BMO Financial Group

Investor Presentation

For the Quarter Ended October 31, 2023

December 1, 2023

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BMO

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 2024 and beyond, our strategies or future actions, our targets and commitments (including with respect to net zero emissions), expectations for our financial condition, capital position, the regulatory environment in which we operate, the results of, or outlook for, our operations or the Canadian, U.S. and international economies, plans for the combined operations of BMO and Bank of the West and the financial, operational and capital impacts of the transaction, and include statements made by our management. Forward-looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "project", "intend", "estimate", "plan", "goal", "commit", "target", "may", "might", "schedule", "forecast", "outlook", "timeline", "suggest", "seek" and "could" or negative or grammatical variations thereof.

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. 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: general economic and market conditions in the countries in which we operate, including labour challenges; the anticipated benefits from acquisitions, including Bank of the West, such as potential synergies and operation efficiencies, are not be realized; changes to our credit ratings; the emergence or continuation of widespread health emergencies or pandemics, and their impact on local, national or international economies, as well as their heightening of certain risks that may affect our future results; cyber and cloud 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; technology resiliency; failure of third parties to comply with their obligations to us; political conditions, including changes relating to, or affecting, economic or trade matters; climate change and other environmental and social risks; the Canadian housing market and consumer leverage; inflationary pressures; technological innovation and competition; changes in monetary, fiscal or economic policy; changes in laws, including tax legislation and interpretation, or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance, and the effect of such changes on funding costs and capital requirements; weak, volatile or illiquid capital or credit markets; the level of competition in the geographic and business areas in which we operate; exposure to, and the resolution of, significant litigation or regulatory matters, our ability to successfully appeal adverse outcomes of such matters and the timing, determination and recovery of amounts related to such matters; the accuracy and completeness of the information we obtain with respect to our customers and counterparties; our ability to execute our strategic plans, complete proposed acquisitions or dispositions and integrate acquisitions, including obtaining regulatory approvals; critical accounting estimates and judgments, and the effects of changes to accounting standards, rules and interpretations on these estimates; operational and infrastructure risks, including with respect to reliance on third parties; 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 non-financial, legal and regulatory, strategic, environmental and social, and reputation risk in the Enterprise-Wide Risk Management section of BMO's 2023 Annual Report, as updated by quarterly reports, 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 shareholders and analysts 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 include those set out in the Economic Developments and Outlook section, and the Allowance for Credit Losses section of BMO's 2023 Annual Report, as updated by quarterly reports. 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. Assumptions about our integration plans, the efficiency and duration of integration and the alignment of organizational responsibilities were material factors we considered in estimating pre-tax annualized run rate benefits from Bank of the West cost synergies and operational efficiency initiatives. 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.

Darryl White

Chief Executive Officer

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BMO

Significant progress in a challenging environment

F2023

Net Income	EPS	PPPT[2] Growth	Total Assets
Adjusted[1] $8.7B	Adjusted[1] $11.73	Adjusted[1] 5%	$1.3T
Reported $4.4B	Reported $5.68	Reported (56%)	

Efficiency Ratio[3]	ROE	ROTCE[4]	CET1[5]
Adjusted[1] 59.8%	Adjusted[1] 12.3%	Adjusted[1] 15.8%	12.5%
Reported 72.5%	Reported 6.0%	Reported 8.2%	

F2023 Highlights

- Completed the transformative acquisition of Bank of the West, significantly expanding our U.S. market presence
- Completed the strategic acquisition of AIR MILES Reward Program

- #1 in Customer Satisfaction among the Big 5 Retail Banks and in Online Banking - J.D. Power[6]

- Maintained a leading position in Global and North American M&A in Capital Markets and net ETF flows in Wealth
- Continued strength in Capital and Risk Management

1 Adjusted results and measures are non-GAAP. See slide 39 for more information and slide 40 for adjustments to reported results
2 Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. See slide 39 for more information and slide 43 for calculation of PPPT
3 Reported and adjusted net revenue and measures calculated based on net revenue are non-GAAP measures. Net revenue comprises revenue net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Efficiency ratio is calculated based on net revenue and is also a non-GAAP Measure. See slide 39 for more information and slide 42 for calculation of net revenue
4 Reported and adjusted return on tangible common equity (ROTCE) are non-GAAP measures. See slide 39 and Non-GAAP and Other Financial Measures section of the 2023 Annual MD&A for more information
5 The Common Equity Tier 1 (CET1) Ratio is disclosed in accordance with OSFI's Capital Adequacy Requirements (CAR) Guideline as set out by the Superintendent of Financial Institutions (OSFI), as applicable
6 For more information, refer to www.jdpower.com/business

Successful Conversion of Bank of the West

Positioned for growth in our new home markets

2 Million
Customers welcomed

300+
Systems converted

500+
Branches rebranded

90%+
Active Digital users re-enrolled in the first week

2.7 Million
Accounts converted

Corner of Sunset Blvd and N Poinsettia Pl, Los Angeles, California

Dynamic actions to drive long-term performance

Strong foundation from executed initiatives…	…driving benefits for near- and long-term performance
Completed Bank of the West **conversion**	Exceeding cost synergy expectations, with **run rate benefits of >US$800MM**
Marketing campaign in play across our expanded footprint	**Accelerating revenue synergies** in-line with expectations
Accelerated **efficiency initiatives** to optimize workforce, real estate, technology and procurement	**~C$400MM in run rate benefits, driving positive operating leverage**
Targeted **investments in technology and salesforce**	Aligned to customer and market opportunities to **drive engagement, customer loyalty and growth in market share**
Capital optimization and portfolio actions	Disciplined redeployment and focus on One Client experiences to **improve return on capital**
Long-term record of strong risk management	Well-positioned to **manage current and emerging risks**

This slide contains forward-looking statements. Refer to the Caution Regarding Forward-Looking Statements on slide 2

Our Purpose

BOLDLY GROW THE GOOD

IN BUSINESS AND LIFE

For a Thriving Economy

Providing access to capital and valuable financial advice – investing in businesses, supporting home ownership and strengthening the communities we serve, while driving innovation that makes banking easier

- Launched BMO EMpower™ 2.0, pledging more than US$40 billion to support organizations in communities across the United States focused on advancing home ownership, growing small businesses, strengthening communities and creating a more equitable society
- Launched the First Home Savings Account (FHSA), a new tax-advantaged registered savings plan that empowers Canadians to invest and save towards the down payment on their first home

For a Sustainable Future

Being our clients' lead partner in the transition to a net zero world, delivering on our commitments to sustainable financing and responsible investing

- Launched one of the first sustainability-linked deposit offerings in North America and acted as co-lead manager on the government of Canada's Ukraine sovereignty bond, which was recognized as Social Bond of the year by *Environmental Finance*
- Included in *Corporate Knights'* list of Canada's Best 50 Corporate Citizens, with top-quartile scores in board gender diversity and the representation of visible minorities in our executive leadership – the only Canadian bank named to this listing. We also received a top-quartile Sustainable Revenue score, demonstrating our ongoing commitment to sustainable financing and responsible investing
- Ranked among the most sustainable companies on the Dow Jones Sustainability Indices (DJSI). BMO ranked in the 95th percentile among banks globally and earned the highest possible score in the areas of Environmental Reporting, Social Reporting and Financial Inclusion

For an Inclusive Society

Committing to zero barriers to inclusion through investments, financial products and services, and partnerships that remove systemic barriers for under-represented customers, employees and communities – and drive inclusion and equitable growth for everyone

- Introduced the *BMO for Indigenous Entrepreneurs* program, providing Indigenous business owners with greater access to working capital, educational resources and professional partnerships to start up, scale up and accelerate their businesses
- Received a top score on the Disability Equality Index for the eighth consecutive year and named among the Best Places to Work for Disability Inclusion by Disability:IN and the American Association of People with Disabilities (AAPD)
- Continued to drive progress for mental health treatment with a $5 million donation to the Centre for Addiction and Mental Health to support independent research and help build a research centre; and a $2 million donation to the Royal Ottawa Health Care Group to support the newly-established BMO Innovative Clinic for Depression

This slide contains forward-looking statements. Refer to the Caution Regarding Forward-Looking Statements on slide 2

Committed to our strategic priorities and financial objectives

Strategic priorities

- **World-class** loyalty and growth powered by One Client leadership
- **Winning culture** driven by alignment, empowerment and recognition
- **Digital First** for speed, scale and the elimination of complexity
- **Be our client's lead partner** in the **transition** to a **net zero world**
- **Superior management** of **risk, capital** and **funding** performance

Medium-term objectives (adjusted)[1,2]

- **EPS growth of 7-10%**
- **Return on equity ≥ 15%**
- **Return on tangible common equity ≥ 18%**
- **Operating Leverage ≥ 2%**
- **Maintain strong capital ratios**

1 We have established medium-term financial objectives for certain important performance measures. Medium-term is generally defined as three to five years, and performance is measured on an adjusted basis
2 Adjusted results and measures are non-GAAP. See slide 39 and Non-GAAP and Other Financial Measures section of the 2023 Annual MD&A for more information

Financial Results

For the Quarter Ended October 31, 2023

Tayfun Tuzun
Chief Financial Officer

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BMO

Bank of the West: Positioned for growth post-conversion

	Franchise strength	Scale benefits	Areas of opportunity
Total BMO	• Core performance in line with expectations • Strong capital position • Successful conversion of customers and systems	In-year cost savings (US$) $550MM $220MM F23 $770MM F24	US$800MM run rate cost synergies Executing revenue synergy opportunities to drive PPPT[1] growth
Personal & Business Banking	• Strong digital customer acquisition performance since closing, 3x increase[2] in digital checking sales • Continued strong employee retention	Doubled our size: 1,000+ branches 4 million customers	Branch sales to service FTE >2x Pre-conv Post-conv
BMO Wealth Management	• +7% in AUM growth since closing • Industry-leading retention through brokerage conversion (99%+ clients converted) • Strong salesforce retention in California	Custom lending capabilities Vertical expertise Expanded investment suite and dedicated research	Investment penetration +20% BOTW BMO
Commercial Banking	• Strong onboarding of new clients since closing • Strong employee retention • Industry expertise across a broader geography (e.g. Media, Food and Agriculture)	TPS volume (# wires) +8% Pre-conv Post-conv	Wealth penetration with commercial clients 2x BOTW BMO
BMO Capital Markets	• ~20 transactions executed across Investment Banking, Global Markets and M&A • 1,500+ BOTW clients onboarded to BMO Capital Markets (rates, FX, fixed income)	Thousands of trades executed from closing to conversion	Accelerating revenue synergies through expanded client coverage and strong M&A pipelines

This slide contains forward-looking statements. Refer to the Caution Regarding Forward-Looking Statements on slide 2
1 Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures
2 October 2023 digital checking sales compared against last 12 months

F2023 - Financial Highlights

Good PPPT[1] performance in an evolving environment, positioned for continued growth

- Adjusted[2] EPS $11.73, down 11% Y/Y (reported $5.68, down 72%)
- Adjusted[2] net income down 4% Y/Y (reported down 68%)
  - Bank of the West (BOTW) added $592MM to adjusted[2] net income (reported net loss of $1,498MM)
- Adjusted[2] PPPT[1] up 5% Y/Y (reported down 56%)
- Adjusted[2] net revenue[3] up 16% Y/Y (reported down 15%) reflecting growth across all operating groups
- Adjusted[2] expenses up 24% Y/Y (reported up 31%)
- Adjusted[2] operating leverage[3] negative 8.2% (reported negative 45.9%)
- Adjusted[2] total provision for credit losses $1,473MM (reported $2,178MM)
  - PCL on impaired loans $1,180MM or 19 bps[4]; adjusted[2] provision on performing loans $293MM (reported $998MM)
- U.S. segment contributed 45% to adjusted[2] earnings in the fiscal year (3% on a reported basis)

	Reported		Adjusted[2]	
($MM)	F2023	F2022	F2023	F2022
Gross Revenue	31,199	33,710	33,378	26,533
Less: CCPB	1,939	(683)	1,939	(683)
Net Revenue[3]	29,260	34,393	31,439	27,216
Expenses	21,219	16,194	18,798	15,194
PPPT[1]	8,041	18,199	12,641	12,022
Total PCL	2,178	313	1,473	313
Income before Taxes	5,863	17,886	11,168	11,709
Net Income	4,377	**13,537**	8,675	**9,039**
U.S. Segment Net Income (US$)	90	6,079	2,887	2,545
Diluted EPS ($)	5.68	19.99	11.73	13.23
Efficiency Ratio[3] (%)	72.5	47.1	59.8	55.8
ROE (%)	6.0	22.9	12.3	15.2
ROTCE[5] (%)	8.2	25.1	15.8	16.6
CET1 Ratio[6] (%)	12.5	16.7	12.5	16.7

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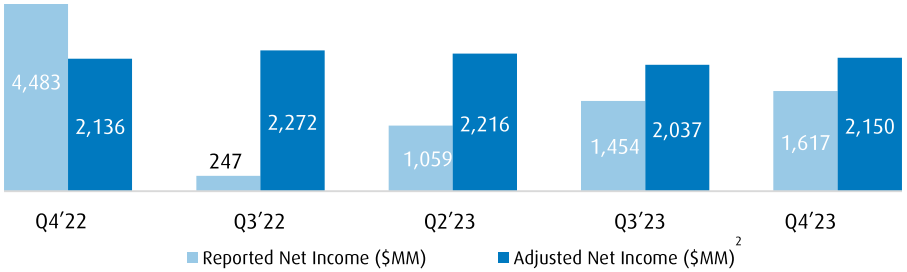
Q4 F2023 - Financial Highlights

Strong PPPT[1] growth driven by Canadian P&C, BMO Capital Markets and Bank of the West

- Adjusted[2] EPS $2.81, down 8% Y/Y (reported $2.06, down 68%)
- Adjusted[2] net income up 1% Y/Y (reported down 64%)
  - Bank of the West (BOTW) added $195MM to adjusted[2] net income (reported net loss of $317MM)
  - Adjusted[2] net income excluded $433MM integration costs and $88MM amortization of acquisition-related intangible assets
- Adjusted[2] PPPT[1] up 9% Y/Y (reported down 59%)
- Adjusted[2] net revenue[3] up 19% Y/Y (reported down 25%) reflecting growth across all operating groups
- Adjusted[2] expenses up 26% Y/Y (reported up 19%)
- Adjusted[2] operating leverage[3] negative 7.3% (reported negative 44.3%)
- Total provision for credit losses $446MM
  - PCL on impaired loans $408MM or 25 bps[4]; provision on performing loans $38MM
- U.S. segment contributed 49% to adjusted[2] earnings in the quarter (33% on a reported basis)

	Reported			Adjusted[2]		
($MM)	Q4 23	Q3 23	Q4 22	Q4 23	Q3 23	Q4 22
Gross Revenue	**8,360**	7,929	10,570	**8,374**	8,070	6,544
Less: CCPB	**151**	4	(369)	**151**	4	(369)
Net Revenue[3]	**8,209**	7,925	10,939	**8,223**	8,066	6,913
Expenses	**5,700**	5,594	4,776	**4,997**	4,967	3,954
PPPT[1]	**2,509**	2,331	6,163	**3,226**	3,099	2,959
Total PCL	**446**	492	226	**446**	492	226
Income before Taxes	**2,063**	1,839	5,937	**2,780**	2,607	2,733
Net Income	**1,617**	**1,454**	**4,483**	**2,150**	**2,037**	**2,136**
U.S. Segment Net Income (US$)	**388**	364	2,306	**774**	697	564
Diluted EPS ($)	**2.06**	1.97	6.51	**2.81**	2.78	3.04
Efficiency Ratio[3] (%)	**69.4**	70.6	43.7	**60.8**	61.6	57.2
ROE (%)	**8.6**	8.3	27.6	**11.7**	11.7	12.9
ROTCE[5] (%)	**12.5**	11.9	30.1	**16.0**	15.8	14.0
CET1 Ratio[6] (%)	**12.5**	12.3	16.7	**12.5**	12.3	16.7

