and respond to heightened regulatory expectations

Our Strategic Priorities

Deliver on our clients' wealth management needs now and into the future by enhancing the client experience, while focusing on innovation and productivity, increasing collaboration across BMO and maintaining a strong risk management framework

- Invest in market-leading product innovations and wealth planning solutions tailored to meeting clients' evolving needs
- Continue to improve productivity through digitalization and process transformation
- Increase collaboration within BMO Wealth Management and across the bank to deliver exceptional client experience

Recent Accomplishments



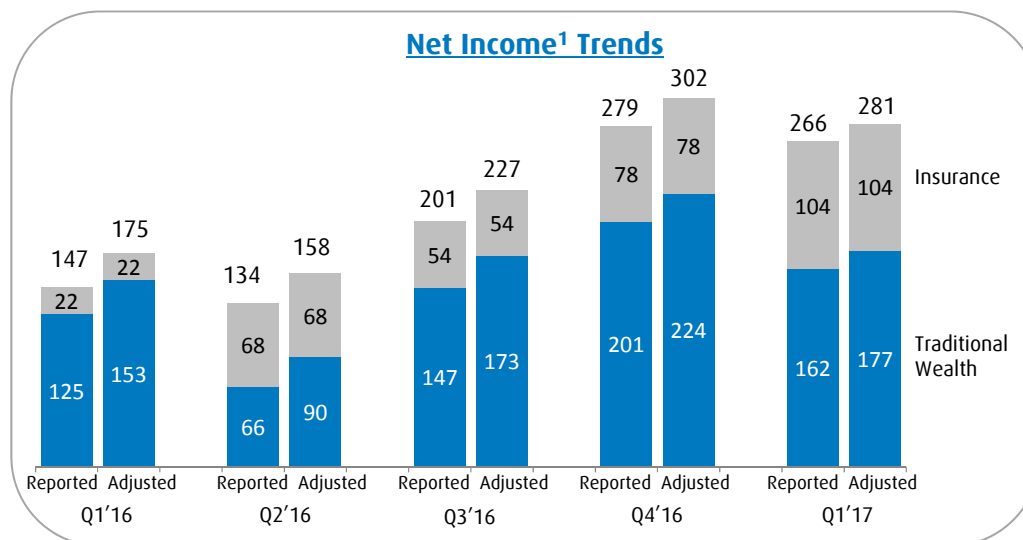
- Launched BMO SmartFolio®, Canada's first bank-owned digital portfolio management platform
- Best Online Brokerage for BMO InvestorLine by *Morningstar*
- Best Private Client Investment Platform for CTC | myCFO by *Private Asset Management Magazine*
- Best New ETF Issuer and Best New Fixed Income ETF for BMO Global Asset Management EMEA by *ETF.com*
- Best Domestic Private Bank for BMO Private Banking by *Global Financial Market Review*

BMO Wealth Management

Strong Y/Y results in both Traditional Wealth and Insurance

- Adjusted¹ net income of \$281MM, up 60% Y/Y (reported \$266MM, up 81% Y/Y)
 - Traditional Wealth adjusted¹ results up 16% Y/Y (reported up 30%) from improved market conditions and business growth
 - Insurance earnings up Y/Y due to a benefit from favourable market movements relative to a year ago and business growth
- Net revenue² up 13% Y/Y due to higher Insurance revenue, better markets and business growth
- Expenses down Y/Y due to favourable FX impact and productivity savings, partially offset by higher revenue-based costs
- AUM/AUA flat Y/Y with improved equity markets offset by unfavourable FX impact

(\$MM)	Reported			Adjusted ¹		
	Q1 17	Q4 16	Q1 16	Q1 17	Q4 16	Q1 16
Net Revenue ²	1,208	1,203	1,071	1,208	1,203	1,071
PCL	2	1	2	2	1	2
Expenses	854	833	878	835	804	842
Net Income (NI)	266	279	147	281	302	175
Traditional Wealth NI	162	201	125	177	224	153
Insurance NI	104	78	22	104	78	22
AUM/AUA (\$B)	865	875	864	865	875	864



1 See slide 36 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information

2 For purposes of this slide revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Gross revenue: Q1'17 \$1,212MM, Q4'16 \$1,282MM, Q1'16 \$1,437MM

BMO Capital Markets

Strengths and Value Drivers

- Unified coverage and integrated distribution across our North American platform and complementary global footprint
- Top-ranked Canadian equity and fixed income economic research, sales and trading capabilities with deep expertise in core sectors
- Well-diversified platform and business mix, by sector, geography, product and currency, positioning BMO well in several key markets and over the long term
- Strong first-line-of-defence risk management and regulatory and compliance capabilities, enabling effective decision-making in support of our strategic priorities

Our Strategic Priorities

Aim to be a lead North American investment bank enabling clients to achieve their goals. We offer an integrated platform, differentiated by innovative ideas and unified coverage

