BMO Financial Group

Investor Presentation

For the Quarter Ended October 31, 2020

December 1, 2020

Q4 | 20

Forward looking statements & non-GAAP measures

Caution Regarding Forward-Looking Statements

As noted in the following Caution Regarding Forward-Looking Statements, all forward-looking statements and information, by their nature, are subject to inherent risks and uncertainties, both general and specific, which may cause actual results to differ materially from the expectations expressed in any forward-looking statement. The Enterprise-Wide Risk Management section starting on page 73 in BMO's 2020 Annual Report describes a number of risks, including credit and counterparty, market, insurance, liquidity and funding, operational, legal and regulatory, strategic, environmental and social, and reputation risk. Should the bank's risk management framework prove ineffective, there could be a material adverse impact on its financial position and results.

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 the bank's objectives and priorities for fiscal 2021 and beyond, its strategies or future actions, its targets, expectations for its financial condition or share price, the regulatory environment in which it operates and the results of or outlook for its operations or for the Canadian, U.S. and international economies, its response to the COVID-19 pandemic and its expected impact on the bank's business, operations, earnings, results, and financial performance and condition, as well as its impact on the bank's customers, competitors, reputation and trading exposures, and include statements of the bank's 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 the bank 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 assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, conclusions or projections. The uncertainty created by the COVID-19 pandemic has heightened this risk given the increased challenge in making assumptions, predictions, forecasts, conclusions or projections. The bank cautions readers of this document not to place undue reliance on forward-looking statements, as a number of factors – many of which are beyond its 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.

Future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: the severity, duration and spread of the COVID-19 pandemic, its impact on local, national or international economies, and its heightening of certain risks that may affect the bank's future results; the possible impact on the bank's business and operations of outbreaks of disease or illness that affect local, national or international economies; general economic and market conditions in the countries in which the bank operates; 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; changes in monetary, fiscal, or economic policy, and tax legislation and interpretation; interest rate and currency value fluctuations, as well as benchmark interest rate reforms; technological changes and technology resiliency; political conditions, including changes relating to or affecting economic or trade matters; the Canadian housing market and consumer leverage; climate change and other environmental and social risks; weak, volatile or illiquid capital or credit markets; the level of competition in the geographic and business areas in which the bank operates; 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 the bank obtains with respect to its customers and counterparties; failure of third parties to comply with their obligations to the bank; the bank's ability to execute its strategic plans and to complete proposed acquisitions or dispositions, 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 the bank's credit ratings; global capital markets activities; the possible effects on the bank's business of war or terrorist activities; natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply; and the bank's ability to anticipate and effectively manage risks arising from all of the foregoing factors.

The bank cautions that the foregoing list is not exhaustive of all possible factors. Other factors and risks could adversely affect the bank's 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, strategic, environmental and social, and reputation risk, in the Enterprise-Wide Risk Management section that starts on page 73 of BMO's 2020 Annual Report, all of which outline certain key factors and risks that may affect the bank's 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. The bank 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 shareholders in understanding the bank's financial position as at and for the periods ended on the dates presented, as well as its 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 2020 Annual Report as well as in the Allowance for Credit Losses section on page 114 of BMO's 2020 Annual Report. Assumptions about the performance of the Canadian and U.S. economies, as well as overall market conditions and their combined effect on the bank's business, are material factors the bank considers when determining its strategic priorities, objectives and expectations for its business. In determining expectations for economic growth, the bank primarily considers historical economic data, past relationships between economic and financial variables, changes in government policies, 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 6 and 7 of BMO's Fourth Quarter 2020 Earnings Release and on pages 17 and 23 of BMO's 2020 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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BMO

Financial Highlights

	Q4'20	F2020
Net Income[1]	**$1.6B**	**$5.2B**
Reported	$1.6B	$5.1B
EPS[1]	**$2.41**	**$7.71**
Reported	$2.37	$7.55
PPPT[1,2] Growth	**7%**	**7%**
Reported	38%	14%
Operating Leverage[1,3]	**2.1%**	**2.7%**
Reported	15.1%	6.2%
Capital	**CET1 11.9%**	

- Q4'20 adjusted[1] net income up $3MM Y/Y
- F2020 adjusted[1] EPS of $7.71; resilient earnings, reflects diversified business, active management and appropriate loan loss provisions
- Strong Q4'20 and F2020 adjusted[1] pre-provision, pre-tax earnings (PPPT)[2] ; up 7%
- F2020 adjusted[1] expenses well-managed, stable Y/Y; F2020 adjusted[1] efficiency ratio[3] improved 160 bps to 59.8%; operating leverage above 2%
- Strong capital and liquidity position

1 See slide 28 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
On a reported basis: Q4'20 net income up $390MM Y/Y; F2020 EPS $7.55, expenses decreased 3% Y/Y; efficiency ratio improved 380bps to 60.4%
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)

Resilient earnings across our diversified businesses

Canadian Personal & Commercial

- Top tier[1] financial performance; continued to expand market share in key areas
- F2020 revenue up 1% with improving momentum
- Delivering customers innovative solutions to enhance their financial well-being

U.S. Personal & Commercial

- Good F2020 PPPT[2,3] growth of 8%
- Disciplined expense management and strong operating leverage[3] of 4.6%
- Efficiency ratio[3] below Investor Day target of 55%, ahead of schedule

BMO Wealth Management

- Good, diversified earnings performance; F2020 Traditional Wealth earnings[3] up 3% with strong online brokerage revenue
- Good expense management and positive operating leverage for the year
- Maintained leadership in Canadian ETF net flows

BMO Capital Markets

- Record revenue, up 12% in F2020, supporting clients in an extraordinary market environment
- Very strong PPPT[2,3] growth of 41%
- Efficiency ratio[3] improved to 60.1%

U.S. Segment

- F2020 PPPT[2,3] growth of 14% Y/Y; contributes 31% to bank adjusted[3] earnings
- Strong collaboration across businesses driving growth

1 Peers: BNS, CIBC, NBF, RBC, TD; based on Q3'20 last twelve months performance for growth in revenue, adjusted PPPT, loans and deposits
2 Pre-Provision Pre-Tax earnings (PPPT) is the difference between net revenue and expenses
3 On an adjusted basis. Adjusted measures are non-GAAP measures, see slide 2 for more information See slide 28 for adjustments to reported results. On a reported basis: U.S. P&C PPPT growth USD 8%; U.S. P&C operating leverage 4.7%; U.S. P&C efficiency ratio 55.6%; Traditional Wealth earnings growth 4%; BMO Capital Markets PPPT growth 41%; BMO Capital Markets efficiency ratio 60.8%; U.S. Segment PPPT growth USD 22%; U.S. Segment contribution 30%

Proven strategy, strong, resilient earnings with capital strength

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

Strong Foundation
- Diversification across businesses and geographies
- Sustained capital and balance sheet strength
- Long and consistent track record of superior credit risk management and performance

Business and Operational Momentum
- Resilient earnings power
- Delivering on expense and efficiency commitments
- Actively managing growth opportunities in targeted areas of focus

Consistent Strategy
- Strategy tested and proven to deliver in all market environments
- Integrated and agile digital-first approach
- Activating a winning culture and world-class client loyalty

Building a future ready bank: faster, stronger and more efficient

Financial Results

For the Quarter Ended October 31, 2020

Tom Flynn
Chief Financial Officer

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F2020 - Financial Highlights

Good PPPT[5] performance absorbed higher PCLs, with positive operating leverage

- Adjusted[1] EPS $7.71, down 18% Y/Y (reported down 13%)
- Adjusted[1] net income down 17% Y/Y (reported down 11%)
- Adjusted[1] PPPT[5] up 7% Y/Y (reported[3] up 14%)
- Net revenue[2] up 3% Y/Y
- Adjusted[1] expenses flat Y/Y; disciplined approach to expense management
  - Reported[3] expenses down 3% Y/Y reflecting $484MM ($357MM after-tax) restructuring charge in prior year
- Adjusted[1] efficiency ratio[2] 59.8%, improved 160 bps Y/Y (reported 60.4%, improved 380 bps)
- Adjusted[1] operating leverage[2] 2.7% (reported 6.2%)
- Total PCL $2,953MM, up $2,081MM Y/Y due to the pandemic
  - PCL on impaired loans $1,522MM or 33 bps; performing loans $1,431MM
  - Total PCL to average net loans and acceptances 63 bps

