BMO Financial Group Investor Presentation

For the Quarter Ended October 31, 2018

December 4, 2018

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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 on page 79 of BMO's 2018 Annual MD&A, 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 on page 87 of BMO's 2018 Annual MD&A, 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 Economic Developments and Outlook section on page 30 of BMO's Annual MD&A. 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.

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 Fourth Quarter 2018 Earnings Release and on page 27 of BMO's 2018 Annual MD&A all of which are available on our website at www.bmo.com/investorrelations.

Examples of non-GAAP amounts or measures include: efficiency and leverage ratios; revenue and other measures presented on a taxable equivalent basis (teb); amounts presented net of applicable taxes; results and measures that exclude the impact of Canadian/U.S. dollar exchange rate movements, adjusted net income, revenues, non-interest expenses, earnings per share, effective tax rate, ROE, efficiency ratio, pre-provision pre-tax earnings, and other adjusted measures which exclude the impact of certain items such as, acquisition integration costs, amortization of acquisition-related intangible assets, decrease (increase) in collective allowance for credit losses, restructuring costs, 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

BMO

F2018 - Financial Highlights

	Adjusted[1]	Reported	
Net Income	**$5,979MM**	**$5,450MM**	• Adjusted[1] net income up 9% Y/Y (reported up 2%)
EPS	**$8.99**	**$8.17**	• Adjusted[1] EPS up 10% Y/Y (reported up 3%)
Operating Leverage[2]	**1.2%**	**2.5%**	• Positive operating leverage[2], having achieved 2% in each of the last two years • Improved efficiency ratio[2] 330 bps since 2015
PCL[3] – Impaired – Total	**$700MM/18bps $662MM/17bps**		• Strong, consistent credit performance
Capital	**CET1 11.3%**		• Adjusted[1] ROE of 14.6% (reported 13.2%) • Repurchased 10 million shares during the year • Quarterly dividend increased by $0.04, up 8% Y/Y

1 See slide 26 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Operating leverage and efficiency ratio 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

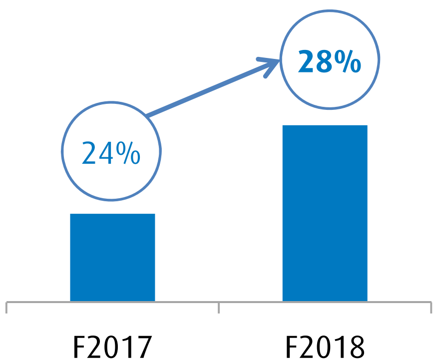
U.S. Operations

U.S. segment continuing to deliver strong results

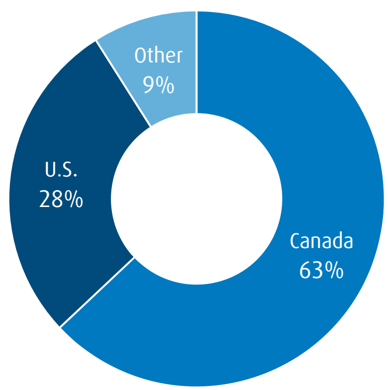
- U.S. segment represents 28% of the bank's adjusted[1] earnings
- F2018 adjusted[1] earnings up 26% Y/Y led by strong growth in U.S. P&C
  - Adjusted[1] PPPT[2] growth of 11%
  - Adjusted[1] operating leverage of 2.4%

U.S. Segment (US$MM)	Reported			Adjusted[1]		
	F2018	F2017	F2016	F2018	F2017	F2016
Revenue	5,679	5,413	5,127	5,679	5,413	5,127
Total PCL	178	225	150	178	225	150
Expense	4,049	3,971	3,852	3,923	3,829	3,679
Net Income	**843**	**927**	**828**	**1,277**	**1,009**	**927**

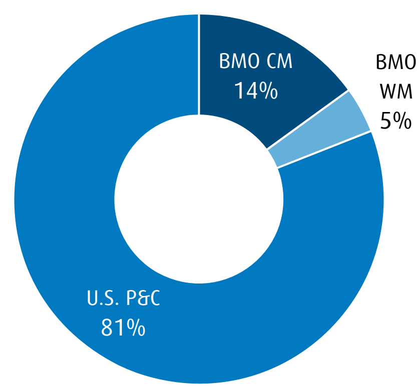
U.S. Segment Contribution to Total Bank Adjusted[1] Earnings



Adjusted[1] Net Income by Geography – F2018



U.S. Segment Adjusted[1] Net Income by Operating Group – F2018



1 See slide 26 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 20% of the bank's F2018 reported earnings; F2018 Reported earnings down 9% Y/Y; reported PPPT growth 13%; reported operating leverage of 2.9%; U.S. Segment contribution to the bank's reported earnings: F2017 23%, F2018 20%; F2018 Reported net income by geography: Canada 70%, U.S. 20%, Other 10%; 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

Strategic Priorities

Drive leading growth in priority areas by earning customer loyalty	• Well-diversified, double-digit commercial loan growth and good deposit growth • Improved loyalty scores across businesses
Simplify, speed up, and improve productivity	• Established EI3 Group to drive enterprise-wide, sustainable productivity improvements • Launched BMO Innovation Fund
Harness the power of digital and data to grow	• Increasing digital engagement • Launching enhanced U.S. digital banking platform
Be leaders in taking and managing risk	• Consistent and effective risk management with PCL rates below peer average
Activate a high-performance culture	• Leading employee engagement • Only Canadian bank in the top 25 in Thomson Reuters Global Diversity & Inclusion Index

Financial Results

For the Quarter Ended October 31, 2018

Tom Flynn
Chief Financial Officer

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BMO

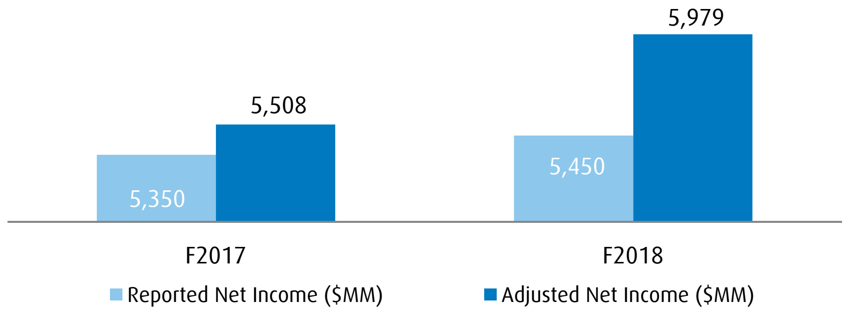
F2018 - Financial Highlights

Good full year performance with strong growth in the P&C businesses

- Adjusted[1] EPS $8.99, up 10% Y/Y (reported up 3%)
- Adjusted[1] net income up 9% (reported up 2%)
  - U.S. Segment adjusted[1] net income up 26% Y/Y (reported down 9% given U.S. deferred tax asset revaluation)
- Net revenue[2] up 5% Y/Y
- Adjusted[1] expenses up 3% Y/Y, up 4% ex weaker U.S. dollar (reported[3] up 2%)
- Adjusted[1] PPPT[4] up 7% Y/Y (reported[3] up 9%)
- Adjusted[1] operating leverage[2] 1.2% (reported[2] 2.5%)
- Adjusted[1] efficiency ratio[2] 62.2%, down 330 bps from 65.5% in 2015 (reported[2] 62.8%; F2015 67.5%)
- Adjusted[1] PCL down $160MM Y/Y (reported[5] down $84MM)
  - PCL on impaired loans $700MM, down $122MM Y/Y
  - Recovery of PCL on performing loans $38MM
- Adjusted[1] ROE 14.6% (reported 13.2%)

