



BMO Financial Group Reports Third Quarter 2024 Results

REPORT TO SHAREHOLDERS

BMO's Third Quarter 2024 Report to Shareholders, including the unaudited interim consolidated financial statements for the period ended July 31, 2024 are available online at www.bmo.com/investorrelations and at www.sedarplus.ca.

Financial Results Highlights

Third Quarter 2024 compared with Third Quarter 2023:

- Net income of \$1,865 million, compared with \$1,565 million; adjusted net income^{1,2} of \$1,981 million, compared with \$2,148 million
- Reported earnings per share (EPS)³ of \$2.48, compared with \$2.12; adjusted EPS^{1,2,3} of \$2.64, compared with \$2.94
- Provision for credit losses (PCL) of \$906 million, compared with \$492 million
- Return on equity (ROE) of 10.0%, compared with 9.0%; adjusted ROE^{1,2} of 10.6%, compared with 12.5%
- Common Equity Tier 1 (CET1) Ratio⁴ of 13.0%, compared with 12.3%

Year-to-Date 2024 compared with Year-to-Date 2023:

- Net income of \$5,023 million, compared with \$2,727 million; adjusted net income^{1,2} of \$5,907 million, compared with \$6,492 million
- Reported EPS³ of \$6.57, compared with \$3.56; adjusted EPS^{1,2,3} of \$7.78, compared with \$8.88
- PCL of \$2,238 million, compared with \$1,732 million on a reported basis and \$1,027 million on an adjusted basis¹
- ROE of 9.0%, compared with 5.1%; adjusted ROE^{1,2} of 10.7%, compared with 12.7%

Adjusted^{1,2} results in the current quarter and the prior year excluded the following items:

- Acquisition and integration costs of \$19 million (\$25 million pre-tax) in the current quarter; \$370 million (\$497 million pre-tax) in the prior year.
- Amortization of acquisition-related intangible assets of \$79 million (\$107 million pre-tax) in the current quarter; \$85 million (\$115 million pre-tax) in the prior year.
- Impact of the U.S. Federal Deposit Insurance Corporation (FDIC) special assessment of \$5 million (\$6 million pre-tax) in the current quarter.
- Impact of a lawsuit associated with a predecessor bank, M&I Marshall and Ilsley Bank, of \$13 million (\$18 million pre-tax) in the current quarter; a net recovery of \$3 million (\$4 million pre-tax) in the prior year.
- A charge of \$131 million (\$160 million pre-tax) related to tax measures enacted by the Canadian government that amended the GST/HST definition for financial services in the prior year.

Toronto, August 27, 2024 – For the third quarter ended July 31, 2024, BMO Financial Group recorded net income of \$1,865 million or \$2.48 per share on a reported basis, and net income of \$1,981 million or \$2.64 per share on an adjusted basis.

"This quarter, BMO delivered strong pre-provision, pre-tax earnings and met our commitment to positive operating leverage for the quarter and year-to-date, reflecting good cost discipline and the sustained strength of our operating performance. While the cyclical increase in credit costs has resulted in loan loss provisions above our historical range, performance has been supported by operating momentum across our diversified businesses, including continued revenue growth in Canadian Personal and Commercial Banking and stronger client activity in our market-sensitive businesses. Across our U.S. markets, we're adding new customers and expanding capabilities, contributing to consistent pre-provision-pre-tax earnings in our U.S. Segment," said Darryl White, Chief Executive Officer, BMO Financial Group.

"With our strategic goals firmly in place, a strong balance sheet, robust capital and liquidity, we are well positioned to deliver sustainable returns to our shareholders. How we live our Purpose, to Boldly Grow the Good in business and life, continues to be recognized, including being named to *Corporate Knights'* ranking of Canada's Best 50 Corporate Citizens for the 23rd consecutive year," concluded Mr. White.

Concurrent with the release of results, BMO announced a fourth quarter 2024 dividend of \$1.55 per common share, unchanged from the prior quarter and an increase of \$0.08 or 5% from the prior year. The quarterly dividend of \$1.55 per common share is equivalent to an annual dividend of \$6.20 per common share.

Caution

The foregoing section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

(1) Results and measures in this document are presented on a generally accepted accounting principles (GAAP) basis. They are also presented on an adjusted basis that excludes the impact of certain specified items from reported results. Adjusted results and ratios are non-GAAP and are detailed for all reported periods in the Non-GAAP and Other Financial Measures section. For details on the composition of non-GAAP amounts, measures and ratios, as well as supplementary financial measures, refer to the Glossary of Financial Terms.

(2) Effective the first quarter of 2024, the bank adopted IFRS 17, *Insurance Contracts* (IFRS 17), and retrospectively applied it to fiscal 2023 results and opening retained earnings as at November 1, 2022. For further information, refer to the Changes in Accounting Policies section.

(3) All EPS measures in this document refer to diluted EPS, unless specified otherwise.

(4) The 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), as applicable.

Note: All ratios and percentage changes in this document are based on unrounded numbers.

Third Quarter 2024 Performance Review

Adjusted results and ratios in this section are on a non-GAAP basis. Refer to the Non-GAAP and Other Financial Measures section for further information on adjusting items. The order in which the impact on net income is discussed in this section follows the order of revenue, expenses and provision for credit losses, regardless of their relative impact.

Canadian P&C

Reported net income was \$914 million, an increase of \$33 million or 4% from the prior year, and adjusted net income was \$920 million, an increase of \$31 million or 3%. Results reflected a 7% increase in revenue, driven by higher net interest income due to balance growth and higher margins, higher expenses and a higher provision for credit losses.

U.S. P&C

Reported net income was \$470 million, a decrease of \$32 million or 6% from the prior year, and adjusted net income was \$539 million, a decrease of \$40 million or 7% from the prior year.

On a U.S. dollar basis, reported net income was \$344 million, a decrease of \$32 million or 9% from the prior year, and adjusted net income, which excludes amortization of acquisition-related intangible assets, was \$395 million, a decrease of \$39 million or 9%. Results reflected lower revenue driven by a decrease in non-interest revenue, lower expenses and a higher provision for credit losses.

BMO Wealth Management

Reported net income was \$362 million, a decrease of \$34 million or 9% from the prior year, and adjusted net income was \$364 million, a decrease of \$33 million or 8%. Wealth and Asset Management reported net income was \$300 million, an increase of \$91 million or 44%, reflecting higher revenue due to growth in client assets, including stronger global markets, partially offset by lower net interest income, as well as lower expenses. Insurance net income was \$62 million, a decrease of \$125 million from the prior year, primarily due to changes in portfolio positioning during the transition to IFRS 17.

BMO Capital Markets

Reported net income was \$389 million, an increase of \$94 million or 32% from the prior year, and adjusted net income was \$394 million, an increase of \$93 million or 31%. Results reflected higher revenue in both Global Markets and Investment and Corporate Banking driven by higher trading, underwriting and advisory, and corporate banking-related revenue, as well as lower expenses and a higher provision for credit losses.

Corporate Services

Reported net loss was \$270 million, compared with reported net loss of \$509 million in the prior year, and adjusted net loss was \$236 million, compared with adjusted net loss of \$18 million. Reported net loss decreased, primarily due to lower acquisition and integration costs and the impact of tax measures in the prior year. Adjusted net loss increased due to lower revenue, partially offset by lower expenses.

Capital

BMO's Common Equity Tier 1 Ratio was 13.0% as at July 31, 2024, a decrease from 13.1% at the end of the second quarter of 2024, with internal capital generation more than offset by higher source currency risk-weighted assets.

Credit Quality

Total provision for credit losses was \$906 million, compared with a provision of \$492 million in the prior year. The provision for credit losses on impaired loans was \$828 million, an increase of \$495 million, due to higher provisions in U.S. P&C, Canadian P&C and BMO Capital Markets. The provision for credit losses on performing loans was \$78 million, compared with a provision of \$159 million in the prior year. The \$78 million provision for credit losses on performing loans in the current quarter was primarily driven by portfolio credit migration.

Refer to the Critical Accounting Estimates and Judgments section of BMO's 2023 Annual Report and Note 4 of our audited annual consolidated financial statements for further information on the allowance for credit losses as at October 31, 2023.

Regulatory Filings

BMO's continuous disclosure materials, including interim filings, annual Management's Discussion and Analysis and audited annual consolidated financial statements, Annual Information Form and Notice of Annual Meeting of Shareholders and Proxy Circular, are available on our website at www.bmo.com/investorrelations, on the Canadian Securities Administrators' website at www.sedarplus.ca, and on the EDGAR section of the U.S. Securities and Exchange Commission's website at www.sec.gov. Information contained in or otherwise accessible through our website (www.bmo.com), or any third-party websites mentioned herein, does not form part of this document.

Bank of Montreal uses a unified branding approach that links all of the organization's member companies. Bank of Montreal, together with its subsidiaries, is known as BMO Financial Group. In this document, the names BMO and BMO Financial Group, as well as the words "bank", "we" and "our", mean Bank of Montreal, together with its subsidiaries.

Enhanced Disclosure Task Force

Disclosures related to recommendations from the Financial Stability Board's Enhanced Disclosure Task Force (EDTF) to provide high-quality, transparent risk disclosures are detailed in the index below, as presented in the 2023 Annual Report, the Third Quarter 2024 Report to Shareholders (RTS), Supplemental Financial Information (SFI) or Supplemental Regulatory Capital Information (SRCI). Information on BMO's website, including information within the SFI or SRCI, is not and should not be considered incorporated by reference into our Third Quarter 2024 Report to Shareholders.

Topic	EDTF Disclosure	Page Number			
		2023 Annual Report	Q3 2024		
			RTS	SFI	SRCI
General	1. Risk-related information in each report, including an index for easy navigation	78-118	4	Index	Index
	2. Risk terminology, measures and key parameters	82-118, 126-128	38	-	-
	3. Top and emerging risks	78-80	6,38	-	-
	4. Plans to meet new key regulatory ratios once applicable rules are finalized	72	19	-	-
Risk Governance, Risk Management and Business Model	5. Risk management and governance framework, processes and key functions	82-86	-	-	-
	6. Risk culture, risk appetite and procedures to support the culture	86	-	-	-
	7. Risks that arise from business models and activities	84-85	-	-	-
	8. Stress testing within the risk governance and capital frameworks	85-86	-	-	-
Capital Adequacy and Risk-Weighted Assets (RWA)	9. Pillar 1 capital requirements	70-73	-	-	5-6,14
	10. Composition of capital components and reconciliation of the accounting balance sheet to the regulatory balance sheet. A main features template can be found at https://www.bmo.com/main/about-bmo/investor-relations/regulatory-disclosure	73-74	19-20	-	5-7,16-17
	11. Flow statement of movements in regulatory capital, including changes in Common Equity Tier 1 Capital, Additional Tier 1 Capital and Tier 2 Capital	-	-	-	8
	12. Capital management and strategic planning	69,75-76	-	-	-
	13. Risk-weighted assets (RWA) by operating group	74	-	-	15
	14. Analysis of capital requirements for each method used in calculating RWA	73-74,87-90	-	-	15,21-48, 54-66,81-84
	15. Tabulate credit risk in the banking book for Basel asset classes and major portfolios	-	-	-	21-48, 50-66,83-84
	16. Flow statement that reconciles movements in RWA by risk type	-	-	-	49,80
	17. Basel validation and back-testing process, including estimated and actual loss parameter information	112	-	-	85
Liquidity	18. Management of liquidity needs, and liquidity reserve held to meet those needs	100-106	42,45	-	-
Funding	19. Encumbered and unencumbered assets disclosed by balance sheet category	102-103	43	36	-
	20. Consolidated total assets, liabilities and off-balance sheet commitments by remaining contractual maturity	107-108	47-48	-	-
	21. Analysis of funding sources and funding strategy	103-104	43-44	-	-
Market Risk	22. Linkage of trading and non-trading market risk to the Consolidated Balance Sheet	99	40	-	-
	23. Significant trading and non-trading market risk factors	95-99	40-41	-	-
	24. Market risk model assumptions, validation procedures and back-testing	95-99,112	-	-	-
	25. Primary techniques for risk measurement and risk assessment, including risk of loss	95-99	40-41	-	-
Credit Risk	26. Analysis of credit risk profile, exposure and concentration	87-94, 159-166	16,63-67	24-33	15-79
	27. Policies to identify impaired loans and renegotiated loans	159-161,166	-	-	-
	28. Reconciliation of opening and closing balances of impaired loans and allowance for credit losses	93,164	17,63-65	-	-
	29. Counterparty credit risk arising from derivative transactions	87-88,94, 178-179	-	-	54-71
	30. Credit risk mitigation	87-88,162, 170,209	-	-	20,50-51,67
Other Risks	31. Discussion of other risks	82-84, 109-118	-	-	-
	32. Publicly known risk events involving material or potentially material loss events	109-118	-	-	-

Management's Discussion and Analysis

Management's Discussion and Analysis (MD&A) commentary is as at August 27, 2024. The material that precedes this section comprises part of this MD&A. The MD&A should be read in conjunction with the unaudited interim consolidated financial statements for the period ended July 31, 2024, as well as the 2023 annual MD&A and the audited annual consolidated financial statements for the year ended October 31, 2023, contained in BMO's 2023 Annual Report. Unless otherwise indicated, all amounts are stated in Canadian dollars and have been derived from the unaudited interim consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board. We also comply with interpretations of IFRS by our regulator, the Office of the Superintendent of Financial Institutions (OSFI). References to generally accepted accounting principles (GAAP) mean IFRS Accounting Standards.

BMO's 2023 Annual Report includes a comprehensive discussion of its businesses, strategies and objectives, and can be accessed on our website at www.bmo.com/investorrelations. Readers are also encouraged to visit the site to view other quarterly financial information.

Table of Contents

5	Caution Regarding Forward-Looking Statements	36	Accounting Policies and Critical Accounting Estimates and Judgments
6	Economic Developments and Outlook	36	Allowance for Credit Losses
7	Financial Highlights	36	Changes in Accounting Policies
8	Non-GAAP and Other Financial Measures	37	Future Changes in Accounting Policies
13	Foreign Exchange	37	Other Regulatory Developments
13	Net Income	38	Risk Management
14	Revenue	38	Top and Emerging Risks That May Affect Future Results
16	Total Provision for Credit Losses	38	Real Estate Secured Lending
17	Impaired Loans	39	International Exposures
17	Non-Interest Expense	40	Market Risk
17	Provision for Income Taxes	41	Insurance Risk
18	Balance Sheet	42	Liquidity and Funding Risk
19	Capital Management	44	Credit Ratings
22	Review of Operating Groups' Performance	49	Glossary of Financial Terms
23	Personal and Commercial Banking (P&C)	52	Interim Consolidated Financial Statements
24	Canadian Personal and Commercial Banking (Canadian P&C)	52	Consolidated Statement of Income
26	U.S. Personal and Commercial Banking (U.S. P&C)	53	Consolidated Statement of Comprehensive Income
28	BMO Wealth Management	54	Consolidated Balance Sheet
30	BMO Capital Markets	55	Consolidated Statement of Changes in Equity
32	Corporate Services	56	Consolidated Statement of Cash Flows
34	Summary Quarterly Earnings Trends	57	Notes to Interim Consolidated Financial Statements
35	Transactions with Related Parties	80	Investor and Media Information
35	Off-Balance Sheet Arrangements		

Bank of Montreal's management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness, as at July 31, 2024, of Bank of Montreal's disclosure controls and procedures (as defined in the rules of the U.S. Securities and Exchange Commission and the Canadian Securities Administrators) and has concluded that such disclosure controls and procedures are effective.

There were no changes in our internal control over financial reporting during the quarter ended July 31, 2024, which materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Because of inherent limitations, disclosure controls and procedures and internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements.

As in prior quarters, Bank of Montreal's Audit and Conduct Review Committee reviewed this document and Bank of Montreal's Board of Directors approved the document prior to its release.

Caution Regarding Forward-Looking Statements

Bank of Montreal's public communications often include written or oral forward-looking statements. Statements of this type are included in this document and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbor" provisions of, and are intended to be forward-looking statements under, the United States *Private Securities Litigation Reform Act* of 1995 and any applicable Canadian securities legislation. Forward-looking statements in this document may include, but are not limited to: statements with respect to our objectives and priorities for fiscal 2024 and beyond; our strategies or future actions; our targets and commitments (including with respect to net zero emissions); expectations for our financial condition, capital position, the regulatory environment in which we operate, the results of, or outlook for, our operations or the Canadian, U.S. and international economies; plans for the combined operations of BMO and Bank of the West; and include statements made by our management. Forward-looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "project", "intend", "estimate", "plan", "commit", "target", "may", "schedule", "forecast", "outlook", "seek" and "could" or negative or grammatical variations thereof.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that our assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, conclusions or projections. We caution readers of this document not to place undue reliance on our forward-looking statements, as a number of factors – many of which are beyond our control and the effects of which can be difficult to predict – could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including, but not limited to: general economic and market conditions in the countries in which we operate, including labour challenges and changes in foreign exchange and interest rates; the anticipated benefits from acquisitions, including Bank of the West, are not realized; changes to our credit ratings; the emergence or continuation of widespread health emergencies or pandemics, and their impact on local, national or international economies, as well as their heightening of certain risks that may affect our future results; cyber and cloud security, including the threat of data breaches, hacking, identity theft and corporate espionage, as well as the possibility of denial of service resulting from efforts targeted at causing system failure and service disruption; technology resiliency; failure of third parties to comply with their obligations to us; political conditions, including changes relating to, or affecting, economic or trade matters; climate change and other environmental and social risks; the Canadian housing market and consumer leverage; inflationary pressures; global supply-chain disruptions; technological innovation and competition; changes in monetary, fiscal or economic policy; changes in laws, including tax legislation and interpretation, or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance, and the effect of such changes on funding costs and capital requirements; weak, volatile or illiquid capital or credit markets; the level of competition in the geographic and business areas in which we operate; exposure to, and the resolution of, significant litigation or regulatory matters, our ability to successfully appeal adverse outcomes of such matters and the timing, determination and recovery of amounts related to such matters; the accuracy and completeness of the information we obtain with respect to our customers and counterparties; our ability to execute our strategic plans, complete proposed acquisitions or dispositions and integrate acquisitions, including obtaining regulatory approvals; critical accounting estimates and judgments, and the effects of changes in accounting standards, rules and interpretations on these estimates; operational and infrastructure risks, including with respect to reliance on third parties; global capital markets activities; the possible effects on our business of war or terrorist activities; natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply; and our ability to anticipate and effectively manage risks arising from all of the foregoing factors.

We caution that the foregoing list is not exhaustive of all possible factors. Other factors and risks could adversely affect our results. For more information, please refer to the discussion in the Risks That May Affect Future Results section, and the sections related to credit and counterparty, market, insurance, liquidity and funding, operational non-financial, legal and regulatory, strategic, environmental and social, and reputation risk, in the Enterprise-Wide Risk Management section of BMO's 2023 Annual Report, and the Risk Management section in this document, all of which outline certain key factors and risks that may affect our future results. Investors and others should carefully consider these factors and risks, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. We do not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by the organization or on its behalf, except as required by law. The forward-looking information contained in this document is presented for the purpose of assisting shareholders and analysts in understanding our financial position as at and for the periods ended on the dates presented, as well as our strategic priorities and objectives, and may not be appropriate for other purposes.

Material economic assumptions underlying the forward-looking statements contained in this document include those set out in the Economic Developments and Outlook section of BMO's 2023 Annual Report, as updated in the Economic Developments and Outlook section and the Risk Management - Update on General Economic Conditions section in our Third Quarter 2024 Report to Shareholders, as well as in the Allowance for Credit Losses section of BMO's 2023 Annual Report, as updated in the Allowance for Credit Losses section in our Third Quarter 2024 Report to Shareholders. Assumptions about the performance of the Canadian and U.S. economies, as well as overall market conditions and their combined effect on our business, are material factors we consider when determining our strategic priorities, objectives and expectations for our business. In determining our expectations for economic growth, we primarily consider historical economic data, past relationships between economic and financial variables, changes in government policies, and the risks to the domestic and global economy.

Economic Developments and Outlook ⁽¹⁾

Canada's real gross domestic product (GDP) growth is estimated to have strengthened slightly to an annual rate of 2.0% in the second calendar quarter of 2024 from 1.7% in the first quarter, amid an increase in government spending, partially offset by slower consumer and business spending. Real GDP is expected to grow at a modest rate of 1.1% in 2024, before strengthening to 1.8% in 2025, in response to decreasing interest rates. The unemployment rate has risen by almost one percentage point in the past year to 6.4% in July 2024, due to a rapidly expanding labour force and slowing employment growth, and is expected to rise to 7.0% by early 2025, before falling modestly as economic growth improves. Diminished labour shortages have relieved upward pressure on inflation, reducing the year-over-year rate of the consumer price index to 2.5% in July 2024. Inflation is expected to return to the central bank's 2.0% target in 2025. The Bank of Canada began easing its policy stance in June 2024, and is anticipated to lower the current policy rate from 4.5% to 3.75% by December 2024, and then to 3.0% by June 2025. The housing market is anticipated to strengthen in 2025, as a result of lower mortgage rates and supportive population growth. Housing market activity in Ontario and British Columbia remains depressed due to poor affordability, though other provinces have benefitted from households relocating to more affordable areas. Industry-wide growth in residential mortgage balances remained stable at 3.5% year-over-year in June 2024, but is projected to gradually strengthen as housing market activity improves in 2025. Year-over-year growth in consumer credit balances (excluding mortgages) has been restrained by high interest rates and overall growth will likely remain around 3% in 2024, before improving modestly in 2025. Growth in non-financial corporate credit balances has decelerated sharply in response to higher interest rates and repayment of pandemic-era government loans, and is expected to remain weak at under 2% in 2024.

U.S. real GDP growth strengthened to an annual rate of 2.8% in the second quarter of 2024 from 1.4% in the first quarter, due to a pickup in spending by consumers, businesses and governments. However, residential construction contracted due to elevated interest rates and restrictive lending conditions. While the economy's expansion is anticipated to moderate in the second half of the year, growth in 2024 is expected to be similar to last year's pace of 2.5%. With support from anticipated lower interest rates, the economy is projected to continue growing at a moderate rate of 1.7% in 2025. The unemployment rate has risen by 0.8 percentage points in the past year to 4.3% in July 2024, and is projected to rise to 4.8% by early 2025. The easing in labour market conditions has reduced pressure on inflation, resulting in the year-over-year rate of the consumer price index declining to a more than three-year low of 2.9% in July 2024. Inflation is projected to trend toward the central bank's 2.0% target in 2025. The Federal Reserve is anticipated to begin lowering its policy rate in September 2024, and to reduce the rate by 75 basis points by December 2024, and by an additional 150 basis points before early 2026. Growth in industry-wide residential mortgage balances has slowed considerably to below 3.0% year-over-year in the first quarter of 2024 as a result of ongoing weakness in home sales, but will likely strengthen in 2025 in response to anticipated lower mortgage rates. Despite increased credit card usage, year-over-year growth in overall consumer loan balances has decelerated to approximately 2.0%, but is projected to improve in 2025 amid firmer consumer spending. Non-financial corporate credit growth has slowed to less than 1.0% year-over-year due to elevated borrowing costs and stricter lending conditions and will likely remain impacted by weakness in the office real estate market before strengthening next year in response to lower interest rates.

The economic outlook is subject to several risks that could lead to a more adverse outcome for the North American economy. These include, the economy decelerating more rapidly than central banks anticipated due to high interest rates, inflation staying above target and resulting in continued restrictive monetary policies, an increase in tensions between the United States and China relating to trade protectionism and Taiwan, and an escalation of the conflicts in Ukraine and the Middle East. In addition, economic uncertainty could increase depending on the outcome of the November 2024 presidential and congressional elections.

This Economic Developments and Outlook section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

(1) All periods in this section refer to the calendar quarter and calendar year, rather than the fiscal quarter or fiscal year.

Financial Highlights

(Canadian \$ in millions, except as noted)	Q3-2024	Q2-2024	Q3-2023	YTD-2024	YTD-2023
Summary Income Statement (1) (2)					
Net interest income	4,794	4,515	4,905	14,030	13,740
Non-interest revenue	3,398	3,459	3,147	9,808	7,200
Revenue	8,192	7,974	8,052	23,838	20,940
Provision for credit losses on impaired loans	828	658	333	1,959	772
Provision for credit losses on performing loans	78	47	159	279	960
Total provision for credit losses (PCL)	906	705	492	2,238	1,732
Non-interest expense	4,839	4,844	5,572	15,072	15,455
Provision for income taxes	582	559	423	1,505	1,026
Net income	1,865	1,866	1,565	5,023	2,727
Net income available to common shareholders	1,814	1,719	1,522	4,783	2,516
Adjusted net income	1,981	2,033	2,148	5,907	6,492
Adjusted net income available to common shareholders	1,930	1,886	2,105	5,667	6,281
Common Share Data (\$, except as noted) (1)					
Basic earnings per share	2.49	2.36	2.13	6.58	3.56
Diluted earnings per share	2.48	2.36	2.12	6.57	3.56
Adjusted diluted earnings per share	2.64	2.59	2.94	7.78	8.88
Book value per share	102.05	97.67	92.38	102.05	92.38
Closing share price	116.45	122.97	122.54	116.45	122.54
Number of common shares outstanding (in millions)					
End of period	729.4	729.3	716.7	729.4	716.7
Average basic	729.4	728.3	715.4	727.2	706.0
Average diluted	730.2	729.3	716.4	728.0	707.3
Market capitalization (\$ billions)	84.9	89.7	87.8	84.9	87.8
Dividends declared per share	1.55	1.51	1.47	4.57	4.33
Dividend yield (%)	5.3	4.9	4.8	5.2	4.7
Dividend payout ratio (%)	62.4	64.0	69.1	69.5	121.5
Adjusted dividend payout ratio (%)	58.6	58.3	50.0	58.6	48.7
Financial Measures and Ratios (%) (1) (2) (3)					
Return on equity (ROE)	10.0	9.9	9.0	9.0	5.1
Adjusted return on equity	10.6	10.9	12.5	10.7	12.7
Return on tangible common equity (ROTCE)	13.9	14.0	13.0	12.7	6.9
Adjusted return on tangible common equity	14.2	14.6	17.1	14.4	16.0
Efficiency ratio	59.1	60.7	69.2	63.2	73.8
Adjusted efficiency ratio (4)	57.3	58.0	60.3	58.7	59.4
Operating leverage	14.8	14.3	(12.4)	16.3	(44.8)
Adjusted operating leverage (4)	5.2	3.0	(7.8)	1.3	(8.4)
Net interest margin on average earning assets	1.51	1.51	1.67	1.53	1.62
Adjusted net interest margin, excluding trading net interest income, and trading and insurance assets	1.83	1.82	1.92	1.83	1.88
Effective tax rate	23.80	23.07	21.31	23.06	27.34
Adjusted effective tax rate	23.89	23.27	22.08	23.21	22.19
Total PCL-to-average net loans and acceptances	0.54	0.44	0.30	0.46	0.38
PCL on impaired loans-to-average net loans and acceptances	0.50	0.41	0.21	0.40	0.17
Balance Sheet and other information (as at, \$ millions, except as noted)					
Assets	1,400,470	1,374,053	1,293,514	1,400,470	1,293,514
Average earning assets	1,260,434	1,217,957	1,162,389	1,224,759	1,135,342
Gross loans and acceptances	677,995	664,658	644,638	677,995	644,638
Net loans and acceptances	673,719	660,644	641,118	673,719	641,118
Deposits	965,239	937,572	884,126	965,239	884,126
Common shareholders' equity	74,439	71,225	66,208	74,439	66,208
Total risk weighted assets (5)	428,860	417,994	412,943	428,860	412,943
Assets under administration	750,527	725,921	774,760	750,527	774,760
Assets under management	409,627	385,936	340,184	409,627	340,184
Capital and Liquidity Measures (%) (5)					
Common Equity Tier 1 Ratio	13.0	13.1	12.3	13.0	12.3
Tier 1 Capital Ratio	14.8	14.9	14.0	14.8	14.0
Total Capital Ratio	17.1	17.0	16.1	17.1	16.1
Leverage Ratio	4.3	4.3	4.2	4.3	4.2
TLAC Ratio	28.5	28.0	26.8	28.5	26.8
Liquidity Coverage Ratio (LCR)	129	128	131	129	131
Net Stable Funding Ratio (NSFR)	116	115	114	116	114
Foreign Exchange Rates (\$)					
As at Canadian/U.S. dollar	1.3795	1.3763	1.3177	1.3795	1.3177
Average Canadian/U.S. dollar	1.3705	1.3625	1.3331	1.3574	1.3439

(1) Adjusted results exclude certain items from reported results and are used to calculate our adjusted measures as presented in the above table. Management assesses performance on a reported basis and an adjusted basis, and considers both to be useful. For further information, refer to the Non-GAAP and Other Financial Measures section and for details on the composition of non-GAAP amounts, measures and ratios, as well as supplementary financial measures, refer to the Glossary of Financial Terms.

(2) Effective the first quarter of 2024, the bank adopted IFRS 17, *Insurance Contracts* (IFRS 17), recognizing the cumulative effect of adoption in opening retained earnings and applied it retrospectively to fiscal 2023 results. For further information, refer to the Changes in Accounting Policies section.

(3) PCL, ROE and ROTCE ratios are presented on an annualized basis.

(4) Prior to November 1, 2022, we presented adjusted revenue on a basis net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Beginning the first quarter of 2023, we no longer report CCPB, given the adoption and retrospective application of IFRS 17. For periods prior to November 1, 2022, efficiency ratio and operating leverage were calculated based on revenue, net of CCPB. Revenue, net of CCPB, was \$5,686 million in Q3-2022, \$10,126 million in Q2-2022 and \$7,642 million in Q1-2022. 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.

(5) Capital and liquidity measures are disclosed in accordance with the Capital Adequacy Requirements (CAR) Guideline and the Liquidity Adequacy Requirements (LAR) Guideline, as set out by the Office of the Superintendent of Financial Institutions (OSFI), as applicable.

Certain comparative figures have been reclassified to conform with the current period's presentation.

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 and our unaudited interim 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.

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.

For further information regarding the composition of our non-GAAP and other financial measures, including supplementary financial measures, refer to the Glossary of Financial Terms.

Our non-GAAP measures broadly fall into the following categories:

Adjusted measures and ratios

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 in the following table. 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.

Tangible common equity and return on tangible common equity

Tangible common equity is calculated as common shareholders' equity, less goodwill and acquisition-related intangible assets, net of related deferred tax liabilities. Return on tangible common equity is commonly used in the North American banking industry and is meaningful because it measures the performance of businesses consistently, whether they were acquired or developed organically.

Measures net of insurance claims, commissions and changes in policy benefit liabilities

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 and operating leverage were calculated on a similar basis. 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. Beginning the first quarter of 2023, we no longer report CCPB, given the adoption and retrospective application of IFRS 17, *Insurance Contracts* (IFRS 17).

Caution

This Non-GAAP and Other Financial Measures section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Non-GAAP and Other Financial Measures

(Canadian \$ in millions, except as noted)	Q3-2024	Q2-2024	Q3-2023	YTD-2024	YTD-2023
Reported Results					
Net interest income	4,794	4,515	4,905	14,030	13,740
Non-interest revenue	3,398	3,459	3,147	9,808	7,200
Revenue	8,192	7,974	8,052	23,838	20,940
Provision for credit losses	(906)	(705)	(492)	(2,238)	(1,732)
Non-interest expense	(4,839)	(4,844)	(5,572)	(15,072)	(15,455)
Income before income taxes	2,447	2,425	1,988	6,528	3,753
Provision for income taxes	(582)	(559)	(423)	(1,505)	(1,026)
Net income	1,865	1,866	1,565	5,023	2,727
Diluted EPS (\$)	2.48	2.36	2.12	6.57	3.56
Adjusting Items Impacting Revenue (Pre-tax)					
Management of fair value changes on the purchase of Bank of the West (1)	-	-	-	-	(2,011)
Legal provision (recorded in revenue) (2)	(14)	(14)	(3)	(42)	(16)
Impact of loan portfolio sale (3)	-	-	-	(164)	-
Impact of Canadian tax measures (4)	-	-	(138)	-	(138)
Impact of adjusting items on revenue (pre-tax)	(14)	(14)	(141)	(206)	(2,165)
Adjusting Items Impacting Provision for Credit Losses (Pre-tax)					
Initial provision for credit losses on purchased performing loans (pre-tax) (5)	-	-	-	-	(705)
Adjusting Items Impacting Non-Interest Expense (Pre-tax)					
Acquisition and integration costs (6)	(25)	(36)	(497)	(137)	(1,463)
Amortization of acquisition-related intangible assets (7)	(107)	(107)	(115)	(326)	(238)
Legal provision (including legal fees) (2)	(4)	(1)	7	(6)	5
FDIC special assessment (8)	(6)	(67)	-	(490)	-
Impact of Canadian tax measures (4)	-	-	(22)	-	(22)
Impact of adjusting items on non-interest expense (pre-tax)	(142)	(211)	(627)	(959)	(1,718)
Impact of adjusting items on reported net income (pre-tax)	(156)	(225)	(768)	(1,165)	(4,588)
Adjusting Items Impacting Revenue (After-tax)					
Management of fair value changes on the purchase of Bank of the West (1)	-	-	-	-	(1,461)
Legal provision (including related interest expense and legal fees) (2)	(11)	(11)	(2)	(32)	(13)
Impact of loan portfolio sale (3)	-	-	-	(136)	-
Impact of Canadian tax measures (4)	-	-	(115)	-	(115)
Impact of adjusting items on revenue (after-tax)	(11)	(11)	(117)	(168)	(1,589)
Adjusting Items Impacting Provision for Credit Losses (After-tax)					
Initial provision for credit losses on purchased performing loans (after-tax) (5)	-	-	-	-	(517)
Adjusting Items Impacting Non-Interest Expense (After-tax)					
Acquisition and integration costs (6)	(19)	(26)	(370)	(102)	(1,100)
Amortization of acquisition-related intangible assets (7)	(79)	(79)	(85)	(242)	(176)
Legal provision (including related interest expense and legal fees) (2)	(2)	(1)	5	(4)	4
FDIC special assessment (8)	(5)	(50)	-	(368)	-
Impact of Canadian tax measures (4)	-	-	(16)	-	(16)
Impact of adjusting items on non-interest expense (after-tax)	(105)	(156)	(466)	(716)	(1,288)
Adjusting Items Impacting Provision for Income Taxes (After-tax)					
Impact of Canadian tax measures (4)	-	-	-	-	(371)
Impact of adjusting items on reported net income (after-tax)	(116)	(167)	(583)	(884)	(3,765)
Impact on diluted EPS (\$)	(0.16)	(0.23)	(0.81)	(1.21)	(5.32)
Adjusted Results					
Net interest income	4,808	4,529	4,908	14,072	14,139
Non-interest revenue	3,398	3,459	3,285	9,972	8,966
Revenue	8,206	7,988	8,193	24,044	23,105
Provision for credit losses	(906)	(705)	(492)	(2,238)	(1,027)
Non-interest expense	(4,697)	(4,633)	(4,945)	(14,113)	(13,737)
Income before income taxes	2,603	2,650	2,756	7,693	8,341
Provision for income taxes	(622)	(617)	(608)	(1,786)	(1,849)
Net income	1,981	2,033	2,148	5,907	6,492
Diluted EPS (\$)	2.64	2.59	2.94	7.78	8.88

- Reported net income in Q1-2023 included losses of \$1,461 million (\$2,011 million pre-tax) related to the acquisition of Bank of the West, comprising \$1,628 million of mark-to-market losses on certain interest rate swaps recorded in non-interest trading revenue and \$383 million of losses on a portfolio of primarily U.S. treasuries and other balance sheet instruments recorded in net interest income, in Corporate Services.
- Reported net income included the impact of a lawsuit associated with a predecessor bank, M&I Marshall and Ilsley Bank: Q3-2024 included \$13 million (\$18 million pre-tax), comprising \$14 million interest expense and non-interest expense of \$4 million; Q2-2024 included \$12 million (\$15 million pre-tax), comprising \$14 million interest expense and non-interest expense of \$1 million; Q1-2024 included \$11 million (\$15 million pre-tax), comprising \$14 million interest expense and non-interest expense of \$1 million; Q3-2023 included a net recovery of \$3 million (\$4 million pre-tax), comprising \$3 million interest expense, and a \$7 million recovery of non-interest expense; Q2-2023 included \$6 million (\$7 million pre-tax) of interest expense; and Q1-2023 included \$6 million (\$8 million pre-tax), comprising interest expense of \$6 million and a non-interest expense of \$2 million. These amounts were recorded in Corporate Services. For further information, refer to the Provisions and Contingent Liabilities section in Note 24 of the audited annual consolidated financial statements of BMO's 2023 Annual Report.
- Reported net income in Q1-2024 included a net accounting loss on the sale of a portfolio of recreational vehicle loans related to balance sheet optimization of \$136 million (\$164 million pre-tax), recorded in Corporate Services.
- Reported net income included the impact of certain tax measures enacted by the Canadian government, comprising a charge of \$131 million (\$160 million pre-tax) related to the amended GST/HST definition for financial services in Q3-2023 and a one-time tax expense of \$371 million in Q1-2023, primarily related to the Canada Recovery Dividend. These amounts were recorded in Corporate Services.
- Reported net income in Q2-2023 included an initial provision for credit losses of \$517 million (\$705 million pre-tax) on the purchased Bank of the West performing loan portfolio, recorded in Corporate Services.
- Reported net income included acquisition and integration costs, recorded in non-interest expense. Costs related to the acquisition of Bank of the West were recorded in Corporate Services: Q3-2024 included \$16 million (\$21 million pre-tax); Q2-2024 included \$22 million (\$30 million pre-tax); Q1-2024 included \$46 million (\$61 million pre-tax); Q3-2023 included \$363 million (\$487 million pre-tax); Q2-2023 included \$545 million (\$722 million pre-tax); and Q1-2023 included \$178 million (\$235 million pre-tax). Costs related to the acquisitions of Radicle and Clearpool were recorded in BMO Capital Markets: Q3-2024 included \$1 million (\$1 million pre-tax); Q2-2024 included \$2 million (\$3 million pre-tax); Q1-2024 included \$10 million (\$14 million pre-tax); Q3-2023 included \$1 million (\$2 million pre-tax); Q2-2023 included \$2 million (\$2 million pre-tax); and Q1-2023 included \$3 million (\$4 million pre-tax). Costs related to the acquisition of AIR MILES were recorded in Canadian P&C: Q3-2024 and Q2-2024 both included \$2 million (\$3 million pre-tax); Q1-2024 included \$1 million (\$1 million pre-tax); Q3-2023 included \$6 million (\$8 million pre-tax); and Q2-2023 included \$2 million (\$3 million pre-tax).

(7) Reported net income included amortization of acquisition-related intangible assets recorded in non-interest expense in the related operating group: Q3-2024 and Q2-2024 both included \$79 million (\$107 million pre-tax); Q1-2024 included \$84 million (\$112 million pre-tax); Q3-2023 and Q2-2023 both included \$85 million (\$115 million pre-tax); and Q1-2023 included \$6 million (\$8 million pre-tax).

(8) Reported net income included the impact of a U.S. Federal Deposit Insurance Corporation (FDIC) special assessment of \$5 million (\$6 million pre-tax) in Q3-2024; \$50 million (\$67 million pre-tax) in Q2-2024; and \$313 million (\$417 million pre-tax) in Q1-2024, recorded in non-interest expense in Corporate Services.

Certain comparative figures have been reclassified to conform with the current period's presentation.

