Fixed Income Investor Presentation

October 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 Review and Outlook section of our Third Quarter 2018 Report to Shareholders.

Non-GAAP Measures

Bank of Montreal uses both GAAP and non-GAAP measures to assess performance. Readers are cautioned that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings under GAAP and are unlikely to be comparable to similar measures used by other companies. Reconciliations of GAAP to non-GAAP measures as well as the rationale for their use can be found on page 5 of BMO's Third Quarter 2018 Report to Shareholders and on page 29 of BMO's 2017 Annual Report all of which are available on our website at www.bmo.com/investorrelations.

Examples of non-GAAP amounts or measures include: efficiency and leverage ratios; revenue and other measures presented on a taxable equivalent basis (teb); amounts presented net of applicable taxes; results and measures that exclude the impact of Canadian/U.S. dollar exchange rate movements, adjusted net income, revenues, non-interest expenses, earnings per share, effective tax rate, ROE, efficiency ratio, pre-provision pre-tax earnings, and other adjusted measures which exclude the impact of certain items such as, acquisition integration costs, amortization of acquisition-related intangible assets, decrease (increase) in collective allowance for credit losses, 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 July 31, 2018):
  - Assets: $765 billion
  - Deposits: $507 billion
  - Employees: ~45,000
  - Branches: 1,489
  - ABMs: 4,793

Q3'18 Results *	Adjusted[2]	Reported
Net Revenue ($B)[3]	5.6	5.6
Net Income ($B)	1.6	1.5
EPS ($)	2.36	2.31
ROE (%)	15.0	14.7
Common Equity Tier 1 Ratio (%)		11.4

Other Information (as at September 30, 2018)	
Annual Dividend Declared (per share)[4]	$3.84
Dividend Yield[4]	3.6%
Market Capitalization	$68.2 billion
Exchange Listings	TSX, NYSE (Ticker: BMO)
Share Price:	
TSX	C$106.54
NYSE	US$82.53

* All amounts in this presentation in Canadian dollars unless otherwise noted
1 As measured by assets as at July 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 Q3 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 $5.8B
4 Annualized based on Q4'18 declared dividend of $0.96 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

Unified, Simplifying and Accelerating

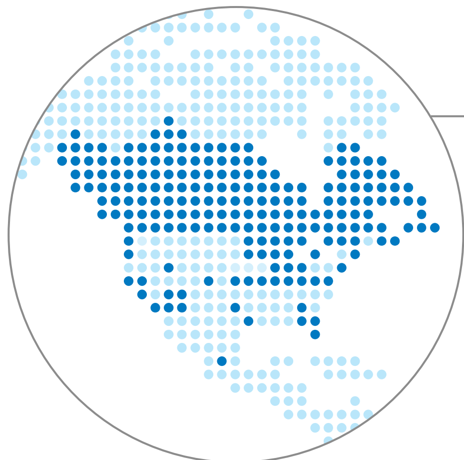
Customer Experience	• Thinking like a customer to deliver fast, simple, intuitive banking however they choose to interact with us • Using advanced analytics to personalize customer experiences and strengthen relationships, while keeping their information secure
Efficiency	• Achieving strong operating leverage: 2.9% in Q3'18, 2.0% in F2017 and 2.3% in F2016 • Efficiency ratio improved by 340 basis points from 2015 to Q3'18, with contributions across the businesses • Continue to target annual operating leverage of 2%
Technology Deployment	• Accelerating the transformation of our business through a disciplined approach to technology investment and deployment • Leveraging a multi-year investment in foundational architecture and data integration to enrich customer experience, simplify processes and speed up delivery, driving both revenue growth and expense savings
U.S. Growth	• Well-established, long standing U.S. presence in commercial & retail banking, capital markets and wealth, built through strong organic growth and targeted acquisitions • The U.S. Segment has delivered YTD adjusted earnings growth of 29% Y/Y building on double-digit growth over the past two years
Commercial Strength	• Strong competitive position in Canada ranked 2nd with ~19% market share for business loans up to $25 million; commercial loans and deposits grew 11% and 8% respectively in Q3'18 • Strong U.S. commercial loan growth of13% and deposit growth of 2% in Q3'18, representing 74% of total U.S. P&C loans • Building on proven strengths and cross border capabilities to accelerate growth

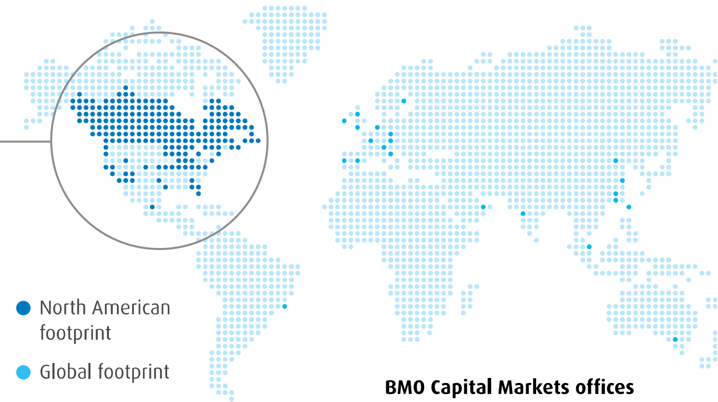
BMO's Strategic Footprint

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

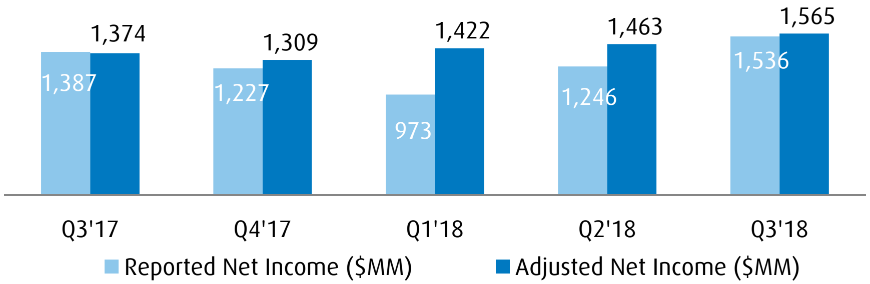
Q3 2018 - Financial Highlights

Strong net income growth and positive operating leverage across all Groups

- Adjusted[1] EPS $2.36, up 16% Y/Y (reported up 13%)
- Adjusted[1] net income up 14% (reported up 11%)
  - U.S. Segment adjusted[1] net income up 30% Y/Y (reported up 29%)
- Net revenue[2] up 7% Y/Y
  - Good growth across all businesses, led by U.S. P&C
- Adjusted[1] expenses up 4% Y/Y (reported up 3%)
- Adjusted[1] operating leverage[2] 2.9% (reported 3.6%)
- Total PCL of $186MM, down ($16MM) Y/Y
  - PCL on impaired loans $177MM
  - PCL on performing loans $9MM
  - Reported PCL up Y/Y reflecting a release in the collective allowance in Q3'17
- Adjusted[1] ROE 15.0% (reported 14.7%)

