BMO Financial Group

# Investor Presentation

## BMO to Acquire Bank of the West from BNP Paribas

December 20, 2021

BMO

# Forward looking statements & non-GAAP measures

### Caution Regarding Forward-Looking Statements

Certain statements contained in this document are forward-looking statements. 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 the expected closing of the proposed transaction, plans for the combined operations of BMO and Bank of the West, the financing of the proposed transaction, the financial, operational and capital impacts of the proposed transaction, our strategies or future actions, our targets and commitments, expectations for our financial condition, capital position, the regulatory environment in which we operate, the results of, or outlook for, our operations or for the Canadian and U.S. 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" 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. The uncertainty created by the COVID-19 pandemic has heightened this risk, given the increased challenge in making assumptions, predictions, forecasts, conclusions or projections. We caution readers of this document not to place undue reliance on our forward-looking statements, as a number of factors – many of which are beyond our control and the effects of which can be difficult to predict – could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including, but not limited to: the possibility that the proposed transaction does not close when expected or at all because required regulatory approvals and other conditions to closing are not received or satisfied on a timely basis or at all or are received subject to adverse conditions or requirements; the anticipated benefits from the proposed transaction, such as it being accretive to adjusted earnings per share (EPS), improving our adjusted ROE and adjusted efficiency ratio, creating synergy opportunities and growing our U.S. operations are not realized in the time frame anticipated or at all as a result of changes in general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations (including changes to capital requirements) and their enforcement, and the degree of competition in the geographic and business areas in which Bank of the West currently operates; the business of Bank of the West may not perform as expected or in a manner consistent with historical performance; the ability to promptly and effectively integrate Bank of the West; the ability to fund the proposed transaction from existing excess capital and anticipated capital generation and financing transactions on terms acceptable to BMO; BMO's ability to achieve its capital targets; BMO's ability to cross-sell more products to customers; reputational risks and the reaction of Bank of the West's customers and employees to the transaction; diversion of management time on transaction-related issues; increased exposure to exchange rate fluctuations; and those other factors discussed 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 2021 Annual Report, all of which outline certain key factors and risks that may affect our future results 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. 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.

Assumptions about BMO and Bank of the West's current and expected financial performance (including balance sheet, income statement and regulatory capital figures), expected financing for the proposed transaction (including participation in BMO's DRIP), expected closing date of the proposed transaction, expected synergies (and timing to achieve), integration and restructuring costs, assumed purchase price accounting (including fair value marks), costs of financing, foreign exchange rates, our assumed terminal value multiple, and future regulatory capital requirements, including the Office of the Superintendent of Financial Institutions' announced Basel III reforms effective in the second quarter of fiscal 2023, were considered in estimating the internal rate of return to BMO, pro forma financial impacts to BMO (i.e., adjusted ROE, adjusted efficiency ratio), adjusted EPS accretion and /or BMO's expected regulatory capital ratios.

Assumptions about our integration plan, the efficiency and duration of integration and the alignment of organizational responsibilities were material factors we considered in estimating transaction and integration costs.

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 the proposed transaction and may not be appropriate for other purposes.

### Non-GAAP Measures

BMO's results and measures in this document are presented on an IFRS basis and on an U.S. GAAP basis for Bank of the West (unless otherwise indicated). We use the terms IFRS and Generally Accepted Accounting Principles (GAAP) interchangeably. We use a number of financial measures to assess our performance and the impact of the proposed transaction as described herein, including measures and ratios that are presented on a non-GAAP basis. Readers are cautioned that non-GAAP amounts, measures and ratios do not have standardized meanings. 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: adjusted net income, Pre-Provision Pre-Tax earnings, adjusted EPS, adjusted ROE, adjusted efficiency ratio, and other adjusted measures which exclude the impact of certain items such as acquisition integration costs, amortization of acquisition-related intangible assets, impact of divestitures, reinsurance adjustment and restructuring costs.

The following information and sections contained in BMO's Management's Discussion and Analysis dated December 3, 2021 for the fiscal year ended October 31, 2021 ("2021 Annual MD&A") are incorporated by reference into this document: quantitative reconciliations of non-GAAP and other financial measures to the most directly comparable financial measures in BMO's financial statements for the fiscal year ended October 31, 2021, 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, as well as the effects of changes in exchange rates on BMO's U.S. segment reported and adjusted results, are found in the Non-GAAP and Other Financial Measures section starting on page 25 of the 2021 Annual MD&A. Information regarding the composition of our non-GAAP and other financial measures is found in the Glossary of Financial Terms section of the 2021 Annual MD&A starting on page 136. The 2021 Annual MD&A is available on SEDAR at www.sedar.com. Also see slides 19-21 for additional quantitative reconciliations of non-GAAP and other financial measures to the most directly comparable reported financial measures and information regarding composition of non-GAAP and other financial measures.

# Strategic transaction meaningfully accelerates U.S. growth

## Financially accretive, providing enhanced scale and scope

| | |
|---|---|
| **Strong Strategic Fit** | • Further establishes BMO as a leading North American bank and accelerates growth of U.S. franchise<br>• Contiguous and highly complementary footprint providing scaled expansion into attractive markets<br>• Adds 1.8 million customers, doubles branch presence, leverages national digital banking foundation<br>• >US$100 billion in assets; expands and diversifies our personal, commercial and wealth portfolios<br>• Positioned for accelerated growth across the U.S. market |
| **Addition of Premium Franchise** | • Top 5 position in 24 U.S. markets with strong share and growth opportunities in key MSAs<br>• Strong base in attractive California market expands access to BMO's products and services<br>• Balanced personal and commercial business mix and strong credit profile<br>• High-quality, low-cost deposit base; attractive leverage to rising rates |
| **Financially Attractive** | • Attractive use of excess capital to fuel future growth<br>• Immediately accretive to adjusted earnings per share on closing; improves ROE and efficiency profile[1]<br>• Significant value creation from highly achievable annual pre-tax cost synergies of ~US$670MM (C$860MM)<br>• BMO maintains target capitalization and target dividend payout range of 40-50% |
| **Strong Cultural and Operational Fit** | • Aligned values, vision and culture across organizations with a focus on customer loyalty<br>• Consistent, strong risk management and underwriting practices<br>• Mutual commitment to supporting communities, including breaking down barriers to economic inclusion<br>• No significant integration issues identified |

Source: Company filings, SNL Financial
Note: Bank of the West financials based on U.S. GAAP
1 Based on adjusted net income. Improvement to ROE and efficiency ratio includes run-rate synergies

