BMO Financial Group

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CORPORATE PARTICIPANTS

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CONFERENCE CALL PARTICIPANTS

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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 2013 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.

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We caution that the foregoing list is not exhaustive of all possible factors. Other factors could adversely affect our results. For more information, please see the discussion below, which outlines in detail certain key factors that may affect Bank of Montreal's future results. When relying on forward-looking statements to make decisions with respect to Bank of Montreal, investors and others should carefully consider these factors, 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.

Effective the first quarter of 2013, our regulatory capital, risk-weighted assets and regulatory capital ratios have been calculated pursuant to the Capital Adequacy Requirement (CAR) Guideline released by the Office of the Superintendent of Financial Institutions (OSFI) in December 2012 to implement the Basel III Accord in Canada. When calculating the pro-forma impact of Basel III on our regulatory capital (including capital deductions and qualifying and grandfathered ineligible capital), risk-weighted assets and regulatory capital ratios in prior periods, we assumed that our interpretation of OSFI's draft implementation guideline of rules and amendments announced by the Basel Committee on Banking Supervision (BCBS), and our models used to assess those requirements, were consistent with the final requirements that would be promulgated by OSFI. We have not recalculated our pro-forma Basel III regulatory capital, risk-weighted assets or capital ratios based on the CAR Guideline and references to Basel III pro-forma items refer to these items as previously estimated.

Assumptions about the level of default and losses on default were material factors we considered when establishing our expectations regarding the future performance of the transactions into which our credit protection vehicle has entered. Among the key assumptions were that the level of default and losses on default will be consistent with historical experience. Material factors that were taken into account when establishing our expectations regarding the future risk of credit losses in our credit protection vehicle and risk of loss to Bank of Montreal included industry diversification in the portfolio, initial credit quality by portfolio, the first-loss protection incorporated into the structure and the hedges into which Bank of Montreal has entered.

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 the Canadian and U.S. governments and their agencies. See the Economic Review and Outlook section of Bank of Montreal's Third Quarter 2013 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 in Bank of Montreal's Third Quarter 2013 Report to Shareholders and Bank of Montreal's 2012 Management's Discussion and Analysis, 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, provision for credit losses, specific provision for credit losses, expenses, earnings per share, effective tax rate, ROE, efficiency ratio and other adjusted measures which exclude the impact of certain items such as credit-related items on the acquired M&I performing loans, run-off structured credit activities, M&I integration costs, amortization of acquisition-related intangibles, 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.

PRESENTATION

Robert Sedran - CIBC World Markets - Analyst

Okay. We talk a lot about BMO's US P&C Banking expansion and for good reason, it's obviously a key part of that bank, but it's noteworthy that the contribution to earnings from the Capital Markets segment, which also includes some US exposure by the way, a fair bit of US exposure in fact, over the last four quarters is almost double that of the US P&C business. So, I'm pleased to welcome Tom Milroy, he is the CEO of BMO Capital Markets, to the conference to help us learn more about his business. Tom began his career with BMO in the Investment Banking Group in 1993, holding progressively more senior roles since that time. Before that, he practiced securities law as well as M&A for a US investment banking firm. I don't often get to spar with a lawyer on this stage. So I'm even more overmatched than I normally am.

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

I am in an advanced stage of recovery.

Robert Sedran - CIBC World Markets - Analyst

So, welcome to Montreal. Before we begin, I've been asked to tell you that Tom's comments today may include forward-looking statements; actual results could differ materially from forecasts, projections, or conclusions in these statements. Listeners can find additional details in the public filings of the BMO Financial Group. So again, welcome to Montreal, Tom.

Let's start with some opening thoughts on what has been a strong year so far for the business. What's gone right and maybe what hasn't gone as right so far?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

So obviously, we've had really good results year-to-date in both of our main businesses. Both Trading Products and the Investment and Corporate Banking businesses are doing quite a bit better than they did last year. And as I thought about this, I really do think it's due to a couple of things, maybe two things or three things.

