BMO Financial Group Investor Presentation

For the Quarter Ended April 30, 2018

May 30, 2018

BMO Financial Group

We're here to help.™

Q2|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 BMO's Second Quarter 2018 Report to Shareholders, 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 BMO's Second Quarter 2018 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 our Second 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 Second 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

We're here to help.™

Q2|18

Q2 F2018 Financial Highlights

Strong earnings growth and positive operating leverage[2]

	Adjusted[1]	Reported
Net Income	**$1,463MM**	**$1,246MM**
EPS	**$2.20**	**$1.86**
Operating Leverage[2]	**3.5%**	**(3.5)%**
PCL[3] – Impaired – Total	**$172MM / 18bps** **$160MM / 17bps**	
Capital	**CET1 11.3%**	

- Adjusted[1] net income up 13% Y/Y (reported flat due to a restructuring charge this quarter)
- Adjusted[1] EPS up 15% Y/Y (reported up 1%), strong performance in U.S. P&C, Canadian P&C and Wealth Management
- On track to achieve 2% adjusted[1,2] operating leverage target for the year
- Strong credit performance, stable PCL[3] on impaired loans
- Dividend increase of $0.03/share to $0.96, up 7% Y/Y
- Repurchased 5 million common shares during the quarter and 13 million shares over the last year
- Adjusted[1] ROE of 14.9% (reported 12.6%)

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

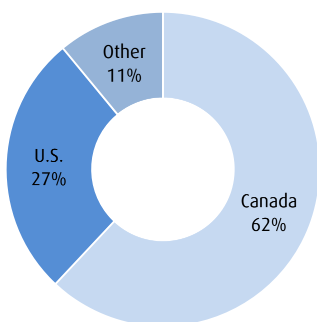
U.S. segment continuing to deliver strong results

- U.S. segment represents 27% of the bank's YTD adjusted[1] earnings
- Q2'18 adjusted[1] earnings up 41% Y/Y and 28% YTD; strong growth in U.S. P&C
  - Adjusted[1] PPPT[2] growth of 13%
  - Adjusted[1] operating leverage of 3.8%

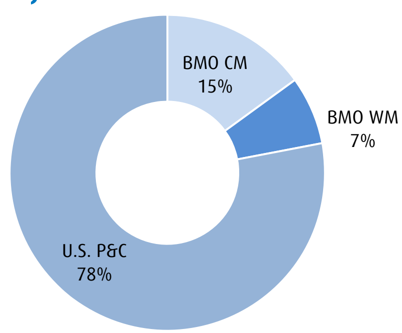
U.S. Segment (US$MM)	Reported			Adjusted[1]		
	Q2 18	Q1 18	Q2 17	Q2 18	Q1 18	Q2 17
Revenue	**1,386**	1,397	1,333	**1,386**	1,397	1,333
PCL on impaired loans	**40**	63	na	**40**	63	na
PCL on performing loans	**(7)**	(23)	na	**(7)**	(23)	na
Total PCL	**33**	40	83	**33**	40	83
Expense	**1,001**	999	974	**943**	981	943
Net Income*	**286**	**(64)**	**214**	**329**	**288**	**235**

* Q1'18 Reported results include US$339MM charge due to the revaluation of our U.S. net deferred tax asset

Adjusted[1] Net Income by Geography – YTD



U.S. Operating Group Adjusted[1] Net Income – 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 13% of the bank's YTD reported earnings; Q2'18 Reported earnings up 34% Y/Y and down 51% YTD; reported PPPT growth 6%; reported operating leverage of 1.0%; YTD Reported net income by geography: Canada 74%, U.S. 13%, Other 13%; by operating group (excludes Corporate Services) U.S. P&C 78%, BMO WM 6%, BMO CM 16%
2 Pre-provision, pre-tax earnings (PPPT) is the difference between revenue and expenses
na – not applicable

Key Strategic Areas of Focus

Strong performance in U.S. segment with continued momentum

Accelerating transformation through technology investment and deployment

Focused on efficiency, building on good progress

Employees, culture and values that are a competitive advantage

Financial Results

For the Quarter Ended April 30, 2018

Tom Flynn
Chief Financial Officer

BMO Financial Group
We're here to help.™

Q2|18

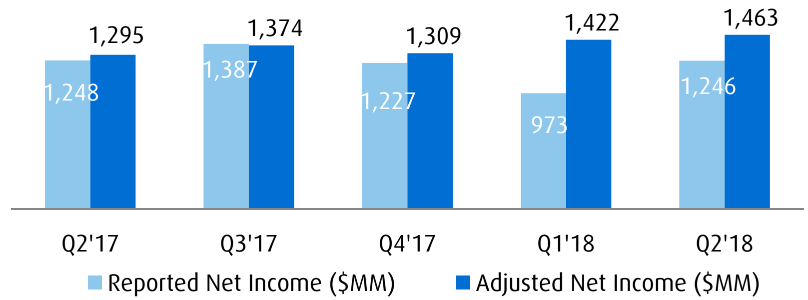
Q2 2018 - Financial Highlights

Strong performance with double digit NIAT growth in P&C businesses and Wealth

- Reported EPS $1.86 and net income $1.2B
- Adjusted[1] EPS $2.20, up 15% Y/Y; adjusted[1] net income $1.5B, up 13%
  - Strong P&C businesses and Traditional Wealth
  - U.S. Segment adjusted[1] net income up 41% Y/Y
- Net revenue[2] of $5.3B, up 5% Y/Y, up 7% ex weaker US dollar
- Adjusted[1] expenses up 2% Y/Y, up 3% ex weaker US dollar (reported expenses up 8%)
- Adjusted[1] operating leverage[2] 3.5% (reported (3.5)%)
- Total PCL of $160MM, down $91MM Y/Y
  - PCL on impaired loans of $172MM, down $79MM Y/Y
  - Reduction in allowance on performing loans of $12MM
- Adjusted[1] ROE 14.9% (reported 12.6%)
- Adjusted[1] ROTCE[3] 18.0% (reported 15.6%)
- Reported Q2 results include restructuring charge of $192MM after-tax ($260MM pre-tax)