	Reported			Adjusted[1]		
($MM)	Q3'18	Q2'18	Q3'17	Q3'18	Q2'18	Q3'17
Net Revenue[2]	**5,551**	5,285	5,206	**5,551**	5,285	5,206
Total PCL	**186**	160	126	**186**	160	202
Expense	**3,386**	3,562	3,286	**3,350**	3,269	3,231
Net Income	**1,536**	**1,246**	**1,387**	**1,565**	**1,463**	**1,374**
Diluted EPS ($)	**2.31**	1.86	2.05	**2.36**	2.20	2.03
ROE (%)	**14.7**	12.6	13.4	**15.0**	14.9	13.3
ROTCE[3] (%)	**17.9**	15.6	16.5	**18.0**	18.0	16.0
CET1 Ratio (%)	**11.4**	11.3	11.2			

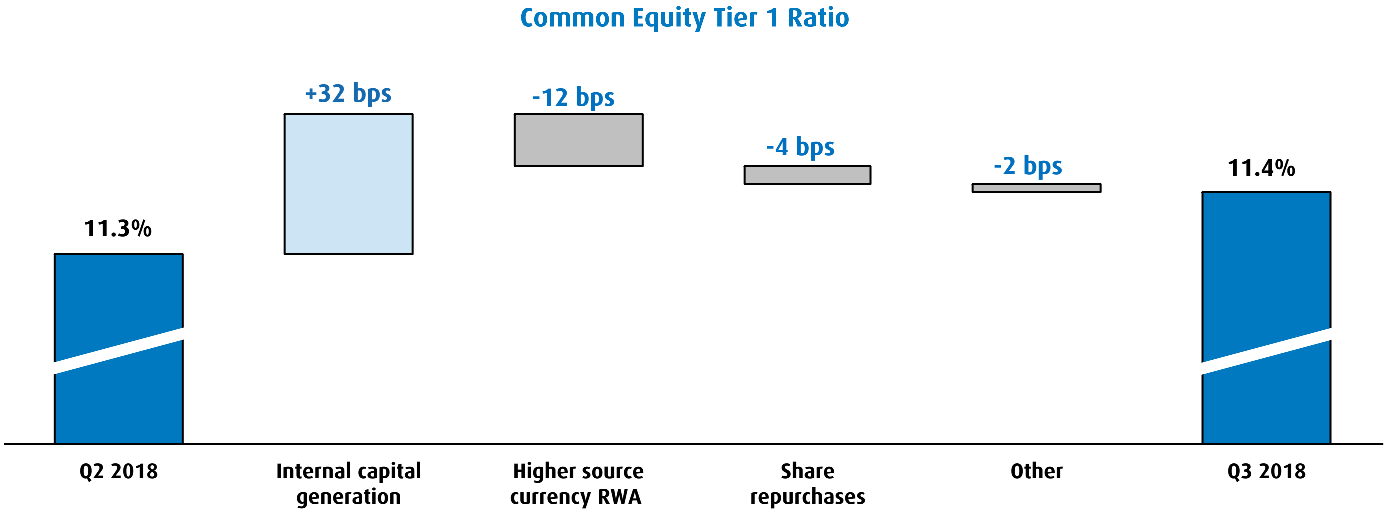
Net Income[1] Trends



1 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: Q3'18 $5,820MM; Q2'18 $5,617MM; Q3'17 $5,459MM
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

Strong Capital Position

Strong capital position with CET1 Ratio at 11.4%



Basis points may not add due to rounding.

- CET1 Ratio of 11.4% at Q3 2018, up from 11.3% at Q2:
  - Internal capital generation from retained earnings growth, partially offset by:
  - Higher RWA from business growth
  - 1 million common shares repurchased during the quarter (10 million shares, or ~1.5% of outstanding, repurchased in past four quarters)
- Impact of FX movements on the CET1 Ratio largely offset
- Attractive dividend yield of 3.7%[1]; dividend up ~7% Y/Y

1 Dividend yield based on closing share price as of July 31, 2018

Economic & Housing Overview

BMO Financial Group

We're here to help.™

Economic Outlook and Indicators[1]

	Canada			United States			Eurozone		
Economic Indicators (%)[1, 2]	**2017**	**2018E[2]**	**2019E[2]**	**2017**	**2018E[2]**	**2019E[2]**	**2017**	**2018E[2]**	**2019E[2]**
GDP Growth	3.0	2.1	2.0	2.2	2.8	2.5	2.4	2.1	1.8
Inflation	1.6	2.4	2.2	2.1	2.5	2.2	1.5	1.8	1.9
Interest Rate (3mth Tbills)	0.69	1.40	2.00	0.95	1.95	2.65	(0.37)	(0.36)	(0.31)
Unemployment Rate	6.3	5.9	5.6	4.4	3.9	3.6	9.1	8.5	8.7
Current Account Balance / GDP[3]	(2.9)	(2.9)	(2.7)	(2.3)	(2.3)	(2.5)	4.0	4.0	3.9
Budget Surplus / GDP[3]	(0.9)	(0.8)	(0.8)	(3.5)	(4.0)	(4.6)	(0.9)	(0.6)	(0.4)

Canada

- Canada's economy is expected to slow to a 2.1% 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 5.8% by year-end
- The Bank of Canada is expected to raise policy rates one more time in 2018 and three times in 2019

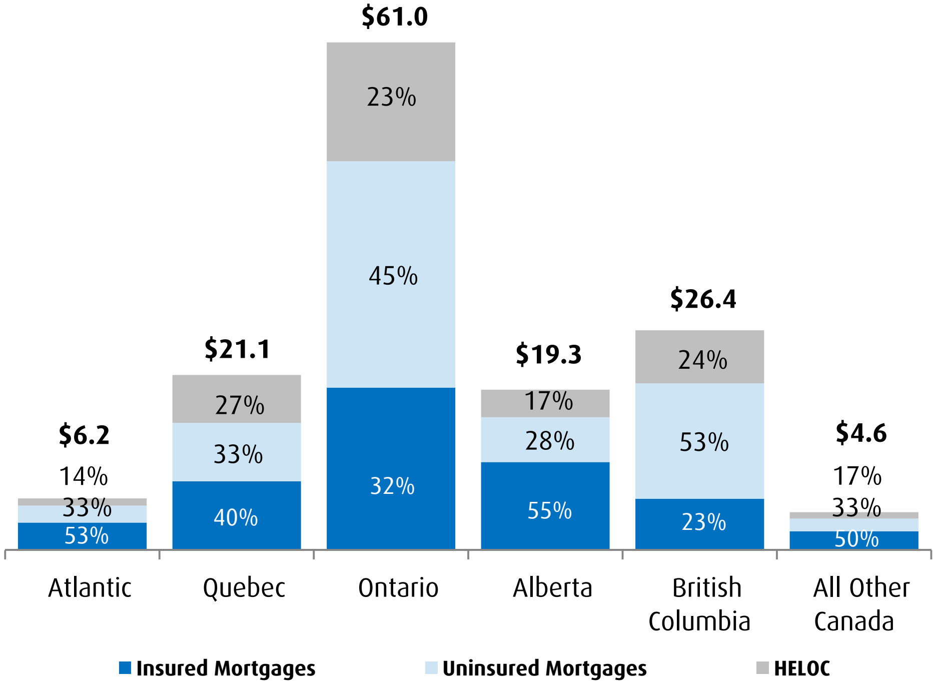
United States

- 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 49 years
- The Federal Reserve will likely raise policy rates one more time in 2018 and twice in 2019