	Reported		Adjusted[1]	
($MM)	F2020	F2019	F2020	F2019
Net Revenue[2]	**23,478**	22,774	**23,478**	22,799
Expense[3]	**14,177**	14,630	**14,042**	14,005
PPPT[5]	**9,301**	8,144	**9,436**	8,794
Total PCL	**2,953**	872	**2,953**	872
Net Income	**5,097**	**5,758**	**5,201**	**6,249**
Diluted EPS ($)	**7.55**	8.66	**7.71**	9.43
ROE (%)	**10.1**	12.6	**10.3**	13.7
ROTCE[4] (%)	**11.9**	15.1	**11.9**	16.1
CET1 Ratio (%)	**11.9**	11.4		

1 See slide 28 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: F2020 $25,186MM; F2019 $25,483MM. Reported net revenue in F2019 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
4 Return on Tangible Common Equity (ROTCE)
5 Pre-Provision Pre-Tax earnings (PPPT) is the difference between net revenue and expenses

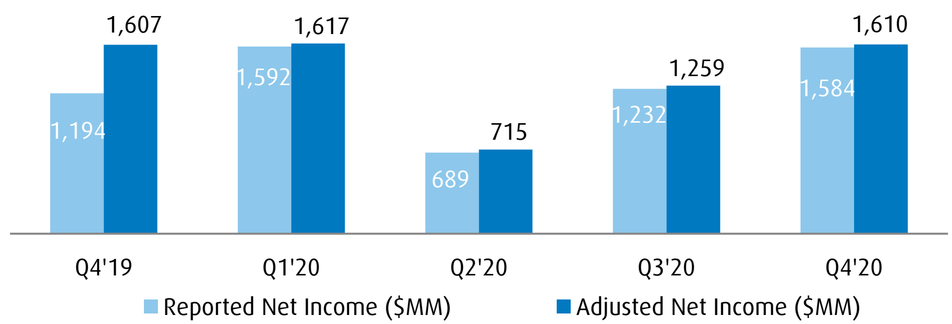
Q4 F2020 - Financial Highlights

Good PPPT[5] growth with positive operating leverage and income flat Y/Y

- Adjusted[1] EPS $2.41 (reported $2.37)
- Adjusted[1] net income $1,610MM (reported $1,584MM)
- Adjusted[1] PPPT[5] $2,471MM, up 7% Y/Y (reported $2,438MM, up 38%)
- Adjusted[1] and reported net revenue[2] up 4% Y/Y
- Adjusted[1] expenses up 1% Y/Y
  - Reported[3] expenses down 11% Y/Y reflecting $484MM ($357MM after-tax) restructuring charge in prior year
- Adjusted[1] efficiency ratio[2] 58.7%, improved 130 bps Y/Y (reported 59.3%, improved 1,000 bps)
- Adjusted[1] operating leverage[2] 2.1% (reported 15.1%)
- Total PCL $432MM, up $179MM Y/Y; down $622MM Q/Q
  - PCL on impaired loans $339MM or 30 bps; PCL on performing loans $93MM
  - Total PCL to average net loans and acceptances 38 bps

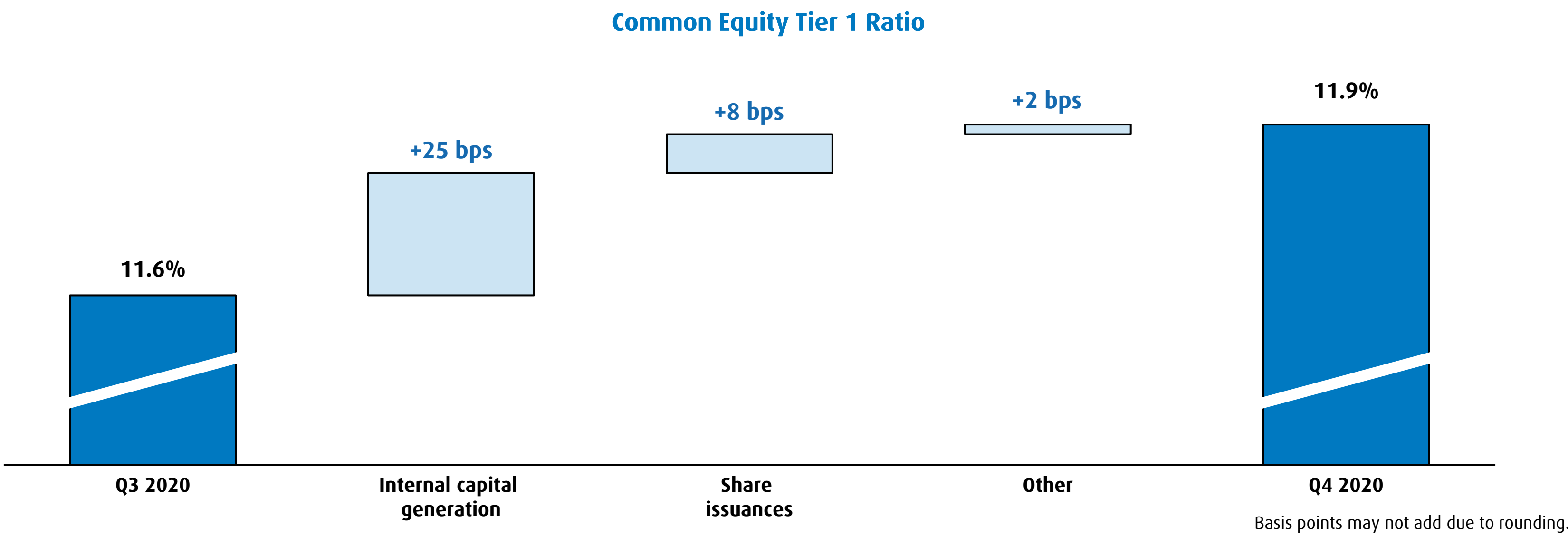
	Reported			Adjusted[1]		
($MM)	Q4 20	Q3 20	Q4 19	Q4 20	Q3 20	Q4 19
Net Revenue[2]	**5,986**	6,000	5,752	**5,986**	6,000	5,777
Expenses[3]	**3,548**	3,444	3,987	**3,515**	3,407	3,463
PPPT[5]	**2,438**	2,556	1,765	**2,471**	2,593	2,314
Total PCL	**432**	1,054	253	**432**	1,054	253
Net Income	**1,584**	**1,232**	**1,194**	**1,610**	**1,259**	**1,607**
Diluted EPS ($)	**2.37**	1.81	1.78	**2.41**	1.85	2.43
ROE (%)	**12.4**	9.4	9.9	**12.6**	9.6	13.5
ROTCE[4] (%)	**14.5**	11.1	11.9	**14.5**	11.1	15.7
CET1 Ratio (%)	**11.9**	11.6	11.4			

Net Income[1] Trends



1 See slide 28 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: Q4'20 $5,986MM; Q3'20 $7,189MM; Q4'19 $6,087MM. Reported net revenue in Q4'19 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 Q4'19
4 Return on Tangible Common Equity (ROTCE)
5 Pre-Provision Pre-Tax earnings (PPPT) is the difference between net revenue and expenses

Strong Q4’20 CET1 ratio of 11.9%, up from Q3’20



- **Q4’20 CET1 Ratio of 11.9%, up from Q3’20**
  - Internal capital generation from retained earnings growth
  - Issuance of common shares under the dividend reinvestment plan[1]
  - Source currency RWA consistent with prior quarter largely due to lower loans which offset model and methodology changes and other impacts
- The impact of FX movements on the CET1 ratio largely offset
- Attractive dividend yield of ~5.3%[2]

1 In the third and fourth quarters of fiscal 2020, common shares for the DRIP were issued from treasury at a 2% discount. As announced on August 25, 2020, beginning with the dividend payable in the first quarter of fiscal 2021 common shares for the DRIP will be purchased on the open market without a discount
2 Dividend yield based on closing share price as of October 30, 2020

