Investor Presentation

For the Quarter Ended October 31, 2017

December 5, 2017

BMO 200 Financial Group

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Q4|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 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.

Darryl White

Chief Executive Officer

BMO 200 Financial Group

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F2017 Financial Highlights

Strong net income growth and positive operating leverage

	Adjusted[1]	Reported	
Net Income	**$5,508MM**	**$5,350MM**	• Adjusted[1] net income up 10% (reported up 16%)
EPS	**$8.16**	**$7.92**	• Adjusted[1] EPS up 9% (reported up 14%)
Net Operating Leverage [2]	**1.9%**	**3.7%**	• Building on adjusted[1,2] net operating leverage of 2.1% in F2016 (reported 1.1%)
PCL	**23bps**	**21bps**	• Specific Provision for Credit Losses remained stable
Capital	**CET1 ratio 11.4%**		• Increased quarterly dividend by 6%; annualized $3.72 • Repurchased 5 million shares

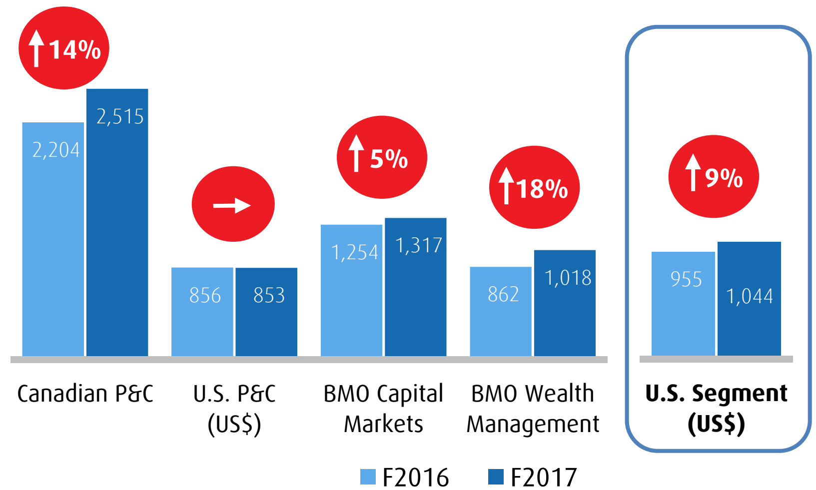
1 Adjusted measures are non-GAAP measures. See slide 2 for more information. See slide 25 for adjustments to reported results
2 Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Net operating leverage based on net revenue

F2017 Operating Group Performance

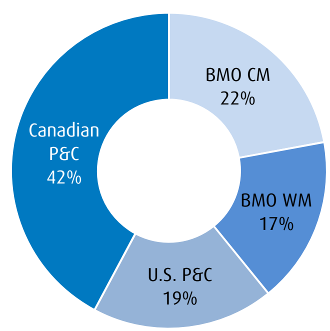
Good performance across diversified and competitively advantaged businesses

- 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% adjusted[1] 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

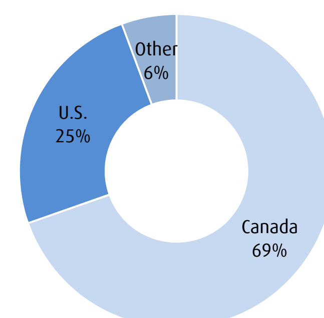
Adjusted[1] Net Income ($MM)



Operating Group Adjusted[1] Net Income – F2017



Adjusted[1] Net Income by Geography – F2017



1 See slide 25 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

Key Strategic Areas of Focus

Strong performance in U.S. segment with continued growth opportunities

Accelerating transformation through technology investment and deployment

Focused on efficiency, building on good progress already made

Employees, culture and values that are a competitive advantage

Financial Results

For the Quarter Ended October 31, 2017

Tom Flynn
Chief Financial Officer

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F2017 Financial Highlights

Strong results with adjusted[1] net income growth of 10% and positive operating leverage