	Reported			Adjusted[1]		
($MM)	Q2 18	Q1 18	Q2 17	Q2 18	Q1 18	Q2 17
Net Revenue[2]	**5,285**	5,317	5,033	**5,285**	5,317	5,033
PCL on impaired loans	**172**	174	na	**172**	174	na
PCL on performing loans	**(12)**	(33)	na	**(12)**	(33)	na
Total PCL	**160**	141	251	**160**	141	251
Expense	**3,562**	3,441	3,284	**3,269**	3,409	3,220
Net Income	**1,246**	**973**	**1,248**	**1,463**	**1,422**	**1,295**
Diluted EPS ($)	**1.86**	1.43	1.84	**2.20**	2.12	1.92
ROE (%)	**12.6**	9.4	12.6	**14.9**	13.9	13.1
ROTCE[3] (%)	**15.6**	11.5	15.7	**18.0**	16.7	15.9
CET1 Ratio (%)	**11.3**	11.1	11.3			

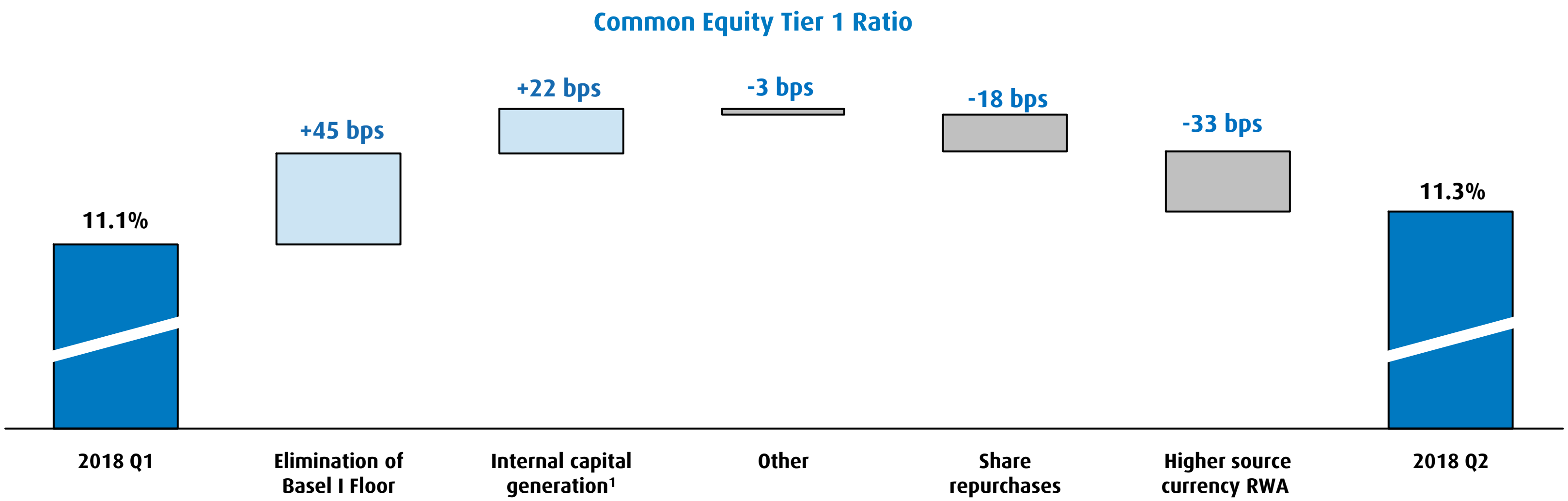
Net Income[1] Trends



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: Q2'18 $5,617MM; Q1'18 $5,678MM; Q2'17 $5,741MM
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
na – not applicable

Strong Capital Position

Well capitalized with CET1 Ratio at 11.3%



Basis points may not add due to rounding.

- Q2'18 CET1 Ratio of 11.3%, up from 11.1% at Q1'18:
  - Elimination of the Basel I floor
  - Internal capital generation including ~7 bps impact from restructuring charge

  Partially offset by:
  - Higher RWA primarily from business growth
  - 5 million common shares repurchased during the quarter (13 million shares, or ~2% of outstanding, repurchased in past year)
- The impact of FX movements on the CET1 Ratio largely offset
- Common share dividend increased by 3 cents
  - Attractive dividend yield of ~4%; dividend increased ~7% from a year ago
- ~65% of adjusted[2] net income returned to shareholders over the last year

1 Internal capital generation represents retained earnings growth
2 Adjusted measures are non-GAAP measures, see slide 2 for more information

