

Investor Presentation

January 2018



BMO  Financial Group

We're here to help.™

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 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.

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, 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; 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, and 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, which begin on page 86, of BMO's 2017 Annual MD&A and 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 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 governments, historical relationships between economic and financial variables, and the risks to the domestic and global economy. See the Economic Developments and Outlook section on page 32 of BMO's 2017 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 2017 Earnings Release and on page 29 of BMO's 2017 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.

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 October 31, 2017):
 - Assets: \$710 billion
 - Deposits: \$483 billion
 - Employees: over 45,000
 - Branches: 1,503
 - ABMs: 4,731

F2017 Results *	Adjusted ²	Reported
Net Revenue (\$B) ³	20.7	20.7
Net Income (\$B)	5.51	5.35
EPS (\$)	8.16	7.92
ROE (%)	13.7	13.3
Common Equity Tier 1 Ratio (%)		11.4

Other Information (as at December 31, 2017)	
Annual Dividend Declared (per share) ⁴	\$3.72
Dividend Yield ⁴	3.7%
Market Capitalization	\$65.2 billion
Exchange Listings	TSX, NYSE (Ticker: BMO)
Share Price:	
TSX	C\$100.59
NYSE	US\$80.02

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

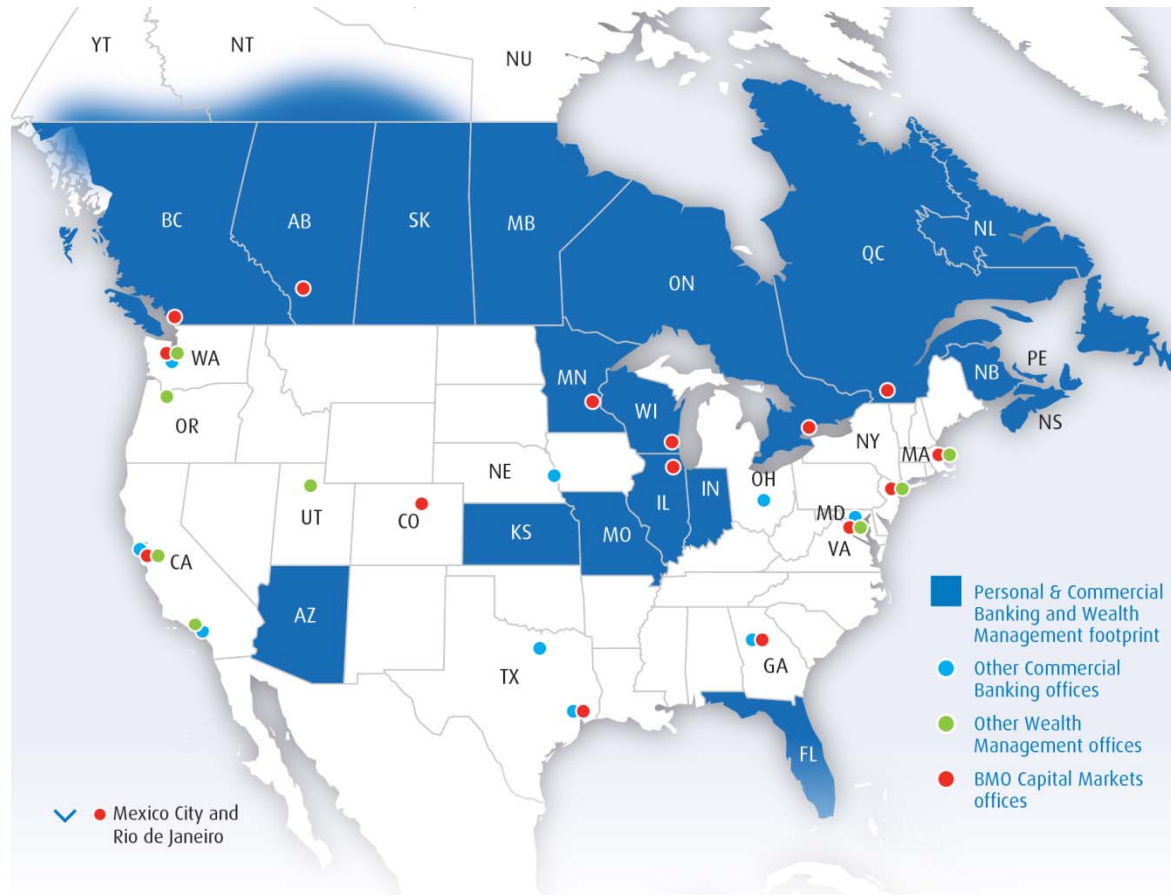
¹ As measured by assets as at October 31, 2017; ranking published by Bloomberg

² Adjusted measures are non-GAAP measures, see slide 2 for more information. For details on adjustments refer to slide 42

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 \$22.3B

⁴ Annualized based on Q1'18 declared dividend of \$0.93 per share

BMO's Strategic Footprint



Europe and Middle East presence



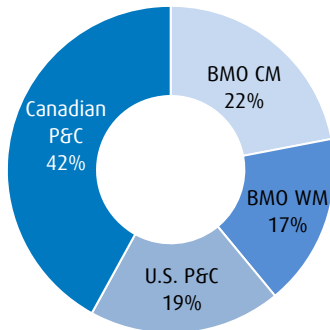
Asia-Pacific presence



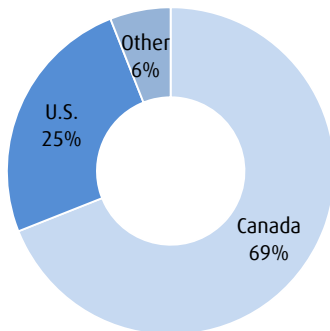
Our three operating groups serve individuals, businesses, governments and corporate customers across Canada and the United States with a focus in key U.S. Midwest states. Our significant presence in North America is bolstered by operations in select global markets in Europe, Asia and the Middle East,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

Diversified by businesses, customer segments and geographies

Adjusted Net Income by Operating Group – F2017¹



Adjusted Net Income by Geography – F2017¹



Canadian P&C

- Full range of financial products and services to eight million customers
- Advice available from our employees at their place of business, in over 900 branches, on their mobile devices, online, over the telephone, and at over 3,300 automated teller machines across the country
- Leading 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

- Market-leading position in the U.S. Midwest, BMO Harris Bank offers a broad range of financial services to more than two million customers
- Personal banking team serves retail and small and mid-sized business customers seamlessly through an over 570-branch network, dedicated contact centres, digital banking platforms and nationwide access to more than 43,000 automated teller machines
- Commercial banking team provides a combination of sector expertise, local knowledge and a breadth of products and services, working as a trusted advisor to our clients to meet all of their financial needs

BMO Wealth Management

- Globally significant asset manager with broad distribution capabilities in North America, Europe, the Middle East and Africa (EMEA) and Asia
- Full range of client segments from mainstream to ultra-high net worth, and institutional
- Broad offering of wealth management products and services, including insurance

BMO Capital Markets

- North American-based financial services provider offering a complete range of products and services to corporate, institutional and government clients
- ~2,500 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 in-depth industry knowledge

¹ Adjusted measures are non-GAAP measures, see slide 2 for more information. Reported net income by operating group (excludes Corporate Services), last twelve months (LTM): Canadian P&C 41%, U.S. P&C 18%, BMO WM 18%, BMO CM 23%. By geography (LTM): Canada 71%, U.S. 23%, Other 6%. For details on adjustments refer to slide 42

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
- Efficiency-focused, enabled by technology innovation, simplification, process enhancement and increased digitalization across channels
- Customer-centric operating model guided by a disciplined loyalty measurement program
- Adherence to the highest standards of corporate governance, including sustainability principles that ensure we consider social, economic and environmental impacts as we pursue sustainable growth

Our priorities are clear

Our strategic framework outlines the basic principles that sustain our growth

Our Strategic Priorities

The clearly defined statements of purpose that guide the bank's long-term decision making as we deliver on our vision

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

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

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

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

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

Sustainability Principles

The guidelines we follow as a responsibly managed bank consider social, economic and environmental impacts as we pursue sustainable growth

Social change

Helping people adapt and thrive by embracing diversity and tailoring our products and services to meet changing expectations

Financial resilience

Working with our customers to achieve their goals, and providing guidance and support to underserved communities

Community-building

Fostering social and economic well-being in the places where we live, work and give back

Environmental impact

Reducing our environmental footprint while considering the impacts of our business

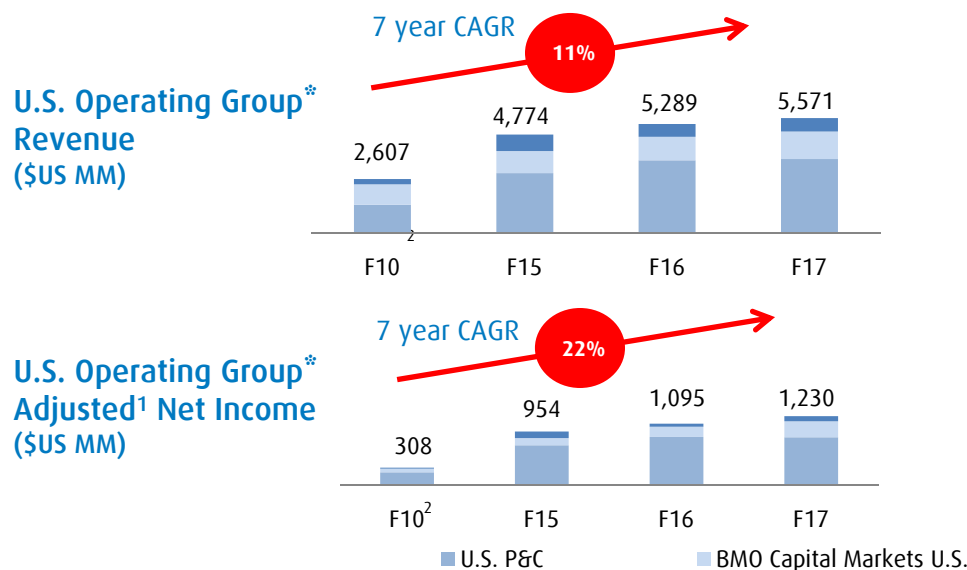
Unified, Simplifying and Accelerating

Customer Experience	<ul style="list-style-type: none">• Thinking like a customer to deliver fast, simple, intuitive banking however they choose to interact with us• Using advanced analytics to personalize customer experiences and strengthen relationships, while keeping their information secure
Efficiency	<ul style="list-style-type: none">• Achieved strong operating leverage of 1.9% in F2017 and 2.1% in F2016• Efficiency ratio improved by 240 basis points since the end of 2015, with contributions across the businesses• Continue to target annual operating leverage of 2%
Technology Deployment	<ul style="list-style-type: none">• Accelerating the transformation of our business through a disciplined approach to technology investment and deployment• Leveraging a multi-year investment in foundational architecture and data integration to enrich customer experience, simplify processes and speed up delivery, driving both revenue growth and expense savings
U.S. Growth	<ul style="list-style-type: none">• Well established, long standing U.S. presence in commercial & retail banking, capital markets and wealth, built through strong organic growth and targeted acquisitions• Over the past two years, the U.S. Segment has delivered compound annual earnings growth of 13%
Commercial Strength	<ul style="list-style-type: none">• Strong competitive position in Canada ranked 2nd with 19% market share for business loans up to \$25 million ; commercial loans and deposits grew 7% in F2017• Strong U.S. commercial loan growth up 9% in F2017, representing 74% of total U.S. P&C loans• Build on proven strengths and cross border capabilities to accelerate growth

