Fixed Income Investor Presentation

April 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. 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.

BMO Financial Group

8th largest bank in North America[1] with an attractive and diversified business mix

Who we are

- Established in 1817, Canada's first bank
- In Canada: a full service, universal bank across all of the major product lines - banking, wealth management and capital markets
- In the U.S.: banking and wealth management largely in the Midwest, with a mid-cap focused strategy in Capital Markets
- In International markets: select presence, including Europe and Asia
- Key numbers (as at January 31, 2018):
  - Assets: $728 billion
  - Deposits: $476 billion
  - Employees: ~45,000
  - Branches: 1,502
  - ABMs: 4,723

Q1'18 Results *	Adjusted[2]	Reported
Net Revenue ($B)[3]	5.3	5.3
Net Income ($B)	1.4	1.0
EPS ($)	2.12	1.43
ROE (%)	13.9	9.4
Common Equity Tier 1 Ratio (%)		11.1

Other Information (as at March 31, 2018)	
Annual Dividend Declared (per share)[4]	$3.72
Dividend Yield[4]	3.8%
Market Capitalization	$62.8 billion
Exchange Listings	TSX, NYSE (Ticker: BMO)
Share Price:	
TSX	C$97.32
NYSE	US$75.57

* All amounts in this presentation in Canadian dollars unless otherwise noted
1 As measured by assets as at January 31, 2018; ranking published by Bloomberg
2 Adjusted measures are non-GAAP measures, see slide 2 for more information. For details on adjustments refer to page 5 of BMO's Q1 Report to Shareholders
3 For purposes of this slide net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Reported gross revenue was $5.7B
4 Annualized based on Q2'18 declared dividend of $0.93 per share

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. 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

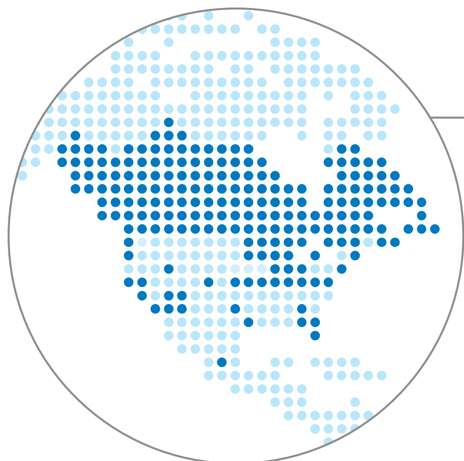
Reducing our environmental footprint while considering the impacts of our business

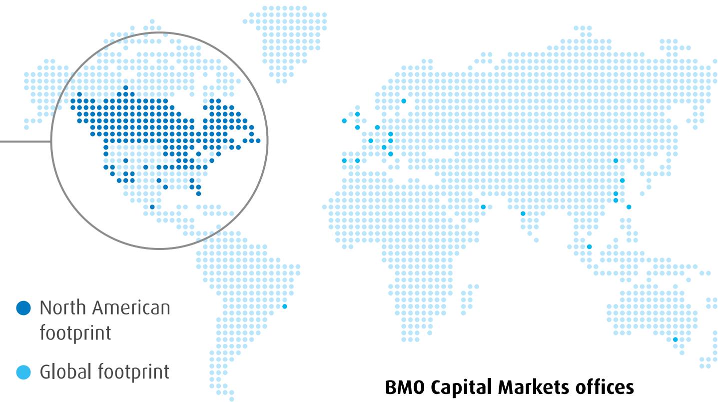
BMO's Strategic Footprint

BMO's strategic footprint spans strong regional economies. Our three operating groups (Personal and Commercial Banking, BMO Capital Markets and BMO Wealth Management) serve individuals, businesses, governments and corporate customers across Canada and the United States with a focus on six U.S. Midwest states – Illinois, Indiana, Wisconsin, Minnesota, Missouri and Kansas. Our significant presence in North America is bolstered by operations in select global markets in Europe, Asia, the Middle East and South America, allowing us to provide all our customers with access to economies and markets around the world.

Canada

We serve eight million customers across Canada through our Canadian personal and commercial arm, BMO Bank of Montreal. We also serve customers through BMO Capital Markets and our wealth management businesses.





BMO Capital Markets offices

BMO Capital Markets has approximately 2,500 professionals in 30 locations around the world.

United States

Personal and Commercial Banking and Wealth Management footprint

Arizona
Florida
Illinois
Indiana
Kansas
Minnesota
Missouri
Wisconsin

Additional Wealth Management locations

Denver, CO
Palo Alto, CA
Portland, OR
Rockford, IL
Salt Lake City, UT
West Palm Beach, FL

Additional Commercial Banking locations

Atlanta, GA
Columbus, OH
Dallas, TX
Irvine, CA
Irving, TX
Rancho Cordova, CA
San Francisco, CA
Seattle, WA
Washington, DC

Europe and Middle East

Wealth Management

Abu Dhabi
Amsterdam
Edinburgh
Frankfurt
Geneva
Lisbon
London
Madrid
Milan
Paris
Stockholm
Zurich

Asia-Pacific

Wealth Management

Hong Kong
Melbourne
Singapore

Canada

Calgary, AB
Montreal, QC
Toronto, ON
Vancouver, BC

United States

Atlanta, GA
Boston, MA
Chicago, IL
Denver, CO
Houston, TX
Milwaukee, WI
Minneapolis, MN
New York, NY
San Francisco, CA
Seattle, WA
Washington, DC

Global

Abu Dhabi
Beijing
Dublin
Guangzhou
Hong Kong
London
Melbourne
Mexico City
Mumbai
Paris
Rio de Janeiro
Shanghai
Singapore
Taipei
Zurich