- Reported net income $5.35B, up 16%; EPS $7.92, up 14%
- Adjusted[1] net income $5.5B, up 10%; adjusted[1] EPS $8.16, up 9%
- Net revenue[2] up 6%
- Adjusted[1] expenses up 4% (reported[4] 2%)
- Positive operating leverage[2] of 1.9% (reported[2] 3.7%), and adjusted[1] efficiency ratio of 62.8% vs. 63.9% last year (reported[4] 64.2% vs. 66.5% last year)
- Specific PCL up $35MM Y/Y; reported PCL down $41MM, reflecting reduction in collective allowance of $76MM
- Adjusted[1] ROE 13.7% vs. 13.1% in 2016, adjusted[1] ROTCE[3] 16.5% (reported ROE 13.3% and ROTCE[3] 16.3%)
- U.S. Segment adjusted[1] 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

	Reported		Adjusted[1]	
($MM)	F2017	F2016	F2017	F2016
Net Revenue[2]	**20,722**	19,544	**20,722**	19,628
PCL	**774**	815	**850**	815
Expense[4]	**13,302**	12,997	**13,007**	12,544
Net Income	**5,350**	**4,631**	**5,508**	**5,020**
Diluted EPS ($)	**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 25 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)

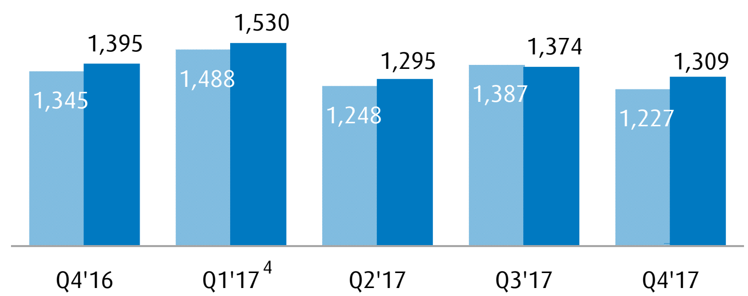
Q4 2017 - Financial Highlights

Good underlying performance

- Reported net income $1.2B ,down 9% Y/Y; EPS $1.81, down 10% Y/Y
- Adjusted[1] net income $1.3B, down 6% Y/Y; adjusted[1] 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 revenue[2] down 2% Y/Y largely due to the reinsurance claims impact of 2%
- Adjusted[1] expenses flat Y/Y; reported expenses up 1% reflecting the restructuring charge
- Weaker USD reduced revenue and expense growth by ~2%
- Negative operating leverage[2] of (2.1)% (reported[2] (3.6)%); reinsurance claims negatively impacted operating leverage by ~2%
- PCL up $34MM Y/Y
- Adjusted[1] ROE 12.9%, adjusted[1] ROTCE[3] 15.5% (reported ROE 12.1%, reported ROTCE[3] 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			