($MM)	Reported		Adjusted[1]	
	F2018	F2017	F2018	F2017
Net Revenue[2]	**21,685**	20,722	**21,685**	20,722
Total PCL	**662**	746	**662**	822
Expense[3]	**13,613**	13,330	**13,480**	13,035
Net Income	**5,450**	**5,350**	**5,979**	**5,508**
Diluted EPS ($)	**8.17**	7.92	**8.99**	8.16
ROE (%)	**13.2**	13.3	**14.6**	13.7
ROTCE (%)	**16.2**	16.3	**17.5**	16.5
CET1 Ratio (%)	**11.3**	11.4		

Net Income[1] Trends



1 See slide 26 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 and efficiency ratio based on net revenue. Reported gross revenue: F2018 $23,037MM; F2017 $22,260MM
3 In the current year, reported expenses includes a benefit of $277MM from the remeasurement of an employee benefit liability and higher restructuring costs (F2018 $260MM, F2017 $59MM)
4 Pre-Provision Pre-Tax profit contribution; PPPT is the difference between net revenue and expenses
5 In F2017, Reported PCL includes $76MM decrease in collective allowance

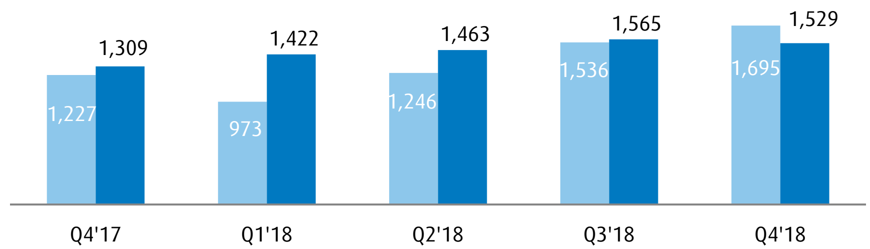
Q4 2018 - Financial Highlights

Adjusted[1] net income up 17% Y/Y, with strong growth in P&C businesses

- Adjusted[1] EPS $2.32, up 19% Y/Y (reported up 42%)
- Adjusted[1] net income up 17% (reported up 38%)
  - U.S. Segment adjusted[1] net income up 20% Y/Y (reported up 31%)
- Net revenue[2] up 9% Y/Y, 8% ex stronger U.S. dollar
- Adjusted[1] expenses up 6% Y/Y, 5% ex stronger U.S. dollar
  - Reported[4] down 4% reflecting a benefit from the remeasurement of an employee benefit liability
- Adjusted[1] PPPT[5] up 14% Y/Y (reported[4] up 35%)
- Adjusted[1] operating leverage[2] 2.9% (reported[2] 13.4%)
- PCL of $175MM, down $27MM Y/Y
  - PCL on impaired loans $177MM
  - Recovery of PCL on performing loans $2MM
- Adjusted[1] ROE 14.5% (reported 16.1%)

	Reported			Adjusted[1]		
($MM)	Q4 18	Q3 18	Q4 17	Q4 18	Q3 18	Q4 17
Net Revenue[2]	**5,532**	5,551	5,082	**5,532**	5,551	5,082
Total PCL	**175**	186	202	**175**	186	202
Expense[4]	**3,224**	3,386	3,375	**3,452**	3,350	3,258
Net Income	**1,695**	**1,536**	**1,227**	**1,529**	**1,565**	**1,309**
Diluted EPS ($)	**2.57**	2.31	1.81	**2.32**	2.36	1.94
ROE (%)	**16.1**	14.7	12.1	**14.5**	15.0	12.9
ROTCE[3] (%)	**19.5**	17.9	14.8	**17.3**	18.0	15.5
CET1 Ratio (%)	**11.3**	11.4	11.4			

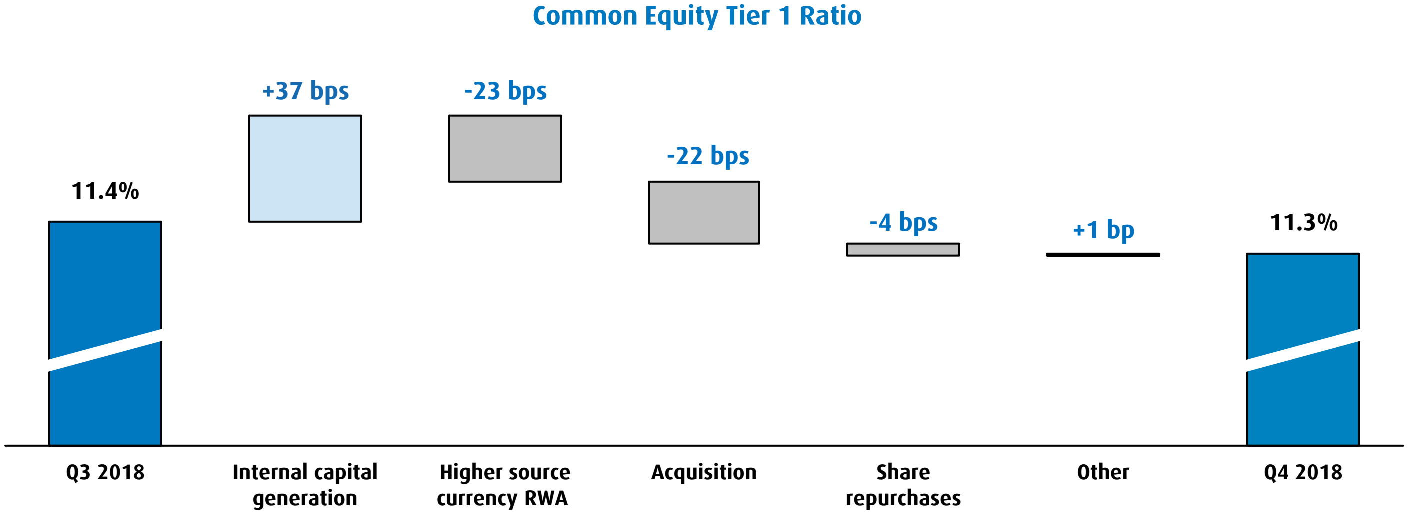
Net Income[1] Trends



1 See slide 26 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: Q4'18 $5,922MM; Q3'18 $5,820MM; Q4'17 $5,655MM
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
4 In the current quarter, reported expenses include a benefit of $277MM from the remeasurement of an employee benefit liability
5 Pre-Provision Pre-Tax profit contribution; PPPT is the difference between net revenue and expenses

