BMO Financial Group Investor Presentation

For the Quarter Ended April 30, 2019

May 29, 2019

Q2|19

BMO

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 in this document may include, but are not limited to, statements with respect to our objectives and priorities for fiscal 2019 and beyond, our strategies or future actions, our targets, expectations for our financial condition or share price, the regulatory environment in which we operate and the results of or outlook for our operations or for the Canadian, U.S. and international economies, and include statements of our management. Forward-looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "project", "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; the Canadian housing market; 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; failure of third parties to comply with their obligations to us; 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, including with respect to reliance on third parties; 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, and the sections related to credit and counterparty, market, insurance, liquidity and funding, operational, model, legal and regulatory, business, strategic, environmental and social, and reputation risk, in the Enterprise-Wide Risk Management section which begin on page 78 of BMO's 2018 Annual Report, and the Risk Management section in BMO's Second Quarter 2019 Report to Shareholders, all of which outline certain key factors and risks that may affect our 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. We do 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 2018 Annual Report under the heading "Economic Developments and Outlook", as updated by the Economic Review and Outlook section set forth in BMO's Second Quarter 2019 Report to Shareholders. 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 BMO's Second Quarter 2019 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 4 of BMO's Second Quarter 2019 Report to Shareholders and on page 27 of BMO's 2018 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, revaluation of U.S. net deferred tax asset as a result of U.S. tax reform and the remeasurement of an employee benefit liability as a result of an amendment to the plan.

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

Darryl White

Chief Executive Officer

YTD Q2 2019 – Financial Highlights

	Adjusted[1]	Reported	
Net Income	**$3,060MM**	**$3,007MM**	• Adjusted[1] net income up 6% Y/Y with good growth in our P&C businesses
EPS	**$4.62**	**$4.54**	• Adjusted[1] EPS up 7% Y/Y
Operating Leverage[2]	**(0.5)%**	**3.5%**	• Severance expense in BMO Capital Markets impacted operating leverage by (1.8)%
PCL – Impaired – Total	**$277MM/13bps $313MM/15bps**		• Strong, consistent credit performance
Capital	**CET1 11.3%**		• Strong capital position with good organic business growth • Quarterly dividend up 7% from last year

1 See slide 24 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. Reported net income up 35% Y/Y and reported EPS up 38% Y/Y
2 Operating leverage based on net revenue. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)

U.S. Operations

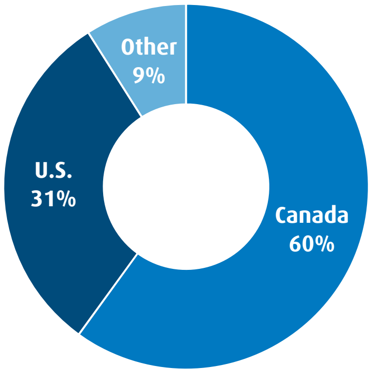
U.S. segment continuing to deliver strong results

Figures that follow are on a U.S. dollar basis

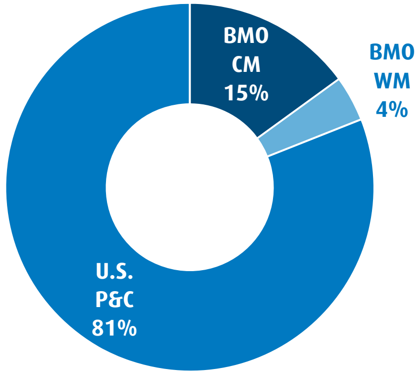
- U.S. segment adjusted[1] year-to-date earnings up 29% Y/Y
  - Year-to-date adjusted[1] PPPT[3] growth of 20%
  - Positive operating leverage of 3.9%
- Strong performance in U.S. P&C and U.S. Capital Markets

U.S. Segment	Reported			Adjusted[1]		
(US$MM)	Q2 19	Q1 19	Q2 18	Q2 19	Q1 19	Q2 18
Revenue	**1,526**	1,542	1,375	**1,526**	1,542	1,375
Total PCL	**29**	12	33	**29**	12	33
Expense	**1,048**	1,028	992	**1,030**	1,008	934
Net Income	**357**	**409**	**286**	**370**	**424**	**329**

Adjusted[1] Net Income by Geography – LTM[2]

