

BMO Financial Group

# Investor Presentation

For the Quarter Ended April 30, 2024

May 29, 2024

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# 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 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", "commit", "target", "may", "schedule", "forecast", "outlook", "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, are not 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; global supply-chain disruptions; 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 in 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, and the Risk Management section in BMO's Second Quarter 2024 Report to Shareholders document, 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 of BMO's 2023 Annual Report, as updated in the Economic Developments and Outlook section and the Update on General Economic Conditions section in our Second Quarter 2024 Report to Shareholders, as well as in the Allowance for Credit Losses section of BMO's 2023 Annual Report, as updated in the Allowance for Credit Losses section in our Second Quarter 2024 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.

# Darryl White

Chief Executive Officer

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# Good operating performance across most businesses

Strong foundation, disciplined expense control, positioned for growth

## Q2 2024

### Net Income

Adjusted<sup>1</sup> \$2.0B  
Reported \$1.9B

### EPS

Adjusted<sup>1</sup> \$2.59  
Reported \$2.36

### PPPT<sup>2</sup> Growth

Adjusted<sup>1</sup> 7%  
Reported 37%

### Total Assets

\$1.4T

### Efficiency Ratio

Adjusted<sup>1</sup> 58.0%  
Reported 60.7%

### ROE

Adjusted<sup>1</sup> 10.9%  
Reported 9.9%

### ROTCE<sup>3</sup>

Adjusted<sup>1</sup> 14.6%  
Reported 14.0%

### CET1<sup>4</sup>

13.1%

## Q2 2024 Highlights

- **Diversity of business mix** supporting strong PPPT<sup>2</sup> growth
- **Delivering positive operating leverage** through synergies and strong expense management – expenses down Y/Y and Q/Q
- **Continuing to grow customers and deepen relationships** – as at customer deposits up \$48B or 8% Y/Y
- **U.S. Segment** delivering consistent PPPT<sup>2</sup> performance
- **Strengthened capital position** through internal capital generation – CET1<sup>4</sup> up 30bps Q/Q
- **Credit well-managed** for higher interest rate environment, appropriate performing allowances of \$3.7B

<sup>1</sup> Adjusted results and measures are non-GAAP. Refer to slide 37 for more information and slide 38 for adjustments to reported results

<sup>2</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 37 for more information and slide 40 for calculation of PPPT

<sup>3</sup> Reported and adjusted return on tangible common equity (ROTCE) are non-GAAP measures. Refer to slide 37 and Non-GAAP and Other Financial Measures section of BMO's Second Quarter 2024 MD&A for more information

<sup>4</sup> The Common Equity Tier 1 (CET1) Ratio is disclosed in accordance with Office of the Superintendent of Financial Institutions (OSFI) Capital Adequacy Requirements (CAR) Guideline

# BMO U.S. well-positioned for growth

Benefiting from the strength of BMO's trillion-dollar balance sheet

Top 10  
U.S. Bank<sup>1</sup>

Physical footprint in  
32 states

Digital platforms  
across all 50 states

4 million  
customers

BMO U.S. Bank  
US\$267<sup>2</sup> billion in assets



BMO U.S. Segment  
US\$441<sup>2</sup> billion in assets

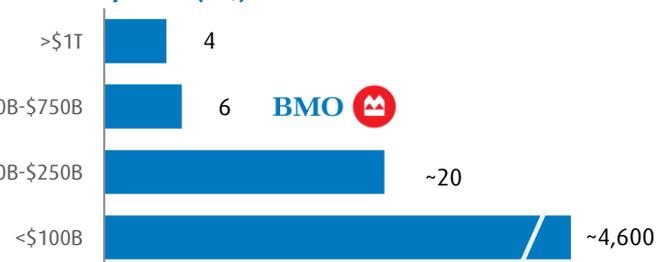


BMO Financial Group  
C\$1.4 trillion in assets

- **Broad capabilities:** Personal & Commercial Banking, BMO Wealth Management and BMO Capital Markets
- Only North American bank with **integrated North-South business model**, driving efficiencies and scale
- **One Client approach**, with local market and unified cross border expertise
- Presence in **14 of the Top 25 MSAs, 3 of the Top 5**
- **Top tier market share positions** including RV/Marine lending, Wine & Spirits, Equipment finance



# of U.S. Banks by Assets (US\$)<sup>1</sup>



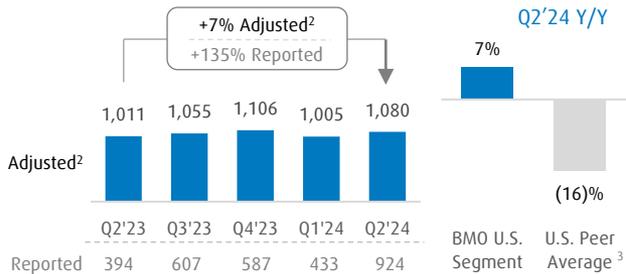
<sup>1</sup> Ranking by assets as of Apr. 30, 2024. Source: SNL Financial and internal analysis. Top 10 U.S. >\$1T: JP Morgan, Bank of America, Citibank, Wells Fargo. \$250B-\$750B: U.S. Bank, PNC Bank, Truist Bank, TD Bank, Capital One, BMO

<sup>2</sup> BMO U.S. Bank as at balances based upon BMO Bank N.A. publicly available U.S. regulatory filing (FFIEC 031) for period ending March 31, 2024. BMO U.S. Segment based on average balances for Q2'24

# BMO U.S. Performance Highlights

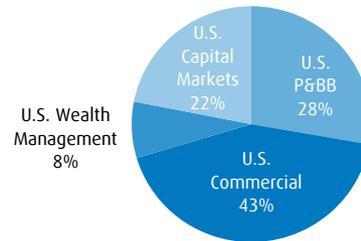
Diversified business mix, expense savings driving above peer performance

BMO U.S. Segment  
Pre-Provision Pre-tax Earnings<sup>1</sup> (US\$MM)

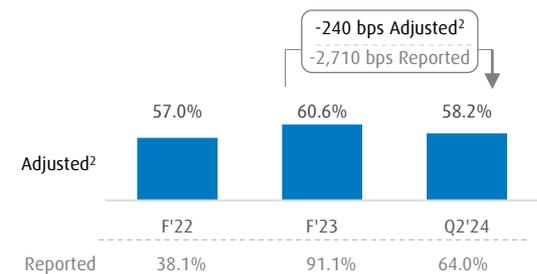


BMO U.S. Segment  
Business Mix by Operating Group (%)

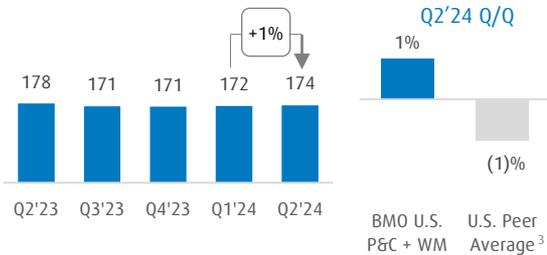
Q2'24 Last Twelve Months (LTM) Reported Revenue



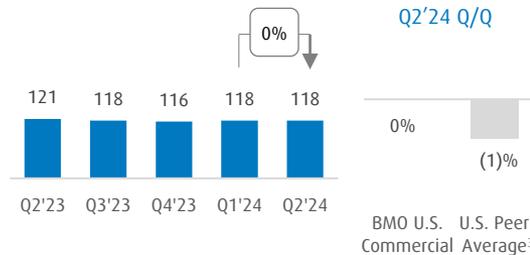
BMO U.S. Segment  
Efficiency Ratio (%)



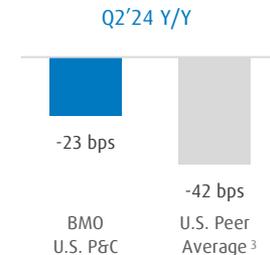
U.S. P&C and U.S. Wealth Management  
Average Customer Deposits (US\$B)



U.S. P&C  
Average Commercial Loans (US\$B)



U.S. P&C  
Net Interest Margin<sup>4</sup>



## Executing synergies, One Client approach in expanded markets:

- Meaningful share of voice in California market driving strong customer account acquisition
- Improved branch productivity, up 17% since November
- Expanded client penetration with payments, M&A and capital markets capabilities
- Realized US\$800MM in run-rate cost synergies

<sup>1</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 37 for more information and slide 40 for calculation of PPPT

<sup>2</sup> Adjusted results and measures are non-GAAP. Refer to slide 37 for more information and slide 41 for adjustments to reported results

<sup>3</sup> US Peer average consists of US Bank, PNC Bank, Truist Bank, Citizens Bank, Fifth Third Bank, M&T Bank, KeyCorp, Huntington Bank, and Regions Bank. Source: SNL Financial data and internal analysis

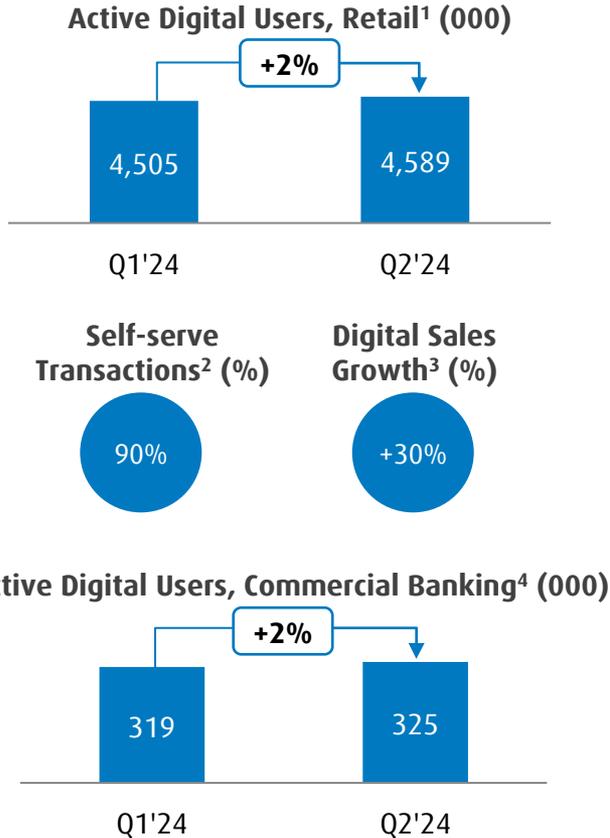
<sup>4</sup> Net interest margin is the ratio of net interest income to average earning assets, expressed as a percentage or in basis points. Refer to the Glossary section of BMO's Second Quarter 2024 MD&A for more information

# Advancing our Digital First strategy

## Delivering on our Digital First agenda, powered by AI, data and tech modernization

- Driving tangible customer and business value through **AI and advanced analytics**, including:
  - ~**2MM AI-enabled** customer conversations with **BMO Assist**
  - >**80MM AI-powered BMO Insights** enabling real financial progress
- Cloud migration** enabling faster releases of new tools and services
- Modernizing digital payments** with the launch of innovative features like **BMO SplitShare**, making it easy to split expenses and request money
- Launched Virtual Account Management** services to U.S. commercial clients **simplifying cash flow management**
- Integration of **FX trading** with Online Business Banking **enabling seamless cross border money movement**

## Driving tangible customer and business value



## Being recognized as an industry leader and innovator

- Ranked **1<sup>st</sup> in customer satisfaction with online banking** in the JD Power 2023 Canada Online Banking Satisfaction Study
- Recognized as one of the **World's Most Innovative Companies** by Fast Company
- Celent Model Bank Award for **Integration Excellence** for the Bank of the West conversion
- Ranked #1** in the EMARKETER Canada **Mobile Banking Emerging Features Benchmark 2024**
- Awarded **Outstanding Machine Learning Initiative** from Digital Banker's 2023 Global Retail Banking Innovation Awards
- Digital Banker Awards for **best digital innovation** for **BMO Smart Progress** and **BMO Savings Goals**
- 2023 BAI **Global Innovation Award** in Retail Customer Experience for **"New to Canada"** pre-arrival account opening



<sup>1</sup> Active digital users is number of retail deposit customers in North America that logged into online or mobile in the last 90 days

<sup>2</sup> Self-serve transactions are transactions that occur in online, mobile, ATM, telephone banking; Feb 2024 – Apr 2024

<sup>3</sup> 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 Q2'24 over Q1'24

<sup>4</sup> OLBB clients in North American commercial, corporate and business banking

# 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

- Announced the continuation of BMO Celebrating Women Grant Program, an initiative dedicated to supporting women-owned businesses that demonstrate they are addressing at least two of the United Nations Sustainable Development Goals (UN SDG)
- Received an “Outstanding” rating for Community Reinvestment Act (CRA) performance from January 2020 to December 2022

#### 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

- Updated Sustainable Bond Framework with four innovative Sustainable, Green, Social and Transition Financing categories, including financing activities related to nuclear energy, low-carbon fuels, the electrification of key industrial activities, climate change adaptation and socioeconomic advancement
- Expanded Greener Future Financing program to U.S., helping businesses build climate resilient operations
- Ranked among the most sustainable companies on the Dow Jones Sustainability Indices (DJSI). BMO earned the highest possible score in Customer Relationship Management for 2023

#### 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

- Recognized as one of the World's Most Ethical Companies for the seventh consecutive year by Ethisphere
- For the fourth consecutive year, recognized in the 2024 Report on Business, Women Lead Here list – an annual benchmark recognizing Canadian businesses with the highest achievement for executive gender diversity

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

# Financial Results

For the Quarter Ended April 30, 2024

Tayfun Tuzun

Chief Financial Officer

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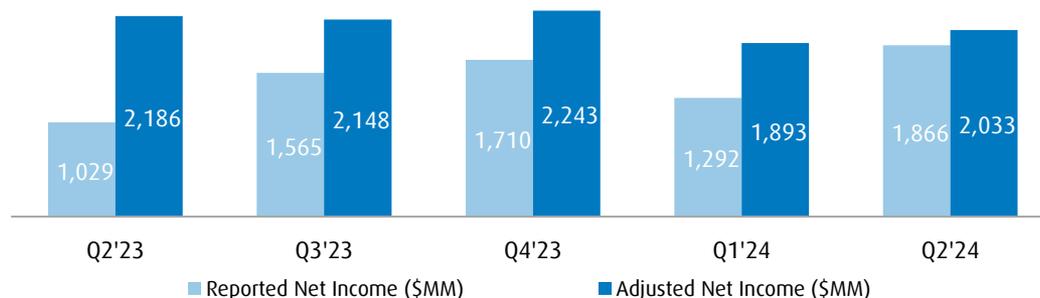
# Q2 F2024 - Financial Highlights

Strong PPPT<sup>1</sup> growth and positive operating leverage offset by higher PCL

- Adjusted<sup>2</sup> EPS \$2.59, down \$0.30 Y/Y (reported \$2.36, up \$1.10)
- Adjusted<sup>2</sup> net income down 7% Y/Y (reported up 81%); up 7% Q/Q (reported up 44%)
  - Q2'24 adjusted<sup>2</sup> net income excluded \$50MM incremental FDIC special assessment, \$26MM integration costs and \$79MM amortization of acquisition-related intangible assets
- Adjusted<sup>2</sup> PPPT<sup>1</sup> up 7% Y/Y (reported up 37%)
- Adjusted<sup>2</sup> and reported revenue up 2% Y/Y with good growth in Canadian P&C, BMO Wealth Management and BMO Capital Markets, partially offset by decreases in U.S. P&C and Corporate Services
- Adjusted<sup>2</sup> expenses down 1% Y/Y (reported down 12%); down 3% Q/Q (reported down 10%)
- Adjusted<sup>2</sup> operating leverage 3.0% (reported 14.3%)
- Total provision for credit losses \$705MM
  - PCL on impaired loans<sup>3</sup> \$658MM or 41 bps; provision on performing loans \$47MM
- U.S. segment contributed 45% to adjusted<sup>2</sup> earnings in the quarter (41% reported)