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 Q4 2018, down from 11.4% at Q3
  - Internal capital generation from retained earnings growth; more than offset by:
    - Higher RWA from business growth net of positive asset quality changes
    - Acquisition of KGS-Alpha, and
    - 1 million common shares repurchased (10 million shares, or ~1.5% of outstanding, repurchased in F2018)
- Common share dividend increased by 4 cents
  - Dividend increased ~8% from a year ago
  - Attractive dividend yield of ~4%[1]
- Impact of FX movements on the CET1 Ratio largely offset

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

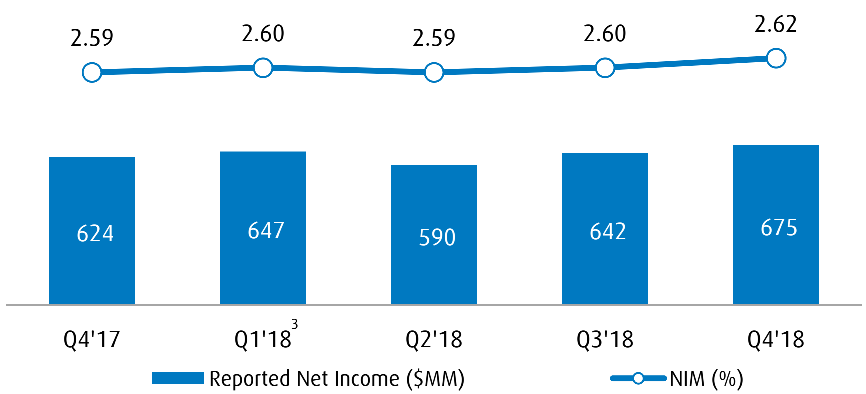
Canadian Personal & Commercial Banking

Net income up 8% Y/Y with continued momentum in commercial business

- Adjusted[1] and reported net income up 8% Y/Y
- Revenue up 4% Y/Y
  - Average loans up 4% Y/Y. Commercial[2] up 12%; proprietary mortgages (including amortizing HELOC loans) up 3%
  - Average deposits up 5% Y/Y. Commercial up 9%; Personal up 3%
  - NIM up 3 bps Y/Y, up 2 bps Q/Q
- Expenses up 4% Y/Y
- Adjusted[1] efficiency ratio 48.4% (reported 48.5%)
- Adjusted[1] and reported operating leverage 0.5%
- PCL down $27MM Y/Y; down $34MM Q/Q
  - PCL includes $15MM recovery on performing loans
- F2018 net income up 2%, the gain on sale of Moneris US in 2017 had a negative 7% impact on growth

	Reported			Adjusted[1]		
($MM)	Q4 18	Q3 18	Q4 17	Q4 18	Q3 18	Q4 17
Revenue (teb)	**1,968**	1,952	1,884	**1,968**	1,952	1,884
Total PCL	**103**	137	130	**103**	137	130
Expenses	**954**	949	917	**953**	949	917
Net Income	**675**	**642**	**624**	**676**	**642**	**625**

Net Income and NIM Trends



1 See slide 26 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 provision

U.S. Personal & Commercial Banking

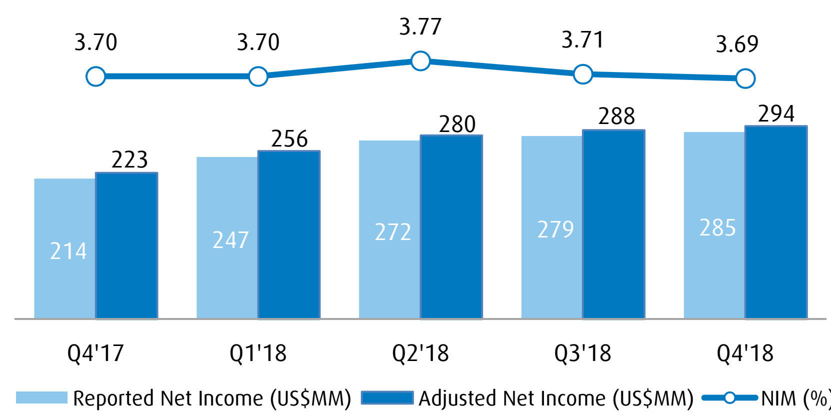
Continued strong performance

Figures that follow are in U.S. dollars

- Adjusted[1] net income up 31% Y/Y (reported up 33% Y/Y)
- Revenue up 8% Y/Y
  - Strong volume growth and the benefit of higher rates
  - Average loans[2,3] up 11% Y/Y and average deposits up 13%
  - NIM down 1 bp Y/Y and 2 bps Q/Q
- Adjusted[1] and reported expenses up 5% Y/Y
- Adjusted[1] efficiency ratio 59.4% (reported 60.5%) and operating leverage 2.7% (reported 3.0%)
- Adjusted[1] PPPT[4] up 12% Y/Y (reported 13%)
- PCL up $8MM Y/Y and up $29MM Q/Q
  - PCL includes $14MM provision on performing loans
- Lower tax rate Y/Y given tax reform and favourable tax item in quarter
- F2018 adjusted[1] net income up 36% Y/Y (reported up 37%), with 18% adjusted[1] PPPT[4] growth (reported 19%) and benefit of tax reform

	Reported			Adjusted[1]		
(US$MM)	Q4 18	Q3 18	Q4 17	Q4 18	Q3 18	Q4 17
Revenue (teb)	**996**	985	924	**996**	985	924
Total PCL	**60**	31	52	**60**	31	52
Expenses	**602**	601	574	**591**	590	561
Net Income	**285**	279	214	**294**	288	223
Net Income (CDE$)	**372**	364	270	**383**	376	281

Net Income[1] and NIM Trends



1 See slide 26 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 10% including these balances
3 In Nov'17 we purchased a $2.1B mortgage portfolio (Q4'18 average balance impact of $1.9B)
4 Pre-Provision Pre-Tax profit contribution; PPPT is the difference between revenue and expenses