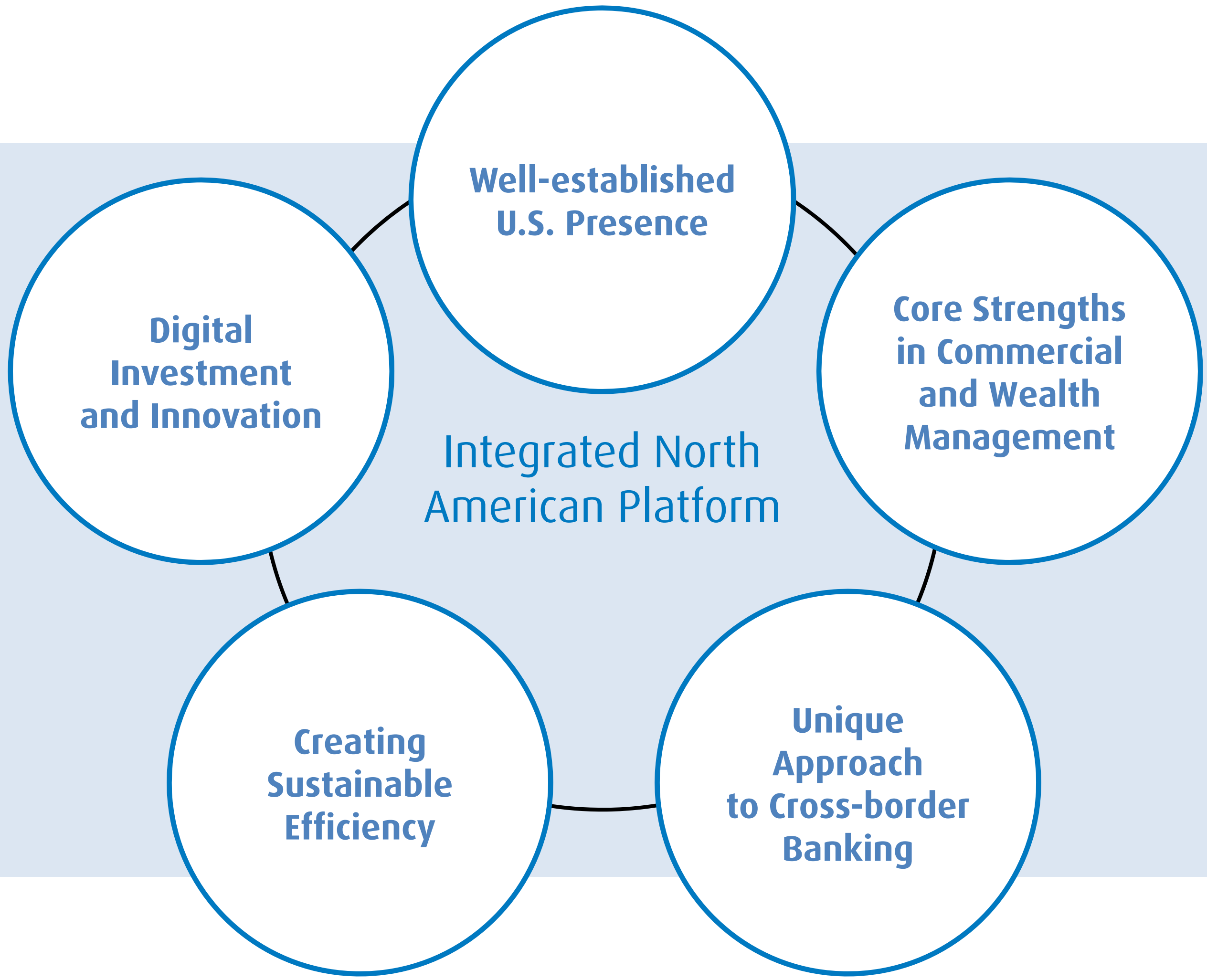


U.S. Segment Adjusted[1] Net Income by Operating Group – LTM[2]



1 See slide 24 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. U.S. segment YTD Q2'19 reported earnings up 245% Y/Y; reported PPPT growth 27%; reported operating leverage 6.2%
2 Last twelve months (LTM) reported net income by geography: Canada 62%, U.S. 29%, Other 9%; by operating group (excludes Corporate Services) U.S. P&C 82%, BMO CM 15%, BMO WM 3%
3 Pre-Provision Pre-Tax earnings (PPPT) is the difference between revenue and expenses

Differentiating strengths driving competitive advantage



Financial Results

For the Quarter Ended April 30, 2019

Tom Flynn
Chief Financial Officer

Q2|19

BMO

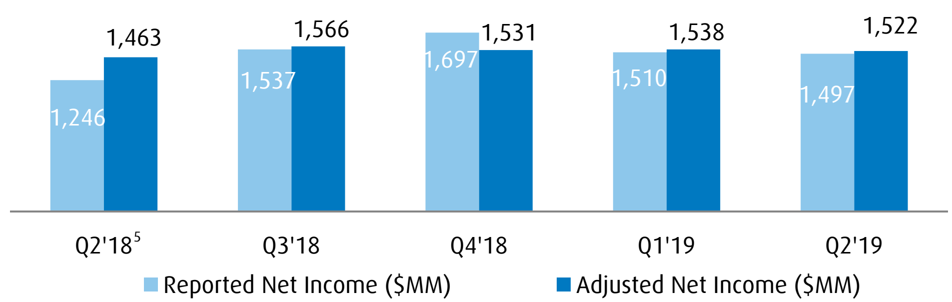
Q2 2019 – Financial Highlights

Adjusted[1] net income up Y/Y driven by good growth in P&C businesses

- Adjusted[1] EPS $2.30, up 5% Y/Y (reported up 22%)
- Adjusted[1] net income up 4% Y/Y
  - U.S. Segment adjusted[1] net income up 13% Y/Y (reported up 25%); 35% of bank income YTD
  - Reported net income[4] up 20% in part reflecting prior year restructuring charge
- Net revenue[2] up 8% Y/Y, 6% excluding impact of stronger U.S. dollar
- Adjusted[1] expenses up 10% Y/Y, 9% excluding impact of stronger U.S. dollar (reported up 2%)
  - BMO Capital Markets severance expense and acquisition accounted for approximately half the Y/Y increase
- Total PCL of $176MM, up $16MM Y/Y
  - PCL on impaired loans $150MM
  - PCL on performing loans $26MM
- Adjusted[1] ROE 13.9% (reported 13.6%)

($MM)	Reported			Adjusted[1]		
	Q2 19	Q1 19	Q2 18[4]	Q2 19	Q1 19	Q2 18
Net Revenue[2]	**5,652**	5,591	5,248	**5,652**	5,591	5,248
Total PCL	**176**	137	160	**176**	137	160
Expenses	**3,595**	3,557	3,525	**3,563**	3,520	3,232
Net Income	**1,497**	**1,510**	**1,246**	**1,522**	**1,538**	**1,463**
Diluted EPS ($)	**2.26**	2.28	1.86	**2.30**	2.32	2.20
ROE (%)	**13.6**	13.6	12.6	**13.9**	13.9	14.9
ROTCE[3] (%)	**16.4**	16.5	15.6	**16.4**	16.6	18.0
CET1 Ratio (%)	**11.3**	11.4	11.3			