- Maintain market leadership in Canada by deepening our client relationships and driving incremental market share growth
- Leverage our key strategic investments to increase growth from our U.S. platform
- Continue to leverage our strong North American and global capabilities to deepen our presence and strategic relationships in select international markets

Recent Accomplishments



- Ranked #1 (tied) as a 2016 Greenwich Quality Leader in Overall Canadian Fixed Income, Canadian Fixed Income Sales, Canadian Fixed Income Research and Canadian Fixed Income Trading by *Greenwich Associates*
- World's Best Metals & Mining Investment Bank for seven consecutive years by *Global Finance*
- Best Trade Bank in Canada at the 2016 *Trade Finance Magazine* Awards
- Best Bank for the Canadian Dollar for the sixth consecutive year by *FX Week*

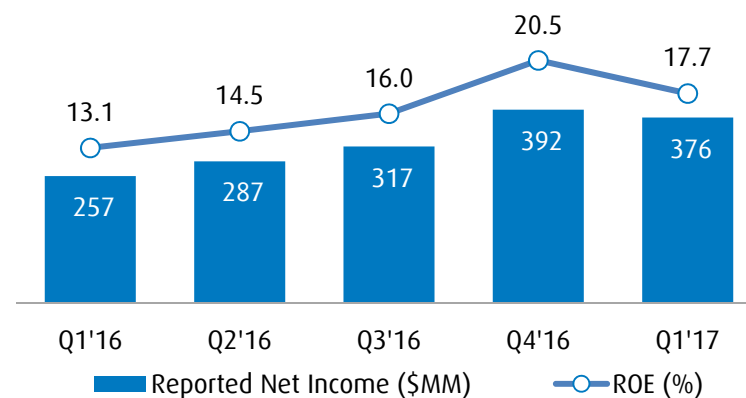
BMO Capital Markets

Strong Y/Y net income growth and continued positive operating leverage

- Adjusted¹ and reported net income up 46% Y/Y, reflecting strong performance across our diversified businesses
- Revenue up 21% Y/Y with strong Trading Products results and growth in Investment and Corporate Banking
- Expense growth of 9% Y/Y reflecting higher employee costs, in-line with performance
- PCL improved Y/Y due to higher recoveries
- Adjusted¹ and reported efficiency ratio of 58.8%
- Continued positive adjusted¹ operating leverage of 11.7% (11.6% reported)

(\$MM)	Reported			Adjusted ¹		
	Q1 17	Q4 16	Q1 16	Q1 17	Q4 16	Q1 16
Trading Products	779	659	589	779	659	589
I&CB	449	520	426	449	520	426
Revenue (teb)	1,228	1,179	1,015	1,228	1,179	1,015
PCL (recovery)	(4)	(8)	8	(4)	(8)	8
Expenses	722	660	661	721	660	661
Net Income	376	392	257	376	392	257