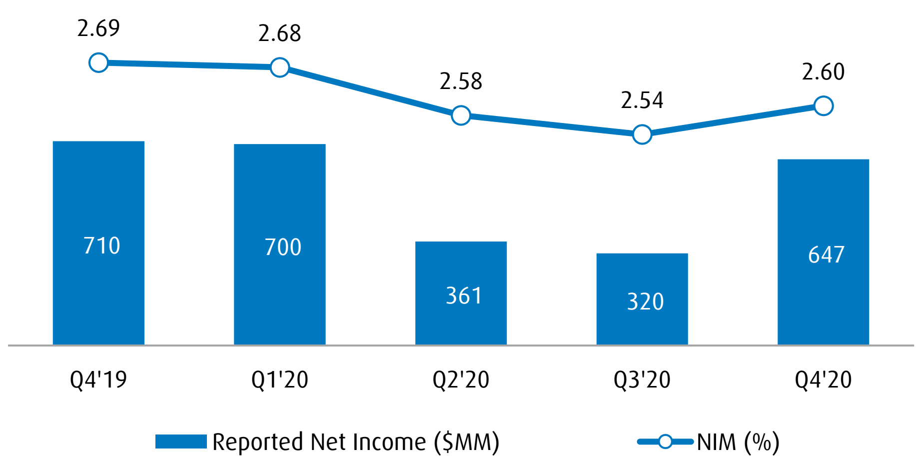
Canadian Personal & Commercial Banking

Performance up Q/Q with improving revenue momentum and disciplined expense management

- Adjusted[1] net income $648MM (reported $647MM), down 9% Y/Y due to lower revenue and higher provisions for credit losses, partially offset by lower expenses
- Adjusted[1] PPPT[2] $1,064MM (reported $1,063MM), down 3% Y/Y and up 6% Q/Q
- Revenue down 2% Y/Y; up 4% Q/Q
  - Average loans up 3% Y/Y. Proprietary mortgages (including amortizing HELOC) up 8%; Commercial[3] up 4%
  - Average deposits up 18% Y/Y. Personal up 11% and Commercial up 31%, reflecting higher liquidity retained by customers due to pandemic
  - NIM up 6 bps Q/Q; down 9 bps Y/Y
  - Non-interest revenue down 9% Y/Y primarily driven by lower credit card and deposit fees
- Expenses[4] down 1% Y/Y; up 1% Q/Q
- Efficiency ratio[4] 47.6%
- Adjusted[1] operating leverage (1.4)% (reported (1.3)%)
- Total PCL $191MM, up $46M Y/Y; down $379MM Q/Q
  - PCL on impaired loans $180MM; PCL on performing loans $11MM
- F2020 net income[4] down 23% Y/Y; performance impacted by higher provisions for credit losses, with higher revenue offset by higher expenses; PPPT[2] flat

	Reported			Adjusted[1]		
($MM)	Q4 20	Q3 20	Q4 19	Q4 20	Q3 20	Q4 19
Revenue (teb)	**2,031**	1,962	2,078	**2,031**	1,962	2,078
Expenses	**968**	960	976	**967**	960	976
PPPT[2]	**1,063**	1,002	1,102	**1,064**	1,002	1,102
Total PCL	**191**	570	145	**191**	570	145
Net Income	**647**	**320**	**710**	**648**	**320**	**710**

Net Income and NIM Trends



1 See slide 28 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 Commercial loan growth excludes corporate and small business cards
4 Expense growth, efficiency ratio and F2020 net income shown are on an adjusted and reported basis

U.S. Personal & Commercial Banking

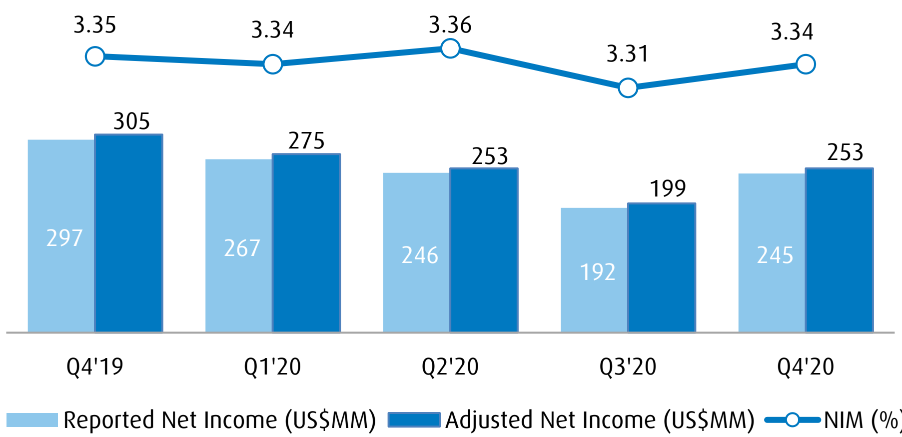
PPPT[3] growth with positive operating leverage

Figures that follow are in U.S. dollars

- Adjusted[1] and reported net income down 17% Y/Y resulting from higher credit provisions
- Adjusted[1] and reported PPPT[3] up 3% Y/Y
- Revenue down 2% Y/Y
  - Average loans[2] flat Y/Y. Commercial up 1% and Personal down 2%
  - Average deposits up 28% Y/Y. Commercial up 54% and Personal up 7%, reflecting the higher liquidity retained by customers due to the impact of the pandemic
  - NIM up 3 bps Q/Q; down 1 bp Y/Y
  - Non-interest revenue down 10% Y/Y
- Adjusted[1] expenses down 5% Y/Y (reported down 6%)
- Adjusted[1] efficiency ratio 55.0% (reported 56.0%)
- Adjusted[1] operating leverage 3.5% (reported 3.6%)
- Total PCL $135MM, up $81MM Y/Y; down $112MM Q/Q
  - PCL on impaired loans $40MM; PCL on performing loans $95MM
- F2020 adjusted[1] net income down 21% Y/Y (reported down 22%) reflecting higher credit provisions due to the pandemic, partially offset by higher PPPT[3], which was up 8%

	Reported			Adjusted[1]		
(US$MM)	Q4 20	Q3 20	Q4 19	Q4 20	Q3 20	Q4 19
Revenue (teb)	**1,007**	1,030	1,028	**1,007**	1,030	1,028
Expenses	**564**	553	597	**554**	544	586
PPPT[3]	**443**	477	431	**453**	486	442
Total PCL	**135**	247	54	**135**	247	54
Net Income	**245**	**192**	**297**	**253**	**199**	**305**
Net Income (CDE$)	**324**	**263**	**393**	**333**	**273**	**404**

Net Income[1] and NIM Trends



1 See slide 28 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Average loan growth rate referenced above excludes BMO Wealth Management mortgages; average loans modestly higher including these balances
3 Pre-Provision Pre-Tax earnings (PPPT) is the difference between revenue and expenses

BMO Financial Group
We're here to help.

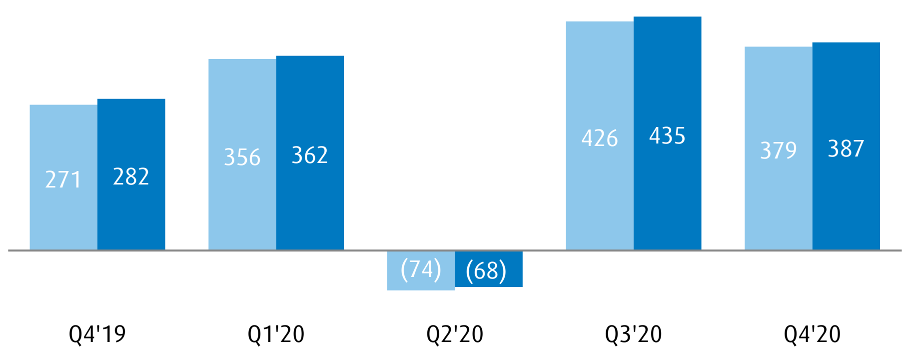
BMO Capital Markets

Strong revenue performance Y/Y and positive operating leverage

- Adjusted[1] net income up 38% Y/Y (reported up 40%)
- Adjusted[1] PPPT[2] up 47% Y/Y (reported up 49%)
- Revenue up 17% Y/Y
  - Global Markets up 24% on strong performance across FICC and equities businesses
  - Investment and Corporate Banking up 7% on higher corporate lending and underwriting fees
- Adjusted[1] expenses up 2% Y/Y (reported up 1%) due to higher performance-based compensation
- Adjusted[1] operating leverage 15.4% (reported 15.8%); F2020 adjusted[1] 13.3% (reported 13.2%)
- Total PCL $64MM, up $24MM Y/Y; down $73MM Q/Q
  - PCL on impaired loans $105MM; recovery on performing loans $41MM
- U.S. adjusted[1] PPPT[2] up 17% Y/Y (reported up 21%); U.S. adjusted[1] net income US$89MM, down 5% Y/Y (reported US$84MM, down 3%) due to PCL
- F2020 adjusted[1] and reported net income flat Y/Y as strong revenue performance and lower expenses driving 41% adjusted[1] and reported PPPT[2] growth were offset by elevated PCL

