BMO Financial Group Investor Presentation

For the Quarter Ended January 31, 2018

February 27, 2018

BMO Financial Group

We're here to help.™

Q1|18

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. Forward-looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "goal", "target", "may" and "could".

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that our assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, conclusions or projections. We caution readers of this document not to place undue reliance on our forward-looking statements, as a number of factors – many of which are beyond our control and the effects of which can be difficult to predict – could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic and market conditions in the countries in which we operate; weak, volatile or illiquid capital and/or credit markets; interest rate and currency value fluctuations; changes in monetary, fiscal, or economic policy and tax legislation and interpretation; the level of competition in the geographic and business areas in which we operate; changes in laws or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance, and the effect of such changes on funding costs; judicial or regulatory proceedings; the accuracy and completeness of the information we obtain with respect to our customers and counterparties; our ability to execute our strategic plans and to complete and integrate acquisitions, including obtaining regulatory approvals; critical accounting estimates and the effect of changes to accounting standards, rules and interpretations on these estimates; operational and infrastructure risks; changes to our credit ratings; political conditions, including changes relating to or affecting economic or trade matters; global capital markets activities; the possible effects on our business of war or terrorist activities; outbreaks of disease or illness that affect local, national or international economies; natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply; technological changes; information and cyber security, including the threat of hacking, identity theft and corporate espionage, as well as the possibility of denial of service resulting from efforts targeted at causing system failure and service disruption; and our ability to anticipate and effectively manage risks arising from all of the foregoing factors.

We caution that the foregoing list is not exhaustive of all possible factors. Other factors and risks could adversely affect our results. For more information, please see the discussion in the Risks That May Affect Future Results section on page 79 of BMO's 2017 Annual MD&A, the sections related to credit and counterparty, market, insurance, liquidity and funding, operational, model, legal and regulatory, business, strategic, environmental and social, and reputation risk, which begin on page 86 of BMO's 2017 Annual MD&A, the discussion in the Critical Accounting Estimates – Income Taxes and Deferred Tax Assets section on page 114 of BMO's 2017 Annual MD&A, and the Risk Management section in this document, all of which outline certain key factors and risks that may affect Bank of Montreal's future results. Investors and others should carefully consider these factors and risks, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Bank of Montreal does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by the organization or on its behalf, except as required by law. The forward-looking information contained in this 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.

Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2017 Annual MD&A under the heading "Economic Developments and Outlook", as updated by the Economic Review and Outlook section set forth in this document. 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 First Quarter 2018 Report to Shareholders 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, restructuring costs and revaluation of U.S. net deferred tax asset as a result of U.S. tax reform.

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

Darryl White

Chief Executive Officer

BMO Financial Group

We're here to help.™

Q1|18

Q1 F2018 Financial Highlights

Strong operating results benefiting from diversified business mix

	Adjusted[1]	Reported	
Net Income	**$1,422MM**	**$973MM**	• Adjusted[1] net income down 7% (reported down 35% due to revaluation of U.S. net deferred tax asset)
EPS	**$2.12**	**$1.43**	• Adjusted[1] EPS down 7% (reported down 36%) • Y/Y growth impacted by net gain, strong capital markets and insurance results in Q1'17
Net Operating Leverage[2]	**(4.1)%**	**(3.3)%**	• Reflects elevated revenue items last year • Committed to 2% operating leverage target for the year
PCL[3] – Impaired – Total	**$174MM $141MM**	**(19bps) (15bps)**	• Strong credit performance, stable impaired PCL • Positive U.S. macroeconomic outlook
Capital	**CET1 11.1%**		• Dividend $0.93 • Repurchased 3 million common shares

1 See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Net operating leverage based on net revenue . Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)
3 Effective in the first quarter of 2018, the bank prospectively adopted IFRS 9. Under IFRS 9, we refer to the provision for credit losses on impaired loans and the provision for credit losses on performing loans. Prior periods have not been restated. Also effective with the adoption of IFRS 9, we allocate the provision for credit losses on performing loans and the related allowance to operating groups. In 2017 and prior years the collective provision and allowance was held in Corporate Services

U.S. Operations

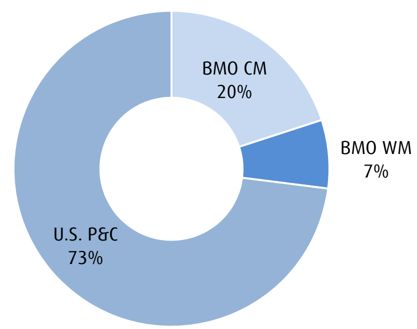
Increasing contribution from U.S. segment

- The U.S. segment is a strategic strength for BMO, representing ~25% of the bank's adjusted[1] earnings
- Q1'18 adjusted[1] earnings up 16% (reported growth impacted by deferred tax asset revaluation) driven by strong growth in U.S. P&C
  - Adjusted[1] PPPT[2] growth of 12% (reported 17%)
  - Adjusted[1] operating leverage of 2.4% (reported 4.0%)
- Constructive environment plays to the strengths of our business mix

U.S. Segment (US$MM)	Reported			Adjusted[1]		
	Q1 18	Q4 17	Q1 17	Q1 18	Q4 17	Q1 17
Revenue	**1,397**	1,397	1,317	**1,397**	1,397	1,317
PCL on impaired loans	**63**	na	na	**63**	na	na
PCL on performing loans	**(23)**	na	na	**(23)**	na	na
Total PCL	**40**	67	27	**40**	57	42
Expense	**999**	1,028	977	**981**	980	945
Net Income*	**(64)**	**227**	**236**	**288**	**265**	**248**

* Q1'18 Reported results include US$339MM DTA revaluation charge

U.S. Operating Group Net Income – LTM[3]



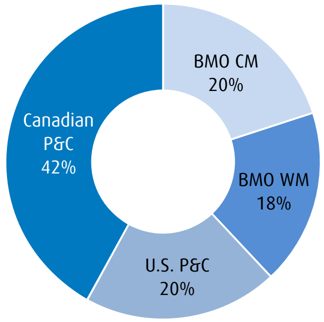
1 See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Pre-provision, pre-tax earnings (PPPT) is the difference between revenue and expenses
3 Last twelve months (LTM) reported and adjusted operating group net income contribution are equal (excludes Corporate Services)
na – not applicable

