

BMO Financial Group

Investor Presentation

For the Quarter Ended January 31, 2021

February 23, 2021

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Forward looking statements & non-GAAP measures

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 in this document may include, but are not limited to, statements with respect to our objectives and priorities for fiscal 2021 and beyond, our strategies or future actions, our targets, expectations for our financial condition or share price, the regulatory environment in which we operate and the results of or outlook for our operations or for the Canadian, U.S. and international economies, our response to the COVID-19 pandemic and its expected impact on our business, operations, earnings, results, and financial performance and condition, as well as its impact on our customers, competitors, reputation and trading exposures, and include statements of our 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 us 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 our 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. We caution readers of this document not to place undue reliance on our forward-looking statements, as a number of factors – many of which are beyond our 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. The 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 our future results; the possible impact on our 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 we operate; 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 we operate; 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 we obtain with respect to our customers and counterparties; failure of third parties to comply with their obligations to us; our ability to execute our 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 our credit ratings; global capital markets activities; the possible effects on our business of war or terrorist activities; natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply; 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. Other factors and risks could adversely affect our 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, and the Risk Management section in BMO's First Quarter 2021 Report to Shareholders, all of which outline certain key factors and risks that may affect our 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. We do 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.

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 and updated in the Economic Review and Outlook section set forth in BMO's First Quarter 2021 Report to Shareholders, as well as in the Allowance for Credit Losses section on page 114 of BMO's 2020 Annual Report and the Allowance for Credit Losses section set forth in BMO's First Quarter 2021 Report to Shareholders. 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, we primarily consider historical economic data, past relationships between economic and financial variables, changes in government policies, and the risks to the domestic and global economy. Please refer to the Economic Review and Outlook and Allowance for Credit Losses sections in BMO's First Quarter 2021 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, 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 7 and 8 of BMO's First Quarter 2021 Report to Shareholders 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 and restructuring costs. Bank of Montreal provides supplemental information on combined business segments to facilitate comparisons to peers.

Darryl White

Chief Executive Officer

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Our Strategy

About Us

Helping customers
since
1817

8th largest
bank in North America
by assets¹

12+ million
customers globally

Our Purpose

Boldly Grow the Good
in business and life

- For a thriving economy
- For a sustainable Future
- For an inclusive society

Our Strategic Priorities

- **World-class** client loyalty and growth
- **Winning culture** driven by alignment, empowerment and recognition
- **Digital first** for speed, efficiency and scale
- **Simplify** work and **eliminate complexity**
- **Superior management** of **risk** and **capital** performance

Medium Term Objectives²

- EPS growth 7% – 10%
- ROE >15%
- Operating leverage > 2%
- Maintain strong capital ratios
- Top tier shareholder returns

Our Values

Integrity

Empathy

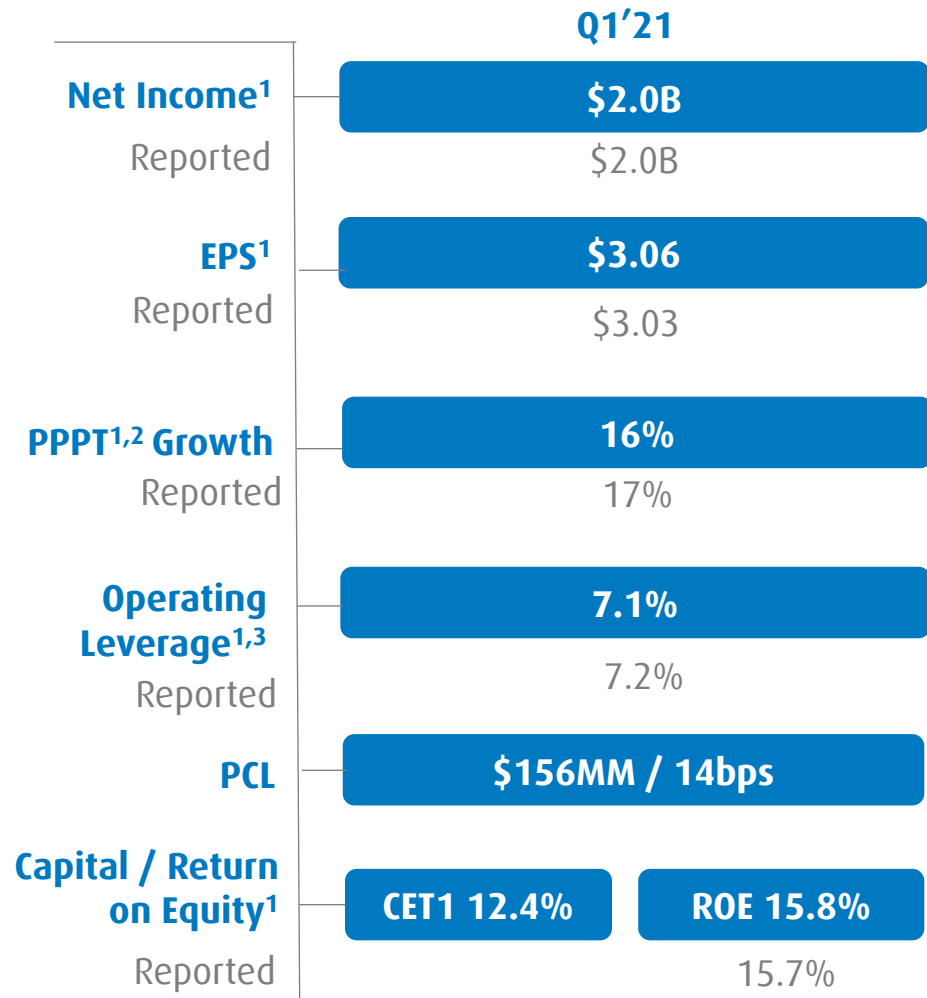
Diversity

Responsibility

¹ Source: Bloomberg GICS screen of largest North American banks by total assets

² Medium term financial objectives (adjusted basis). Adjusted measures are non-GAAP measures, see slide 2 for more information

Financial Highlights



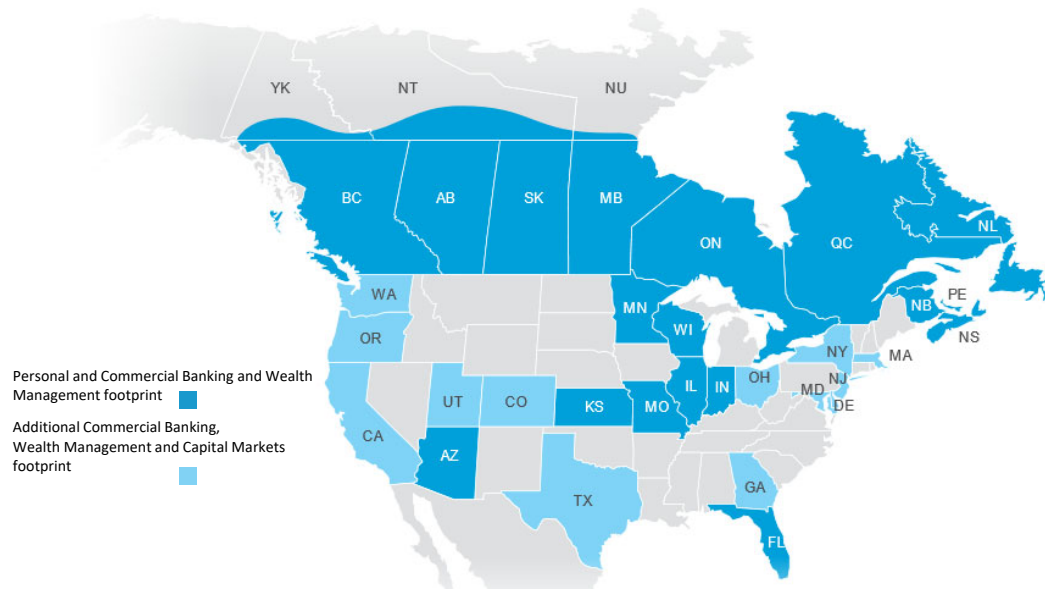
- Q1'21 adjusted¹ net income up 26% Y/Y
- Strong operating momentum across diversified businesses and lower loan loss provisions
- Adjusted¹ pre-provision, pre-tax earnings (PPPT)² of \$2.8B; revenue up 6% Y/Y and Q/Q
- Adjusted¹ expenses well-managed, down 1% Y/Y
- Adjusted¹ efficiency ratio³ 56.3% improved 400 bps Y/Y
- Very strong credit performance; committed to superior risk management
- Strong capital position and above target ROE

