

BMO Financial Group

# Investor Presentation

For the Quarter Ended October 31, 2024

December 5, 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 2025 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; 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 and changes in foreign exchange and interest rates; changes to our credit ratings; cyber and information 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 resilience; innovation and competition; failure of third parties to comply with their obligations to us; political conditions, including changes relating to, or affecting, economic or trade matters; disruptions of global supply chains; environmental and social risk, including climate change; the Canadian housing market and consumer leverage; inflationary pressures; 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; changes in monetary, fiscal or economic policy; 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, the appeal of favourable outcomes and 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, and realize any anticipated benefits from such plans and transactions; 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 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; the possible effects on our business of war or terrorist activities; natural disasters, such as earthquakes or flooding, 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 2024 Annual Management's Discussion and Analysis ("2024 Annual MD&A"), 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 of BMO's 2024 Annual MD&A, as well as in the Allowance for Credit Losses section of BMO's 2024 Annual MD&A, 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. 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

Positive operating leverage and PPPT<sup>2</sup> growth across all operating groups

## F2024

### Net Income

Adjusted<sup>1</sup> \$7.4B  
Reported \$7.3B

### EPS

Adjusted<sup>1</sup> \$9.68  
Reported \$9.51

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

Adjusted<sup>2</sup> 5%  
Reported<sup>2</sup> 64%

### Operating Leverage

Adjusted<sup>1</sup> 1.6%  
Reported 19.8%

### Efficiency Ratio

Adjusted<sup>1</sup> 58.6%  
Reported 59.5%

### ROE

Adjusted<sup>1</sup> 9.8%  
Reported 9.7%

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

Adjusted<sup>1</sup> 13.1%  
Reported 13.5%

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

13.6%

## F2024 Highlights

- **Record adjusted PPPT<sup>1,2</sup> of \$13.4B** (reported \$13.3B)
- **Delivered on commitment to positive operating leverage**
- **Strong customer acquisition, customer deposits up \$61B** or 9% Y/Y
- **U.S. Segment** delivered consistent adjusted PPPT<sup>1,2</sup> performance, over US\$4.1B in F2024 (reported and adjusted)
- **Continued strong capital position**
  - Dividend increase of \$0.04, up 5% Y/Y
  - Announced intention to repurchase common shares
- **A clear path to rebuilding ROE**

<sup>1</sup> Adjusted results and measures are non-GAAP. Refer to slide 38 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 38 for more information and slide 41 for calculation of PPPT

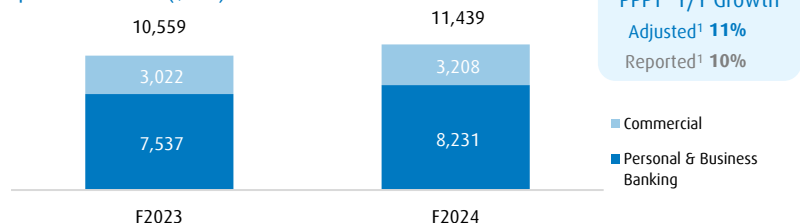
<sup>3</sup> Reported and adjusted return on tangible common equity (ROTCE) are non-GAAP measures. Refer to slide 38 and Non-GAAP and Other Financial Measures section of BMO's Annual 2024 MD&A for more information

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

# Diversified businesses delivering resilient performance

## Canadian Personal & Commercial Banking

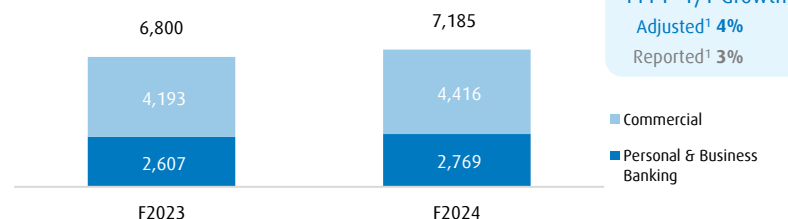
Reported Revenue (\$MM)



- Record Y/Y growth in core retail customer acquisition; gained market share in key categories: deposits, mortgages and credit cards
- Deepened client relationships through Online Banking for Business platform, contributing to strong deposit growth

## U.S. Personal & Commercial Banking

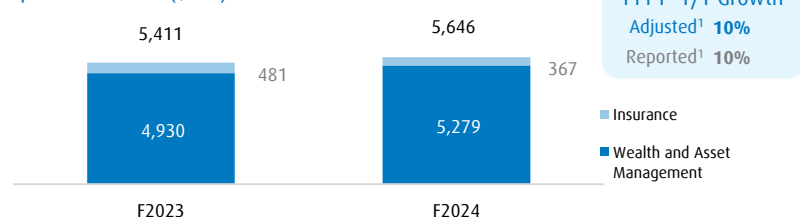
Reported Revenue (teb<sup>2</sup>, US\$MM)



- Strong customer loyalty in Personal and Business Banking (P&BB) and Commercial Banking, as measured by Net Promoter Score<sup>3</sup>
- Doubled referrals from the commercial bank to P&BB and Wealth Management partners (Q1'24 to Q4'24)

## BMO Wealth Management

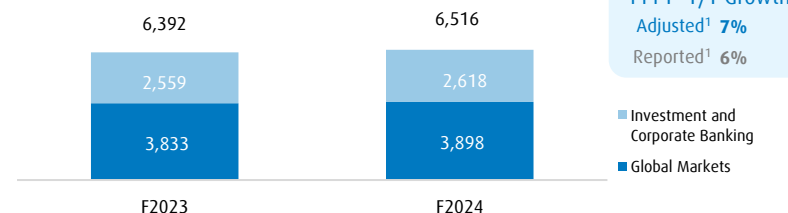
Reported Revenue (\$MM)



- Ranked #1 in satisfaction with the wealth management digital experience among Full-Service investors in the J.D. Power<sup>4</sup> 2024 Canada Wealth Management Digital Experience Study
- Mutual fund and ETF performance recognized with multiple awards

## BMO Capital Markets

Reported Revenue (teb<sup>2</sup>, \$MM)



- Advanced electronic trading execution capabilities, resulting in the capture of a significant market share of U.S. treasuries flows
- Recognized as Best Metals & Mining Investment Bank of the Year by *Global Finance* magazine for the 15<sup>th</sup> consecutive year

Certain comparative figures have been reclassified to conform with the current year's presentation and for changes in accounting policy

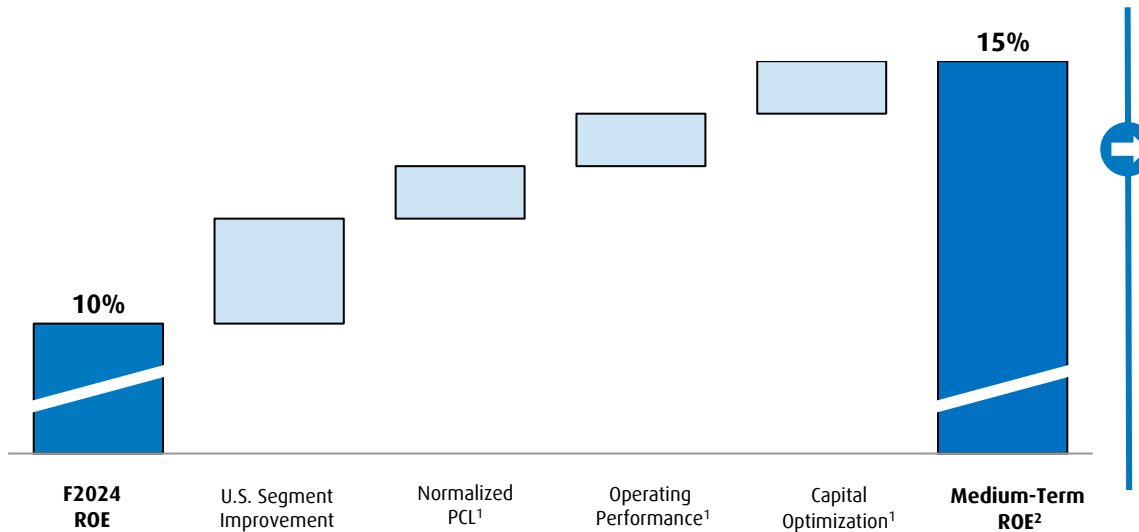
<sup>1</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 38 for more information and slide 41 for calculation of PPPT

<sup>2</sup> Operating group revenue presented on a taxable equivalent basis (teb) basis. Teb adjustments in U.S. P&C (US\$25MM in both F2024 and F2023) and BMO Capital Markets (F2024 \$22MM; F2023 \$321MM) are offset in Corporate Services

<sup>3</sup> Net Promoter Score (NPS): The percentage of customers surveyed who would recommend BMO to a friend or colleague

<sup>4</sup> [jdpower.com/business](http://jdpower.com/business)

# A clear path to rebuilding Return on Equity



## Medium Term Financial Objectives<sup>2</sup>

EPS Growth	7% to 10% per year
Return on Equity	15% or more
Return on Tangible Common Equity	18% or more
Operating Leverage	2% or more
Capital	Capital ratios that exceed regulatory requirements

## Strong Foundation

**Strong capital and liquidity position**

**Core customer acquisition, growth in primary customers**

**Track record of expense management & positive operating leverage**

**Competitive market positions & advantaged North American platform**

## Opportunities

Capitalize on revenue synergies and U.S. scale

Grow and deepen One Client relationships

Digital transformation: *Scaling Cloud, AI, and Data capabilities*

Leverage expanded capabilities and talent

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

<sup>1</sup> Excludes impact from U.S. Segment Improvement

<sup>2</sup> 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. These objectives serve as guideposts and assume a normal business operating environment and credit cycle. Refer to the Financial Objectives and Value Measures section of BMO's 2024 Annual MD&A for more information

# 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

- Delivered \$12.9 billion of our more than US\$40 billion BMO EMpower 2.0 five-year commitment to help underserved communities, businesses and families in the U.S. make real financial progress
- Received an “Outstanding” rating for Community Reinvestment Act (CRA) performance (January 2020 to December 2022)
- Over the past five years, BMO employees donated \$130 million to thousands of non-profit organizations across North America including United Way



### 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

- Opened BMO’s first net-zero energy branch in Kitchener, Ontario, featuring the highest standards in energy efficient construction methods as well as low-carbon design
- Ranked among the most sustainable companies on the Dow Jones Sustainability Indices (DJSI), a benchmark for investors who recognize that sustainable business practices are critical to generating long-term shareholder value



### For an Inclusive Society

Committing to zero barriers to inclusion by providing equitable access to opportunities and enabling the growth of our colleagues, our customers and the communities we serve, in support of our collective success

- Announced partnership with All Nations Trust Company (ANTCO), a 100% Indigenous-owned financial institution, to bring greater access to capital to Indigenous entrepreneurs and communities in British Columbia
- Named to *Corporate Knights'* ranking of Canada's Best 50 Corporate Citizens for the 23<sup>rd</sup> consecutive year
- Recognized as one of the World's Most Ethical Companies for the seventh consecutive year by Ethisphere
- Named one of Canada’s Most Admired™ Corporate Cultures by Waterstone Human Capital

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

# Financial Results

For the Quarter Ended October 31, 2024

Tayfun Tuzun

Chief Financial Officer

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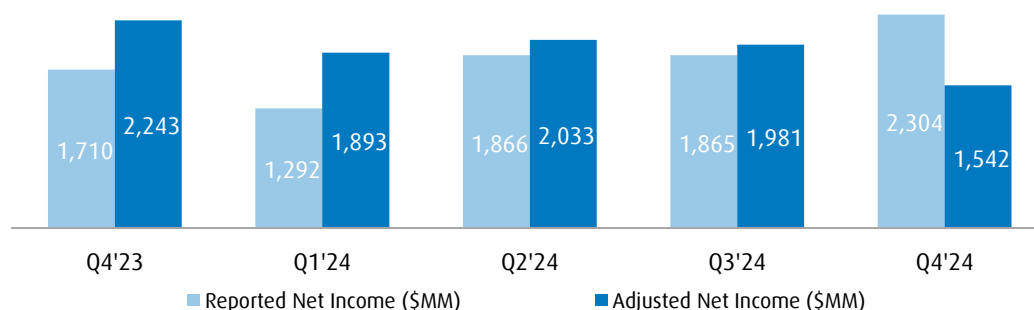
# Q4 F2024 - Financial Highlights

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

- Adjusted<sup>2</sup> EPS \$1.90, down \$1.03 Y/Y (reported \$2.94, up \$0.75)
- Adjusted<sup>2</sup> net income down 31% Y/Y (reported up 35%)
  - Q4'24 adjusted<sup>2</sup> net income excluded \$870MM reversal of the fiscal 2022 legal provision, \$27MM integration costs and \$92MM amortization of acquisition-related intangible assets
- Adjusted<sup>2</sup> PPPT<sup>1</sup> up 4% Y/Y (reported up 72%)
- Adjusted<sup>2</sup> revenue flat Y/Y (reported up 8%) with growth in Wealth and Asset Management and Canadian P&C, offset by Insurance, BMO Capital Markets, U.S. P&C and Corporate Services
- Adjusted<sup>2</sup> expenses down 2% Y/Y (reported down 22%)
- Adjusted<sup>2</sup> operating leverage 2.4% (reported 29.8%)
- Total provision for credit losses \$1,523MM
  - PCL on impaired loans \$1,107MM or 66 bps<sup>3</sup>; provision on performing loans \$416MM
- U.S. segment contributed 30% to adjusted<sup>2</sup> earnings in the quarter (55% to reported)

(\$MM)	Reported			Adjusted <sup>2</sup>		
	Q4 24	Y/Y	Q/Q	Q4 24	Y/Y	Q/Q
Revenue	8,957	8%	9%	8,368	- %	2%
Expenses	4,427	(22)%	(9)%	4,876	(2)%	4%
PPPT <sup>1</sup>	4,530	72%	35%	3,492	4%	- %
Total PCL	1,523	\$1,077	\$617	1,523	\$1,077	\$617
<b>Net Income</b>	<b>2,304</b>	<b>35%</b>	<b>24%</b>	<b>1,542</b>	<b>(31)%</b>	<b>(22)%</b>
U.S. Segment Net Income (US\$)	930	100+%	100+%	342	(54)%	(34)%
Diluted EPS (\$)	2.94	\$0.75	\$0.46	1.90	\$(1.03)	\$(0.74)
Efficiency Ratio (%)	49.4	(1,890) bps	(970) bps	58.3	(140) bps	100 bps
ROE (%)	11.4	210 bps	140 bps	7.4	(500) bps	(320) bps
ROTCE <sup>4</sup> (%)	15.6	210 bps	170 bps	9.7	(740) bps	(450) bps
CET1 Ratio <sup>5</sup> (%)	13.6	110 bps	60 bps	13.6	110 bps	60 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 38 for more information and slide 41 for calculation of PPPT

<sup>2</sup> Adjusted results and measures are non-GAAP. Refer to slide 38 and 43 for more information and slide 39 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 38 and Non-GAAP and Other Financial Measures section of BMO's Annual 2024 MD&A for more information

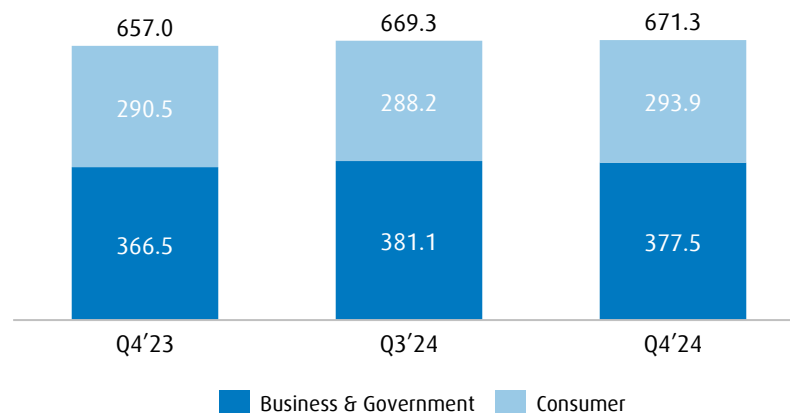
<sup>5</sup> Common Equity Tier 1 (CET1) Ratio is disclosed in accordance with the Capital Adequacy Requirements (CAR) Guideline, as set out by the Office of the Superintendent of Financial Institutions (OSFI)

