BMO Financial Group

Investor Presentation

For the Quarter Ended October 31, 2019

December 3, 2019

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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 2020 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, privacy and cyber security, including the threat of data breaches, 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 refer to 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, legal and regulatory, business, strategic, environmental and social, and reputation risk, in the Enterprise-Wide Risk Management section that begins on page 69 of BMO's 2019 Annual Report, 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 18 of BMO's 2019 Annual Report. 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, the rationale for their use, as well as the effects of changes in exchange rates on BMO's U.S. segment reported and adjusted results can be found on pages 5 and 7 of BMO's Fourth Quarter 2019 Earnings Release and on pages 17 and 23 of BMO's 2019 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 (i.e. constant currency basis or CCY), 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, reinsurance adjustment, 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 benefits plan.

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

Darryl White

Chief Executive Officer

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Financial Highlights

	Q4'19	F2019
Net Income[1]	**$1.6B**	**$6.2B**
Reported	$1.2B	$5.8B
EPS[1]	**$2.43**	**$9.43**
Reported	$1.78	$8.66
PPPT[1,2] **Growth**	**11%**	**7%**
Reported	(24%)	1%
Operating Leverage[1,3]	**3.8%**	**0.8%**
Reported	(20.4)%	(2.9)%
Efficiency Ratio[1,3]	**60.0%**	**61.4%**
Reported	69.3%	64.2%

- Q4'19 adjusted[1] net income growth of 5%, with particularly good growth in Personal and Commercial banking
- Q4'19 and F2019 adjusted[1] EPS growth of 5% reflecting good revenue and income growth across North American platform
- F2019 revenue growth of 6%
- Expense growth[1] in second half of year moderated significantly, to just 2.6%
- Positive operating leverage in all businesses in fourth quarter
- Positive adjusted[1] operating leverage in F2019 while absorbing Capital Markets severance expense
- All groups contributing to our steadily improving efficiency performance
- 130 bps[1] improvement over past two years
- Increasing momentum in last two quarters

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: Q4'19 net income growth: (30%); Q4'19 EPS growth (31%); F2019 EPS growth: 6%; 2nd half expense growth 14.1%; 10bps increase over past two years
2 Pre-Provision Pre-Tax earnings (PPPT) is the difference between net revenue and expenses
3 Operating leverage and efficiency ratio based on net revenue. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)

Strong and Consistent Delivery Across our Businesses

Canadian Personal & Commercial

- Solid earnings growth with prudent risk management
- Dominant position in commercial lending, adding targeted capacity that is driving incremental return
- Strong growth in both loans and deposits

U.S. Personal & Commercial

- Increasing market share in core footprint and new markets
- Continued strength in commercial lending
- Strong and diversified deposit growth

BMO Wealth Management

- Good earnings growth in Traditional Wealth
- Record net new assets in BMO Nesbitt Burns, strong loan and deposit growth
- Leading net new asset growth in Canadian ETFs for 9th consecutive year

BMO Capital Markets

- Investments driving strong revenue growth
- Investor Day target of 45-50% revenue contribution from U.S. achieved in both Q4 and F2019

U.S. Segment Growth

- Over one-third of total bank earnings in F2019, exceeding Investor Day target
- Consistent contribution across all businesses

Progress on our Commitments

Efficiency Improvement

- 410 bps improvement since F2015
- Efficiency target of 58% in F2021

Digital Innovation

- Top Digital Innovation Award[1] for BMO QuickPay and Impact Innovation Award[2] for online business banking platform
- Business and technology integrated through Chief Information Officers

Diversity & Inclusion

- True Name feature on BMO Mastercard®
- True North Social Impact Award[3] for the bank's meaningful social contributions

Our Purpose: Boldly Grow the Good *in business and life*

1 Banking Technology Awards
2 Aite Group 2019, for Cash Management and Payments for Digital Channel Capabilities
3 American Chamber of Commerce in Canada

Financial Results

For the Quarter Ended October 31, 2019

Tom Flynn
Chief Financial Officer

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F2019 - Financial Highlights

Good full year performance with momentum heading into 2020

- Adjusted[1] EPS $9.43, up 5% Y/Y (reported up 6%)
- Adjusted[1] net income up 4% Y/Y (reported up 6%)
- Net revenue[2] up 6% Y/Y, 5% CCY[6]
- Adjusted[1] expenses up 5% Y/Y, 4% CCY[6] (reported[3] up 9%)
- Adjusted[1] PPPT[5] up 7% Y/Y, 6% CCY[6] (reported[3] up 1%)
- Adjusted[1] operating leverage[2] 0.8% (reported (2.9)%)
- Adjusted[1] efficiency ratio[2] 61.4%, down 410 bps from 65.5% in 2015 (reported 64.2%; F2015 67.5%)
- Total PCL $872MM, up $210MM Y/Y
  - PCL on impaired loans $751MM; performing loans $121MM
- Adjusted[1] ROE 13.7% (reported 12.6%)

($MM)	Reported		Adjusted[1]	
	F2019	F2018	F2019	F2018
Net Revenue[2]	**22,774**	21,553	**22,799**	21,553
Total PCL	**872**	662	**872**	662
Expense[3]	**14,630**	13,477	**14,005**	13,344
Net Income	**5,758**	**5,453**	**6,249**	**5,982**
Diluted EPS ($)	**8.66**	8.17	**9.43**	8.99
ROE (%)	**12.6**	13.3	**13.7**	14.6
ROTCE[4] (%)	**15.1**	16.2	**16.1**	17.5
CET1 Ratio (%)	**11.4**	11.3		

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: F2019 $25,483MM; F2018 $22,905MM. Reported net revenue includes $25MM reinsurance adjustment in CCPB for the net impact of major reinsurance claims from Japanese typhoons that were incurred after our announced decision to wind down our reinsurance business
3 Reported expenses include $484MM restructuring charge in F2019, $277MM benefit from remeasurement of employee benefit liability and $260MM restructuring charge in F2018
4 Return on Tangible Common Equity (ROTCE)
5 Pre-Provision Pre-Tax profit contribution; PPPT is the difference between net revenue and expenses
6 Constant currency (CCY) refers to the impact of CAD/US exchange rate movements on the U.S. segment only. Measures presented on a CCY basis are non-GAAP measures, see slide 2 for more information

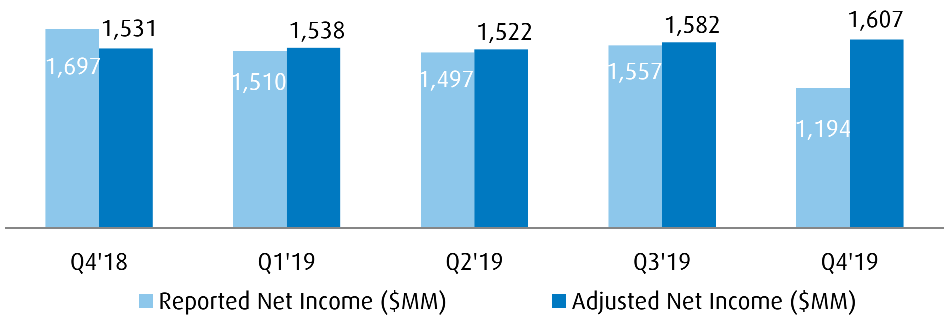
Q4 F2019 - Financial Highlights

Good momentum; adjusted[1] EPS up 5%, PPPT[5] up 11% with total bank and all Groups' operating leverage positive

