BMO Financial Group Investor Presentation

For the Quarter Ended July 31, 2018

August 28, 2018

BMO Financial Group

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Q3|18

Forward looking statements & non-GAAP measures

Caution Regarding Forward-Looking Statements

Bank of Montreal's public communications often include written or oral forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbor" provisions of, and are intended to be forward-looking statements under, the United States *Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives and priorities for fiscal 2018 and beyond, our strategies or future actions, our targets, expectations for our financial condition or share price, and the results of or outlook for our operations or for the Canadian, U.S. and international economies. Forward-looking statements are typically identified by words such as "will", "should", "believe", "expect", "anticipate", "intend", "estimate", "plan", "goal", "target", "may" and "could".

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

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

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

Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2017 Annual MD&A under the heading "Economic Developments and Outlook", as updated by the Economic Review and Outlook section set forth in this document. Assumptions about the performance of the Canadian and U.S. economies, as well as overall market conditions and their combined effect on our business, are material factors we consider when determining our strategic priorities, objectives and expectations for our business. In determining our expectations for economic growth, both broadly and in the financial services sector, we primarily consider historical economic data provided by governments, historical relationships between economic and financial variables, and the risks to the domestic and global economy. See the Economic 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.

Darryl White

Chief Executive Officer

BMO Financial Group

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Q3 F2018 Financial Highlights

Strong net income and EPS growth reflecting good performance in each of our operating groups

	Adjusted[1]	Reported	
Net Income	**$1,565MM**	**$1,536MM**	• Adjusted[1] net income up 14% Y/Y (reported up 11%)
EPS	**$2.36**	**$2.31**	• Adjusted[1] EPS up 16% Y/Y (reported up 13%)
Operating Leverage[2]	**2.9%**	**3.6%**	• Positive operating leverage[2] in each operating group
PCL[3] – Impaired – Total	**$177MM/18bps**	**$186MM/19bps**	• Strong credit performance, stable PCL[3] on impaired loans
Capital	**CET1 11.4%**		• Repurchased 1 million shares during the quarter and 10 million over the last 12 months • Adjusted[1] ROE of 15.0% (reported 14.7%)

1 See slide 24 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Operating leverage based on net revenue. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)
3 Effective in the first quarter of 2018, the bank prospectively adopted IFRS 9. Under IFRS 9, we refer to the provision for credit losses on impaired loans and the provision for credit losses on performing loans. Prior periods have not been restated. Also effective with the adoption of IFRS 9, we allocate the provision for credit losses on performing loans and the related allowance to operating groups. In 2017 and prior years the collective provision and allowance was held in Corporate Services

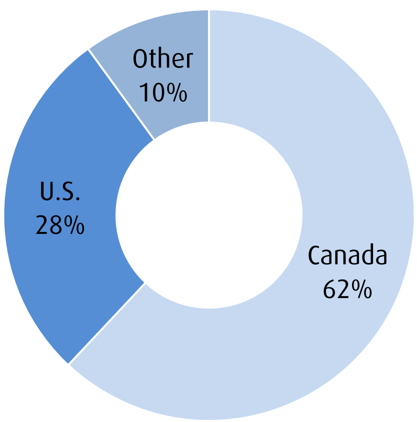
U.S. Operations

U.S. segment continuing to deliver strong results

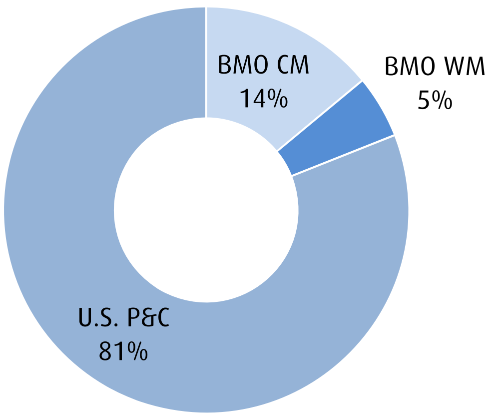
- U.S. segment represents 28% of the bank's YTD adjusted[1] earnings
- Q3'18 adjusted[1] earnings up 30% Y/Y led by strong growth in U.S. P&C
  - Adjusted[1] PPPT[2] growth of 16%
  - Adjusted[1] operating leverage of 4.8%

U.S. Segment (US$MM)	Reported			Adjusted[1]		
	Q3 18	Q2 18	Q3 17	Q3 18	Q2 18	Q3 17
Revenue	**1,432**	1,386	1,366	**1,432**	1,386	1,366
PCL on impaired loans	**46**	40	na	**46**	40	na
PCL on performing loans	**(2)**	(7)	na	**(2)**	(7)	na
Total PCL	**44**	33	48	**44**	33	64
Expense	**982**	1,001	992	**961**	943	961
Net Income	**324**	**286**	**250**	**340**	**329**	**261**