# Financially compelling allocation of capital

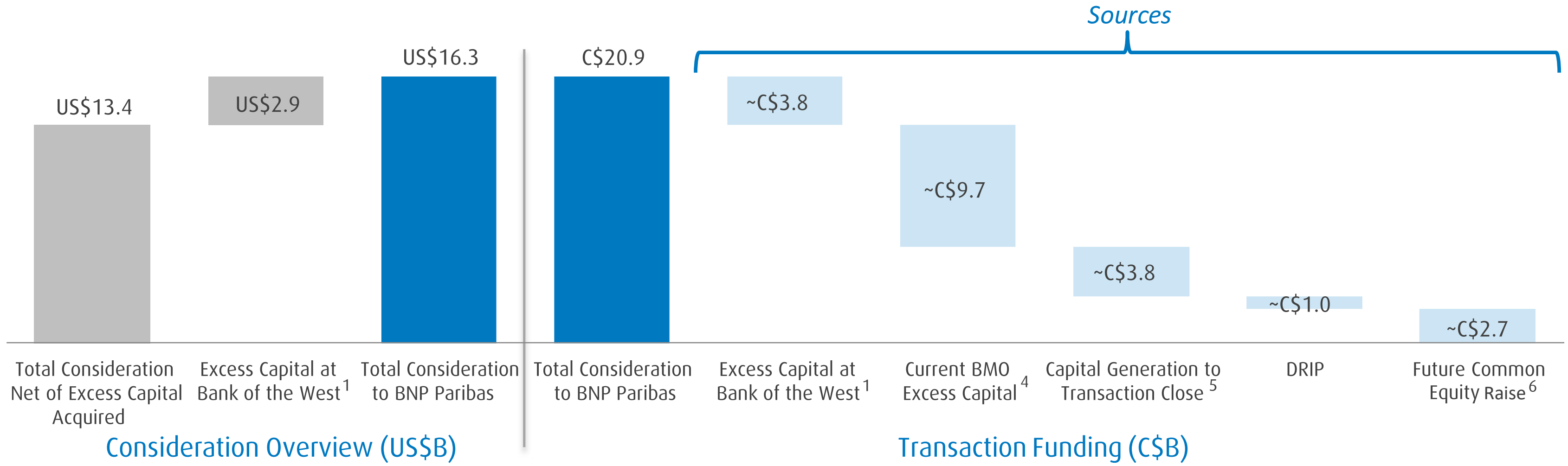
## Immediately accretive and fuels future growth

### Transaction Overview

- Fixed purchase price paid by BMO to BNP Paribas of US$16.30B (C$20.95B)
  - Includes ~US$2.9B (C$3.8B) of estimated excess capital[1] at Bank of the West
  - Utilizes C$13.5B of BMO's estimated excess capital at closing
  - Introducing 2% discount on shares issued under DRIP
  - Approximately C$2.7B[6] of purchase price to be financed with common equity raise in public or private markets
- Post closing transaction funding structure targets pro forma CET1 ratio in excess of 11%

### Financial Highlights

- **1.5x P / TBV[7] at close and ~10.7x[1] 2022E Synergized Earnings** in line with precedents
- **Immediately adjusted EPS accretive (~10% in F2024)[2,3]**
- Enhances adjusted[2,3] **2025 ROE[3] by ~120bps** and adjusted **efficiency ratio[3] by ~150bps**
- **~14% IRR**
- Significant value creation potential from **highly achievable cost synergies** ~US$670MM (~C$860MM)
- Maintains BMO's target capitalization and dividend payout range



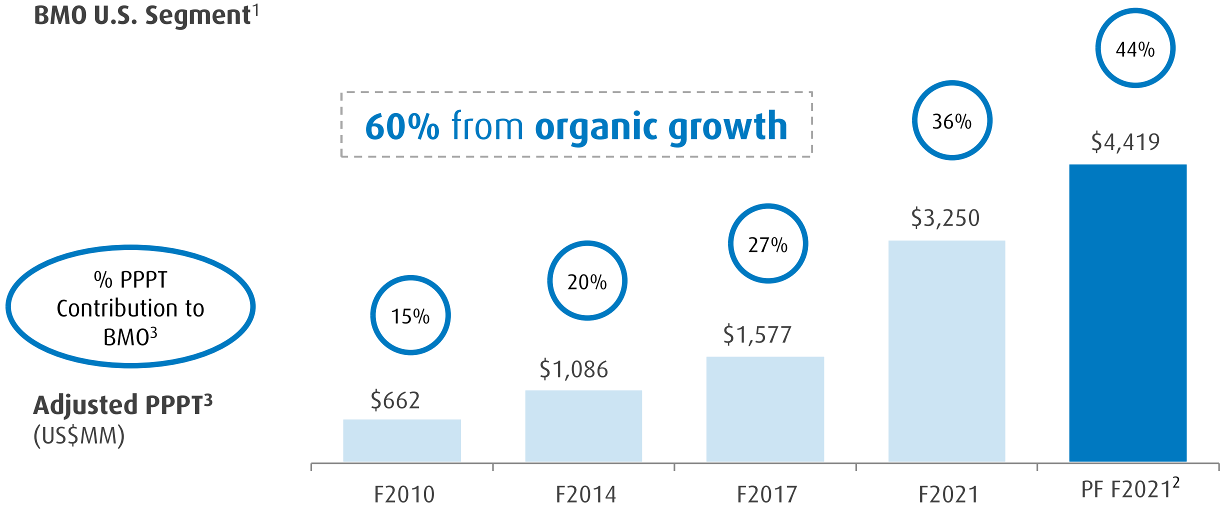

Note: CAD/USD FX rate of ~1.28x

1 Bank of the West excess capital as at estimated close based on capital above CET1 of 11%; P/E multiple excludes Bank of the West excess capital
2 Includes impact of fair value and credit marks
3 Based on adjusted results; adjusted results are non-GAAP, refer to slide 2 and to the Glossary on slide 21 for more information. See slide 19-20 for details of adjustments to reported results
4 As at Fiscal Q4'21; excess capital above 11% CET1. Includes impact from sale of EMEA Asset Management business
5 Based on anticipated closing by the end of calendar 2022 and includes transaction related impacts
6 Size of equity raise could be impacted (including favourably) by management actions and capital generation
7 Based on estimated Bank of the West balance sheet at close

# Transaction builds on proven track record of U.S. growth

## Organic growth supplemented by highly successful acquisitions

**BMO U.S. Segment**[1]




| | F2010 | F2014 | F2017 | F2021 | PF F2021[2] |
|---|---|---|---|---|---|
| Adjusted Net Income[3] (US$MM) | $100 | $835 | $1,002 | $2,650 | $3,591 |
| Adjusted Efficiency Ratio[3] (%) | 73.9% | 77.0% | 70.6% | 55.8% | ~51%[4] |
| Assets[5] (US$B) | $120 | $186 | $205 | $319 | $424 |

**Key Acquisitions**

- M&I: *July 2011, Assets: US$52B*
- GE Transportation Finance: *December 2015, Assets: US$9B*
- KGS-Alpha Capital Markets: *September 2018*
- Bank of the West BNP Paribas: *Assets: US$105B*

*Strong execution and well-tested playbook for U.S. expansion*

- **Deposit share improved to #3** in core markets[6]
- Consistently **strong commercial loan growth**
- **Outperformed synergy assumptions -** U.S. efficiency ratio improved by ~18% since 2010
- Long track record of **excellence in risk management**