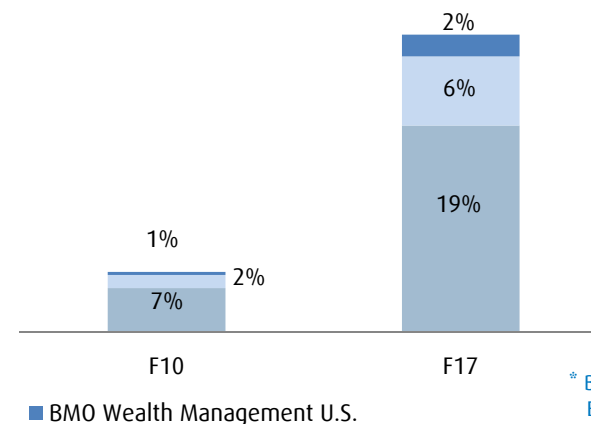
BMO U.S. Operations

Strategic focus provides strong opportunities for continued growth

- The U.S. continues to be a strategically important market for BMO, representing ~25% of the bank's earnings; diversified businesses are delivering strong growth and improving efficiency
 - Total U.S. Segment 2017 adjusted¹ NIAT up 9% (reported up 12%); efficiency has improved over 600 bps since 2015 to 70.1%
 - Average Assets US\$202.4B, representing 37% of total bank
- Doubled the size of our U.S. P&C footprint with the acquisition of Marshall & Illsley (M&I) in 2011, providing scale to support future growth
- Further enhanced our strength in commercial banking with the addition of BMO Transportation Finance (BMO TF) in December 2015 and continuing to deepen market share across our businesses through geographic and product expansion
- Investments in BMO Capital Markets U.S. are driving strong operating performance and growing market share in the mid-market segment
 - NIAT represents 28% of total CM and grew 55% in F17 and 46% in F16
- U.S. Wealth Management re-focused on growing core private banking and asset management businesses



U.S. Operating Groups* % of Total Operating Group Net Income



* Based on CAD and Excludes Corporate Services

¹ Adjusted measures are non-GAAP measures, see slide 2 for more information; Reported Net Income (\$US) F10 \$288MM; F15 \$892MM; F16 \$1,042MM; F16 \$714MM; F17 \$864MM (to be updated)

² Results are based on CGAAP for F2010, and IFRS in F2015, F2016 and F2017. Commencing in 2013 the evaluation of operating segments was changed to reflect PCL on an actual credit loss basis. F2010 segment results reflected credit losses on an expected loss basis, whereby Corporate Services was charged (or credited) with differences between the periodic PCL charged to operating group segments under the expected loss provisioning methodology and the periodic provisions required under GAAP

A more personal bank for a digital world

In every area of our business, customers are benefiting from the enhanced capabilities of our technology platform

Renewed Underlying Architecture



Integration of 1,400 applications across the bank through a sophisticated connector grid. Allows us to introduce products faster, more economically and in more iterative ways

Strengthened Data Capabilities



BMO's advanced Information Delivery Platform is our bank-wide data centre – the key to creating personalized digital experiences for our customers. Its configuration allows us to progressively build data capabilities, including machine learning, enabling detailed analytics from risk to sales to marketing

Augmented Digital Experience



Enhancing our main customer points of contact, notably mobile ones. We're making it easier for customers to engage with us, for example through Touch ID, real-time alerts, e-transfers in Canada and People Pay in the U.S., and the launch of our mobile and on-line account opening app enabling customers to open an account in minutes

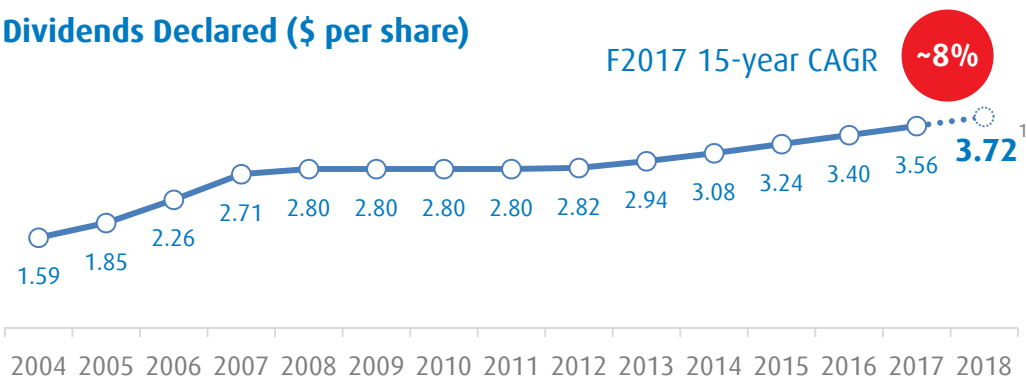
Digitized Processes



We're continuously modernizing the way we work in the branches, mid and back offices of the bank, with more efficient digitized processes that include up-to-date solutions like scanning and e-signatures

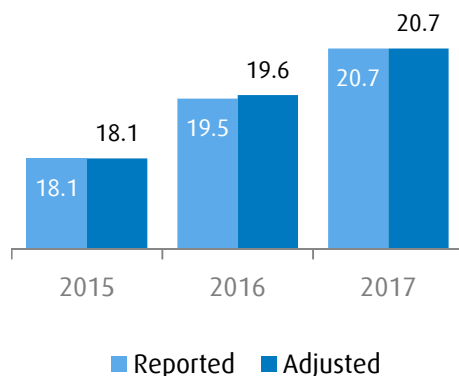
Strong financial performance and shareholder returns

Dividends Declared (\$ per share)

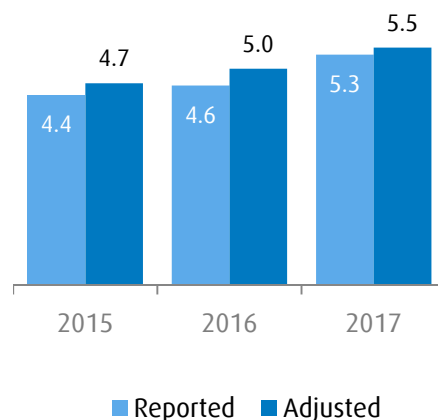


- Quarterly dividend of \$0.93 per share, up 6% from prior year
- Dividend yield of 3.7%¹
- BMO has the longest running dividend payout record of any company in Canada, at 189 years
- Target dividend payout 40-50%
 - F2017 payout of 44.8%

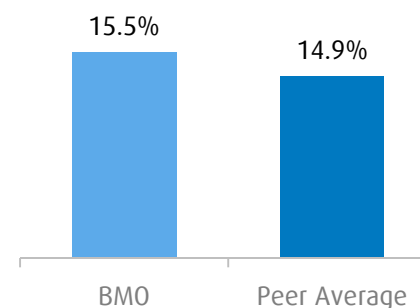
Net Revenue (C\$B)



Net Income (C\$B)



Three-Year Average Annual Total Shareholder Return²(%)



- BMO's average annual return of 15.5% over the past 5 years has outperformed our Canadian bank peer group average and was above the 8.4% return for the S&P/TSX

¹ Annualized based on Q1'18 declared dividend of \$0.93 per share, December 1, 2017 share price
² As of October 31, 2017

F2017 Financial Highlights

Strong results with adjusted¹ net income growth of 10% and positive operating leverage

- Reported net income \$5.35B, up 16%; EPS \$7.92, up 14%
- Adjusted¹ net income \$5.5B, up 10%; adjusted¹ EPS \$8.16, up 9%
- Net revenue² up 6%
- Adjusted¹ expenses up 4% (reported⁴ 2%)
- Positive operating leverage² of 1.9% (reported² 3.7%), and adjusted¹ efficiency ratio of 62.8% vs. 63.9% last year (reported⁴ 64.2% vs. 66.5% last year)
- Specific PCL up \$35MM Y/Y; reported PCL down \$41MM, reflecting reduction in collective allowance of \$76MM
- Adjusted¹ ROE 13.7% vs. 13.1% in 2016, adjusted¹ ROTCE³ 16.5% (reported ROE 13.3% and ROTCE³ 16.3%)
- U.S. Segment adjusted¹ net income (in USD) up 9% and 17% in 2017 and 2016, respectively (reported up 12% and 13%, respectively)
- The impact on net income growth from the net gain from Moneris U.S./indirect auto, elevated reinsurance claims and the prior year net write-down of an equity investment largely offset. FX impact not significant Y/Y

(\$MM)	Reported		Adjusted ¹	
	F2017	F2016	F2017	F2016
Net Revenue ²	20,722	19,544	20,722	19,628
PCL	774	815	850	815
Expense ⁴	13,302	12,997	13,007	12,544
Net Income	5,350	4,631	5,508	5,020
Diluted EPS (\$)	7.92	6.92	8.16	7.52
ROE (%)	13.3	12.1	13.7	13.1
ROTCE ³ (%)	16.3	15.3	16.5	16.1
CET1 Ratio (%)	11.4	10.1		

1 See slide 42 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information

2 Operating leverage based on net revenue. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Reported gross revenue: F2017 \$22,260MM, F2016 \$21,087MM

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

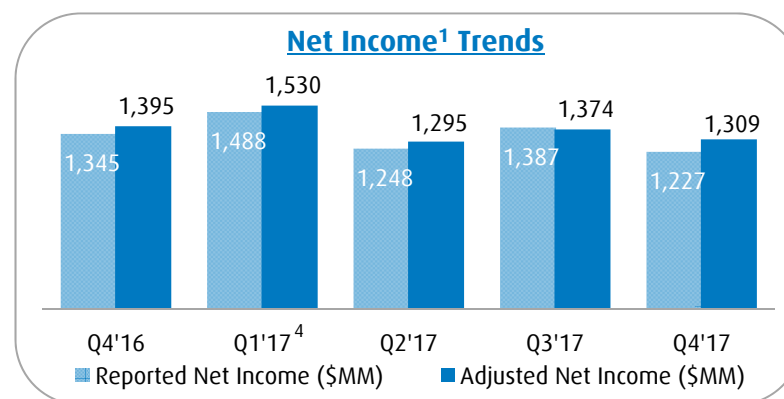
4 Reported expenses included lower restructuring costs in the current year (F2017 \$59MM, F2016 \$188MM)