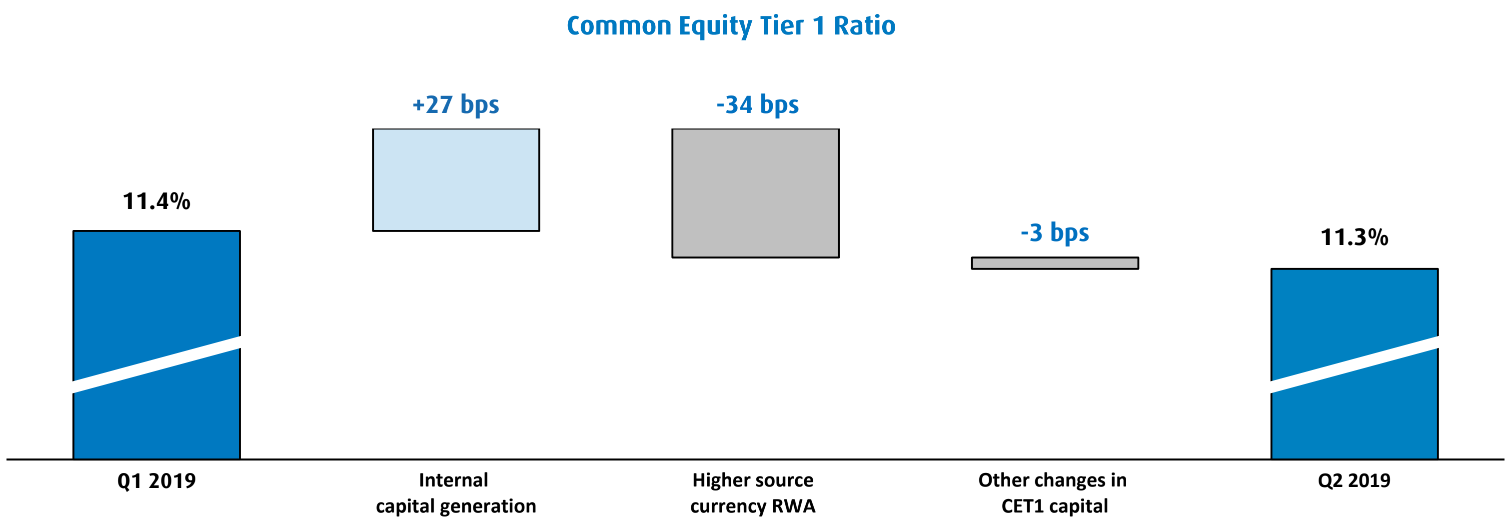
Net Income[1] Trends



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: Q2'19 $6,213MM; Q1'19 $6,517MM; Q2'18 $5,580MM
3 Adjusted Return on Tangible Common Equity (ROTCE) = (Annualized Adjusted Net Income available 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 available to Common Shareholders less after-tax amortization of acquisition-related intangibles
4 Q2'18 reported net income includes a restructuring charge of $192 million after-tax ($260 million pre-tax)

Strong Capital Position

Capital position strong with CET1 Ratio at 11.3%



Basis points may not add due to rounding

- CET1 Ratio of 11.3% at Q2 2019, down from 11.4% at Q1 2019
  - Internal capital generation from retained earnings growth, more than offset by higher source currency RWA from strong business growth and other changes in CET1 capital
- The impact of FX movements on the CET1 ratio largely offset
- Common share dividend increased by 3 cents
  - Attractive dividend yield of ~4%[1]; dividend increased ~7% from a year ago

1 Dividend yield based on closing share price as of April 30, 2019

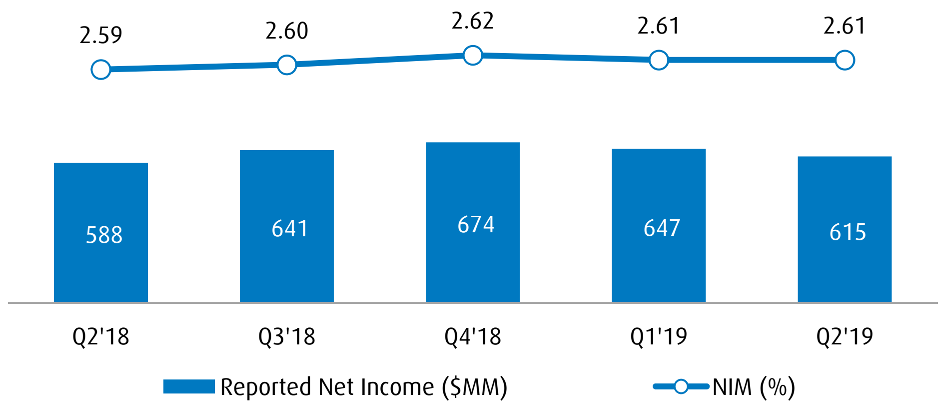
Canadian Personal & Commercial Banking

Results reflect continued good balance momentum

- Adjusted[1] and reported net income up 5% Y/Y
- Revenue up 5% Y/Y
  - Average loans up 6% Y/Y. Commercial[2] up 15%; proprietary mortgages (including amortizing HELOC loans) up 4%
  - Average deposits up 8% Y/Y. Personal up 9%; Commercial up 7%
  - NIM up 2 bps Y/Y, flat Q/Q
- Adjusted[1] and reported expenses up 5% Y/Y
- PPPT[3] up 5% Y/Y
- Adjusted[1] and reported efficiency ratio 49.6%
- Adjusted[1] and reported operating leverage 0.2%
- PCL up $10MM Y/Y; up $18MM Q/Q
  - PCL includes $16MM provision on performing loans

	Reported			Adjusted[1]		
($MM)	Q2 19	Q1 19	Q2 18	Q2 19	Q1 19	Q2 18
Revenue	**1,921**	1,954	1,830	**1,921**	1,954	1,830
Total PCL	**138**	120	128	**138**	120	128
Expenses	**952**	961	909	**952**	960	908
Net Income	**615**	**647**	**588**	**615**	**648**	**589**

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 Commercial loan growth excludes corporate and small business cards
3 Pre-Provision Pre-Tax profit contribution; PPPT is the difference between adjusted revenue and adjusted expenses

U.S. Personal & Commercial Banking

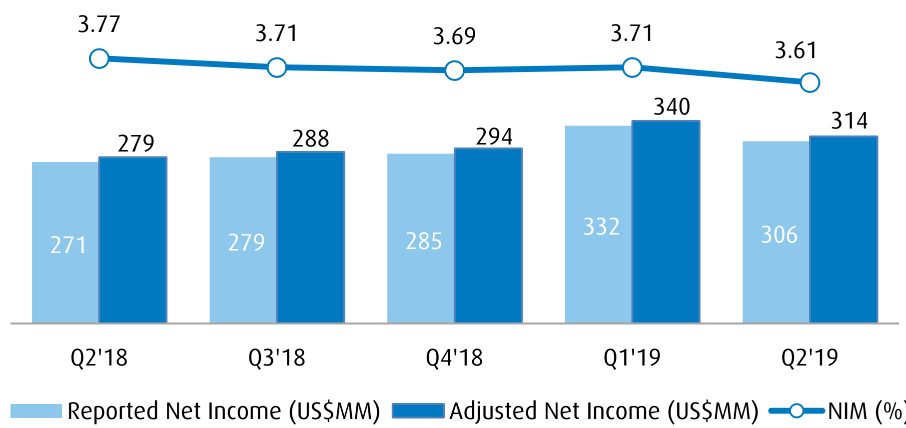
Strong loan and deposit volume growth

Figures that follow are in U.S. dollars

- Adjusted[1] net income up 12% Y/Y (reported 13%)
- Revenue up 5% Y/Y
  - Average loans[2] up 12% Y/Y. Commercial up 15% and Personal up 2%
  - Average deposits up 13% Y/Y. Personal up 14% and Commercial up 12%
  - NIM down 16 bps Y/Y and 10 bps Q/Q
- Adjusted[1] expenses up 6% Y/Y (reported 5%)
- Adjusted[1] efficiency ratio 57.8% (reported 58.9%)
- Adjusted[1] PPPT[3] up 5% (reported 6%)
- PCL down $25MM Y/Y and up $12MM Q/Q
  - PCL includes a large Commercial recovery

