BMO Financial Group

Investor Presentation

For the Quarter Ended April 30, 2021

May 26, 2021

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BMO

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, the expected impact of the COVID-19 pandemic 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 that starts on page 31 of our Second 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 our Second 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 our Second 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 our Second 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 Second 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, impact of divestitures, 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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BMO

Our Strategy

About Us

Helping customers since 1817	8th largest bank in North America by assets[1]	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 Objectives[2]

- 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

	Q2'21	YTD
Net Income[1]	**$2.1B**	**$4.1B**
Reported	$1.3B	$3.3B
PPPT[1,2] Growth	**39%**	**27%**
Reported	flat	9%
Efficiency Ratio[1,3]	**56.6%**	**56.4%**
Reported	69.3%	63.0%
Return on Equity[1]	**16.7%**	**16.3%**
Reported	10.2%	13.0%
Capital	**CET1 13.0%**	

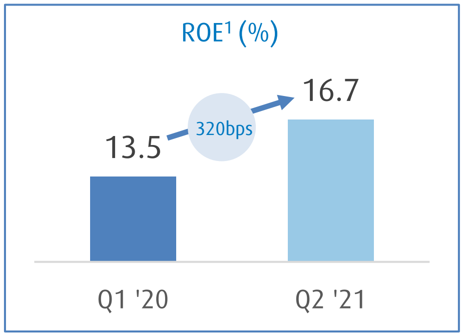
- Q2'21 adjusted[1] EPS of $3.13
- Adjusted[1] net income up 77% YTD; continued momentum in all operating groups and strong credit performance
- Adjusted[1] pre-provision, pre-tax earnings (PPPT)[2] of $5.5B YTD; revenue up 11% YTD
- Adjusted[1] expenses well-managed, up 1% YTD
- Adjusted[1] operating leverage[3] 9.8% YTD
- Adjusted[1] ROTCE[4] 18.7% YTD
- Capital position continues to strengthen

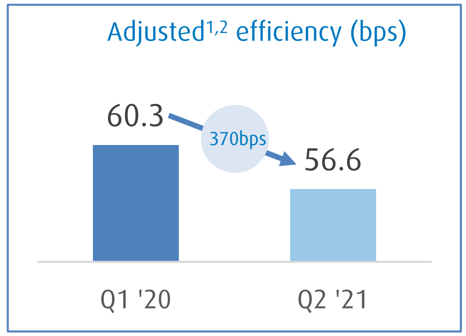
1 Adjusted measures are non-GAAP measures, see slide 2 for more information. See slide 35 for adjustments to reported results. On a reported basis: net income up 46% YTD; Q2'21 EPS $1.91; PPPT $4.7B YTD; expenses up 12% YTD; operating leverage (0.9)% YTD; ROTCE 15% YTD
2 Pre-Provision Pre-Tax earnings (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)
4 ROTCE: Return on tangible common equity

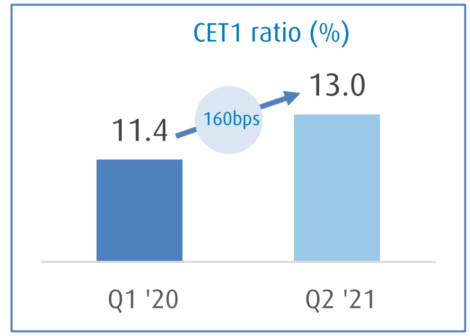
Continuous path to building a strong, more competitive bank, enabling support of customers and communities

Strengthening balance sheet, capital and ROE

- Specific actions to improve performance and efficiency driving results

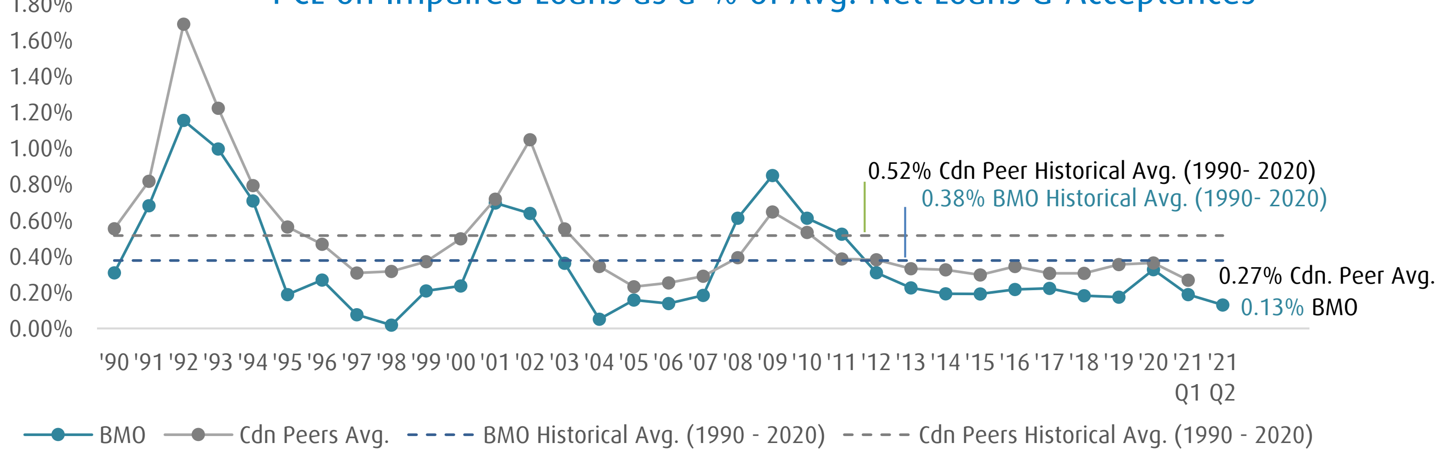






- Superior risk management driving continued outperformance on credit

PCL on Impaired Loans as a % of Avg. Net Loans & Acceptances



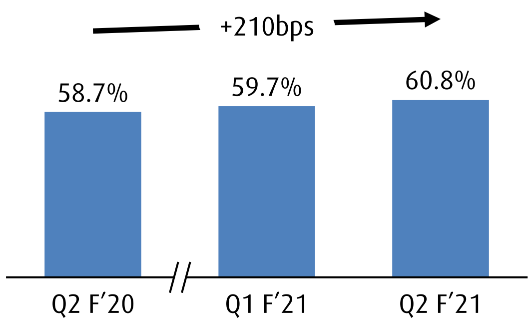
1 On an adjusted basis. Adjusted measures are non-GAAP measures, see slide 2 for more information. See slide 35 for adjustments to reported results. On a reported basis ROE Q1'20 13.3%, Q2'21 10.2%, ROE decreased 310bps; efficiency ratio Q1'20 60.8%, Q2'21 69.3%, efficiency deteriorated Q1'20 to Q2'21 850bps

2 Efficiency ratio based on net revenue. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)

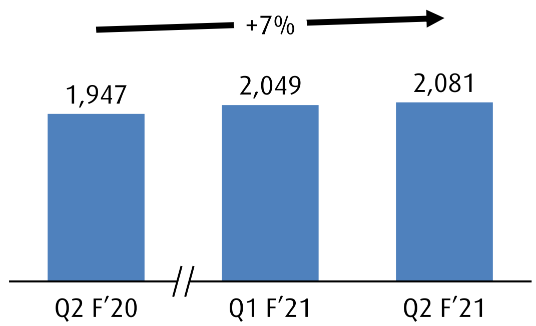
Digital first strategy, meeting customer preferences, creating efficiencies

Canadian Personal

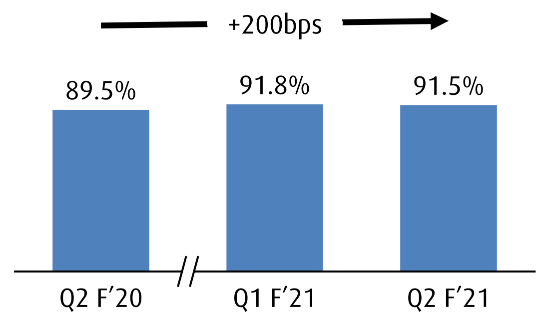
Digital Adoption Rate[1] (%)



Active Mobile Users[1] (000s)

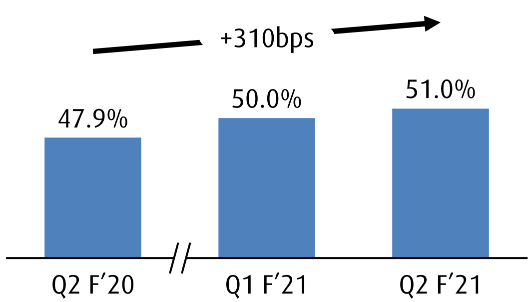


Self-Serve Transaction[2] (%)

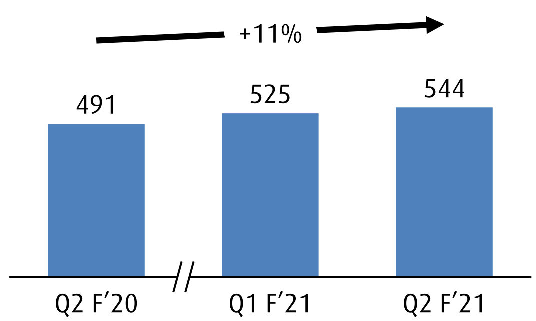


U.S. Personal

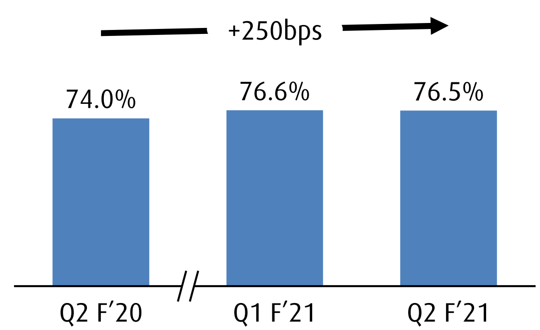
Digital Adoption Rate[3] (%)



Active Mobile Users[3] (000s)



Self-Serve Transaction[4] (%)



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 Transactions includes deposits, bill payments, internal funds transfers, withdrawals and e-transfers sent across ATM and Digital channels
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 Self-Serve Transactions includes deposits, bill payments, internal funds transfers, withdrawals and Zelle payments (P2P) sent across ATM and Digital channels