Operating Group Performance

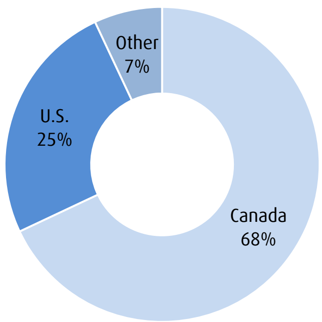
Good operating performance particularly in P&C and Wealth businesses

- Good underlying earnings growth and positive operating leverage in Canadian P&C driven by consistent, profitable loan and deposit growth and higher margins
- Strong underlying earnings growth and positive operating leverage in U.S. P&C with good loan and deposit growth, higher deposit spreads, lower taxes and good credit quality
- BMO Capital Markets earnings declined from an exceptionally strong quarter a year ago with less constructive markets and lower client activity
- Good performance in BMO Wealth Management driven by business growth and strong equity markets in Traditional Wealth; solid business growth in Insurance offset by benefit of large market movements in the prior year

Operating Group Adjusted[1] Net Income – LTM



Adjusted[1] Net Income by Geography – LTM



1 See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. Reported net income last twelve months (LTM) by operating group (excludes Corporate Services) Canadian P&C 43%, U.S. P&C 19%, BMO WM 17%, BMO CM 21%; by geography LTM: Canada 76%, U.S. 17%, Other 7%

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 January 31, 2018

Tom Flynn
Chief Financial Officer

BMO Financial Group

We're here to help.™

Q1|18

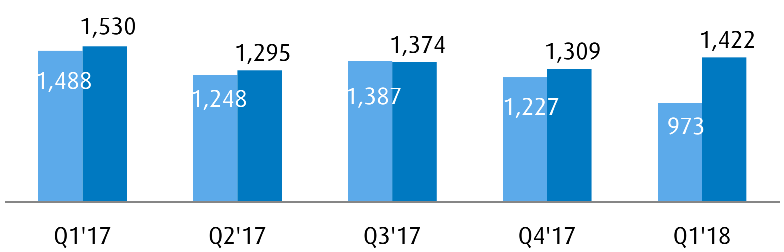
Q1 2018 - Financial Highlights

Good performance with strong operating revenue growth in P&C businesses

- Reported EPS $1.43 and net income $973MM
  - Includes $425MM charge for revaluation of U.S. net deferred tax asset given U.S. tax reform; EPS impact of $0.65
- Adjusted[1] EPS $2.12 and net income $1.4B, down 7% Y/Y
  - Good contribution from P&C businesses and Traditional Wealth
  - Prior year Capital Markets and Insurance results particularly strong
  - Net gain[3] of $133MM in prior year reduced growth by 9%
- Net revenue[2] of $5.3B, down 2% Y/Y
  - Net gain[3] in prior year and weaker USD reduced revenue growth by 5%
- Reported and adjusted[1] expenses up 2% Y/Y
  - Weaker USD reduced growth by 3%
- Adjusted[1] operating leverage[2] (4.1)% (reported (3.3)%); net gain[3] in prior year 2.5% negative impact
- Total PCL down $26MM Y/Y
  - PCL on impaired loans of $174MM, up $7MM
  - Reduction in the allowance for credit losses on performing loans of $33MM, primarily in U.S. P&C
- Adjusted[1] ROE 13.9%, adjusted[1] ROTCE[4] 16.7% (reported ROE 9.4%, reported ROTCE[4] 11.5%)

	Reported			Adjusted[1]		
($MM)	Q1 18	Q4 17	Q1 17	Q1 18	Q4 17	Q1 17
Net Revenue[2]	**5,317**	5,082	5,401	**5,317**	5,082	5,401
PCL on impaired loans	**174**	na	na	**174**	na	na
PCL on performing loans	**(33)**	na	na	**(33)**	na	na
Total PCL[5]	**141**	202	167	**141**	202	167
Expense	**3,441**	3,375	3,385	**3,409**	3,258	3,326
Net Income	**973**	**1,227**	**1,488**	**1,422**	**1,309**	**1,530**
Diluted EPS ($)	**1.43**	1.81	2.22	**2.12**	1.94	2.28
ROE (%)	**9.4**	12.1	14.9	**13.9**	12.9	15.3
ROTCE[4] (%)	**11.5**	14.8	18.5	**16.7**	15.5	18.6
CET1 Ratio (%)	**11.1**	11.4	11.1			