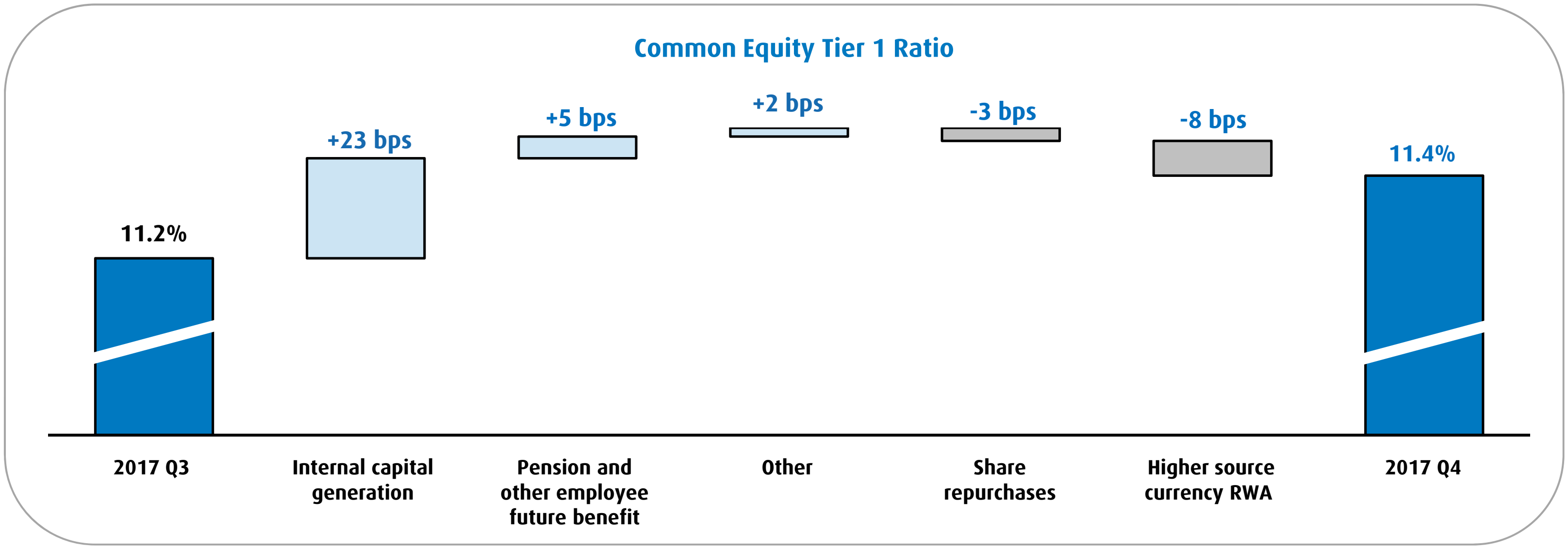
Net Income[1] Trends



1 See slide 25 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

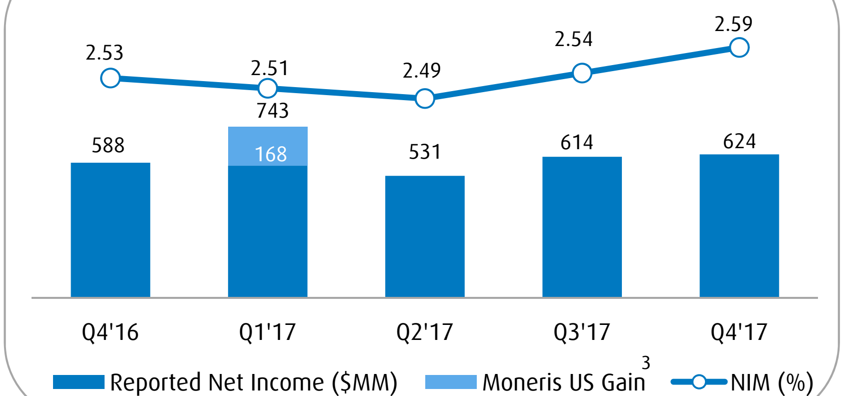
Canadian Personal & Commercial Banking

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% (personal[2] 3%, commercial[2] 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**

Net Income and NIM Trends



1 See slide 25 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

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U.S. Personal & Commercial Banking

Solid performance with net income up 2% Y/Y

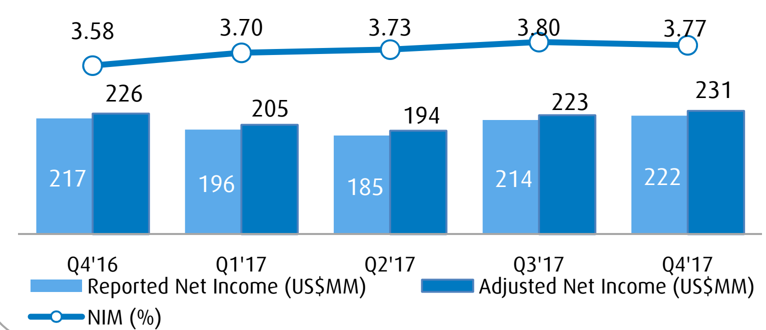
- Adjusted[1] net income of $291MM, down 3% Y/Y (reported $280MM, down 3% Y/Y)

Figures that follow are in U.S. dollars

- Adjusted[1] 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 acceptances[2] 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
- Adjusted[1] and reported expenses up 3% Y/Y
- PCL up $3MM Y/Y; down $6MM Q/Q
- Positive adjusted[1] operating leverage of 0.1% (reported 0.3%); adjusted[1] 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**