Summary of Reported and Adjusted Results by Operating Segment

(Canadian \$ in millions, except as noted)	Canadian P&C	U.S. P&C	Total P&C	BMO Wealth Management	BMO Capital Markets	Corporate Services	Total Bank	U.S. Segment (1) (US\$ in millions)
Q3-2024								
Reported net income (loss)	914	470	1,384	362	389	(270)	1,865	439
Acquisition and integration costs	2	-	2	-	1	16	19	11
Amortization of acquisition-related intangible assets	4	69	73	2	4	-	79	55
Legal provision (including related interest expense and legal fees)	-	-	-	-	-	13	13	10
Impact of FDIC special assessment	-	-	-	-	-	5	5	3
Adjusted net income (loss) (2)	920	539	1,459	364	394	(236)	1,981	518
Q2-2024								
Reported net income (loss)	872	543	1,415	320	459	(328)	1,866	559
Acquisition and integration costs	2	-	2	-	2	22	26	17
Amortization of acquisition-related intangible assets	3	69	72	2	5	-	79	54
Legal provision (including related interest expense and legal fees)	-	-	-	-	-	12	12	9
Impact of FDIC special assessment	-	-	-	-	-	50	50	37
Adjusted net income (loss) (2)	877	612	1,489	322	466	(244)	2,033	676
Q3-2023								
Reported net income (loss)	881	502	1,383	396	295	(509)	1,565	343
Acquisition and integration costs	6	-	6	-	1	363	370	275
Amortization of acquisition-related intangible assets	2	77	79	1	5	-	85	60
Legal provision (including related interest expense and legal fees)	-	-	-	-	-	(3)	(3)	(2)
Impact of Canadian tax measures	-	-	-	-	-	131	131	-
Adjusted net income (loss) (2)	889	579	1,468	397	301	(18)	2,148	676
YTD-2024								
Reported net income (loss)	2,707	1,573	4,280	922	1,241	(1,420)	5,023	1,182
Acquisition and integration costs	5	-	5	-	13	84	102	67
Amortization of acquisition-related intangible assets	10	213	223	5	14	-	242	168
Legal provision (including related interest expense and legal fees)	-	-	-	-	-	36	36	27
Impact of loan portfolio sale	-	-	-	-	-	136	136	102
Impact of FDIC special assessment	-	-	-	-	-	368	368	271
Adjusted net income (loss) (2)	2,722	1,786	4,508	927	1,268	(796)	5,907	1,817
YTD-2023								
Reported net income	2,651	1,898	4,549	795	1,153	(3,770)	2,727	(349)
Acquisition and integration costs	8	-	8	-	6	1,086	1,100	807
Amortization of acquisition-related intangible assets	3	155	158	3	15	-	176	125
Management of fair value changes on the purchase of Bank of the West	-	-	-	-	-	1,461	1,461	1,093
Legal provision (including related interest expense and legal fees)	-	-	-	-	-	9	9	7
Impact of Canadian tax measures	-	-	-	-	-	502	502	-
Initial provision for credit losses on purchased performing loans	-	-	-	-	-	517	517	379
Adjusted net income (loss) (2)	2,662	2,053	4,715	798	1,174	(195)	6,492	2,062

(1) U.S. segment reported and adjusted results comprise net income recorded in U.S. P&C and our U.S. operations in BMO Wealth Management, BMO Capital Markets and Corporate Services.

(2) Refer to footnotes (1) to (8) in the Non-GAAP and Other Financial Measures table for details on adjusting items.

Certain comparative figures have been reclassified to conform with the current period's presentation.

Return on Equity and Return on Tangible Common Equity

(Canadian \$ in millions, except as noted)	Q3-2024	Q2-2024	Q3-2023	YTD-2024	YTD-2023
Reported net income	1,865	1,866	1,565	5,023	2,727
Net income attributable to non-controlling interest in subsidiaries	-	4	2	6	5
Net income attributable to bank shareholders	1,865	1,862	1,563	5,017	2,722
Dividends on preferred shares and distributions on other equity instruments	51	143	41	234	206
Net income available to common shareholders (A)	1,814	1,719	1,522	4,783	2,516
After-tax amortization of acquisition-related intangible assets	79	79	85	242	176
Net income available to common shareholders after adjusting for amortization of acquisition-related intangible assets (B)	1,893	1,798	1,607	5,025	2,692
After-tax impact of other adjusting items (1)	37	88	498	642	3,589
Adjusted net income available to common shareholders (C)	1,930	1,886	2,105	5,667	6,281
Average common shareholders' equity (D)	72,305	70,551	66,759	70,750	66,137
Goodwill	(16,519)	(16,431)	(16,005)	(16,369)	(12,456)
Acquisition-related intangible assets	(2,617)	(2,694)	(2,965)	(2,685)	(1,959)
Net of related deferred tax liabilities	923	978	1,062	970	790
Average tangible common equity (E)	54,092	52,404	48,851	52,666	52,512
Return on equity (%) (= A/D) (2)	10.0	9.9	9.0	9.0	5.1
Adjusted return on equity (%) (= C/D) (2)	10.6	10.9	12.5	10.7	12.7
Return on tangible common equity (%) (= B/E) (2)	13.9	14.0	13.0	12.7	6.9
Adjusted return on tangible common equity (%) (= C/E) (2)	14.2	14.6	17.1	14.4	16.0

(1) Refer to footnotes (1) to (8) in the Non-GAAP and Other Financial Measures table for details on adjusting items.

(2) Quarterly calculations are on an annualized basis.

Return on Equity by Operating Segment⁽¹⁾

Q3-2024								
(Canadian \$ in millions, except as noted)	Canadian P&C	U.S. P&C	Total P&C	BMO Wealth Management	BMO Capital Markets	Corporate Services	Total Bank	U.S. Segment (2) (US\$ in millions)
Reported								
Net income available to common shareholders	904	459	1,363	359	380	(288)	1,814	435
Total average common equity	16,104	33,303	49,407	4,823	13,232	4,843	72,305	31,701
Return on equity (%)	22.3	5.5	11.0	29.7	11.4	na	10.0	5.5
Adjusted (3)								
Net income available to common shareholders	910	528	1,438	361	385	(254)	1,930	514
Total average common equity	16,104	33,303	49,407	4,823	13,232	4,843	72,305	31,701
Return on equity (%)	22.4	6.3	11.6	29.8	11.6	na	10.6	6.5
Q2-2024								
(Canadian \$ in millions, except as noted)	Canadian P&C	U.S. P&C	Total P&C	BMO Wealth Management	BMO Capital Markets	Corporate Services	Total Bank	U.S. Segment (2) (US\$ in millions)
Reported								
Net income available to common shareholders	861	526	1,387	318	450	(436)	1,719	550
Total average common equity	15,750	33,078	48,828	4,736	13,008	3,979	70,551	31,544
Return on equity (%)	22.3	6.5	11.6	27.2	14.1	na	9.9	7.1
Adjusted (3)								
Net income available to common shareholders	866	595	1,461	320	457	(352)	1,886	667
Total average common equity	15,750	33,078	48,828	4,736	13,008	3,979	70,551	31,544
Return on equity (%)	22.4	7.3	12.2	27.4	14.3	na	10.9	8.6
Q3-2023								
(Canadian \$ in millions, except as noted)	Canadian P&C	U.S. P&C	Total P&C	BMO Wealth Management	BMO Capital Markets	Corporate Services	Total Bank	U.S. Segment (2) (US\$ in millions)
Reported								
Net income available to common shareholders	871	487	1,358	394	287	(517)	1,522	333
Total average common equity	13,671	31,659	45,330	4,931	11,700	4,798	66,759	30,670
Return on equity (%)	25.3	6.1	11.9	31.7	9.7	na	9.0	4.3
Adjusted (3)								
Net income available to common shareholders	879	564	1,443	395	293	(26)	2,105	666
Total average common equity	13,671	31,659	45,330	4,931	11,700	4,798	66,759	30,670
Return on equity (%)	25.5	7.1	12.6	31.7	9.9	na	12.5	8.6
YTD-2024								
(Canadian \$ in millions, except as noted)	Canadian P&C	U.S. P&C	Total P&C	BMO Wealth Management	BMO Capital Markets	Corporate Services	Total Bank	U.S. Segment (2) (US\$ in millions)
Reported								
Net income available to common shareholders	2,676	1,532	4,208	915	1,214	(1,554)	4,783	1,162
Total average common equity	15,901	33,210	49,111	4,746	13,148	3,745	70,750	31,769
Return on equity (%)	22.5	6.2	11.4	25.7	12.3	na	9.0	4.9
Adjusted (3)								
Net income available to common shareholders	2,691	1,745	4,436	920	1,241	(930)	5,667	1,797
Total average common equity	15,901	33,210	49,111	4,746	13,148	3,745	70,750	31,769
Return on equity (%)	22.6	7.0	12.1	25.9	12.6	na	10.7	7.6
YTD-2023								
(Canadian \$ in millions, except as noted)	Canadian P&C	U.S. P&C	Total P&C	BMO Wealth Management	BMO Capital Markets	Corporate Services	Total Bank	U.S. Segment (2) (US\$ in millions)
Reported								
Net income available to common shareholders	2,622	1,863	4,485	789	1,128	(3,886)	2,516	(372)
Total average common equity	13,076	26,021	39,097	4,559	11,763	10,718	66,137	26,109
Return on equity (%)	26.8	9.6	15.3	23.1	12.8	na	5.1	(1.9)
Adjusted (3)								
Net income available to common shareholders	2,633	2,018	4,651	792	1,149	(311)	6,281	2,039
Total average common equity	13,076	26,021	39,097	4,559	11,763	10,718	66,137	26,109
Return on equity (%)	26.9	10.4	15.9	23.2	13.1	na	12.7	10.4

(1) Return on equity is based on allocated capital. For further information, refer to the How BMO Reports Operating Group Results section. Return on equity ratios are presented on an annualized basis.

(2) U.S. segment reported and adjusted results comprise net income and allocated capital recorded in U.S. P&C and our U.S. operations in BMO Wealth Management, BMO Capital Markets and Corporate Services.

(3) Refer to footnotes (1) to (8) in the Non-GAAP and Other Financial Measures table for details on adjusting items.

na - not applicable

Capital is allocated to the operating segments based on the amount of regulatory capital required to support business activities. Effective the first quarter of fiscal 2024, our capital allocation rate increased to 11.5% of risk weighted assets, compared with 11.0% in 2023, to reflect increased regulatory capital requirements. Unallocated capital is reported in Corporate Services. Capital allocation methodologies are reviewed at least annually.

Foreign Exchange

(Canadian \$ in millions, except as noted)	Q3-2024		YTD-2024
	vs. Q3-2023	vs. Q2-2024	vs. YTD-2023
Canadian/U.S. dollar exchange rate (average)			
Current period	1.3705	1.3705	1.3574
Prior period	1.3331	1.3625	1.3439
Effects on U.S. segment reported results			
Increased (Decreased) net interest income	69	12	65
Increased (Decreased) non-interest revenue	35	8	15
Increased (Decreased) total revenue	104	20	80
Decreased (Increased) provision for credit losses	(6)	(2)	(10)
Decreased (Increased) non-interest expense	(81)	(13)	(78)
Decreased (Increased) provision for income taxes	(4)	(1)	3
Increased (Decreased) net income	13	4	(5)
Impact on earnings per share (\$)	0.02	0.01	(0.01)
Effects on U.S. segment adjusted results			
Increased (Decreased) net interest income	69	12	69
Increased (Decreased) non-interest revenue	35	8	32
Increased (Decreased) total revenue	104	20	101
Decreased (Increased) provision for credit losses	(6)	(2)	(4)
Decreased (Increased) non-interest expense	(64)	(12)	(61)
Decreased (Increased) provision for income taxes	(9)	(1)	(8)
Increased (Decreased) net income	25	5	28
Impact on earnings per share (\$)	0.03	0.01	0.04

Adjusted results in this table are on a non-GAAP basis and are discussed in the Non-GAAP and Other Financial Measures section.

The table above indicates the relevant average Canadian/U.S. dollar exchange rates and the impact of changes in those rates on BMO's U.S. segment reported and adjusted results.

The Canadian dollar equivalents of BMO's U.S. segment results that are denominated in U.S. dollars increased in the third quarter of 2024, relative to the second quarter of 2024 and the third quarter of 2023, due to changes in the Canadian/U.S. dollar exchange rate. References in this document to the impact of the U.S. dollar do not include U.S. dollar-denominated amounts recorded outside of BMO's U.S. segment.

Economically, our U.S. dollar income stream was not hedged against the risk of changes in foreign exchange rates during 2024 and 2023. Changes in exchange rates will affect future results measured in Canadian dollars, and the impact on those results is a function of the periods in which revenue, expenses and provisions for (or recoveries of) credit losses and income taxes arise.

Refer to the Enterprise-Wide Capital Management section of BMO's 2023 Annual Report for a discussion of the impact that changes in foreign exchange rates can have on BMO's capital position.

Net Income

Q3 2024 vs. Q3 2023

Reported net income was \$1,865 million, an increase of \$300 million or 19% from the prior year, and adjusted net income was \$1,981 million, a decrease of \$167 million or 8%. Reported earnings per share (EPS) was \$2.48 an increase of \$0.36 from the prior year, and adjusted EPS was \$2.64, a decrease of \$0.30.

Adjusted results in the current quarter and the prior year excluded the following items:

- Acquisition and integration costs of \$19 million (\$25 million pre-tax) in the current quarter; \$370 million (\$497 million pre-tax) in the prior year.
- Amortization of acquisition-related intangible assets of \$79 million (\$107 million pre-tax) in the current quarter; \$85 million (\$115 million pre-tax) in the prior year.
- Impact of the U.S. Federal Deposit Insurance Corporation (FDIC) special assessment of \$5 million (\$6 million pre-tax) in the current quarter.
- Impact of a lawsuit associated with a predecessor bank, M&I Marshall and Ilsley Bank, of \$13 million (\$18 million pre-tax) in the current quarter; a net recovery of \$3 million (\$4 million pre-tax) in the prior year.
- A charge of \$131 million (\$160 million pre-tax) related to tax measures enacted by the Canadian government that amended the GST/HST definition for financial services in the prior year.

The increase in reported net income was primarily driven by lower acquisition and integration costs and the impact of tax measures in the prior year, noted above. The decrease in adjusted net income reflected a higher provision for credit losses, partially offset by lower expenses and higher revenue. Net income increased in BMO Capital Markets and Canadian P&C, and decreased in U.S. P&C and in BMO Wealth Management due to lower Insurance income. Corporate Services net loss decreased on a reported basis and increased on an adjusted basis.

Q3 2024 vs. Q2 2024

Reported net income was relatively unchanged from the prior quarter, and adjusted net income decreased \$52 million or 3%. Reported EPS increased \$0.12 from the prior quarter, and adjusted EPS increased \$0.05, as lower dividends on preferred shares and distributions on other equity instruments was partially offset by lower adjusted net income.

Adjusted results in the current quarter excluded the items noted above and adjusted results in the prior quarter excluded the following items:

- Impact of the U.S. Federal Deposit Insurance Corporation (FDIC) special assessment of \$50 million (\$67 million pre-tax).
- Acquisition and integration costs of \$26 million (\$36 million pre-tax).
- Amortization of acquisition-related intangible assets of \$79 million (\$107 million pre-tax).
- Impact of a lawsuit associated with a predecessor bank, M&I Marshall and Ilsley Bank, of \$12 million (\$15 million pre-tax).

The decrease in adjusted net income reflected higher revenue, more than offset by a higher provision for credit losses and higher expenses. Net income decreased in U.S. P&C and BMO Capital Markets, and increased in BMO Wealth Management and Canadian P&C. Corporate Services recorded a lower net loss on a reported basis, and was relatively unchanged from the prior quarter on an adjusted basis.

Q3 YTD 2024 vs. Q3 YTD 2023

Reported net income was \$5,023 million, an increase of \$2,296 million from the prior year, and adjusted net income was \$5,907 million, a decrease of \$585 million or 9%. Reported EPS was \$6.57, an increase of \$3.01 from the prior year, and adjusted EPS was \$7.78, a decrease of \$1.10.

The current year included an additional quarter of Bank of the West results. The increase in reported results reflected the impact of fair value management actions related to the acquisition of Bank of the West, the initial provision for credit losses on the purchased Bank of the West performing loan portfolio, and the impact of certain Canadian tax measures in the prior year, as well as lower acquisition and integration-related costs, partially offset by the FDIC special assessment charge and the loss on the sale of the recreational vehicle loan portfolio in the current year. Adjusted results decreased, as higher revenue was more than offset by a higher provision for credit losses and higher expenses. Net income increased in BMO Wealth Management, BMO Capital Markets and Canadian P&C, and decreased in U.S. P&C. Corporate Services net loss decreased on a reported basis and increased on an adjusted basis.

For further information on non-GAAP amounts, measures and ratios in this Net Income section, refer to the Non-GAAP and Other Financial Measures section.

Revenue

Effective the first quarter of 2024, the bank adopted IFRS 17 and retrospectively applied it to fiscal 2023 results. Insurance results are now presented in non-interest revenue under Insurance Service Results and Insurance Investment Results. Insurance service results include insurance revenue, insurance service expenses and reinsurance results. Insurance investment results include net returns on insurance-related assets and the impact of the change in discount rates and financial assumptions on insurance contract liabilities. We no longer report insurance claims, commissions and changes in policy benefits as a separate line item in the Consolidated Statement of Income. Fiscal 2023 results may not be fully representative of our future earnings profile, as we were not managing our insurance portfolio under the new standard. For additional information, refer to Note 1 of the unaudited interim consolidated financial statements.

Q3 2024 vs. Q3 2023

Reported revenue was \$8,192 million, an increase of \$140 million or 2% from the prior year, due to the impact of tax measures in the prior year. Adjusted revenue was \$8,206 million, relatively unchanged, with lower net interest income offset by higher non-interest revenue. Revenue increased in Canadian P&C and BMO Capital Markets, and decreased in Corporate Services and BMO Wealth Management.

Reported net interest income was \$4,794 million, a decrease of \$111 million, and adjusted net interest income was \$4,808 million, a decrease of \$100 million, both decreasing 2% from the prior year, primarily driven by lower net interest income in Corporate Services due to treasury-related activities and lower net accretion of purchase accounting fair value marks, as well as lower trading-related net interest income, partially offset by higher net interest income in Canadian P&C driven by good volume growth and higher margins. Trading-related net interest income was \$82 million, a decrease of \$78 million from the prior year, offset in trading non-interest revenue.

BMO's overall reported net interest margin of 1.51% decreased 16 basis points from the prior year. Adjusted net interest margin, excluding trading-related net interest income, and trading and insurance assets, was 1.83%, a decrease of 9 basis points, primarily due to lower net interest income in Corporate Services, partially offset by higher margins in Canadian P&C and BMO Capital Markets. The impact of higher interest rates on deposit pricing and deposit mix was partially offset by the reinvestment of earning assets at higher yields.

Reported non-interest revenue was \$3,398 million, an increase of \$251 million or 8% from the prior year. Adjusted non-interest revenue was \$3,398 million, an increase of \$113 million or 3%, primarily driven by higher trading revenue, underwriting and advisory fee revenue, and investment management and custodial fee revenue, partially offset by lower insurance investment results reflecting changes in portfolio positioning during the transition to IFRS 17, the impact of market volatility on hedge positions and lower lending fee revenue, largely offset in net interest income reflecting the transition of bankers acceptances exposures to loans.

Q3 2024 vs. Q2 2024

Reported and adjusted revenue both increased \$218 million or 3% from the prior quarter. The increase reflected higher net interest income, partially offset by lower non-interest revenue.

Reported net interest income increased \$279 million or 6% from the prior quarter, driven by two additional days in the current quarter, higher net interest income in our P&C businesses, higher trading-related net interest income and higher non-trading net interest income in BMO Capital Markets.

BMO's overall reported net interest margin was unchanged from the prior quarter. Adjusted net interest margin, excluding trading-related net interest income, and trading and insurance assets, increased 1 basis point, primarily due to higher non-trading net interest income in BMO Capital Markets.

Reported and adjusted non-interest revenue decreased \$61 million or 2% from the prior quarter. The decrease was primarily driven by lower underwriting and advisory fee revenue, lower lending fee revenue, and lower securities gains, other than trading, partially offset by higher investment management and custodial fee revenue.

Q3 YTD 2024 vs. Q3 YTD 2023

Reported revenue was \$23,838 million, an increase of \$2,898 million or 14% from the prior year. Adjusted revenue was \$24,044 million, an increase of \$939 million or 4%. The increase in reported revenue included the impact of fair value management actions related to the acquisition of Bank of the West, partially offset by the impact of certain Canadian tax measures, both in the prior year. The increase in adjusted revenue was primarily driven by an additional quarter of Bank of the West results, strong growth in Canadian P&C and higher revenue in BMO Wealth Management and BMO Capital Markets, partially offset by lower revenue in Corporate Services.

Reported net interest income was \$14,030 million, an increase of \$290 million or 2% from the prior year, and adjusted net interest income was \$14,072 million, relatively unchanged. Higher net interest income in our P&C businesses was offset by a decrease in Corporate Services and lower trading-related net interest income. Trading-related net interest income was \$224 million, a decrease of \$463 million from the prior year, and was largely offset in trading non-interest revenue.

BMO's overall reported net interest margin of 1.53% decreased 9 basis points from the prior year. Adjusted net interest margin, excluding trading-related net interest income, and trading and insurance assets was 1.83%, a decrease of 5 basis points, primarily due to lower net interest income and higher low-yielding assets in Corporate Services, partially offset by higher margins in Canadian P&C and BMO Capital Markets.

Reported non-interest revenue was \$9,808 million, an increase of \$2,608 million or 36%, due to the impact of fair value management actions related to the acquisition of Bank of the West and Canadian tax measures in the prior year. Adjusted non-interest revenue was \$9,972 million, an increase of \$1,006 million or 11%, primarily driven by an additional quarter of Bank of the West results, the inclusion of AIR MILES, higher trading revenue, underwriting and advisory fee revenue, investment management and custodial fee revenue and card fee revenue, partially offset by the impact of market volatility on hedge positions.

Net interest income and non-interest revenue are detailed in the unaudited interim consolidated financial statements.

For further information on non-GAAP amounts, measures and ratios, and results presented on a net revenue basis in this Revenue section, refer to the Non-GAAP and Other Financial Measures section. The foregoing sections contain forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Change in Net Interest Income, Average Earning Assets and Net Interest Margin ⁽¹⁾

	Net interest income (teb) (2)			Average earning assets (3)			Net interest margin (in basis points)		
(Canadian \$ in millions, except as noted)	Q3-2024	Q2-2024	Q3-2023	Q3-2024	Q2-2024	Q3-2023	Q3-2024	Q2-2024	Q3-2023
Canadian P&C	2,253	2,154	2,061	323,768	312,587	297,976	277	280	274
U.S. P&C	2,056	1,994	1,995	219,467	215,637	209,493	373	376	378
Personal and Commercial Banking (P&C)	4,309	4,148	4,056	543,235	528,224	507,469	316	319	317
All other operating groups and Corporate Services	485	367	849	717,199	689,733	654,920	na	na	na
Total reported	4,794	4,515	4,905	1,260,434	1,217,957	1,162,389	151	151	167
Total adjusted	4,808	4,529	4,908	1,260,434	1,217,957	1,162,389	152	151	168
Trading net interest income, trading and insurance assets	82	14	160	232,618	206,593	183,204	na	na	na
Total reported, excluding trading and insurance	4,712	4,501	4,745	1,027,816	1,011,364	979,185	182	181	192
Total adjusted, excluding trading and insurance	4,726	4,515	4,748	1,027,816	1,011,364	979,185	183	182	192
U.S. P&C (US\$ in millions)	1,500	1,463	1,497	160,137	158,258	157,141	373	376	378

	Net interest income (teb) (2)		Average earning assets (3)		Net interest margin (in basis points)	
(Canadian \$ in millions, except as noted)	YTD-2024	YTD-2023	YTD-2024	YTD-2023	YTD-2024	YTD-2023
Canadian P&C	6,548	5,947	314,719	293,614	278	271
U.S. P&C	6,108	5,530	215,821	189,259	378	391
Personal and Commercial Banking (P&C)	12,656	11,477	530,540	482,873	319	318
All other operating groups and Corporate Services	1,374	2,263	694,219	652,469	na	na
Total reported	14,030	13,740	1,224,759	1,135,342	153	162
Total adjusted	14,072	14,139	1,224,759	1,135,342	153	167
Trading net interest income, trading and insurance assets	224	687	213,090	177,702	na	na
Total reported, excluding trading and insurance	13,806	13,053	1,011,669	957,640	182	182
Total adjusted, excluding trading and insurance	13,848	13,452	1,011,669	957,640	183	188
U.S. P&C (US\$ in millions)	4,500	4,114	158,993	140,800	378	391

(1) Adjusted results and ratios in this table are on a non-GAAP basis and are discussed in the Non-GAAP and Other Financial Measures section.

(2) Operating group revenue is presented on a taxable equivalent basis (teb) in net interest income. For further information, refer to the How BMO Reports Operating Group Results section.

(3) Average earning assets represents the daily average balance of deposits with central banks, deposits with other banks, securities borrowed or purchased under resale agreements, securities, and loans, over a one-year period. Average earning assets, excluding trading and insurance assets, exclude trading and insurance earning assets.

na - not applicable

Certain comparative figures have been reclassified to conform with the current period's presentation.

Total Provision for Credit Losses

(Canadian \$ in millions)	Canadian P&C	U.S. P&C	Total P&C	BMO Wealth Management	BMO Capital Markets	Corporate Services	Total Bank
Q3-2024							
Provision for credit losses on impaired loans	353	368	721	1	92	14	828
Provision for (recovery of) credit losses on performing loans	35	26	61	(10)	36	(9)	78
Total provision for (recovery of) credit losses	388	394	782	(9)	128	5	906
Total PCL-to-average net loans and acceptances (%) (1)	0.48	0.76	0.59	(0.08)	0.61	nm	0.54
PCL on impaired loans-to-average net loans and acceptances (%) (1)	0.43	0.71	0.54	0.01	0.44	nm	0.50
Q2-2024							
Provision for credit losses on impaired loans	295	288	583	6	61	8	658
Provision for (recovery of) credit losses on performing loans	103	(7)	96	(13)	(9)	(27)	47
Total provision for (recovery of) credit losses	398	281	679	(7)	52	(19)	705
Total PCL-to-average net loans and acceptances (%) (1)	0.51	0.57	0.53	(0.07)	0.25	nm	0.44
PCL on impaired loans-to-average net loans and acceptances (%) (1)	0.38	0.57	0.46	0.06	0.29	nm	0.41
Q3-2023							
Provision for credit losses on impaired loans	197	117	314	1	1	17	333
Provision for (recovery of) credit losses on performing loans	62	87	149	6	9	(5)	159
Total provision for credit losses	259	204	463	7	10	12	492
Total PCL-to-average net loans and acceptances (%) (1)	0.33	0.40	0.36	0.06	0.05	nm	0.30
PCL on impaired loans-to-average net loans and acceptances (%) (1)	0.25	0.23	0.24	0.01	-	nm	0.21
YTD-2024							
Provision for credit losses on impaired loans	886	839	1,725	10	164	60	1,959
Provision for (recovery of) credit losses on performing loans	195	126	321	(13)	(6)	(23)	279
Total provision for credit losses	1,081	965	2,046	(3)	158	37	2,238
Total PCL-to-average net loans and acceptances (%) (1)	0.45	0.63	0.52	(0.01)	0.25	nm	0.46
PCL on impaired loans-to-average net loans and acceptances (%) (1)	0.37	0.55	0.44	0.03	0.26	nm	0.40
YTD-2023							
Provision for (recovery of) credit losses on impaired loans	492	221	713	3	(2)	58	772
Provision for credit losses on performing loans	152	109	261	14	19	666	960
Total provision for credit losses	644	330	974	17	17	724	1,732
Initial provision for credit losses on purchased performing loans (2)	-	-	-	-	-	(705)	(705)
Adjusted total provision for credit losses (3)	644	330	974	17	17	19	1,027
Total PCL-to-average net loans and acceptances (%) (1)	0.28	0.24	0.27	0.06	0.03	nm	0.38
PCL on impaired loans-to-average net loans and acceptances (%) (1)	0.22	0.16	0.20	0.01	-	nm	0.17

(1) PCL ratios are presented on an annualized basis.

(2) Reported net income included a \$705 million of provision for credit losses on performing loans related to the purchased Bank of the West performing loan portfolio.

(3) Adjusted results exclude certain items from reported results and are used to calculate our adjusted measures as presented in the above table. Management assesses performance on a reported basis and an adjusted basis, and considers both to be useful. For further information, refer to the Non-GAAP and Other Financial Measures section and for details on the composition of non-GAAP amounts, measures and ratios, as well as supplementary financial measures, refer to the Glossary of Financial Terms.

nm – not meaningful

Q3 2024 vs. Q3 2023

Total provision for credit losses was \$906 million, compared with a provision of \$492 million in the prior year. Total provision for credit losses as a percentage of average net loans and acceptances ratio was 54 basis points, compared with 30 basis points in the prior year. The provision for credit losses on impaired loans was \$828 million, an increase of \$495 million, due to higher provisions in U.S. P&C, Canadian P&C and BMO Capital Markets. The provision for credit losses on impaired loans as a percentage of average net loans and acceptances ratio was 50 basis points, compared with 21 basis points. There was a \$78 million provision for credit losses on performing loans, compared with a provision of \$159 million in the prior year. The \$78 million provision for credit losses on performing loans in the current quarter was primarily driven by portfolio credit migration.

Q3 2024 vs. Q2 2024

Total provision for credit losses increased \$201 million from the prior quarter. The provision for credit losses on impaired loans increased \$170 million, due to higher provisions in U.S. P&C, Canadian P&C and BMO Capital Markets. The provision for credit losses on impaired loans as a percentage of average net loans and acceptances ratio was 50 basis points, compared with 41 basis points. There was a \$78 million provision for credit losses on performing loans, compared with a provision of \$47 million in the prior quarter.

Q3 YTD 2024 vs. Q3 YTD 2023

Total provision for credit losses was \$2,238 million, compared with a reported provision of \$1,732 million and an adjusted provision of \$1,027 million in the prior year. Adjusted provision for credit losses in the prior year excluded the initial provision on the purchased Bank of the West performing loan portfolio. The total provision for credit losses ratio was 46 basis points, compared with 38 basis points on a reported basis and 22 basis points on an adjusted basis. The provision for credit losses on impaired loans was \$1,959 million, an increase of \$1,187 million due to higher provisions in U.S. P&C, Canadian P&C and BMO Capital Markets. The provision for credit losses on impaired loans ratio was 40 basis points, compared with 17 basis points in the prior year. There was a \$279 million provision for credit losses on performing loans, compared with a reported provision of \$960 million and an adjusted provision of \$255 million in the prior year.

Impaired Loans

(Canadian \$ in millions, except as noted)	Q3-2024	Q2-2024	Q3-2023	YTD-2024	YTD-2023
GIL, beginning of period	5,260	4,259	2,658	3,960	1,991
Classified as impaired during the period	1,847	1,988	917	5,201	2,281
Purchased credit impaired during the period	-	-	-	-	415
Transferred to not impaired during the period	(269)	(263)	(120)	(796)	(361)
Net repayments	(317)	(409)	(384)	(1,048)	(966)
Amounts written-off	(451)	(381)	(190)	(1,213)	(482)
Recoveries of loans and advances previously written-off	-	-	-	-	-
Disposals of loans	(37)	-	-	(58)	-
Foreign exchange and other movements	8	66	(37)	(5)	(34)
GIL, end of period	6,041	5,260	2,844	6,041	2,844
GIL to gross loans and acceptances (%)	0.89	0.79	0.44	0.89	0.44

Total gross impaired loans and acceptances (GIL) were \$6,041 million, an increase from \$5,260 million in the prior quarter. The increase in impaired loans was primarily in business and government lending, with the largest increases in the commercial real estate, manufacturing and transportation industries. GIL as a percentage of gross loans and acceptances increased to 0.89% from 0.79% in the prior quarter.

Loans classified as impaired during the quarter were \$1,847 million, a decrease from \$1,988 million in the prior quarter, reflecting lower impaired loan formations in business and government lending, partially offset by higher impaired loan formations in consumer lending.

Factors contributing to the change in GIL are outlined in the table above.

Non-Interest Expense

Q3 2024 vs. Q3 2023

Reported non-interest expense was \$4,839 million, a decrease of \$733 million or 13% from the prior year, and adjusted non-interest expense was \$4,697 million, a decrease of \$248 million or 5%.

Reported results reflected lower acquisition and integration costs, compared with the prior year. Reported and adjusted non-interest expense decreased, primarily due to our continued focus on operational efficiencies, including realized cost synergies related to Bank of the West, a decrease in employee-related expenses, including severance in the prior year, and the impact of higher legal provisions in the prior year.

Reported efficiency ratio was 59.1%, compared with 69.2% in the prior year, and adjusted efficiency ratio was 57.3%, compared with 60.3%. Reported operating leverage was positive 14.8% and adjusted operating leverage was positive 5.2%.

Q3 2024 vs. Q2 2024

Reported non-interest expense was relatively unchanged from the prior quarter, and adjusted non-interest expense increased \$64 million or 1%.

Reported results reflected the impact of the higher FDIC special assessment charge in the prior quarter. Reported and adjusted non-interest expense increased, primarily due to higher employee-related costs.

Q3 YTD 2024 vs. Q3 YTD 2023

Reported non-interest expense was \$15,072 million, a decrease of \$383 million or 2% from the prior year, and adjusted non-interest expense was \$14,113 million, an increase of \$376 million or 3%.

The decrease in reported non-interest expense reflected the impact of lower acquisition and integration costs, partially offset by the FDIC special assessment charge and higher amortization of acquisition-related intangible assets. Adjusted and reported non-interest expense reflected the impact of an additional quarter of Bank of the West results, net of realized cost synergies, and the inclusion of AIR MILES, partially offset by operational efficiencies, lower severance and legal provisions, and the impact of the consolidation of certain U.S. retirement benefit plans.

The reported efficiency ratio was 63.2%, compared with 73.8% in the prior year, and the adjusted efficiency ratio was 58.7%, compared with 59.4%.

Non-interest expense is detailed in the unaudited interim consolidated financial statements.

For further information on non-GAAP amounts, measures and ratios in this Non-Interest Expense section, refer to the Non-GAAP and Other Financial Measures section.

Provision for Income Taxes

The reported provision for income taxes was \$582 million, an increase of \$159 million from the third quarter of 2023, and an increase of \$23 million from the second quarter of 2024. The reported effective tax rate for the current quarter was 23.8%, compared with 21.3% in the third quarter of 2023 and 23.1% in the second quarter of 2024. The adjusted provision for income taxes was \$622 million, an increase of \$14 million from the third quarter of 2023 and an increase of \$5 million from the second quarter of 2024. The adjusted effective tax rate was 23.9% in the current quarter, compared with 22.1% in the third quarter of 2023 and 23.3% in the second quarter of 2024.

The change in the reported effective tax rate in the current quarter, relative to the third quarter of 2023, was primarily due to earnings mix, including the impact of lower income in the third quarter of 2023 and the elimination of the deduction for certain Canadian dividends, starting January 1, 2024. The change in the adjusted effective tax rate in the current quarter, relative to the third quarter of 2023, was primarily due to earnings mix, including the impact of the elimination of the deduction for certain Canadian dividends.

For further information on non-GAAP amounts, measures and ratios in this Provision for Income Taxes section, refer to the Non-GAAP and Other Financial Measures section.

Balance Sheet⁽¹⁾

(Canadian \$ in millions)	As at July 31, 2024	As at October 31, 2023
Assets		
Cash and cash equivalents and interest bearing deposits with banks	78,323	82,043
Securities	387,614	321,545
Securities borrowed or purchased under resale agreements	118,005	115,662
Net loans and acceptances	673,719	664,776
Derivative instruments	36,834	39,976
Other assets	105,975	123,004
Total assets	1,400,470	1,347,006
Liabilities and Equity		
Deposits	965,239	910,879
Derivative instruments	49,488	50,193
Securities lent or sold under repurchase agreements	125,326	106,108
Other liabilities	168,139	195,475
Subordinated debt	9,321	8,228
Equity	82,926	76,095
Non-controlling interest in subsidiaries	31	28
Total liabilities and equity	1,400,470	1,347,006

(1) Effective the first quarter of 2024, we changed our accounting policy for securities transactions from settlement date to trade date, resulting in an increase in other assets and other liabilities due to the earlier recognition of transactions, as well as the reclassification of certain balance sheet items. Fiscal 2023 comparatives have been reclassified to conform with the current period's methodology. For further information, refer to the Changes in Accounting Policies section.

Total assets were \$1,400.5 billion as at July 31, 2024, an increase of \$53.5 billion from October 31, 2023. The impact of the weaker U.S. dollar decreased assets by \$3.6 billion, excluding the impact on derivative financial assets.

Cash and cash equivalents and interest bearing deposits with banks decreased \$3.7 billion, primarily due to lower balances held with central banks.

Securities increased \$66.1 billion, primarily due to higher levels of client activity in BMO Capital Markets, higher balances in U.S. P&C driven by the sale of a portfolio of recreational vehicle loans and the related purchase of senior securities for purposes of balance sheet optimization, and higher balances in Corporate Services.

Securities borrowed or purchased under resale agreements increased \$2.3 billion due to higher levels of client activity in BMO Capital Markets.

Net loans and acceptances increased \$8.9 billion. Business and government loans and acceptances increased \$10.5 billion, with growth across all operating groups. Consumer instalment and other personal loans decreased \$11.5 billion, driven by lower balances in U.S. P&C, primarily due to the sale of the loan portfolio noted above, and lower balances in Corporate Services reflecting the exit and wind-down of our Canadian and U.S. indirect retail auto financing business. Residential mortgages increased \$9.3 billion, driven by growth in our P&C businesses. Credit card balances increased \$1.1 billion.

Derivative financial assets decreased \$3.1 billion, driven by a decrease in the value of client-driven trading derivatives in BMO Capital Markets, with decreases in the fair value of foreign exchange and interest rate contracts, partially offset by an increase in the fair value of equity contracts.

Other assets decreased \$17.0 billion, primarily in BMO Capital Markets, due to changes in the balance of unsettled securities transactions.

Liabilities increased \$46.6 billion from October 31, 2023. The impact of the weaker U.S. dollar decreased liabilities by \$3.3 billion, excluding the impact on derivative financial liabilities.

Deposits increased \$54.4 billion. Customer deposits increased \$49.3 billion, reflecting growth across all operating groups. Other deposits increased \$5.1 billion, driven by higher balances to fund Global Markets client activity, partially offset by lower wholesale funding in Corporate Services.

Derivative financial liabilities decreased \$0.7 billion, with decreases in the fair value of interest rate and foreign exchange contracts, partially offset by an increase in the fair value of equity contracts.

Securities lent or sold under repurchase agreements increased \$19.2 billion due to higher levels of client activity in BMO Capital Markets.

Other liabilities decreased \$27.3 billion, driven by changes in the balance of unsettled securities transactions in BMO Capital Markets, lower Federal Home Loan Bank borrowings, lower acceptances, reflecting the transition of bankers' acceptances exposures to loans as a result of the cessation of the Canadian Dollar Offered Rate (CDOR), and a decrease in securities sold but not yet purchased due to client activity in BMO Capital Markets, partially offset by higher securitization liabilities in BMO Capital Markets.

Subordinated debt increased \$1.1 billion from October 31, 2023, reflecting an issuance in the quarter.

Equity increased \$6.8 billion from October 31, 2023. Common shares increased \$1.0 billion, as a result of shares issued under the Dividend Shareholder Reinvestment and Share Purchase Plan (DRIP). Accumulated other comprehensive income increased \$2.9 billion, primarily due to a decline in the accumulated other comprehensive loss on cash flow hedges, partially offset by losses on remeasurement of own credit risk on financial liabilities designated at fair value. Retained earnings increased \$1.4 billion, as a result of net income earned in the year, partially offset by dividends and distributions on other equity instruments. Preferred shares and other equity instruments increased \$1.5 billion due to the issuance of Limited Recourse Capital Notes, Series 4 and 5, in the year, net of redemptions of Preferred Shares, Series 27 and 46.

Contractual obligations by year of maturity are outlined in the Contractual Maturities of Assets and Liabilities and Off-Balance Sheet Commitments table in the Risk Management section.

Capital Management

BMO continues to manage its capital within the framework described in the Enterprise-Wide Capital Management section of BMO's 2023 Annual Report.

Third Quarter 2024 Regulatory Capital Review

BMO's Common Equity Tier 1 (CET1) Ratio was 13.0% as at July 31, 2024, a decrease from 13.1% at the end of the second quarter of 2024, with internal capital generation more than offset by higher source currency risk-weighted assets (RWA).

CET1 Capital was \$55.6 billion as at July 31, 2024, an increase from \$54.7 billion as at April 30, 2024, primarily due to internal capital generation.

RWA were \$428.9 billion as at July 31, 2024, an increase from \$418.0 billion as at April 30, 2024. RWA increased, primarily due to higher asset size and market risk, as well as net asset quality changes.

In calculating regulatory capital ratios, there is a requirement to increase total RWA when a capital floor amount calculated under the standardized approaches, multiplied by a capital floor adjustment factor, is higher than a similar calculation using more risk-sensitive internal modelled approaches, where applicable. The capital floor was not operative as at July 31, 2024, unchanged from April 30, 2024.

The bank's Tier 1 and Total Capital Ratios were 14.8% and 17.1%, respectively, as at July 31, 2024, compared with 14.9% and 17.0%, respectively, as at April 30, 2024. The Tier 1 Capital Ratio was lower due to the same factors impacting the CET1 Ratio and the announced \$400 million preferred share redemption, partially offset by the issuance of US\$750 million Limited Recourse Capital Notes, Series 5. The Total Capital Ratio was higher, as factors impacting Tier 1 Capital Ratio were more than offset by the issuance of \$1 billion subordinated notes.

The impact of foreign exchange movements on capital ratios was largely offset. BMO's investments in foreign operations are primarily denominated in U.S. dollars, and the foreign exchange impact of U.S. dollar-denominated RWA and capital deductions may result in variability in the bank's capital ratios. We managed the impact of foreign exchange movements on our capital ratios.