Net Income Trends



Prior period amounts have been reclassified to conform to the current period presentation
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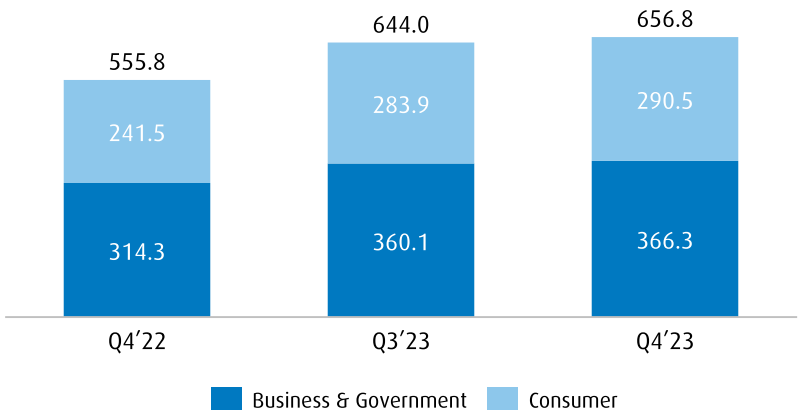
Balance Sheet

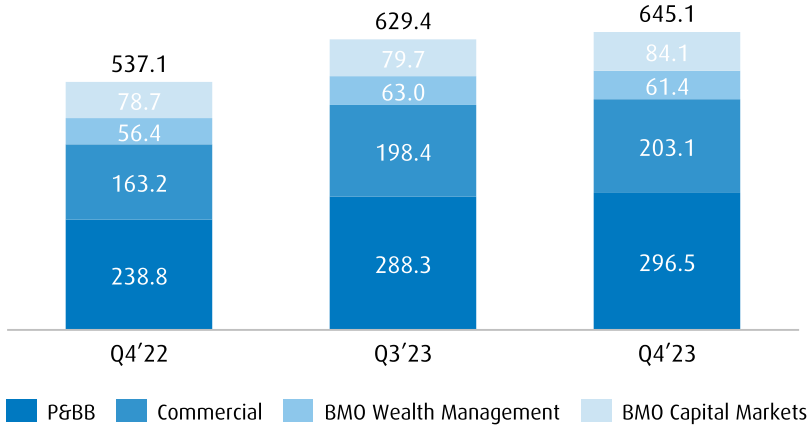
Diversified loan and deposit portfolio, with higher balances Q/Q

- Average gross loans and acceptances up 18% Y/Y due to:
  - 16% growth in Business & government loans driven by Bank of the West and good growth in Canadian P&C, BMO Capital Markets and BMO Wealth Management, partially offset by lower underlying U.S. P&C
  - 20% growth in Consumer loans driven by Bank of the West and mortgage growth in Canadian P&C
- Average gross loans and acceptances up 2% Q/Q, or 1% excluding the impact of the stronger U.S. dollar, with growth in Canadian P&C mortgages and in BMO Capital Markets
  - As-at gross loans and acceptances up 4% Q/Q or 1% excluding the impact of the stronger U.S. dollar
- Average customer deposits[1] up 20% Y/Y, due to Bank of the West and higher balances in Canadian P&C and BMO Capital Markets, partially offset by lower underlying balances in U.S. P&C and BMO Wealth Management
- Average customer deposits up 2% Q/Q, or 1% excluding the impact of the stronger U.S. dollar, driven by higher balances in P&C businesses and BMO Capital Markets, partially offset by lower balances in BMO Wealth Management
  - As-at customer deposits up 4% Q/Q or up 2% excluding the impact of the stronger U.S. dollar

Average Gross Loans and Acceptances ($B)



Average Customer Deposits ($B)

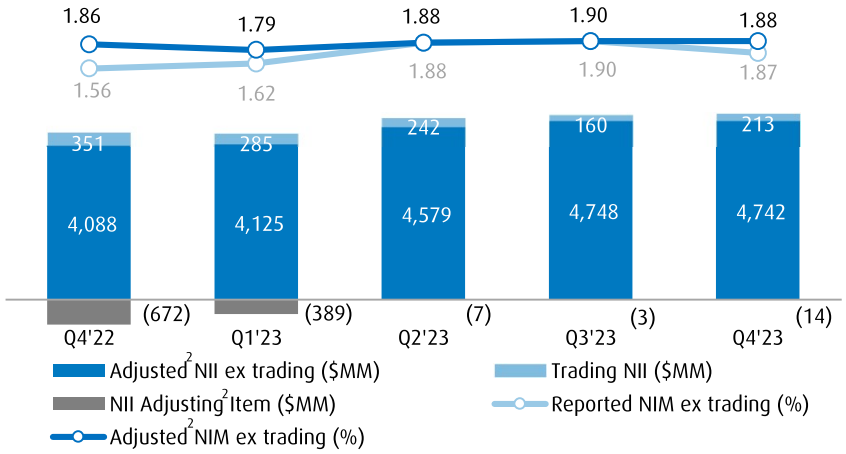


1 Customer deposits are operating and savings deposits, including term investment certificates and retail structured deposits, primarily sourced through our retail, commercial, wealth and corporate banking businesses

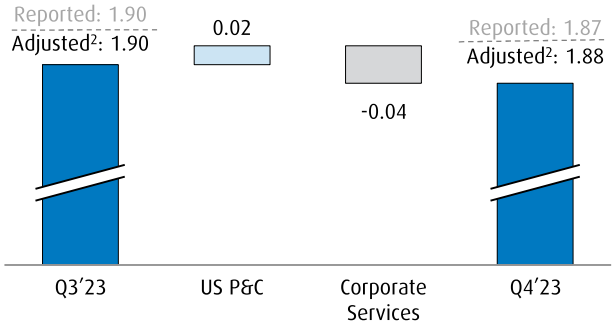
Net Interest Margin[1]

- Total bank ex trading NIM was relatively stable, down 2 bps reflecting continued deposit pricing pressure including rotation to term deposits
- Higher NIM in U.S. P&C, primarily reflecting a one-time conversion adjustment, offset in Corporate Services

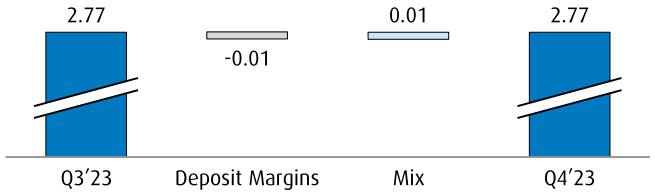
NII ($MM) and NIM ex. Trading (%)[2]



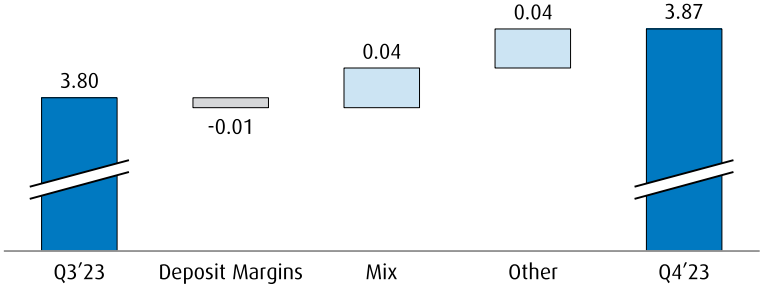
NIM ex. Trading (%)[2]



Canadian P&C NIM (%)



U.S. P&C NIM (%)



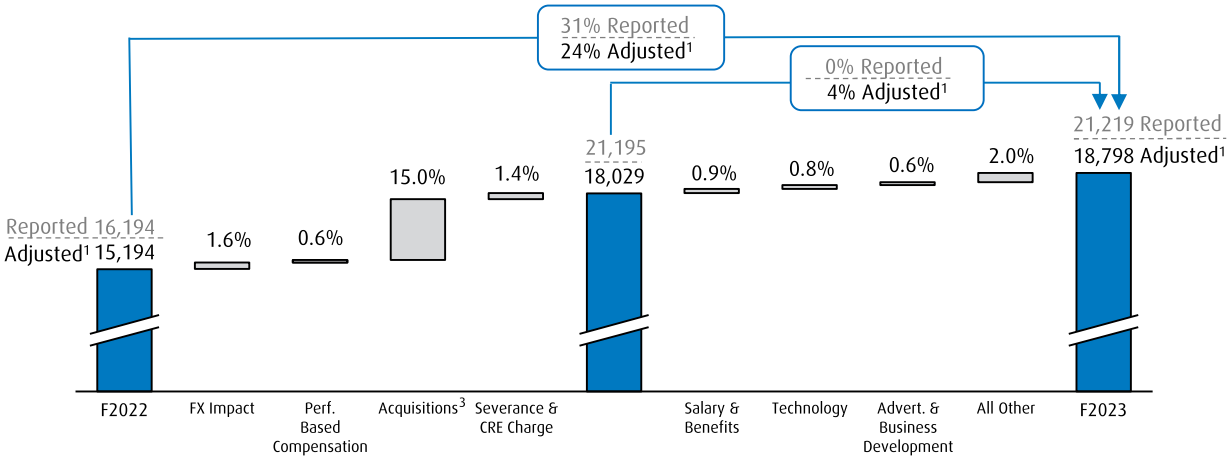
1 Net interest margin (NIM) is the ratio of net interest income (NII) to average earning assets, expressed as a percentage or in basis points. Net interest margin excluding trading excludes net interest earned on trading assets. Average earning assets represents the daily average balance of deposits at central banks, deposits with other banks, securities borrowed or purchased under resale agreements, securities and loans
2 Adjusted results and measures are non-GAAP. Q4'23 Adjusting items of $14MM reduced NIM ex trading by 1 bp. See slide 39 for more information and slide 40 for adjustments to reported results

F2023 Non-Interest Expense

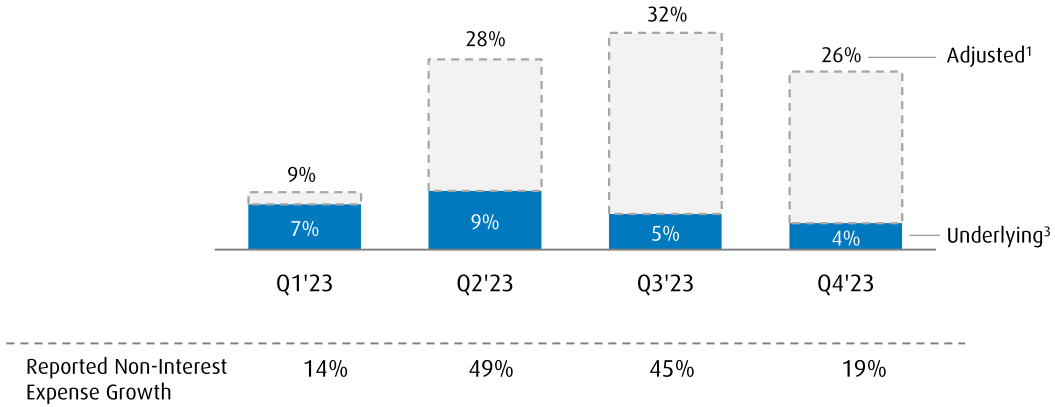
Dynamic expense management leading to improving trends

- Adjusted[1] expenses up 24% Y/Y (reported up 31%)
  - Acquisitions[3] contributed 15% to the increase in adjusted[1] expenses (reported 27%)
  - Investments in sales force, technology and business development to drive revenue
- Adjusted[1] efficiency ratio[2] 59.8% (reported 72.5%)
- Adjusted[1] expenses up 1% Q/Q (reported up 2%) mainly due to higher premises costs, including a $51MM charge related to the consolidation of BMO real estate, higher professional fees, an additional month of AIR MILES and the impact of the stronger U.S. dollar, largely offset by severance in the prior quarter
- Improving underlying quarterly trends including salaries and computer & equipment costs

Y/Y Change in Non-Interest Expense ($MM)



Non-Interest Expense Growth Trend (Y/Y %)



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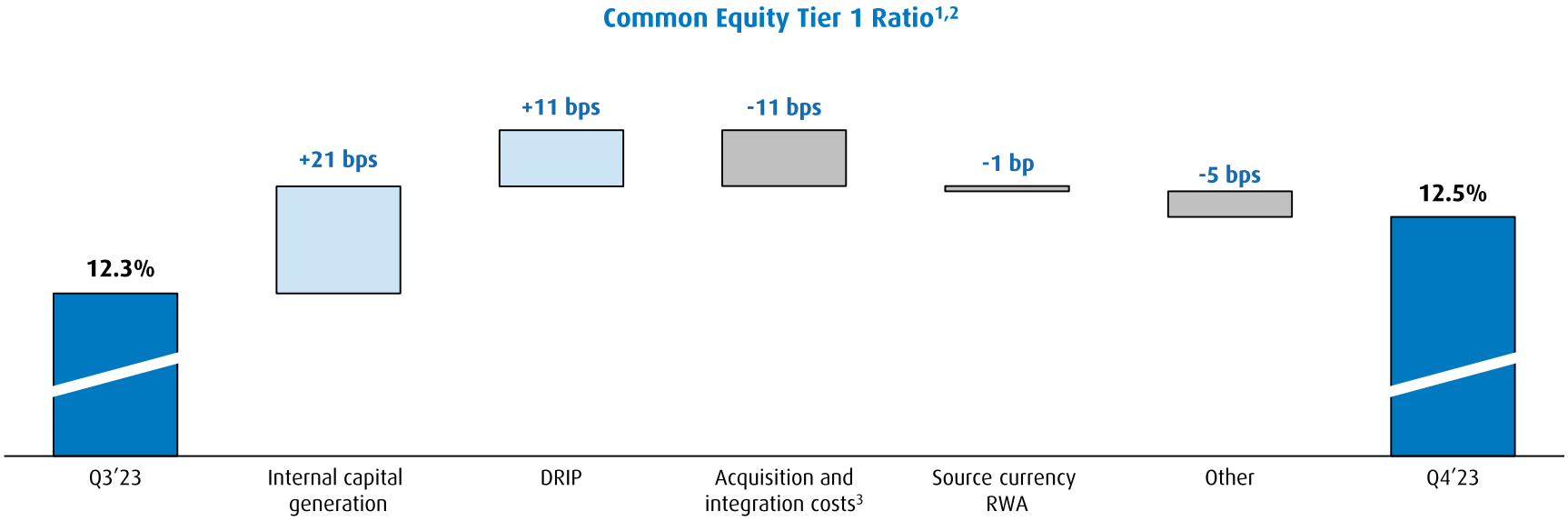
3 Underlying expenses exclude the impact of the stronger U.S. dollar, performance-based compensation in 2022 and 2023, severance in Q3'22 and Q3'23, the charge related to the consolidation of BMO Real Estate in Q4'23, and acquisitions (Bank of the West, AIR MILES and Radicle) in 2023. See the Recent Acquisitions section of BMO's 2023 Annual MD&A for more information

Strong Q4'23 CET1 Ratio[1] of 12.5%



- Q4'23 CET1 ratio[1] of 12.5%, up from Q3'23
  - Internal capital generation
  - DRIP shares issued from treasury