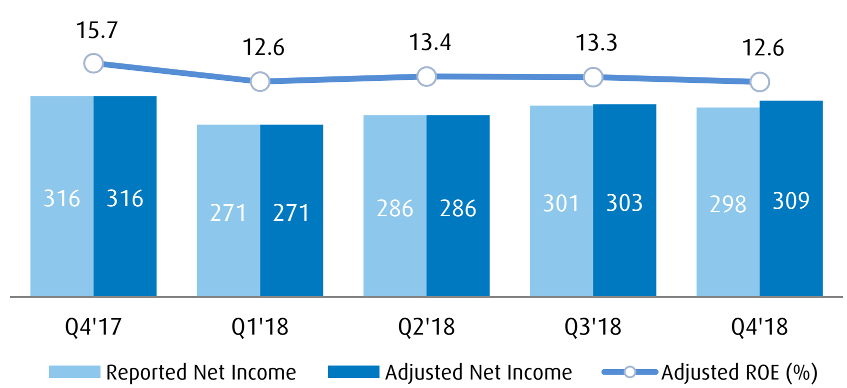
BMO Capital Markets

Solid performance, primarily driven by I&CB

- Adjusted[1] and reported net income lower than prior year reflecting current market conditions impacting Trading Products as well as higher expenses
- Revenue up 1% Y/Y
  - Trading Products down 2% Y/Y
  - Investment and Corporate Banking up 6% Y/Y
- Adjusted[1] expenses up 10% Y/Y (reported up 12%); reflects KGS-Alpha acquisition (closed September 1, 2018) and growth initiatives
- PCL recovery compared to charge in Q4'17
- F2018 adjusted[1] net income down 8% Y/Y (reported net income down 9%)

($MM)	Reported			Adjusted[1]		
	Q4 18	Q3 18	Q4 17	Q4 18	Q3 18	Q4 17
Trading Products	**629**	638	645	**629**	638	645
I&CB	**500**	465	470	**500**	465	470
Revenue (teb)	**1,129**	1,103	1,115	**1,129**	1,103	1,115
Total PCL (recovery)	**(7)**	7	4	**(7)**	7	4
Expenses	**763**	698	679	**749**	696	679
Net Income	**298**	**301**	**316**	**309**	**303**	**316**

Net Income[1] and ROE Trends



1 See slide 26 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information

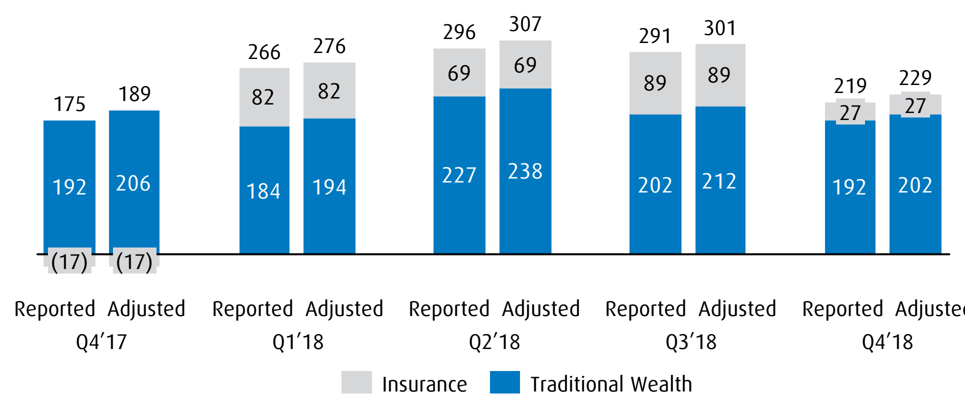
BMO Wealth Management

Good underlying net income growth Y/Y in Traditional Wealth

- Adjusted[1] net income up 21% Y/Y (reported up 25%)
  - Traditional Wealth down 2% Y/Y (reported flat); legal provision, net of favourable U.S. tax item, had 8% impact on growth
  - Insurance up Y/Y; less elevated reinsurance claims in the current year; down Q/Q due to elevated reinsurance claims and unfavourable market movements
- Net revenue[2] up 6% Y/Y
- Adjusted[1] expenses up 5% Y/Y (reported up 5%)
- Adjusted[1] operating leverage 0.6% (reported 1.3%)
- AUM/AUA up 4% Y/Y; AUM up 2%; AUA up 6%
- F2018 adjusted[1] net income up 8% (reported up 11%) due to growth from our diversified businesses and higher equity markets on average for the year

($MM)	Reported			Adjusted[1]		
	Q4 18	Q3 18	Q4 17	Q4 18	Q3 18	Q4 17
Net Revenue[2]	**1,179**	1,269	1,111	**1,179**	1,269	1,111
Total PCL	**3**	4	-	**3**	4	-
Expenses	**880**	875	841	**867**	862	823
Net Income	**219**	**291**	**175**	**229**	**301**	**189**
Traditional Wealth NI	**192**	202	192	**202**	212	206
Insurance NI	**27**	89	(17)	**27**	89	(17)
AUM/AUA ($B)	**821**	846	789	**821**	846	789

Net Income[1] Trends



1 See slide 26 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: Q4'18 $1,569MM, Q3'18 $1,538MM, Q4'17 $1,684MM

Corporate Services

- Adjusted[1] net loss for the quarter $68MM compared with $102MM in the prior year due to higher revenues and lower expenses. Reported net income $131MM compared to a net loss of $158MM in the prior year
- Adjusted[1] results exclude a benefit of $203MM after-tax ($277MM pre-tax) from the remeasurement of an employee benefit liability in the current period, a restructuring charge in the prior year, and acquisition integration costs in both periods
- F2018 adjusted[1] net loss of $298MM compared with $388MM in the prior year due to higher revenues and lower expenses
- F2018 reported net loss of $726MM compared to a net loss of $430MM in the prior year, with difference largely reflecting revaluation of deferred tax asset given U.S. tax reform

	Reported[2]			Adjusted[1,2]		
($MM)	**Q4 18**	**Q3 18**	**Q4 17**	**Q4 18**	**Q3 18**	**Q4 17**
Revenue	**25**	4	(18)	**25**	4	(18)
Group teb offset[2]	**(67)**	(62)	(176)	**(67)**	(62)	(176)
Total Revenue (teb)[2]	**(42)**	(58)	(194)	**(42)**	(58)	(194)
Total PCL	**(3)**	(2)	4	**(3)**	(2)	4
Expenses	**(159)**	81	213	**112**	75	130
Net Loss	**131**	**(62)**	**(158)**	**(68)**	**(57)**	**(102)**

1 See slide 26 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 October 31, 2018

Patrick Cronin
Chief Risk Officer

Q4|18

BMO

Provision for Credit Losses (PCL)