# Balance Sheet

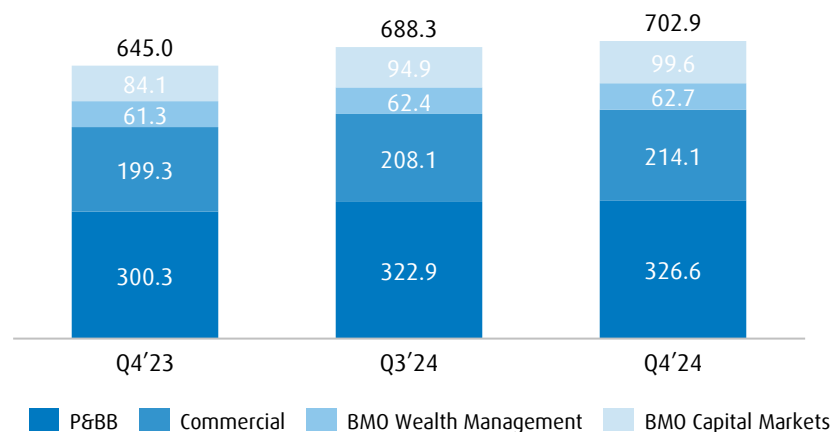
## Diversified loan and deposit portfolio

- Average gross loans and acceptances up 2% Y/Y, or 5% excluding the impact of Indirect Retail Auto wind-down and RV loan portfolio sale<sup>2</sup>, due to:
  - 3% growth in Business & Government loans driven by growth in Canadian P&C, BMO Capital Markets
  - 7% growth in Consumer loans, primarily driven by mortgage growth in P&C businesses
- Average customer deposits<sup>1</sup> up 9% Y/Y and 2% Q/Q with higher balances across all operating groups

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



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



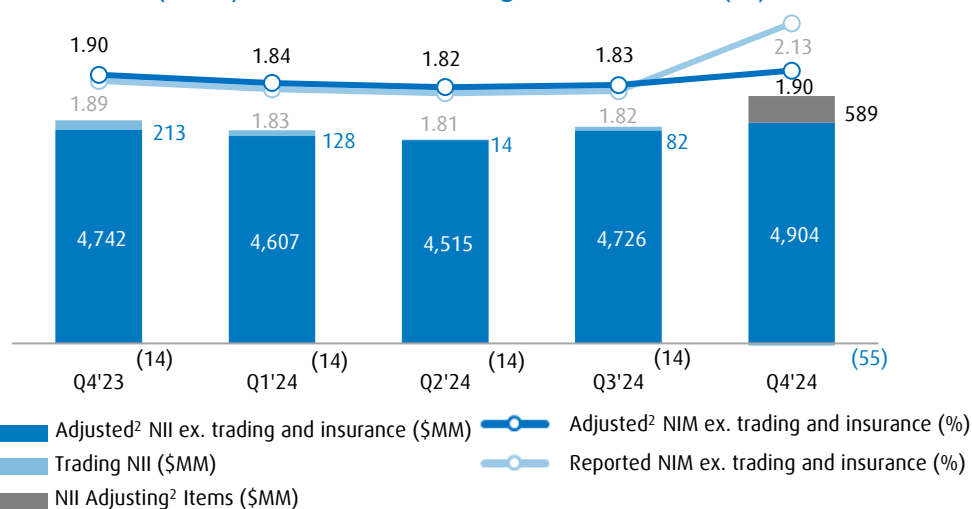
<sup>1</sup> Customer deposits are operating and savings deposits, including term investment certificates and retail structured deposits, primarily sourced through our Retail, Commercial, Wealth Management and Corporate Banking businesses

<sup>2</sup> Recreational Vehicle (RV) loan portfolio sale in Q1'24 reduced average balances by \$9.8B compared with Q4'23

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

- Reported net interest income (NII) up 10% Y/Y primarily due to the reversal of accrued interest on the fiscal 2022 legal provision
- Adjusted<sup>2</sup> NII ex. trading and Insurance up 3% Y/Y with volume growth partially offset by lower NII in Corporate Services; up 4% Q/Q
- Total bank NIM ex. trading and insurance increased 7 bps Q/Q due to:
  - Higher NII from treasury activities
  - Higher margin in Investment & Corporate Banking
  - Lower low-yielding assets in both BMO Capital Markets and Corporate Services

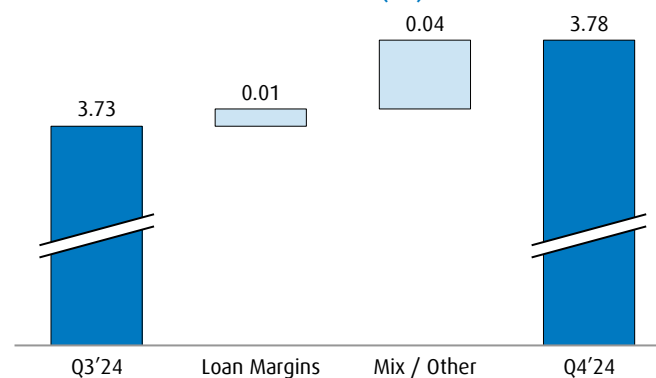
NII (\$MM) and NIM ex. trading and Insurance (%)<sup>2</sup>



Canadian P&C NIM (%)



U.S. P&C NIM (%)



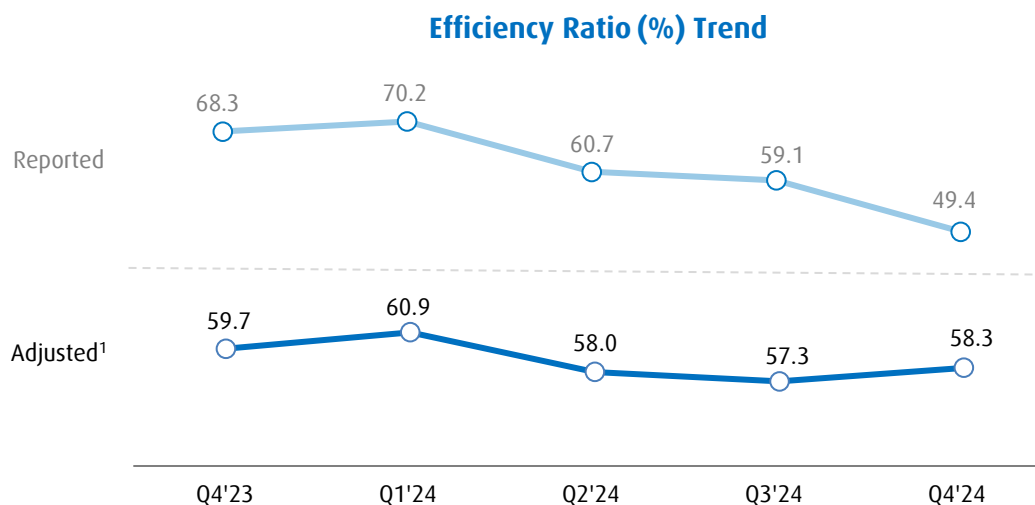
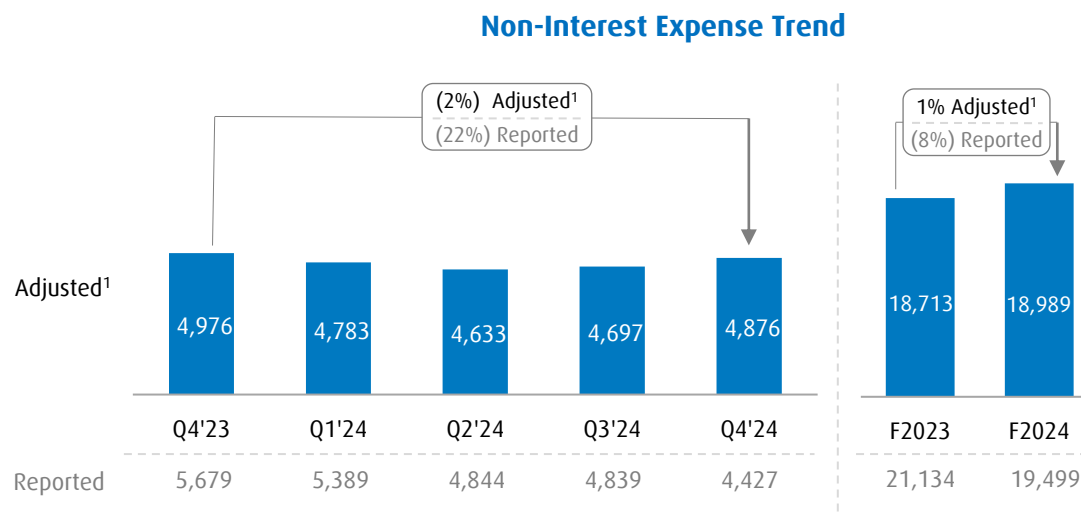
<sup>1</sup> Net interest margin (NIM) is the ratio of net interest income (NII) to average earning assets, expressed as a percentage or in basis points. Refer to the Glossary of Financial Terms section of the 2024 Annual MD&A for further information

<sup>2</sup> Adjusted results and measures are non-GAAP. See slide 38 for more information and slide 39 for adjustments to reported results

# Q4 F2024 Non-Interest Expense

Delivered against expense commitments, driving positive operating leverage

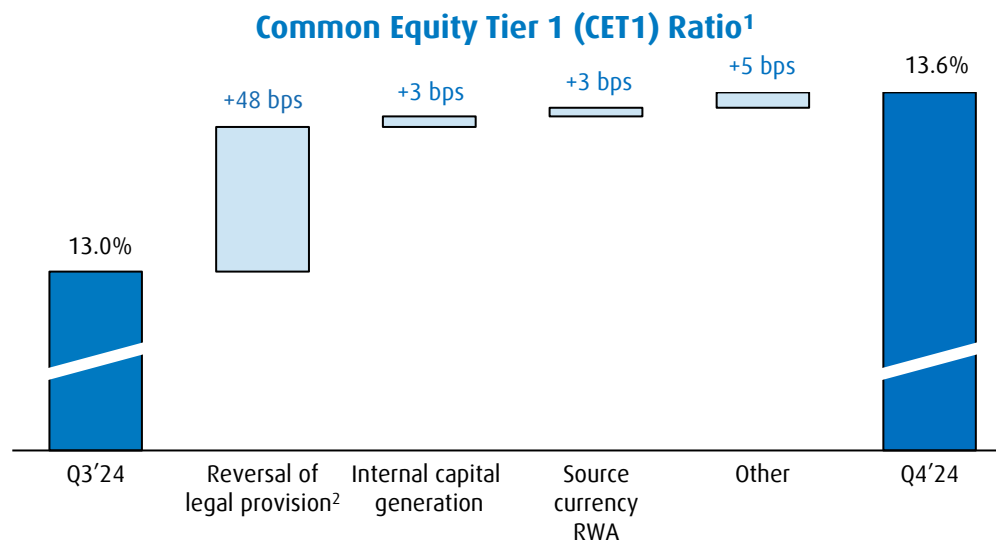
- Adjusted<sup>1</sup> expenses down 2% Y/Y (reported down 22%)
  - Primarily driven by Bank of the West cost synergies and efficiency savings
  - Current quarter includes proportionate share of Visa's litigation escrow related to their Class B shares
- Positive adjusted<sup>1</sup> operating leverage 2.4% (reported 29.8%)
- Adjusted<sup>1</sup> efficiency ratio 58.3% (reported 49.4%) improved 140 bps Y/Y (reported improved 1,890 bps)
- F2024 adjusted<sup>1</sup> expenses up 1% Y/Y (reported down 8%)



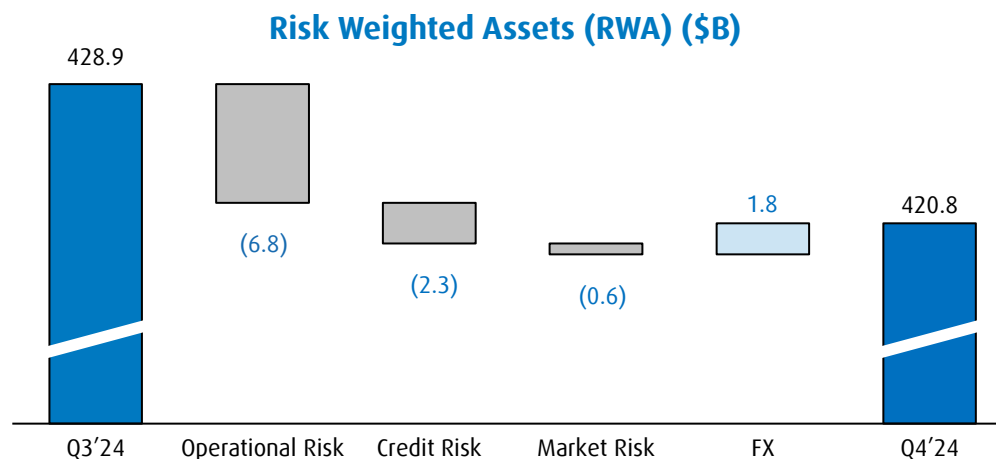
<sup>1</sup> Adjusted results and measures are non-GAAP. Refer to slide 38 and 39 for more information and slide 42 for adjustments to reported results

# Strong Q4'24 CET1 Ratio<sup>1</sup> of 13.6%

- Q4'24 CET1 ratio<sup>1</sup> of 13.6%, up from Q3'24 primarily reflecting the impacts of the reversal of the fiscal 2022 legal provision<sup>2</sup>
- The impact of FX movements on the CET1 Ratio largely offset



- RWA decreased primarily reflecting:
  - Lower operational risk mainly from the reversal of the fiscal 2022 legal provision
  - Lower credit risk mainly from methodology updates



Basis points/Numbers may not add due to rounding

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

<sup>2</sup> The reversal of the fiscal 2022 legal provision had impacts from both internal capital generation and source currency RWA

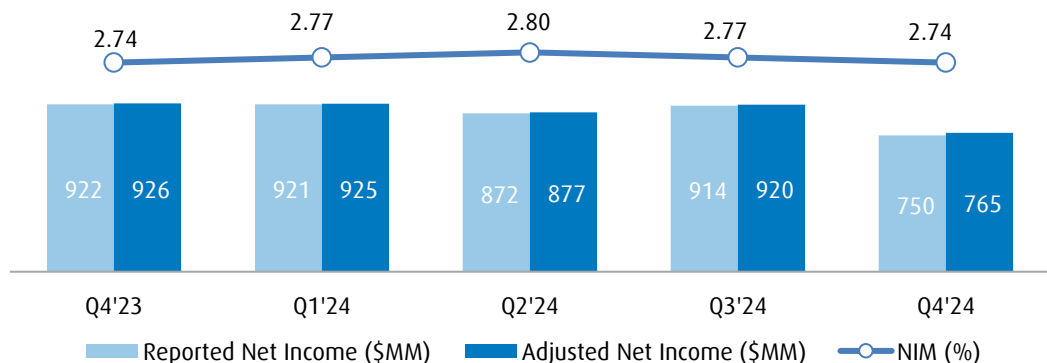
# Canadian Personal & Commercial Banking

## Positive operating leverage and continued balance sheet growth

- Adjusted<sup>1</sup> net income down 17% Y/Y (reported down 18%)
- Adjusted PPPT<sup>2</sup> up 6% Y/Y (reported up 5%)
- Revenue up 5% Y/Y
  - NII up 10% Y/Y with solid balance growth
  - NIM flat Y/Y and down 3 bps Q/Q
  - NIR down 10% Y/Y due to lower BA fees<sup>3</sup> and card-related revenue
- Adjusted<sup>1</sup> expenses up 4% Y/Y (reported up 5%) driven by higher employee-related, operating and technology costs
- Adjusted<sup>1</sup> operating leverage 1.1% (reported 0.1%)
- Total provision for credit losses \$578MM (impaired provision of \$440MM and performing provision of \$138MM)
- Average loans up 6% Y/Y and 2% Q/Q
- Average deposits up 10% Y/Y and 2% Q/Q

(\$MM)	Reported			Adjusted <sup>1</sup>		
	Q4 24	Y/Y	Q/Q	Q4 24	Y/Y	Q/Q
Net interest income	2,304	10%	2%	2,304	10%	2%
Non-interest revenue	630	(10)%	(4)%	630	(10)%	(4)%
Revenue	2,934	5%	1%	2,934	5%	1%
Expenses	1,319	5%	5%	1,299	4%	4%
PPPT <sup>2</sup>	1,615	5%	(2)%	1,635	6%	(1)%
Total PCL (recovery)	578	\$313	\$190	578	\$313	\$190
<b>Net Income</b>	<b>750</b>	<b>(18)%</b>	<b>(18)%</b>	<b>765</b>	<b>(17)%</b>	<b>(17)%</b>
Efficiency Ratio (%)	45.0	0 bps	170 bps	44.3	(50) bps	120 bps
ROE (%)	18.1	(800) bps	(420) bps	18.5	(780) bps	(390) bps