($MM)	Reported			Adjusted[1]		
	Q4 20	Q3 20	Q4 19	Q4 20	Q3 20	Q4 19
Global Markets	**854**	981	686	**854**	981	686
I&CB	**524**	547	493	**524**	547	493
Revenue (teb)	**1,378**	1,528	1,179	**1,378**	1,528	1,179
Expenses	**801**	825	792	**792**	812	778
PPPT[2]	**577**	703	387	**586**	716	401
Total PCL	**64**	137	40	**64**	137	40
Net Income (loss)	**379**	**426**	**271**	**387**	**435**	**282**

Net Income[1] Trends



1 See slide 28 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

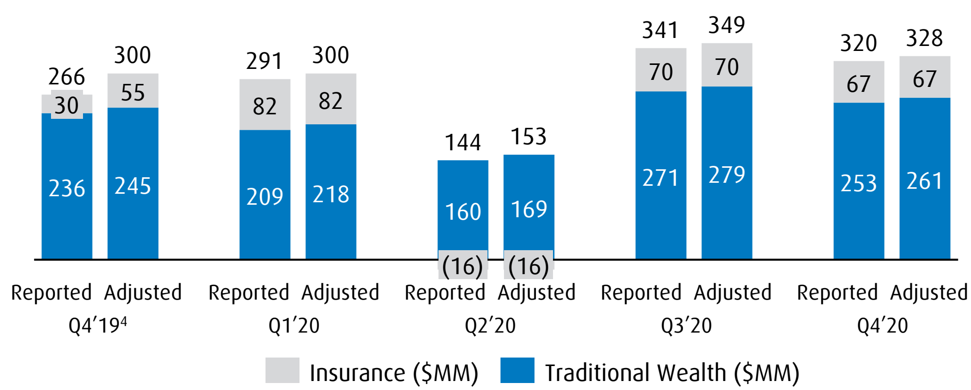
BMO Wealth Management

Good performance in both Traditional Wealth and Insurance with positive operating leverage

- Adjusted[1] net income $328MM up 9% Y/Y (reported $320MM, up 20%)
- Adjusted[1] Traditional Wealth net income $261MM, up 6% Y/Y (reported $253MM, up 7%)
  - Good growth from diversified businesses
  - Strong online brokerage revenues
  - AUM up 2% Y/Y; AUA up 5% Y/Y
- Adjusted[1] Insurance[4] results up 24% Y/Y (reported up 127%)
- Adjusted[1] net revenue[2] up 4% Y/Y (reported[4] up 6%); Traditional Wealth up 2%
- Adjusted[1] expenses up 3% Y/Y (reported up 2%)
- Adjusted[1] operating leverage, net of CCPB[2] 1.6% (reported 3.8%)
- Adjusted[1] efficiency ratio, net of CCPB[2] 66.5% (reported 67.3%)
- F2020 adjusted[1] net income up 1% Y/Y (reported up 3%) with 3% growth in Traditional Wealth offset by 9% decline in Insurance[4]; adjusted[1] PPPT[3] up 2% Y/Y (reported up 4% Y/Y)

	Reported			Adjusted[1]		
($MM)	Q4 20	Q3 20	Q4 19	Q4 20	Q3 20	Q4 19
Net Revenue[2]	**1,309**	1,295	1,232	**1,309**	1,295	1,257
Expenses	**882**	837	860	**872**	826	849
PPPT[3]	**427**	458	372	**437**	469	408
Total PCL (recovery)	**5**	8	(0)	**5**	8	(0)
Net Income	**320**	**341**	**266**	**328**	**349**	**300**
Traditional Wealth NI	**253**	271	236	**261**	279	245
Insurance NI[4]	**67**	70	30	**67**	70	55
AUM/AUA ($B)	**895**	909	865	**895**	909	865

Net Income[1] Trends



1 See slide 28 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: Q4'20 $1,309MM, Q3'20 $2,484MM, Q4'19 $1,567MM
3 Pre-Provision Pre-Tax earnings (PPPT) is the difference between revenue and expenses
4 Q4'19 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] and reported net loss of $86MM compared with an adjusted[1] net loss of $89MM and a reported net loss of $446MM in the prior year. Reported results in the prior year include $357MM after-tax restructuring charge
- Adjusted[1] results relatively unchanged from prior year with higher revenue and a favourable tax rate in the current quarter, largely offset by higher expenses
- F2020 adjusted[1] and reported net loss of $391MM compared with an adjusted[1] net loss $270MM and a reported loss of $627MM in the prior year

	Reported[2]			Adjusted[1,2]		
($MM)	Q4 20	Q3 20	Q4 19	Q4 20	Q3 20	Q4 19
Revenue	**14**	(83)	(20)	**14**	(83)	(20)
Group teb offset[2]	**(78)**	(101)	(77)	**(78)**	(101)	(77)
Total Revenue (teb)[2]	**(64)**	(184)	(97)	**(64)**	(184)	(97)
Total PCL (recovery)	**(7)**	7	(2)	**(7)**	7	(2)
Expenses	**152**	70	569	**152**	70	85
Net Loss	**(86)**	**(118)**	**(446)**	**(86)**	**(118)**	**(89)**

1 See slide 28 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

Risk Review

For the Quarter Ended Oct 31, 2020

Patrick Cronin
Chief Risk Officer

Q4 | 20

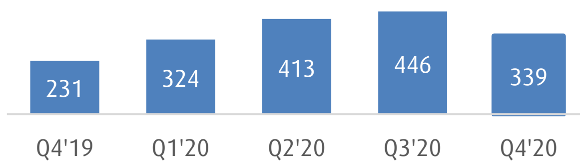
BMO

Provision for Credit Losses (PCL)

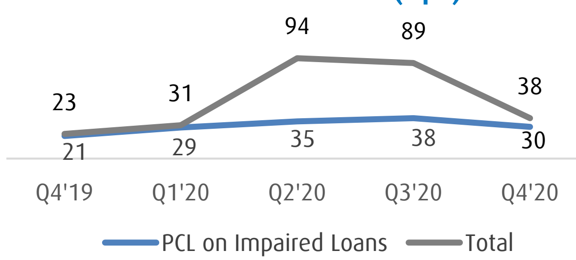
PCL By Operating Group ($MM)	Q4 20		Q3 20		Q4 19	
	$	bps	$	bps	$	bps
Consumer – Canadian P&C	94	23	130	33	110	28
Commercial – Canadian P&C	86	39	127	56	24	11
Total Canadian P&C	**180**	**29**	**257**	**41**	**134**	**22**
Consumer – U.S. P&C	7	15	15	31	17	34
Commercial – U.S. P&C	46	18	94	35	49	20
Total U.S. P&C	**53**	**18**	**109**	**35**	**66**	**22**
BMO Wealth Management	**0**	**0**	**1**	**1**	**1**	**2**
BMO Capital Markets	**105**	**66**	**79**	**45**	**32**	**20**
Corporate Services	**1**	**n.m.**	**0**	**n.m.**	**(2)**	**n.m.**
PCL on Impaired Loans	**339**	**30**	**446**	**38**	**231**	**21**
PCL on Performing Loans	**93**	**8**	**608**	**51**	**22**	**2**
Total PCL	**432**	**38**	**1,054**	**89**	**253**	**23**