Q4 2017 - Financial Highlights

Good underlying performance

- Reported net income \$1.2B ,down 9% Y/Y; EPS \$1.81, down 10% Y/Y
- Adjusted¹ net income \$1.3B, down 6% Y/Y; adjusted¹ EPS \$1.94, down 8% Y/Y
- \$112MM elevated reinsurance claims reduced net income growth by ~8% and EPS by \$0.17. Reported results also include restructuring charge of \$41MM after-tax
- Prior year BMO Capital Markets and Wealth results particularly strong
- Net revenue² down 2% Y/Y largely due to the reinsurance claims impact of 2%
- Adjusted¹ expenses flat Y/Y; reported expenses up 1% reflecting the restructuring charge
- Weaker USD reduced revenue and expense growth by ~2%
- Negative operating leverage² of (2.1)% (reported² (3.6)%); reinsurance claims negatively impacted operating leverage by ~2%
- PCL up \$34MM Y/Y
- Adjusted¹ ROE 12.9%, adjusted¹ ROTCE³ 15.5% (reported ROE 12.1%, reported ROTCE³ 14.8%)

(\$MM)	Reported			Adjusted ¹		
	Q4 17	Q3 17	Q4 16	Q4 17	Q3 17	Q4 16
Net Revenue ²	5,082	5,206	5,199	5,082	5,206	5,199
PCL	208	134	174	208	210	174
Expense	3,369	3,278	3,323	3,252	3,223	3,255
Net Income	1,227	1,387	1,345	1,309	1,374	1,395
Diluted EPS (\$)	1.81	2.05	2.02	1.94	2.03	2.10
ROE (%)	12.1	13.4	13.8	12.9	13.3	14.4
ROTCE ³ (%)	14.8	16.5	17.2	15.5	16.0	17.5
CET1 Ratio (%)	11.4	11.2	10.1			



1 See slide 42 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information

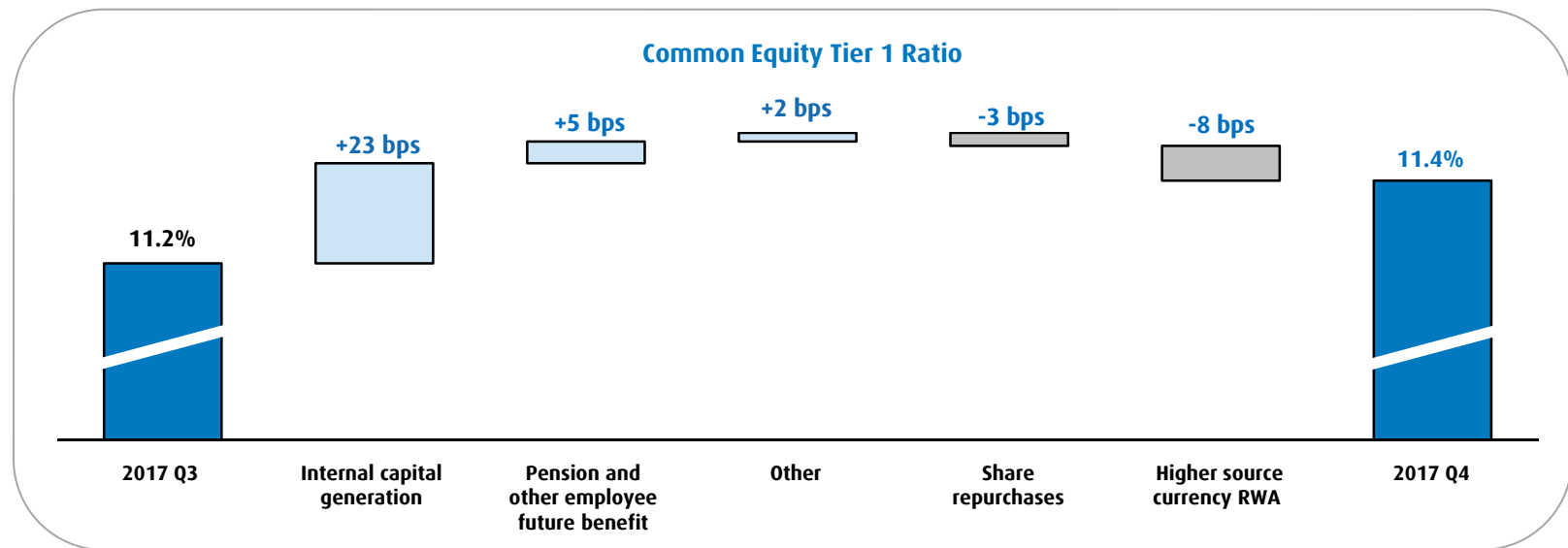
2 Operating leverage based on net revenue. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Reported gross revenue: Q4'17 \$5,655MM; Q3'17 \$5,459MM; Q4'16 \$5,278MM

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

4 Q1'17 included a net income impact of \$133MM from a gain on sale in Canadian P&C (related to our share of the gain on the sale of Moneris US), and the loss on sale of Indirect Auto loans in U.S. P&C

Strong Capital Position

Well capitalized with CET1 Ratio at 11.4%



Basis points may not add due to rounding.

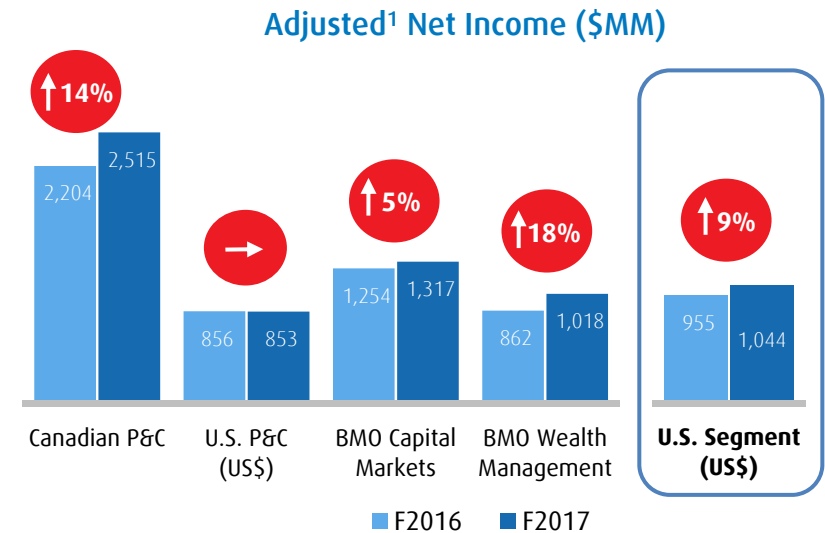
- Q4'17 CET1 Ratio of 11.4%, up from 11.2% at Q3'17 due to:
 - Internal capital generation from retained earnings growth and favourable pension and post-retirement benefit impacts
 - Partially offset by higher source currency RWA and 1 million shares repurchased during the quarter
- The impact of FX movements on the CET1 ratio largely offset
- Quarterly common dividend increased 3 cents to \$0.93 per share
 - Dividend increased ~6% year over year; attractive dividend yield of ~4%
- IFRS 9 transition impact not expected to be significant

Operating Groups

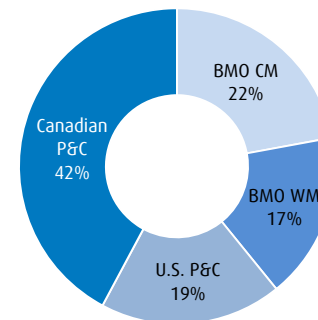
F2017 Operating Group Performance

Good performance across diversified and competitively advantaged businesses

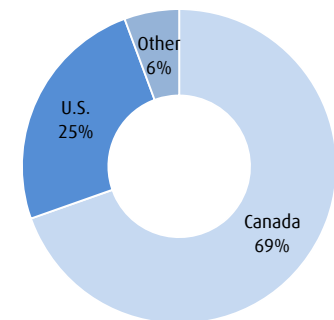
- Good underlying performance in Canadian P&C with improved efficiency and well-diversified balance growth
- Solid performance in U.S. P&C in a mixed environment with good commercial loan growth and higher deposit spreads
- Good earnings growth of 5% in BMO Capital Markets despite headwinds, with particularly strong growth in the U.S.
- Very strong results in BMO Wealth Management reflecting business growth and 5% adjusted¹ net operating leverage (reported 7%)
- U.S. Segment earnings growth of 13%² over the last two years and efficiency improvement of over 6%. Contributes 25% to overall bank earnings



Operating Group Adjusted¹ Net Income – F2017



Adjusted¹ Net Income by Geography – F2017



¹ See slide 42 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 F2016 \$2,202, F2017 \$2,512; U.S. P&C (US\$MM) F2016 \$819, F2017 \$817; BMO Wealth Management F2016 \$761, F2017 \$953; BMO Capital Markets F2016 \$1,253, F2017 \$1,315; U.S. Segment (US\$MM) F2016 \$856, F2017 \$962. F2017 operating group reported net income contribution (excludes Corporate Services) Canadian P&C 43%, U.S. P&C 18%, BMO WM 16%, BMO CM 23%; by geography F2017: Canada 71%, U.S. 23%, Other 6%

² Compound annual growth rate F2015 to F2017 in USD

Canadian Personal & Commercial Banking

Strengths and Value Drivers

- Highly engaged team of dedicated employees focused on providing a personalized banking experience, anticipating customers' needs and finding new ways to help
- Leading commercial banking business, as evidenced by BMO's number two ranking in Canadian market share for business loans up to \$25 million
- Strong retail banking business including leading digital sales, with nearly 20% of applications submitted through our digital channel
- Largest Mastercard® card 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

Capture key growth and loyalty opportunities by delivering a leading digital experience and personalized advice

- Continue to focus on improving customer loyalty by deepening relationships
 - In commercial banking, target opportunities through diversification across high-value sectors and businesses, while maintaining core strengths
 - In personal banking, deliver a leading customer experience leveraging new digital channels and existing networks
- Seamlessly blend human and digital offerings and continue to increase digital sales and service transactions

Recent Accomplishments



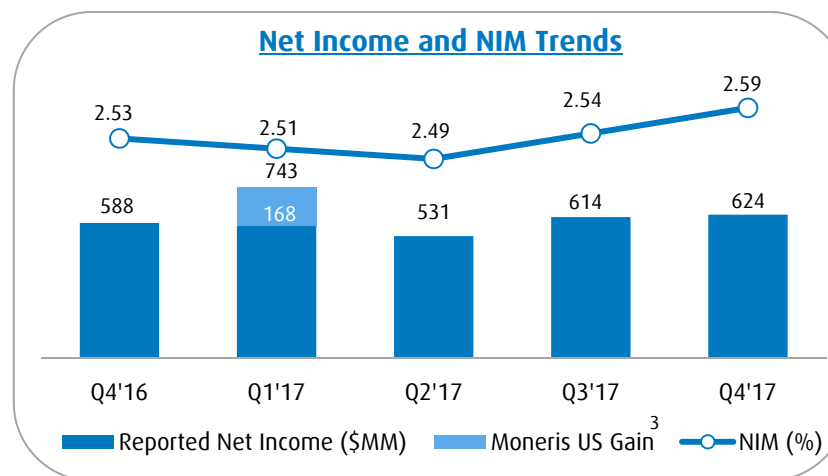
- Named Best Commercial Bank in Canada for the third consecutive year by *World Finance Magazine* at its 2017 Banking Awards in recognition of our strong regional and industry focus, as well as our commitment to building customer relationships and providing innovative solutions, notably in the area of Aboriginal banking
- Ranked first by *J.D. Power* in the automated teller machines (ATM) category, reflecting our customer-inspired redesign of the network
- World Elite Mastercard® recognized as the Top Travel Rewards Credit Card in Canada by *MoneySense™* magazine

Canadian Personal & Commercial Banking

Good performance with net income up 6% and 1.7% operating leverage

- Net income up 6% Y/Y
- Revenue up 5% Y/Y reflecting higher balances and NIM
- NIM up 6 bps Y/Y; up 5 bps Q/Q reflecting higher deposit spreads and interest recoveries
- Average loans up 4% (personal² 3%, commercial² 7%) and deposits up 6% Y/Y (personal 5%, commercial 7%)
- PCL up \$11MM Y/Y and \$9MM Q/Q
- Expenses up 3% Y/Y
- Positive operating leverage of 1.7% and efficiency ratio of 48.4%
- F2017 net income up 14%, with an 8% contribution from a gain on sale of Moneris U.S.