	Reported			Adjusted[1]		
(US$MM)	Q2 19	Q1 19	Q2 18	Q2 19	Q1 19	Q2 18
Revenue (teb)	990	1,002	939	990	1,002	939
Total PCL	17	5	42	17	5	42
Expenses	583	575	552	572	565	541
Net Income	**306**	**332**	**271**	**314**	**340**	**279**
Net Income (CDE$)	**406**	**444**	**348**	**417**	**454**	**359**

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 mortgages; average loans up 12% including these balances
3 Pre-Provision Pre-Tax profit contribution; PPPT is the difference between adjusted revenue and adjusted expenses

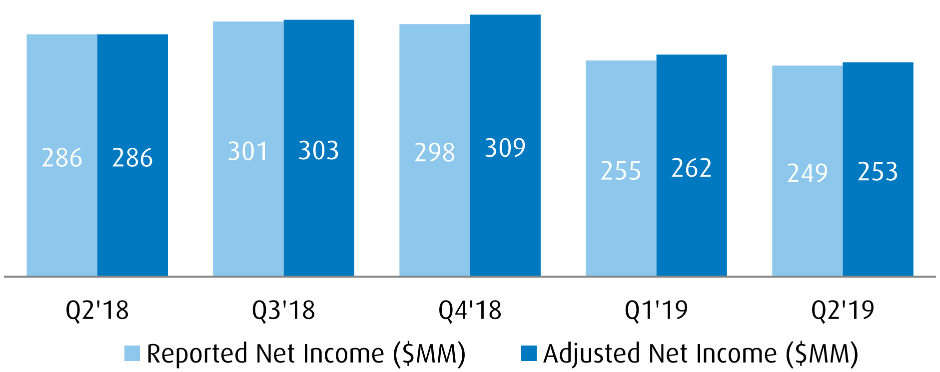
BMO Capital Markets

Continued strong I&CB and U.S. performance driving underlying business growth

- Adjusted[1] net income of $253MM; reported $249MM
  - Continued strong performance in I&CB
  - Results absorbed severance expense[2]
- Revenue up 18% Y/Y, 17% excluding impact of stronger U.S. dollar
  - Investment and Corporate Banking up 21% Y/Y
  - Trading Products up 16% Y/Y with fair value adjustments contributing to the above-trend interest rate trading and lower equities trading
- Adjusted[1] expenses up 31% Y/Y (reported 32%), 29% excluding impact of stronger U.S. dollar
  - Severance expense[2] and KGS acquisition accounted for over three-quarters of the increase
- PCL up $28MM Y/Y and flat Q/Q
- U.S. business adjusted[1] net income up 24%[3] Y/Y (reported 18%)

	Reported			Adjusted[1]		
($MM)	Q2 19	Q1 19	Q2 18	Q2 19	Q1 19	Q2 18
Trading Products	**719**	632	621	**719**	632	621
I&CB	**510**	500	421	**510**	500	421
Revenue (teb)	**1,229**	1,132	1,042	**1,229**	1,132	1,042
Total PCL (recovery)	**15**	15	(13)	**15**	15	(13)
Expenses	**887**	792	671	**881**	783	670
Net Income	**249**	**255**	**286**	**253**	**262**	**286**

Net Income[1]



1 See slide 24 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Severance expense $120MM pre-tax, $90MM after-tax
3 Growth rate based on U.S. dollars

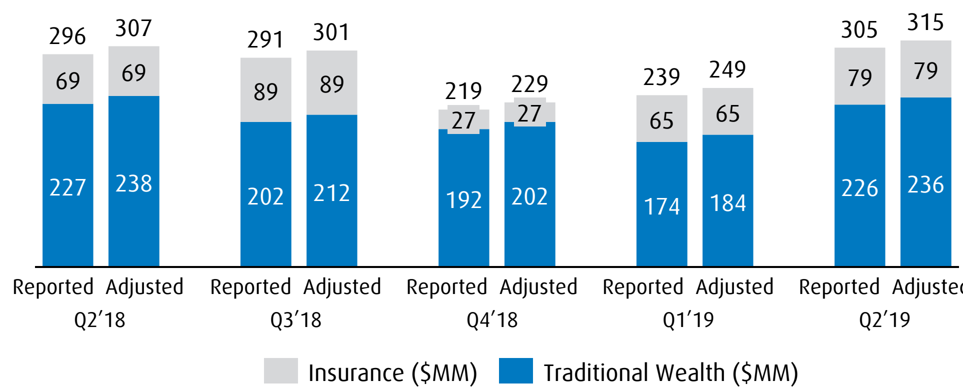
BMO Wealth Management

Well positioned with diversified business

- Adjusted[1] and reported net income up 3% Y/Y
  - Traditional Wealth relatively unchanged Y/Y
  - Strong net interest income growth and improved equity markets offset by targeted growth investments and lower performance fees
  - Insurance results up 14% Y/Y
- Net revenue[2] up 2% Y/Y
  - Strong loan growth of 16% and deposit growth of 4% Y/Y driven by deeper client relationships
- Adjusted[1] and reported expenses up 2% Y/Y
- AUM up 6%; AUA up 3%

($MM)	Reported			Adjusted[1]		
	Q2 19	Q1 19	Q2 18	Q2 19	Q1 19	Q2 18
Net Revenue[2]	**1,281**	1,214	1,252	**1,281**	1,214	1,252
Total PCL	**(0)**	2	(0)	**(0)**	2	(0)
Expenses	**882**	895	862	**870**	882	849
Net Income	**305**	**239**	**296**	**315**	**249**	**307**
Traditional Wealth NI	**226**	174	227	**236**	184	238
Insurance NI	**79**	65	69	**79**	65	69
AUM/AUA ($B)	**862**	816	826	**862**	816	826

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). Gross revenue: Q2'19 $1,842MM, Q1'19 $2,140MM, Q2'18 $1,584MM

Corporate Services

- Reported and adjusted[1] net loss of $78MM for the quarter compared with a reported net loss of $272MM and an adjusted[1] net loss of $78MM in the prior year
- Reported results in the prior year include a $192 million after-tax restructuring charge