Strong earnings across our diversified businesses

Canadian Personal & Commercial

- PPPT[1] growth of 11% and ROE[2] of 26.8% YTD, with revenue growth momentum and disciplined focus on expenses
- Top tier[3] financial performance and growing market share in key areas of focus
- Investing in strategic priorities including digital capabilities and customer-facing employees

U.S. Personal & Commercial

- PPPT[1,2] growth of 22% and ROE[2] of 16.4% YTD, 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[1,2] growth of 53% and ROE[2] of 23.2% YTD, with strong growth in client assets and higher online brokerage revenue
- Double digit growth in AUM, AUA and deposits
- Refocusing on our core North American footprint and investing in key areas of competitive strength

BMO Capital Markets

- PPPT[1,2] growth of 72% and ROE[2] of 18.9% YTD, with strong revenue in Global Markets and I&CB
- Strong efficiency improvements and diversified earnings from U.S. business
- Investments driving sustained performance

1 Pre-Provision Pre-Tax earnings (PPPT) is the difference between net revenue and expenses
2 On an adjusted basis. Adjusted measures are non-GAAP measures, see slide 2 for more information See slide 35 for adjustments to reported results. On a reported basis: U.S. P&C PPPT growth 23%; BMO Wealth Management PPPT growth 56%; BMO Capital Markets PPPT growth 73%. U.S. P&C ROE 16.2%, BMO Wealth Management ROE 22.7%, BMO Capital Markets ROE 18.7%
3 Peers: BNS, CIBC, NBF, RBC, TD; based on Q1'21 performance for growth in revenue, expenses, adjusted PPPT, efficiency improvement

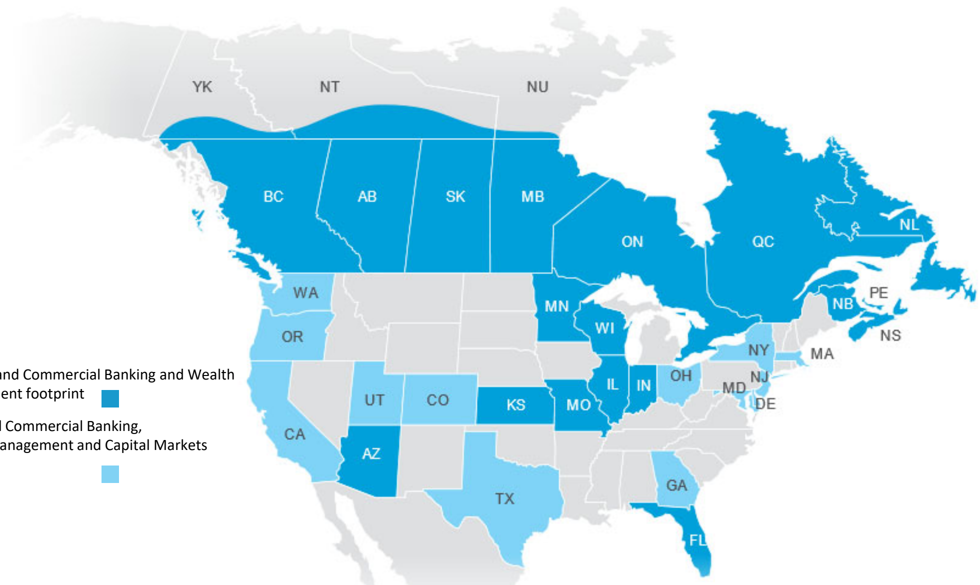
U.S. segment continuing to deliver strong results

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

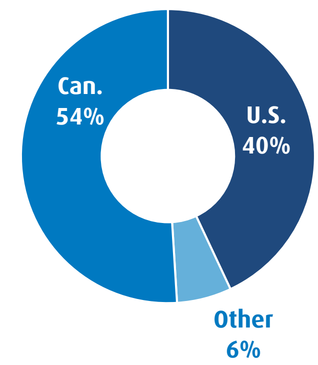
- U.S. segment adjusted[1] PPPT[1] up 46% YTD; contributed 40% of total adjusted[1] earnings YTD
- Adjusted[1] efficiency of 55.0%, operating leverage of 16.1% YTD
- #12[2] in U.S. commercial lending; top-tier market position in flagship U.S. markets
- #3 deposit market share[3] in our core footprint[3]; #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

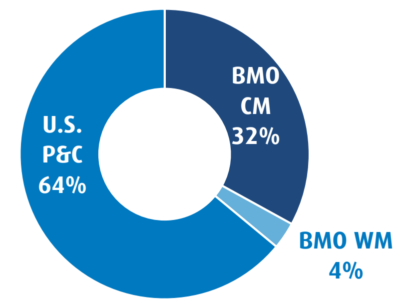
Additional Commercial Banking, Wealth Management and Capital Markets footprint



Total Bank Adjusted[1] Net Income by Geography – YTD



U.S. Segment Adjusted[1] Net Income by Operating Group – YTD



1 Adjusted measures are non-GAAP measures, see slide 2 for more information. See slide 35 for adjustments to reported results. Pre-Provision Pre-Tax earnings (PPPT) is the difference between net revenue and expenses. On a reported basis YTD: U.S. Segment PPPT growth 46%, contributed 48% of total bank earnings, efficiency 56.5%, operating leverage 15.1%; Total bank reported net income by geography YTD: Canada 55%, U.S. 39%, Other 6%; U.S. Segment reported net income by operating group for YTD: U.S. P&C 65%, BMO CM 31%, BMO WM 4%, excludes Corporate Services
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

Supporting customers, communities for a sustainable and inclusive recovery

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$6.5B in total funding for over 35,000 businesses through PPP Program
- Supporting Canadian industries hardest hit by COVID with access to the HASCAP and TELP programs

Declared Climate Ambition

- To be our clients' lead partner in a transition to a net zero world
- Launched BMO Climate Institute, to provide insights and best practices for climate solutions

BMO support programs for customers and communities

- Granted over 250,000 payment deferrals helping individuals and businesses bridge to financial recovery
- Deployed ~US$1.5B in loans and investments against BMO EMpower, a 5-year, US$5B commitment to address key barriers faced by minority businesses, communities and families in the U.S.
- Committed $1.2MM to SheEO Programs Helping Women-Led Venture Companies funding ventures that address sustainability issues faced worldwide
- Issued a $750MM Women in Business Bond in support of women-owned businesses
- Announced US$10MM donation to create the Rush BMO Institute for Health Equity in Chicago

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, 43,000 accounts opened
- Introduced a new small business banking bundle aimed at supporting entrepreneurs from the Canadian Defence Community, from start-up to succession planning
- Supporting clients with industry leading 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
TELP: Trade Expansion Lending Program

Financial Results

For the Quarter Ended April 30, 2021

Tayfun Tuzun
Chief Financial Officer

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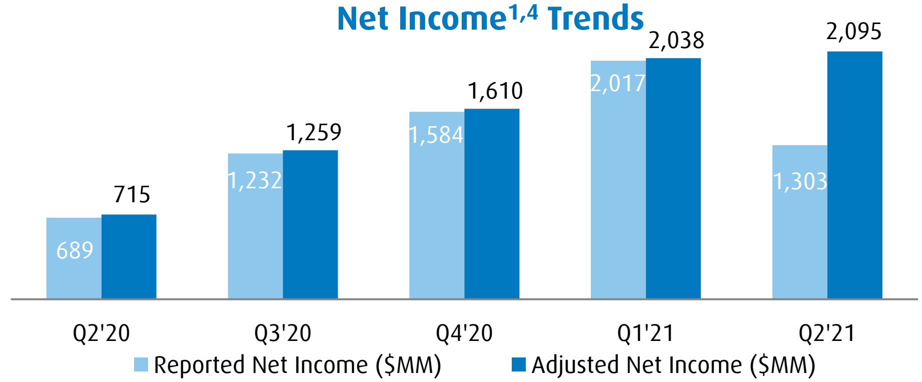
Q2 F2021 - Financial Highlights

Continued momentum across businesses

- Adjusted[1] EPS $3.13 (reported $1.91)
- Adjusted[1] net income $2,095MM
  - Reported net income $1,303MM includes $772MM impact of divestitures[4]
- Adjusted[1] ROE 16.7% (reported 10.2%)
- Adjusted[1] PPPT[3] up 39% Y/Y (reported flat)
- Adjusted[1] net revenue[2] up 16% Y/Y
- NIM excluding trading down 5 bps Y/Y and up 1 bp Q/Q
- Adjusted[1] expenses up 3% Y/Y (reported up 25%)
- Adjusted[1] efficiency ratio[2] 56.6% (reported 69.3%)
- Adjusted[1] operating leverage[2] 13.1% (reported (9.0)%)
- Total PCL $60MM, down $1,058MM Y/Y and down $96MM Q/Q
  - PCL on impaired loans $155MM or 13 bps; recovery of provisions on performing loans $95MM

	Reported			Adjusted[1]		
($MM)	Q2 21	Q1 21	Q2 20	Q2 21	Q1 21	Q2 20
Net interest income	**3,455**	3,578	3,518	**3,455**	3,578	3,518
Non-interest revenue, net[2]	**2,904**	2,796	1,943	**2,875**	2,796	1,943
Net Revenue[2]	**6,359**	6,374	5,461	**6,330**	6,374	5,461
Expenses	**4,409**	3,613	3,516	**3,583**	3,585	3,483
PPPT[3]	**1,950**	2,761	1,945	**2,747**	2,789	1,978
Total PCL	**60**	156	1,118	**60**	156	1,118
Net Income[4]	**1,303**	**2,017**	**689**	**2,095**	**2,038**	**715**
Diluted EPS ($)	**1.91**	3.03	1.00	**3.13**	3.06	1.04
ROE (%)	**10.2**	15.7	5.3	**16.7**	15.8	5.5
ROTCE[5] (%)	**11.8**	18.2	6.4	**19.1**	18.2	6.4
CET1 Ratio (%)	**13.0**	12.4	11.0			
NIM excluding Trading	**1.65**	1.64	1.70	**1.65**	1.64	1.70