¹ Adjusted measures are non-GAAP measures, see slide 2 for more information. See slide 30 for adjustments to reported results
 On a reported basis: Q1'21 net income up 27% Y/Y; PPPT \$2.8B; expenses down 2% Y/Y; efficiency ratio of 56.7%, improved 410bps Y/Y
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)

U.S. segment continuing to deliver strong results

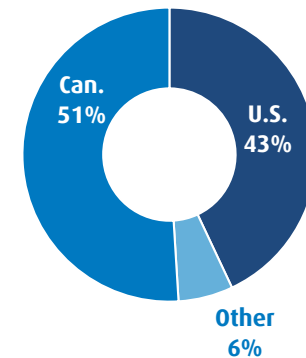
Figures that follow are on a U.S. dollar basis

- U.S. segment adjusted¹ PPPT¹ up 48% Y/Y; contributed over 40% of adjusted earnings¹
- Adjusted¹ efficiency of 53.5% and adjusted¹ operating leverage of 18.7%
- #11² in U.S. commercial lending; top-tier market position in flagship U.S. markets
- #3 deposit market share³ in our core footprint³; #2 in Chicago and Milwaukee
- Leveraging strong integration and collaboration across businesses to provide integrated client offering

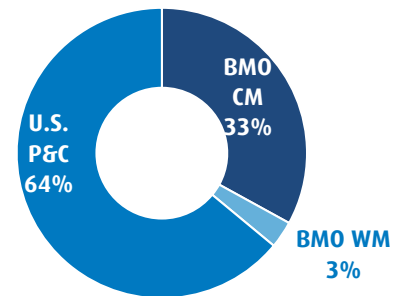


Personal and Commercial Banking and Wealth Management footprint
 Additional Commercial Banking, Wealth Management and Capital Markets footprint

Total Bank Adjusted¹ Net Income by Geography – Q1'21



U.S. Segment Adjusted¹ Net Income by Operating Group⁴ – Q1'21



1 Adjusted measures are non-GAAP measures, see slide 2 for more information. Pre-Provision Pre-Tax earnings (PPPT) is the difference between net revenue and expenses. On a reported basis: U.S. Segment PPPT growth 50% Y/Y, contributed 43% of total bank earnings, efficiency 54.3%, operating leverage 18.9%; Total bank reported net income by geography for Q1'21: Canada 51%, U.S. 43%, Other 6%; U.S. Segment reported net income by operating group for Q1'21: U.S. P&C 64%, BMO CM 33%, BMO WM 3%

2 Based upon publicly available U.S. regulatory filings (FR Y-9Cs and FFIEC 002s) and internal analysis

3 Based on FDIC deposit share data; core footprint includes Illinois, Kansas, Wisconsin, Missouri, Indiana and Minnesota

4 Excludes Corporate Services

Strong earnings across our diversified businesses

Canadian Personal & Commercial

- PPPT¹ growth of 4% Y/Y with good revenue momentum and expense management
- Top tier² financial performance and growing market share in key areas of focus
- Digital transformation creating frontline capacity and efficiency

U.S. Personal & Commercial

- PPPT^{1,3} growth of 24% Y/Y with good revenue growth and expense management
- Very strong commercial credit performance with deep customer relationships
- Continuing to support customers through the economic recovery

BMO Wealth Management

- PPPT^{1,3} growth of 18% Y/Y and positive operating leverage
- Traditional Wealth earnings³ up 35% Y/Y with record online brokerage volumes
- Continuing to lead in the ETF market with new innovative products

BMO Capital Markets

- PPPT^{1,3} growth of 34% Y/Y with record U.S. earnings
- #1 ranking⁴ in Canadian equity underwriting for 2020
- Investments driving sustained performance

¹ Pre-Provision Pre-Tax earnings (PPPT) is the difference between net revenue and expenses

² Peers: BNS, CIBC, NBF, RBC, TD; based on F2020 performance for growth in revenue, adjusted PPPT, loans and deposits

³ On an adjusted basis. Adjusted measures are non-GAAP measures, see slide 2 for more information. See slide 30 for adjustments to reported results. On a reported basis: U.S. P&C PPPT growth 25%; BMO Wealth Management PPPT growth 19%; Traditional Wealth earnings growth 37%; BMO Capital Markets PPPT growth 35%

⁴ Based on Bloomberg ranking for Canada Equity & Equity Linked, excluding self-led financings for calendar 2020

Supporting well-being of customers, employees and communities

Facilitating access to government relief programs

- In Canada, over \$4B in loans through CEBA, assisting over 80,000 small businesses
- In the United States, US\$5.5B in funding for over 23,000 businesses through PPP Program
- Assisting Canadian industries hardest hit by COVID with access to the new HASCAP program

Supporting our employees

- Enabled >90% of non-branch workforce to work remotely
- Paid time off for vaccinations
- Access to 24/7 virtual healthcare

BMO support programs for customers

- Granted over 250,000 payment deferrals helping individuals and businesses bridge to financial recovery
- Launched BMO EMpower, a 5-year, US\$5B commitment to address key barriers faced by minority businesses, communities and families in the United States
- BMO Business Xpress small business onboarding platform delivered over \$1B in credit authorizations, helping more than 20,000 Canadian small businesses access capital faster
- Specialized, dedicated teams, and programs supporting Agriculture, Canadian Defence and Indigenous banking communities

Products and capabilities to help make real financial progress

- In Canada, BMO Family Bundle allows customers and family members to save on fees
- For U.S. customers, launched a Savings Rewards program that helps build strong savings habits by rewarding them with a monthly cash bonus
- BMO eclipse Visa¹ cards tailored to everyday lifestyle needs of Canadians; accelerated earnings on key spending categories, with increased flexibility and choice in redemptions
- Supporting clients with enhanced self-serve, direct deposit and seamless onboarding digital capabilities

CEBA: Canadian Emergency Business Assistance

PPP: U.S. Paycheck Protection Program

HASCAP: Highly Affected Sectors Credit Availability Program

¹ Visa is a trademark of Visa International Service Association and used under license

Financial Results

For the Quarter Ended January 31, 2021

Tayfun Tuzun

Chief Financial Officer

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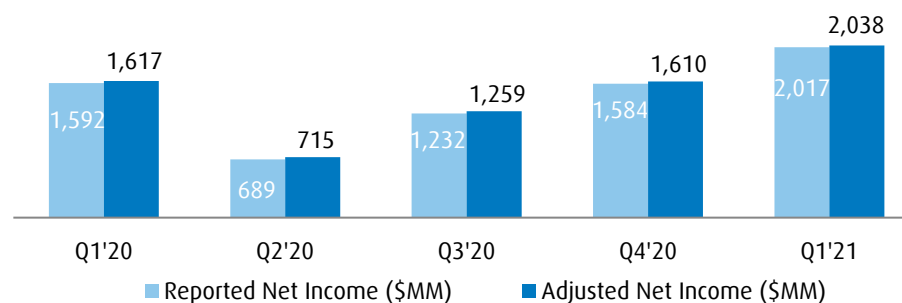
Q1 F2021 - Financial Highlights

Strong performance with good revenue growth, and lower credit provisions and expenses

- Adjusted¹ EPS \$3.06, up 27% Y/Y (reported \$3.03, up 28%)
- Adjusted¹ net income up 26% (reported up 27%)
- Adjusted¹ PPPT⁴ up 16% Y/Y (reported up 17%)
- Net revenue² up 6% Y/Y reflecting growth across all operating Groups
- Adjusted¹ expenses down 1% Y/Y (reported down 2%) reflecting good cost management
- Adjusted¹ efficiency ratio² 56.3%, improved 400 bps Y/Y (reported 56.7%, improved 410 bps); good improvement across all Groups
- Adjusted¹ operating leverage² 7.1% (reported 7.2%); all Groups with adjusted¹ and reported operating leverage² of 4.0% or higher
- Adjusted¹ ROE 15.8%, improved 230 bps Y/Y (reported 15.7%, improved 240 bps)
- Total PCL \$156MM, down \$193MM Y/Y; down \$276MM Q/Q
 - PCL on impaired loans \$215MM or 19 bps; recovery on performing loans \$59MM
 - Total PCL to average net loans and acceptances 14 bps

(\$MM)	Reported			Adjusted ¹		
	Q1 21	Q4 20	Q1 20	Q1 21	Q4 20	Q1 20
Net Revenue ²	6,374	5,986	6,031	6,374	5,986	6,031
Expenses	3,613	3,548	3,669	3,585	3,515	3,637
PPPT ⁴	2,761	2,438	2,362	2,789	2,471	2,394
Total PCL	156	432	349	156	432	349
Net Income	2,017	1,584	1,592	2,038	1,610	1,617
Diluted EPS (\$)	3.03	2.37	2.37	3.06	2.41	2.41
ROE (%)	15.7	12.4	13.3	15.8	12.6	13.5
ROTCE ³ (%)	18.2	14.5	15.7	18.2	14.5	15.8
CET1 Ratio (%)	12.4	11.9	11.4			