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



<sup>1</sup> Adjusted results and measures are non-GAAP. Refer to slide 38 and 43 for more information and slide 40 for adjustments to reported results

<sup>2</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 38 for more information and slide 41 for calculation of PPPT

<sup>3</sup> The impact of the transition of bankers' acceptances (BA) balances to Commercial Banking loans resulted in lower NIR offset in NII, with a modest reduction to NIM

# U.S. Personal & Commercial Banking

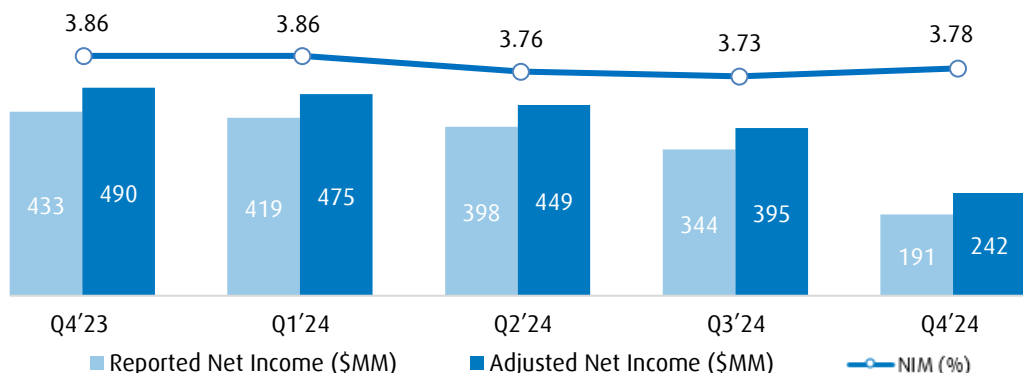
## Positive operating leverage offset by higher PCL

Amounts on this slide are in U.S. dollars:

- Adjusted<sup>1</sup> net income down 51% Y/Y (reported down 56%)
- Adjusted PPPT<sup>2</sup> up 2% Y/Y (reported up 4%)
- Revenue<sup>3</sup> down 1% Y/Y
  - NII<sup>3</sup> down 1% Y/Y due to lower net interest margins
  - NIM<sup>3</sup> down 8 bps Y/Y; up 5 bps Q/Q
  - NIR up 1% Y/Y
- Adjusted<sup>1</sup> expenses down 3% Y/Y (reported down 3%), primarily due to our focus on operational efficiencies
- Adjusted<sup>1</sup> operating leverage 2.2% (reported 2.8%)
- Total provision for credit losses \$509MM (impaired provision of \$320MM and performing provision of \$189MM)
- Average loans & acceptances down 2% Y/Y (up 3% excluding sale of RV loan portfolio<sup>4</sup>) and down 1% Q/Q
- Average deposits up 6% Y/Y and 2% Q/Q

(US\$MM)	Reported			Adjusted <sup>1</sup>		
	Q4 24	Y/Y	Q/Q	Q4 24	Y/Y	Q/Q
Net interest income (teb) <sup>3</sup>	1,506	(1)%	0%	1,506	(1)%	0%
Non-interest revenue	304	1%	5%	304	1%	5%
Revenue (teb) <sup>3</sup>	1,810	(1)%	1%	1,810	(1)%	1%
Expenses	1,098	(3)%	1%	1,030	(3)%	1%
PPPT <sup>2</sup>	712	4%	2%	780	2%	1%
Total PCL (recovery)	509	\$380	\$223	509	\$380	\$223
<b>Net Income</b>	<b>191</b>	<b>(56)%</b>	<b>(44)%</b>	<b>242</b>	<b>(51)%</b>	<b>(39)%</b>
<b>Net Income (CDE\$)</b>	<b>256</b>	<b>(57)%</b>	<b>(45)%</b>	<b>326</b>	<b>(51)%</b>	<b>(40)%</b>
Efficiency Ratio (%)	60.7	(170) bps	(10) bps	56.9	(130) bps	(10) bps
ROE (%)	2.9	(420) bps	(260) bps	3.8	(430) bps	(250) 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 38 and 43 for more information and slide 40 for adjustments to reported results

<sup>2</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 38 for more information and slide 41 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 (Q4'24 US\$6MM; Q3'24 US\$6MM; Q4'23 US\$7MM) is offset in Corporate Services. Efficiency ratio and operating leverage is calculated based on revenue (teb)

<sup>4</sup> Recreational Vehicle (RV) loan portfolio sale in Q1'24 reduced average balances by US\$7.2B compared with Q4'23

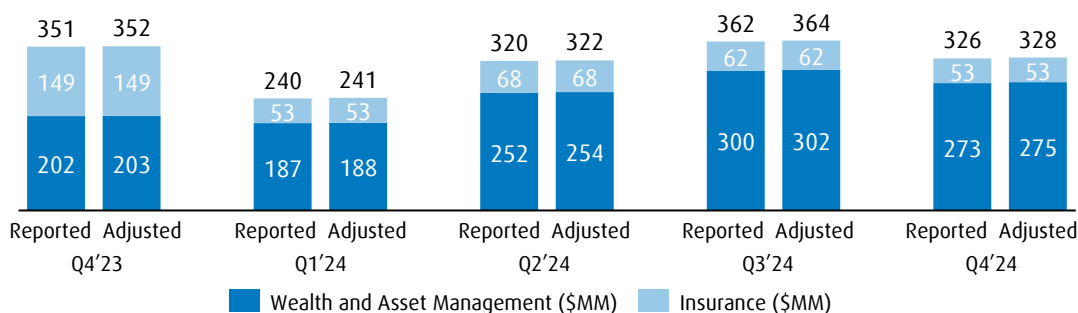
# BMO Wealth Management

## Strong growth in client assets

- Adjusted<sup>1</sup> and reported net income down 7% Y/Y
- Revenue up 1% Y/Y
  - Wealth and Asset Management revenue up 12% due to growth in client assets, partially offset by lower net interest income
  - Insurance revenue down Y/Y due to market-related impacts of IFRS 17 transition
- Adjusted<sup>1</sup> and reported expenses up 3% Y/Y as higher revenue-based costs were partially offset by our focus on operational efficiencies
- AUM up 27% Y/Y and 3% Q/Q
- AUA up 1% Q/Q

(\$MM)	Reported			Adjusted <sup>1</sup>		
	Q4 24	Y/Y	Q/Q	Q4 24	Y/Y	Q/Q
Wealth & Asset Management	1,399	12%	4%	1,399	12%	4%
Insurance	87	(60)%	(10)%	87	(60)%	(10)%
Revenue	1,486	1%	3%	1,486	1%	3%
Expenses	1,024	3%	6%	1,022	3%	6%
PPPT <sup>2</sup>	462	(3)%	(2)%	464	(2)%	(2)%
Total PCL (recovery)	34	\$33	\$43	34	\$33	\$43
<b>Net Income</b>	<b>326</b>	<b>(7)%</b>	<b>(10)%</b>	<b>328</b>	<b>(7)%</b>	<b>(10)%</b>
Wealth & Asset Management NI	273	35%	(9)%	275	35%	(9)%
Insurance NI	53	(64)%	(14)%	53	(64)%	(14)%
AUM (\$B)	423	27%	3%	423	27%	3%
AUA (\$B)	361	(13)%	1%	361	(13)%	1%
Efficiency Ratio (%)	68.9	120 bps	160 bps	68.8	130 bps	170 bps
ROE (%)	26.6	(220) bps	(310) bps	26.8	(210) bps	(300) bps

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



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 38 and 43 for more information and slide 40 for adjustments to reported results

<sup>2</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 38 for more information and slide 41 for calculation of PPPT



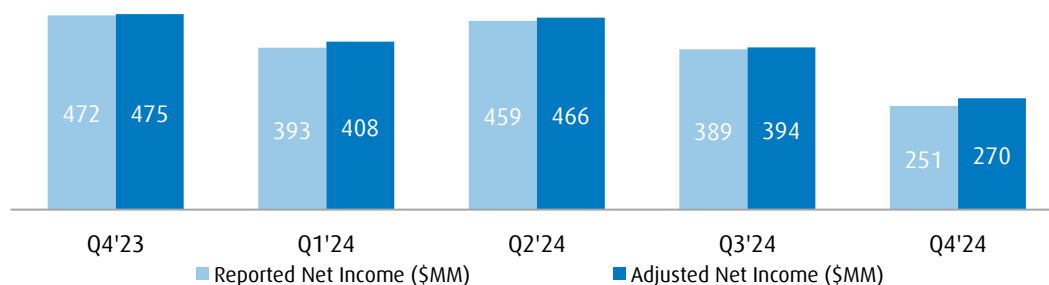
# BMO Capital Markets

## Results mainly impacted by higher PCL

- Adjusted<sup>1</sup> net income down 43% Y/Y (reported down 47%)
- Revenue<sup>2</sup> down 3% Y/Y:
  - Global Markets down 1% as lower equities trading revenue was largely offset by higher interest rate trading revenue
  - Investment and Corporate Banking down 6% due to lower underwriting and advisory revenue and markdowns on the held-for-sale loan portfolio, partially offset by higher corporate banking-related revenue
- Adjusted<sup>1</sup> expenses up 1% Y/Y (reported up 3%) driven mainly by higher technology costs, partially offset by lower performance-based compensation
- Total provision for credit losses of \$211MM (impaired provision of \$203MM and performing provision of \$8MM)

(\$MM)	Reported			Adjusted <sup>1</sup>		
	Q4 24	Y/Y	Q/Q	Q4 24	Y/Y	Q/Q
Global Markets	938	(1)%	(6)%	938	(1)%	(6)%
I&CB	662	(6)%	(1)%	662	(6)%	(1)%
Revenue (teb) <sup>2</sup>	1,600	(3)%	(4)%	1,600	(3)%	(4)%
Expenses	1,087	3 %	4 %	1,061	1 %	2 %
PPPT <sup>3</sup>	513	(14)%	(17)%	539	(11)%	(14)%
Total PCL (recovery)	211	\$210	\$83	211	\$210	\$83
<b>Net Income</b>	<b>251</b>	<b>(47)%</b>	<b>(35)%</b>	<b>270</b>	<b>(43)%</b>	<b>(31)%</b>
U.S. Net Income (\$US)	43	(64)%	(22)%	45	(62)%	(21)%
Efficiency Ratio (%)	67.9	420 bps	500 bps	66.3	280 bps	380 bps
ROE (%)	7.3	(790) bps	(410) bps	7.8	(750) bps	(380) bps

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



<sup>1</sup> Adjusted results and measures are non-GAAP. Refer to slide 38 and 43 for more information and slide 40 for adjustments to reported results

<sup>2</sup> Operating group revenue and income taxes are presented on a taxable equivalent basis (teb). This teb adjustment (Q4'24 \$2MM; Q3'24 \$1MM recovery; Q4'23 \$86MM) 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 38 for more information and slide 41 for calculation of PPPT

# Corporate Services

- Adjusted<sup>2</sup> net loss of \$147MM and reported net income of \$721MM for the quarter, compared with an adjusted<sup>2</sup> net loss of \$180MM and reported net loss of \$626MM in the prior year
- Adjusted<sup>2</sup> results in the current quarter exclude the impact of:
  - \$870MM (\$1,183MM pre-tax) reversal of the fiscal 2022 legal provision

(\$MM) <sup>1</sup>	Reported			Adjusted <sup>2</sup>		
	Q4 24	Y/Y	Q/Q	Q4 24	Y/Y	Q/Q
Revenue	480	466	746	(109)	(137)	143
Group teb offset <sup>3</sup>	(11)	84	(3)	(11)	84	(3)
Total Revenue (teb) <sup>3</sup>	469	550	743	(120)	(53)	140
Expenses	(502)	(1,326)	(573)	89	(150)	49
Total PCL (recovery)	2	(1)	(3)	2	(1)	(3)
<b>Net Income (Loss)</b>	<b>721</b>	<b>1,347</b>	<b>991</b>	<b>(147)</b>	<b>33</b>	<b>89</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 38 and 43 for more information and slide 40 for adjustments to reported results

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

# Risk Review

For the Quarter Ended October 31, 2024

Piyush Agrawal  
Chief Risk Officer

Q4 | 24

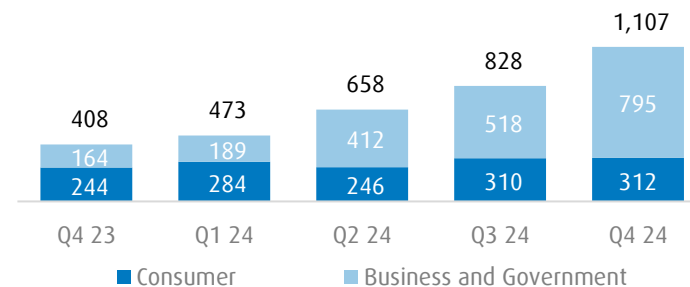


# Provision for Credit Losses (PCL)

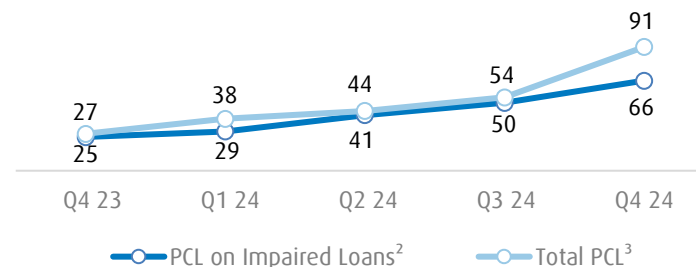
Provision for Credit Losses (PCL) By Operating Group (\$MM)	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Personal & Business Banking	190	204	247	274	275
Commercial Banking	42	34	48	79	165
<b>Total Canadian P&amp;C</b>	<b>232</b>	<b>238</b>	<b>295</b>	<b>353</b>	<b>440</b>
Personal & Business Banking	60	80	44	69	73
Commercial Banking	83	103	244	299	362
<b>Total U.S. P&amp;C</b>	<b>143</b>	<b>183</b>	<b>288</b>	<b>368</b>	<b>435</b>
<b>BMO Wealth Management</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>16</b>
<b>BMO Capital Markets</b>	<b>11</b>	<b>11</b>	<b>61</b>	<b>92</b>	<b>203</b>
<b>Corporate Services<sup>1</sup></b>	<b>20</b>	<b>38</b>	<b>8</b>	<b>14</b>	<b>13</b>
<b>PCL on Impaired Loans</b>	<b>408</b>	<b>473</b>	<b>658</b>	<b>828</b>	<b>1,107</b>
<b>PCL on Performing Loans</b>	<b>38</b>	<b>154</b>	<b>47</b>	<b>78</b>	<b>416</b>
<b>Total PCL</b>	<b>446</b>	<b>627</b>	<b>705</b>	<b>906</b>	<b>1,523</b>

- F2024 PCL ratio on impaired loans<sup>2</sup> 47 bps vs 19 bps in the prior year
- Q4'24 PCL ratio on impaired loans<sup>2</sup> of 66 bps
- Higher provisions primarily from BMO Capital Markets and Commercial businesses, reflecting impact of elevated interest rates on certain customer segments

PCL on Impaired Loans (\$MM)



PCL Ratio (bps)



<sup>1</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

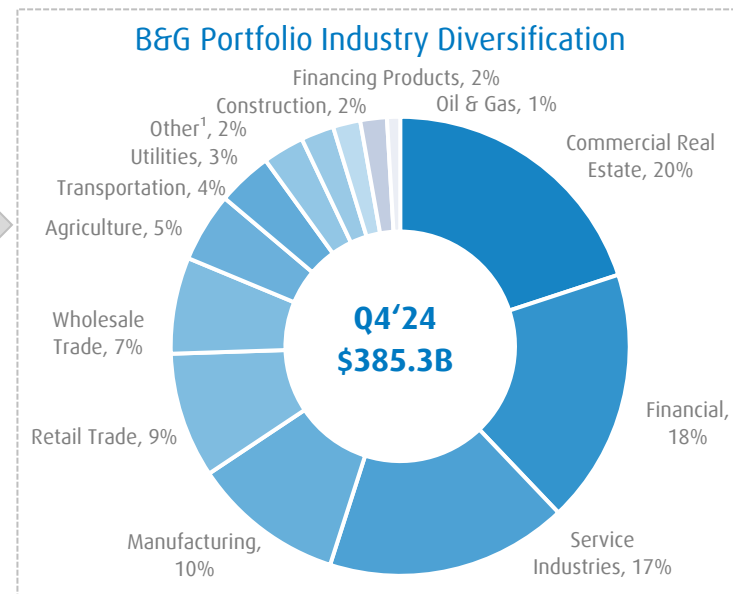
<sup>2</sup> Provision for credit losses on impaired loans over average net loans and acceptances, annualized and expressed in basis points