Net Income[1,4] Trends



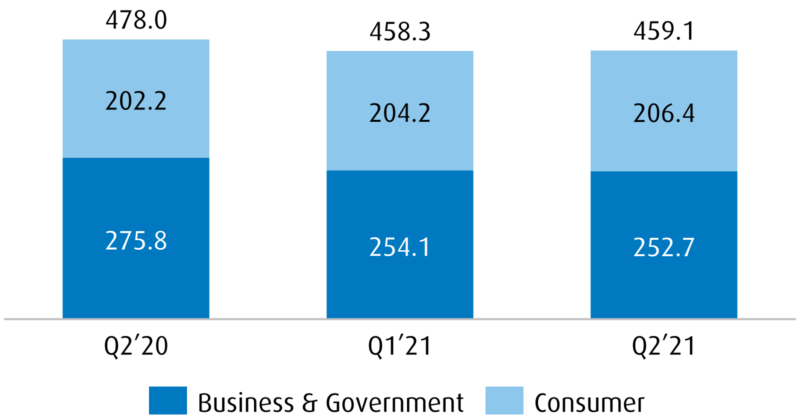
1 See slide 35 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Net revenue and non-interest revenue, net is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Operating leverage and efficiency ratio based on net revenue. Reported gross revenue: Q2'21 $6,076MM; Q1'21 $6,975MM; Q2'20 $5,264MM
3 Pre-Provision Pre-Tax earnings (PPPT) is the difference between net revenue and expenses
4 Q2'21 reported net income included a $747MM pre-tax and after-tax write-down of goodwill related to the announced sale of our EMEA Asset Management business to Ameriprise Financial, Inc., a $22MM ($29MM pre-tax) net gain on the sale of our Private Banking business in Hong Kong and Singapore to J. Safra Sarasin Group, and $47MM ($53MM pre-tax) of divestiture-related costs for both transactions. The net gain on the sale was included in revenue with the goodwill write-down and divestiture costs included in non-interest expense, all recorded in Corporate Services
5 Return on Tangible Common Equity (ROTCE)

Balance Sheet

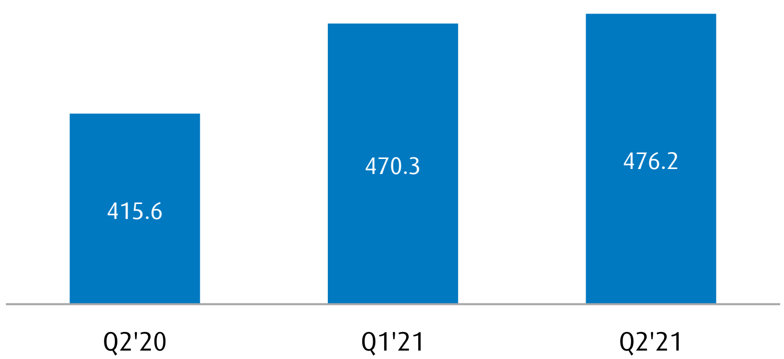
Continued deposit growth and stable loans

- Average net loans and acceptances down $18.9B, 4% Y/Y, or down 1% excluding the impact of the weaker U.S. dollar due to:
  - Business & government balances down 3% primarily driven by lower utilizations and declining balances in the non-Canadian energy portfolio in BMO Capital Markets
  - Consumer balances up 3% with higher mortgages and personal loans in Canadian P&C
- Average net loans and acceptances stable Q/Q, or up 1% excluding the impact of the weaker U.S. dollar due to:
  - Business & government balances up 1% with growth in the P&C businesses, partially offset by lower BMO Capital Markets balances due to lower utilizations and authorizations, and declining balances in the non-Canadian energy portfolio
  - Consumer balances up 1% with higher mortgages and personal loans in Canadian P&C
- Average customer deposits[1] up $60.6B, 15% Y/Y, or 19% excluding the impact of the weaker U.S. dollar due to higher liquidity retained by customers due to the impact of COVID-19
- Average customer deposits[1] up $5.9B, 1% Q/Q, or 2% excluding the impact of the weaker U.S. dollar, with growth across all operating groups

Average Net Loans and Acceptances ($B)

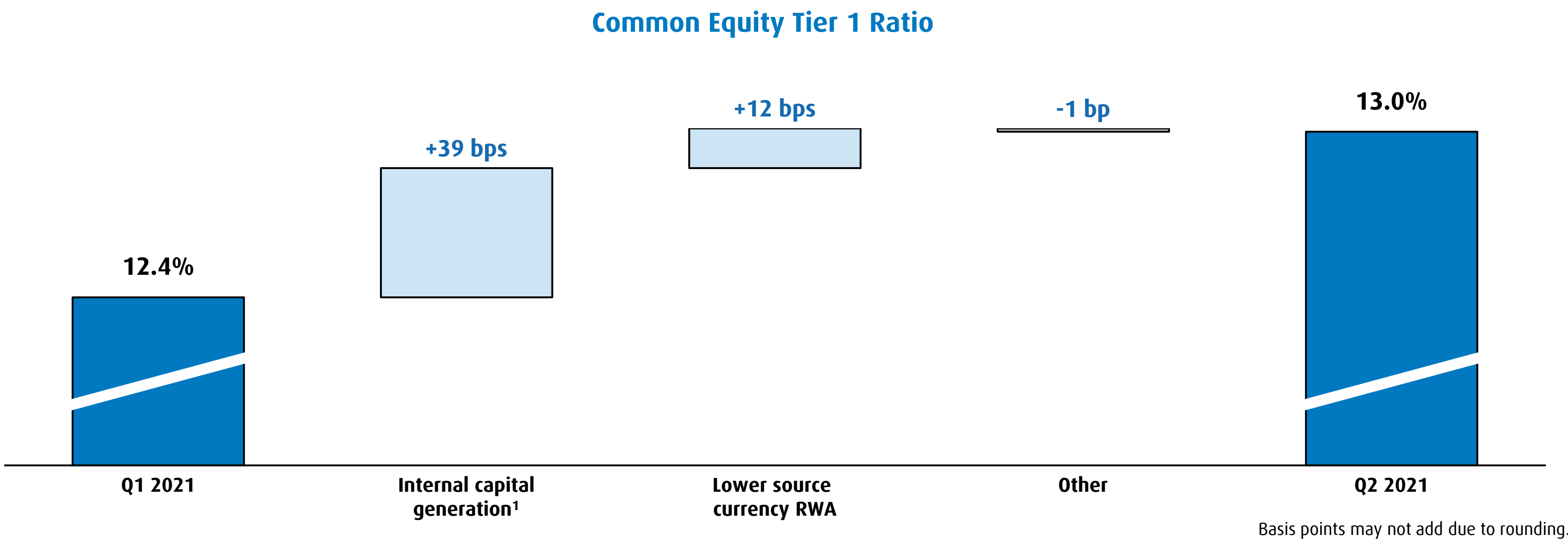


Average Customer Deposits[1] ($B)



1 Customer deposits are operating and savings deposits, including term investment certificates and retail structured deposits, primarily sourced through our retail, commercial, wealth and corporate banking businesses; average balances

Strong Q2’21 CET1 ratio of 13.0%, up from Q1’21



- Q2’21 CET1 Ratio of 13.0%, up from Q1’21, well above our target range of ~11%
  - Strong internal capital generation
  - Lower source currency RWA mainly driven by positive asset quality changes partially offset by increased asset size
  - The write-down of goodwill related to our EMEA Asset Management business did not impact our Q2 CET1 ratio as the charge to retained earnings is offset by a lower goodwill capital deduction
- The impact of FX movements on the CET1 ratio largely offset

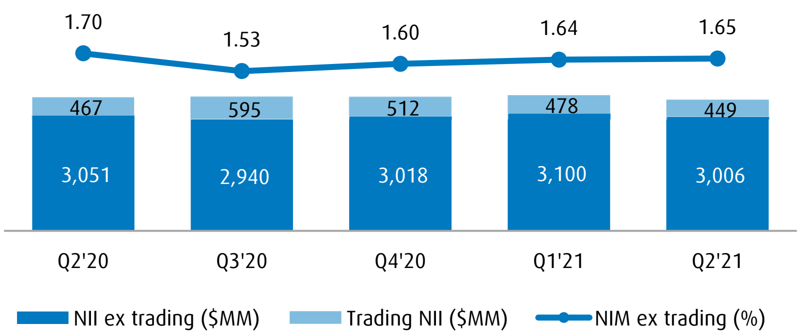
1 Internal capital generation excludes goodwill write-down related to the announced sale of our EMEA Asset Management business

Net Interest Margin

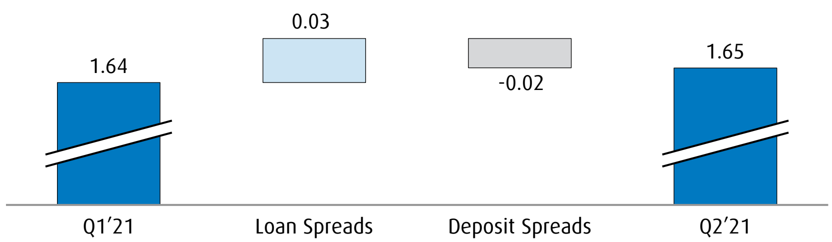
Net interest margins stable Q/Q

- Excluding trading, net interest margin increased 1 basis point Q/Q, primarily due to higher loan spreads mostly offset by lower deposit spreads
- Higher loan spreads in Canadian P&C primarily due to higher prepayment fees
- Higher loan spreads in U.S. P&C include the impact of higher interest recoveries this quarter
- Lower deposit spreads reflect the impact of the lower interest rate environment