(\$MM)	Reported			Adjusted ¹		
	Q4 17	Q3 17	Q4 16	Q4 17	Q3 17	Q4 16
Revenue (teb)	1,886	1,855	1,802	1,886	1,855	1,802
PCL	134	125	123	134	125	123
Expenses	913	904	886	913	903	885
Net Income	624	614	588	625	615	588



¹ See slide 42 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information

² Personal loan growth excludes retail cards and commercial loan growth excludes corporate cards

³ During Q1'17 our joint venture investment, Moneris Solutions Corporation, sold its U.S. subsidiary (Moneris US). The \$168MM after-tax represents our share of the gain on sale of Moneris US

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
- Large-scale, diversified national commercial business, centred in the U.S. Midwest and supported by in-depth industry knowledge, best-in-class customer experience and top-tier market share in our flagship businesses
- Strong foundation for accelerated growth in retail banking, with a large, growing and loyal customer base, an extensive branch network, a broad suite of products and services and a continuing focus on digital capabilities
- Comprehensive and integrated control structure to actively manage risk and regulatory compliance

Recent Accomplishments

- Improved our ranking to eighth among the 39 leading American banks in the 2017 Survey of Bank Reputations published by *American Banker*, which recognizes banking institutions for their governance, products and services, and innovation
- Through a partnership with Allpoint®, expanded our no-fee ATM network by over 43,000 locations, providing convenient access across the United States
- Enhanced customer experience, with digital wallets which now include Masterpass™, Android Pay™, Apple Pay™, and Samsung Pay™; launched People Pay through BMO Harris Mobile Banking app; expanding our Smart Branch network



Our Strategic Priorities

We aim to grow our business and be a leader in our markets by creating a differentiated and intuitive partnership with our customers to address all of their financial needs

- Continue to grow the commercial banking franchise by deepening market share in our flagship businesses, investing in high-growth markets and specialty businesses and delivering comprehensive solutions to improve share of wallet
- Continue to invest in digital capabilities that will enhance our competitive position and improve our cost structure, while increasing collaboration across our businesses
- Further accelerate personal deposit and customer growth and enhance our lending operating model

U.S. Personal & Commercial Banking

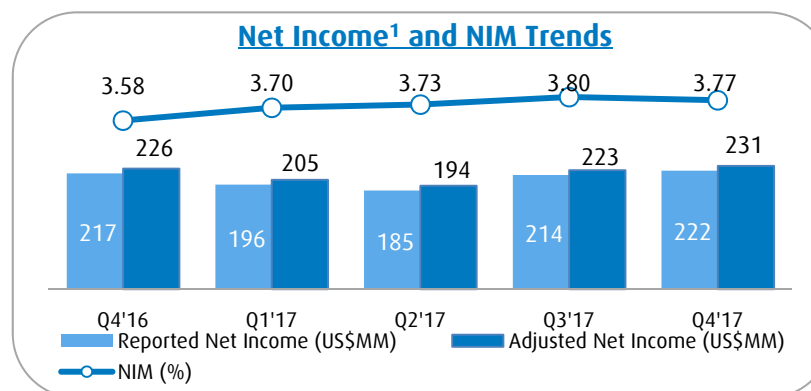
Solid performance with net income up 2% Y/Y

- Adjusted¹ net income of \$291MM, down 3% Y/Y (reported \$280MM, down 3% Y/Y)

Figures that follow are in U.S. dollars

- Adjusted¹ and reported net income up 2% Y/Y
- Revenue up 3% Y/Y driven by higher interest rates and commercial loan volumes
- NIM up 19 bps Y/Y; down 3 bps Q/Q due to changes in business mix net of higher deposit spreads
- Commercial loan growth of 8% Y/Y; total average loans and acceptances² up 1% Y/Y and up 5% excluding Indirect Auto portfolio
- Deposits down 4% Y/Y, commercial deposits impacted by higher rates as expected and personal deposits up 3% Y/Y
- Adjusted¹ and reported expenses up 3% Y/Y
- PCL up \$3MM Y/Y; down \$6MM Q/Q
- Positive adjusted¹ operating leverage of 0.1% (reported 0.3%); adjusted¹ efficiency ratio 60.1% (reported 61.4%)
- F2017 net income flat Y/Y, with negative contribution of 3% from indirect auto loan sale

(US\$MM)	Reported			Adjusted ¹		
	Q4 17	Q3 17	Q4 16	Q4 17	Q3 17	Q4 16
Revenue (teb)	935	920	909	935	920	909
PCL	53	59	50	53	59	50
Expenses	574	577	559	561	565	546
Net Income	222	214	217	231	223	226



¹ See slide 42 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information

² Average loans growth rate referenced above exclude Wealth Management mortgage and off-balance sheet balances for US P&C serviced mortgage portfolio; average loans up 1% including these balances

BMO Wealth Management

Strengths and Value Drivers

- Planning and advice-based approach that integrates investment, insurance, specialized wealth management and core banking solutions offered by a team of highly skilled wealth professionals committed to providing a great client experience
- Diversified portfolio of solutions ranging from digital self-directed investment to professional money management and holistic trust/banking services for retail and institutional clients
- Globally significant asset manager with broad distribution capabilities in North America, Europe, the Middle East and Africa (EMEA) and Asia
- Prestigious brand that is widely recognized and trusted, and access to BMO's broad client base and distribution networks
- Strong risk management framework, enabling us to operate within our risk appetite and respond to heightened regulatory expectations

Recent Accomplishments



- Solidified our position as #2 ETF provider in Canada and #1 in net sales in the market
- BMO Wealth Management has been recognized by *Wealth & Finance INTL* in their 2017 Global Finance Awards, as having the Most Outstanding Wealth Planning Services, recognizing our best-in-class service
- BMO InvestorLine has been named the 'Best Overall Mobile Discount Brokerage Firm in Canada' by *Survivor's Mobile Discount Brokerage scorCard*¹, reflecting our commitment to delivering an exceptional customer experience

¹ Source: Survivor

Our Strategic Priorities

Deliver on our clients' current and evolving personal wealth, insurance and institutional asset management needs through an exceptional client experience, a focus on productivity and innovation, and strong collaboration across BMO, while maintaining a strong risk management framework

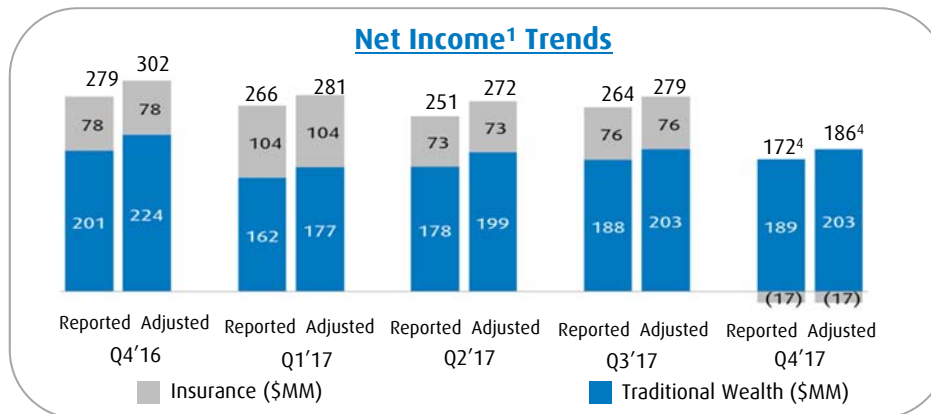
- Continue to invest in market-leading product innovations, digital capabilities and wealth planning solutions tailored to meeting our clients' evolving needs
- Continue to grow BMO Global Asset Management's global platform through a sharpened investment focus, targeted distribution strategy and streamlined organizational structure
- Increase collaboration within BMO Wealth Management and across the bank to deliver an exceptional client experience

BMO Wealth Management

Underlying growth offset by elevated reinsurance claims and prior year gain on sale

- Adjusted¹ net income of \$186MM down 38% (reported \$172MM) as elevated reinsurance claims of \$112MM in the current quarter and a gain from an equity investment a year ago had a negative impact of 48% on adjusted net income growth (reported 52%)
 - Insurance earnings down due to elevated reinsurance claims⁴
 - Traditional Wealth down 9% Y/Y (reported down 6%) as improved equity markets and business growth were more than offset by a gain on an equity investment last year, which negatively impacted adjusted¹ net income growth by 14% (reported 16%)
- Net revenue² down 8% Y/Y driven by the factors noted above, including combined effect of 13% from reinsurance claims and the gain on sale in the prior year
- Good expense management with adjusted¹ expenses up 2% Y/Y (reported up 1%)
- AUM/AUA³ down Y/Y from lower AUA due to divestiture of a non-strategic business in the current quarter
- F2017 adjusted¹ net income up 18% (reported up 25%) with improved markets, business growth and good operating leverage

(\$MM)	Reported			Adjusted ¹		
	Q4 17	Q3 17	Q4 16	Q4 17	Q3 17	Q4 16
Net Revenue ²	1,106	1,184	1,203	1,106	1,184	1,203
PCL	0	5	1	0	5	1
Expenses	840	832	833	822	815	804
Net Income (NI)	172	264	279	186	279	302
Traditional Wealth NI	189	188	201	203	203	224
Insurance NI	(17)	76	78	(17)	76	78
AUM/AUA (\$B) ³	789	878	875	789	878	875



¹ See slide 42 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: Q4'17 \$1,679MM, Q3'17 \$1,437MM, Q4'16 \$1,282MM

³ Q4'17 AUM/AUA impacted by divestiture of non-strategic business \$138B CDE (\$107B USE) at time of sale

⁴ Q4'17 Insurance results impacted by reinsurance claims (\$112)MM revenue, \$(112)MM NIAT

BMO Capital Markets

Strengths and Value Drivers

- Unified coverage and integrated distribution across our North American platform and complementary global footprint, delivering a seamless and exceptional client experience
- 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, including a strong, scalable and relevant U.S. business – 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