Our Leverage Ratio was 4.3% as at July 31, 2024, unchanged from the second quarter of 2024, as higher Tier 1 Capital was offset by higher leverage exposures.

The bank's risk-based Total Loss Absorbing Capacity (TLAC) Ratio and TLAC Leverage Ratio were 28.5% and 8.2%, respectively, as at July 31, 2024, compared with 28.0% and 8.0%, respectively, as at April 30, 2024.

Regulatory Capital Developments

The Domestic Stability Buffer (DSB), applicable to domestic systemically important banks (D-SIBs), increased from 3.0% to 3.5%, effective November 1, 2023, as announced by the Office of the Superintendent of Financial Institutions (OSFI) on June 20, 2023. On June 18, 2024, OSFI announced that the DSB will remain unchanged at 3.5%.

The revised Capital Adequacy Requirements (CAR) Guideline, published by OSFI in October 2023, was effective in the first quarter of fiscal 2024, and includes heightened regulatory capital requirements for mortgages with growing balances where payments are insufficient to cover the interest component.

The domestic implementation of the Basel III Reforms related to market risk and credit valuation adjustment risk, along with an increase in the capital floor adjustment factor from 65.0% to 67.5%, was effective in the first quarter of fiscal 2024. On July 5, 2024, OSFI announced a one-year delay to the increase of the capital floor adjustment factor, to allow OSFI time to consider the timeline impact of Basel III reforms implementation in other jurisdictions. With the one-year delay, the adjustment factor will remain at the current 67.5% for fiscal 2025 and will rise by an additional 2.5% each year, beginning November 1, 2025, to reach 72.5% in fiscal 2027.

The Parental Stand-Alone (Solo) TLAC Framework for D-SIBs, published by OSFI on September 12, 2023, was effective in the first quarter of fiscal 2024. We exceeded the minimum requirement of 21.5%.

Effective the first quarter of 2024, the bank adopted IFRS 17. Upon transition to IFRS 17, we voluntarily changed our accounting policy for the measurement of investment properties under IAS 40, *Investment Properties* (IAS 40), recorded in insurance-related assets on our Consolidated Balance Sheet, from cost to fair value. These changes did not have a material impact on regulatory capital ratios. Refer to the Changes in Accounting Policies section for further details.

Refer to the Enterprise-Wide Capital Management section of BMO's 2023 Annual Report for a more detailed discussion of regulatory developments.

Regulatory Capital, Leverage and TLAC

Regulatory capital requirements for BMO are determined in accordance with guidelines issued by OSFI, which are based on the Basel III framework developed by the Basel Committee on Banking Supervision (BCBS), and include OSFI's CAR Guideline and the Leverage Requirements (LR) Guideline. TLAC requirements are determined in accordance with OSFI's TLAC Guideline. For more information refer to the Enterprise-Wide Capital Management section of BMO's 2023 Annual Report.

OSFI's capital, leverage and TLAC requirements are summarized in the following table.

(% of risk-weighted assets or leverage exposures)	Minimum capital, leverage and TLAC requirements	Total Pillar 1 Capital buffer (1)	Tier 1 Capital buffer (2)	Domestic stability buffer (3)	Minimum capital, leverage and TLAC requirements including capital buffers	BMO capital, leverage and TLAC ratios as at July 31, 2024
Common Equity Tier 1 Ratio	4.5%	3.5%	na	3.5%	11.5%	13.0%
Tier 1 Capital Ratio	6.0%	3.5%	na	3.5%	13.0%	14.8%
Total Capital Ratio	8.0%	3.5%	na	3.5%	15.0%	17.1%
TLAC Ratio	21.5%	na	na	3.5%	25.0%	28.5%
Leverage Ratio	3.0%	na	0.5%	na	3.5%	4.3%
TLAC Leverage Ratio	6.75%	na	0.5%	na	7.25%	8.2%

- (1) The minimum CET1 Ratio requirement of 4.5% is augmented by the 3.5% Total Pillar 1 Capital buffers, which can absorb losses during periods of stress. Pillar 1 Capital buffers, which will be met with CET1 Capital, include a capital conservation buffer of 2.5%, a Common Equity Tier 1 surcharge for domestic systemically important banks (D-SIBs) of 1.0% and a countercyclical buffer, as prescribed by OSFI (immaterial for the quarter). If a bank's capital ratios fall within the range of this combined buffer, restrictions on discretionary distributions of earnings (such as dividends, share repurchases and discretionary compensation) would ensue, with the degree of such restrictions varying according to the position of the bank's ratios within the buffer range.
- (2) D-SIBs are required to meet a 0.5% Tier 1 Capital buffer requirement for the Leverage and TLAC Leverage Ratios.
- (3) OSFI requires all D-SIBs to hold a Domestic Stability Buffer (DSB) against Pillar 2 risks associated with systemic vulnerabilities. Breaches of the DSB do not result in a bank being subject to automatic constraints on capital distributions. In the event of a breach, OSFI would require a remediation plan, and would expect for the plan to be executed in a timely manner. Banks may be required to hold additional buffers that are applicable to capital, leverage and TLAC ratios.

na – not applicable

Regulatory Capital and TLAC Position

(Canadian \$ in millions, except as noted)	Q3-2024	Q2-2024	Q4-2023
Gross common equity (1)	74,439	71,225	70,051
Regulatory adjustments applied to common equity	(18,834)	(16,499)	(17,137)
Common Equity Tier 1 Capital (CET1)	55,605	54,726	52,914
Additional Tier 1 Eligible Capital (2)	8,087	7,464	6,958
Regulatory adjustments applied to Tier 1 Capital	(94)	(97)	(87)
Additional Tier 1 Capital (AT1)	7,993	7,367	6,871
Tier 1 Capital (T1 = CET1 + AT1)	63,598	62,093	59,785
Tier 2 Eligible Capital (3)	9,994	8,910	8,984
Regulatory adjustments applied to Tier 2 Capital	(62)	(74)	(51)
Tier 2 Capital (T2)	9,932	8,836	8,933
Total Capital (TC = T1 + T2)	73,530	70,929	68,718
Other TLAC instruments (4)	48,650	46,101	45,773
Adjustments applied to Other TLAC	(127)	(89)	(89)
Other TLAC available after adjustments	48,523	46,012	45,684
TLAC	122,053	116,941	114,402
Risk-Weighted Assets (5)	428,860	417,994	424,197
Leverage Ratio Exposures	1,480,736	1,453,472	1,413,036
Capital, Leverage and TLAC Ratios (%)			
CET1 Ratio	13.0	13.1	12.5
Tier 1 Capital Ratio	14.8	14.9	14.1
Total Capital Ratio	17.1	17.0	16.2
TLAC Ratio	28.5	28.0	27.0
Leverage Ratio	4.3	4.3	4.2
TLAC Leverage Ratio	8.2	8.0	8.1

- (1) Gross Common Equity includes issued qualifying common shares, retained earnings, accumulated other comprehensive income and eligible common share capital issued by subsidiaries.
- (2) Additional Tier 1 Eligible Capital includes directly and indirectly issued qualifying Additional Tier 1 instruments.
- (3) Tier 2 Eligible Capital includes subordinated debentures and may include portion of expected credit loss provisions.
- (4) Other TLAC includes senior unsecured debt subject to the Canadian Bail-In Regime.
- (5) Institutions using one of the internal model-based approaches for credit risk, counterparty credit risk, or market risk are subject to a capital floor requirement that is applied to RWA, as prescribed in OSFI's CAR Guideline.

Outstanding Shares and Securities Convertible into Common Shares ⁽¹⁾

As at July 31, 2024	Number of shares	Amount (in millions)
Common shares	729,413,376	\$23,911
Class B Preferred shares*		
Series 29	16,000,000	\$400
Series 31	12,000,000	\$300
Series 33	8,000,000	\$200
Series 44	16,000,000	\$400
Series 50	500,000	\$500
Series 52	650,000	\$650
Other Equity Instruments*		
4.800% Additional Tier 1 Capital Notes		US\$500
4.300% Limited Recourse Capital Notes, Series 1 (LRCNs)		\$1,250
5.625% Limited Recourse Capital Notes, Series 2 (LRCNs)		\$750
7.325% Limited Recourse Capital Notes, Series 3 (LRCNs)		\$1,000
7.700% Limited Recourse Capital Notes, Series 4 (LRCNs)		US\$1,000
7.300% Limited Recourse Capital Notes, Series 5 (LRCNs)		US\$750
Medium-Term Notes*		
3.803% Subordinated Notes due 2032		US\$1,250
Series J - First Tranche		\$1,000
Series J - Second Tranche		\$1,250
Series K - First Tranche		\$1,000
3.088% Subordinated Notes due 2037		US\$1,250
Series L - First Tranche		\$750
Series M - First Tranche		\$1,150
Series M - Second Tranche		\$1,000
Stock options		
Vested	3,028,132	
Non-vested	3,698,032	

* Convertible into common shares. For LRCNs, convertible into common shares by virtue of the recourse to the Preferred Shares Series 48, Preferred Shares Series 49, Preferred Shares Series 51, Preferred Shares Series 53, and Preferred Shares 54 for Series 1, Series 2, Series 3, Series 4, and Series 5 LRCNs, respectively, issued concurrently with the LRCNs, which currently comprise the limited recourse trust assets.

(1) Details on the Medium-Term Notes are outlined in Note 15 of the audited consolidated financial statements of BMO's 2023 Annual Report. Details on share capital and Other Equity Instruments are outlined in Note 5 of the unaudited interim consolidated financial statements and Note 16 of the audited annual consolidated financial statements of BMO's 2023 Annual Report.

If a non-viability contingent capital (NVCC) trigger event were to occur, our NVCC instruments would be converted into BMO common shares pursuant to automatic conversion formulas, with a conversion price based on the greater of: (i) a floor price of \$5.00; and (ii) the current market price of our common shares at the time of the trigger event (calculated using a 10-day weighted average). Based on a floor price of \$5.00, these NVCC capital instruments would be converted into approximately 4.5 billion BMO common shares, assuming no accrued interest and no declared and unpaid dividends.

Capital Developments Related to BMO Financial Corp.

BMO Financial Corp. (BFC) continues to be subject to the Federal Reserve Board's (FRB) Comprehensive Capital Analysis and Review (CCAR) and Dodd-Frank Act Stress Test (DFAST) requirements on an annual basis.

BFC was required to participate in the FRB's 2024 CCAR exercise. On June 26, 2024, the FRB released its 2024 CCAR and DFAST results. For BFC, the FRB determined a CET1 Ratio requirement of 10.0%, including the 4.5% minimum CET1 Ratio and a 5.5% stress capital buffer (SCB), which will be effective October 1, 2024. The FRB will formally announce individual large bank capital requirements by August 31, 2024. BFC is well capitalized, with a strong CET1 Ratio of 11.08 % as at June 30, 2024.

Other Capital Developments

During the quarter, we issued 160,277 common shares for \$15 million through the exercise of stock options.

On August 25, 2024, we redeemed all of our outstanding 16 million Non-Cumulative 5-year Rate Reset Class B Preferred Shares, Series 29 (NVCC) for an aggregate total of \$400 million.

On August 12, 2024, we announced our intention to redeem all of our outstanding \$1,000 million 2.88% Series J Medium-Term Notes First Tranche (NVCC) at par, plus accrued and unpaid interest to, but excluding, the redemption date on September 17, 2024.

On July 17, 2024, we issued US\$750 million 7.300% Limited Recourse Capital Notes, Series 5. This issuance is classified as equity and forms part of our additional Tier 1 NVCC.

On July 3, 2024, we issued \$1,000 million 4.976% NVCC subordinated notes through our Canadian Medium-Term Note Program.

On May 25, 2024, we redeemed all of our outstanding 20 million Non-Cumulative 5-year Rate Reset Class B Preferred Shares, Series 27 (NVCC) for an aggregate total of \$500 million and all of our outstanding 14 million Non-Cumulative 5-year Rate Reset Class B Preferred Shares, Series 46 (NVCC) for an aggregate total of \$350 million.

Dividends

On August 27, 2024, BMO announced that the Board of Directors had declared a quarterly dividend on common shares of \$1.55 per share, unchanged from the prior quarter and an increase of \$0.08 or 5% from prior year. The dividend is payable on November 26, 2024, to shareholders of record on October 30, 2024. Common shareholders may elect to have their cash dividends reinvested in common shares of BMO, in accordance with the DRIP.

For the purposes of the *Income Tax Act (Canada)* and any similar provincial and territorial legislation, BMO designates all dividends paid or deemed to be paid on both its common and preferred shares as “eligible dividends”, unless indicated otherwise.

This Capital Management section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Review of Operating Groups’ Performance

How BMO Reports Operating Group Results

BMO reports financial results for its three operating groups, one of which comprises two operating segments, all of which are supported by Corporate Units and Technology and Operations (T&O) within Corporate Services. Operating segment results include allocations from Corporate Services for treasury-related revenue, corporate and T&O costs, and capital.

BMO employs funds transfer pricing and liquidity transfer pricing between corporate treasury and the operating segments in order to assign the appropriate cost and credit to funds for the appropriate pricing of loans and deposits, and to help assess the profitability performance of each line of business. These practices also capture the cost of holding supplemental liquid assets to meet contingent liquidity requirements, as well as facilitating the management of interest rate risk and liquidity risk within our risk appetite framework and regulatory requirements. We review our transfer pricing methodologies at least annually, in order to align with our interest rate, liquidity and funding risk management practices, and update these as appropriate.

The costs of Corporate Units and T&O services are largely allocated to the four operating segments, with any remaining amounts retained in Corporate Services. Certain expenses, directly incurred to support a specific operating segment, are generally allocated to that operating segment. Other expenses are generally allocated across the operating segments in amounts that are reasonably reflective of the level of support provided to each operating segment. We review our expense allocation methodologies annually, and update these as appropriate.

Periodically, certain lines of business and units within our organizational structure are realigned within an operating group or transferred between operating groups and Corporate Services to support our strategic priorities. Allocations of revenue, expenses, provisions for income taxes and capital from Corporate Services to the operating groups are updated to better align with these changes.

Capital is allocated to the operating segments based on the amount of regulatory capital required to support business activities. Effective fiscal 2024, our capital allocation rate increased to 11.5% of risk-weighted assets, compared with 11.0% in fiscal 2023, in order to reflect an increase in capital requirements. Unallocated capital is reported in Corporate Services. We review our capital allocation methodologies at least annually.

Effective the first quarter of 2024, the bank adopted IFRS 17, *Insurance Contracts* (IFRS 17), and retrospectively applied it to fiscal 2023 results and opening retained earnings as at November 1, 2022. Insurance results are now presented in non-interest revenue under Insurance Service Results and Insurance Investment Results. Insurance service results include insurance revenue, insurance service expenses and reinsurance results. Insurance investment results include net returns on insurance-related assets and the impact of the change in discount rates and financial assumptions on insurance contract liabilities. We no longer report insurance claims, commissions and changes in policy benefits as a separate line item in the Consolidated Statement of Income.

Upon transition to IFRS 17, we also voluntarily changed our accounting policy for the measurement of investment properties under IAS 40, *Investment Properties* (IAS 40), recorded in insurance-related assets on our Consolidated Balance Sheet from cost to fair value. This change was applied retrospectively to fiscal 2023 results and opening retained earnings as at November 1, 2022. These changes did not have a material impact on regulatory capital ratios. Refer to the Changes in Accounting Policies section for further details.

Effective the first quarter of 2024, we voluntarily changed our accounting policy for securities transactions from settlement date to trade date. This change was applied retrospectively, as if we always recorded securities transactions on trade date. As a result, there was an increase in other assets and other liabilities due to the earlier recognition of transactions, as well as the reclassification of certain balance sheet items. Fiscal 2023 comparatives have been reclassified to conform with the current period’s methodology.

Effective the first quarter of 2024, the allocation of certain items from Corporate Services to the operating groups was updated to align with the underlying business activity, including transfer pricing methodologies. Comparative results and ratios have been reclassified to conform with the current period’s presentation.

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. Fiscal 2023 comparatives have been reclassified to conform with the current period’s presentation.

We analyze revenue at the consolidated level based on GAAP revenue as reported in the audited annual consolidated financial statements, rather than on a taxable equivalent basis (teb), which is consistent with our Canadian banking peer group. Like many banks, BMO analyzes revenue on a teb basis at the operating segment level. Revenue and the provision for income taxes in BMO Capital Markets and U.S. P&C are increased on tax-exempt securities to equivalent pre-tax amounts that facilitate comparisons of income from taxable and tax-exempt sources. The offset to the segment teb adjustments is reflected in Corporate Services revenue and provision for (recovery of) income taxes. Beginning January 1, 2024, we did not take the deduction for certain Canadian dividends received in BMO Capital Markets due to proposed legislation, and as a result, we no longer reported this revenue on a teb basis. This proposed legislation was enacted in the third quarter of fiscal 2024. Refer to the Other Regulatory Developments section for further details.

Personal and Commercial Banking (P&C) ⁽¹⁾

(Canadian \$ in millions, except as noted)	Q3-2024	Q2-2024	Q3-2023	YTD-2024	YTD-2023
Net interest income (teb) (2)	4,309	4,148	4,056	12,656	11,477
Non-interest revenue	1,052	1,060	1,074	3,145	2,978
Total revenue (teb) (2)	5,361	5,208	5,130	15,801	14,455
Provision for credit losses on impaired loans	721	583	314	1,725	713
Provision for credit losses on performing loans	61	96	149	321	261
Total provision for credit losses	782	679	463	2,046	974
Non-interest expense	2,752	2,657	2,795	8,085	7,354
Income before income taxes	1,827	1,872	1,872	5,670	6,127
Provision for income taxes (teb) (2)	443	457	489	1,390	1,578
Reported net income	1,384	1,415	1,383	4,280	4,549
Acquisition and integration costs (3)	2	2	6	5	8
Amortization of acquisition-related intangible assets (4)	73	72	79	223	158
Adjusted net income	1,459	1,489	1,468	4,508	4,715
Net income available to common shareholders	1,363	1,387	1,358	4,208	4,485
Adjusted net income available to common shareholders	1,438	1,461	1,443	4,436	4,651

(1) Adjusted results are on a non-GAAP basis and are discussed in the Non-GAAP and Other Financial Measures section.

(2) Taxable equivalent basis (teb) amounts of \$9 million in both Q3-2024 and Q2-2024, and \$8 million in Q3-2023; and \$27 million for YTD-2024 and \$24 million for YTD-2023. These amounts were recorded in net interest income, revenue and in provision for income taxes.

(3) Acquisition and integration costs related to the acquisition of AIR MILES, recorded in non-interest expense.

(4) Amortization of acquisition-related intangible assets, recorded in non-interest expense.

Certain comparative figures have been reclassified to conform with the current period's presentation.

The Personal and Commercial Banking (P&C) operating group represents the sum of our two retail and commercial operating segments, Canadian Personal and Commercial Banking (Canadian P&C) and U.S. Personal and Commercial Banking (U.S. P&C). The P&C banking business reported net income was \$1,384 million, relatively unchanged from the prior year, and a decrease of \$31 million or 2% from the prior quarter. Adjusted net income was \$1,459 million, a decrease of \$9 million or 1% from the prior year, and a decrease of \$30 million or 2% from the prior quarter. These operating segments are reviewed separately in the sections that follow.

For further information on non-GAAP amounts, measures, and ratios in this Review of Operating Groups' Performance section, refer to the Non-GAAP and Other Financial Measures section.

Canadian Personal and Commercial Banking (Canadian P&C) ⁽¹⁾

(Canadian \$ in millions, except as noted)	Q3-2024	Q2-2024	Q3-2023	YTD-2024	YTD-2023
Net interest income	2,253	2,154	2,061	6,548	5,947
Non-interest revenue	655	665	655	1,957	1,816
Total revenue	2,908	2,819	2,716	8,505	7,763
Provision for credit losses on impaired loans	353	295	197	886	492
Provision for credit losses on performing loans	35	103	62	195	152
Total provision for credit losses (PCL)	388	398	259	1,081	644
Non-interest expense	1,260	1,216	1,244	3,686	3,463
Income before income taxes	1,260	1,205	1,213	3,738	3,656
Provision for income taxes	346	333	332	1,031	1,005
Reported net income	914	872	881	2,707	2,651
Acquisition and integration costs (2)	2	2	6	5	8
Amortization of acquisition-related intangible assets (3)	4	3	2	10	3
Adjusted net income	920	877	889	2,722	2,662
Adjusted non-interest expense	1,252	1,208	1,233	3,665	3,448
Net income available to common shareholders	904	861	871	2,676	2,622
Adjusted net income available to common shareholders	910	866	879	2,691	2,633
Key Performance Metrics and Drivers					
Personal and Business Banking revenue	2,081	2,016	1,948	6,114	5,498
Commercial Banking revenue	827	803	768	2,391	2,265
Return on equity (%) (4) (5)	22.3	22.3	25.3	22.5	26.8
Adjusted return on equity (%) (4) (5)	22.4	22.4	25.5	22.6	26.9
Operating leverage (%)	5.9	4.1	(1.3)	3.2	(0.6)
Adjusted operating leverage (%)	5.6	4.5	(0.3)	3.3	(0.2)
Efficiency ratio (%)	43.3	43.2	45.8	43.3	44.6
Adjusted efficiency ratio (%)	43.1	42.9	45.4	43.1	44.5
PCL on impaired loans to average net loans and acceptances (%) (3)	0.43	0.38	0.25	0.37	0.22
Net interest margin on average earning assets (%)	2.77	2.80	2.74	2.78	2.71
Average earning assets	323,768	312,587	297,976	314,719	293,614
Average gross loans and acceptances	326,043	319,896	308,786	321,099	304,966
Average deposits	306,409	297,304	276,576	297,519	268,754

(1) Adjusted results and ratios are on a non-GAAP basis and are discussed in the Non-GAAP and Other Financial Measures section.

(2) Acquisition and integration costs related to AIR MILES, recorded in non-interest expense.

(3) Amortization of acquisition-related intangible assets, recorded in non-interest expense.

(4) Return on equity is based on allocated capital. Effective fiscal 2024, the capital allocation rate increased to 11.5% of risk-weighted assets, compared with 11.0% in fiscal 2023. For further information, refer to the Non-GAAP and Other Financial Measures section.

(5) Return on equity and PCL ratios are presented on an annualized basis.

Certain comparative figures have been reclassified to conform with the current period's presentation.

Q3 2024 vs. Q3 2023

Canadian P&C reported net income was \$914 million, an increase of \$33 million or 4% from the prior year.

Total revenue was \$2,908 million, an increase of \$192 million or 7% from the prior year. Net interest income increased \$192 million or 9%, primarily due to higher balances and net interest margins. Non-interest revenue was relatively unchanged, as higher card-related revenue was offset by lower lending fee revenue. Net interest margin of 2.77% increased 3 basis points from the prior year, primarily due to higher loan margins and deposits growing faster than loans, partially offset by lower deposit margins. The impact of the transition of bankers' acceptances (BA) exposures to loans in our Commercial Bank resulted in lower non-interest revenue offset in net interest income, with a modest reduction in net interest margin.

Personal and Business Banking revenue increased \$133 million or 7%, due to higher net interest income and higher non-interest revenue. Commercial Banking revenue increased \$59 million or 8%, due to higher net interest income, partially offset by lower non-interest revenue, largely due to the BA transition.

Total provision for credit losses was \$388 million, an increase of \$129 million from the prior year. The provision for credit losses on impaired loans was \$353 million, an increase of \$156 million due to higher provisions in Personal and Business Banking, primarily in the unsecured segments of the consumer portfolio, and in Commercial Banking. There was a \$35 million provision for credit losses on performing loans in the current quarter, compared with a \$62 million provision in the prior year.

Non-interest expense was \$1,260 million, an increase of \$16 million or 1% from the prior year, primarily due to higher operating expenses and higher technology costs, largely offset by lower employee-related expenses, including higher severance in the prior year.

Average gross loans and acceptances increased \$17.3 billion or 6% from the prior year to \$326.0 billion. Personal and Business Banking and Commercial Banking loan balances both increased 5%, and credit card balances increased 18%. Average deposits increased \$29.8 billion or 11% to \$306.4 billion. Personal and Business Banking deposits increased 9%, primarily due to strong growth in term deposits, partially offset by lower chequing and savings account deposits. Commercial Banking deposits increased 14%.

Q3 2024 vs. Q2 2024

Reported net income increased \$42 million or 5% from the prior quarter.

Total revenue increased \$89 million or 3% from the prior quarter. Net interest income increased \$99 million or 5%, primarily due to higher balances and the impact of two additional days in the current quarter, partially offset by lower net interest margins. Non-interest revenue decreased \$10 million or 2%, primarily due to lower lending fee revenue. Net interest margin decreased 3 basis points from the prior quarter, due to lower loan and deposit margins, partially offset by changes in business mix.

Personal and Business Banking revenue increased \$65 million or 3%, due to higher net interest income and non-interest revenue. Commercial Banking revenue increased \$24 million or 3%, due to higher net interest income, partially offset by lower non-interest revenue, largely due to the BA transition.

Total provision for credit losses was \$388 million, a decrease of \$10 million from the prior quarter. The provision for credit losses on impaired loans increased \$58 million, with higher provisions in both Commercial Banking and Personal and Business Banking. There was a \$35 million provision for credit losses on performing loans in the current quarter, compared with a \$103 million provision in the prior quarter.

Non-interest expense increased by \$44 million or 4% from the prior quarter, due to higher employee-related expenses and higher advertising costs.

Average gross loans and acceptances increased \$6.1 billion or 2% from the prior quarter. Personal and Business Banking and Commercial Banking loan balances both increased 2%, and credit card balances increased 5%. Average deposits increased \$9.1 billion or 3% from the prior quarter. Personal and Business Banking deposits increased 3% and Commercial Banking deposits increased 4%.

Q3 YTD 2024 vs. Q3 YTD 2023

Reported net income was \$2,707 million, an increase of \$56 million or 2% from the prior year.

Total revenue was \$8,505 million, an increase of \$742 million or 10% from the prior year. Net interest income increased \$601 million or 10%, due to higher balances and net interest margins. Non-interest revenue increased \$141 million or 8%, primarily due to the inclusion of AIR MILES and higher card-related revenue, partially offset by lower commercial lending fee revenue. Net interest margin of 2.78% increased 7 basis points from the prior year driven by a change in volume mix due to deposits growing faster than loans, and higher loan margins, partially offset by lower deposit margins.

Personal and Business Banking revenue increased \$616 million or 11%, due to higher net interest income and non-interest revenue. Commercial Banking revenue increased \$126 million or 6%, due to higher net interest income, partially offset by lower non-interest revenue, largely due to the BA transition.

Total provision for credit losses was \$1,081 million, an increase of \$437 million from the prior year. The provision for credit losses on impaired loans was \$886 million, an increase of \$394 million due to higher provisions in both Personal and Business Banking and Commercial Banking across various sectors. There was a \$195 million provision for credit losses on performing loans in the current year, compared with \$152 million provision in the prior year.

Non-interest expense was \$3,686 million, an increase of \$223 million or 6% from the prior year, reflecting the inclusion of AIR MILES, higher operating costs and higher technology costs, partially offset by lower employee-related expenses, including higher severance in the prior year.

Average gross loans and acceptances increased \$16.1 billion or 5% from the prior year. Personal and Business Banking loan balances increased 5%, Commercial Banking loan balances increased 4%, and credit card balances increased 20%. Average deposits increased \$28.8 billion or 11% from the prior year. Personal and Business Banking deposits increased 9% and Commercial Banking deposits increased 14%.

For further information on non-GAAP amounts, measures and ratios in this Review of Operating Groups' Performance section, refer to the Non-GAAP and Other Financial Measures section.

U.S. Personal and Commercial Banking (U.S. P&C) ⁽¹⁾

(Canadian \$ in millions, except as noted)	Q3-2024	Q2-2024	Q3-2023	YTD-2024	YTD-2023
Net interest income (teb) (2)	2,056	1,994	1,995	6,108	5,530
Non-interest revenue	397	395	419	1,188	1,162
Total revenue (teb) (2)	2,453	2,389	2,414	7,296	6,692
Provision for credit losses on impaired loans	368	288	117	839	221
Provision for (recovery of) credit losses on performing loans	26	(7)	87	126	109
Total provision for credit losses (PCL)	394	281	204	965	330
Non-interest expense	1,492	1,441	1,551	4,399	3,891
Income before income taxes	567	667	659	1,932	2,471
Provision for income taxes (teb) (2)	97	124	157	359	573
Reported net income	470	543	502	1,573	1,898
Amortization of acquisition-related intangible assets (3)	69	69	77	213	155
Adjusted net income	539	612	579	1,786	2,053
Adjusted non-interest expense	1,398	1,348	1,448	4,112	3,682
Net income available to common shareholders	459	526	487	1,532	1,863
Adjusted net income available to common shareholders	528	595	564	1,745	2,018
Average earning assets	219,467	215,637	209,493	215,821	189,259
Average gross loans and acceptances	207,420	203,029	203,602	204,711	183,331
Average net loans and acceptances	205,897	201,562	201,703	203,123	181,720
Average deposits	224,575	221,216	210,097	220,310	193,000

(US\$ equivalent in millions)	Q3-2024	Q2-2024	Q3-2023	YTD-2024	YTD-2023
Net interest income (teb) (2)	1,500	1,463	1,497	4,500	4,114
Non-interest revenue	289	290	314	875	864
Total revenue (teb) (2)	1,789	1,753	1,811	5,375	4,978
Provision for credit losses on impaired loans	267	211	87	615	164
Provision for (recovery of) credit losses on performing loans	19	(5)	67	94	83
Total provision for credit losses	286	206	154	709	247
Non-interest expense	1,089	1,058	1,164	3,241	2,895
Income before income taxes	414	489	493	1,425	1,836
Provision for income taxes (teb) (2)	70	91	117	264	426
Reported net income	344	398	376	1,161	1,410
Amortization of acquisition-related intangible assets (3)	51	51	58	158	116
Adjusted net income	395	449	434	1,319	1,526
Adjusted non-interest expense	1,020	990	1,086	3,029	2,738
Net income available to common shareholders	336	386	365	1,131	1,384
Adjusted net income available to common shareholders	385	440	425	1,290	1,502

Key Performance Metrics (US\$ basis)	Q3-2024	Q2-2024	Q3-2023	YTD-2024	YTD-2023
Personal and Business Banking revenue	689	675	732	2,081	1,886
Commercial Banking revenue	1,100	1,078	1,079	3,294	3,092
Return on equity (%) (4) (5)	5.5	6.5	6.1	6.2	9.6
Adjusted return on equity (%) (4) (5)	6.3	7.3	7.1	7.0	10.4
Operating leverage (%)	5.2	(0.6)	(45.1)	(4.0)	(25.8)
Adjusted operating leverage (%)	4.9	(1.0)	(32.4)	(2.6)	(17.0)
Efficiency ratio (%)	60.8	60.3	64.2	60.3	58.1
Adjusted efficiency ratio (%)	57.0	56.4	60.0	56.3	55.0
Net interest margin on average earning assets (%)	3.73	3.76	3.78	3.78	3.91
PCL on impaired loans to average net loans and acceptances (%) (5)	0.71	0.57	0.23	0.55	0.16
Average earning assets	160,137	158,258	157,141	158,993	140,800
Average gross loans and acceptances	151,347	149,005	152,723	150,814	136,390
Average deposits	163,862	162,359	157,607	162,298	143,580

(1) Adjusted results and ratios are on a non-GAAP basis and are discussed in the Non-GAAP and Other Financial Measures section.

(2) Taxable equivalent basis (teb) amounts of \$9 million in both Q3-2024 and Q2-2024, and \$8 million in Q3-2023; and \$27 million for YTD-2024 and \$24 million for YTD-2023. These amounts were recorded in net interest income revenue and provision for income taxes, and were reflected in the ratios. On a source currency basis, teb amounts were US\$6 million in Q3-2024, Q2-2024 and Q3-2023; and US\$19 million for YTD-2024 and US\$18 million for YTD-2023.

(3) Amortization of acquisition-related intangible assets, recorded in non-interest expense. On a source currency basis, pre-tax amounts were US\$69 million in Q3-2024, US\$68 million in Q2-2024 and US\$78 million in Q3-2023; and US\$212 million for YTD-2024 and US\$157 million for YTD-2023.

(4) Return on equity is based on allocated capital. Effective fiscal 2024, the capital allocation rate increased to 11.5% of risk-weighted assets, compared with 11.0% in fiscal 2023. For further information, refer to the Non-GAAP and Other Financial Measures section.

(5) Return on equity and PCL ratios are presented on an annualized basis.

Certain comparative figures have been reclassified to conform with the current period's presentation.

Q3 2024 vs. Q3 2023

U.S. P&C reported net income was \$470 million, a decrease of \$32 million or 6% from the prior year. The impact of the stronger U.S. dollar increased revenue, expenses, and net income by 3%, respectively. All amounts in the remainder of this section are on a U.S. dollar basis.

Reported net income was \$344 million, a decrease of \$32 million or 9% from the prior year.

Total revenue was \$1,789 million, a decrease of \$22 million or 1% from the prior year. Net interest income was relatively unchanged, as growth in deposit and loan balances was largely offset by lower net interest margins. Non-interest revenue decreased \$25 million or 8%, primarily due to lower deposit and card fee revenue. Net interest margin of 3.73% decreased 5 basis points, primarily due to lower deposit margins as customers migrated to higher cost deposits, partially offset by deposits growing faster than loans.

Personal and Business Banking revenue decreased \$43 million or 6%, due to lower net interest income and non-interest revenue. Commercial Banking revenue increased \$21 million or 2%, due to higher net interest income, partially offset by lower non-interest revenue.

Total provision for credit losses was \$286 million, an increase of \$132 million from the prior year. The provision for credit losses on impaired loans was \$267 million, an increase of \$180 million, largely due to higher provisions in Commercial Banking, primarily in the manufacturing and wholesale trade sectors. There was a \$19 million provision for credit losses on performing loans in the current quarter, compared with a \$67 million provision in the prior year.

Non-interest expense was \$1,089 million, a decrease of \$75 million or 6% from the prior year, primarily due to realized cost synergies related to the Bank of the West acquisition and our focus on operational efficiencies, including lower severance in the current year.

Average gross loans and acceptances decreased \$1.4 billion or 1% from the prior year to \$151.3 billion. Personal and Business Banking loan balances decreased 6%, primarily due to the sale of a portfolio of recreational vehicle loans, partially offset by an increase in Commercial Banking loan balances of 1%. Average total deposits increased \$6.3 billion or 4% from the prior year. Personal and Business Banking deposits increased 10% and Commercial Banking deposits decreased 2%.

Q3 2024 vs. Q2 2024

Reported net income decreased \$73 million or 13% from the prior quarter. The impact of the stronger U.S. dollar increased revenue, expenses, and net income by 1%, respectively. All amounts in the remainder of this section are on a U.S. dollar basis.

Reported net income decreased \$54 million or 14% from the prior quarter.

Total revenue increased \$36 million or 2% from the prior quarter. Net interest income increased \$37 million or 3%, primarily due to the impact of two additional days in the current quarter and higher loan and deposit balances, partially offset by lower net interest margins. Non-interest revenue was relatively unchanged from the prior quarter. Net interest margin of 3.73% decreased 3 basis points from the prior quarter, driven by lower deposit and loan margins.

Personal and Business Banking revenue increased \$14 million and Commercial Banking revenue increased \$22 million, both increasing 2% due to higher net interest income.

Total provision for credit losses increased \$80 million from the prior quarter. The provision for credit losses on impaired loans increased \$56 million, due to higher provisions in Commercial Banking and in Personal and Business Banking. There was a \$19 million provision for credit losses on performing loans in the current quarter, compared with a recovery of \$5 million in the prior quarter.

Non-interest expense increased \$31 million or 3% from the prior quarter, primarily due to higher employee-related expenses and higher technology and advertising costs.

Average gross loans and acceptances increased \$2.3 billion or 2% from the prior quarter. Personal and Business Banking loan balances increased 4% and Commercial Banking loan balances increased 1%. Average total deposits increased \$1.5 billion or 1% from the prior quarter. Personal and Business Banking deposits and Commercial Banking deposits both increased 1%.

Q3 YTD 2024 vs. Q3 YTD 2023

Reported net income was \$1,573 million, a decrease of \$325 million or 17% from the prior year. The impact of the stronger U.S. dollar increased revenue, expenses, and net income by 1%, respectively. All amounts in the remainder of this section are on a U.S. dollar basis.

Reported net income was \$1,161 million, a decrease of \$249 million or 18% from the prior year.

Total revenue was \$5,375 million, an increase of \$397 million or 8% from the prior year, due to the inclusion of an additional quarter of Bank of the West results. Net interest income increased \$386 million or 9%, primarily due to higher deposit and loan balances, partially offset by lower net interest margins. Non-interest revenue increased \$11 million or 1%, primarily due to higher deposit, lending and card fee revenue. Net interest margin of 3.78% decreased 13 basis points from prior year, primarily due to lower deposit and loan margins, partially offset by deposits growing faster than loans.

Personal and Business Banking revenue increased \$195 million or 10% and Commercial Banking revenue increased \$202 million or 7%, primarily due to higher net interest income, and modestly higher non-interest revenue.

Total provision for credit losses was \$709 million, an increase of \$462 million from the prior year. The provision for credit losses on impaired loans was \$615 million, an increase of \$451 million, due to higher provisions in Commercial Banking in several sectors and in Personal and Business Banking. There was a \$94 million provision for credit losses on performing loans in the current year, compared with a \$83 million provision in the prior year.

Non-interest expense was \$3,241 million, an increase of \$346 million or 12% from the prior year, primarily reflecting the impact of an additional quarter of Bank of the West, net of realized cost synergies.

Average gross loans and acceptances increased \$14.4 billion or 11% from the prior year to \$150.8 billion, due to the impact of an additional quarter of Bank of the West. Commercial Banking loan balances increased 7% and Personal and Business Banking loan balances increased 26%. Average total deposits increased \$18.7 billion or 13% to \$162.3 billion. Personal and Business Banking deposits increased 23% and Commercial Banking balances increased 5%.

For further information on non-GAAP amounts, measures, and ratios in this Review of Operating Groups' Performance section, refer to the Non-GAAP and Other Financial Measures section.

BMO Wealth Management ⁽¹⁾

(Canadian \$ in millions, except as noted)	Q3-2024	Q2-2024	Q3-2023	YTD-2024	YTD-2023
Net interest income	326	322	357	973	1,027
Non-interest revenue (2)	1,113	1,071	1,168	3,187	2,919
Total revenue (2)	1,439	1,393	1,525	4,160	3,946
Provision for credit losses on impaired loans	1	6	1	10	3
Provision for (recovery of) credit losses on performing loans	(10)	(13)	6	(13)	14
Total provision for (recovery of) credit losses (PCL)	(9)	(7)	7	(3)	17
Non-interest expense	969	978	990	2,944	2,888
Income before income taxes	479	422	528	1,219	1,041
Provision for income taxes	117	102	132	297	246
Reported net income	362	320	396	922	795
Amortization of acquisition-related intangible assets (3)	2	2	1	5	3
Adjusted net income	364	322	397	927	798
Adjusted non-interest expense	966	975	988	2,937	2,883
Net income available to common shareholders	359	318	394	915	789
Adjusted net income available to common shareholders	361	320	395	920	792
Key Performance Metrics					
Wealth and Asset Management reported net income	300	252	209	739	622
Wealth and Asset Management adjusted net income	302	254	210	744	625
Insurance reported net income (loss)	62	68	187	183	173
Return on equity (%) (4) (5)	29.7	27.2	31.7	25.7	23.1
Adjusted return on equity (%) (4) (5)	29.8	27.4	31.7	25.9	23.2
Reported efficiency ratio (%)	67.3	70.3	64.9	70.8	73.2
Adjusted efficiency ratio (%) (6)	67.1	70.1	64.8	70.6	73.1
Operating leverage (%)	(3.4)	7.0	(22.6)	3.4	1.8
Adjusted operating leverage (%) (6)	(3.3)	7.1	6.3	3.5	(7.0)
PCL on impaired loans to average net loans and acceptances (%) (5)	0.01	0.06	0.01	0.03	0.01
Average assets	65,428	63,673	62,034	63,877	59,446
Average gross loans and acceptances	43,384	42,310	42,483	42,506	40,253
Average deposits	62,406	60,564	62,787	61,021	61,720
Assets under administration (7)	359,213	341,422	432,828	359,213	432,828
Assets under management	409,627	385,936	340,184	409,627	340,184
U.S. Business Select Financial Data (US\$ in millions)					
Total revenue	196	184	209	575	564
Non-interest expense	137	141	161	429	440
Reported net income	49	36	32	114	88
Adjusted non-interest expense	135	139	160	424	437
Adjusted net income	51	37	32	118	90
Average gross loans and acceptances	10,712	10,435	11,088	10,474	9,442
Average deposits	11,376	11,346	13,720	11,427	11,689

(1) Adjusted results and ratios are on a non-GAAP basis and are discussed in the Non-GAAP and Other Financial Measures section.