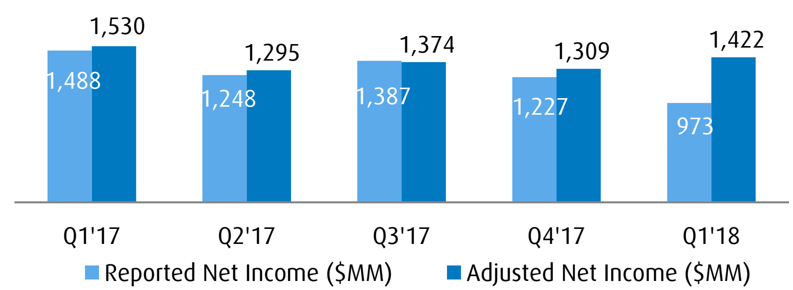
Q1 2018 - Financial Highlights

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			

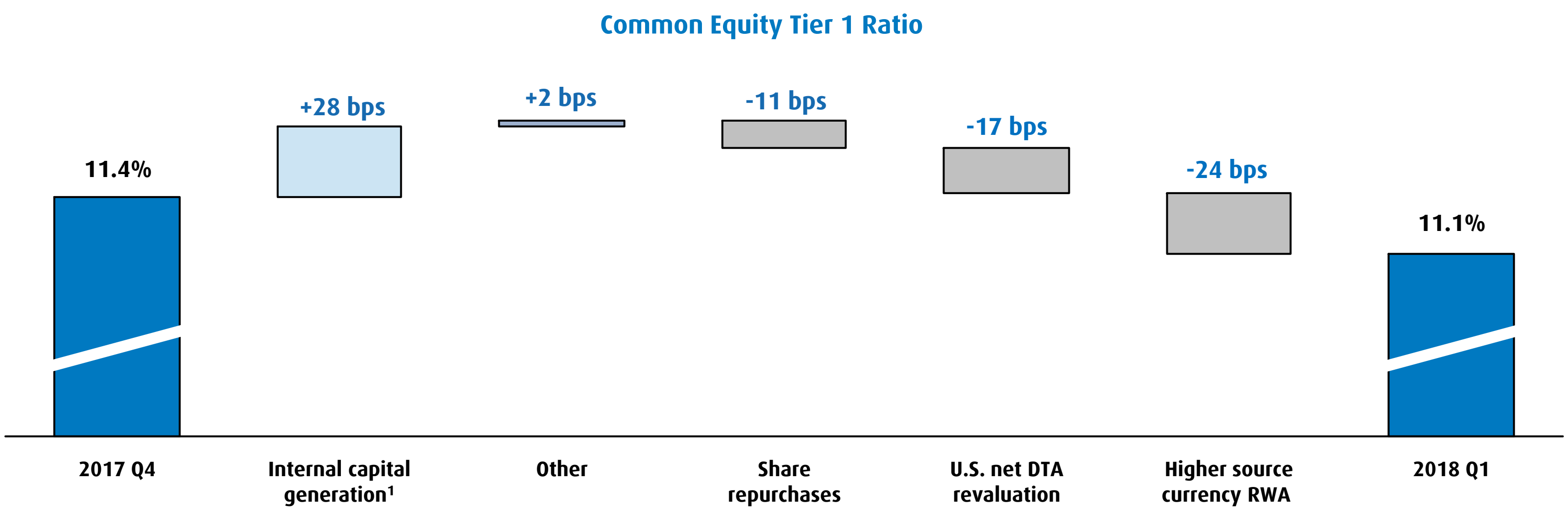
Net Income[1] Trends



1 Adjusted measures are non-GAAP measures, see slide 2 for more information. For adjustments to reported results refer to page 5 of BMO's Q1 Report to Shareholders.
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

Economic & Housing Overview

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Economic Outlook and Indicators[1]

Economic Indicators (%)[1, 2]	Canada 2016	Canada 2017E[2]	Canada 2018E[2]	Canada 2019E[2]	United States 2016	United States 2017E[2]	United States 2018E[2]	United States 2019E[2]	Eurozone 2016	Eurozone 2017E[2]	Eurozone 2018E[2]	Eurozone 2019E[2]
GDP Growth	1.4	3.0	2.0	1.8	1.5	2.3	2.8	2.5	1.8	2.3	2.3	1.8
Inflation	1.4	1.6	2.2	2.1	1.3	2.1	2.6	2.1	0.2	1.5	1.4	1.8
Interest Rate (3mth Tbills)	0.49	0.69	1.30	2.15	0.32	0.95	1.90	2.55	(0.28)	(0.37)	(0.38)	(0.15)
Unemployment Rate	7.0	6.3	5.7	5.5	4.9	4.4	3.8	3.5	10.0	9.1	8.6	8.7
Current Account Balance / GDP[3]	(3.2)	(3.0)	(2.5)	(2.3)	(2.4)	(2.4)	(2.8)	(3.0)	3.6	3.3	3.4	n.a.
Budget Surplus / GDP[3]	(0.9)	(0.9)	(0.8)	(0.8)	(3.2)	(3.6)	(2.8)	(3.3)	(1.6)	(1.1)	(0.7)	(0.4)

Canada

- Canada's economy is expected to slow to a 2% pace this year after the strongest annual growth in six years.
- The unemployment rate is at four-decade lows and is expected to decline to 5.6% by year-end
- The Bank of Canada is expected to raise policy rates two more times in 2018
- A repeal of NAFTA would slow Canadian GDP growth moderately, while reducing long-run growth prospects

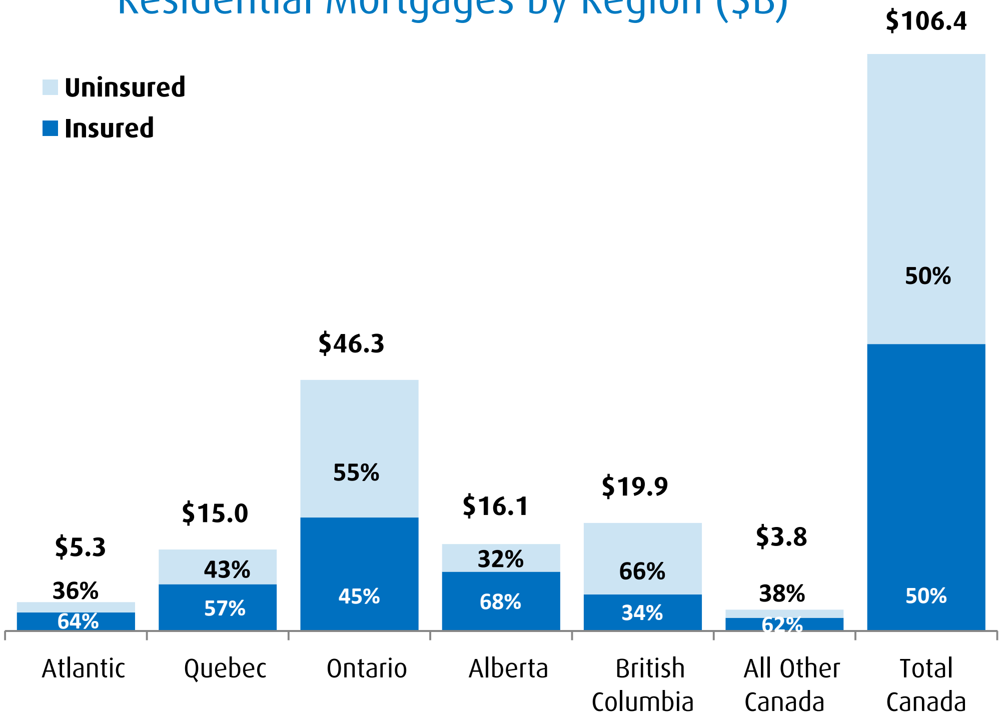
United States

- Economic growth is projected to strengthen to 2.8% in 2018 due to fiscal stimulus and a sustained upswing in business investment
- The unemployment rate is expected to fall to 3.7% by year-end, the lowest in 17 years
- The Federal Reserve will likely raise policy rates three more times in 2018
- A repeal of NAFTA would slow the U.S. economy modestly, while undercutting business competitiveness and productivity growth