- Adjusted[1] EPS $2.43, up 5% Y/Y (reported $1.78, down 31%)
- Adjusted[1] net income up 5% Y/Y (reported down 30%)
  - U.S. Segment adjusted[1] net income up 23% Y/Y (reported down 2%)
- Adjusted[1] PPPT[5] up 11% Y/Y (reported[3] down 24%); lower net income growth reflects higher PCL and taxes
- Net revenue[2] up 5% Y/Y, up 4% CCY[6]
- Adjusted[1] expenses up 1% Y/Y
  - Reported[3] up 25% reflecting $484MM ($357MM after-tax) restructuring charge in quarter and benefit from remeasurement of employee benefit liability in prior year
- Adjusted[1] efficiency ratio[2] 60.0% (reported 69.3%)
- Adjusted[1] operating leverage[2] 3.8% (reported (20.4)%)
- Total PCL $253MM, up $78MM Y/Y; down $53MM Q/Q
  - PCL on impaired loans $231MM; performing loans $22MM
- Adjusted[1] ROE 13.5% (reported 9.9%)

	Reported			Adjusted[1]		
($MM)	Q4 19	Q3 19	Q4 18	Q4 19	Q3 19	Q4 18
Net Revenue[2]	**5,752**	5,779	5,503	**5,777**	5,779	5,503
Total PCL	**253**	306	175	**253**	306	175
Expenses[3]	**3,987**	3,491	3,193	**3,463**	3,459	3,421
Net Income	**1,194**	**1,557**	**1,697**	**1,607**	**1,582**	**1,531**
Diluted EPS ($)	**1.78**	2.34	2.58	**2.43**	2.38	2.32
ROE (%)	**9.9**	13.2	16.1	**13.5**	13.5	14.5
ROTCE[4] (%)	**11.9**	15.8	19.5	**15.7**	15.8	17.3
CET1 Ratio (%)	**11.4**	11.4	11.3			

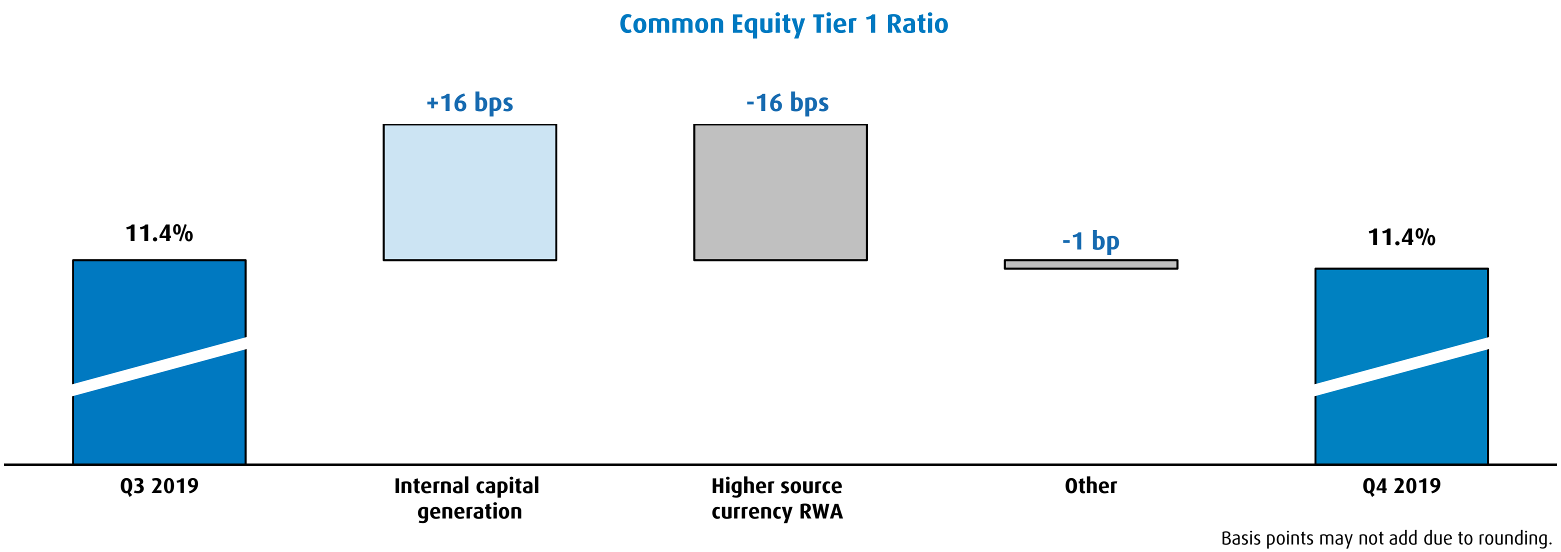
Net Income[1] Trends



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: Q4'19 $6,087MM; Q3'19 $6,666MM; Q4'18 $5,893MM. Reported net revenue includes $25MM reinsurance adjustment in CCPB for the net impact of major reinsurance claims from Japanese typhoons that were incurred after our announced decision to wind down our reinsurance business
3 Reported expenses include $484MM restructuring charge in the current quarter and $277MM benefit from remeasurement of employee benefit liability in Q4'18
4 Return on Tangible Common Equity (ROTCE)
5 Pre-Provision Pre-Tax profit contribution; PPPT is the difference between net revenue and expenses
6 Constant currency (CCY) refers to the impact of CAD/US exchange rate movements on the U.S. segment only. Measures presented on a CCY basis are non-GAAP measures, see slide 2 for more information

Strong Capital Position

Capital position strong with CET1 Ratio at 11.4%



- CET1 Ratio of 11.4% at Q4 2019, consistent with Q3 2019
  - Internal capital generation primarily from retained earnings growth, which absorbed a restructuring charge (-11 bps), offset by:
  - Higher source currency RWA from business growth
- Quarterly common share dividend increased by 3 cents to $1.06
  - Dividend increased ~6% from the prior year
  - Attractive dividend yield of ~4%[1]
- Regulatory changes and IFRS 16 expected to impact Q1 2020 CET1 Ratio by 15-20 bps