  Partially offset by
  - Impact of acquisition and integration costs[3]
  - Higher source currency RWA mainly reflecting net increase from model and methodology updates and net asset quality changes, largely offset by risk transfer transactions
  - Other mainly due to unrealized losses on fair value through OCI securities

1 The Common Equity Tier 1 (CET1) Ratio is disclosed in accordance with OSFI's Capital Adequacy Requirements (CAR) Guideline as set out by the Superintendent of Financial Institutions (OSFI), as applicable
2 Basis points may not add due to rounding
3 Includes acquisition and integration costs of $434MM after-tax ($583MM pre-tax) related to Bank of the West. See the Recent Acquisitions section of BMO's 2023 Annual MD&A for more information

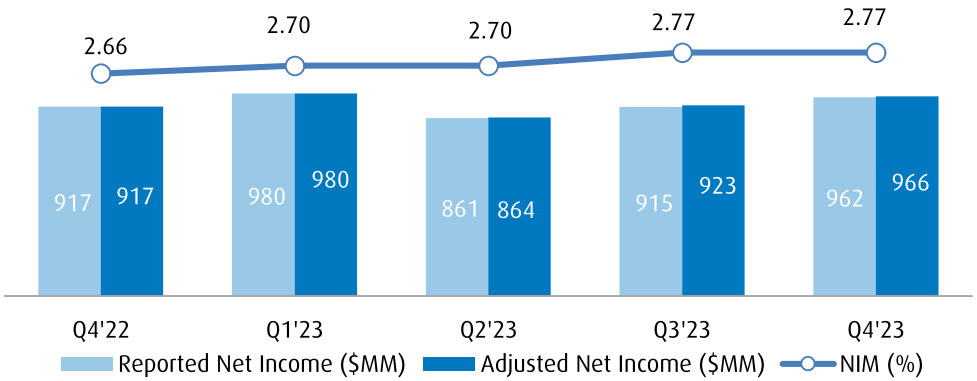
Canadian Personal & Commercial Banking

Record PPPT[2] performance and strong volume growth

- Adjusted[1] and reported net income up 5% Y/Y
- Adjusted[1] and reported PPPT[2] up 13% Y/Y
- Revenue up 13% Y/Y
  - NII up 10% Y/Y with strong balance growth and higher margins
  - NIM flat Q/Q and up 11 bps Y/Y
  - NIR up 20% Y/Y due to the inclusion of AIR MILES and higher card-related revenue
- Adjusted[1] and reported expenses up 12% Y/Y reflecting the inclusion of AIR MILES and higher employee-related costs
- Adjusted[1] operating leverage 0.8% (reported 0.2%)
- Total provision for credit losses $269MM (impaired provision of $248MM and performing provision of $21MM)
- Average loans up 6% Y/Y and 2% Q/Q
  - Personal & Business Banking up 5% Y/Y and 2% Q/Q
  - Cards up 20% Y/Y and 5% Q/Q
  - Commercial[3] up 5% Y/Y and 1% Q/Q
- Average deposits up 12% Y/Y and 3% Q/Q

	Reported			Adjusted[1]		
($MM)	Q4 23	Q3 23	Q4 22	Q4 23	Q3 23	Q4 22
Net interest income	**2,166**	2,129	1,961	**2,166**	2,129	1,961
Non-interest revenue	**701**	656	586	**701**	656	586
Revenue	**2,867**	2,785	2,547	**2,867**	2,785	2,547
Expenses	**1,271**	1,256	1,131	**1,265**	1,245	1,131
PPPT[2]	**1,596**	1,529	1,416	**1,602**	1,540	1,416
Total PCL	**269**	269	174	**269**	269	174
Income before Taxes	**1,327**	1,260	1,242	**1,333**	1,271	1,242
Net Income	**962**	915	917	**966**	923	917
Efficiency Ratio (%)	**44.3**	45.1	44.4	**44.1**	44.7	44.4
ROE (%)	**26.6**	25.6	29.4	**26.7**	25.8	29.4

Net Income[1] and NIM Trends



1 Adjusted results and measures are non-GAAP. See slide 39 for more information and slide 40 for adjustments to reported results
2 Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. See slide 39 for more information and slide 43 for calculation of PPPT
3 Commercial loan growth excludes corporate cards and small business cards

U.S. Personal & Commercial Banking

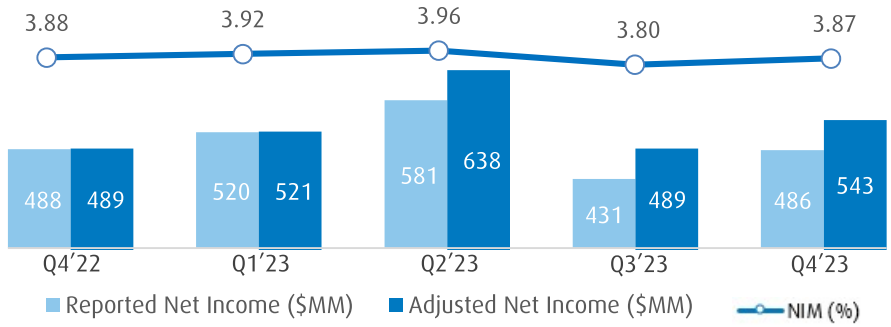
Results reflect muted U.S. banking environment, offset by contribution from Bank of the West

Amounts that follow are in U.S. dollars:

- Adjusted[1] net income up $54MM or 11% Y/Y (reported down $2MM or 1%)
- Adjusted[1] PPPT[2] up $120MM or 18% Y/Y (reported up $45MM or 6%), mainly due to the inclusion of BOTW, up 4% Q/Q
- Revenue[3] up $574MM or 44% Y/Y, up $7MM Q/Q
  - NII[3] up 45% Y/Y, up 1% Q/Q
  - NIM[3] down 1 bp Y/Y, up 7 bps Q/Q, primarily due to higher net interest income in the current quarter that was offset in Corporate Services, and changes in balance sheet mix
  - NIR up 40% Y/Y mainly due to the inclusion of BOTW, down 4% Q/Q, due to lower operating lease revenue and deposit fees
- Adjusted[1] expenses up 74% Y/Y (reported up 86%), down 3% Q/Q (reported down 2%), primarily due to lower technology and employee-related costs, including severance in the prior quarter
- Total provision for credit losses $129MM (impaired provision of $109MM and performing provision of $20MM)
- Average loans & acceptances up 48% Y/Y, mainly due to Bank of the West and flat Q/Q
- Average deposits up 43% Y/Y and flat Q/Q

	Reported			Adjusted[1]		
(US$MM)[3]	Q4 23	Q3 23	Q4 22	Q4 23	Q3 23	Q4 22
Net interest income (teb)[3]	**1,570**	1,550	1,082	**1,570**	1,550	1,082
Non-interest revenue	**301**	314	215	**301**	314	215
Revenue (teb)[3]	**1,871**	1,864	1,297	**1,871**	1,864	1,297
Expenses	**1,146**	1,175	617	**1,070**	1,097	616
PPPT[2]	**725**	689	680	**801**	767	681
Total PCL (recovery)	**129**	153	46	**129**	153	46
Income before Taxes	**596**	536	634	**672**	614	635
Net Income	**486**	**431**	**488**	**543**	**489**	**489**
Net Income (CDE$)	**661**	**576**	**660**	**740**	**653**	**662**
Efficiency Ratio (%)	**61.3**	63.0	47.6	**57.1**	58.8	47.5
ROE (%)	**7.9**	6.9	17.9	**8.8**	7.9	18.0

Net Income[2] and NIM[3] Trends



1 Adjusted results and measures are non-GAAP. See slide 39 for more information and slide 40 for adjustments to reported results
2 Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. See slide 39 for more information and slide 43 for calculation of PPPT
3 Operating group revenue, NII, income taxes, income before taxes and net interest margin are stated on a taxable equivalent basis (teb). The teb adjustment (Q4'23 $7MM, Q3'23 $6MM, Q4'22 $6MM) is offset in Corporate Services. Efficiency ratio is calculated based on revenue (teb)

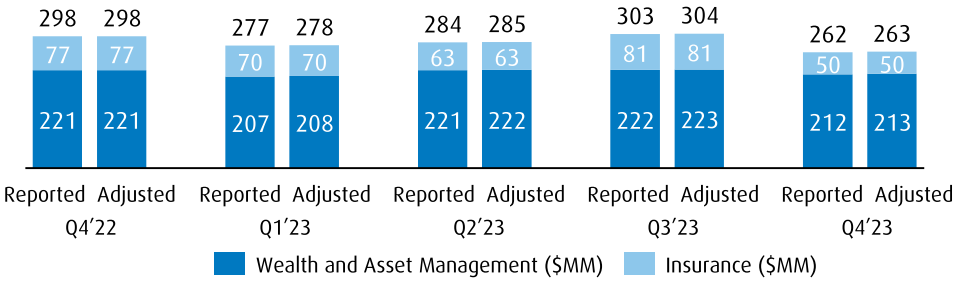
BMO Wealth Management

Good growth in client assets offset by deposit migration and higher expenses

- Adjusted[1] and reported net income down 12% Y/Y
- Wealth and Asset Management adjusted[1] net income down 3% Y/Y (reported down 4%)
  - Revenue up 8% due to BOTW; underlying performance reflects growth in client assets, partially offset by lower net interest income due to lower balances and margins
  - AUM down 2% and AUA down 4% Q/Q due to weaker global markets and attrition of lower-yielding U.S. institutional assets under administration, partially offset by favourable foreign exchange movements
- Insurance net income down 36% Y/Y due to unfavourable market movements in the current year compared with favourable movements in the prior year
- Adjusted[1] and reported expenses up 12% Y/Y primarily due to BOTW, and higher employee-related and technology costs

	Reported			Adjusted[1]		
($MM)	Q4 23	Q3 23	Q4 22	Q4 23	Q3 23	Q4 22
Gross Revenue	**1,508**	1,422	930	**1,508**	1,422	930
CCPB	**151**	4	(369)	**151**	4	(369)
Net Revenue[2]	**1,357**	1,418	1,299	**1,357**	1,418	1,299
Expenses	**1,012**	1,011	901	**1,010**	1,009	900
PPPT[3]	**345**	407	398	**347**	409	399
Total PCL (recovery)	**1**	7	3	**1**	7	3
Income before Taxes	**344**	400	395	**346**	402	396
Net Income	**262**	**303**	**298**	**263**	**304**	**298**
Wealth and Asset Management NI	**212**	222	221	**213**	223	221
Insurance NI	**50**	81	77	**50**	81	77
AUM/AUA ($B)	**749**	773	730	**749**	773	730
Efficiency Ratio[2] (%)	**74.6**	71.4	69.3	**74.4**	71.2	69.2
ROE (%)	**15.6**	17.8	21.7	**15.7**	17.8	21.8

Net Income[1] Trends



1 Adjusted results and measures are non-GAAP. See slide 39 for more information and slide 40 for adjustments to reported results
2 Reported and adjusted net revenue and measures calculated based on net revenue are non-GAAP measures. Net revenue is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Efficiency ratio is calculated based on net revenue and is also a non-GAAP measure. See slide 39 for more information and slide 42 for calculation of net revenue
3 Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. See slide 39 for more information and slide 43 for calculation of PPPT

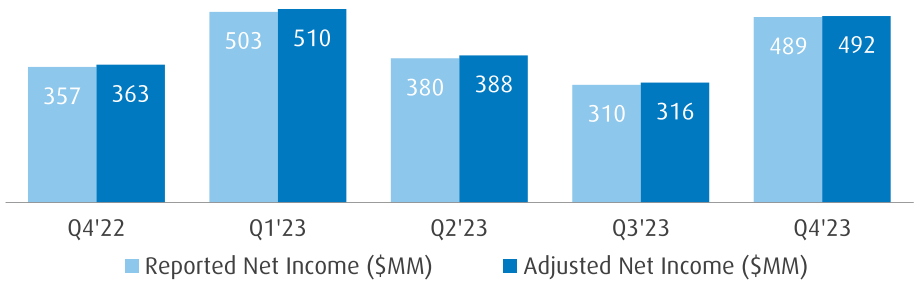
BMO Capital Markets

Strong revenue[2] and PPPT[3] performance reflect improved market conditions

- Adjusted[1] net income up 36% Y/Y (reported up 37%)
- Adjusted[1] PPPT[3] up 39% Y/Y (reported up 40%)
- Revenue[2] up 19% Y/Y:
  - Global Markets up 12% primarily due to higher equities trading revenue
  - Investment and Corporate Banking up 29% due to higher M&A and underwriting activity
- Adjusted[1] and reported expenses up 9% Y/Y driven by higher performance-based compensation, higher technology and transaction-based costs
- Total provision for credit losses of $1MM (impaired provision of $11MM and recovery on performing loans of $10MM)

	Reported			Adjusted[1]		
($MM)[2]	Q4 23	Q3 23	Q4 22	Q4 23	Q3 23	Q4 22
Global Markets	951	870	851	951	870	851
I&CB	717	608	554	717	608	554
Revenue (teb)	1,668	1,478	1,405	1,668	1,478	1,405
Expenses	1,052	1,076	965	1,048	1,067	958
PPPT[3]	616	402	440	620	411	447
Total PCL (recovery)	1	10	(18)	1	10	(18)
Income before Taxes	615	392	458	619	401	465
Net Income	489	310	357	492	316	363
U.S. Net Income ($US)	127	71	11	127	74	14
Efficiency Ratio (%)	63.1	72.8	68.8	62.8	72.2	68.3
ROE (%)	15.8	10.2	11.3	15.9	10.4	11.5

Net Income[1] Trends



1 Adjusted results and measures are non-GAAP. See slide 39 for more information and slide 40 for adjustments to reported results
2 Operating group revenue, income before taxes and income taxes are stated on a taxable equivalent basis (teb). This teb adjustment (Q4'23 $86MM, Q3'23 $81MM, Q4'22 $61MM) is offset in Corporate Services. Efficiency ratio is calculated based on revenue (teb)
3 Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. See slide 39 for more information and slide 43 for calculation of PPPT

Corporate Services

- Adjusted[1] net loss of $311MM and reported net loss of $757MM, compared with adjusted[1] net loss of $104MM and reported net income of $2,251MM in the prior year
- Reported results in the current quarter included the impact of $434MM ($583MM pre-tax) acquisition and integration costs related to Bank of the West

	Reported			Adjusted[1]		
($MM)[2]	Q4 23	Q3 23	Q4 22	Q4 23	Q3 23	Q4 22
Revenue	(141)	(152)	4,003	(127)	(11)	(23)
Group teb offset	(95)	(89)	(68)	(95)	(89)	(68)
Total Revenue (teb)	(236)	(241)	3,935	(222)	(100)	(91)
Expenses	800	686	945	215	184	133
Total PCL (recovery)	(1)	3	5	(1)	3	5
Income (loss) before Taxes	(1,035)	(930)	2,985	(436)	(287)	(229)
Net Income (Loss)	**(757)**	**(650)**	**2,251**	**(311)**	**(159)**	**(104)**
U.S. Net Income (Loss) ($US)	(258)	(176)	1,787	69	96	40

Prior period amounts have been reclassified to conform to the current period presentation
1 Adjusted results and measures are non-GAAP. See slide 39 for more information and slide 40 for adjustments to reported results
2 Operating group revenue, income before taxes, income taxes and associated measures are on a taxable equivalent basis (teb). The teb adjustment is offset in Corporate Services