1 This slide contains forward looking statements. See caution on slide 2
2 Data is annual average. Estimates as of September 30, 2018
3 Eurozone estimates provided by OECD

Canadian Residential-Secured Lending

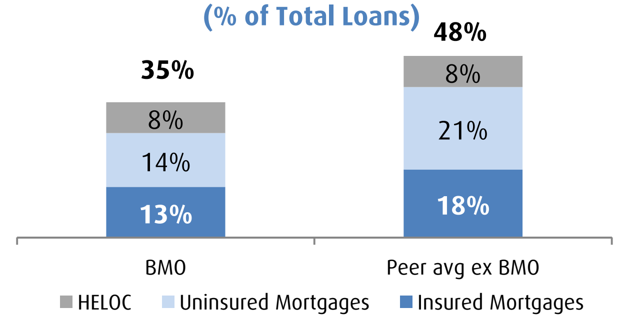
Residential-Secured Lending by Region ($138.6B)



Avg. LTV Uninsured	Atlantic	Quebec	Ontario	Alberta	British Columbia	All Other Canada	Total Canada
Mortgage							
- Portfolio	58%	60%	54%	61%	45%	55%	54%
- Origination	73%	72%	67%	72%	63%	72%	67%
HELOC - Origination	62%	72%	61%	63%	54%	62%	61%

- Underweight exposure to uninsured real-estate secured loans representing a modest 22% of total loans, below peer average of 29%, with strong credit quality
- Canadian P&C consumer lending contributes <15% of total bank net revenue
- Residential mortgage portfolio of $107.2B, 47% insured, LTV on the uninsured portfolio of 54%
  - 68% of the mortgage portfolio has an effective remaining amortization of 25 years or less
  - 90 day delinquency rate remains good at 18 bps; loss rates for the trailing 4 quarter period were less than 1 bp
- HELOC portfolio of $31.4B outstanding of which 54% is amortizing; LTV1 of 45%
- Condo portfolio is $17.8B with 35% insured
- GTA and GVA portfolios demonstrate better LTV, delinquency rates and bureau scores compared to the national average

Canadian Residential Portfolio (% of Total Loans)

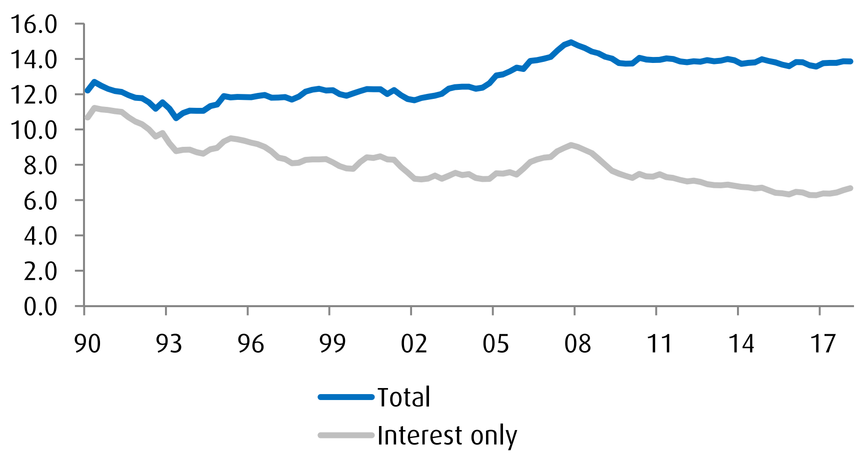


1 LTV is the ratio of outstanding mortgage balance to the original property value indexed using Teranet data. Portfolio LTV is the combination of each individual mortgage LTV weighted by the mortgage balance

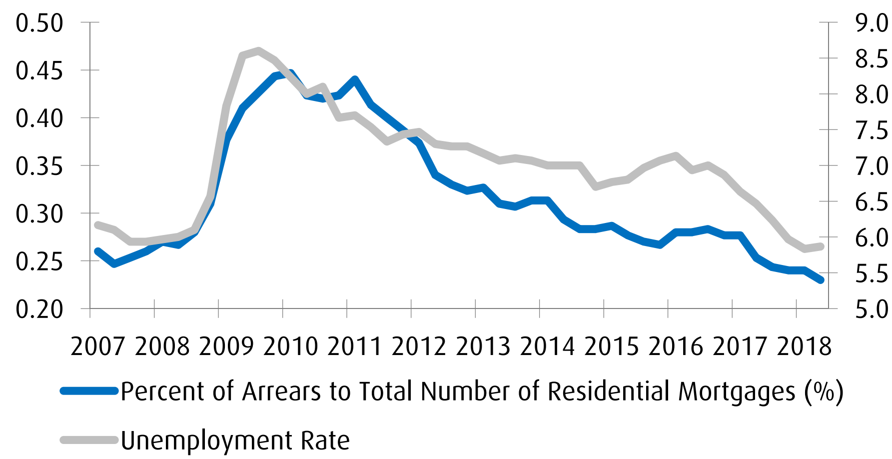
Canada's housing market has slowed

- Rising interest rates, tougher mortgage rules and provincial policy measures have slowed the housing market
- The high-priced detached property markets in Toronto and Vancouver have taken the brunt of the impact, though the condo market remains healthy due to steady demand by international migrants and millennials and there are recent signs of stability, notably in Toronto
- House prices in the oil-producing regions remain weak due to still-elevated inventories
- We expect real estate markets across the country to remain generally steady this year, with modestly rising prices
- Mortgage arrears remain near record lows, despite some upturn in Saskatchewan
- The household debt-to-income ratio, though elevated, has declined recently amid a slower pace of borrowing
- Debt servicing ratio edged higher recently but has remained fairly stable since 2010

Debt Service Ratio



Mortgage Delinquencies/Unemployment



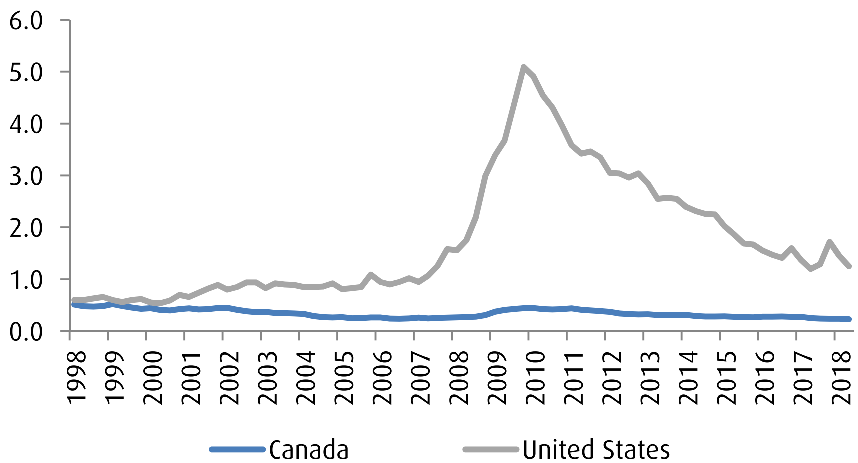
Source: BMO CM Economics and Canadian Bankers' Association as of September 30, 2018
This slide contains forward looking statements. See caution on slide 2