(2) Effective the first quarter of 2024, the bank adopted IFRS 17, and retrospectively applied it to fiscal 2023 results. For further information, refer to the Changes in Accounting Policies section.

(3) Amortization of acquisition-related intangible assets, recorded in non-interest expense.

(4) Return on equity is based on allocated capital. Effective fiscal 2024, the capital allocation rate increased to 11.5% of risk-weighted assets, compared with 11.0% in fiscal 2023. For further information, refer to the Non-GAAP and Other Financial Measures section.

(5) Return on equity and PCL ratios are presented on an annualized basis.

(6) Prior to November 1, 2022, we presented adjusted revenue on a basis net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Beginning the first quarter of 2023, we no longer report CCPB given the adoption and retrospective application of IFRS 17. For periods prior to November 1, 2022, operating leverage was calculated based on revenue, net of CCPB. Revenue, net of CCPB, was \$1,286 million in Q3-2022, \$1,288 million in Q2-2022, and \$1,321 million in Q1-2022. 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.

(7) Certain assets under management that are also administered by the bank are included in assets under administration.

Certain comparative figures have been reclassified to conform with the current period's presentation.

Q3 2024 vs. Q3 2023

BMO Wealth Management reported net income was \$362 million, a decrease of \$34 million or 9% from the prior year. Wealth and Asset Management reported net income was \$300 million, an increase of \$91 million or 44%, and Insurance net income was \$62 million, a decrease of \$125 million.

Total revenue was \$1,439 million, a decrease of \$86 million or 6% from the prior year. Revenue in Wealth and Asset Management was \$1,342 million, an increase of \$82 million or 7%, primarily due to growth in client assets, including the impact of stronger global markets, partially offset by lower net interest income. Insurance revenue was \$97 million, a decrease of \$168 million from the prior year, primarily due to changes in portfolio positioning during the transition to IFRS 17.

Total recovery of the provision for credit losses was \$9 million, compared with a provision of \$7 million in the prior year.

Non-interest expense was \$969 million, a decrease of \$21 million or 2%, primarily due to higher severance in the prior year and operational efficiencies, partially offset by higher revenue-based costs.

Assets under management increased \$69.4 billion or 20% from the prior year to \$409.6 billion, driven by stronger global markets, higher net client assets and favourable foreign exchange movements. Assets under administration decreased \$73.6 billion or 17% to \$359.2 billion, primarily due to the exit of our Institutional Trust Services operations in the first quarter of fiscal 2024, partially offset by stronger global markets and favourable foreign exchange movements. Average gross loans increased 2% and average deposits decreased 1%.

Q3 2024 vs. Q2 2024

Reported net income increased \$42 million or 13% from the prior quarter. Wealth and Asset Management reported net income increased \$48 million or 19%, and Insurance net income decreased \$6 million or 8%.

Total revenue increased \$46 million or 3% from the prior quarter. Wealth and Asset Management revenue increased \$51 million or 4%, primarily due to growth in client assets, including stronger global markets, and the impact of two additional days in the current quarter. Insurance revenue decreased \$5 million.

Total recovery of the provision for credit losses was \$9 million, compared with a \$7 million recovery in the prior quarter.

Non-interest expense decreased \$9 million or 1%.

Assets under management increased \$23.7 billion or 6% from the prior quarter, reflecting stronger global markets and higher net client assets. Assets under administration increased \$17.8 billion or 5%, primarily due to stronger global markets. Average gross loans and average deposits both increased by 3%.

Q3 YTD 2024 vs. Q3 YTD 2023

Reported net income was \$922 million, an increase of \$127 million or 16% from the prior year. Wealth and Asset Management reported net income was \$739 million, an increase of \$117 million or 19%, and Insurance net income was \$183 million, an increase of \$10 million or 5%.

Total revenue was \$4,160 million, an increase of \$214 million or 5%. Revenue in Wealth and Asset Management was \$3,880 million, an increase of \$197 million or 5%, due the inclusion of an additional quarter of Bank of the West results, growth in client assets, including the impact of stronger global markets, and higher revenue from online brokerage transactions, partially offset by lower net interest income. Insurance revenue was \$280 million, an increase of \$17 million, reflecting changes in portfolio positioning during the transition to IFRS 17.

Total recovery of the provision for credit losses was \$3 million, compared with a total provision of \$17 million in the prior year. The provision for credit losses on impaired loans was \$10 million, an increase of \$7 million. There was a \$13 million recovery of the provision for credit losses on performing loans, compared with a provision of \$14 million in the prior year.

Non-interest expense was \$2,944 million, an increase of \$56 million or 2%, reflecting the impact of Bank of the West and higher revenue-based costs, partially offset by operational efficiencies and higher severance in the prior year.

For further information on non-GAAP amounts, measures and ratios in this Review of Operating Groups' Performance section, refer to the Non-GAAP and Other Financial Measures section.

BMO Capital Markets ⁽¹⁾

(Canadian \$ in millions, except as noted)	Q3-2024	Q2-2024	Q3-2023	YTD-2024	YTD-2023
Net interest income (teb) (2)	479	358	568	1,342	1,860
Non-interest revenue	1,187	1,303	895	3,574	2,881
Total revenue (teb) (2)	1,666	1,661	1,463	4,916	4,741
Provision for (recovery of) credit losses on impaired loans	92	61	1	164	(2)
Provision for (recovery of) credit losses on performing loans	36	(9)	9	(6)	19
Total provision for credit losses (PCL)	128	52	10	158	17
Non-interest expense	1,047	1,028	1,075	3,191	3,226
Income before income taxes	491	581	378	1,567	1,498
Provision for income taxes (teb) (2)	102	122	83	326	345
Reported net income	389	459	295	1,241	1,153
Acquisition and integration costs (3)	1	2	1	13	6
Amortization of acquisition-related intangible assets (4)	4	5	5	14	15
Adjusted net income	394	466	301	1,268	1,174
Adjusted non-interest expense	1,041	1,019	1,066	3,155	3,198
Net income available to common shareholders	380	450	287	1,214	1,128
Adjusted net income available to common shareholders	385	457	293	1,241	1,149

Key Performance Metrics

Global Markets revenue	1,000	1,008	863	2,960	2,888
Investment and Corporate Banking revenue	666	653	600	1,956	1,853
Return on equity (%) (5) (6)	11.4	14.1	9.7	12.3	12.8
Adjusted return on equity (%) (5) (6)	11.6	14.3	9.9	12.6	13.1
Operating leverage (teb) (%)	16.4	8.2	(0.1)	4.8	(11.4)
Adjusted operating leverage (teb) (%)	16.2	8.1	-	5.0	(11.2)
Efficiency ratio (teb) (%)	62.9	61.9	73.5	64.9	68.0
Adjusted efficiency ratio (teb) (%)	62.5	61.3	72.9	64.2	67.4
PCL on impaired loans to average net loans and acceptances (%) (6)	0.44	0.29	-	0.26	-
Average assets	475,893	455,916	453,798	456,676	463,156
Average gross loans and acceptances	84,573	82,878	77,994	83,235	76,623

U.S. Business Select Financial Data (US\$ in millions)

Total revenue (teb) (2)	552	577	504	1,719	1,450
Non-interest expense	398	378	398	1,205	1,205
Reported net income	55	121	64	307	165
Adjusted non-interest expense	396	374	394	1,189	1,193
Adjusted net income	57	124	67	319	174
Average assets	160,561	149,206	160,492	150,510	161,056
Average gross loans and acceptances	32,189	31,760	29,273	31,823	28,600

(1) Adjusted results and ratios are on a non-GAAP basis and are discussed in the Non-GAAP and Other Financial Measures section.

(2) Beginning January 1, 2024, we did not take the deduction for certain Canadian dividends received in BMO Capital Markets due to proposed legislation, and as a result, we no longer reported this revenue on a teb basis. This proposed legislation was enacted in the third quarter of fiscal 2024. For further information, refer to the Other Regulatory Developments section. Teb amounts of \$1 million recovery in Q3-2024, \$2 million in Q2-2024 and \$81 million in Q3-2023; and \$20 million for YTD-2024 and \$235 million for YTD-2023 were recorded in net interest income, revenue and provision for income taxes, and were reflected in the ratios. Teb amounts for our U.S. businesses were \$1 million in Q3-2024, \$nil in both Q2-2024 and Q3-2023; \$1 million for YTD-2024 and \$nil for YTD-2023.

(3) Clearpool and Radicle pre-tax acquisition and integration costs, recorded in non-interest expense.

(4) Amortization of acquisition-related intangible assets, recorded in non-interest expense.

(5) Return on equity is based on allocated capital. Effective fiscal 2024, the capital allocation rate increased to 11.5% of risk-weighted assets, compared with 11.0% in fiscal 2023. For further information, refer to the Non-GAAP and Other Financial Measures section.

(6) Return on equity and PCL ratios are presented on an annualized basis.

Certain comparative figures have been reclassified to conform with the current period's presentation.

Q3 2024 vs. Q3 2023

BMO Capital Markets reported net income was \$389 million, an increase of \$94 million or 32% from the prior year.

Total revenue was \$1,666 million, an increase of \$203 million or 14% from the prior year. Global Markets revenue increased \$137 million or 16%, primarily due to higher interest rate and equities trading revenue. Investment and Corporate Banking revenue increased \$66 million or 11%, due to higher underwriting and advisory fee revenue and corporate banking-related revenue.

Total provision for credit losses was \$128 million, an increase of \$118 million from the prior year. The provision for credit losses on impaired loans was \$92 million, primarily driven by one account in the service sector, compared with a provision of \$1 million in the prior year. There was a \$36 million provision for credit losses on performing loans, compared with a \$9 million provision in the prior year.

Non-interest expense was \$1,047 million, a decrease of \$28 million or 3% from the prior year, primarily due to the impact of legal provisions and higher severance in the prior year, partially offset by higher performance-based and technology costs.

Average gross loans and acceptances of \$84.6 billion increased \$6.6 billion or 8% from the prior year, due to higher lending activity across loan portfolios.

Q3 2024 vs. Q2 2024

Reported net income decreased \$70 million or 15% from the prior quarter.

Total revenue was relatively unchanged from the prior quarter. Global Markets revenue decreased \$8 million or 1%, primarily due to lower trading revenue. Investment and Corporate Banking revenue increased \$13 million or 2%, due to higher advisory fee revenue and corporate banking-related revenue, partially offset by lower underwriting fee revenue.

Total provision for credit losses was \$128 million, an increase of \$76 million from the prior quarter. The provision for credit losses on impaired loans increased \$31 million from the prior quarter. There was a \$36 million provision for credit losses on performing loans in the current quarter, compared with a recovery of \$9 million in the prior quarter.

Non-interest expense increased \$19 million or 2% from the prior quarter, due to higher employee-related costs, partially offset by lower operating expenses.

Average gross loans and acceptances increased \$1.7 billion or 2% from the prior quarter.

Q3 YTD 2024 vs. Q3 YTD 2023

Reported net income was \$1,241 million, an increase of \$88 million or 8% from the prior year.

Total revenue was \$4,916 million, an increase of \$175 million or 4% from the prior year. Global Markets revenue increased \$72 million or 2%, due to higher debt and equity issuances, partially offset by lower trading revenue, including the impact of the elimination of the deduction for certain Canadian dividends. Investment and Corporate Banking revenue increased \$103 million or 6% from the prior year, due to higher underwriting fee and corporate banking-related revenue, partially offset by lower advisory fee revenue and net securities gains.

Total provision for credit losses was \$158 million, an increase of \$141 million from the prior year. The provision for credit losses on impaired loans was \$164 million, primarily in the service, financial and manufacturing sectors, compared with a recovery of \$2 million in the prior year. There was a \$6 million recovery of the provision for credit losses on performing loans, compared with a provision of \$19 million in the prior year.

Non-interest expense was \$3,191 million, a decrease of \$35 million or 1% from the prior year, due to the impact of legal provisions in the prior year and lower employee-related expenses, partially offset by higher technology costs.

Average gross loans and acceptances of \$83.2 billion increased \$6.6 billion or 9% from the prior year, due to higher lending activity across loan portfolios.

For further information on non-GAAP amounts, measures and ratios in this Review of Operating Groups' Performance section, refer to the Non-GAAP and Other Financial Measures section.

Corporate Services ^{(1) (2) (3)}

(Canadian \$ in millions, except as noted)	Q3-2024	Q2-2024	Q3-2023	YTD-2024	YTD-2023
Net interest income before group teb offset	(312)	(302)	13	(894)	(365)
Group teb offset	(8)	(11)	(89)	(47)	(259)
Net interest income (teb)	(320)	(313)	(76)	(941)	(624)
Non-interest revenue	46	25	10	(98)	(1,578)
Total revenue (teb)	(274)	(288)	(66)	(1,039)	(2,202)
Provision for credit losses on impaired loans	14	8	17	60	58
Provision for (recovery of) credit losses on performing loans	(9)	(27)	(5)	(23)	666
Total provision for (recovery of) credit losses	5	(19)	12	37	724
Non-interest expense	71	181	712	852	1,987
Income (loss) before income taxes	(350)	(450)	(790)	(1,928)	(4,913)
Provision for (recovery of) income taxes (teb)	(80)	(122)	(281)	(508)	(1,143)
Reported net income (loss)	(270)	(328)	(509)	(1,420)	(3,770)
Acquisition and integration costs (4)	16	22	363	84	1,086
Management of fair value changes on the purchase of Bank of the West (5)	-	-	-	-	1,461
Legal provision (including related interest expense and legal fees) (6)	13	12	(3)	36	9
Impact of Canadian tax measures (7)	-	-	131	-	502
Impact of loan portfolio sale (8)	-	-	-	136	-
FDIC special assessment (9)	5	50	-	368	-
Initial provision for credit losses on purchased performing loans (10)	-	-	-	-	517
Adjusted net loss	(236)	(244)	(18)	(796)	(195)
Adjusted total revenue (teb) (11)	(260)	(274)	75	(833)	(37)
Adjusted total provision for (recovery of) credit losses	5	(19)	12	37	19
Adjusted non-interest expense	40	83	210	244	526
Net income (loss) available to common shareholders	(288)	(436)	(517)	(1,554)	(3,886)
Adjusted net loss available to common shareholders	(254)	(352)	(26)	(930)	(311)
U.S. Business Select Financial Data (US\$ in millions)					
Total revenue	(10)	57	246	(59)	(1,031)
Total provision for (recovery of) credit losses	2	(16)	3	5	523
Non-interest expense	8	70	440	483	1,232
Provision for (recovery of) income taxes (teb)	(11)	(1)	(68)	(147)	(774)
Reported net income (loss)	(9)	4	(129)	(400)	(2,012)
Adjusted total revenue	-	68	248	94	486
Adjusted total (recovery of) provision for credit losses	2	(16)	3	5	6
Adjusted non-interest expense	(14)	(1)	77	36	164
Adjusted net income (loss)	15	66	143	61	272

(1) Adjusted results are on a non-GAAP basis and are discussed in the Non-GAAP and Other Financial Measures section.

(2) Due to the increase in the bank's investments in Low Income Housing Tax Credit (LIHTC) entities following our acquisition of Bank of the West, we have updated our accounting policy related to the presentation of returns from these investments in the consolidated statement of income, effective the fourth quarter of 2023. As a result, amounts previously recorded in non-interest expense and provision for income taxes are both recorded in non-interest revenue. Fiscal 2023 comparatives have been reclassified to conform with the current period's methodology.

(3) 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. Fiscal 2023 comparatives have been reclassified to conform with the current period's methodology.

(4) Reported net loss included acquisition and integration costs related to the acquisition of Bank of the West, recorded in non-interest expense.

(5) Reported net loss in Q1-2023 included losses of \$1,461 million (\$2,011 million pre-tax) related to the acquisition of Bank of the West, comprising \$1,628 million of mark-to-market losses on certain interest rate swaps recorded in non-interest trading revenue and \$383 million of losses on a portfolio of primarily U.S. treasuries and other balance sheet instruments recorded in net interest income.

(6) Reported net loss included the impact of a lawsuit associated with a predecessor bank, M&I Marshall and Ilsley Bank: Q3-2024 included \$13 million (\$18 million pre-tax), comprising \$14 million interest expense and non-interest expense of \$4 million; Q2-2024 included \$12 million (\$15 million pre-tax), comprising \$14 million interest expense and non-interest expense of \$1 million; Q1-2024 included \$11 million (\$15 million pre-tax), comprising \$14 million interest expense and non-interest expense of \$1 million; Q3-2023 included a net recovery of \$3 million (\$4 million pre-tax), comprising \$3 million interest expense, and a \$7 million recovery of non-interest expense; Q2-2023 included \$6 million (\$7 million pre-tax) of interest expense; and Q1-2023 included \$6 million (\$8 million pre-tax), comprising interest expense of \$6 million and a non-interest expense of \$2 million. For further information, refer to the Provisions and Contingent Liabilities section in Note 24 of the audited annual consolidated financial statements of BMO's 2023 Annual Report.

(7) Reported net loss included the impact of certain tax measures enacted by the Canadian government, comprising a charge of \$131 million (\$160 million pre-tax) related to the amended GST/HST definition for financial services in Q3-2023 and a one-time tax expense of \$371 million in Q1-2023, primarily related to the Canada Recovery Dividend.

(8) Reported net loss in Q1-2024 included a net accounting loss of \$136 million (\$164 million pre-tax) on the sale of a portfolio of recreational vehicle loans related to balance sheet optimization, recorded in non-interest revenue.

(9) Reported net loss in Q3-2024 included a U.S. Federal Deposit Insurance Corporation (FDIC) special assessment of \$5 million (\$6 million pre-tax), recorded in non-interest expense; Q2-2024 included \$50 million (\$67 million pre-tax) and Q1-2024 included \$313 million (\$417 million pre-tax).

(10) Reported net loss in Q2-2023 included an initial provision for credit losses of \$517 million (\$705 million pre-tax) on the purchased Bank of the West performing loan portfolio.

(11) Group taxable equivalent basis (teb) offset amounts for our U.S. businesses were US\$7 million in Q3-2024, and US\$6 million in both Q2-2024 and Q3-2023, recorded in revenue and provision for (recovery of) income taxes. YTD Q3-2024 included US\$20 million and YTD Q3-2023 included US\$18 million.

Adjusted results exclude the impact of the items described in footnotes (4) to (10).

Certain comparative figures have been reclassified to conform with the current period's presentation.

Q3 2024 vs. Q3 2023

Corporate Services reported net loss was \$270 million, compared with reported net loss of \$509 million in the prior year, and adjusted net loss was \$236 million, compared with adjusted net loss of \$18 million.

The lower reported net loss was driven by lower acquisition and integration costs and the impact of tax measures in the prior year.

The higher adjusted net loss, which excluded the above items, was driven by lower revenue due to the impact of treasury-related activities and lower net accretion of purchase accounting fair value marks, partially offset by lower expenses, primarily due to lower technology costs and higher severance in the prior year.

Q3 2024 vs. Q2 2024

Reported net loss was \$270 million, compared with reported net loss of \$328 million in the prior quarter, and adjusted net loss was \$236 million, compared with adjusted net loss of \$244 million.

On a reported basis, net loss decreased due to a lower U.S. Federal Deposit Insurance Corporation (FDIC) special assessment charge in the current quarter.

Adjusted net loss excluded the above item and was relatively unchanged from the prior quarter, with higher revenue and lower expenses, partially offset by a higher provision for credit losses.

Q3 YTD 2024 vs. Q3 YTD 2023

Reported net loss was \$1,420 million, compared with reported net loss of \$3,770 million in the prior year. The prior year included the impact of fair value management actions related to the acquisition of Bank of the West, the initial provision for credit losses on the purchased Bank of the West performing loan portfolio, and the impact of certain Canadian tax measures enacted by the Canadian government. The current year included the FDIC special assessment charge and the loss on the sale of a portfolio of recreational vehicle loans. Both the current and prior years included acquisition and integration costs. The lower reported net loss primarily reflected the items noted above.

Adjusted net loss was \$796 million, compared with adjusted net loss of \$195 million in the prior year, with the higher net loss driven by lower revenue, partially offset by lower expenses.

Adjusted revenue decreased due to the impact of treasury-related activities, including market volatility on hedge positions, lower net accretion of purchase accounting fair value marks and higher earnings on the investment of unallocated capital in the prior year, in advance of the close of the Bank of the West acquisition.

Total provision for credit losses was \$37 million, compared with a reported provision of \$724 million and an adjusted provision of \$19 million in the prior year. The provision for credit losses on impaired loans increased \$2 million. The provision for credit losses on performing loans decreased \$689 million from the prior year on a reported basis, and increased \$16 million on an adjusted basis.

Adjusted expenses decreased, primarily due to the impact of the consolidation of certain U.S. retirement benefit plans in the current year and higher severance in the prior year.

For further information on non-GAAP amounts in this Review of Operating Groups' Performance section, refer to the Non-GAAP and Other Financial Measures section.

Summary Quarterly Earnings Trends ⁽¹⁾

(Canadian \$ in millions, except as noted)	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023	Q2-2023	Q1-2023	Q4-2022
Revenue (2)	8,192	7,974	7,672	8,319	8,052	7,789	5,099	10,570
Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	-	-	-	-	-	-	-	(369)
Revenue, net of CCPB (2) (3)	8,192	7,974	7,672	8,319	8,052	7,789	5,099	10,939
Provision for credit losses on impaired loans	828	658	473	408	333	243	196	192
Provision for credit losses on performing loans	78	47	154	38	159	780	21	34
Total provision for credit losses	906	705	627	446	492	1,023	217	226
Non-interest expense	4,839	4,844	5,389	5,679	5,572	5,501	4,382	4,776
Income before income taxes	2,447	2,425	1,656	2,194	1,988	1,265	500	5,937
Provision for income taxes	582	559	364	484	423	236	367	1,454
Reported net income	1,865	1,866	1,292	1,710	1,565	1,029	133	4,483
Initial provision for credit losses on purchased performing loans (4)	-	-	-	-	-	517	-	-
Acquisition and integration costs (5)	19	26	57	433	370	549	181	145
Amortization of acquisition-related intangible assets (6)	79	79	84	88	85	85	6	6
Impact of divestitures (7)	-	-	-	-	-	-	-	(8)
Management of fair value changes on the purchase of Bank of the West (8)	-	-	-	-	-	-	1461	(3,336)
Legal Provision (9)	13	12	11	12	(3)	6	6	846
Impact of Canadian tax measures (10)	-	-	-	-	131	-	371	-
Impact of loan portfolio sale (11)	-	-	136	-	-	-	-	-
FDIC special assessment (12)	5	50	313	-	-	-	-	-
Adjusted net income	1,981	2,033	1,893	2,243	2,148	2,186	2,158	2,136
Operating Group Reported and Adjusted Net Income								
Canadian P&C reported net income (13)	914	872	921	922	881	819	951	909
Acquisition and integration costs (5)	2	2	1	1	6	2	-	-
Amortization of acquisition-related intangible assets (6)	4	3	3	3	2	1	-	-
Canadian P&C adjusted net income (13)	920	877	925	926	889	822	951	909
U.S. P&C reported net income (13)	470	543	560	591	502	731	665	631
Amortization of acquisition-related intangible assets (6)	69	69	75	79	77	77	1	2
U.S. P&C adjusted net income (13)	539	612	635	670	579	808	666	633
BMO Wealth Management reported net income (2) (3)	362	320	240	351	396	240	159	294
Amortization of acquisition-related intangible assets (6)	2	2	1	1	1	1	1	-
BMO Wealth Management adjusted net income (2) (3)	364	322	241	352	397	241	160	294
BMO Capital Markets reported net income	389	459	393	472	295	370	488	343
Acquisition and integration costs (5)	1	2	10	(2)	1	2	3	2
Amortization of acquisition-related intangible assets (6)	4	5	5	5	5	6	4	4
BMO Capital Markets adjusted net income	394	466	408	475	301	378	495	349
Corporate Services reported net income (loss) (13)	(270)	(328)	(822)	(626)	(509)	(1,131)	(2,130)	2,306
Initial provision for credit losses on purchased performing loans (4)	-	-	-	-	-	517	-	-
Acquisition and integration costs (5)	16	22	46	434	363	545	178	143
Impact of divestitures (7)	-	-	-	-	-	-	-	(8)
Management of fair value changes on the purchase of Bank of the West (8)	-	-	-	-	-	-	1,461	(3,336)
Legal Provision (9)	13	12	11	12	(3)	6	6	846
Impact of Canadian tax measures (10)	-	-	-	-	131	-	371	-
Impact of loan portfolio sale (11)	-	-	136	-	-	-	-	-
FDIC special assessment (12)	5	50	313	-	-	-	-	-
Corporate Services adjusted net income (loss) (13)	(236)	(244)	(316)	(180)	(18)	(63)	(114)	(49)
Basic earnings per share (\$)	2.49	2.36	1.73	2.19	2.13	1.27	0.14	6.52
Diluted earnings per share (\$)	2.48	2.36	1.73	2.19	2.12	1.26	0.14	6.51
Adjusted diluted earnings per share (\$)	2.64	2.59	2.56	2.93	2.94	2.89	3.06	3.04

- (1) Adjusted results exclude certain items from reported results and are used to calculate our adjusted measures as presented in the above table. Management assesses performance on a reported basis and an adjusted basis, and considers both to be useful. For further information, refer to the Non-GAAP and Other Financial Measures section, and for details on the composition of non-GAAP amounts, measures and ratios, as well as supplementary financial measures, refer to the Glossary of Financial Terms.
- (2) Effective the first quarter of 2024, the bank adopted IFRS 17, recognizing the cumulative effect of adoption in opening retained earnings and applied it retrospectively to fiscal 2023 results. For further information, refer to the Changes in Accounting Policies section.
- (3) Prior to November 1, 2022, we presented adjusted revenue on a basis that is net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Beginning the first quarter of 2023, we no longer report CCPB given the adoption and retrospective application of IFRS 17. Revenue, net of CCPB, was \$10,939 million in Q4-2022. 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.
- (4) Reported net income in Q2-2023 included a provision for credit losses on the acquired Bank of the West performing loan portfolio, recorded in Corporate Services.
- (5) Reported net income included acquisition and integration costs recorded in non-interest expense, with costs related to the acquisition of Bank of the West recorded in Corporate Services, costs related to Radicle and Clearpool recorded in BMO Capital Markets, and costs related to the acquisition of AIR MILES recorded in Canadian P&C.
- (6) Reported net income included amortization of acquisition-related intangible assets recorded in non-interest expense in the related operating group.
- (7) Reported net income in fiscal 2022 included the impact of divestitures related to the sale of our EMEA and U.S. Asset Management businesses, recorded in Corporate Services.
- (8) Reported net income included revenue (losses) related to the acquisition of Bank of the West resulting from the management of the impact of interest rate changes between the announcement and closing on its fair value and goodwill, recorded in Corporate Services.
- (9) Reported net income included the impact of a lawsuit associated with a predecessor bank, M&I Marshall and Ilsley Bank, recorded in Corporate Services. For further information, refer to the Provisions and Contingent Liabilities section in Note 24 of the audited annual consolidated financial statements of BMO's 2023 Annual Report.
- (10) Reported net income included the impact of certain tax measures enacted by the Canadian government. Q3-2023 included a charge related to the amended GST/HST definition for financial services and Q1-2023 included a one-time tax expense comprising a Canada Recovery Dividend and the pro-rated fiscal 2022 impact of the 1.5% tax rate increase, net of a deferred tax asset remeasurement. These amounts were recorded in Corporate Services.
- (11) Reported net income in Q1-2024 included a net accounting loss on the sale of a portfolio of recreational vehicle loans related to balance sheet optimization, recorded in Corporate Services.
- (12) Reported net income in Q2-2024 and Q1-2024 included U.S. Federal Deposit Insurance Corporation (FDIC) special assessment charges, recorded in non-interest expense in Corporate Services.
- (13) 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. Fiscal 2023 comparatives have been reclassified to conform with the current period's methodology.
- Certain comparative figures have been reclassified to conform with the current period's presentation.

Earnings in certain quarters are impacted by seasonal factors, such as higher employee expenses related to higher employee benefits and stock-based compensation for employees eligible to retire that are recorded in the first quarter of each year, as well as the impact of fewer days in the second quarter relative to other quarters. Results are also impacted by foreign currency translation. Quarterly EPS is impacted by the semi-annual payment of dividends on certain equity instruments. The table above outlines summary results for the fourth quarter of 2022 through the third quarter of 2024.

On February 1, 2023, we completed the acquisition of Bank of the West, which contributed to the increase in revenue, expenses and provision for credit losses beginning in the second quarter of 2023, with operating results primarily recorded in our U.S. P&C and BMO Wealth Management businesses. In addition, we completed the acquisition of AIR MILES on June 1, 2023, which contributed to the increase in revenue and expenses in our Canadian P&C business beginning in the third quarter of 2023. The impact of the transition to IFRS 17 was retrospectively applied to fiscal 2023 results, while fiscal 2022 results were reported under the previous insurance standard.

Financial performance benefitted from the strength and diversification of our businesses. Results were impacted by a higher interest rate environment and uncertain economic conditions resulting in higher credit provisions, slower loan demand and lower levels of client activity in our market-sensitive businesses.

A number of items impacted reported results in certain quarters. Fiscal 2024 included the impact of a U.S. Federal Deposit Insurance Corporation (FDIC) special assessment in each quarter. The first quarter of 2024 included a loss on the sale of a portfolio of recreational vehicle loans related to balance sheet optimization. The third quarter and first quarter of 2023 included the impact of certain tax measures enacted by the Canadian government. The second quarter of 2023 included an initial provision for credit losses on the purchased Bank of the West performing loan portfolio. The first quarter of 2023 and the fourth quarter of 2022 included revenue (losses) resulting from fair value management actions related to the impact of interest rate changes between the announcement and closing of the Bank of the West acquisition on its fair value and goodwill. The fourth quarter of 2022 included a legal provision related to a lawsuit associated with a predecessor bank, M&I Marshall and Ilsley Bank. All periods included acquisition and integration costs, as well as the amortization of acquisition-related intangible assets, which increased in fiscal 2023, due to the acquisition of Bank of the West.

Revenue growth in Canadian P&C reflected good customer acquisition and volume growth with higher loan and deposit balances, and higher net interest margins. U.S. P&C revenue performance benefitted from the inclusion of Bank of the West, but recent quarters have been impacted by a more muted U.S. banking environment, with reduced loan demand and higher deposit costs. Revenue in BMO Wealth Management benefitted from steady growth in client assets, including the impact of improved global markets in fiscal 2024, while high interest rates resulted in a shift in deposit mix to term deposits and reduced margins. Insurance revenue is subject to variability, resulting from market-related impacts, including changes in portfolio positioning during the transition to IFRS 17. BMO Capital Markets' performance in recent quarters reflected the impact of improving market conditions, particularly in trading and underwriting activities.

Over the past eight quarters, the higher interest rate environment has had a meaningful impact on credit outcomes, resulting in increasing provisions on impaired loans from very low levels and provisions on performing loans through downward credit migration. Performing loan provisions were also impacted by balance growth, partially offset by changes in the macro-economic outlook.

Non-interest expense reflected investments in our business to drive revenue growth, the impact of inflation and acquisitions. The third quarter of fiscal 2023 included severance costs associated with accelerating operational efficiencies across the enterprise, which combined with the benefit of realized cost synergies related to Bank of the West, has reduced expense growth in recent quarters.

The effective tax rate has varied with legislative changes; changes in tax policy, including their interpretation by tax authorities and the courts; earnings mix, including the relative proportion of earnings attributable to the different jurisdictions in which we operate, the level of pre-tax income, and the level of investments or securities which generate tax credits, or tax-exempt income from securities. The reported effective tax rate was impacted by the elimination of the deduction for certain Canadian dividends in BMO Capital Markets in fiscal 2024, certain tax measures enacted by the Canadian government noted above, as well as fair value management actions relating to the acquisition of Bank of the West in the first quarter of 2023 and in fiscal 2022.

For further information on non-GAAP amounts, measures and ratios in this Summary Quarterly Earnings Trends section, refer to the Non-GAAP and Other Financial Measures section.

Transactions with Related Parties

In the ordinary course of business, we provide banking services to our key management personnel on the same terms that we offer to our preferred customers for those services. Key management personnel are defined as those persons having authority and responsibility for planning, directing and/or controlling the activities of an entity, being the directors and most senior executives of the bank. We provide banking services to our joint ventures and associates on the same terms offered to our customers for these services. We also offer employees a subsidy on annual credit card fees.

The bank's policies and procedures for related party transactions did not materially change from October 31, 2023, as described in Note 27 of the audited annual consolidated financial statements of BMO's 2023 Annual Report.

Off-Balance Sheet Arrangements

We enter into a number of off-balance sheet arrangements in the normal course of operations. The most significant of these are structured entities, credit instruments and guarantees, which are described in the Off-Balance Sheet Arrangements section of BMO's 2023 Annual Report. We consolidate our own securitization vehicles, certain capital and funding vehicles, and other structured entities created to meet our own, as well as our customers' needs. We do not consolidate our customer securitization vehicles, certain capital vehicles, various BMO-managed funds or various other structured entities where investments are held. There have been no significant changes to the bank's off-balance sheet arrangements since October 31, 2023.

Accounting Policies and Critical Accounting Estimates and Judgments

Material accounting policies are described in BMO's 2023 Annual Report and in the notes to our annual consolidated financial statements for the year ended October 31, 2023, and in Note 1 of the unaudited interim consolidated financial statements, together with a discussion of certain accounting estimates that are considered particularly important as they require management to make significant judgments, some of which relate to matters that are inherently uncertain. Readers are encouraged to review the discussion in Note 1 of the audited annual consolidated financial statements of BMO's 2023 Annual Report, as well as the updates provided in Note 1 of the unaudited interim consolidated financial statements.

Allowance for Credit Losses

The allowance for credit losses (ACL) consists of allowances on impaired loans, which represent estimated losses related to impaired loans provided for but not yet written off, and allowances on performing loans, which is the bank's best estimate of impairment in the existing portfolio for loans that have not yet been individually identified as impaired. Expected credit losses (ECL) are calculated on a probability-weighted basis, based on the economic scenarios described below, and are calculated for each exposure in the portfolio as a function of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), with the timing of the loss also considered. Where there has been a significant increase in credit risk, remaining lifetime ECL is recorded; otherwise, 12 months of ECL is generally recorded. A significant increase in credit risk considers many different factors and will vary by product and risk segment. The main factors considered in making this determination are the change in PD since origination and certain other criteria, such as delinquency and watchlist status. We may apply experienced credit judgment to reflect factors not captured in the results produced by the ECL models, as we deem necessary. We applied experienced credit judgment to reflect the impact of the uncertain environment on credit conditions and the economy. We have controls and processes in place to govern the ECL process, including judgments and assumptions used in determining the allowance on performing loans. These judgments and assumptions may change over time, and the impact of any such change will be recorded in future periods.

In establishing our allowance for performing loans, we attach probability weightings to economic scenarios which are representative of our view of economic and market conditions. In the second quarter of fiscal 2024, we added a fourth scenario reflecting a less severe downside, allowing us to improve the continuum of ranges of economic forecasts used in the allowance estimation. The base scenario represents our view of the most probable outcome, as well as upside, downside, and severe downside scenarios, all developed by our Economics group.

When changes in economic performance are assessed, we use real GDP as the basis, which acts as the key driver for movements in many of the other economic and market variables used, including equity market and volatility indices, corporate credit spreads, unemployment rates, housing prices and consumer credit. In addition, we also consider industry-specific variables, where applicable. Many of the variables have a high degree of interdependency, and as such, there is no single variable to which the allowance is sensitive.

Our total allowance for credit losses as at July 31, 2024, was \$4,750 million (\$4,267 million as at October 31, 2023) and comprised an allowance on performing loans of \$3,739 million and an allowance on impaired loans of \$1,011 million (\$3,572 million and \$695 million, respectively, as at October 31, 2023). The allowance on performing loans increased \$167 million from the fourth quarter of 2023, primarily driven by portfolio credit migration, model updates, uncertainty in credit conditions as well as higher balances, partially offset by a net improvement in the macro-economic outlook, including the adoption of a fourth economic scenario, and the impact of the sale of a portfolio of recreational vehicle loans.

Information on the Provision for Credit Losses for the three months and nine months ended July 31, 2024, can be found in the Total Provision for Credit Losses section.

For additional information, refer to Risk Management section, Allowance for Credit Losses section of BMO's 2023 Annual Report, Note 4 of the audited annual consolidated financial statements, as well as Note 3 of the unaudited interim consolidated financial statements.

This Accounting Policies and Critical Accounting Estimates and Judgments section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Changes in Accounting Policies

IFRS 17, *Insurance Contracts* and IAS 40, *Investment Property*

Effective November 1, 2023, we adopted IFRS 17, which provides a comprehensive approach to accounting for all types of insurance contracts and replaced existing IFRS 4, *Insurance Contracts*. Upon transition to IFRS 17, we also voluntarily changed our accounting policy for the measurement of investment properties, included in insurance-related assets in other assets in our Consolidated Balance Sheet, from cost to fair value. These changes were applied retrospectively to fiscal 2023 results.

IFRS 9, *Financial Instruments*

Effective November 1, 2023, we voluntarily changed our accounting policy to account for regular way contracts to buy or sell financial assets on trade date, instead of on settlement date, and applied this change retrospectively.

IAS 12, *Income Taxes*

Effective November 1, 2023, we adopted an amendment to IAS 12, *Income Taxes* (IAS 12), which impacts note disclosures in our consolidated financial statements.

For additional information on the above changes, refer to Note 1 of the unaudited interim consolidated financial statements.

Future Changes in Accounting Policies

We monitor the potential changes proposed by the International Accounting Standards Board (IASB) and analyze the effect that changes in the standards may have on BMO's financial reporting and accounting policies. New standards and amendments to existing standards, which are effective for the bank in the future, can be found in Note 1 of the audited annual consolidated financial statements of BMO's 2023 Annual Report and in Note 1 of the unaudited interim consolidated financial statements.

Other Regulatory Developments

We continue to monitor and prepare for regulatory developments, including those referenced elsewhere in this document.

For a comprehensive discussion of other regulatory developments, refer to the Enterprise-Wide Capital Management section, the Risks That May Affect Future Results section, the Liquidity and Funding Risk section, and the Legal and Regulatory Risk section of BMO's 2023 Annual Report.

New Canadian Tax Measures

On June 20, 2024, the Canadian government enacted legislation that contained a number of measures, including a rule that would, in certain circumstances, deny deductions for dividends that are received after 2023. Beginning January 1, 2024, we no longer reported this revenue related to certain Canadian dividends on a taxable equivalent basis in BMO Capital Markets.

In addition, the legislation included the *Global Minimum Tax Act*, which introduced a 15% global minimum tax on income earned by large multinational groups. The global minimum tax rules will be effective for our fiscal year beginning November 1, 2024.

For additional information, refer to Note 1 of the unaudited interim consolidated financial statements.

U.S. Federal Deposit Insurance Corporation Assessment

In November 2023, the U.S. Federal Deposit Insurance Corporation (FDIC) approved the final rule to implement the special assessment on depository institutions to recover the losses incurred in the deposit insurance fund that were attributable to the protection of uninsured depositors of Silicon Valley Bank and Signature Bank. BMO recorded a \$417 million (\$313 million after-tax) charge related to the FDIC special assessment in the first quarter of fiscal 2024. In February 2024, the FDIC provided an update to the special assessment on losses to the deposit insurance fund, as well as the potential recoveries expected to reduce these estimated losses. As a result, we recorded an additional charge of \$50 million (\$67 million pre-tax) in non-interest expense in the second quarter of fiscal 2024, and a \$5 million (\$6 million pre-tax) charge in the third quarter of fiscal 2024.

Interbank Offered Rate (IBOR) Reform

BMO has transitioned all Canadian Dollar Offered Rate (CDOR) settings to alternative reference rates, except for certain loans for which the interest rate will reset after July 31, 2024. For additional details regarding interest rate benchmarks, refer to Note 1 of the audited annual consolidated financial statements of BMO's 2023 Annual Report.

This Other Regulatory Developments section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Risk Management

BMO's risk management policies and processes to identify, measure, manage, monitor, mitigate and report its credit and counterparty, market, insurance, liquidity and funding, operational, including technology and cyber-related risks, legal and regulatory, strategic, environmental and social, and reputation risks are outlined in the Enterprise-Wide Risk Management section of BMO's 2023 Annual Report.

Top and Emerging Risks That May Affect Future Results

BMO's top and emerging risks and other factors that may affect future results are described in the Enterprise-Wide Risk Management section of BMO's 2023 Annual Report. The following is an update to the 2023 Annual Report.