1 Dividend yield based on closing share price as of October 31, 2019

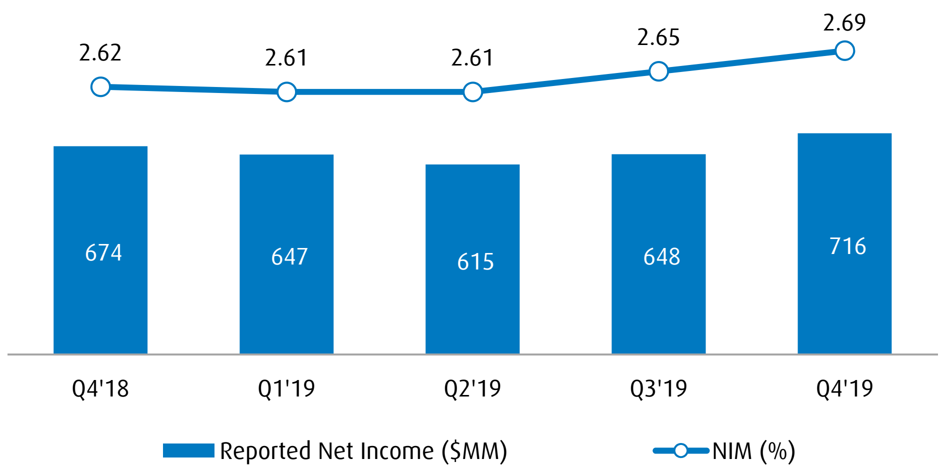
Canadian Personal & Commercial Banking

Strong performance and continued balance momentum

- Adjusted[1] and reported net income up 6% Y/Y
- Strong adjusted[1] and reported PPPT[2] growth of 10% Y/Y
- Revenue up 7% Y/Y
  - Average loans up 7% Y/Y. Commercial[3] up 16%; proprietary mortgages (including amortizing HELOC) up 5%
  - Average deposits up 13% Y/Y. Personal up 14%; Commercial up 12%
  - NIM up 7 bps Y/Y; up 4 bps Q/Q
- Expenses[4] up 4% Y/Y
- Adjusted[1] efficiency ratio 46.6% (reported 46.7%)
- Operating leverage[4] 2.7%
- Total PCL $145MM, up $42MM Y/Y; down $59MM Q/Q
  - PCL on impaired loans $134MM; performing loans $11MM
- F2019 adjusted[1] and reported net income up 3% Y/Y; prior year gain reduced growth by 1%

	Reported			Adjusted[1]		
($MM)	Q4 19	Q3 19	Q4 18	Q4 19	Q3 19	Q4 18
Revenue (teb)	**2,083**	2,048	1,943	**2,083**	2,048	1,943
Total PCL	**145**	204	103	**145**	204	103
Expenses	**971**	970	931	**971**	969	930
Net Income	**716**	**648**	**674**	**716**	**649**	**675**

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 Pre-Provision Pre-Tax profit contribution; PPPT is the difference between revenue and expenses
3 Commercial loan growth excludes corporate and small business cards
4 Expense growth and operating leverage shown are on an adjusted and reported basis

U.S. Personal & Commercial Banking

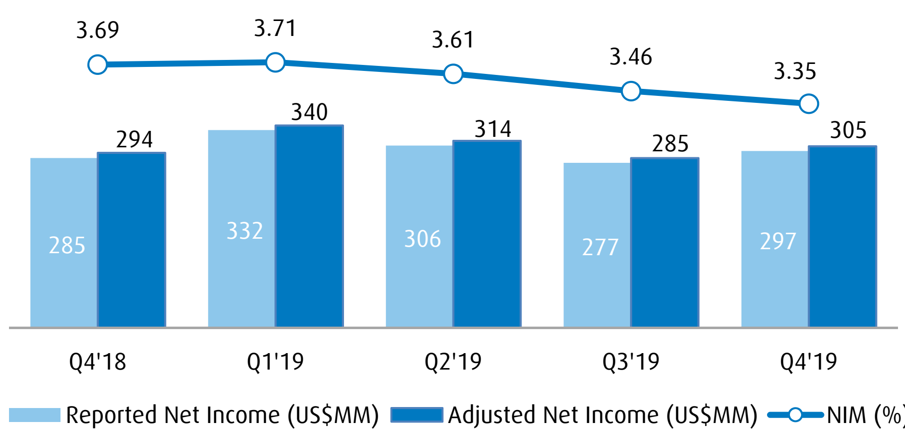
Strong PPPT[2] growth and operating leverage

Figures that follow are in U.S. dollars

- Adjusted[1] and reported net income up 4% Y/Y
- Adjusted[1] and reported PPPT[2] up 9% Y/Y; above income growth given lower taxes in Q4'18
- Revenue up 4% Y/Y
  - Average loans[3] up 13% Y/Y. Commercial up 15% and Personal up 6%
  - Average deposits up 13% Y/Y. Commercial up 18% and Personal up 9%
  - NIM down 11 bps Q/Q largely reflecting the impact of rate cuts
- Adjusted[1] and reported expenses up 1% Y/Y
- Adjusted[1] efficiency ratio 57.1% (reported 58.1%)
- Adjusted[1] operating leverage 3.4% (reported 3.5%)
- Total PCL $54MM, down $6MM Y/Y; down $19MM Q/Q
  - PCL on impaired loans $51MM; performing loans $3MM
- F2019 adjusted[1] net income up 11% Y/Y (reported up 12%)

	Reported			Adjusted[1]		
(US$MM)	**Q4 19**	**Q3 19**	**Q4 18**	**Q4 19**	**Q3 19**	**Q4 18**
Revenue (teb)	**1,028**	1,029	988	**1,028**	1,029	988
Total PCL	**54**	73	60	**54**	73	60
Expenses	**598**	606	594	**587**	595	583
Net Income	**297**	**277**	**285**	**305**	**285**	**294**
Net Income (CDE$)	**393**	**368**	**372**	**404**	**379**	**383**

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 Pre-Provision Pre-Tax profit contribution; PPPT is the difference between revenue and expenses
3 Average loan growth rate referenced above excludes Wealth Management mortgage balances; average loans up 13% including these balances

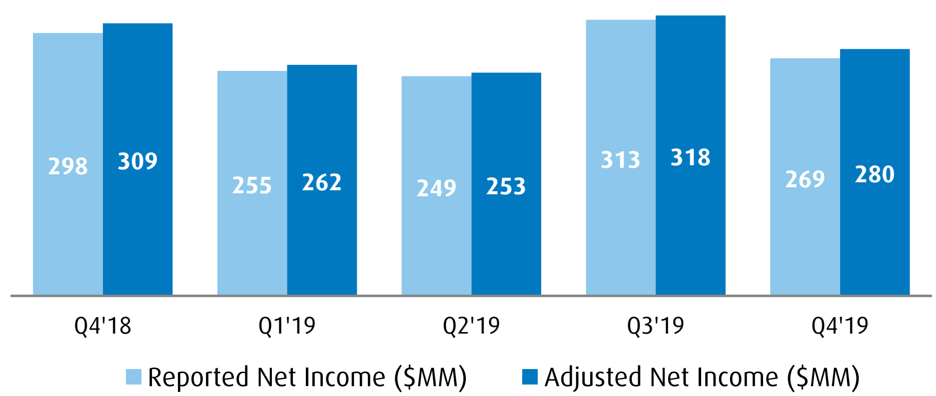
BMO Capital Markets

Good PPPT[2] growth and positive operating leverage on continued strong U.S. performance

- Adjusted[1] net income down 9% Y/Y (reported down 10%) reflecting higher PCL
- Adjusted[1] and reported PPPT[2] growth of 5% Y/Y
- Revenue up 4% Y/Y
  - Global Markets[4] up 9% Y/Y
  - Investment and Corporate Banking down 3% Y/Y
- Adjusted[1] and reported expenses up 3% Y/Y, 2% CCY[3]
- Adjusted[1] operating leverage 0.5% (reported 0.6%)
- Total PCL $40MM, up $47MM Y/Y; up $30MM Q/Q
  - PCL on impaired loans $32MM; performing loans $8MM
- Strong U.S. performance; Q4 adjusted[1] net income of US$94MM (reported US$86MM) up 60% Y/Y; F2019 adjusted[1] net income of $312MM, up 52% Y/Y (reported up 49%)
- F2019 adjusted[1] net income down $56MM or 5% Y/Y (reported down 6%), impacted by Q2 severance expense[5] ($90MM after-tax)