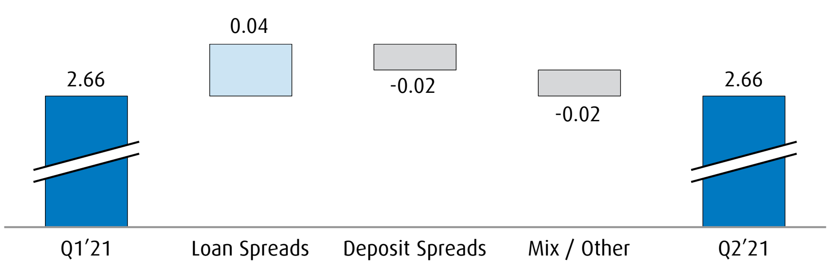
Total bank NII & NIM ex trading



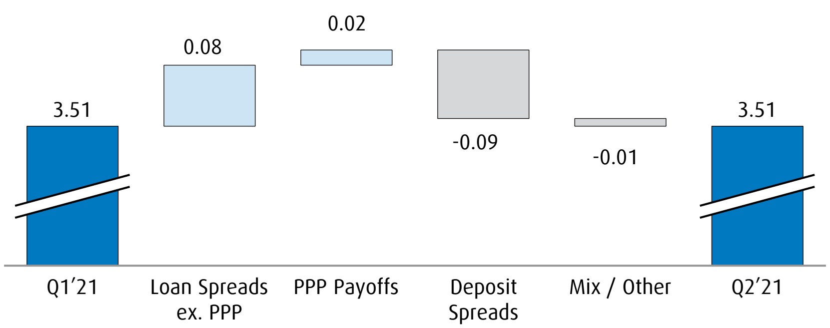
NIM ex. Trading (%)



Canadian P&C NIM (%)



U.S. P&C NIM (%)



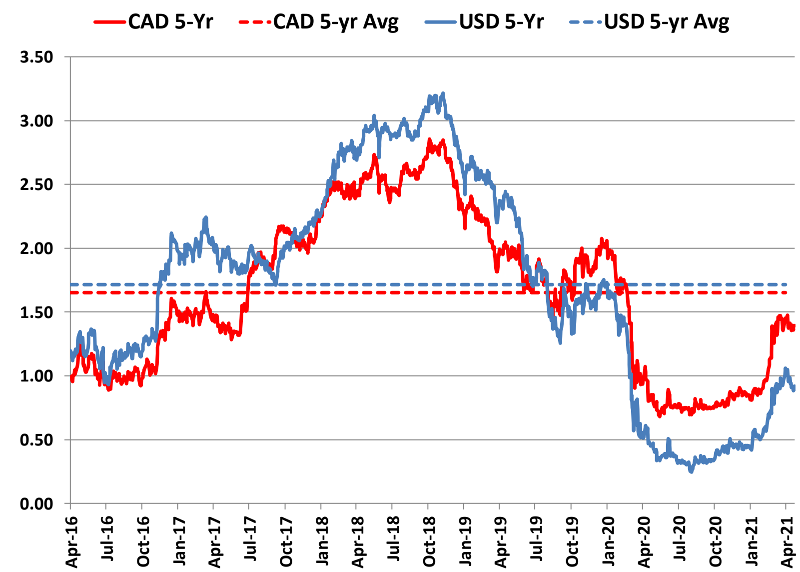
Interest Rate Sensitivity

- Year 1 benefit to a +100 bps rate shock driven 2/3 by short rates
- Higher Year 2 benefit to rising rates (+100 bps) of approximately $675MM driven primarily by long rates and the continued reinvestment of capital and deposits

- Term rates increased in Q2, but remain below averages of recent years
- If term rates remain low, NIM could continue to be pressured as higher rate fixed investments roll off and are reinvested at lower rates

Earnings sensitivities over the next 12 months [2,3]

Q2'21 Pre-Tax CDE ($MM)	+100 bps	-25 bps	+25 bps Short Rates
Canada[1]	19	(35)	6
U.S.	285	(88)	94
Total	**304**	**(123)**	**100**



Source: Bloomberg

1 Includes Canadian dollar and other currencies
2 Assumes no benefit to rising rates from surge deposit growth experienced in F2020 and the first half of F2021
3 For more details see the Structural (Non-Trading) Market Risk section of BMO's Q2 2021 Report to Shareholders

Non-Interest Revenue

- Adjusted[1] NIR net of CCPB up 3% Q/Q (reported up 4%)
  - Excluding trading NIR, adjusted[1] up 9% (reported up 11%), primarily driven by strong underwriting and advisory fees
  - Line items that benefit from reopening economies are well positioned to see more growth
- Adjusted[1] NIR net of CCPB up 48% Y/Y (reported up 49%)
  - Strong growth in part reflecting challenging market conditions and a legal provision in the prior year
  - Excluding trading NIR, adjusted[1] up 31% (reported up 32%) with growth across most categories

Non-Interest Revenue, net of CCPB[2] ($MM)	Adjusted[1]		
	Q2 21	Q1 21	Q2 20
Securities Commissions and Fees	**300**	285	277
Deposit & Payment Service Charges	**306**	305	313
Trading Non-Interest Revenue (Losses)	**47**	212	(217)
Lending Fees	**343**	356	322
Card Fees	**122**	81	80
Investment Management & Custodial Fees	**476**	482	430
Mutual Fund Revenue	**396**	374	348
Underwriting & Advisory Fees	**404**	258	239
Securities Gain (Losses), other than Trading	**111**	102	(11)
Foreign Exchange Gains, other than Trading	**63**	24	21
Insurance, net of CCPB	**120**	143	31
Investments in Associates & Joint Ventures	**60**	56	34
Other[1]	**127**	118	76
Total Adjusted[1] Non-Interest Revenue, net of CCPB	**2,875**	**2,796**	**1,943**
Total Reported Non-Interest Revenue, net of CCPB	**2,904**	**2,796**	**1,943**

1 See slide 35 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. Adjusted non-interest revenue excludes a $29MM net gain pre-tax on the sale of our Private Banking business in Hong Kong and Singapore; net gain on the sale was included in other non-interest revenue in Corporate Services
2 CCPB is insurance claims, commissions and changes in policy benefit liabilities

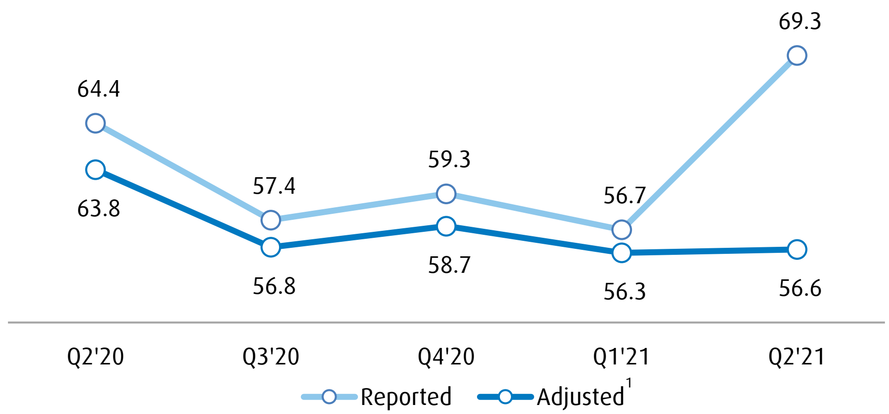
Non-Interest Expense

Expenses up Y/Y, in-line with better performance

- Adjusted[1] efficiency ratio[2] 56.6% (reported 69.3%)
- Adjusted[1] operating leverage[2] of 13.1% (reported (9.0)%), very strong across all operating groups
- Adjusted[1] expenses unchanged Q/Q (reported up 22%)
  - Lower employee-related costs, due to stock-based compensation for employees eligible to retire expensed in the prior quarter and fewer days in the current quarter
  - Higher marketing investments and technology-related costs
- Adjusted[1] expenses up 3% Y/Y (reported up 25%)
  - Higher variable compensation in-line with performance
  - Higher technology-related costs
  - Lower salaries and travel and business development spend

Non-Interest Expense ($MM)	Adjusted[1]		
	Q2 21	Q1 21	Q2 20
Salaries	**959**	999	1,033
Performance-based Compensation	**763**	792	573
Employee Benefits	**290**	325	294
Total Employee Compensation	**2,012**	2,116	1,900
Premises	**274**	255	263
Computer & Equipment and Intangible Amortization	**703**	680	669
Travel and Business Development	**97**	66	118
Professional Fees	**142**	136	127
Other	**355**	332	406
Total Adjusted[1] Non-Interest Expense	**3,583**	**3,585**	**3,483**
Total Reported Non-Interest Expense	**4,409**	**3,613**	**3,516**

Efficiency Ratio[2] (%) Trend



1 See slide 35 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information
2 Operating leverage and efficiency ratio based on net revenue. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB)

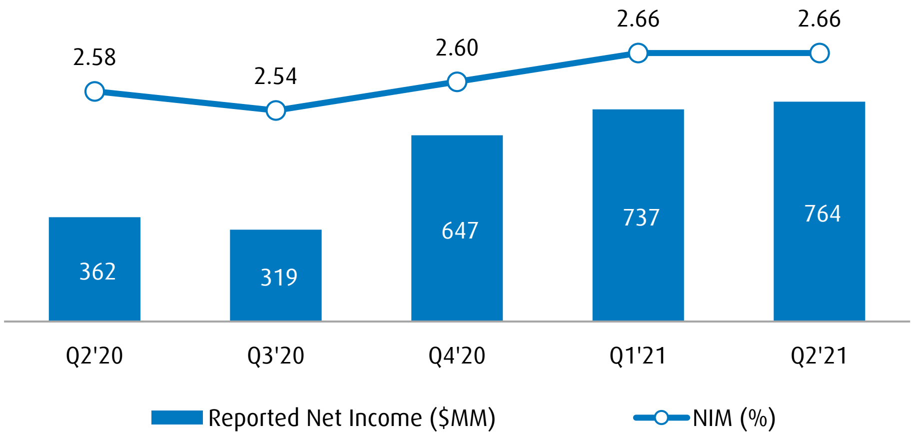
Canadian Personal & Commercial Banking

Strong results with PPPT[2] up 19% Y/Y and strong operating leverage

- Adjusted[1] net income $765MM (reported $764MM), up $402MM Y/Y
- Adjusted[1] PPPT[2] $1,171MM, up 19% Y/Y (reported $1,170MM)
- Revenue up 9% Y/Y with good growth in net interest income and non-interest revenue
  - NIM stable Q/Q and up 8 bps Y/Y
- Expenses[1] flat Y/Y and up 2% Q/Q
- Efficiency ratio[1] 45.4%; improved 440 bps Y/Y
- Operating leverage[1] 9.8%
- Total PCL $141MM including $13MM recovery of provisions on performing loans
- Average loans up 3% Y/Y and up 2% Q/Q. Proprietary mortgages and amortizing HELOC up 10% Y/Y and up 2% Q/Q. Commercial[3] flat Y/Y and up 2% Q/Q
- Average deposits up 13% Y/Y and up 1% Q/Q. Personal up 5% Y/Y and down modestly Q/Q. Commercial up 27% Y/Y and up 4% Q/Q