The first was the strategy that we started pursuing and focusing on over five years ago, where we really came back to who are our clients and what are their needs and how do we grow our business to meet them? And as we worked our way through thinking about that, we really focused on our products, our capabilities and what we could do. We also focused on what we were doing and how we were doing it. So we got out of certain businesses, we made some organizational changes, we made investments to both increase our productivity and to adapt to the new environment, which is a big theme that I'm sure will come up in some of our other questions.

So today, we have this North American platform that serves the needs of our clients in North America and outwards where they need us and where it makes sense for us to go with it. So that would be the first sort of factor was I think we adopted the strategy that's turned out to be the right strategy.

The second thing is the market environment and the opportunities in the market are just better. We went through a period of time where every day, there was a new challenge. But the market environment, and I hesitate to say it, but it feels a lot better and it feels more stable than it has been. Now as soon as you say something like that, you are going to wake up tomorrow and you're going to be smoked down by some blow…but it does feel a lot better and we continue to position ourselves for the risks that are out there, but we feel pretty good about it.

And then, lastly, we benefited this year from some major client transactions and that's got us off to a really strong start in the first quarter and we've seen some of that continue. And that obviously has, if we're honest, a little element of luck into it; but you work with your clients and don't always know the timing of what they're going to do or when they're going to do it.

So we're really pleased with our results year-to-date and we feel pretty good going through Q4. So we're looking forward to the end of the year.

Robert Sedran - CIBC World Markets - Analyst

When you think about the size of this business in the context of the overall bank, so it's almost I'm asking you to step back a little bit from your own business and think about the bank generally, like how much is too much, how much is not enough, like what's the right number in terms of earnings contribution from the Capital Markets business?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

So, shall I give you the party line or what I would like? The company is obviously running the business, I would think more is better, but the business today represents about 25% of the revenues of the bank. And I think that somewhere in that area seems like a good place for it to be. We expect the overall bank to grow. So for us, we don't feel constrained by that; we think that there are a lot of growth opportunities that we have and those opportunities will grow our business as the bank grows its business. So I think you'll see it remain about that proportion. Obviously, if some of the other groups grow more quickly, then you'll see it decrease, but we're not uncomfortable with it at about the 25% level.

Robert Sedran - CIBC World Markets - Analyst

There are kind of two schools of thought on the Capital Markets contribution. One is that it's a very volatile business and it’s low-quality earnings. The other is that it's almost countercyclical; in other words, when loan losses are rising or when retail is struggling, often, the market opportunity is larger. Does it truly make the bank more countercyclical to have a larger capital markets platform that allows when loan losses are rising, to offset it somewhat? Or how should we think about the quality of earnings that are being generated?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

There is this presumption that somehow, that wholesale earnings and capital markets earnings are lesser quality, I don't actually think that's the case. I think what we experienced was people getting, less so in Canada for sure, but that in the industry at large, they were reaching for larger and larger and riskier types of activity. I think that the sort of business that we have is really well diversified, has a lot of elements of it that are sustainable, continuing, dependable, and there's a pretty good quality earnings stream. That being said, we operate in capital markets, which by their nature have variability month-to-month, quarter-to-quarter and some cyclicality, so we experienced cyclicality, we have seen in the past where it's offset other things. So my guess is there are instances where it's actually a plus in terms of offsetting weaknesses elsewhere in the bank as you suggested.

Robert Sedran - CIBC World Markets - Analyst

In some of the other businesses, we tend to think of a natural organic growth rate, just the average economic performance is “x”, we can figure out revenue, run rate, operating leverage and the rest. How should we think about organic growth in the Capital Markets business? Is it just about the market environment and how much risk you're prepared to take on, or is there a natural progression that we should see over time in a capital markets franchise?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

So we look at our business in terms of growth. I mean, I guess if you rise up one level and you think about the businesses generally, they're tied to economic growth. So that will be the biggest indicator of how they grow. But when we look at the markets that we have a big presence, in Canada and the United States, we have really two different situations.