Structure of the Canadian residential mortgage market with comparisons to the United States

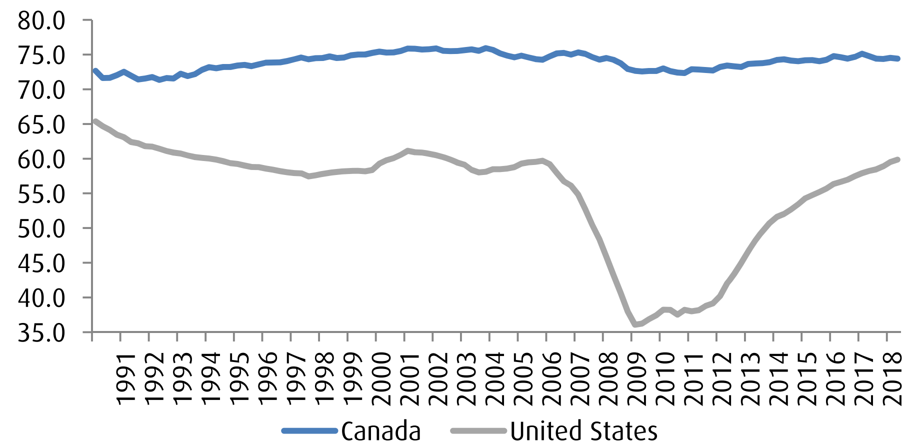
- Conservative lending practices, strong underwriting and documentation discipline have led to low delinquency rates
  - Over the last 30 years, Canada's 90-day residential mortgage delinquency rate has never exceeded 0.7% vs. the U.S. peak rate of 5.0% in early 2010
- Mandatory government-backed insurance 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 whereas 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 September 30, 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

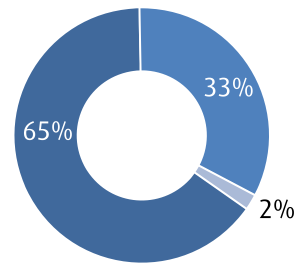
BMO Financial Group

We're here to help.™

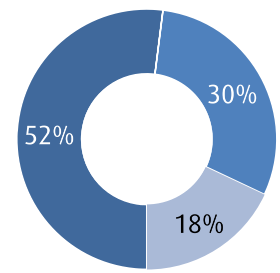
Our loans are well-diversified by geography and industry

Gross Loans & Acceptances By Industry ($B, as at Q3 18)	Canada & Other[1]	U.S.	Total	% of Total
Residential Mortgages	107.2	11.5	118.7	30%
Consumer Instalment and Other Personal	52.7	9.8	62.5	16%
Cards	7.7	0.5	8.2	2%
Total Consumer	**167.6**	**21.9**	**189.5**	**48%**
Service Industries	16.6	20.0	36.6	9%
Financial	13.2	19.3	32.5	8%
Commercial Real Estate	18.3	11.3	29.6	7%
Manufacturing	6.7	16.0	22.7	6%
Retail Trade	11.9	8.3	20.2	5%
Wholesale Trade	4.5	8.8	13.3	3%
Agriculture	9.7	2.4	12.1	3%
Transportation	2.3	8.5	10.8	3%
Oil & Gas	5.1	3.1	8.2	2%
Other Business and Government[2]	11.3	8.5	19.8	5%
Total Business and Government	**99.6**	**106.2**	**205.8**	**52%**
Total Gross Loans & Acceptances	**267.2**	**128.1**	**395.3**	**100%**

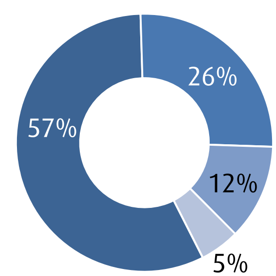
Loans by Geography[3]



Loans by Product[3]



Loans by Operating Group[5]



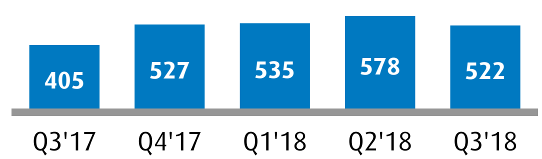
1 Includes ~$9.3B from Other Countries
2 Other Business and Government includes all industry segments that are each <2% of total loans
3 Gross loans and acceptances as of July 31, 2018
4 Including cards
5 Average gross loans and acceptances as of Q3'18

Gross Impaired Loans (GIL) and Formations

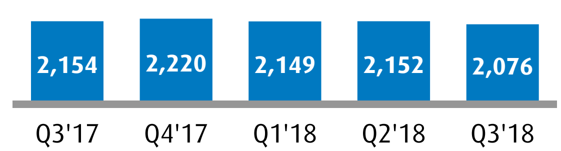
By Industry ($MM, as at Q3 18)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other[1]	U.S.	Total
Consumer	**202**	**54**	**256**	**453**	**461**	**914**
Service Industries	12	39	51	63	228	291
Agriculture	13	15	28	74	138	212
Transportation	1	28	29	5	146	151
Oil & Gas	0	14	14	65	50	115
Manufacturing	16	26	42	26	64	90
Financial Institutions	40	0	40	40	38	78
Wholesale Trade	1	19	20	14	60	74
Retail Trade	1	22	23	12	39	51
Commercial Real Estate	10	0	10	33	11	44
Construction (non-real estate)	7	2	9	20	22	42
Other Business and Government[2]	0	0	0	5	9	14
Total Business and Government	**101**	**165**	**266**	**357**	**805**	**1,162**
Total Bank	**303**	**219**	**522**	**810**	**1,266**	**2,076**

- GIL ratio 53 bps, down 3 bps 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

Provision for Credit Losses (PCL)

PCL on Impaired Loans by Operating Group ($MM)	Q3 18	Q2 18	Q3 17[1]
Consumer – Canadian P&C	96	118	96
Commercial – Canadian P&C	24	13	23
Canadian P&C	**120**	**131**	**119**
Consumer – U.S. P&C	10	15	16
Commercial – U.S. P&C	44	51	61
U.S. P&C	**54**	**66**	**77**
Wealth Management	**2**	**1**	**5**
Capital Markets	**3**	**(16)**	**(2)**
Corporate Services	**(2)**	**(10)**	**3**
PCL on Impaired Loans/Specific PCL[1,2]	**177**	**172**	**202**
PCL on Performing Loans[2]	**9**	**(12)**	**na**
Collective Provision[2]	**na**	**na**	**(76)**
Total PCL	**186**	**160**	**126**