1 This slide contains forward looking statements. See caution on slide 2
2 Data is annual average. Estimates as of April 3, 2018
3 Eurozone estimates provided by OECD

Canadian Residential Mortgages

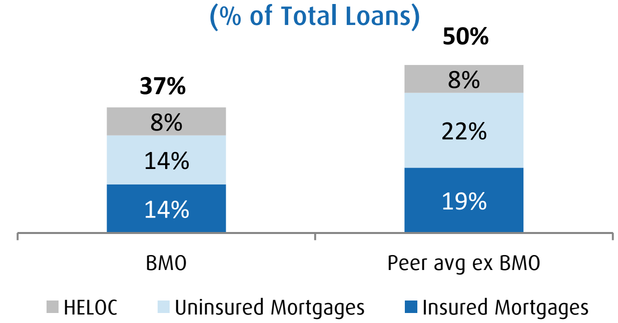
Residential Mortgages by Region ($B)



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, lowest of the peer group
  - 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

Canadian Residential Portfolio (% of Total Loans)

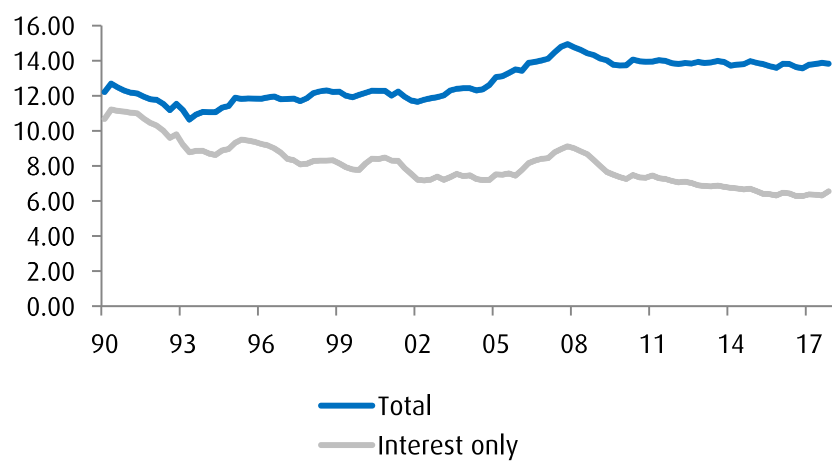


1 LTV is the ratio of outstanding mortgage balance to the original property value indexed using Teranet data. Portfolio LTV is the combination of each individual mortgage LTV weighted by the mortgage balance

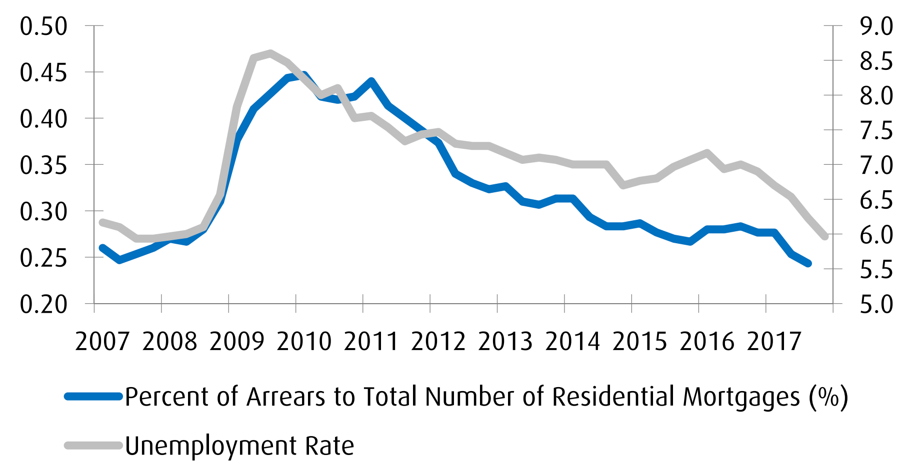
Canada's housing market remains resilient

- Steady immigration, young buyers, low mortgage rates and foreign wealth continue to support home sales
- Previous 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
- 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



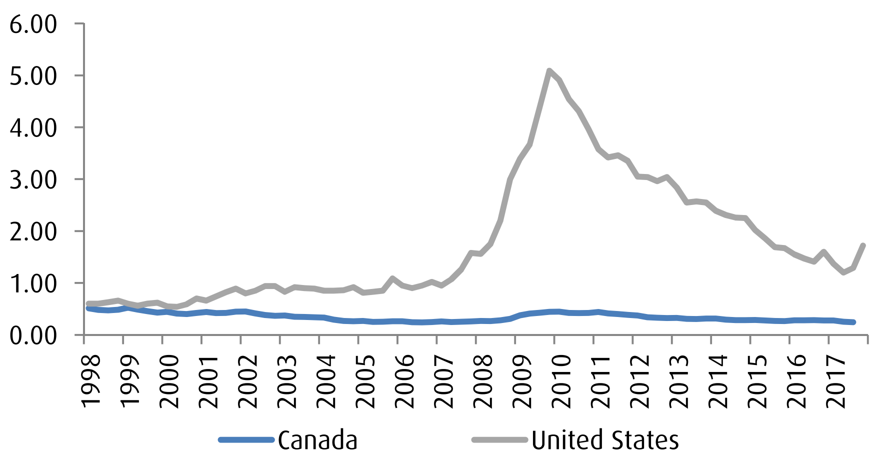
Source: BMO CM Economics and Canadian Bankers' Association as of April 3, 2018
This slide contains forward looking statements. See caution on slide 2