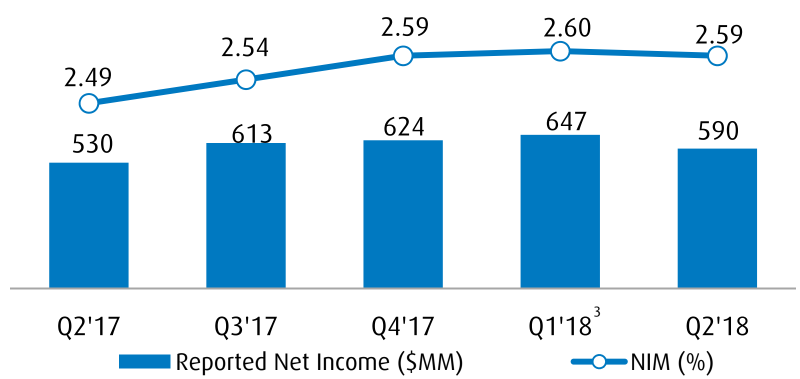
Canadian Personal & Commercial Banking

Good revenue growth and positive operating leverage

- Adjusted[1] and reported net income up 11% Y/Y
- Revenue up 8% Y/Y
  - Average loans up 4% Y/Y. Commercial[2] up 10%; personal[2] up 1%, reflecting participation choices
  - Average deposits up 4% Y/Y. Commercial up 9%; personal up 2% including 8% chequing growth
  - NIM up 10 bps Y/Y, down 1 bp Q/Q
- Expenses up 5% Y/Y
  - Continued investment, including on technology
- Adjusted[1] efficiency ratio of 50.3% (reported 50.4%)
- Adjusted[1] operating leverage of 2.4% (reported 2.5%)
- Total PCL up $7MM Y/Y; up $27MM Q/Q

	Reported			Adjusted[1]		
($MM)	Q2 18	Q1 18[3]	Q2 17	Q2 18	Q1 18[3]	Q2 17
Revenue (teb)	**1,859**	1,933	1,724	**1,859**	1,933	1,724
PCL on impaired loans	**131**	97	na	**131**	97	na
PCL on performing loans	**(3)**	4	na	**(3)**	4	na
Total PCL	**128**	101	121	**128**	101	121
Expenses	**936**	966	888	**935**	966	888
Net Income	**590**	**647**	**530**	**591**	**647**	**530**

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
na – not applicable

U.S. Personal & Commercial Banking

Continued momentum with strong revenue growth and positive operating leverage

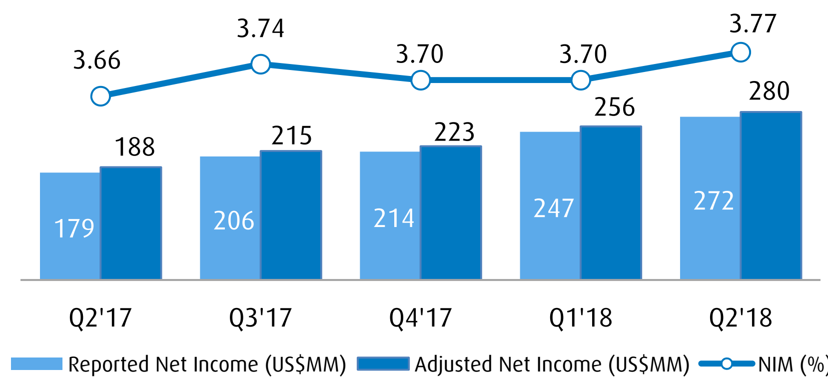
- Reported net income of $348MM, up 46% Y/Y
- Adjusted[1] net income of $359MM, up 43% Y/Y

Figures that follow are in U.S. dollars

- Adjusted[1] net income up 50% Y/Y (reported up 52% Y/Y)
- Revenue up 10% Y/Y, contributing to 22% growth in adjusted PPPT[2] (reported 23%)
  - Higher interest rates and strong loan and deposit growth
  - NIM up 11 bps Y/Y; 7 bps Q/Q
  - Average loans[3,4] up 10% Y/Y and average deposits up 7%
- Expenses up 3% Y/Y
- Adjusted[1] efficiency ratio of 58.1% (reported 59.3%)
- Adjusted[1] operating leverage of 7.2% (reported 7.4%)
- Total PCL down $25MM Y/Y; up $5MM Q/Q
- Tax reform contributed ~$25MM

	Reported			Adjusted[1]		
(US$MM)	Q2 18	Q1 18	Q2 17	Q2 18	Q1 18	Q2 17
Revenue (teb)	**947**	941	858	**947**	941	858
PCL on impaired loans	**51**	62	na	**51**	62	na
PCL on performing loans	**(9)**	(25)	na	**(9)**	(25)	na
Total PCL	**42**	37	67	**42**	37	67
Expenses	**562**	573	545	**551**	561	533
Net Income	**272**	**247**	**179**	**280**	**256**	**188**

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 Pre-Provision, Pre-Tax income (PPPT) is the difference between revenue and expenses
3 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 9% including these balances
4 In Nov'17 we purchased a $2.1B mortgage portfolio (Q2 average balance impact of $2.0B)
na – not applicable

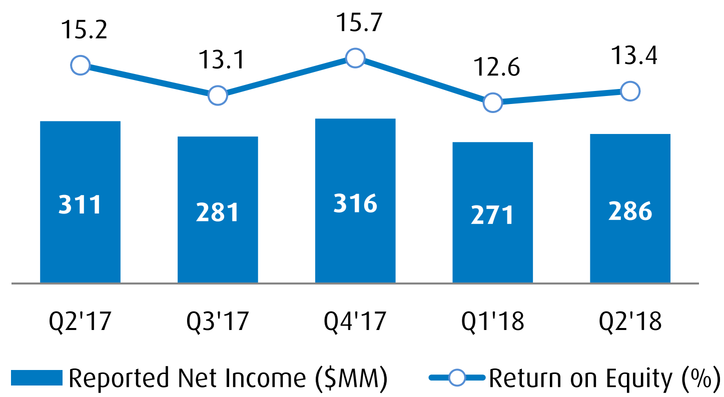
BMO Capital Markets

Net income down Y/Y

- Adjusted[1] and reported net income down from prior year reflecting market conditions
- Revenue down 12% Y/Y
- Expenses down 2% Y/Y
- PCL lower Y/Y with net recoveries in the current quarter
- Agreed to acquire KGS-Alpha Capital Markets; specializes in U.S. mortgage and asset-backed securities