Adjusted[1] Net Income by Geography – YTD



Adjusted[1] Net Income by U.S. Operating Group – YTD

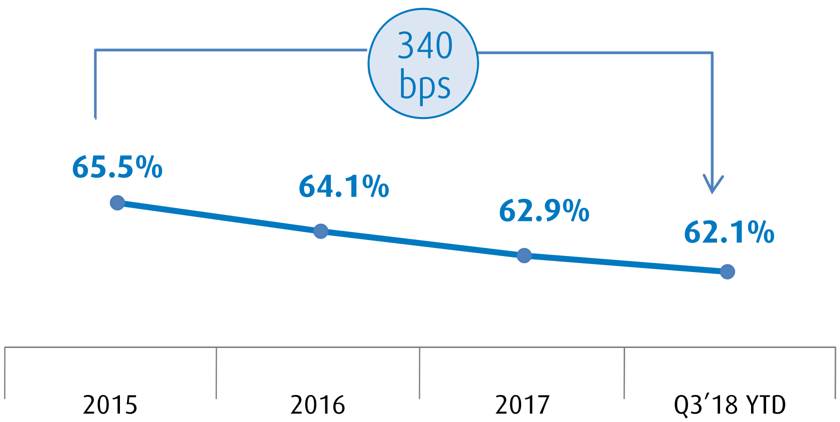


1 See slide 24 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. On a reported basis: U.S. segment represents 19% of the bank's YTD reported earnings; Q3'18 Reported earnings up 29% Y/Y and down 22% YTD; Q3'18 reported PPPT growth 21%; reported operating leverage of 5.9%; YTD Reported net income by geography: Canada 69%, U.S. 19%, Other 12%; by operating group (excludes Corporate Services) U.S. P&C 81%, BMO CM 15%, BMO WM 4%
2 Pre-provision, pre-tax earnings (PPPT) is the difference between revenue and expenses
na – not applicable

Key Strategic Areas of Focus

Focused on efficiency, building on good progress

Adjusted[1] Efficiency Ratio[2] Trend



- Delivered 2% adjusted[1] operating leverage in each of the last 2 years

Accelerating transformation through technology investment and innovation

Leading Digital Engagement

25% Sales through digital channels[3]

53% Active digital users[4]

18% Growth in active mobile users[5]

1 See slide 24 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. On a reported basis: Efficiency ratio: 2015 67.5%, 2016 66.7%, 2017 64.3%, Q3'18 YTD 64.3%
2 Efficiency ratio based on net revenue. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)
3 Digital retail sales penetration as a percentage of total retail sales in Canadian P&C, consisting of personal deposit accounts, credit cards, personal loans and mortgages, where the application is submitted digitally. YTD July 31, 2018
4 Active digital users calculated using 90-day active banking customers in Canadian P&C (online and mobile) as of July 31, 2018
5 Y/Y growth in 90-day active mobile banking customers in Canadian P&C, as of Q3 2018

Financial Results

For the Quarter Ended July 31, 2018

Tom Flynn
Chief Financial Officer

BMO Financial Group

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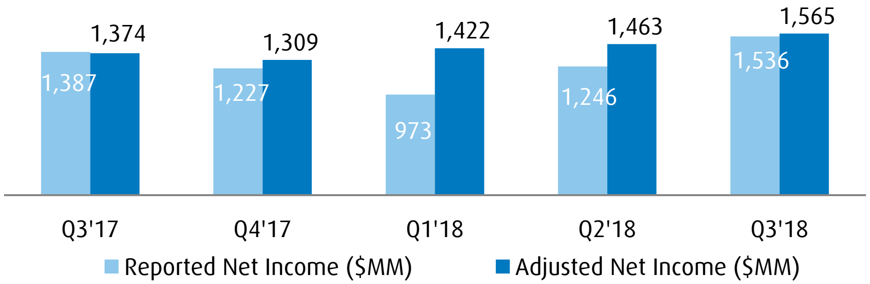
Q3 2018 - Financial Highlights