Net Income¹ Trends



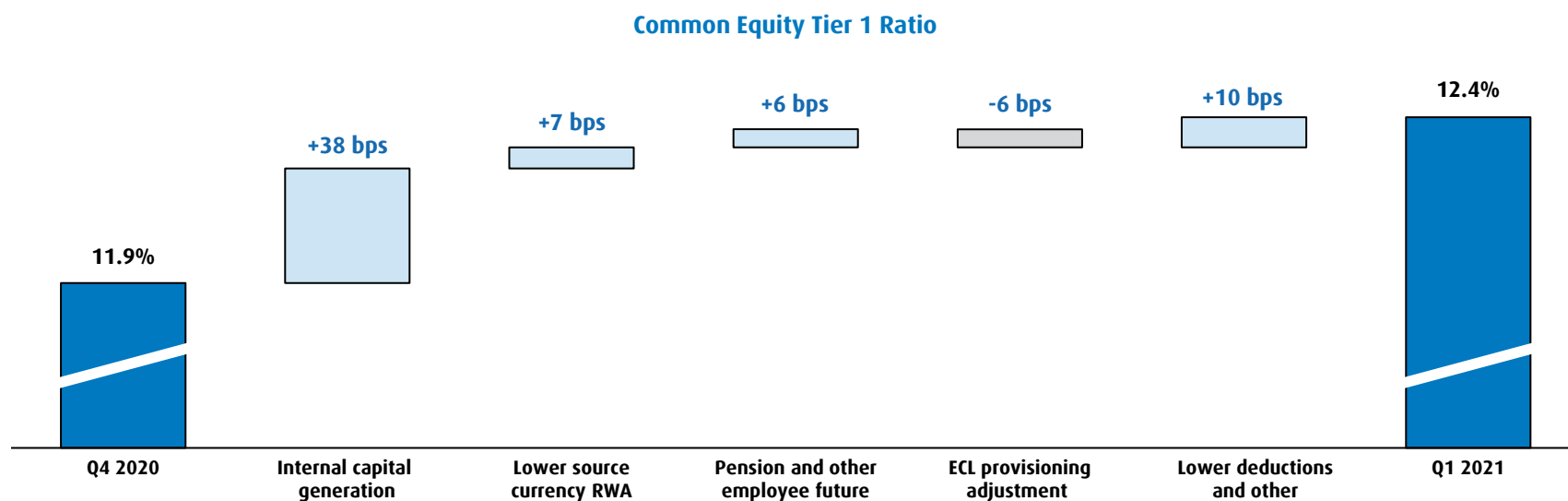
¹ Adjusted measures are non-GAAP measures, see slide 2 for more information. See slide 30 for adjustments to reported results

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: Q1'21 \$6,975MM; Q4'20 \$5,986MM; Q1'20 \$6,747MM

³ Return on Tangible Common Equity (ROTCE)

⁴ Pre-Provision Pre-Tax earnings (PPPT) is the difference between net revenue and expenses

Strong Q1'21 CET1 ratio of 12.4%, up from Q4'20



Basis points may not add due to rounding.

- Q1'21 CET1 Ratio of 12.4%, up from Q4'20
 - Strong internal capital generation from retained earnings growth
 - Lower source currency RWA driven by positive asset quality changes and model updates, partly offset by higher asset size
 - Favourable impact from pension and other employee future benefits
 - Other net positive changes including lower deductions partially offset by
 - Lower ECL provisioning adjustment driven by reduced scaling factor
- The impact of FX movements on the CET1 ratio largely offset

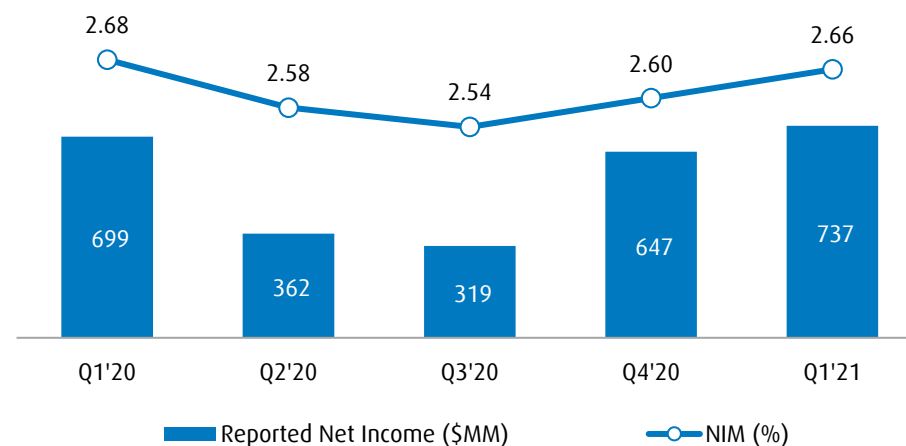
Canadian Personal & Commercial Banking

Continued revenue momentum and disciplined expense management

- Net income¹ up 5% Y/Y
- PPPT^{1,2} \$1,145MM, up 4% Y/Y and 8% Q/Q
- Revenue up 1% Y/Y and 3% Q/Q
 - Average loans up 3% Y/Y. Proprietary mortgages (including amortizing HELOC) up 9%; Commercial³ up 1%
 - Average deposits up 15% Y/Y. Personal up 7% and Commercial up 28%
 - NIM up 6 bps Q/Q largely due to higher loan margins and a favourable product mix; down 2 bps Y/Y
- Expenses¹ down 3% Y/Y and 1% Q/Q
- Efficiency ratio¹ 45.4%; adjusted¹ efficiency ratio improved 190 bps Y/Y (reported 200 bps Y/Y)
- Operating leverage¹ 4.0%
- Total PCL \$147MM, down \$5MM Y/Y and \$44MM Q/Q

(\$MM)	Reported			Adjusted ¹		
	Q1 21	Q4 20	Q1 20	Q1 21	Q4 20	Q1 20
Revenue (teb)	2,099	2,031	2,082	2,099	2,031	2,082
Expenses	954	968	987	954	967	987
PPPT ²	1,145	1,063	1,095	1,145	1,064	1,095
Total PCL	147	191	152	147	191	152
Net Income	737	647	699	737	648	699

Net Income and NIM Trends



¹ Adjusted measures are non-GAAP measures, see slide 2 for more information. See slide 30 for adjustments to reported results. Net income, PPPT, expense growth, efficiency ratio and operating leverage shown are on an adjusted and reported basis
² Pre-Provision Pre-Tax earnings (PPPT) is the difference between revenue and expenses
³ Commercial loan growth excludes corporate and small business cards

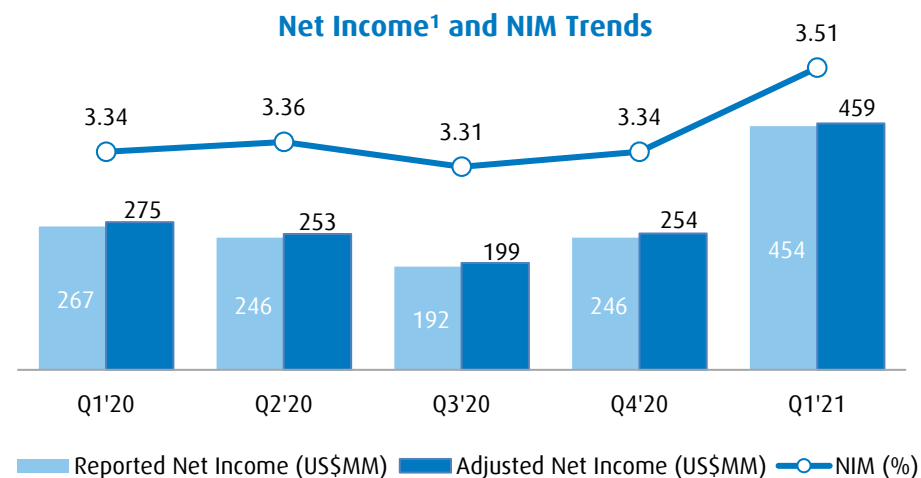
U.S. Personal & Commercial Banking

Strong results with good revenue growth, positive operating leverage

Figures that follow are in U.S. dollars

- Adjusted¹ net income up 67% Y/Y (reported up 70%)
- Adjusted¹ PPPT³ up 24% Y/Y (reported up 25%)
- Revenue up 7% Y/Y
 - Average loans² up 1% Y/Y. Commercial up 2% and Personal down 6%
 - Average deposits up 24% Y/Y. Commercial up 51% and Personal up 1%
 - NIM up 17 bps Q/Q and Y/Y reflecting improved loan margins including acceleration of Paycheck Protection Program loan income from loan forgiveness
 - Non-interest revenue up 7% Y/Y
- Adjusted¹ expenses down 7% Y/Y (reported down 8%) primarily due to lower technology and employee-related costs, with a continued focus on expense management
- Adjusted¹ efficiency ratio 47.9% (reported 48.5%)
- Adjusted¹ operating leverage 14.0% (reported 14.5%)
- Total PCL recovery of \$25MM, down \$138MM Y/Y; down \$160MM Q/Q