*Primed for accelerated growth*

Source: Company filings, SNL Financial
1 Results presented in USD are non-GAAP, refer to slide 2 for more information
2 Based on BMO Fiscal 2021 and Bank of the West last twelve months Q3'21. BMO results presented on IFRS basis, Bank of the West results on U.S. GAAP basis
3 Adjusted measures are non-GAAP measures, refer to slide 2 and to the Glossary on slide 21 for more information. See slide 18 for reported results and slides 19-20 for details of adjustments to reported results
4 Illustrative figure reflecting run-rate synergies at ~35% of Bank of the West non-interest expenses
5 BMO figures based on Q4 average of respective fiscal years and Bank of the West based on Q3'21 ending. BMO U.S. segment average assets in C$ Q4'10 $125B, Q4'14 $207B, Q4'17 $258B, Q4'21 $400B
6 Based on FDIC deposit share data; core footprint includes Illinois, Indiana, Kansas, Minnesota, Missouri, Wisconsin

# Meaningfully increasing scale and reach

## Pro forma BMO U.S. segment

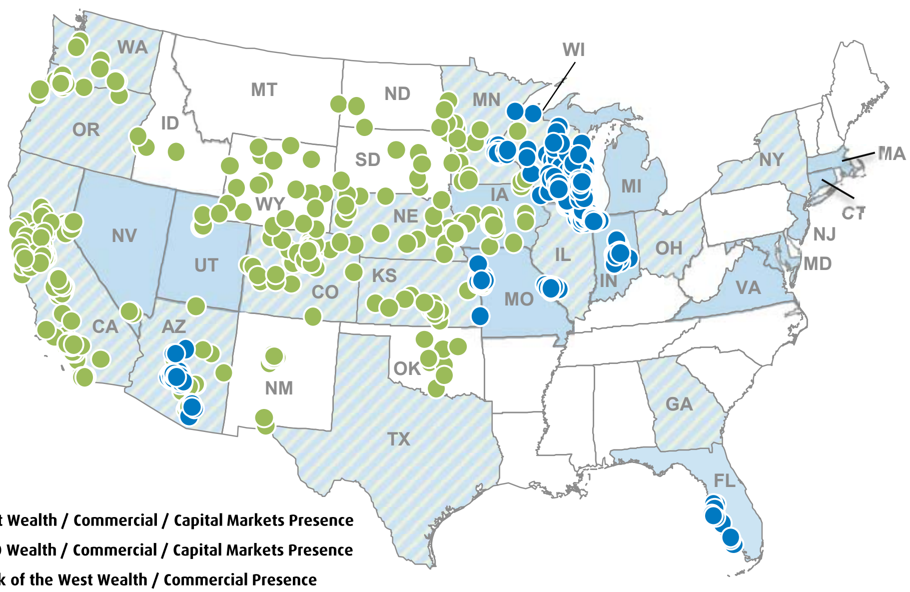
Doubling our footprint

Active presence in 32 states[1]

3.8 million customers[1]

Leading National Digital First Strategy

### Enhanced U.S. Footprint with Strong Position in Attractive Markets




Joint Wealth / Commercial / Capital Markets Presence

BMO Wealth / Commercial / Capital Markets Presence

Bank of the West Wealth / Commercial Presence

BMO U.S. Branch (524)

Bank of the West Branch (514)

| | Market | Branches | Deposit Rank [1] | Deposit Market Share [1] | '22-'27 HHI Growth [2] | Growth Above National Avg. |
|---|---|---|---|---|---|---|
| | Chicago, IL | 198 | 2 | 15% | 12.3% | ✓ |
| * | San Francisco, CA | 52 | 5 | 5% | 13.8% | ✓ |
| * | Los Angeles, CA | 64 | 10 | 2% | 13.2% | ✓ |
| | Milwaukee, WI | 54 | 2 | 15% | 12.4% | ✓ |
| | Minneapolis, MN | 27 | 3 | 4% | 10.5% | |
| | Phoenix, AZ | 44 | 5 | 3% | 15.3% | ✓ |
| * | Denver, CO | 41 | 6 | 4% | 14.5% | ✓ |
| * | San Jose, CA | 23 | 9 | 2% | 14.9% | ✓ |
| | Indianapolis, IN | 36 | 6 | 5% | 13.5% | ✓ |
| | Madison, WI | 17 | 1 | 15% | 10.6% | |
| | **National Average** | | | | **12.1%** | |

* New branch market entered

Source: Company filings, SNL Financial

1 Metrics are pro forma for acquisition of Bank of the West. Rankings and market share based on company filings and are not pro forma for other pending transactions

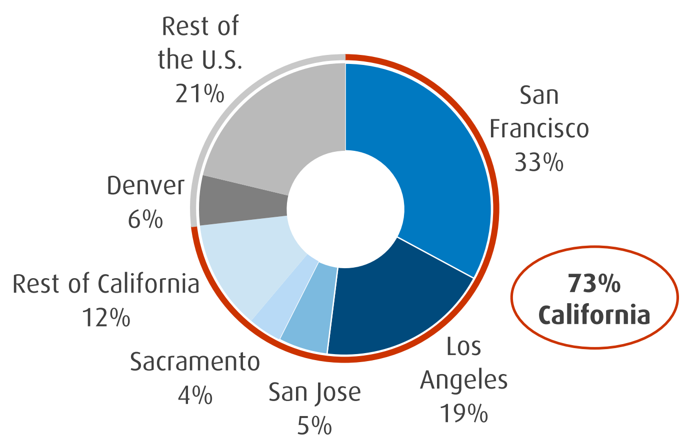
2 Represents household income growth

# Immediate scale in highly attractive California market

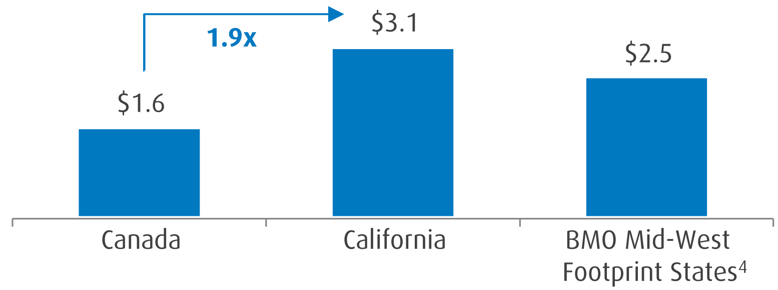
**California has the largest population and economy in the U.S., and a highly attractive banking market**

- 14% of total U.S. GDP and 12% of national population[1]
- $77k median household income, 15% above national average[1]
- 885k affluent households[2] – #1 in the U.S.
- Diversified, rapidly growing economy with attractive client segments including key technology and logistical hubs and large multinationals
- Solidifies BMO's presence in California and substantially improves our coverage of the western U.S.