	Reported			Adjusted[1]		
($MM)	Q2 18	Q1 18	Q2 17	Q2 18	Q1 18	Q2 17
Trading Products	**622**	650	675	**622**	650	675
I&CB	**419**	432	511	**419**	432	511
Revenue (teb)	**1,041**	1,082	1,186	**1,041**	1,082	1,186
PCL on impaired loans	**(16)**	(1)	na	**(16)**	(1)	na
PCL on performing loans	**3**	(4)	na	**3**	(4)	na
Total PCL (recovery)	**(13)**	(5)	46	**(13)**	(5)	46
Expenses	**670**	720	686	**669**	720	685
Net Income	**286**	**271**	**311**	**286**	**271**	**312**

Net Income and ROE Trends



1 See slide 24 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
na – not applicable

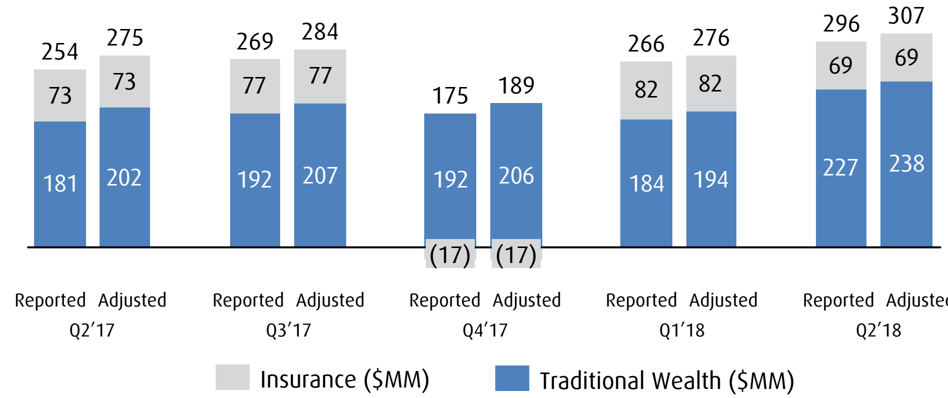
BMO Wealth Management

Good growth in Traditional Wealth businesses

- Reported net income $296MM
- Adjusted[1] net income $307MM, up 12% Y/Y
  - Traditional Wealth up 18% Y/Y (reported up 26%)
  - Insurance results relatively unchanged
- Net revenue[2] up 8% Y/Y
  - Traditional Wealth revenue growth of 9%
- Adjusted[1] expenses up 6% Y/Y (reported up 4.5%)
  - Higher revenue-based costs and technology investments
- Adjusted[1] operating leverage 1.3% (reported 3.1%)
- AUM/AUA[3]
  - AUM up 2% Y/Y with improved equity markets
  - AUA down 21% Y/Y reflecting divestiture of a non-core business. Good growth Q/Q of 2%

($MM)	Reported			Adjusted[1]		
	Q2 18	Q1 18	Q2 17	Q2 18	Q1 18	Q2 17
Net Revenue[2]	**1,250**	1,244	1,162	**1,250**	1,244	1,162
PCL on impaired loans	**1**	1	na	**1**	1	na
PCL on performing loans	**(1)**	(2)	na	**(1)**	(2)	na
Total PCL	**-**	(1)	1	**-**	(1)	1
Expenses	**860**	894	822	**847**	881	796
Net Income	**296**	**266**	**254**	**307**	**276**	**275**
Traditional Wealth NI	**227**	184	181	**238**	194	202
Insurance NI	**69**	82	73	**69**	82	73
AUM/AUA ($B)[3]	**826**	815	920	**826**	815	920

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: Q2'18 $1,582MM, Q1'18 $1,605MM, Q2'17 $1,870MM
3 Y/Y AUM/AUA growth impacted by divestiture of non-strategic business $138B CDE ($107B USE) during Q4'17
na – not applicable

Corporate Services

- Adjusted[1] net loss of $80MM compared $74MM in the prior year. Reported net loss of $274MM compared to $87MM in prior year
- Reported results in the quarter include restructuring charge of $192MM after-tax
- Adjusted[1] results relatively consistent with prior year as lower non-teb revenue was largely offset by lower expenses

($MM)	Reported[2]			Adjusted[1,2]		
	Q2 18	Q1 18	Q2 17	Q2 18	Q1 18	Q2 17
Revenue	**(21)**	(2)	23	**(21)**	(2)	23
Group teb offset[2]	**(61)**	(123)	(212)	**(61)**	(123)	(212)
Total Revenue (teb)[2]	**(82)**	(125)	(189)	**(82)**	(125)	(189)
PCL on impaired loans	**(10)**	-	na	**(10)**	-	na
PCL on performing loans	**1**	(1)	na	**1**	(1)	na
Total PCL	**(9)**	(1)	(6)	**(9)**	(1)	(6)
Expenses	**374**	140	157	**110**	136	136
Net Loss	**(274)**	**(521)**	**(87)**	**(80)**	**(93)**	**(74)**

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
na – not applicable

Risk Review

For the Quarter Ended April 30, 2018

Surjit Rajpal
Chief Risk Officer

BMO Financial Group

We're here to help.™

Q2|18

Provision for Credit Losses (PCL)