	Reported			Adjusted[1]		
($MM)	Q2 21	Q1 21	Q2 20	Q2 21	Q1 21	Q2 20
Net interest income	**1,581**	1,608	1,495	**1,581**	1,608	1,495
Non-interest revenue	**561**	491	465	**561**	491	465
Revenue	**2,142**	2,099	1,960	**2,142**	2,099	1,960
Expenses	**972**	954	976	**971**	954	975
PPPT[2]	**1,170**	1,145	984	**1,171**	1,145	985
Total PCL	**141**	147	497	**141**	147	497
Net Income	**764**	**737**	**362**	**765**	**737**	**363**

Net Income and NIM Trends



1 See slide 35 for adjustments to reported results. Adjusted measures are non-GAAP measures, see slide 2 for more information. 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

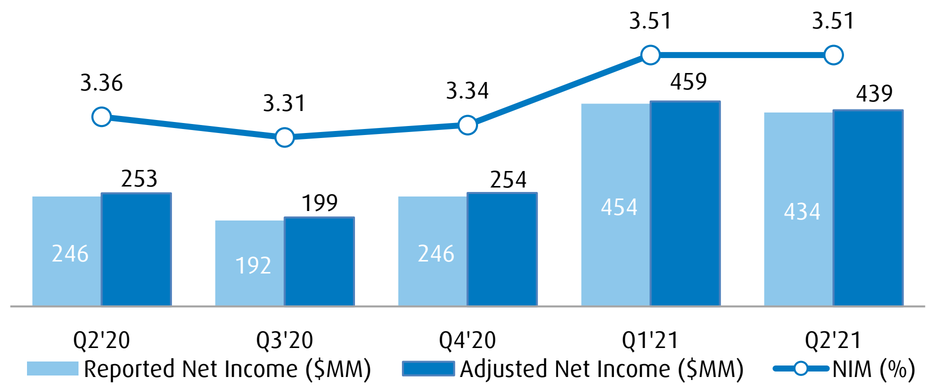
Strong results with double digit PPPT[3] growth and continued positive operating leverage

Figures that follow are in U.S. dollars

- Adjusted[1] net income up 73% Y/Y (reported up 76%)
- Adjusted[1] PPPT[3] up 19% Y/Y (reported up 21%)
- Revenue up 4% Y/Y with good growth in net interest income and non-interest revenue
  - NIM stable Q/Q and up 15 bps Y/Y
- Adjusted[1] and reported expenses down 8% Y/Y primarily due to lower technology and employee-related costs
- Adjusted[1] efficiency ratio 49.2% (reported 49.8%)
- Adjusted[1] operating leverage 12.0% (reported 12.4%)
- Total recovery of credit losses $19MM
- Average loans[2] down 1% Y/Y and up 2% Q/Q. Commercial stable Y/Y and up 2% Q/Q. Personal down 5% Y/Y and up 1% Q/Q
- Average deposits up 18% Y/Y and up 2% Q/Q. Commercial up 35% Y/Y and up 2% Q/Q. Personal up 1% Y/Y and up 1% Q/Q

	Reported			Adjusted[1]		
(US$MM)	Q2 21	Q1 21	Q2 20	Q2 21	Q1 21	Q2 20
Net interest income (teb)	**843**	850	818	**843**	850	818
Non-interest revenue	**249**	249	228	**249**	249	228
Revenue (teb)	**1,092**	1,099	1,046	**1,092**	1,099	1,046
Expenses	**544**	533	592	**538**	526	582
PPPT[3]	**548**	566	454	**554**	573	464
Total PCL	**(19)**	(25)	143	**(19)**	(25)	143
Net Income	**434**	**454**	**246**	**439**	**459**	**253**
Net Income (CDE$)	**542**	**582**	**339**	**547**	**589**	**349**

Net Income[1] and NIM Trends



1 See slide 35 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 down 1% Y/Y and up 2% Q/Q including these balances
3 Pre-Provision Pre-Tax earnings (PPPT) is the difference between revenue and expenses

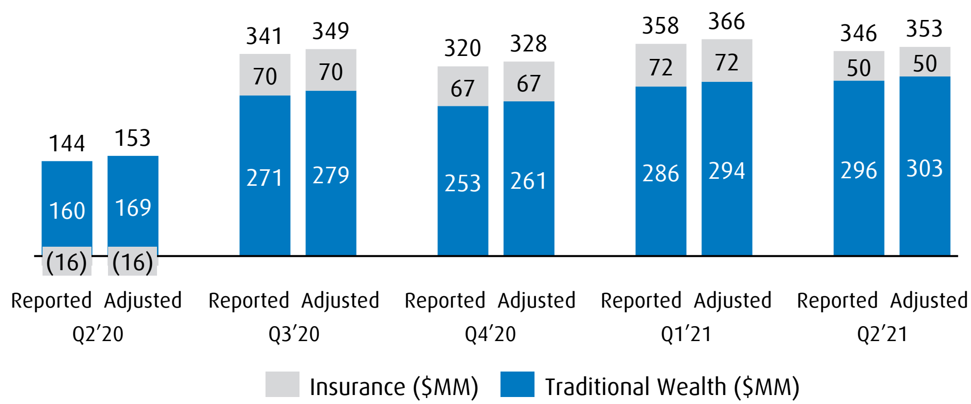
BMO Wealth Management

Strong net income and revenue growth across all businesses

- Adjusted[1] net income $353MM (reported $346MM)
- Adjusted[1] Traditional Wealth net income up 79% Y/Y (reported up 85%)
  - Revenue up 21% due to growth in client assets, including stronger global markets, and higher online brokerage revenue
  - Deposit growth of 20% and loan growth of 7% Y/Y
  - AUM and AUM both up 13% Y/Y
- Insurance net income up Y/Y reflecting unfavourable market movements in the prior year
- Adjusted[1] and reported expenses up 6% Y/Y mainly due to higher revenue-based costs
- Adjusted[1] net efficiency ratio[2] 66.6% (reported 67.3%)
- Strong operating leverage[2]
- Refocusing the business for North American growth[4]

	Reported			Adjusted[1]		
($MM)	Q2 21	Q1 21	Q2 20	Q2 21	Q1 21	Q2 20
Net Revenue[2]	**1,398**	1,376	1,087	**1,398**	1,376	1,087
Expenses	**941**	906	888	**931**	896	877
PPPT[3]	**457**	470	199	**467**	480	210
Total PCL (recovery)	**(3)**	(2)	6	**(3)**	(2)	6
Net Income	**346**	**358**	**144**	**353**	**366**	**153**
Traditional Wealth NI	**296**	286	160	**303**	294	169
Insurance NI	**50**	72	(16)	**50**	72	(16)
AUM/AUA ($B)	**979**	968	865	**979**	968	865

Net Income[1] Trends



1 See slide 35 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: Q2'21 $1,115MM, Q1'21 $1,977MM, Q2'20 $890MM. Operating leverage and efficiency ratio based on net revenue
3 Pre-Provision Pre-Tax earnings (PPPT) is the difference between revenue and expenses
4 On April 12, 2021, the bank announced it had reached a definitive agreement with Ameriprise Financial, Inc. to sell its EMEA Asset Management business; the transaction is expected to close in the fourth quarter of calendar 2021. On April 30, 2021, we completed the sale of our Private Banking business in Hong Kong and Singapore to J. Safra Sarasin Group

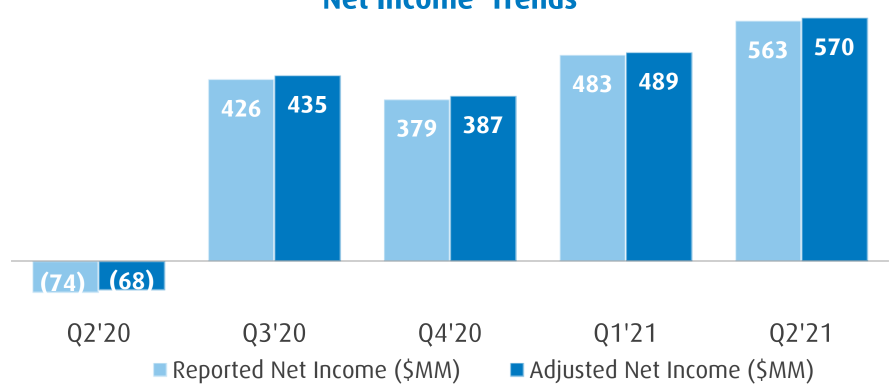
BMO Capital Markets

Strong net income and revenue performance in both Global Markets and I&CB

- Adjusted[1] net income of $570MM (reported $563MM)
- Adjusted[1] PPPT[2] of $710MM (reported $702MM)
- Continued strong and diversified revenue performance
  - Global Markets driven by strong equities trading environment and new issuances activity across both equities and debt
  - Investment and Corporate Banking driven by strong underwriting activity and net securities gains
- Adjusted[1] and reported expenses up 10% Y/Y as lower operating costs were more than offset by higher performance-based compensation
- Adjusted[1] efficiency ratio 53.8% (reported 54.3%)
- Strong operating leverage
- Total PCL recovery of $55MM across both PCL impaired and performing, down $98MM Q/Q

($MM)	Reported			Adjusted[1]		
	Q2 21	Q1 21	Q2 20	Q2 21	Q1 21	Q2 20
Global Markets	**919**	1,031	564	**919**	1,031	564
I&CB	**619**	543	487	**619**	543	487
Revenue (teb)	**1,538**	1,574	1,051	**1,538**	1,574	1,051
Expenses	**836**	879	758	**828**	870	751
PPPT[2]	**702**	695	293	**710**	704	300
Total PCL	**(55)**	43	408	**(55)**	43	408
Net Income (loss)	**563**	**483**	**(74)**	**570**	**489**	**(68)**
U.S. Net Income (US$MM)	**197**	232	(37)	**202**	237	(33)
ROE (%)	**20.9**	16.6	(3.0)	**21.1**	16.8	(2.8)

