

Strategic Sale of BMO Transportation and Vendor Finance Businesses

Transaction Overview

May 11, 2026



Caution Regarding Forward-Looking Statements

Certain statements in this document are forward-looking statements. 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. These forward-looking statements include, but are not limited to, statements with respect to the expected closing of the proposed transaction, the potential payment of an earn-out, the financial, operational and capital impact of the proposed transaction, the future performance of the transportation and vendor finance businesses, our strategies or future actions, our targets and commitments, expectations for our financial condition and capital position, and include statements made by our management. Forward-looking statements are typically identified by words such as “expect”, “anticipate”, “will”, “may” or negative or grammatical variations thereof.

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 or are received subject to adverse conditions or requirements; the anticipated benefits from the proposed transaction, such as it being accretive to BMO's return on equity, improving BMO's common equity Tier 1 capital ratio (CET 1 ratio) and receiving a payment in respect of the earnout, are not realized in the time frame anticipated or at all as a result of the performance of the transportation and vendor finance businesses, changes in general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations (including changes to capital requirements) and their enforcement; reputational risks and the reaction of BMO's customers and employees to the transaction; diversion of management time on transaction-related issues; and those other factors discussed in the Risks That May Affect Future Results section, and the sections related to credit and counterparty, market, liquidity and funding, operational non-financial, legal and regulatory compliance, strategic, environmental and social, and reputation risk, in the Enterprise-Wide Risk Management section of BMO's 2025 Annual Report, and the Risk Management section in BMO's First Quarter 2026 Report to Shareholders, all of which outline certain key factors and risks that may affect our future results 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. These factors should be considered in addition to other uncertainties and potential events, and the inherent uncertainty of forward-looking statements.

Assumptions about BMO expected financial performance (including balance sheet, income statement and regulatory capital figures), expected closing date of the proposed transaction, restructuring costs, and assumed accounting treatment were considered in estimating the impact of the transaction on BMO's return on equity and CET1 ratio.

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.

Strategic sale of BMO Transportation and Vendor Finance businesses

Supports objective to elevate returns and accelerate growth

Transaction Highlights	
Description	<ul style="list-style-type: none"> As announced on May 11, 2026, BMO has entered a definitive agreement to sell its Transportation and Vendor Finance businesses to Stonepeak, a U.S. based investment firm that specializes in building and supporting infrastructure businesses, with deep expertise in transportation-focused asset leasing
Strategic Rationale	<ul style="list-style-type: none"> Capital efficient transaction supports BMO's objectives to strategically align portfolios to elevate returns and accelerate growth <ul style="list-style-type: none"> Transaction is expected to be accretive to ROE and CET 1 ratio Enables allocation of capital and resources in core markets where the bank has deep client relationships and attractive long-term growth opportunities Investing in a minority ownership stake, benefiting from ongoing income participation with significantly lower capital
Transaction Economics	<ul style="list-style-type: none"> Stonepeak will acquire the assets of BMO's Transportation and Vendor Finance businesses representing loans of approximately C\$14.5B¹ as at March 31, 2026 comprising: <ul style="list-style-type: none"> US\$9.2B in U.S. Banking; C\$1.6B in Canadian P&C BMO will receive cash consideration and earnout contingent on the achievement of certain future targets BMO to invest a portion of the proceeds in a 19.9% non-voting ownership stake in the new company with associated governance rights
Financial Impact	<ul style="list-style-type: none"> BMO will record a charge primarily related to goodwill of ~C\$0.9 billion after-tax (C\$1.05 billion pre-tax) in fiscal Q3 2026, in non-interest expense in Corporate Services, treated as an adjusting item <ul style="list-style-type: none"> Amount subject to closing adjustments including foreign exchange rates prevailing at the date of closing Expected to add ~28bps to BMO's CET1 ratio on closing, reflecting RWA reduction of approximately C\$10B Expected to contribute ~30bps towards BMO's return on equity targets Impact on the bank's future run rate earnings is not significant
Other Information	<ul style="list-style-type: none"> BMO to provide transitional services for up to 24 months post-closing to support continuity of operations and facilitate an orderly transition Expected to close in fiscal Q4 2026, subject to regulatory approvals and customary closing conditions

This slide contains forward looking information, refer to caution on slide 2
¹ FX rate of 1.39345

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