(US\$MM)	Reported			Adjusted ¹		
	Q1 21	Q4 20	Q1 20	Q1 21	Q4 20	Q1 20
Revenue (teb)	1,099	1,007	1,030	1,099	1,007	1,030
Expenses	533	564	578	526	554	568
PPPT ³	566	443	452	573	453	462
Total PCL	(25)	135	113	(25)	135	113
Net Income	454	246	267	459	254	275
Net Income (CDE\$)	582	324	351	589	333	361



¹ Adjusted measures are non-GAAP measures, see slide 2 for more information. See slide 30 for adjustments to reported results
² Average loan growth rate referenced above excludes Wealth Management mortgages; average loans up 1% including these balances
³ Pre-Provision Pre-Tax earnings (PPPT) is the difference between revenue and expenses

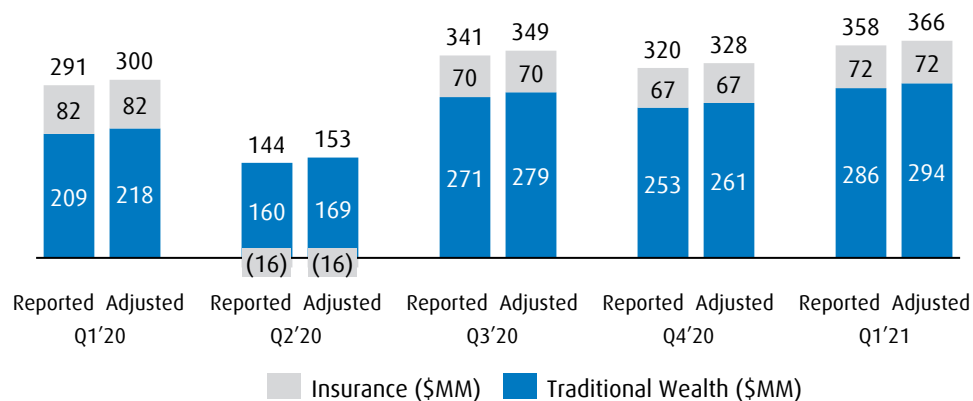
BMO Wealth Management

Strong net income with Traditional Wealth up 35% Y/Y

- Adjusted¹ net income up 22% Y/Y (reported up 23%)
- Adjusted¹ Traditional Wealth net income up 35% Y/Y (reported up 37%); revenue up 7% Y/Y
 - Good growth from diversified businesses and well managed expenses
 - Higher online brokerage revenue driven by record transaction volumes
 - Deposit growth of 25% and loan growth of 9%
 - AUM up 8% Y/Y; AUA up 9% Y/Y
- Insurance net income down Y/Y; up Q/Q
- Adjusted¹ and reported expenses down 1% Y/Y
- Adjusted¹ operating leverage, net of CCPB² 5.7% (reported 5.9%)
- Adjusted¹ efficiency ratio, net of CCPB² 65.1% (reported 65.8%)

(\$MM)	Reported			Adjusted ¹		
	Q1 21	Q4 20	Q1 20	Q1 21	Q4 20	Q1 20
Net Revenue ²	1,376	1,309	1,309	1,376	1,309	1,309
Expenses	906	882	912	896	872	901
PPPT ³	470	427	397	480	437	408
Total PCL (recovery)	(2)	5	3	(2)	5	3
Net Income	358	320	291	366	328	300
Traditional Wealth NI	286	253	209	294	261	218
Insurance NI	72	67	82	72	67	82
AUM/AUA (\$B)	968	895	893	968	895	893

Net Income¹ Trends



¹ Adjusted measures are non-GAAP measures, see slide 2 for more information. See slide 30 for adjustments to reported results

² For purposes of this slide revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Gross revenue: Q1'21 \$1,977MM, Q4'20 \$1,309MM, Q1'20 \$2,025MM

³ Pre-Provision Pre-Tax earnings (PPPT) is the difference between revenue and expenses

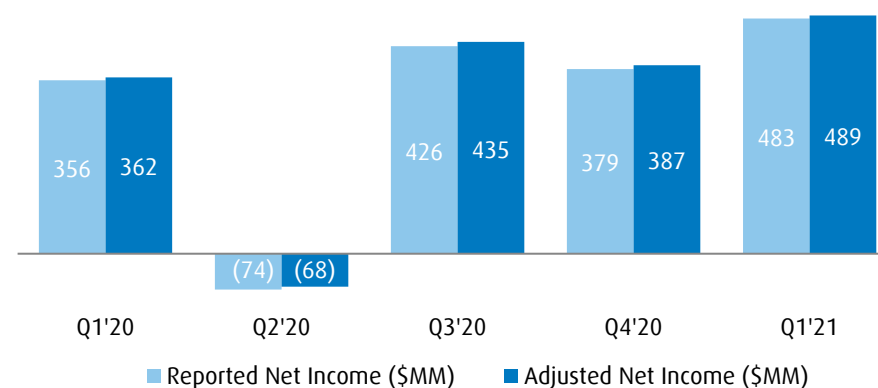
BMO Capital Markets

Record net income and revenue performance, with adjusted¹ efficiency ratio of 55%

- Adjusted¹ net income up 35% Y/Y (reported up 36%)
- Adjusted¹ PPPT² up 34% Y/Y (reported up 35%)
- Revenue up 15% Y/Y
 - Global Markets up 25% on record performance
 - Investment and Corporate Banking down 1% as net revenue growth was more than offset by the weaker U.S. dollar
- Adjusted¹ and reported expenses up 3% Y/Y due to higher performance-based compensation, partially offset by lower operating costs
- Adjusted¹ efficiency ratio 55.3% (reported 55.9%)
- Adjusted¹ operating leverage 11.9% (reported 11.8%)
- Total PCL \$43MM, down \$7MM Y/Y and \$21MM Q/Q
- Record U.S. performance; adjusted¹ net income of US\$237MM, up 116% Y/Y (reported US\$232MM, up 119%)
 - Record U.S. adjusted¹ PPPT² up 81% Y/Y (reported up 83%)

(\$MM)	Reported			Adjusted ¹		
	Q1 21	Q4 20	Q1 20	Q1 21	Q4 20	Q1 20
Global Markets	1,031	854	823	1,031	854	823
I&CB	543	524	546	543	524	546
Revenue (teb)	1,574	1,378	1,369	1,574	1,378	1,369
Expenses	879	801	852	870	792	844
PPPT ²	695	577	517	704	586	525
Total PCL	43	64	50	43	64	50
Net Income (loss)	483	379	356	489	387	362

Net Income¹ Trends



¹ Adjusted measures are non-GAAP measures, see slide 2 for more information. See slide 30 for adjustments to reported results

² Pre-Provision Pre-Tax earnings (PPPT) is the difference between revenue and expenses

Corporate Services

- Adjusted¹ and reported net loss of \$143MM compared with an adjusted¹ and reported net loss of \$105MM in the prior year
- Net loss \$38MM worse Y/Y mainly due to higher expenses and the impact of a favourable tax rate in the prior year

(\$MM)	Reported ²			Adjusted ^{1,2}		
	Q1 21	Q4 20	Q1 20	Q1 21	Q4 20	Q1 20
Revenue	(8)	14	(7)	(8)	14	(7)
Group teb offset ²	(77)	(78)	(78)	(77)	(78)	(78)
Total Revenue (teb) ²	(85)	(64)	(85)	(85)	(64)	(85)
Total PCL (recovery)	(1)	(7)	(5)	(1)	(7)	(5)
Expenses	189	152	157	189	152	157
Net Loss	(143)	(86)	(105)	(143)	(86)	(105)

1 Adjusted measures are non-GAAP measures, see slide 2 for more information. See slide 30 for adjustments to reported results

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 January 31, 2021

Patrick Cronin
Chief Risk Officer

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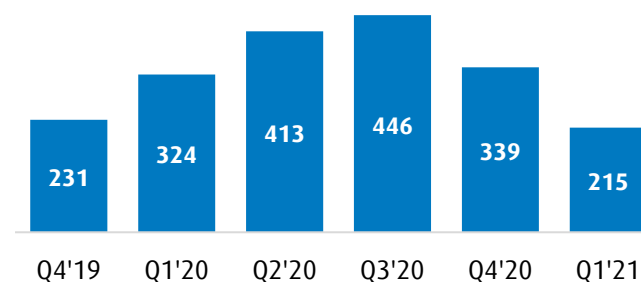