PCL By Operating Group ($MM)	Q4 18	Q3 18	Q4 17[1]
Consumer – Canadian P&C	99	96	98
Commercial – Canadian P&C	19	24	32
Total Canadian P&C	**118**	**120**	**130**
Consumer – U.S. P&C	13	10	10
Commercial – U.S. P&C	48	44	54
Total U.S. P&C	**61**	**54**	**64**
Wealth Management	**2**	**2**	**-**
Capital Markets	**(3)**	**3**	**4**
Corporate Services	**(1)**	**(2)**	**4**
PCL on Impaired Loans/ Specific PCL[1,2]	**177**	**177**	**202**
PCL on Performing Loans[2]	**(2)**	**9**	**na**
Collective Provision[2]	**na**	**na**	**-**
Total PCL	**175**	**186**	**202**

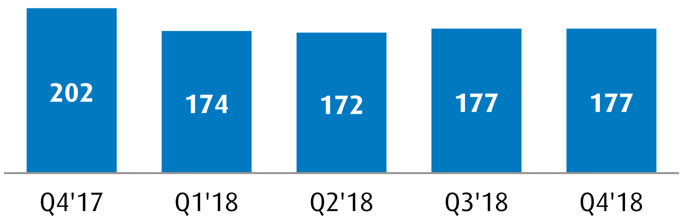
1 2017 periods have been restated for Canadian and U.S. P&C to conform with the current period's presentation

2 Effective the first quarter of 2018, the bank prospectively adopted IFRS 9. Under IFRS 9, we refer to the provision for credit losses on impaired loans and the provision for credit losses on performing loans. Prior periods have not been restated. Q4'17 presents the Specific PCL and Collective Provisions under IAS 39

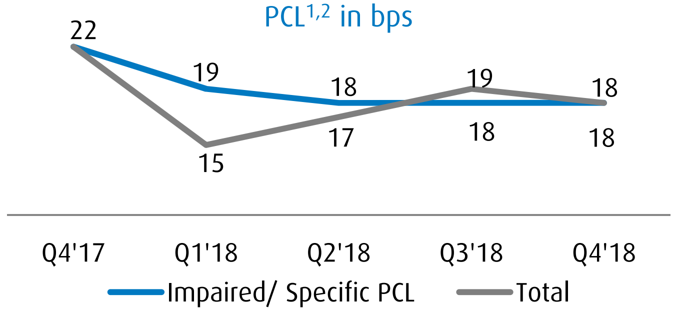
na – not applicable

- Q4'18 PCL ratio on Impaired Loans at 18 bps, flat Q/Q
- Allowance for Credit Losses on Performing Loans decreased PCL by $2 million

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



PCL[1,2] in bps

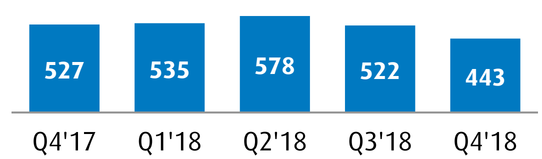


Gross Impaired Loans (GIL) and Formations

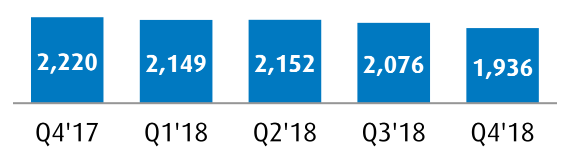
By Industry ($MM, as at Q4 18)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other[1]	U.S.	Total
Consumer	**203**	**75**	**278**	**426**	**470**	**896**
Service Industries	5	18	23	57	180	237
Agriculture	7	22	29	55	154	209
Transportation	1	21	22	5	116	121
Manufacturing	24	2	26	38	59	97
Oil & Gas	0	9	9	17	57	74
Financial	0	0	0	33	34	67
Retail Trade	17	4	21	26	41	67
Wholesale Trade	2	12	14	15	50	65
Commercial Real Estate	15	4	19	40	13	53
Construction (non-real estate)	0	0	0	17	17	34
Other Business and Government[2]	1	1	2	6	10	16
Total Business and Government	**72**	**93**	**165**	**309**	**731**	**1,040**
Total Bank	**275**	**168**	**443**	**735**	**1,201**	**1,936**

- GIL ratio 48 bps, down 5 bps Q/Q

Formations ($MM)



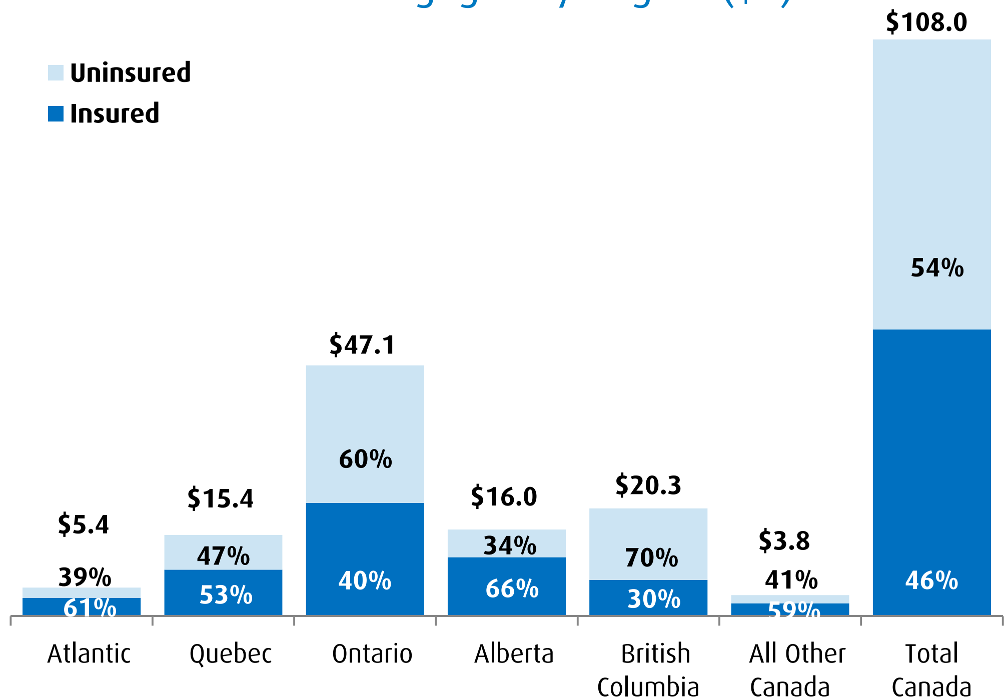
Gross Impaired Loans ($MM)[3]



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
3 GIL in prior periods have been restated to conform with the current period's presentation

Canadian Residential Mortgages

Residential Mortgages by Region ($B)