<sup>3</sup> Provision for credit losses on total loans over average net loans and acceptances, annualized and expressed in basis points

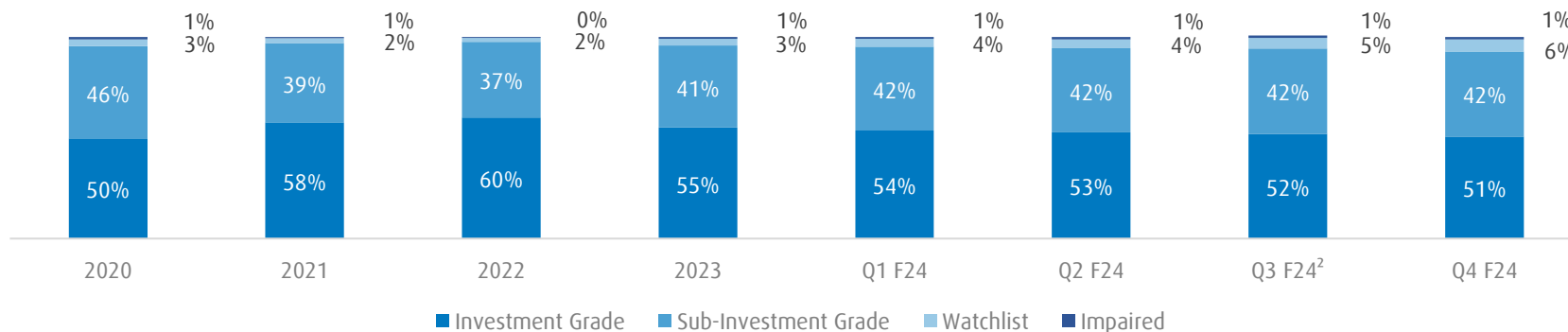
# Business & Government Portfolio Overview

Gross Loans & Acceptances By Industry (\$B, as at Q4 24)	Canada & Other	U.S.	Total BMO	% of Total
Total Consumer	240.9	56.5	297.4	44%
<b>Total Business and Government</b>	<b>164.1</b>	<b>221.2</b>	<b>385.3</b>	<b>56%</b>
Total Gross Loans & Acceptances	405.0	277.7	682.7	100%

- B&G portfolio is well-diversified by industry and geography: 57% U.S. and 43% Canada & Other
- Higher watch list balances as a result of negative migration
- Majority of portfolio remains investment grade-rated



## B&G Rating Distribution



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

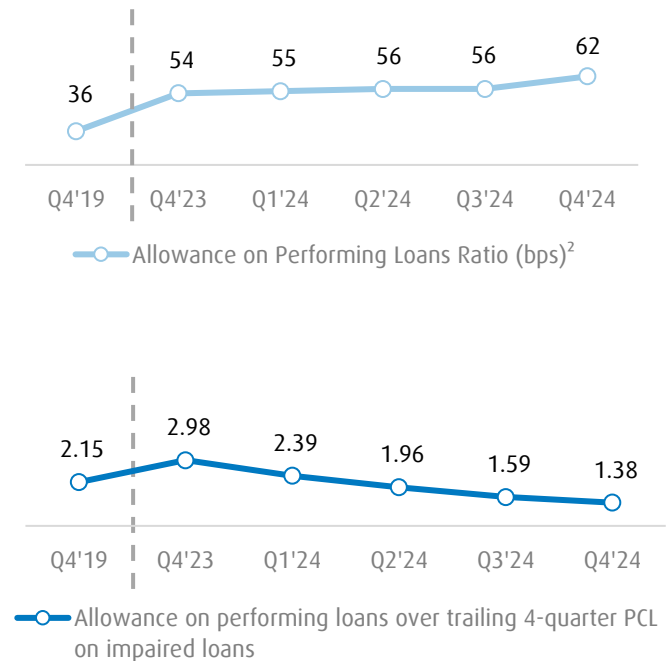
<sup>2</sup> Q3'24 Investment Grade adjusted for rounding

# Allowance and Provision on Performing Loans

Allowance on Performing Loans (APL) and PCL on Performing Loans (PCL) By Operating Group (\$MM)	Q3 24 APL <sup>1</sup>	Q4 24 PCL	Q4 24 Foreign exchange & Other	Q4 24 APL <sup>1</sup>	APL to Performing Loans <sup>2</sup> (bps)
Personal & Business Banking	1,166	126	0	1,292	59
Commercial Banking	359	12	2	373	32
<b>Total Canadian P&amp;C</b>	<b>1,525</b>	<b>138</b>	<b>2</b>	<b>1,665</b>	<b>50</b>
Personal & Business Banking	431	34	4	469	101
Commercial Banking	1,343	229	42	1,614	100
<b>Total U.S. P&amp;C</b>	<b>1,774</b>	<b>263</b>	<b>46</b>	<b>2,083</b>	<b>100</b>
<b>BMO Wealth Management</b>	<b>37</b>	<b>18</b>	<b>0</b>	<b>55</b>	<b>12</b>
<b>BMO Capital Markets</b>	<b>330</b>	<b>8</b>	<b>7</b>	<b>345</b>	<b>41</b>
<b>Corporate Services</b>	<b>91</b>	<b>(11)</b>	<b>(1)</b>	<b>79</b>	<b>n.m.</b>
<b>Total</b>	<b>3,757</b>	<b>416</b>	<b>54</b>	<b>4,227</b>	<b>62</b>

- The \$416 million provision for credit losses on performing loans in the current quarter was primarily driven by portfolio credit migration, as well as uncertainty in credit conditions
- Good coverage on performing loans at 62 bps<sup>2</sup>

Coverage Ratios



n.m. - not meaningful

<sup>1</sup> Q3'24 and Q4'24 included APL on other assets of \$18MM and \$22MM respectively, and excluded APL on securities of \$7MM and \$7MM respectively

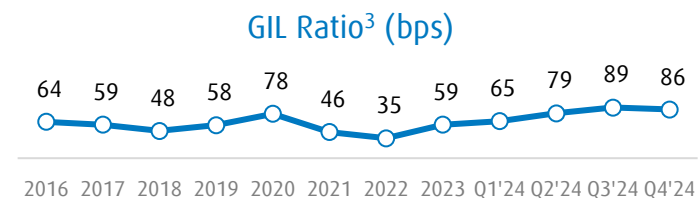
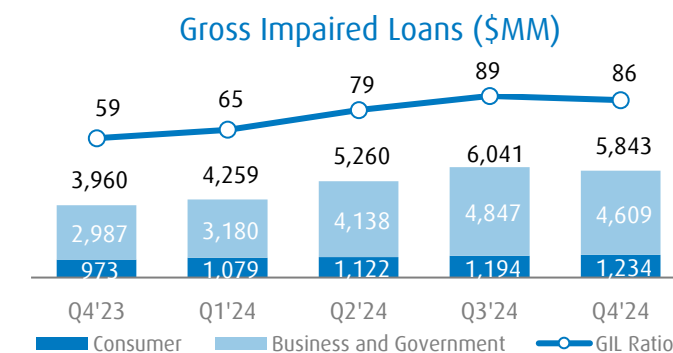
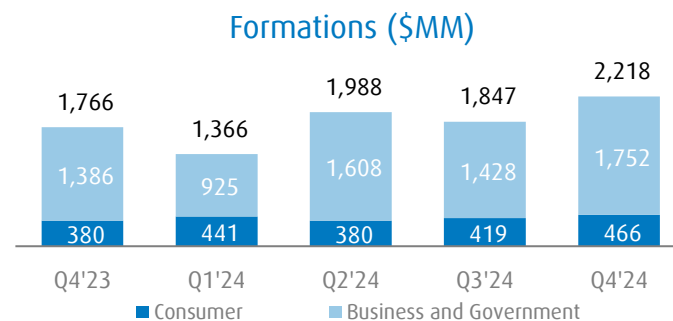
<sup>2</sup> Allowance on performing loans over total gross performing loans and acceptances, expressed in basis points

# Gross Impaired Loans and Formations

By Industry (\$MM, as at Q4 24)	Formations			Gross Impaired Loans		
	CA & Other	U.S.	Total	CA & Other <sup>1</sup>	U.S.	Total
<b>Total Consumer</b>	<b>392</b>	<b>74</b>	<b>466</b>	<b>813</b>	<b>421</b>	<b>1,234</b>
Service Industries	76	182	258	413	760	1,173
Manufacturing	55	318	373	155	635	790
Commercial Real Estate	135	171	306	270	463	733
Retail Trade	91	203	294	269	239	508
Transportation	61	79	140	246	218	464
Wholesale Trade	4	202	206	75	294	369
Construction (non-real estate)	6	103	109	82	162	244
Agriculture	18	12	30	84	85	169
Oil and Gas	0	0	0	1	2	3
Other Business and Government <sup>2</sup>	32	4	36	108	48	156
<b>Total Business and Government</b>	<b>478</b>	<b>1,274</b>	<b>1,752</b>	<b>1,703</b>	<b>2,906</b>	<b>4,609</b>
<b>Total Bank</b>	<b>870</b>	<b>1,347</b>	<b>2,218</b>	<b>2,516</b>	<b>3,327</b>	<b>5,843</b>

Totals may not add due to rounding  
<sup>1</sup> Total Business and Government includes gross impaired loans (GIL) of \$3MM 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, expressed in basis points

- Gross impaired loans (GIL) ratio<sup>3</sup> 86 bps, down 3 bps Q/Q due to write-offs in the quarter



# Appendix



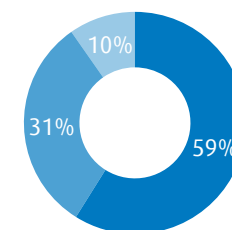
# Loan Portfolio Overview

Well diversified by geography and industry

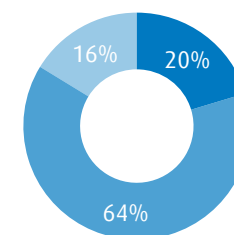
By Industry (As at Q4 24)	Gross Loans & Acceptances (\$B)			Impaired PCL (\$MM)		
	Canada & Other <sup>1</sup>	U.S.	Total BMO	Canada & Other <sup>1</sup>	U.S.	Total BMO
Residential Mortgages	158.9	32.2	191.1	12	3	15
Consumer Instalment and Other Personal	69.7	23.0	92.7	112	19	131
Credit Cards	12.3	1.3	13.6	137	29	166
<b>Total Consumer</b>	<b>240.9</b>	<b>56.5</b>	<b>297.4</b>	<b>261</b>	<b>51</b>	<b>312</b>
Commercial Real Estate	41.4	34.0	75.4	13	77	90
Financial	19.0	52.8	71.8	52	30	82
Service Industries	28.2	36.0	64.2	34	121	155
Manufacturing	9.5	30.8	40.3	27	118	145
Retail Trade	17.8	15.5	33.3	7	16	23
Wholesale Trade	7.0	18.5	25.5	6	104	110
Agriculture	13.5	5.0	18.5	1	1	2
Transportation	4.7	9.9	14.6	35	50	85
Utilities	7.6	3.4	11.0	0	0	0
Construction (non-real estate)	2.8	4.4	7.2	6	28	34
Financing Products	0.0	7.1	7.1	0	0	0
Oil and Gas	2.6	0.9	3.5	0	0	0
Other Business and Government <sup>2</sup>	10.0	2.8	12.8	58	11	69
<b>Total Business &amp; Government</b>	<b>164.1</b>	<b>221.2</b>	<b>385.3</b>	<b>239</b>	<b>556</b>	<b>795</b>
<b>Total Gross Loans &amp; Acceptances</b>	<b>405.0</b>	<b>277.7</b>	<b>682.7</b>	<b>500</b>	<b>607</b>	<b>1,107</b>

- Gross Loans & Acceptances up 1% Q/Q or flat excluding the impact of the stronger U.S. dollar

## Gross Loans & Acceptances 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

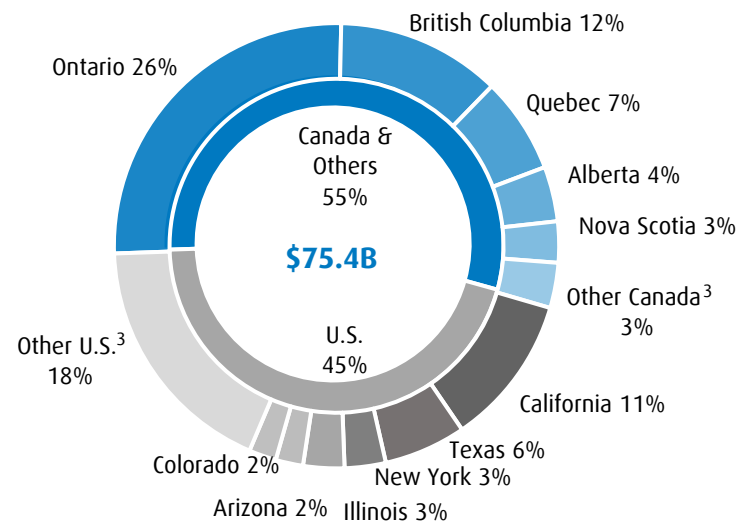
<sup>1</sup> Gross Loans & Acceptances Canada & Other includes approx. \$12.5B from other countries and Impaired PCL Canada & Other includes approx. \$51MM from other countries

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

# Commercial Real Estate

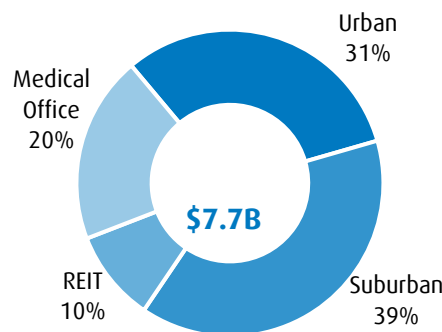
- Commercial Real Estate (CRE) portfolio at \$75.4B represents 11% of Total Bank Gross Loans & Acceptances (GL&A)
- Portfolio is well-diversified across businesses, property types and geographies
- Well-managed with consistent and conservative underwriting standards; investment grade (44%), watchlist (7%) and impaired (<1%)
- Q4'24 impaired PCL of \$90MM, primarily in U.S. Office; F2024 impaired PCL of \$172MM or 23 bps<sup>1</sup>

CRE by Geography<sup>2</sup>



CRE diversification by property type (\$B)			
Property Type	Canada & Other	U.S.	Total
Multi-Residential	16.7	8.1	24.8
Industrial	6.5	6.3	12.8
Single Family Residence	6.8	1.8	8.6
Office	2.2	5.5	7.7
Retail	3.3	3.3	6.6
Hospitality, Healthcare & Diversified REITs	0.5	3.4	3.9
Mixed Use	2.6	0.5	3.1
Other <sup>4</sup>	2.8	5.1	7.9
<b>Total Commercial Real Estate</b>	<b>41.4</b>	<b>34.0</b>	<b>75.4</b>
<b>Total Gross Loans and Acceptances</b>	<b>405.0</b>	<b>277.7</b>	<b>682.7</b>

Office



Top 5 Cities - Urban / Suburban Office

Cities	GL&A (\$B)
Sacramento, CA	0.40
Los Angeles, CA	0.38
Bellevue, WA	0.28
Burnaby, BC	0.20
Calgary, AB	0.18

Totals may not add due to rounding

<sup>1</sup> PCL Impaired ratio is calculated as annual CRE provision for credit losses on impaired loans as a percentage of CRE gross loans and acceptances at the end of the period