Provision for Credit Losses (PCL)

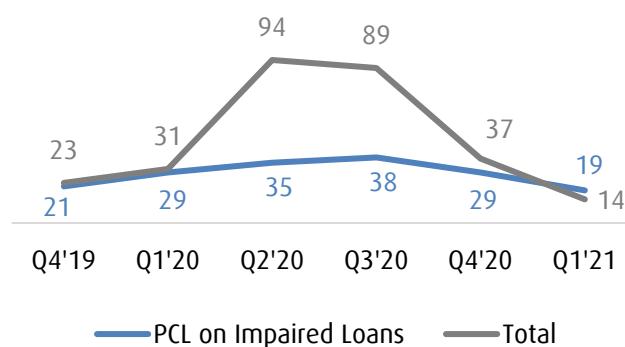
PCL By Operating Group (\$MM)	Q1 21		Q4 20		Q1 20	
	\$	bps	\$	bps	\$	bps
Consumer – Canadian P&C	91	22	94	23	103	26
Commercial – Canadian P&C	58	26	86	39	35	16
Total Canadian P&C	149	24	180	29	138	23
Consumer – U.S. P&C	13	30	7	15	15	30
Commercial – U.S. P&C	7	3	46	18	117	47
Total U.S. P&C	20	7	53	18	132	44
BMO Wealth Management	2	2	0	0	0	1
BMO Capital Markets	45	29	105	64	53	33
Corporate Services	(1)	n.m.	1	n.m.	1	n.m.
PCL on Impaired Loans	215	19	339	29	324	29
PCL on Performing Loans	(59)	(5)	93	8	25	2
Total PCL	156	14	432	37	349	31

- Q1'21 PCL ratio on Impaired Loans at 19 bps, down 10 bps Q/Q

PCL on Impaired Loans (\$MM)



PCL in bps¹



¹ To conform with current period presentation, historical balances used for bps calculations have been reclassified to reflect transfer of metal lease assets from Other Assets into Loans

Allowance and Provision on Performing Loans

Allowance on Performing Loans (APL) and PCL on Performing Loans (PCL) By Operating Group (\$MM) ²	Q4 20 APL ¹	Q1 21 PCL	Q1 21 Foreign Exchange	Q1 21 APL ¹	APL to Performing Loans (bps)
Consumer – Canadian P&C	958	(36)	-	922	56
Commercial – Canadian P&C	485	34	(4)	515	59
Total Canadian P&C	1,443	(2)	(4)	1,437	57
Consumer – U.S. P&C	180	(32)	(6)	142	83
Commercial – U.S. P&C	899	(19)	(33)	847	81
Total U.S. P&C	1,079	(51)	(39)	989	82
BMO Wealth Management	49	(4)	(2)	43	15
BMO Capital Markets	526	(2)	(5)	519	85
Corporate Services	3	-	-	3	nm
Total	3,100	(59)	(50)	2,991	65

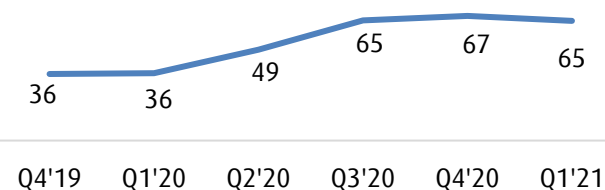
¹ Q4'20 and Q1'21 includes APL on Other Assets of \$25MM and \$19MM respectively, and excludes APL on Securities of \$5MM and \$4MM

² Q1'21 PCL includes PCL on Other Assets of \$(6)MM and excludes PCL on Securities of \$(1)MM

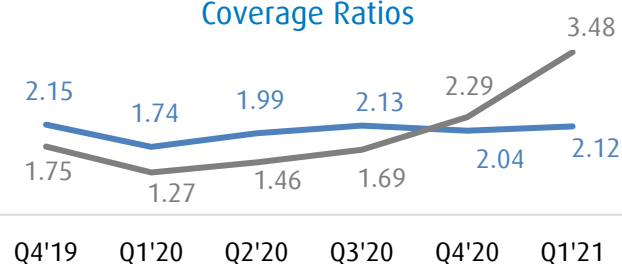
³ To conform with current period presentation, historical balances used for bps calculations have been reclassified to reflect transfer of metal lease assets from Other Assets into Loans

- The APL decreased \$109MM to \$2,991MM, jointly driven by a reduction in PCL on performing loans and foreign exchange impact
- The \$59MM reduction in PCL on performing loans reflects an improving economic outlook and positive credit migration, largely offset by the impact of the uncertain environment on credit conditions, including an increased adverse scenario weight

Allowance for Performing Loans (bps)³



Coverage Ratios



— APL as a % of Trailing 4-Quarter PCL on Impaired Loans
 — APL as a % of Annualized PCL on Impaired loans

Gross Impaired Loans (GIL) and Formations

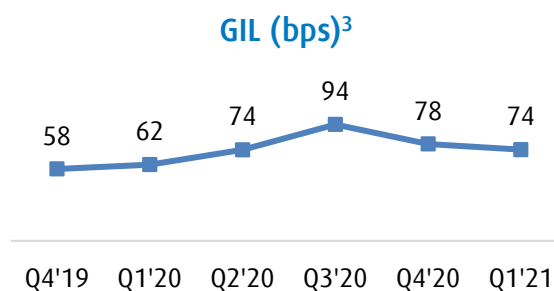
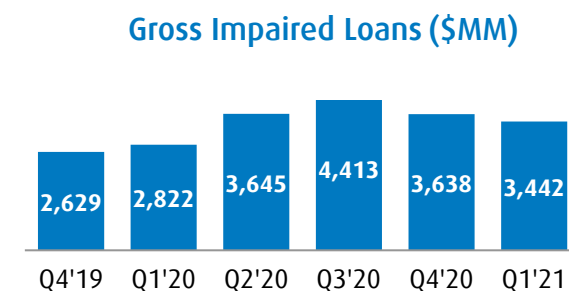
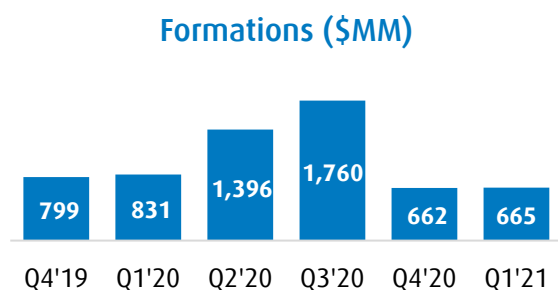
By Industry (\$MM, as at Q1 21)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other ¹	U.S.	Total
Consumer	229	68	297	490	354	844
Service Industries	32	76	108	172	325	497
Oil & Gas	28	4	32	115	346	461
Retail Trade	51	6	57	333	86	419
Agriculture	22	9	31	76	236	312
Manufacturing	52	2	54	208	71	279
Transportation	2	21	23	13	121	134
Financing Products	0	0	0	0	117	117
Wholesale Trade	16	3	19	39	57	96
Commercial Real Estate	36	3	39	67	28	95
Construction (non-real estate)	2	1	3	42	31	73
Mining	0	0	0	0	35	35
Financial	1	0	1	17	15	32
Other Business and Government ²	0	1	1	40	8	48
Total Business and Government	242	126	368	1,122	1,476	2,598
Total Bank	471	194	665	1,612	1,830	3,442

1 Total Business and Government includes \$71MM GIL from Other Countries

2 Other Business and Government includes industry segments that are each <1% of total GIL

3 To conform with current period presentation, historical balances used for bps calculations have been reclassified to reflect transfer of metal lease assets from Other Assets into Loans