In Canada, an extremely mature market and we have a very large share of it. We are continuing to win marginal market share year in and out, but I would think that we would look at that growth in that market as being tied to some sort of GDP growth, nominal GDP growth, plus something for share and for working a little harder. So that's how we see the Canadian market.

In the US market, for us, the opportunity is quite a bit different, and from a growth opportunity is much better. In the market that we've positioned ourselves, which is the mid-cap market, $200 million to $5 billion market type companies, that's a market that's growing and we're growing our market share. So we see that as being a very attractive opportunity. Secondly, we've built out that platform in the US and so we believe that we have additional operating leverage in the investments that we've made.

Robert Sedran - CIBC World Markets - Analyst

Let's talk a little bit about the US Investment Bank because the goal I think clearly and for all of certainly the bank-owned dealers in Canada, it's to be all things to all people in that business line. In the US, is it to be all things to all people in the $200 million to $5 billion market cap range or is there a differentiated strategy that maybe a more niche strategy on either product differentiation or geographic differentiation, like what is the strategy in the US?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

And why do we choose the segment we're in and then why did we for exactly that reason?

So we think that we're differentiated in the US because our competitors in that mid-cap space are the sizable boutiques, so I would include in that Jefferies and Baird and Blair.

And there, we differentiate ourselves because we have a full product spectrum, we have a balance sheet and so we can really provide that full product offering to them and we're there and we tend to be steady in there over the long term. Where the experience in the market has been those firms come and go, they have a different emphasis, but they're not quite the sort of long-term provider of their services that the companies need. Then, when we look and say, well, the other thing that happens is you'll have the bulge bracket players peek down into the market, come down and dabble. So they go in and out, and I think that we just provide a better quality of service than what they're willing to provide to that part of the market. Their focus is up market, they provide an incredible level of service there, but we find that we get the kudos on sort of the quality and the level of service.

In that market, we've made the very conscious decision that we're a Chicago-headquartered, mid-cap-focused bank. Obviously, in our trading businesses, our counterparties can go much broader spectrum, but we're focused, our main attention is focused on the clients where we think we can have long-term relationships and given what we're doing have a sustainable business out of it.

Robert Sedran - CIBC World Markets - Analyst

I guess you touched on some of it just in terms of the predictability or the consistency of the competition being perhaps not what it is in Canada, but aside from that, is there an intensity of the competition? We hear every single business line, I mean lemonade stands are competitive in the US. Is there an intensity of the competition that's different in the US market even if it is in the mid-market space when compared to what you do in Canada?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

No. I mean in Canada, we have a great position, but it's a heavily banked market and we have the same global people coming in. So, the both markets are extremely competitive and you can't sit still. It's true where we're more of a new guy in the US, so we fight harder for our wins, but we've had tremendous successes. I mean we've moved our share up; we almost tripled our share in that mid-cap space over the last four years or five years. We see great growth going forward across in terms of institutional research rankings, our share of secondary commissions across a whole number of factors.

We've just seen big gains, big gains off small numbers. So, that's part of what we see; an opportunity to continue to grow the business. So we think it gives us an opportunity to outcompete.

Robert Sedran - CIBC World Markets - Analyst

At the Investor Day, you noted a target for the US of a double-digit ROE over the medium term. What has to happen to get there and should we be more focused on just the growth and the contribution or does the ROE actually matter to you?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

ROE matters to us a lot. If you recall on Investor Day as well, my boss was trying to negotiate next year's plan. But leaving that aside, the business has been profitable for a long time. The question has been for us, are we earning our cost of capital? So, we're now earning our cost of capital and if we get the fourth quarter we expect to get, we'll be earning double-digit ROE. I mean, we're really close.

Unidentified Participant

You referred that you're making net gains in the US portfolio, starting from a position where you've got some market share grab but are long ways out. I'm just curious in terms of how much the balance sheet and some aggressive lending is being used to get those market share gains, maybe some comments on that.