Risk Review

For the Quarter Ended October 31, 2023

Piyush Agrawal
Chief Risk Officer

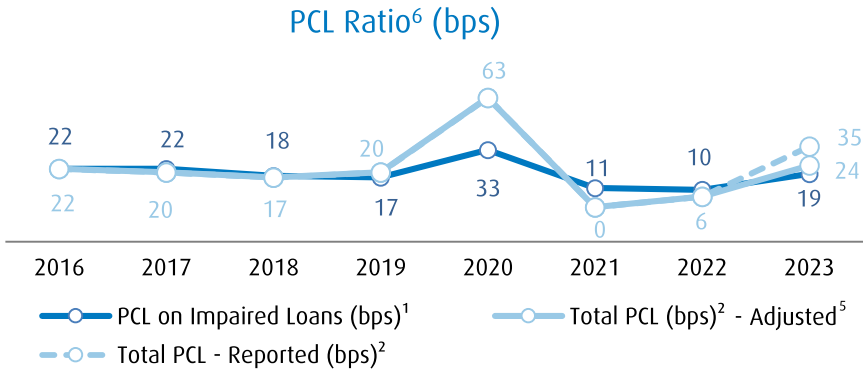
Q4 | 23

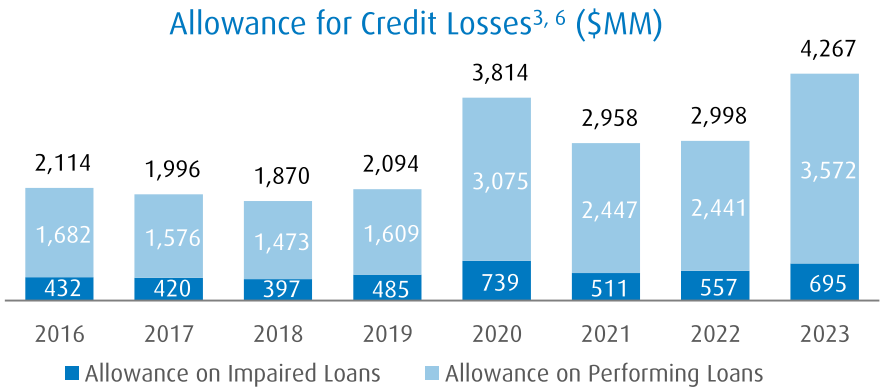
BMO

F2023 Risk Highlights

Provision for Credit Losses (PCL) by Operating Group ($MM)	F2023		F2022	
	$	Bps[1,2]	$	Bps[1,2]
Personal & Business Banking	678	32	369	19
Commercial Banking	106	10	63	7
Total Canadian P&C	**784**	**25**	**432**	**15**
Personal & Business Banking	173	41	16	8
Commercial Banking	207	14	91	8
Total U.S. P&C	**380**	**20**	**107**	**8**
BMO Wealth Management	**5**	**1**	**2**	**-**
BMO Capital Markets	**9**	**1**	**(32)**	**(5)**
Corporate Services	**2**	**n.m.**	**(7)**	**n.m.**
PCL on Impaired Loans	**1,180**	**19**	**502**	**10**
PCL on Performing Loans	**998**	**16**	**(189)**	**(4)**
Total PCL – Reported	**2,178**	**35**	**313**	**6**
BOTW – Initial Allowance[4]	**(705)**	**n.a.**		
Total PCL – Adjusted[5]	**1,473**	**24**		

- F2023 PCL on impaired loans $1.2B or 19 bps, up 9 bps Y/Y reflecting normalizing credit conditions
- F2023 total adjusted[5] PCL $1.5B or 24 bps; total reported PCL $2.2B or 35 bps



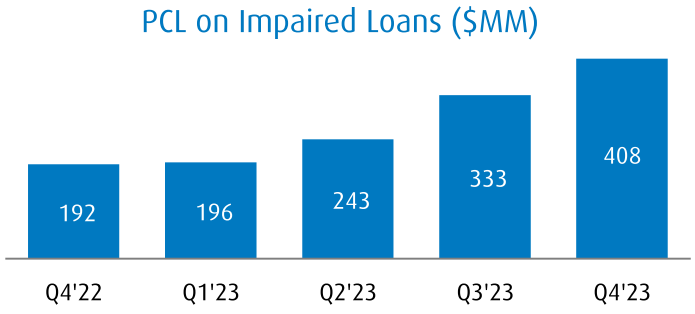


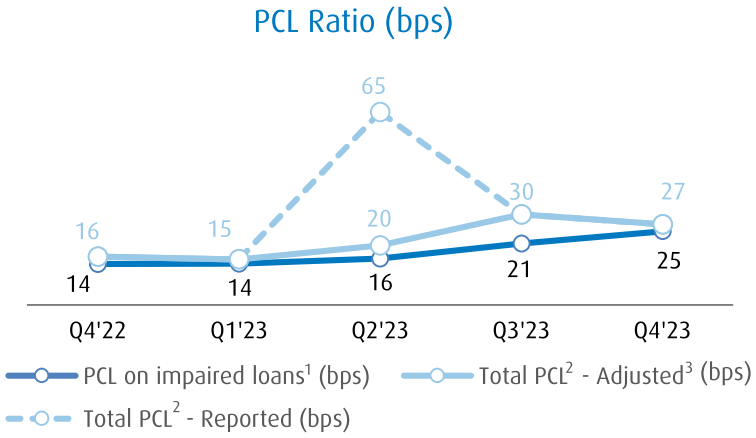
n.m. - not meaningful
1 Provision for credit losses on impaired loans over average net loans and acceptances, annualized and expressed in basis points
2 Provision for credit losses on total loans over average net loans and acceptances, annualized and expressed in basis points
3 Included other credit instruments, such as off-balance sheet items, which are recorded in Other Liabilities
4 Initial allowance for Bank of the West is as of February 1, 2023
5 Adjusted results and measures are non-GAAP. See slide 39 for more information and slide 40 for adjustments to reported results
6 The bank prospectively adopted IFRS 9, Financial Instruments for the annual period beginning on November 1, 2017

Provision for Credit Losses (PCL)

PCL By Operating Group ($MM)	Q4 23		Q3 23		Q4 22	
	$	bps[1,2]	$	bps[1,2]	$	bps[1,2]
Personal & Business Banking	206	38	174	33	117	23
Commercial Banking	42	16	35	13	25	10
Total Canadian P&C	**248**	**31**	**209**	**26**	**142**	**19**
Personal & Business Banking	64	46	55	41	10	19
Commercial Banking	83	21	64	16	37	12
Total U.S. P&C	**147**	**28**	**119**	**23**	**47**	**13**
BMO Wealth Management	**2**	**2**	**1**	**1**	**-**	**-**
BMO Capital Markets	**11**	**6**	**1**	**-**	**5**	**2**
Corporate Services	**-**	**n.m.**	**3**	**n.m.**	**(2)**	**n.m.**
PCL on Impaired Loans	**408**	**25**	**333**	**21**	**192**	**14**
PCL on Performing Loans	**38**	**2**	**159**	**10**	**34**	**2**
Total PCL – Reported	**446**	**27**	**492**	**30**	**226**	**16**

- Q4'23 PCL ratio on impaired loans[1] is 25 bps, up 4 bps Q/Q





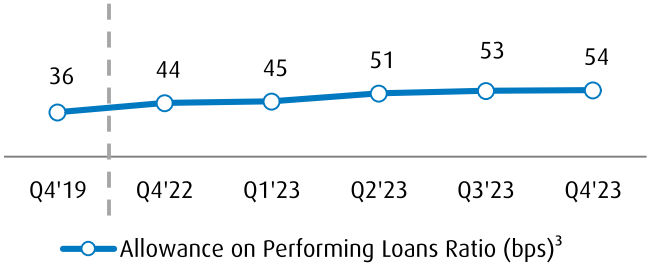
n.m. - not meaningful
1 Provision for credit losses on impaired loans over average net loans and acceptances, annualized and expressed in basis points
2 Provision for credit losses on total loans over average net loans and acceptances, annualized and expressed in basis points
3 Adjusted results and measures are non-GAAP. See slide 39 for more information and slide 40 for adjustments to reported results

Allowance and Provision on Performing Loans

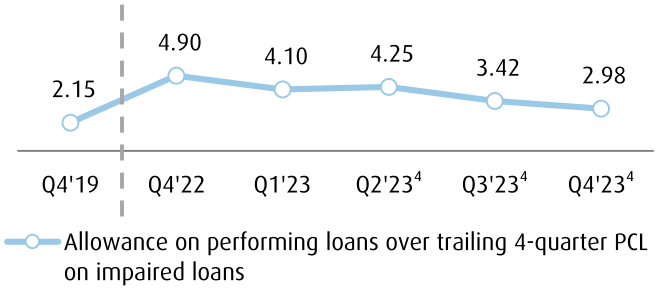
Allowance on Performing Loans (APL) and PCL on Performing Loans (PCL) By Operating Group ($MM)	Q3 23 APL[1]	Q4 23 PCL[2]	Q4 23 Foreign exchange & Other	Q4 23 APL[1]	APL to Performing Loans[3] (bps)
Personal & Business Banking	1,025	10	1	1,036	49
Commercial Banking	350	11	17	378	34
Total Canadian P&C	**1,375**	**21**	**18**	**1,414**	**44**
Personal & Business Banking	421	23	22	466	85
Commercial Banking	1,220	6	73	1,299	79
Total U.S. P&C	**1,641**	**29**	**95**	**1,765**	**81**
BMO Wealth Management	**41**	**(1)**	**1**	**41**	**10**
BMO Capital Markets	**342**	**(10)**	**19**	**351**	**42**
Corporate Services	**14**	**(1)**	**-**	**13**	**n.m.**
Total	**3,413**	**38**	**133**	**3,584**	**54**

- Q4'23 PCL on performing loans of $38MM, primarily reflecting portfolio credit migration, largely offset by an improvement in the macroeconomic outlook
- Adequate coverage for performing loans at 54 bps

Allowance on Performing Loans Ratio[3] (bps)



Impaired PCL Coverage Ratio

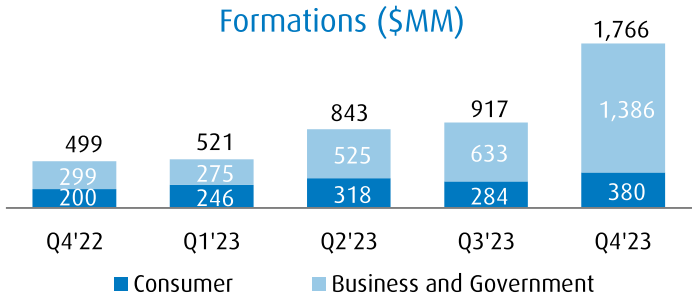


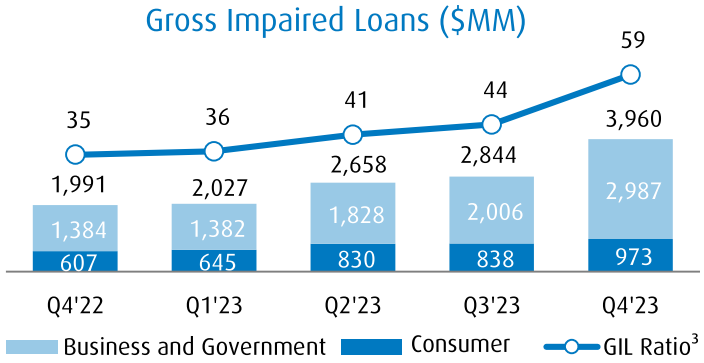
n.m. - not meaningful
1 Q3'23 and Q4'23 includes APL on other assets of $13MM and $12MM, respectively and excludes APL on securities of $6MM for both periods
2 Q4'23 PCL includes a PCL on other assets of $(1)MM and excludes PCL on securities of $(0.3)MM
3 Allowance on performing loans over total gross performing loans and acceptances, expressed in basis points
4 Trailing 4-quarter PCL on impaired loans includes Q2'23, Q3'23 and Q4'23 annualized BOTW PCL

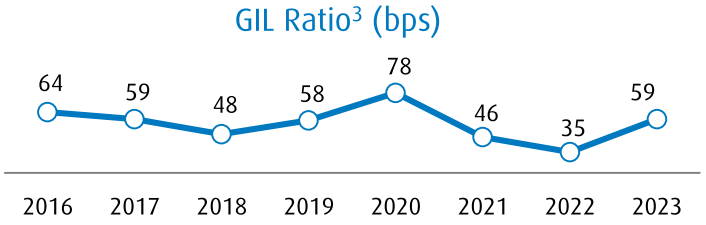
Gross Impaired Loans and Formations

By Industry ($MM, as at Q4 23)	Formations			Gross Impaired Loans		
	CA & Other	U.S.	Total	CA & Other[1]	U.S.	Total
Total Consumer	**240**	**140**	**380**	**540**	**433**	**973**
Service Industries	124	308	432	363	505	868
Retail Trade	18	129	147	181	298	479
Commercial Real Estate	121	172	293	198	240	438
Manufacturing	66	208	274	136	286	422
Wholesale Trade	15	71	86	61	182	243
Transportation	2	76	78	17	153	170
Agriculture	9	15	24	53	82	135
Construction (non-real estate)	6	33	39	63	60	123
Financial	4	8	12	10	42	52
Oil and Gas	-	-	-	-	22	22
Other Business and Government[2]	1	1	2	7	28	35
Total Business and Government	**366**	**1,020**	**1,386**	**1,089**	**1,898**	**2,987**
Total Bank	**606**	**1,160**	**1,766**	**1,629**	**2,331**	**3,960**

- Gross impaired loans (GIL) ratio[3] 59 bps, up 15 bps Q/Q mainly due to higher B&G GIL
- GIL ratio is in line with pre-pandemic levels





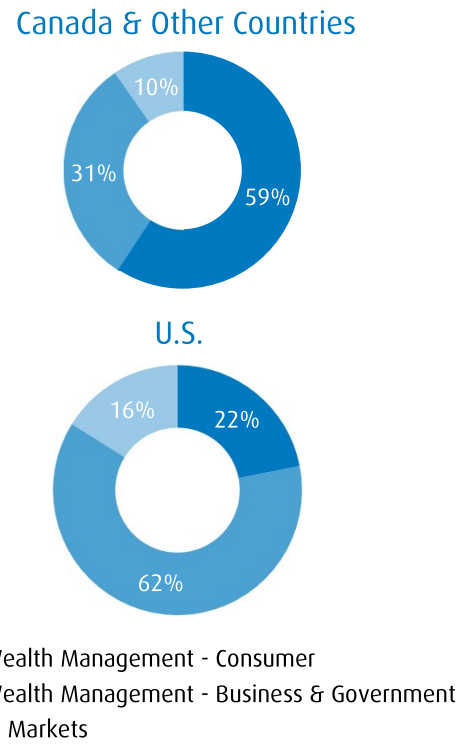


Totals may not add due to rounding
1 Total Business and Government includes no GIL from other countries
2 Other Business and Government includes industry segments that are each <1% of total GIL
3 Gross impaired loans over total gross loan and acceptances, expressed in basis points