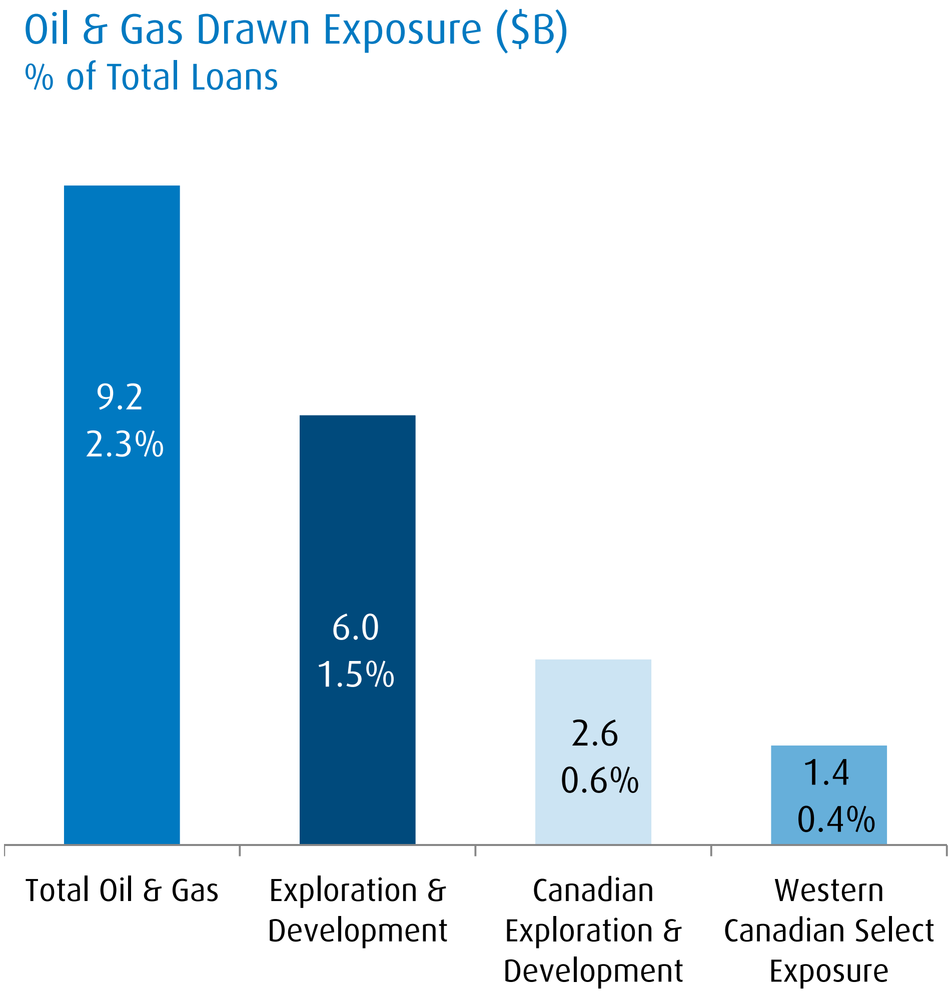


Avg LTV[2] Uninsured	Atlantic	Quebec	Ontario	Alberta	British Columbia	All Other Canada	Total Canada
Portfolio	58%	60%	54%	61%	46%	55%	54%
Origination	73%	70%	67%	72%	62%	71%	67%

- Total Canadian residential mortgage portfolio at $108.0B, 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 19 bps; loss rates for the trailing 4 quarter period were less than 1 bp
  - HELOC[1] portfolio at $31.7B outstanding; LTV[2] of 45%, similar regional representation as mortgages
  - Condo Mortgage portfolio is $15.5B with 40% insured
  - GTA and GVA portfolios demonstrate better LTV, delinquency rates and bureau scores compared to the national average

1 HELOC balances are 45% revolving and 55% 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

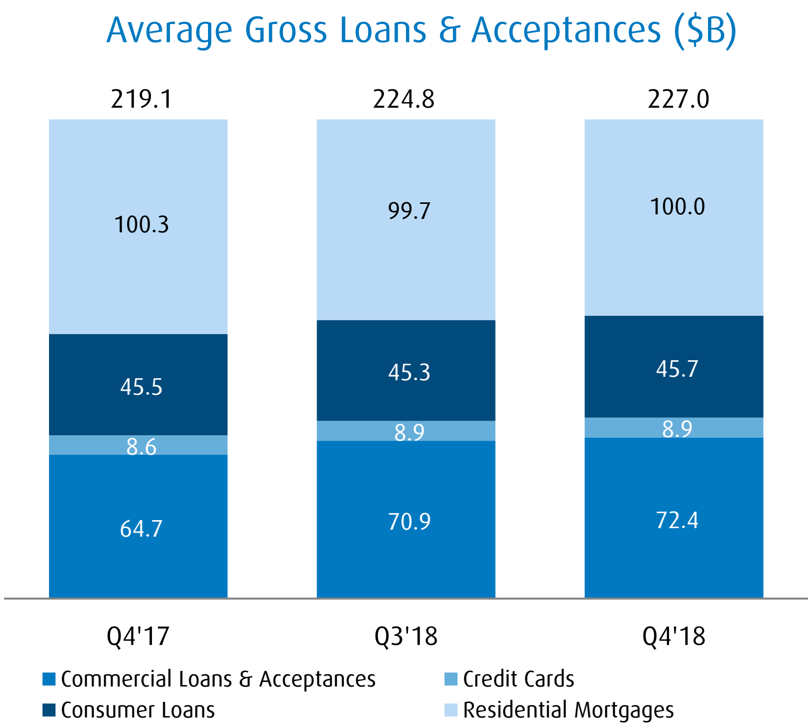
Oil and Gas Portfolio

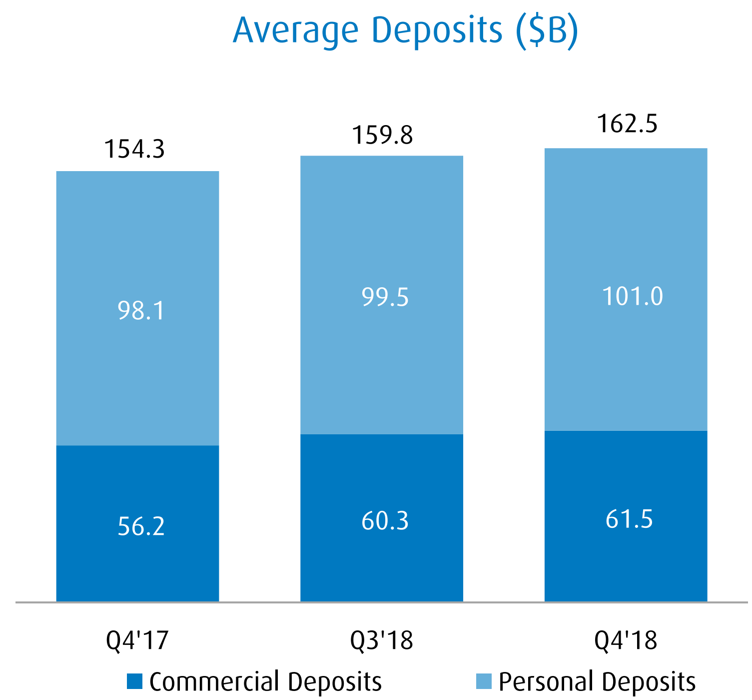


- $9.2B drawn exposure
- WCS drawn exposure:
  - 15% of total Oil & Gas; 0.4% of total loans
  - 78% investment grade
- Of the total Exploration & Development drawn exposure, approximately two-thirds is borrowing base lending