Net Income[1] Trends



1 See slide 35 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

Corporate Services

- Adjusted[1] net loss of $140MM and reported net loss of $912MM for the quarter, compared with an adjusted[1] and reported net loss of $82MM in the prior year
- Adjusted[1] net loss $58MM worse Y/Y due to higher expenses and lower revenue, partially offset by the impact of a less favourable tax rate in the prior year
- Reported results in the current quarter include $747MM pre-tax and after-tax write-down of goodwill related to the announced sale of our EMEA Asset Management business, a $22MM ($29MM pre-tax) net gain on the sale of our Private Banking business in Hong Kong and Singapore, and $47MM ($53MM pre-tax) of divestiture-related costs for both transactions

	Reported[2]			Adjusted[1,2]		
($MM)	Q2 21	Q1 21	Q2 20	Q2 21	Q1 21	Q2 20
Revenue	**(3)**	(8)	(3)	**(32)**	(8)	(3)
Group teb offset[2]	**(83)**	(77)	(78)	**(83)**	(77)	(78)
Total Revenue (teb)[2]	**(86)**	(85)	(81)	**(115)**	(85)	(81)
Total PCL (recovery)	**0**	(1)	8	**0**	(1)	8
Expenses	**980**	189	77	**180**	189	77
Net Loss	**(912)**	**(143)**	**(82)**	**(140)**	**(143)**	**(82)**

1 See slide 35 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 April 30, 2021

Patrick Cronin
Chief Risk Officer

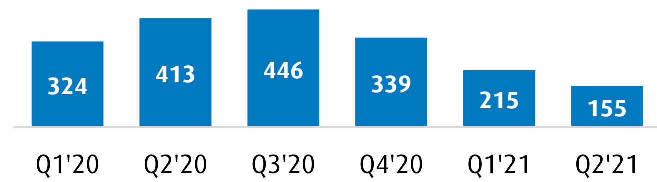
Q2 | 21

Provision for Credit Losses (PCL)

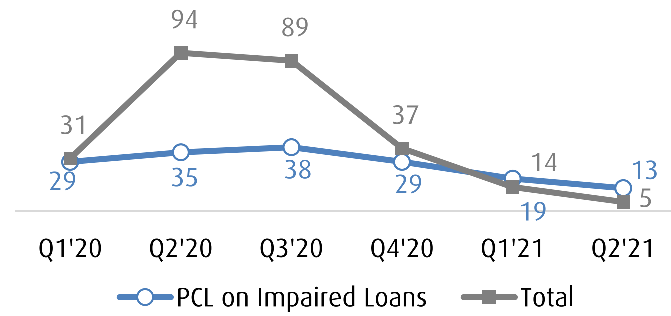
PCL By Operating Group ($MM)	Q2 21		Q1 21		Q2 20	
	$	bps	$	bps	$	bps
Consumer – Canadian P&C	100	24	91	22	121	30
Commercial – Canadian P&C	54	24	58	26	91	40
Total Canadian P&C	**154**	**24**	**149**	**24**	**212**	**34**
Consumer – U.S. P&C	3	6	13	30	15	29
Commercial – U.S. P&C	3	1	7	3	109	40
Total U.S. P&C	**6**	**2**	**20**	**7**	**124**	**38**
BMO Wealth Management	**1**	**2**	**2**	**2**	**3**	**4**
BMO Capital Markets	**(6)**	**(4)**	**45**	**29**	**73**	**41**
Corporate Services	**0**	**n.m.**	**(1)**	**n.m.**	**1**	**n.m.**
PCL on Impaired Loans	**155**	**13**	**215**	**19**	**413**	**35**
PCL on Performing Loans	**(95)**	**(8)**	**(59)**	**(5)**	**705**	**59**
Total PCL	**60**	**5**	**156**	**14**	**1,118**	**94**

- Q2’21 PCL ratio on Impaired Loans is 13 bps, down 6 bps Q/Q

PCL on Impaired Loans ($MM)



PCL in bps

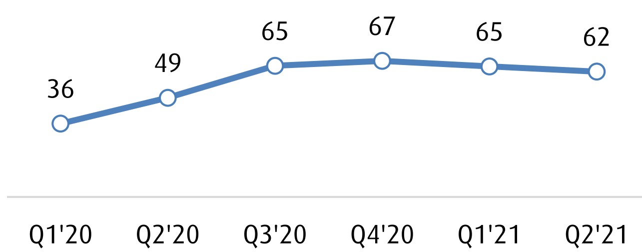


Allowance and Provision on Performing Loans

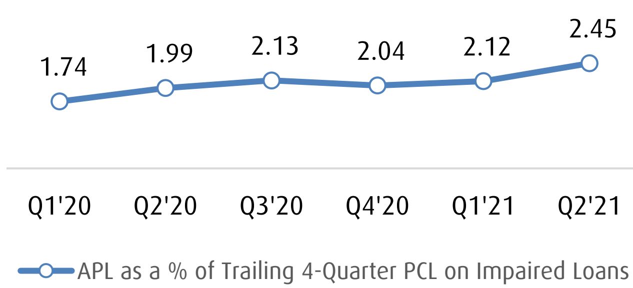
Allowance on Performing Loans (APL) and PCL on Performing Loans (PCL) By Operating Group ($MM) [2]	Q1 21 APL[1]	Q2 21 PCL	Q2 21 Foreign Exchange	Q2 21 APL[1]	APL to Performing Loans (bps)
Consumer – Canadian P&C	922	(20)	(2)	900	53
Commercial – Canadian P&C	515	7	(2)	520	58
Total Canadian P&C	**1,437**	**(13)**	**(4)**	**1,420**	**55**
Consumer – U.S. P&C	142	(10)	(6)	126	75
Commercial – U.S. P&C	847	(19)	(34)	794	84
Total U.S. P&C	**989**	**(29)**	**(40)**	**920**	**83**
BMO Wealth Management	**43**	**(4)**	**(1)**	**38**	**13**
BMO Capital Markets	**519**	**(49)**	**(22)**	**448**	**79**
Corporate Services	**3**	**-**	**-**	**3**	**n.m.**
Total	**2,991**	**(95)**	**(67)**	**2,829**	**62**

- The APL decreased $162MM to $2,829MM, driven by a reduction in PCL on performing loans and the impact of the weaker U.S. dollar
- The $95MM reduction in PCL on performing loans reflects positive credit migration and an improving economic outlook, partially offset by a more severe adverse scenario

Allowance for Performing Loans (bps)



Coverage Ratio



1 Q1 21 and Q2 21 includes APL on Other Assets of $19MM and $20MM respectively and excludes APL on Securities of $4MM for both periods
2 Q2 21 PCL includes PCL on Other Assets of $2MM and excludes PCL on Securities of $0.1MM

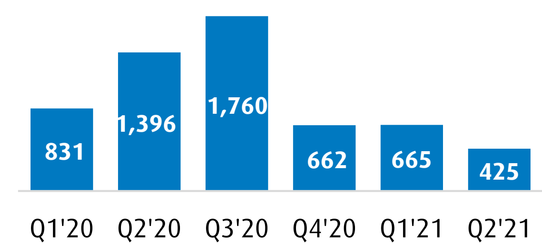
BMO Financial Group
We're here to help.℠

Gross Impaired Loans and Formations

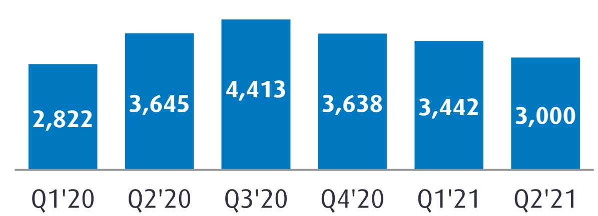
By Industry ($MM, as at Q2 21)	Formations			Gross Impaired Loans		
	Canada & Other	U.S.	Total	Canada & Other[1]	U.S.	Total
Consumer	**190**	**29**	**219**	**449**	**325**	**774**
Service Industries	25	9	34	173	297	470
Oil & Gas	0	0	0	78	253	331
Retail Trade	10	1	11	265	77	342
Agriculture	13	1	14	81	188	269
Manufacturing	46	3	49	179	65	244
Transportation	8	26	34	19	123	142
Financing Products	0	0	0	0	94	94
Wholesale Trade	2	12	14	24	65	89
Commercial Real Estate	9	13	22	42	35	77
Construction (non-real estate)	9	3	12	50	29	79
Mining	0	0	0	0	31	31
Financial	11	0	11	24	7	31
Other Business and Government[2]	4	1	5	21	6	27
Total Business and Government	**137**	**69**	**206**	**956**	**1,270**	**2,226**
Total Bank	**327**	**98**	**425**	**1,405**	**1,595**	**3,000**

- Gross Impaired Loans (GIL) ratio 65 bps, down 9 bps Q/Q

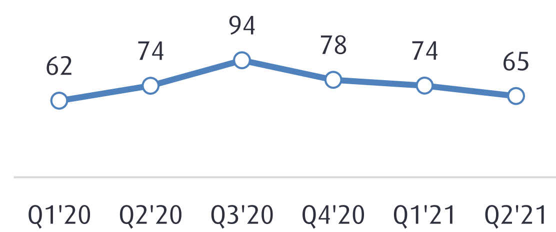
Formations ($MM)



Gross Impaired Loans ($MM)



GIL (bps)



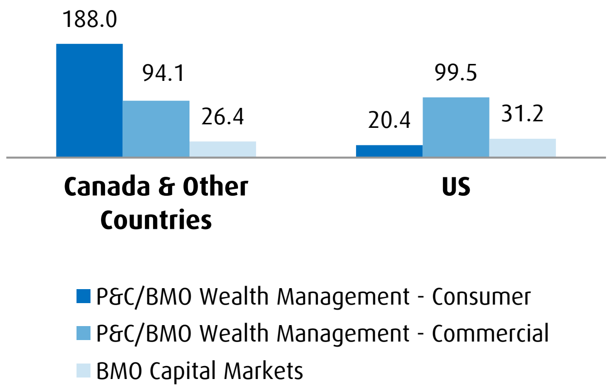
1 Total Business and Government includes $42MM GIL from Other Countries
2 Other Business and Government includes industry segments that are each <1% of total GIL