Loan Portfolio Overview

Gross Loans & Acceptances By Industry ($B, as at Q4 23)	Canada & Other[1]	U.S.	Total BMO	% of Total
Residential Mortgages	150.6	26.7	177.3	26%
Consumer Instalment and Other Personal	70.0	34.0	104.0	16%
Credit Cards	10.9	1.4	12.3	2%
Total Consumer	**231.5**	**62.1**	**293.6**	**44%**
Financial	17.3	53.9	71.2	11%
Commercial Real Estate	34.5	35.3	69.8	10%
Service Industries	27.8	37.9	65.7	10%
Manufacturing	9.5	31.1	40.6	6%
Retail Trade	16.8	13.7	30.5	5%
Wholesale Trade	6.9	16.8	23.7	3%
Agriculture	13.1	5.3	18.4	3%
Transportation	5.1	10.6	15.7	2%
Utilities	8.2	4.0	12.2	2%
Construction (non-real estate)	2.4	5.2	7.6	1%
Oil and Gas	3.1	0.6	3.7	1%
Other Business and Government[2]	8.7	7.0	15.7	2%
Total Business and Government	**153.4**	**221.4**	**374.8**	**56%**
Total Gross Loans & Acceptances	**384.9**	**283.5**	**668.4**	**100%**

- Portfolio is well diversified by geography and industry
- Total Gross Loans & Acceptances up 4% Q/Q or 1% excluding impact of the stronger U.S. dollar

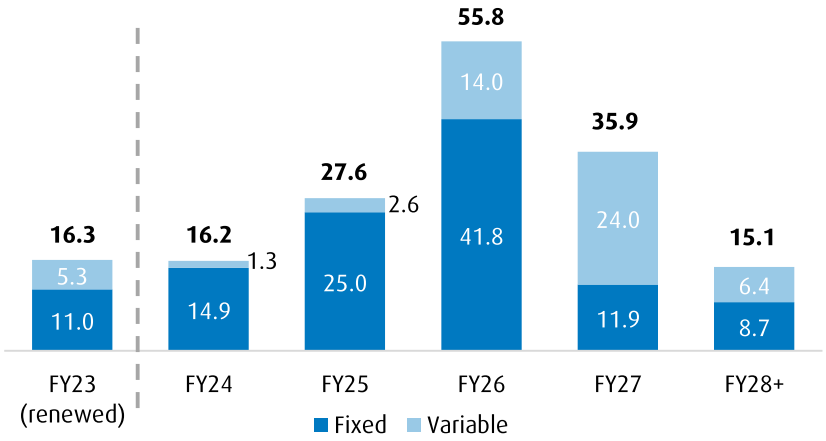


Totals may not add due to rounding
1 Includes approx. $11.7B from other countries
2 Other Business and Government includes all industry segments that are each <1% of total loans

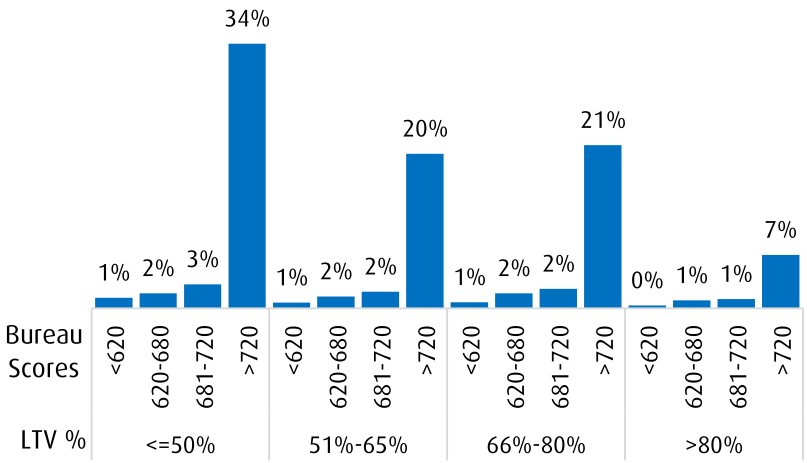
Canadian Mortgage Portfolio: Renewal profile

- The impact of higher interest rates on payments is primarily realized upon renewal for both fixed-rate and variable-rate mortgages
- Variable-rate mortgages with fixed payments are impacted through an extension of amortization until renewal. At renewal, the product reverts to the original amortization schedule, which may require additional payments
- $29.9B of mortgages in negative amortization, ~62% of total variable-rate mortgages and ~20% of the total portfolio
- Only 11% or $16.2B in mortgage balances are renewing in the next 12 months, with an average FICO of 790 and LTV of 43%; over 70% of mortgages renew after F2025
- Renewing customers experienced an increase to their regular payments of 22% for variable mortgages and 21% for fixed mortgages in F2023

Mortgage Maturity Schedule ($150.6Bn)



Mortgage LTV by Bureau Scores



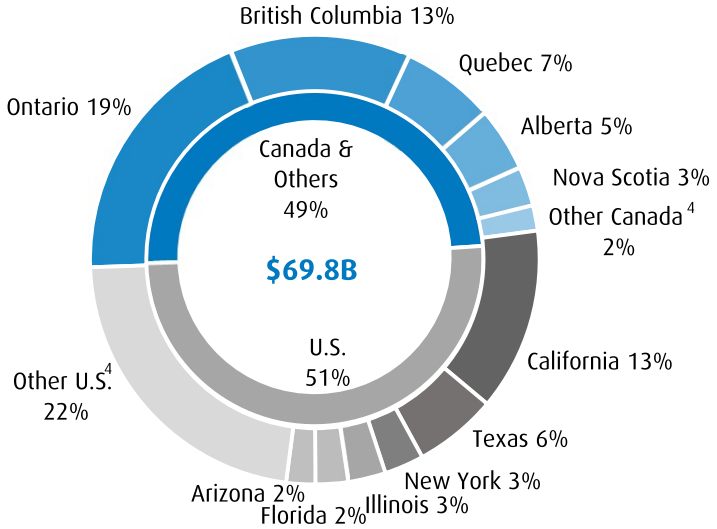
Appendix

BMO

Commercial Real Estate

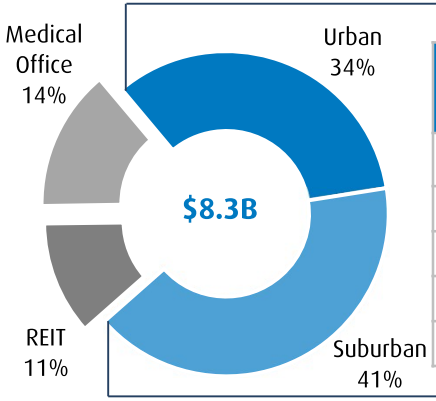
- Commercial Real Estate (CRE) portfolio at $69.8B represents 10% of Total bank Gross Loans & Acceptances (GL&A)
- CRE GL&A up 5% Q/Q or 2% excluding impact of the stronger U.S. dollar
- Portfolio is well diversified across businesses, property types and geographies
- Well managed with consistent and conservative underwriting standards resulting in strong credit quality; investment grade (57%), with low watchlist (2%) and impaired (0.6%)

CRE by Geography[2]



CRE diversification by property type ($B)			
Property Type	**Canada & Others**	**U.S.**	**Total**
Multi-Residential	10.8	6.8	17.6
Industrial	5.9	6.9	12.8
Single Family Residence	6.0	3.1	9.1
Office[1]	2.4	5.9	8.3
Retail	3.2	3.8	7.0
Hospitality, Healthcare & Diversified REITs	0.8	3.5	4.3
Mixed Use	3.1	0.6	3.7
Other[3]	2.3	4.7	7.0
Total Commercial Real Estate	**34.5**	**35.3**	**69.8**
Total Gross Loans and Acceptances	**384.9**	**283.5**	**688.4**

Traditional Office



Top 5 Cities

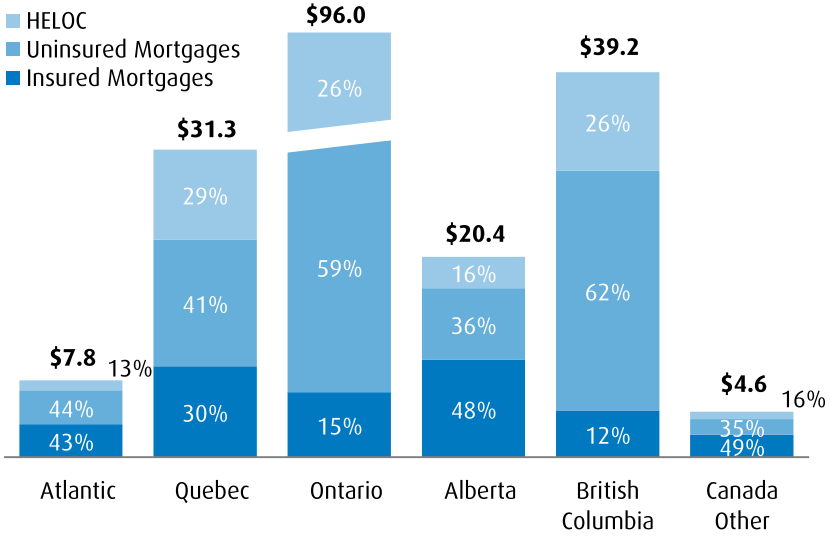
Cities	GL&A ($B)
Los Angeles, CA	0.42
Sacramento, CA	0.37
Bellevue, WA	0.27
New York, NY	0.20
Calgary, AB	0.19

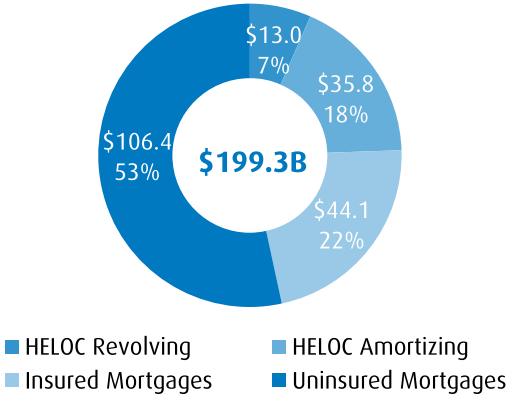
Totals may not add due to rounding
1 GL&A in Office has been revised to better align with the sub-property type within the CRE portfolio
2 Based on the location of the collateral or the borrower for REITs
3 Other includes Commercial Real Estate loans for self-storage, parking, marinas and other minor sub-categories
4 Other U.S. and Other Canada includes geographies that are each less than 2% of the total CRE GL&A

Canadian Residential Secured Lending Portfolio Overview

- Total Canadian residential-secured lending portfolio at $199.3B, representing 30% of total loans
  - LTV[1] on uninsured of 50%
  - 90-day delinquency rate for RESL remains good at 14 bps; loss rates for the trailing 4 quarter period were less than 1 bp
- 2% of uninsured RESL balances are to borrowers with <680 FICO and >70% LTV[1]
- Residential mortgage portfolio of $150.6B
  - 29% of portfolio insured
  - LTV[1] on uninsured of 54%
  - 55% of the mortgage portfolio has an effective remaining amortization of 25 years or less
- HELOC portfolio of $48.7B outstanding of which 73% is amortizing
- Condo Mortgage portfolio is $23.2B with 26% insured
- GTA and GVA portfolios demonstrate better LTV[1], delinquency rates and bureau scores compared to the national average

Residential-Secured Lending by Region ($199.3B)

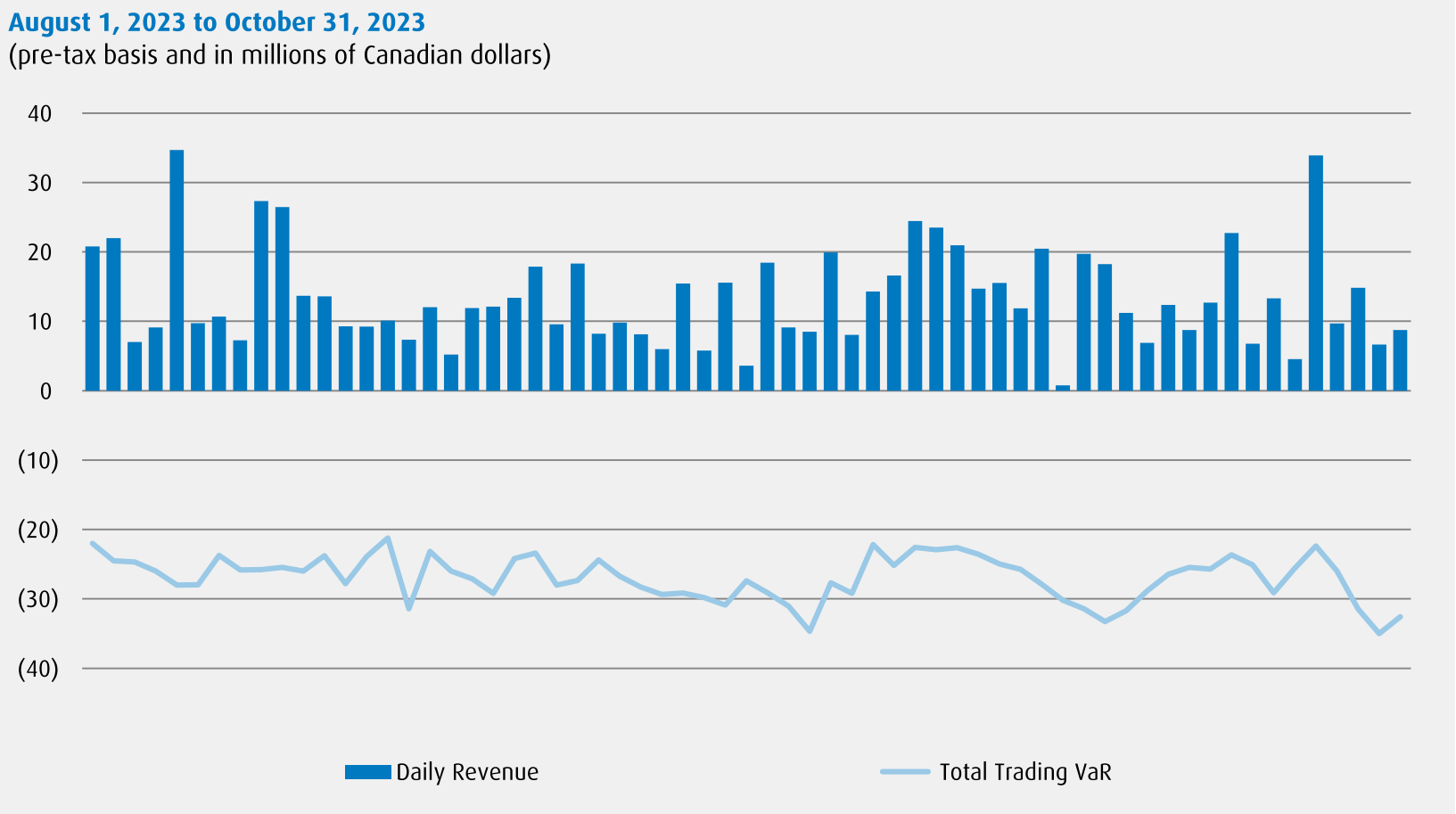




Avg. LTV[1] Uninsured		Atlantic	Quebec	Ontario	Alberta	British Columbia	Canada Other	Total Canada
Mortgage	Portfolio	54%	56%	55%	57%	50%	54%	54%
	Origination[2]	71%	71%	69%	72%	67%	73%	70%
HELOC	Portfolio	45%	49%	44%	50%	43%	45%	45%
	Origination[2]	59%	68%	58%	61%	58%	66%	60%

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.
2 Origination LTV based on the originations originated within the quarter