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

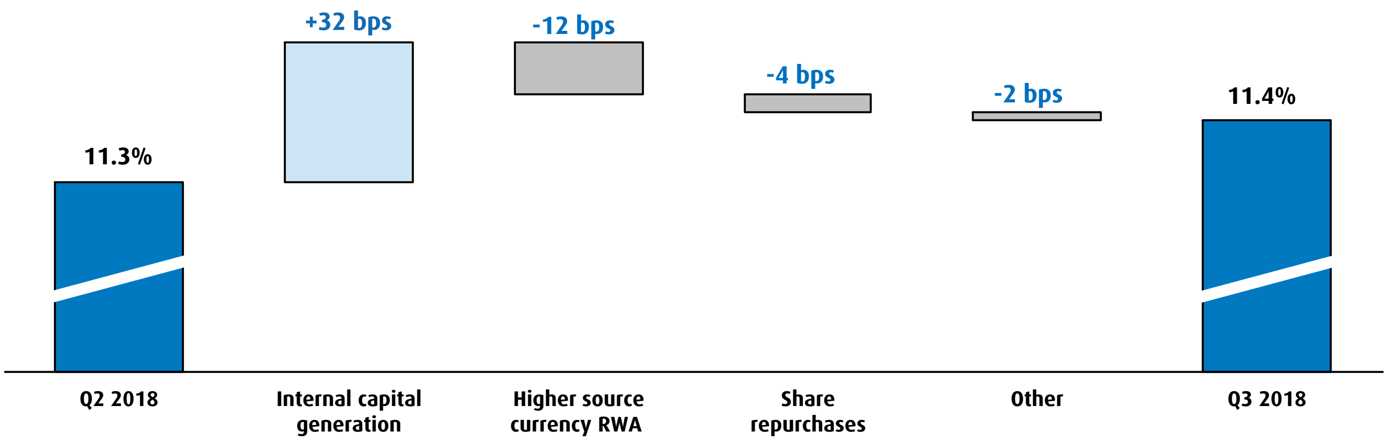


1 See slide 24 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Operating leverage based on net revenue. Reported gross revenue: Q3'18 $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%

Common Equity Tier 1 Ratio



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

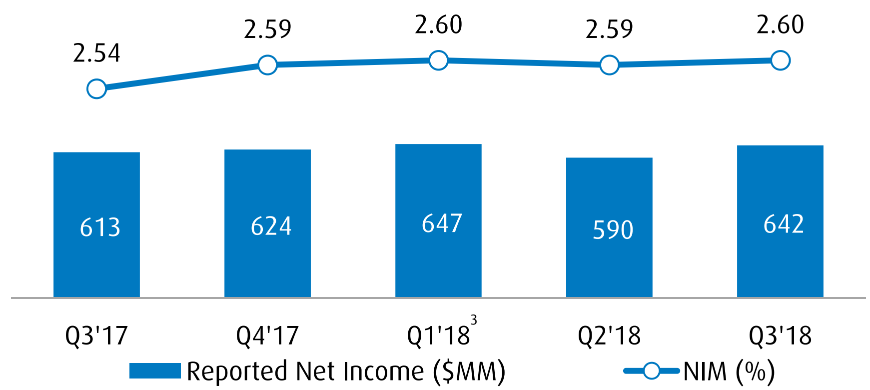
Canadian Personal & Commercial Banking

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 See slide 24 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Personal loan growth excludes retail cards and commercial loan growth excludes corporate and small business cards
3 Q1'18 results include a gain related to the restructuring of Interac Corporation of $39MM pre-tax ($34MM after tax) and a legal reserve expense

U.S. Personal & Commercial Banking

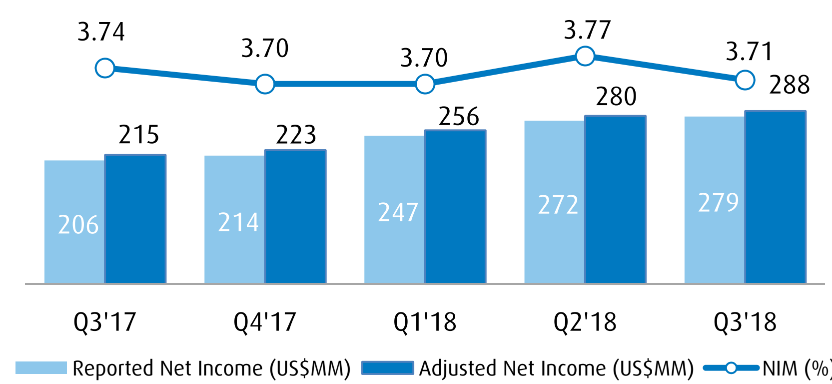
Strong net income with good volume growth

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 See slide 24 for adjustments to reported results. 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

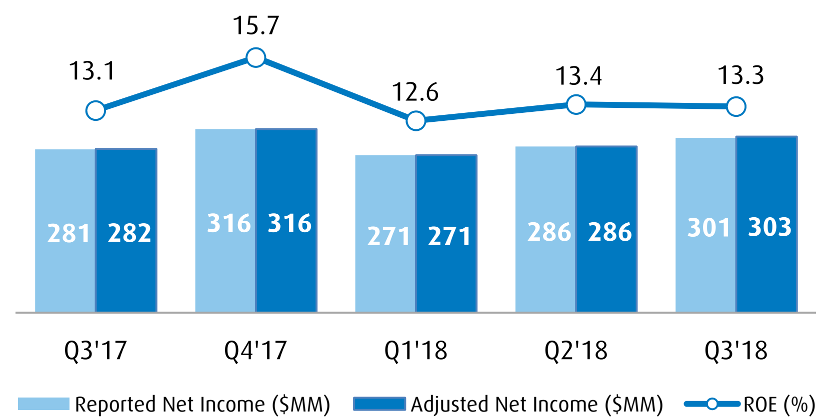
BMO Capital Markets

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 See slide 24 for adjustments to reported results. 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