<sup>2</sup> Based on the location of the collateral or the borrower for REITs

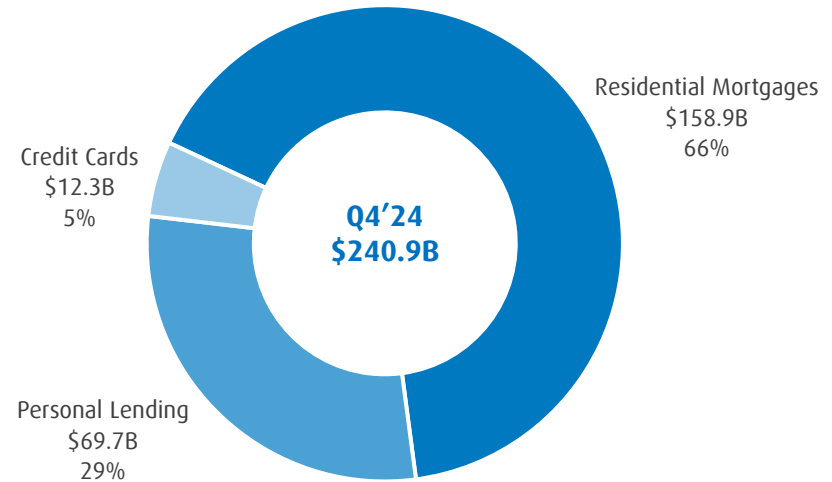
<sup>3</sup> Other U.S. and Other Canada includes geographies that are each less than 2% of the total CRE GL&A

<sup>4</sup> Other Property Type includes Commercial Real Estate loans for self-storage, parking, marinas and other minor sub-categories

# Canadian Consumer Portfolio Overview

- Total Canadian Consumer lending portfolio balances of \$240.9B in Q4'24, representing 35% of total loans
  - 89% of the portfolio is secured
  - 90+ day delinquency rate for the portfolio at 36 bps
  - Average FICO score for the portfolio remains strong at 785
- Unsecured consumer delinquencies continued to trend up
  - Due to prolonged higher interest rates, inflation and unemployment

Canadian Consumer Portfolio



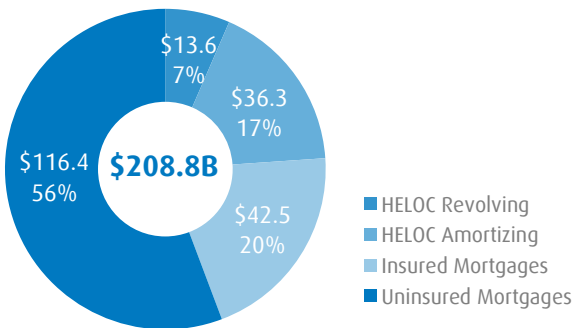
90+ delinquency (%)	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
Residential Mortgages	0.15%	0.17%	0.20%	0.24%	<b>0.25%</b>
Personal Lending	0.37%	0.44%	0.43%	0.43%	<b>0.47%</b>
Credit Cards	0.86%	0.98%	1.02%	1.08%	<b>1.14%</b>
<b>Total Consumer</b>	<b>0.25%</b>	<b>0.29%</b>	<b>0.31%</b>	<b>0.34%</b>	<b>0.36%</b>

Impaired PCL <sup>1</sup> (%)	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
Residential Mortgages	0.01%	0.02%	0.02%	0.03%	<b>0.03%</b>
Personal Lending	0.48%	0.55%	0.59%	0.64%	<b>0.63%</b>
Credit Cards	3.41%	3.23%	4.70%	4.41%	<b>4.46%</b>
<b>Total Consumer</b>	<b>0.32%</b>	<b>0.33%</b>	<b>0.42%</b>	<b>0.43%</b>	<b>0.43%</b>

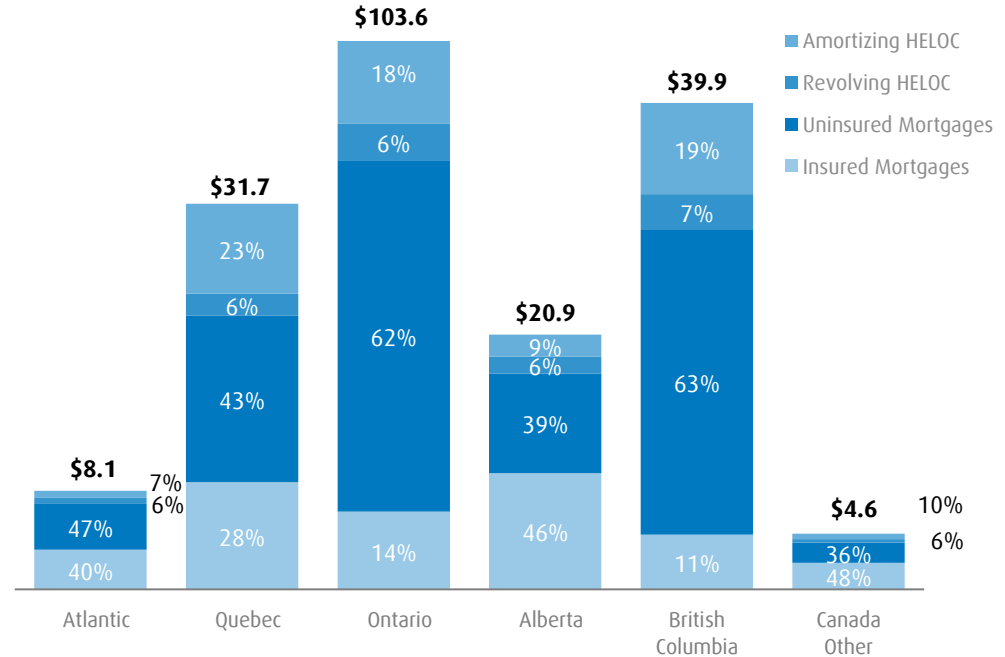
<sup>1</sup> PCL ratios are calculated as the annualized provision for credit losses on impaired loans as a percentage of gross loans and acceptances at the end of the period

# Canadian Residential Secured Lending Portfolio Overview

- Total Canadian residential-secured lending (RESL) portfolio at \$208.8B, representing 31% of total loans
  - LTV<sup>1</sup> on uninsured of 52%
  - 90+ day delinquency rate for RESL remains good at 24 bps; loss rates for the trailing 4-quarter period were 2 bps
  - 3% of uninsured RESL balances are to borrowers with <680 FICO and >70% LTV
- Residential mortgage portfolio of \$158.9B
  - 27% of portfolio insured
  - LTV<sup>1</sup> on uninsured of 57%
  - 60% of the mortgage portfolio has an effective remaining amortization of 25 years or less
- HELOC portfolio of \$49.9B outstanding of which 73% is amortizing
- Condo RESL portfolio is \$30.3B with 20% insured
- Owner-occupied represents 85% of total RESL portfolio



## Residential-Secured Lending by Region (\$208.8B)



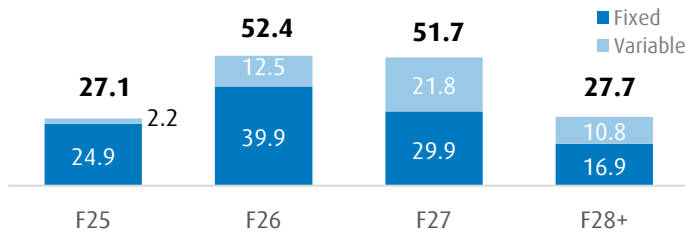
Avg. LTV <sup>1</sup> Uninsured	Atlantic	Quebec	Ontario	Alberta	British Columbia	Canada Other	Total Canada
<b>Mortgage</b>							
- Portfolio	55%	55%	59%	56%	52%	55%	57%
- Origination	70%	71%	70%	73%	68%	72%	70%
<b>HELOC</b>							
- Portfolio	45%	48%	46%	46%	44%	45%	46%
- Origination	62%	68%	62%	60%	60%	67%	62%

<sup>1</sup> Loan-to-value (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 Home Equity Lines of Credit (HELOC) LTV weighted by the mortgage balance or HELOC authorization. Originations represent accounts originated in the quarter

# 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 higher payments
- \$9.3B of mortgages in negative amortization<sup>1</sup>, down 69% Y/Y; representing ~20% of total variable rate mortgages, ~6% of the total mortgage portfolio
- Only 17% or \$27.1B in mortgage balances are renewing in the next 12 months, with an average FICO of 797 and LTV<sup>2</sup> of 43%; over 80% of mortgages renew after F2025
- \$13.4B of mortgages have renewed in F2024; renewing customers experienced an average increase to their regular payments of 15% for variable mortgages and 13% for fixed mortgages

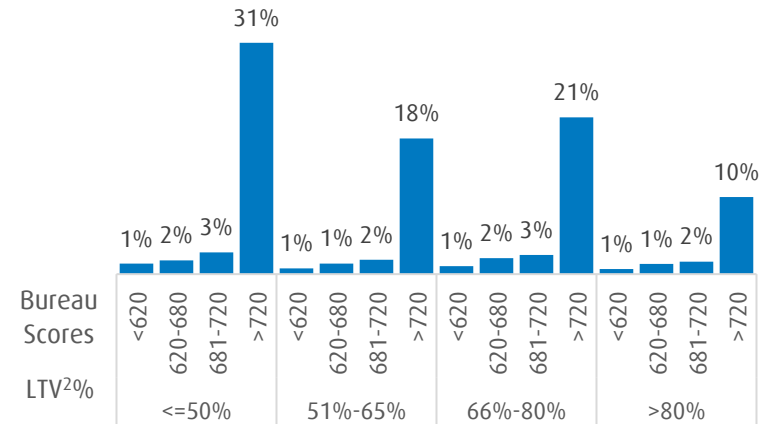
**Mortgage Maturity Schedule**  
(\$158.9B; 70% fixed rate, 30% variable rate)



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

Payment at Renewal	F25	F26	F27	F28+
Average payment Increase (\$) <sup>3</sup>	\$150	\$200	\$150	-\$100
Average payment Increase (%) <sup>3</sup>	9%	10%	6%	-4%

**Mortgage LTV<sup>2</sup> by Bureau Scores**

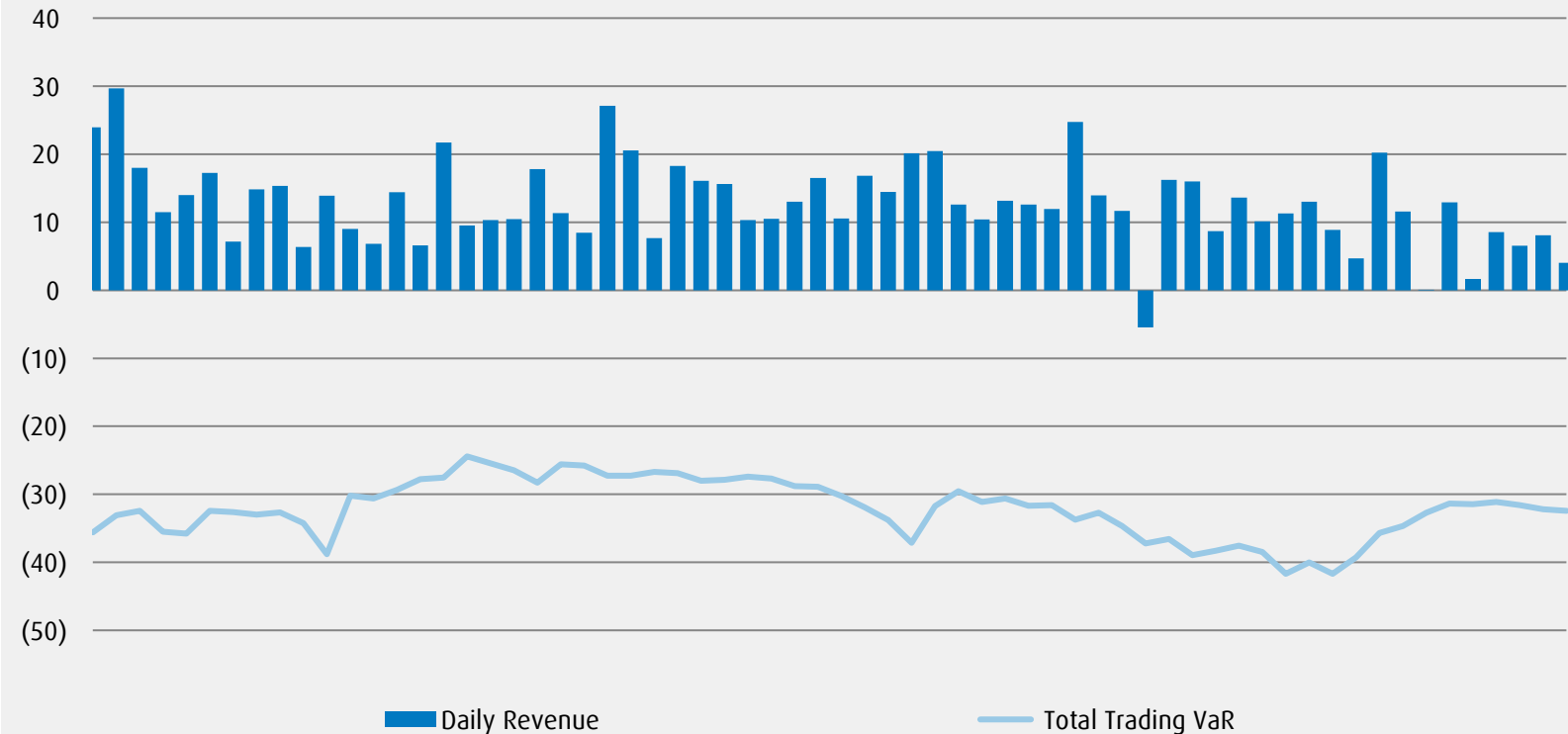


1 Variable rate mortgages in negative amortization, with all of the contractual payments currently being applied to interest, and the portion of interest due that is not met by each payment is added to the principal  
 2 Loan-to-value (LTV) is the ratio of outstanding mortgage balance or the HELOC authorization to the original property value indexed using Teranet data. Portfolio LTV is the combination of each individual mortgage or Home Equity Lines of Credit (HELOC) LTV weighted by the mortgage balance or HELOC authorization  
 3 The average payment increase reflects an assumed interest rate of 4.50% at renewal and includes regular payments and additional pre-payments made to-date

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

**August 1, 2024 to October 31, 2024**

(pre-tax basis and in millions of Canadian dollars)



# F2024 - Financial Highlights

Good expense management and positive operating leverage offset by higher PCL

- Adjusted<sup>2</sup> EPS \$9.68, down \$2.13 Y/Y (reported \$9.51, up \$3.75)
- Adjusted<sup>2</sup> net income down 15% Y/Y (reported up 65%)
- Adjusted<sup>2</sup> PPPT<sup>1</sup> up 5% Y/Y (reported up 64%)
- Adjusted<sup>2</sup> revenue up 3% Y/Y (reported up 12%) with good growth across all operating groups
- Adjusted<sup>2</sup> expenses up 1% Y/Y (reported down 8%)
- Adjusted<sup>2</sup> operating leverage 1.6% (reported 19.8%)
- Total provision for credit losses \$3,761MM
  - PCL on impaired loans \$3,066MM or 47 bps<sup>3</sup>; provision on performing loans \$695MM
- U.S. segment contributed 39% to adjusted<sup>2</sup> and reported earnings

(\$MM)	Reported		Adjusted <sup>2</sup>	
	F2024	Y/Y	F2024	Y/Y
Revenue	32,795	12%	32,412	3%
Expenses	19,499	(8)%	18,989	1%
PPPT <sup>1</sup>	13,296	64%	13,423	5%
Total PCL	3,761	\$1,583	3,761	\$2,288
<b>Net Income</b>	<b>7,327</b>	<b>65%</b>	<b>7,449</b>	<b>(15)%</b>
U.S. Segment Net Income (US\$)	2,112	100+%	2,159	(23)%
Diluted EPS (\$)	9.51	\$3.75	9.68	\$(2.13)
Efficiency Ratio (%)	59.5	(1,270) bps	58.6	(90) bps
ROE (%)	9.7	350 bps	9.8	(280) bps
ROTCE <sup>4</sup> (%)	13.5	510 bps	13.1	(320) bps
CET1 Ratio <sup>5</sup> (%)	13.6	110 bps	13.6	110 bps

<sup>1</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 38 for more information and slide 41 for calculation of PPPT

<sup>2</sup> Adjusted results and measures are non-GAAP. Refer to slide 38 for more information and slide 39 for adjustments to reported results

<sup>3</sup> PCL on impaired loans ratio is calculated as provision for credit losses on impaired loans 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 38 and Non-GAAP and Other Financial Measures section of BMO's Annual 2024 MD&A for more information