(\$MM)	Reported			Adjusted <sup>2</sup>		
	Q2 24	Y/Y	Q/Q	Q2 24	Y/Y	Q/Q
Revenue	7,974	2%	4%	7,988	2%	2%
Expenses	4,844	(12)%	(10)%	4,633	(1)%	(3)%
PPPT <sup>1</sup>	3,130	37%	37%	3,355	7%	9%
Total PCL	705	\$(318)	\$78	705	\$387	\$78
<b>Net Income</b>	<b>1,866</b>	<b>81%</b>	<b>44%</b>	<b>2,033</b>	<b>(7)%</b>	<b>7%</b>
U.S. Segment Net Income (US\$)	559	+100%	+100%	676	(7)%	8%
Diluted EPS (\$)	2.36	\$1.10	\$0.63	2.59	\$(0.30)	\$0.03
Efficiency Ratio (%)	60.7	(990) bps	(950) bps	58.0	(170) bps	(290) bps
ROE (%)	9.9	440 bps	270 bps	10.9	(170) bps	30 bps
ROTCE <sup>4</sup> (%)	14.0	570 bps	370 bps	14.6	(270) bps	30 bps
CET1 Ratio <sup>5</sup> (%)	13.1	90 bps	30 bps	13.1	90 bps	30 bps

## Net Income<sup>2</sup> Trends



<sup>1</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 37 for more information and slide 40 for calculation of PPPT

<sup>2</sup> Adjusted results and measures are non-GAAP. Refer to slide 37 and 42 for more information and slide 38 for adjustments to reported results

<sup>3</sup> Impaired PCL ratio is calculated as annualized impaired provision for credit losses over average net loans and acceptances, expressed in basis points

<sup>4</sup> Reported and adjusted return on tangible common equity (ROTCE) are non-GAAP measures. Refer to slide 37 and Non-GAAP and Other Financial Measures section of BMO's Second Quarter 2024 MD&A for more information

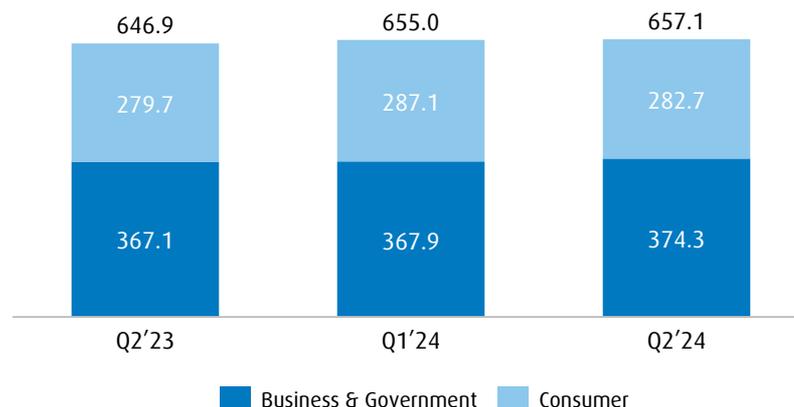
<sup>5</sup> The Common Equity Tier 1 (CET1) Ratio is disclosed in accordance with Office of the Superintendent of Financial Institutions (OSFI) Capital Adequacy Requirements (CAR) Guideline

# Balance Sheet

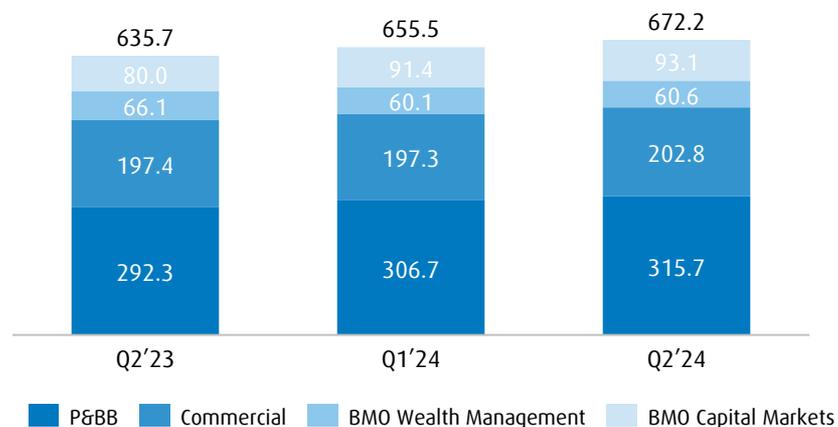
## Diversified loan and deposit portfolio

- Average gross loans and acceptances up 2% Y/Y, or 4% excluding the impact of Indirect Retail Auto wind-down and RV loan portfolio sale<sup>2</sup>, due to:
  - 2% growth in Business & Government loans driven by good growth in Canadian P&C, BMO Wealth Management and BMO Capital Markets, partially offset by lower U.S. P&C
  - 7% growth in Consumer loans, primarily driven by mortgage growth in P&C businesses
- Average gross loans and acceptances relatively flat Q/Q, or up 1% excluding the impact of Indirect Retail Auto wind-down and RV loan portfolio sale<sup>2</sup>
- Average customer deposits<sup>1</sup> up 6% Y/Y due to higher balances in Canadian P&C and BMO Capital Markets
- Average customer deposits<sup>1</sup> up 3% Q/Q driven by higher balances across all operating groups

### Average Gross Loans and Acceptances (\$B)



### Average Customer Deposits<sup>1</sup> (\$B)

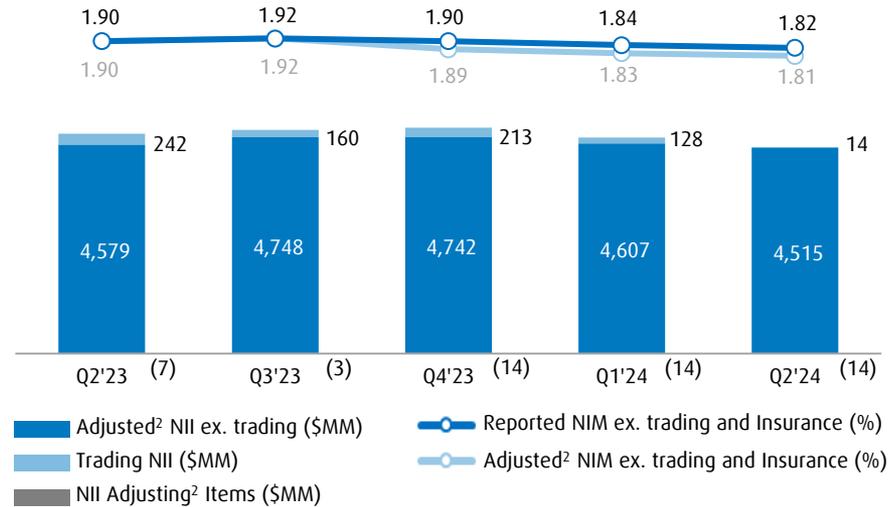


<sup>1</sup> Customer deposits are operating and savings deposits, including term investment certificates and retail structured deposits, primarily sourced through our retail, commercial, wealth and corporate banking businesses  
<sup>2</sup> RV loan portfolio sale reduced average balances by \$4.8B in Q1'24, and \$9.8B in Q2'23

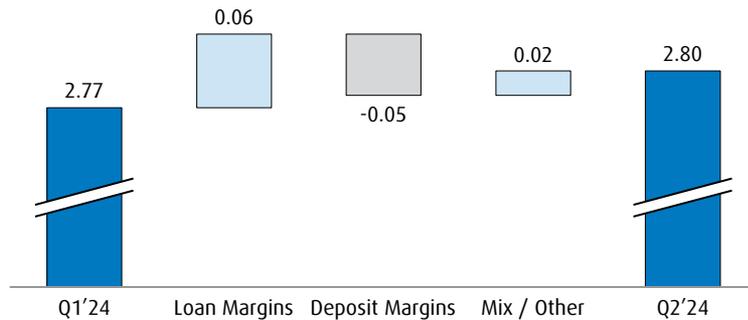
# Net Interest Margin<sup>1</sup>

- Reported NII down 6% Y/Y and 4% Q/Q
- Adjusted<sup>2</sup> NII ex. trading down 1% Y/Y as volume growth was offset by lower margins; down 2% Q/Q or relatively unchanged excluding the impact of two fewer days in the quarter
- Total bank NIM ex. trading and Insurance decreased 2 bps Q/Q due to continued deposit pricing pressure including rotation to term deposits, partially offset by reinvestment at higher interest rates

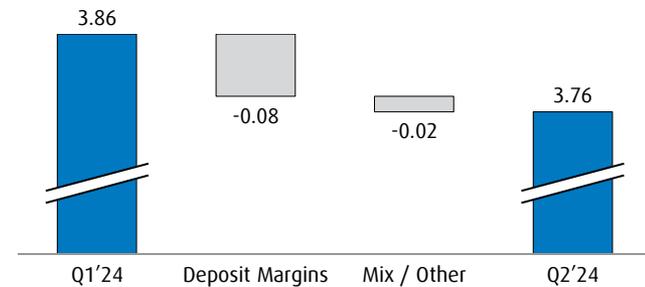
NII (\$MM) and NIM ex. trading and Insurance (%)<sup>2</sup>



Canadian P&C NIM (%)



U.S. P&C NIM (%)



<sup>1</sup> Net interest margin (NIM) is the ratio of net interest income (NII) to average earning assets, expressed as a percentage or in basis points. Refer to the Glossary of Financial Terms section of BMO's Q2 2024 MD&A for further information

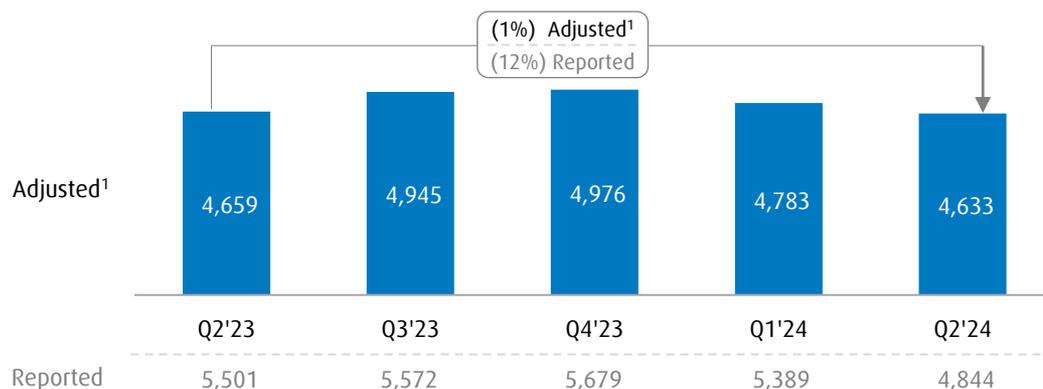
<sup>2</sup> Adjusted results and measures are non-GAAP. Refer to slide 37 for more information and slide 38 for adjustments to reported results

# Q2 F2024 Non-Interest Expense

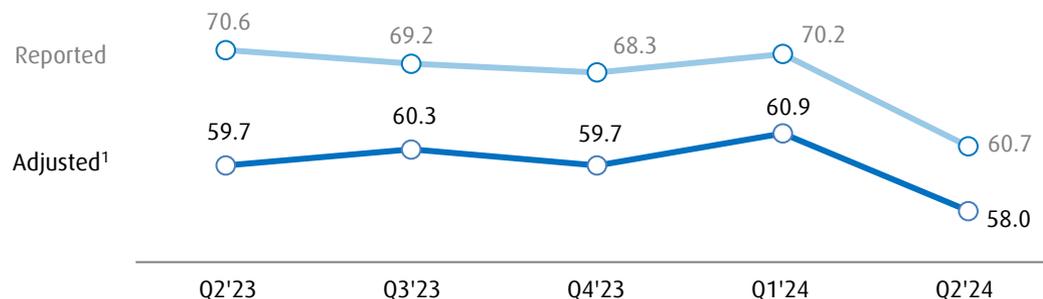
Delivering against expense commitments, driving positive operating leverage

- Adjusted<sup>1</sup> expenses down 1% Y/Y (reported down 12%)
  - Expenses well-controlled; benefit from efficiency savings and Bank of the West cost synergies partially offset by continued investments for future growth
- Positive adjusted<sup>1</sup> operating leverage 3.0% (reported 14.3%)
- Adjusted<sup>1</sup> expenses down 3% Q/Q (reported down 10%)
  - Prior quarter included stock-based compensation for employees eligible to retire and seasonality of benefits partially offset by impact of the consolidation of certain U.S. retirement benefit plans
- Adjusted<sup>1</sup> efficiency ratio 58.0% (reported 60.7%) improved 170 bps Y/Y (reported improved 990 bps)

**Non-Interest Expense Trend**

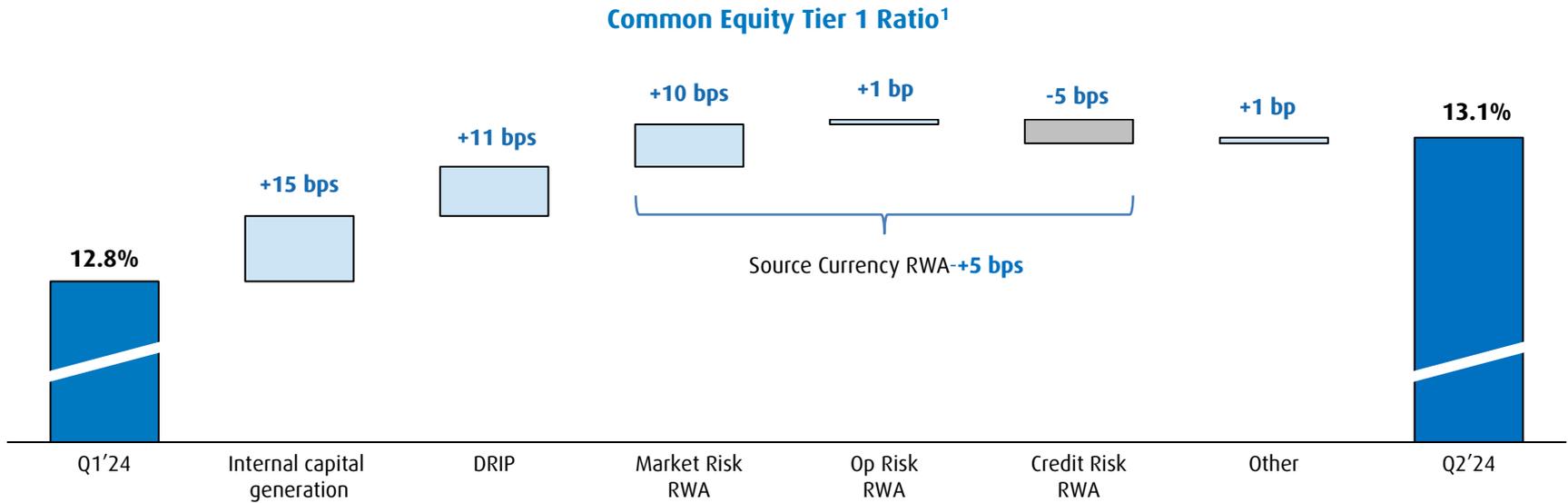


**Efficiency Ratio (%) Trend**



<sup>1</sup> Adjusted results and measures are non-GAAP. Refer to slide 37 for more information and slide 41 for adjustments to reported results

# Strong Q2'24 CET1 Ratio<sup>1</sup> of 13.1%



- Q2'24 CET1 ratio<sup>1</sup> of 13.1%, up from Q1'24
  - Internal capital generation
  - Last quarter of DRIP shares issued from treasury
  - Lower source currency RWA reflects
    - Lower market risk mostly related to equity positions
    - Higher credit risk mainly from increase in asset size and changes in asset quality, partially offset by methodology updates