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

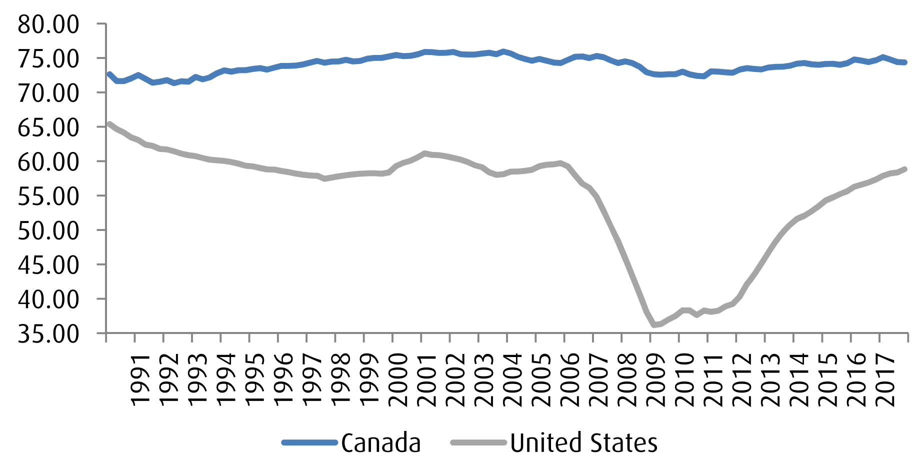
- Conservative lending practices, strong underwriting and documentation discipline have led to low delinquency rates
  - Over the last 30 years, Canada's 90-day residential mortgage delinquency rate has never exceeded 0.7% vs. the U.S. peak rate of 5.0% in early 2010
- Mandatory government-backed insurance 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 April 3, 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;
  - February 21, 2018: Increase in the foreign buyers' tax from 15% to 20%
- 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

Loan Portfolio Overview

BMO Financial Group

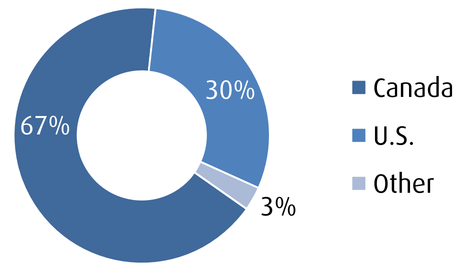
We're here to help.™

Our loans are well diversified by geography and industry

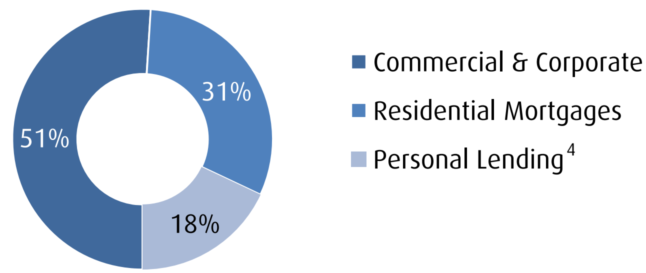
Gross Loans & Acceptances By Industry ($B, as at Q1 18)	Canada & Other[1]	U.S.	Total	% of Total
Residential Mortgages	106.4	10.7	117.2	32%
Consumer Instalment and Other Personal	51.9	9.2	61.1	16%
Cards	7.5	0.5	8.0	2%
Total Consumer	**165.9**	**20.4**	**186.3**	**50%**
Financial Institutions	15.3	15.5	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%**

1 Total Businesses and Governments includes ~$11.8B from Other Countries
2 Other Business and Government includes all industry segments that are each <2% of total loans
3 Gross loans and acceptances as of January 31, 2018
4 Including cards
5 Average gross loans and acceptances as of Q1'18

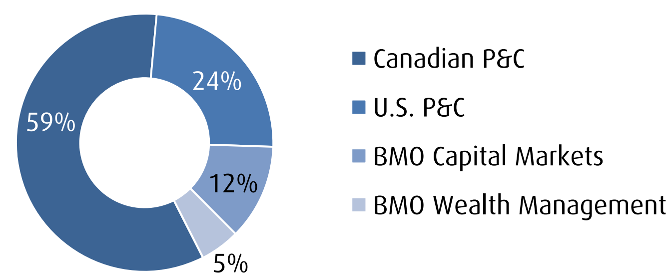
Loans by Geography[3]



Loans by Product[3]



Loans by Operating Group[5]



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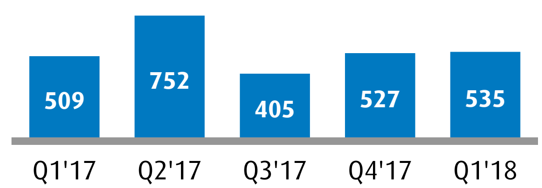
Gross Impaired Loans (GIL) and Formations

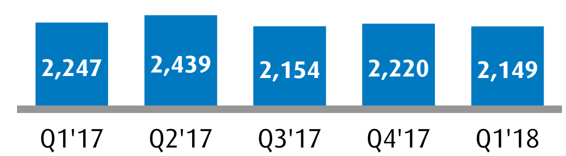
By Industry ($MM, as at Q1 18)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other[1]	U.S.	Total
Consumer	**213**	**83**	**296**	**475**	**480**	**955**
Agriculture	6	4	10	51	158	209
Service Industries	3	65	68	56	224	280
Transportation	1	28	29	4	148	152
Oil & Gas	0	0	0	81	32	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