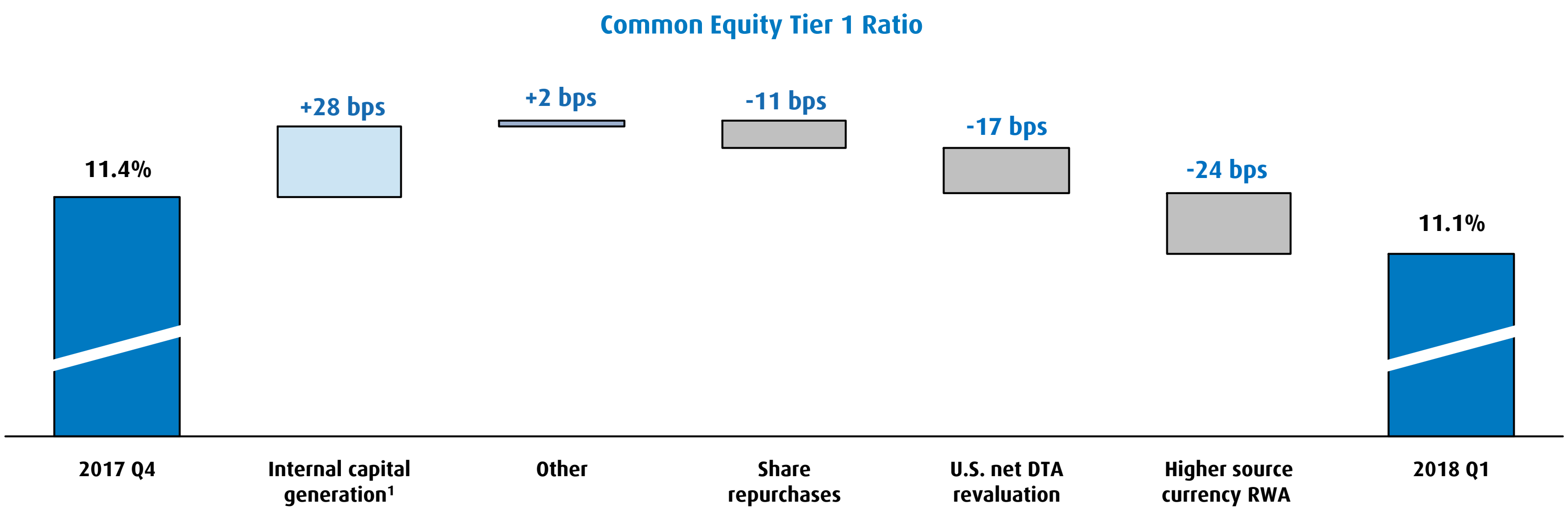
Net Income[1] Trends



1 See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Operating leverage based on net revenue. Reported gross revenue: Q1'18 $5,678MM; Q4'17 $5,655MM; Q1'17 $5,405MM
3 Q1'17 net impact of $133MM from 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
4 Adjusted Return on tangible common equity (ROTCE) = (Annualized Adjusted Net Income avail. to Common Shareholders) / (Average Common shareholders equity less Goodwill and acquisition-related intangibles net of associated deferred tax liabilities). Numerator for reported ROTCE is annualized reported net income avail. to common shareholders less after-tax amortization of acquisition-related intangibles
5 Effective in the first quarter of 2018, the bank prospectively adopted IFRS 9. Under IFRS 9, we refer to the provision for credit losses on impaired loans and the provision for credit losses on performing loans. Prior periods have not been restated. Also effective with the adoption of IFRS 9, we allocate the provision for credit losses on performing loans and the related allowance to operating groups. In 2017 and prior years the collective provision and allowance was held in Corporate Services
na – not applicable

Strong Capital Position

Well capitalized with CET1 Ratio at 11.1%



Basis points may not add due to rounding.

- Q1'18 CET1 Ratio of 11.1%, down from 11.4% at Q4'17:
  - Internal capital generation from retained earnings growth
  - More than offset by business growth, the revaluation of the U.S. net deferred tax asset and 3 million common shares repurchased during the quarter
- The impact of FX movements on the CET1 Ratio largely offset
- Attractive dividend yield of ~4%; dividend increased ~6% from a year ago
- In Q2, the Basel I floor will be replaced by the Basel II floor with an initial floor factor of 70% increasing to 75% for Q4'18 onward. The Basel I floor reduced the CET1 Ratio by ~45 bps in Q1'18

1 Excludes the charge from the revaluation of the U.S. net deferred tax asset which is shown separately

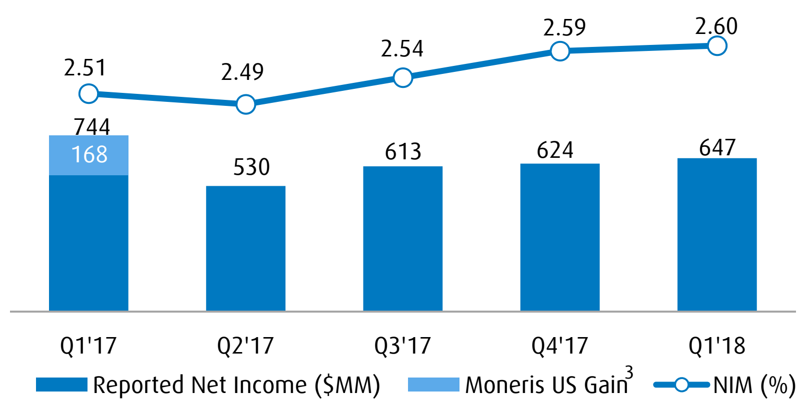
Canadian Personal & Commercial Banking

Continued good operating performance and revenue growth

- Net income of $647MM down (13)% Y/Y
  - Negative impact of 22% from net gains[3] in Q1'18 and Q1'17
- Revenue down 2% Y/Y
  - 8% net negative impact on revenue growth from gains[3] in Q1'18 and Q1'17
  - Good underlying growth with higher balances and spreads
  - Higher NIM, up 9 bps Y/Y and 1 bp Q/Q
  - Average loans up 3% Y/Y (personal[2] 2% with lower mortgage growth as planned, commercial[2] 8%)
  - Average deposits up 5% Y/Y (personal 4%, commercial 7%)
- Expenses up 7% Y/Y
  - Continued investment in the business including technology-related expenses and 2% impact of legal reserve[3]
- Efficiency ratio of 50.0%
- Operating leverage of (9.0)%, impacted (10.2)% by net gains[3]
- Total PCL down $12MM Y/Y and $29MM Q/Q, including $4MM increase in PCL on performing loans

($MM)	Reported			Adjusted[1]		
	Q1 18[3]	Q4 17	Q1 17[3]	Q1 18[3]	Q4 17	Q1 17[3]
Revenue (teb)	**1,933**	1,884	1,979	**1,933**	1,884	1,979
PCL on impaired loans	**97**	na	na	**97**	na	na
PCL on performing loans	**4**	na	na	**4**	na	na
Total PCL	**101**	130	113	**101**	130	113
Expenses	**966**	917	905	**966**	917	904
Net Income	**647**	**624**	**744**	**647**	**625**	**745**

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 and small business cards
3 Q1'18 results include a gain related to the restructuring of Interac Corporation of $39MM pre-tax ($34MM after-tax) and a legal reserve expense. During Q1'17 our joint venture investment, Moneris Solutions Corporation, sold its U.S. subsidiary providing us with a $168MM after-tax gain
na – not applicable

U.S. Personal & Commercial Banking

Strong net income and revenue growth with positive operating leverage

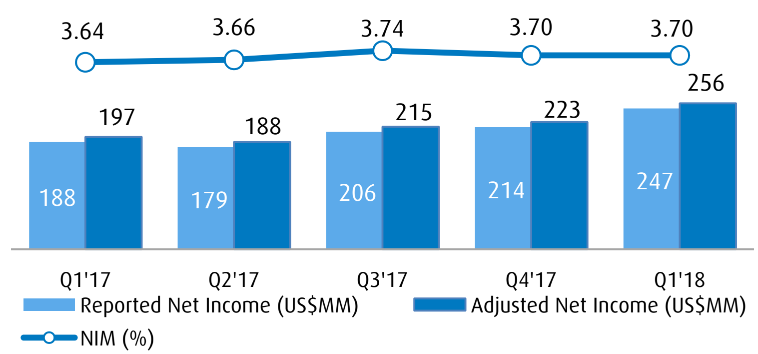
- Reported net income of $310MM, up 24% Y/Y
- Adjusted[1] net income of $321MM, up 23% Y/Y