Net Income[1] and NIM Trends



1 See slide 25 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

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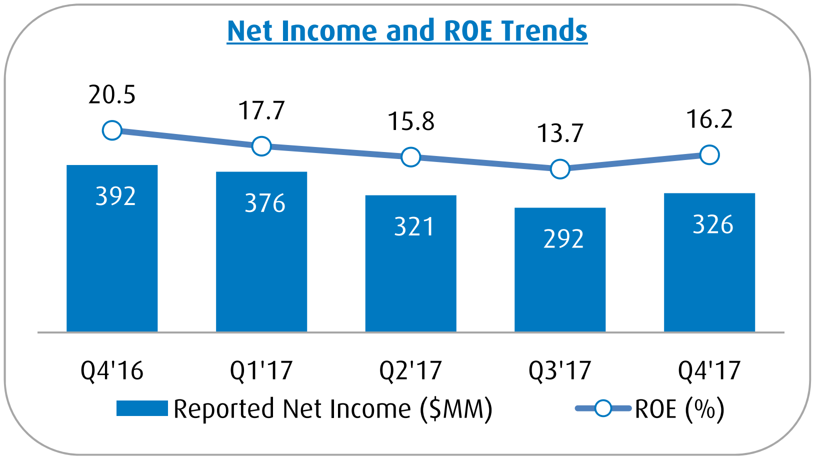
BMO Capital Markets

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

- Adjusted[1] 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**



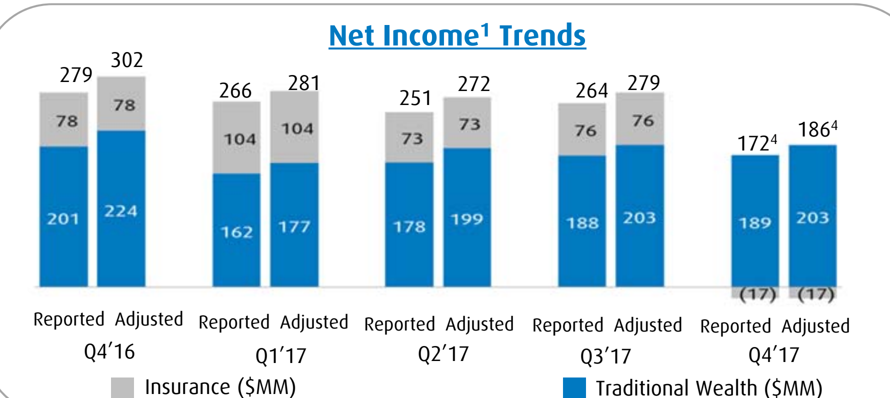
1 See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information

BMO Wealth Management

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

- Adjusted[1] 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 claims[4]
  - 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 adjusted[1] net income growth by 14% (reported 16%)
- Net revenue[2] 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 adjusted[1] expenses up 2% Y/Y (reported up 1%)
- AUM/AUA[3] down Y/Y from lower AUA due to divestiture of a non-strategic business in the current quarter
- F2017 adjusted[1] net income up 18% (reported up 25%) with improved markets, business growth and good operating leverage

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



1 See slide 25 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)

Corporate Services

- Adjusted[1] net loss of $119MM compared to a net loss of $188MM in prior year. Reported net loss of $175MM compared to a net loss of $202MM in prior year
- Current quarter reported results include a restructuring charge of $41MM after-tax[3]
- Adjusted net loss $69MM better Y/Y with lower expenses in part due to gain on office building sale and higher revenue excluding teb, partially offset by lower credit recoveries

	Reported[2]			Adjusted[1,2]		
($MM)	Q4 17	Q3 17	Q4 16	Q4 17	Q3 17	Q4 16
Revenue	**(42)**	(31)	(62)	**(42)**	(31)	(62)
Group teb offset[2]	**(176)**	(62)	(124)	**(176)**	(62)	(124)
Total Revenue (teb)[2]	**(218)**	(93)	(186)	**(218)**	(93)	(186)
PCL (recovery)	**4**	(73)	(8)	**4**	3	(8)
Expenses	**213**	102	205	**130**	82	184
Net Loss	**(175)**	**(61)**	**(202)**	**(119)**	**(102)**	**(188)**

1 See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Operating group revenue, income taxes and net interest margin are stated on a taxable equivalent basis (teb). This teb adjustment is offset in Corporate Services, and total BMO revenue, income taxes and net interest margin are stated on a GAAP basis
3 Q4'17 reported results include a $59MM restructuring charge ($41MM after-tax)