	Reported			Adjusted[1]		
($MM)	Q4 19	Q3 19	Q4 18	Q4 19	Q3 19	Q4 18
Global Markets[4]	**688**	665	630	**688**	665	630
I&CB	**485**	535	502	**485**	535	502
Revenue (teb)	**1,173**	1,200	1,132	**1,173**	1,200	1,132
Total PCL	**40**	10	(7)	**40**	10	(7)
Expenses	**788**	794	765	**774**	788	751
Net Income	**269**	**313**	**298**	**280**	**318**	**309**

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 Pre-Provision Pre-Tax earnings (PPPT) is the difference between revenue and expenses
3 Constant Currency (CCY) refers to the impact of CAD/US exchange rate movement on the U.S. segment only. Measures presented on a CCY basis are non-GAAP measures, see slide 2 for more information
4 Global Markets was previously referred to as Trading Products
5 F2019 Severance expense $120MM pre-tax, $90MM after-tax

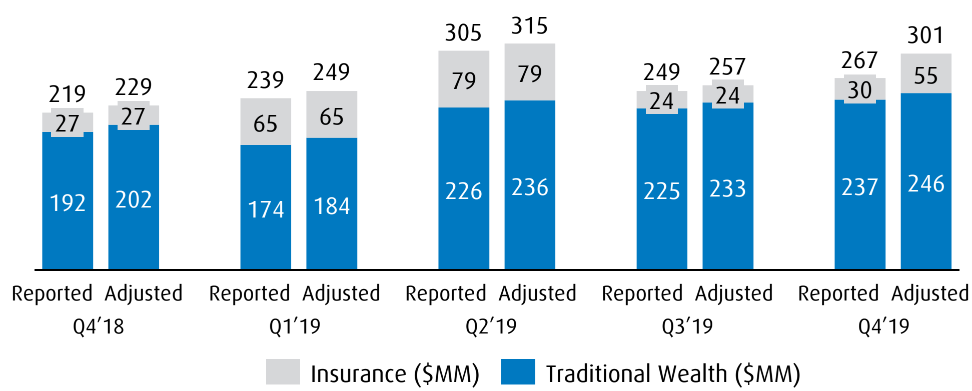
BMO Wealth Management

Good underlying growth in Traditional Wealth

- Adjusted[1] net income up 31% Y/Y (reported up 22%)
- Adjusted[1] Traditional Wealth net income up 22% Y/Y (reported up 24%)
  - Impact of a legal provision in prior year, and higher deposit, loan and fee-based revenues; benefit from good deposit growth of 12% and loan growth of 14%
- Adjusted[1] and reported[3] Insurance net income up from low prior year level
- Net revenue[2] up 7% Y/Y; Traditional Wealth up 5% Y/Y
- Adjusted[1] expenses down 2% Y/Y (reported down 3%) as Q4'19 below trend and the impact of legal provision in prior year
- AUM up 8% Y/Y; AUA up 3% Y/Y
- F2019 adjusted[1] net income up 1% Y/Y (reported down 1%) with 6% growth in Traditional Wealth offset by 17% decline in Insurance

	Reported			Adjusted[1]		
($MM)	Q4 19	Q3 19	Q4 18	Q4 19	Q3 19	Q4 18
Net Revenue[2]	**1,232**	1,226	1,181	**1,257**	1,226	1,181
Total PCL (recovery)	**(0)**	(2)	3	**(0)**	(2)	3
Expenses	**860**	885	882	**849**	874	869
Net Income	**267**	**249**	**219**	**301**	**257**	**229**
Traditional Wealth NI	**237**	225	192	**246**	233	202
Insurance NI[3]	**30**	24	27	**55**	24	27
AUM/AUA ($B)	**865**	856	821	**865**	856	821

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: Q4'19 $1,567MM, Q3'19 $2,113MM, Q4'18 $1,571MM. Reported CCPB $335MM, adjusted CCPB $310MM. Revenue net of reported CCPB up 4% Y/Y
3 Reported Insurance results include $25MM (pre-tax and after-tax) reinsurance adjustment in CCPB for the net impact of major reinsurance claims from Japanese typhoons that were incurred after our announced decision to wind down our reinsurance business

Corporate Services

- Adjusted[1] net loss of $94MM for Q4'19 compared with net loss of $65MM in prior year. Reported net loss of $451MM for Q4'19 compared with reported net income of $134MM in the prior year
- Adjusted[1] net loss $27MM worse Y/Y CCY[3] mainly due to lower revenue excluding teb partially offset by lower expenses
- Reported results in the current quarter include $357MM after-tax restructuring charge and in the prior year $203MM after-tax benefit from remeasurement of an employee benefit liability and $4MM after-tax acquisition integration costs
- F2019 adjusted[1] net loss of $268MM compared with net loss of $290MM in the prior year primarily due to lower expenses. F2019 reported net loss of $625MM compared with a net loss of $718MM in the prior year

	Reported[2]			Adjusted[1,2]		
($MM)	**Q4 19**	**Q3 19**	**Q4 18**	**Q4 19**	**Q3 19**	**Q4 18**
Revenue	**(20)**	14	25	**(20)**	14	25
Group teb offset[2]	**(77)**	(74)	(67)	**(77)**	(74)	(67)
Total Revenue (teb)[2]	**(97)**	(60)	(42)	**(97)**	(60)	(42)
Total PCL (recovery)	**(2)**	(4)	(3)	**(2)**	(4)	(3)
Expenses	**576**	38	(161)	**92**	38	110
Net Loss	**(451)**	**(21)**	**134**	**(94)**	**(21)**	**(65)**

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
3 Constant currency (CCY) refers to the impact of CAD/US exchange rate movements on the U.S. segment only. Measures presented on a CCY basis are non-GAAP measures, see slide 2 for more information

Risk Review

For the Quarter Ended October 31, 2019

Patrick Cronin
Chief Risk Officer

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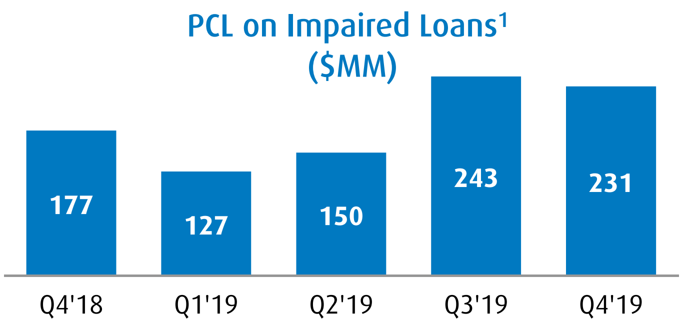
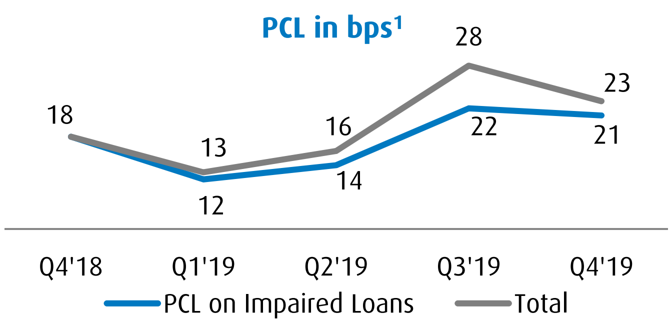
Provision for Credit Losses (PCL)