Figures that follow are in U.S. dollars

- Adjusted[1] net income up 30% Y/Y (reported up 31% Y/Y)
  - Loss[2] on loan sale in prior year contributed 16% to growth
- Revenue up 11% Y/Y
  - Q1'17 loss[2] on loan sale contributed ~5% to growth
  - Higher interest rates and commercial loan volumes
  - NIM up 6 bps Y/Y; flat Q/Q
  - Average loans[3] up 6% Y/Y (personal[4] 4%, commercial 7%)
  - Average deposits up 1% Y/Y (personal 4%, commercial down 6%); with good momentum Q/Q
- Adjusted[1] and reported expenses up 3% Y/Y
- Adjusted[1] efficiency ratio 59.7% (reported 60.9%)
- Adjusted[1] operating leverage of 8.1% (reported 8.3%); including 5.5% impact from prior year loss[2] on loan sale
- Total PCL down $7MM Y/Y and down $15MM Q/Q, including $25MM reduction in the allowance for credit losses on performing loans

	Reported			Adjusted[1]		
(US$MM)	Q1 18	Q4 17	Q1 17	Q1 18	Q4 17	Q1 17
Revenue (teb)	**941**	924	845	**941**	924	845
PCL on impaired loans	**62**	na	na	**62**	na	na
PCL on performing loans	**(25)**	na	na	**(25)**	na	na
Total PCL	**37**	52	44	**37**	52	44
Expenses	**573**	574	556	**561**	561	544
Net Income	**247**	**214**	**188**	**256**	**223**	**197**

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 Q1'17 results included loss on sale of Indirect Auto $(43)MM pre-tax and $(27)MM after-tax
3 Average loans growth rate referenced above exclude Wealth Management mortgage and off-balance sheet balances for U.S. P&C serviced mortgage portfolio; average loans up 5% including these balances
4 In Nov'17 we purchased a $2.1B mortgage portfolio (Q1'18 average balance of $1.7B)
na – not applicable

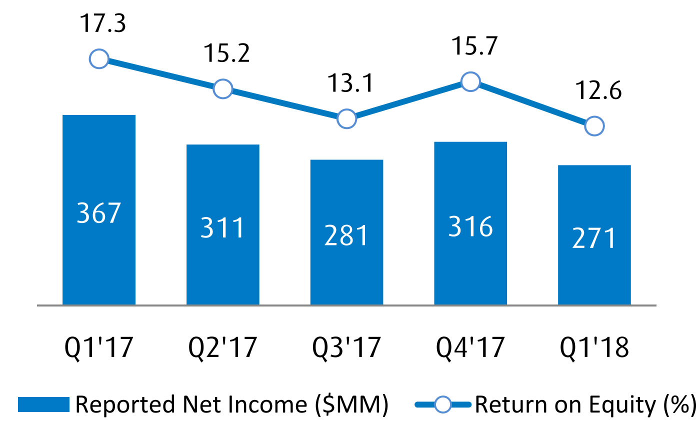
BMO Capital Markets

With less constructive markets and lower client activity, net income down from strong Q1'17

- Adjusted[1] and reported net income down from strong performance in prior year reflecting market conditions
- Revenue down 11% Y/Y
  - Trading Products down from record level in prior year, driven by more moderate client flows in interest rate and equities
  - Investment and Corporate Banking down slightly due to lower investment banking activity, partially offset by higher corporate banking revenue
  - Negative 2% impact from weaker USD
- Expenses flat Y/Y
  - Weaker USD reduced growth by 2%
- Efficiency ratio of 66.5%; negative operating leverage
- Total PCL was benign and relatively stable Y/Y

($MM)	Reported			Adjusted[1]		
	Q1 18	Q4 17	Q1 17	Q1 18	Q4 17	Q1 17
Trading Products	**650**	646	770	**650**	646	770
I&CB	**432**	469	446	**432**	469	446
Revenue (teb)	**1,082**	1,115	1,216	**1,082**	1,115	1,216
PCL on impaired loans	**(1)**	na	na	**(1)**	na	na
PCL on performing loans	**(4)**	na	na	**(4)**	na	na
Total PCL (recovery)	**(5)**	4	(4)	**(5)**	4	(4)
Expenses	**720**	679	722	**720**	679	721
Net Income	**271**	**316**	**367**	**271**	**316**	**367**

Net Income and ROE Trends



1 See slide 25 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
na – not applicable

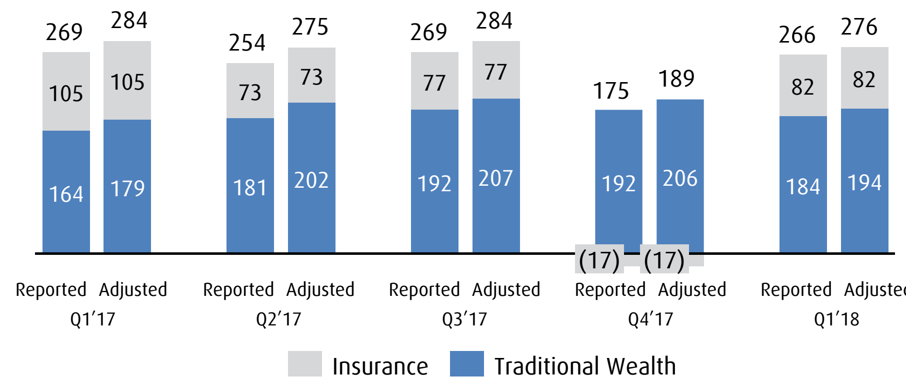
BMO Wealth Management

Good business growth

- Reported net income $266MM
- Adjusted[1] net income $276MM, down 3% Y/Y
  - Traditional Wealth up 8% Y/Y (reported up 12%) from business growth and improved equity markets
  - Insurance results solid, but down 22% Y/Y as good business growth was more than offset by large benefit from market movements in prior year
- Net revenue[2] up 3% Y/Y
  - Traditional Wealth revenue growth of 6% driven by higher client assets and brokerage revenues
  - Lower Insurance market movements in the current quarter and a non-core divestiture negatively impacted growth
- Expenses up 5% Y/Y
  - Higher employee, including front line and technology investments
- Negative operating leverage due to market movements in Insurance
- AUM/AUA[3] down 6% Y/Y
  - Good AUM growth of 8% Y/Y with improved equity markets
  - AUA reflects divestiture of a non-core business. Good momentum Q/Q