	Reported[2]			Adjusted[1,2]		
($MM)	Q2 19	Q1 19	Q2 18	Q2 19	Q1 19	Q2 18
Revenue	**(17)**	20	(20)	**(17)**	20	(20)
Group teb offset[2]	**(78)**	(67)	(61)	**(78)**	(67)	(61)
Total Revenue (teb)[2]	**(95)**	(47)	(81)	**(95)**	(47)	(81)
Total PCL	**(0)**	(6)	(9)	**(0)**	(6)	(9)
Expenses	**99**	141	372	**99**	141	108
Net Loss	**(78)**	**(75)**	**(272)**	**(78)**	**(75)**	**(78)**

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 April 30, 2019

Patrick Cronin
Chief Risk Officer

Q2|19

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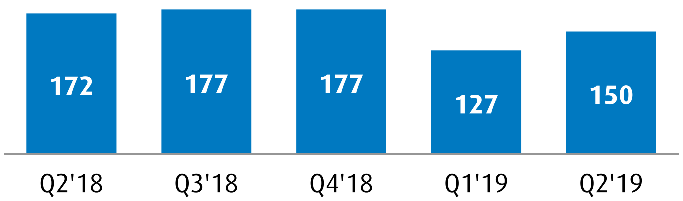
Provision for Credit Losses (PCL)

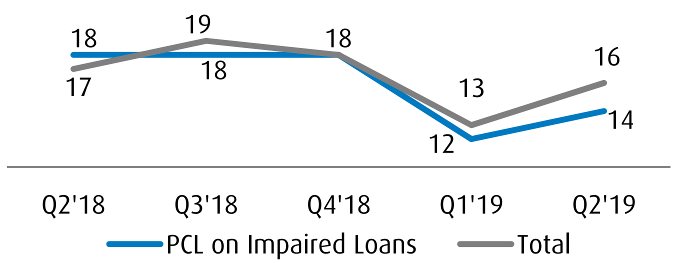
PCL By Operating Group ($MM)	Q2 19	Q1 19	Q2 18
Consumer – Canadian P&C	107	104	118
Commercial – Canadian P&C	15	10	13
Total Canadian P&C	**122**	**114**	**131**
Consumer – U.S. P&C	2	(20)	15
Commercial – U.S. P&C	16	35	51
Total U.S. P&C	**18**	**15**	**66**
Wealth Management	**(1)**	**2**	**1**
Capital Markets	**12**	**1**	**(16)**
Corporate Services	**(1)**	**(5)**	**(10)**
PCL on Impaired Loans	**150**	**127**	**172**
PCL on Performing Loans	**26**	**10**	**(12)**
Total PCL	**176**	**137**	**160**

- Q2'19 PCL ratio on Impaired Loans at 14 bps, up 2 bps Q/Q
- Allowance for Credit Losses on Performing Loans increased PCL by $26 million

PCL on Impaired Loans ($MM)



PCL in bps

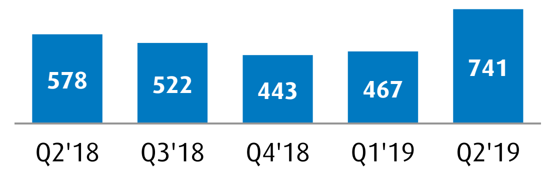


Gross Impaired Loans (GIL) and Formations

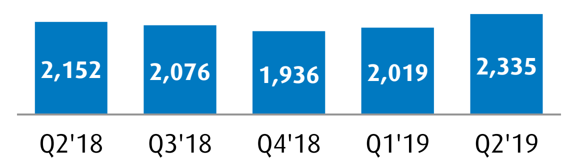
By Industry ($MM, as at Q2 19)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other[1]	U.S.	Total
Consumer	**262**	**51**	**313**	**496**	**439**	**935**
Agriculture	7	37	44	58	229	287
Service Industries	1	40	41	62	183	245
Oil & Gas	0	126	126	13	221	234
Transportation	1	35	36	6	141	147
Wholesale Trade	2	76	78	13	110	123
Manufacturing	9	40	49	30	78	108
Retail Trade	6	1	7	28	47	75
Commercial Real Estate	12	20	32	33	33	66
Financial	0	0	0	19	28	47
Construction (non-real estate)	2	0	2	18	17	35
Other Business and Government[2]	12	1	13	19	14	33
Total Business and Government	**52**	**376**	**428**	**299**	**1,101**	**1,400**
Total Bank	**314**	**427**	**741**	**795**	**1,540**	**2,335**

- GIL ratio 53 bps, up 5 bps Q/Q but down 3 bps Y/Y

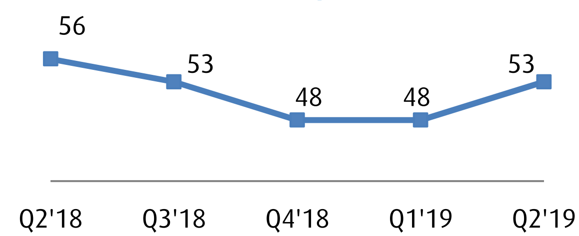
Formations ($MM)



Gross Impaired Loans ($MM)



GIL bps



1 Total Business and Government includes nil GIL from Other Countries
2 Other Business and Government includes industry segments that are each <1% of total GIL

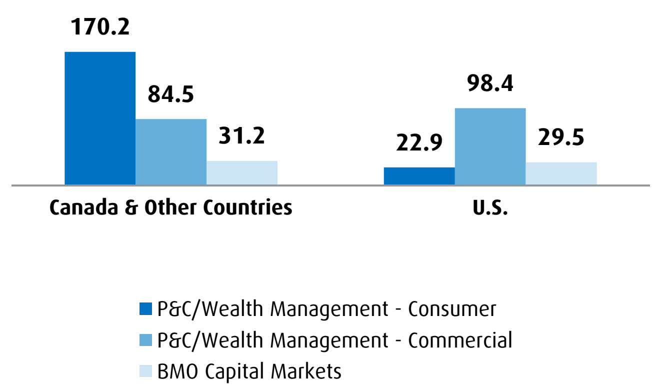
BMO Financial Group
We're here to help.