APPENDIX

Canadian Personal and Commercial Banking - Balances





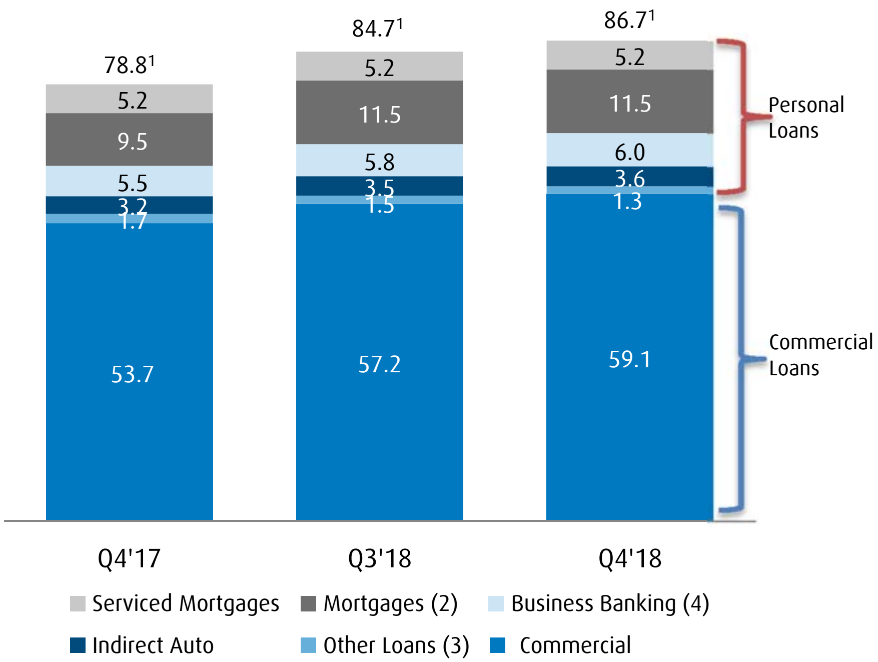
- Loans up 4% Y/Y
  - Proprietary channel residential mortgages and amortizing HELOC loans up 3%
  - Commercial loan balances[1] up 12%

- Deposits up 5% Y/Y
  - Personal deposit balances up 3%, including 5% chequing account growth
  - Commercial deposit balances up 9%

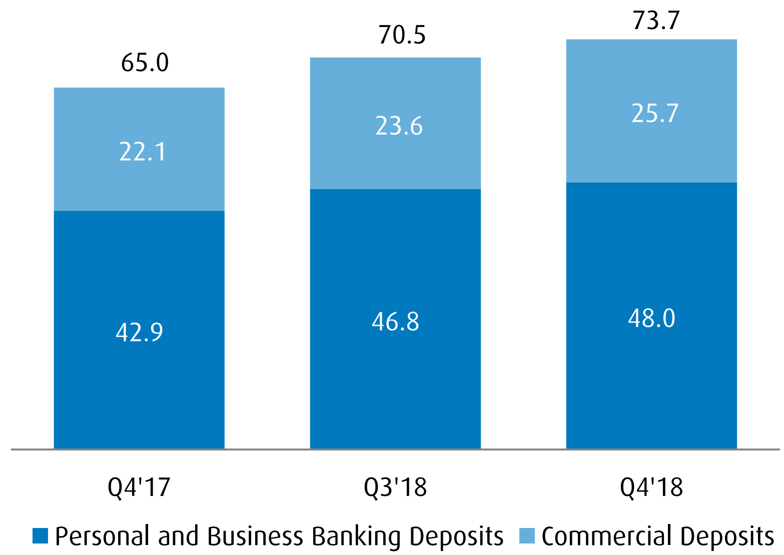
1 Commercial lending excludes commercial and small business cards. Commercial and small business cards balances represented ~13% of total credit card portfolio in Q4'17 and ~14% in Q3'18, and ~13% in Q4'18

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 10% Y/Y benefiting from mortgage purchase[5] and other growth

- Personal and Business Banking deposits up 12% Y/Y
- Commercial deposits up 16% Y/Y

1 Total includes Serviced Mortgages which are off-balance sheet
2 Mortgages include Wealth Management Mortgages (Q4'18 $2.1B, Q3'18 $2.1B, Q4'17 $2.1B) and Home Equity (Q4'18 $2.7B, Q3'18 $2.8B, Q4'17 $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 (Q4'18 average balance impact of $1.9B)

Loan Portfolio Overview

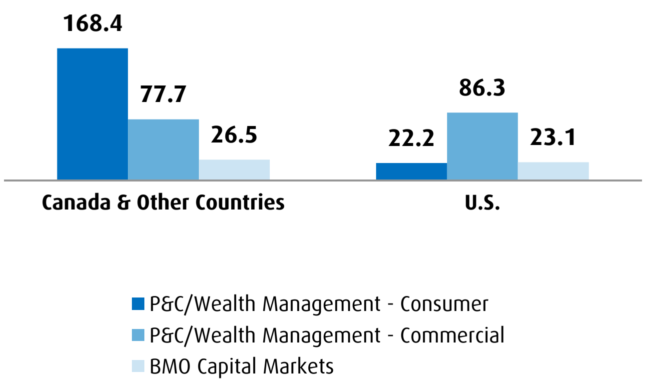
Gross Loans & Acceptances By Industry ($B, as at Q4 18)	Canada & Other[1]	U.S.	Total	% of Total
Residential Mortgages	108.0	11.6	119.6	29%
Consumer Instalment and Other Personal	53.2	10.0	63.2	16%
Cards	7.8	0.5	8.3	2%
Total Consumer	**169.0**	**22.2**	**191.2**	**47%**
Service Industries	17.9	20.5	38.4	10%
Financial	14.1	18.4	32.5	8%
Commercial Real Estate	18.8	12.2	31.0	8%
Manufacturing	6.8	16.1	22.9	6%
Retail Trade	11.6	8.8	20.4	5%
Wholesale Trade	4.8	10.0	14.8	4%
Agriculture	10.0	2.3	12.3	3%
Transportation	2.3	8.7	11.0	3%
Oil & Gas	5.2	4.0	9.2	2%
Other Business and Government[2]	12.1	8.4	20.5	4%
Total Business and Government	**103.6**	**109.4**	**213.0**	**53%**
Total Gross Loans & Acceptances	**272.6**	**131.6**	**404.2**	**100%**