Basis points may not add due to rounding

<sup>1</sup> The Common Equity Tier 1 (CET1) Ratio is disclosed in accordance with Office of the Superintendent of Financial Institutions (OSFI) Capital Adequacy Requirements (CAR) Guideline

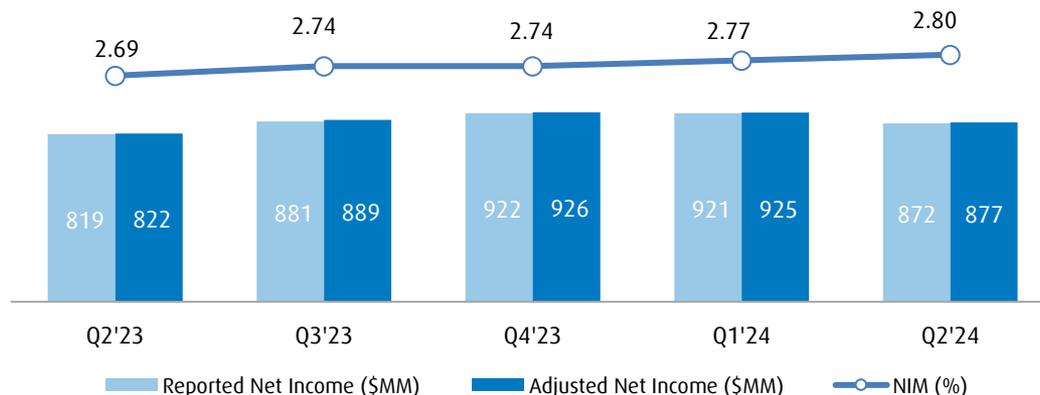
# Canadian Personal & Commercial Banking

Continued strong revenue performance driving PPPT<sup>2</sup> growth of 17% Y/Y

- Adjusted<sup>1</sup> net income up 7% Y/Y (reported up 6%)
- Adjusted<sup>1</sup> and reported PPPT<sup>2</sup> up 17% Y/Y
- Revenue up 13% Y/Y
  - NII up 12% Y/Y with solid balance growth and higher margins
  - NIM up 11 bps Y/Y and up 3 bps Q/Q
  - NIR up 18% Y/Y primarily due to the inclusion of AIR MILES and higher Cards related revenue
- Adjusted<sup>1</sup> and reported expenses up 9% Y/Y, reflecting the inclusion of AIR MILES and higher technology costs
- Adjusted<sup>1</sup> operating leverage 4.5% (reported 4.1%)
- Total provision for credit losses \$398MM (impaired provision of \$295MM and performing provision of \$103MM)
- Average loans up 5% Y/Y and 1% Q/Q
- Average deposits up 11% Y/Y and 3% Q/Q

(\$MM)	Reported			Adjusted <sup>1</sup>		
	Q2 24	Y/Y	Q/Q	Q2 24	Y/Y	Q/Q
Net interest income	2,154	12%	1%	2,154	12%	1%
Non-interest revenue	665	18%	5%	665	18%	5%
Revenue	2,819	13%	1%	2,819	13%	1%
Expenses	1,216	9%	0%	1,208	9%	0%
PPPT <sup>2</sup>	1,603	17%	2%	1,611	17%	2%
Total PCL (recovery)	398	\$157	\$103	398	\$157	\$103
<b>Net Income</b>	<b>872</b>	6%	(5)%	<b>877</b>	7%	(5)%
Efficiency Ratio (%)	43.2	(160) bps	(40) bps	42.9	(180) bps	(50) bps
ROE (%)	22.3	(230) bps	(50) bps	22.4	(230) bps	(60) bps

Net Income<sup>1</sup> and NIM Trends



<sup>1</sup> Adjusted results and measures are non-GAAP. Refer to slide 37 and 42 for more information and slide 39 for adjustments to reported results

<sup>2</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 37 for more information and slide 40 for calculation of PPPT

# U.S. Personal & Commercial Banking

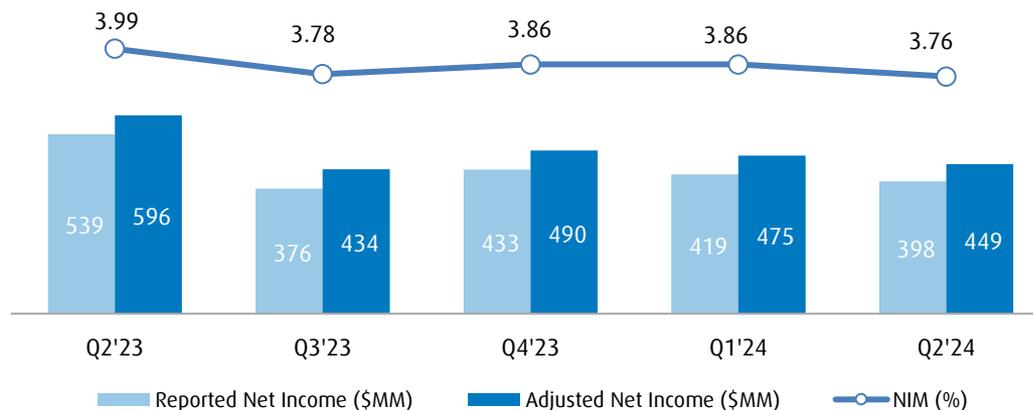
Results reflect a challenging banking environment partially offset by lower expenses

Amounts that follow are in U.S. dollars:

- Adjusted<sup>1</sup> net income down 25% Y/Y (reported down 26%)
- Adjusted<sup>1</sup> PPPT<sup>2</sup> down 8% Y/Y (reported down 7%)
- Revenue<sup>3</sup> down 7% Y/Y
  - NII<sup>3</sup> down 6% Y/Y, due to lower loan and deposit margins
  - NIM<sup>3</sup> down 23 bps Y/Y; down 10 bps Q/Q, driven by higher deposit costs
  - NIR down 11% Y/Y due to lower deposit and card fee revenue
- Adjusted<sup>1</sup> and reported expenses down 6% Y/Y
- Total provision for credit losses \$206MM (impaired provision of \$211MM and recovery on performing loans \$(5)MM)
- Average loans & acceptances down 4% Y/Y and 2% Q/Q (up 1% Y/Y and relatively unchanged Q/Q excluding RV loan portfolio sale<sup>4</sup>)
- Average deposits relatively stable Y/Y and up 1% Q/Q

(US\$MM)	Reported			Adjusted <sup>1</sup>		
	Q2 24	Y/Y	Q/Q	Q2 24	Y/Y	Q/Q
Net interest income (teb) <sup>3</sup>	1,463	(6)%	(5)%	1,463	(6)%	(5)%
Non-interest revenue	290	(11)%	(2)%	290	(11)%	(2)%
Revenue (teb) <sup>3</sup>	1,753	(7)%	(4)%	1,753	(7)%	(4)%
Expenses	1,058	(6)%	(3)%	990	(6)%	(3)%
PPPT <sup>2</sup>	695	(7)%	(6)%	763	(8)%	(6)%
Total PCL (recovery)	206	\$154	\$(11)	206	\$154	\$(11)
<b>Net Income</b>	<b>398</b>	(26)%	(5)%	<b>449</b>	(25)%	(5)%
<b>Net Income (CDE\$)</b>	<b>543</b>	(26)%	(4)%	<b>612</b>	(25)%	(4)%
Efficiency Ratio (%)	60.3	40 bps	60 bps	56.4	60 bps	70 bps
ROE (%)	6.5	(250) bps	- bps	7.3	(270) bps	(10) bps

Net Income<sup>1</sup> and NIM<sup>3</sup> Trends



<sup>1</sup> Adjusted results and measures are non-GAAP. Refer to slide 37 and 42 for more information and slide 39 for adjustments to reported results

<sup>2</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 37 for more information and slide 40 for calculation of PPPT

<sup>3</sup> Operating group revenue, NII, income taxes and net interest margin are stated on a taxable equivalent basis (teb). The teb adjustment (Q2'24 US\$6MM, Q1'24 US\$7MM, Q2'23 US\$6MM) is offset in Corporate Services. Efficiency ratio is calculated based on revenue (teb)

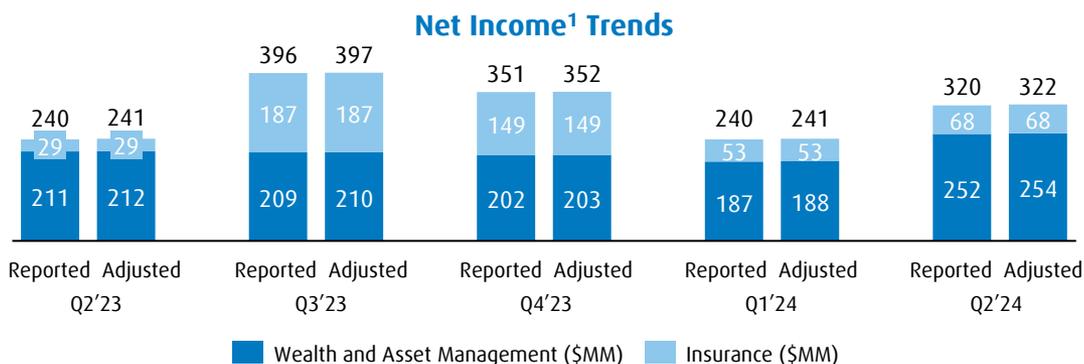
<sup>4</sup> RV loan portfolio sale reduced average balances by US\$3.6B in Q1'24 and US\$7.2B in Q2'23

# BMO Wealth Management

## Solid operating performance with growth in client assets and good expense management

- Adjusted<sup>1</sup> and reported net income up 33% Y/Y
- Adjusted<sup>1</sup> and reported revenue up 8% Y/Y
  - Wealth and Asset Management revenue up 4% due to growth in client assets, including impact of stronger global markets, partially offset by lower net interest income
  - Insurance revenue up Y/Y due to market-related impacts of IFRS 17 transition; Q/Q up due to interest rate movements
- Adjusted<sup>1</sup> and reported expenses up 1% Y/Y as higher revenue-based costs were offset by impact of efficiency initiatives; down 2% Q/Q
- AUM up 14% Y/Y; up 7% Q/Q
- AUA down 20% Y/Y driven by impact of exit of U.S. Institutional Trust Services business; up 3% Q/Q

(\$MM)	Reported			Adjusted <sup>1</sup>		
	Q2 24	Y/Y	Q/Q	Q2 24	Y/Y	Q/Q
Wealth & Asset Management	1,291	4%	4%	1,291	4%	4%
Insurance	102	\$52	26%	102	\$52	26%
Revenue	1,393	8%	5%	1,393	8%	5%
Expenses	978	1%	(2)%	975	1%	(2)%
PPPT <sup>2</sup>	415	29%	25%	418	29%	25%
Total PCL	(7)	\$(11)	\$(20)	(7)	\$(11)	\$(20)
<b>Net Income</b>	<b>320</b>	<b>33%</b>	<b>33%</b>	<b>322</b>	<b>33%</b>	<b>33%</b>
Wealth & Asset Management NI	252	19%	34%	254	19%	34%
Insurance NI	68	\$39	28%	68	\$39	28%
AUM (\$B)	386	14%	7%	386	14%	7%
AUA (\$B)	341	(20)%	3%	341	(20)%	3%
Efficiency Ratio (%)	70.3	(490) bps	(470) bps	70.1	(490) bps	(480) bps
ROE (%)	27.2	660 bps	690 bps	27.4	670 bps	700 bps



Prior period amounts have been reclassified to conform with the current period presentation, including the retrospective application of IFRS 17

<sup>1</sup> Adjusted results and measures are non-GAAP. Refer to slide 37 and 42 for more information and slide 39 for adjustments to reported results

<sup>2</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 37 for more information and slide 40 for calculation of PPPT

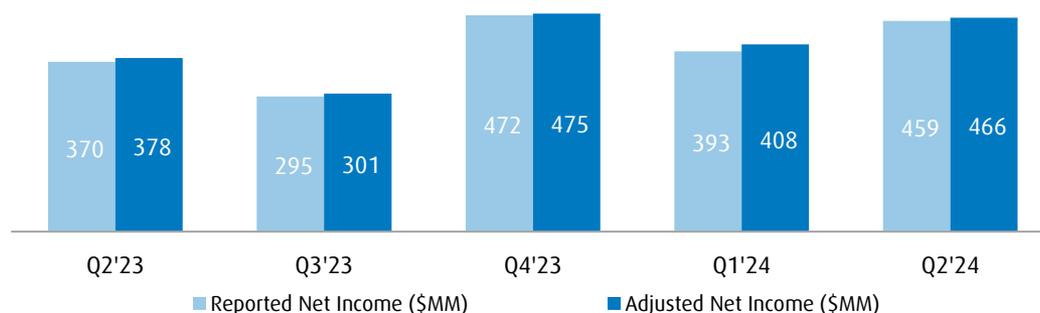
# BMO Capital Markets

## Good client activity and record debt underwriting driving strong PPPT<sup>3</sup> growth

- Adjusted<sup>1</sup> net income up 23% Y/Y (reported up 24%)
- Adjusted<sup>1</sup> PPPT<sup>3</sup> up 21% Y/Y (reported up 22%)
- Revenue<sup>2</sup> up 5% Y/Y:
  - Global Markets up 8% primarily due to higher interest rates trading and issuance activity, partially offset by lower equities trading revenue
  - Investment and Corporate Banking up 1% as higher debt underwriting was largely offset by lower advisory fees
- Adjusted<sup>1</sup> and reported expenses down 3% Y/Y driven by a legal provision in the prior year and lower employee-related costs, partially offset by higher technology costs
- Total provision for credit losses of \$52MM (impaired provision of \$61MM and recovery on performing loans \$(9)MM)

(\$MM)	Reported			Adjusted <sup>1</sup>		
	Q2 24	Y/Y	Q/Q	Q2 24	Y/Y	Q/Q
Global Markets	1,008	8%	6%	1,008	8%	6%
I&CB	653	1%	2%	653	1%	2%
Revenue (teb) <sup>2</sup>	1,661	5%	5%	1,661	5%	5%
Expenses	1,028	(3)%	(8)%	1,019	(3)%	(7)%
PPPT <sup>3</sup>	633	22%	34%	642	21%	30%
Total PCL (recovery)	52	\$35	\$74	52	\$35	\$74
<b>Net Income</b>	<b>459</b>	<b>24%</b>	<b>17%</b>	<b>466</b>	<b>23%</b>	<b>14%</b>
U.S. Net Income (\$US)	121	n.m.	(7)%	124	n.m.	(10)%
Efficiency Ratio (%)	61.9	(520) bps	(830) bps	61.3	(510) bps	(770) bps
ROE (%)	14.1	110 bps	250 bps	14.3	110 bps	230 bps

### Net Income<sup>1</sup> Trends



<sup>1</sup> Adjusted results and measures are non-GAAP. Refer to slide 37 and 42 for more information and slide 39 for adjustments to reported results

<sup>2</sup> Operating group revenue and income taxes are stated on a taxable equivalent basis (teb). This teb adjustment (Q2'24 \$2MM, Q1'24 \$19MM, Q2'23 \$84MM) is offset in Corporate Services. Efficiency ratio is calculated based on revenue (teb)

<sup>3</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 37 for more information and slide 40 for calculation of PPPT

# Corporate Services

- Adjusted<sup>2</sup> net loss of \$244MM and reported net loss of \$328MM for the quarter, compared with an adjusted<sup>2</sup> net loss of \$63MM and reported net loss of \$1,131MM in the prior year
- Adjusted<sup>2</sup> results in the current quarter exclude the impact of:
  - \$50MM (\$67MM pre-tax) related to the incremental FDIC special assessment
  - \$22MM (\$30MM pre-tax) acquisition and integration costs related to the acquisition of Bank of the West