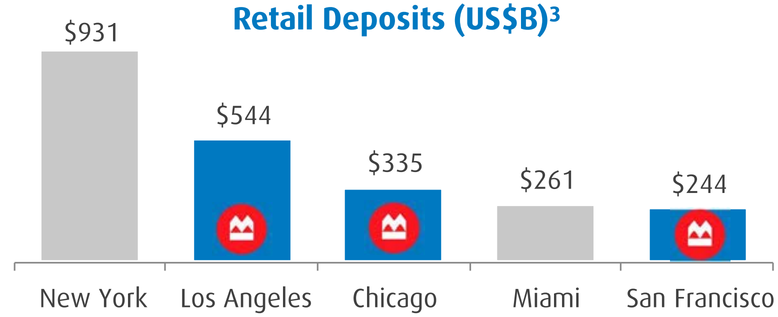
## Bank of the West Deposits by MSA



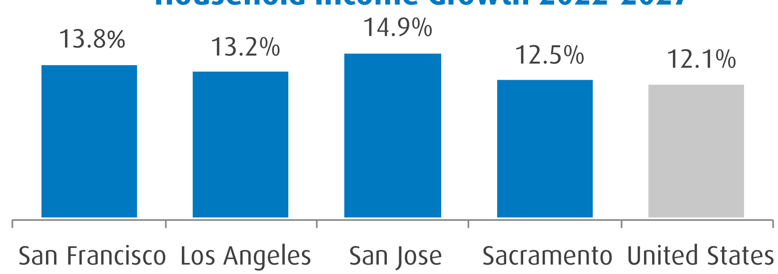

## 2020 Nominal GDP (US$TN)




## Meaningful presence in 3 of top 5 U.S. Markets by Retail Deposits (US$B)[3]




## Household Income Growth 2022-2027




| | San Francisco | Los Angeles | San Jose | Sacramento | United States |
|---|---|---|---|---|---|
| Population | 4.7MM | 13.1MM | 2.0MM | 2.4MM | ~330MM |
| GDP (US$) | $588B | $1,007B | $361B | $145B | ~$21,500B |

Source: FRED Economic Data, SNL Financial, World Bank
1 As per 2020 – U.S. Census Bureau and U.S. Bureau of Economic Analysis
2 Number of millionaire households per the Wall Street Journal
3 Market deposits and market share are subject to $1B deposit cap per branch
4 Illinois, Indiana, Kansas, Minnesota, Missouri, Wisconsin

# Bank of the West: Strong west coast franchise

## Bank of the West Overview

- Founded in 1874 and wholly owned by BNP Paribas
- 514 branches and ~875 ATMs across the mid-west and western U.S. with **~1.8 million customers**
  - **4th largest regional bank in CA** (~70% of deposit franchise)
  - Top 5 market position in 24 MSAs nationwide
  - **Strong commercial relationships** in key markets and verticals
- **Strong digital adoption** and sales
- **Balanced loan portfolio** with **~60% commercial / ~40% retail**
- **Strong and disciplined credit culture**
- Purpose-driven bank: a **leader in sustainable banking**

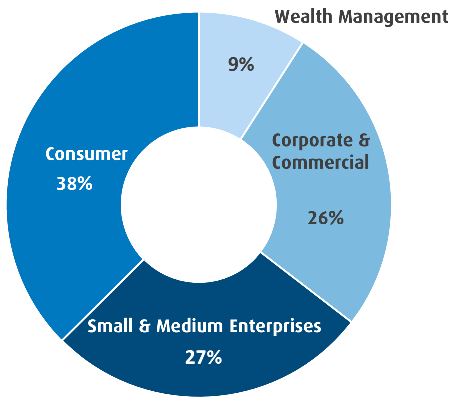
## Line of Business Overview

| | |
|---|---|
| **Consumer** | • Checking, savings, credit cards and consumer loans via branch and digital channels<br>• Consumer finance<br>• Loans to small businesses |
| **Small & Medium Enterprises** | • Cash management, credit, payments and financial advisory services to SMEs |
| **Corporate & Commercial** | • Lending, cash management, and trade solutions |
| **Wealth Management** | • Wealth planning, brokerage and fiduciary solutions to individuals, UHNW clients, family offices, and private businesses<br>• $13B in AUM |

## Key Metrics (US$) – Q3'21

| | | |
|---|---|---|
| **$105B**<br>Total Assets | **$56B**<br>Loans | **$89B**<br>Total Deposits |
| **~60%/40%**<br>Commercial / Consumer Mix | **~13%**[1]<br>ROTCE | **9bps** LTM[3] NCOs / Avg. Loans; **0.63%** NPAs / Assets |
| **$941MM**<br>LTM[3] Net Income | **54**<br>Retail Net Promoter Score | **63%**<br>LTM[3] Efficiency Ratio |

## Revenue by Segment – YTD Q3'21[2]

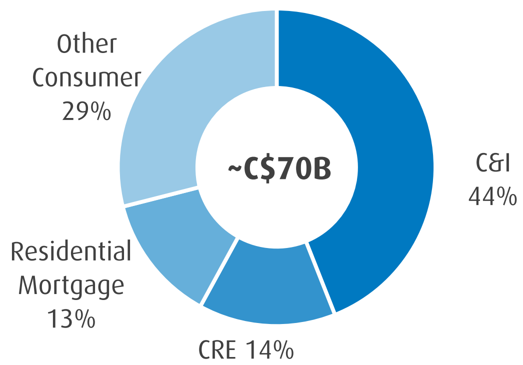



Source: Company filings, SNL Financial
1 Return on tangible common equity; excess capital above 11% CET1 removed, based on last twelve months Q3'21
2 Excludes Treasury and Other Segment
3 LTM is last twelve months Q3'21

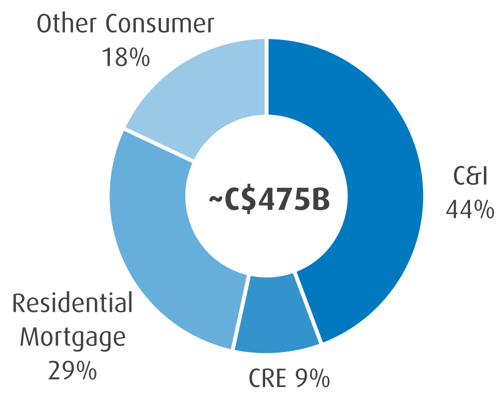
# Maintains BMO's balanced and attractive business mix

**Loan Composition**

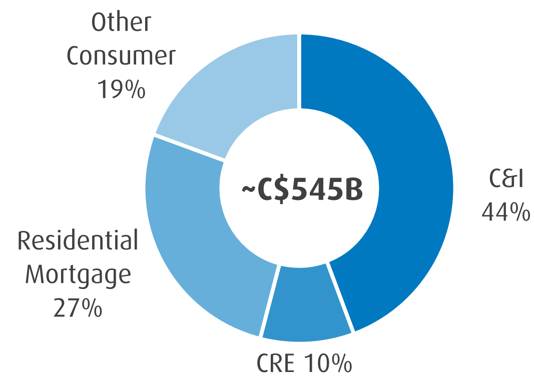
### Bank of the West[1]