- GIL ratio 74 bps, down 4 bps Q/Q

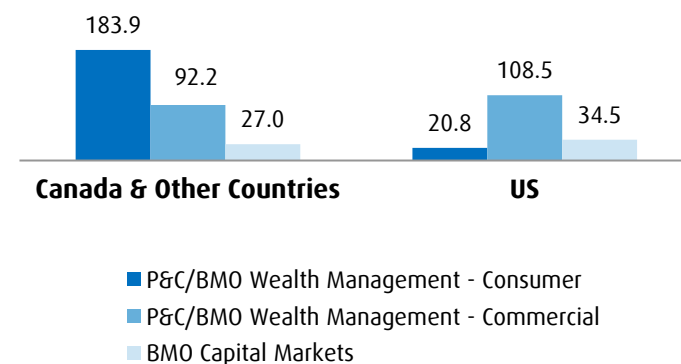


Loan Portfolio Overview

Gross Loans & Acceptances By Industry (\$B, as at Q1 21)	Canada & Other ¹	U.S.	Total	% of Total
Residential Mortgages	119.8	8.4	128.2	27%
Consumer Instalment and Other Personal	58.7	12.1	70.8	15%
Cards	6.9	0.4	7.3	2%
Total Consumer	185.4	20.9	206.3	44%
Financial	12.9	39.5	52.4	11%
Service Industries	22.8	23.5	46.3	10%
Commercial Real Estate	24.7	15.0	39.7	9%
Manufacturing	7.9	18.7	26.6	6%
Retail Trade	11.9	7.8	19.7	4%
Wholesale Trade	4.8	10.0	14.8	3%
Agriculture	12.0	1.5	13.5	3%
Transportation	3.6	8.8	12.4	3%
Oil & Gas	6.2	5.4	11.6	2%
Other Business and Government ²	10.9	12.7	23.6	5%
Total Business and Government	117.7	142.9	260.6	56%
Total Gross Loans & Acceptances	303.1	163.8	466.9	100%

- Loans are well diversified by geography and industry
- Business & Government loans up 0.6% Q/Q³ (up 2.7% adjusting for the impact of foreign exchange)

Loans by Geography and Operating Group (\$B)



¹ Includes ~\$11.3B from Other Countries

² Other Business and Government includes all industry segments that are each <2% of total loans

³ To conform with current period presentation, historical balances used for percentage calculations have been reclassified to reflect transfer of metal lease assets from Other Assets into Loans

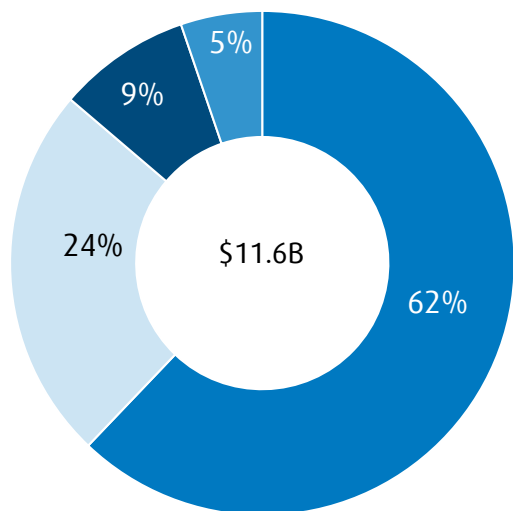
Sectors Impacted by COVID-19 Pandemic

By Industry of Heightened Focus (\$B, as at Q1 21)	Gross Loans & Acceptances (GL&A)	% of Total GL&A
Hotels	4.2	0.9%
Restaurants	4.2	0.9%
Amusement & Recreational	3.4	0.7%
CRE – Lodging REITS	0.8	0.2%
CRE – Retail REITS	1.7	0.4%
CRE – Retail Property Types	2.5	0.5%
Retail Trade excl. Auto, Grocers & Pharmacies	4.9	1.1%
Airlines	0.4	0.1%
Total Industries of Heightened Focus	22.1	4.8%
Total Business & Government Gross Loans & Acceptances	260.6	55.8%
Total Gross Loans & Acceptances	466.9	100.0%

- Hotels: Well secured by real estate with overall reasonable loan-to-value averages. Majority of exposure is concentrated in Canada, focusing on well known banners, further support through recourse arrangements to ownership groups
- Restaurants: Managed by a speciality group, with majority of exposure concentrated in strong national and regional franchise brands, focusing on the quick service segment, which continues to fare well during the pandemic
- Retail Trade excl. Auto, Groceries & Pharmacies: Exposures remain diversified. 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
- CRE sub-sectors: Credit profile of the CRE sub-sectors remains consistent, with modest impaired loan formations and no PCL since the start of the pandemic

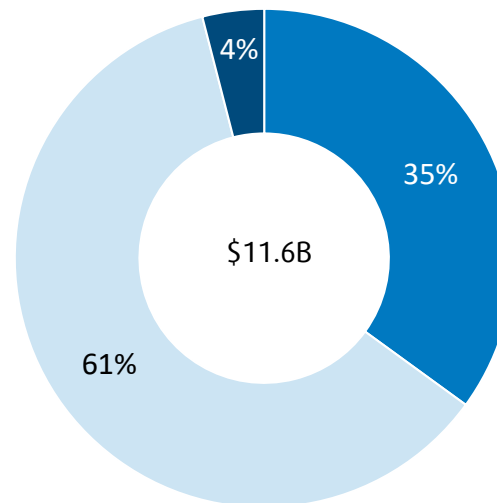
Oil and Gas Portfolio Overview

Industry by Sub-sector



- Exploration and development
- Services
- Pipelines
- Manufacturing and refining

Industry by Risk Rating

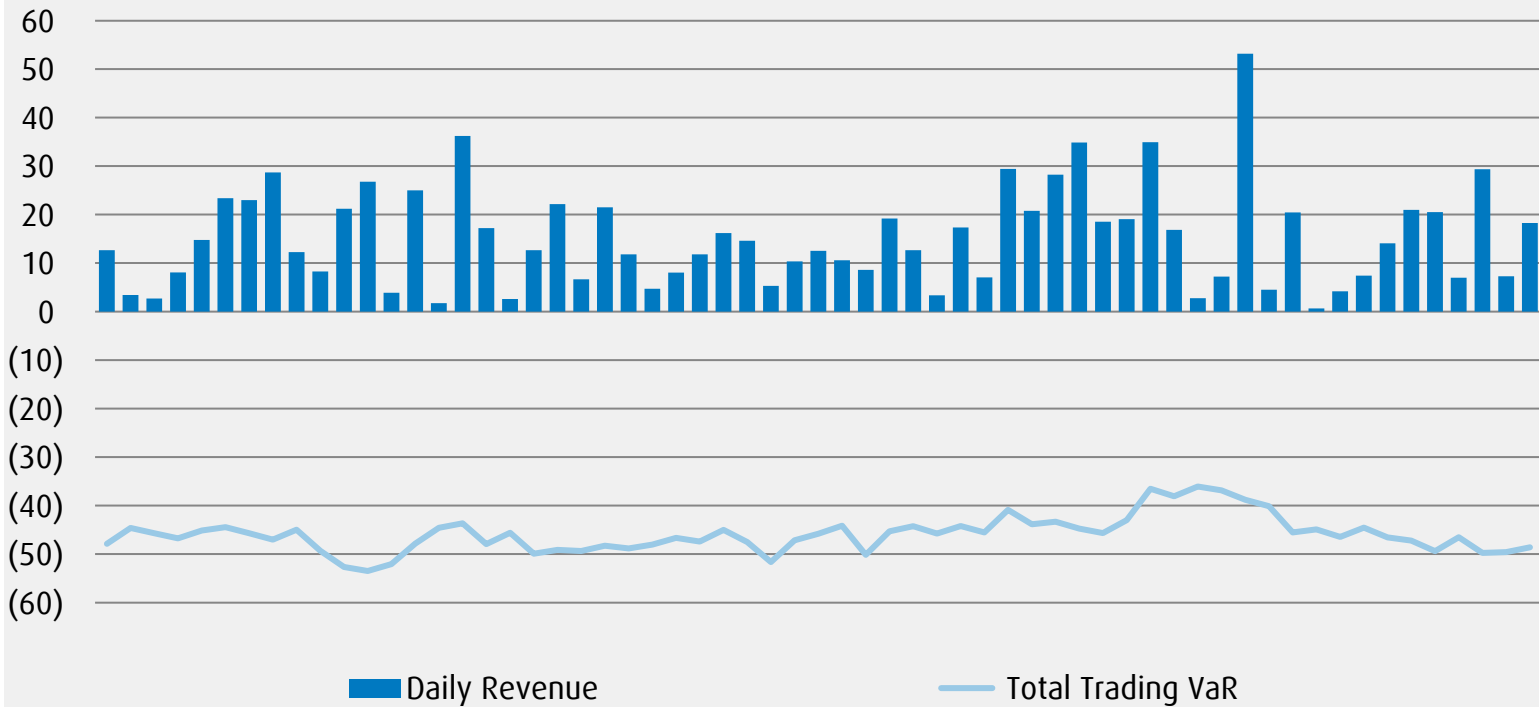


- Investment Grade
- Non Investment Grade
- Impaired

- The Oil and Gas portfolio is geographically well-diversified with 46% in the U.S., 44% in Canada and the remaining in other geographies
- Of the \$7.2B in Exploration and Development (E&D) gross loans and acceptances, 69% is borrowing-base lending
 - 96% of U.S. E&D loans and 46% 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 \$233MM, or 210 bps, providing significant coverage
- Alberta consumer loans represent 5% of total bank loans of which nearly 84% are RESL