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

Yes, it's a good question, and we are deploying more of our balance sheet in the market, but loans with clients and we're not very aggressive. Where we get knocked out in the US even with people that we think we have a good client is people that are trying to come in and use the balance sheet on terms that we don't like. But by in large, outside of the leveraged loan market in that traditional corporate banking market in the US, spreads and terms have remained in a pretty good territory, I would say. So, we've seen the ability to grow our loan book in ways that really relates to our core strategy.

We've been pretty disciplined in the leveraged area. We have a good leverage finance business, but we're a laggard, not a leader, in terms of some of what I would view, as some of the weakening and some of the structures in that market. So distribution market, so far so good, but we're really careful.

Robert Sedran - CIBC World Markets - Analyst

You mentioned at the corporate loan, the spreads are hanging in fairly well, considering there's not been a lot of pull or a lot of demand for credit. The banks generally have excess liquidity and are desperate to lend. I'm a little surprised to hear it. So why do you think pricing is holding on as well as it's holding on? And is it fair to say that the corporate loan is a profitable stand-alone product today?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

I guess let's talk first about spreads, as you know, in this business, there is a little bit of a pendulum swing. So they were tight, they became extremely wide; and now, they've come back to an area that I would say they're good. It's in a good spot, it's a place we don't mind lending. The factors behind that I think is that there is a desire to use that capital in combinations with the other capital as companies believe that the economy is turning and they're starting to look beyond just kind of hunkering down for the year. So I think that's been useful for us.

There has been the exit of a number of lenders in the North American environment as well. So that means that the people that are here and that are established we have some further opportunities. I think our franchise has grown, so that helps us. Lending is a profitable business for us. On average, we earn double-digit ROE in our loan book. But it's not a crazy, high-ROE business, but it very often is the foundation for the client relationship; and when we bundle and are able to offer them other products on top of that, then, we tend to make a really good return.

Robert Sedran - CIBC World Markets - Analyst

Are you finding that it's easier to get the cross-sell and to get the other products into them? Because some of their lenders may be leaving, so the syndicates are getting smaller, or I mean is the cross-sell easier to get in this kind of an environment? So double-digit ROE on the loan by itself means a much better return on the book overall because you're actually getting the other products in.

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

Well, we make it a priority. We're not in the business of building a loan book for the sake of the loan book in our part of the business. So we make it a priority. Is it easier? I think what I'm able to untangle is whether it's easier because our platform is better and we're doing a better job and how much of it is the market. So there's probably an element of both. But we're just a much stronger competitor in the market. So then, therefore, when we ask for some of the other things and want to participate in some of the other places that the companies are playing, it's easier for them to say yes.

Unidentified Audience Member

If you could comment on regulatory changes and trading revenues. We're hearing a lot of stories and are starting to be an impact over the last year or so. Could you comment on going forward, do you sense that this is just changing or are there still pretty much opportunities like you said on the trading side?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

Yes. And it's a really good question as we see it less on the revenue line. We think that there are lots of trading revenue opportunities, but what we've been working really hard and the industry has been working hard on, is how do we deal with the increase in the expenses that are coming from the regulator? Obviously, there are some specific provisions of the Dodd-Frank Act and some of the other legislation that has forced us to change the way we do things like clearing derivatives and other examples like that.

But where we've had to work really hard is to make sure that we're investing additional dollars into making sure that we can comply, that we have the systems in place that allow us to get there. So that shift in costs related to the new regulatory environment has hurt us as we go through the P&L and then you add to that the additional capital that's coming under the Basel regime. And we're fully Basel III compliant, at least as the best as we understand Basel III at the beginning of this year. So you've seen those two pressures hit the ROE in the business. We've done a great job offsetting it, we still think we have a really good and profitable ROE. I think we're at 19-ish percent year-to-date, but we felt the pinch of those things in the return.

