

Investor Presentation

Acquisition of
General Electric's Transportation
Finance Business

September 10, 2015



BMO  Financial Group

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Forward Looking Statements & Non-GAAP Measures

Caution Regarding Forward-Looking Statements

Certain statements in this document are forward-looking statements under the United States Private Securities Litigation Reform Act of 1995 (and are made pursuant to the 'safe harbour' provisions of such Act) and applicable Canadian securities legislation. These forward-looking statements include, but are not limited to, statements with respect to the expected closing of the proposed transaction, plans for the acquired business and the financial impact of the proposed transaction and are typically identified by words such as "believe", "expect", "anticipate", "intend", "estimate", "plan", "will", "should", "may", "could" and other similar expressions.

By their nature, forward-looking statements are based on various assumptions and are subject to inherent risks and uncertainties. We caution readers of this document not to place undue reliance on our forward-looking statements as the assumptions underlying such statements may not turn out to be correct and a number of factors 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. Such factors include, but are not limited to: the possibility that the proposed transaction does not close when expected or at all because required regulatory approvals and other conditions to closing are not received or satisfied on a timely basis or at all; the terms of the proposed transaction may need to be modified to satisfy such conditions; the anticipated benefits from the proposed transaction such as it being accretive to adjusted earnings per share and growing our commercial customer base are not realized in the time frame anticipated or at all as a result of changes in general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations (including changes to capital requirements) and their enforcement, and the degree of competition in the geographic and business areas in which GE Capital's Transportation Finance business currently operates; the ability to promptly and effectively integrate GE Capital's Transportation Finance business; reputational risks and the reaction of GE Capital's Transportation Finance business customers and employees to the transaction; diversion of management time on transaction-related issues; increased exposure to exchange rate fluctuations; and those other factors set out on page 29 of BMO's 2014 Annual Report. A significant amount of GE Capital's Transportation Finance business involves making loans or otherwise committing resources to specific companies, industries or geographic areas. Unforeseen events affecting such borrowers, industries or geographic areas could have a material adverse effect on the performance of our integrated operations. We caution that the foregoing list is not exhaustive of all possible factors. These factors should be considered in addition to other uncertainties and potential events, and the inherent uncertainty of forward-looking statements.

Assumptions about current and expected capital requirements, GE Capital's Transportation Finance business revenues and expenses, potential for earnings growth as well as costs associated with the transaction and expected synergies, were material factors we considered in estimating the internal rate of return to BMO and our estimate of the acquired business being accretive to BMO's adjusted earnings per share in 2016.

Assumptions about current and expected capital requirements and BMO's models used to assess those requirements under the Canadian Capital Adequacy Requirement Guideline, GE Capital's Transportation Finance business revenues and expenses, potential for earnings growth as well as costs associated with the transaction and expected synergies were material factors BMO considered in estimating the impact on its Basel III Common Equity Tier 1 ratio.

In setting out our estimated credit mark, we considered our analysis of GE Capital's Transportation Finance business portfolio, our assumptions regarding customer behavior, future transportation market conditions, and general economic conditions.

BMO does not undertake to update any forward-looking statement, whether written or oral, that may be made, from time to time, by the organization or on its behalf, except as required by law.

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 in Bank of Montreal's Third Quarter 2015 Report to Shareholders and BMO's 2014 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; adjusted net income, revenues, non-interest expenses, earnings per share, effective tax rate, ROE, efficiency ratio 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 and restructuring costs.

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

Executing on BMO's U.S. Strategy

GE's Transportation Finance business is an excellent strategic, financial and cultural fit with BMO's U.S. Personal & Commercial banking business

Good Strategic Fit

- A leading Transportation Finance franchise, which complements BMO's proven strength in commercial banking
- Differentiated business model with superior systems and underwriting capabilities

Attractive Transaction Economics

- History of strong financial performance
- Immediately accretive to adjusted EPS⁽¹⁾
- BMO's capital ratios remain strong

Cultural Fit

- Two businesses with strong customer focus
- Addition of experienced and committed, industry-leading management team
- Consistent values, vision, and culture

Note: This slide contains forward-looking statements and non-GAAP measures. Please see the Cautionary Notes on Slide 1.