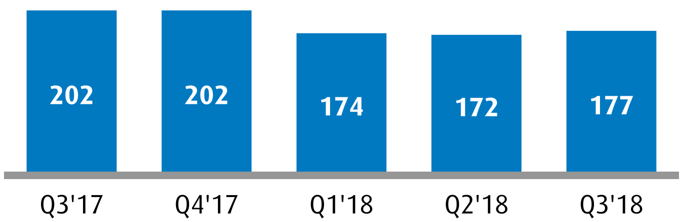
1 2017 periods have been restated for Canadian and U.S. P&C to conform with the current period's presentation

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. Q3'17 presents the Specific PCL and Collective Provisions under IAS 39

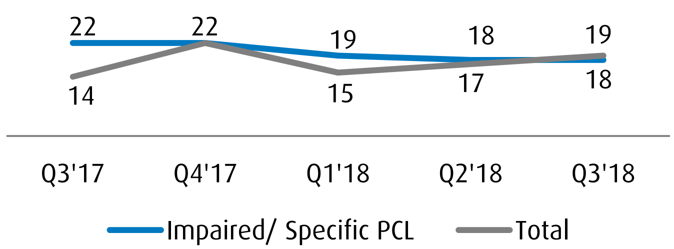
na – not applicable

- Q3'18 PCL ratio on Impaired Loans at 18 bps, flat Q/Q
- Allowance for Credit Losses on Performing Loans increased PCL by $9 million

PCL on Impaired Loans/Specific PCL[1,2] ($MM)



PCL[1,2] in bps



BMO Financial Group
We're here to help.

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

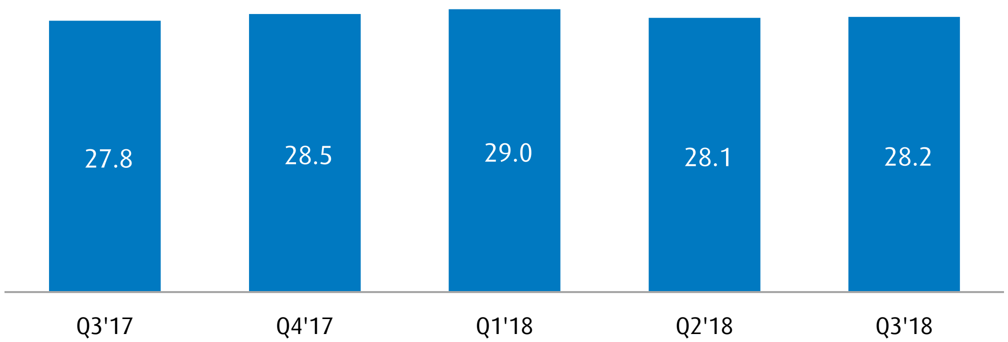
Liquidity & Wholesale Funding Mix

BMO Financial Group

We're here to help.™

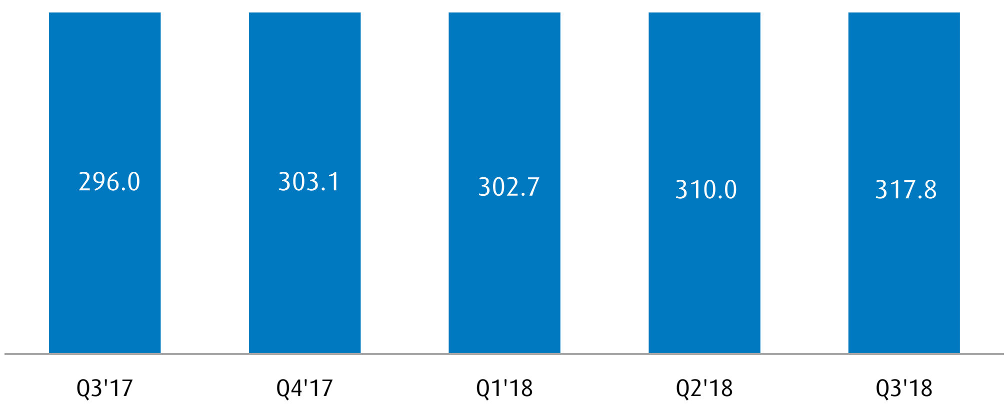
Liquidity and Funding Strategy

Cash and Securities to Total Assets Ratio (%)



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

Customer Deposits[1] ($B)

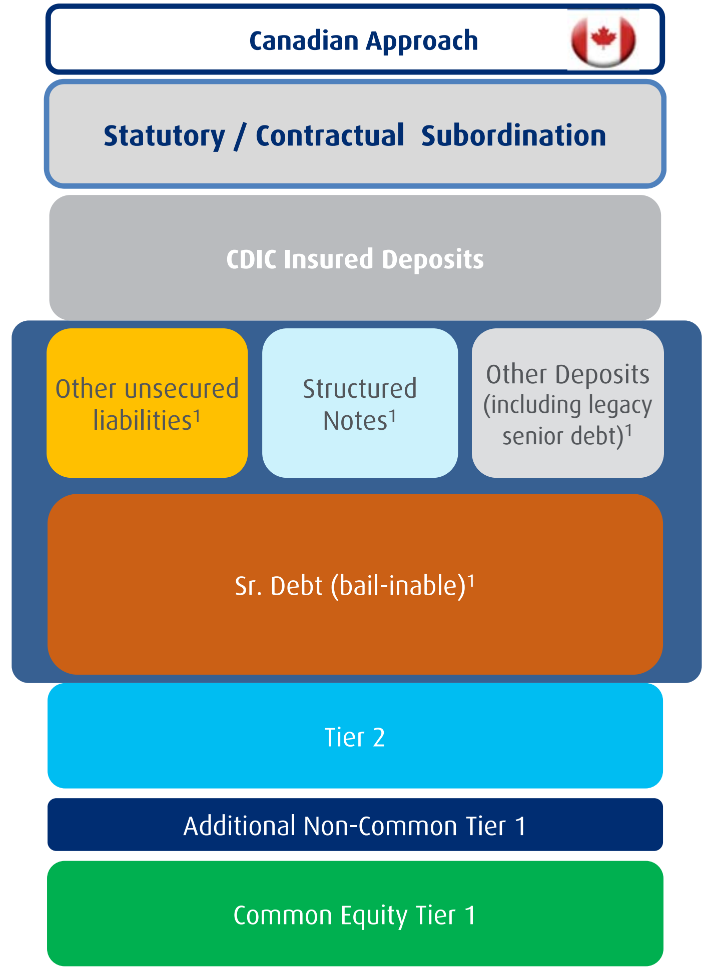


- BMO's large base of customer deposits, along with our strong capital base, reduces reliance on wholesale funding

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.