Trading-related Net Revenues and Value at Risk

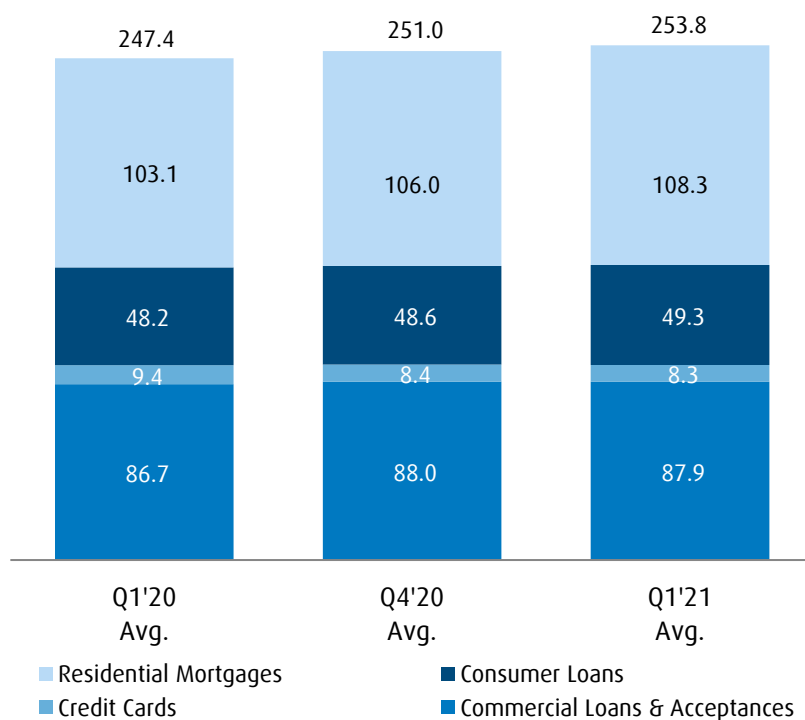
November 2, 2020 to January 29, 2021
(pre-tax basis and in millions of Canadian dollars)



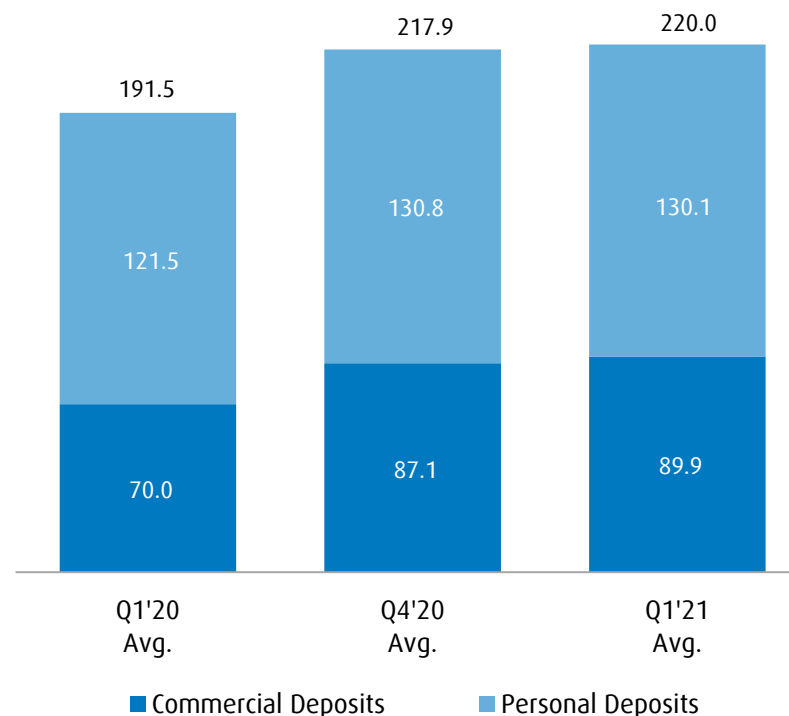
Appendix

Canadian Personal & Commercial Banking - Balances

Gross Loans & Acceptances (\$B)



Deposits (\$B)



- Average Loans up 3% Y/Y; up 1% Q/Q
 - Proprietary channel residential mortgages and amortizing HELOC loans up 9% Y/Y
 - Commercial loans¹ up 1% Y/Y

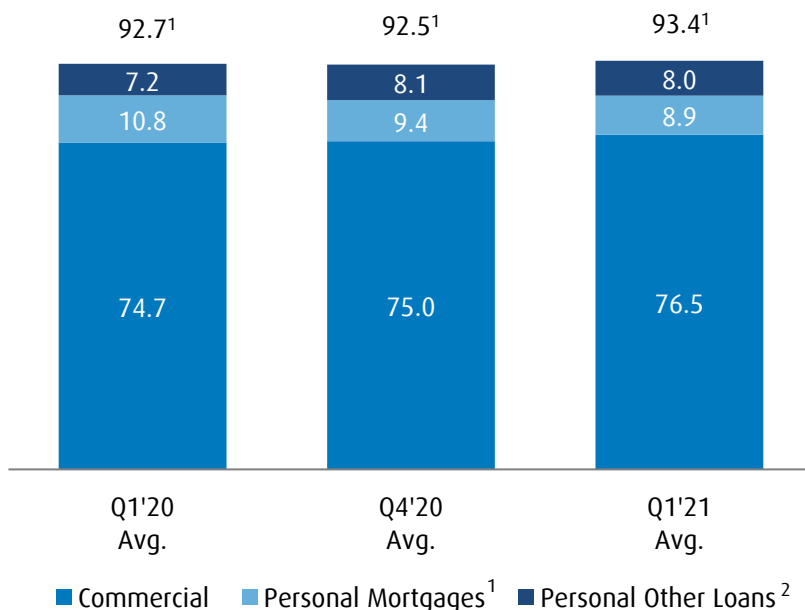
- Average Deposits up 15% Y/Y; up 1% Q/Q
 - Personal deposits up 7% Y/Y
 - Commercial deposits up 28% Y/Y

¹ Commercial lending excludes commercial and small business cards. Commercial and small business cards balances represented ~12% of total credit card portfolio in Q1'20, Q4'20 and Q1'21

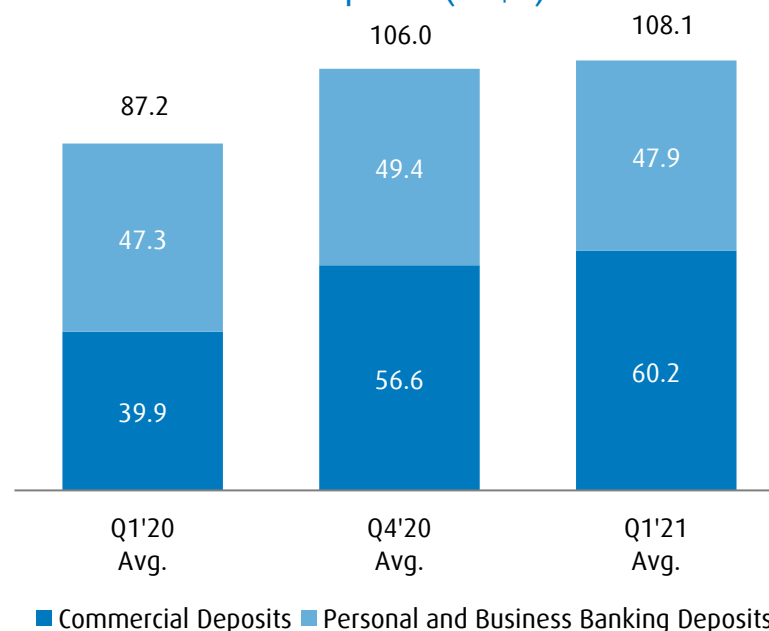
U.S. Personal & Commercial Banking – Balances

Figures on this slide are in U.S. dollars

Gross Loans & Acceptances (US\$B)



Deposits (US\$B)



- Average loans¹ modestly higher Y/Y and Q/Q
 - Commercial loans up 2% Y/Y
 - Personal loans^{1,2} down 6% Y/Y
 - Excluding Paycheck Protection Program loans of \$4.4B, down 4% Y/Y