### BMO[2]

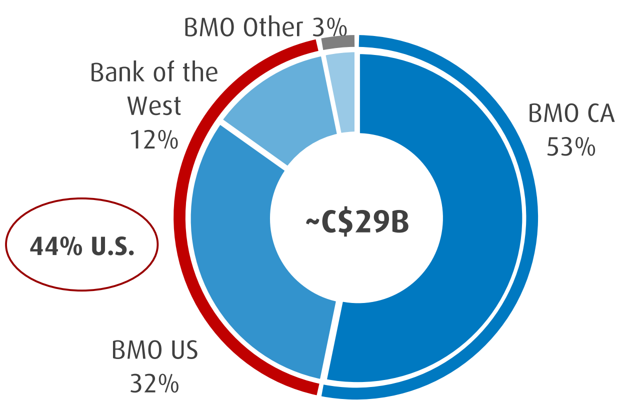



### Pro Forma BMO

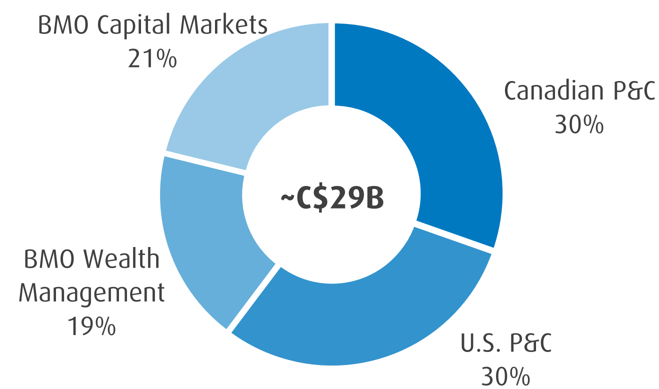



**BMO Pro Forma Geographic and Business Mix**

### Pro forma total net revenue by geography[3,4]



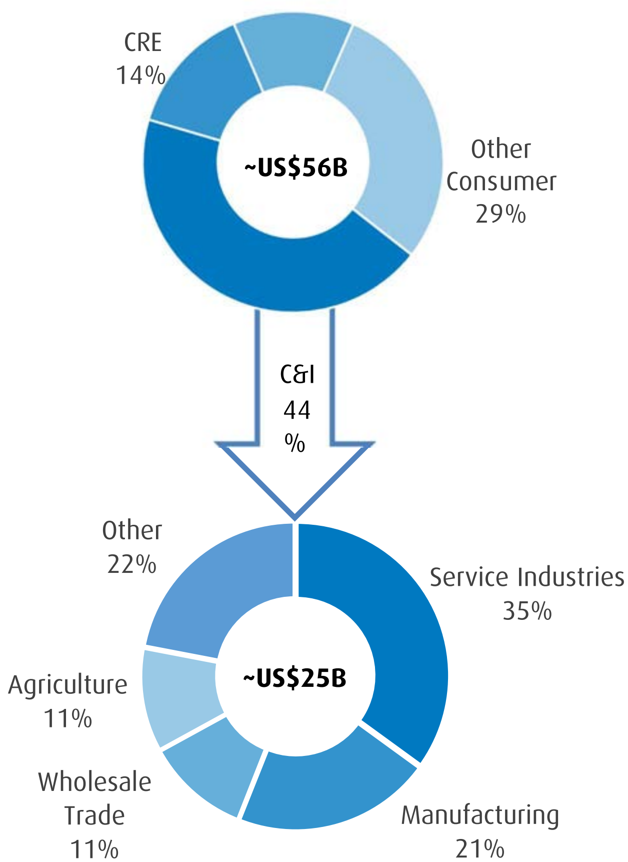

### Pro forma total net revenue by line of business[3,4]



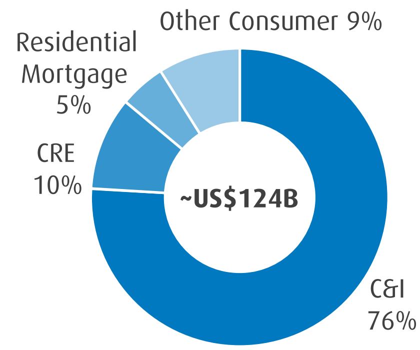

Source: Company filings, SNL Financial
Note: Financial data as of most recent quarter available, unless otherwise noted; analysis reflects CAD/USD ~1.24x. Figures are pro forma for sale of EMEA and U.S. Asset Management Business.
1 Bank of the West loan composition as of September 30th, 2021. PPP loans included in C&I. "Other consumer" includes loans to small businesses under $1MM in revenue. Composition based on BMO reporting view
2 BMO loan composition as of Q4 2021; Includes P&C, wealth management and capital markets for Canada, U.S. and Other
3 BMO financials based on Q4 2021 values and exclude unallocated corporate revenue; Bank of the West based on YTD Q3 annualized and exclude treasury segment
4 BMO net revenue is a non-GAAP measure, refer to slide 2 and to the glossary on slide 21 for more information

# High quality loan portfolio

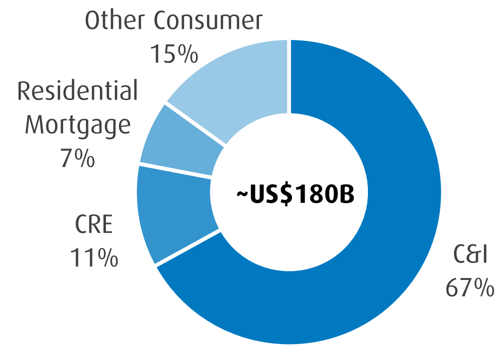
## Bank of the West[1]



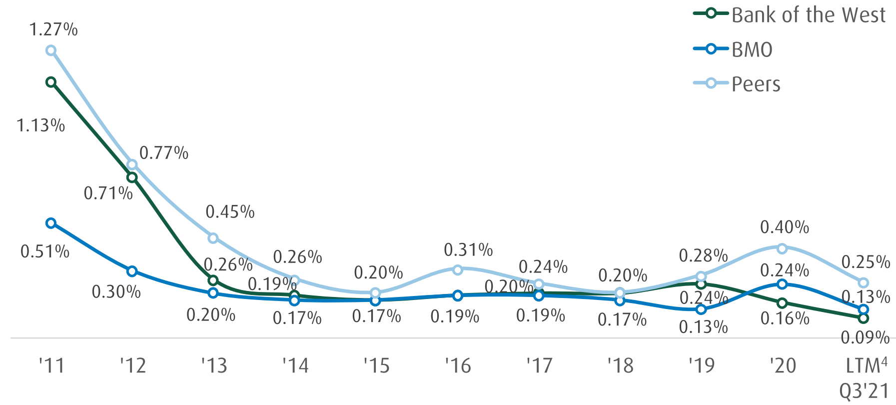

## BMO U.S.[2]




## Pro Forma BMO U.S.




## Net Charge-Off History[3]




Source: Company filings, SNL Financial
Note: Financial data as of most recent quarter available, unless otherwise noted
1 Bank of the West loan composition as of September 30th, 2021. PPP loans included in C&I. "Other consumer" includes loans to small businesses under $1MM in revenue. Composition based on BMO reporting view
2 BMO US loan composition as of Q4 2021
3 Median of peers including: BBVA, CFG, CMA, FHN, FITB, HBAN, KEY, MTB, MUFG Union, RF, SNV, and ZION. BMO figures for last twelve months Q3'21 are FY21.
4 LTM is last twelve months