PCL By Operating Group ($MM)	Q4 19	Q3 19	Q4 18
Consumer – Canadian P&C	110	133	99
Commercial – Canadian P&C	24	41	19
Total Canadian P&C	**134**	**174**	**118**
Consumer – U.S. P&C	17	8	13
Commercial – U.S. P&C	49	53	48
Total U.S. P&C	**66**	**61**	**61**
BMO Wealth Management	**1**	**-**	**2**
BMO Capital Markets	**32**	**7**	**(3)**
Corporate Services	**(2)**	**1**	**(1)**
PCL on Impaired Loans	**231**	**243**	**177**
PCL on Performing Loans	**22**	**63**	**(2)**
Total PCL	**253**	**306**	**175**

- Q4'19 PCL ratio on Impaired Loans at 21 bps, down 1 bp Q/Q
- Allowance for Credit Losses on Performing Loans increased PCL by $22 million
- Annual F2019 PCL ratio on Impaired Loans at 17 bps, down 1 bp Y/Y



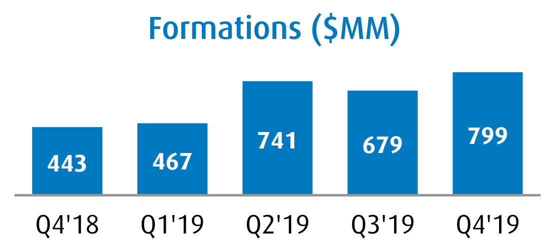


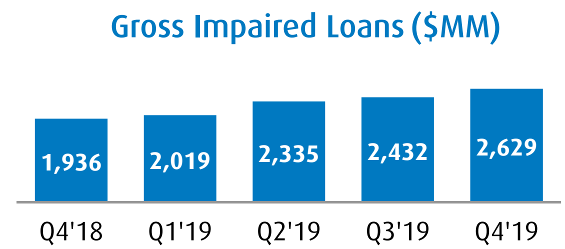
1 Q1'19 and Q2'19 PCL on Impaired Loans included large recoveries

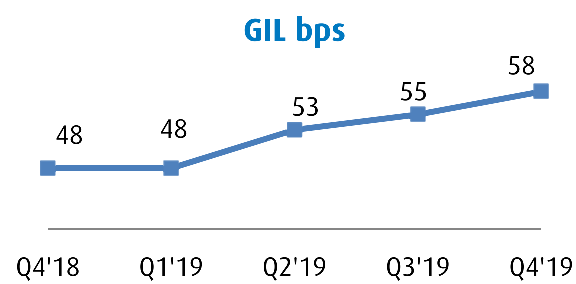
Gross Impaired Loans (GIL) and Formations

By Industry ($MM, as at Q4 19)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other[1]	U.S.	Total
Consumer	**213**	**46**	**259**	**497**	**385**	**882**
Oil & Gas	24	158	182	33	371	404
Service Industries	12	41	53	108	211	319
Agriculture	30	18	48	72	241	313
Manufacturing	46	77	123	66	160	226
Transportation	1	49	50	5	144	149
Wholesale Trade	18	28	46	30	98	128
Retail Trade	1	14	15	22	45	67
Commercial Real Estate	16	1	17	45	13	58
Financial	0	2	2	10	21	31
Construction (non-real estate)	0	1	1	11	18	29
Other Business and Government[2]	1	2	3	15	8	23
Total Business and Government	**149**	**391**	**540**	**417**	**1,330**	**1,747**
Total Bank	**362**	**437**	**799**	**914**	**1,715**	**2,629**

- GIL ratio 58 bps, up 3 bps Q/Q







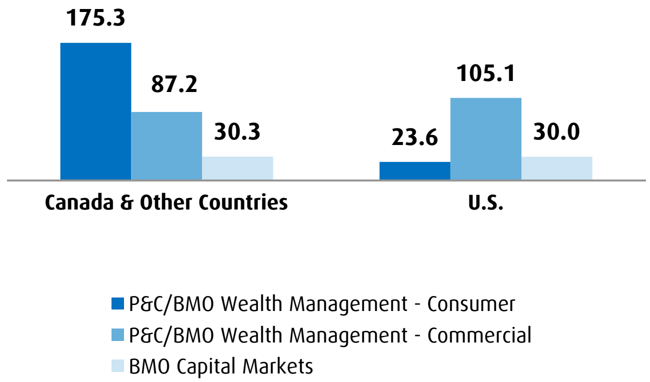
1 Total Business and Government includes nil GIL from Other Countries
2 Other Business and Government includes industry segments that are each <1% of total GIL

Loan Portfolio Overview

Gross Loans & Acceptances By Industry ($B, as at Q4 19)	Canada & Other[1]	U.S.	Total	% of Total
Residential Mortgages	112.5	11.2	123.7	27%
Consumer Instalment and Other Personal	55.9	11.8	67.7	15%
Cards	8.3	0.6	8.9	2%
Total Consumer	**176.7**	**23.6**	**200.3**	**44%**
Service Industries	21.8	24.0	45.8	10%
Financial	13.8	27.0	40.8	9%
Commercial Real Estate	21.8	14.9	36.7	8%
Manufacturing	7.9	18.7	26.6	6%
Retail Trade	13.6	9.5	23.1	5%
Wholesale Trade	5.5	11.5	17.0	4%
Oil & Gas	6.0	7.5	13.5	3%
Agriculture	11.1	2.2	13.3	3%
Transportation	3.1	9.3	12.4	3%
Other Business and Government[2]	11.5	10.5	22.0	5%
Total Business and Government	**116.1**	**135.1**	**251.2**	**56%**
Total Gross Loans & Acceptances	**292.8**	**158.7**	**451.5**	**100%**

- Loans are well diversified by geography and industry

Loans by Geography and Operating Group ($B)