Trading-Related Net Revenue and Value-at-Risk



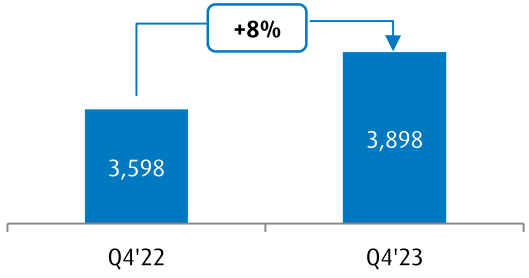
Advancing our Digital First strategy

Continuing to deliver on our Digital First agenda

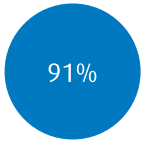
- **Drove a successful conversion of the Bank of the West** customer accounts and systems to BMO, with strong early results on digital adoption and engagement
- **Launched a new mobile app in Canada**, converging with our award-winning desktop platform driving improved customer experience and efficiency
- Announced a partnership with Modern Treasury in the U.S. to **help commercial clients seamlessly manage** and track their complex, high volume payment flows
- Added **new seamless and efficient functionality for U.S. customers enabling full balance transfer** functionality from an external bank to their new BMO account

Driving digital engagement

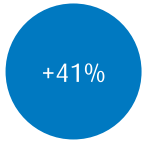
Active Digital Users, Retail (000)[1]



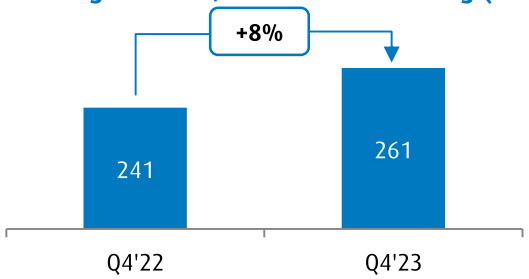
Self-Serve Transaction (%)[2]



Digital Sales Growth (%)[3]



Active Digital Users, Commercial Banking (000)[4]



Recognized for industry leadership

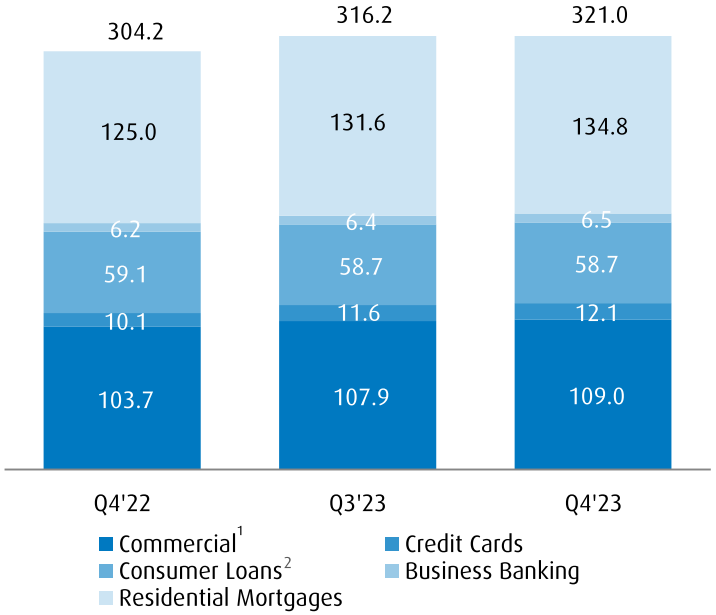
- Ranked **first in customer satisfaction with online banking** in the J.D. Power[5] 2023 Canada Online Banking Satisfaction Study
- Awarded the 2023 BAI Global Innovation Award for Innovation in Retail Customer Experience for **BMO New to Canada pre-arrival account opening**
- **Recognized for artificial intelligence and advanced analytics** by Datos Insights, with the 2023 Impact Innovation Award in Cash Management and Payments
- Awarded the **Outstanding Machine Learning Initiative** from Digital Banker's 2023 Global Retail Banking Innovation Awards

BAI

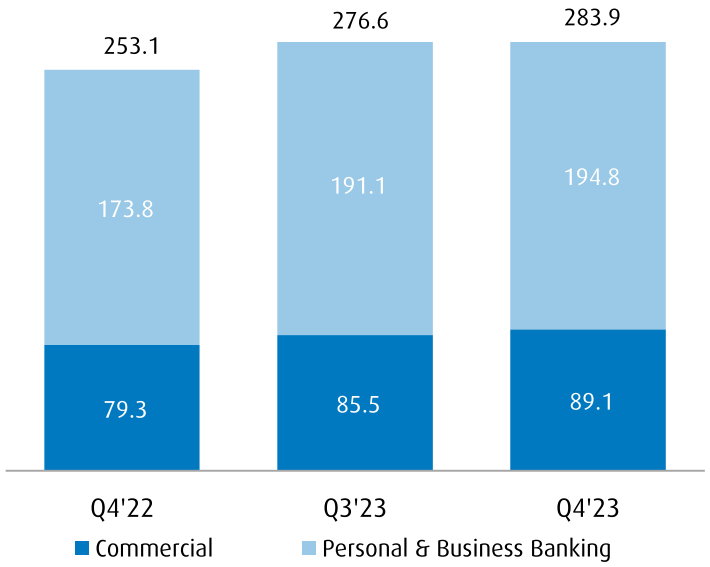
Data does not include Bank of the West
1 Active digital users is number of retail deposit customers in North America that logged into online or mobile in the last 90 days
2 Self-serve transactions are transactions that occur in online, mobile, ATM, telephone banking; August 2023 – October 2023
3 Digital sales is 12 month rolling average for the 12 months preceding the end of the fiscal quarter and include chequing, savings, credit card, loans, mortgage, overdraft (CAD) and CD, MM (US); % growth is Q4'23 over Q4'22
4 OLBB clients in North American commercial, corporate and business banking
5 For more information, refer to www.jdpower.com/business

Canadian Personal & Commercial Banking – Balances

Average Gross Loans & Acceptances ($B)



Average Deposits ($B)



- Average loans up 6% Y/Y and 2% Q/Q
  - Residential Mortgages (including amortizing HELOC) up 7% Y/Y and 2% Q/Q
  - Cards up 20% Y/Y and 5% Q/Q
  - Business Banking up 4% Y/Y and 2% Q/Q
  - Commercial[1] up 5% Y/Y and 1% Q/Q
- As at loans up 5% Y/Y and 1% Q/Q

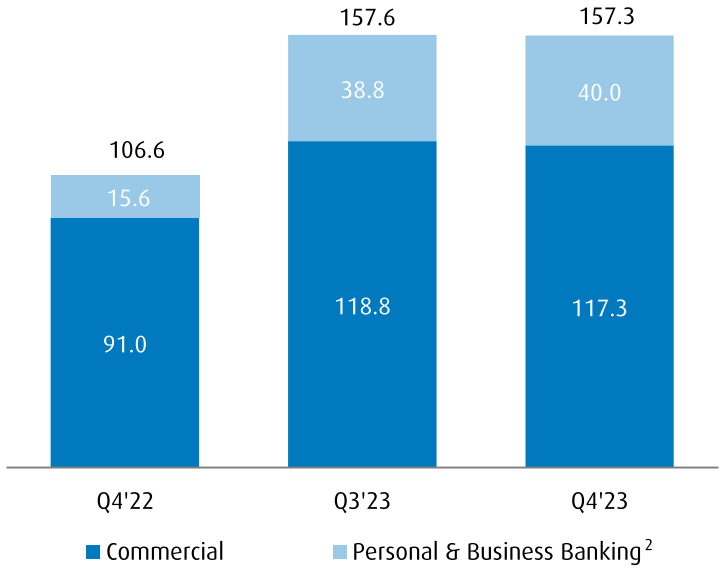
- Average deposits up 12% Y/Y and 3% Q/Q
  - Personal & Business Banking up 12% Y/Y and 2% Q/Q
    - Chequing and Savings down 11% Y/Y and 3% Q/Q
    - Term up 43% Y/Y and 6% Q/Q
  - Commercial up 12% Y/Y and 4% Q/Q
- As at deposits up 11% Y/Y and 2% Q/Q

1 Commercial lending excludes commercial and small business cards. Commercial and small business cards balances represented 13% of total credit card portfolio in Q4'23, Q3'23 and Q4'22
2 Consumer loans includes Indirect Auto loans Q4'23 $6.8B, Q3'23 $7.4B, and Q4'22 $8.9B

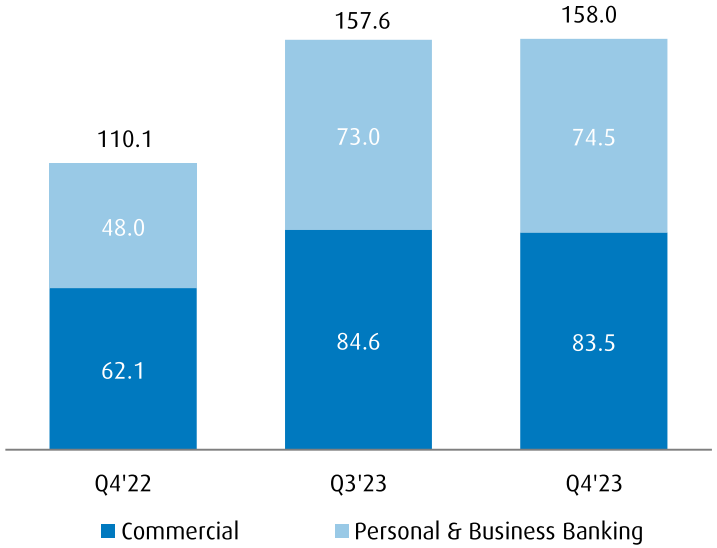
U.S. Personal & Commercial Banking – Balances

Amounts on this slide are in U.S. dollars[1]

Average Gross Loans & Acceptances (US$B)



Average Deposits (US$B)



- Average loans & acceptances up 48% Y/Y primarily due to Bank of the West and flat Q/Q
  - Commercial up 29% Y/Y and down 1% Q/Q
  - Personal & Business Banking up 100+% Y/Y and up 3% Q/Q
- As at loans & acceptances up 47% Y/Y and up 2% Q/Q

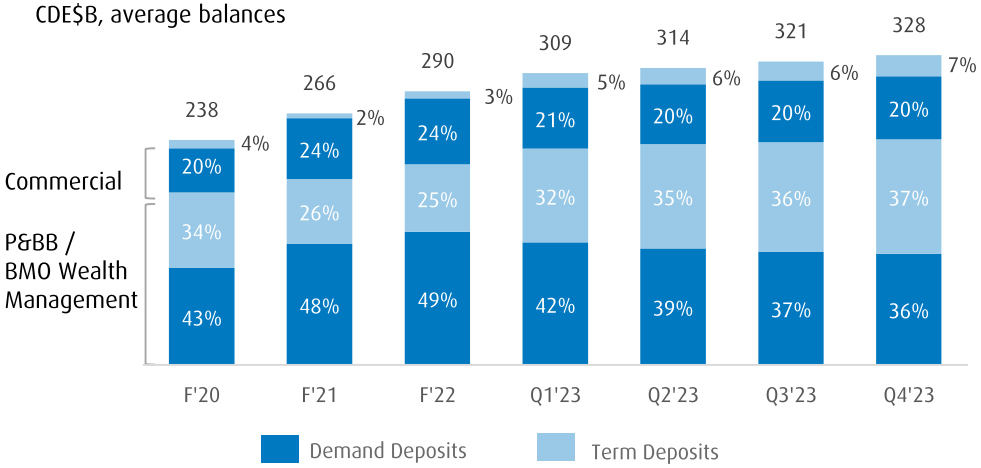
- Average deposits up 43% Y/Y and flat Q/Q
  - Commercial up 34% Y/Y and down 1% Q/Q
  - Personal & Business Banking up 55% Y/Y and up 2% Q/Q
- As at deposits up 43% Y/Y and up 1% Q/Q

1 Average FX rates (CDN/US dollar): Q4'23 1.3648, Q3'23 1.3331, and Q4'22 1.3516
2 Personal & Business Banking includes Indirect Auto loans: Q4'23 US$4.5B, Q3'23 US$4.8B, and Q4'22 US$5.9B

Canadian and U.S. deposit trends

Canadian P&C and BMO Wealth Management deposits

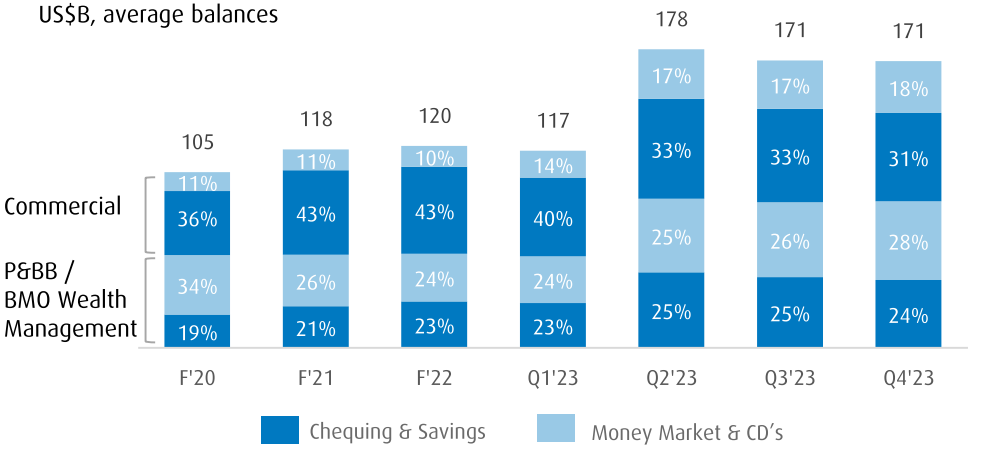
CDE$B, average balances



- Continued strong balance growth through customer acquisition, a comprehensive onboarding program and new products and tools
- Continued customer balance shift to term deposits given the significant increase in interest rates

U.S. P&C and BMO Wealth Management deposits

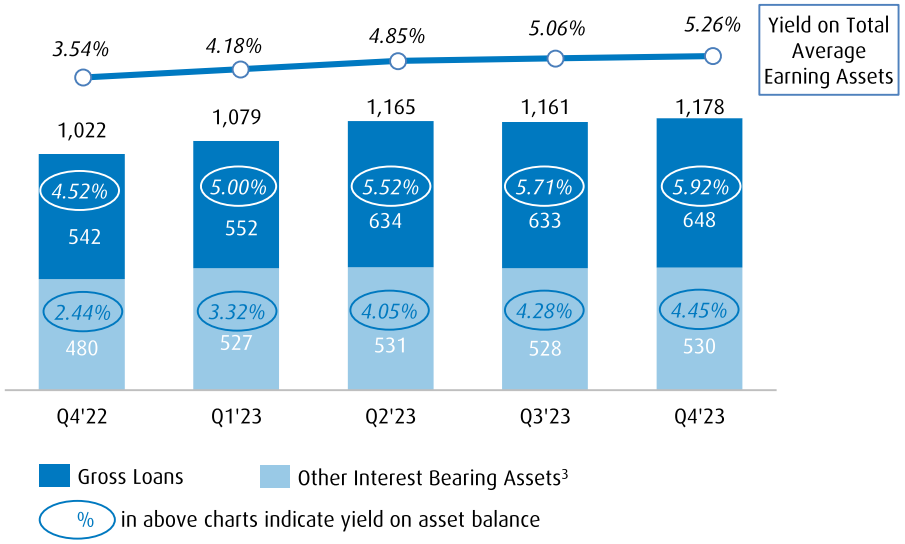
US$B, average balances



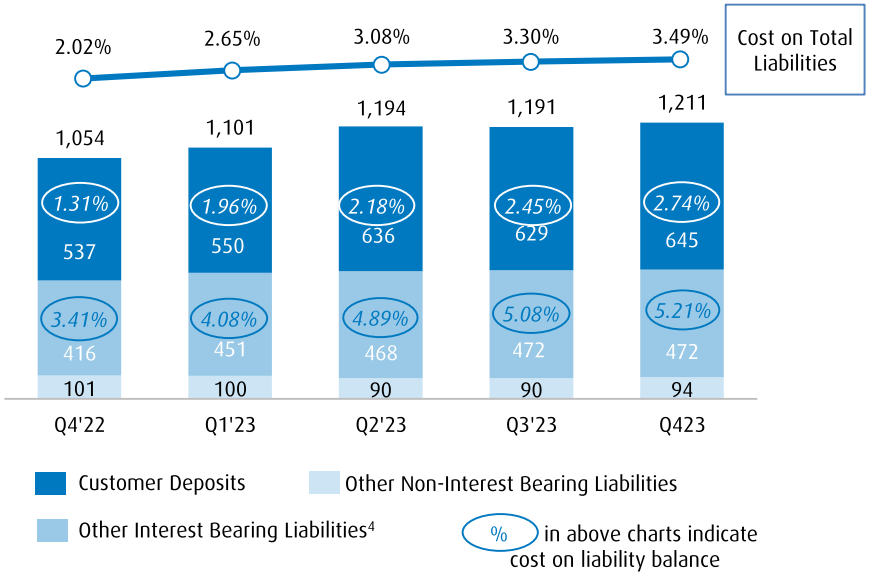
- Deposits are well-diversified, further enhanced by Bank of the West starting Q2'23
- Continued to grow new customers and deposits through competitive tools, products and channels, including national digital retail banking and treasury and payments solutions platforms
- Recent decline primarily reflects industry trends and expected decline in surge deposits, while remaining well above pre-pandemic levels