# Robust integration plan unlocks meaningful synergies

## Highly Achievable Cost Synergies

- **Highly achievable cost synergies of estimated US$670MM** (~C$860MM) (pre-tax) identified
  - ~35% of Bank of the West non-interest expenses
- Expect cost savings initiatives to be **fully executed by the end of the first year after closing**
- **Committed to retaining Bank of the West front line branch employees** with no planned closures for Bank of the West branches in connection with the transaction
- Additional upside from combination
  - Revenue synergies identified but not included in model
  - Significant increase in retail and commercial customer base drives revenue potential for wealth and capital markets products

| | % of Total |
|---|---|
| **Centralized Overhead / Shared Services** | 55% |
| **IT Efficiencies** | 30% |
| **Other** | 15% |
| **Total** | **100%** |

## Extensive Due Diligence and Detailed Integration Plan Leverages Past Experience

- BMO has **deep integration experience** and a **strong track record** of delivering on cost savings initiatives
- **Extensive due diligence completed**
  - Management led review of all functional areas including business units, compliance, finance, HR, legal, regulatory, risk, treasury and technology & operations
  - ~200 BMO team members participated in due diligence
  - Deep dive credit file review of Bank of the West's loan portfolio
- **No significant integration issues identified**
  - Core platforms and suppliers are similar
  - Best of breed approach to integration across products, people, and processes

# Transaction assumptions

| | |
|---|---|
| **Purchase Price & Consideration** | • Fixed purchase price paid by BMO to BNP Paribas of US$16.30B (~C$20.95B)<br>– Includes ~US$2.9B (C$3.8B) of estimated excess capital at Bank of the West above 11% CET1 at close |
| **Sources of Capital** | • Transaction primarily funded via excess capital<br>• Introducing 2% discount on shares issued under dividend re-investment plan ("DRIP")<br>• Approximately C$2.7B[1] of purchase price to be financed with common equity raise in public or private markets<br>– Capital raise utilized to achieve target capital levels post closing<br>• No buybacks anticipated until transaction close; maintains target dividend payout ratio of 40-50% |
| **Synergies and Integration** | • ~US$670MM (C$860MM) in annual pre-tax cost synergies; ~35% of Bank of the West non-interest expense<br>– Expect cost savings initiatives to be fully executed by the end of year 1<br>• Pre-tax merger and integration costs of US$1.3B (C$1.7B), excluded from adjusted net income<br>– 30% at close, 45% in year one, 15% in year two and 10% in year 3 |
| **Purchase Accounting Impacts** | • Gross credit mark of US$772MM (C$992MM) (126 bps of loans) accreted into earnings<br>• Day 2 allowance established at US$532MM (C$684MM) (87 bps of loans); excluded from adjusted net income<br>• 50 bps Core Deposit Intangible<br>• US$170MM (C$218MM) fair value mark pre-tax write down of equity, accreted into earnings |
| **Regulatory Approvals and Timing** | • Transaction approved by BMO and BNP Paribas Boards<br>• Does not require shareholder approvals<br>• Customary regulatory approvals<br>• Anticipated closing by the end of calendar 2022 |

Note: CAD/USD FX rate of ~ 1.28x
1 Size of equity raise could be impacted (including favourably) by management actions and capital generation

# Financially compelling acquisition

## Transaction Multiples

**1.5x**[1]
P / TBV at Close

**10.7x**
P / 2022E Synergized Earnings (Capital Adjusted)[2]

## Strong Returns & Profitability

**10%**
2024 Adjusted EPS Accretion[3]

**~14%**
IRR

**~120bps**
Adjusted ROE Improvement[3,4]

**~150bps**
Adjusted Efficiency Ratio Improvement[4]

## Attractive and Powerful Use of Excess Capital

**~C$14B**
BMO Excess Capital Utilized

**EPS Accretion & Growth** + **Advances Strategic Objectives** + **Additional Annual Capital Generation**

Note: All earnings figures used in calculations are based on adjusted results; adjusted results are non-GAAP refer to slide 2
1 Based on estimated Bank of the West balance sheet at close
2 Adjusted for Bank of the West excess capital above 11.0% CET1 estimated at close
3 Includes impact of fair value and credit marks
4 Metrics reflect Fiscal 2025 estimated ratios

# Winning formula for future growth

## "One Bank" approach

- **Integrated go-to-market strategy** across commercial, wealth, and retail driving **expanded customer relationships** across BMO's capabilities:
  - **#4 Commercial Bank**[1] in North America, pro forma
  - Leading **capital markets** advisory, trading, FX, underwriting and corporate banking services
  - Full suite of HNW **private banking, planning and investment** products and bespoke UHNW services
  - Successful **Bank at Work** (Retail – Commercial) and **Premier Banking** (Retail – Wealth) models
  - ~30% of U.S. Commercial clients have a Wealth relationship

## Scaled "Digital First" platform

- Digital First focus on customer experience and efficiency
- Digital **platforms built for increased scale** and **integration**
  - Digital and mobile banking **across all 50 States**
  - Augments branch-lite model with **leading digital marketing** driving digital sales
  - Fully **integrated treasury & payments** solutions
- **Digitally enabled channels** and **guidance conversations** driven by **leading analytics**
- **Strategic partnerships** accelerate continuous innovation (FIS, AWS, Blend, Lively)

## Customer loyalty and employee engagement

- **Relationship model,** local presence with industry expertise
- Leading **customer loyalty** across businesses with a commitment to help **customers make real financial progress**
- Long history of supporting communities we serve, **championing inclusion, equality and sustainability**
- **Driven by Purpose,** guided by our values, enhanced by our winning culture
- **Strong employee engagement**

## Integration track record

- **Successful track record for U.S. expansion** that has delivered market share gains, strong growth and accretive returns and efficiency improvements
- **Significant technology integration experience** (M&I, Transportation Finance) and effective change management capabilities
- Aligned and **disciplined risk management culture** supporting growth

1 Based upon publicly available filings and internal analysis

# Coming together to boldly grow the good

BMO Financial Group | BANK OF THE WEST BNP PARIBAS

**Outstanding CRA ratings for meeting credit & community development needs in low- to moderate-income communities**

**For a Thriving Economy**

BMO Financial Group:

- Nearly C$25B in commitments to increase support for small businesses, women entrepreneurs and Canadian Indigenous and military customers
- BMO EMpower™, a 5-year, US$5B commitment of loans and investments to address barriers faced by minority businesses & communities in the U.S
- *Smart Money*™, a certified Bank On™ low-fee checking account designed to assist under-banked individuals

Bank of the West:

- US$3.9B over 3 years to support under-resourced communities with loans, investments and donations
- Helping small businesses impacted by the pandemic with 30,000 PPP loans, participation in the SBA deferral programs, and extended payment deferrals
- Supports Women and Diverse Entrepreneurs with access to resources, capital & training through investments & partnerships with CDFIs (notably Grameen America) and NASDAQ Entrepreneur Center

**Leaders in sustainable finance – financing clean energy innovation and combatting climate change**

**For a Sustainable Future**

BMO Financial Group:

- One of only two North American banks on the Dow Jones Sustainability World Index, and Corporate Knights' most sustainable bank in North America two years in a row
- Launched BMO Climate Institute and Energy Transition Group, declared ambition to be our clients' lead partner in the transition to a net zero world
- Mobilizing C$300B in capital for clients pursuing sustainable outcomes; seeded a C$250MM sustainability-focused Impact fund