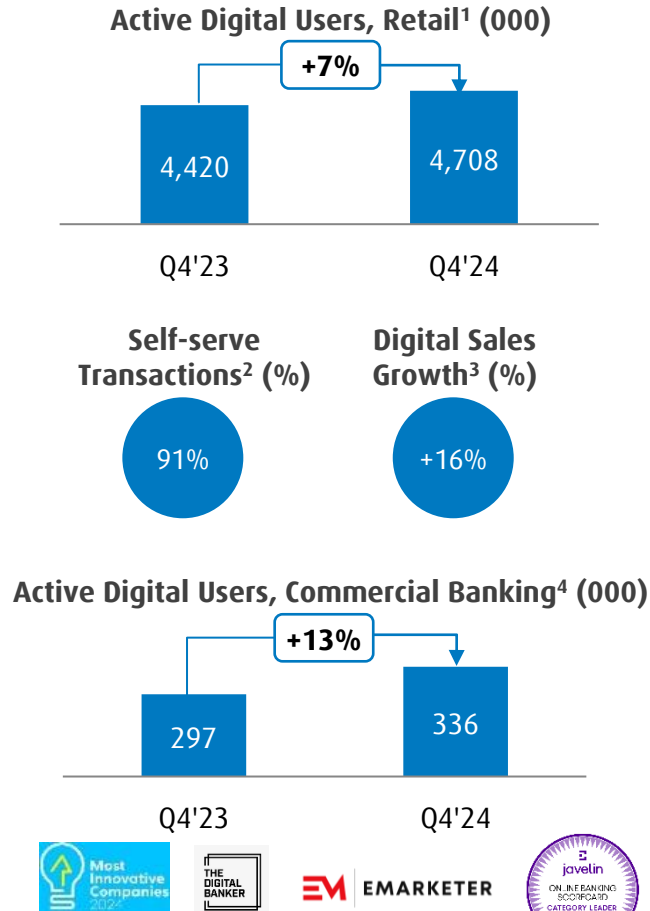
<sup>5</sup> Common Equity Tier 1 (CET1) Ratio is disclosed in accordance with the Capital Adequacy Requirements (CAR) Guideline, as set out by the Office of the Superintendent of Financial Institutions (OSFI)

# 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:
  - ~**3MM AI-enabled** customer interactions with **BMO Assist**
  - >**200MM AI-powered BMO Insights** enabling real financial progress
- Continued to **modernize our digital payments experience** with the launch of **installment payment plans** in the U.S. and **debit card controls** in Canada
- **BMO Insurance** launched an **AI-powered digital assistant**, to enhance the underwriting process for advisors and simplify the client experience
- Launched award-winning **Online Banking for Business (OLBB)** "Lite" platform to all Canadian Business Bank and Commercial Banking Mid-Market
- **BMO InvestorLine** launched **modernized user interface for active traders**

## Driving tangible customer and business value



## Being recognized as an industry leader and innovator

- **Ranked #1** in satisfaction in the **J.D. Power 2024 Canada Wealth Management Digital Experience Study<sup>5</sup>**
- Recognized as one of the **World's Most Innovative Companies** by Fast Company
- **Ranked #1** in the EMARKETER Canada **Mobile Banking Emerging Features Benchmark 2024**
- Recognized as one of **the leaders in the Financial Fitness Category** within Javelin's 2024 Online Banking Scorecard
- **BMO's innovation approach and outcomes** acknowledged by several Digital Banker awards:
  - **Best Gen AI Retail Operations Initiative** (InnoV8 Customer Feedback Assist)
  - **Best Payments Innovation** (BMO SplitShare)
  - **Digital Lending Product of the year** (BMO PaySmart)
  - **Outstanding Customer Service Innovation** (Digital Card Controls Suite)
  - **"Best New Product Launch"** for Extend for BMO virtual card in commercial banking
- **Red Dot Award: Design Concept 2024** for re-imagined digital banking experience for small and medium enterprises

<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; July 2024 – October 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)

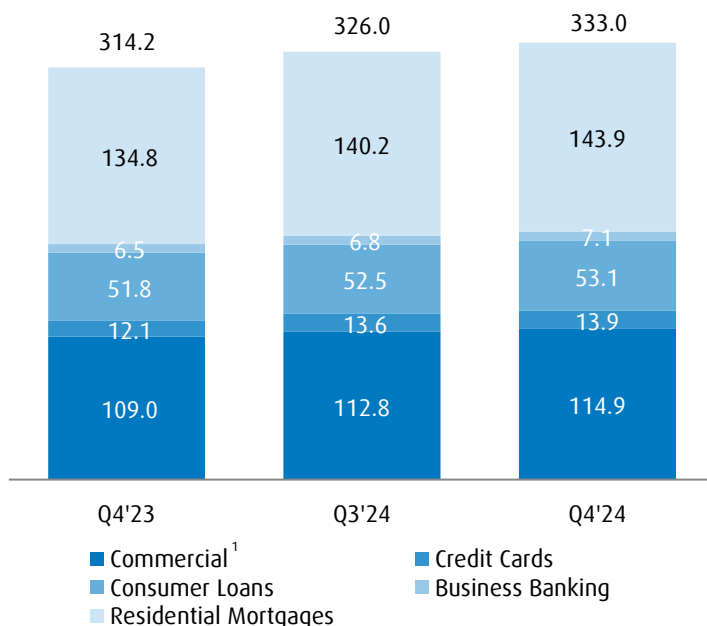
<sup>4</sup> On-Line Business Banking (OLBB) clients in North American commercial, corporate and business banking

<sup>5</sup> [jdpower.com/awards](https://www.jdpower.com/awards)

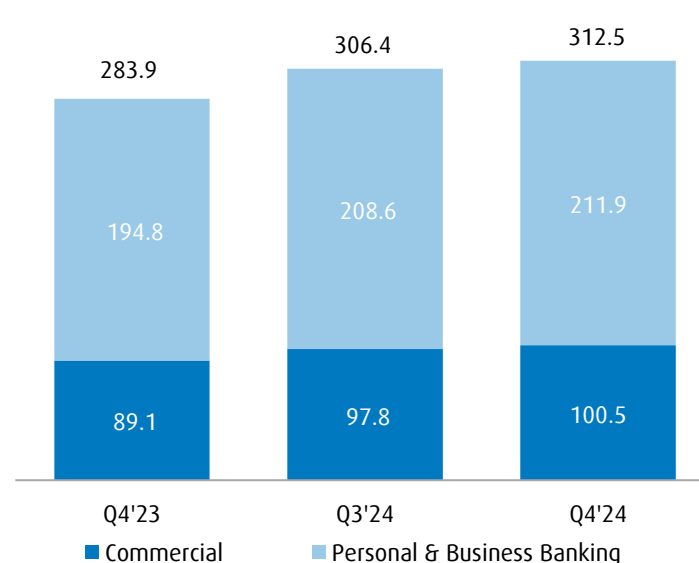


# Canadian Personal & Commercial Banking – Balances

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



## Average Deposits (\$B)



- Average loans & acceptances up 6% Y/Y and 2% Q/Q
  - Residential Mortgages, including amortizing HELOC up 6% Y/Y and 2% Q/Q
  - Cards up 15% Y/Y and 2% Q/Q
  - Business Banking up 9% Y/Y and 5% Q/Q
  - Commercial<sup>1</sup> up 5% Y/Y and 2% Q/Q

- Average deposits up 10% Y/Y and 2% Q/Q
  - Personal & Business Banking up 9% Y/Y and 2% Q/Q
    - Chequing and Savings down 2% Y/Y and up 2% Q/Q
    - Term up 18% Y/Y and 1% Q/Q
  - Commercial up 13% Y/Y and 3% Q/Q

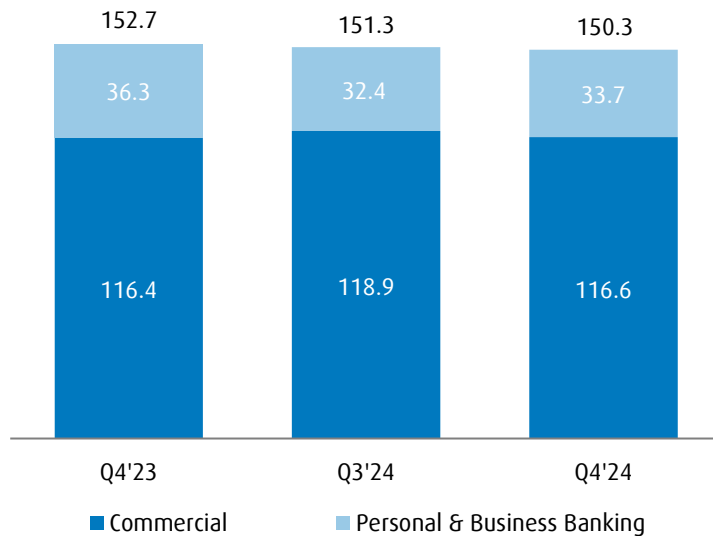
Prior period amounts have been reclassified to conform with the current period presentation

<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 Q4'24, Q3'24 and Q4'23

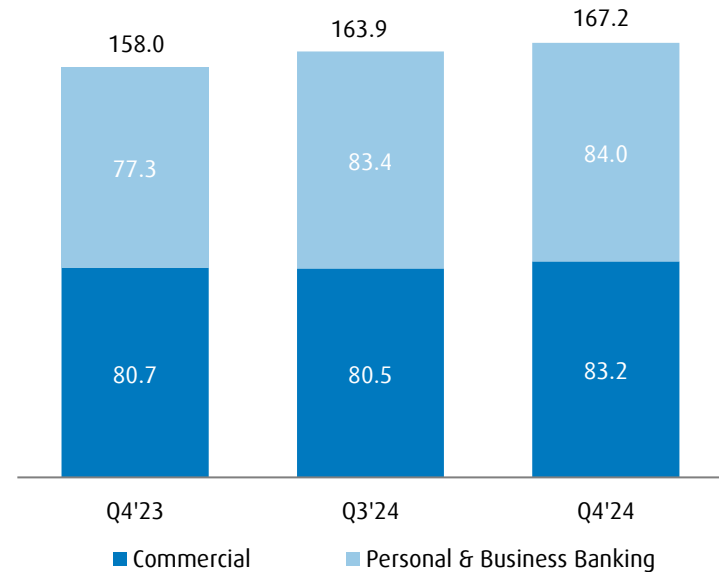
# U.S. Personal & Commercial Banking – Balances

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 2% Y/Y (up 3% excluding sale of RV loan portfolio<sup>2</sup>) and down 1% Q/Q
  - Commercial flat Y/Y and down 2% Q/Q
  - Personal & Business Banking down 7% Y/Y (up 16% excluding sale of RV loan portfolio<sup>2</sup>) and up 4% Q/Q

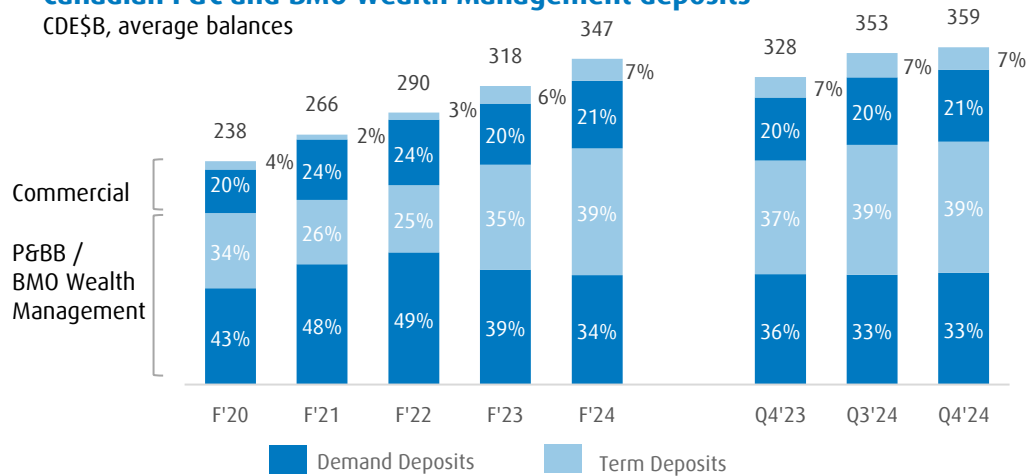
- Average deposits up 6% Y/Y and 2% Q/Q
  - Commercial up 3% both Y/Y and Q/Q
  - Personal & Business Banking up 9% Y/Y and 1% Q/Q

Prior period amounts have been reclassified to conform with the current period presentation  
<sup>1</sup> Average FX rates (CAD/US dollar): Q4'24 1.3641; Q3'24 1.3705; and Q4'23 1.3648  
<sup>2</sup> RV loan portfolio sale in Q1'24 reduced average balances by US\$7.2B compared with Q4'23

# Canadian and U.S. deposit trends

## Canadian P&C and BMO Wealth Management deposits

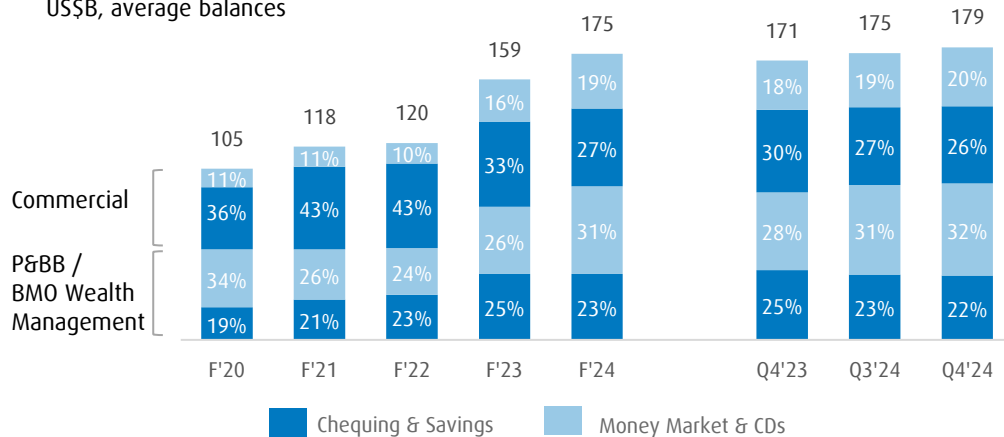
CDE\$B, average balances



- Q4'24 Canadian deposits grew 10% Y/Y with term customers taking advantage of relatively attractive rates ahead of anticipated rate cuts, and continued benefit from new customer acquisition, a comprehensive onboarding program and increased customer primacy
- 1% Q/Q growth driven by higher demand deposits, as term migration is abating