Asset Yields[1] and Liabilities Costs[2]

Average Earning Assets ($B) and Yield[1] (%)



Average Liabilities ($B) and Costs[2] (%)



Prior periods have been reclassified to conform with current period presentation

1 Gross loan yield is calculated as interest income on loans as a percentage of average gross loans

2 Liabilities Cost is calculated as total interest expense as a percentage of average liabilities

3 Other interest bearing assets balances include deposits with other banks, securities, securities borrowed or purchased under resale agreements and other interest bearing assets. Yield on other interest bearing assets is calculated as interest and dividend income on deposits with other banks, securities, securities borrowed or purchased under resale agreements and other interest bearing assets as a percentage of associated average balances

4 Other interest bearing liabilities balances include wholesale funding, securities sold but not yet purchased and securities lent or sold, subordinated debt and other interest bearing liabilities. Cost on other interest bearing liabilities is calculated as interest expense on wholesale funding, securities sold but not yet purchased and securities lent or sold, subordinated debt and other interest bearing liabilities as a percentage of associated average balances

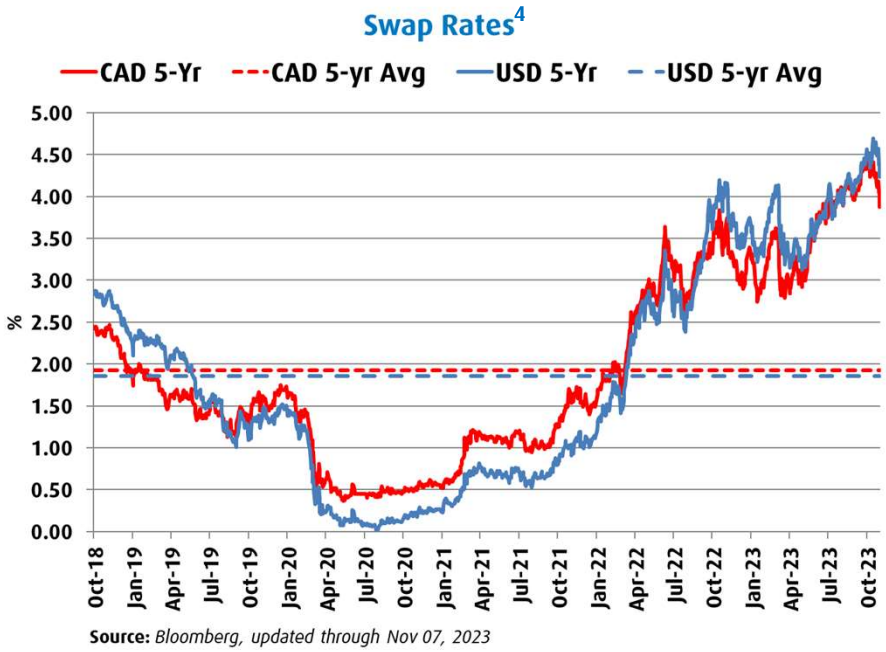
Interest Rate Sensitivity

- Year 1 benefit to an incremental +100bps rate shock decreased modestly Q/Q, reflecting a relatively neutral positioning
- Year 2 benefit to rising rates (+100bps) of approximately $600MM driven by long rates and the continued reinvestment of capital and deposits
- Effective deposit betas remained at elevated levels in Q4, as customers continued to rotate into higher rate products, both on and off-balance sheet
  - Cumulative effective deposit beta[3] for this interest rate cycle has been approximately 53%, comparable to our modeled assumptions

Earnings sensitivities over the next 12 months[1]

Q4'23 Pre-Tax CDE ($MM)	+100 bps	-100 bps	-25 bps
Canada[2]	31	(36)	(9)
U.S.	273	(289)	(74)
Total	**304**	**(325)**	**(83)**

- Term rates increased in Q4'23 to historical highs and continue to be volatile
- Sustained higher long-term investment rates continue to support NIM going forward, providing some offset to increased pricing pressure on deposit products



Source: *Bloomberg, updated through Nov 07, 2023*

This slide contains forward-looking statements. Refer to the Caution Regarding Forward-Looking Statements on slide 2
1 For more details see the Structural (Non-Trading) Market Risk section of BMO's 2023 Annual MD&A
2 Includes Canadian dollar and other currencies
3 Includes impact of deposit rotation out of non-interest bearing into interest bearing, as well as net deposit declines in the U.S.
4 Chart displays historical CORRA swap rates and SOFR swap rates

Non-GAAP and Other Financial Measures

Results and measures in this document are presented on a generally accepted accounting principles (GAAP) basis. Unless otherwise indicated, all amounts are in Canadian dollars and have been derived from our audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. References to GAAP mean IFRS. We use a number of financial measures to assess our performance, as well as the performance of our operating segments, including amounts, measures and ratios that are presented on a non-GAAP basis. We believe that these non-GAAP amounts, measures and ratios, read together with our GAAP results, provide readers with a better understanding of how management assesses results.

Management considers both reported and adjusted results and measures to be useful in assessing underlying ongoing business performance. Adjusted results and measures remove certain specified items from revenue, non-interest expense and income taxes, as detailed on slide 40. Adjusted results and measures presented in this document are non-GAAP amounts. Presenting results on both a reported basis and an adjusted basis permits readers to assess the impact of certain items on results for the periods presented, and to better assess results excluding those items that may not be reflective of ongoing business performance. As such, the presentation may facilitate readers' analysis of trends. Except as otherwise noted, management's discussion of changes in reported results in this document applies equally to changes in the corresponding adjusted results.

Non-GAAP amounts, measures and ratios do not have standardized meanings under GAAP. They are unlikely to be comparable to similar measures presented by other companies and should not be viewed in isolation from, or as a substitute for, GAAP results.

Examples of non-GAAP amounts, measures or ratios include: efficiency, leverage and PCL ratios and growth rates calculated using revenue presented net of CCPB; pre-provision pre-tax income; tangible common equity; amounts presented net of applicable taxes; adjusted net income, revenues, non-interest expenses, provision for credit losses, earnings per share, ROE, and other adjusted measures which exclude the impact of certain items such as acquisition and integration costs, amortization of acquisition-related intangible assets, impact of divestitures, restructuring costs, management of fair value changes on the purchase of Bank of the West, and initial provision for credit losses on Bank of the West purchased loan portfolio. BMO provides supplemental information on combined operating segments to facilitate comparisons to peers.

Certain information contained in BMO's Management's Discussion and Analysis dated December 1, 2023, for the fiscal year ended October 31, 2023 ("2023 Annual MD&A") is incorporated by reference into this document, including the Summary Quarterly Earnings Trend section in the 2023 Annual MD&A. Quantitative reconciliations of non-GAAP and other financial measures to the most directly comparable financial measures in BMO's financial statements for the period ended October 31, 2023, an explanation of how non-GAAP and other financial measures provide useful information to investors and any additional purposes for which management uses such measures, can be found in the Non-GAAP and Other Financial Measures section of the 2023 Annual MD&A. Further information regarding the composition of our non-GAAP and other financial measures is provided in the Glossary of Financial Terms section of the 2023 Annual MD&A. The 2023 Annual MD&A is available on the Canadian Securities Administrators' website at www.sedarplus.ca and BMO's website at www.bmo.com/investorrelations.

Non-GAAP and Other Financial Measures[8]

(Canadian $ in millions, except as noted)		Q4 23	Q3 23	Q2 23	F2023	F2022
Reported Results	Net interest income	4,941	4,905	3,767	18,681	15,885
	Non-interest revenue	3,419	3,024	6,803	12,518	17,825
	Revenue	8,360	7,929	10,570	31,199	33,710
	Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	(151)	(4)	369	(1,939)	683
	Revenue, net of CCPB	8,209	7,925	10,939	29,260	34,393
	Provision for credit losses	(446)	(492)	(226)	(2,178)	(313)
	Non-interest expense	(5,700)	(5,594)	(4,776)	(21,219)	(16,194)
	Income before income taxes	2,063	1,839	5,937	5,863	17,886
	Provision for income taxes	(446)	(385)	(1,454)	(1,486)	(4,349)
	Net income	1,617	1,454	4,483	4,377	13,537
	Diluted EPS ($)	2.06	1.97	6.51	5.68	19.99
Adjusting Items (Pre-tax)	Impact of divestitures (1)	—	—	—	—	(21)
	Management of fair value changes on the purchase of Bank of the West (2)	—	—	4,541	(2,011)	7,713
	Legal provision (including related interest expense and legal fees) (3)	(14)	(3)	(515)	(30)	(515)
	Impact of Canadian tax measures (4)	—	(138)	—	(138)	—
	Impact of adjusting items on revenue (pre-tax)	(14)	(141)	4,026	(2,179)	7,177
	Initial provision for credit losses on purchased performing loans (pre-tax) (5)	—	—	—	(705)	—
	Acquisition and integration costs (6)	(582)	(497)	(193)	(2,045)	(326)
	Amortization of acquisition-related intangible assets (7)	(119)	(115)	(8)	(357)	(31)
	Impact of divestitures (1)	—	—	6	—	(16)
	Legal provision (including related interest expense and legal fees) (3)	(2)	7	(627)	3	(627)
	Impact of Canadian tax measures (4)	—	(22)	—	(22)	—
	Impact of adjusting items on non-interest expense (pre-tax)	(703)	(627)	(822)	(2,421)	(1,000)
	Impact of adjusting items on reported net income (pre-tax)	(717)	(768)	3,204	(5,305)	6,177
Adjusting Items (After-tax)	Impact of divestitures (1)	—	—	—	—	(23)
	Management of fair value changes on the purchase of Bank of the West (2)	—	—	3,336	(1,461)	5,667
	Legal provision (including related interest expense and legal fees) (3)	(10)	(2)	(382)	(23)	(382)
	Impact of Canadian tax measures (4)	—	(115)	—	(115)	—
	Impact of adjusting items on revenue (after-tax)	(10)	(117)	2,954	(1,599)	5,262
	Initial provision for credit losses on purchased performing loans (after-tax) (5)	—	—	—	(517)	—
	Acquisition and integration costs (6)	(433)	(370)	(145)	(1,533)	(245)
	Amortization of acquisition-related intangible assets (7)	(88)	(85)	(6)	(264)	(23)
	Impact of divestitures (1)	—	—	8	—	(32)
	Legal provision (including related interest expense and legal fees) (3)	(2)	5	(464)	2	(464)
	Impact of Canadian tax measures (4)	—	(16)	—	(16)	—
	Impact of adjusting items on non-interest expense (after-tax)	(523)	(466)	(607)	(1,811)	(764)
	Impact of Canadian tax measures (4)	—	—	—	(371)	—
	Impact of adjusting items on reported net income (after-tax)	(533)	(583)	2,347	(4,298)	4,498
	Impact on diluted EPS ($)	(0.75)	(0.81)	3.47	(6.05)	6.76
Adjusted Results	Net interest income	4,955	4,908	4,439	19,094	16,352
	Non-interest revenue	3,419	3,162	2,105	14,284	10,181
	Revenue	8,374	8,070	6,544	33,378	26,533
	Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	(151)	(4)	369	(1,939)	683
	Revenue, net of CCPB	8,223	8,066	6,913	31,439	27,216
	Provision for credit losses	(446)	(492)	(226)	(1,473)	(313)
	Non-interest expense	(4,997)	(4,967)	(3,954)	(18,798)	(15,194)
	Income before income taxes	2,780	2,607	2,733	11,168	11,709
	Provision for income taxes	(630)	(570)	(597)	(2,493)	(2,670)
	Net income	2,150	2,037	2,136	8,675	9,039
	Diluted EPS ($)	2.81	2.78	3.04	11.73	13.23