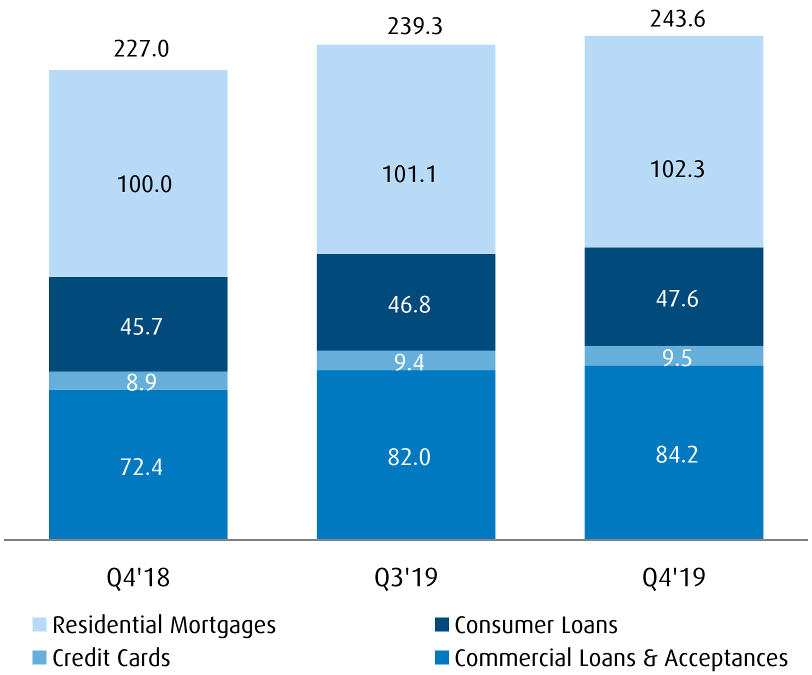
1 Includes ~$10.7B from Other Countries
2 Other Business and Government includes all industry segments that are each <2% of total loans

Appendix

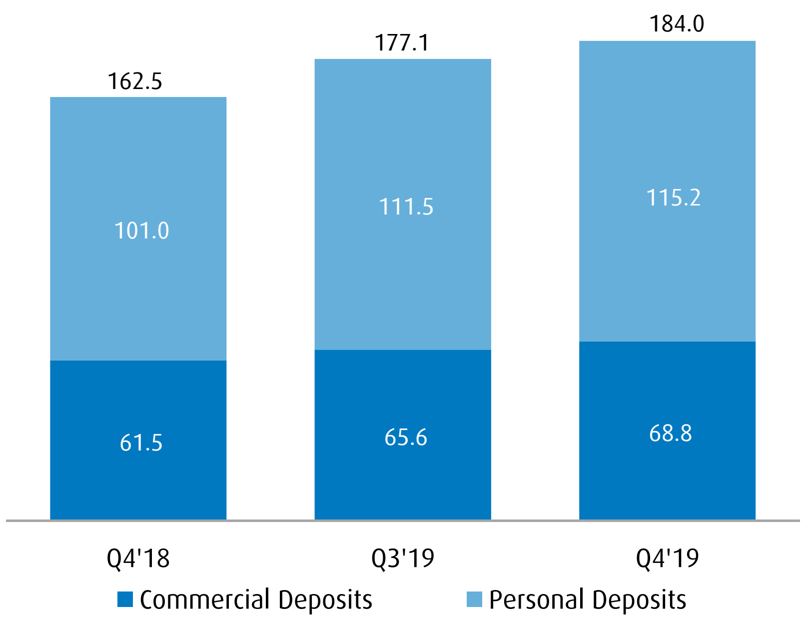
BMO

Canadian Personal & Commercial Banking - Balances

Average Gross Loans & Acceptances ($B)



Average Deposits ($B)



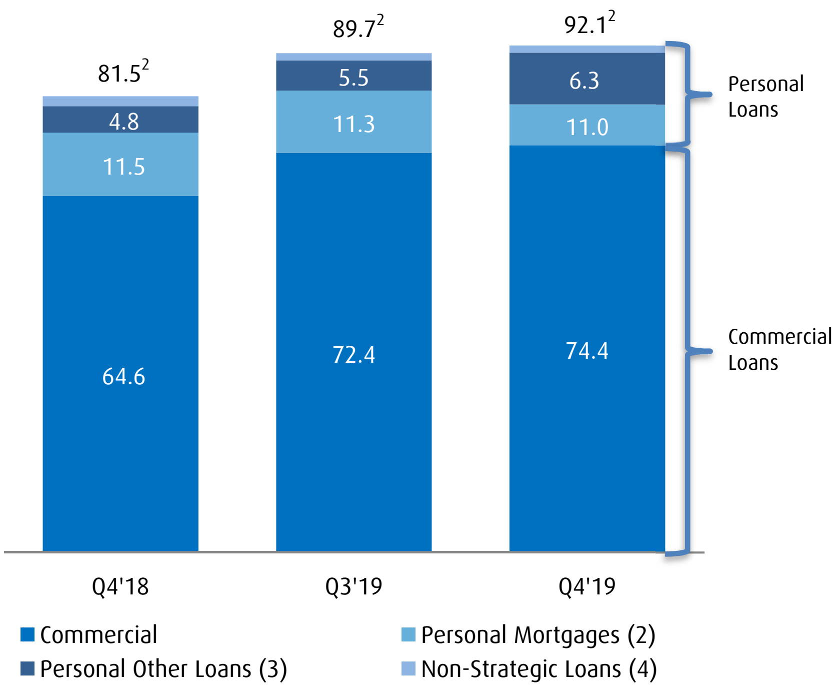
- Loans up 7% Y/Y
  - Proprietary channel residential mortgages and amortizing HELOC loans up 5%, other consumer loans up 4%
  - Commercial loan balances[1] up 16%

- Deposits up 13% Y/Y
  - Personal deposit balances up 14%
  - Commercial deposit balances up 12%

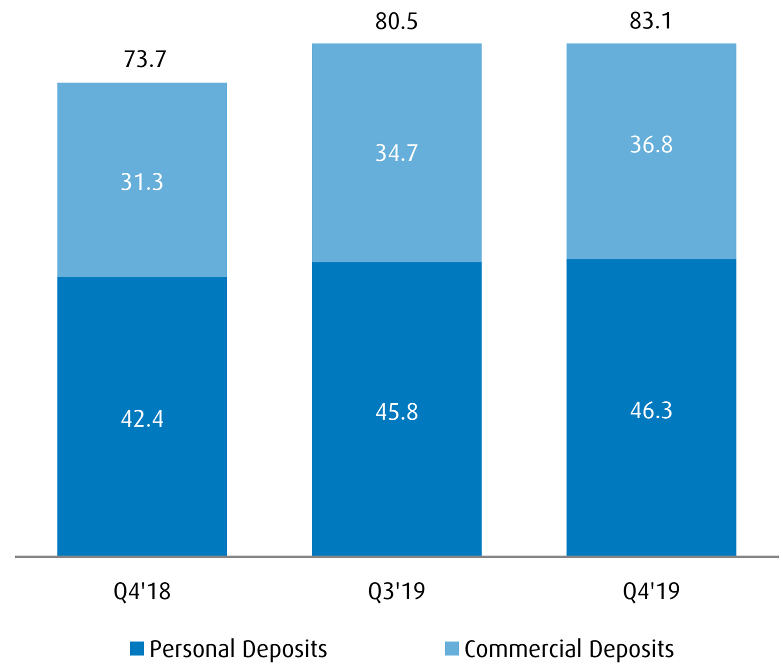
1 Commercial lending excludes commercial and small business cards. Commercial and small business cards balances represented ~13% of total credit card portfolio in Q4'18, ~14% in Q3'19 and Q4'19

U.S. Personal & Commercial Banking – Balances

Average Gross Loans & Acceptances[1] (US$B)



Average Deposits[1] (US$B)