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

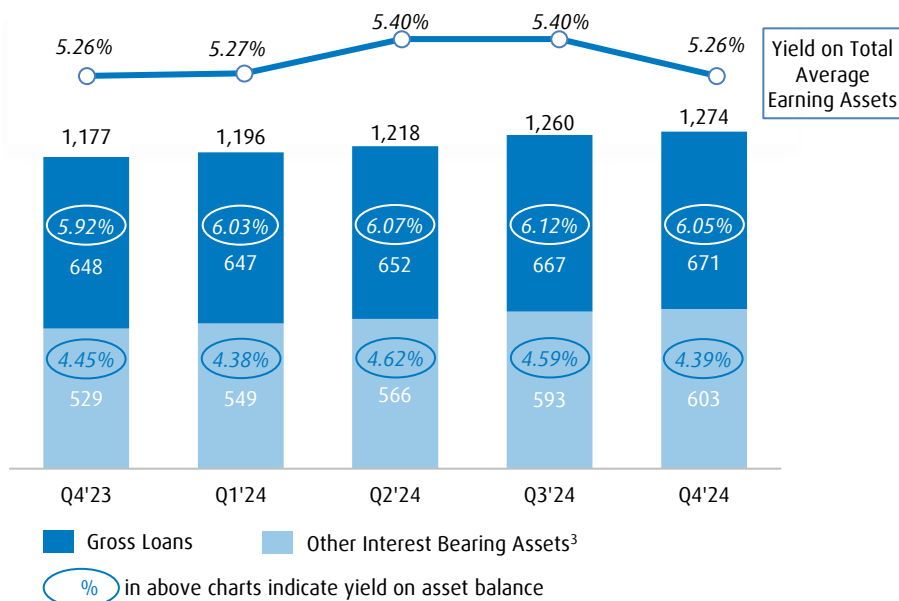
US\$B, average balances



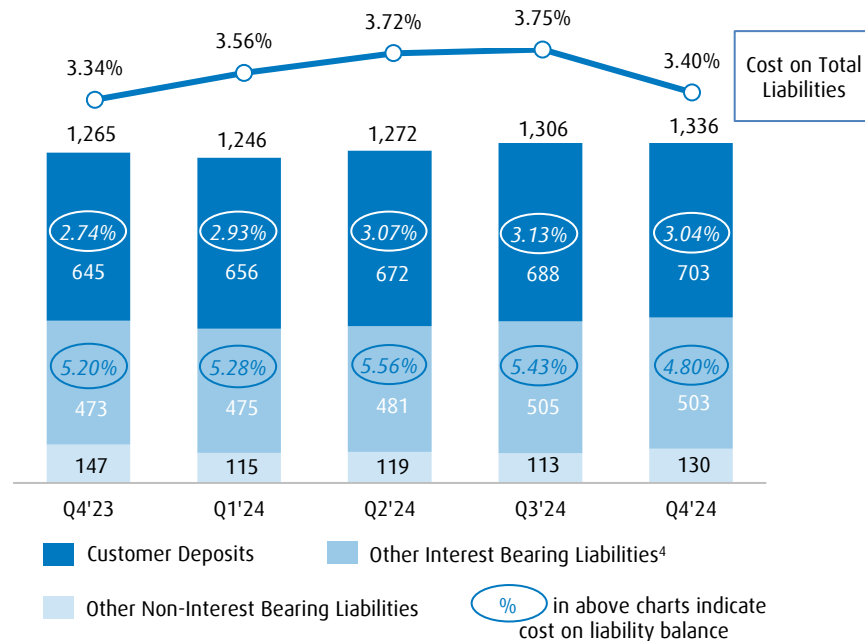
- Q4'24 U.S. deposits increased 7% Y/Y as we continued to grow new customers and deposits through competitive tools, products and channels, including national digital retail banking and treasury and payments solutions platforms
- 1% Q/Q growth reflecting seasonally higher balances from commercial clients

# 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> (%)



<sup>1</sup> Asset yield is calculated as total interest income as a percentage of average earnings assets

<sup>2</sup> Liabilities cost is calculated as total interest expense as a percentage of average liabilities

<sup>3</sup> 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

<sup>4</sup> 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

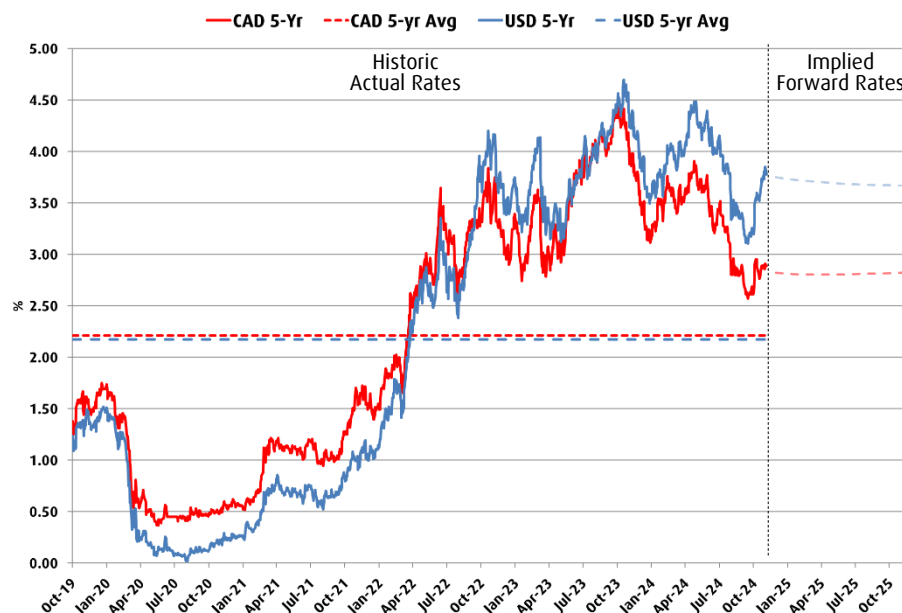
- Earnings benefit / exposure to an incremental +/- 100 bps rate shock reflects a relatively neutral positioning
- BMO strategy emphasizes margin stability; non rate-sensitive deposits and the balance sheet's net equity position are consistently reinvested into intermediate tenors through the cycle
- Deposit rate decreases to date are tracking to modelled assumptions

- Long-term investment rates forecast remains higher than historical ladder levels and continue to support NIM

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

Q4'24 Pre-Tax CDE (\$MM)	+100 bps	-100 bps	-25 bps	-25 bps short rate
Canada <sup>2</sup>	139	(101)	(29)	(8)
U.S.	228	(109)	(59)	(36)
<b>Total</b>	<b>367</b>	<b>(210)</b>	<b>(88)</b>	<b>(45)</b>

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



Source: Bloomberg, updated through November 6, 2024; Implied forward rates are calculated using October 31, 2024 Bloomberg spot curve

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 except for the -25bps short rate scenario where only short-term rates are shocked. For more details see the Structural (Non-Trading) Market Risk section of BMO's 2024 Annual MD&A

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

<sup>3</sup> Chart displays historical Canadian Overnight Repo Rate Average (CORRA) swap rates and Secured Overnight Financing Rate (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, 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 to be useful in assessing underlying ongoing business performance. Adjusted results and measures remove certain specified items from revenue, non-interest expense, provision for credit losses and income taxes, as detailed on page 39. 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, return on equity, return on tangible common equity, 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 2024 Annual Management's Discussion and Analysis (MD&A) as at December 4, 2024 for the period ended October 31, 2024 ("2024 Annual MD&A") is incorporated by reference into this document, including the Summary Quarterly Earnings Trend section in the 2024 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, 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 2024 Annual MD&A. For further information regarding the composition of our supplementary financial measures, refer to the Glossary of Financial Terms section of BMO's 2024 Annual MD&A, which is available online at [www.bmo.com/investorrelations](http://www.bmo.com/investorrelations) and at [www.sedarplus.ca](http://www.sedarplus.ca).

Certain comparative figures have been reclassified to conform with the current year's presentation and for changes in accounting policy.

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

(Canadian \$ in millions, except as noted)		Q4 24	Q3 24	Q4 23	F2024	F2023	
<b>Reported Results</b>	Net interest income	5,438	4,794	4,941	19,468	18,681	
	Non-interest revenue	3,519	3,398	3,378	13,327	10,578	
	Revenue	8,957	8,192	8,319	32,795	29,259	
	Provision for credit losses	(1,523)	(906)	(446)	(3,761)	(2,178)	
	Non-interest expense	(4,427)	(4,839)	(5,679)	(19,499)	(21,134)	
	Income before income taxes	3,007	2,447	2,194	9,535	5,947	
	Provision for income taxes	(703)	(582)	(484)	(2,208)	(1,510)	
	Net income	2,304	1,865	1,710	7,327	4,437	
	Diluted EPS (\$)	2.94	2.48	2.19	9.51	5.76	
	<b>Adjusting Items (Pre-tax)</b>	Management of fair value changes on the purchase of Bank of the West (1)	—	—	—	—	(2,011)
Legal provision/reversal (including related interest expense and legal fees) (2)		589	(14)	(14)	547	(30)	
Impact of loan portfolio sale (3)		—	—	—	(164)	—	
Impact of Canadian tax measures (recorded in revenue) (4)		—	—	—	—	(138)	
Impact of adjusting items on revenue (pre-tax)		589	(14)	(14)	383	(2,179)	
Initial provision for credit losses on purchased performing loans (pre-tax) (5)		—	—	—	—	(705)	
Acquisition and integration costs (6)		(35)	(25)	(582)	(172)	(2,045)	
Amortization of acquisition-related intangible assets (7)		(124)	(107)	(119)	(450)	(357)	
Legal provision/reversal (including related interest expense and legal fees) (2)		594	(4)	(2)	588	3	
FDIC special assessment (8)		14	(6)	—	(476)	—	
Impact of Canadian tax measures (recorded non-interest expense) (4)		—	—	—	—	(22)	
Impact of adjusting items on non-interest expense (pre-tax)		449	(142)	(703)	(510)	(2,421)	
Impact of adjusting items on reported net income (pre-tax)		1,038	(156)	(717)	(127)	(5,305)	
<b>Adjusting Items (After-tax)</b>		Management of fair value changes on the purchase of Bank of the West (1)	—	—	—	—	(1,461)
		Legal provision/reversal (including related interest expense and legal fees) (2)	433	(11)	(10)	401	(23)
	Impact of loan portfolio sale (3)	—	—	—	(136)	—	
	Impact of Canadian tax measures (recorded in revenue) (4)	—	—	—	—	(115)	
	Impact of adjusting items on revenue (after-tax)	433	(11)	(10)	265	(1,599)	
	Initial provision for credit losses on purchased performing loans (after-tax) (5)	—	—	—	—	(517)	
	Acquisition and integration costs (6)	(27)	(19)	(433)	(129)	(1,533)	
	Amortization of acquisition-related intangible assets (7)	(92)	(79)	(88)	(334)	(264)	
	Legal provision/reversal (including related interest expense and legal fees) (2)	437	(2)	(2)	433	2	
	FDIC special assessment (8)	11	(5)	—	(357)	—	
	Impact of Canadian tax measures (recorded in non-interest expense) (4)	—	—	—	—	(16)	
	Impact of adjusting items on non-interest expense (after-tax)	329	(105)	(523)	(387)	(1,811)	
	Impact of Canadian tax measures - provision for income taxes (4)	—	—	—	—	(371)	
	Impact of adjusting items on reported net income (after-tax)	762	(116)	(533)	(122)	(4,298)	
	Impact on diluted EPS (\$)	1.04	(0.16)	(0.75)	(0.17)	(6.05)	
<b>Adjusted Results</b>	Net interest income	4,849	4,808	4,955	18,921	19,094	
	Non-interest revenue	3,519	3,398	3,378	13,491	12,344	
	Revenue	8,368	8,206	8,333	32,412	31,438	
	Provision for credit losses	(1,523)	(906)	(446)	(3,761)	(1,473)	
	Non-interest expense	(4,876)	(4,697)	(4,976)	(18,989)	(18,713)	
	Income before income taxes	1,969	2,603	2,911	9,662	11,252	
	Provision for income taxes	(427)	(622)	(668)	(2,213)	(2,517)	
	Net income	1,542	1,981	2,243	7,449	8,735	
	Diluted EPS (\$)	1.90	2.64	2.93	9.68	11.81	

(1) Management of the impact of interest rate changes between the announcement and closing of the acquisition of Bank of the West on its fair value and goodwill, recorded in Corporate Services. Q1-2023 comprised \$1,628 million of mark-to-market losses on certain interest rate swaps recorded in 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.

(2) Impact of a lawsuit associated with a predecessor bank, M&I Marshall and Ilsley Bank, recorded in Corporate Services. Q4-2024: Reversal of the fiscal 2022 legal provision, including accrued interest, comprising a reversal of \$589 million of interest expense and \$594 million of non-interest expense. Prior periods comprised the following: Q3-2024: \$14 million interest expense and \$4 million non-interest expense; Q2-2024 and Q1-2024: \$14 million interest expense and \$1 million non-interest expense, respectively; Q4-2023: \$14 million interest expense and \$2 million non-interest expense; Q3-2023: \$3 million interest expense and a \$7 million recovery of non-interest expense; Q2-2023: \$7 million interest expense; and Q1-2023: \$6 million interest expense and \$2 million non-interest expense.

(3) Net accounting loss on the sale of a portfolio of recreational vehicle loans related to balance sheet optimization, recorded in non-interest revenue in Corporate Services in Q1-2024.

(4) Impact of certain tax measures enacted by the Canadian government, recorded in Corporate Services. Fiscal 2023: \$371 million one-time tax expense, comprising a \$312 million Canada Recovery Dividend 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; and a \$131 million (\$160 million pre-tax) charge 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.

(5) Initial provision for credit losses on the purchased Bank of the West performing loan portfolio, recorded in Corporate Services in Q2-2023.

(6) Acquisition and integration costs, recorded in non-interest expense in the related operating group. Bank of the West recorded in Corporate Services: Q4-2024 \$13 million (\$17 million pre-tax); Q3-2024 \$16 million (\$21 million pre-tax); Q2-2024 \$22 million (\$30 million pre-tax); Q1-2024 \$46 million (\$61 million pre-tax); Q4-2023 \$434 million (\$583 million pre-tax); Q3-2023 \$363 million (\$487 million pre-tax); Q2-2023 \$545 million (\$722 million pre-tax); and Q1-2023 \$178 million (\$235 million pre-tax). Radicle and Clearpool recorded in BMO Capital Markets: Q4-2024 \$2 million (\$2 million pre-tax); Q3-2024 \$1 million (\$1 million pre-tax); Q2-2024 \$2 million (\$3 million pre-tax); Q1-2024 \$10 million (\$14 million pre-tax); Q4-2023 included a recovery of \$2 million (\$3 million pre-tax); Q3-2023 \$1 million (\$2 million pre-tax); Q2-2023 \$2 million (\$2 million pre-tax); and Q1-2023 \$3 million (\$4 million pre-tax). AIR MILES recorded in Canadian P&C: Q4-2024 \$12 million (\$16 million pre-tax); Q3-2024 and Q2-2024 \$2 million (\$3 million pre-tax), respectively; Q1-2024 \$1 million (\$1 million pre-tax); Q4-2023 \$1 million (\$2 million pre-tax); Q3-2023 \$6 million (\$8 million pre-tax); and Q2-2023 \$2 million (\$3 million pre-tax).

(7) Amortization of acquisition-related intangible assets and any impairments, recorded in non-interest expense in the related operating group. Q4-2024 \$92 million (\$124 million pre-tax), including a \$14 million (\$18 million pre-tax) write-down related to the acquisition of Radicle in BMO Capital Markets; Q3-2024 and Q2-2024 \$79 million (\$107 million pre-tax), respectively; Q1-2024 \$84 million (\$112 million pre-tax); Q4-2023 \$88 million (\$119 million pre-tax); Q3-2023 and Q2-2023 \$85 million (\$115 million pre-tax), respectively; and Q1-2023 \$6 million (\$8 million pre-tax).

(8) Impact of a U.S. Federal Deposit Insurance Corporation (FDIC) special assessment recorded in non-interest expense, in Corporate Services. Q4-2024 a recovery of \$11 million (\$14 million pre-tax); Q3-2024 \$5 million (\$6 million pre-tax); Q2-2024 \$50 million (\$67 million pre-tax); and Q1-2024 \$313 million (\$417 million pre-tax).

(9) For further information refer to slide 38 and the Non-GAAP and Other Financial Measures section of BMO's 2024 Annual MD&A.

Certain comparative figures have been reclassified for changes in accounting policy.