Canadian Bail-in Regime

- Canadian bail-in regime will be effective starting September 23, 2018 (implementation date)
- Bail-in eligible senior unsecured debt that is issued after the implementation date will be subject to conversion in a resolution scenario
  - Bail-in eligible debt includes senior unsecured debt issued by the parent bank with an original term >400 days and marketable (with a CUSIP/ISIN)
- Key exclusions are Covered bonds, structured notes, derivatives and consumer deposits
- Bail-in eligible debt will be issued under existing programs (US MTN, EMTN, AMTN etc.) governed by local laws, with the exception of bail-in conversion requirements which will be governed by Canadian law
- Bail-in eligible debt has a statutory conversion feature that provides the Canada Deposit Insurance Corporation (CDIC) the power to trigger conversion of bail-in securities into common shares of the bank (no write-down provision)
- The statutory conversion supplements the existing Non-Viable Contingent Capital (NVCC) regime which contractually requires the conversion of subordinated debt and preferred equity into common equity upon the occurrence of certain trigger events
- The notional amount of bail-in securities to be converted and the corresponding number of common shares issued in a resolution scenario 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). Any outstanding NVCC capital must be converted, in full, prior to conversion of bail-in securities
- Conversion maintains the creditor hierarchy (no creditor worse off principle is respected)

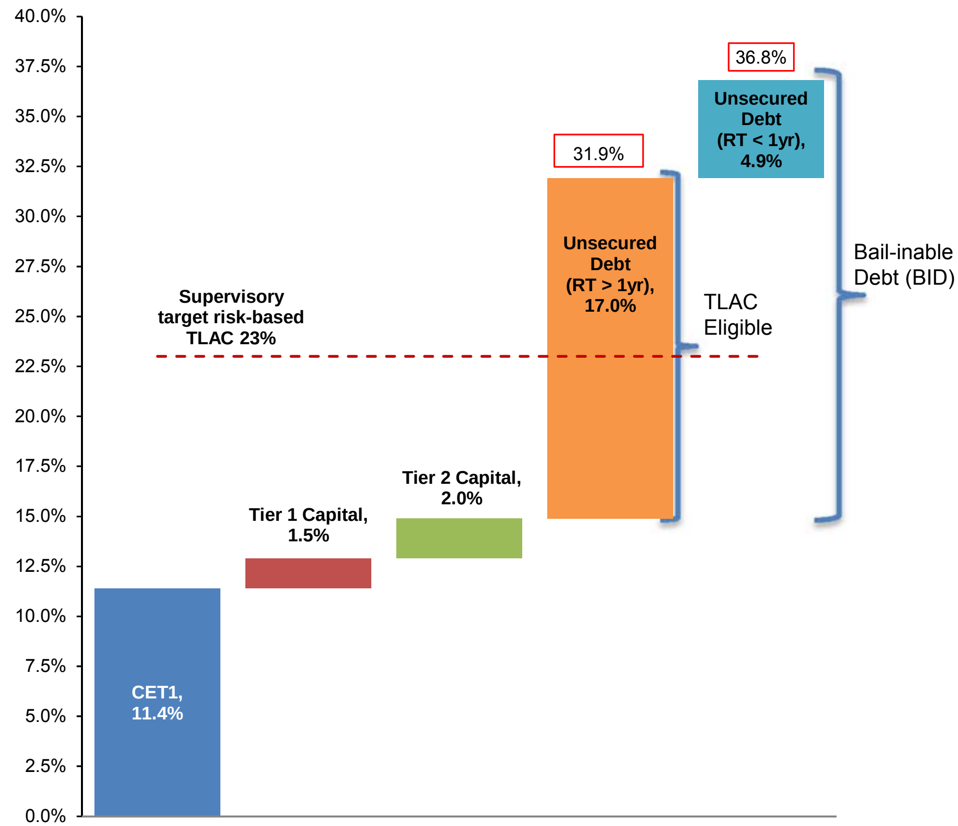


1 Pari passu ranking in liquidation

Manageable TLAC Requirements and no incremental funding

- Canadian D-SIBs will be required to meet a Supervisory Target ratio by November 1, 2021
  - Risk-based TLAC ratio of 23% (Minimum 21.5% of RWA TLAC ratio plus a Domestic Stability Buffer of 1.5% of total RWA)
  - Minimum TLAC Leverage ratio of 6.75%
- TLAC eligible securities will have a minimum remaining term of 365 days
- No incremental funding required to meet the TLAC obligations
- BMO will only be issuing one class of medium and long term senior debt that will over time replace the legacy senior debt outstanding
- Similar to US TLAC securities, Canadian bail-in securities will retain the clause regarding acceleration of payments, subject to a minimum 30-business-day cure period, in case of events of default relating to non-payment of scheduled principal and/or interest
- TLAC eligible debt will be issued at the parent bank operating company level whereas US FIs issue TLAC debt at the holding company level

Funding Profile as at July 31, 2018



Strong Ratings Profile

Current Rating for BMO Legacy Senior Debt[1] and Expected Rating for Senior Debt[1,2]

Current Rating for BMO Legacy Senior Debt

Expected Rating for BMO Senior Debt

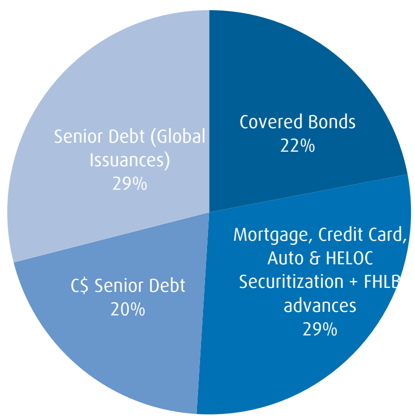
Moody's	Standard & Poor's	Fitch	DBRS
Aa1	AA+	AA+	AA (high)
Aa2	AA	AA	AA
Aa3	AA-	AA-	AA (low)
A1	A+	A+	A (high)
A2	A	A	A
A3	A-	A-	A (low)
Baa1	BBB+	BBB+	BBB (high)

1 All rating agencies have a stable outlook
2 Subject to conversion under the bank recapitalization "bail-in" regime. Defined as "Junior Senior Unsecured" by Moody's, "Bail-in Eligible Senior Debt" by S&P, "Bail-in Eligible Debt" by Fitch, and "Bailinable Senior Debt" by DBRS"

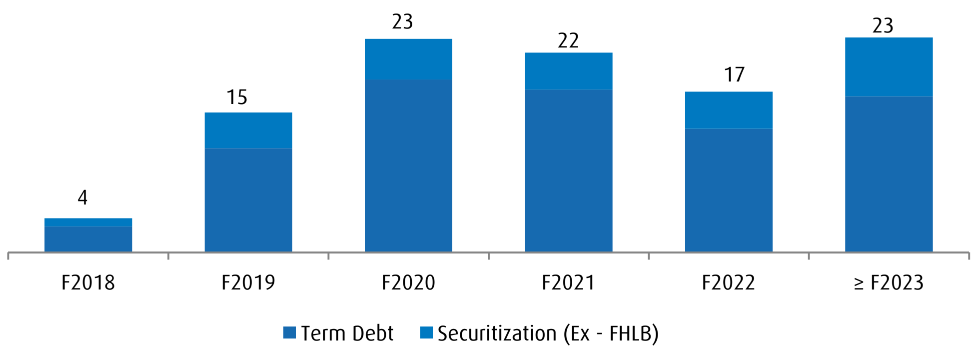
Diversified Wholesale Term Funding Program