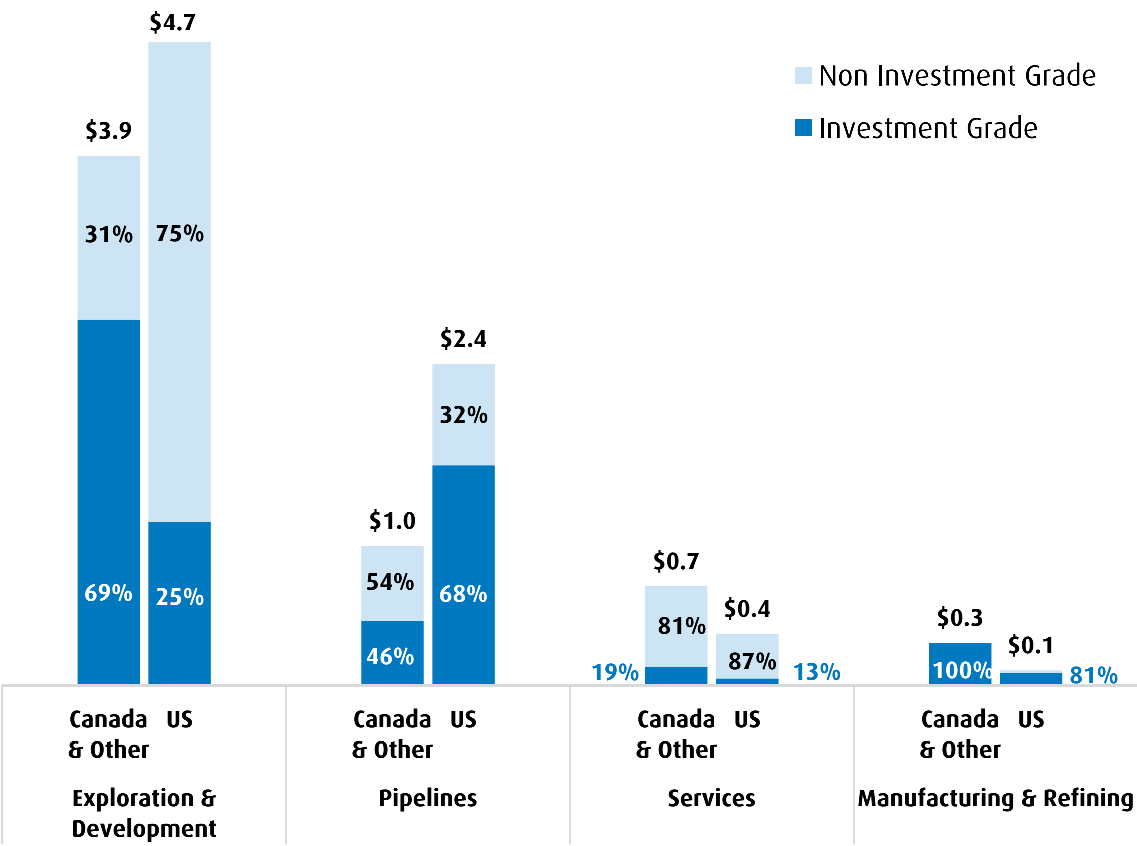
- Commercial loans up 15% Y/Y
- Personal loans[2,3,4] up 5% Y/Y

- Commercial deposits up 18% Y/Y
- Personal deposits up 9% Y/Y

1 Certain loan and deposit balances have been re-classified from Personal to Commercial of our U.S. P&C reflecting a re-alignment of our Business Banking segment
2 Includes Wealth Management Mortgages (Q4'19 $2.1B, Q3'19 $2.1B, Q4'18 $2.1B) and Home Equity (Q4'19 $2.5B, Q3'19 $2.6B, Q4'18 $2.7B)
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 (Q4'19 $0.4B, Q3'19 $0.5B, Q4'18 $0.6B)

Oil & Gas Portfolio Overview

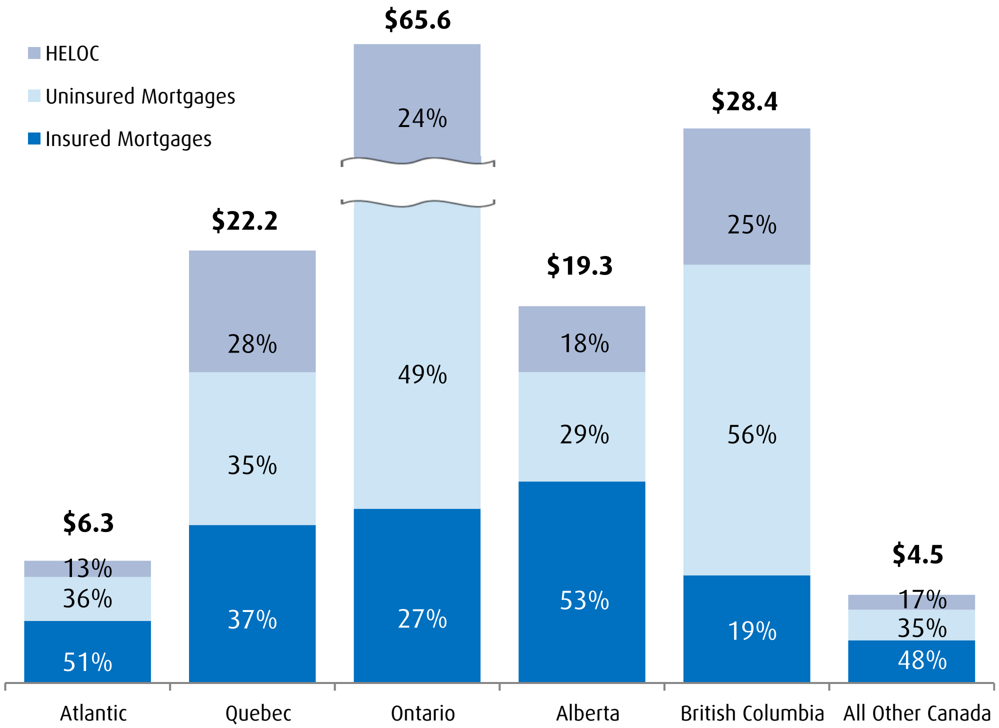
Q4'19 Outstandings by Sector ($13.5B total)



- $13.5B in total outstandings, of which just over half are in the U.S.
- Of the $8.6B in Exploration and Development (E&D) outstandings, approximately three-quarters is borrowing base lending
  - Nearly all (99%) of U.S. E&D loans are borrowing-base and approximately two-thirds of Canadian E&D loans are investment grade
- Oil & Gas Gross Impaired Loans at $404MM, the large majority of which are in the U.S. E&D sector

Canadian Residential-Secured Lending

Residential-Secured Lending by Region ($146.3B)



Avg. LTV[1] Uninsured	Atlantic	Quebec	Ontario	Alberta	British Columbia	All Other Canada	Total Canada
Mortgage							
- Portfolio	59%	58%	55%	61%	50%	56%	55%
- Origination	73%	73%	68%	72%	65%	72%	69%
HELOC							
- Portfolio	49%	54%	43%	55%	42%	48%	46%
- Origination	69%	71%	61%	64%	58%	64%	62%