Bank of the West:

- Strong environmental policies with a strategy focused on developing renewables, clean tech and sustainable finance
- 1% for the Planet Checking Account, tackling our planet's most pressing environmental issues
- Committed US$1B over 5 years in 2018 to finance a renewable energy transition

***Forbes'* Best Employers for Diversity & Women, and Best Places to Work for People with Disabilities (DEI) and LGBTQ (HRC)**

**For an Inclusive Society**

BMO Financial Group:

- *Zero Barriers to Inclusion* strategy sets targets for representation including 30% U.S. senior roles held by People of Color
- 40% of senior roles held by women for 6 straight years; nearly 50% of our board of director seats are held by women
- Enterprise Supplier Diversity Council and diverse business program, *BMO Elevate*, to provide mentoring and support growth

Bank of the West:

- Dedicated outreach to veterans for transition support and employment opportunities
- Progressive LGBTQ-friendly benefits packages
- Launched Supplier Diversity Program driving economic development for minority and women-owned businesses

DEI: Disability Equity Index
HRC: Human Rights Campaign

# Strategically and financially attractive acquisition

- Further establishes BMO as a leading North American bank
- Strengthens BMO's U.S. business by meaningfully enhancing scale and access to new and attractive markets with significant growth potential
- Proven track record and winning formula to integrate and grow new businesses and create significant shareholder value
- Optimally deploys capital with an immediately accretive[1], financially attractive transaction that accelerates long-term growth
- Premium U.S. franchise with complementary footprint and capabilities, aligned Purpose-driven cultures and customer focus

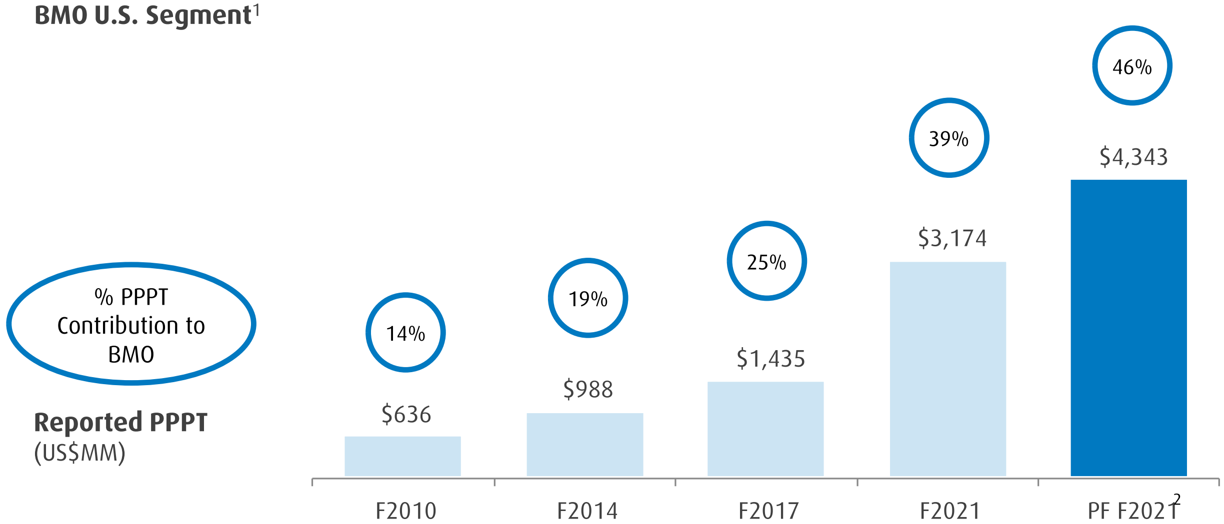
1 On close, based on adjusted EPS

# Appendix

BMO

# BMO U.S. Segment on a reported basis

**BMO U.S. Segment**[1]




| | F2010 | F2014 | F2017 | F2021 | PF F2021[2] |
|---|---|---|---|---|---|
| Reported Net Income (US$MM) | $60 | $765 | $920 | $2,593 | $3,534 |
| Reported Efficiency Ratio (%) | 74.9% | 79.1% | 73.3% | 56.9% | ~52%[3] |
| Assets[4] (US$B) | $120 | $186 | $205 | $319 | $424 |

**Key Acquisitions**

- M&I — *July 2011*, *Assets: US$52B*
- GE Transportation Finance — *December 2015*, *Assets: US$9B*
- KGS-Alpha Capital Markets — *September 2018*
- Bank of the West BNP Paribas — *Assets: US$105B*

Source: Company filings, SNL Financial

1 Results presented in USD are non-GAAP, refer to slide 2 for more information

2 Based on BMO Fiscal 2021 and Bank of the West last twelve months Q3'21. BMO IFRS, Bank of the West U.S. GAAP

3 Illustrative figure reflecting run-rate synergies at ~35% of Bank of the West non-interest expenses

4 BMO figures based on Q4 average of respective fiscal years and Bank of the West based on Q3'21 ending. BMO U.S. segment average assets in C$ Q4'10 $125B, Q4'14 $207B, Q4'17 $258B, Q4'21 $400B

# Reconciliation of reported and adjusted results (BMO)

| (CAD $ in millions, except as noted) | F2010 | F2014 | F2017 | F2021 |
|---|---|---|---|---|
| **Reported Results** | | | | |
| Revenue | 13,264 | 18,223 | 22,107 | 27,186 |
| Insurance claims, commissions and changes in policy benefit liabilities (CCPB) | (1,025) | (1,505) | (1,538) | (1,399) |
| Revenue, net of CCPB | 12,239 | 16,718 | 20,569 | 25,787 |
| Total provision for credit losses | (1,049) | (527) | (746) | (20) |
| Non-interest expense | (7,619) | (10,955) | (13,192) | (15,509) |
| Income before income taxes | 3,571 | 5,236 | 6,631 | 10,258 |
| Provision for income taxes | (687) | (903) | (1,292) | (2,504) |
| **Net Income** | 2,884 | 4,333 | 5,339 | 7,754 |
| Net income - attributable to non-controlling interest in subsidiaries | (74) | (56) | (2) | - |
| **Net income – attributable to equity holders of the bank** | 2,810 | 4,277 | 5,337 | 7,754 |
| Adjusting Items Impacting Revenue (Pre-tax) | | | | |
| Impact of divestitures | - | - | - | 29 |
| (Increase)/Decrease in collective allowance | - | - | 76 | |
| Adjusting Items Impacting Non-Interest Expense (Pre-tax) | | | | |
| Acquisition integration costs | - | (20) | (87) | (9) |
| Amortization of acquisition-related intangible assets | (36) | (140) | (149) | (88) |
| Impact of divestitures | - | - | - | (886) |
| Restructuring (costs) reversals | - | - | (59) | 24 |
| Impact of adjusting items on non-interest expense (pre-tax) | (36) | (160) | (295) | (959) |
| Impact of adjusting items on reported pre-tax income | (36) | (160) | (219) | (930) |
| Adjusting Items Impacting Revenue (After tax) | | | | |
| Impact of divestitures | - | - | - | 22 |
| (Increase)/Decrease in collective allowance | - | - | 54 | - |
| Adjusting Items Impacting Non-Interest Expense (After tax) | | | | |
| Acquisition integration costs | - | (16) | (55) | (7) |
| Amortization of acquisition-related intangible assets | (32) | (104) | (116) | (66) |
| Impact of divestitures | - | - | - | (864) |
| Restructuring (costs) reversals | - | - | (41) | 18 |
| Impact of adjusting items on non-interest expense (after tax) | (32) | (120) | (212) | (919) |
| Impact of adjusting items on reported net income (after tax) | (32) | (120) | (158) | (897) |
| **Adjusted Results (1)** | | | | |
| Revenue | 13,264 | 18,223 | 22,107 | 27,157 |
| Insurance claims, commissions and changes in policy benefit liabilities (CCPB) | (1,025) | (1,505) | (1,538) | (1,399) |
| Revenue, net of CCPB | 12,239 | 16,718 | 20,569 | 25,758 |
| Total provision for credit losses | (1,049) | (527) | (822) | (20) |
| Non-interest expense | (7,583) | (10,795) | (12,897) | (14,550) |
| Income before income taxes | 3,607 | 5,396 | 6,850 | 11,188 |
| Provision for income taxes | (691) | (943) | (1,353) | (2,537) |
| **Net Income** | 2,916 | 4,453 | 5,497 | 8,651 |
| Net income - attributable to non-controlling interest in subsidiaries | (74) | (56) | (2) | - |
| **Net income – attributable to equity holders of the bank** | 2,842 | 4,397 | 5,495 | 8,651 |