- Q4'20 PCL ratio on Impaired Loans at 30 bps, down 8 bps Q/Q
- Allowance for Credit Losses on Performing Loans increased PCL by $93MM
- Annual F2020 PCL ratio on Impaired Loans at 33 bps, up 16 bp Y/Y

PCL on Impaired Loans



Annualized PCL (bps)



Annual PCL ratio (bps)	FY 2019	FY 2020
Impaired Loans	17	33
Total Loans	20	63

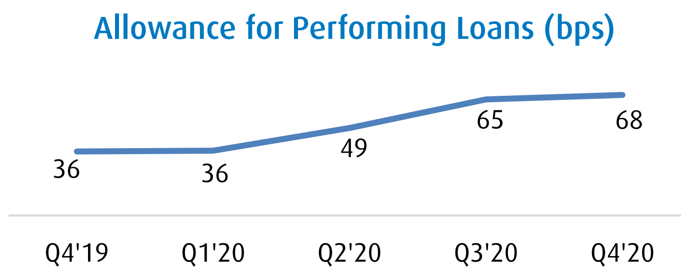
Allowance and Provision on Performing Loans

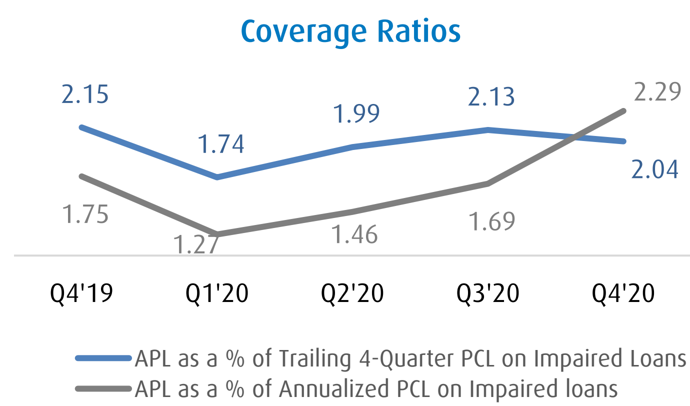
Allowance on Performing Loans (APL) and PCL on Performing Loans (PCL) By Operating Group ($MM)[2]	Q3 20 APL[1]	Q4 20 PCL	Q4 20 Foreign Exchange	Q4 20 APL[1]	APL to Net Loans & Allowances (bps)
Consumer – Canadian P&C	919	40	(1)	958	58
Commercial – Canadian P&C	513	(29)	1	485	55
Total Canadian P&C	**1,432**	**11**	**-**	**1,443**	**57**
Consumer – U.S. P&C	185	(4)	(1)	180	100
Commercial – U.S. P&C	766	130	3	899	91
Total U.S. P&C	**951**	**126**	**2**	**1,079**	**92**
BMO Wealth Management	**44**	**5**	**-**	**49**	**18**
BMO Capital Markets	**573**	**(41)**	**(6)**	**526**	**85**
Corporate Services	**11**	**(8)**	**-**	**3**	**nm**
Total	**3,011**	**93**	**(4)**	**3,100**	**68**

1 Q3'20 and Q4'20 includes APL on Other Assets of $35MM and $25MM, respectively, and excludes APL on Securities of $5MM for both Q3 and Q4 2020

2 Q4'20 PCL includes PCL on Other Assets of $(11)MM and excludes PCL on Securities of $(0)MM

- The APL increased $89MM to $3,100MM, largely driven by a $93MM provision for credit losses on performing loans
- The $93MM provision on performing loans reflects a more severe adverse scenario partially offset by an improving economic outlook and reduced balances





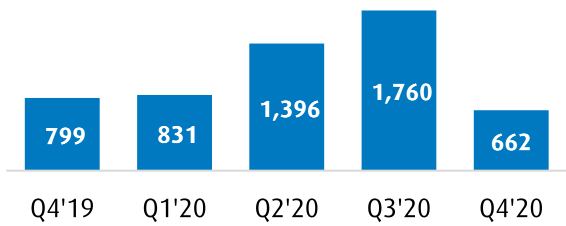
Gross Impaired Loans (GIL) and Formations

By Industry ($MM, as at Q4 20)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other[1]	U.S.	Total
Consumer	**105**	**40**	**145**	**414**	**335**	**749**
Service Industries	30	41	71	137	382	519
Oil & Gas	31	142	173	93	457	550
Retail Trade	42	5	47	311	149	460
Agriculture	11	13	24	70	279	349
Manufacturing	34	4	38	183	109	292
Transportation	2	31	33	14	130	144
Commercial Real Estate	19	30	49	49	40	89
Financing Products	0	0	0	0	147	147
Wholesale Trade	20	0	20	43	61	104
Construction (non-real estate)	3	5	8	64	40	104
Financial	10	0	10	19	29	48
Mining	0	40	40	0	40	40
Other Business and Government[2]	4	0	4	30	13	43
Total Business and Government	**206**	**311**	**517**	**1,013**	**1,876**	**2,889**
Total Bank	**311**	**351**	**662**	**1,427**	**2,211**	**3,638**

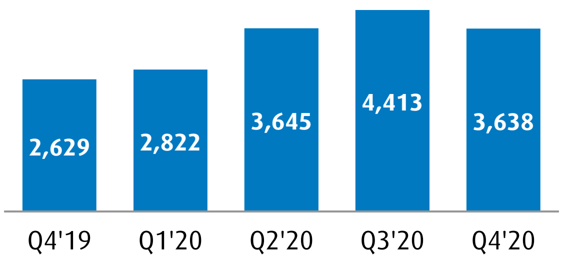
1 Total Business and Government includes $84MM GIL from Other Countries
2 Other Business and Government includes industry segments that are each <1% of total GIL

- GIL ratio 79 bps, down 16 bps Q/Q

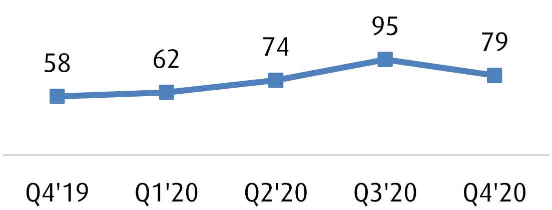
Formations ($MM)



Gross Impaired Loans ($MM)



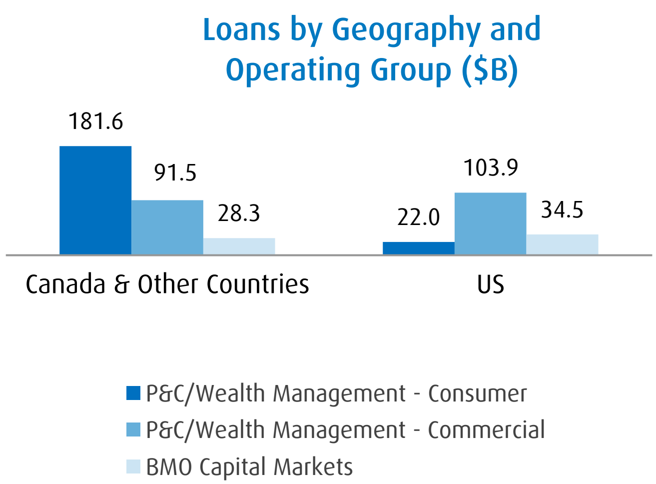
GIL (bps)



Loan Portfolio Overview

Gross Loans & Acceptances By Industry ($B, as at Q4 20)	Canada & Other[1]	U.S.	Total	% of Total
Residential Mortgages	118	9	127	27%
Consumer Instalment and Other Personal	58	12	70	15%
Cards	7	1	8	2%
Total Consumer	**183**	**22**	**205**	**44%**
Service Industries	23	25	48	10%
Financial	14	31	45	10%
Commercial Real Estate	25	15	40	9%
Manufacturing	7	19	26	6%
Retail Trade	12	9	21	4%
Wholesale Trade	5	10	15	3%
Agriculture	12	2	14	3%
Transportation	4	9	13	3%
Oil & Gas	6	7	13	3%
Other Business and Government[2]	11	11	22	5%
Total Business and Government	**119**	**138**	**257**	**56%**
Total Gross Loans & Acceptances	**302**	**160**	**462**	**100%**