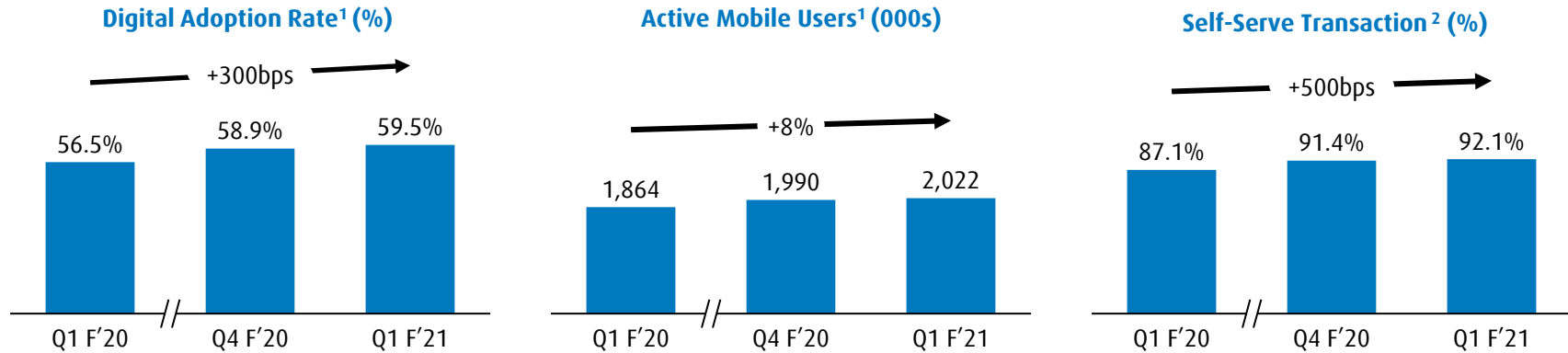
- Average deposits up 24% Y/Y; up 2% Q/Q
 - Commercial deposits up 51% Y/Y
 - Personal deposits up 1% Y/Y

¹ Includes Wealth Management Mortgages (Q1'21 \$2.0B, Q4'20 \$2.0B, Q1'20 \$2.1B) and Home Equity (Q1'21 \$2.2B, Q4'20 \$2.3B, Q1'20 \$2.5B)

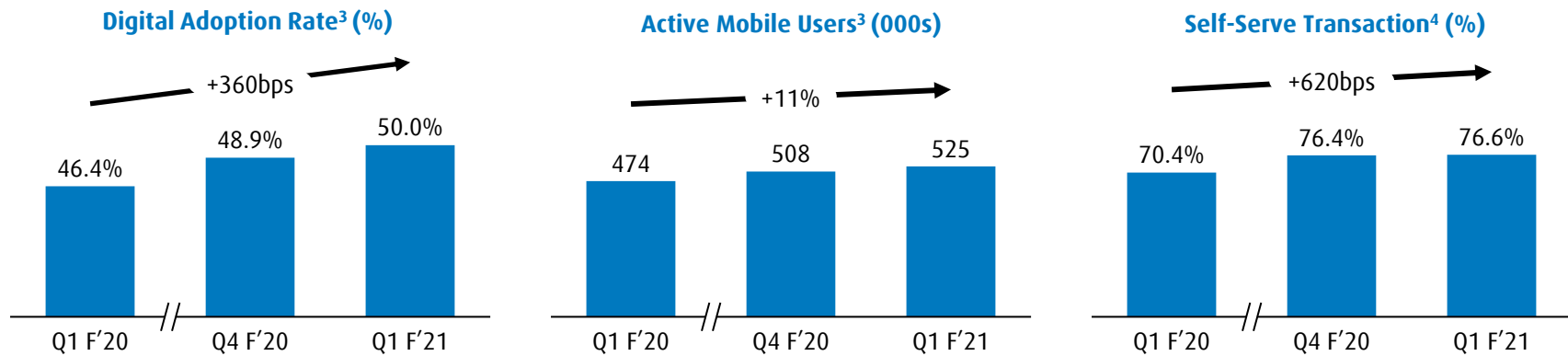
² Personal Other Loans includes Business Banking, Indirect Auto, Credit Cards, Non-Strategic and other personal loans

Advancing our digital experience in-line with customer preferences

Canadian Personal



U.S. Personal



1 Digital adoption is percent of deposit customers that logged on in last 90 days. Active mobile users is number of deposit customers that logged into mobile in the last 90 days

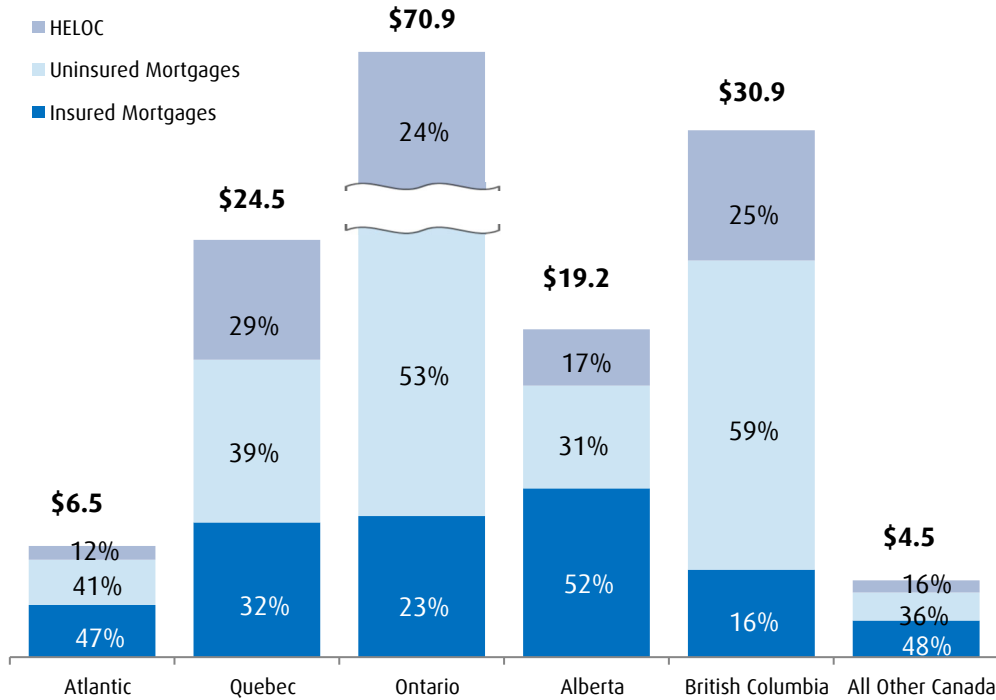
2 Self-Serve Includes deposits, bill payments, internal funds transfers, withdrawals and e-transfers sent. Self-serve are ATM, Digital and IVR

3 Digital adoption is percent of retail deposit customers that logged on in last 90 days. Active mobile users is number of retail deposit customers that logged into mobile in the last 90 days

4 The % of retail transactions occurring in self-serve channels (Digital, ATM, IVR). Retail transactions includes deposits, withdrawals, bill pay, internal funds transfers, account to account transfers (A2A) and person to person transfers sent (P2P)

Canadian Residential-Secured Lending

Residential-Secured Lending by Region (\$156.5B)



Avg. LTV ¹ Uninsured	Atlantic	Quebec	Ontario	Alberta	British Columbia	All Other Canada	Total Canada
Mortgage							
- Portfolio	57%	56%	53%	61%	50%	55%	54%
- Origination	74%	73%	69%	73%	67%	74%	70%
HELOC							
- Portfolio	47%	51%	44%	56%	43%	47%	46%
- Origination	72%	74%	65%	67%	62%	67%	66%

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

- Total Canadian residential-secured lending portfolio at \$156.5B, representing 34% of total loans
 - LTV¹ on uninsured of 50%
 - 90-day delinquency rate for RESL remains good at 21 bps; loss rates for the trailing 4 quarter period were 1 bp
- Residential mortgage portfolio of \$119.8B
 - 37% of portfolio insured
 - LTV¹ on uninsured of 54%
 - 80% of the mortgage portfolio has an effective remaining amortization of 25 years or less
- HELOC portfolio of \$36.7B outstanding of which 65% is amortizing
- GTA and GVA portfolios demonstrate better LTV¹, delinquency rates and bureau scores compared to the national average

Adjusting Items

Adjusting items ¹ - Pre-tax (\$MM)	Q1 21	Q4 20	Q1 20
Acquisition integration costs ²	(3)	(3)	(3)
Amortization of acquisition-related intangible assets ³	(25)	(30)	(29)
Adjusting items included in reported pre-tax income	(28)	(33)	(32)
Adjusting items ¹ - After-tax (\$MM)	Q1 21	Q4 20	Q1 20
Acquisition integration costs ²	(2)	(3)	(2)
Amortization of acquisition-related intangible assets ³	(19)	(23)	(23)
Adjusting items included in reported net income after tax	(21)	(26)	(25)
Impact on diluted EPS (\$)	(0.03)	(0.04)	(0.04)

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, see the Non-GAAP Measures section on page 7 of BMO's First Quarter 2021 Report to Shareholders for more information

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