(\$MM) <sup>1</sup>	Reported			Adjusted <sup>2</sup>		
	Q2 24	Y/Y	Q/Q	Q2 24	Y/Y	Q/Q
Revenue	(277)	(252)	172	(263)	(245)	8
Group teb offset <sup>3</sup>	(11)	81	17	(11)	81	17
Total Revenue (teb) <sup>3</sup>	(288)	(171)	189	(274)	(164)	25
Expenses	181	(647)	(419)	83	(23)	(38)
Total PCL (recovery)	(19)	(709)	(70)	(19)	(4)	(70)
<b>Net Income (Loss)</b>	<b>(328)</b>	<b>803</b>	<b>494</b>	<b>(244)</b>	<b>(181)</b>	<b>72</b>

<sup>1</sup> Effective the first quarter of 2024, balances and the associated revenue, expenses and provisions for credit losses related to our Canadian and U.S. indirect retail auto financing business, previously reported in Personal and Commercial Banking, are reported in Corporate Services, reflecting the exit and wind-down of this business unit. Prior period amounts have been reclassified to conform with the current period presentation

<sup>2</sup> Adjusted results and measures are non-GAAP. Refer to slide 37 and 42 for more information and slide 39 for adjustments to reported results

<sup>3</sup> Operating group revenue and income taxes are stated on a taxable equivalent basis (teb). This teb adjustment is offset in Corporate Services, and total BMO revenue and income taxes are stated on a GAAP basis

# Risk Review

For the Quarter Ended April 30, 2024

Piyush Agrawal  
Chief Risk Officer

Q2 | 24

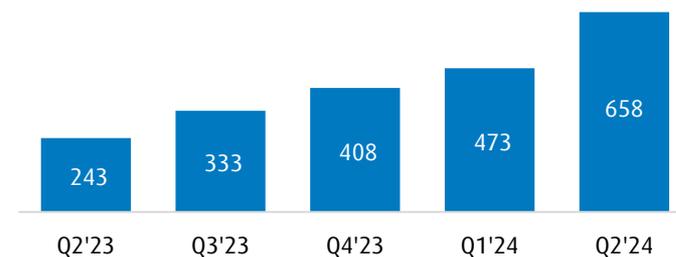


# Provision for Credit Losses (PCL)

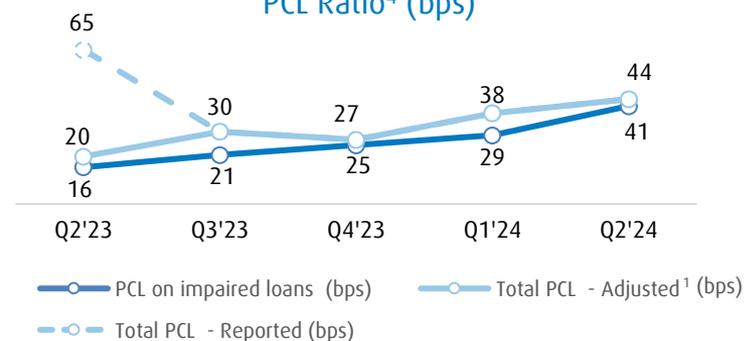
PCL By Operating Group (\$MM)	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24
Personal & Business Banking	150	162	190	204	247
Commercial Banking	10	35	42	34	48
<b>Total Canadian P&amp;C</b>	<b>160</b>	<b>197</b>	<b>232</b>	<b>238</b>	<b>295</b>
Personal & Business Banking	37	53	60	80	44
Commercial Banking	25	64	83	103	244
<b>Total U.S. P&amp;C</b>	<b>62</b>	<b>117</b>	<b>143</b>	<b>183</b>	<b>288</b>
<b>BMO Wealth Management</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>6</b>
<b>BMO Capital Markets</b>	<b>-</b>	<b>1</b>	<b>11</b>	<b>11</b>	<b>61</b>
<b>Corporate Services<sup>2</sup></b>	<b>20</b>	<b>17</b>	<b>20</b>	<b>38</b>	<b>8</b>
<b>PCL on Impaired Loans</b>	<b>243</b>	<b>333</b>	<b>408</b>	<b>473</b>	<b>658</b>
<b>PCL on Performing Loans</b>	<b>780</b>	<b>159</b>	<b>38</b>	<b>154</b>	<b>47</b>
<b>Total PCL - Reported</b>	<b>1,023</b>	<b>492</b>	<b>446</b>	<b>627</b>	<b>705</b>
Bank of the West - Initial Allowance <sup>3</sup>	(705)				
<b>Total PCL - Adjusted<sup>1</sup></b>	<b>318</b>				

- Q2'24 PCL ratio on impaired loans<sup>4</sup> of 41 bps; YTD 35 bps
- Higher provisions across businesses, reflecting impact of the higher interest rate environment

PCL on Impaired Loans (\$MM)



PCL Ratio<sup>4</sup> (bps)



<sup>1</sup> Adjusted results and measures are non-GAAP. Refer to slide 37 for more information and slide 38 for adjustments to reported results

<sup>2</sup> Effective the first quarter of 2024, provisions for credit losses related to our Canadian and U.S. indirect retail auto financing business, previously reported in Personal and Commercial Banking, are reported in Corporate Services. Prior period amounts have been reclassified to conform with the current period presentation

<sup>3</sup> Initial allowance for Bank of the West as of February 1, 2023

<sup>4</sup> PCL Ratios are calculated as the annualized provision for credit losses as a percentage of average net loans and acceptances, expressed in basis points

# Allowance and Provision on Performing Loans

Allowance on Performing Loans (APL) and PCL on Performing Loans (PCL) By Operating Group (\$MM)	Q1 24 APL <sup>1</sup>	Q2 24 PCL <sup>2</sup>	Q2 24 Foreign exchange & Other	Q2 24 APL <sup>1</sup>	APL to Performing Loans <sup>3</sup> (bps)
Personal & Business Banking	1,031	86	0	1,117	53
Commercial Banking	346	17	13	376	34
<b>Total Canadian P&amp;C</b>	<b>1,377</b>	<b>103</b>	<b>13</b>	<b>1,493</b>	<b>46</b>
Personal & Business Banking	418	(21)	10	407	93
Commercial Banking	1,270	14	44	1,328	82
<b>Total U.S. P&amp;C</b>	<b>1,688</b>	<b>(7)</b>	<b>54</b>	<b>1,735</b>	<b>85</b>
<b>BMO Wealth Management</b>	<b>59</b>	<b>(13)</b>	<b>1</b>	<b>47</b>	<b>11</b>
<b>BMO Capital Markets</b>	<b>293</b>	<b>(9)</b>	<b>1</b>	<b>285</b>	<b>35</b>
<b>Corporate Services<sup>4</sup></b>	<b>127</b>	<b>(27)</b>	<b>1</b>	<b>101</b>	<b>n.m.</b>
<b>Total</b>	<b>3,544</b>	<b>47</b>	<b>70</b>	<b>3,661</b>	<b>56</b>

n.m. - not meaningful

<sup>1</sup> Q1'24 and Q2'24 includes APL on other assets of \$19MM and \$18MM, respectively and excludes APL on securities of \$7MM and \$7MM respectively

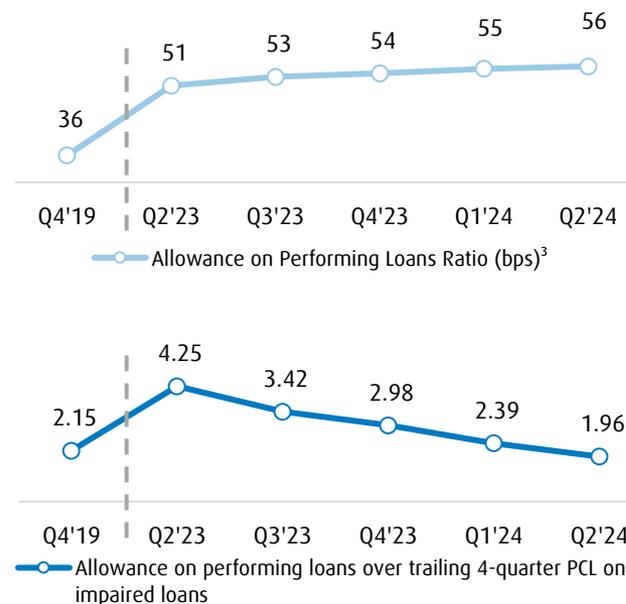
<sup>2</sup> Q2'24 PCL includes PCL on Other Assets of \$(0.1)MM and excludes PCL on Securities of \$(0.5)MM

<sup>3</sup> Allowance on performing loans over total gross performing loans and acceptances, expressed in basis points

<sup>4</sup> Effective the first quarter of 2024, provisions for credit losses related to our Canadian and U.S. indirect retail auto financing business, previously reported in Personal and Commercial Banking, are reported in Corporate Services

- The \$47MM provision for credit losses on performing loans was primarily driven by portfolio credit migration and uncertainty in credit conditions, partially offset by an improvement in the macro-economic outlook
- Appropriate coverage on performing loans at 56 bps

Coverage Ratios



# Gross Impaired Loans and Formations

By Industry (\$MM, as at Q2 24)	Formations			Gross Impaired Loans		
	CA & Other	U.S.	Total	CA & Other <sup>1</sup>	U.S.	Total
<b>Total Consumer</b>	<b>303</b>	<b>77</b>	<b>380</b>	<b>685</b>	<b>437</b>	<b>1,122</b>
Service Industries	56	523	579	385	972	1,357
Commercial Real Estate	21	243	264	195	453	648
Manufacturing	23	120	143	159	421	580
Wholesale Trade	7	204	211	59	315	373
Retail Trade	30	68	98	182	173	355
Transportation	107	71	178	122	184	305
Agriculture	12	21	33	84	73	156
Construction (non-real estate)	3	17	20	79	61	140
Financial	1	80	82	10	106	116
Oil and Gas	1	0	1	1	22	23
Other Business and Government <sup>2</sup>	2	3	3	53	32	85
<b>Total Business and Government</b>	<b>260</b>	<b>1,348</b>	<b>1,608</b>	<b>1,329</b>	<b>2,809</b>	<b>4,138</b>
<b>Total Bank</b>	<b>564</b>	<b>1,425</b>	<b>1,988</b>	<b>2,014</b>	<b>3,246</b>	<b>5,260</b>

Totals may not add due to rounding

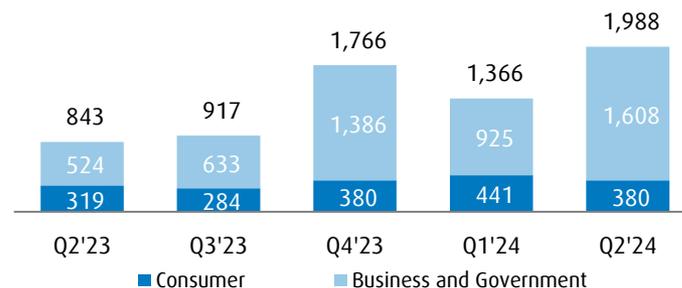
<sup>1</sup> Total Business and Government includes no GIL from other countries

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

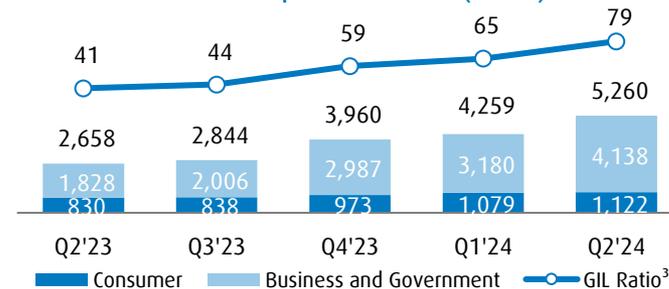
<sup>3</sup> Gross impaired loans over total gross loan and acceptances

- Gross impaired loans (GIL) ratio<sup>3</sup> of 79 bps, up 14 bps Q/Q, with the largest increases in the services industries, commercial real estate and wholesale trade

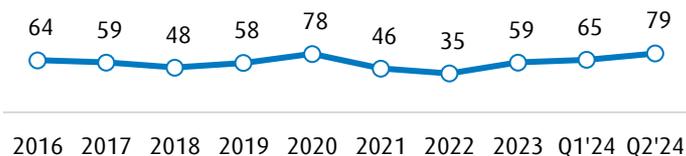
Formations (\$MM)



Gross Impaired Loans (\$MM)



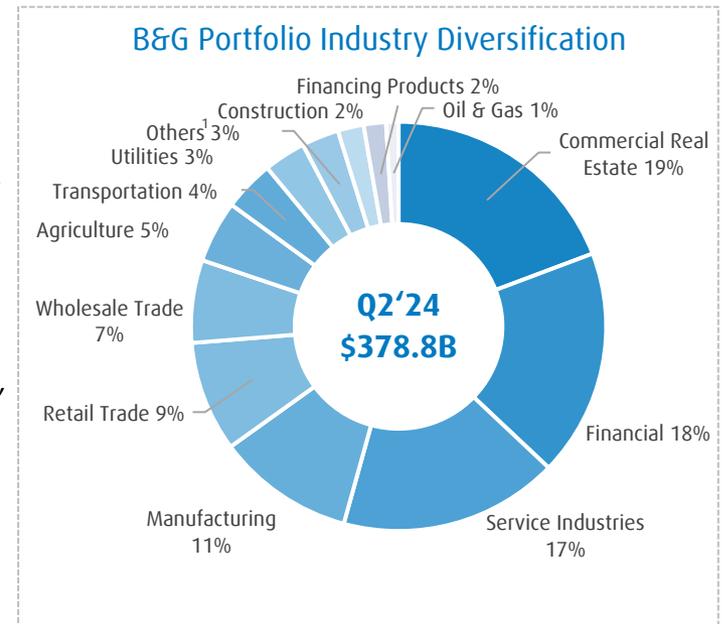
GIL Ratio<sup>3</sup> (bps)



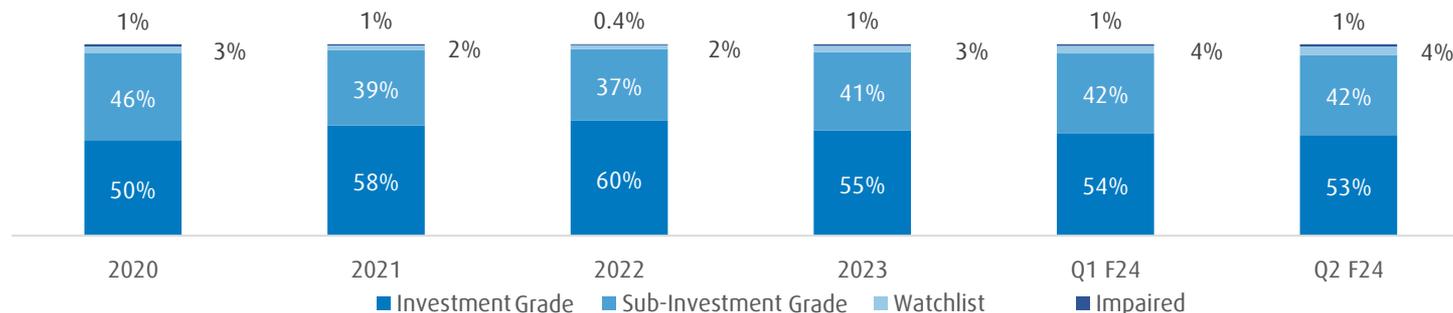
# Business & Government Portfolio Overview

Gross Loans & Acceptances By Industry (\$B, as at Q2 24)	Canada & Other <sup>1</sup>	U.S.	Total BMO	% of Total
Total Consumer	232.8	53.0	285.8	43%
<b>Total Business and Government</b>	<b>157.6</b>	<b>221.2</b>	<b>378.8</b>	<b>57%</b>
Total Gross Loans & Acceptances	390.4	274.2	664.7	100%