Risk Review

For the Quarter Ended October 31, 2017

Surjit Rajpal
Chief Risk Officer

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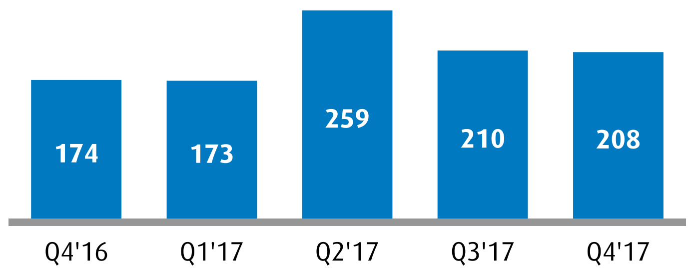
Provision for Credit Losses (PCL)

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

Quarterly Specific PCL ($MM)

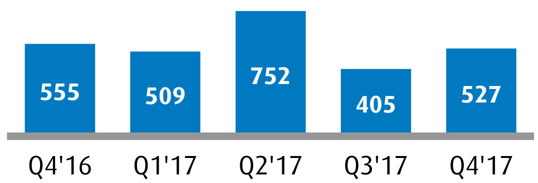


Gross Impaired Loans (GIL) and Formations

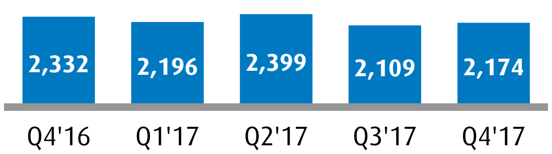
By Industry ($MM, as at Q4 17)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other[1]	U.S.	Total
Consumer	**182**	**82**	**264**	**394**	**507**	**901**
Agriculture	9	16	25	61	188	249
Service Industries	3	75	78	56	176	232
Oil & Gas	3	16	19	90	97	187
Transportation	1	50	51	5	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**

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

Formations ($MM)



Gross Impaired Loans ($MM)



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

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; LTV[1] 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 Canada[2]	**54.0**	**52.7**	**106.7**	**100%**	**52%**	**68%**

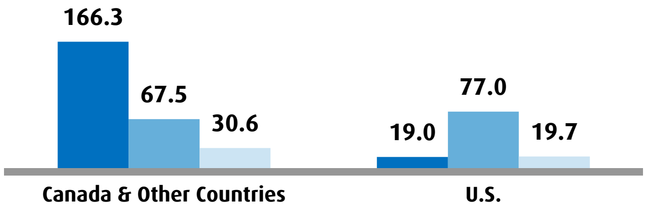
1 LTV is the ratio of outstanding mortgage balance to the original property value indexed using Teranet data. Portfolio LTV is the combination of each individual mortgage LTV weighted by the mortgage balance
2 Totals may not add due to rounding

Loan Portfolio Overview

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 are well diversified by geography and industry

Loans by Geography and Operating Group ($B)



1 Includes ~$12.8B 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

APPENDIX

BMO Financial Group
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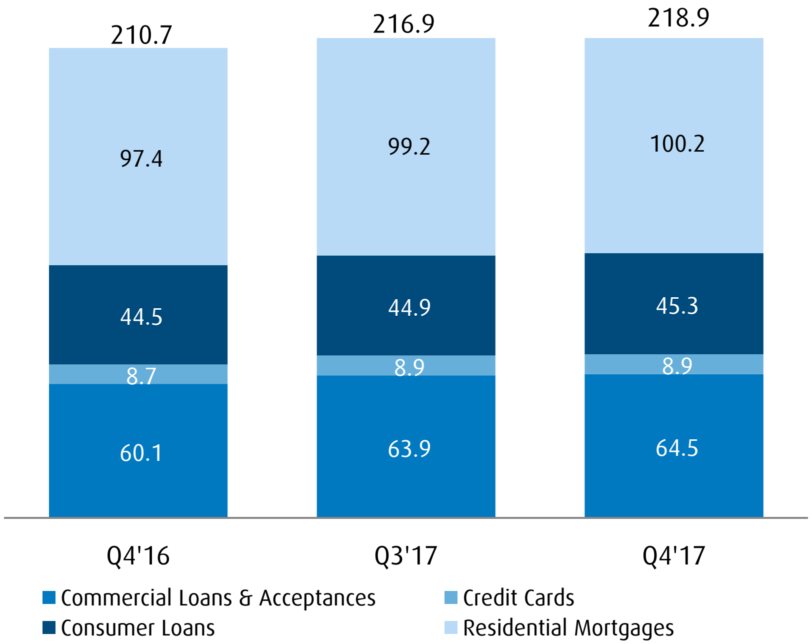
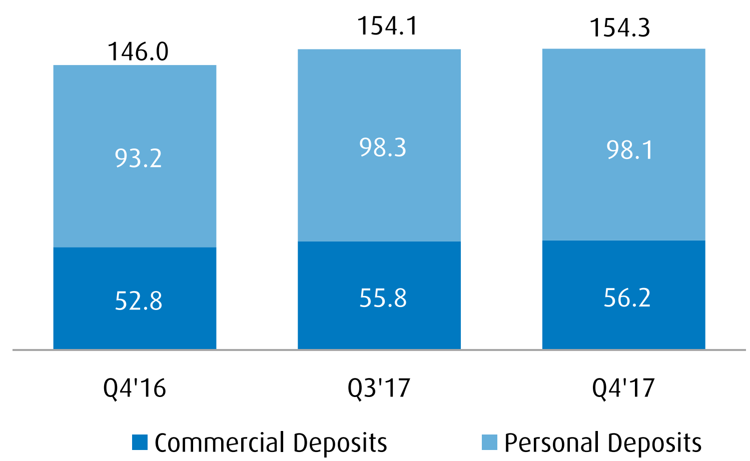
Canadian Personal and Commercial Banking - Balances