PCL By Operating Group ($MM)	Q2 18	Q1 18	Q2 17[1]
Consumer – Canadian P&C	118	91	99
Commercial – Canadian P&C	13	6	22
Canadian P&C	**131**	**97**	**121**
Consumer – U.S. P&C	15	21	30
Commercial – U.S. P&C	51	56	59
U.S. P&C	**66**	**77**	**89**
Wealth Management	**1**	**1**	**1**
Capital Markets	**(16)**	**(1)**	**46**
Corporate Services	**(10)**	**-**	**(6)**
PCL on Impaired Loans/Specific PCL[1,2]	**172**	**174**	**251**
PCL on Performing Loans[2]	**(12)**	**(33)**	**na**
Collective Provision[2]	**na**	**na**	**-**
Total PCL	**160**	**141**	**251**

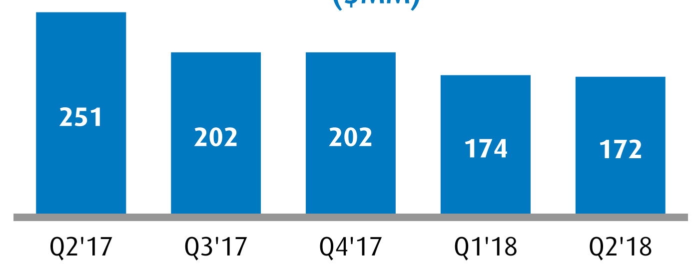
1 2017 periods have been restated for Canadian and U.S. P&C to conform with the current period's presentation

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. Q2'17 presents the Specific PCL and Collective Provisions under IAS 39

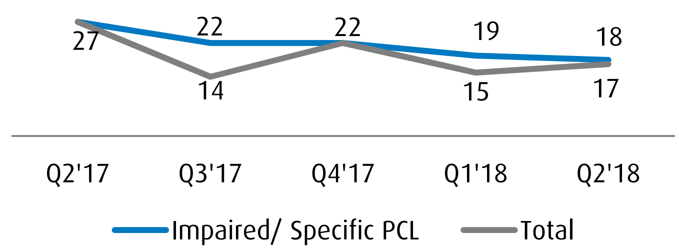
na – not applicable

- Q2'18 PCL ratio on Impaired Loans at 18 bps, down 1 bp Q/Q
- Allowance for Credit Losses on Performing Loans reduced PCL by $12 million, primarily due to an improved economic outlook

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



PCL[1,2] in bps

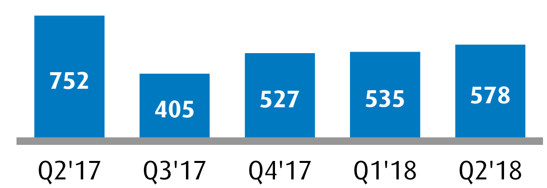


Gross Impaired Loans (GIL) and Formations

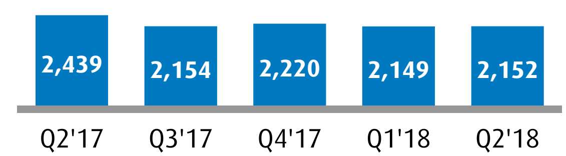
By Industry ($MM, as at Q2 18)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other[1]	U.S.	Total
Consumer	**218**	**62**	**280**	**470**	**478**	**948**
Service Industries	4	11	15	49	214	263
Agriculture	37	38	75	79	177	256
Oil & Gas	0	108	108	66	108	174
Transportation	0	29	29	4	152	156
Wholesale Trade	0	14	14	13	60	73
Manufacturing	1	1	2	26	41	67
Financial	0	39	39	13	41	54
Commercial Real Estate	3	1	4	35	15	50
Construction (non-real estate)	3	4	7	15	31	46
Retail Trade	1	3	4	13	22	35
Other Business and Government[2]	0	1	1	4	26	30
Total Business and Government	**49**	**249**	**298**	**317**	**887**	**1,204**
Total Bank	**267**	**311**	**578**	**787**	**1,365**	**2,152**

- GIL ratio 56 bps, down 1 bp Q/Q

Formations ($MM)



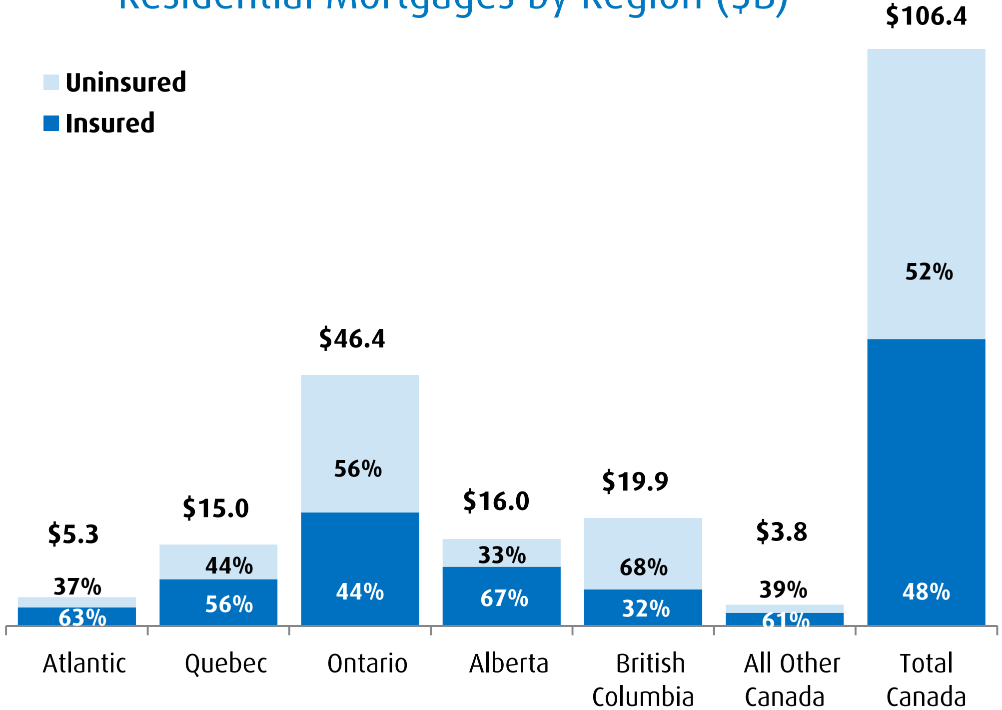
Gross Impaired Loans ($MM)[3]