- B&G portfolio is well-diversified by industry and geography: 58% U.S. and 42% Canada & Others
- Consistent credit quality over time: majority of portfolio investment grade (53%), with low impaired loans (~1%)
- Well-structured and secured portfolio
  - > 80% of portfolio is secured
- 14 bps average impaired PCL over the last 10 years
- Integrated approach to risk management with differentiated Special Accounts Management Unit that proactively manages underperforming clients



## B&G Rating Distribution



<sup>1</sup> Other includes Communications, Forest Products, Government, Mining, and Other

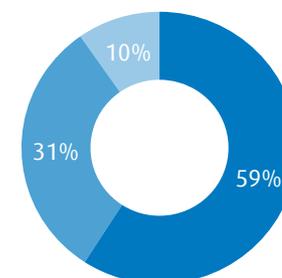
# Appendix

# Loan Portfolio Overview

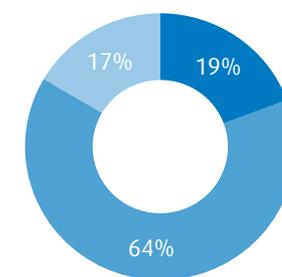
Gross Loans & Acceptances By Industry (\$B, as at Q2 24)	Canada & Other <sup>1</sup>	U.S.	Total BMO	% of Total
Residential Mortgages	151.8	28.7	180.5	27%
Consumer Instalment and Other Personal	69.4	22.9	92.3	14%
Credit Cards	11.7	1.4	13.0	2%
<b>Total Consumer</b>	<b>232.8</b>	<b>53.0</b>	<b>285.8</b>	<b>43%</b>
Commercial Real Estate	37.1	35.6	72.8	11%
Financial	16.9	51.0	67.9	10%
Service Industries	27.9	36.9	64.8	10%
Manufacturing	9.6	31.1	40.7	6%
Retail Trade	18.1	14.9	33.0	5%
Wholesale Trade	6.9	17.9	24.8	4%
Agriculture	13.4	5.1	18.5	3%
Transportation	4.6	10.4	15.0	2%
Utilities	8.6	3.9	12.4	2%
Construction (non-real estate)	2.8	4.8	7.6	1%
Oil and Gas	3.1	0.6	3.7	1%
Other Business and Government <sup>2</sup>	8.5	9.1	17.6	3%
<b>Total Business and Government</b>	<b>157.6</b>	<b>221.2</b>	<b>378.8</b>	<b>57%</b>
<b>Total Gross Loans &amp; Acceptances</b>	<b>390.4</b>	<b>274.2</b>	<b>664.7</b>	<b>100%</b>

- Portfolio is well-diversified by geography and segment
- Gross Loans & Acceptances up 2% Q/Q or 1% excluding the impact of the stronger U.S. dollar

Canada & Other Countries



U.S.



- P&C/BMO Wealth Management - Consumer
- P&C/BMO Wealth Management - Business & Government
- BMO Capital Markets

Totals may not add due to rounding

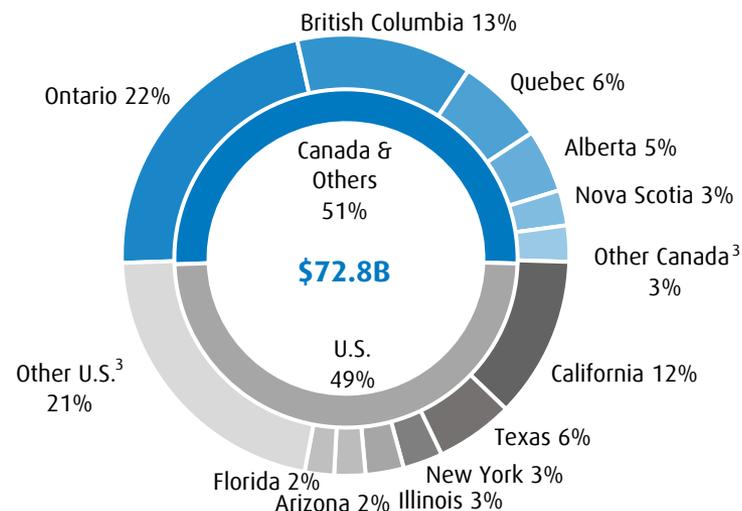
<sup>1</sup> Includes approx. \$11.7B from other countries

<sup>2</sup> Other Business and Government includes all industry segments that are each <1% of total loans

# Commercial Real Estate

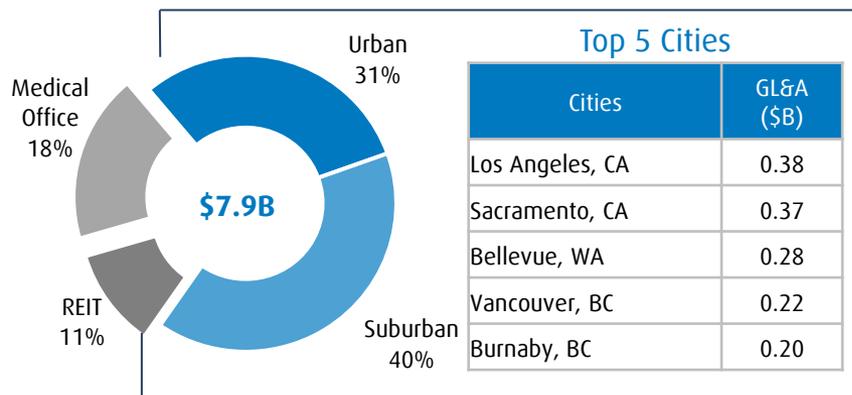
- Commercial Real Estate (CRE) portfolio at \$72.8B represents 11% of Total bank Gross Loans & Acceptances (GL&A)
- Portfolio is well-diversified across businesses, property types and geographies
- Well-managed with consistent and conservative underwriting standards resulting in strong credit quality; investment grade (51%), with low watchlist (<4%) and impaired (<1%)

CRE by Geography<sup>1</sup>



CRE diversification by property type (\$B)			
Property Type	Canada & Others	U.S.	Total
Multi-Residential	13.6	8.3	21.9
Industrial	5.9	6.7	12.6
Single Family Residence	6.1	2.0	8.1
Office	2.4	5.5	7.9
Retail	3.1	3.3	6.4
Hospitality, Healthcare & Diversified REITs	0.6	3.7	4.4
Mixed Use	2.7	0.4	3.2
Other <sup>2</sup>	2.7	5.7	8.2
<b>Total Commercial Real Estate</b>	<b>37.1</b>	<b>35.6</b>	<b>72.8</b>
<b>Total Gross Loans and Acceptances</b>	<b>390.4</b>	<b>274.2</b>	<b>664.7</b>

Traditional Office



Totals may not add due to rounding

<sup>1</sup> Based on the location of the collateral or the borrower for REITs

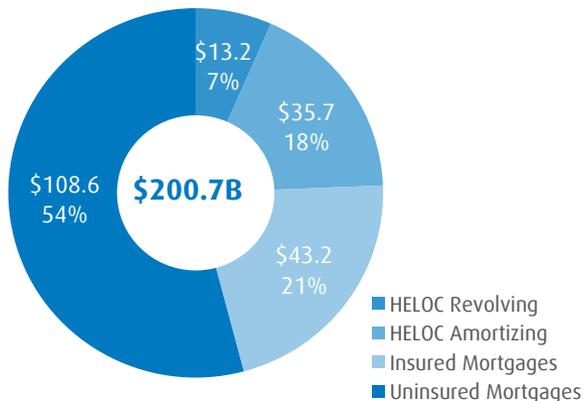
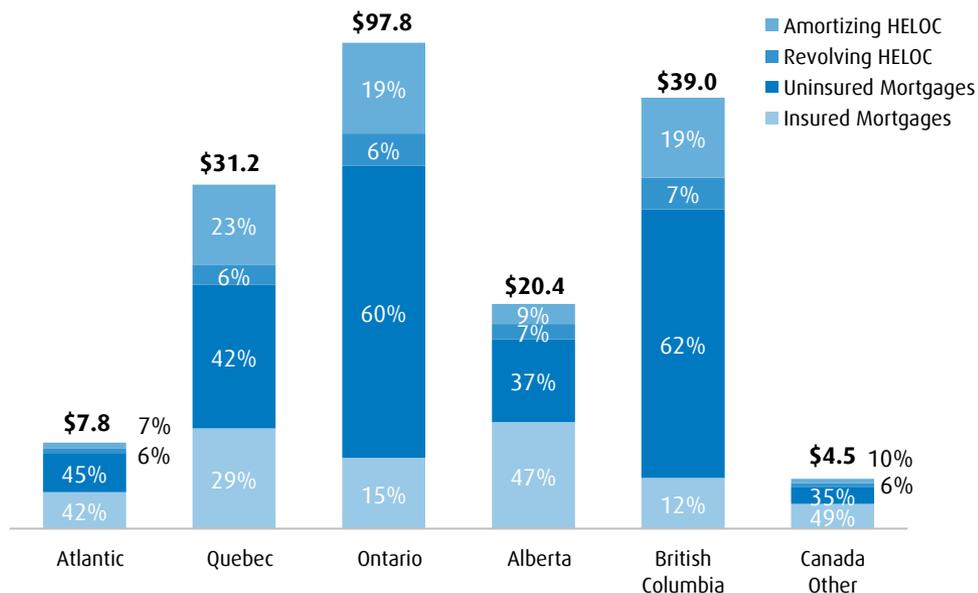
<sup>2</sup> Other includes Commercial Real Estate loans for self-storage, parking, marinas and other minor sub-categories

<sup>3</sup> 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 \$200.7B, representing 30% of total loans
  - LTV<sup>1</sup> on uninsured of 52%
  - 90-day delinquency rate for RESL remains good at 19 bps; loss rates for the trailing 4 quarter period were 1 bp
  - 3% of uninsured RESL balances are to borrowers with <680 FICO and >70% LTV<sup>1</sup>
- Residential mortgage portfolio of \$151.8B
  - 28% of portfolio insured
  - LTV<sup>1</sup> on uninsured of 56%
  - 56% of the mortgage portfolio has an effective remaining amortization of 25 years or less
- HELOC portfolio of \$48.9B outstanding of which 73% is amortizing
- Condo RESL portfolio is \$29.0B with 22% insured
- Owner-occupied represents 85% of total RESL portfolio

Residential-Secured Lending by Region (\$200.7B)



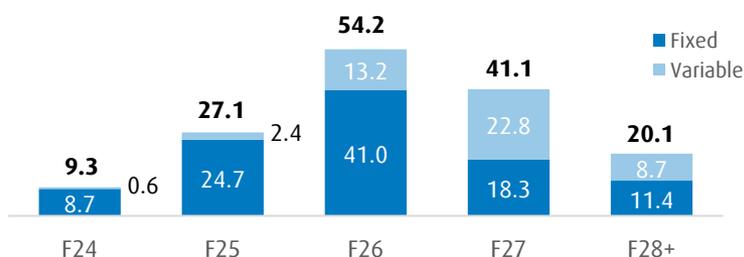
Avg. LTV <sup>1</sup> Uninsured	Atlantic	Quebec	Ontario	Alberta	British Columbia	Canada Other	Total Canada
<b>Mortgage</b>							
- Portfolio	55%	57%	58%	57%	53%	55%	56%
- Origination	70%	71%	71%	73%	68%	72%	71%
<b>HELOC</b>							
- Portfolio	46%	50%	46%	49%	45%	47%	47%
- Origination	61%	68%	58%	61%	58%	62%	60%

<sup>1</sup> 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.

# Canadian Mortgage Portfolio Profile

- The impact of higher interest rates on payments is primarily realized upon renewal for both fixed 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
- \$19.9B of mortgages in negative amortization<sup>1</sup>, down 34% YTD; representing ~42% of total variable rate mortgages, ~13% of the total mortgage portfolio; down from ~62% of the variable rate portfolio and ~20% of the total portfolio in Q4'23
- Only 14% or \$20.5B in mortgage balances are renewing in the next 12 months, with an average FICO of 793 and LTV of 45%; over 70% of mortgages renew after F2025
- Renewing customers experienced an increase to their regular payments of 22% for variable mortgages and 19% for fixed mortgages on a Q2'24 trailing 4-quarters basis

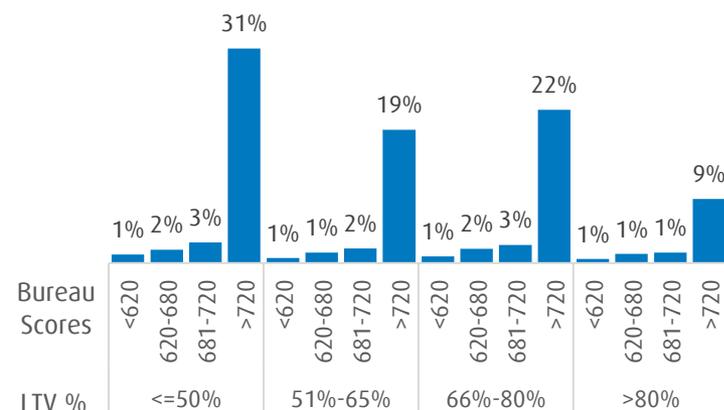
**Mortgage Maturity Schedule**  
(\$151.8Bn; 69% fixed rate, 31% variable rate)



**Payment Increase at Renewal**  
(For illustration purposes)

Payment at Renewal	F24	F25	F26	F27	F28+
Average payment Increase <sup>2</sup> (\$)	\$250	\$350	\$450	\$550	\$50
Average payment Increase <sup>2</sup> (%)	15%	21%	23%	23%	2%

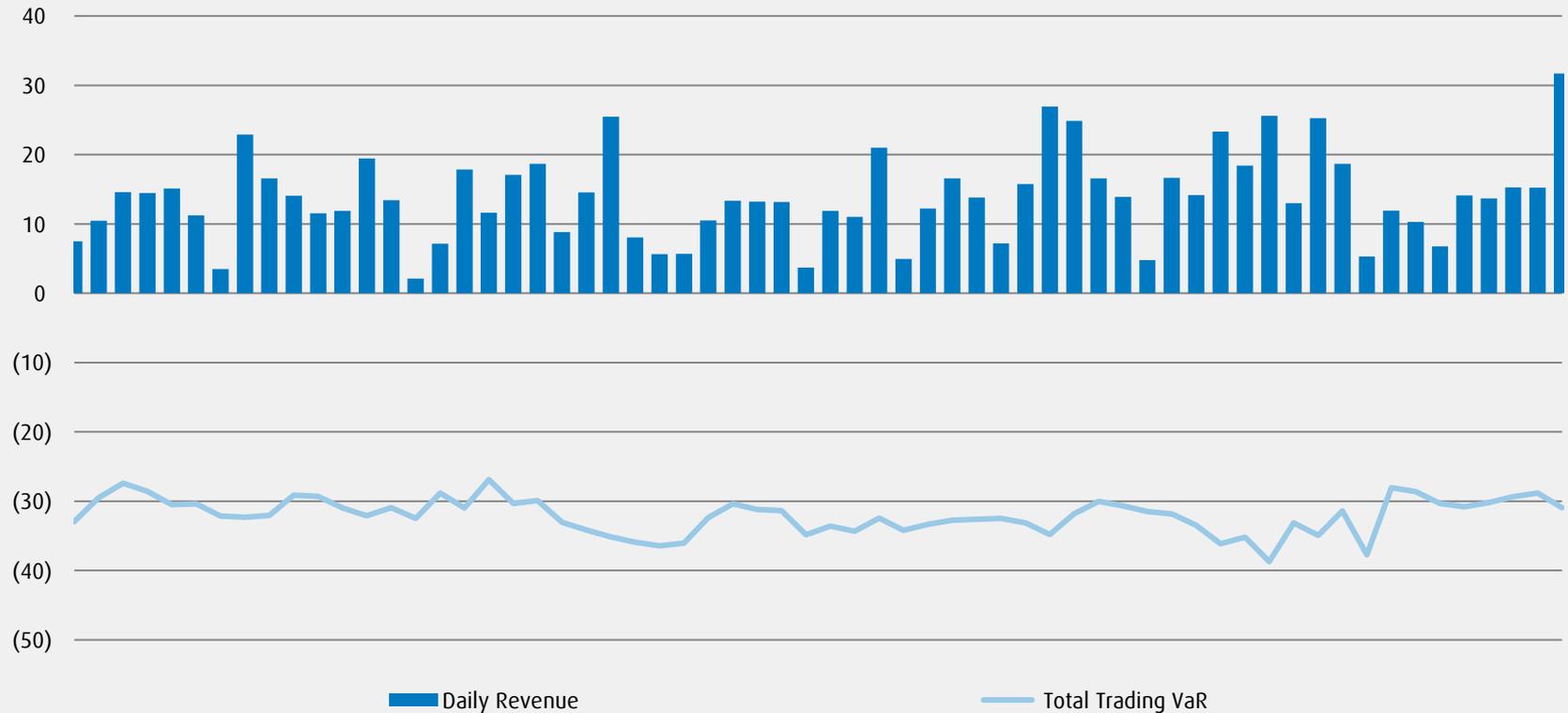
**Mortgage LTV by Bureau Scores**



<sup>1</sup> Variable rate mortgages in negative amortization, with all of the contractual payments currently being applied to interest, and the portion of interest due that is not met by each payment is added to the principal  
<sup>2</sup> The average payment increase reflects an assumed interest rate of 5.75% at renewal and includes regular payments and additional pre-payments made to date