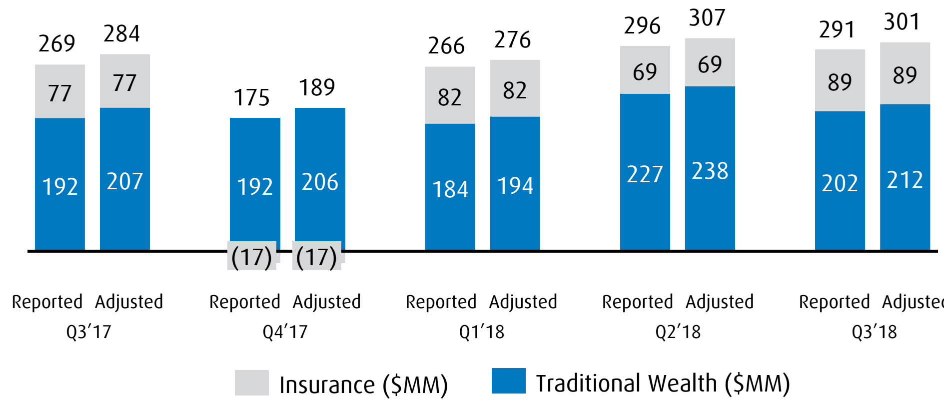
BMO Wealth Management

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 See slide 24 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 For purposes of this slide revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Gross revenue: 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%

Corporate Services

- Adjusted[1] net loss for the quarter was $57MM compared with $85MM in the prior year. Reported net loss $62MM compared to a net loss of $44MM in the prior year. Results benefited from positive items in the quarter, none of which were individually significant
- Q3'17 reported results included a decrease in the collective allowance of $54MM after-tax

($MM)	Reported[2]			Adjusted[1,2]		
	Q3 18	Q2 18	Q3 17	Q3 18	Q2 18	Q3 17
Revenue	**4**	(21)	(8)	**4**	(21)	(8)
Group teb offset[2]	**(62)**	(61)	(62)	**(62)**	(61)	(62)
Total Revenue (teb)[2]	**(58)**	(82)	(70)	**(58)**	(82)	(70)
Total PCL	**(2)**	(9)	(73)	**(2)**	(9)	3
Expenses	**81**	374	101	**75**	110	81
Net Loss	**(62)**	**(274)**	**(44)**	**(57)**	**(80)**	**(85)**

1 See slide 24 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Operating group revenue, income taxes and net interest margin are stated on a taxable equivalent basis (teb). This teb adjustment is offset in Corporate Services, and total BMO revenue, income taxes and net interest margin are stated on a GAAP basis

Risk Review

For the Quarter Ended July 31, 2018

Surjit Rajpal
Chief Risk Officer

BMO Financial Group

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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**

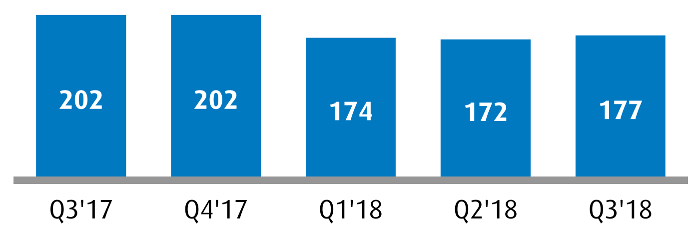
1 2017 periods have been restated for Canadian and U.S. P&C to conform with the current period's presentation

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

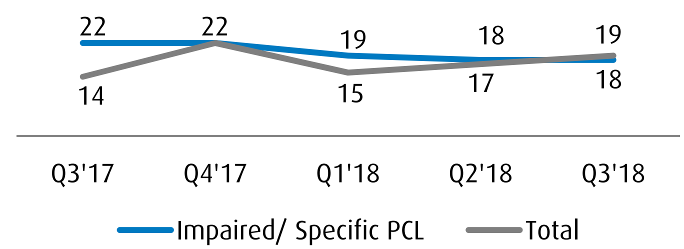
na – not applicable

- 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)