Loan Portfolio Overview

Gross Loans & Acceptances By Industry ($B, as at Q2 19)	Canada & Other[1]	U.S.	Total	% of Total
Residential Mortgages	108.9	11.9	120.8	28%
Consumer Instalment and Other Personal	54.0	10.4	64.4	15%
Cards	7.9	0.6	8.5	1%
Total Consumer	**170.8**	**22.9**	**193.7**	**44%**
Service Industries	19.8	23.5	43.3	10%
Financial	15.2	22.8	38.0	9%
Commercial Real Estate	20.9	14.5	35.4	8%
Manufacturing	7.8	19.6	27.4	6%
Retail Trade	13.7	9.4	23.1	5%
Wholesale Trade	5.2	11.3	16.5	4%
Agriculture	10.8	2.2	13.0	3%
Transportation	2.6	9.3	11.9	3%
Oil & Gas	5.5	5.8	11.3	3%
Other Business and Government[2]	13.6	9.5	23.1	5%
Total Business and Government	**115.1**	**127.9**	**243.0**	**56%**
Total Gross Loans & Acceptances[3]	**285.9**	**150.7**	**436.7**	**100%**

- Loans are well diversified by geography and industry

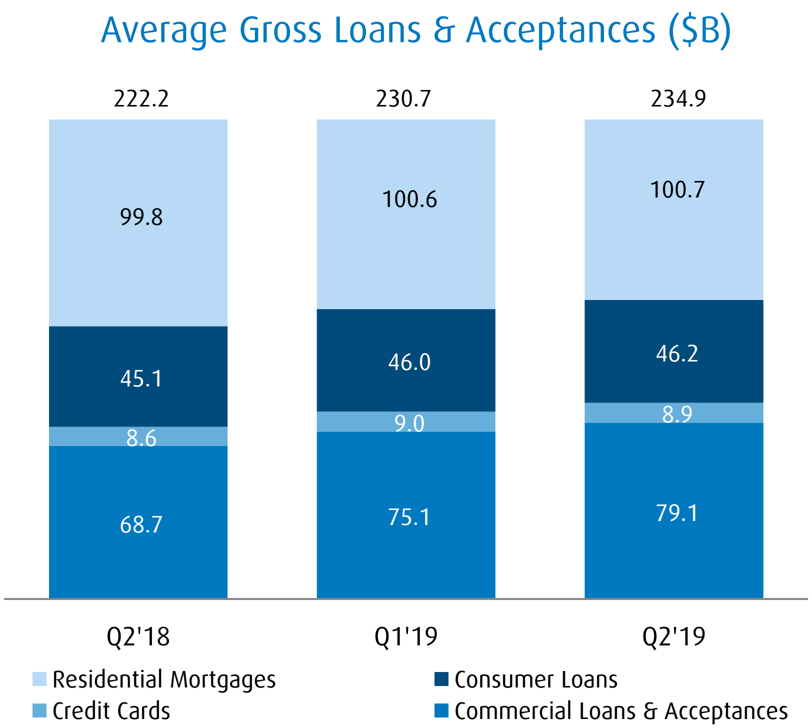
Loans by Geography and Operating Group ($B)

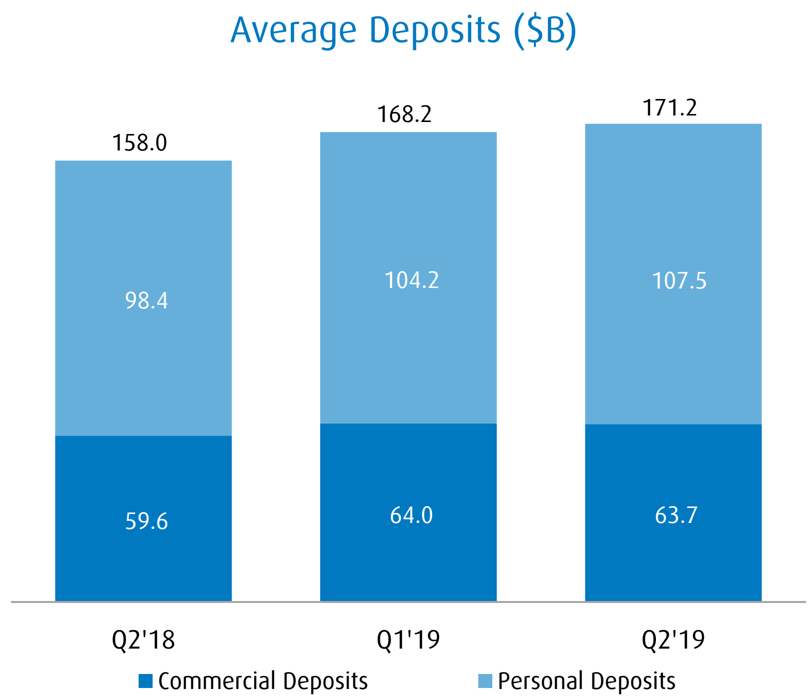


1 Includes ~$10.6B from Other Countries
2 Other Business and Government includes all industry segments that are each <2% of total loans
3 Totals may not add due to rounding