# Trading-Related Net Revenue and Value-at-Risk

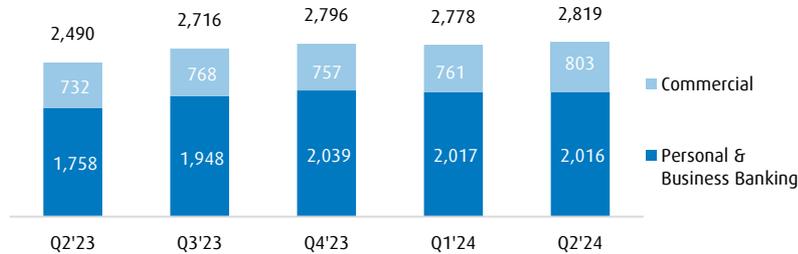
February 1, 2024 to April 30, 2024  
(pre-tax basis and in millions of Canadian dollars)



# Highly diversified businesses delivering resilient performance

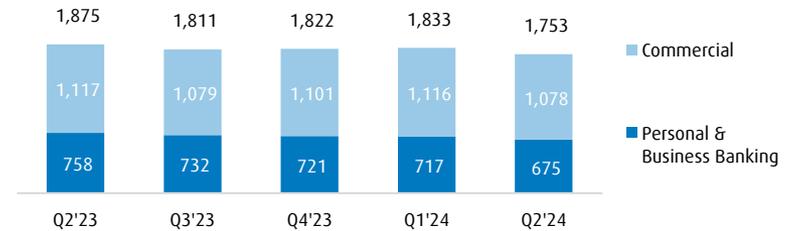
## Canadian Personal & Commercial Banking

Reported Revenue (\$MM)



## U.S. Personal & Commercial Banking

Reported Revenue (teb<sup>1</sup>, US\$MM)



## BMO Wealth Management

Reported Revenue (\$MM)



## BMO Capital Markets

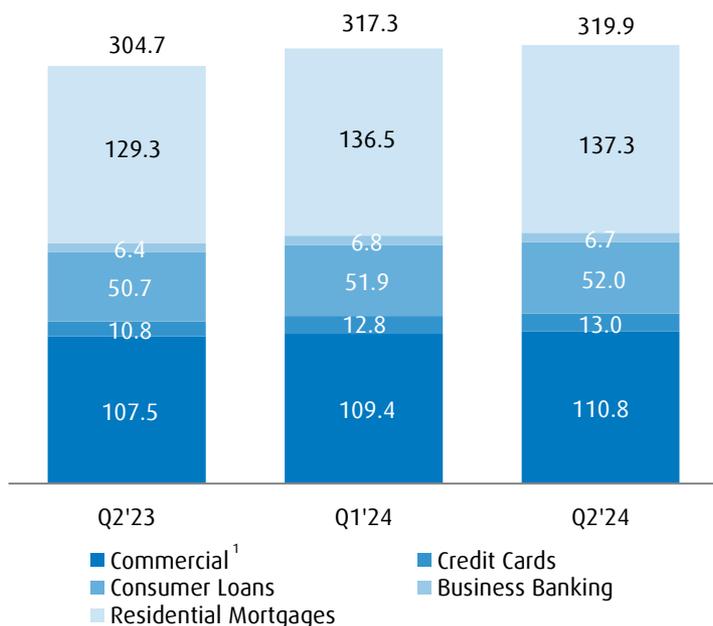
Reported Revenue (teb<sup>1</sup>, \$MM)



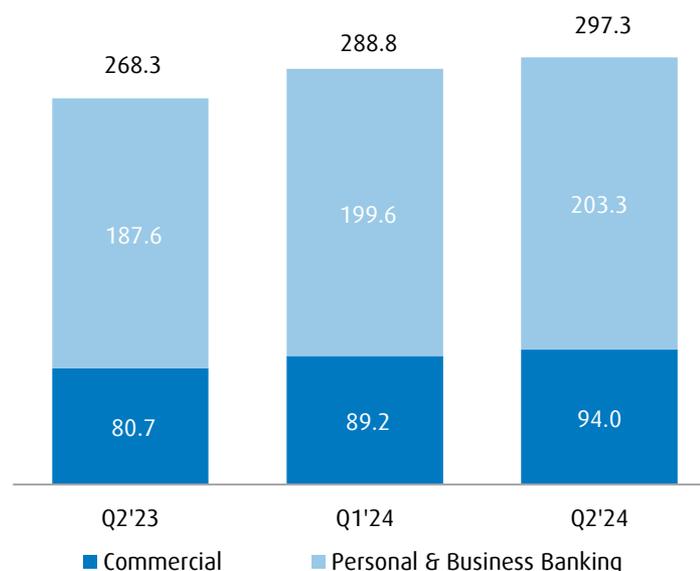
<sup>1</sup> Operating group revenue stated on taxable equivalent basis (teb). These teb adjustments in U.S. P&C (Q2'24 US\$6MM, Q1'24 US\$7MM, Q4'23 US\$7MM, Q3'23 US\$6MM, Q2'23 US\$6MM) and BMO Capital Markets (Q2'24 \$2MM, Q1'24 \$19MM, Q4'23 \$86MM, Q3'23 \$81MM, Q2'23 \$84MM) are offset in Corporate Services

# Canadian Personal & Commercial Banking – Balances

## Average Gross Loans & Acceptances (\$B)



## Average Deposits (\$B)



- Average loans & acceptances up 5% Y/Y and 1% Q/Q
  - Residential Mortgages (including amortizing HELOC) up 6% Y/Y and flat Q/Q
  - Cards up 20% Y/Y and 2% Q/Q
  - Business Banking up 5% Y/Y and down 1% Q/Q
  - Commercial<sup>1</sup> up 3% Y/Y and 1% Q/Q

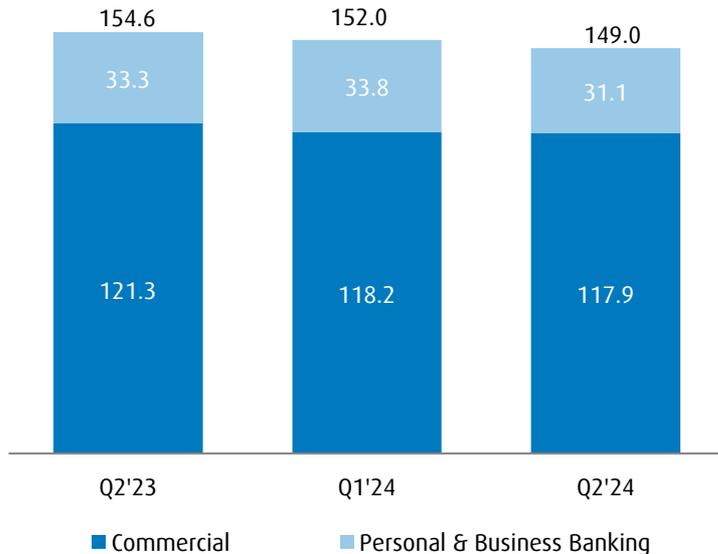
- Average deposits up 11% Y/Y and 3% Q/Q
  - Personal & Business Banking up 8% Y/Y and 2% Q/Q
    - Chequing and Savings down 9% Y/Y and 3% Q/Q
    - Term up 25% Y/Y and 5% Q/Q
  - Commercial up 16% Y/Y and 5% Q/Q

<sup>1</sup> Commercial lending excludes commercial and small business cards. Commercial and small business cards balances represented 13% of total credit card portfolio in Q2'24, Q1'24 and Q2'23

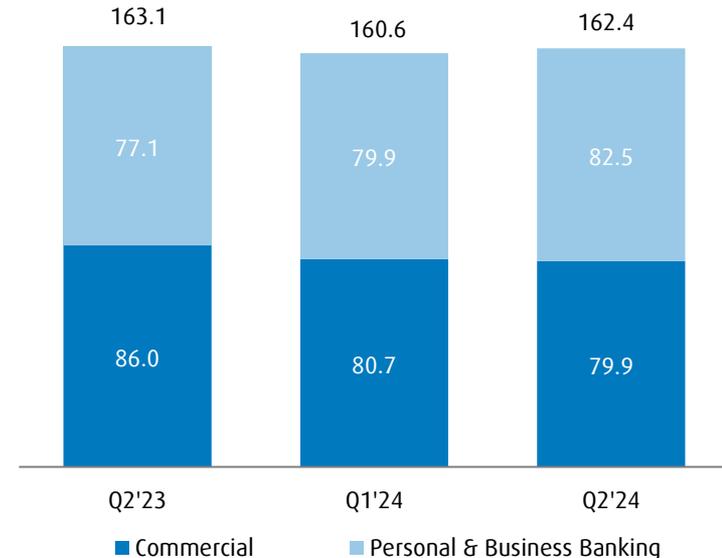
# U.S. Personal & Commercial Banking – Balances

Amounts on this slide are in U.S. dollars<sup>1</sup>

## Average Gross Loans & Acceptances (US\$B)



## Average Deposits (US\$B)



- Average loans & acceptances down 4% Y/Y and 2% Q/Q (up 1% Y/Y and relatively unchanged Q/Q excluding RV loan portfolio sale<sup>2</sup>)
  - Commercial down 3% Y/Y and relatively stable Q/Q
  - Personal & Business Banking down 7% Y/Y and 8% Q/Q (up 19% Y/Y and 3% Q/Q excluding RV loan portfolio sale<sup>2</sup>)

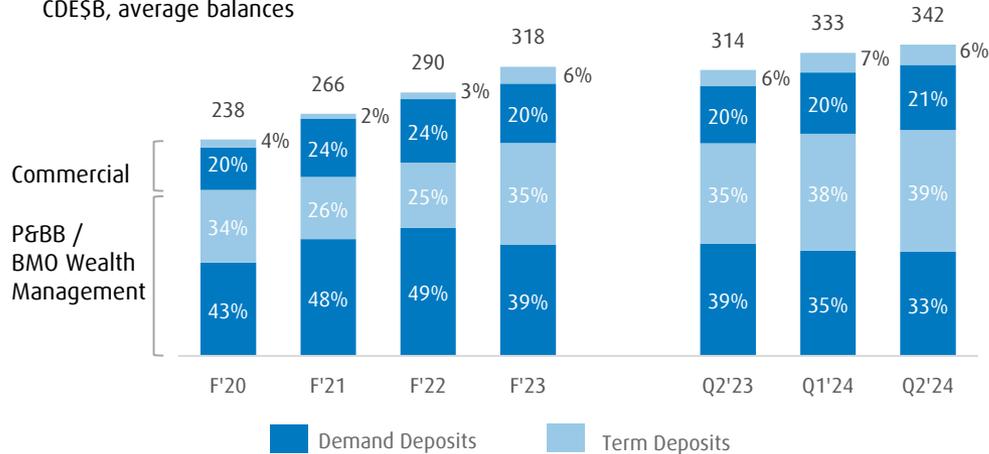
- Average deposits relatively stable Y/Y and up 1% Q/Q
  - Commercial down 7% Y/Y and 1% Q/Q
  - Personal & Business Banking up 7% Y/Y and 3% Q/Q

<sup>1</sup> Average FX rates (CAD/US dollar): Q2'24 1.3625, Q1'24 1.3392, and Q2'23 1.3564  
<sup>2</sup> RV loan portfolio sale reduced average balances by US\$3.6B in Q1'24 and US\$7.2B in Q2'23

# Canadian and U.S. deposit trends

## Canadian P&C and BMO Wealth Management deposits

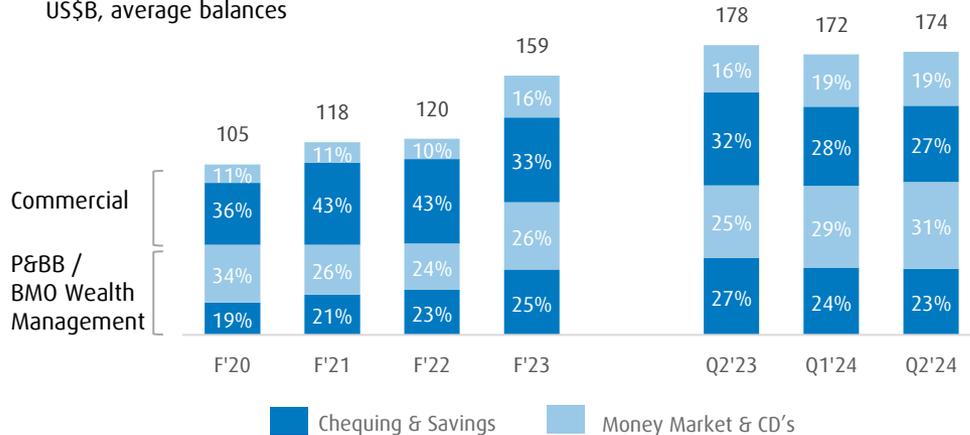
CDE\$B, average balances



- Total Canadian deposits grew 9% Y/Y due to new customer acquisition, a comprehensive onboarding program and increased customer primacy
- Continued customer balance shift to term deposits given high interest rates