(1) Reported net income in fiscal 2022 included the impact of divestitures related to the sale of our EMEA and U.S. Asset Management businesses, recorded in Corporate Services: Q4-2022 included a $8 million ($6 million pre-tax) recovery of non-interest expense; Q3-2022 included non-interest expense of $6 million ($7 million pre-tax); Q2-2022 included a loss of $9 million ($10 million pre-tax), comprising a gain of $8 million related to the transfer of certain U.S. asset management clients recorded in non-interest revenue and non-interest expense of $18 million; and Q1-2022 included a loss of $48 million ($26 million pre-tax), comprising a $29 million loss related to foreign currency translation reclassified from accumulated other comprehensive income to non-interest revenue, and a $3 million net recovery of non-interest expense, including taxes of $22 million on the closing of the sale of our EMEA Asset Management businesses.
(2) Reported net income included revenue (losses) related to the acquisition of Bank of the West resulting from the management of the impact of interest rate changes between the announcement and closing of the acquisition on its fair value and goodwill, recorded in Corporate Services: Q1-2023 included a loss of $1,461 million ($2,011 million pre-tax), comprising $1,628 million of mark-to-market losses on certain interest rate swaps recorded in non-interest trading revenue and $383 million of losses on a portfolio of primarily U.S. treasuries and other balance sheet instruments recorded in net interest income; Q4-2022 included revenue of $3,336 million ($4,541 million pre-tax), comprising $4,698 million of mark-to-market gains and $157 million of net interest losses; Q3-2022 included a loss of $694 million ($945 million pre-tax), comprising $983 million of mark-to-market losses and $38 million of net interest income; Q2-2022 included revenue of $2,612 million ($3,555 million pre-tax), comprising $3,433 million of mark-to-market gains and $122 million net interest income; and Q1-2022 included revenue of $413 million ($562 million pre-tax), comprising $517 million of mark-to-market gains and $45 million of net interest income.
(3) Reported net income included the impact of a lawsuit associated with a predecessor bank, M&I Marshall and Ilsley Bank, recorded in Corporate Services: Q4-2023 included $12 million ($16 million pre-tax), comprising interest expense of $14 million and non-interest expense of $2 million; Q3-2023 included a net recovery of $3 million ($4 million pre-tax), comprising interest expense of $3 million and a non-interest expense recovery of $7 million; Q2-2023 included interest expense of $6 million ($7 million pre-tax); Q1-2023 included $6 million ($8 million pre-tax), comprising interest expense of $6 million and non-interest expense of $2 million; and Q4-2022 included a legal provision of $846 million ($1,142 million pre-tax), comprising interest expense of $515 million and non-interest expense of $627 million.
(4) Reported net income included the impact of certain tax measures enacted by the Canadian government, recorded in Corporate Services: Q3-2023 included a charge of $131 million ($160 million pre-tax) related to the amended GST/HST definition for financial services, comprising $138 million recorded in non-interest revenue and $22 million recorded in non-interest expense; and Q1-2023 included a one-time tax expense of $371 million, comprising a Canada Recovery Dividend (CRD) of $312 million and $59 million related to the pro-rated fiscal 2022 impact of the 1.5% tax rate increase, net of a deferred tax asset remeasurement.
(5) Reported net income in Q2-2023 included an initial provision for credit losses of $517 million ($705 million pre-tax) on the purchased Bank of the West performing loan portfolio, recorded in Corporate Services.
(6) Reported net income included acquisition and integration costs, recorded in non-interest expense. Costs related to the acquisition of Bank of the West were recorded in Corporate Services: In fiscal 2023, Q4-2023 included $434 million ($583 million pre-tax), Q3-2023 included $363 million ($487 million pre-tax), Q2-2023 included $545 million ($722 million pre-tax), and Q1-2023 included $178 million ($235 million pre-tax); and in fiscal 2022, Q4-2022 included $143 million ($191 million pre-tax), Q3-2022 included $61 million ($82 million pre-tax), Q2-2022 included $26 million ($35 million pre-tax) and Q1-2022 included $7 million ($8 million pre-tax). Costs related to the acquisitions of Radicle and Clearpool were recorded in BMO Capital Markets: In fiscal 2023, Q4-2023 included a recovery of $2 million ($3 million pre-tax), Q3-2023 included $1 million ($2 million pre-tax), Q2-2023 included $2 million ($2 million pre-tax), Q1-2023 included $3 million ($4 million pre-tax); and in fiscal 2022, Q4-2022 included $2 million ($2 million pre-tax), Q3-2022 included $1 million ($2 million pre-tax), Q2-2022 included $2 million ($2 million pre-tax) and Q1-2022 included $3 million ($4 million pre-tax). Costs related to the acquisition of AIR MILES were recorded in Canadian P&C: In fiscal 2023, Q4-2023 included $1 million ($2 million pre-tax), Q3-2023 included $6 million ($8 million pre-tax) and Q2-2023 included $2 million ($3 million pre-tax).
(7) Reported net income included amortization of acquisition-related intangible assets recorded in non-interest expense in the related operating group: Q4-2023 included $88 million ($119 million pre-tax), Q3-2023 and Q2-2023 both included $85 million ($115 million pre-tax); Q1-2023 included $6 million ($8 million pre-tax); Q4-2022 included $6 million ($8 million pre-tax); Q3-2022 included $5 million ($7 million pre-tax); and Q2-2022 and Q1-2022 both included $6 million ($8 million pre-tax).
(8) For more information, refer to slide 39 and the Non-GAAP and Other Financial Measures section of BMO's 2023 Annual MD&A

Summary of Reported and Adjusted Results by Operating Group

(Canadian $ in millions unless otherwise stated)		Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	F2023	F2022
Canadian P&C	Reported Net Income	962	915	861	980	917	3,718	3,826
	Acquisition and integration costs	1	6	2	—	—	9	—
	Amortization of acquisition-related intangible assets	3	2	1	—	—	6	1
	Adjusted Net Income	966	923	864	980	917	3,733	3,827
U.S. P&C (USD)	Reported Net Income	486	431	581	520	488	2,018	1,933
	Amortization of acquisition-related intangible assets	57	58	57	1	1	173	4
	Adjusted Net Income	543	489	638	521	489	2,191	1,937
BMO Wealth Management	Reported Net Income	262	303	284	277	298	1,126	1,251
	Amortization of acquisition-related intangible assets	1	1	1	1	—	4	3
	Adjusted Net Income	263	304	285	278	298	1,130	1,254
BMO Capital Markets	Reported Net Income	489	310	380	503	357	1,682	1,772
	Acquisition and integration costs	(2)	1	2	3	2	4	8
	Amortization of acquisition-related intangible assets	5	5	6	4	4	20	14
	Adjusted Net Income	492	316	388	510	363	1,706	1,794
Corporate Services	Reported Net Income (loss)	(757)	(650)	(1,255)	(2,211)	2,251	(4,873)	4,191
	Impact of divestitures	—	—	—	—	(8)	—	55
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	1,461	(3,336)	1,461	(5,667)
	Acquisition and integration costs	434	363	545	178	143	1,520	237
	Legal provision (including related interest expense and legal fees)	12	(3)	6	6	846	21	846
	Impact of Canadian tax measures	—	131	—	371	—	502	—
	Initial provision for credit losses on purchased performing loans	—	—	517	—	—	517	—
	Adjusted Net Income	(311)	(159)	(187)	(195)	(104)	(852)	(338)
Total Bank	Reported Net Income	1,617	1,454	1,059	247	4,483	4,377	13,537
	Impact of divestitures	—	—	—	—	(8)	—	55
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	1,461	(3,336)	1,461	(5,667)
	Acquisition and integration costs	433	370	549	181	145	1,533	245
	Amortization of acquisition-related intangible assets	88	85	85	6	6	264	23
	Legal provision (including related interest expense and legal fees)	12	(3)	6	6	846	21	846
	Impact of Canadian tax measures	—	131	—	371	—	502	—
	Initial provision for credit losses on purchased performing loans	—	—	517	—	—	517	—
	Adjusted Net Income	2,150	2,037	2,216	2,272	2,136	8,675	9,039
U.S. Segment (USD)	Reported Net Income (loss)	388	364	(104)	(558)	2,306	90	6,079
	Impact of divestitures	—	—	—	—	(3)	—	(45)
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	1,093	(2,470)	1,093	(4,312)
	Acquisition and integration costs	317	275	400	132	106	1,124	185
	Amortization of acquisition-related intangible assets	61	60	61	4	4	186	17
	Legal provision (including related interest expense and legal fees)	8	(2)	4	5	621	15	621
	Initial provision for credit losses on purchased performing loans	—	—	379	—	—	379	—
	Adjusted Net Income	774	697	740	676	564	2,887	2,545

Refer to footnotes (1) to (7) in the Non-GAAP and other Financial Measures table on slide 40 for details on adjusting items, and the Non-GAAP and Other Financial Measures and Summary Quarterly Earnings Trend sections of the 2023 Annual MD&A for further information

Net Revenue, Efficiency Ratio and Operating Leverage

Canadian $ in millions unless otherwise stated)		Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	F2023	F2022
Total Bank Reported	Total revenue	8,360	7,929	8,440	6,470	10,570	31,199	33,710
	Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	151	4	591	1,193	(369)	1,939	(683)
	Revenue, net of CCPB	8,209	7,925	7,849	5,277	10,939	29,260	34,393
	Non-interest expense	5,700	5,594	5,522	4,403	4,776	21,219	16,194
	Efficiency ratio	68.2 %	70.6 %	65.4 %	68.1 %	45.2 %	68.0 %	48.0 %
	Efficiency ratio, net of CCPB	69.4 %	70.6 %	70.4 %	83.4 %	43.7 %	72.5 %	47.1 %
	Revenue growth	(20.9)%	30.0 %	(9.4)%	(16.2)%	60.9 %	(7.5)%	24.0 %
	Revenue growth, net of CCPB	(25.0)%	39.3 %	(22.5)%	(31.0)%	68.9 %	(14.9)%	33.4 %
	Non-interest expense growth	19.3 %	44.9 %	48.7 %	14.5 %	25.6 %	31.0 %	4.4 %
	Operating leverage	(40.2)%	(14.9)%	(58.1)%	(30.7)%	35.3 %	(38.5)%	19.6 %
	Operating Leverage, net of CCPB	(44.3)%	(5.6)%	(71.2)%	(45.5)%	43.3 %	(45.9)%	29.0 %
Total Bank Adjusted (1)	Total revenue	8,374	8,070	8,447	8,487	6,544	33,378	26,533
	Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	151	4	591	1,193	(369)	1,939	(683)
	Revenue, net of CCPB	8,223	8,066	7,856	7,294	6,913	31,439	27,216
	Non-interest expense	4,997	4,967	4,680	4,154	3,954	18,798	15,194
	Efficiency ratio, net of CCPB	60.8 %	61.6 %	59.6 %	56.9 %	57.2 %	59.8 %	55.8 %
	Revenue growth, net of CCPB	19.0 %	21.6 %	19.7 %	2.6 %	6.7 %	15.5 %	5.7 %
	Non-interest expense growth	26.3 %	32.0 %	28.1 %	8.5 %	6.3 %	23.7 %	4.4 %
	Operating Leverage, net of CCPB	(7.3)%	(10.4)%	(8.4)%	(5.9)%	0.4 %	(8.2)%	1.3 %
BMO Wealth Management Reported	Total revenue	1,508	1,422	1,960	2,504	930	7,394	4,524
	Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	151	4	591	1,193	(369)	1,939	(683)
	Revenue, net of CCPB	1,357	1,418	1,369	1,311	1,299	5,455	5,207
	Non-interest expense	1,012	1,011	993	946	901	3,962	3,564
	Efficiency ratio	67.1 %	71.1 %	50.6 %	37.8 %	96.8 %	53.6 %	78.8 %
	Efficiency ratio, net of CCPB	74.6 %	71.4 %	72.5 %	72.1 %	69.3 %	72.6 %	68.4 %
	Revenue growth	61.9 %	(16.6)%	305.1 %	78.2 %	(39.3)%	63.4 %	(35.8)%
	Revenue growth, net of CCPB	4.4 %	9.8 %	5.9 %	(0.9)%	(9.7)%	4.8 %	(7.9)%
	Non-interest expense growth	12.3 %	14.8 %	13.6 %	4.2 %	(8.9)%	11.2 %	(7.2)%
	Operating leverage	49.6 %	(31.4)%	291.5 %	74.0 %	(30.4)%	52.2 %	(28.6)%
	Operating Leverage, net of CCPB	(7.9)%	(5.0)%	(7.7)%	(5.1)%	(0.8)%	(6.4)%	(0.7)%
BMO Wealth Management Adjusted (1)	Total revenue	1,508	1,422	1,960	2,504	930	7,394	4,524
	Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	151	4	591	1,193	(369)	1,939	(683)
	Revenue, net of CCPB	1,357	1,418	1,369	1,311	1,299	5,455	5,207
	Non-interest expense	1,010	1,009	991	945	900	3,955	3,559
	Efficiency ratio, net of CCPB	74.4 %	71.2 %	72.4 %	72.0 %	69.2 %	72.5 %	68.4 %
	Revenue growth, net of CCPB	4.4 %	9.8 %	5.9 %	(0.9)%	(9.7)%	4.8 %	(7.9)%
	Non-interest expense growth	12.3 %	14.7 %	13.5 %	4.2 %	(8.6)%	11.1 %	(6.6)%
	Operating Leverage, net of CCPB	(7.9)%	(4.9)%	(7.6)%	(5.1)%	(1.1)%	(6.3)%	(1.3)%

Refer to footnotes (1) to (7) in the Non-GAAP and other Financial Measures table on slide 40 for details on adjusting items, and the Non-GAAP and Other Financial Measures and Summary Quarterly Earnings Trend sections of the 2023 Annual MD&A for further information

Pre-Provision, Pre-Tax Earnings (PPPT) Reconciliation

(Canadian $ in millions unless otherwise stated)		Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	F2023	F2022
Total Bank	Reported Income before taxes	2,063	1,839	1,304	657	5,937	5,863	17,886
	Total provision for (recovery of) credit losses	446	492	1,023	217	226	2,178	313
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	2,509	2,331	2,327	874	6,163	8,041	18,199
	Impact of divestitures	—	—	—	—	6	—	(37)
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	(2,011)	4,541	(2,011)	7,713
	Acquisition and integration costs	(582)	(497)	(727)	(239)	(193)	(2,045)	(326)
	Amortization of acquisition-related intangible assets	(119)	(115)	(115)	(8)	(8)	(357)	(31)
	Legal provision (including related interest expense and legal fees)	(16)	4	(7)	(8)	(1,142)	(27)	(1,142)
	Impact of Canadian tax measures	—	(160)	—	—	—	(160)	—
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	3,226	3,099	3,176	3,140	2,959	12,641	12,022
U.S. Segment (USD)	Reported Income (loss) before taxes	483	469	(165)	(828)	3,096	(41)	8,106
	Total provision for (recovery of) credit losses	135	165	578	36	52	914	(10)
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	618	634	413	(792)	3,148	873	8,096
	Impact of divestitures	—	—	—	—	4	—	64
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	(1,505)	3,362	(1,505)	5,869
	Acquisition and integration costs	(426)	(369)	(530)	(175)	(143)	(1,500)	(247)
	Amortization of acquisition-related intangible assets	(82)	(82)	(82)	(5)	(5)	(251)	(22)
	Restructuring (costs) reversals	—	—	—	—	—	—	—
	Legal provision (including related interest expense and legal fees)	(11)	3	(5)	(7)	(838)	(20)	(838)
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	1,137	1,082	1,030	900	768	4,149	3,270
Canadian P&C	Reported Income before taxes	1,327	1,260	1,192	1,348	1,242	5,127	5,178
	Total provision for (recovery of) credit losses	269	269	228	164	174	930	341
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	1,596	1,529	1,420	1,512	1,416	6,057	5,519
	Acquisition and integration costs	(2)	(8)	(3)	—	—	(13)	—
	Amortization of acquisition-related intangible assets	(4)	(3)	(1)	—	—	(8)	(1)
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	1,602	1,540	1,424	1,512	1,416	6,078	5,520
U.S. P&C (USD)	Reported Income before taxes	596	536	729	667	634	2,528	2,510
	Total provision for (recovery of) credit losses	129	153	51	46	46	379	11
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	725	689	780	713	680	2,907	2,521
	Amortization of acquisition-related intangible assets	(76)	(78)	(78)	(1)	(1)	(233)	(5)
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	801	767	858	714	681	3,140	2,526
BMO Wealth Management	Reported Income before taxes	344	400	372	359	395	1,475	1,645
	Total provision for (recovery of) credit losses	1	7	4	6	3	18	(2)
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	345	407	376	365	398	1,493	1,643
	Amortization of acquisition-related intangible assets	(2)	(2)	(2)	(1)	(1)	(7)	(5)
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	347	409	378	366	399	1,500	1,648
BMO Capital Markets	Reported Income before taxes	615	392	509	637	458	2,153	2,360
	Total provision for (recovery of) credit losses	1	10	17	(10)	(18)	18	(43)
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	616	402	526	627	440	2,171	2,317
	Acquisition and integration costs	3	(2)	(2)	(4)	(2)	(5)	(10)
	Amortization of acquisition-related intangible assets	(7)	(7)	(8)	(5)	(5)	(27)	(19)
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	620	411	536	636	447	2,203	2,346

Refer to footnotes (1) to (7) in the Non-GAAP and other Financial Measures table on slide 40 for details on adjusting items, and the Non-GAAP and Other Financial Measures and Summary Quarterly Earnings Trend sections of the 2023 Annual MD&A for further information

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