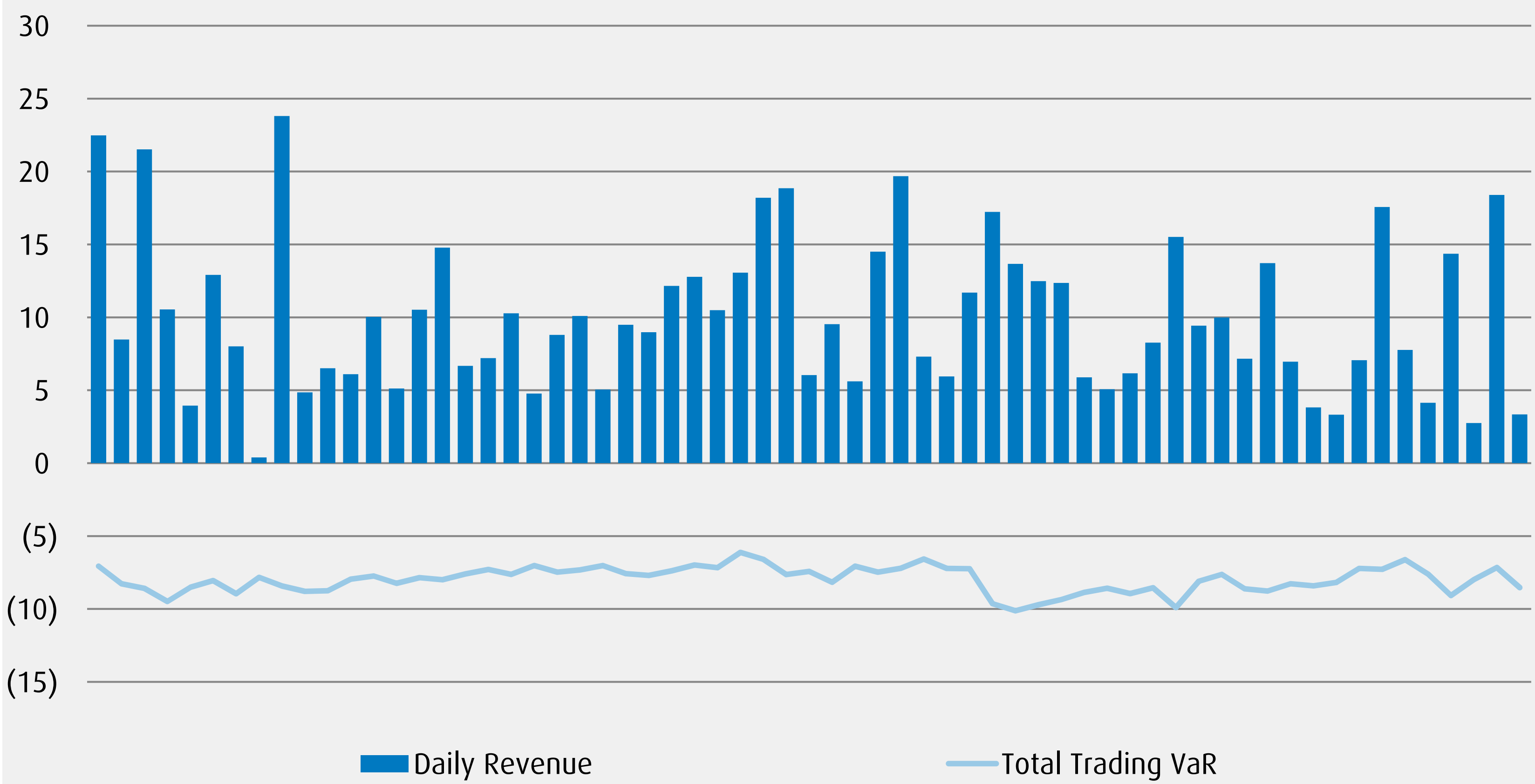
- Total Canadian residential-secured lending portfolio at $146.3B, representing 32% of total loans
  - LTV[1] on uninsured of 51%
  - 90 day delinquency rate for RESL remains good at 21 bps; loss rates for the trailing 4 quarter period were 1 bp
- Residential mortgage portfolio of $112.5B
  - 42% of portfolio insured
  - LTV[1] on uninsured of 55%
  - 72% of the mortgage portfolio has an effective remaining amortization of 25 years or less
- HELOC portfolio of $33.8B outstanding of which 59% is amortizing
- GTA and GVA portfolios demonstrate better LTV[1], delinquency rates and bureau scores compared to the national average

1 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 associated mortgage balance or HELOC authorization

Trading-related Net Revenues and Value at Risk

August 1, 2019 to October 31, 2019

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



Adjusting Items

Adjusting items[1] - Pre-tax ($MM)	Q4 19	Q3 19	Q4 18	F2019	F2018
Acquisition integration costs[2]	**(2)**	(3)	(18)	**(13)**	(34)
Amortization of acquisition-related intangible assets[3]	**(38)**	(29)	(31)	**(128)**	(116)
Restructuring costs[4]	**(484)**	-	-	**(484)**	(260)
Reinsurance adjustment[5]	**(25)**	-	-	**(25)**	-
Benefit from the remeasurement of an employee benefit liability[6]	**-**	-	277	**-**	277
Adjusting items included in reported pre-tax income	**(549)**	**(32)**	**228**	**(650)**	**(133)**

Adjusting items[1] - After-tax ($MM)	Q4 19	Q3 19	Q4 18	F2019	F2018
Acquisition integration costs[2]	**(2)**	(2)	(13)	**(10)**	(25)
Amortization of acquisition-related intangible assets[3]	**(29)**	(23)	(24)	**(99)**	(90)
Restructuring costs[4]	**(357)**	-	-	**(357)**	(192)
Reinsurance adjustment[5]	**(25)**	-	-	**(25)**	-
Benefit from the remeasurement of an employee benefit liability[6]	**-**	-	203	**-**	203
U.S. net deferred tax asset revaluation[7]	**-**	-	-	**-**	(425)
Adjusting items included in reported net income after tax	**(413)**	**(25)**	**166**	**(491)**	**(529)**
Impact on diluted EPS ($)	**(0.65)**	(0.04)	0.26	**(0.77)**	(0.82)

1 Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Acquisition integration costs related to the acquired BMO Transportation Finance business are charged to Corporate Services, since the acquisition impacts both Canadian and U.S. P&C businesses. KGS-Alpha acquisition integration costs are reported in BMO Capital Markets. Acquisition integration costs are recorded in non-interest expense
3 These amounts were charged to the non-interest expense of the operating groups
4 Fiscal 2019 reported net income included a restructuring charge of $357 million after-tax ($484 million pre-tax), related to severance and a small amount of real estate-related costs, to continue to improve our efficiency, including accelerating delivery against key bank-wide initiatives focused on digitization, organizational redesign and simplification of the way we do business. The restructuring charges in 2018 and 2017 were a result of similar bank-wide programs. Restructuring costs are included in non-interest expense in Corporate Services
5 Fiscal 2019 reported net income included a reinsurance adjustment of $25 million (pre-tax and after-tax) in commissions and changes in policy benefit liabilities for the net impact of major reinsurance claims from Japanese typhoons that were incurred after our announced decision to wind down our reinsurance business. This reinsurance adjustment is included in BMO Wealth Management
6 Fiscal 2018 reported net income 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 non-interest expense in Corporate Services
7 Fiscal 2018 reported net income included a $425 million (US$339 million) charge related 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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