- Loans are well diversified by geography and industry
- Business & Government loans down Q/Q largely due to lower utilization with existing borrowers; up 2% Y/Y



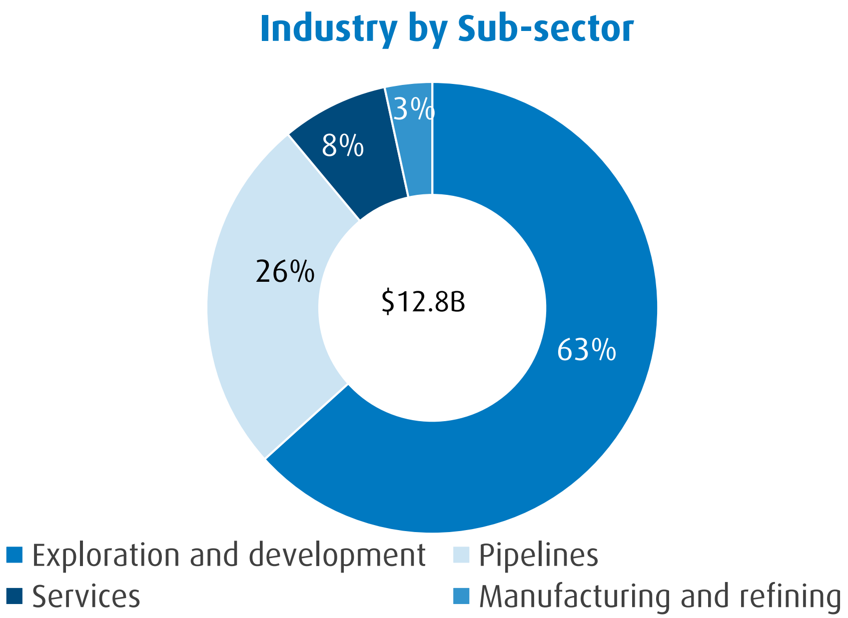
1 Includes ~$11.3B from Other Countries
2 Other Business and Government includes all industry segments that are each <2% of total loans

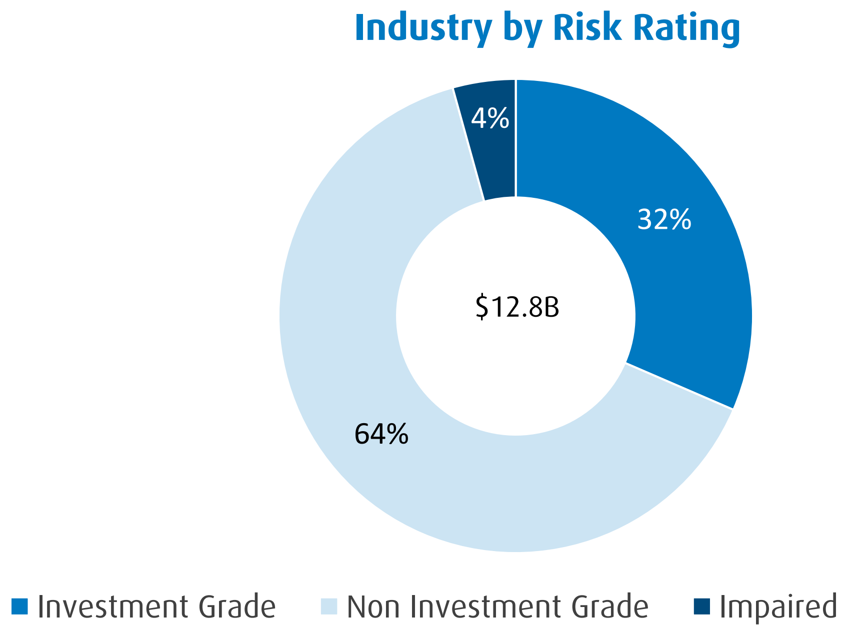
Sectors Impacted by COVID-19 Pandemic

By Industry of Heightened Focus ($B, as at Q4 20)	Gross Loans & Acceptances (GL&A)	% of Total GL&A
Hotels	4.2	0.9%
Restaurants	4.4	1.0%
Amusement & Recreational	3.4	0.7%
CRE – Lodging REITS	0.8	0.1%
CRE – Retail REITS	1.9	0.4%
CRE – Retail Property Types	2.6	0.6%
Retail Trade excl. Auto, Grocers & Pharmacies	5.5	1.2%
Airlines	0.4	0.1%
Total Industries of Heightened Focus	**23.2**	**5.0%**
Total Business & Government Gross Loans & Acceptances	**256.7**	**56%**
Total Gross Loans & Acceptances	**461.8**	**100%**

- Hotels: Well secured by real estate. Majority of exposure is concentrated in Canada, focusing on well-known banners with reasonable overall loan-to-value averages, further supported by recourse arrangements to ownership groups
- Restaurants: Managed by a specialty group, with a focus on strong national and regional brands, primarily concentrated in the quick service restaurant segment which has fared well during the pandemic
- CRE sub-sectors: Credit profile of the CRE sub-sectors remains strong, with modest impaired loan formations and no PCL since the start of the pandemic
- Retail Trade excl. Auto, Groceries & Pharmacies: Higher impaired loan formations since the start of the pandemic but low loss rate relative to formations, largely due to Asset Based Lending structures that are common in this sector