Loan Portfolio Overview

Gross Loans & Acceptances By Industry ($B, as at Q2 21)	Canada & Other[1]	U.S.	Total	% of Total
Residential Mortgages	122.5	8.0	130.5	28%
Consumer Instalment and Other Personal	59.9	12.0	71.9	16%
Cards	7.1	0.4	7.5	2%
Total Consumer	**189.5**	**20.4**	**209.9**	**46%**
Financial	13.3	33.7	47.0	10%
Service Industries	22.9	22.4	45.3	10%
Commercial Real Estate	25.5	14.8	40.3	9%
Manufacturing	7.9	18.4	26.3	6%
Retail Trade	12.1	6.6	18.7	4%
Wholesale Trade	5.1	9.3	14.4	3%
Agriculture	12.1	1.4	13.5	3%
Transportation	3.5	8.7	12.2	3%
Oil & Gas	6.2	4.3	10.5	2%
Other Business and Government[2]	10.4	11.1	21.5	4%
Total Business and Government	**119.0**	**130.7**	**249.7**	**54%**
Total Gross Loans & Acceptances	**308.5**	**151.1**	**459.6**	**100%**

- Portfolio is well diversified by geography and industry
- Business & Government loans down 4% Q/Q or down 2% excluding the impact of the weaker U.S. dollar

Loans by Geography and Operating Group ($B)



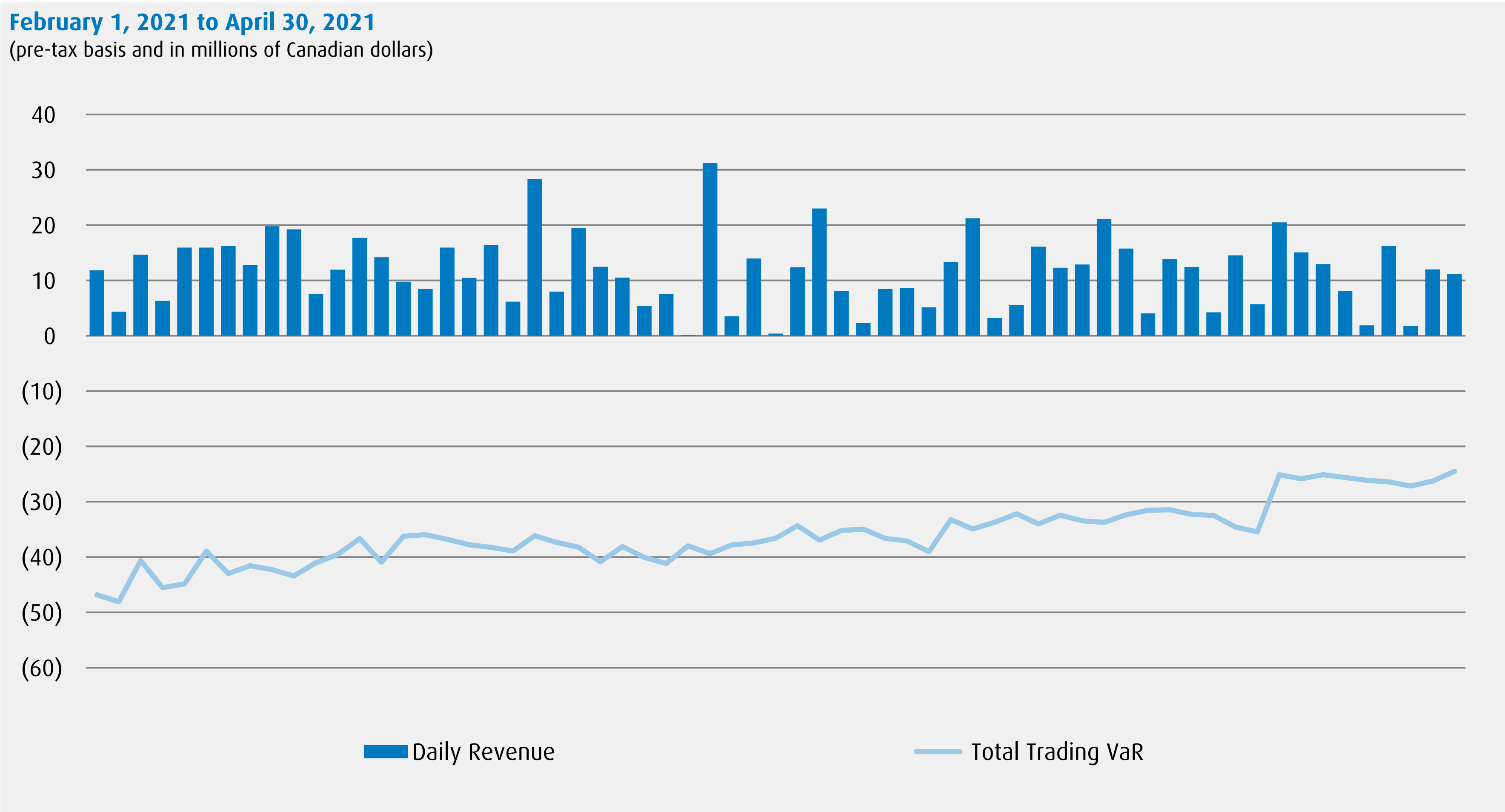
1 Includes ~$9.3B from Other Countries
2 Other Business and Government includes all industry segments that are each <2% of total loans

Sectors Impacted by COVID-19 Pandemic

By Industry of Heightened Focus ($B, as at Q2 21)	Gross Loans & Acceptances (GL&A)	% of Total GL&A
Hotels	4.3	0.9%
Restaurants	4.2	0.9%
Amusement & Recreational	3.2	0.7%
CRE – Lodging REITS	0.6	0.1%
CRE – Retail REITS	1.7	0.4%
CRE – Retail Property Types	2.5	0.5%
Retail Trade excl. Auto, Grocers & Pharmacies	4.8	1.0%
Airlines	0.3	0.1%
Total Industries of Heightened Focus	**21.6**	**4.7%**
Total Business & Government Gross Loans & Acceptances	**249.7**	**54.3%**
Total Gross Loans & Acceptances	**459.6**	**100.0%**

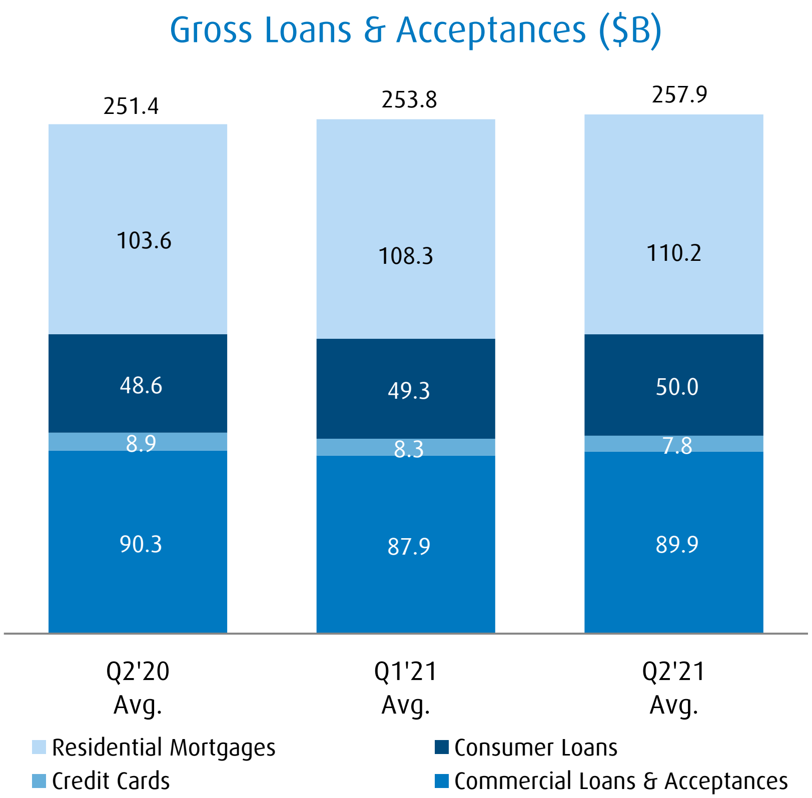
- Sectors highly impacted by COVID make up less than 5% of the portfolio
- Portfolio is diversified and well-secured by real estate in some sectors
- Loss rates remain manageable

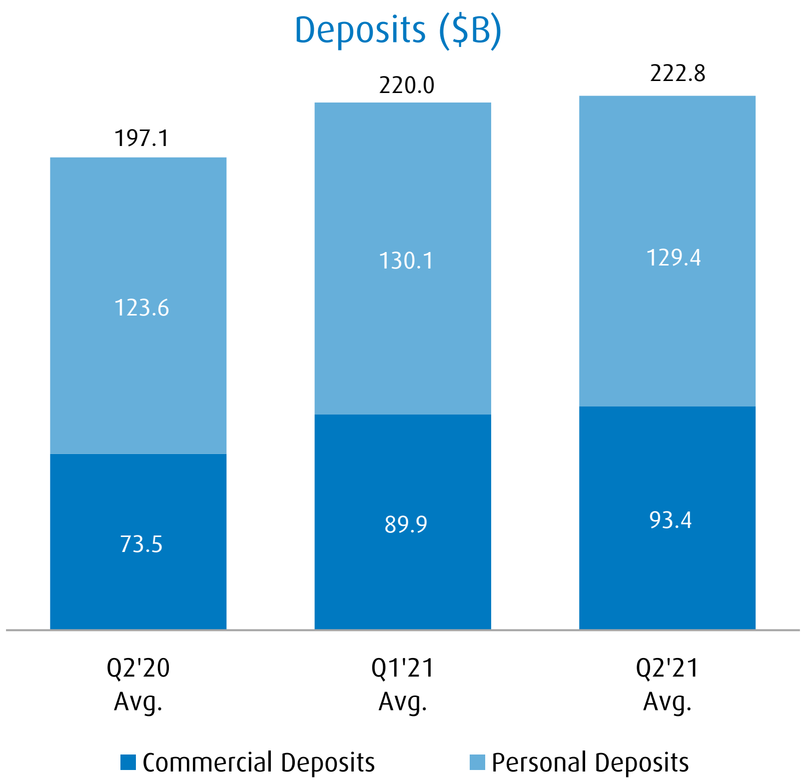
Trading-related Net Revenues and Value at Risk