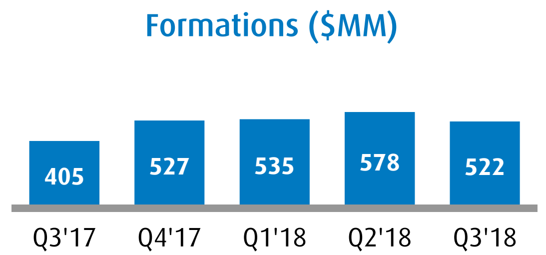
PCL[1,2] in bps

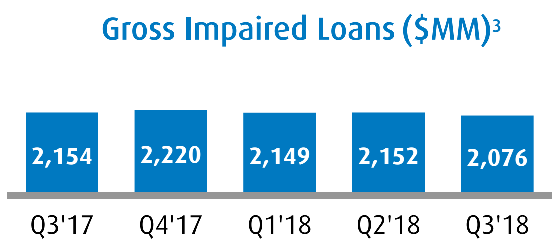


Gross Impaired Loans (GIL) and Formations

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

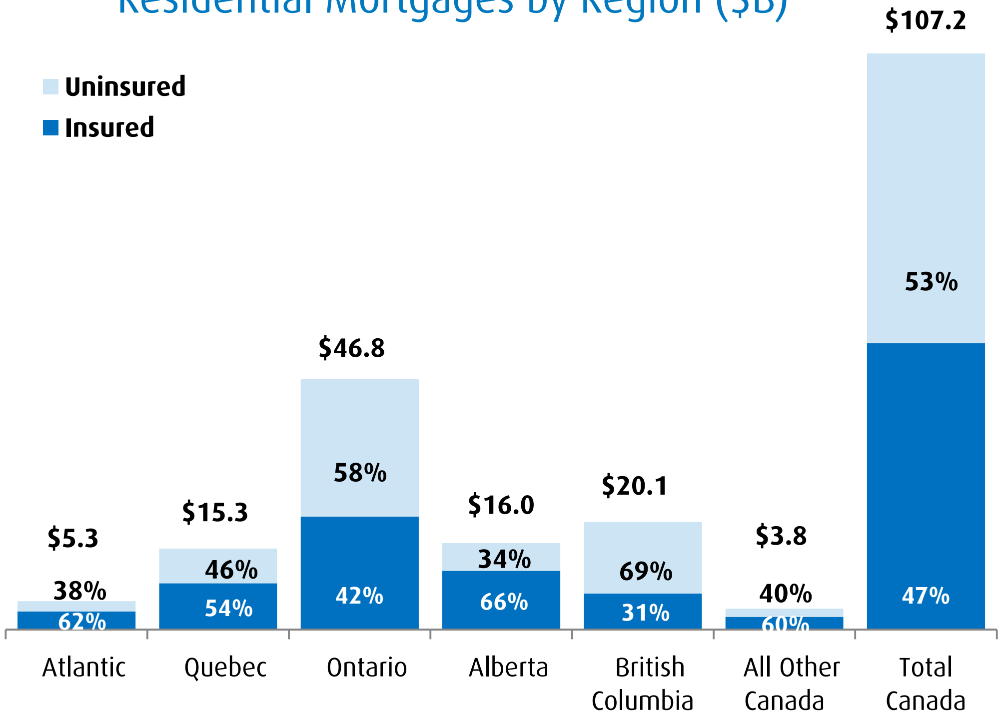




1 Total Business and Government includes ~$43MM GIL from Other Countries
2 Other Business and Government includes industry segments that are each <1% of total GIL
3 GIL prior periods have been restated to conform with the current period's presentation

Canadian Residential Mortgages

Residential Mortgages by Region ($B)



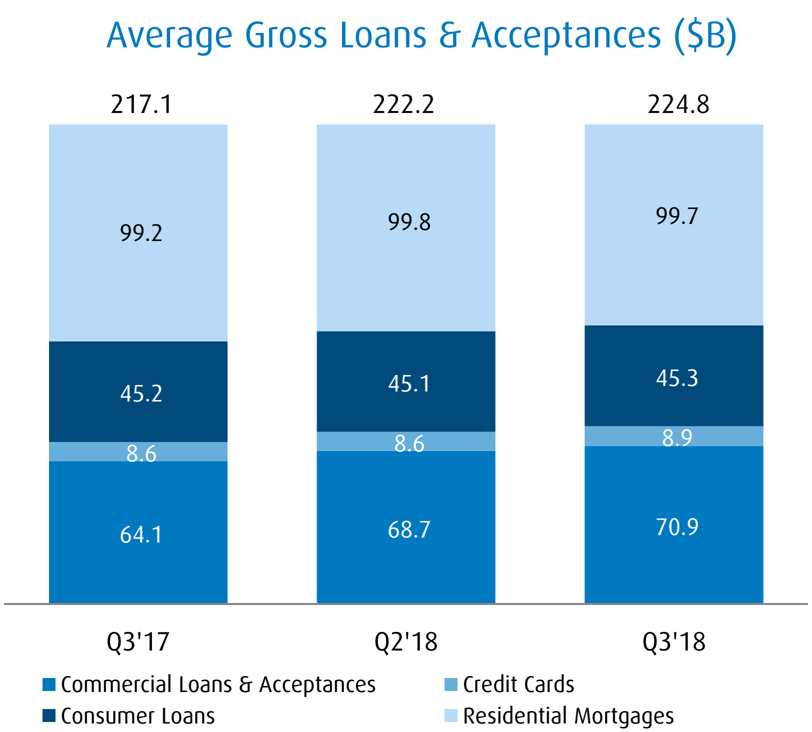
Avg LTV[2] Uninsured	Atlantic	Quebec	Ontario	Alberta	British Columbia	All Other Canada	Total Canada
Portfolio	58%	60%	54%	61%	45%	55%	54%
Origination	73%	72%	67%	72%	63%	72%	67%