Update on General Economic Conditions

Economic conditions impact BMO's financial results, operational efficiency, strategic direction and our clients and customers. Sources of potential risk to economic conditions may include the degree of GDP growth, monetary and fiscal policies, interest rates, unemployment levels and geopolitical risk.

The current credit cycle has led to increased provisions for credit losses from historically low levels, reflecting the impact of prolonged high interest rates, shifting consumer preferences on businesses and higher insolvencies. Though easing, interest rates remain high, and our customers could be affected by higher financing costs, leading to continued credit migration, delinquencies and further increases to the bank's provisions for loan losses in the near term. Management actively monitors the economic environment to proactively take appropriate actions to respond to uncertainties and reduce the impact on the bank's results, as any significant changes may affect our operations, clients and customers.

The conflicts in Ukraine and the Middle East continue to pose significant geopolitical risk, giving rise to greater risk exposures in capital flows, trade and commodity markets worldwide. The potential of an escalation could have adverse impacts on the economy and inflation, including on the bank, our customers, and our third-party relationships. Additionally, the outcome of the November 2024 U.S. presidential and congressional elections could increase economic uncertainty, especially relating to trade protectionism and the budget deficit. We monitor and assess our businesses regularly, and the impact on our customers and third parties.

For further information on the North American economic outlook, refer to the Economic Developments and Outlook section.

Real Estate Secured Lending

Real Estate Secured Lending includes residential mortgage and home equity line of credit (HELOC) exposures. The following tables provide a breakdown of residential mortgages and home equity lines of credit by geographic region, as well as insured and uninsured balances. Residential mortgages and home equity lines of credit are secured by residential properties.

Canadian Real Estate Secured Lending

(Canadian \$ in millions, except as noted)	Residential mortgages	Amortizing home equity lines of credit	Total amortizing real estate secured lending	Non-amortizing real estate secured lending	Total Canadian real estate secured lending
As at July 31, 2024	155,781	36,116	191,897	13,431	205,328
As at April 30, 2024	151,770	35,683	187,453	13,267	200,720

Residential Mortgages ⁽¹⁾

As at July 31, 2024						As at April 30, 2024					
(Canadian \$ in millions, except as noted)											
Outstanding Balances					For the three months ended	Outstanding Balances					For the three months ended
Region (2)	Insured (3)	Uninsured	Total	% of total	Average LTV uninsured (4)	Insured (3)	Uninsured	Total	% of total	Average LTV uninsured (4)	
Atlantic	3,291	3,657	6,948	3.7%	70%	3,317	3,479	6,796	3.8%	70%	
Quebec	9,001	13,430	22,431	12.0%	71%	9,080	12,985	22,065	12.2%	71%	
Ontario	14,155	61,709	75,864	40.7%	70%	14,261	58,743	73,004	40.5%	71%	
Alberta	9,484	7,885	17,369	9.3%	73%	9,654	7,520	17,174	9.5%	73%	
British Columbia	4,556	24,811	29,367	15.8%	67%	4,599	24,323	28,922	16.0%	68%	
All other Canada	2,191	1,611	3,802	2.0%	72%	2,244	1,565	3,809	2.1%	72%	
Total Canada	42,678	113,103	155,781	83.5%	70%	43,155	108,615	151,770	84.1%	71%	
United States	61	30,670	30,731	16.5%	78%	61	28,630	28,691	15.9%	76%	
Total	42,739	143,773	186,512	100%	72%	43,216	137,245	180,461	100%	72%	

(1) Reporting methodologies are in accordance with OSFI's B-20 guideline.

(2) Region is based upon address of the property mortgaged.

(3) Portfolio insured mortgages are defined as mortgages that are insured individually or in bulk through an eligible insurer (i.e., CMHC, Sagen MI Canada™).

(4) Mortgage loan-to-value (LTV) is the ratio of the loan balance to the value of the property at origination. Averages are weighted by loan balance.

Home Equity Lines of Credit ⁽¹⁾

(Canadian \$ in millions, except as noted)	As at July 31, 2024					As at April 30, 2024				
	Portfolio				For the three months ended	Portfolio				For the three months ended
	Outstanding Balances	%	Authorizations	%	Average LTV (3)	Outstanding Balances	%	Authorizations	%	Average LTV (3)
Region (2)										
Atlantic	1,029	1.8%	1,994	1.7%	64%	1,013	1.8%	1,965	1.7%	61%
Quebec	9,191	16.5%	18,502	16.0%	70%	9,133	16.5%	18,328	16.0%	68%
Ontario	25,124	44.9%	46,946	40.5%	61%	24,790	44.9%	46,427	40.4%	58%
Alberta	3,195	5.7%	7,132	6.2%	61%	3,179	5.7%	7,103	6.2%	61%
British Columbia	10,276	18.4%	19,614	16.9%	60%	10,102	18.3%	19,335	16.8%	58%
All other Canada	732	1.3%	1,488	1.3%	67%	733	1.3%	1,492	1.3%	62%
Total Canada	49,547	88.6%	95,676	82.6%	62%	48,950	88.5%	94,650	82.4%	60%
United States	6,403	11.4%	20,142	17.4%	60%	6,367	11.5%	20,193	17.6%	58%
Total	55,950	100%	115,818	100%	62%	55,317	100%	114,843	100%	60%

(1) Reporting methodologies are in accordance with OSFI's B-20 guideline.

(2) Region is based upon address of the property mortgaged.

(3) HELOC loan-to-value (LTV) is the ratio of the authorized amount to the value of the property at origination. Averages are weighted by authorized amount.

Residential Mortgages by Remaining Term of Amortization ^{(1) (2)}

	As at July 31, 2024							
	Amortization period							
	< 5 Years %	6-10 Years %	11-15 Years %	16-20 Years %	21-25 Years %	26-30 Years %	31-35 Years %	> 35 Years %
Canada (3)	0.7%	2.6%	6.5%	14.6%	32.4%	22.3%	4.1%	16.8%
United States (4)	0.4%	1.8%	4.3%	2.4%	9.2%	81.7%	0.1%	0.1%
Total	0.7%	2.5%	6.1%	12.6%	28.5%	32.1%	3.4%	14.1%

	As at April 30, 2024							
	Amortization period							
	< 5 Years %	6-10 Years %	11-15 Years %	16-20 Years %	21-25 Years %	26-30 Years %	31-35 Years %	> 35 Years %
Canada (3)	0.7%	2.6%	6.4%	14.1%	32.2%	20.4%	2.3%	21.3%
United States (4)	0.4%	2.0%	4.8%	2.5%	9.5%	80.6%	0.1%	0.1%
Total	0.7%	2.5%	6.1%	12.2%	28.6%	30.1%	1.9%	17.9%

(1) In Canada, the remaining amortization is based on the current balance, interest rate, customer payment amount and payment frequency. Contractual payment schedule is used in the United States.

(2) Reporting methodologies are in accordance with OSFI's B-20 guideline.

(3) As a result of increases in interest rates, the portfolio included \$15.1 billion (\$19.9 billion as at April 30, 2024) of variable rate mortgages in negative amortization, with all of the contractual payments in the current period being applied to interest, and the portion of interest due that is not met by each payment is added to the principal.

(4) A large proportion of U.S.-based mortgages in the longer amortization band are primarily associated with modification programs for troubled borrowers and regulator-initiated mortgage refinancing programs.

International Exposures

BMO's geographic exposures outside of Canada and the United States are subject to a risk management framework that incorporates assessments of the economic and political risk in each region or country. These exposures are also managed within limits based on product, entity and country of ultimate risk. Our exposure to these regions as at July 31, 2024, is set out in the following table.

The table outlines total net exposure for funded lending and undrawn commitments, securities (including cash products, traded credit and credit default swap activity), repo-style transactions and derivatives. Repo-style transactions and derivatives exposure are reported as mark-to-market value. Derivatives exposure incorporates transaction netting where master netting agreements with counterparties have been entered into, and collateral offsets for counterparties where a Credit Support Annex is in effect.

Exposure by Region

(Canadian \$ in millions)	As at July 31, 2024												As at April 30, 2024
	Funded Lending and Commitments				Securities				Repo-Style Transactions and Derivatives				Total Net Exposure
	Bank	Corporate	Sovereign	Total	Bank	Corporate	Sovereign	Total	Bank	Corporate	Sovereign	Total	Total Net Exposure
Europe (excluding United Kingdom)	922	3,140	-	4,062	489	49	3,527	4,065	562	300	29	891	9,018
United Kingdom	71	5,472	123	5,666	177	78	1,406	1,661	68	484	156	708	8,035
Latin America	2,339	5,947	-	8,286	-	282	-	282	4	103	-	107	8,675
Asia-Pacific	3,155	3,597	9	6,761	576	47	2,906	3,529	565	212	167	944	11,234
Africa and Middle East	1,587	845	105	2,537	2	3	18	23	-	236	1,519	1,755	4,315
Other (1)	-	5	-	5	35	-	3,465	3,500	7	-	1,169	1,176	4,681
Total	8,074	19,006	237	27,317	1,279	459	11,322	13,060	1,206	1,335	3,040	5,581	44,839

(1) Primarily exposure to supranational entities.

This Risk Management section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Market Risk

BMO's market risk management practices and key measures are outlined in the Market Risk section of BMO's 2023 Annual Report.

Linkages between Balance Sheet Items and Market Risk Disclosures

The table below presents items reported in our Consolidated Balance Sheet that are subject to market risk, comprising balances that are subject to either traded risk or non-traded risk measurement techniques.

	As at July 31, 2024				As at October 31, 2023				Primary risk factors for non-traded risk balances
	Consolidated Balance Sheet	Subject to market risk (1)	Non-traded risk (2)	Not subject to market risk	Consolidated Balance Sheet	Subject to market risk (1)	Non-traded risk (2)	Not subject to market risk	
(Canadian \$ in millions)									
Assets Subject to Market Risk									
Cash and cash equivalents	74,761	-	74,761	-	77,934	-	77,934	-	Interest rate
Interest bearing deposits with banks	3,562	178	3,384	-	4,109	236	3,873	-	Interest rate
Securities	387,614	156,828	230,786	-	321,545	122,926	198,619	-	Interest rate, credit spread, equity
Securities borrowed or purchased under resale agreements	118,005	-	118,005	-	115,662	-	115,662	-	Interest rate
Loans and acceptances (net of allowance for credit losses)	673,224	6,945	666,279	-	656,665	4,412	652,253	-	Interest rate, foreign exchange
Derivative instruments	36,834	32,974	3,860	-	39,976	34,004	5,972	-	Interest rate, foreign exchange
Customer's liabilities under acceptances	495	-	495	-	8,111	-	8,111	-	Interest rate
Other assets	105,975	9,002	59,459	37,514	123,004	4,734	80,547	37,723	Interest rate
Total assets	1,400,470	205,927	1,157,029	37,514	1,347,006	166,312	1,142,971	37,723	
Liabilities Subject to Market Risk									
Deposits	965,239	45,134	920,105	-	910,879	35,300	875,579	-	Interest rate, foreign exchange
Derivative instruments	49,488	45,837	3,651	-	50,193	43,166	7,027	-	Interest rate, foreign exchange
Acceptances	495	-	495	-	8,111	-	8,111	-	Interest rate
Securities sold but not yet purchased	39,967	39,967	-	-	43,774	43,774	-	-	Interest rate
Securities lent or sold under repurchase agreements	125,326	-	125,326	-	106,108	-	106,108	-	Interest rate
Other liabilities	127,677	34	127,467	176	143,590	33	143,497	60	Interest rate
Subordinated debt	9,321	-	9,321	-	8,228	-	8,228	-	Interest rate
Total liabilities	1,317,513	130,972	1,186,365	176	1,270,883	122,273	1,148,550	60	

(1) Primarily comprises balance sheet items that are subject to the trading and underwriting risk management framework and recorded at fair value through profit or loss.

(2) Primarily comprises balance sheet items that are subject to the structural balance sheet insurance risk management framework and secured financing transactions.

Certain comparative figures have been reclassified to conform with the current period's presentation.

Trading Market Risk Measures

Average Total Trading Value at Risk (VaR) increased quarter-over-quarter, primarily due to interest rate and equity portfolio exposure changes, partially offset by increased diversification.

Total Trading Value at Risk ^{(1) (2)}

(Pre-tax Canadian \$ equivalent in millions)	For the quarter ended July 31, 2024				April 30, 2024	July 31, 2023
	Quarter-end	Average	High	Low	Average	Average
Commodity VaR	3.8	4.4	5.2	3.2	3.5	2.4
Equity VaR	15.7	16.6	21.6	12.3	15.7	12.5
Foreign exchange VaR	0.7	1.2	2.8	0.5	0.8	3.4
Interest rate VaR (2)	33.5	32.2	41.5	25.4	28.5	37.0
Diversification	(17.9)	(19.8)	nm	nm	(16.5)	(24.7)
Total Trading VaR	35.8	34.6	38.9	30.9	32.0	30.6

(1) One-day measure using a 99% confidence interval. Benefits are presented in parentheses and losses are presented as positive numbers.

(2) Interest rate VaR includes credit spread risk.

nm - not meaningful

Structural (Non-Trading) Market Risk

Our structural market risk strategy and profile remains consistent with prior periods. The net balance sheet is fully invested in an intermediate duration target interest rate profile. Structural economic value exposure to rising rates and benefit to falling rates decreased relative to April 30, 2024, primarily due to modelled deposit pricing being less rate-sensitive at lower projected interest rate levels following the increase in term market rates during the current quarter.

Structural earnings benefit to rising interest rates and exposure to falling interest rates increased modestly, relative to April 30, 2024.

Structural Balance Sheet Earnings and Value Sensitivity to Changes in Interest Rates ^{(1) (2)}

(Pre-tax Canadian \$ equivalent in millions)	Economic value sensitivity					Earnings sensitivity over the next 12 months				
			July 31, 2024	April 30, 2024	July 31, 2023			July 31, 2024	April 30, 2024	July 31, 2023
	Canada (3)	United States	Total	Total	Total	Canada (3)	United States	Total	Total	Total
100 basis point increase	(796)	(832)	(1,629)	(2,008)	(1,515)	107	201	309	257	308
100 basis point decrease	703	149	852	1,447	927	(71)	(223)	(294)	(270)	(348)

(1) Losses are presented in brackets and gains are presented as positive numbers.

(2) Interest rate sensitivities assume an immediate and sustained parallel shift in assumed interest rates across the entire yield curve as at the end of the period using a constant balance sheet.

(3) Includes Canadian dollar and other currencies.

Insurance Risk

The bank adopted IFRS 17, *Insurance Contracts* (IFRS 17) effective November 1, 2023. IFRS 17 changes the fundamental principles used to recognize and measure insurance contracts, including life insurance contracts, reinsurance contracts held and investment contracts with discretionary participation features. Under IFRS 17, the discount rates used to calculate the present value of insurance liabilities are no longer based on the assets supporting those liabilities, but rather on the features of the insurance liabilities themselves. As such, insurance market risk largely includes interest rate risk arising from our insurance business activities.

For additional information, refer to Note 1 of the unaudited interim consolidated financial statements. Additional information on Insurance Risk governance can be found in the Enterprise-Wide Risk Management section of BMO's 2023 Annual Report.

We entered into hedging arrangements to offset the impact of changes in interest rates on our earnings. The table below reflects the estimated immediate impact on, or sensitivity of, our net income to certain changes in interest rates and includes the estimated impact of the above hedging arrangements.

(Pre-tax Canadian \$ in millions)	As at July 31, 2024 ⁽¹⁾	As at April 30, 2024 ⁽¹⁾
50 basis point increase	5	(14)
50 basis point decrease	(5)	14

(1) Interest rate sensitivities assume a parallel shift in assumed interest rates across the entire yield curve as at the end of the period with no change in the ultimate risk-free rate.

Insurance product risk is the risk that actual experience related to claims, benefit payments and expenses does not emerge as expected. We are exposed to various types of product risk relating to our insurance contracts including mortality, policyholder behaviour, including termination and surrender or lapse, expenses, morbidity and longevity.

The table below presents the sensitivities before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

(Canadian \$ in millions)	Q3 2024				Q2 2024			
	Contractual service margin		Profit or loss		Contractual service margin		Profit or loss	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Policy-related assumptions								
Mortality rates (1% increase) ⁽¹⁾	(19)	10	2	2	(18)	8	1	-
Lapse rates (10% increase) ⁽²⁾	(162)	(58)	(7)	(3)	(158)	(60)	(6)	(4)
Expenses (5% increase) ⁽³⁾	(9)	(9)	-	-	(9)	(9)	-	-

(1) Mortality relates to the occurrence of death and is a key assumption for our life insurance business.

(2) Policies are terminated through lapses and surrenders, where lapses represent the termination of policies due to non-payment of premiums and surrenders represent the voluntary termination of policies by policyholders.

(3) Directly attributable operating expense assumptions reflect the projected costs of maintaining and servicing in-force policies, including associated, directly attributable overhead expenses.

Liquidity and Funding Risk

Liquidity and funding risk is managed under a robust risk management framework. There were no material changes in the framework during the quarter.

BMO continued to maintain a strong liquidity position in the third quarter of 2024. Both customer loans and deposits increased in the quarter, due to underlying growth. Wholesale funding decreased reflecting net maturities. BMO's liquidity metrics, including the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), remained well above internal targets and regulatory requirements.

BMO's liquid assets are primarily held in our trading businesses, as well as in liquidity portfolios that are maintained for contingent liquidity risk management purposes and as investments of excess structural liquidity. Liquid assets include unencumbered, high-quality assets that are marketable, can be pledged as security for borrowings, and can be converted to cash in a time frame that meets our liquidity and funding requirements. BMO's liquid assets are summarized in the table below.

In the normal course of business, we may encumber a portion of cash and securities holdings as collateral in support of trading activities and participation in clearing and payment systems in Canada, the United States and abroad. In addition, we may receive liquid assets as collateral and may re-pledge these assets in exchange for cash or as collateral in support of trading activities. Net unencumbered liquid assets, defined as on-balance sheet assets, such as BMO-owned cash and securities and securities borrowed or purchased under resale agreements, plus other off-balance sheet eligible collateral received, less assets encumbered as collateral, totalled \$393.5 billion as at July 31, 2024, compared with \$384.0 billion as at April 30, 2024. The increase in unencumbered liquid assets was primarily due to higher securities balances, partially offset by lower cash balances.

Net unencumbered liquid assets are primarily held at the parent bank level, at BMO Bank N.A., and in our broker/dealer operations. In addition to liquid assets, BMO has access to the Bank of Canada's lending assistance programs, the Federal Reserve Bank discount window in the United States, the Bank of England's Sterling Monetary Framework, and European Central Bank standby liquidity facilities. We do not consider central bank facilities as a source of available liquidity when assessing the soundness of our liquidity position.

In addition to cash and securities holdings, we may also pledge other assets, including mortgages and loans, to raise long-term secured funding. BMO's total encumbered assets and unencumbered liquid assets are summarized in the Asset Encumbrance table.

Liquid Assets

	As at July 31, 2024					As at April 30, 2024
	Bank-owned assets	Other cash & securities received	Total gross assets (1)	Encumbered assets	Net unencumbered assets (2)	Net unencumbered assets (2)
(Canadian \$ in millions)						
Cash and cash equivalents	74,761	-	74,761	85	74,676	79,795
Deposits with other banks	3,562	-	3,562	-	3,562	4,347
Securities and securities borrowed or purchased under resale agreements						
Sovereigns/Central banks/Multilateral development banks	175,455	112,198	287,653	152,899	134,754	121,766
NHA mortgage-backed securities and U.S. agency mortgage-backed securities and collateralized mortgage obligations	100,654	12,119	112,773	54,096	58,677	60,078
Corporate and other debt	36,852	21,927	58,779	14,003	44,776	44,567
Corporate equity	74,653	62,776	137,429	80,331	57,098	54,188
Total securities and securities borrowed or purchased under resale agreements	387,614	209,020	596,634	301,329	295,305	280,599
NHA mortgage-backed securities (reported as loans at amortized cost) (3)	24,727	-	24,727	4,749	19,978	19,214
Total liquid assets	490,664	209,020	699,684	306,163	393,521	383,955

(1) Gross assets include bank-owned assets and cash and securities received from third parties.

(2) Net unencumbered assets are defined as total gross assets less encumbered assets.

(3) Under IFRS, National Housing Act (NHA) mortgage-backed securities that include mortgages owned by BMO as the underlying collateral are classified as loans. Unencumbered NHA mortgage-backed securities have liquidity value and are included as liquid assets under BMO's Liquidity and Funding Management Framework. This amount is shown as a separate line item, NHA mortgage-backed securities.

Asset Encumbrance

(Canadian \$ in millions) As at July 31, 2024	Total gross assets (1)	Encumbered (2)		Net unencumbered	
		Pledged as collateral	Other encumbered	Other unencumbered (3)	Available as collateral (4)
Cash and deposits with other banks	78,323	-	85	-	78,238
Securities (5)	621,361	250,159	55,919	26,302	288,981
Loans	648,497	80,754	1,494	385,499	180,750
Other assets					
Derivative instruments	36,834	-	-	36,834	-
Customers' liability under acceptances	495	-	-	495	-
Premises and equipment	6,249	-	-	6,249	-
Goodwill	16,641	-	-	16,641	-
Intangible assets	4,961	-	-	4,961	-
Current tax assets	1,456	-	-	1,456	-
Deferred tax assets	3,268	-	-	3,268	-
Receivable from brokers, dealers and clients	32,162	-	-	32,162	-
Other	41,238	10,600	-	30,638	-
Total other assets	143,304	10,600	-	132,704	-
Total assets	1,491,485	341,513	57,498	544,505	547,969

(Canadian \$ in millions) As at April 30, 2024	Total gross assets (1)	Encumbered (2)		Net unencumbered	
		Pledged as collateral	Other encumbered	Other unencumbered (3)	Available as collateral (4)
Cash and deposits with other banks	84,216	-	74	-	84,142
Securities (5)	589,814	231,546	58,455	26,055	273,758
Loans	632,216	81,544	1,429	378,105	171,138
Other assets					
Derivative instruments	37,816	-	-	37,816	-
Customers' liability under acceptances	3,809	-	-	3,809	-
Premises and equipment	6,261	-	-	6,261	-
Goodwill	16,603	-	-	16,603	-
Intangible assets	4,994	-	-	4,994	-
Current tax assets	1,948	-	-	1,948	-
Deferred tax assets	3,597	-	-	3,597	-
Receivable from brokers, dealers and clients	33,076	-	-	33,076	-
Other	38,159	9,293	-	28,866	-
Total other assets	146,263	9,293	-	136,970	-
Total assets	1,452,509	322,383	59,958	541,130	529,038

(1) Gross assets includes on-balance sheet and off-balance sheet assets.

(2) Pledged as collateral refers to the portion of on-balance sheet assets and other cash and securities that are pledged through repurchase agreements, securities lending, derivative contracts, and requirements associated with participation in clearing houses and payment systems. Other encumbered assets include assets that are restricted for legal or other reasons, such as minimum required deposits at central banks, short sales and certain U.S. agency securities that have been sold to third parties but are consolidated under IFRS.

(3) Other unencumbered assets include select liquid asset holdings that management believes are not readily available to support BMO's liquidity requirements. These included securities of \$26.3 billion as at July 31, 2024, which include securities held at BMO's insurance subsidiary, seller financing securities, significant equity investments, and certain investments held in our merchant banking business. Other unencumbered assets also include mortgages and loans that may be securitized to access secured funding.

(4) Loans included in available as collateral represent loans currently lodged at central banks that may be used to access central bank funding. Loans available for pledging as collateral do not include other sources of additional liquidity that may be realized from BMO's loan portfolio, such as incremental securitization, covered bond issuances and U.S. Federal Home Loan Bank (FHLB) advances.

(5) Includes securities, securities borrowed or purchased under resale agreements and NHA mortgage-backed securities (reported as loans at amortized cost).

Net Unencumbered Liquid Assets by Legal Entity

(Canadian \$ in millions)	As at July 31, 2024	As at April 30, 2024
BMO (parent)	239,902	239,308
BMO Bank N.A.	128,658	121,634
Broker dealers	24,961	23,013
Total net unencumbered liquid assets by legal entity	393,521	383,955

Funding Strategy

BMO's funding strategy requires that secured and unsecured wholesale funding used to support loans and less liquid assets must have a term (typically maturing in two to ten years) that will support the effective term to maturity of these assets. Secured and unsecured wholesale funding for liquid trading assets is largely shorter term (maturing in one year or less), aligned with the liquidity of the assets being funded, and is subject to limits on aggregate maturities that are permitted across different periods. Supplemental liquidity pools are funded largely with wholesale term funding.

We maintain a large and stable base of customer deposits that, in combination with our strong capital position, is a source of strength. This supports the maintenance of a sound liquidity position and reduces reliance on wholesale funding. Customer deposits totalled \$703.6 billion as at July 31, 2024, increasing from \$676.4 billion as at April 30, 2024, driven by underlying deposit growth across all business groups.

Total secured and unsecured wholesale funding outstanding, which largely consists of negotiable marketable securities, was \$257.3 billion as at July 31, 2024, with \$67.9 billion sourced as secured funding and \$189.4 billion sourced as unsecured funding. Wholesale funding outstanding decreased from \$263.8 billion as at April 30, 2024, primarily due to net wholesale funding maturities. The mix and maturities of BMO's wholesale term funding are outlined in the following table. Additional information on deposit maturities can be found in the Contractual Maturities of Assets and Liabilities and Off-Balance Sheet Commitments section. We maintain a sizeable portfolio of unencumbered liquid assets, totalling \$393.5 billion as at July 31, 2024, that can be monetized to meet potential funding requirements, as described in the Unencumbered Liquid Assets section above.

Wholesale Funding Maturities ⁽¹⁾

(Canadian \$ in millions)	As at July 31, 2024								As at April 30, 2024
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Subtotal less than 1 year	1 to 2 years	Over 2 years	Total	Total
Deposits from banks	3,596	903	610	984	6,093	-	-	6,093	6,531
Certificates of deposit and commercial paper	9,801	15,545	29,578	35,562	90,486	138	-	90,624	98,925
Bearer deposit notes	1,717	2,426	1,332	209	5,684	-	-	5,684	3,971
Asset-backed commercial paper (ABCP)	1,258	2,152	2,616	1,310	7,336	-	-	7,336	6,948
Senior unsecured medium-term notes	194	5,468	5,654	9,168	20,484	7,831	38,245	66,560	65,681
Senior unsecured structured notes (2)	215	21	-	168	404	520	10,181	11,105	10,440
Secured funding									
Mortgage and HELOC securitizations	-	667	842	2,229	3,738	1,726	12,379	17,843	17,750
Covered bonds	-	-	-	3,449	3,449	8,602	14,612	26,663	26,196
Other asset-backed securitizations (3)	-	37	-	-	37	1,320	5,739	7,096	8,132
Federal Home Loan Bank advances	-	-	-	-	-	4,828	4,170	8,998	11,010
Subordinated debt	-	-	-	-	-	25	9,295	9,320	8,235
Total	16,781	27,219	40,632	53,079	137,711	24,990	94,621	257,322	263,819
Of which:									
Secured	1,258	2,856	3,458	6,988	14,560	16,476	36,900	67,936	70,036
Unsecured	15,523	24,363	37,174	46,091	123,151	8,514	57,721	189,386	193,783
Total (4)	16,781	27,219	40,632	53,079	137,711	24,990	94,621	257,322	263,819

(1) Wholesale funding primarily includes funding raised through the issuance of negotiable marketable securities. Wholesale funding excludes repo transactions and bankers' acceptances, which are disclosed in the Contractual Maturities or Assets and Liabilities and Off-Balance Sheet Commitments section, and also excludes ABCP issued by certain ABCP conduits that are not consolidated for financial reporting purposes.

(2) Primarily issued to institutional investors.

(3) Includes credit card, auto and transportation finance loan securitizations.

(4) Total wholesale funding consists of Canadian-dollar-denominated funding totalling \$53.6 billion and U.S.-dollar-denominated and other foreign-currency-denominated funding totalling \$203.7 billion as at July 31, 2024.

Diversification of our wholesale funding sources is an important part of our overall liquidity management strategy. BMO's wholesale funding activities are well-diversified by jurisdiction, currency, investor segment, instrument type and maturity profile. BMO maintains ready access to long-term wholesale funding through various borrowing programs, including a European Note Issuance Program, Canadian, Australian and U.S. Medium-Term Note programs, Canadian and U.S. mortgage securitizations, Canadian credit card loans, auto loans and home equity line of credit (HELOC) securitizations, covered bonds, and Canadian and U.S. senior unsecured deposits.

Our wholesale funding plan seeks to ensure sufficient funding capacity is available to execute our business strategies. The funding plan considers expected maturities, as well as asset and liability growth projected for our businesses in our forecasting and planning processes, and assesses funding needs in relation to the sources available. The funding plan is reviewed annually by the senior management committees with specific related responsibilities and approved by the Risk Review Committee, and is regularly updated to reflect actual results and incorporate updated forecast information.

Additional information on Liquidity and Funding Risk governance can be found in the Liquidity and Funding Risk section of BMO's 2023 Annual Report. Please also see the Risk Management section.

Credit Ratings

The credit ratings assigned to BMO's short-term and senior long-term debt securities by external rating agencies are important in raising both capital and funding to support the bank's business operations. Maintaining strong credit ratings allows us to access the wholesale markets at competitive pricing levels. Should BMO's credit ratings experience a downgrade, our cost of funding may increase and our access to funding and capital through the wholesale markets could be constrained. A material downgrade of BMO's ratings could also have other consequences, including those set out in Note 8 of the audited annual consolidated financial statements of BMO's 2023 Annual Report.

The credit ratings assigned to BMO's senior debt by rating agencies are indicative of high-grade, high-quality issues. During the third quarter of fiscal 2024, Moody's, Standard & Poor's (S&P), Fitch and DBRS affirmed their ratings and maintained their stable outlook on BMO.

As at July 31, 2024

Rating agency	Short-term debt	Senior debt (1)	Long-term deposits/ Legacy senior debt (2)	Subordinated debt (NVCC)	Outlook
Moody's	P-1	A2	Aa2	Baa1 (hyb)	Stable
S&P	A-1	A-	A+	BBB+	Stable
Fitch	F1+	AA-	AA	A	Stable
DBRS	R-1 (high)	AA (low)	AA	A (low)	Stable

(1) Subject to conversion under the Bank Recapitalization (Bail-In) Regime.

(2) Long-term deposits/Legacy senior debt includes senior debt issued prior to September 23, 2018, and senior debt issued on or after September 23, 2018, that is excluded from the Bank Recapitalization (Bail-In) Regime.

We are required to deliver collateral to certain counterparties in the event of a downgrade of BMO's current credit rating. The incremental collateral required is based on mark-to-market exposure, collateral valuations and collateral threshold arrangements, as applicable. As at July 31, 2024, we would be required to provide additional collateral to counterparties totalling \$192 million, \$485 million and \$1,016 million, as a result of a one-notch, two-notch and three-notch downgrade, respectively.

Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) is calculated in accordance with the OSFI's LAR Guideline and is summarized in the following table. The LCR is calculated on a daily basis as the ratio of the stock of High-Quality Liquid Assets (HQLA) held to total net stressed cash outflows over the next 30 calendar days. BMO's HQLA primarily comprises cash, highly-rated debt issued or backed by governments, highly-rated covered bonds and non-financial corporate debt, and non-financial equities that are part of a major stock index. Net cash flows include outflows from deposits, secured and unsecured wholesale funding, commitments and potential collateral requirements, offset by permitted inflows from loans, securities lending activities and other non-HQLA debt maturing over a 30-day horizon. Weightings prescribed by OSFI are applied to cash flows and HQLA to arrive at the weighted values and the LCR. The LCR does not reflect liquidity in BMO Financial Corp. (BFC) in excess of 100%, because of limitations on the transfer of liquidity between BFC and the parent bank. Canadian domestic systemically important banks (D-SIBs), including BMO, are required to maintain a minimum LCR of 100%. The average daily LCR for the quarter ended July 31, 2024 was 129%, equivalent to a surplus of \$54 billion above the regulatory minimum. The LCR increased 1% from 128% in the prior quarter, due to higher HQLA. While banks are required to maintain an LCR of greater than 100% in normal conditions, they are also expected to be able to utilize HQLA during a period of stress, which may result in an LCR of less than 100% during such a period. The LCR is only one measure of a bank's liquidity position and does not fully capture all of its liquid assets or the funding alternatives that may be available during a period of stress. BMO's total liquid assets are shown in the Liquid Assets table.

	For the quarter ended July 31, 2024	
	Total unweighted value (average) (1) (2)	Total weighted value (average) (2) (3)
(Canadian \$ in billions, except as noted)		
High-Quality Liquid Assets		
Total high-quality liquid assets (HQLA)	*	244.1
Cash Outflows		
Retail deposits and deposits from small business customers, of which:	297.6	21.3
Stable deposits	138.9	4.2
Less stable deposits	158.7	17.1
Unsecured wholesale funding, of which:	304.0	137.1
Operational deposits (all counterparties) and deposits in networks of cooperative banks	146.6	36.2
Non-operational deposits (all counterparties)	134.6	78.1
Unsecured debt	22.8	22.8
Secured wholesale funding	*	22.1
Additional requirements, of which:	253.2	50.1
Outflows related to derivatives exposures and other collateral requirements	29.6	8.2
Outflows related to loss of funding on debt products	3.3	3.3
Credit and liquidity facilities	220.3	38.6
Other contractual funding obligations	0.9	-
Other contingent funding obligations	534.4	11.2
Total cash outflows		241.8
Cash Inflows		
Secured lending (e.g., reverse repos)	158.5	25.8
Inflows from fully performing exposures	16.9	9.0
Other cash inflows	17.3	17.3
Total cash inflows	192.7	52.1
For the quarter ended July 31, 2024		Total adjusted value (4)
Total HQLA		244.1
Total net cash outflows		189.7
Liquidity Coverage Ratio (%) (2)		129
For the quarter ended April 30, 2024		
Total HQLA		241.9
Total net cash outflows		189.6
Liquidity Coverage Ratio (%)		128

* Disclosure is not required under the LCR disclosure standard.

(1) Unweighted values are calculated at market value (for HQLA) or as outstanding balances maturing or callable within 30 days (for inflows and outflows).

(2) Values are calculated based on the simple average of the daily LCR over 64 business days in the third quarter of 2024.

(3) Weighted values are calculated after the application of the weights prescribed under the OSFI Liquidity Adequacy Requirements (LAR) Guideline for HQLA and cash inflows and outflows.

(4) Adjusted values are calculated based on total weighted values after applicable caps as defined by the LAR Guideline.

Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) is a regulatory liquidity metric that assesses the stability of a bank's funding profile in relation to the liquidity value of its assets and is calculated in accordance with OSFI's LAR Guideline. Unlike the LCR, which is a short-term metric, the NSFR assesses a bank's medium-term and long-term resilience. The NSFR is defined as the ratio of the amount of available stable funding (ASF) to the amount of required stable funding (RSF). ASF represents the proportion of own and third-party resources that are expected to be reliably available over a one-year horizon (including customer deposits, long-term wholesale funding, and capital). The stable funding requirements for each institution are set by OSFI based on the liquidity and maturity characteristics of its on-balance sheet assets and off-balance sheet exposures. Weightings prescribed by OSFI are applied to notional asset and liability balances to determine ASF and RSF and the NSFR. Canadian domestic systemically important banks (D-SIBs), including BMO, are required to maintain a minimum NSFR of 100%. BMO's NSFR was 116% as at July 31, 2024, equivalent to a surplus of \$106 billion above the regulatory minimum. The NSFR increased from 115% in the prior quarter, as higher required stable funding was more than offset by higher available stable funding.

	For the quarter ended July 31, 2024				
	Unweighted Value by Residual Maturity				
(Canadian \$ in billions, except as noted)	No maturity (1)	Less than 6 months	6 to 12 months	Over 1 year	Weighted Value (2)
Available Stable Funding (ASF) Item					
Capital:	-	-	-	95.0	95.0
Regulatory capital	-	-	-	95.0	95.0
Other capital instruments	-	-	-	-	-
Retail deposits and deposits from small business customers:	222.8	69.4	43.4	73.6	374.7
Stable deposits	113.4	27.2	17.0	15.8	165.5
Less stable deposits	109.4	42.2	26.4	57.8	209.2
Wholesale funding:	307.2	286.2	70.4	108.4	291.4
Operational deposits	150.9	-	-	-	75.5
Other wholesale funding	156.3	286.2	70.4	108.4	215.9
Liabilities with matching interdependent assets	-	0.8	1.3	13.3	-
Other liabilities:	4.2	*	*	74.4	16.6
NSFR derivative liabilities	*	*	*	7.3	*
All other liabilities and equity not included in the above categories	4.2	50.3	0.3	16.5	16.6
Total ASF	*	*	*	*	777.7
Required Stable Funding (RSF) Item					
Total NSFR high-quality liquid assets (HQLA)	*	*	*	*	17.6
Deposits held at other financial institutions for operational purposes	-	0.5	-	-	0.2
Performing loans and securities:	207.6	204.5	70.7	365.3	542.6
Performing loans to financial institutions secured by Level 1 HQLA	-	99.7	3.4	-	4.0
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	34.5	49.8	8.6	21.0	65.7
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities, of which:	124.9	40.5	40.6	170.9	289.9
With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk	-	-	-	-	-
Performing residential mortgages, of which:	13.4	11.9	15.1	144.2	125.8
With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk	13.4	11.9	15.1	144.2	125.8
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	34.8	2.6	3.0	29.2	57.2
Assets with matching interdependent liabilities	-	0.8	1.3	13.3	-
Other assets:	47.6	*	*	95.8	89.4
Physical traded commodities, including gold	9.0	*	*	*	7.6
Assets posted as initial margin for derivative contracts and contributions to default funds of central clearing parties	*	*	*	15.7	13.3
NSFR derivative assets	*	*	*	3.9	-
NSFR derivative liabilities before deduction of variation margin posted	*	*	*	15.9	0.8
All other assets not included in the above categories	38.6	38.9	0.4	21.0	67.7
Off-balance sheet items	*	*	*	613.7	21.6
Total RSF	*	*	*	*	671.4
Net Stable Funding Ratio (%)	*	*	*	*	116
For the quarter ended April 30, 2024					Weighted Value (2)
Total ASF					753.5
Total RSF					653.7
Net Stable Funding Ratio (%)					115

* Disclosure is not required under the NSFR disclosure standard.

(1) Items to be reported in the "no maturity" time bucket do not have a stated maturity. These may include, but are not limited to, items such as non-maturity deposits, short positions, open maturity positions, non-HQLA equities, physical traded commodities and demand loans.

(2) Weighted values are calculated after the application of the weights prescribed under the OSFI LAR Guideline for ASF and RSF.

Contractual Maturities of Assets and Liabilities and Off-Balance Sheet Commitments

The tables below show the remaining contractual maturities of on-balance sheet assets and liabilities and off-balance sheet commitments. The contractual maturity of financial assets and liabilities is an input to, but is not necessarily consistent with, the expected maturity of assets and liabilities that is used in the management of liquidity and funding risk. We forecast asset and liability cash flows, under both normal market conditions and a number of stress scenarios, to manage liquidity and funding risk. Stress scenarios include assumptions for loan repayments, deposit withdrawals, and credit commitment and liquidity facility drawdowns by counterparty and product type. Stress scenarios also consider the time horizon over which liquid assets can be monetized and the related discounts (“haircuts”) and potential collateral requirements that may result from both market volatility and credit rating downgrades, among other assumptions.