Liquidity & Wholesale Funding Mix

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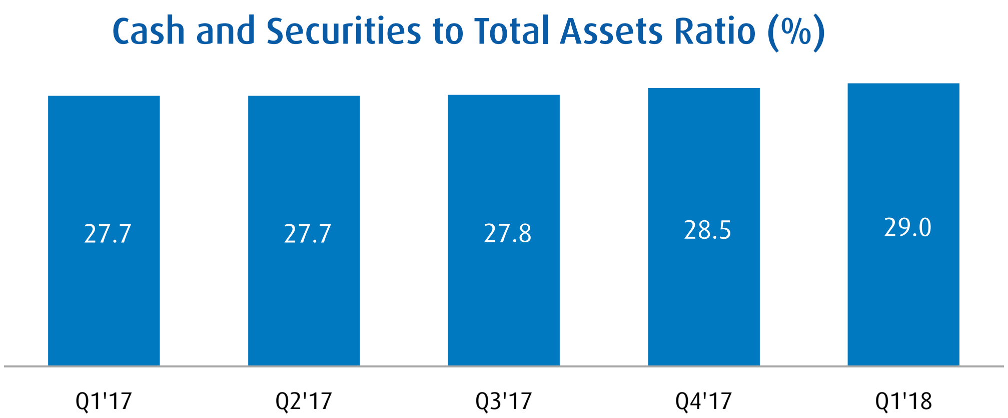
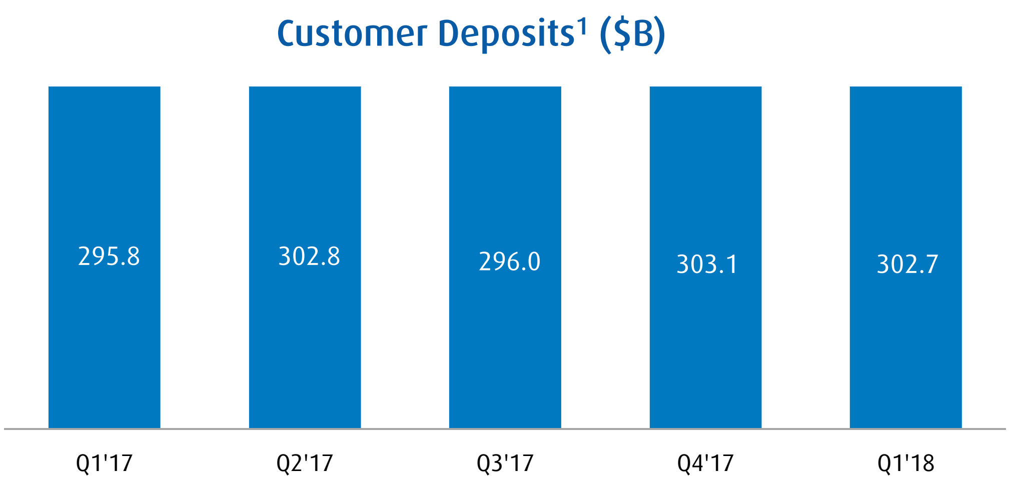
Liquidity and Funding Strategy



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



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

1 Customer deposits are operating and savings deposits, including term investment certificates and retail structured deposits, primarily sourced through our retail, commercial, wealth and corporate banking businesses. Prior period numbers have been restated to conform with the current period's presentation.

Introduction to Canadian Bail-in Regime

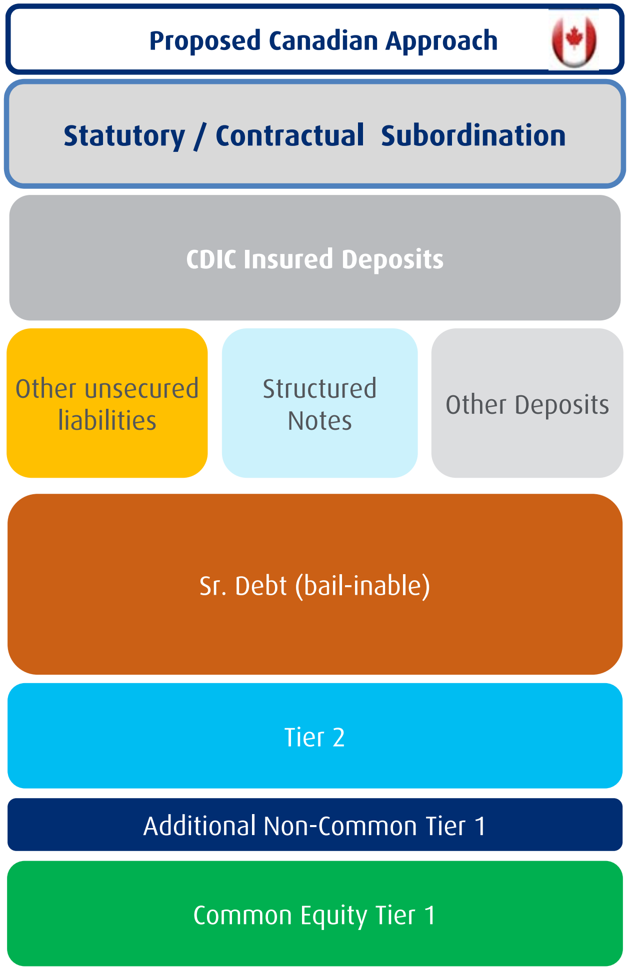
Key Highlights

Scope	• Post the implementation date in September 2018, specified debt securities issued by Canadian D-SIBs are convertible under the bail-in regime • **Senior unsecured debt** with original term > 400 days that is issued, and existing debt that is amended, after the implementation date would be subject to conversion • Debt issued by parent bank and has an identifier (CUSIP/ISIN) • Key exclusions are Covered bonds, structured notes, derivatives and consumer deposits
Statutory	• **Canada Deposit Insurance Corporation[1](CDIC) has the power to trigger conversion of bail-in securities** • No contractual trigger
Timeline	• Public Consultation on bail-in regulations and TLAC guidelines concluded in July 2017 • The final regulations have been approved in March 2018 and will come into force in September 2018
Conversion Mechanism	• Conversion power would only apply to liabilities issued or amended after the implementation date • Any outstanding NVCC capital must be converted, in full, prior to conversion of bail-in securities • Conversion should maintain the creditor hierarchy (***No creditor worse off principle is respected***) • Conversion on pro-rata basis for equally ranked securities