1 Total Business and Government includes ~$41MM 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%	55%	61%	45%	55%	54%
Origination	72%	72%	67%	72%	63%	72%	68%

- Total Canadian residential mortgage portfolio at $106.4B, representing ~28% of total loans
  - 70% 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 19 bps; loss rates for the trailing 4 quarter period were less than 1 bp
  - HELOC[1] portfolio of $30.8B outstanding; LTV[2] of 45%, similar regional representation as mortgages
  - Condo mortgage portfolio is $15.2B with 43% insured
  - GTA and GVA portfolios demonstrate better LTV, delinquency rates and bureau scores compared to the national average

1 HELOC balances are 47% revolving and 53% 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

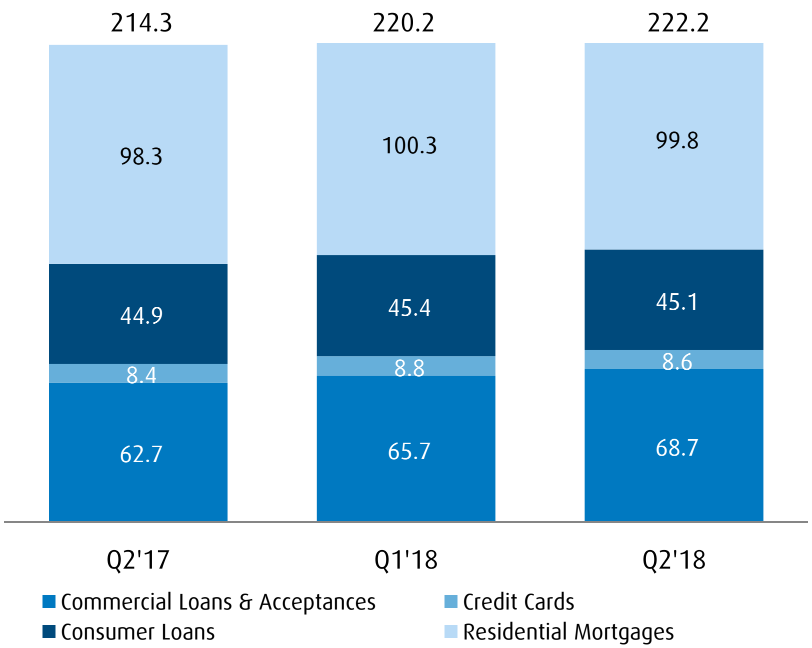
APPENDIX

BMO Financial Group

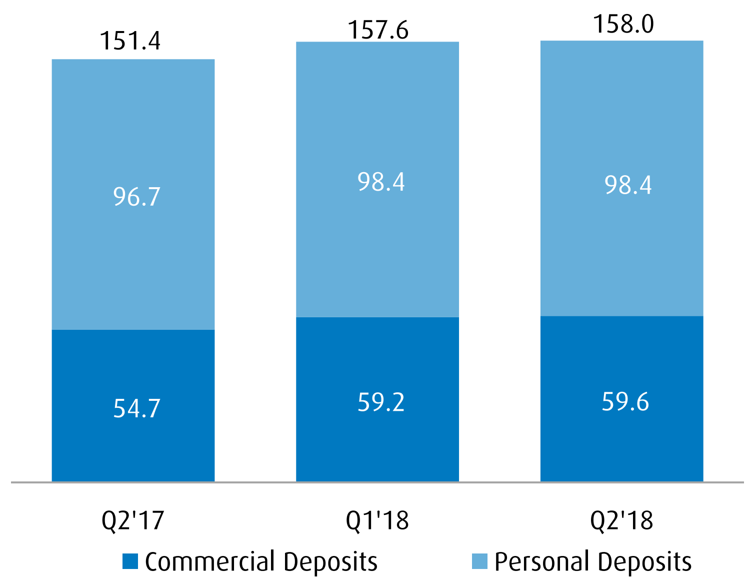
We're here to help.™

Canadian Personal & Commercial Banking - Balances

Average Gross Loans & Acceptances ($B)



Average Deposits ($B)