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

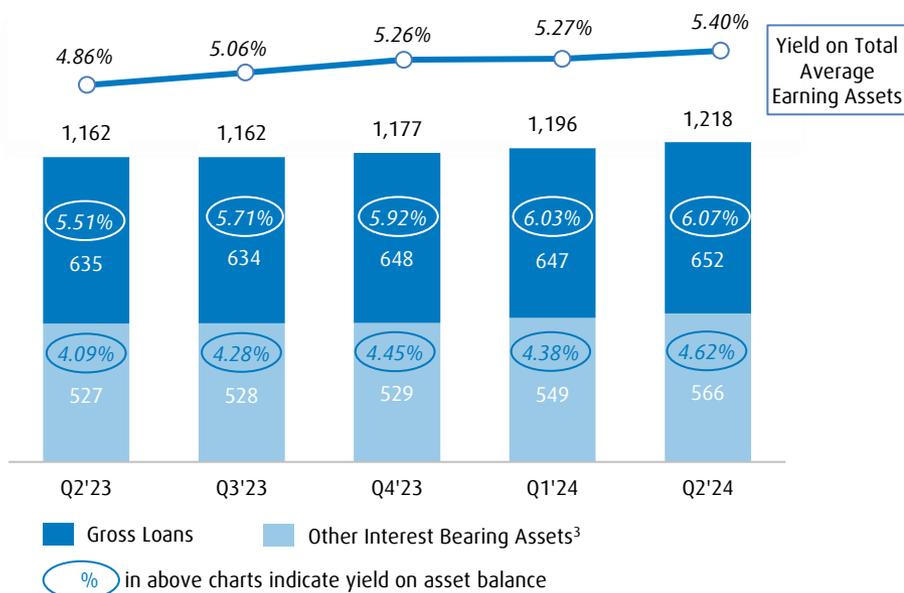
US\$B, average balances



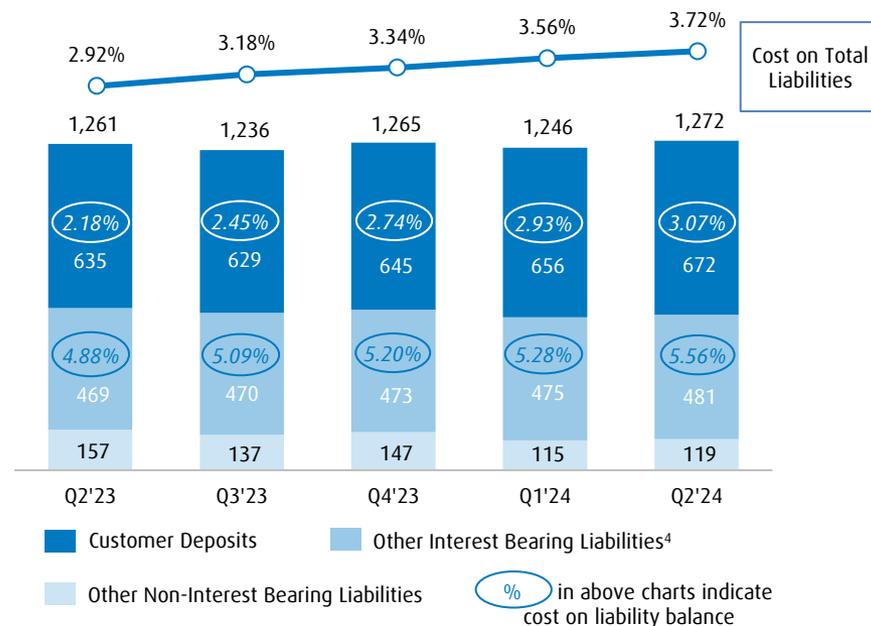
- Total U.S. deposits increased 1% Q/Q as we continued to grow new customers and deposits through competitive tools, products and channels, including national digital retail banking and treasury and payments solutions platforms
- Current environment continues to reflect deposit competition and customer migration to money markets and CD's

# Asset Yields<sup>1</sup> and Liabilities Costs<sup>2</sup>

## Average Earning Assets (\$B) and Yield<sup>1</sup> (%)



## Average Liabilities (\$B) and Costs<sup>2</sup> (%)



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

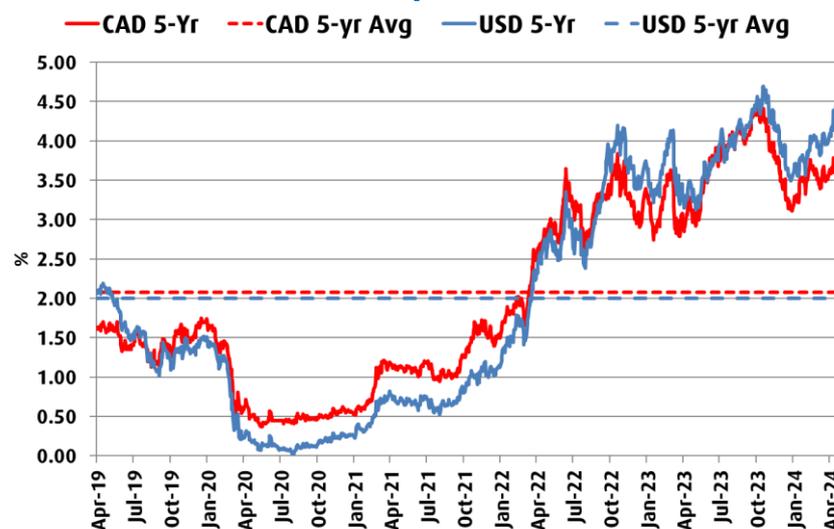
- Year 1 benefit / exposure to an incremental +/- 100bps rate shock reflects a relatively neutral positioning
- Year 2 benefit to rising rates (+100bps) of approximately \$600MM driven by long rates and the continued reinvestment of capital and deposits
- Effective deposit betas were comparable to modeled assumptions through the rate hike cycle
  - Deposit costs have continued to increase as competition for funding has led to spread compression

- Term rates decreased in Q2'24 and continue to be volatile, but are still higher than historical rates
- Sustained higher long-term investment rates continue to support NIM going forward, providing some offset to increased pricing pressure on deposit products

## Earnings sensitivities over the next 12 months<sup>1</sup>

Q2'24 Pre-Tax CDE (\$MM)	+100 bps	-100 bps	-25 bps
Canada <sup>2</sup>	110	(103)	(27)
U.S.	147	(168)	(43)
<b>Total</b>	<b>257</b>	<b>(270)</b>	<b>(71)</b>

## Swap Rates<sup>3</sup>



Source: Bloomberg, updated through May 07, 2024

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

<sup>1</sup> Sensitivities assumes immediate and sustained parallel shift in interest rates and using a constant balance sheet. For more details see the Structural (Non-Trading) Market Risk section of BMO's Second Quarter 2024 MD&A

<sup>2</sup> Includes Canadian dollar and other currencies

<sup>3</sup> Chart displays historical CORRA swap rates and SOFR swap rates

# Non-GAAP and Other Financial Measures

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Results and measures in this document are presented on a GAAP basis. Unless otherwise indicated, all amounts are in Canadian dollars and have been derived from our audited annual consolidated financial statements and our unaudited interim consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS). 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, as described below. 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 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 page 38. Adjusted results and measures presented in this document are non-GAAP. 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: 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 adjusted efficiency, leverage and PCL ratios, growth rates and other measures calculated using adjusted results, which exclude the impact of certain items such as acquisition and integration costs, amortization of acquisition-related intangible assets, impact of divestitures, 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 May 29, 2024, for the quarter ended April 30, 2024 ("Second Quarter 2024 MD&A") is incorporated by reference into this document, including the Summary Quarterly Earnings Trend section in the Second Quarter 2024 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 April 30, 2024, 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 Second Quarter 2024 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 Second Quarter 2024 MD&A. The Second Quarter 2024 MD&A is available on the Canadian Securities Administrators' website at [www.sedarplus.ca](http://www.sedarplus.ca) and BMO's website at [www.bmo.com/investorrelations](http://www.bmo.com/investorrelations).

Prior period amounts have been reclassified to conform with the current period presentation, including the retrospective application of IFRS 17.

# Non-GAAP and Other Financial Measures<sup>9</sup>

(Canadian \$ in millions, except as noted)		Q2 24	Q1 24	Q2 23	YTD 24	YTD 23	
<b>Reported Results</b>	Net interest income	4,515	4,721	4,814	9,236	8,835	
	Non-interest revenue	3,459	2,951	2,975	6,410	4,053	
	Revenue	7,974	7,672	7,789	15,646	12,888	
	Provision for credit losses	(705)	(627)	(1,023)	(1,332)	(1,240)	
	Non-interest expense	(4,844)	(5,389)	(5,501)	(10,233)	(9,883)	
	Income before income taxes	2,425	1,656	1,265	4,081	1,765	
	Provision for income taxes	(559)	(364)	(236)	(923)	(603)	
	Net income	1,866	1,292	1,029	3,158	1,162	
	Diluted EPS (\$)	2.36	1.73	1.26	4.08	1.42	
	<b>Adjusting Items (Pre-tax)</b>	Management of fair value changes on the purchase of Bank of the West (1)	—	—	—	—	(2,011)
Legal provision (recorded in revenue) (2)		(14)	(14)	(7)	(28)	(13)	
Impact of loan portfolio sale (3)		—	(164)	—	(164)	—	
Impact of adjusting items on revenue (pre-tax)		(14)	(178)	(7)	(192)	(2,024)	
Initial provision for credit losses on purchased performing loans (pre-tax) (4)		—	—	(705)	—	(705)	
Acquisition and integration costs (5)		(36)	(76)	(727)	(112)	(966)	
Amortization of acquisition-related intangible assets (6)		(107)	(112)	(115)	(219)	(123)	
Legal provision (including legal fees) (2)		(1)	(1)	—	(2)	(2)	
FDIC special assessment (7)		(67)	(417)	—	(484)	—	
Impact of adjusting items on non-interest expense (pre-tax)		(211)	(606)	(842)	(817)	(1,091)	
Impact of adjusting items on reported net income (pre-tax)		(225)	(784)	(1,554)	(1,009)	(3,820)	
<b>Adjusting Items (After-tax)</b>		Management of fair value changes on the purchase of Bank of the West (1)	—	—	—	—	(1,461)
		Legal provision (including related interest expense and legal fees) (2)	(11)	(10)	(6)	(21)	(11)
		Impact of loan portfolio sale (3)	—	(136)	—	(136)	—
	Impact of adjusting items on revenue (after-tax)	(11)	(146)	(6)	(157)	(1,472)	
	Initial provision for credit losses on purchased performing loans (after-tax) (4)	—	—	(517)	—	(517)	
	Acquisition and integration costs (5)	(26)	(57)	(549)	(83)	(730)	
	Amortization of acquisition-related intangible assets (6)	(79)	(84)	(85)	(163)	(91)	
	Legal provision (including related interest expense and legal fees) (2)	(1)	(1)	—	(2)	(1)	
	FDIC special assessment (7)	(50)	(313)	—	(363)	—	
	Impact of adjusting items on non-interest expense (after-tax)	(156)	(455)	(634)	(611)	(822)	
	Impact of Canadian tax measures (8)	—	—	—	—	(371)	
	Impact of adjusting items on reported net income (after-tax)	(167)	(601)	(1,157)	(768)	(3,182)	
	Impact on diluted EPS (\$)	(0.23)	(0.83)	(1.63)	(1.06)	(4.52)	
	<b>Adjusted Results</b>	Net interest income	4,529	4,735	4,821	9,264	9,231
Non-interest revenue		3,459	3,115	2,975	6,574	5,681	
Revenue		7,988	7,850	7,796	15,838	14,912	
Provision for credit losses		(705)	(627)	(318)	(1,332)	(535)	
Non-interest expense		(4,633)	(4,783)	(4,659)	(9,416)	(8,792)	
Income before income taxes		2,650	2,440	2,819	5,090	5,585	
Provision for income taxes		(617)	(547)	(633)	(1,164)	(1,241)	
Net income		2,033	1,893	2,186	3,926	4,344	
Diluted EPS (\$)		2.59	2.56	2.89	5.14	5.94	

(1) Reported net income in Q1-2023 included losses of \$1,461 million (\$2,011 million pre-tax) related to the acquisition of Bank of the West, 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, in Corporate Services

(2) Reported net income included the impact of a lawsuit associated with a predecessor bank, M&I Marshall and Ilsley Bank: Q2-2024 included \$12 million (\$15 million pre-tax), comprising \$14 million interest expense and non-interest expense of \$1 million; Q1-2024 included \$11 million (\$15 million pre-tax), comprising \$14 million interest expense and non-interest expense of \$1 million; Q2-2023 included \$6 million (\$7 million pre-tax) of interest expense; and Q1-2023 included \$6 million (\$8 million pre-tax), comprising interest expense of \$6 million and a non-interest expense of \$2 million. These amounts were recorded in Corporate Services. For further information, refer to the Provisions and Contingent Liabilities section in Note 24 of the audited annual consolidated financial statements of BMO's 2023 Annual Report

(3) Reported net income in Q1-2024 included a net accounting loss on the sale of a portfolio of recreational vehicle loans related to balance sheet optimization of \$136 million (\$164 million pre-tax), recorded in Corporate Services

(4) 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

(5) 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: Q2-2024 included \$22 million (\$30 million pre-tax); Q1-2024 included \$46 million (\$61 million pre-tax); Q2-2023 included \$545 million (\$722 million pre-tax); Q1-2023 included \$178 million (\$235 million pre-tax). Costs related to the acquisitions of Radicle and Clearpool were recorded in BMO Capital Markets: Q2-2024 included \$2 million (\$3 million pre-tax); Q1-2024 included \$10 million (\$14 million pre-tax); Q2-2023 included \$2 million (\$2 million pre-tax); and Q1-2023 included \$3 million (\$4 million pre-tax). Costs related to the acquisition of AIR MILES were recorded in Canadian P&C: Q2-2024 included \$2 million (\$3 million pre-tax); Q1-2024 included \$1 million (\$1 million pre-tax); Q2-2023 included \$2 million (\$3 million pre-tax)

(6) Reported net income included amortization of acquisition-related intangible assets recorded in non-interest expense in the related operating group: Q2-2024 included \$79 million (\$107 million pre-tax); Q1-2024 included \$84 million (\$112 million pre-tax); Q2-2023 included \$85 million (\$115 million pre-tax); and Q1-2023 included \$6 million (\$8 million pre-tax)

(7) Reported net income included the impact of a U.S. Federal Deposit Insurance Corporation (FDIC) special assessment of \$50 million (\$67 million pre-tax) in Q2-2024 and \$313 million (\$417 million pre-tax) in Q1-2024, recorded in non-interest expense in Corporate Services

(8) Reported net income in Q1-2023 included a one-time tax expense of \$371 million related to certain tax measures enacted by the Canadian government, recorded in Corporate Services

(9) For more information, refer to slide 37 and the Non-GAAP and Other Financial Measures section of BMO's Second Quarter 2024 MD&A

Prior period amounts have been reclassified to conform with the current period presentation