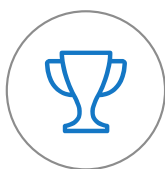
Recent Accomplishments

- Named a 2017 *Greenwich* Share Leader and Quality Leader across a range of Canadian equity sales, trading and research areas.
- Named Best House in Canada for Structured Products at the 2017 *SRP Wealth Management and Derivatives Awards*.
- Named Best Bank for the Canadian Dollar by *FX Week* magazine for the seventh consecutive year
- Ranked #1 in the Institutional Investor 2017 All-America Fixed Income Research Team Survey for U.S. Rates Strategy and Technical Analysis
- Named World's Best Metals & Mining Investment Bank for the eighth consecutive year by *Global Finance*
- Named Best Forex Provider in North America/China for the seventh consecutive year by *Global Banking and Finance Review*

Our Strategic Priorities

BMO Capital Markets vision is to be the lead North American investment bank enabling clients to achieve their goals. We offer an integrated platform, differentiated by innovative ideas and unified coverage

- Maintain leading market share in Canada by strengthening our client relationships and driving incremental market share growth
- Leverage our key strategic investment to driver performance in our U.S. platform, and selectively grow our U.S. corporate bank where we are competitively advantaged
- Continue to leverage our strong North American and global capabilities to expand our footprint and strategic relationships in select international market

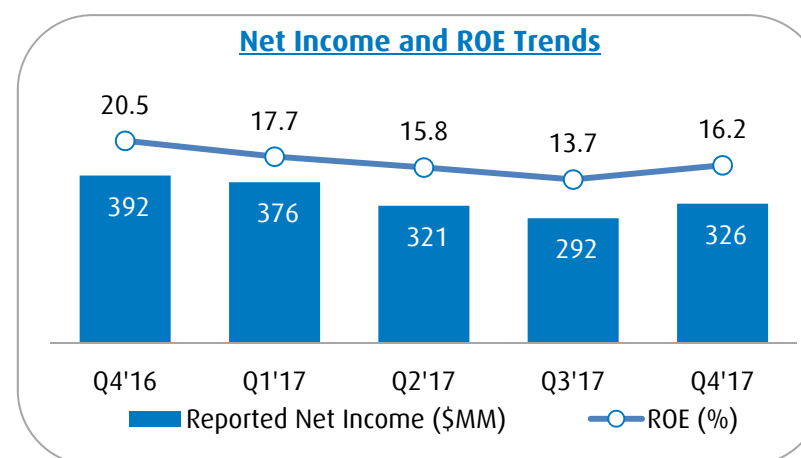


BMO Capital Markets

Good Q4'17 performance, down from record in Q4'16

- Adjusted¹ and reported net income down 17% Y/Y from record performance in Q4'16
- Revenue down 4% Y/Y
 - Trading Products largely unchanged Y/Y reflecting constructive markets with more moderate client flows
 - Investment and Corporate Banking down from particularly strong mergers and acquisitions advisory activity and higher net securities gains of a year ago, partially offset by higher corporate banking-related revenue
- Expenses up 3% Y/Y
- PCL up Y/Y and Q/Q, remains low; higher primarily due to net recoveries in prior periods
- Negative operating leverage; efficiency ratio of 60.2%
- F2017 net income up 5% Y/Y

(\$MM)	Reported			Adjusted ¹		
	Q4 17	Q3 17	Q4 16	Q4 17	Q3 17	Q4 16
Trading Products	656	616	659	656	616	659
I&CB	473	451	520	473	451	520
Revenue (teb)	1,129	1,067	1,179	1,129	1,067	1,179
PCL (recovery)	4	(2)	(8)	4	(2)	(8)
Expenses	679	691	660	679	690	660
Net Income	326	292	392	326	293	392



¹ See slide 42 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information

Risk Overview

Risk Management

We have a disciplined and integrated approach to risk

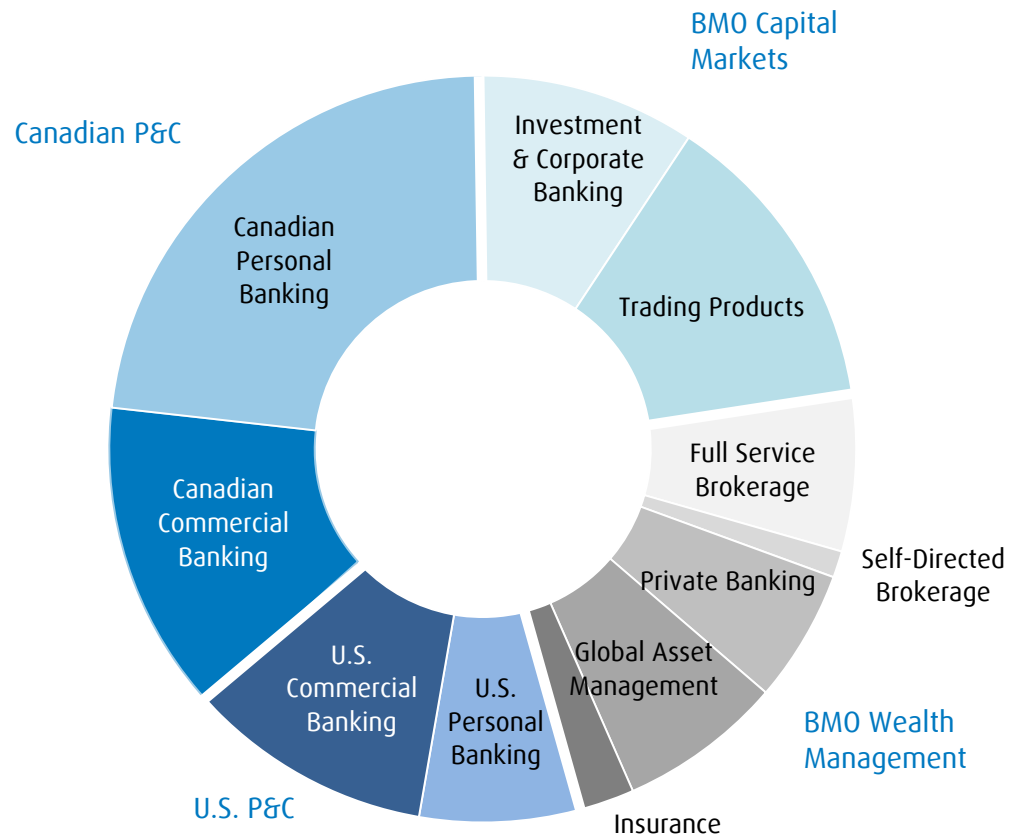
Our Approach to Risk Management

- Understand and manage
- Protect our reputation
- Diversify. Limit tail risk
- Maintain strong capital and liquidity
- Optimize risk return

Strengths and Value Drivers

- Disciplined approach to risk-taking
- Comprehensive and consistent risk frameworks that address all risk types
- Risk appetite and metrics integrated into strategic planning and the ongoing management of businesses and risks
- Sustained mindset of continuous improvement to drive consistency and efficiency in the management of risk

Diversified Sources of Revenue¹

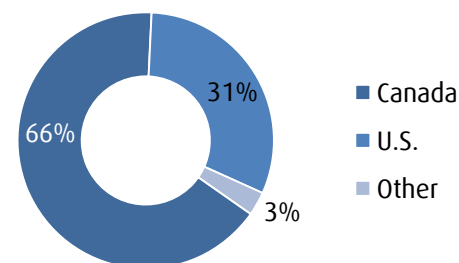


¹ Based on F2017 Net Revenue; excludes Corporate Services

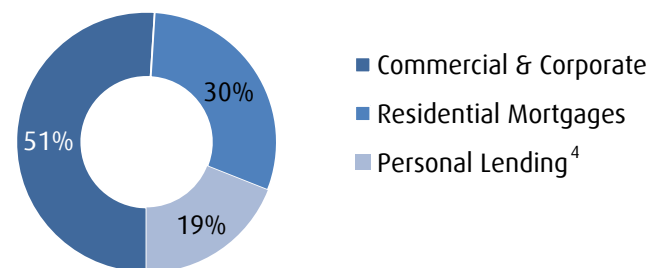
Our loans are well diversified by geography and industry

Gross Loans & Acceptances By Industry (\$B, as at Q4 17)	Canada & Other ¹	U.S.	Total	% of Total
Residential Mortgages	106.7	8.6	115.3	30%
Consumer Instalment and Other Personal	52.1	9.8	61.9	17%
Cards	7.5	0.6	8.1	2%
Total Consumer	166.3	19.0	185.3	49%
Financial Institutions	19.0	20.1	39.1	10%
Service Industries	15.3	18.8	34.1	9%
Commercial Real Estate	16.7	9.8	26.5	7%
Manufacturing	6.3	13.8	20.1	5%
Retail Trade	10.3	8.2	18.5	5%
Wholesale Trade	4.4	7.2	11.6	3%
Agriculture	8.8	2.3	11.1	3%
Transportation	2.2	8.3	10.5	3%
Oil & Gas	5.0	3.2	8.2	2%
Mining	1.0	0.3	1.3	0%
Other Businesses and Governments ²	9.1	4.7	13.8	4%
Total Businesses and Governments	98.1	96.7	194.8	51%
Total Gross Loans & Acceptances	264.4	115.7	380.1	100%

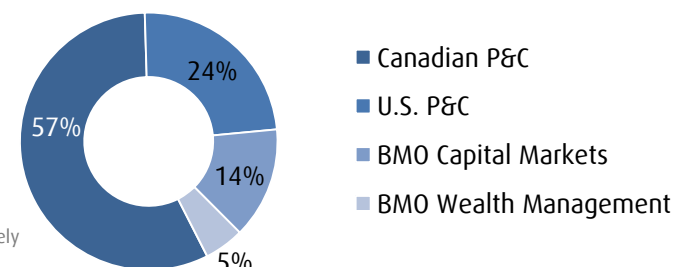
Loans by Geography³



Loans by Product³



Loans by Operating Group⁵



¹ Total Businesses and Governments includes ~\$12.9B 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 October 31, 2017

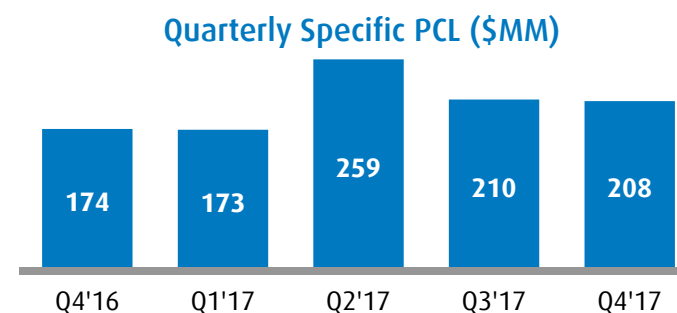
⁴ Including cards

⁵ Average net loans and acceptances as of F2017

Provision for Credit Losses (PCL)