1 These measures are non-GAAP. Refer to slide 2.

# Reconciliation of reported and adjusted results (U.S. segment)

| (United States $ in millions, except as noted) | F2010 | F2014 | F2017 | F2021 |
|---|---|---|---|---|
| **Reported Results** | | | | |
| Revenue | 2,532 | 4,728 | 5,368 | 7,362 |
| Insurance claims, commissions and changes in policy benefit liabilities (CCPB) | - | - | - | - |
| Revenue, net of CCPB | 2,532 | 4,728 | 5,368 | 7,362 |
| Total provision for credit losses | (543) | (25) | (225) | 192 |
| Non-interest expense | (1,896) | (3,740) | (3,933) | (4,188) |
| Income before income taxes | 93 | 963 | 1,210 | 3,366 |
| Provision for income taxes | (15) | (198) | (290) | (773) |
| **Net Income** | 78 | 765 | 920 | 2,593 |
| Net income - attributable to non-controlling interest in subsidiaries | (18) | - | - | - |
| **Net income – attributable to equity holders of the bank** | 60 | 765 | 920 | 2,593 |
| Adjusting Items Impacting Revenue (Pre-tax) | | | | |
| Impact of divestitures | - | - | - | - |
| (Increase)/Decrease in collective allowance | - | 3 | 21 | - |
| Adjusting Items Impacting Non-Interest Expense (Pre-tax) | | | - | - |
| Acquisition integration costs | - | | (59) | (8) |
| Amortization of acquisition-related intangible assets | (27) | (98) | (68) | (50) |
| Impact of divestitures | - | - | - | (35) |
| Restructuring (costs) reversals | - | - | (15) | 17 |
| Impact of adjusting items on non-interest expense (pre-tax) | (27) | (98) | (142) | (76) |
| Impact of adjusting items on reported pre-tax income | (27) | (95) | (121) | (76) |
| Adjusting Items Impacting Revenue (After tax) | | | | |
| Impact of divestitures | - | - | - | - |
| (Increase)/Decrease in collective allowance | - | (1) | 13 | - |
| Adjusting Items Impacting Non-Interest Expense (After tax) | | | | |
| Acquisition integration costs | - | - | (37) | (6) |
| Amortization of acquisition-related intangible assets | (22) | (69) | (49) | (37) |
| Impact of divestitures | - | - | - | (27) |
| Restructuring (costs) reversals | - | - | (9) | 13 |
| Impact of adjusting items on non-interest expense (after tax) | (22) | (69) | (95) | (57) |
| Impact of adjusting items on reported net income (after tax) | (22) | (70) | (82) | (57) |
| **Adjusted Results (1)** | | | | |
| Revenue | 2,532 | 4,728 | 5,368 | 7,362 |
| Insurance claims, commissions and changes in policy benefit liabilities (CCPB) | - | - | - | - |
| Revenue, net of CCPB | 2,532 | 4,728 | 5,368 | 7,362 |
| Total provision for credit losses | (543) | (28) | (246) | 192 |
| Non-interest expense | (1,869) | (3,642) | (3,791) | (4,112) |
| Income before income taxes | 120 | 1,058 | 1,331 | 3,442 |
| Provision for income taxes | (20) | (223) | (329) | (792) |
| **Net Income** | 100 | 835 | 1,002 | 2,650 |

1 These measures are non-GAAP. Refer to slide 2
Average FX rates for 2010, 2014, 2017 and 2021 are 1.04, 1.09, 1.31 and 1.26 respectively

# Glossary of Financial Terms

- ***Adjusted Net Income*** is calculated as net income excluding the impact of certain nonrecurring items, as set out in the Non-GAAP and Other Financial Measures section of the 2021 Annual MD&A
- ***Pre-Provision, Pre-Tax Earnings (PPPT)*** is calculated as income before income taxes and provision for credit losses. We use PPPT on both a reported and adjusted basis to assess our ability to generate sustained earnings growth excluding credit losses, which are impacted by the cyclical nature of a credit cycle
- ***Efficiency Ratio (or Expense-to-Revenue Ratio)*** is a measure of productivity. It is calculated as non-interest expense divided by total revenue, expressed as a percentage. The adjusted efficiency ratio is calculated in the same manner, utilizing adjusted total revenue and non-interest expense
- ***Efficiency Ratio, net of CCPB*** is calculated as non-interest expense divided by total revenue, net of insurance claims, commissions and changes in policy benefit liabilities (CCPB), expressed as a percentage. The adjusted efficiency ratio, net of CCPB, is calculated in the same manner, utilizing adjusted total revenue, net of CCPB, and non-interest expense
- ***Return on Equity or Return on Common Shareholders' Equity (ROE)*** is calculated as net income, less preferred dividends and distributions on other equity instruments, as a percentage of average common shareholders' equity. Common shareholders' equity comprises common share capital, contributed surplus, accumulated other comprehensive income (loss) and retained earnings. Adjusted ROE is calculated using adjusted net income rather than net income.
- ***Return on Tangible Common Equity (ROTCE)*** is calculated as net income available to common shareholders, adjusted for the amortization of acquisition-related intangible assets, as a percentage of average tangible common equity. Adjusted ROTCE is calculated using adjusted net income rather than net income.
- ***Common Equity Tier 1 (CET1) Ratio*** is calculated as CET1 Capital, which comprises common shareholders' equity, net of deductions for goodwill, intangible assets, pension assets, certain deferred tax assets and other items, which may include a portion of expected credit loss provisions, divided by risk-weighted assets. The CET1 Ratio is calculated in accordance with OSFI's Capital Adequacy Requirements (CAR) Guideline

BMO Financial Group

# Investor Relations

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