	Reported			Adjusted[1]		
($MM)	Q1 18	Q4 17[4]	Q1 17	Q1 18	Q4 17[4]	Q1 17
Net Revenue[2]	**1,244**	1,111	1,213	**1,244**	1,111	1,213
PCL on impaired loans	**1**	na	na	**1**	na	na
PCL on performing loans	**(2)**	na	na	**(2)**	na	na
Total PCL	**(1)**	0	2	**(1)**	0	2
Expenses	**894**	841	855	**881**	823	836
Net Income (NI)	**266**	**175**	**269**	**276**	**189**	**284**
Traditional Wealth NI	**184**	192	164	**194**	206	179
Insurance NI	**82**	(17)	105	**82**	(17)	105
AUM/AUA ($B)[3]	**815**	789	865	**815**	789	865

Net Income[1,4] Trends



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 net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Gross revenue: Q1'18 $1,605MM, Q4'17 $1,684MM, Q1'17 $1,217MM
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)
na – not applicable

Corporate Services

- Adjusted[1] net loss of $93MM compared to a net loss of $127MM in the prior year. Reported net loss of $521MM compared to a net loss of $141MM in the prior year
- Current quarter reported results include one-time non-cash charge for revaluation of net deferred tax asset of $425MM given U.S. tax reform
- Adjusted[1] net loss $34MM better Y/Y mainly due to taxes in the prior year, higher revenue excluding TEB and lower expenses

($MM)	Reported[2]			Adjusted[1,2]		
	Q1 18	Q4 17	Q1 17	Q1 18	Q4 17	Q1 17
Revenue	**(2)**	(18)	(13)	**(2)**	(18)	(13)
Group teb offset[2]	**(123)**	(176)	(117)	**(123)**	(176)	(117)
Revenue (teb)[2]	**(125)**	(194)	(130)	**(125)**	(194)	(130)
PCL on impaired loans	**-**	na	na	**-**	na	na
PCL on performing loans	**(1)**	na	na	**(1)**	na	na
Total PCL (recovery)	**(1)**	4	(3)	**(1)**	4	(3)
Expenses	**140**	213	164	**136**	130	142
Net Loss	**(521)**	**(158)**	**(141)**	**(93)**	**(102)**	**(127)**

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
na – not applicable

Risk Review

For the Quarter Ended January 31, 2018

Surjit Rajpal
Chief Risk Officer

BMO Financial Group

We're here to help.™

Q1|18

Provision for Credit Losses (PCL)

PCL By Operating Group ($MM)	Q1 18	Q4 17	Q1 17
Consumer – Canadian P&C	91	98	94
Commercial – Canadian P&C	6	32	19
Total Canadian P&C[1]	**97**	**130**	**113**
Consumer – U.S. P&C	21	10	26
Commercial – U.S. P&C	56	54	33
Total U.S. P&C[1]	**77**	**64**	**59**
Wealth Management	**1**	**-**	**2**
Capital Markets	**(1)**	**4**	**(4)**
Corporate Services	**-**	**4**	**(3)**
PCL on Impaired Loans/Specific PCL[1,2]	**174**	**202**	**167**
PCL on Performing Loans[2]	**(33)**	**na**	**na**
Collective Provision[2]	**na**	**-**	**-**
Total PCL	**141**	**202**	**167**

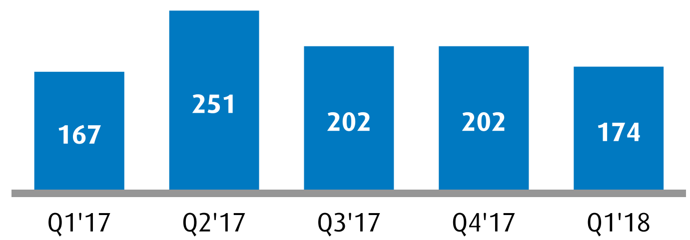
1 Canadian and U.S. P&C PCL prior periods have been restated to conform with the current period's presentation

2 Effective in the first quarter of 2018, the bank prospectively adopted IFRS 9. Under IFRS 9, we refer to the provision for credit losses on impaired loans and the provision for credit losses on performing loans. Prior periods have not been restated. Q4'17 and Q1'17 present the Specific PCL and Collective Provisions under IAS 39

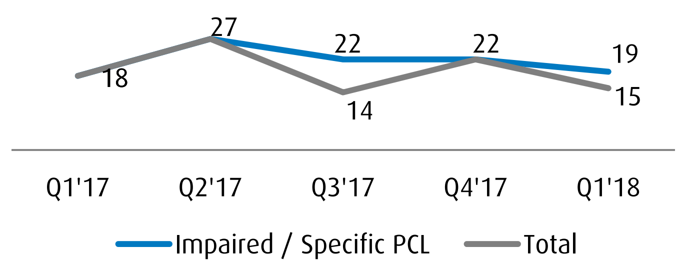
na – not applicable

- Q1'18 PCL ratio on Impaired Loans at 19 bps, down 3 bps Q/Q
- Allowance for Credit Losses on Performing Loans declined, reducing PCL by $33 million, with most of the decrease in U.S. P&C

PCL on Impaired Loans / Specific PCL[2] ($MM)



PCL[2] in bps

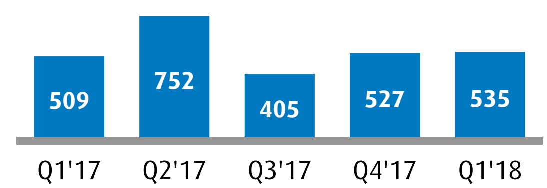


Gross Impaired Loans (GIL) and Formations

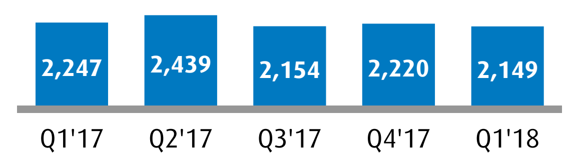
By Industry ($MM, as at Q1 18)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other[1]	U.S.	Total
Consumer	**213**	**83**	**296**	**475**	**480**	**955**
Agriculture	6	4	10	51	158	209
Service Industries	3	65	68	56	224	280
Transportation	1	28	29	4	148	152
Oil & Gas	0	0	0	81	32	113
Manufacturing	20	11	31	61	52	113
Wholesale Trade	1	13	14	18	78	96
Commercial Real Estate	52	3	55	85	16	101
Construction (non-real estate)	2	0	2	12	26	38
Retail Trade	2	16	18	15	34	49
Other Business and Government[2]	13	0	13	22	21	43
Total Business and Government	**99**	**140**	**239**	**405**	**789**	**1,194**
Total Bank	**312**	**223**	**535**	**880**	**1,269**	**2,149**