1 CDIC is the resolution authority for Canadian Banks

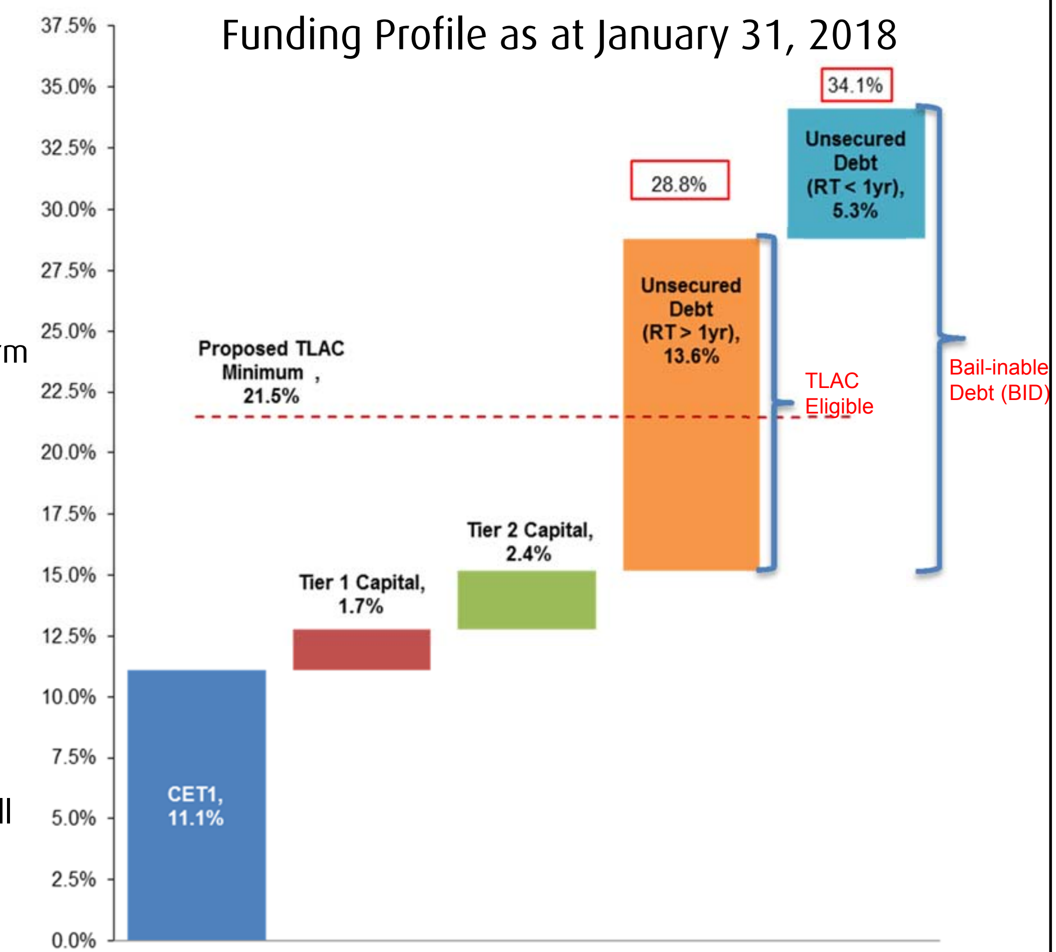
Canadian Bail-in Subordination

- Proposed Total Loss Absorption Capital ("TLAC") regime (expected to be finalized in April 2018) indicates that eligible senior unsecured instruments must be issued out of the parent bank
  - ***No change*** to current Bank issuance structure
- **All** senior unsecured debt (term >400 days) issued post implementation date in September 2018 will be subject to bail-in and will replace the existing senior debt over the coming years
- The **statutory conversion** supplements the existing Non-Viable Contingent Capital (NVCC) regime which also requires the conversion of subordinated debt and preferred equity into common equity upon the occurrence of certain trigger events
- Bail-in securities will have statutory conversion and the conversion can only be triggered by CDIC
- The notional amount of bail-in securities to be converted and the corresponding number of shares issued will be determined by CDIC at the time of conversion (unlike NVCC securities, where the calculation for the number of shares issued is already defined)



Proposed TLAC[1] Requirements

- Canadian D-SIBs will be expected to maintain a minimum TLAC ratio by fiscal Q1-2022
    - ***Higher of the Min. 21.5% of RWA or Min. 6.75% of Leverage exposure***
- TLAC eligible securities will have a minimum remaining term of 365 days
- The bank expects to **meet the minimum requirements** within the above timeframe
    - Achieved through normal course refinancing of the senior unsecured debt
    - Expect no material impact to our funding strategy
- Bail-in securities with remaining term <1yr will not count towards TLAC but will be bail-in-able until maturity
- Similar to US TLAC securities, Canadian bail-in securities will retain the acceleration of payments in case of events of default relating to non-payment of scheduled principal and/or interest



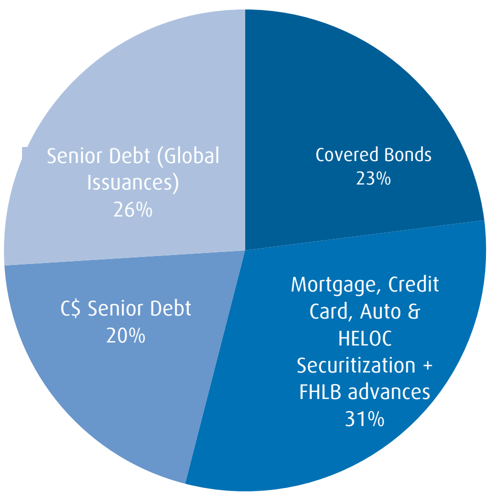
1 The TLAC ratios set out on this slide were calculated based on the current draft of the TLAC Guideline, constitute forward looking statements and are estimates only. Results may differ under the final TLAC Guideline. See the caution on slide 2

Diversified Wholesale Term Funding Mix

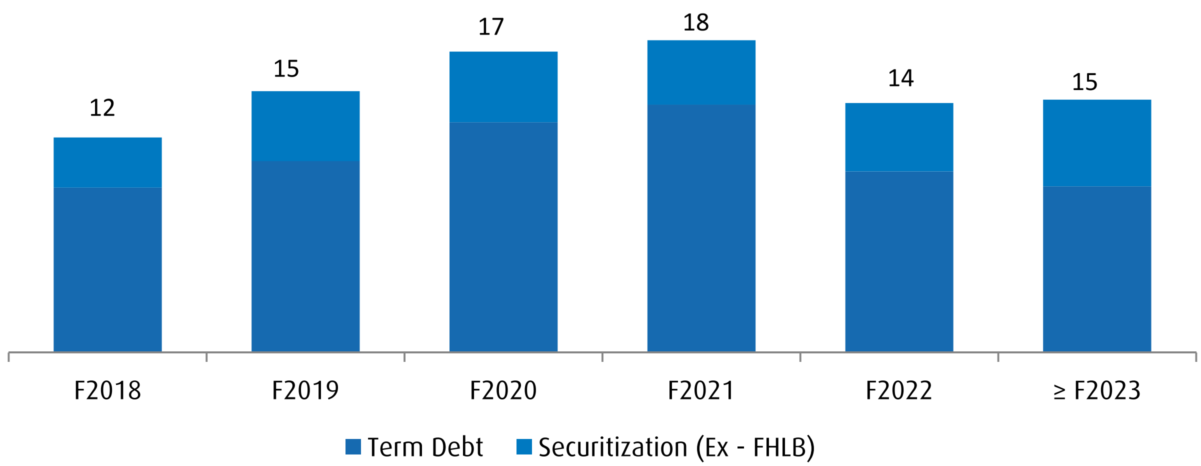
- BMO's wholesale funding principles seek to match the term of assets with the term of funding. Loans for example are funded with customer deposits and capital, with any difference provided by longer-term wholesale funding
- BMO has a well diversified wholesale funding platform across markets, products,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