1 Includes ~$9.5B from Other Countries

2 Other Business and Government includes all industry segments that are each <2% of total loans

- Loans are well diversified by geography and industry

Loans by Geography and Operating Group ($B)



BMO Financial Group
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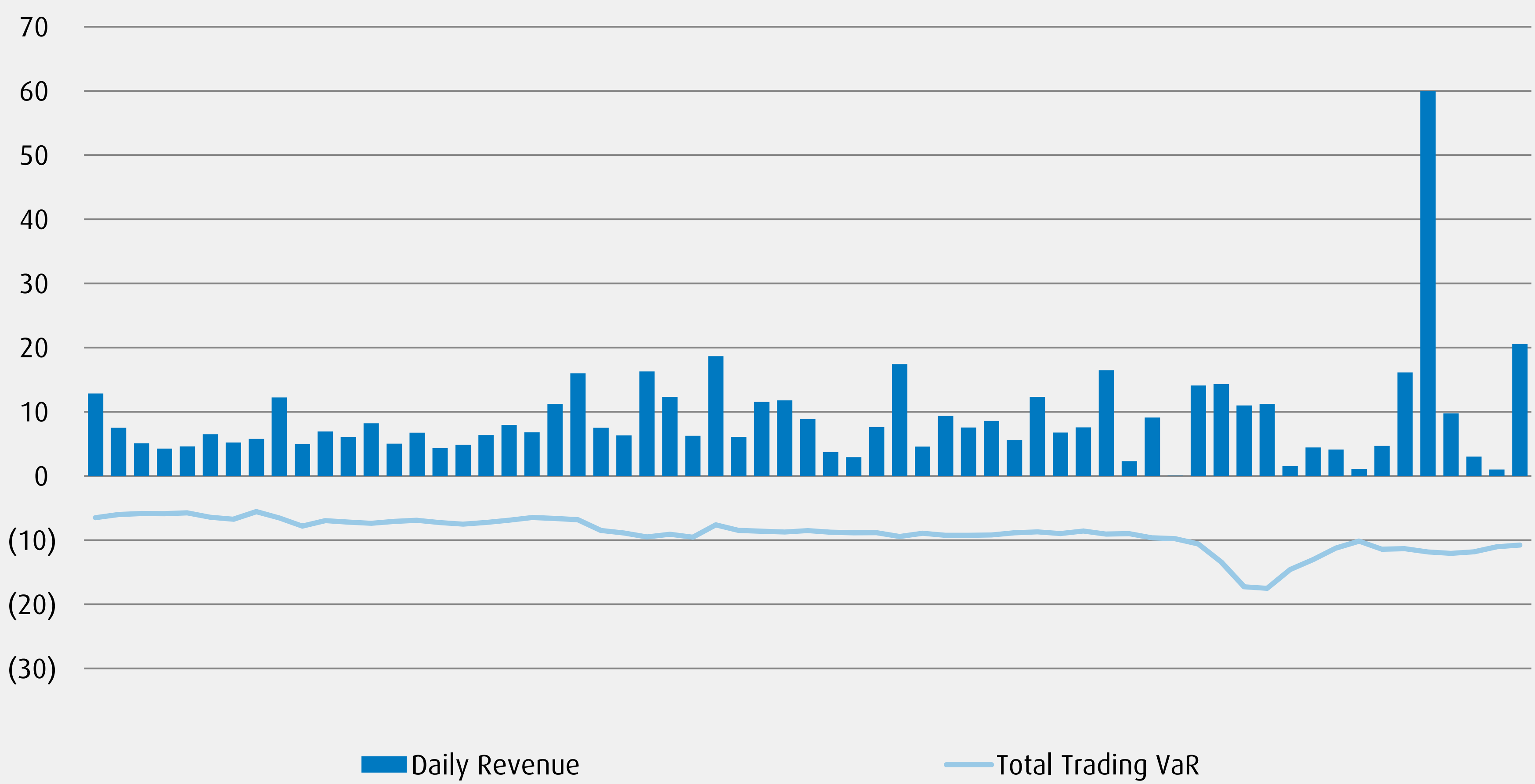
Trading-related Net Revenues and Value at Risk

August 1, 2018 to October 31, 2018

(pre-tax basis and in millions of Canadian dollars)



Adjusting Items

Adjusting items[1] - Pre-tax ($MM)	Q4 18	Q3 18	Q4 17	F2018	F2017
Amortization of acquisition-related intangible assets[2]	(31)	(28)	(34)	(116)	(149)
Acquisition integration costs[2]	(18)	(8)	(24)	(34)	(87)
Benefit from the remeasurement of an employee benefit liabilitiy[3]	277	-	-	277	-
Restructuring costs[4]	-	-	(59)	(260)	(59)
(Increase) / decrease in collective allowance	-	-	-	-	76
Adjusting items included in reported pre-tax income	**228**	**(36)**	**(117)**	**(133)**	**(219)**

Adjusting items[1] - After-tax ($MM)	Q4 18	Q3 18	Q4 17	F2018	F2017
Amortization of acquisition-related intangible assets[2]	(24)	(22)	(26)	(90)	(116)
Acquisition integration costs[2]	(13)	(7)	(15)	(25)	(55)
Benefit from the remeasurement of an employee benefit liabilitiy[3]	203	-	-	203	-
Restructuring costs[4]	-	-	(41)	(192)	(41)
(Increase) / decrease in collective allowance	-	-	-	-	54
U.S. net deferred tax asset revaluation[5]	-	-	-	(425)	-
Adjusting items included in reported net income after tax	**166**	**(29)**	**(82)**	**(529)**	**(158)**
Impact on EPS ($)	**0.25**	(0.05)	(0.13)	(0.82)	(0.24)

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 related to KGS-Alpha are charged to BMO Capital Markets. Acquisition integration costs are recorded in non-interest expense
3 The current quarter included a benefit of $203 million after-tax ($277 million pre-tax) from the remeasurement of an employee benefit liability, as a result of an amendment to our other employee future benefits plan for certain employees that was announced in the fourth quarter of 2018. This amount has been included in Corporate Services in non-interest expense
4 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
5 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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