(Canadian \$ in millions)										July 31, 2024
	0 to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No maturity	Total
On-Balance Sheet Financial Instruments										
Assets										
Cash and cash equivalents	72,485	-	-	-	-	-	-	-	2,276	74,761
Interest bearing deposits with banks	2,117	519	449	398	79	-	-	-	-	3,562
Securities	5,705	7,957	22,327	6,550	6,164	19,262	79,475	165,522	74,652	387,614
Securities borrowed or purchased under resale agreements	90,140	20,093	4,348	1,962	1,462	-	-	-	-	118,005
Loans (1)										
Residential mortgages	1,445	3,093	5,482	6,193	6,870	47,759	84,459	31,017	194	186,512
Consumer instalment and other personal	502	921	1,597	1,766	1,926	13,923	26,679	18,871	26,370	92,555
Credit cards	-	-	-	-	-	-	-	-	13,437	13,437
Business and government	11,580	13,735	15,453	14,248	20,653	52,430	117,043	36,315	103,539	384,996
Allowance for credit losses	-	-	-	-	-	-	-	-	(4,276)	(4,276)
Total loans, net of allowance	13,527	17,749	22,532	22,207	29,449	114,112	228,181	86,203	139,264	673,224
Other assets										
Derivative instruments	3,326	4,248	4,788	5,208	1,387	4,623	6,812	6,442	-	36,834
Customers' liability under acceptances	436	58	1	-	-	-	-	-	-	495
Receivable from brokers, dealers and clients	32,162	-	-	-	-	-	-	-	-	32,162
Other	3,734	825	617	42	12	13	14	7,755	60,801	73,813
Total other assets	39,658	5,131	5,406	5,250	1,399	4,636	6,826	14,197	60,801	143,304
Total assets	223,632	51,449	55,062	36,367	38,553	138,010	314,482	265,922	276,993	1,400,470

(Canadian \$ in millions)										July 31, 2024
	0 to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No maturity	Total
Liabilities and Equity										
Deposits (2) (3)	42,726	61,080	84,630	55,264	61,911	48,801	89,526	25,151	496,150	965,239
Other liabilities										
Derivative instruments	3,824	7,499	6,046	8,715	1,808	5,477	7,504	8,615	-	49,488
Acceptances	436	58	1	-	-	-	-	-	-	495
Securities sold but not yet purchased (4)	39,967	-	-	-	-	-	-	-	-	39,967
Securities lent or sold under repurchase agreements (4)	118,155	4,302	976	179	-	1,714	-	-	-	125,326
Securitization and structured entities' liabilities	15	584	1,023	1,100	2,329	3,129	9,231	18,811	-	36,222
Payable to brokers, dealers and clients	34,525	-	-	-	-	-	-	-	-	34,525
Other	13,416	390	1,885	160	193	5,967	4,168	4,864	25,887	56,930
Total other liabilities	210,338	12,833	9,931	10,154	4,330	16,287	20,903	32,290	25,887	342,953
Subordinated debt	-	-	-	-	-	25	25	9,271	-	9,321
Total equity	-	-	-	-	-	-	-	-	82,957	82,957
Total liabilities and equity	253,064	73,913	94,561	65,418	66,241	65,113	110,454	66,712	604,994	1,400,470

(1) Loans receivable on demand have been included under no maturity.

(2) Deposits payable on demand and payable after notice have been included under no maturity.

(3) Deposits totalling \$31,363 million as at July 31, 2024, have a fixed maturity date; however, they can be redeemed early (either fully or partially) by customers without penalty. These are classified as payable on a fixed date due to their stated contractual maturity date.

(4) Presented based on their earliest maturity date.

(Canadian \$ in millions)										July 31, 2024
	0 to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No maturity	Total
Off-Balance Sheet Commitments										
Commitments to extend credit (1)	2,565	6,792	10,372	10,537	19,550	45,174	127,602	6,711	-	229,303
Letters of credit (2)	2,972	3,759	6,882	5,309	7,285	2,445	3,450	41	-	32,143
Backstop liquidity facilities	-	703	419	292	3,310	4,655	7,970	815	-	18,164
Other commitments (3)	29	152	97	90	96	387	522	106	-	1,479

(1) Commitments to extend credit exclude personal lines of credit and credit cards that are unconditionally cancellable at BMO's discretion. A large majority of these commitments expire without being drawn upon. As a result, the total contractual amounts may not be representative of the funding likely to be required for these commitments.

(2) Letters of credit can be drawn down at any time. These are classified based on their stated contractual maturities.

(3) Other commitments comprise purchase obligations and lease commitments for leases signed but not yet commenced.

(Canadian \$ in millions)

October 31, 2023

	0 to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No maturity	Total
On-Balance Sheet Financial Instruments										
Assets										
Cash and cash equivalents	75,473	-	-	-	-	-	-	-	2,461	77,934
Interest bearing deposits with banks	2,775	680	383	153	118	-	-	-	-	4,109
Securities	4,115	8,556	7,225	5,585	6,602	29,930	64,250	139,501	55,781	321,545
Securities borrowed or purchased under resale agreements	93,707	12,311	6,903	2,491	-	250	-	-	-	115,662
Loans (1)										
Residential mortgages	1,121	2,188	3,403	4,246	4,761	27,229	107,347	26,689	266	177,250
Consumer instalment and other personal	285	621	1,028	1,343	1,542	8,094	35,467	29,992	25,670	104,042
Credit cards	-	-	-	-	-	-	-	-	12,294	12,294
Business and government	19,671	10,920	12,550	16,370	16,953	49,366	114,289	27,880	98,887	366,886
Allowance for credit losses	-	-	-	-	-	-	-	-	(3,807)	(3,807)
Total loans, net of allowance	21,077	13,729	16,981	21,959	23,256	84,689	257,103	84,561	133,310	656,665
Other assets										
Derivative instruments	2,797	4,539	2,670	2,827	1,555	7,804	9,325	8,459	-	39,976
Customers' liability under acceptances	4,682	3,423	6	-	-	-	-	-	-	8,111
Receivable from brokers, dealers and clients	53,002	-	-	-	-	-	-	-	-	53,002
Other	3,580	814	336	42	4	10	19	7,629	57,568	70,002
Total other assets	64,061	8,776	3,012	2,869	1,559	7,814	9,344	16,088	57,568	171,091
Total assets	261,208	44,052	34,504	33,057	31,535	122,683	330,697	240,150	249,120	1,347,006

(Canadian \$ in millions)

October 31, 2023

	0 to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No maturity	Total
Liabilities and Equity										
Deposits (2) (3)	48,986	63,728	64,939	60,911	52,040	47,624	80,829	18,624	473,198	910,879
Other liabilities										
Derivative instruments	3,103	8,450	3,033	2,278	2,014	7,694	11,748	11,873	-	50,193
Acceptances	4,682	3,423	6	-	-	-	-	-	-	8,111
Securities sold but not yet purchased (4)	43,774	-	-	-	-	-	-	-	-	43,774
Securities lent or sold under repurchase agreements (4)	99,006	4,751	476	539	-	1,336	-	-	-	106,108
Securitization and structured entities' liabilities	97	717	1,199	2,195	592	4,896	9,870	7,528	-	27,094
Payable to brokers, dealers and clients	53,754	-	-	-	-	-	-	-	-	53,754
Other	13,266	2,274	116	110	108	14,109	2,764	6,160	23,835	62,742
Total other liabilities	217,682	19,615	4,830	5,122	2,714	28,035	24,382	25,561	23,835	351,776
Subordinated debt	-	-	-	-	-	-	25	8,203	-	8,228
Total equity	-	-	-	-	-	-	-	-	76,123	76,123
Total liabilities and equity	266,668	83,343	69,769	66,033	54,754	75,659	105,236	52,388	573,156	1,347,006

(1) Loans receivable on demand have been included under no maturity.

(2) Deposits payable on demand and payable after notice have been included under no maturity.

(3) Deposits totalling \$30,852 million as at October 31, 2023, have a fixed maturity date; however, they can be redeemed early (either fully or partially) by customers without penalty. These are classified as payable on a fixed date due to their stated contractual maturity date.

(4) Presented based on their earliest maturity date.

Certain comparative figures have been reclassified to conform with the current period's presentation.

(Canadian \$ in millions)

October 31, 2023

	0 to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No maturity	Total
Off-Balance Sheet Commitments										
Commitments to extend credit (1)	2,216	4,874	9,377	14,499	14,190	41,713	129,634	5,927	-	222,430
Letters of credit (2)	1,641	5,088	5,739	5,397	6,065	3,663	3,778	48	-	31,419
Backstop liquidity facilities	212	241	666	2,207	2,039	3,951	8,643	846	-	18,805
Other commitments (3)	46	91	106	101	155	354	626	141	-	1,620

(1) Commitments to extend credit exclude personal lines of credit and credit cards that are unconditionally cancellable at BMO's discretion. A large majority of these commitments expire without being drawn upon. As a result, the total contractual amounts may not be representative of the funding likely to be required for these commitments.

(2) Letters of credit can be drawn down at any time. These are classified based on their stated contractual maturities.

(3) Other commitments comprise purchase obligations and lease commitments for leases signed but not yet commenced.

This Liquidity and Funding Risk section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Glossary of Financial Terms

Adjusted Earnings and Measures

Management considers both reported and adjusted results to be useful in assessing underlying ongoing business performance, as set out in the Non-GAAP and Other Financial Measures section.

- **Adjusted Revenue** – calculated as revenue excluding the impact of certain non-recurring items, and adjusted net revenue is adjusted revenue, net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Beginning the first quarter of 2023, we no longer report CCPB given the adoption and retrospective application of IFRS 17.
- **Adjusted Provision for Credit Losses** – calculated as provision for credit losses excluding the impact of certain non-recurring items.
- **Adjusted Non-Interest Expense** – calculated as non-interest expense excluding the impact of certain non-recurring items.
- **Adjusted Effective Tax Rate** – calculated as adjusted provision for income taxes divided by adjusted income before provision for income taxes.
- **Adjusted Net Income** – calculated as net income excluding the impact of certain non-recurring items.

Allowance for Credit Losses represents an amount deemed appropriate by management to absorb credit-related losses on loans and acceptances and other credit instruments, in accordance with applicable accounting standards. Allowance on Performing Loans is maintained to cover impairment in the existing portfolio for loans that have not yet been individually identified as impaired. Allowance on Impaired Loans is maintained to reduce the carrying value of individually identified impaired loans to the expected recoverable amount.

Assets under Administration and Assets under Management refers to assets administered or managed by a financial institution that are beneficially owned by clients and therefore not reported on the Consolidate Balance Sheet of the administering or managing financial institution.

Asset-Backed Commercial Paper (ABCP) is a short-term investment. The commercial paper is backed by assets such as trade receivables and is generally used for short-term financing needs.

Average Annual Total Shareholder Return (TSR) represents the average annual total return earned on an investment in BMO common shares made at the beginning of a fixed period. The return includes the change in share price and assumes dividends received were reinvested in additional common shares.

Average Earning Assets represents the daily average balance of deposits at central banks, deposits with other banks, securities borrowed or purchased under resale agreements, securities, and loans over a one-year period.

Average Earning Assets, excluding Trading and Insurance Assets represents the daily average balance of deposits with central banks, deposits with other banks, securities borrowed or purchased under

resale agreements, securities, and loans, over a one-year period. Average earning assets, excluding trading and insurance assets, exclude trading and insurance earning assets.

Average Net Loans and Acceptances is the daily or monthly average balance of loans and customers' liability under acceptances, net of the allowance for credit losses, over a one-year period.

Bail-In Debt is senior unsecured debt subject to the Canadian Bail-In Regime. Bail-in debt includes senior unsecured debt issued directly by the bank on or after September 23, 2018, which has an original term greater than 400 days and is marketable, subject to certain exceptions. Some or all of this debt may be statutorily converted into common shares of the bank under the Bail-In Regime if the bank enters resolution.

Bankers' Acceptances (BAs) are bills of exchange or negotiable instruments drawn by a borrower for payment at maturity and accepted by a bank. BAs constitute a guarantee of payment by the bank and can be traded in the money market. The bank earns a "stamping fee" for providing this guarantee.

Basis Point is one one-hundredth of a percentage point.

Collateralized Mortgage Obligations (CMOs) are debt securities with multiple tranches, issued by structured entities and collateralized by a pool of mortgages. Each tranche offers different terms, interest rates, and risks.

Common Equity Tier 1 (CET1) Capital comprises common shareholders' equity, including applicable CSM, 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.

Common Equity Tier 1 (CET1) Ratio is calculated as CET1 Capital, which comprises common shareholders' equity, including applicable CSM, 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.

Common Shareholders' Equity is the most permanent form of capital. For regulatory capital purposes, common shareholders' equity comprises common shareholders' equity, net of capital deductions.

Contractual Service Margin (CSM) represents the unearned profit of a group of insurance contracts that we expect to recognize in the income statement as services provided.

Credit and Counterparty Risk is the potential for financial loss due to the failure of an obligor (i.e., a borrower, endorser, guarantor or counterparty) to repay a loan or honour another predetermined financial obligation.

Derivatives are contracts, requiring no initial or little investment, with a value that is derived from movements in underlying interest or foreign exchange rates, equity or commodity prices or other indices. Derivatives are used to transfer, modify or reduce current or expected risks from changes in rates and prices.

Dividend Payout Ratio represents common share dividends as a percentage of net income available to common shareholders. It is computed by dividing dividends per share by basic earnings per share. Adjusted dividend payout ratio is calculated in the same manner, using adjusted net income.

Dividend Yield represents dividends per common share divided by the closing share price.

Earnings per Share (EPS) is calculated by dividing net income attributable to bank shareholders, after deducting preferred share dividends and distributions on other equity instruments, by the average number of common shares outstanding. Adjusted EPS is calculated in the same manner, using adjusted net income attributable to bank shareholders. Diluted EPS, which is BMO's basis for measuring performance, adjusts for possible conversions of financial instruments into common shares if those conversions would reduce EPS, and is more fully explained in Note 23 of the consolidated financial statements.

Earnings Sensitivity is a measure of the impact of potential changes in interest rates on the projected 12-month pre-tax net income from a portfolio of assets, liabilities and off-balance sheet positions in response to prescribed parallel interest rate movements, with interest rates floored at zero.

Economic Capital is an expression of the enterprise's capital demand requirement relative to its view of the economic risks in its underlying business activities. It represents management's estimation of the likely magnitude of economic losses that could occur should severely adverse situations arise. Economic capital is calculated for various types of risk, including credit, market (trading and non-trading), operational non-financial, business and insurance, based on a one-year time horizon using a defined confidence level.

Economic Value Sensitivity is a measure of the impact of potential changes in interest rates on the market value of a portfolio of assets, liabilities and off-balance sheet positions in response to prescribed parallel interest rate movements, with interest rates floored at zero.

Effective Tax Rate is calculated as provision for income taxes divided by income before provision for income taxes.

Efficiency Ratio (or Expense-to-Revenue Ratio) is a measure of productivity. It is calculated as non-interest expense divided by total revenue (on a taxable equivalent basis in the operating groups), expressed as a percentage.

Environmental and Social Risk is the potential for loss or harm directly or indirectly resulting from

environmental and social factors that impact BMO or its customers, and BMO's impact on the environment and society.

Fair Value is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act in an orderly market transaction.

Forwards and Futures are contractual agreements to either buy or sell a specified amount of a currency, commodity, interest-rate-sensitive financial instrument or security at a specified price and date in the future. Forwards are customized contracts transacted in the over-the-counter market. Futures are transacted in standardized amounts on regulated exchanges and are subject to daily cash margin requirements.

Gross Impaired Loans and Acceptances (GIL) is calculated as the credit impaired balance of loans and customers' liability under acceptances.

Guarantees and Standby Letters of Credit represent our obligation to make payments to third parties on behalf of a customer if the customer is unable to make the required payments or meet other contractual requirements.

Hedging is a risk management technique used to neutralize, manage or offset interest rate, foreign currency, equity, commodity or credit risk exposures arising from normal banking activities.

Impaired Loans are loans for which there is no longer a reasonable assurance of the timely collection of principal or interest.

Insurance Investment Results include net returns on insurance-related assets and the impact of the change in discount rates and financial assumptions on insurance contract liabilities.

Insurance Revenue, net of CCPB, is insurance revenue, net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Beginning the first quarter of 2023, we no longer report CCPB given the adoption and retrospective application of IFRS 17.

Insurance Risk is the potential for loss as a result of actual experience differing from that assumed when an insurance product was designed and priced, and comprises claims risk, policyholder behaviour risk and expense risk.

Insurance Service Results include insurance revenue, insurance service expenses and reinsurance results.

Legal and Regulatory Risk is the potential for loss or harm resulting from a failure to comply with laws or satisfy contractual obligations or regulatory requirements. This includes the risk of failure to: comply with the law (in letter or in spirit) or maintain standards of care; implement legal or regulatory requirements; enforce or comply with contractual terms; assert non-contractual rights; effectively manage disputes; or act in a manner so as to maintain our reputation.

Leverage Exposures (LE) consist of on-balance sheet items and specified off-balance sheet items, net of specified adjustments.

Leverage Ratio reflects Tier 1 Capital divided by LE.

Liquidity and Funding Risk is the potential for loss if we are unable to meet our financial commitments in a timely manner at reasonable prices as they become due. Financial commitments include liabilities to depositors and suppliers, as well as lending, investment and pledging commitments.

Liquidity Coverage Ratio (LCR) is a Basel III regulatory metric calculated as the ratio of high-quality liquid assets to total net stressed cash outflows over a thirty-day period under a stress scenario prescribed by OSFI.

Market Risk is the potential for adverse changes in the value of our assets and liabilities resulting from changes in market variables such as interest rates, foreign exchange rates, equity and commodity prices and their implied volatilities, and credit spreads, and includes the risk of credit migration and default in our trading book.

Mark-to-Market represents the valuation of financial instruments at fair value (as defined above) as of the balance sheet date.

Master Netting Agreements are agreements between two parties designed to reduce the credit risk of multiple derivative transactions through the provision of a legal right to offset exposure in the event of default.

Model Risk is the potential for adverse outcomes resulting from decisions that are based on incorrect or misused model results. These adverse outcomes can include financial loss, poor business decision-making and damage to reputation.

Net Interest Income comprises earnings on assets, such as loans and securities, including interest and certain dividend income, less interest expense paid on liabilities, such as deposits. Net interest income, excluding trading, is presented on a basis that excludes trading-related interest income.

Net Interest Margin is the ratio of net interest income to average earning assets, expressed as a percentage or in basis points. Net interest margin, excluding trading net interest income and trading and insurance average assets is computed in the same manner, excluding trading-related interest income, and trading and insurance earning assets.

Net Non-Interest Revenue is non-interest revenue, net of insurance claims, commissions and changes in policy benefit liabilities (CCPB). Beginning the first quarter of 2023, we no longer report CCPB given the adoption and retrospective and application of IFRS 17.

Net Promoter Score (NPS) is the percentage of customers surveyed who would recommend BMO to a friend or colleague. Data is gathered in a survey that uses a 0-10 point scale. "Detractors" are defined as those who provide a rating of 0-6, "Passives" are defined as those who provide a rating of 7 or 8, and "Promoters" are defined as those who provide a rating of 9 or 10. The score is calculated by subtracting the percentage of "Detractors" from the percentage of "Promoters".

Net Stable Funding Ratio (NSFR) is a regulatory liquidity measure that assesses the stability of a bank's funding profile in relation to the liquidity

value of its assets and is calculated in accordance with OSFI's Liquidity Adequacy Requirements Guideline.

Notional Amount refers to the principal amount used to calculate interest and other payments under derivative contracts. The principal amount does not change hands under the terms of a derivative contract, except in the case of cross-currency swaps.

Off-Balance Sheet Financial Instruments consist of a variety of financial arrangements offered to clients, which include credit derivatives, written put options, backstop liquidity facilities, standby letters of credit, performance guarantees, credit enhancements, commitments to extend credit, securities lending, documentary and commercial letters of credit, and other indemnifications.

Office of the Superintendent of Financial Institutions (OSFI) is the government agency responsible for regulating banks, insurance companies, trust companies, loan companies and pension plans in Canada.

Operating Leverage is the difference between the growth rates of revenue and non-interest expense. Adjusted operating leverage is the difference between the growth rates of adjusted revenue and adjusted non-interest expense.

Operating Leverage, net of CCPB, is the difference between the growth rates of revenue, net of CCPB (net revenue), and non-interest expense. Adjusted net operating leverage is the difference between the growth rates of adjusted net revenue and adjusted non-interest expense. The bank evaluates performance using adjusted revenue, net of CCPB. Beginning the first quarter of 2023, we no longer report CCPB given the adoption and retrospective application of IFRS 17.

Operational Non-Financial Risk (ONFR) encompasses a wide range of non-financial risks, including those related to business change, customer trust, reputation and data that can result in financial loss. These losses can stem from inadequate or failed internal processes or systems, human error or misconduct, and external events that may directly or indirectly impact the fair value of assets we hold in our credit or investment portfolios. Examples of these risks include cyber and cloud security risk, technology risk, fraud risk and business continuity risk, but exclude legal and regulatory risk, credit risk, market risk, liquidity risk and other types of financial risk.

Options are contractual agreements that convey to the purchaser the right but not the obligation to either buy or sell a specified amount of a currency, commodity, interest-rate-sensitive financial instrument or security at a fixed future date or at any time within a fixed future period.

Pre-Provision, Pre-Tax Earnings (PPPT) is calculated as income before the provision for income taxes and provision for (recovery of) credit losses. We use PPPT on both a reported and an 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.

Provision for Credit Losses (PCL) is a charge to income that represents an amount deemed adequate by management to fully provide for impairment in a portfolio of loans and acceptances and other credit instruments, given the composition of the portfolio, the probability of default, the economic outlook and the allowance for credit losses already established. PCL can comprise both a provision for credit losses on impaired loans and a provision for credit losses on performing loans.

Provision for Credit Losses (PCL) Ratio is calculated as the annualized total provision for credit losses as a percentage of average net loans and acceptances.

Purchased Credit Impaired (PCI) Loans are loans for which the timely collection of interest and principal is no longer reasonably assured. These loans are credit-impaired upon initial recognition.

Reputation Risk is the potential for loss or harm to the BMO brand. It can arise even if other risks are managed effectively.

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.

Risk-Weighted Assets (RWA) are defined as on-balance sheet and off-balance sheet exposures that are risk-weighted based on guidelines established by OSFI. The measure is used for capital management and regulatory reporting purposes.

Securities Borrowed or Purchased under Resale Agreements are low-cost, low-risk instruments, often supported by the pledge of cash collateral, which arise from transactions that involve the borrowing or purchasing of securities.

Securities Lent or Sold under Repurchase Agreements are low-cost, low-risk liabilities, often supported by cash collateral, which arise from transactions that involve the lending or selling of securities.

Securitization is the practice of selling pools of contractual debts, such as residential mortgages, auto loans and credit card debt obligations, to third parties or trusts, which then typically issue a series of asset-backed securities to investors to fund the purchase of the contractual debts.

Strategic Risk is the potential for loss due to fluctuations in the external business environment and/or failure to properly respond to these fluctuations due to inaction, ineffective strategies or poor implementation of strategies.

Stress Tests are used to determine the potential impact of low-frequency, high-severity events on the trading and underwriting portfolios. The portfolios are measured daily against a variety of hypothetical and historical event scenarios. Scenarios are continuously refined to reflect the latest market conditions and portfolio risk exposures.

Structured Entities (SEs) include entities for which voting or similar rights are not the dominant factor in determining control of the entity. BMO is required to consolidate a SE if it controls the entity by having power over the entity, exposure to variable returns as a result of its involvement and the ability to exercise power to affect the amount of those returns.

Structural (Non-Trading) Market Risk comprises interest rate risk arising from banking activities (loans and deposits) and foreign exchange risk arising from foreign currency operations and exposures.

Swaps are contractual agreements between two parties to exchange a series of cash flows. The various swap agreements that BMO enters into are as follows:

- *Commodity swaps* – counterparties generally exchange fixed-rate and floating-rate payments based on a notional value of a single commodity.
- *Credit default swaps* – one counterparty pays the other a fee in exchange for an agreement by the other counterparty to make a payment if a credit event occurs, such as bankruptcy or failure to pay.
- *Cross-currency interest rate swaps* – fixed-rate and floating-rate interest payments and principal amounts are exchanged in different currencies.
- *Cross-currency swaps* – fixed-rate interest payments and principal amounts are exchanged in different currencies.
- *Equity swaps* – counterparties exchange the return on an equity security or a group of equity securities for a return based on a fixed or floating interest rate or the return on another equity security or group of equity securities.
- *Interest rate swaps* – counterparties generally exchange fixed-rate and floating-rate interest payments based on a notional value in a single currency.
- *Total return swaps* – one counterparty agrees to pay or receive from the other cash amounts based on changes in the value of a reference asset or group of assets, including any returns such as interest earned on these assets, in exchange for amounts that are based on prevailing market funding rates.

Tangible Common Equity is calculated as common shareholders' equity, less goodwill and acquisition-related intangible assets, net of related deferred tax liabilities.

Taxable Equivalent Basis (teb): Operating segment revenue is presented on a taxable equivalent basis (teb). Revenue and the provision for income taxes in BMO Capital Markets and U.S. P&C are increased on certain tax-exempt securities to an equivalent pre-

tax basis to facilitate comparisons of income between taxable and tax-exempt sources. The offset to operating segment teb adjustments is reflected in Corporate Services revenue and provision for (recovery of) income taxes.

Tier 1 Capital comprises CET1 Capital and **Additional Tier 1 (AT1) Capital**. AT1 Capital consists of preferred shares and other AT1 Capital instruments, less regulatory deductions.

Tier 1 Capital Ratio reflects Tier 1 Capital divided by risk-weighted assets.

Tier 2 Capital comprises subordinated debentures and may include certain credit loss provisions, less regulatory deductions.

Total Capital includes Tier 1 and Tier 2 Capital.

Total Capital Ratio reflects Total Capital divided by risk-weighted assets.

Total Loss Absorbing Capacity (TLAC) comprises Total Capital and senior unsecured debt subject to the Canadian Bail-In Regime, less regulatory deductions.

Total Loss Absorbing Capacity (TLAC) Ratio reflects TLAC divided by risk-weighted assets.

Total Loss Absorbing Capacity (TLAC) Leverage Ratio reflects TLAC divided by leverage exposures.

Total Shareholder Return: The annual total shareholder return (TSR) represents the average annual total return earned on an investment in BMO common shares made at the beginning of the respective period. The return includes the change in share price and assumes dividends received were reinvested in additional common shares.

Trading and Underwriting Market Risk is associated with buying and selling financial products in the course of meeting customer requirements, including market-making and related financing activities, and assisting clients to raise funds by way of securities issuance.

Trading-Related Revenue includes net interest income and non-interest revenue earned from on-balance sheet and off-balance sheet positions undertaken for trading purposes. The management of these positions typically includes marking them to market on a daily basis. Trading-related revenue also includes income (expense) and gains (losses) from both on-balance sheet instruments and interest rate, foreign exchange (including spot positions), equity, commodity and credit contracts.

Value-at-Risk (VaR) measures the maximum loss likely to be experienced in the trading and underwriting portfolios, measured at a 99% confidence level over a one-day holding period. VaR is calculated for specific classes of risk in BMO's trading and underwriting activities related to interest rates, foreign exchange rates, credit spreads, equity and commodity prices and their implied volatilities.

Consolidated Statement of Income

(Unaudited) (Canadian \$ in millions, except as noted)

	For the three months ended			For the nine months ended	
	July 31, 2024	April 30, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Interest, Dividend and Fee Income					
Loans	\$ 10,269	\$ 9,745	\$ 9,130	\$ 29,846	\$ 24,629
Securities (Note 2)	3,917	3,716	3,099	11,072	8,132
Securities borrowed or purchased under resale agreements	1,839	1,672	1,563	5,068	4,263
Deposits with banks	1,078	1,031	1,029	3,135	2,950
	17,103	16,164	14,821	49,121	39,974
Interest Expense					
Deposits	8,974	8,454	7,102	25,812	18,647
Securities sold but not yet purchased and securities lent or sold under repurchase agreements	2,405	2,282	1,985	6,563	5,439
Subordinated debt	116	111	109	338	313
Other liabilities	814	802	720	2,378	1,835
	12,309	11,649	9,916	35,091	26,234
Net Interest Income	4,794	4,515	4,905	14,030	13,740
Non-Interest Revenue					
Securities commissions and fees	278	271	253	818	774
Deposit and payment service charges	412	398	404	1,206	1,115
Trading revenues (losses)	622	599	400	1,681	(543)
Lending fees	353	388	388	1,126	1,153
Card fees	220	212	126	646	446
Investment management and custodial fees	528	501	476	1,512	1,378
Mutual fund revenues	339	323	316	977	936
Underwriting and advisory fees	332	371	253	1,047	730
Securities gains, other than trading (Note 2)	49	81	36	143	146
Foreign exchange gains, other than trading	67	65	67	196	179
Insurance service results (Note 1)	100	99	96	298	285
Insurance investment results (Note 1)	17	25	193	33	40
Share of profit (loss) in associates and joint ventures	52	67	(2)	157	133
Other revenues (losses)	29	59	141	(32)	428
	3,398	3,459	3,147	9,808	7,200
Total Revenue	8,192	7,974	8,052	23,838	20,940
Provision for Credit Losses (Note 3)	906	705	492	2,238	1,732
Non-Interest Expense					
Employee compensation	2,689	2,619	3,051	8,178	8,565
Premises and equipment	1,047	1,032	1,215	3,055	3,426
Amortization of intangible assets	277	276	284	832	724
Advertising and business development	217	202	218	610	552
Communications	98	100	95	299	259
Professional fees	213	204	276	624	815
Other	298	411	433	1,474	1,114
	4,839	4,844	5,572	15,072	15,455
Income Before Provision for Income Taxes	2,447	2,425	1,988	6,528	3,753
Provision for income taxes (Note 10)	582	559	423	1,505	1,026
Net Income	\$ 1,865	\$ 1,866	\$ 1,565	\$ 5,023	\$ 2,727
Attributable to:					
Bank shareholders	\$ 1,865	\$ 1,862	\$ 1,563	\$ 5,017	\$ 2,722
Non-controlling interest in subsidiaries	-	4	2	6	5
Net Income	\$ 1,865	\$ 1,866	\$ 1,565	\$ 5,023	\$ 2,727
Earnings Per Common Share (Canadian \$) (Note 9)					
Basic	\$ 2.49	\$ 2.36	\$ 2.13	\$ 6.58	\$ 3.56
Diluted	2.48	2.36	2.12	6.57	3.56
Dividends per common share	1.55	1.51	1.47	4.57	4.33

The accompanying notes are an integral part of these interim consolidated financial statements.

Certain comparative figures have been reclassified to conform with the current period's presentation and for changes in accounting policy (Note 1).

Consolidated Statement of Comprehensive Income

(Unaudited) (Canadian \$ in millions)	For the three months ended			For the nine months ended		
	July 31, 2024	April 30, 2024	July 31, 2023	July 31, 2024	July 31, 2023	July 31, 2023
Net Income	\$ 1,865	\$ 1,866	\$ 1,565	\$ 5,023	\$ 2,727	
Other Comprehensive Income (Loss), net of taxes						
Items that will subsequently be reclassified to net income						
Net change in unrealized gains on fair value through OCI debt securities						
Unrealized gains on fair value through OCI debt securities arising during the period (1)	56	40	4	367	169	
Reclassification to earnings of (gains) during the period (2)	(19)	(40)	(4)	(64)	(27)	
	37	-	-	303	142	
Net change in unrealized gains (losses) on cash flow hedges						
Gains (losses) on derivatives designated as cash flow hedges arising during the period (3)	1,829	(1,443)	(1,722)	2,300	(742)	
Reclassification to earnings/goodwill of losses on derivatives designated as cash flow hedges during the period (4)	335	379	334	1,103	595	
	2,164	(1,064)	(1,388)	3,403	(147)	
Net gains (losses) on translation of net foreign operations						
Unrealized gains (losses) on translation of net foreign operations	154	1,482	(1,498)	(244)	(1,411)	
Unrealized gains (losses) on hedges of net foreign operations (5)	(41)	(266)	262	20	111	
	113	1,216	(1,236)	(224)	(1,300)	
Items that will not be subsequently reclassified to net income						
Net unrealized gains on fair value through OCI equity securities arising during the period (6)	1	-	-	9	-	
Net gains (losses) on remeasurement of pension and other employee future benefit plans (7)	102	43	48	54	(11)	
Net gains (losses) on remeasurement of own credit risk on financial liabilities designated at fair value (8)	107	(356)	(89)	(676)	(325)	
	210	(313)	(41)	(613)	(336)	
Other Comprehensive Income (Loss), net of taxes	2,524	(161)	(2,665)	2,869	(1,641)	
Total Comprehensive Income (Loss)	\$ 4,389	\$ 1,705	\$ (1,100)	\$ 7,892	\$ 1,086	
Attributable to:						
Bank shareholders	\$ 4,389	\$ 1,701	\$ (1,102)	\$ 7,886	\$ 1,081	
Non-controlling interest in subsidiaries	-	4	2	6	5	
Total Comprehensive Income (Loss)	\$ 4,389	\$ 1,705	\$ (1,100)	\$ 7,892	\$ 1,086	

(1) Net of income tax (provision) of \$(21) million, \$(14) million, \$nil million for the three months ended and \$(134) million, \$(55) million for the nine months ended, respectively.

(2) Net of income tax provision of \$7 million, \$15 million, \$2 million for the three months ended and \$24 million, \$11 million for the nine months ended, respectively.

(3) Net of income tax (provision) recovery of \$(702) million, \$547 million, \$635 million for the three months ended and \$(884) million, \$367 million for the nine months ended, respectively.

(4) Net of income tax (recovery) of \$(127) million, \$(144) million, \$(126) million for the three months ended and \$(418) million, \$(223) million for the nine months ended, respectively.

(5) Net of income tax (provision) recovery of \$14 million, \$103 million, \$(104) million for the three months ended and \$(9) million, \$(96) million for the nine months ended, respectively.

(6) Net of income tax (provision) of \$(1) million, \$nil million, \$nil million for the three months ended and \$(4) million, \$nil million for the nine months ended, respectively.

(7) Net of income tax (provision) of \$(40) million, \$(17) million, \$(19) million for the three months ended and \$(22) million, \$(19) million for the nine months ended, respectively.

(8) Net of income tax (provision) recovery of \$(42) million, \$137 million, and \$42 million for the three months ended and \$258 million, \$114 million for the nine months ended, respectively.

The accompanying notes are an integral part of these interim consolidated financial statements.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Consolidated Balance Sheet

(Unaudited) (Canadian \$ in millions)

	As at	
	July 31, 2024	October 31, 2023
Assets		
Cash and Cash Equivalents	\$ 74,761	\$ 77,934
Interest Bearing Deposits with Banks	3,562	4,109
Securities (Note 2)		
Trading	168,099	123,718
Fair value through profit or loss	18,537	16,733
Fair value through other comprehensive income	81,456	62,819
Debt securities at amortized cost	117,869	116,814
Investments in associates and joint ventures	1,653	1,461
	387,614	321,545
Securities Borrowed or Purchased Under Resale Agreements	118,005	115,662
Loans (Note 3)		
Residential mortgages	186,512	177,250
Consumer instalment and other personal	92,555	104,042
Credit cards	13,437	12,294
Business and government	384,996	366,886
	677,500	660,472
Allowance for credit losses (Note 3)	(4,276)	(3,807)
	673,224	656,665
Other Assets		
Derivative instruments	36,834	39,976
Customers' liability under acceptances	495	8,111
Premises and equipment	6,249	6,241
Goodwill	16,641	16,728
Intangible assets	4,961	5,216
Current tax assets	1,456	2,052
Deferred tax assets	3,268	3,420
Receivable from brokers, dealers and clients	32,162	53,002
Other	41,238	36,345
	143,304	171,091
Total Assets	\$ 1,400,470	\$ 1,347,006
Liabilities and Equity		
Deposits (Note 4)	\$ 965,239	\$ 910,879
Other Liabilities		
Derivative instruments	49,488	50,193
Acceptances	495	8,111
Securities sold but not yet purchased	39,967	43,774
Securities lent or sold under repurchase agreements	125,326	106,108
Securitization and structured entities' liabilities	36,222	27,094
Payable to brokers, dealers and clients	34,525	53,754
Other	56,930	62,742
	342,953	351,776
Subordinated Debt	9,321	8,228
Total Liabilities	1,317,513	1,270,883
Equity		
Preferred shares and other equity instruments (Note 5)	8,487	6,958
Common shares (Note 5)	23,911	22,941
Contributed surplus	346	328
Retained earnings	45,451	44,006
Accumulated other comprehensive income	4,731	1,862
Total shareholders' equity	82,926	76,095
Non-controlling interest in subsidiaries (Note 5)	31	28
Total Equity	82,957	76,123
Total Liabilities and Equity	\$ 1,400,470	\$ 1,347,006

The accompanying notes are an integral part of these interim consolidated financial statements.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Consolidated Statement of Changes in Equity

(Unaudited) (Canadian \$ in millions)	For the three months ended		For the nine months ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Preferred Shares and Other Equity Instruments (Note 5)				
Balance at beginning of period	\$ 8,314	\$ 6,958	\$ 6,958	\$ 6,308
Issued during the period	1,023	–	2,379	650
Redeemed during the period	(850)	–	(850)	–
Balance at End of Period	8,487	6,958	8,487	6,958
Common Shares (Note 5)				
Balance at beginning of period	23,896	22,062	22,941	17,744
Issued under the Shareholder Dividend Reinvestment and Share Purchase Plan	–	405	905	1,170
Issued under the Stock Option Plan	15	8	57	47
Treasury shares sold (purchased)	–	(1)	8	–
Issued to align capital position with increased regulatory requirements as announced by OSFI	–	–	–	3,360
Issued for acquisitions	–	–	–	153
Balance at End of Period	23,911	22,474	23,911	22,474
Contributed Surplus				
Balance at beginning of period	350	327	328	317
Stock option expense, net of options exercised	(2)	2	9	12
Net premium (discount) on sale of treasury shares	(2)	1	9	(1)
Other	–	–	–	2
Balance at End of Period	346	330	346	330
Retained Earnings				
Balance at beginning of period	44,772	43,025	44,006	45,117
Impact from accounting policy changes (Note 1)	–	–	–	(974)
Net income attributable to bank shareholders	1,865	1,563	5,017	2,722
Dividends on preferred shares and distributions payable on other equity instruments	(51)	(41)	(234)	(206)
Dividends on common shares	(1,130)	(1,054)	(3,327)	(3,089)
Equity issue expense	(5)	–	(11)	(73)
Net discount on sale of treasury shares	–	–	–	(4)
Balance at End of Period	45,451	43,493	45,451	43,493
Accumulated Other Comprehensive (Loss) on Fair Value through OCI Securities, net of taxes				
Balance at beginning of period	(190)	(217)	(464)	(359)
Unrealized gains on fair value through OCI debt securities arising during the period	56	4	367	169
Unrealized gains on fair value through OCI equity securities arising during the period	1	–	9	–
Reclassification to earnings of (gains) during the period	(19)	(4)	(64)	(27)
Balance at End of Period	(152)	(217)	(152)	(217)
Accumulated Other Comprehensive (Loss) on Cash Flow Hedges, net of taxes				
Balance at beginning of period	(4,209)	(3,888)	(5,448)	(5,129)
Gains (losses) on derivatives designated as cash flow hedges arising during the period	1,829	(1,722)	2,300	(742)
Reclassification to earnings/goodwill of losses on derivatives designated as cash flow hedges during the period	335	334	1,103	595
Balance at End of Period	(2,045)	(5,276)	(2,045)	(5,276)
Accumulated Other Comprehensive Income on Translation of Net Foreign Operations, net of taxes				
Balance at beginning of period	5,857	5,104	6,194	5,168
Unrealized gains (losses) on translation of net foreign operations	154	(1,498)	(244)	(1,411)
Unrealized gains (losses) on hedges of net foreign operations	(41)	262	20	111
Balance at End of Period	5,970	3,868	5,970	3,868
Accumulated Other Comprehensive Income on Pension and Other Employee Future Benefit Plans, net of taxes				
Balance at beginning of period	895	885	943	944
Gains (losses) on remeasurement of pension and other employee future benefit plans	102	48	54	(11)
Balance at End of Period	997	933	997	933
Accumulated Other Comprehensive Income (Loss) on Own Credit Risk on Financial Liabilities Designated at Fair Value, net of taxes				
Balance at beginning of period	(146)	692	637	928
Gains (losses) on remeasurement of own credit risk on financial liabilities designated at fair value	107	(89)	(676)	(325)
Balance at End of Period	(39)	603	(39)	603
Total Accumulated Other Comprehensive Income (Loss)	4,731	(89)	4,731	(89)
Total Shareholders' Equity	82,926	73,166	82,926	73,166
Non-Controlling Interest in Subsidiaries (Note 5)				
Balance at beginning of period	31	19	28	–
Acquisition	–	–	–	16
Net income attributable to non-controlling interest in subsidiaries	–	2	6	5
Dividends to non-controlling interest in subsidiaries	–	–	(3)	–
Balance at End of Period	31	21	31	21
Total Equity	\$ 82,957	\$ 73,187	\$ 82,957	\$ 73,187

The accompanying notes are an integral part of these interim consolidated financial statements.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Consolidated Statement of Cash Flows

(Unaudited) (Canadian \$ in millions)	For the three months ended		For the nine months ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Cash Flows from Operating Activities				
Net Income	\$ 1,865	\$ 1,565	\$ 5,023	\$ 2,727
Adjustments to determine net cash flows provided by operating activities:				
Securities (gains), other than trading (Note 2)	(49)	(36)	(143)	(146)
Depreciation of premises and equipment	246	252	730	724
Depreciation of other assets	7	14	24	50
Amortization of intangible assets	277	284	832	724
Provision for credit losses (Note 3)	906	492	2,238	1,732
Deferred taxes	146	(547)	(118)	(669)
Changes in operating assets and liabilities:				
Trading securities	(8,011)	(12,468)	(43,770)	(18,612)
Derivative assets	1,949	(564)	7,679	20,820
Derivative liabilities	762	1,359	(3,997)	(19,324)
Current income taxes	587	54	711	(1,032)
Accrued interest receivable and payable	280	902	1,119	2,254
Brokers, dealers and clients receivable and payable	(2,841)	6,904	1,527	5,444
Other items and accruals, net	(4,137)	903	(5,749)	3,606
Deposits	25,062	19,643	56,597	28,645
Loans	(16,492)	(4,268)	(20,644)	(14,455)
Securities sold but not yet purchased	(2,263)	(1,055)	(3,630)	7,410
Securities lent or sold under repurchase agreements	4,234	(7,088)	19,285	(11,734)
Securities borrowed or purchased under resale agreements	161	3,242	(2,415)	(1,963)
Securitization and structured entities' liabilities	(663)	1,090	9,024	(170)
Net Cash Provided by Operating Activities	2,026	10,678	24,323	6,031
Cash Flows from Financing Activities				
Net increase (decrease) in liabilities of subsidiaries	(2,042)	(2,347)	(8,810)	2,456
Proceeds from issuance of covered bonds	-	2,916	-	8,027
Redemption/buyback of covered bonds	-	-	(2,327)	(8,175)
Proceeds from issuance of subordinated debt	1,000	-	1,000	-
Proceeds from issuance of preferred shares, net of issuance costs (Note 5)	1,018	-	2,368	648
Redemption of preferred shares (Note 5)	(850)	-	(850)	-
Net proceeds from issuance of common shares (Note 5)	17	6	48	3,324
Net sale (purchase) of treasury shares	-	(1)	8	-
Cash dividends and distributions paid	(1,245)	(742)	(2,659)	(2,047)
Cash dividends paid to non-controlling interest	-	-	(3)	-
Repayment of lease liabilities	(91)	(92)	(276)	(259)
Net Cash Provided by (Used in) Financing Activities	(2,193)	(260)	(11,501)	3,974
Cash Flows from Investing Activities				
Net decrease in interest bearing deposits with banks	791	489	553	924
Purchases of securities, other than trading	(21,789)	(7,645)	(62,007)	(35,096)
Maturities of securities, other than trading	6,919	5,669	20,008	15,595
Proceeds from sales of securities, other than trading	9,338	5,896	26,605	19,318
Premises and equipment - net purchases	(196)	(190)	(576)	(566)
Purchased and developed software - net purchases	(217)	(178)	(556)	(572)
Acquisitions (1)	-	(155)	-	(15,107)
Net Cash Provided by (Used in) Investing Activities	(5,154)	3,886	(15,973)	(15,504)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	213	(1,537)	(22)	(705)
Net increase (decrease) in Cash and Cash Equivalents	(5,108)	12,767	(3,173)	(6,204)
Cash and Cash Equivalents at Beginning of Period	79,869	68,495	77,934	87,466
Cash and Cash Equivalents at End of Period	\$ 74,761	\$ 81,262	\$ 74,761	\$ 81,262
Supplemental Disclosure of Cash Flow Information				
Net cash provided by operating activities includes:				
Interest paid in the period (2)	\$ 12,083	\$ 9,313	\$ 33,564	\$ 23,493
Income taxes paid in the period	471	319	1,548	2,302
Interest received in the period	16,519	14,571	46,995	37,729
Dividends received in the period	732	698	1,923	1,777

(1) This amount is net of \$63 million and \$3,646 million cash and cash equivalents acquired as part of acquisitions for the three and nine months ended July 31, 2023. To mitigate changes in the Canadian dollar equivalent of the purchase price on close, we entered into forward contracts, which qualified for hedge accounting.