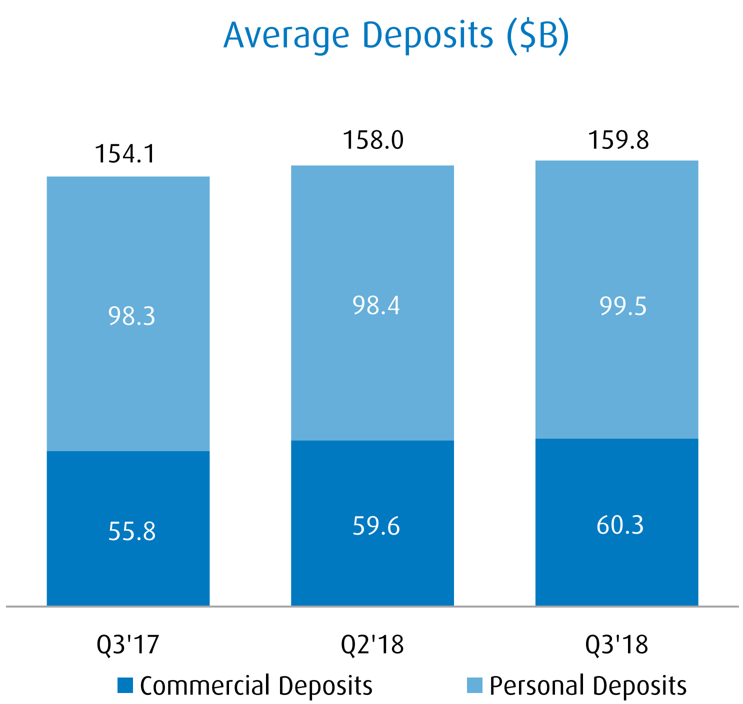
- Total Canadian residential mortgage portfolio at $107.2B, representing 27% of total loans
  - 68% of the portfolio has an effective remaining amortization of 25 years or less
  - Less than 1% of our uninsured mortgage portfolio has a Beacon score of 650 or lower and a LTV > 75%
  - 90 day delinquency rate remains good at 18 bps; loss rates for the trailing 4 quarter period were less than 1 bp
  - HELOC[1] portfolio at $31.4B outstanding; LTV[2] of 45%, similar regional representation as mortgages
  - Condo mortgage portfolio is $15.3B with 41% insured
  - GTA and GVA portfolios demonstrate better LTV, delinquency rates and bureau scores compared to the national average

1 HELOC balances are 46% revolving and 54% amortizing
2 LTV is the ratio of outstanding mortgage balance or HELOC authorization to the original property value indexed using Teranet data. Portfolio LTV is the combination of each individual LTV weighted by the balance or authorization

APPENDIX

Canadian Personal and Commercial Banking - Balances





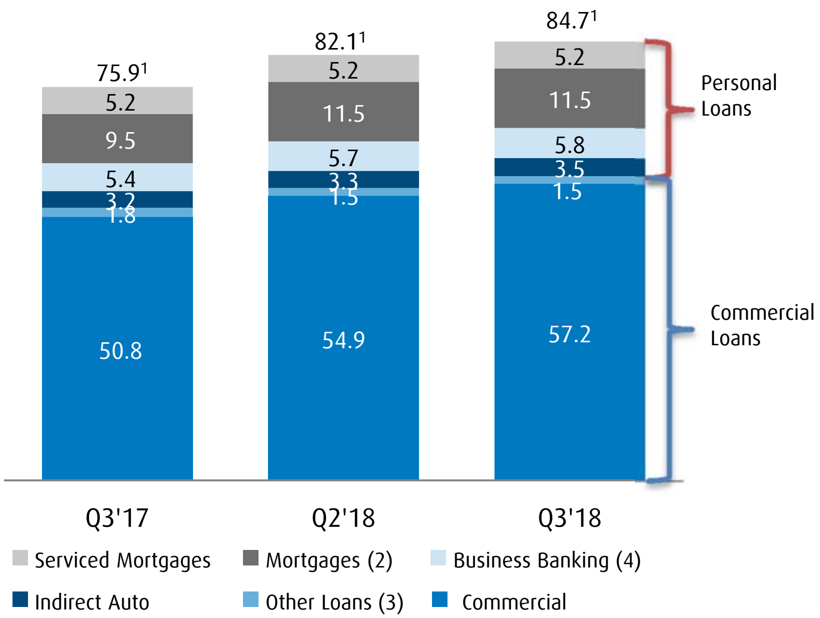
- Loans up 4% Y/Y
  - Total personal lending flat, reflecting reduced participation in non-proprietary mortgage channel, proprietary channel residential mortgages up 3%
  - Commercial loan balances[1] up 11%

- Deposits up 4% Y/Y
  - Personal deposit balances up 1%, including 5% chequing account growth
  - Commercial deposit balances up 8%