Robert Sedran - CIBC World Markets - Analyst

Do you think they are in the numbers? I mean, is there more to come? Seems like we can't get through a day without a front-page story on somebody getting pinched by the regulator somewhere. So is there still more to come on that front or is it just in the run rate now, we can stop thinking about it as much?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

Well, I think the growth in that expense line has started to flatten, but I still think there is some. I know in our case, some of the areas still need to add some bodies which are expense dollars. We're also at this point though, and I guess I don't have this completely crystallized, but we're investing a lot in the systems and a lot of those investments are one-off and lead to a more productive environment. When we get them up and running and where we are today, where we're using a mixture of old systems and a lot of manual support. So there's probably a trade-off. We're getting close to that inflection point where it's in that run rate I would think.

Robert Sedran - CIBC World Markets - Analyst

Yes, compliance has been the fastest-growing part of our business for a while now, I guess.

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

Right. And we love all those people. Rob did the thing at the beginning just for me.

Robert Sedran - CIBC World Markets - Analyst

When you think about noncompliance costs, whether it's headcount and I guess you almost need to talk about the US and Canada differently because the Canadian business is mature and the US business is being built. So I guess you'd have to answer it differently. But when you think about your expense run rate, is there room like to bring it to still rationalize it more in Canada to offset the growth in the US?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

We think we've done a really good job -- well, I think the US will take care of it. So, let me start in the beginning. We really went after expenses over the last two years and it seems like every dollar that we save, we spent on the increased burden that was coming out of the new environment.

So, the victory is somewhat of a pyrrhic one because expenses have remained roughly the same, but they would have gone up a lot if we hadn't done the things that we're doing and we're continuing to work on it and we spend a lot of time on all those costs that you ignore. I mean right down to the very popular ones like how much you can spend when you travel and how you have to travel and where you buy your tickets to systems investment and clearing costs and data feeds and so we've worked really hard across all that stuff and we're continuing to grind away at it.

In the US, the answer to our productivity ratio, which is how we look at it, is the top line, not the expense. We've done the same thing there. What we need is to earn more dollars of revenue for the expense that we have in the business and we've seen that improve year after year after year. So, we think we'll get it to the right spot. That being said, the US business will never have the same productivity ratio as our Canadian business.

Unidentified Participant

When we look at from a US perspective in terms of having the right people, do you need more people? Do you have the right people? Are the good ones that you have being poached? Are you going to be, let's say, a choice employer but a good employer? A good place to be for the kind of people you think would grow the business?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

So, asking the question, I think everyone could hear but just in case, the question was how do we feel about the quality of the people we have there, are we hiring more people and are we finding the environment for people competitive, including are we losing our own people? So, let me start by saying, when we embarked on over the last four years or five years a lot of upgrade of talent across all of our US business. So we're very happy with the quality of the people in our US business.

When we started out the strategy on, a simple way to describe it was, we wanted to have a platform in the US that was on par with the one we had in Canada and today we have that. So today, we are no longer investing to kind of get to the spot where we wanted to be. Now, we're investing as we would in kind of a normal-course fashion to upgrade people where we see opportunities to chase things that come along and so we really feel we've got where we needed to be.

It's a competitive market for people. We have, we believe, a distinct culture. So we've had really good retention rates, but it's always competitive. So, we have made some changes recently in our equity business, we have great people and then as we did that, we lost one of the research analysts that we cared deeply about. So that happens all the time, both sides of the border and that's just part of the business that we are in.

We think that most of the people that are joining our business are choosing us because we go out of our way to describe what we're about when they're coming in and to make sure the fit is right and to say, if you're looking for this, we might not be the right place for you to do, but here's our value proposition and here's how we think about running the business, here's our culture, and then we spend longer time than I think other people do on hiring people and bringing them in. So we've had a really good experience and the quality of the platform in terms of the people is excellent.