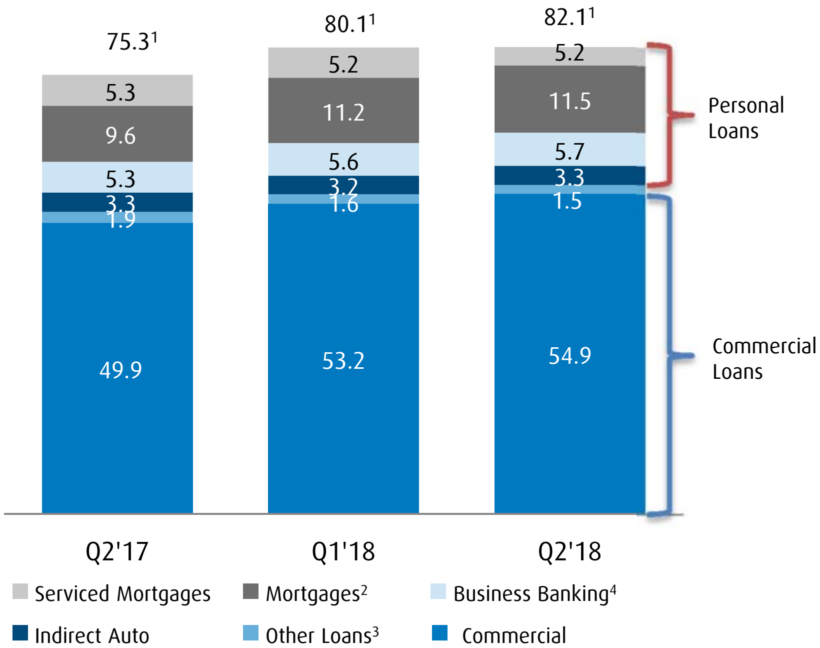
- Loan growth of 4% Y/Y
  - Total personal lending up 1%; residential mortgages up 1%, proprietary channels up 4%
  - Commercial loan balances[1] up 10%

- Deposit growth of 4% Y/Y
  - Personal deposit balances up 2%, including 8% chequing account growth
  - Commercial deposit balances up 9%

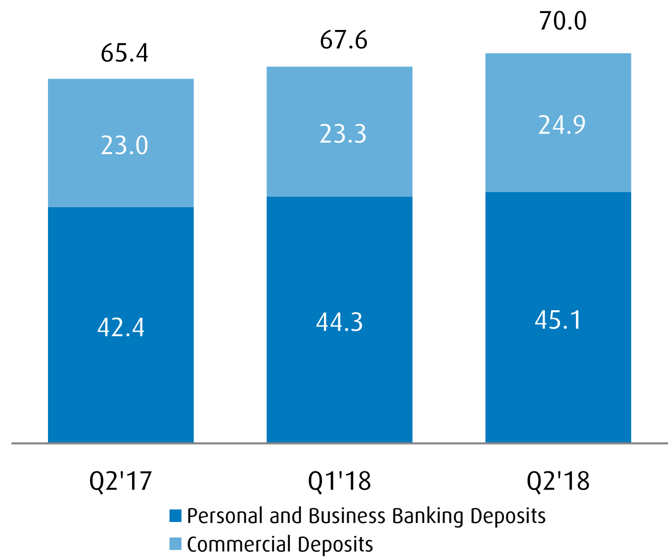
1 Commercial lending excludes commercial and small business cards. Commercial and small business cards balances represented ~13% of total credit card portfolio in Q2'17 and Q1'18, and ~14% in Q2'18

U.S. Personal & Commercial Banking – Balances

Average Gross Loans & Acceptances (US$B)



Average Deposits (US$B)



- Commercial loans up 10% Y/Y
- Personal and Business Banking loans up 7% Y/Y, including a 8% benefit of mortgage portfolio purchase[5]

- Personal and Business Banking deposits up 6% Y/Y
- Commercial deposits up 8% Y/Y, up 7% Q/Q

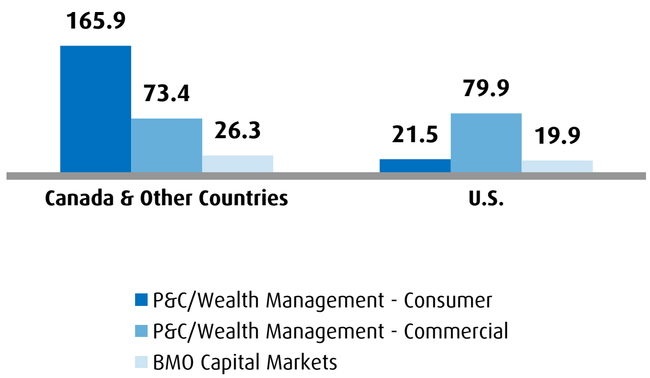
1 Total includes Serviced Mortgages which are off-balance sheet
2 Mortgages include Wealth Management Mortgages (Q2’18 $2.1B, Q1’18 $2.1B, Q2’17 $2.0B) and Home Equity (Q2’18 $2.9B, Q1’18 $3.0B, Q2’17 $3.2B)
3 Other loans include non-strategic portfolios such as wholesale mortgages, purchased home equity, 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 (Q2’18 average balance impact of $2.0B)

Loan Portfolio Overview

Gross Loans & Acceptances By Industry ($B, as at Q2 18)	Canada & Other[1]	U.S.	Total	% of Total
Residential Mortgages	106.4	11.4	117.8	31%
Consumer Instalment and Other Personal	52.1	9.6	61.7	16%
Cards	7.7	0.5	8.2	2%
Total Consumer	**166.2**	**21.5**	**187.7**	**49%**
Service Industries	16.3	19.7	36.0	9%
Financial	14.2	15.5	29.7	8%
Commercial Real Estate	17.7	10.8	28.5	7%
Manufacturing	6.7	15.0	21.7	6%
Retail Trade	12.0	8.2	20.2	5%
Wholesale Trade	4.6	8.1	12.7	3%
Agriculture	9.3	2.3	11.6	3%
Transportation	2.4	8.2	10.6	3%
Oil & Gas	5.2	2.9	8.1	2%
Other Business and Government[2]	11.0	9.1	20.1	5%
Total Business and Government	**99.4**	**99.8**	**199.2**	**51%**
Total Gross Loans & Acceptances	**265.6**	**121.3**	**386.9**	**100%**