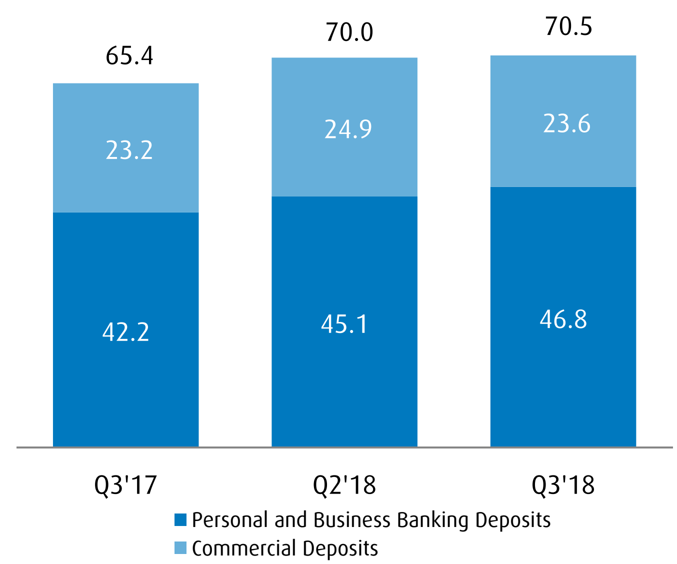
1 Commercial lending excludes commercial and small business cards. Commercial and small business cards balances represented ~13% of total credit card portfolio in Q3'17 and ~14% in Q2'18, and Q3'18

U.S. Personal & Commercial Banking – Balances

Average Gross Loans & Acceptances (US$B)



Average Deposits (US$B)



- Commercial loans up 13% Y/Y
- Personal and Business Banking loans up 9% Y/Y including the benefit of mortgage purchase[5]

- Personal and Business Banking deposits up 11% Y/Y
- Commercial deposits up 2% Y/Y

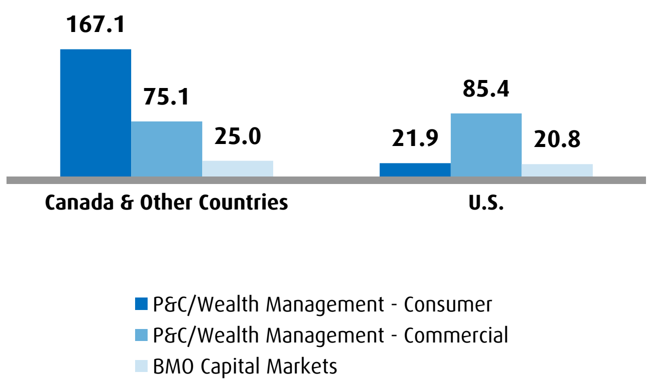
1 Total includes Serviced Mortgages which are off-balance sheet
2 Mortgages include Wealth Management Mortgages (Q3'18 $2.1B, Q2'18 $2.1B, Q3'17 $2.0B) and Home Equity (Q3'18 $2.8B, Q2'18 $2.9B, Q3'17 $3.1B)
3 Other loans include non-strategic portfolios such as wholesale mortgages, purchased home equity, and certain small business CRE, as well as credit card balances, other personal loans and credit mark on certain purchased performing loans
4 Business Banking includes Small Business
5 In Nov'17 we purchased a $2.1B mortgage portfolio (Q3'18 average balance impact of $2.0B)

Loan Portfolio Overview

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 are well diversified by geography and industry

Loans by Geography and Operating Group ($B)



1 Includes ~$9.3B from Other Countries
2 Other Business and Government includes all industry segments that are each <2% of total loans