Appendix

Canadian Personal & Commercial Banking - Balances





- Average Loans up 3% Y/Y and up 2% Q/Q
  - Proprietary channel residential mortgages and amortizing HELOC loans up 10% Y/Y and up 2% Q/Q
  - Commercial loans[1] flat Y/Y and up 2% Q/Q

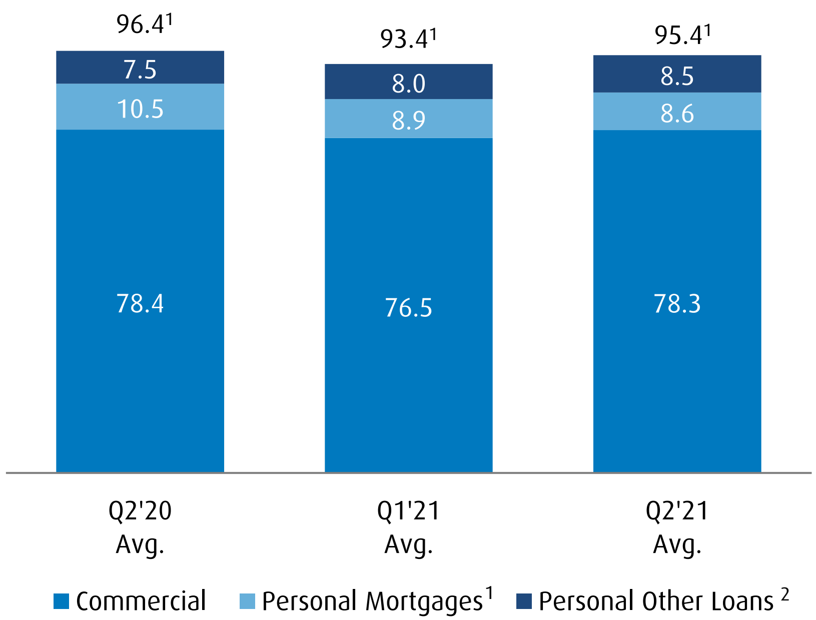
- Average Deposits up 13% Y/Y and up 1% Q/Q
  - Personal deposits up 5% Y/Y and down modestly Q/Q
  - Commercial deposits up 27% Y/Y and up 4% Q/Q

1 Commercial lending excludes commercial and small business cards. Commercial and small business cards balances represented ~12% of total credit card portfolio in Q2'20, Q1'21 and Q2'21

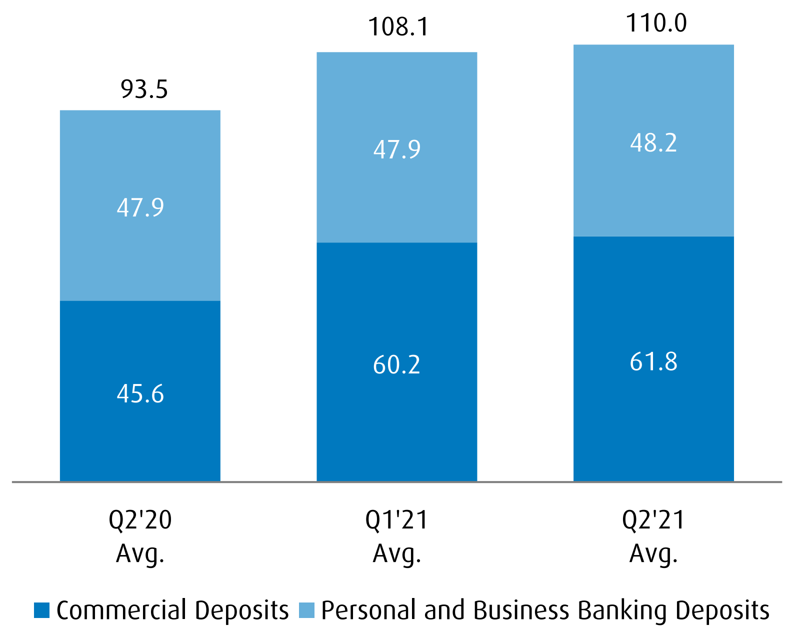
U.S. Personal & Commercial Banking – Balances

Figures on this slide are in U.S. dollars

Gross Loans & Acceptances (US$B)



Deposits (US$B)



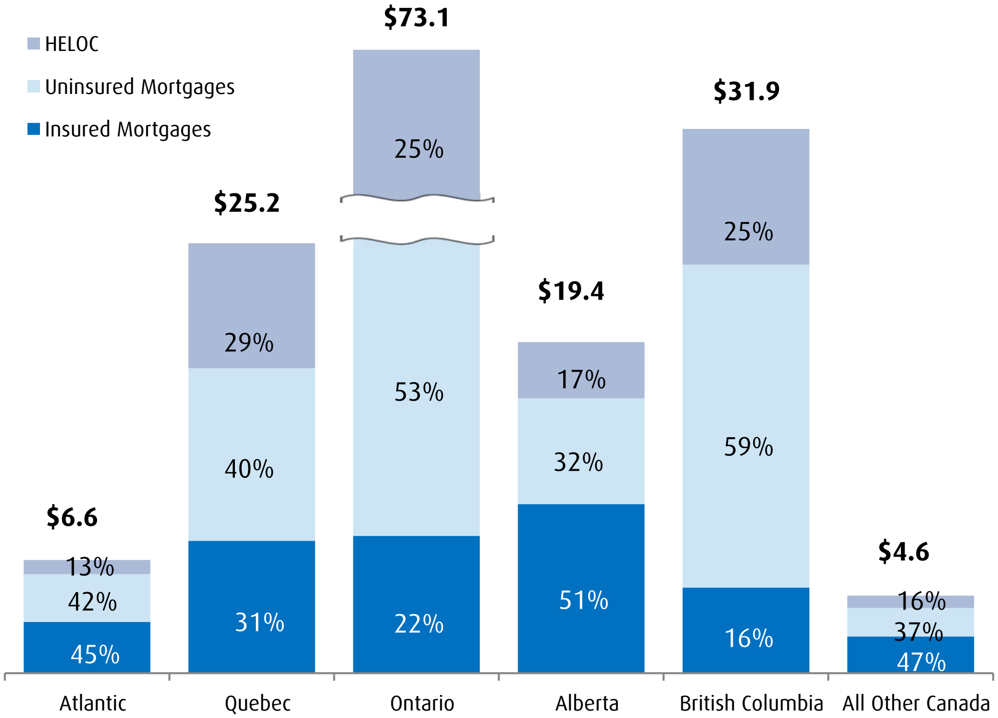
- Average loans[1] slightly lower Y/Y and 2% higher Q/Q
  - Commercial loans stable Y/Y and up 2% Q/Q
  - Personal loans[1,2] down 5% Y/Y and up 1% Q/Q
  - Excluding Paycheck Protection Program loans of $4.5B, down 5% Y/Y

- Average deposits up 18% Y/Y; up 2% Q/Q
  - Commercial deposits up 35% Y/Y and up 2% Q/Q
  - Personal deposits up 1% Y/Y and up 1% Q/Q

1 Includes BMO Wealth Management mortgages (Q2'21 $2.0B, Q1'21 $2.0B, Q2'20 $2.1B) and Home Equity (Q2'21 $2.1B, Q1'21 $2.2B, Q2'20 $2.4B)
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 ($160.8B)



Avg. LTV[1] Uninsured	Atlantic	Quebec	Ontario	Alberta	British Columbia	All Other Canada	Total Canada
Mortgage							
- Portfolio	57%	57%	53%	61%	50%	55%	54%
- Origination	73%	74%	69%	73%	67%	73%	70%
HELOC							
- Portfolio	46%	52%	44%	56%	44%	47%	47%
- Origination	74%	74%	64%	66%	63%	71%	66%

- Total Canadian residential-secured lending portfolio at $160.8B, representing 35% of total loans
  - LTV[1] on uninsured of 50%
  - 90-day delinquency rate for RESL remains good at 17 bps; loss rates for the trailing 4 quarter period were 1 bp
- Residential mortgage portfolio of $122.5B
  - 36% of portfolio insured
  - LTV[1] on uninsured of 54%
  - 79% of the mortgage portfolio has an effective remaining amortization of 25 years or less
- HELOC portfolio of $38.2B outstanding of which 67% 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)	Q2 21	Q1 21	Q2 20	YTD Q2 21	YTD Q2 20
Acquisition integration costs[2]	**(2)**	(3)	(3)	**(5)**	(6)
Amortization of acquisition-related intangible assets[2]	**(24)**	(25)	(30)	**(49)**	(59)
Impact of divestitures[3]	**(771)**	-	-	**(771)**	-
Adjusting items included in reported pre-tax income	**(797)**	**(28)**	**(33)**	**(825)**	**(65)**

Adjusting items[1] - After-tax ($MM)	Q2 21	Q1 21	Q2 20	YTD Q2 21	YTD Q2 20
Acquisition integration costs[2]	**(2)**	(2)	(2)	**(4)**	(4)
Amortization of acquisition-related intangible assets[2]	**(18)**	(19)	(24)	**(37)**	(47)
Impact of divestitures[3]	**(772)**	-	-	**(772)**	-
Adjusting items included in reported net income after tax	**(792)**	**(21)**	**(26)**	**(813)**	**(51)**
Impact on diluted EPS ($)	**(1.22)**	**(0.03)**	**(0.04)**	**(1.26)**	**(0.08)**

1 Adjusted measures are non-GAAP measures, see slide 2 for more information
2 These amounts were charged to the non-interest expense of the operating groups
3 Q2'21 reported net income included a $747 million pre-tax and after-tax write-down of goodwill related to the announced sale of our EMEA Asset Management business to Ameriprise Financial, Inc., a $22 million ($29 million pre-tax) net gain on the sale of our Private Banking business in Hong Kong and Singapore to J. Safra Sarasin Group, and $47 million ($53 million pre-tax) of divestiture-related costs for both transactions. The net gain on the sale was included in revenue with the goodwill write-down and divestiture costs included in non-interest expense, all recorded in Corporate Services

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