- GIL ratio 57 bps, down 2 bp Q/Q

Formations ($MM)



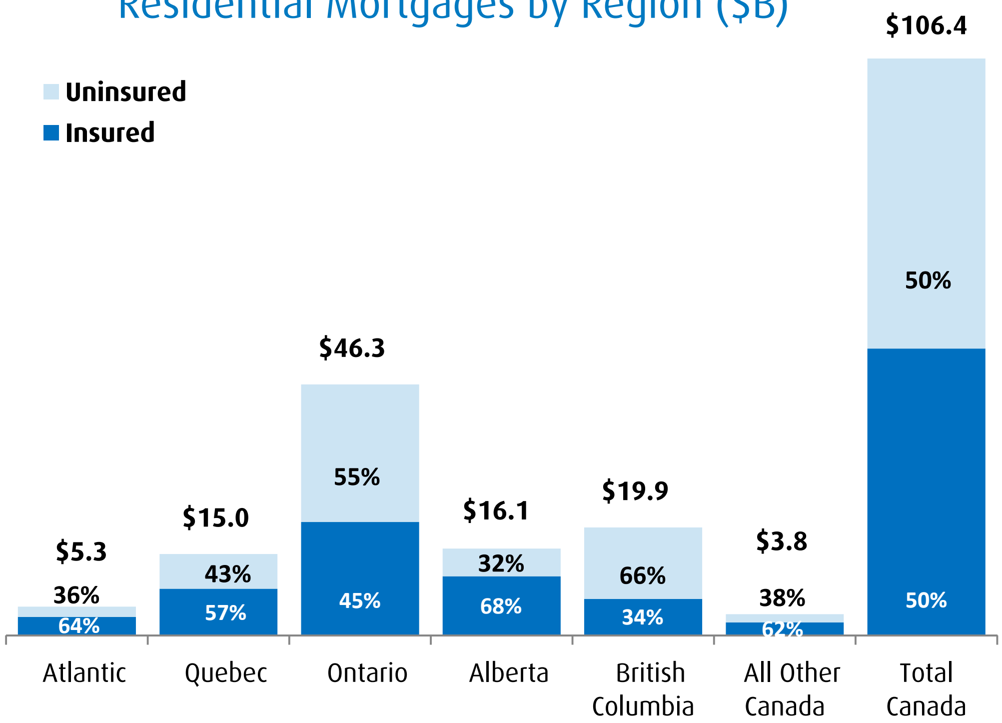
Gross Impaired Loans ($MM)[3]



1 Total Business and Government includes ~$43MM GIL from Other Countries
2 Other Business and Government includes industry segments that are each <1% of total GIL
3 GIL prior periods have been restated to conform with the current period's presentation

Canadian Residential Mortgages

Residential Mortgages by Region ($B)



Avg LTV Uninsured	Atlantic	Quebec	Ontario	Alberta	British Columbia	All Other Canada	Total Canada
Portfolio	58%	60%	54%	61%	45%	55%	54%
Origination	73%	72%	67%	71%	64%	72%	68%

- Total Canadian residential mortgage portfolio at $106.4B, representing 28% of total loans
  - 68% 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 20bps; 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 44% insured
  - GTA and GVA portfolios demonstrate better LTV, delinquency rates and bureau scores compared to the national average

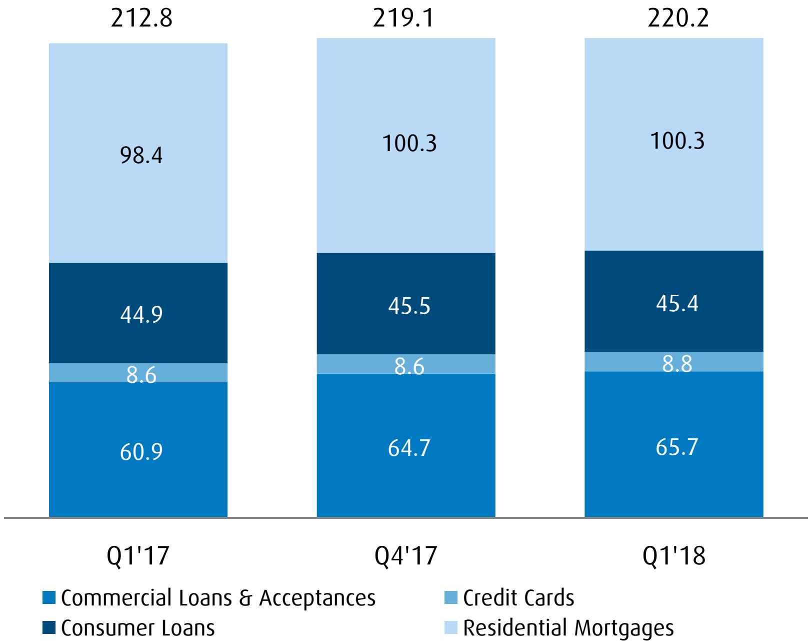
1 LTV is the ratio of outstanding mortgage balance to the original property value indexed using Teranet data. Portfolio LTV is the combination of each individual mortgage LTV weighted by the mortgage balance

APPENDIX

BMO Financial Group
We're here to help.™

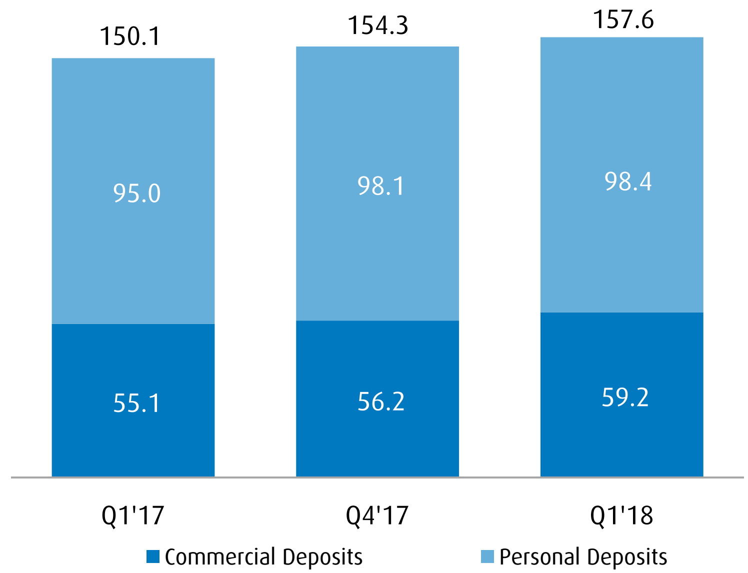
Canadian Personal and Commercial Banking - Balances