1. Adjusted EPS excludes integration costs and the amortization of intangible assets.

Transaction Summary

Financially attractive transaction

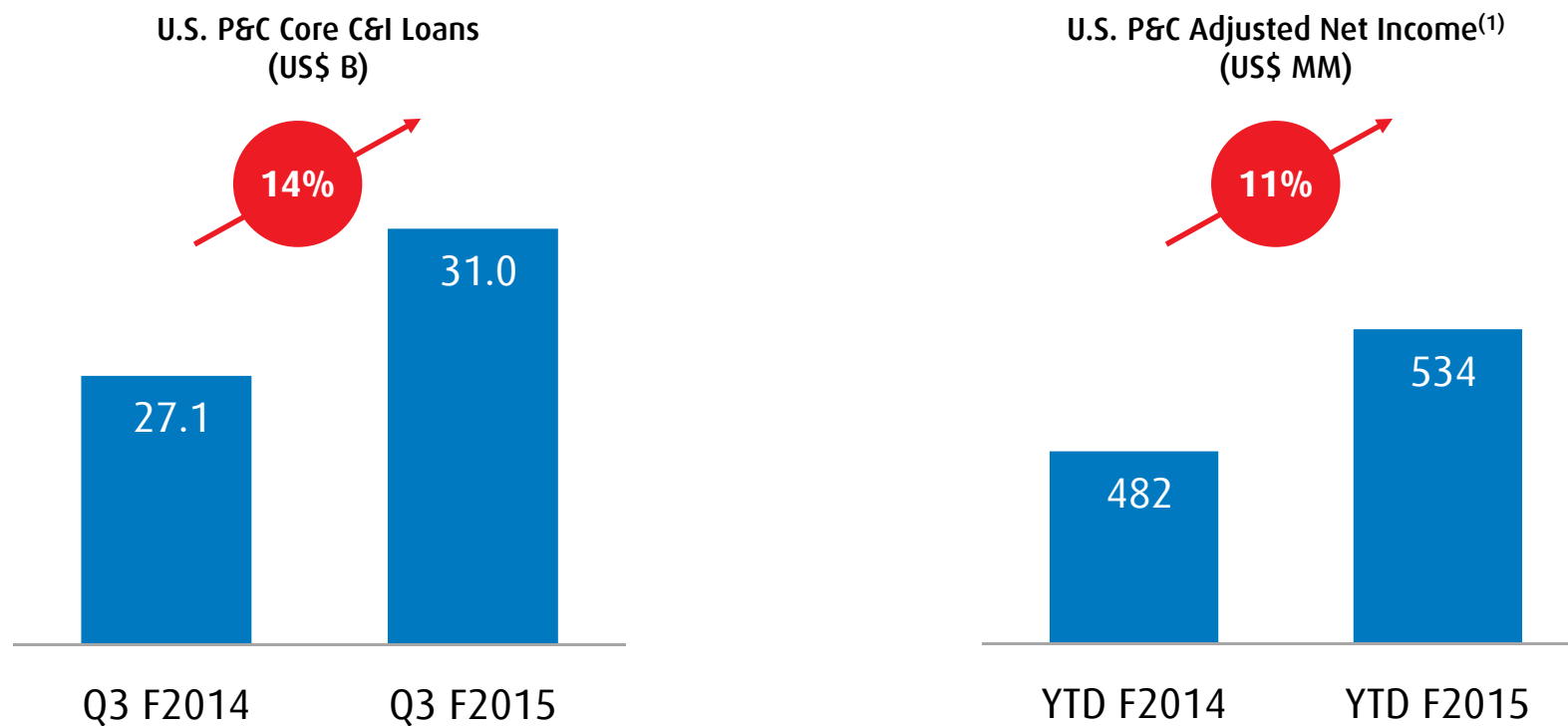
Transaction	<ul style="list-style-type: none">• BMO to acquire GE's Transportation Finance business• Transaction structured as asset purchase; also approximately 600 employees to join BMO
Transaction Size	<ul style="list-style-type: none">• Acquiring net earning assets of ~C\$11.5 billion (~US\$8.7 billion) as of June 30, 2015• Consideration to be based on net earning assets balance on closing, plus a premium
Transaction Economics	<ul style="list-style-type: none">• Expected to be immediately accretive to adjusted EPS• Credit mark of ~1.25% to be taken at transaction closing• Goodwill and intangibles of approximately C\$450 million (includes premium, credit mark and interest rate mark)
Regulatory Capital Impact and Financing	<ul style="list-style-type: none">• ~70 bps impact on Basel III Common Equity Tier 1 Ratio based on estimated net earning assets on closing• Transaction funded via existing balance sheet liquidity, additional deposits and wholesale funding; long-term funding strategy includes reduction of U.S. P&C indirect auto lending portfolio
Expected Closing	<ul style="list-style-type: none">• Fiscal Q1 2016 subject to customary closing conditions

Note: This slide contains forward-looking statements and non-GAAP measures. Please see the Cautionary Notes on Slide 1.

Building on our Proven Strength in Commercial Banking

13 consecutive quarters of double digit growth in U.S. commercial banking

- Large scale, relationship-based commercial banking business with in-depth industry knowledge in select sectors
- 13 consecutive quarters of Y/Y double digit C&I loan growth
- Commercial deposits up 9% Y/Y in Q3/15



Note: Adjusted measures are non-GAAP measures. See slide 1 of this document, page 32 of BMO's 2014 Annual Report, and page 5 of BMO's Third Quarter 2015 Report to Shareholders.