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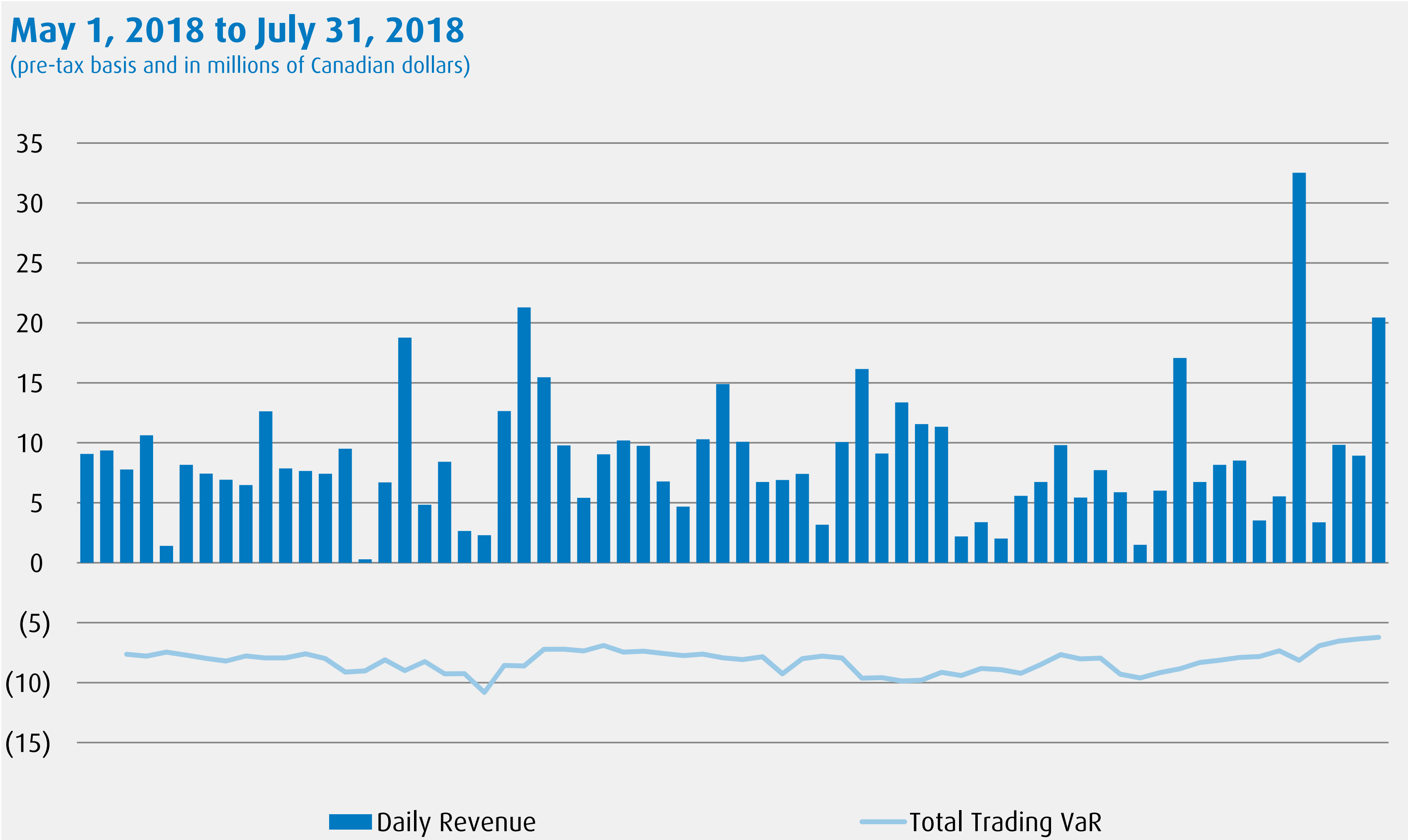
Trading-related Net Revenues and Value at Risk



Adjusting Items

Adjusting items[1] - Pre-tax ($MM)	Q3 18	Q2 18	Q3 17	YTD 18	YTD 17
Amortization of acquisition-related intangible assets[2]	**(28)**	(29)	(35)	(85)	(115)
Acquisition integration costs[3]	**(8)**	(4)	(20)	(16)	(63)
Restructuring costs[4]	**-**	(260)	-	(260)	-
Decrease (Increase) in collective allowance for credit losses[5]	**-**	-	76	-	76
Adjusting items included in reported pre-tax income	**(36)**	**(293)**	**21**	**(361)**	**(102)**

Adjusting items[1] - After-tax ($MM)	Q3 18	Q2 18	Q3 17	YTD 18	YTD 17
Amortization of acquisition-related intangible assets[2]	**(22)**	(23)	(28)	(66)	(90)
Acquisition integration costs[3]	**(7)**	(2)	(13)	(12)	(40)
Restructuring costs[4]	**-**	(192)	-	(192)	-
Decrease (Increase) in collective allowance for credit losses[5]	**-**	-	54	-	54
U.S. net deferred tax asset revaluation[6]	**-**	-	-	(425)	-
Adjusting items included in reported net income after tax	**(29)**	**(217)**	**13**	**(695)**	**(76)**
Impact on EPS ($)	**(0.05)**	(0.34)	0.02	(1.08)	(0.11)

1 Adjusted measures are non-GAAP measures, see slide 2 for more information. Adjusting items are included in Corporate Services, with the exception of the amortization of acquisition-related intangible assets and certain acquisition integration costs, which are charged to the operating groups
2 These expenses were charged to the non-interest expense of the operating groups
3 Acquisition integration costs are recorded in non-interest expense. Acquisition integration costs related to the acquired BMO Transportation Finance business are charged to Corporate Services, since the acquisition impacts both Canadian and U.S. P&C businesses. KGS – Alpha acquisition integration costs are reported in BMO Capital Markets
4 Restructuring costs are recorded in non-interest expense. In Q2'18, we recorded a restructuring charge, primarily related to severance, as a result of an ongoing bank-wide initiative to simplify how we work, drive increased efficiency, and invest in technology to move our business forward
5 In Q3'17, the adjustment to the collective allowance for credit losses was excluded from Corporate Services adjusted provision for (recovery of) credit losses
6 Charge due to the revaluation of our U.S. net deferred tax asset as a result of the enactment of the U.S. *Tax Cuts and Jobs Act*

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