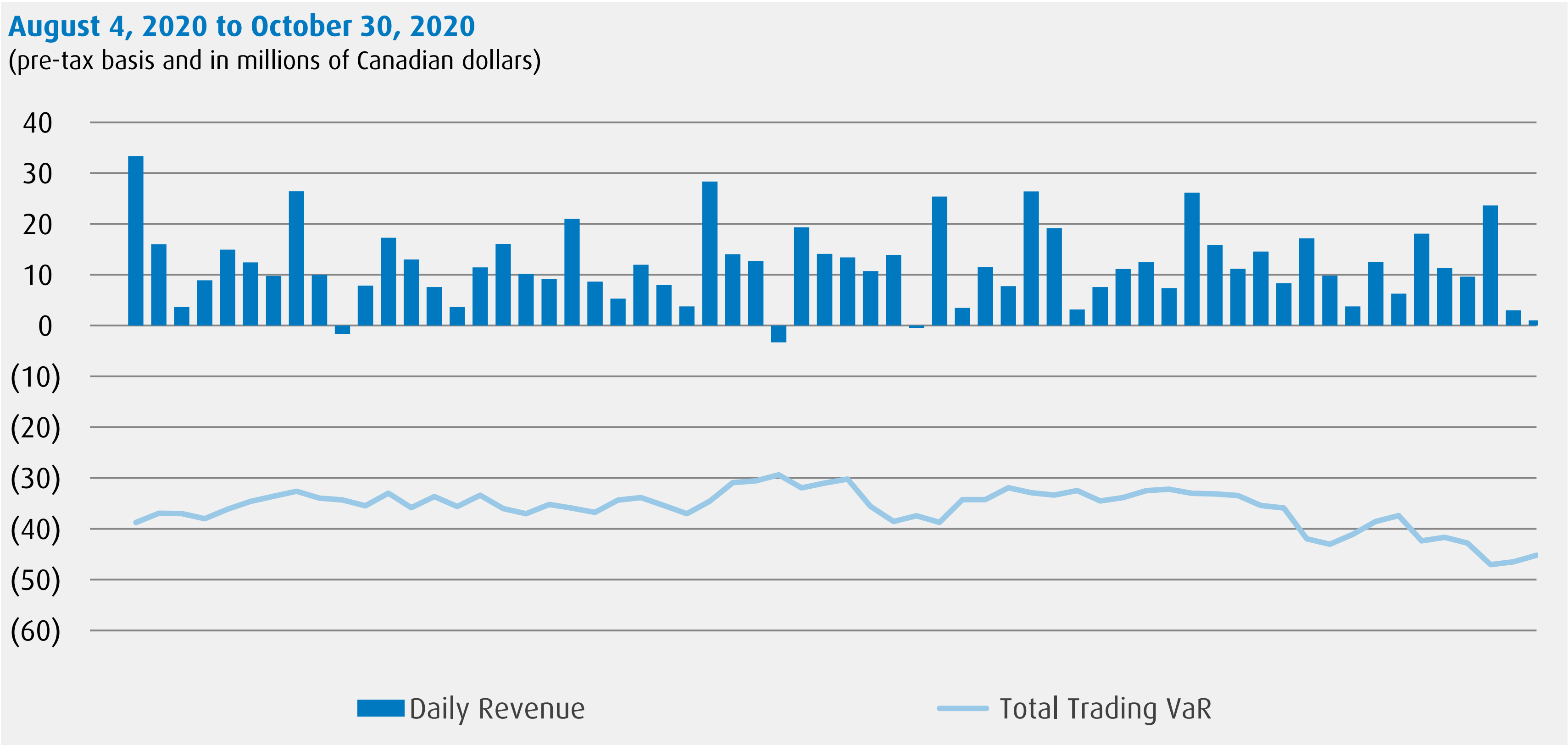
Oil and Gas Industry Overview





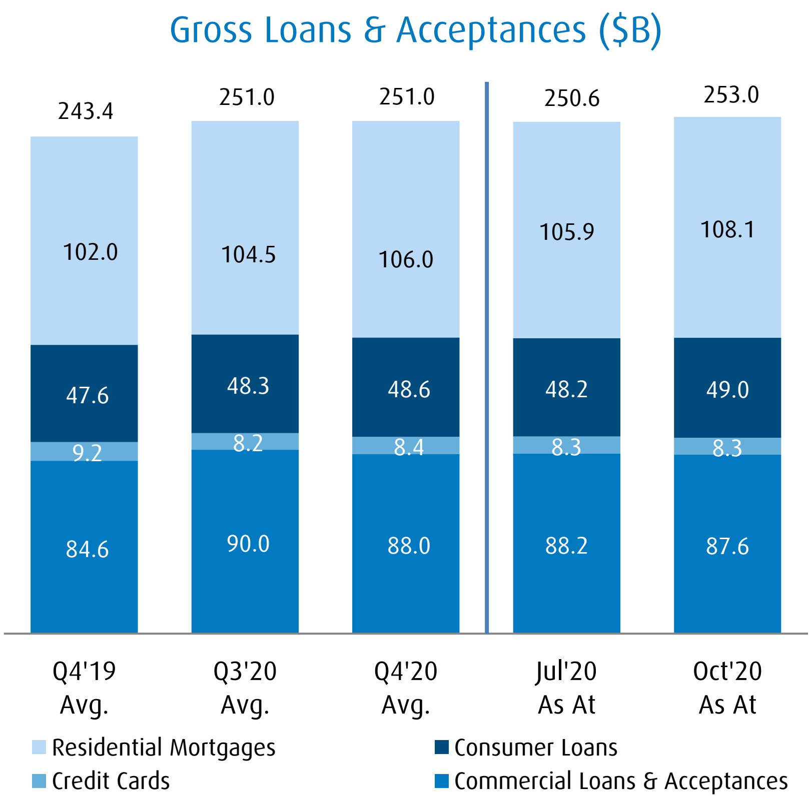
- The Oil and Gas portfolio is geographically well-diversified with 51% in the U.S., 40% in Canada and the remaining in other geographies
- Of the $8.1B in Exploration and Development (E&D) gross loans and acceptances, almost three-quarters is borrowing-base lending
  - 96% of U.S. E&D loans and 48% of E&D loans in Canada and other countries are borrowing-base. 75% of non borrowing-base E&D loans in Canada and other countries are investment grade
- Allowance on performing loans related to industry at $298MM, or 243 bps, providing significant coverage
- Alberta consumer loans represent 5% of total bank loans of which nearly 83% are RESL

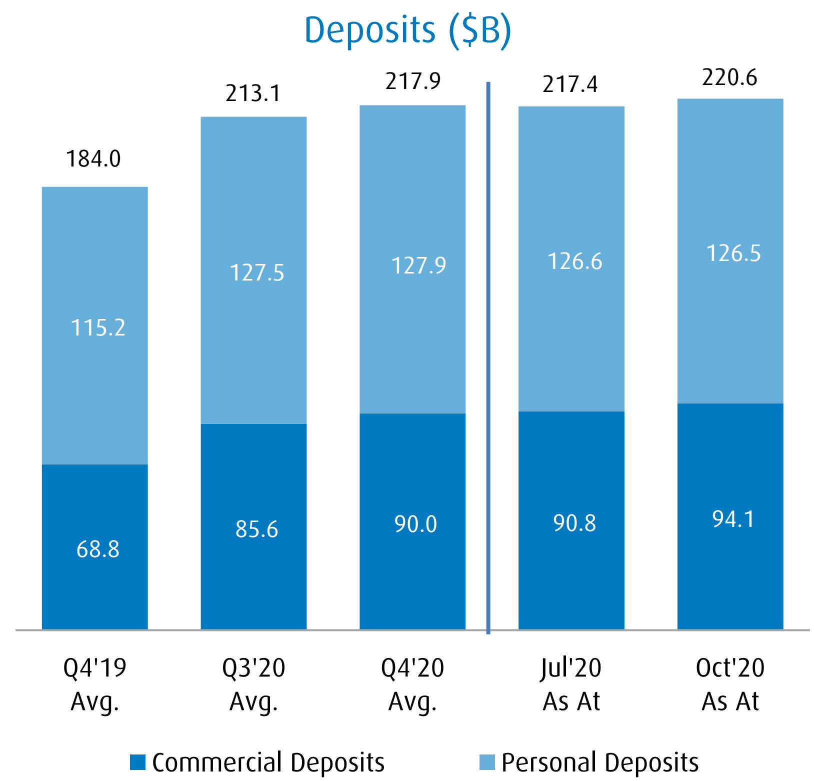
Trading-related Net Revenues and Value at Risk



Appendix

Canadian Personal & Commercial Banking - Balances





- Average Loans up 3% Y/Y; relatively flat Q/Q
  - Proprietary channel residential mortgages and amortizing HELOC loans up 8% Y/Y
  - Commercial loans[1] up 4% Y/Y
- As at loans increased 3% Y/Y; $2.4B or 1% Q/Q

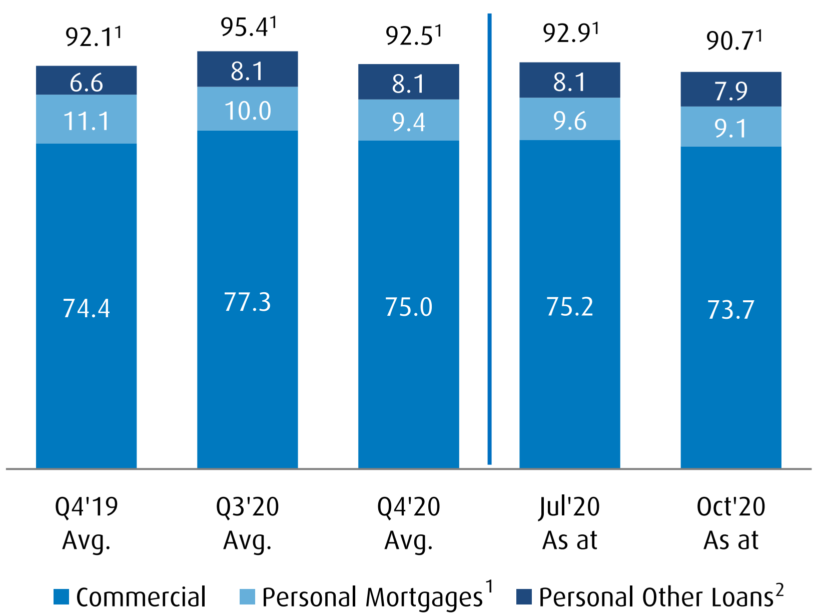
- Average Deposits up 18% Y/Y; up 2% Q/Q
  - Personal deposits up 11% Y/Y
  - Commercial deposits up 31% Y/Y
- As at deposits increased 17% Y/Y; $3.2B or 1% Q/Q

1 Commercial lending excludes commercial and small business cards. Commercial and small business cards balances represented ~11% of total credit card portfolio in Q4’19 and Q3’20, ~12% in Q4’20