1. U.S. P&C reported net income YTD F2014 US\$446MM, YTD F2015 US\$502MM, up 13%.

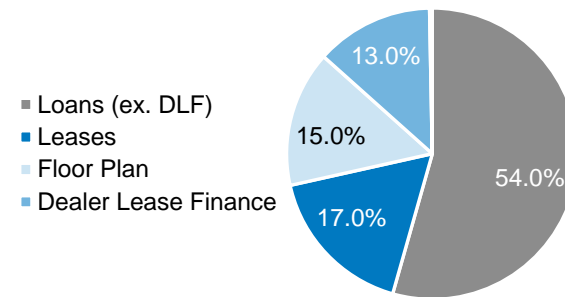
GE Transportation Finance Business Overview

Differentiated and leading business model built on strong industry knowledge, superior technology and long-standing, diversified customer relationships

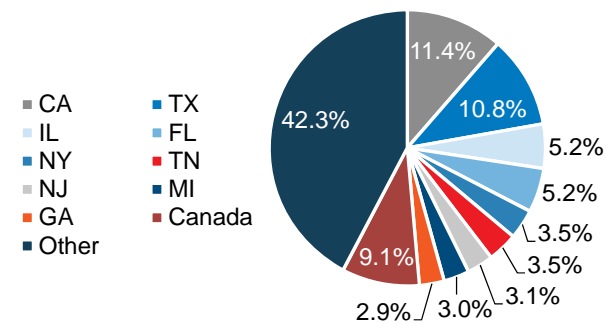
- Largest financier to the commercial truck and trailer segment in North America
- 40+ years of experience
- Well diversified by geography and industry
- Net earning assets of US\$7.9 billion in the U.S. and US\$0.8 billion in Canada⁽¹⁾
 - ~83% loans and ~17% leases
 - ~15% of portfolio value comprised of floorplan, with remainder having average duration under 3 years
- Services entire supply chain from manufacturers through dealers to end-users
- Diversified distribution platform
 - 1,400+ dealers and manufacturer relationships
 - 38,000 end-users
 - Dealer program partner with leading manufacturers
- Based in Irving, TX with 11 offices in the U.S. and four in Canada, and approximately 600 employees

PORTFOLIO IS WELL-DIVERSIFIED BY PRODUCT AND GEOGRAPHY⁽²⁾

PRODUCT



GEOGRAPHY



1. As at June 30, 2015.

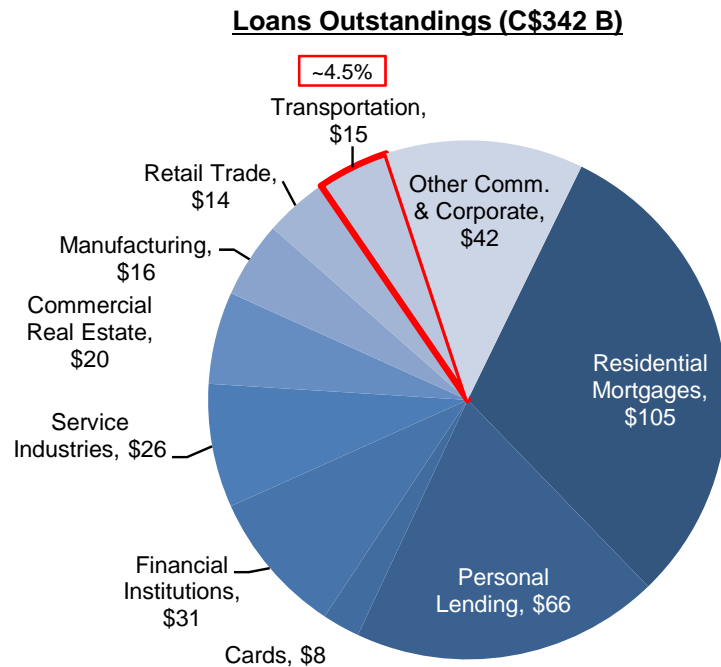
2. As at March 31, 2015.

Note: Acquired portfolio composition will be based on assets at closing.

Pro-forma Loan Portfolio Characteristics

Transaction enhances BMO's well-diversified loan portfolio

BMO PRO FORMA LOAN PORTFOLIO



Loans outstanding to transportation sector will increase from ~1% to ~4.5% of total loans

- Product offering is consistent with BMO's current P&C strategy
- Business fits well within BMO's risk appetite
 - Strong underwriting standards of GE are to be maintained
 - Loan portfolio is well-diversified and has strong credit performance over time (2014 net charge offs of 27 bps)
- Addition of strong operational capabilities
 - Superior technology platform and proven credit scoring model drive effective decisioning capabilities
 - Responsive and user-friendly customer-facing system that has been developed over decades

Note: BMO standalone loans outstanding as at July 31, 2015. Transportation Finance loans outstanding as at June 30, 2015.

Key Takeaways

Attractive enhancement to our U.S. P&C Franchise

- Acquisition of leading transportation finance franchise in the U.S.
- Consistent with BMO's current P&C strategy and commercial strength
- Underwritten by experienced team and fits within BMO's risk appetite
- Differentiated business model with superior systems and underwriting capabilities
- Attractive transaction economics – expected to be immediately accretive to adjusted EPS

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