Average Loans & Acceptances ($B)



- Loan growth of 4% Y/Y
  - Residential Mortgages up 3%
  - Consumer loan balances up 2%
  - Commercial loan balances[1] up 7%

Average Deposits ($B)

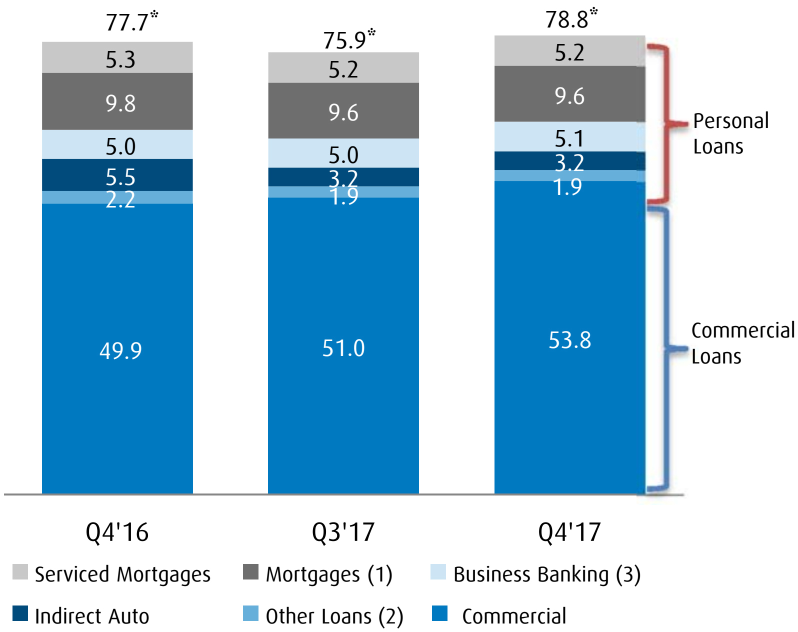


- Deposit growth of 6% Y/Y
  - Personal deposit balances up 5%, including 11% chequing account growth
  - Commercial deposit balances up 7%

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

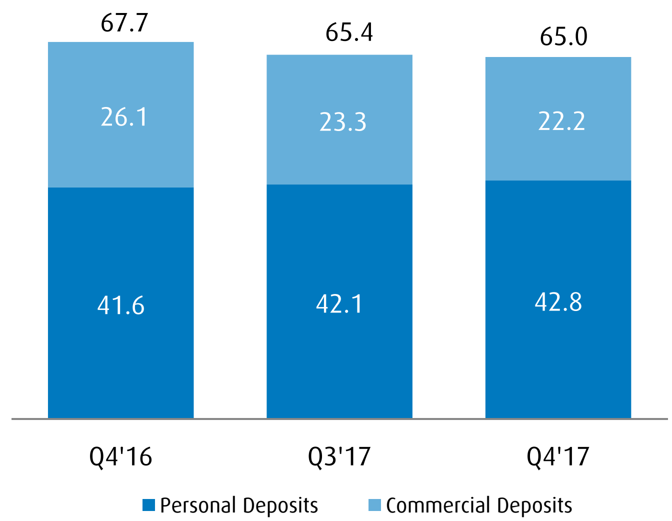
U.S. Personal & Commercial Banking – Balances