Senior Note Credit Ratings[1]			
Moody's	S&P	Fitch	DBRS
A1	A+	AA-	AA

Wholesale Capital Market
Term Funding Composition[2]
$99B as at January 31, 2018



Wholesale Capital Market
Term Funding Maturity Profile[2,3]
as at January 31, 2018



1 Standard & Poor's and Fitch have a stable outlook. Moody's and DBRS have a negative outlook pending further details on the government's approach to implementing a bail-in regime for Canada's domestic systemically important banks
2 Wholesale capital market term funding primarily includes non-structured funding for terms greater than or equal to two years and term ABS. Excludes capital issuances
3 BMO term debt maturities includes term unsecured and Covered Bonds

Wholesale Funding Platform

- Programs provide BMO with diversification and cost effective funding

Canada[1]

- Canadian MTN Shelf (C$8B)
- Master Credit Card Trust II (C$6B)
- Fortified Trust (C$5B)
- Canadian Pacer Auto Receivables Trust (C$5.5B)
- Other Securitization (RMBS, Canada Mortgage Bonds, Mortgage Backed Securities)

U.S.[1]

- SEC Registered U.S. Shelf (US$25B)
- Global Registered Covered Bond Program (US$21B)[2]

Europe, Australia & Asia[1]

- Note Issuance Programme (US$20B)
- Australian MTN Programme (A$5B)
- Global Registered Covered Bond Program (US$21B)[2]

Recent Notable Transactions

- C$1.75 billion 7-yr Fixed Rate Senior Unsecured Notes at 2.7%
- US$1.025 billion 2-yr Fixed and Floating Rate Senior Unsecured Notes
- US$1.475 billion 5-yr Fixed and Floating Rate Senior Unsecured Notes
- US$750 million Auto Securitization
- EUR€1.5 billion 5-yr Fixed Rate Covered Bond
- EUR€1 billion 4-yr Floating Rate Senior Unsecured Notes
- AUD$0.8 billion 5-yr Fixed and Floating Rate Senior Unsecured Notes
- US$1.25 billion 15nc10 Subordinated Notes at 3.803%
- US$634.9 million Master Credit Card Trust II Notes

1 Indicated dollar amounts beside each wholesale funding program denotes program issuance capacity limits
2 The program allows for issuance in both Europe and the US

Appendix

BMO Financial Group

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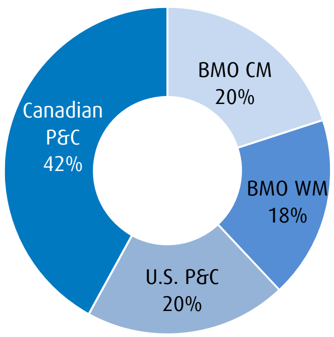
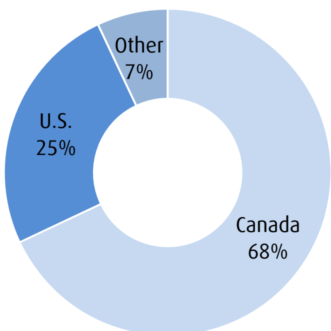
Diversified by businesses, customer segments and geographies

Adjusted Net Income by Operating Group – LTM[1]



Adjusted Net Income by Geography – LTM[1]



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 to midsized business customers seamlessly through an over 570-branch network, dedicated contact centres, digital banking platforms and nationwide fee-free access to over 40,000 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 43%, U.S. P&C 19%, BMO WM 17%, BMO CM 21%. By geography (LTM): Canada 76%, U.S. 17%, Other 7%. For details on adjustments refer to page 5 of BMO's Q1 Report to Shareholders

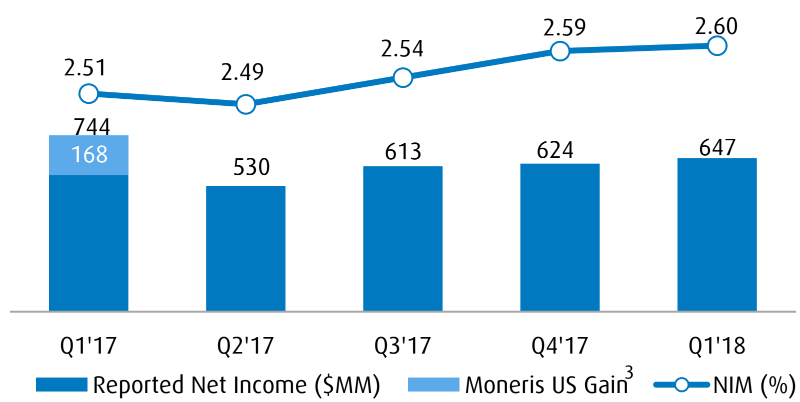
Canadian Personal & Commercial Banking

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

	Reported			Adjusted[1]		
($MM)	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 Adjusted measures are non-GAAP measures, see slide 2 for more information, for adjustments to reported results refer to page 5 of BMO's Q1 Report to Shareholders
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

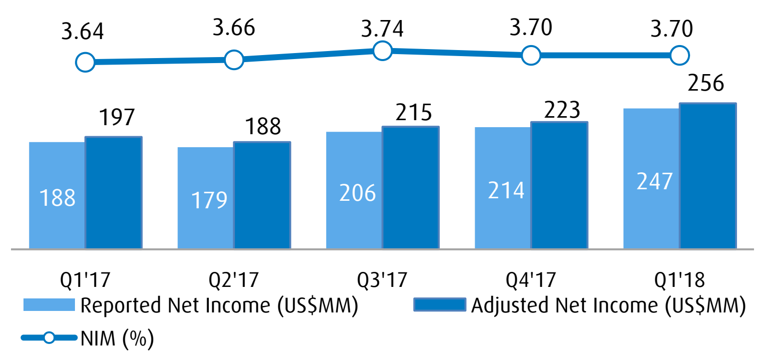
- Reported net income of $310MM, up 24% Y/Y
- Adjusted[1] net income of $321MM, up 23% Y/Y

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

(US$MM)	Reported			Adjusted[1]		
	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 Adjusted measures are non-GAAP measures, see slide 2 for more information, for adjustments to reported results refer to page 5 of BMO's Q1 Report to Shareholders
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