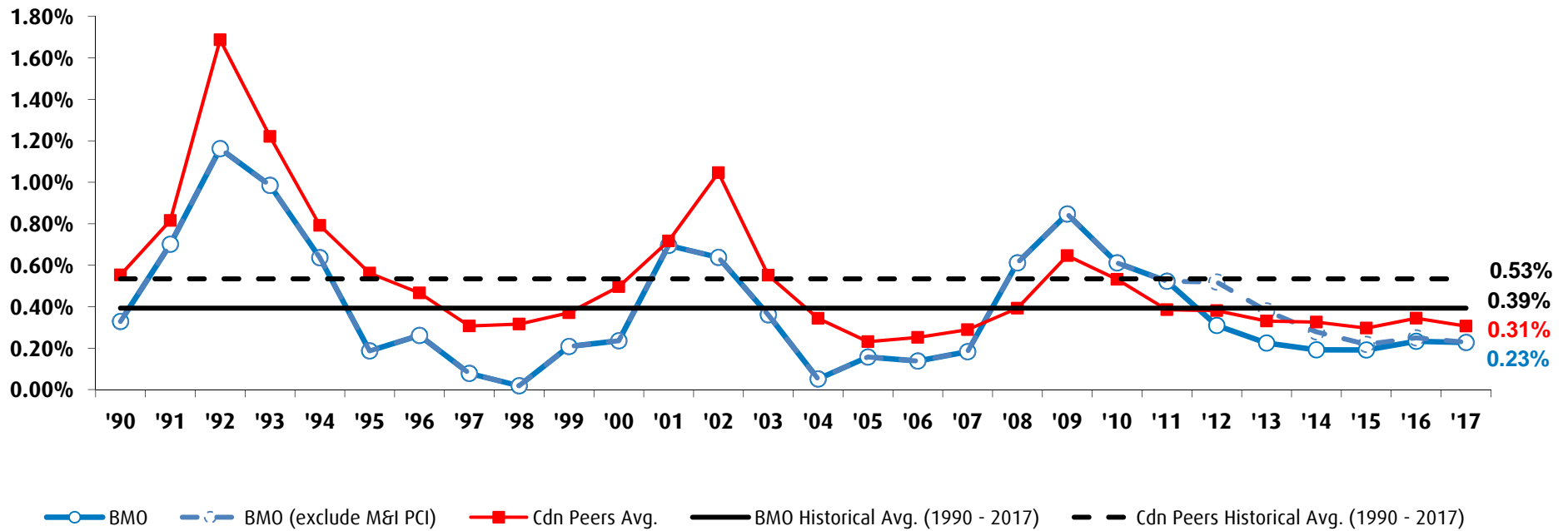
PCL By Operating Group (\$MM)	Q4 17	Q3 17	Q4 16
Consumer – Canadian P&C	103	102	102
Commercial – Canadian P&C	31	23	21
Total Canadian P&C	134	125	123
Consumer – U.S. P&C	11	17	6
Commercial – U.S. P&C	55	62	60
Total U.S. P&C	66	79	66
BMO Wealth Management	-	5	1
BMO Capital Markets	4	(2)	(8)
Corporate Services	4	3	(8)
Specific PCL	208	210	174
Change in Collective Allowance	-	(76)	-
Total PCL	208	134	174
Specific PCL in bps	22	22	19
Total PCL in bps	22	14	19

- Q4'17 Specific PCL ratio at 22 bps, flat Q/Q
- Fiscal year Specific PCL ratio at 23 bps



Specific Provision for Credit Losses

Specific PCL as a % of Average Net Loans & 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.

Canadian Residential Mortgages

- Total Canadian residential mortgage portfolio at \$106.7B, representing 28% of total loans
 - 51% of the portfolio is insured; loan-to-value (LTV)¹ on the uninsured portfolio is 52%
 - 69% of the portfolio has an effective remaining amortization of 25 years or less
 - Less than 1% of our uninsured mortgage portfolio has a Beacon score of 650 or lower and a LTV > 75%
 - 90 day delinquency rate remains good at 20 bps; loss rates for the trailing 4 quarter period were less than 1 bp
 - HELOC portfolio at \$30.6B outstanding; LTV¹ of 45%, similar regional representation as mortgages
 - Condo mortgage portfolio is \$15.2B with 45% insured
 - GTA and GVA portfolios demonstrate better LTV, delinquency rates and bureau scores compared to the national average

Residential Mortgages By Region (\$B, as at Q4 17)	Insured	Uninsured	Total ²	% of Total	Portfolio Avg LTV ¹ Uninsured	New originations during the quarter Avg LTV Uninsured
Atlantic	3.5	1.9	5.4	5%	58%	73%
Quebec	8.8	6.3	15.1	14%	60%	71%
Ontario	21.5	24.8	46.3	43%	52%	67%
Alberta	11.0	5.1	16.1	15%	60%	72%
British Columbia	6.9	13.1	20.0	19%	45%	65%
All Other Canada	2.3	1.5	3.8	4%	54%	73%
Total Canada²	54.0	52.7	106.7	100%	52%	68%

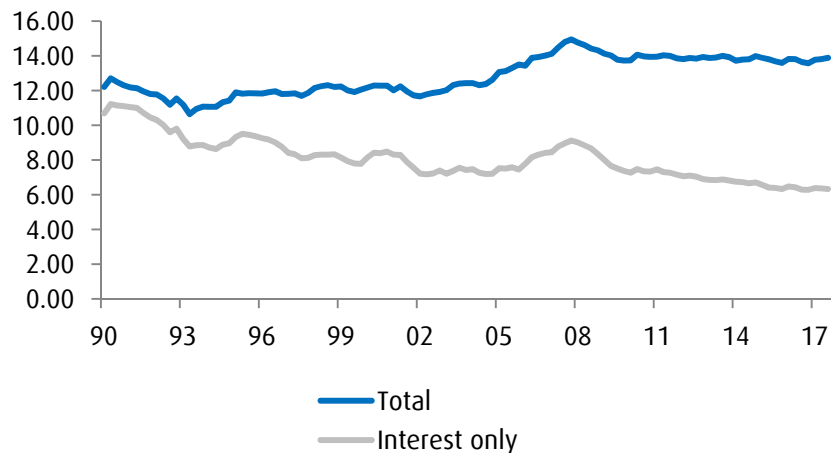
¹ LTV is the ratio of outstanding mortgage balance to the original property value indexed using Teranet data. Portfolio LTV is the combination of each individual mortgage LTV weighted by the mortgage balance

² Totals may not add due to rounding

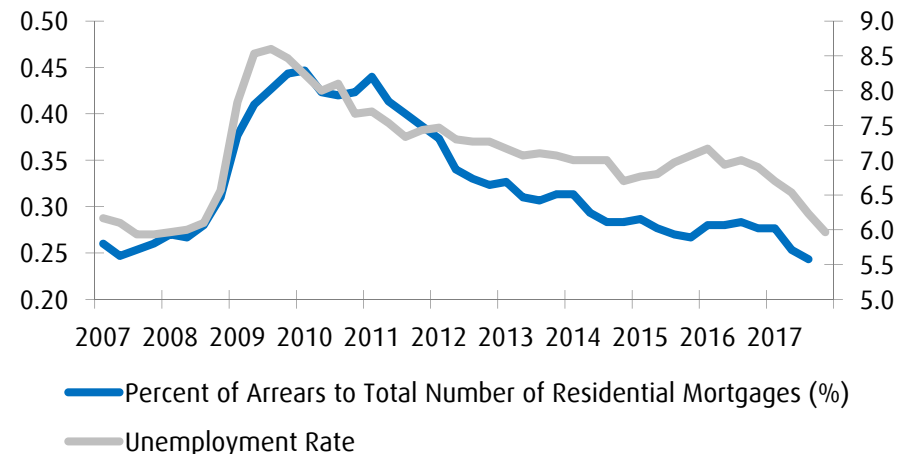
Canada's housing market remains resilient

- Steady immigration, young buyers, low mortgage rates and foreign wealth continue to support home sales
- Recent actions by the Ontario Government have cooled the earlier hot housing market in the Toronto region. Tougher mortgage underwriting rules that take effect in 2018 will also act to restrain activity and price growth
- Expect real estate markets across the rest of the country to remain healthy; more signs of stabilization in Vancouver and Calgary
- Most regions are expected to see modestly rising home prices in 2018
- Mortgage arrears remain near record lows, despite some upturn in Alberta and Saskatchewan
- The household debt-to-income ratio remains elevated but the rate of increase has slowed
- Debt servicing ratio has remained stable since 2010 due to low interest rates

Debt Service Ratio



Mortgage Delinquencies/Unemployment



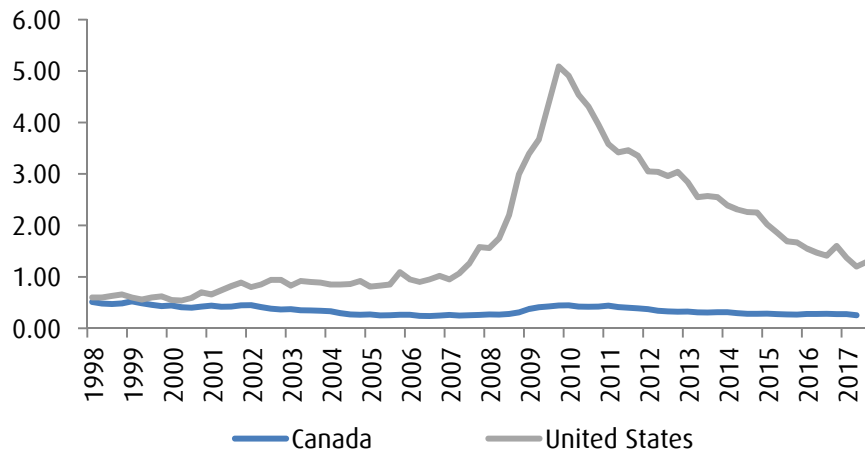
Source: BMO CM Economics and Canadian Bankers' Association as of January 9, 2018
 This slide contains forward looking statements. See caution on slide 2

Structure of the Canadian residential mortgage market with comparisons to the U.S.