Average Loans & Acceptances (US$B)



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

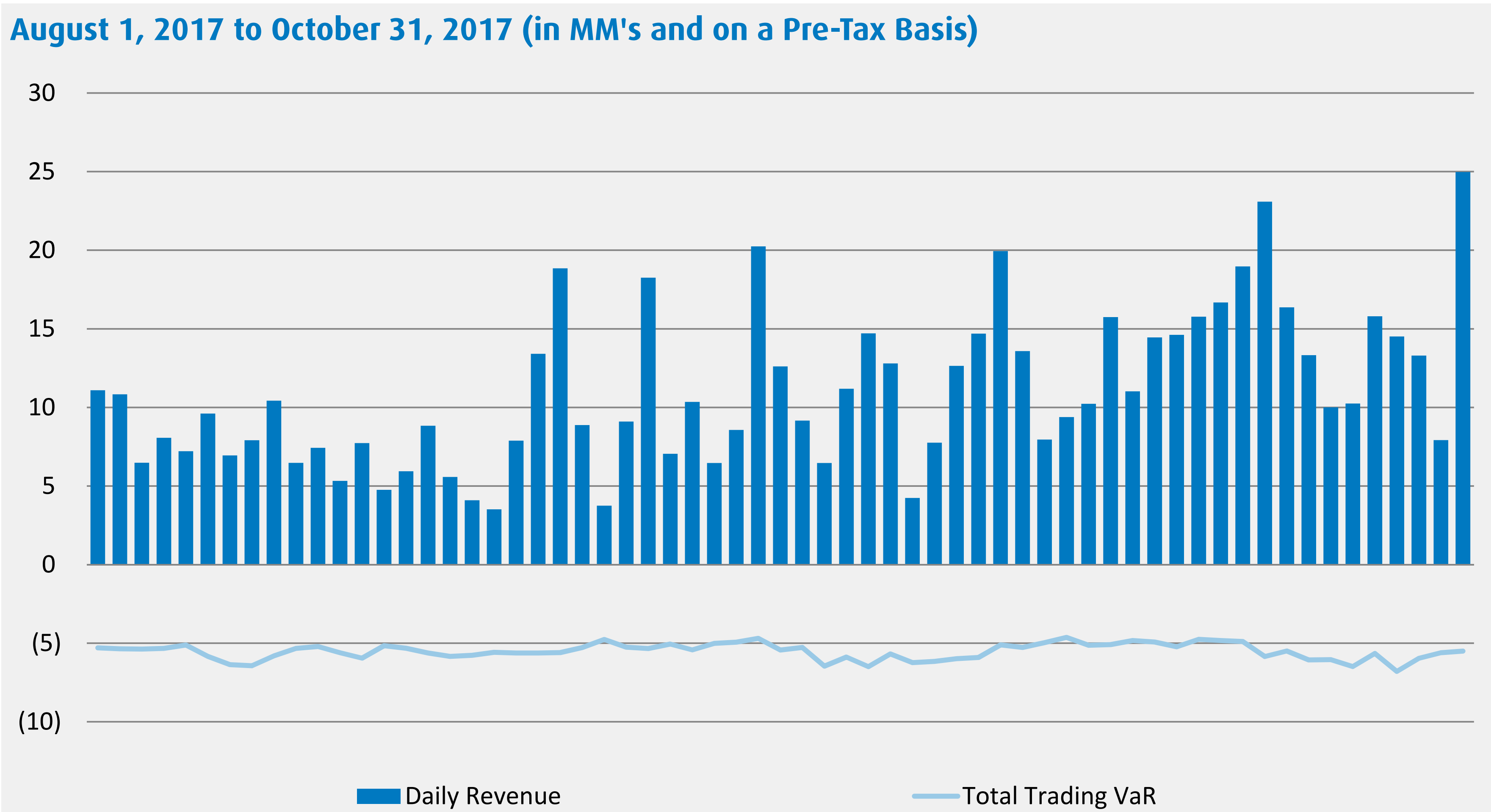
Average Deposits (US$B)



- 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

Trading-related Net Revenues versus Value at Risk



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

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