Net Income and ROE Trends

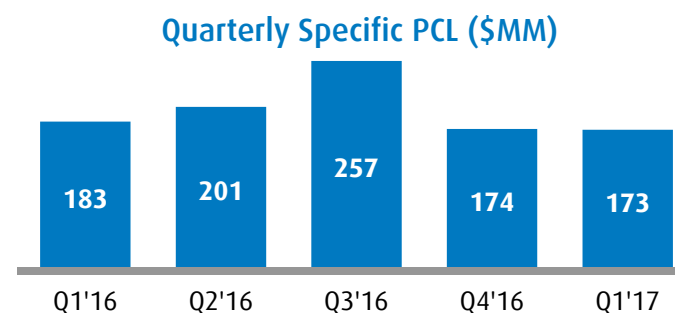


¹ See slide 36 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information

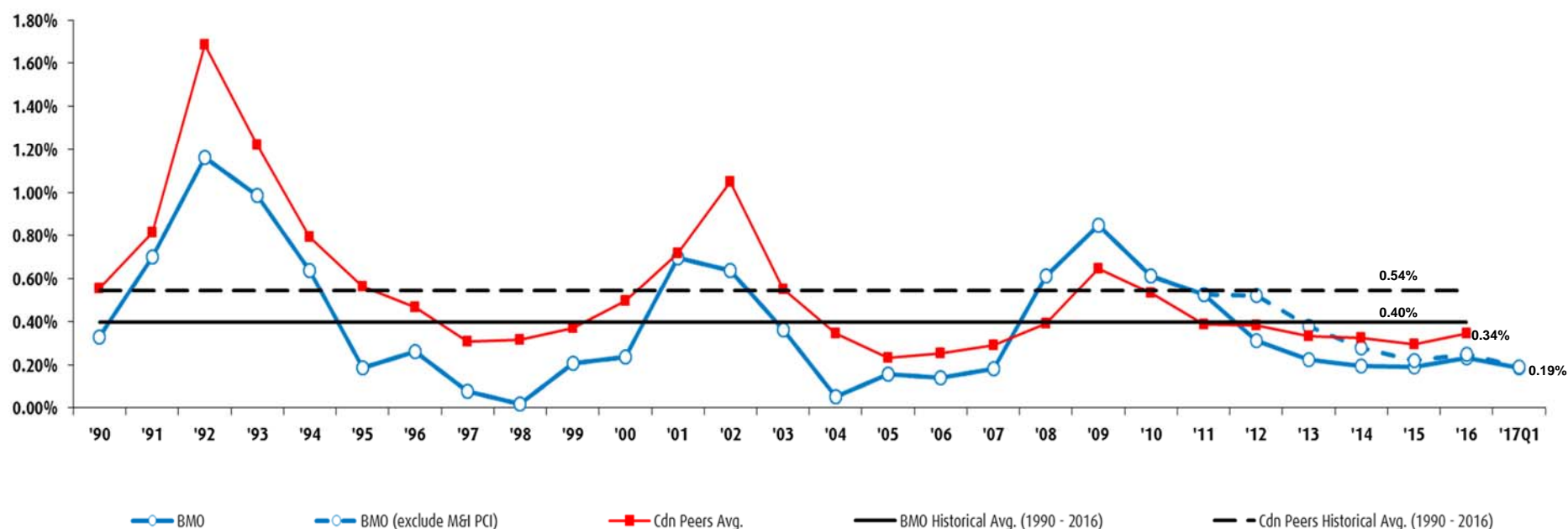
Provision for Credit Losses (PCL)

PCL By Operating Group (C\$MM)	Q1 16	Q4 16	Q1 17
Consumer – Canadian P&C	113	102	98
Commercial – Canadian P&C	27	21	20
Total Canadian P&C	140	123	118
Consumer – U.S. P&C	48	6	26
Commercial – U.S. P&C	17	60	34
Total U.S. P&C	65	66	60
Wealth Management	2	1	2
Capital Markets	8	(8)	(4)
Corporate Services	(32)	(8)	(3)
Specific PCL	183	174	173
Change in Collective Allowance	-	-	-
Total PCL	183	174	173
PCL in bps	21	19	19

- Q1'17 PCL ratio at 19 bps, flat Q/Q



Historical specific PCL as a percentage of average net loans and acceptances



1 Specific provisions excludes changes to the collective allowance

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 Scotia F2012 average net loans & acceptances have been restated to conform with the current period's presentation

Corporate Governance

- Code of Conduct based on BMO's values, provides ethical guidance and expectations of behaviour for all directors, officers and employees
- Governance practices reflect emerging best practices and BMO meets or exceeds legal, regulatory, TSX, NYSE and Nasdaq requirements
- Director independence standards in place incorporating definitions from the Bank Act (Canada), the Canadian Securities Administrators and the New York Stock Exchange
- Share ownership requirements ensure directors' and executives' compensation is aligned with shareholder interests
- Board Diversity Policy in place; 36.4% of independent directors are women
- Ranked 2nd place overall in Globe and Mail's Board Games 2016 which looks at over 50 different corporate governance practices in four broad subcategories related to board composition, shareholding and compensation, shareholder rights and disclosure

Adjusting Items

Adjusting ¹ items – Pre-tax (\$MM)	Q1 17	Q4 16	Q1 16
Amortization of acquisition-related intangible assets ²	(37)	(37)	(43)
Acquisition integration costs ²	(22)	(31)	(22)
Cumulative accounting adjustment ³	-	-	(85)
Adjusting items included in reported pre-tax income	(59)	(68)	(150)

Adjusting ¹ items – After-tax (\$MM)	Q1 17	Q4 16	Q1 16
Amortization of acquisition-related intangible assets ²	(28)	(29)	(33)
Acquisition integration costs ²	(14)	(21)	(15)
Cumulative accounting adjustment ³	-	-	(62)
Adjusting items included in reported net income after tax	(42)	(50)	(110)
Impact on EPS (\$)	(0.06)	(0.08)	(0.17)

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

2 Amortization of acquisition-related intangible assets reflected across the Operating Groups. Before and after-tax amounts for each operating group are provided on pages 13, 14, 15, 16, and 18 of the Q1 2017 Report to Shareholders. Acquisition integration costs related to F&C are charged to Wealth Management. Acquisition integration costs related to BMO TF are charged to Corporate Services, since the acquisition impacts both Canadian and U.S. P&C businesses. Acquisition integration costs are primarily recorded in non-interest expense

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

Investor Relations

Contact Information

bmo.com/investorrelations

E-mail: investor.relations@bmo.com

Jill Homenuk

Head of Investor Relations

416.867.4770

jill.homenuk@bmo.com

Christine Viau

Director, Investor Relations

416.867.6956

christine.viau@bmo.com