Robert Sedran - CIBC World Markets - Analyst

And I'm going to have follow-up on that one with a question. I guess it relates to culture and it's also -- I'll be the shareholder advocate instead of the sell-sider. When you think of incentive compensation as part of the mix, is there room for shareholders to benefit still further from falling compensation levels in the business or have we reached a kind of steady state now where it's about revenue growth and it's no longer about managing comp levels down?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

So, I'm not sure I understood that question, I'm kidding

Robert Sedran - CIBC World Markets - Analyst

I wish I could explain it better, but I don't either.

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

Obviously, that's an area that we focus on a lot and if you just step back, we never paid the way that the US bulge bracket firms paid and so our employee expense to revenue ratio is down around where they are driving it to. That being said, we've been really careful to make sure that we don't lead the market anywhere and have no interest and we're quite explicit about that. We do not want to pay the most.

But what we want to do is pay competitive in the marketplaces where we choose to compete and we don't want to lose good people for dollars that are reasonable, but we won't chase people. So if someone out-bids us with one of our employees with a number that's just silly, we just walk away. I don't think that the promise from a shareholder point of view of reduced compensation being a big factor in the Canadian firms is as true as it was for the US firms. We've really worked hard on it. We've worked hard on the makeup of the compensation that you would know to try to make sure that people's focuses are long-term, that they're aligned with shareholder interests. And so I don't think there's a lot to get from that front, but clearly, if the trend is lower, we'll be following right along with it.

Unidentified Audience Member

What do you view as your main challenges going forward in the next twelve months?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

I think we've got to continue to do what we're doing. Our strategy is not changing, so it's really about execution. So in the US, it's about driving the topline in terms of revenue. And if you looked at the year, we had two really good quarters in the US and then we had a weak quarter in the third quarter. We feel really good about the fourth quarter. So we think we're going to end the year where we had hoped to end it, so we're comfortable with that. But we need one to drive that topline and to really leverage some of those investments, so that's a challenge.

The other one is to as it always is and coming back to Canada is to defend the position we have and grow the market share. So all of the other things we think of just being blocking and tackling. We're going to continue to grind away on optimizing our capital; we're going to continue to see where we can reduce costs and make further improvements on how we do things. We are and have been investing in some of the systems technology underneath and a lot of that investment's behind us. So now, we want to leverage that. We've got a much better platform across all of our trading businesses. So those are the things we're going to be focusing on going forward. It's a little less flashy than some of the things we've done in the past because it's really, this coming year is all about execution.

Robert Sedran - CIBC World Markets - Analyst

We’ve got a minute or two left. I want to ask you about the outlook in Canada and I'm not asking you to call the commodity cycle in a minute and a half. But the business is certainly struggling a little bit, just the Canadian industry generally in terms of a slowdown in activity in some of our key sectors. Do you position the bank for a slowdown in that area? Do you stay staffed up because it's going to come back, like how do you manage a cycle, which may be a longer-term cycle than just a couple of years if it happens to be?

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

Yes, we watch it closely and what we've learned is that we have a diversified enough business that if in a particular area, and it's really not commodities broadly, it's metals and mining, and if the metals and mining activity falls off, we take people out of the group and into other groups and back and forth a little bit because these are experienced bankers. So that's one of the things we do. The other thing is that we've seen, and I say it's not all commodities because the energy market has shown strength especially over the last three months or four months, we've been involved in like six equity or equity-related transactions. So there is some good activity there.

But then, we also have all these other businesses. So when metals and mining is down, we find that the consumer and food and some of these other sectors are driving. And I think the US for us is a big help there because it's less reliant than the Canadian. So when we look at the overall business, we have a little bit of a hedge there as well. Metals and mining for the overall business is only about 3% of the top revenue line. I mean it's big in terms of the activities in the parts of the business where it is, but it's not that big of an impact on the overall business as you might think.

Robert Sedran - CIBC World Markets - Analyst

We're out of time. Thanks a lot for your participation, Tom, that was a great discussion.

Tom Milroy - BMO Financial Group - Chief Executive Officer, BMO Capital Markets

My pleasure.