- 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 funded with longer-term wholesale funding
- BMO has a well diversified wholesale funding platform across markets, products, terms, currencies and maturities
- We don’t expect a significant change to BMO’s funding strategy following the implementation of the bail-in regime

Wholesale Capital Market Term Funding Composition[2] ($113B) as at July 31, 2018



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



1 All rating agencies now have a stable outlook
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

Diversified Wholesale Funding Platform

- Programs provide BMO with diversification and cost effective funding

Canada[1]	U.S.[1]	Europe, Australia & Asia[1]
• Canadian MTN Shelf (C$8B) • Fortified Trust (C$5B) • Other Securitization (RMBS, Canada Mortgage Bonds, Mortgage Backed Securities)	• SEC Registered U.S. Shelf (US$25B) • Global Registered Covered Bond Program (US$21B) • Securitization (Credit cards, Auto)	• Note Issuance Programme (US$20B) • Australian MTN Programme (A$5B) • Global Registered Covered Bond Program (US$21B)[2]

Recent Notable Transactions

- C$2.5 billion 5-yr Fixed Rate Senior Unsecured Notes at 2.89%
- C$2 billion 5-yr Floating Rate Covered Bond
- US$2.25 billion 2-yr Fixed and Floating Rate Senior Unsecured Notes
- US$634.9 million Master Credit Card Trust II Notes
- US$573.4 million CPART Auto Securitization
- US$1.25 billion 15nc10 Subordinated Notes at 3.803%
- EUR€1 billion Fixed Rate Senior Unsecured Notes at 0.25%
- GBP£0.3 billion Fixed Rate Senior Unsecured Notes at 1.625%
- GBP£0.4 billion 5-yr Floating Rate Covered Bond
- AUD$0.8 billion 5-yr Fixed and Floating Rate Senior Unsecured Notes

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

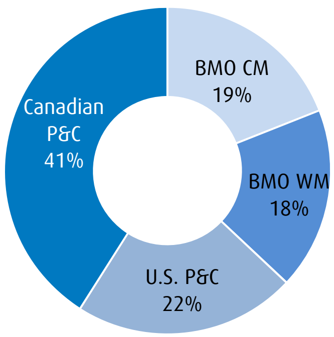
Appendix

BMO Financial Group

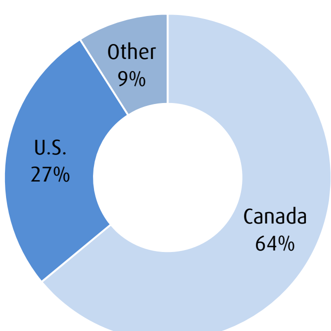
We're here to help.™

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
- Here to help customers make the right financial decisions as they do business seamlessly across channels: getting advice from employees at their place of business, in over 900 branches, on their mobile devices, online, over the telephone, and at over 3,300 ATMs 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

- Strong and well-established 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 42%, U.S. P&C 21%, BMO WM 17%, BMO CM 20%. By geography (LTM): Canada 70%, U.S. 20%, Other 10%. For details on adjustments refer to page 5 of BMO's Q3 Report to Shareholders

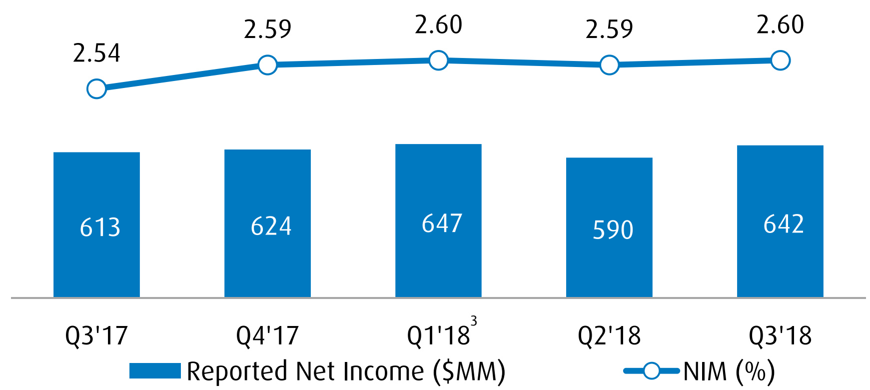
Canadian Personal & Commercial Banking

Continued momentum in Commercial with loans up 11% and deposits up 8%

- Adjusted[1] and reported net income up 5% Y/Y
- Revenue up 5% Y/Y
  - Average loans up 4% Y/Y. Commercial[2] up 11%; Personal[2] flat, reflecting participation choices
  - Average deposits up 4% Y/Y. Commercial up 8%; Personal up 1%
  - NIM up 6 bps Y/Y, up 1 bp Q/Q
- Expenses up 4% Y/Y
- Adjusted[1] and reported efficiency ratio 48.6%
- Adjusted[1] and reported operating leverage 1.1%
- PCL up $18MM Y/Y; up $9MM Q/Q
  - PCL includes $17MM provision on performing loans

	Reported			Adjusted[1]		
($MM)	Q3 18	Q2 18	Q3 17	Q3 18	Q2 18	Q3 17
Revenue (teb)	**1,952**	1,859	1,856	**1,952**	1,859	1,856
Total PCL	**137**	128	119	**137**	128	119
Expenses	**949**	936	912	**949**	935	911
Net Income	**642**	**590**	**613**	**642**	**591**	**614**

Net Income and NIM Trends



1 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

U.S. Personal & Commercial Banking

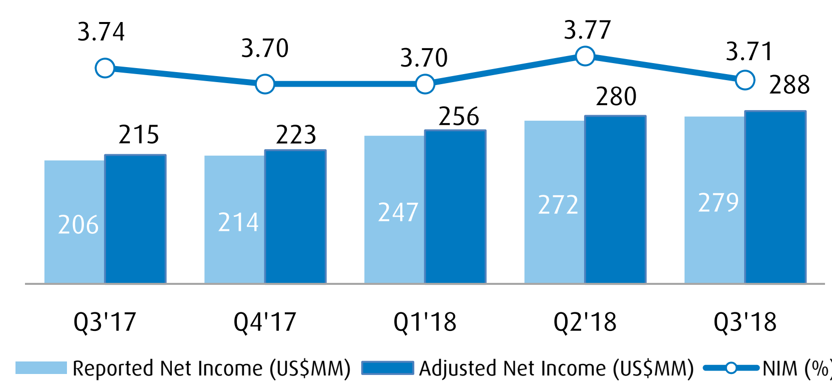
Strong net income with good volume growth