# Summary of Reported and Adjusted Results by Operating Group

(Canadian \$ in millions unless otherwise stated)		Q2 24	Q1 24	Q4 23	Q3 23	Q2 23	YTD 24	YTD 23
<b>Total Bank</b>	Reported Net Income	1,866	1,292	1,710	1,565	1,029	3,158	1,162
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	—	—	—	1,461
	Acquisition and integration costs	26	57	433	370	549	83	730
	Amortization of acquisition-related intangible assets	79	84	88	85	85	163	91
	Legal Provisions	12	11	12	(3)	6	23	12
	Impact of Canadian tax measures	—	—	—	131	—	—	371
	Initial provision for credit losses on purchased performing loans	—	—	—	—	517	—	517
	Net loss on RV loan portfolio sale	—	136	—	—	—	136	—
	FDIC special assessment	50	313	—	—	—	363	—
<b>Adjusted Net Income</b>	<b>2,033</b>	<b>1,893</b>	<b>2,243</b>	<b>2,148</b>	<b>2,186</b>	<b>3,926</b>	<b>4,344</b>	
<b>U.S. Segment (USD)</b>	Reported Net Income	559	184	364	343	(119)	743	(692)
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	—	—	—	1,093
	Acquisition and integration costs	17	39	317	275	400	56	532
	Amortization of acquisition-related intangible assets	54	59	61	60	61	113	65
	Legal provision	9	8	8	(2)	4	17	9
	Initial provision for credit losses on purchased performing loans	—	—	—	—	379	—	379
	Net loss on RV loan portfolio sale	—	102	—	—	—	102	—
	FDIC special assessment	37	231	—	—	—	268	—
	<b>Adjusted Net Income</b>	<b>676</b>	<b>623</b>	<b>750</b>	<b>676</b>	<b>725</b>	<b>1,299</b>	<b>1,386</b>
<b>Canadian P&amp;C</b>	Reported Net Income	872	921	922	881	819	1,793	1,770
	Acquisition and integration costs	2	1	1	6	2	3	2
	Amortization of acquisition-related intangible assets	3	3	3	2	1	6	1
	<b>Adjusted Net Income</b>	<b>877</b>	<b>925</b>	<b>926</b>	<b>889</b>	<b>822</b>	<b>1,802</b>	<b>1,773</b>
<b>U.S. P&amp;C (USD)</b>	Reported Net Income	398	419	433	376	539	817	1,034
	Amortization of acquisition-related intangible assets	51	56	57	58	57	107	58
	<b>Adjusted Net Income</b>	<b>449</b>	<b>475</b>	<b>490</b>	<b>434</b>	<b>596</b>	<b>924</b>	<b>1,092</b>
<b>BMO Wealth Management</b>	Reported Net Income	320	240	351	396	240	560	399
	Amortization of acquisition-related intangible assets	2	1	1	1	1	3	2
	<b>Adjusted Net Income</b>	<b>322</b>	<b>241</b>	<b>352</b>	<b>397</b>	<b>241</b>	<b>563</b>	<b>401</b>
<b>BMO Capital Markets</b>	Reported Net Income	459	393	472	295	370	852	858
	Acquisition and integration costs	2	10	(2)	1	2	12	5
	Amortization of acquisition-related intangible assets	5	5	5	5	6	10	10
	<b>Adjusted Net Income</b>	<b>466</b>	<b>408</b>	<b>475</b>	<b>301</b>	<b>378</b>	<b>874</b>	<b>873</b>
<b>Corporate Services</b>	Reported Net Income	(328)	(822)	(626)	(509)	(1,131)	(1,150)	(3,261)
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	—	—	—	1,461
	Acquisition and integration costs	22	46	434	363	545	68	723
	Legal provision	12	11	12	(3)	6	23	12
	Impact of Canadian tax measures	—	—	—	131	—	—	371
	Initial provision for credit losses on purchased performing loans	—	—	—	—	517	—	517
	Net loss on RV loan portfolio sale	—	136	—	—	—	136	—
	FDIC special assessment	50	313	—	—	—	363	—
	<b>Adjusted Net Income</b>	<b>(244)</b>	<b>(316)</b>	<b>(180)</b>	<b>(18)</b>	<b>(63)</b>	<b>(560)</b>	<b>(177)</b>

Adjusted results and measures are non-GAAP. Refer to footnotes (1) to (8) in the Non-GAAP and other Financial Measures table on slide 38 for details on adjusting items, and the Non-GAAP and Other Financial Measures and Summary Quarterly Earnings Trend sections of BMO's Second Quarter 2024 MD&A for further information

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

(Canadian \$ in millions unless otherwise stated)		Q2 24	Q1 24	Q4 23	Q3 23	Q2 23	YTD 24	YTD 23
<b>Total Bank</b>	Reported Income before taxes	2,425	1,656	2,194	1,988	1,265	4,081	1,765
	Total provision for (recovery of) credit losses	705	627	446	492	1,023	1,332	1,240
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	3,130	2,283	2,640	2,480	2,288	5,413	3,005
	Acquisition and integration costs	36	76	582	497	727	112	966
	Amortization of acquisition-related intangible assets	15	15	16	(4)	7	30	15
	Legal provision	67	417	—	—	—	484	—
	FDIC special assessment	—	164	—	—	—	164	—
	Net loss on RV loan portfolio sale	—	—	—	—	—	—	2,011
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	160	—	—	—
	Impact of Canadian tax measures	36	76	582	497	727	112	966
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	3,355	3,067	3,357	3,248	3,137	6,422	6,120
<b>U.S. Segment (USD)</b>	Reported Income (loss) before taxes	701	207	452	442	(184)	908	(1,032)
	Total provision for (recovery of) credit losses	223	226	135	165	578	449	614
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	924	433	587	607	394	1,357	(418)
	Acquisition and integration costs	22	52	426	369	530	74	705
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	—	—	—	1,505
	Net loss on RV loan portfolio sale	—	122	—	—	—	122	—
	FDIC special assessment	49	308	—	—	—	357	—
	Amortization of acquisition-related intangible assets	73	79	82	82	82	152	87
	Legal provision	12	11	11	(3)	5	23	12
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	1,080	1,005	1,106	1,055	1,011	2,085	1,891
<b>Canadian P&amp;C</b>	Reported Income before taxes	1,205	1,273	1,271	1,213	1,135	2,478	2,443
	Total provision for (recovery of) credit losses	398	295	265	259	241	693	385
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	1,603	1,568	1,536	1,472	1,376	3,171	2,828
	Adjusting Items impacting Non-interest expense (Pre-tax)	3	1	2	8	3	4	3
	Acquisition and integration costs	5	4	4	3	1	9	1
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	1,611	1,573	1,542	1,483	1,380	3,184	2,832
<b>U.S. P&amp;C (USD)</b>	Reported Income before taxes	489	522	555	493	699	1,011	1,343
	Total provision for (recovery of) credit losses	206	217	129	154	52	423	93
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	695	739	684	647	751	1,434	1,436
	Acquisition and integration costs	68	75	76	78	78	143	79
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	763	814	760	725	829	1,577	1,515
<b>BMO Wealth Management</b>	Reported Income before taxes	422	318	474	528	315	740	513
	Total provision for (recovery of) credit losses	(7)	13	1	7	4	6	10
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	415	331	475	535	319	746	523
	Amortization of acquisition-related intangible assets	3	1	2	2	2	4	3
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	418	332	477	537	321	750	526
<b>BMO Capital Markets</b>	Reported Income before taxes	581	495	598	378	502	1,076	1,120
	Total provision for (recovery of) credit losses	52	(22)	1	10	17	30	7
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	633	473	599	388	519	1,106	1,127
	Acquisition and integration costs	3	14	(3)	2	2	17	6
	Amortization of acquisition-related intangible assets	6	7	7	7	8	13	13
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	642	494	603	397	529	1,136	1,146

Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 37 for more information. Adjusted results and measures are non-GAAP. Refer to footnotes (1) to (8) in the Non-GAAP and other Financial Measures table on slide 38 for details on adjusting items, and the Non-GAAP and Other Financial Measures and Summary Quarterly Earnings Trend sections of BMO's Second Quarter 2024 MD&A for further information.

# Revenue, Non-Interest Expense and Efficiency Ratio Reconciliation

(Canadian \$ in millions unless otherwise stated)		Q2 24	Q1 24	Q4 23	Q3 23	Q2 23	YTD 24	YTD 23	F2023	F2022
<b>Total Bank</b>	Reported Revenue	7,974	7,672	8,319	8,052	7,789	15,646	12,888	29,259	33,710
	Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	—	—	—	—	—	—	—	—	(683)
	Reported Revenue, net of CCPB	7,974	7,672	8,319	8,052	7,789	15,646	12,888	29,259	34,393
	Impact of divestitures	—	—	—	—	—	—	—	—	21
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	—	—	—	2,011	2,011	(7,713)
	Legal provision (Net interest income)	14	14	14	3	7	28	13	30	515
	Impact of Canadian tax measures	—	—	—	138	—	—	—	138	—
	Net loss on RV loan portfolio sale	—	164	—	—	—	164	—	—	—
	Adjusted Revenue, net of CCPB	7,988	7,850	8,333	8,193	7,796	15,838	14,912	31,438	27,216
	Reported Expenses	4,844	5,389	5,679	5,572	5,501	10,233	9,883	21,134	16,194
	Acquisition and integration costs	(36)	(76)	(582)	(497)	(727)	(112)	(966)	(2,045)	(326)
	Amortization of acquisition-related intangible assets	(107)	(112)	(119)	(115)	(115)	(219)	(123)	(357)	(31)
	Impact of divestitures	—	—	—	—	—	—	—	—	(16)
	Legal provision	(1)	(1)	(2)	7	—	(2)	(2)	3	(627)
	Impact of Canadian tax measures	—	—	—	(22)	—	—	—	(22)	—
	FDIC special assessment	(67)	(417)	—	—	—	(484)	—	—	—
	Adjusted Expenses	4,633	4,783	4,976	4,945	4,659	9,416	8,792	18,713	15,194
	Reported Efficiency Ratio	60.7 %	70.2 %	68.3 %	69.2 %	70.6 %	65.4 %	76.7 %	72.2 %	48.0 %
	Adjusted Efficiency Ratio	58.0 %	60.9 %	59.7 %	60.3 %	59.7 %	59.4 %	58.9 %	59.5 %	55.8 %
<b>U.S. Segment</b>	Reported Revenue	2,571	2,512	2,795	2,770	2,645	5,083	3,191	8,756	13,035
<b>(USD)</b>	Impact of divestitures	—	—	—	—	—	—	—	—	(7)
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	—	—	—	1,505	1,505	(5,869)
	Legal provision (Net interest income)	11	10	10	2	5	21	10	22	378
	Net loss on RV loan portfolio sale	—	122	—	—	—	122	—	—	—
	Adjusted Revenue	2,582	2,644	2,805	2,772	2,650	5,226	4,706	10,283	7,537
	Reported Expenses	1,647	2,079	2,208	2,163	2,251	3,726	3,609	7,980	4,968
	Impact of divestitures	—	—	—	—	—	—	—	—	57
	Acquisition and integration costs	(22)	(52)	(426)	(369)	(530)	(74)	(705)	(1,500)	(247)
	Amortization of acquisition-related intangible assets	(73)	(79)	(82)	(82)	(82)	(152)	(87)	(251)	(22)
	Legal provision	(1)	(1)	(1)	5	—	(2)	(2)	2	(460)
	FDIC special assessment	(49)	(308)	—	—	—	(357)	—	—	—
	Adjusted Expenses	1,502	1,639	1,699	1,717	1,639	3,141	2,815	6,231	4,296
	Reported Efficiency Ratio	64.0 %	82.8 %	79.0 %	78.1 %	85.1 %	73.3 %	113.1 %	91.1 %	38.1 %
	Adjusted Efficiency Ratio	58.2 %	62.0 %	60.6 %	62.0 %	61.9 %	60.1 %	59.8 %	60.6 %	57.0 %

Adjusted results and measures are non-GAAP. Refer to footnotes (1) to (8) in the Non-GAAP and other Financial Measures table on slide 38 for details on adjusting items, and the Non-GAAP and Other Financial Measures and Summary Quarterly Earnings Trend sections of BMO's Second Quarter 2024 MD&A for further information

# Summary of Reported and Adjusted Result by Operating Group

(Canadian \$ in millions unless otherwise stated)		Reported			Adjusted		
		Q2 24	Q1 24	Q2 23	Q2 24	Q1 24	Q2 23
<b>Total Bank</b>	Revenue	7,974	7,672	7,789	7,988	7,850	7,796
	Expenses	4,844	5,389	5,501	4,633	4,783	4,659
	Pre-Provision, Pre-tax Earnings <sup>1</sup>	3,130	2,283	2,288	3,355	3,067	3,137
	Total PCL (recovery)	705	627	1,023	705	627	318
	Net Income	1,866	1,292	1,029	2,033	1,893	2,186
	U.S. Segment Net Income (US\$)	559	184	(119)	676	623	725
	Diluted EPS (\$)	2.36	1.73	1.26	2.59	2.56	2.89
	Efficiency Ratio (%)	60.7	70.2	70.6	58.0	60.9	59.7
	ROE (%)	9.9	7.2	5.5	10.9	10.6	12.6
	ROTCE <sup>2</sup> (%)	14.0	10.3	8.3	14.6	14.3	17.3
<b>Canadian P&amp;C</b>	Net Interest Income	2,154	2,141	1,927	2,154	2,141	1,927
	Non-Interest Revenue	665	637	563	665	637	563
	Revenue	2,819	2,778	2,490	2,819	2,778	2,490
	Expenses	1,216	1,210	1,114	1,208	1,205	1,110
	Pre-Provision, Pre-tax Earnings <sup>1</sup>	1,603	1,568	1,376	1,611	1,573	1,380
	Total PCL (recovery)	398	295	241	398	295	241
	Net Income	872	921	819	877	925	822
	Efficiency Ratio (%)	43.2	43.6	44.8	42.9	43.4	44.7
	ROE (%)	22.3	22.8	24.6	22.4	23.0	24.7
<b>US P&amp;C<sup>3</sup> (USD)</b>	Net Interest Income (teb)	1,463	1,537	1,550	1,463	1,537	1,550
	Non-Interest Revenue	290	296	325	290	296	325
	Revenue (teb)	1,753	1,833	1,875	1,753	1,833	1,875
	Expenses	1,058	1,094	1,124	990	1,019	1,046
	Pre-Provision, Pre-tax Earnings <sup>1</sup>	695	739	751	763	814	829
	Total PCL (recovery)	206	217	52	206	217	52
	Net Income	398	419	539	449	475	596
	Net Income (CDE\$)	543	560	731	612	635	808
	Efficiency Ratio (%)	60.3	59.7	59.9	56.4	55.6	55.8
	ROE (%)	6.5	6.5	9.0	7.3	7.4	10.0
(Canadian \$ in millions unless otherwise stated)		Reported			Adjusted		
		Q2 24	Q1 24	Q2 23	Q2 24	Q1 24	Q2 23
<b>BMO Wealth Management</b>	Wealth & Asset Management	1,291	1,247	1,243	1,291	1,247	1,243
	Insurance	102	81	50	102	81	50
	Revenue	1,393	1,328	1,293	1,393	1,328	1,293
	Expenses	978	997	974	975	996	972
	Pre-Provision, Pre-tax Earnings <sup>1</sup>	415	331	319	418	332	321
	Total PCL	(7)	13	4	(7)	13	4
	Net Income	320	240	240	322	241	241
	Wealth & Asset Management NI	252	187	211	254	188	212
	Insurance NI	68	53	29	68	53	29
	Efficiency Ratio (%)	70.3	75.0	75.2	70.1	74.9	75.0
	ROE (%)	27.2	20.3	20.6	27.4	20.4	20.7
<b>BMO Capital Markets<sup>3</sup></b>	Global Markets	1,008	952	932	1,008	952	932
	I&CB	653	637	647	653	637	647
	Revenue (teb)	1,661	1,589	1,579	1,661	1,589	1,579
	Expenses	1,028	1,116	1,060	1,019	1,095	1,050
	Pre-Provision, Pre-tax Earnings <sup>1</sup>	633	473	519	642	494	529
	Total PCL (recovery)	52	(22)	17	52	(22)	17
	Net Income	459	393	370	466	408	378
	U.S. Net Income (\$US)	121	131	4	124	138	7
	Efficiency Ratio (%)	61.9	70.2	67.1	61.3	69.0	66.4
	ROE (%)	14.1	11.6	13.0	14.3	12.0	13.2
<b>Corporate Services<sup>3</sup></b>	Revenue	(277)	(449)	(25)	(263)	(271)	(18)
	Group teb offset	(11)	(28)	(92)	(11)	(28)	(92)
	Revenue (teb)	(288)	(477)	(117)	(274)	(299)	(110)
	Expenses	181	600	828	83	121	106
	Total PCL (recovery)	(19)	51	690	(19)	51	(15)
	Net Income	(328)	(822)	(1,131)	(244)	(316)	(63)

Adjusted results and measures are non-GAAP. Refer to slide 39 for adjustments to reported results, and slide 37 and the Non-GAAP and Other Financial Measures sections of BMO's Second Quarter 2024 MD&A for more information

<sup>1</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 37 for more information and slide 40 for calculation of PPPT

<sup>2</sup> Reported and adjusted return on tangible common equity (ROTCE) are non-GAAP measures. Refer to slide 37 and Non-GAAP and Other Financial Measures section of BMO's Second Quarter 2024 MD&A for more information

<sup>3</sup> U.S. P&C and BMO Capital Markets operating group results are presented on a taxable equivalent basis (teb). This teb adjustment is offset in Corporate Services

BMO Financial Group

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