# Summary of Reported and Adjusted Results by Operating Group

(Canadian \$ in millions unless otherwise stated)		Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	F2024	F2023
<b>Total Bank</b>	Reported Net Income	2,304	1,865	1,866	1,292	1,710	7,327	4,437
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	—	—	—	1,461
	Acquisition and integration costs	27	19	26	57	433	129	1,533
	Amortization of acquisition-related intangible assets	92	79	79	84	88	334	264
	Legal provision/reversal (including related interest expense and legal fees)	(870)	13	12	11	12	(834)	21
	Impact of Canadian tax measures	—	—	—	—	—	—	502
	Initial provision for credit losses on purchased performing loans	—	—	—	—	—	—	517
	Impact of loan portfolio sale	—	—	—	136	—	136	—
	FDIC special assessment	(11)	5	50	313	—	357	—
<b>Adjusted Net Income</b>	<b>1,542</b>	<b>1,981</b>	<b>2,033</b>	<b>1,893</b>	<b>2,243</b>	<b>7,449</b>	<b>8,735</b>	
<b>U.S. Segment (USD)</b>	Reported Net Income	930	439	559	184	364	2,112	15
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	—	—	—	1,093
	Acquisition and integration costs	9	11	17	39	317	76	1,124
	Amortization of acquisition-related intangible assets	54	55	54	59	61	222	186
	Legal provision/reversal (including related interest expense and legal fees)	(643)	10	9	8	8	(616)	15
	Initial Provision for credit losses on purchased performing loans	—	—	—	—	—	—	379
	Impact of loan portfolio sale	—	—	—	102	—	102	—
	FDIC special assessment	(8)	3	37	231	—	263	—
	<b>Adjusted Net Income</b>	<b>342</b>	<b>518</b>	<b>676</b>	<b>623</b>	<b>750</b>	<b>2,159</b>	<b>2,812</b>
<b>Canadian P&amp;C</b>	Reported Net Income	750	914	872	921	922	3,457	3,573
	Acquisition and integration costs	12	2	2	1	1	17	9
	Amortization of acquisition-related intangible assets	3	4	3	3	3	13	6
	<b>Adjusted Net Income</b>	<b>765</b>	<b>920</b>	<b>877</b>	<b>925</b>	<b>926</b>	<b>3,487</b>	<b>3,588</b>
<b>U.S. P&amp;C (USD)</b>	Reported Net Income	191	344	398	419	433	1,352	1,843
	Amortization of acquisition-related intangible assets	51	51	51	56	57	209	173
	<b>Adjusted Net Income</b>	<b>242</b>	<b>395</b>	<b>449</b>	<b>475</b>	<b>490</b>	<b>1,561</b>	<b>2,016</b>
<b>BMO Wealth Management</b>	Reported Net Income	326	362	320	240	351	1,248	1,146
	Amortization of acquisition-related intangible assets	2	2	2	1	1	7	4
	<b>Adjusted Net Income</b>	<b>328</b>	<b>364</b>	<b>322</b>	<b>241</b>	<b>352</b>	<b>1,255</b>	<b>1,150</b>
<b>BMO Capital Markets</b>	Reported Net Income	251	389	459	393	472	1,492	1,625
	Acquisition and integration costs	2	1	2	10	(2)	15	4
	Amortization of acquisition-related intangible assets	17	4	5	5	5	31	20
	<b>Adjusted Net Income</b>	<b>270</b>	<b>394</b>	<b>466</b>	<b>408</b>	<b>475</b>	<b>1,538</b>	<b>1,649</b>
<b>Corporate Services</b>	Reported Net Income	721	(270)	(328)	(822)	(626)	(699)	(4,396)
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	—	—	—	1,461
	Acquisition and integration costs	13	16	22	46	434	97	1,520
	Legal provision/reversal (including related interest expense and legal fees)	(870)	13	12	11	12	(834)	21
	Impact of Canadian tax measures	—	—	—	—	—	—	502
	Initial provision for credit losses on purchased performing loans	—	—	—	—	—	—	517
	Impact of loan portfolio sale	—	—	—	136	—	136	—
	FDIC special assessment	(11)	5	50	313	—	357	—
	<b>Adjusted Net Income</b>	<b>(147)</b>	<b>(236)</b>	<b>(244)</b>	<b>(316)</b>	<b>(180)</b>	<b>(943)</b>	<b>(375)</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 39 for details on adjusting items, and the Non-GAAP and Other Financial Measures and Summary Quarterly Earnings Trend sections of BMO's 2024 Annual MD&A for further information



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

(Canadian \$ in millions unless otherwise stated)		Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	F2024	F2023
<b>Total Bank</b>	Reported Income before taxes	3,007	2,447	2,425	1,656	2,194	9,535	5,947
	Total provision for (recovery of) credit losses	1,523	906	705	627	446	3,761	2,178
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	4,530	3,353	3,130	2,283	2,640	13,296	8,125
	Acquisition and integration costs	35	25	36	76	582	172	2,045
	Amortization of acquisition-related intangible assets	124	107	107	112	119	450	357
	Legal provision/reversal (including related interest expense and legal fees)	(1,183)	18	15	15	16	(1,135)	27
	FDIC special assessment	(14)	6	67	417	—	476	—
	Impact of loan portfolio sale	—	—	—	164	—	164	—
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	—	—	—	2,011
	Impact of Canadian tax measures	—	—	—	—	—	—	160
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	3,492	3,509	3,355	3,067	3,357	13,423	12,725
<b>U.S. Segment (USD)</b>	Reported Income (loss) before taxes	1,177	531	701	207	452	2,616	(138)
	Total provision for (recovery of) credit losses	646	364	223	226	135	1,459	914
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	1,823	895	924	433	587	4,075	776
	Acquisition and integration costs	13	15	22	52	426	102	1,500
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	—	—	—	1,505
	Impact of loan portfolio sale	—	—	—	122	—	122	—
	FDIC special assessment	(10)	4	49	308	—	351	—
	Amortization of acquisition-related intangible assets	73	73	73	79	82	298	251
	Legal provision/reversal (including related interest expense and legal fees)	(875)	13	12	11	11	(839)	20
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	1,024	1,000	1,080	1,005	1,106	4,109	4,052
<b>Canadian P&amp;C</b>	Reported Income before taxes	1,037	1,260	1,205	1,273	1,271	4,775	4,927
	Total provision for (recovery of) credit losses	578	388	398	295	265	1,659	909
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	1,615	1,648	1,603	1,568	1,536	6,434	5,836
	Amortization of acquisition-related intangible assets	20	8	8	5	6	41	21
	Acquisition and integration costs	16	3	3	1	2	23	13
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	1,635	1,656	1,611	1,573	1,542	6,475	5,857
<b>U.S. P&amp;C (USD)</b>	Reported Income before taxes	203	414	489	522	555	1,628	2,391
	Total provision for (recovery of) credit losses	509	286	206	217	129	1,218	376
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	712	700	695	739	684	2,846	2,767
	Amortization of acquisition-related intangible assets	68	69	68	75	76	280	233
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	780	769	763	814	760	3,126	3,000
<b>BMO Wealth Management</b>	Reported Income before taxes	428	479	422	318	474	1,647	1,515
	Total provision for (recovery of) credit losses	34	(9)	(7)	13	1	31	18
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	462	470	415	331	475	1,678	1,533
	Amortization of acquisition-related intangible assets	2	3	3	1	2	9	7
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	464	473	418	332	477	1,687	1,540
<b>BMO Capital Markets</b>	Reported Income before taxes	302	491	581	495	598	1,869	2,096
	Total provision for (recovery of) credit losses	211	128	52	(22)	1	369	18
	Reported Pre-Provision, Pre-Tax Earnings (PPPT)	513	619	633	473	599	2,238	2,114
	Acquisition and integration costs	2	1	3	14	(3)	20	5
	Amortization of acquisition-related intangible assets	24	5	6	7	7	42	27
	Adjusted Pre-Provision, Pre-Tax Earnings (PPPT)	539	625	642	494	603	2,300	2,146

Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 38 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 39 for details on adjusting items, and the Non-GAAP and Other Financial Measures and Summary Quarterly Earnings Trend sections of BMO's 2024 Annual MD&A for further information.

# Revenue, Non-Interest Expense and Efficiency Ratio Reconciliation

(Canadian \$ in millions unless otherwise stated)		Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	F2024	F2023	F2022
<b>Total Bank</b>	Reported Revenue	8,957	8,192	7,974	7,672	8,319	32,795	29,259	33,710
	Insurance claims, commissions and changes in policy benefit liabilities (CCPB)								(683)
	Reported Revenue, net of CCPB	8,957	8,192	7,974	7,672	8,319	32,795	29,259	34,393
	Impact of divestitures	—	—	—	—	—	—	—	21
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	—	—	—	2,011	(7,713)
	Legal provision/reversal (including related interest expense and legal fees)	(589)	14	14	14	14	(547)	30	515
	Impact of Canadian tax measures (recorded in revenue)	—	—	—	—	—	—	138	—
	Impact of loan portfolio sale)	—	—	—	164	—	164	—	—
	Adjusted Revenue, net of CCPB	8,368	8,206	7,988	7,850	8,333	32,412	31,438	27,216
	Reported Expenses	4,427	4,839	4,844	5,389	5,679	19,499	21,134	16,194
	Acquisition and integration costs	(35)	(25)	(36)	(76)	(582)	(172)	(2,045)	(326)
	Amortization of acquisition-related intangible assets	(124)	(107)	(107)	(112)	(119)	(450)	(357)	(31)
	Impact of divestitures	—	—	—	—	—	—	—	(16)
Legal provision/reversal (including related interest expense and legal fees)	594	(4)	(1)	(1)	(2)	588	3	(627)	
Impact of Canadian tax measures (recorded in non-interest expense)	—	—	—	—	—	—	(22)	—	
FDIC special assessment	14	(6)	(67)	(417)	—	(476)	—	—	
Adjusted Expenses	4,876	4,697	4,633	4,783	4,976	18,989	18,713	15,194	
Reported Efficiency Ratio	49.4 %	59.1 %	60.7 %	70.2 %	68.3 %	59.5 %	72.2 %	48.0 %	
Adjusted Efficiency Ratio	58.3 %	57.3 %	58.0 %	60.9 %	59.7 %	58.6 %	59.5 %	55.8 %	
<b>U.S. Segment (USD)</b>	Reported Revenue	3,033	2,527	2,571	2,512	2,795	10,643	8,756	13,035
	Impact of divestitures	—	—	—	—	—	—	—	(7)
	Management of Fair Value Changes on the Purchase of Bank of the West	—	—	—	—	—	—	1,505	(5,869)
	Legal provision/reversal (including related interest expense and legal fees)	(436)	10	11	10	10	(405)	22	378
	Impact of loan portfolio sale	—	—	—	122	—	122	—	—
	Adjusted Revenue	2,597	2,537	2,582	2,644	2,805	10,360	10,283	7,537
	Reported Expenses	1,210	1,632	1,647	2,079	2,208	6,568	7,980	4,968
	Impact of divestitures	—	—	—	—	—	—	—	57
	Acquisition and integration costs	(13)	(15)	(22)	(52)	(426)	(102)	(1,500)	(247)
	Amortization of acquisition-related intangible assets	(73)	(73)	(73)	(79)	(82)	(298)	(251)	(22)
	Legal provision/reversal (including related interest expense and legal fees)	439	(3)	(1)	(1)	(1)	434	2	(460)
	FDIC special assessment	10	(4)	(49)	(308)	—	(351)	—	—
	Adjusted Expenses	1,573	1,537	1,502	1,639	1,699	6,251	6,231	4,296
Reported Efficiency Ratio	39.9 %	64.6 %	64.0 %	82.8 %	79.0 %	61.7 %	91.1 %	38.1 %	
Adjusted Efficiency Ratio	60.6 %	60.6 %	58.2 %	62.0 %	60.6 %	60.3 %	60.6 %	57.0 %	

For periods prior to November 1, 2022, we presented adjusted revenue on a basis net of insurance claims, commissions and changes in policy benefit liabilities (CCPB), and our efficiency ratio was calculated on a similar basis. Beginning the first quarter of fiscal 2023, we no longer report CCPB, given the adoption and retrospective application of IFRS 17, Insurance Contracts (IFRS 17). For periods prior to November 1, 2022, adjusted efficiency ratio was calculated based on revenue, net of CCPB. Measures and ratios presented on a basis net of CCPB are non-GAAP amounts. For more information, refer to the Insurance Claims, Commissions and Changes in Policy Benefit Liabilities section of the 2023 Annual MD&A

Adjusted results and measures are non-GAAP. Refer to footnotes (1) to (8) in the Non-GAAP and other Financial Measures table on slide 39 for details on adjusting items, and the Non-GAAP and Other Financial Measures and Summary Quarterly Earnings Trend sections of BMO's 2024 Annual MD&A for further information

# Summary of Reported and Adjusted Results by Operating Group

(Canadian \$ in millions unless otherwise stated)		Reported			Adjusted		
		Q4 24	Q3 24	Q4 23	Q4 24	Q3 24	Q4 23
<b>Total Bank</b>	Revenue	8,957	8,192	8,319	8,368	8,206	8,333
	Expenses	4,427	4,839	5,679	4,876	4,697	4,976
	Pre-Provision, Pre-tax Earnings <sup>1</sup>	4,530	3,353	2,640	3,492	3,509	3,357
	Total PCL (recovery)	1,523	906	446	1,523	906	446
	Net Income	2,304	1,865	1,710	1,542	1,981	2,243
	U.S. Segment Net Income (US\$)	930	439	364	342	518	750
	Diluted EPS (\$)	2.94	2.48	2.19	1.90	2.64	2.93
	Efficiency Ratio (%)	49.4	59.1	68.3	58.3	57.3	59.7
	ROE (%)	11.4	10.0	9.3	7.4	10.6	12.4
	ROTCE <sup>2</sup> (%)	15.6	13.9	13.5	9.7	14.2	17.1
<b>Canadian P&amp;C</b>	Net Interest Income	2,304	2,253	2,096	2,304	2,253	2,096
	Non-Interest Revenue	630	655	700	630	655	700
	Revenue	2,934	2,908	2,796	2,934	2,908	2,796
	Expenses	1,319	1,260	1,260	1,299	1,252	1,254
	Pre-Provision, Pre-tax Earnings <sup>1</sup>	1,615	1,648	1,536	1,635	1,656	1,542
	Total PCL (recovery)	578	388	265	578	388	265
	Net Income	750	914	922	765	920	926
	Efficiency Ratio (%)	45.0	43.3	45.0	44.3	43.1	44.8
	ROE (%)	18.1	22.3	26.1	18.5	22.4	26.3
<b>US P&amp;C<sup>3</sup> (USD)</b>	Net Interest Income (teb)	1,506	1,500	1,521	1,506	1,500	1,521
	Non-Interest Revenue	304	289	301	304	289	301
	Revenue (teb)	1,810	1,789	1,822	1,810	1,789	1,822
	Expenses	1,098	1,089	1,138	1,030	1,020	1,062
	Pre-Provision, Pre-tax Earnings <sup>1</sup>	712	700	684	780	769	760
	Total PCL (recovery)	509	286	129	509	286	129
	Net Income	191	344	433	242	395	490
	Net Income (CDE\$)	256	470	591	326	539	670
	Efficiency Ratio (%)	60.7	60.8	62.4	56.9	57.0	58.2
	ROE (%)	2.9	5.5	7.1	3.8	6.3	8.1
(Canadian \$ in millions unless otherwise stated)		Reported			Adjusted		
		Q4 24	Q3 24	Q4 23	Q4 24	Q3 24	Q4 23
<b>BMO Wealth Management</b>	Wealth & Asset Management	1,399	1,342	1,247	1,399	1,342	1,247
	Insurance	87	97	218	87	97	218
	Revenue	1,486	1,439	1,465	1,486	1,439	1,465
	Expenses	1,024	969	990	1,022	966	988
	Pre-Provision, Pre-tax Earnings <sup>1</sup>	462	470	475	464	473	477
	Total PCL (recovery)	34	(9)	1	34	(9)	1
	Net Income	326	362	351	328	364	352
	Wealth & Asset Management NI	273	300	202	275	302	203
	Insurance NI	53	62	149	53	62	149
	Efficiency Ratio (%)	68.9	67.3	67.7	68.8	67.1	67.5
	ROE (%)	26.6	29.7	28.8	26.8	29.8	28.9
<b>BMO Capital Markets<sup>3</sup></b>	Global Markets	938	1,000	945	938	1,000	945
	I&CB	662	666	706	662	666	706
	Revenue (teb)	1,600	1,666	1,651	1,600	1,666	1,651
	Expenses	1,087	1,047	1,052	1,061	1,041	1,048
	Pre-Provision, Pre-tax Earnings <sup>1</sup>	513	619	599	539	625	603
	Total PCL (recovery)	211	128	1	211	128	1
	Net Income	251	389	472	270	394	475
	U.S. Net Income (\$US)	43	55	118	45	57	118
	Efficiency Ratio (%)	67.9	62.9	63.7	66.3	62.5	63.5
	ROE (%)	7.3	11.4	15.2	7.8	11.6	15.3
<b>Corporate Services<sup>3</sup></b>	Revenue	480	(266)	14	(109)	(252)	28
	Group teb offset	(11)	(8)	(95)	(11)	(8)	(95)
	Revenue (teb)	469	(274)	(81)	(120)	(260)	(67)
	Expenses	(502)	71	824	89	40	239
	Total PCL (recovery)	2	5	3	2	5	3
	Net Income	721	(270)	(626)	(147)	(236)	(180)

Adjusted results and measures are non-GAAP. Refer to slide 39 for adjustments to reported results and slide 38 and the Non-GAAP and Other Financial Measures sections of BMO's 2024 Annual MD&A for more information

<sup>1</sup> Reported and adjusted pre-provision pre-tax earnings (PPPT) are non-GAAP measures. Refer to slide 38 for more information and slide 41 for calculation of PPPT

<sup>2</sup> Reported and adjusted return on tangible common equity (ROTCE) are non-GAAP measures. Refer to slide 38 and Non-GAAP and Other Financial Measures section of BMO's 2024 Annual 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

# Investor Relations

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