

BMO CAPITAL MARKETS CORP.

(An Indirect Wholly Owned Subsidiary of Bank of Montreal)

Computation of Net Capital Pursuant to Rule 15c3-1
of the Securities and Exchange Commission and
Regulation 1.17 of the Commodity Futures Trading Commission

December 31, 2016

(Dollars in thousands)

Net capital:	
Total stockholder's equity	\$ 375,688
Add liabilities subordinated to claims of general creditors allowable in computation of net capital	550,000
Total capital and allowable subordinated liabilities	925,688
Deductions and/or charges:	
Total nonallowable assets	207,480
Aged fail to deliver	18
Other deductions and/or charges	168,500
Total deductions and/or charges	375,998
Haircuts on securities:	
U.S. government and agency obligations	4,834
Canadian governments and provincials	13,537
Corporate obligations	50,721
Asset-backed securities	5,658
Equity options	21,899
Equity securities	123
Total haircuts on securities	96,772
Net capital	452,918
Alternative net capital requirement – greater of 2% of combined aggregate debit items as shown in formula for determination of reserve requirements under Rule 15c3-3, 8% of noncustomer risk maintenance margin, or \$1,000	20,416
Excess net capital	\$ 432,502
Percentage of net capital to combined aggregate debit items	9,803.82%
Percentage of net capital after anticipated capital withdrawals to aggregate debit items	9,803.82%
Net capital in excess of 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$ 430,460

This schedule does not materially differ from the computation of net capital under Rule 15c3-1 as of December 31, 2016, filed by the Company in its unaudited Form X-17A-5, Part II on January 26, 2017 with the Financial Industry Regulatory Authority, Inc.

See accompanying report of independent registered public accounting firm.