Average Gross Loans & Acceptances ($B)



- Loan growth of 3% Y/Y
  - Residential mortgages up 2%, reflecting planned lower mortgage growth; proprietary channels up 4%
  - Commercial loan balances[1] up 8%

Average Deposits ($B)

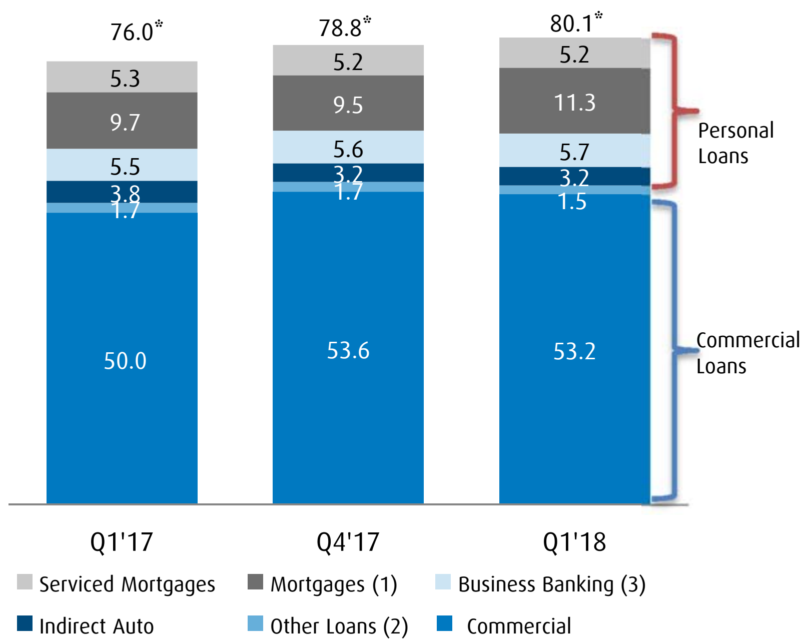


- Deposit growth of 5% Y/Y
  - Personal deposit balances up 4%, including 10% chequing account growth
  - Commercial deposit balances up 7%

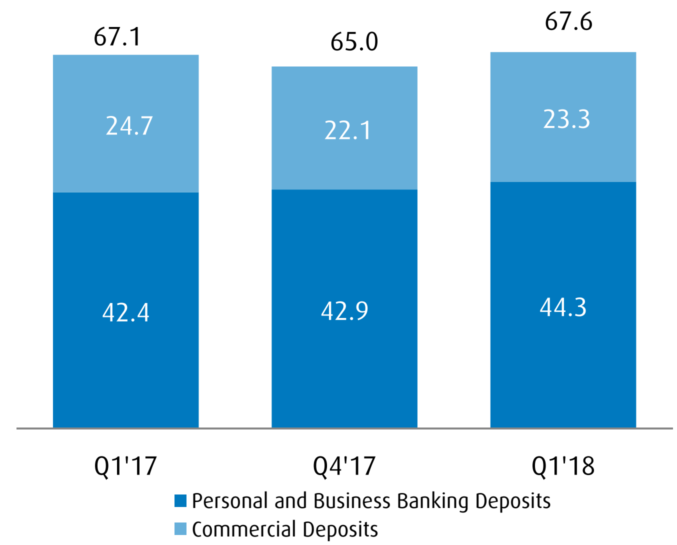
1 Commercial lending growth excludes commercial and small business cards. Commercial and small business cards balances approximately 13% of total credit card portfolio in Q1'17, Q4'17 and Q1'18

U.S. Personal & Commercial Banking – Balances

Average Gross Loans & Acceptances (US$B)



Average Deposits (US$B)



- Commercial loans up 7% Y/Y
- Personal and Business Banking loans up 3% Y/Y, including benefit of mortgage purchase[4]

- Personal and Business Banking deposits up 4% Y/Y
- Commercial deposit balances down 6% Y/Y, up 6% Q/Q

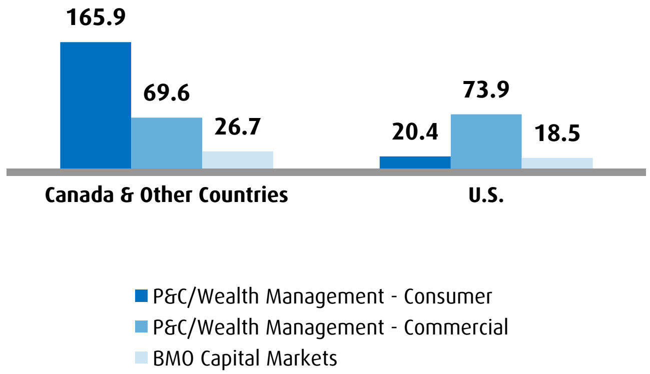
* Total includes Serviced Mortgages which are off-balance sheet
1 Mortgages include Wealth Management Mortgages (Q1'18 $2.1B, Q4'17 $2.1B, Q1'17 $1.9B) and Home Equity (Q1'18 $3.0B, Q4'17 $3.1B, Q1'17 $3.3B)
2 Other loans include non-strategic portfolios such as wholesale mortgages, purchased home equity, 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
4 In Nov'17 we purchased a $2.1B mortgage portfolio (Q1'18 average balance impact of $1.7B)