APPENDIX

Canadian Personal and Commercial Banking – Balances



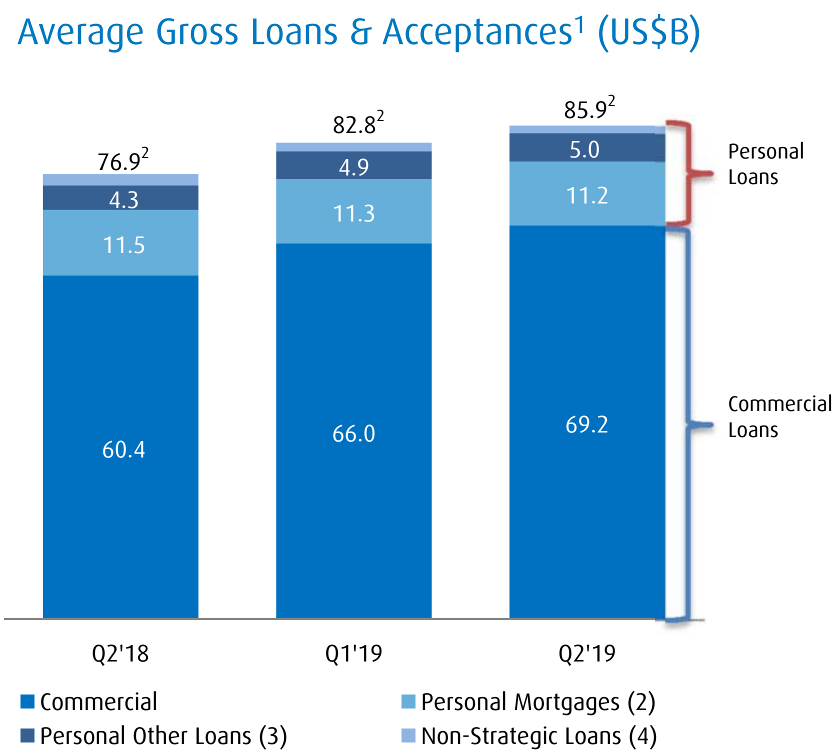


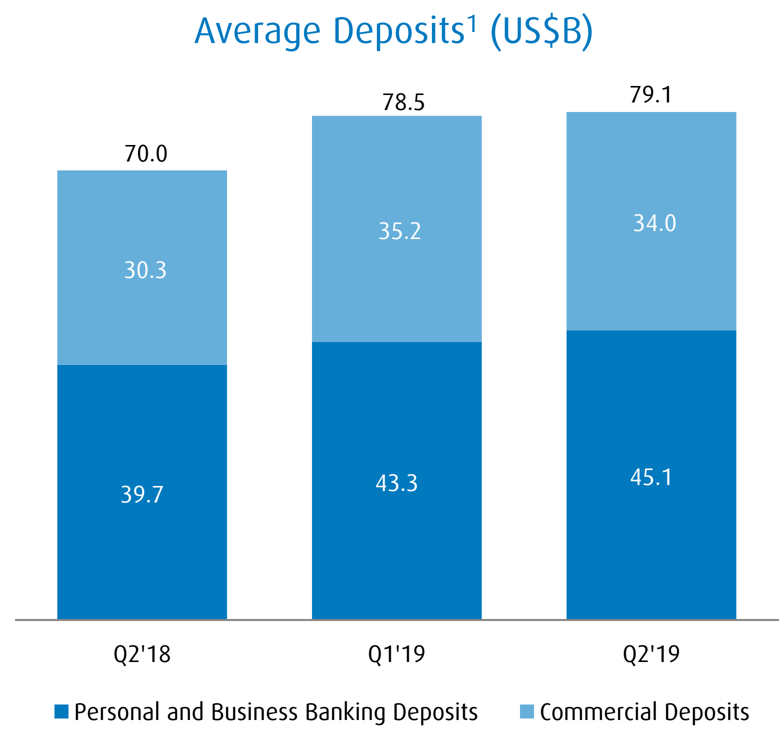
- Loans up 6% Y/Y
  - Proprietary channel residential mortgages and amortizing HELOC loans up 4%
  - Commercial loan balances[1] up 15%

- Deposits up 8% Y/Y
  - Personal deposit balances up 9%
  - Commercial deposit balances up 7%

1 Commercial lending excludes commercial and small business cards. Commercial and small business cards balances represented ~14% of total credit card portfolio in Q2'18 and ~13% in Q1'19, and ~14% in Q2'19

U.S. Personal & Commercial Banking – Balances





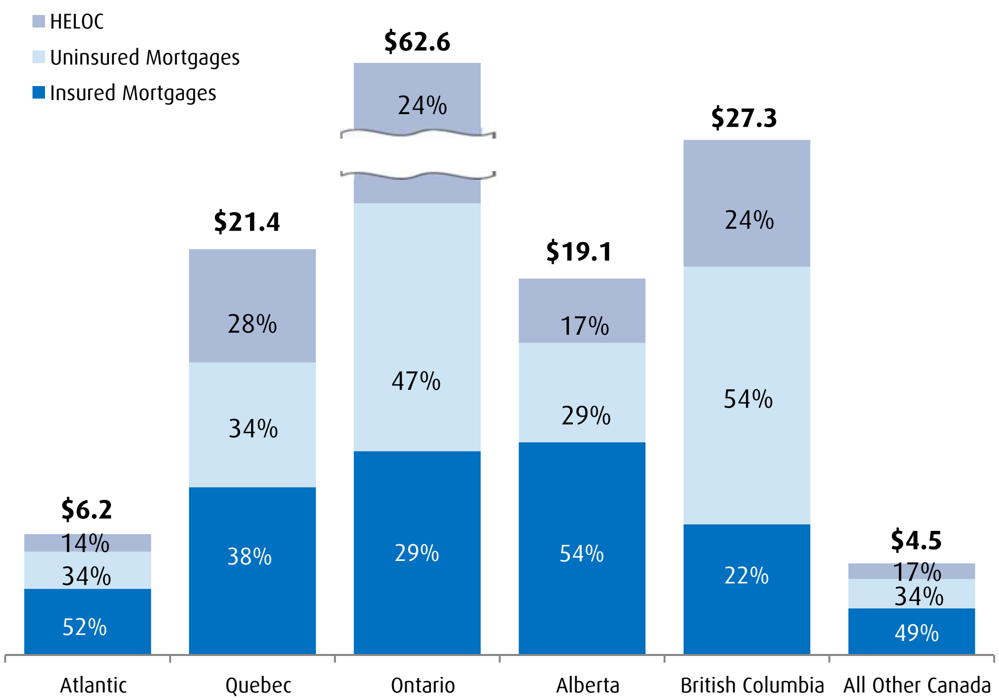
- Commercial loans up 15% Y/Y
- Personal and Business Banking loans[2,3,4] up 2% Y/Y

- Commercial deposits up 12% Y/Y
- Personal and Business Banking deposits up 14% Y/Y

1 Certain loan and deposit balances have been re-classified from Personal to Commercial within U.S. P&C reflecting a re-alignment of our Business Banking segment
2 Includes Wealth Management Mortgages (Q2'19 $2.1B, Q1'19 $2.1B, Q2'18 $2.1B) and Home Equity (Q2'19 $2.6B, Q1'19 $2.7B, Q2'18 $2.9B)
3 Personal Other Loans includes Business Banking, Indirect Auto, Credit Cards and other personal loans
4 Non-Strategic Loans include portfolios such as wholesale mortgages, purchased home equity, CRE, and credit mark on certain purchased performing loans (Q2'19 $0.5B, Q1'19 $0.6B, Q2'18 $0.7B)

Canadian Residential-Secured Lending

Residential-Secured Lending by Region ($141.2B)