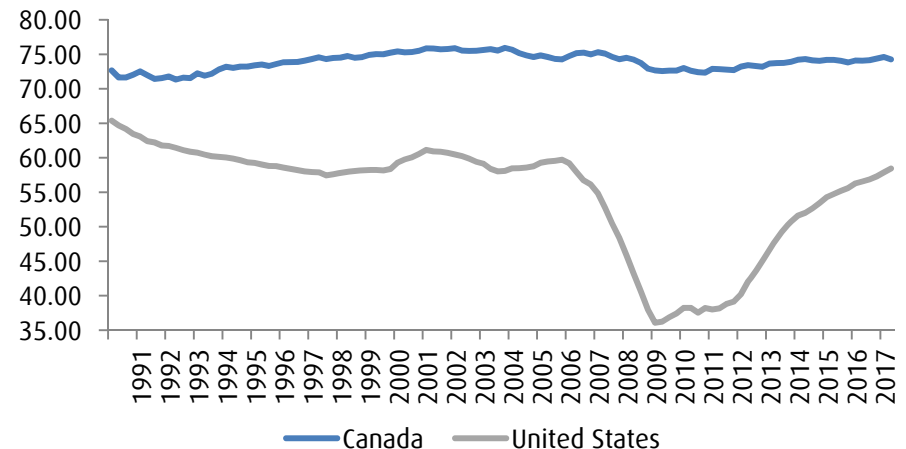
- Conservative lending practices, strong underwriting and documentation discipline have led to low delinquency rates
 - Over the last 30 years, Canada's 90-day residential mortgage delinquency rate has never exceeded 0.7% vs. the U.S. peak rate of 5.0% in early 2010
- Mandatory government-backed insurance for high loan to value (LTV >80%) mortgages covering the full balance
- Government regulation including progressive tightening of mortgage rules to promote a healthy housing market
- Shorter term mortgages (avg. 5 years), renewable and re-priced at maturity, compared to 30 years in the US market
- No mortgage interest deductibility for income tax purposes (reduces incentive to take on higher levels of debt)
- In Canada mortgages are held on balance sheet; In the U.S. they may be sold or securitized in the U.S. market
- Recourse back to the borrower in most provinces
- Prepayment penalties borne by the borrower where U.S. mortgages may be prepaid without penalty

Mortgage Delinquencies

Arrears to Total Number of Residential Mortgages (%)



Equity Ownership (%)



Source: BMO CM Economics and Canadian Bankers' Association as of January 9, 2018
 This slide contains forward looking statements. See caution on slide 2

Recent mortgage policy developments in Canada

October 2017 - Revisions to OSFI Guideline B-20 - Residential Mortgage Underwriting Practices and Procedures (effective January 1, 2018)

- Strengthens expectations in a number of key areas in the residential mortgage underwriting process including:
 - Requiring a qualifying stress rate for all uninsured mortgages that is the higher of the contract rate plus 2% or the 5-year Bank of Canada benchmark rate
 - Enhancing loan-to-value (LTV) measurement and limits so they will be dynamic and responsive to risk
 - Requirements to review and manage the authorized amount of a HELOC where a material decline in the property value has occurred and/or borrower's financial condition has changed materially

April 2017 - Ontario Fair Housing Plan

- The Province announced a suite of 16 measures to attempt to address home price growth and stretched housing affordability, including:
 - Non-resident speculation tax of 15% applied to property purchases in a defined geographical boundary of Ontario
 - Rent control expanded to all buildings – rent increases limited to Ontario's inflation-based guidance, to a maximum of 2.5%
 - Vacancy tax allowed to be applied by individual municipalities
 - Increased availability of existing provincial lands for housing but no changes to Greenbelt

October 2016 - Federal Housing Policy Announcement

- Standardized eligibility criteria for high- and low-ratio insured mortgages, including using a qualifying rate greater of the contract mortgage rate or the Bank of Canada's conventional 5-year fixed posted rate
- Improve tax fairness by closing loopholes surrounding the capital gains tax exemption on the sale of a principal residence

August 2016 - Vancouver Foreign National Property Transfer Tax

- Property transfer tax of 15% applied in Metro Vancouver to foreign nationals or foreign-controlled corporations
- Provided the city the legislative authority to implement and administer a tax on vacant homes

December 2015 - Federal Housing Policy Announcement

- Coordinated announcements by the Department of Finance, OSFI and CMHC consistent with the goal of cooling the housing market
- Increase to minimum down payment for new insured mortgages from 5% to 10% for the portion of house price above \$500,000 but less than \$1,000,000
- Increase in guarantee fees for CMHC-sponsored securitization programs
- Introduced risk-sensitive capital floors tied to increases in local property prices - prospectively implemented November 1, 2016

Appendix

Economic Outlook and Indicators¹

Economic Indicators (%) ^{1, 2}	Canada			United States			Eurozone		
	2016	2017E ²	2018E ²	2016	2017E ²	2018E ²	2016	2017E ²	2018E ²
GDP Growth	1.4	3.0	2.2	1.5	2.3	2.6	1.8	2.3	2.0
Inflation	1.4	1.6	2.0	1.3	2.1	2.4	0.2	1.5	1.5
Interest Rate (3mth Tbills)	0.49	0.69	1.35	0.32	0.95	1.70	(0.28)	(0.37)	(0.38)
Unemployment Rate	7.0	6.3	5.6	4.9	4.4	3.9	10.0	9.1	8.8
Current Account Balance / GDP ³	(3.2)	(3.1)	(2.9)	(2.4)	(2.3)	(2.6)	3.6	3.4	3.4
Budget Surplus / GDP ³	(0.9)	(0.9)	(0.8)	(3.2)	(3.6)	(2.8)	(1.6)	(1.1)	(0.7)

Canada

- Canada's economy is expected to moderate after the strongest annual growth in six years, though continue to expand at a healthy rate
- The unemployment rate is the lowest since 1974 following the strongest annual job growth in 14 years. It is expected to decline to 5.5% by year-end
- The Bank of Canada is expected to raise policy rates three times this year, with the next move likely on January 17

United States

- Economic growth is projected to remain solid in 2018 due to fiscal stimulus and a sustained upswing in business investment
- The unemployment rate is expected to fall to 3.9% by year-end, the lowest in 17 years
- The Federal Reserve will likely raise policy rates three times in 2018, with the next move expected in March

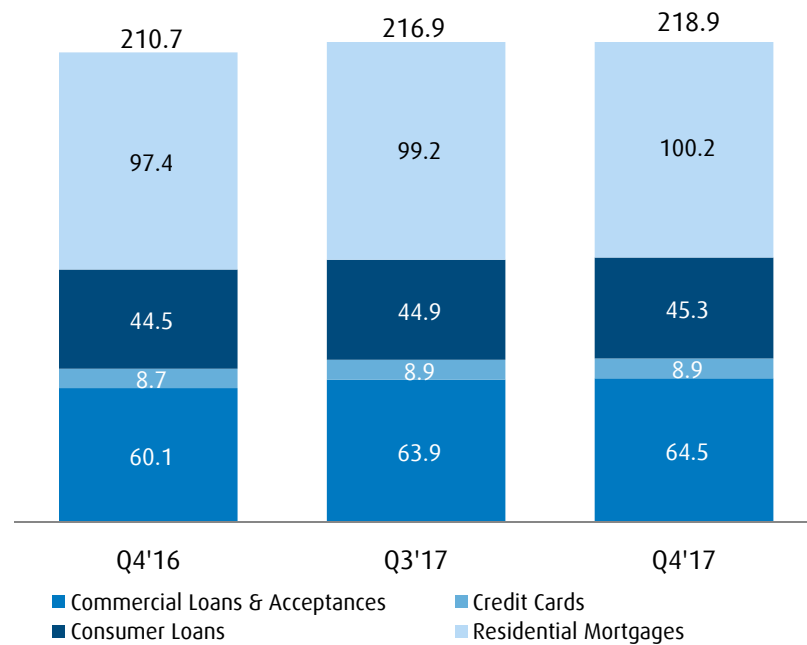
¹ This slide contains forward looking statements. See caution on slide 2

² Data is annual average. Estimates as of January 9, 2018

³ Eurozone estimates provided by OECD

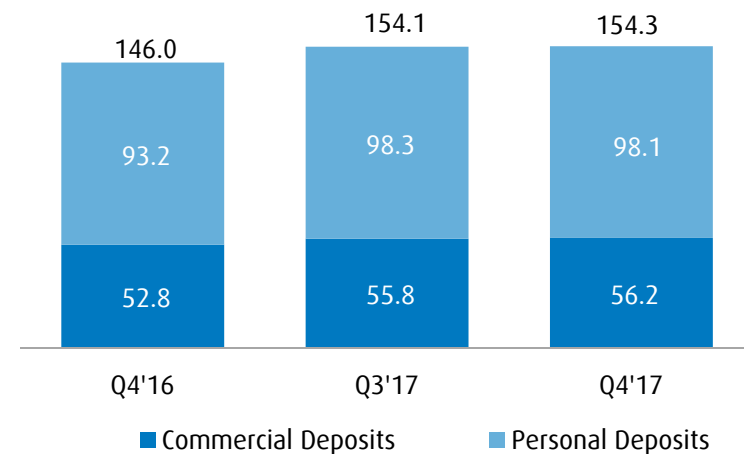
Canadian Personal and Commercial Banking - Balances

Average Loans & Acceptances (\$B)



- Loan growth of 4% Y/Y
 - Residential Mortgages up 3%
 - Consumer loan balances up 2%
 - Commercial loan balances¹ up 7%

Average Deposits (\$B)

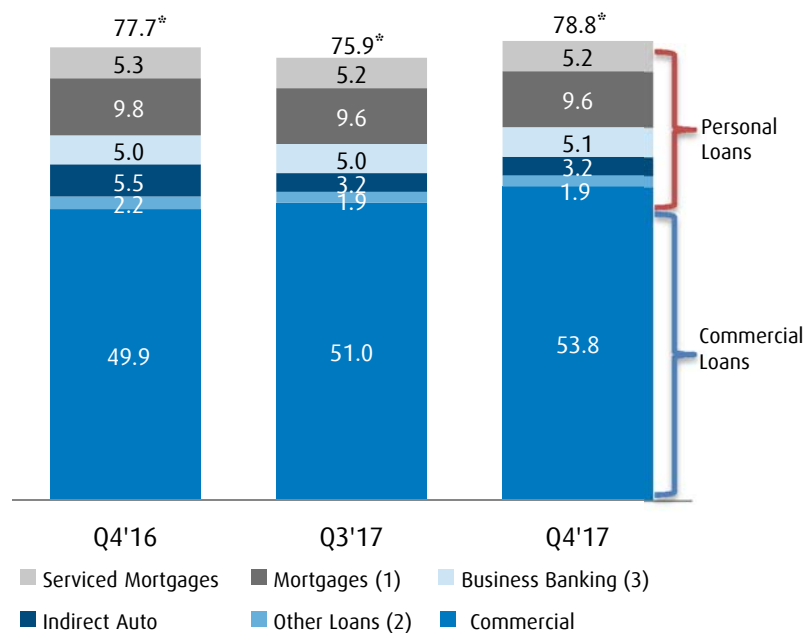


- Deposit growth of 6% Y/Y
 - Personal deposit balances up 5%, including 11% chequing account growth
 - Commercial deposit balances up 7%

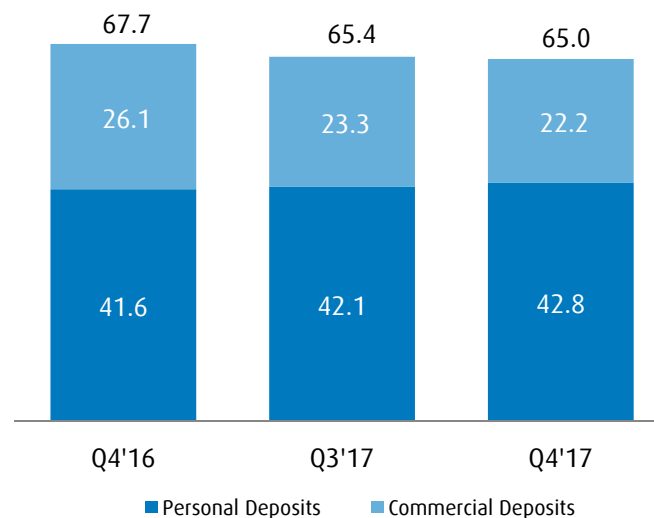
¹ Commercial lending growth excludes commercial cards. Commercial cards balances approximately 7% of total credit card portfolio in Q4'16, Q3'17 and Q4'17