- Loans are well diversified by geography and industry

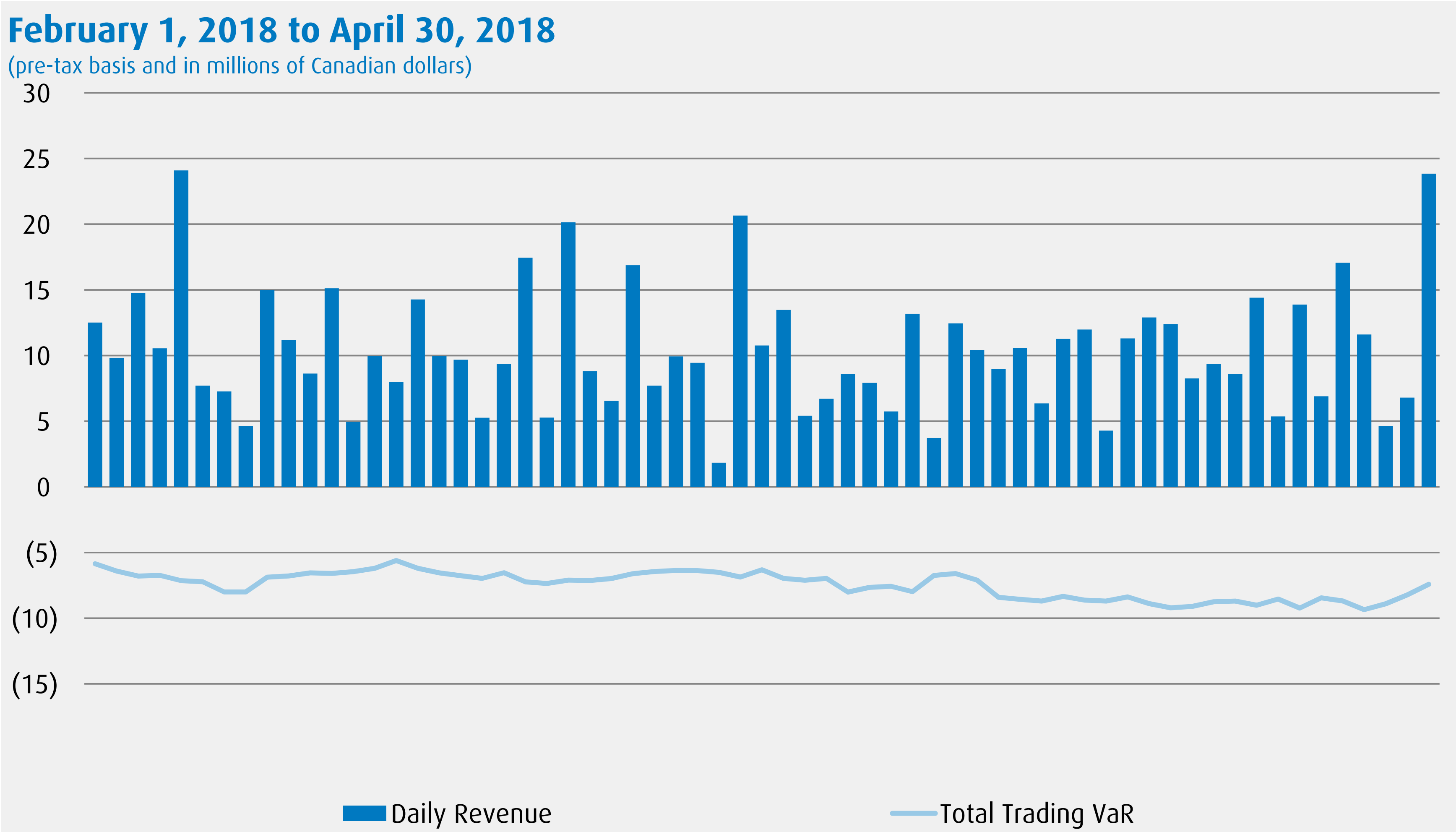
Loans by Geography and Operating Group ($B)



1 Includes ~$10.3B from Other Countries
2 Other Business and Government includes all industry segments that are each <2% of total loans

BMO Financial Group
We're here to help.

Trading-related Net Revenues and Value at Risk



Adjusting Items

Adjusting items[1] - Pre-tax ($MM)	Q2 18	Q1 18	Q2 17	YTD Q2 18	YTD Q2 17
Amortization of acquisition-related intangible assets[2]	**(29)**	(28)	(43)	(57)	(80)
Acquisition integration costs[2]	**(4)**	(4)	(21)	(8)	(43)
Restructuring costs[3]	**(260)**	-	-	(260)	-
Adjusting items included in reported pre-tax income	**(293)**	(32)	(64)	(325)	(123)

Adjusting items[1] - After-tax ($MM)	Q2 18	Q1 18	Q2 17	YTD Q2 18	YTD Q2 17
Amortization of acquisition-related intangible assets[2]	**(23)**	(21)	(34)	(44)	(62)
Acquisition integration costs[2]	**(2)**	(3)	(13)	(5)	(27)
Restructuring costs[3]	**(192)**	-	-	(192)	-
U.S. net deferred tax asset revaluation[4]	**-**	(425)	-	(425)	-
Adjusting items included in reported net income after tax	**(217)**	(449)	(47)	(666)	(89)
Impact on EPS ($)	**(0.34)**	(0.69)	(0.08)	(1.02)	(0.14)

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 TF are charged to Corporate Services since the acquisition impacts both Canadian and U.S. P&C businesses. Acquisition integration costs are recorded in non-interest expense
3 Restructuring costs are recorded in non-interest expense. 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 cost is 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*

Investor Relations

Contact Information

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

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

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

BMO Financial Group®

We're here to help.™