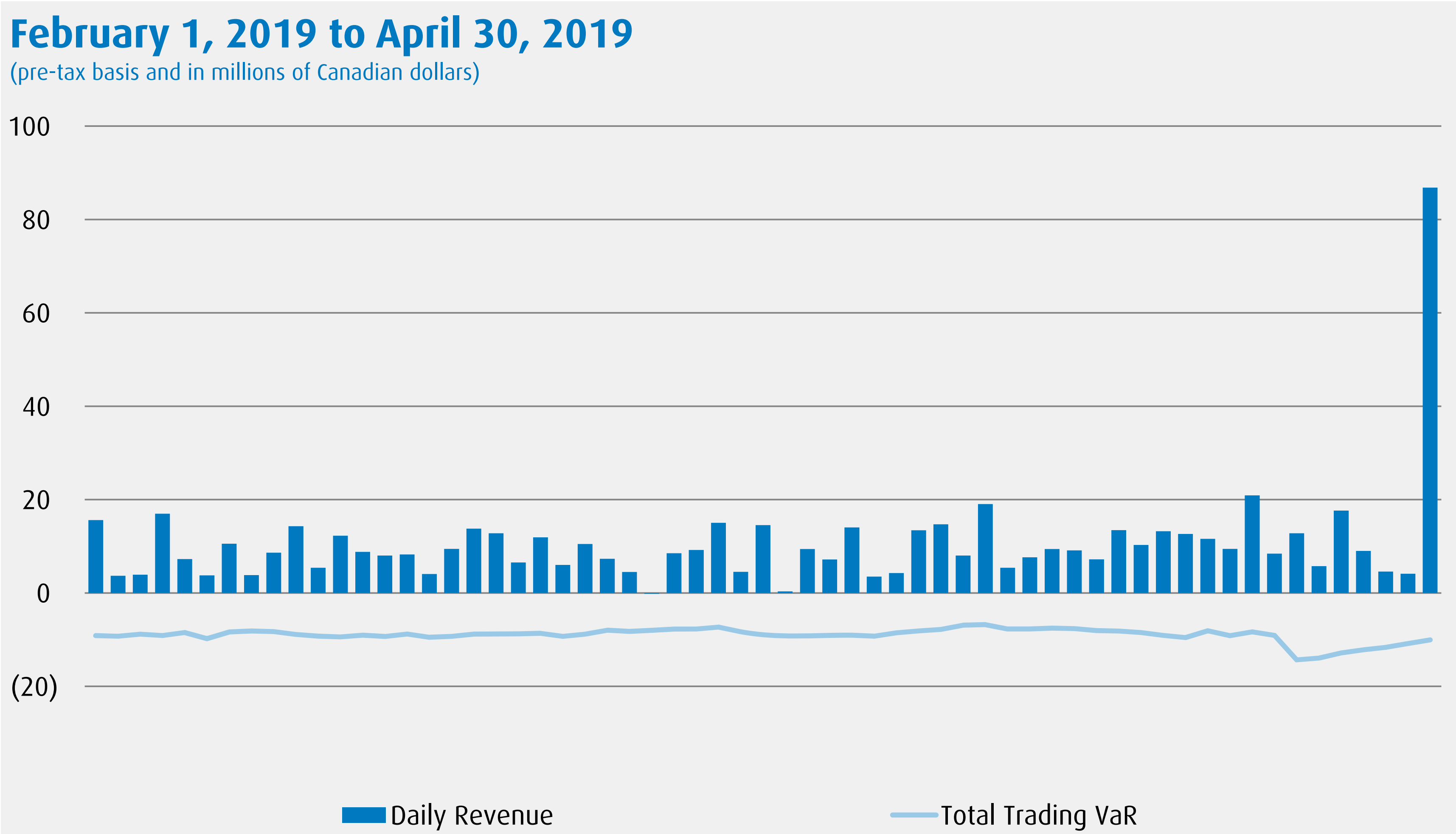


Avg. LTV[1] Uninsured	Atlantic	Quebec	Ontario	Alberta	British Columbia	All Other Canada	Total Canada
Mortgage							
- Portfolio	59%	59%	55%	61%	48%	56%	55%
- Origination	73%	72%	68%	73%	64%	71%	68%
HELOC							
- Portfolio	50%	55%	43%	55%	41%	49%	46%
- Origination	64%	70%	58%	63%	55%	63%	60%

- Total Canadian residential-secured lending portfolio at $141.2B, representing 32% of total loans
  - LTV[1] on uninsured of 51%
  - 90 day delinquency rate for RESL remains good at 24 bps; loss rates for the trailing 4 quarter period were 1 bp
- Residential mortgage portfolio of $108.9B
  - 44% of portfolio insured
  - LTV[1] on uninsured of 55%
  - 70% of the mortgage portfolio has an effective remaining amortization of 25 years or less
- HELOC portfolio of $32.3B outstanding of which 56% is amortizing
- GTA and GVA portfolios demonstrate better LTV, delinquency rates and bureau scores compared to the national average

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

Trading-related Net Revenues and Value at Risk



Adjusting Items

Adjusting items[1] - Pre-tax ($MM)	Q2 19	Q1 19	Q2 18	YTD Q2 19	YTD Q2 18
Amortization of acquisition-related intangible assets[2]	**(30)**	(31)	(29)	**(61)**	(57)
Acquisition integration costs[2]	**(2)**	(6)	(4)	**(8)**	(8)
Restructuring costs[3]	**-**	-	(260)	**-**	(260)
Adjusting items included in reported pre-tax income	**(32)**	**(37)**	**(293)**	**(69)**	**(325)**

Adjusting items[1] - After-tax ($MM)	Q2 19	Q1 19	Q2 18	YTD Q2 19	YTD Q2 18
Amortization of acquisition-related intangible assets[2]	**(23)**	(24)	(23)	**(47)**	(44)
Acquisition integration costs[2]	**(2)**	(4)	(2)	**(6)**	(5)
Restructuring costs[3]	**-**	-	(192)	**-**	(192)
U.S. net deferred tax asset revaluation[4]	**-**	-	-	**-**	(425)
Adjusting items included in reported net income after tax	**(25)**	**(28)**	**(217)**	**(53)**	**(666)**
Impact on EPS ($)	**(0.04)**	(0.04)	(0.34)	**(0.08)**	(1.03)

1 Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Amortization of acquisition-related intangible assets reflected across the Operating Groups. Acquisition integration costs related to BMO Transportation Finance are charged to Corporate; acquisition impacts both Canadian and U.S. P&C businesses. Acquisition integration costs related to KGS-Alpha are charged to Capital Markets. Acquisition integration costs are recorded in non-interest expense
3 In Q2'18 we recorded a restructuring charge of $192 million after-tax ($260 million pre-tax), 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. Restructuring costs are included in non-interest expense in Corporate Services
4 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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