U.S. Personal & Commercial Banking – Balances

Average Loans & Acceptances (US\$B)



Average Deposits (US\$B)



- Commercial loans up 8% Y/Y
- Personal loans down 10%, down 2% excluding Indirect Auto

- Personal deposit balances up 3% Y/Y
- Commercial deposit balances down 15% Y/Y and 5% Q/Q, impacted by higher rates as expected

* Total includes Serviced Mortgages which are off-balance sheet

1 Mortgages include Wealth Management Mortgages (Q4'17 \$2.1B, Q3'17 \$2.0B, Q4'16 \$1.9B) and Home Equity (Q4'17 \$3.2B, Q3'17 \$3.3B, Q4'16 \$3.6B)

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

Gross Impaired Loans (GIL) and Formations

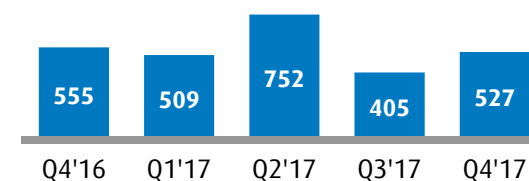
By Industry (\$MM, as at Q4 17)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other ¹	U.S.	Total
Consumer	182	82	264	394	507	901
Agriculture	9	16	25	61	188	249
Service Industries	3	75	78	56	176	232
Oil & Gas	3	16	19	90	97	187
Transportation	1	50	51	5	164	169
Manufacturing	7	1	8	61	60	121
Wholesale Trade	2	26	28	20	94	114
Commercial Real Estate	14	2	16	42	18	60
Construction (non-real estate)	18	0	18	26	27	53
Retail Trade	5	13	18	31	19	50
Mining	0	0	0	0	1	1
Other Businesses and Governments ²	1	1	2	11	26	37
Total Businesses and Governments	63	200	263	403	870	1,273
Total Bank	245	282	527	797	1,377	2,174

¹ Total Businesses and Governments includes ~\$50MM GIL from Other Countries

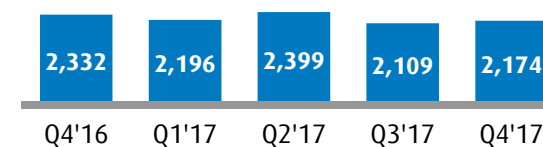
² Other Businesses and Governments includes industry segments that are each <1% of total GIL

- GIL ratio 57 bps, up 1 bp Q/Q

Formations (\$MM)

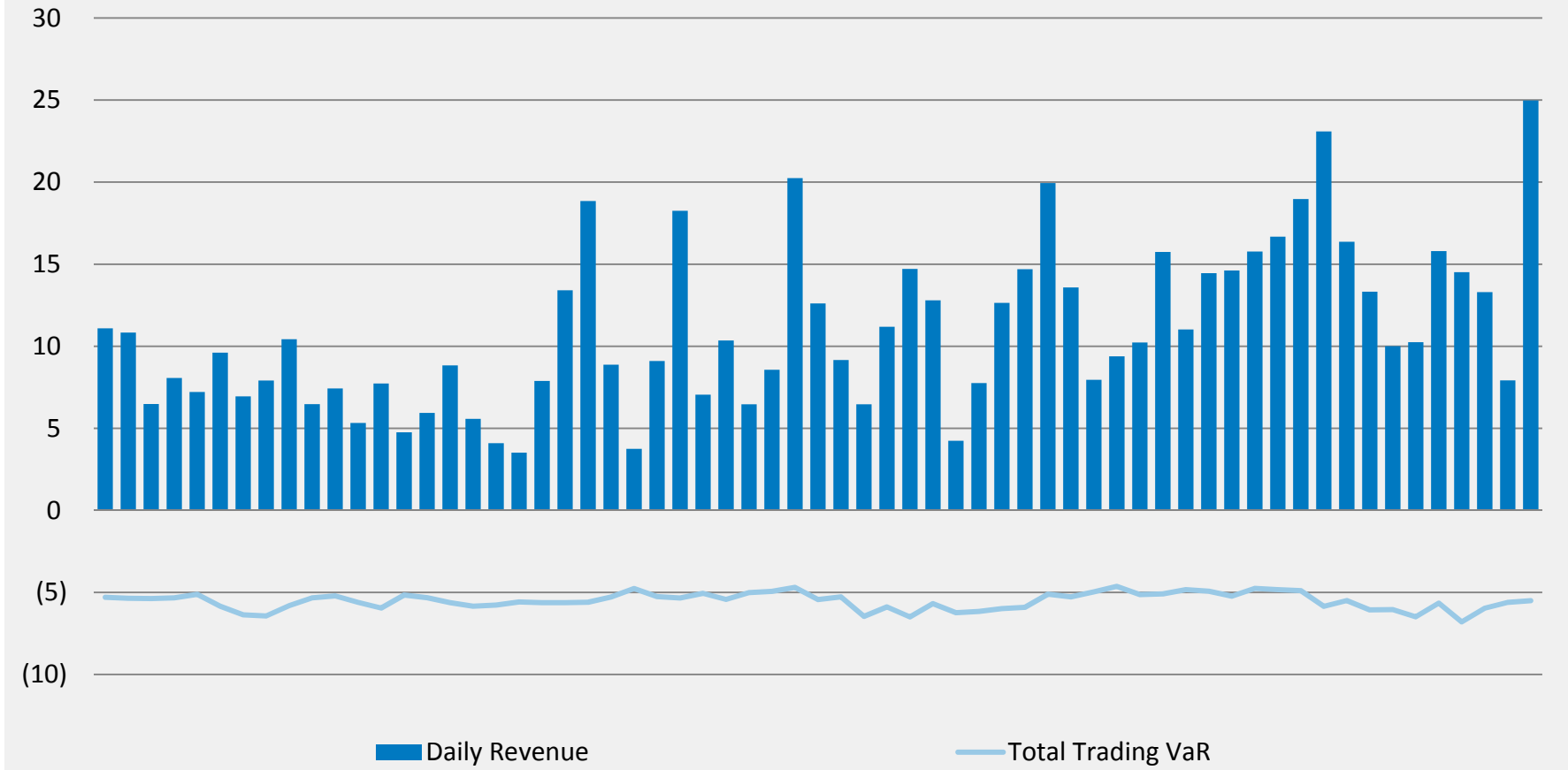


Gross Impaired Loans (\$MM)



Trading-related Net Revenues versus Value at Risk

August 1, 2017 to October 31, 2017 (in MM's and on a Pre-Tax Basis)



Environmental, Social and Governance (ESG) at BMO

Operating our business responsibly and considering the ESG impacts of our activities

Responsible Investment products that contribute to broader societal/environmental goals

- BMO has two impact investing funds – the BMO Women in Leadership Fund, which focuses on gender diversity, and the BMO Fossil Fuel Free Fund whose portfolio excludes companies primarily involved in extracting and refining fossil fuels.
- BMO has two principal protected notes linked to an environmental, social and governance-themed index – the BMO Environmental, Social & Governance Index, and the BMO Fossil Fuel Free Index
- BMO also launched a Canadian pooled mutual fund in 2017, the BMO AM Responsible Global Equity Fund

Positive Social and Environmental Impact

- 30-year track record in responsible investment, with US\$1.8B* in Responsible Funds range (*as at Dec 31 2016)
- Helped raise ~\$2.4B of equity and debt in the capital markets for North American renewable energy mandates and ~\$3.6B of lending capital committed to the sector globally
- Provided more than US\$652.9MM in loans to support community development in the United States
- Attained and maintained Carbon Neutrality across the enterprise since 2010
- Representation of women in senior leader roles is 40%* (meeting our 2016 goal of 40%)
- Contributed \$57.3MM to non-profit organizations across North America

Recognized as a Leader

- Global 100: Most Sustainable Corporations in the World (2017) for fourth year in a row
- Dow Jones Sustainability North America Index (2017/18) for 13th year in a row
- Canada's Best 50 Corporate Citizens by Corporate Knights (2017) for 15th year in a row
- 2017 Bloomberg Financial Services Gender-Equality Index for second year in a row
- Canadian Council for Aboriginal Business, Gold certification in Progressive Aboriginal Relations
- Listed on FTSE4Good Index Series, Ethibel Sustainability Index (ESI) Excellence Global, and Euronext Vigeo World 120, and awarded the oekom Prime status as of May 2017
- BMO Global Asset Management awarded the maximum A+ rating for our overall approach to responsible investing by the UN Principles for Responsible Investment.
- 2017 Thomson Reuters/S-Netwrok ESG Best Practices Award (ranking highest FI worldwide)

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

 **BEST 50**
CORPORATE CITIZENS


FTSE4Good

Corporate Responsibility
Prime
rated by
oekom research


Included in
ETHIBEL
SUSTAINABILITY INDEX
EXCELLENCE Global

 **EURONEXT**
vigeo
INDICES
World 120

BMO  **Financial Group**
We're here to help.™

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; 41.7% of independent directors are women
- Recipient of the Canadian Coalition for Good Governance's 2017 Governance Gavel Award for "Best Disclosure of Corporate Governance and Executive Compensation Practices"
- Recipient of the Governance Professionals of Canada Excellence in Governance Award for "Best Practices in Subsidiary Governance"

Adjusting Items

Adjusting ¹ items – Pre-tax (\$MM)	Q4 17	Q3 17	Q4 16	F2017	F2016
Amortization of acquisition-related intangible assets ²	(34)	(35)	(37)	(149)	(160)
Acquisition integration costs ²	(24)	(20)	(31)	(87)	(104)
Decrease in the collective allowance for credit losses ³	-	76	-	76	-
Cumulative accounting adjustment ⁴	-	-	-	-	(85)
Restructuring costs ⁵	(59)	-	-	(59)	(188)
Adjusting items included in reported pre-tax income	(117)	21	(68)	(219)	(537)
Adjusting ¹ items – After-tax (\$MM)	Q4 17	Q3 17	Q4 16	F2017	F2016
Amortization of acquisition-related intangible assets ²	(26)	(28)	(29)	(116)	(124)
Acquisition integration costs ²	(15)	(13)	(21)	(55)	(71)
Decrease in the collective allowance for credit losses ³	-	54	-	54	-
Cumulative accounting adjustment ⁴	-	-	-	-	(62)
Restructuring costs ⁵	(41)	-	-	(41)	(132)
Adjusting items included in reported net income after tax	(82)	13	(50)	(158)	(389)
Impact on EPS (\$)	(0.13)	0.02	(0.08)	(0.24)	(0.60)

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 The decrease in the collective allowance for credit losses is included in Corporate Services

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

Investor Relations

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