Figures that follow are in U.S. dollars

- Adjusted[1] net income up 34% Y/Y (reported up 35% Y/Y)
- Revenue up 9% Y/Y
  - Higher deposit revenue and loan volumes (Commercial 13%, Personal 12%)
  - NIM down 3 bps Y/Y; down 6 bps Q/Q
  - Average loans[2,3] up 12% Y/Y and average deposits up 8%
- Expenses up 4% Y/Y due to items not expected to recur and continued investment in the business
- Impact of tax reform contributed 14% to income growth
- Adjusted[1] efficiency ratio 59.9% (reported 61.0%)
- Adjusted[1] operating leverage 4.2% (reported 4.4%)
- PCL down $27MM Y/Y and $11MM Q/Q
  - PCL includes recovery on performing loans $11MM
- Adjusted[1] Pre-Provision Pre-Tax[4] earnings up 15% Y/Y (reported 16%)

	Reported			Adjusted[1]		
(US$MM)	Q3 18	Q2 18	Q3 17	Q3 18	Q2 18	Q3 17
Revenue (teb)	985	947	908	985	947	908
Total PCL	31	42	58	31	42	58
Expenses	601	562	578	590	551	566
Net Income	**279**	**272**	**206**	**288**	**280**	**215**
Net Income (CDE$)	**364**	**348**	**268**	**376**	**359**	**279**

Net Income[1] and NIM Trends



1 Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Average loan growth rate referenced above excludes Wealth Management mortgage and off-balance sheet balances for U.S. P&C serviced mortgage portfolio; average loans up 11% including these balances
3 In Nov'17 we purchased a $2.1B mortgage portfolio (Q3 average balance impact of $2.0B)
4 Adjusted Pre-Provision Pre-Tax earnings is the difference between adjusted revenue and adjusted expenses

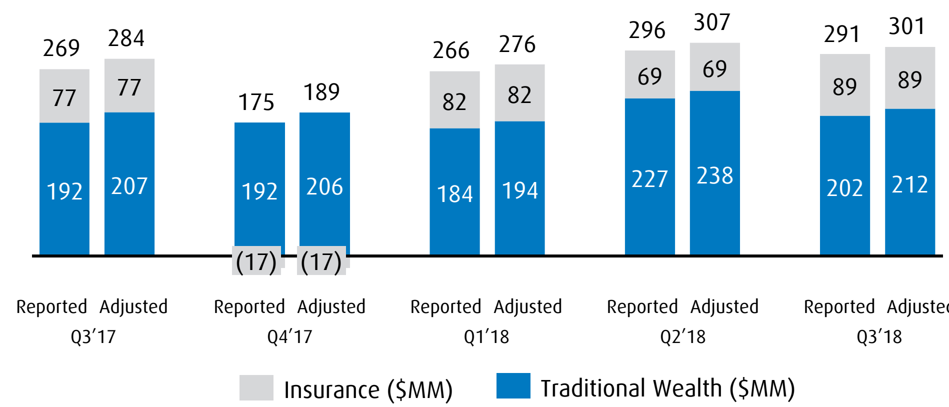
BMO Wealth Management

Good underlying NIAT growth Y/Y

- Adjusted[1] net income up 6% Y/Y (reported up 8%)
  - Traditional Wealth up 3% Y/Y (reported up 6%); underlying growth partially offset by a legal provision
  - Insurance results up 15% Y/Y
- Net revenue[2] up 7% Y/Y
- Adjusted[1] expenses up 6% Y/Y (reported up 5%)
- Adjusted[1] operating leverage 1.1% (reported 1.8%)
- AUM up 9% Y/Y

	Reported			Adjusted[1]		
($MM)	Q3 18	Q2 18	Q3 17	Q3 18	Q2 18	Q3 17
Net Revenue[2]	**1,269**	1,250	1,190	**1,269**	1,250	1,190
Total PCL	**4**	(0)	5	**4**	(0)	5
Expenses	**875**	860	833	**862**	847	816
Net Income	**291**	**296**	**269**	**301**	**307**	**284**
Traditional Wealth NI	**202**	227	192	**212**	238	207
Insurance NI	**89**	69	77	**89**	69	77
AUM/AUA ($B)[3]	**846**	826	878	**846**	826	878

Net Income[1] Trends



1 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: Q3'18 $1,538MM, Q2'18 $1,582MM, Q3'17 $1,443MM
3 Y/Y AUM/AUA growth impacted by divestiture of non-strategic business $138B CDE ($107B USE) during Q4'17; excluding divesture AUA/AUM up 13%

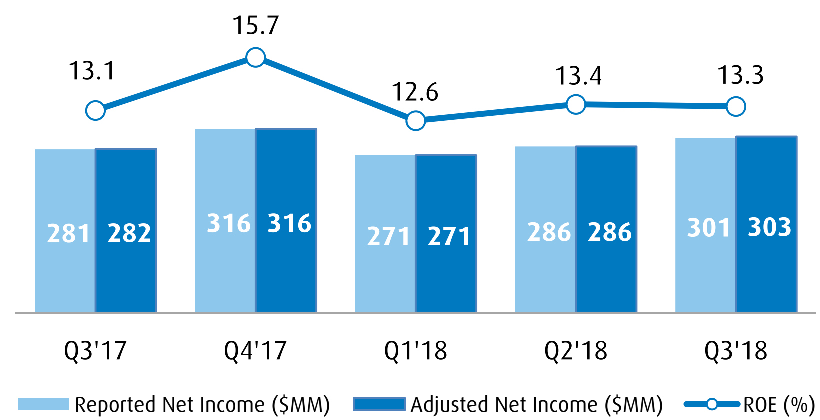
BMO Capital Markets

Good net income growth and positive operating leverage

- Adjusted[1] and reported net income up 7% Y/Y
- Revenue up 5% Y/Y driven by higher trading and investment banking activity
- Adjusted[1] expenses relatively flat Y/Y
- PCL up $9MM Y/Y; up $20MM Q/Q
- Adjusted[1] Pre-Provision Pre-Tax[2] earnings up 12% Y/Y and 10% Q/Q (reported up 12% Y/Y; 9% Q/Q)
- Adjusted[1] operating leverage 4.0% (reported 3.7%)

	Reported			Adjusted[1]		
($MM)	Q3 18	Q2 18	Q3 17	Q3 18	Q2 18	Q3 17
Trading Products	638	622	604	638	622	604
I&CB	465	419	448	465	419	448
Revenue (teb)	1,103	1,041	1,052	1,103	1,041	1,052
Total PCL (recovery)	7	(13)	(2)	7	(13)	(2)
Expenses	698	670	691	696	669	690
Net Income	**301**	**286**	**281**	**303**	**286**	**282**

Net Income[1] and ROE Trends



1 Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Adjusted Pre-Provision Pre-Tax earnings is the difference between adjusted revenue and adjusted expenses

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

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 applicable 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; 35.7% 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 2017 Excellence in Governance Award for "Best Practices in Subsidiary Governance"

Investor Relations

Contact Information

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

Jill Homenuk
Head of Investor Relations
416.867.4770
jill.homenuk@bmo.com

Christine Viau
Director, Investor Relations
416.867.6956
christine.viau@bmo.com

BMO Financial Group

We're here to help.™