(2) Includes dividends paid on securities sold but not yet purchased.

The accompanying notes are an integral part of these interim consolidated financial statements.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Notes to Interim Consolidated Financial Statements

July 31, 2024 (Unaudited)

Note 1: Basis of Presentation

Bank of Montreal (the bank or BMO) is a chartered bank under the *Bank Act (Canada)* and is a public company incorporated in Canada. We are a highly diversified financial services company, providing a broad range of personal and commercial banking, wealth management and investment banking products and services. The bank's head office is at 129 rue Saint Jacques, Montreal, Quebec. Our executive offices are at 100 King Street West, 1 First Canadian Place, Toronto, Ontario. Our common shares are listed on the Toronto Stock Exchange (TSX) and the New York Stock Exchange.

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) using the same accounting policies as disclosed in our annual consolidated financial statements for the year ended October 31, 2023, except as outlined below. These condensed interim consolidated financial statements should be read in conjunction with the notes to our annual consolidated financial statements for the year ended October 31, 2023. We also comply with interpretations of International Financial Reporting Standards (IFRS) by our regulator, the Office of the Superintendent of Financial Institutions (OSFI). These interim consolidated financial statements were authorized for issue by the Board of Directors on August 27, 2024.

Interbank Offered Rate (IBOR) Reform

BMO has transitioned all Canadian Dollar Offered Rate settings to alternative reference rates, except for certain loans for which the interest rate will reset after July 31, 2024. For additional details regarding interest rate benchmarks, refer to Note 1 of our annual consolidated financial statements for the year ended October 31, 2023.

Use of Estimates and Judgments

The preparation of the interim consolidated financial statements requires management to use estimates and assumptions that affect the carrying amounts of certain assets and liabilities, certain amounts reported in net income and other related disclosures.

The most significant assets and liabilities for which we must make estimates and judgments include the allowance for credit losses (ACL); financial instruments measured at fair value; pension and other employee future benefits; impairment of securities; income taxes and deferred tax assets; goodwill and intangible assets; insurance-related assets and liabilities; provisions including legal proceedings and severance charges; transfer of financial assets and consolidation of structured entities. We make judgments in assessing the business model for financial assets as well as whether substantially all risks and rewards have been transferred in respect of transfers of financial assets and whether we control structured entities. If actual results were to differ from the estimates, the impact would be recorded in future periods.

The economic outlook is subject to several risks that could lead to a more adverse outcome for the North American economy, including the economy decelerating more rapidly than central banks anticipated due to higher interest rates, inflation staying above target and resulting in continued restrictive monetary policies, an escalation of geopolitical risks including wars in Ukraine and the Middle East, and an increase in tensions between the United States and China relating to trade protectionism and Taiwan. These tensions are likely to increase further if the U.S. November presidential election results in a new administration. The impact on our business, results of operations, reputation, financial performance and condition, including the potential for credit, counterparty and mark-to-market losses, our credit ratings and regulatory capital and liquidity ratios, as well as impacts to our customers and competitors, will depend on future developments, which remain uncertain. By their very nature, the judgments and estimates we make for the purposes of preparing our consolidated financial statements relate to matters that are inherently uncertain. However, we have detailed policies and internal controls that are intended to ensure the judgments made in estimating these amounts are well controlled and independently reviewed, and that our policies are consistently applied from period to period. We believe that our estimates of the value of our assets and liabilities are appropriate as at July 31, 2024.

Allowance for Credit Losses

As detailed further in Note 1 of our annual consolidated financial statements for the year ended October 31, 2023, ACL consists of allowances on impaired loans, which represent estimated losses related to impaired loans in the portfolio provided for but not yet written off, and allowances on performing loans, which is our best estimate of impairment in the existing portfolio for loans that have not yet been individually identified as impaired.

The expected credit losses (ECL) model requires the recognition of credit losses generally based on 12 months of expected losses for performing loans and the recognition of lifetime losses on performing loans that have experienced a significant increase in credit risk since origination.

The determination of a significant increase in credit risk takes into account many different factors and varies by product and risk segment. The bank's methodology for determining significant increase in credit risk is based on the change in probability of default between origination, and reporting date, assessed using probability-weighted scenarios as well as certain other criteria, such as 30 days past due and watchlist status. The assessment of a significant increase in credit risk requires experienced credit judgment.

In determining whether there has been a significant increase in credit risk and in calculating the amount of ECL, we must rely on estimates and exercise judgment regarding matters for which the ultimate outcome is unknown. These judgments include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which could require an increase or a decrease in the ACL. The calculation of ECL includes the explicit incorporation of forecasts of future economic conditions. We have developed models incorporating specific macroeconomic variables that are relevant to each portfolio. Key economic variables for our retail portfolios include primary operating markets of Canada, the United States and regional markets, where considered significant. Forecasts are developed internally by our Economics group, considering external data and our view of future economic conditions. We exercise experienced credit judgment to incorporate multiple economic forecasts, which are probability-weighted, in the determination of the final ECL. The allowance is sensitive to changes in both economic forecasts and the probability-weight assigned to each forecast scenario.

Additional information regarding the ACL is included in Note 3.

Insurance Contract Liabilities

Insurance contract liabilities represent estimates of fulfilment cash flows, which include a risk adjustment, and the contractual service margin (CSM). Fulfilment cash flows include estimates of future cash flows related to the remaining coverage period and for already incurred claims, which are then discounted and probability-weighted. This is based on non-financial risk assumptions including mortality, lapse and expenses, which are based on a combination of industry and entity specific data and in the case of expenses, on historical analysis of which expenses are attributable to insurance operations. These assumptions are reviewed at least annually and updated to reflect actual experience and market conditions. In addition, we add a risk adjustment for non-financial risk to bring the confidence level on the sufficiency for reserves to 70-80%. The CSM is a component of the liability representing the unearned profit we will recognize as we provide services.

Changes in Accounting Policy

IFRS 17 Insurance Contracts

Effective November 1, 2023, we adopted IFRS 17 *Insurance Contracts* (IFRS 17), which provides a comprehensive approach to accounting for all types of insurance contracts and replaced existing IFRS 4 *Insurance Contracts* (IFRS 4).

IFRS 17 fundamentally changes the accounting for insurance contracts, with two key changes for the bank which impact the timing of income recognition:

Firstly, IFRS 17 requires us to group insurance contracts, where contracts have similar risks, were written in the same fiscal year and have similar expected profitability. IFRS 4 had no similar grouping requirement. We then measure these groups of contracts based on our estimates of the present value of future cash flows that are expected to arise as we fulfill the contracts, plus an explicit risk adjustment for insurance-specific risk. To the extent that future cash inflows exceed the future cash outflows, a CSM is recorded, representing unearned profits that will be recognized over the duration of the insurance contracts. If a group of insurance contracts is expected to experience losses, these losses are recorded in income immediately in non-interest revenue, insurance service results. Changes in expected fulfilment cash outflows, risk adjustment and CSM will be recognized in the Consolidated Statement of Income in insurance service results over the term of the related insurance contracts. We will use this approach for all insurance contracts, except for creditor insurance and direct participating contracts. We will apply a modified approach to our direct participating products, including segregated funds, whereby their initial measurement is consistent with other insurance contracts, but the fee variability is factored into the remeasurement over the contract coverage period. For our creditor business, with a coverage period of one year or less, we will defer premiums received and recognize them in income over the coverage period and recognize a liability for claims only once a loss is incurred.

Under IFRS 4, gains/losses on new contracts were previously recognized in income immediately.

The second key difference under IFRS 17 compared to IFRS 4 is the rate used to discount our insurance contract liabilities. Under IFRS 17, the discount rate is comprised of a risk-free rate and an illiquidity premium that reflects the characteristics of these liabilities. Under IFRS 4, the discount rate was connected to the yield of the assets held to support insurance contract liabilities. We have elected the accounting policy choice under IFRS 17 to recognize the impact of changes in the discount rate and financial assumptions on insurance contract liabilities in our Consolidated Statement of Income in non-interest revenue, insurance investment results.

On transition, we were required to apply a full retrospective approach, where we restated prior periods as if we had always applied IFRS 17, unless impracticable, in which case we were to apply either the modified retrospective approach, where we applied specific modifications to the full retrospective approach, or the fair value approach, where we determined the fair value of the CSM as the difference between the fair value of a group of contracts and our fulfilment cash flows at the date of transition. We applied the full retrospective approach to our creditor business and the fair value approach to all other products written prior to November 1, 2022. The impact of adopting IFRS 17 as at November 1, 2022 is an increase in assets of \$1,075 million, an increase in liabilities of \$2,181 million and a decrease in shareholders' equity of \$1,106 million after-tax. The CSM qualifies as Tier 1 Capital. We applied the change retrospectively, as though we had always accounted for insurance contracts under IFRS 17.

IAS 40 Investment Property

On transition to IFRS 17, we voluntarily changed our accounting policy for the measurement of investment properties, included in insurance-related assets in other assets in our Consolidated Balance Sheet, from cost to fair value. This better aligns our returns on investment properties with gains and losses from our insurance business. IAS 40 *Investment Property* (IAS 40) permits either measurement approach. We applied the change retrospectively, as though we had always accounted for investment properties at fair value. The result was an increase in other assets of \$132 million and an increase in shareholders' equity of \$132 million after-tax at November 1, 2022.

Transition Impacts

The following table shows the impact of these combined changes at November 1, 2022:

(Canadian \$ in millions)		November 1, 2022 previously reported	IFRS 17 impacts	IAS 40 accounting policy change impacts	November 1, 2022 restated
Assets					
Other Assets					
	Deferred tax assets	\$ 1,175	\$ 418	\$ (51)	\$ 1,542
	Other				
	Insurance-related assets	2,575	657	183	3,415
Total Assets		\$ 3,750	\$ 1,075	\$ 132	\$ 4,957
Liabilities					
Other Liabilities					
	Deferred tax liabilities	\$ 102	\$ –	\$ –	\$ 102
	Other				
	Insurance-related liabilities	11,201	2,181	–	13,382
Total Liabilities		\$ 11,303	\$ 2,181	\$ –	\$ 13,484

The impact of these changes on our Common Equity Tier 1 (CET1) Ratio is not material.

Presentation of Insurance Results

Insurance results are presented in non-interest revenue, insurance service results and non-interest revenue, insurance investment results, in our Consolidated Statement of Income. Insurance service results include insurance revenue, insurance service expenses and reinsurance results. Insurance investment results include net returns on insurance-related assets and the impact of the change in discount rates and financial assumptions on insurance contract liabilities. We no longer report Insurance claims, commissions and changes in policy benefit liabilities.

Insurance service results in our Consolidated Statement of Income are as follows:

(Canadian \$ in millions)		For the three months ended		For the nine months ended	
		July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Insurance revenue	\$	440	\$ 415	\$ 1,307	\$ 1,162
Insurance service expenses		(317)	(287)	(919)	(796)
Net expenses from reinsurance contracts		(23)	(32)	(90)	(81)
Insurance service results	\$	100	\$ 96	\$ 298	\$ 285

Insurance investment results in our Consolidated Statement of Income are as follows:

(Canadian \$ in millions)		For the three months ended		For the nine months ended	
		July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Investment return	\$	978	\$ (120)	\$ 2,046	\$ 871
Insurance finance income (expense) from insurance and reinsurance contracts held		(899)	278	(1,911)	(814)
Movement in investment contract liabilities		(62)	35	(102)	(17)
Insurance investment results	\$	17	\$ 193	\$ 33	\$ 40

We use the following rates for discounting fulfilment cash flows for our insurance contracts, which are based on a risk-free yield adjusted for an illiquidity premium that reflects the liquidity characteristics of the liabilities:

Portfolio duration:	July 31, 2024	October 31, 2023
1 year	4.78%	6.10%
3 years	4.26%	5.83%
5 years	4.25%	5.69%
10 years	4.69%	5.82%
20 years	5.07%	5.85%
30 years	4.96%	5.81%
Ultimate	5.00%	5.00%

Presentation of Insurance Contract Liabilities

Insurance contract liabilities by remaining coverage and incurred claims is comprised of the following:

(Canadian \$ in millions)	For the nine months ended July 31, 2024			For the twelve months ended October 31, 2023		
	Liabilities for remaining coverage	Liabilities for incurred claims	Total	Liabilities for remaining coverage	Liabilities for incurred claims	Total
Insurance contract liabilities, beginning of period	\$ 13,114	\$ 235	\$ 13,349	\$ 11,850	\$ 267	\$ 12,117
Insurance service results	(1,171)	842	(329)	(1,403)	979	(424)
Net finance expenses from insurance contracts	2,031	-	2,031	179	-	179
Total cash flows	1,792	(871)	921	2,488	(1,013)	1,475
Other changes in the net carrying amount of the insurance contract	-	(1)	(1)	-	2	2
Insurance contract liabilities, end of period (1)	\$ 15,766	\$ 205	\$ 15,971	\$ 13,114	\$ 235	\$ 13,349

(1) The liabilities for incurred claims relating to insurance contracts in our creditor and reinsurance business were \$110 million as at July 31, 2024 and \$131 million as at October 31, 2023.

CSM from contracts issued in 2023 was \$73 million and for the nine months ended July 31, 2024 was \$73 million. Total CSM as at July 31, 2024 was \$1,697 million (\$1,689 million as at October 31, 2023). This excludes the impact of any reinsurance held, which is not significant to the bank. Onerous contract losses in the three and nine months ended July 31, 2024 and 2023 were not material.

IFRS 9 Financial Instruments

Effective November 1, 2023, we voluntarily changed our accounting policy to account for regular way contracts to buy or sell financial assets on trade date, instead of on settlement date. This change was applied retrospectively, as is required for changes in accounting policy, as if we always recorded securities transactions on trade date. Regular way contracts are contracts which will be settled within a timeframe established by market convention or regulation. The change resulted in an increase in both assets and liabilities of \$52.5 billion as at October 31, 2023.

IAS 12 Income Taxes

Effective November 1, 2023, we adopted an amendment to IAS 12 *Income Taxes* (IAS 12). This amendment narrows the IAS 12 exemption to exclude transactions that give rise to equal and offsetting temporary differences (e.g. leases and asset retirement obligations). Upon adoption of the amendment, we record separate deferred tax assets and liabilities related to the assets and liabilities that give rise to these temporary differences. There was no impact on our Consolidated Balance Sheet, as the balances are eligible for offset when levied by the same tax authority. This change impacts note disclosure only.

Future Changes in IFRS

IFRS 9 Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* which introduce additional guidance in two areas. The first relates to financial assets with contingent features and when these features can be considered consistent with a basic lending arrangement, in which case the instrument can be measured at amortized cost. The second relates to the timing of derecognition of financial liabilities when payment takes place through an electronic payment system and certain conditions are met. These amendments will be effective for our fiscal year beginning November 1, 2026 and we are currently assessing their impact on our consolidated financial statements.

IAS 12 Income Taxes

In May 2023, the IASB issued an amendment to IAS 12. The amendment addresses concerns around accounting for the global minimum top-up tax as outlined in the two-pillar plan for international tax reform developed by members of the Organisation for Economic Co-operation and Development/ G20 Inclusive Framework on Base Erosion and Profit Shifting. The amendment to IAS 12 includes temporary mandatory relief from recognizing and disclosing deferred taxes related to the top-up tax. We have applied the temporary mandatory relief related to deferred taxes in jurisdictions in which we operate where the top-up tax legislation has been enacted or substantively enacted. The minimum tax rules in these jurisdictions are not yet effective for us and we continue to assess their financial impact. The global minimum tax rules will be effective for our fiscal year beginning November 1, 2024.

IFRS 18 Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* (IFRS 18), which will replace IAS 1 *Presentation of Financial Statements*, and will be effective for our fiscal year beginning November 1, 2027. IFRS 18 requires changes to how information is grouped and presented in the financial statements, and requires that certain management performance measures be included in the financial statements. We are currently assessing the impact of the standard on the presentation of our consolidated financial statements.

Note 2: Securities

Classification of Securities

The following table summarizes the carrying amounts of the bank's securities by classification:

(Canadian \$ in millions)	July 31, 2024	October 31, 2023
Trading securities (1)	\$ 168,099	\$ 123,718
Fair value through profit or loss securities (FVTPL)		
FVTPL securities mandatorily measured at fair value	6,683	6,730
FVTPL investment securities held by Insurance subsidiaries designated at fair value	11,854	10,003
Total FVTPL securities	18,537	16,733
Fair value through other comprehensive income (FVOCI) securities (2)	81,456	62,819
Amortized cost securities (3)	117,869	116,814
Investments in associates and joint ventures	1,653	1,461
Total	\$ 387,614	\$ 321,545

(1) Trading securities include interests of \$11,376 million as at July 31, 2024 (\$3,346 million as at October 31, 2023) in Collateralized Mortgage Obligations (CMO). We receive CMO in return for our sales of Mortgage Backed Securities (MBS) to certain structured vehicles that we do not consolidate. When we subsequently sell these CMO to third parties, but do not transfer substantially all risks and rewards of ownership to the third-party investor, or we maintain an interest in the sold instrument, we retain these CMO on our Consolidated Balance Sheet. Refer to Note 7 of our annual consolidated financial statements for the year ended October 31, 2023 for further discussion on these vehicles.

(2) Amounts are net of ACL of \$4 million (\$3 million as at October 31, 2023).

(3) Amounts are net of ACL of \$3 million (\$3 million as at October 31, 2023).

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Amortized Cost Securities

The following table summarizes the carrying value and fair value of amortized cost debt securities:

(Canadian \$ in millions)	July 31, 2024		October 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Issued or guaranteed by:				
Canadian federal government	\$ 3,299	\$ 3,278	\$ 4,908	\$ 4,905
Canadian provincial and municipal governments	4,378	4,379	4,613	4,605
U.S. federal government	55,666	51,414	56,878	51,063
U.S. states, municipalities and agencies	185	184	190	179
Other governments	862	846	948	779
NHA MBS, U.S. agency MBS and CMO (1)	43,886	39,945	47,590	41,134
Corporate debt	9,593	9,564	1,687	1,506
Total	\$ 117,869	\$ 109,610	\$ 116,814	\$ 104,171

(1) These amounts are either supported by insured mortgages or issued by U.S. agencies and government-sponsored enterprises. NHA refers to the National Housing Act.

The carrying value of securities that are part of fair value hedging relationships are adjusted for related gains (losses) on hedge contracts.

Unrealized Gains and Losses on FVOCI Securities

The following table summarizes the unrealized gains and losses on FVOCI securities:

(Canadian \$ in millions)	July 31, 2024				October 31, 2023			
	Cost or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Cost or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Issued or guaranteed by:								
Canadian federal government	\$ 28,029	\$ 278	\$ (18)	\$ 28,289	\$ 20,579	\$ 14	\$ (493)	\$ 20,100
Canadian provincial and municipal governments	5,831	88	(27)	5,892	5,281	2	(228)	5,055
U.S. federal government	12,019	223	(70)	12,172	6,245	-	(365)	5,880
U.S. states, municipalities and agencies	5,050	23	(72)	5,001	5,486	5	(190)	5,301
Other governments	5,764	29	(8)	5,785	7,064	13	(108)	6,969
NHA MBS, U.S. agency MBS and CMO	19,825	87	(274)	19,638	16,421	12	(668)	15,765
Corporate debt	4,458	73	(29)	4,502	3,676	3	(90)	3,589
Corporate equity	134	43	-	177	129	31	-	160
Total	\$ 81,110	\$ 844	\$ (498)	\$ 81,456	\$ 64,881	\$ 80	\$ (2,142)	\$ 62,819

Unrealized gains (losses) may be offset by related (losses) gains on hedge contracts.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Interest Income on Debt Securities

The following table presents interest income calculated using the effective interest method:

(Canadian \$ in millions)	For the three months ended		For the nine months ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
FVOCI securities	\$ 946	\$ 689	\$ 2,789	\$ 1,812
Amortized cost securities	988	991	3,017	2,406
Total	\$ 1,934	\$ 1,680	\$ 5,806	\$ 4,218

Non-Interest Revenue

Net gains and losses from securities, excluding gains and losses on trading securities, have been included in our Consolidated Statement of Income as follows:

(Canadian \$ in millions)	For the three months ended		For the nine months ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
FVTPL securities	\$ 23	\$ 34	\$ 55	\$ 111
FVOCI securities - net realized gains (1)	26	2	89	35
Impairment on FVOCI and amortized cost securities	–	–	(1)	–
Securities gains, other than trading	\$ 49	\$ 36	\$ 143	\$ 146

(1) Gains are net of (losses) on hedge contracts.

Interest and dividend income and gains on securities held in our Insurance business are recorded in non-interest revenue, insurance investment results, in our Consolidated Statement of Income as follows:

(Canadian \$ in millions)	For the three months ended		For the nine months ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Interest and dividend income	\$ 127	\$ 117	\$ 385	\$ 334
Gains (losses) from securities designated at FVTPL	560	(280)	1,166	329
Realized gains from FVOCI securities	1	–	1	1
Total interest and dividend income and gains held in our Insurance business	\$ 688	\$ (163)	\$ 1,552	\$ 664

Note 3: Loans and Allowance for Credit Losses

Credit Risk Exposure

The following table sets out our credit risk exposure for all loans carried at amortized cost, FVOCI or FVTPL as at July 31, 2024 and October 31, 2023. Stage 1 represents performing loans carried with up to a 12-month ECL, Stage 2 represents performing loans carried with a lifetime ECL, and Stage 3 represents loans with a lifetime ECL that are credit impaired.

(Canadian \$ in millions)	July 31, 2024				October 31, 2023			
	Stage 1	Stage 2	Stage 3 (1)	Total	Stage 1	Stage 2	Stage 3 (1)	Total
Loans: Residential mortgages								
Exceptionally low	\$ 1	\$ –	\$ –	\$ 1	\$ 2	\$ –	\$ –	\$ 2
Very low	83,763	7,550	–	91,313	85,423	171	–	85,594
Low	48,857	15,495	–	64,352	51,366	10,820	–	62,186
Medium	6,905	5,250	–	12,155	5,289	5,434	–	10,723
High	263	2,550	–	2,813	282	2,015	–	2,297
Not rated (2)	14,292	969	–	15,261	15,906	118	–	16,024
Impaired	–	–	617	617	–	–	424	424
Gross residential mortgages	154,081	31,814	617	186,512	158,268	18,558	424	177,250
ACL	53	191	8	252	73	146	5	224
Carrying amount	154,028	31,623	609	186,260	158,195	18,412	419	177,026
Loans: Consumer instalment and other personal								
Exceptionally low	8,724	237	–	8,961	1,547	4	–	1,551
Very low	20,269	1,229	–	21,498	37,924	180	–	38,104
Low	26,095	5,020	–	31,115	21,406	1,052	–	22,458
Medium	7,695	5,341	–	13,036	7,971	5,686	–	13,657
High	766	1,918	–	2,684	759	2,127	–	2,886
Not rated (2)	14,341	343	–	14,684	24,426	411	–	24,837
Impaired	–	–	577	577	–	–	549	549
Gross consumer instalment and other personal	77,890	14,088	577	92,555	94,033	9,460	549	104,042
ACL	165	384	162	711	208	415	152	775
Carrying amount	77,725	13,704	415	91,844	93,825	9,045	397	103,267
Loans: Credit cards (3)								
Exceptionally low	1,670	–	–	1,670	1,605	–	–	1,605
Very low	2,122	1	–	2,123	1,946	1	–	1,947
Low	2,078	51	–	2,129	1,884	70	–	1,954
Medium	4,514	801	–	5,315	3,860	890	–	4,750
High	741	844	–	1,585	533	763	–	1,296
Not rated (2)	466	149	–	615	651	91	–	742
Impaired	–	–	–	–	–	–	–	–
Gross credit cards	11,591	1,846	–	13,437	10,479	1,815	–	12,294
ACL	153	360	–	513	134	267	–	401
Carrying amount	11,438	1,486	–	12,924	10,345	1,548	–	11,893
Loans: Business and government (4)								
Acceptable								
Investment grade	194,063	3,230	–	197,293	202,731	3,886	–	206,617
Sub-investment grade	147,342	15,752	–	163,094	126,535	26,260	–	152,795
Watchlist	263	19,994	–	20,257	1,078	11,520	–	12,598
Impaired	–	–	4,847	4,847	–	–	2,987	2,987
Gross business and government	341,668	38,976	4,847	385,491	330,344	41,666	2,987	374,997
ACL	690	1,295	815	2,800	849	1,031	527	2,407
Carrying amount	340,978	37,681	4,032	382,691	329,495	40,635	2,460	372,590
Total gross loans and acceptances	585,230	86,724	6,041	677,995	593,124	71,499	3,960	668,583
Total net loans and acceptances	584,169	84,494	5,056	673,719	591,860	69,640	3,276	664,776
Commitments and financial guarantee contracts								
Acceptable								
Investment grade	195,684	315	–	195,999	195,149	1,721	–	196,870
Sub-investment grade	65,476	6,290	–	71,766	54,148	14,158	–	68,306
Watchlist	60	8,214	–	8,274	254	4,137	–	4,391
Impaired	–	–	750	750	–	–	687	687
Gross commitments and financial guarantee contracts	261,220	14,819	750	276,789	249,551	20,016	687	270,254
ACL	218	230	26	474	260	189	11	460
Carrying amount (5) (6)	\$ 261,002	\$ 14,589	\$ 724	\$ 276,315	\$ 249,291	\$ 19,827	\$ 676	\$ 269,794

(1) Includes purchased credit impaired (PCI) loan balances.

(2) Includes purchased portfolios and certain cases where an internal risk rating is not assigned. Alternative credit risk assessments, rating methodologies, policies and tools are used to manage credit risk for these portfolios.

(3) Credit card loans are immediately written off when principal or interest payments are 180 days past due, and as a result are not reported as impaired in Stage 3.

(4) Includes customers' liability under acceptances.

(5) Represents total contractual amounts of undrawn credit facilities and other off-balance sheet exposures, excluding personal lines of credit and credit cards that are unconditionally cancellable at our discretion.

(6) Certain commercial borrower commitments are conditional and may include recourse to counterparties.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Allowance for Credit Losses

The ACL recorded in our Consolidated Balance Sheet is maintained at a level we consider adequate to absorb credit-related losses on our loans and other credit instruments. The ACL amounted to \$4,750 million as at July 31, 2024 (\$4,267 million as at October 31, 2023) of which \$4,276 million (\$3,807 million as at October 31, 2023) was recorded in loans and \$474 million (\$460 million as at October 31, 2023) was recorded in other liabilities in our Consolidated Balance Sheet.

Significant changes in gross balances, including originations, maturities, sales, write-offs and repayments in the normal course of operations, impact the ACL.

The following tables show the continuity in the loss allowance by product type for the three and nine months ended July 31, 2024 and July 31, 2023. Transfers represent the amount of ECL that moved between stages during the period, for example, moving from a 12-month (Stage 1) to lifetime (Stage 2) ECL measurement basis. Net remeasurements represent the ECL impact due to transfers between stages, as well as changes in economic forecasts and credit quality. Model changes include new calculation models or methodologies.

(Canadian \$ in millions)

For the three months ended	July 31, 2024								July 31, 2023							
	Stage 1		Stage 2		Stage 3 (1)		Total		Stage 1	Stage 2	Stage 3 (1)	Total				
Loans: Residential mortgages																
Balance as at beginning of period	\$	47	\$	209	\$	13	\$	269	\$	77	\$	133	\$	8	\$	218
Transfer to Stage 1		45		(46)		1		-		25		(25)		-		-
Transfer to Stage 2		(2)		6		(4)		-		(4)		7		(3)		-
Transfer to Stage 3		-		(5)		5		-		-		(2)		2		-
Net remeasurement of loss allowance		(45)		31		12		(2)		(26)		59		9		42
Loan originations		7		-		-		7		8		-		-		8
Loan purchases		-		-		-		-		-		-		-		-
Derecognitions and maturities		-		(4)		-		(4)		(1)		(3)		-		(4)
Model changes		-		-		-		-		-		-		-		-
Total PCL (2)		5		(18)		14		1		2		36		8		46
Write-offs (3)		-		-		(1)		(1)		-		-		(1)		(1)
Recoveries of previous write-offs		-		-		1		1		-		-		2		2
Foreign exchange and other		1		1		(10)		(8)		(1)		(2)		(7)		(10)
Balance as at end of period	\$	53	\$	192	\$	17	\$	262	\$	78	\$	167	\$	10	\$	255
Loans: Consumer instalment and other personal																
Balance as at beginning of period	\$	166	\$	394	\$	169	\$	729	\$	257	\$	364	\$	130	\$	751
Transfer to Stage 1		66		(62)		(4)		-		66		(63)		(3)		-
Transfer to Stage 2		(10)		24		(14)		-		(15)		27		(12)		-
Transfer to Stage 3		(1)		(35)		36		-		(3)		(27)		30		-
Net remeasurement of loss allowance		(51)		92		120		161		(68)		111		86		129
Loan originations		11		-		-		11		17		3		-		20
Loan purchases		-		-		-		-		-		-		-		-
Derecognitions and maturities		(5)		(9)		-		(14)		(7)		(12)		-		(19)
Model changes		-		-		-		-		-		-		-		-
Total PCL (2)		10		10		138		158		(10)		39		101		130
Write-offs (3)		-		-		(157)		(157)		-		-		(98)		(98)
Recoveries of previous write-offs		-		-		33		33		-		-		19		19
Foreign exchange and other		1		-		(15)		(14)		(5)		(3)		(11)		(19)
Balance as at end of period	\$	177	\$	404	\$	168	\$	749	\$	242	\$	400	\$	141	\$	783
Loans: Credit cards																
Balance as at beginning of period	\$	207	\$	383	\$	-	\$	590	\$	156	\$	270	\$	-	\$	426
Transfer to Stage 1		56		(56)		-		-		41		(41)		-		-
Transfer to Stage 2		(16)		16		-		-		(12)		12		-		-
Transfer to Stage 3		(2)		(83)		85		-		-		(43)		43		-
Net remeasurement of loss allowance		(41)		149		73		181		(33)		88		54		109
Loan originations		21		-		-		21		20		1		-		21
Loan purchases		-		-		-		-		-		-		-		-
Derecognitions and maturities		(2)		(7)		-		(9)		(2)		(6)		-		(8)
Model changes		-		-		-		-		-		-		-		-
Total PCL (2)		16		19		158		193		14		11		97		122
Write-offs (3)		-		-		(192)		(192)		-		-		(115)		(115)
Recoveries of previous write-offs		-		-		48		48		-		-		28		28
Foreign exchange and other		(1)		1		(14)		(14)		(2)		-		(10)		(12)
Balance as at end of period	\$	222	\$	403	\$	-	\$	625	\$	168	\$	281	\$	-	\$	449
Loans: Business and government																
Balance as at beginning of period	\$	884	\$	1,353	\$	653	\$	2,890	\$	1,162	\$	871	\$	405	\$	2,438
Transfer to Stage 1		91		(86)		(5)		-		74		(65)		(9)		-
Transfer to Stage 2		(63)		76		(13)		-		(52)		61		(9)		-
Transfer to Stage 3		(2)		(73)		75		-		(2)		(58)		60		-
Net remeasurement of loss allowance		(117)		242		461		586		(94)		236		85		227
Loan originations		70		-		-		70		58		-		-		58
Loan purchases		-		-		-		-		-		-		-		-
Derecognitions and maturities		(35)		(67)		-		(102)		(27)		(54)		-		(81)
Model changes		-		-		-		-		-		-		-		-
Total PCL (2)		(56)		92		518		554		(43)		120		127		204
Write-offs (3)		-		-		(293)		(293)		-		-		(91)		(91)
Recoveries of previous write-offs		-		-		24		24		-		-		10		10
Foreign exchange and other		(1)		16		(76)		(61)		(42)		(4)		(16)		(62)
Balance as at end of period	\$	827	\$	1,461	\$	826	\$	3,114	\$	1,077	\$	987	\$	435	\$	2,499
Total as at end of period	\$	1,279	\$	2,460	\$	1,011	\$	4,750	\$	1,565	\$	1,835	\$	586	\$	3,986
Comprising: Loans	\$	1,061	\$	2,230	\$	985	\$	4,276	\$	1,296	\$	1,648	\$	576	\$	3,520
Other credit instruments (4)		218		230		26		474		269		187		10		466

(1) Includes changes in the allowance for PCI loans.

(2) Excludes PCL on other assets of \$nil million for the three months ended July 31, 2024 (\$10) million for the three months ended July 31, 2023).

(3) Generally, we continue to seek recovery on amounts that were written off during the year, unless the loan is sold, we no longer have the right to collect or we have exhausted all reasonable efforts to collect.

(4) Other credit instruments, including off-balance sheet items, are recorded in other liabilities in our Consolidated Balance Sheet.

(Canadian \$ in millions)

For the nine months ended	July 31, 2024				July 31, 2023			
	Stage 1	Stage 2	Stage 3 (1)	Total	Stage 1	Stage 2	Stage 3 (1)	Total
Loans: Residential mortgages								
Balance as at beginning of period	\$ 73	\$ 151	\$ 10	\$ 234	\$ 59	\$ 67	\$ 16	142
Transfer to Stage 1	98	(98)	-	-	64	(64)	-	-
Transfer to Stage 2	(24)	34	(10)	-	(15)	22	(7)	-
Transfer to Stage 3	-	(19)	19	-	(1)	(8)	9	-
Net remeasurement of loss allowance	(108)	138	24	54	(58)	93	9	44
Loan originations	17	-	-	17	21	-	-	21
Loan purchases	-	-	-	-	31	-	-	31
Derecognitions and maturities	(2)	(9)	-	(11)	(3)	(5)	-	(8)
Model changes	(1)	(5)	-	(6)	(19)	63	-	44
Total PCL (2)	(20)	41	33	54	20	101	11	132
Write-offs (3)	-	-	(4)	(4)	-	-	(6)	(6)
Recoveries of previous write-offs	-	-	4	4	-	-	5	5
Foreign exchange and other	-	-	(26)	(26)	(1)	(1)	(16)	(18)
Balance as at end of period	\$ 53	\$ 192	\$ 17	\$ 262	\$ 78	\$ 167	\$ 10	255
Loans: Consumer instalment and other personal								
Balance as at beginning of period	\$ 220	\$ 434	\$ 152	\$ 806	\$ 111	\$ 304	\$ 102	517
Transfer to Stage 1	237	(225)	(12)	-	193	(185)	(8)	-
Transfer to Stage 2	(31)	66	(35)	-	(40)	72	(32)	-
Transfer to Stage 3	(5)	(100)	105	-	(16)	(71)	87	-
Net remeasurement of loss allowance	(202)	209	322	329	(177)	313	209	345
Loan originations	44	-	-	44	44	4	-	48
Loan purchases	-	-	-	-	179	-	-	179
Derecognitions and maturities	(12)	(25)	(11)	(48)	(20)	(26)	-	(46)
Model changes	15	46	-	61	(26)	(8)	-	(34)
Total PCL (2)	46	(29)	369	386	137	99	256	492
Write-offs (3)	-	-	(472)	(472)	-	-	(242)	(242)
Recoveries of previous write-offs	-	-	156	156	-	-	48	48
Foreign exchange and other	(89)	(1)	(37)	(127)	(6)	(3)	(23)	(32)
Balance as at end of period	\$ 177	\$ 404	\$ 168	\$ 749	\$ 242	\$ 400	\$ 141	783
Loans: Credit cards								
Balance as at beginning of period	\$ 188	\$ 308	\$ -	\$ 496	\$ 115	\$ 250	\$ -	365
Transfer to Stage 1	172	(172)	-	-	126	(126)	-	-
Transfer to Stage 2	(43)	43	-	-	(32)	32	-	-
Transfer to Stage 3	(4)	(199)	203	-	(2)	(116)	118	-
Net remeasurement of loss allowance	(146)	434	235	523	(116)	258	135	277
Loan originations	58	-	-	58	59	1	-	60
Loan purchases	-	-	-	-	25	-	-	25
Derecognitions and maturities	(6)	(20)	-	(26)	(5)	(17)	-	(22)
Model changes	4	9	-	13	-	-	-	-
Total PCL (2)	35	95	438	568	55	32	253	340
Write-offs (3)	-	-	(523)	(523)	-	-	(299)	(299)
Recoveries of previous write-offs	-	-	123	123	-	-	70	70
Foreign exchange and other	(1)	-	(38)	(39)	(2)	(1)	(24)	(27)
Balance as at end of period	\$ 222	\$ 403	\$ -	\$ 625	\$ 168	\$ 281	\$ -	449
Loans: Business and government								
Balance as at beginning of period	\$ 1,043	\$ 1,155	\$ 533	\$ 2,731	\$ 746	\$ 789	\$ 439	1,974
Transfer to Stage 1	478	(458)	(20)	-	212	(199)	(13)	-
Transfer to Stage 2	(237)	268	(31)	-	(124)	180	(56)	-
Transfer to Stage 3	(6)	(226)	232	-	(19)	(109)	128	-
Net remeasurement of loss allowance	(551)	851	949	1,249	(286)	449	193	356
Loan originations	217	8	-	225	199	3	-	202
Loan purchases	-	-	-	-	470	-	-	470
Derecognitions and maturities	(119)	(231)	(11)	(361)	(105)	(147)	-	(252)
Model changes	53	57	-	110	-	(1)	-	(1)
Total PCL (2)	(165)	269	1,119	1,223	347	176	252	775
Write-offs (3)	-	-	(737)	(737)	-	-	(234)	(234)
Recoveries of previous write-offs	-	-	114	114	-	-	35	35
Foreign exchange and other	(51)	37	(203)	(217)	(16)	22	(57)	(51)
Balance as at end of period	\$ 827	\$ 1,461	\$ 826	\$ 3,114	\$ 1,077	\$ 987	\$ 435	2,499
Total as at end of period	\$ 1,279	\$ 2,460	\$ 1,011	\$ 4,750	\$ 1,565	\$ 1,835	\$ 586	3,986
Comprising: Loans	\$ 1,061	\$ 2,230	\$ 985	\$ 4,276	\$ 1,296	\$ 1,648	\$ 576	3,520
Other credit instruments (4)	218	230	26	474	269	187	10	466

(1) Includes changes in the allowance for PCI loans.