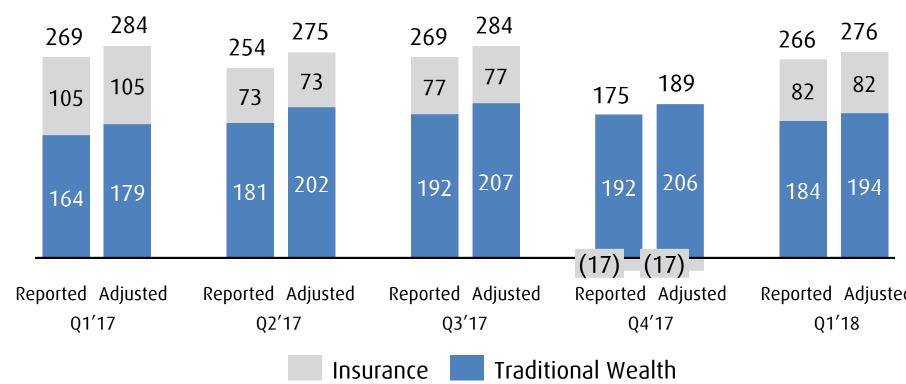
BMO Wealth Management

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

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

Net Income[1,4] Trends



1 Adjusted measures are non-GAAP measures, see slide 2 for more information, for adjustments to reported results refer to page 5 of BMO's Q1 Report to Shareholders
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

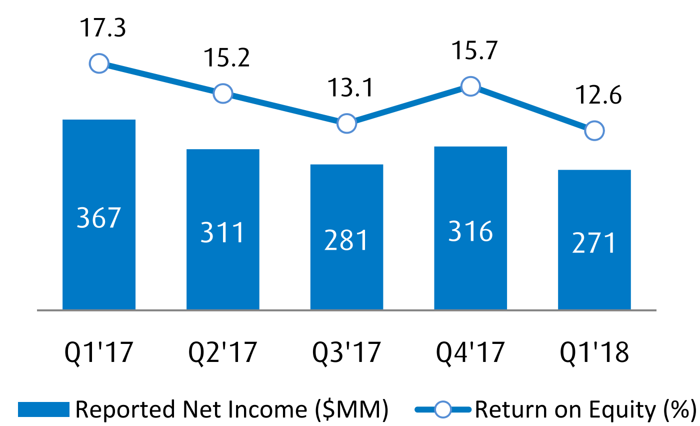
BMO Capital Markets

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 Adjusted measures are non-GAAP measures, see slide 2 for more information, for adjustments to reported results refer to page 5 of BMO's Q1 Report to Shareholders

na – not applicable

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**

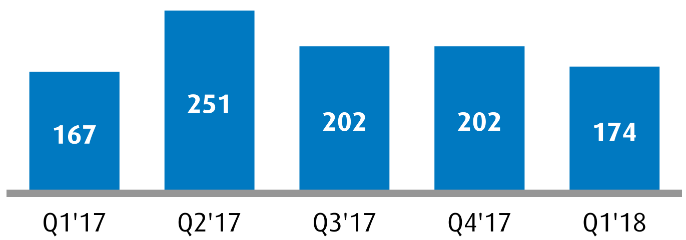
1 Canadian and U.S. P&C PCL prior periods have been restated to conform with the current period's presentation

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

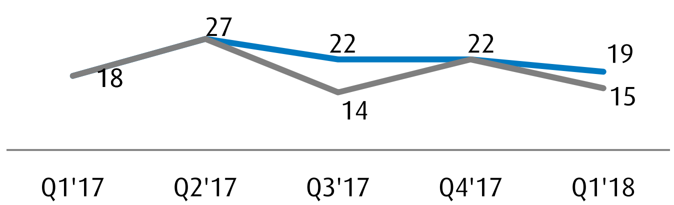
na – not applicable

- 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



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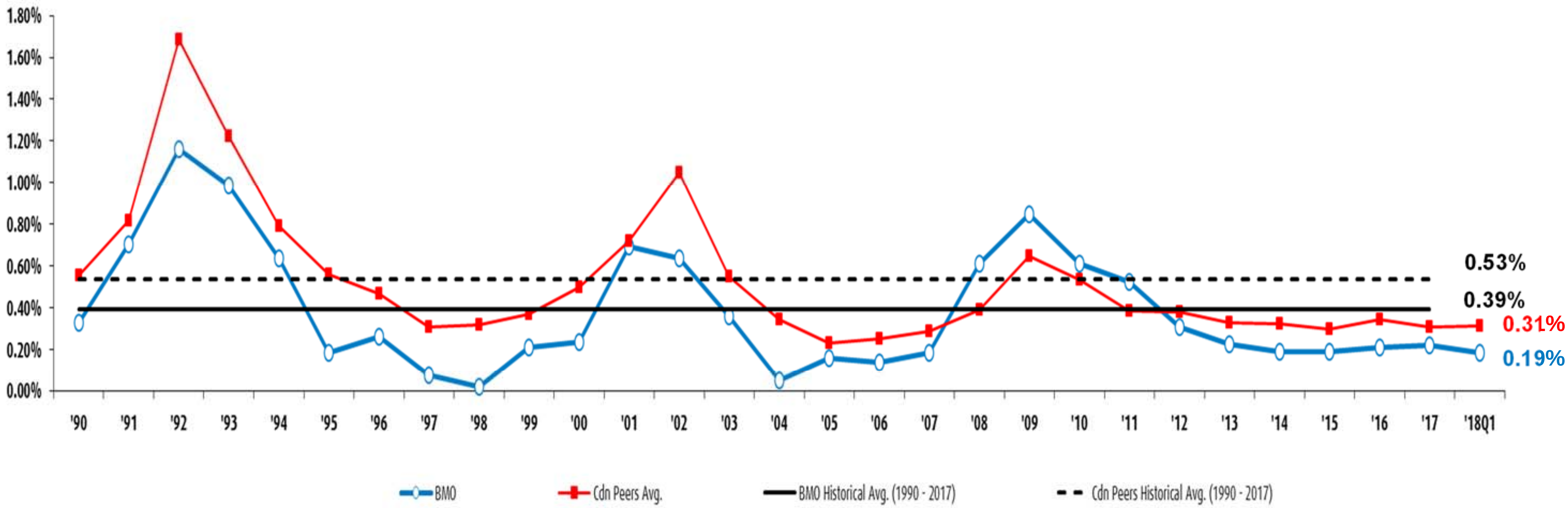
Provision for Credit Losses (PCL) on Impaired Loans

Strong credit performance reflective of our consistent approach to effective risk management

PCL on Impaired Loans as a % of Average Net Loans & Acceptances



1) BMO F2016 and F2017 PCL on impaired loans and average net loans & acceptances have been restated to conform with the current period's presentation
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 peer F2012 average net loans & acceptances have been restated to conform with the current period's presentation.
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

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

Investor Relations

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