Loan Portfolio Overview

Gross Loans & Acceptances By Industry ($B, as at Q1 18)	Canada & Other[1]	U.S.	Total	% of Total
Residential Mortgages	106.4	10.7	117.2	32%
Consumer Instalment and Other Personal	51.9	9.2	61.1	16%
Cards	7.5	0.5	8.0	2%
Total Consumer	**165.9**	**20.4**	**186.3**	**50%**
Financial Institutions	15.3	15.5	30.8	8%
Service Industries	15.7	18.4	34.1	9%
Commercial Real Estate	17.3	9.5	26.8	7%
Manufacturing	6.2	13.5	19.7	5%
Retail Trade	10.9	7.3	18.2	5%
Wholesale Trade	4.4	7.5	11.9	3%
Agriculture	9.1	2.2	11.3	3%
Transportation	2.3	7.7	10.0	3%
Oil & Gas	4.8	2.8	7.6	2%
Other Business and Government[2]	10.3	8.0	18.3	5%
Total Business and Government	**96.3**	**92.4**	**188.7**	**50%**
Total Gross Loans & Acceptances	**262.2**	**112.8**	**375.0**	**100%**

- Loans are well diversified by geography and industry

Loans by Geography and Operating Group ($B)

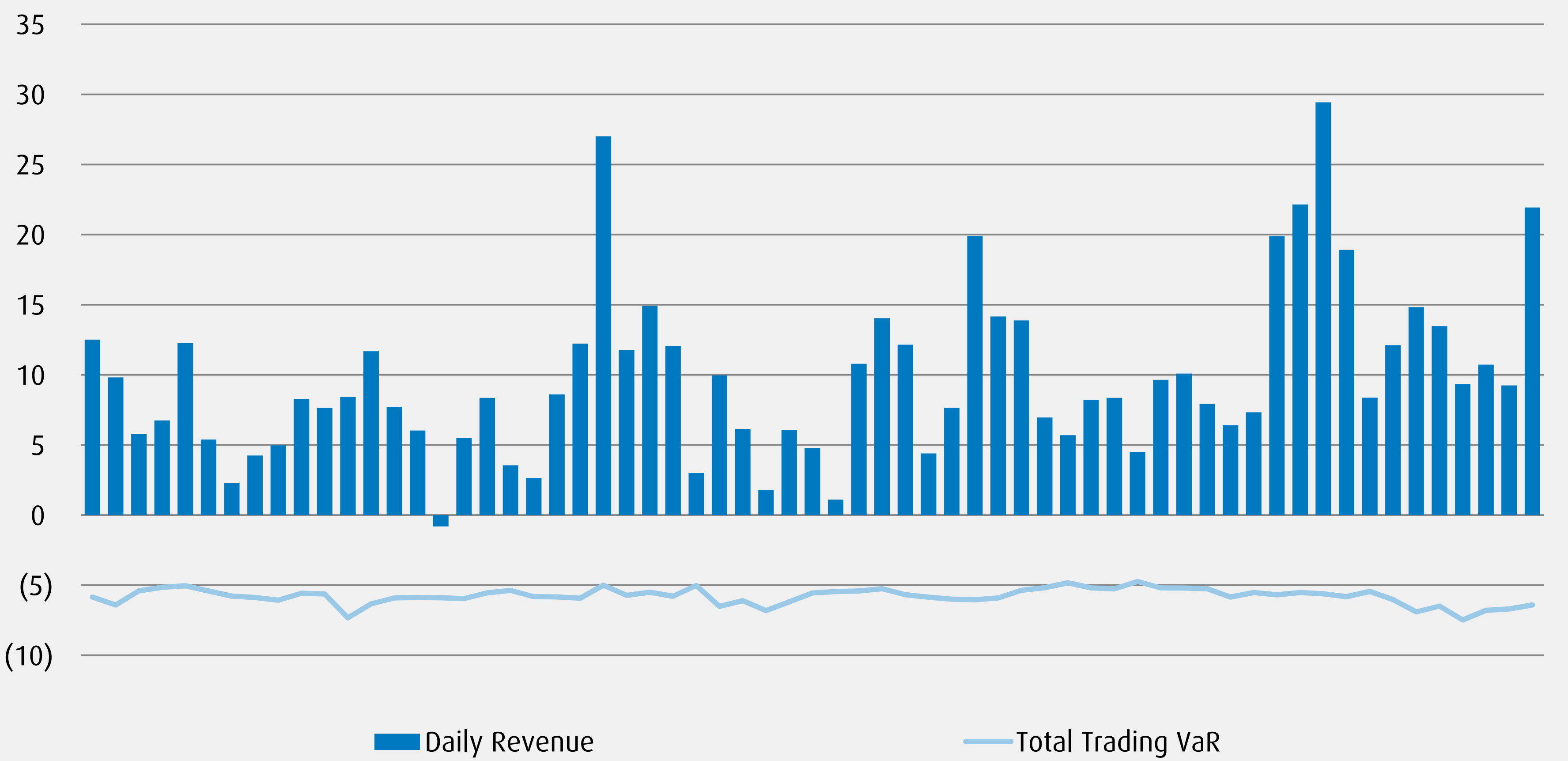


1 Includes ~$11.8B from Other Countries
2 Other Business and Government includes all industry segments that are each <2% of total loans

Trading-related Net Revenues and Value at Risk

November 1, 2017 to January 31, 2018[1]

(pre-tax basis and in millions of Canadian dollars)



1 The composition of Net Revenues has been revised to remove certain non-trading activities that are excluded from the Trading Value-at-Risk

BMO Financial Group

We're here to help.

Adjusting Items

Adjusting items[1] - Pre-tax ($MM)	Q1'18	Q4'17	Q1'17
Amortization of acquisition-related intangible assets[2]	**(28)**	(34)	(37)
Acquisition integration costs[2]	**(4)**	(24)	(22)
Restructuring costs[3]	**-**	(59)	-
Adjusting items included in reported pre-tax income	**(32)**	(117)	(59)

Adjusting items[1] - After-tax ($MM)	Q1'18	Q4'17	Q1'17
Amortization of acquisition-related intangible assets[2]	**(21)**	(26)	(28)
Acquisition integration costs[2]	**(3)**	(15)	(14)
Restructuring costs[3]	-	(41)	-
U.S. net deferred tax asset revaluation[4]	**(425)**	-	-
Adjusting items included in reported net income after tax	**(449)**	(82)	(42)
Impact on EPS ($)	**(0.69)**	(0.13)	(0.06)

1 Adjusted measures are non-GAAP, 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 recorded in non-interest expense
3 Restructuring costs are recorded in non-interest expense
4 Charge related to the revaluation of our U.S. net deferred tax asset as a result of the enactment of the U.S. Tax Cuts and Jobs Act

Investor Relations
Contact Information

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

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

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

BMO Financial Group
We're here to help.™