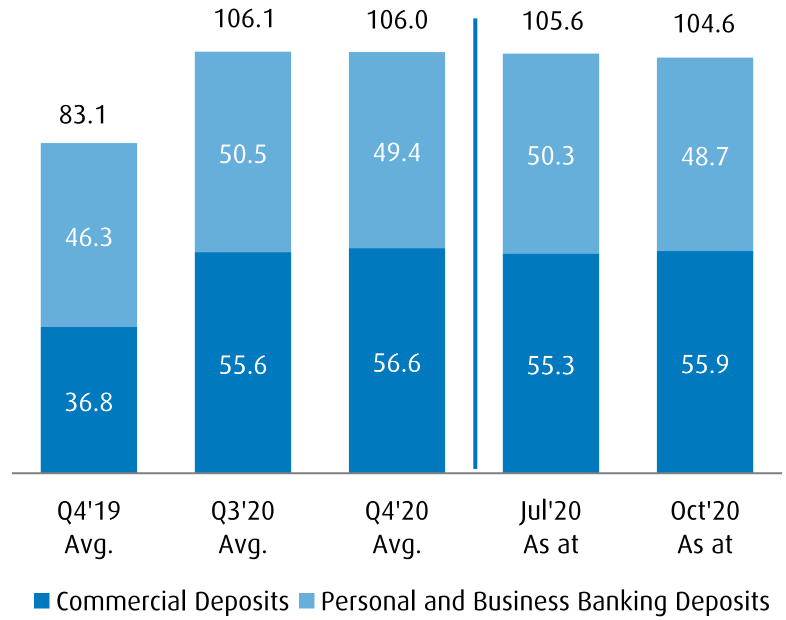
U.S. Personal & Commercial Banking – Balances

Figures on this slide are in U.S. dollars

Gross Loans & Acceptances (US$B)



Deposits (US$B)



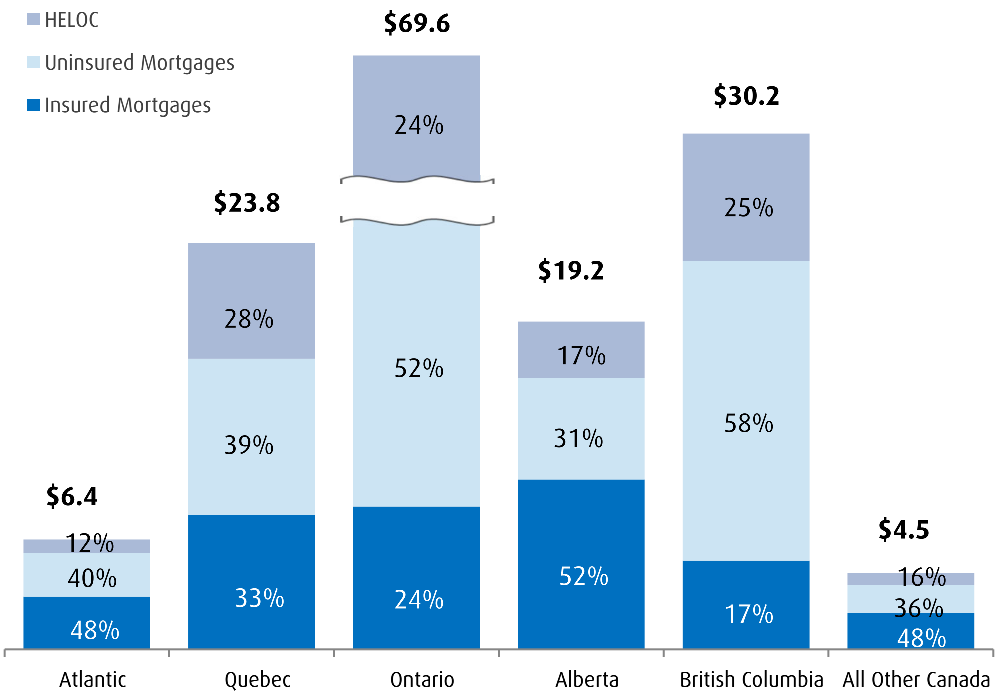
- Average loans[1] modestly higher Y/Y; down 3% Q/Q
  - Commercial loans up 1% Y/Y
  - Personal loans[1,2] down 2% Y/Y
- As at loans[1] decreased 2% Q/Q; down 2% Y/Y
  - Excluding Paycheck Protection Program loans of $4.6B, down 9% Y/Y

- Average deposits up 28% Y/Y; flat Q/Q
  - Commercial deposits up 54% Y/Y
  - Personal deposits up 7% Y/Y
- As at deposits decreased 1% Q/Q; up 21% Y/Y

1 Includes Wealth Management Mortgages (Q4'20 $2.0B, Q3'20 $2.1B, Q4'19 $2.1B) and Home Equity (Q4'20 $2.3B, Q3'20 $2.4B, Q4'19 $2.5B); on as at basis, BMO Wealth Management mortgage is $2.0B for Q3'20 and $2.0B for Q4'20; Home Equity is $2.3B for Q3'20 and $2.3B for Q4'20
2 Personal Other Loans includes Business Banking, Indirect Auto, Credit Cards, Non-Strategic and other personal loans

Canadian Residential-Secured Lending

Residential-Secured Lending by Region ($153.7B)



Avg. LTV[1] Uninsured	Atlantic	Quebec	Ontario	Alberta	British Columbia	All Other Canada	Total Canada
Mortgage							
- Portfolio	58%	57%	54%	62%	50%	56%	54%
- Origination	74%	73%	69%	73%	66%	73%	70%
HELOC							
- Portfolio	47%	52%	44%	56%	44%	47%	47%
- Origination	72%	73%	65%	68%	62%	66%	66%

- Total Canadian residential-secured lending portfolio at $153.7B, representing 33% of total loans
  - LTV[1] on uninsured of 51%
  - 90-day delinquency rate for RESL remains good at 19 bps; loss rates for the trailing 4 quarter period were 1 bp
- Residential mortgage portfolio of $117.9B
  - 38% of portfolio insured
  - LTV[1] on uninsured of 54%
  - 80% of the mortgage portfolio has an effective remaining amortization of 25 years or less
- HELOC portfolio of $35.9B outstanding of which 63% 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 the HELOC authorization to the original property value indexed using Teranet data. Portfolio LTV is the combination of each individual mortgage or HELOC LTV weighted by the mortgage balance or HELOC authorization

Adjusting Items

Adjusting items[1] - Pre-tax ($MM)	Q4 20	Q3 20	Q4 19	F2020	F2019
Acquisition integration costs[2]	**(3)**	(5)	(2)	**(14)**	(13)
Amortization of acquisition-related intangible assets[3]	**(30)**	(32)	(38)	**(121)**	(128)
Restructuring costs[4]	**-**	-	(484)	**-**	(484)
Reinsurance adjustment[5]	**-**	-	(25)	**-**	(25)
Adjusting items included in reported pre-tax income	**(33)**	**(37)**	**(549)**	**(135)**	**(650)**

Adjusting items[1] - After-tax ($MM)	Q4 20	Q3 20	Q4 19	F2020	F2019
Acquisition integration costs[2]	**(3)**	(4)	(2)	**(11)**	(10)
Amortization of acquisition-related intangible assets[3]	**(23)**	(23)	(29)	**(93)**	(99)
Restructuring costs[4]	**-**	-	(357)	**-**	(357)
Reinsurance adjustment[5]	**-**	-	(25)	**-**	(25)
Adjusting items included in reported net income after tax	**(26)**	**(27)**	**(413)**	**(104)**	**(491)**
Impact on diluted EPS ($)	**(0.04)**	(0.04)	(0.65)	**(0.16)**	(0.77)

1 Adjusted measures are non-GAAP measures, see slide 2 for more information
2 KGS-Alpha and Clearpool 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 Q4'19 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 efficiency, including accelerating delivery against key bank-wide initiatives focused on digitization, organizational redesign and simplification of the way BMO does business. Restructuring costs are included in non-interest expense in Corporate Services
5 Q4'19 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 incurred after the announced wind-down of the reinsurance business. This reinsurance adjustment is included in BMO Wealth Management

BMO Financial Group

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