(2) Excludes PCL on other assets of \$7 million for the nine months ended July 31, 2024 (\$7 million for the nine months ended July 31, 2023).

(3) Generally, we continue to seek recovery on amounts that were written off during the year, unless the loan is sold, we no longer have the right to collect or we have exhausted all reasonable efforts to collect.

(4) Other credit instruments, including off-balance sheet items, are recorded in other liabilities in our Consolidated Balance Sheet.

Purchased Loans

As part of our acquisition of Bank of the West, we identified loans purchased as either purchased performing loans or PCI loans. As at July 31, 2024, purchased performing loans recorded in our Consolidated Balance Sheet totalled \$47,629 million (\$68,025 million as at October 31, 2023), including a remaining fair value mark of \$(1,587) million (\$(2,317) million as at October 31, 2023). As at July 31, 2024, PCI loans recorded in our Consolidated Balance Sheet totalled \$139 million (\$219 million as at October 31, 2023), including a remaining fair value mark of \$(25) million (\$(61) million as at October 31, 2023).

Loans Past Due Not Impaired

Loans that are past due but not classified as impaired are loans where our customers have failed to make payments when contractually due but for which we expect the full amount of principal and interest payments to be collected, or loans which are held at fair value. The following table presents loans that are past due but not classified as impaired as at July 31, 2024 and October 31, 2023. Loans less than 30 days past due are excluded as they are not generally representative of the borrower's ability to meet their payment obligations.

(Canadian \$ in millions)	July 31, 2024						October 31, 2023	
	30 to 89 days		90 days or more (1)		Total	30 to 89 days	90 days or more (1)	Total
Residential mortgages	\$	763	\$	8	\$ 771	\$ 707	\$ 9	\$ 716
Consumer instalment and other personal		724		160	884	1,003	129	1,132
Business and government		790		10	800	826	18	844
Total	\$	2,277	\$	178	\$ 2,455	\$ 2,536	\$ 156	\$ 2,692

(1) Fully secured loans with amounts between 90 and 180 days past due that we have not classified as impaired totalled \$8 million and \$10 million as at July 31, 2024 and October 31, 2023, respectively.

ECL Sensitivity and Key Economic Variables

The ECL model requires the recognition of credit losses generally based on 12 months of expected losses for performing loans and the recognition of lifetime losses on performing loans that have experienced a significant increase in credit risk since origination.

The allowance for performing loans is sensitive to changes in both economic forecasts and the probability-weight assigned to each forecast scenario. Many of the factors have a high degree of interdependency, although there is no single factor to which loan loss allowances as a whole are sensitive.

The upside scenario as at July 31, 2024 assumes a stronger economic environment than the base case forecast, with lower unemployment rates.

As at July 31, 2024, our base case scenario depicts a relatively weak economic environment in the near-term, largely in response to higher interest rates and tighter lending conditions, and a moderate economic recovery over the medium-term as inflation is expected to ease further and lead to lower interest rates. Our base case forecast as at October 31, 2023 broadly depicted a similar economic environment over the projection period though with generally weaker financial conditions. If we assumed a 100% weight on the base case forecast and included the impact of loan migration by restaging, with other assumptions held constant, including the application of experienced credit judgment, the allowance on performing loans would be approximately \$2,225 million as at July 31, 2024 (\$2,625 million as at October 31, 2023), compared to the reported allowance for performing loans of \$3,739 million (\$3,572 million as at October 31, 2023).

In the second quarter of fiscal 2024, we added a fourth scenario reflecting a less severe downside which improves the continuum of economic forecasts used in the allowance estimation. As at July 31, 2024, our downside scenario assumes a significant escalation of the Ukraine war and a sharp contraction in the Canadian and U.S. economies in the near-term, followed by a relatively slow recovery. Our severe downside scenario depicts a deeper contraction in the Canadian and U.S. economies than in the downside scenario. The severe downside scenario as at October 31, 2023 broadly depicted a similar economic environment over the projection period. If we assumed a 100% severe downside economic forecast and included the impact of loan migration by restaging, with other assumptions held constant, including the application of experienced credit judgment, the allowance on performing loans would be approximately \$6,875 million as at July 31, 2024 (\$6,025 million as at October 31, 2023), compared to the reported allowance for performing loans of \$3,739 million (\$3,572 million as at October 31, 2023).

Actual results in a recession will differ as our portfolio will change through time due to migration, growth, risk mitigation actions and other factors. In addition, our allowance will reflect the four economic scenarios used in assessing the allowance, with often unequal weightings attached to each scenario that can change through time.

The following tables show the key economic variables used to estimate the allowance on performing loans forecast over the next 12 months or lifetime measurement period. While the values disclosed below are national variables, we use regional variables in the underlying models and consider factors impacting particular industries where appropriate.

As at July 31, 2024								
Scenarios								
All figures are average annual values	Upside		Base		Downside		Severe downside	
	First 12 months	Remaining horizon (1)	First 12 months	Remaining horizon (1)	First 12 months	Remaining horizon (1)	First 12 months	Remaining horizon (1)
Real GDP growth rates (2)								
Canada	4.4%	2.7%	1.7%	1.9%	(2.5)%	1.3%	(3.8)%	1.2%
United States	4.0%	2.4%	1.6%	1.9%	(2.3)%	1.4%	(3.5)%	1.3%
Corporate BBB 10-year spread								
Canada	1.3%	1.8%	1.9%	2.0%	3.6%	3.0%	4.2%	3.5%
United States	0.7%	1.6%	1.5%	2.0%	3.4%	3.1%	4.6%	3.6%
Unemployment rates								
Canada	4.9%	4.4%	6.4%	5.7%	8.7%	9.3%	9.4%	10.2%
United States	3.2%	2.8%	4.2%	4.0%	6.6%	7.1%	7.7%	8.5%
Housing Price Index (2)								
Canada (3)	3.9%	6.0%	(0.4)%	3.5%	(13.3)%	(1.0)%	(20.7)%	(5.0)%
United States (4)	6.1%	4.1%	3.0%	2.6%	(9.4)%	(0.9)%	(19.1)%	(4.3)%

As at October 31, 2023								
Scenarios								
All figures are average annual values	Upside		Base		Severe downside			
	First 12 months	Remaining horizon (1)	First 12 months	Remaining horizon (1)	First 12 months	Remaining horizon (1)	First 12 months	Remaining horizon (1)
Real GDP growth rates (2)								
Canada	3.2%	2.6%	0.4%	1.9%	(3.9)%			1.2%
United States	4.1%	2.5%	1.4%	2.0%	(3.5)%			1.4%
Corporate BBB 10-year spread								
Canada	1.7%	1.8%	2.4%	2.0%	4.2%			3.5%
United States	1.4%	1.7%	2.2%	2.1%	4.6%			3.5%
Unemployment rates								
Canada	4.2%	3.7%	5.9%	5.7%	9.3%			10.1%
United States	2.9%	2.5%	4.2%	4.1%	7.5%			8.3%
Housing Price Index (2)								
Canada (3)	9.9%	6.9%	5.5%	4.5%	(20.2)%			(5.0)%
United States (4)	2.7%	3.7%	(0.5)%	2.3%	(19.2)%			(4.3)%

(1) The remaining forecast period is two years.

(2) Real gross domestic product (GDP) and housing price index are averages of quarterly year-over-year growth rates.

(3) In Canada, we use the Housing Price Index Benchmark Composite.

(4) In the United States, we use the National Case-Shiller House Price Index.

The ECL approach requires the recognition of credit losses generally based on 12 months of expected losses for performing loans (Stage 1) and the recognition of lifetime expected losses for performing loans that have experienced a significant increase in credit risk since origination (Stage 2). Under our current probability-weighted scenarios, if all our performing loans were in Stage 1, our models would generate an allowance for performing loans of approximately \$2,725 million (\$2,800 million as at October 31, 2023), compared to the reported allowance for performing loans of \$3,739 million (\$3,572 million as at October 31, 2023).

Note 4: Deposits and Subordinated Debt

Deposits

(Canadian \$ in millions)	Payable on demand		Payable after notice (1)	Payable on a fixed date (2) (3)	July 31, 2024	October 31, 2023
	Interest bearing	Non-interest bearing				
Deposits by:						
Banks (4)	\$ 4,185	\$ 1,540	\$ 1,527	\$ 22,344	\$ 29,596	\$ 29,587
Business and government	68,507	39,971	204,459	294,326	607,263	575,957
Individuals	3,671	33,959	138,331	152,419	328,380	305,335
Total (5)	\$ 76,363	\$ 75,470	\$ 344,317	\$ 469,089	\$ 965,239	\$ 910,879
Booked in:						
Canada	\$ 65,553	\$ 64,761	\$ 143,334	\$ 328,469	\$ 602,117	\$ 564,412
United States	10,691	10,708	198,739	95,055	315,193	301,064
Other countries	119	1	2,244	45,565	47,929	45,403
Total	\$ 76,363	\$ 75,470	\$ 344,317	\$ 469,089	\$ 965,239	\$ 910,879

(1) Includes \$46,607 million of non-interest bearing deposits as at July 31, 2024 (\$49,515 million as at October 31, 2023).

(2) Includes \$64,189 million of senior unsecured debt as at July 31, 2024 subject to the Bank Recapitalization (Bail-In) regime (\$63,925 million as at October 31, 2023). The Bail-In regime provides certain statutory powers to the Canada Deposit Insurance Corporation, including the ability to convert specified eligible shares and liabilities into common shares if the bank becomes non-viable.

(3) Deposits totalling \$31,363 million as at July 31, 2024 (\$30,852 million as at October 31, 2023) can be redeemed early, either fully or partially, by customers without penalty. These are classified as payable on a fixed date, based on their remaining contractual maturities.

(4) Includes regulated and central banks.

(5) Includes \$506,950 million of deposits denominated in U.S. dollars as at July 31, 2024 (\$492,404 million as at October 31, 2023), and \$56,436 million of deposits denominated in other foreign currencies (\$55,705 million as at October 31, 2023).

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

The following table presents deposits payable on a fixed date and greater than one hundred thousand dollars:

(Canadian \$ in millions)	Canada	United States	Other	Total
As at July 31, 2024	\$ 277,253	\$ 84,052	\$ 45,562	\$ 406,867
As at October 31, 2023	269,262	73,226	43,106	385,594

The following table presents the maturity schedule for deposits payable on a fixed date greater than one hundred thousand dollars, which are booked in Canada:

(Canadian \$ in millions)	Less than 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total
As at July 31, 2024	\$ 51,757	\$ 39,244	\$ 60,405	\$ 125,847	\$ 277,253
As at October 31, 2023	55,070	38,509	61,370	114,313	269,262

Subordinated Debt

On Aug 12, 2024, we announced our intention to redeem all of our \$1,000 million 2.88% Series J Medium-Term Notes (non-viability contingent capital (NVCC)) First Tranche, at a redemption price of 100% of the principal amount plus unpaid accrued interest to, but excluding, the redemption date on September 17, 2024.

On July 3, 2024, we issued \$1,000 million of 4.976% Series M Medium-Term Notes (NVCC) Second Tranche through our Canadian Medium-Term Note Program. The notes will reset to a floating rate on July 3, 2029.

Note 5: Equity

Preferred and Common Shares Outstanding and Other Equity Instruments ⁽¹⁾

(Canadian \$ in millions, except as noted)				July 31, 2024		October 31, 2023			
	Number of shares	Amount	Dividends declared per share (2)	Number of shares	Amount	Dividends declared per share (2)	Convertible into		
Preferred Shares - Classified as Equity									
Class B – Series 27	–	\$ –	0.48	20,000,000	\$ 500	0.96	Class B - Series 28	(3) (4)	
Class B – Series 29	16,000,000	400	0.68	16,000,000	400	0.91	Class B - Series 30	(3) (4)	
Class B – Series 31	12,000,000	300	0.72	12,000,000	300	0.96	Class B - Series 32	(3) (4)	
Class B – Series 33	8,000,000	200	0.57	8,000,000	200	0.76	Class B - Series 34	(3) (4)	
Class B – Series 44	16,000,000	400	1.28	16,000,000	400	1.21	Class B - Series 45	(3) (4)	
Class B – Series 46	–	–	0.64	14,000,000	350	1.28	Class B - Series 47	(3) (4)	
Class B - Series 50	500,000	500	36.87	500,000	500	73.73	Not convertible	(4)	
Class B - Series 52	650,000	650	35.29	650,000	650	57.52	Not convertible	(4)	
Preferred Shares - Classified as Equity		\$ 2,450			\$ 3,300				
Recourse to									
Other Equity Instruments									
4.800% Additional Tier 1 Capital Notes (AT1 Notes)		\$ 658			\$ 658		–	(4) (6)	
4.300% Limited Recourse Capital Notes, Series 1 (Series 1 LRCNs)		1,250			1,250		Preferred Shares Series 48	(4) (5) (6)	
5.625% Limited Recourse Capital Notes, Series 2 (Series 2 LRCNs)		750			750		Preferred Shares Series 49	(4) (5) (6)	
7.325% Limited Recourse Capital Notes, Series 3 (Series 3 LRCNs)		1,000			1,000		Preferred Shares Series 51	(4) (5) (6)	
7.700% Limited Recourse Capital Notes, Series 4 (Series 4 LRCNs)		1,356			–		Preferred Shares Series 53	(4) (5) (6)	
7.300% Limited Recourse Capital Notes, Series 5 (Series 5 LRCNs)		1,023			–		Preferred Shares Series 54	(4) (5) (6)	
Other Equity Instruments		6,037			3,658				
Preferred Shares and Other Equity Instruments		8,487			6,958				
Common Shares	729,413,376	\$ 23,911	\$ 4.57	720,909,161	\$ 22,941	\$ 5.80		(7) (8) (9)	

(1) For additional information refer to Notes 16 and 20 of our annual consolidated financial statements for the year ended October 31, 2023.

(2) Represents year-to-date dividends declared per share as at reporting date. Non-cumulative dividends on preferred shares are payable quarterly as and when declared by the Board of Directors, except for Class B - Series 50 and 52 preferred share dividends, which are payable semi-annually.

(3) If converted, the holders have the option to convert back to the original preferred shares on subsequent redemption dates, subject to certain conditions.

(4) The instruments issued include a NVCC provision, which is necessary for the preferred shares, AT1 Notes and by virtue of the recourse to the Preferred Shares Series 48, Preferred Shares Series 49, Preferred Shares Series 51, Preferred Shares Series 53 and Preferred Shares Series 54 (collectively, the LRCN Preferred Shares) for Series 1, Series 2, Series 3, Series 4 and Series 5 LRCNs (collectively, the LRCNs), respectively, to qualify as regulatory capital under Basel III. As such, they are convertible into a variable number of our common shares if OSFI announces that the bank is, or is about to become, non-viable or if a federal or provincial government in Canada publicly announces that the bank has accepted or agreed to accept a capital injection, or equivalent support, to avoid non-viability. In such an event, each preferred share, including the LRCN Preferred Shares and AT1 Notes, is convertible into common shares pursuant to an automatic conversion formula and a conversion price based on the greater of: (i) a floor price of \$5.00 and (ii) the current market price of our common shares based on the volume weighted average trading price of our common shares on the TSX. The number of common shares issued is determined by dividing the value of the preferred share or other equity instrument, including declared and unpaid dividends, by the conversion price and then applying the multiplier.

(5) Non-deferrable interest is payable semi-annually on the Series 1, Series 2 and Series 3 LRCNs and quarterly on the Series 4 and Series 5 LRCNs at the bank's discretion. Non-payment of interest will result in a recourse event, with the noteholders' sole remedy being the holders' proportionate share of trust assets comprised of the LRCN Preferred Shares, each series of which is issued concurrently with the corresponding LRCNs and are eliminated on consolidation. In such an event, the delivery of the trust assets will represent the full and complete extinguishment of our obligations under the LRCNs. In circumstances where the LRCN Preferred Shares are converted into common shares of the bank under the NVCC provision, the LRCNs would be redeemed and the noteholders' sole remedy would be their proportionate share of trust assets, then comprised of common shares of the bank received by the trust on conversion.

(6) The rates represent the annual interest rate percentage applicable to the notes issued as at the reporting date.

(7) The stock options issued under the Stock Option Plan are convertible into 6,726,164 common shares as at July 31, 2024 (6,312,576 common shares as at October 31, 2023) of which 3,028,132 are exercisable as at July 31, 2024 (2,759,935 as at October 31, 2023).

(8) During the three and nine months ended July 31, 2024, we issued nil and 7,790,724 common shares, under the Shareholder Dividend Reinvestment and Share Purchase Plan (3,561,234 and 9,492,623 common shares during the three and nine months ended July 31, 2023) and we issued 160,277 and 639,980 common shares, under the Stock Option Plan (100,379 and 588,018 common shares during the three and nine months ended July 31, 2023).

(9) Common shares are net of nil treasury shares as at July 31, 2024 (73,511 treasury shares as at October 31, 2023).

Other Equity Instruments

On July 17, 2024, we issued US\$750 million 7.300% Limited Recourse Capital Notes, Series 5. On March 8, 2024, we issued US\$1,000 million 7.700% Limited Recourse Capital Notes, Series 4. These issuances, together with our AT1 Notes and existing LRCNs are classified as equity and form part of our additional Tier 1 NVCC. The AT1 Notes and LRCNs are compound financial instruments that have both equity and liability features. On the date of issuance, we assigned an insignificant value to the liability components of both instruments and, as a result, the full amount of proceeds has been classified as equity and form part of our additional Tier 1 NVCC. Distributions on the AT1 Notes and LRCNs are recognized as a reduction in equity when payable. The AT1 Notes and LRCNs are subordinate to the claims of the depositors and certain other creditors in right of payment.

Preferred Shares

On August 25, 2024, we redeemed all of our outstanding 16 million Non-Cumulative 5-year Rate Reset Class B Preferred Shares, Series 29 (NVCC) for an aggregate total of \$400 million. On May 25, 2024, we redeemed all of our outstanding 20 million Non-Cumulative 5-year Rate Reset Class B Preferred Shares, Series 27 (NVCC) for an aggregate total of \$500 million. On May 25, 2024, we also redeemed all of our outstanding 14 million Non-Cumulative 5-year Rate Reset Class B Preferred Shares, Series 46 (NVCC) for an aggregate total of \$350 million.

On October 19, 2023, we announced that we did not intend to exercise our right to redeem the current outstanding Non-Cumulative 5-Year Rate Reset Class B Preferred Shares, Series 44 (Preferred Shares Series 44) on November 25, 2023. As a result, subject to certain conditions, the holders of Preferred Shares Series 44 had the right, at their option, by November 10, 2023, to convert any or all of their Preferred Shares Series 44 on a one-for-one basis into Non-Cumulative Floating Rate Class B Preferred Shares, Series 45 (Preferred Shares Series 45). During the conversion period, which ran from October 25, 2023 to November 10, 2023, 93,870 Preferred Shares Series 44 were tendered for conversion into Preferred Shares Series 45, which is less than the minimum 1,000,000 required to give effect to the conversion, as described in the Preferred Shares Series 44 prospectus supplement dated September 10, 2018. As a result, no Preferred Shares Series 45 were issued and the holders of Preferred Shares Series 44 retained their shares. The dividend rate for the Preferred Shares Series 44 for the five-year period commencing on November 25, 2023 to, but excluding, November 25, 2028, is 6.816%.

Shareholder Dividend Reinvestment and Share Purchase Plan

In the first and second quarter of 2024, common shares under the Shareholder Dividend Reinvestment and Share Purchase Plan (the Plan) were issued by the bank from treasury with a 2% discount, calculated in accordance with the terms of the Plan.

In the third quarter of 2024 and until further notice, common shares under the Plan will be purchased on the open market without a discount.

Non-Controlling Interest

Non-controlling interest in subsidiaries, relating to our acquisition of Bank of the West, was \$31 million as at July 31, 2024 (\$28 million as at October 31, 2023).

Note 6: Fair Value Measurements

Fair Value of Financial Instruments Not Carried at Fair Value on the Balance Sheet

Set out in the following table are the amounts that would be reported if all financial instruments not currently carried at fair value were reported at their fair values. Refer to Note 17 of our annual consolidated financial statements for the year ended October 31, 2023 for further discussion on the determination of fair value.

(Canadian \$ in millions)		July 31, 2024		October 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value	
Securities (1)					
Amortized cost	\$ 117,869	\$ 109,610	\$ 116,814	\$ 104,171	
Loans (1) (2)					
Residential mortgages	186,183	183,784	175,350	167,863	
Consumer instalment and other personal	91,844	91,102	103,267	101,023	
Credit cards	12,924	12,924	11,893	11,893	
Business and government	369,027	368,725	358,712	357,027	
	659,978	656,535	649,222	637,806	
Deposits (3)	911,856	911,360	875,034	871,776	
Securitization and structured entities' liabilities (4)	22,064	21,769	24,631	23,739	
Other liabilities (5)	4,139	3,586	4,160	3,287	
Subordinated debt	9,321	9,430	8,228	7,849	

This table excludes financial instruments with a carrying value approximating fair value, such as cash and cash equivalents, interest bearing deposits with banks, securities borrowed or purchased under resale agreements, customers' liability under acceptances, certain other assets, certain other liabilities, acceptances and securities lent or sold under repurchase agreements.

(1) Carrying value is net of ACL.

(2) Excludes \$77 million of residential mortgages classified as FVTPL, \$13,112 million of business and government loans classified as FVTPL and \$60 million of business and government loans classified as FVOCI (\$1,676 million, \$5,720 million and \$58 million, respectively, as at October 31, 2023).

(3) Excludes \$44,789 million of structured note liabilities, \$7,562 million of money market deposits, \$774 million of structured deposits and \$258 million of metals deposits measured at fair value (\$35,300 million, \$nil million, \$341 million and \$204 million, respectively, as at October 31, 2023).

(4) Excludes \$14,158 million of securitization and structured entities' liabilities classified as FVTPL (\$2,463 million as at October 31, 2023).

(5) Other liabilities include certain other liabilities of subsidiaries, other than deposits.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Fair Value Hierarchy

We use a fair value hierarchy to categorize assets and liabilities carried at fair value according to the inputs we use in valuation techniques to measure fair value.

Valuation Techniques and Significant Inputs

We determine the fair value of financial assets and liabilities using quoted prices in active markets (Level 1) when these are available. When quoted prices in active markets are not available, we determine the fair value of financial assets and liabilities using models such as discounted cash flows with observable market data for inputs, such as yields or broker quotes and other third-party vendor quotes (Level 2). Fair value may also be determined using models where significant market inputs are not observable due to inactive markets or minimal market activity (Level 3). We maximize the use of observable market inputs to the extent possible.

Our Level 2 trading securities are primarily valued using discounted cash flow models with observable spreads or broker quotes. The fair value of Level 2 FVOCI securities is determined using discounted cash flow models with observable spreads or third-party vendor quotes. Level 2 structured note liabilities are valued using models with observable market information. Level 2 derivative assets and liabilities are valued using industry standard models and observable market information.

The extent of our use of actively quoted market prices (Level 1), internal models using observable market information as inputs (Level 2) and models without observable market information as inputs (Level 3) in the valuation of securities, loans classified as FVTPL and FVOCI, other assets, fair value liabilities, derivative assets and derivative liabilities is presented in the following table:

(Canadian \$ in millions)	July 31, 2024				October 31, 2023			
	Valued using quoted market prices	Valued using models (with observable inputs)	Valued using models (without observable inputs)	Total	Valued using quoted market prices	Valued using models (with observable inputs)	Valued using models (without observable inputs)	Total
Trading Securities								
Issued or guaranteed by:								
Canadian federal government	\$ 1,458	\$ 11,191	\$ –	\$ 12,649	\$ 1,176	\$ 10,194	\$ –	\$ 11,370
Canadian provincial and municipal governments	–	7,938	–	7,938	–	7,169	–	7,169
U.S. federal government	2,546	22,935	–	25,481	3,593	16,539	–	20,132
U.S. states, municipalities and agencies	–	911	–	911	–	279	–	279
Other governments	319	3,077	–	3,396	20	2,521	–	2,541
NHA MBS, and U.S. agency MBS and CMO	–	37,067	41	37,108	–	21,517	–	21,517
Corporate debt	–	13,422	–	13,422	–	11,933	–	11,933
Trading loans	–	739	–	739	–	450	–	450
Corporate equity	66,002	453	–	66,455	48,094	196	37	48,327
	70,325	97,733	41	168,099	52,883	70,798	37	123,718
FVTPL Securities								
Issued or guaranteed by:								
Canadian federal government	81	269	–	350	4	212	–	216
Canadian provincial and municipal governments	–	1,507	–	1,507	–	1,166	–	1,166
U.S. federal government	2	1,670	–	1,672	2	2,086	–	2,088
Other governments	–	25	–	25	–	48	–	48
NHA MBS, and U.S. agency MBS and CMO	–	21	–	21	–	19	–	19
Corporate debt	–	8,558	36	8,594	–	7,335	27	7,362
Corporate equity	893	885	4,590	6,368	821	805	4,208	5,834
	976	12,935	4,626	18,537	827	11,671	4,235	16,733
FVOCI Securities								
Issued or guaranteed by:								
Canadian federal government	2,381	25,908	–	28,289	633	19,468	–	20,101
Canadian provincial and municipal governments	–	5,892	–	5,892	–	5,054	–	5,054
U.S. federal government	5	12,167	–	12,172	–	5,880	–	5,880
U.S. states, municipalities and agencies	–	5,001	–	5,001	–	5,300	–	5,300
Other governments	–	5,785	–	5,785	–	6,969	–	6,969
NHA MBS, and U.S. agency MBS and CMO	–	19,638	–	19,638	–	15,766	–	15,766
Corporate debt	–	4,502	–	4,502	–	3,589	–	3,589
Corporate equity	–	–	177	177	–	–	160	160
	2,386	78,893	177	81,456	633	62,026	160	62,819
Loans								
Residential mortgages	–	77	–	77	–	1,676	–	1,676
Business and government loans	–	12,906	266	13,172	–	5,592	186	5,778
	–	12,983	266	13,249	–	7,268	186	7,454
Other Assets (1)	10,630	34	1,682	12,346	6,020	33	1,723	7,776
Fair Value Liabilities (2)								
Deposits (3)	–	53,383	–	53,383	–	35,845	–	35,845
Securities sold but not yet purchased	9,640	30,327	–	39,967	12,217	31,557	–	43,774
Other liabilities (4)	1,664	15,064	–	16,728	1,479	3,046	5	4,530
	11,304	98,774	–	110,078	13,696	70,448	5	84,149
Derivative Assets								
Interest rate contracts	23	9,025	–	9,048	21	13,329	–	13,350
Foreign exchange contracts	–	14,511	–	14,511	28	19,861	–	19,889
Commodity contracts	176	1,940	–	2,116	668	1,349	5	2,022
Equity contracts	22	11,117	–	11,139	58	4,632	–	4,690
Credit default swaps	4	16	–	20	–	25	–	25
	225	36,609	–	36,834	775	39,196	5	39,976
Derivative Liabilities								
Interest rate contracts	36	11,286	–	11,322	52	17,749	–	17,801
Foreign exchange contracts	65	13,872	–	13,937	1	19,204	–	19,205
Commodity contracts	229	1,983	2	2,214	589	1,067	1	1,657
Equity contracts	310	21,666	–	21,976	160	11,335	8	11,503
Credit default swaps	13	25	1	39	–	25	2	27
	653	48,832	3	49,488	802	49,380	11	50,193

(1) Other assets include precious metals, segregated fund assets and investment properties in our insurance business, carbon credits, certain receivables and other items measured at fair value.

(2) Interest expense for liabilities carried at fair value is \$726 million and \$2,061 million for the three and nine months ended July 31, 2024, respectively (\$650 million and \$1,776 million for the three and nine months ended July 31, 2023, respectively). Interest expense for liabilities carried at amortized cost is \$11,583 million and \$33,030 million for the three and nine months ended July 31, 2024, respectively (\$9,266 million and \$24,458 million for the three and nine months ended July 31, 2023).

(3) Deposits include structured note liabilities, money market and metals deposits designated at FVTPL and certain embedded options related to structured deposits carried at amortized cost.

(4) Other liabilities include investment contract liabilities and segregated fund liabilities in our insurance business, as well as certain securitization and structured entities' liabilities measured at FVTPL.

Certain comparative figures have been reclassified to conform with the current period's presentation and for changes in accounting policy (Note 1).

Quantitative Information about Level 3 Fair Value Measurements

The table below presents the fair values of our significant Level 3 financial instruments measured at fair value on a recurring basis, the valuation techniques used to determine their fair values and the value ranges of significant unobservable inputs used in the valuations. We have not applied any other reasonably possible alternative assumptions to the significant Level 3 categories of private equity investments, as the net asset values are provided by the investment or fund managers.

(Canadian \$ in millions, except as noted)					July 31, 2024	
					Range of input values (1)	
	Reporting line in fair value hierarchy table	Fair value of assets	Valuation techniques	Significant unobservable inputs	Low	High
Private equity	Corporate equity	\$ 4,590	Net asset value EV/EBITDA	Net asset value Multiple	na 4	na 23
Investment Properties	Other assets - other	1,381	Discounted cash flows	Discount margin	3%	7%

(1) The low and high input values represent the lowest and highest actual level of inputs used to value a group of financial instruments in a particular product category. These input ranges do not reflect the level of input uncertainty, but are affected by the specific underlying instruments within each product category. The input ranges will therefore vary from period to period based on the characteristics of the underlying instruments held at each balance sheet date.

na - not applicable

Significant Transfers

Our policy is to record transfers of assets and liabilities between fair value hierarchy levels at their fair values as at the end of each reporting period, consistent with the date of the determination of fair value. Transfers between Level 1 and Level 2 are dependent on the recency of issuance and availability of quoted market prices in the active market.

During the three months ended July 31, 2024, transfers from Level 1 to Level 2 included total securities of \$5,194 million and securities sold but not yet purchased of \$1,039 million. Transfers from Level 2 to Level 1 included total securities of \$882 million and securities sold but not yet purchased of \$30 million.

During the nine months ended July 31, 2024, transfers from Level 1 to Level 2 included total securities of \$2,253 million and securities sold but not yet purchased of \$518 million. Transfers from Level 2 to Level 1 included total securities of \$91 million and securities sold but not yet purchased of \$11 million.

Changes in Level 3 Fair Value Measurements

The tables below present a reconciliation of all changes in Level 3 financial instruments for the three and nine months ended July 31, 2024 and July 31, 2023, including realized and unrealized gains (losses) included in earnings and other comprehensive income as well as transfers into and out of Level 3. Transfers from Level 2 into Level 3 were due to an increase in unobservable market inputs used in pricing the securities. Transfers out of Level 3 into Level 2 were due to an increase in observable market inputs used in pricing the securities.

	Change in fair value				Movements			Transfers			Change in unrealized gains (losses) recorded in income for instruments still held (2)
For the three months ended July 31, 2024 (Canadian \$ in millions)	Balance April 30, 2024	Included in earnings	Included in other comprehensive income (1)	Issuances/ Purchases	Sales	Maturities/ Settlement	Transfers into Level 3	Transfers out of Level 3	Fair Value as at July 31, 2024		
Trading Securities											
NHA MBS and U.S. agency MBS and CMO	\$ -	\$ -	\$ -	\$ 41	\$ -	\$ -	\$ -	\$ -	\$ 41	\$	-
Corporate equity	-	-	-	-	-	-	-	-	-	-	-
Total trading securities	-	-	-	41	-	-	-	-	41	-	-
FVTPL Securities											
Corporate debt	35	-	-	1	-	-	-	-	36	-	-
Corporate equity	4,501	(44)	5	183	(54)	(1)	-	-	4,590	7	7
Total FVTPL securities	4,536	(44)	5	184	(54)	(1)	-	-	4,626	7	7
FVOCI Securities											
Corporate equity	174	-	2	1	-	-	-	-	177	na	na
Total FVOCI securities	174	-	2	1	-	-	-	-	177	na	na
Business and Government Loans	353	-	-	1	-	(88)	-	-	266	-	-
Other Assets	1,622	24	-	58	-	(22)	-	-	1,682	24	24
Derivative Assets											
Foreign exchange contracts	-	-	-	-	-	-	-	-	-	-	-
Commodity contracts	-	-	-	-	-	-	-	-	-	-	-
Equity contracts	13	-	-	-	-	-	-	(13)	-	-	-
Total derivative assets	13	-	-	-	-	-	-	(13)	-	-	-
Other Liabilities											
Derivative Liabilities											
Foreign exchange contracts	-	-	-	-	-	-	-	-	-	-	-
Commodity contracts	2	-	-	-	-	-	-	-	2	-	-
Equity contracts	1	-	-	-	-	-	-	(1)	-	-	-
Credit default swaps	1	-	-	-	-	-	-	-	1	-	-
Total derivative liabilities	4	-	-	-	-	-	-	(1)	3	-	-

	Change in fair value				Movements			Transfers			Change in unrealized gains (losses) recorded in income for instruments still held (2)
For the nine months ended July 31, 2024 (Canadian \$ in millions)	Balance October 31, 2023	Included in earnings	Included in other comprehensive income (1)	Issuances/ Purchases	Sales	Maturities/ Settlement	Transfers into Level 3	Transfers out of Level 3	Fair Value as at July 31, 2024		
Trading Securities											
NHA MBS and U.S. agency MBS and CMO	\$ -	\$ -	\$ -	\$ 41	\$ -	\$ -	\$ -	\$ -	\$ 41	\$	-
Corporate equity	37	-	-	-	-	-	-	(37)	-	-	-
Total trading securities	37	-	-	41	-	-	-	(37)	41	-	-
FVTPL Securities											
Corporate debt	27	(9)	-	18	-	-	-	-	36	(9)	(9)
Corporate equity	4,208	(136)	(5)	705	(180)	(1)	-	(1)	4,590	24	24
Total FVTPL securities	4,235	(145)	(5)	723	(180)	(1)	-	(1)	4,626	15	15
FVOCI Securities											
Corporate equity	160	-	13	4	-	-	-	-	177	na	na
Total FVOCI securities	160	-	13	4	-	-	-	-	177	na	na
Business and Government Loans	186	-	(1)	47	-	(164)	198	-	266	-	-
Other Assets	1,723	7	-	74	(21)	(101)	-	-	1,682	24	24
Derivative Assets											
Foreign exchange contracts	-	-	-	-	-	-	-	-	-	-	-
Commodity contracts	5	(5)	-	-	-	-	-	-	-	(5)	(5)
Equity contracts	-	-	-	-	-	-	13	(13)	-	-	-
Total derivative assets	5	(5)	-	-	-	-	13	(13)	-	(5)	(5)
Other Liabilities	5	-	-	8	-	(13)	-	-	-	-	-
Derivative Liabilities											
Foreign exchange contracts	-	-	-	-	-	-	-	-	-	-	-
Commodity contracts	1	1	-	-	-	-	-	-	2	1	1
Equity contracts	8	-	-	-	-	-	1	(9)	-	-	-
Credit default swaps	2	(2)	-	-	-	-	1	-	1	(1)	(1)
Total derivative liabilities	11	(1)	-	-	-	-	2	(9)	3	-	-

(1) Foreign exchange translation on assets and liabilities held by foreign operations is included in other comprehensive income, net foreign operations.

(2) Changes in unrealized gains (losses) on Trading and FVTPL securities still held on July 31, 2024 are included in earnings for the period.

Unrealized gains (losses) recognized on Level 3 financial instruments may be offset by (losses) gains on economic hedge contracts.

Certain comparative figures have been reclassified to conform with the current period's presentation and for changes in accounting policy (Note 1).

na - not applicable

	Change in fair value				Movements			Transfers			Change in unrealized gains (losses) recorded in income for instruments still held (3)
For the three months ended July 31, 2023 (Canadian \$ in millions)	Balance April 30, 2023	Included in earnings	Included in other comprehensive income (1)	Issuances/ Purchases	Sales	Maturities/ Settlement	Transfers into Level 3	Transfers out of Level 3	Fair Value as at July 31, 2023		
Trading Securities											
NHA MBS and U.S. agency MBS and CMO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Corporate equity	-	-	-	-	-	-	-	-	-	-	-
Total trading securities	-	-	-	-	-	-	-	-	-	-	-
FVTPL Securities											
Corporate debt	11	-	-	-	-	-	-	-	11	-	-
Corporate equity	6,089	(89)	(45)	179	(36)	-	-	(2,097)	4,001	(7)	(7)
Total FVTPL securities	6,100	(89)	(45)	179	(36)	-	-	(2,097)	4,012	(7)	(7)
FVOCI Securities											
Corporate equity	157	-	-	2	-	-	-	-	159	na	na
Total FVOCI securities	157	-	-	2	-	-	-	-	159	na	na
Business and Government Loans	201	-	(5)	21	-	(82)	-	-	135	-	-
Other Assets	1,300	(1)	-	103	-	(1)	-	-	1,401	(1)	(1)
Derivative Assets											
Foreign exchange contracts	-	9	-	-	-	-	-	-	9	9	9
Commodity contracts	10	4	-	-	-	-	-	-	14	4	4
Equity contracts	4	(1)	-	-	-	-	-	-	3	(1)	(1)
Total derivative assets	14	12	-	-	-	-	-	-	26	12	12
Other Liabilities	5	(1)	-	3	-	-	-	-	7	(1)	(1)
Derivative Liabilities											
Foreign exchange contracts	-	-	-	-	-	-	-	-	-	-	-
Commodity contracts	-	-	-	-	-	-	-	-	-	-	-
Equity contracts	-	-	-	-	-	-	-	-	-	-	-
Credit default swaps	2	-	-	-	-	-	-	-	2	-	-
Total derivative liabilities	2	-	-	-	-	-	-	-	2	-	-

	Change in fair value				Movements			Transfers			Change in unrealized gains (losses) recorded in income for instruments still held (3)
For the nine months ended July 31, 2023 (Canadian \$ in millions)	Balance October 31, 2022	Included in earnings	Included in other comprehensive income (1)	Issuances/ Purchases (2)	Sales	Maturities/ Settlement	Transfers into Level 3	Transfers out of Level 3	Fair Value as at July 31, 2023		
Trading Securities											
NHA MBS and U.S. agency MBS and CMO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Corporate equity	-	-	-	-	-	-	-	-	-	-	-
Total trading securities	-	-	-	-	-	-	-	-	-	-	-
FVTPL Securities											
Corporate debt	8	-	-	3	-	-	-	-	11	-	-
Corporate equity	4,044	(127)	(41)	2,507	(284)	(1)	-	(2,097)	4,001	28	28
Total FVTPL securities	4,052	(127)	(41)	2,510	(284)	(1)	-	(2,097)	4,012	28	28
FVOCI Securities											
Corporate equity	153	-	-	7	(1)	-	-	-	159	na	na
Total FVOCI securities	153	-	-	7	(1)	-	-	-	159	na	na
Business and Government Loans	20	-	(3)	215	-	(97)	-	-	135	-	-
Other Assets	1,233	54	-	125	-	(11)	-	-	1,401	54	54
Derivative Assets											
Foreign exchange contracts	26	(17)	-	-	-	-	-	-	9	9	9
Commodity contracts	-	1	-	13	-	-	-	-	14	1	1
Equity contracts	-	2	-	-	-	-	1	-	3	2	2
Total derivative assets	26	(14)	-	13	-	-	1	-	26	12	12
Other Liabilities	2	(1)	-	6	-	-	-	-	7	(1)	(1)
Derivative Liabilities											
Foreign exchange contracts	-	12	-	-	-	(12)	-	-	-	(38)	(38)
Commodity contracts	-	-	-	-	-	-	-	-	-	-	-
Equity contracts	-	-	-	-	-	-	-	-	-	-	-
Credit default swaps	2	-	-	-	-	-	-	-	2	-	-
Total derivative liabilities	2	12	-	-	-	(12)	-	-	2	(38)	(38)

(1) Foreign exchange translation on assets and liabilities held by foreign operations is included in other comprehensive income, net foreign operations.

(2) FVTPL securities includes \$969 million of Federal Home Loan Bank and Federal Reserve Bank equity and \$587 million of investments in Low Income Housing Tax Credit entities, acquired as a result of our acquisition of Bank of the West.

(3) Changes in unrealized gains (losses) on Trading and FVTPL securities still held on July 31, 2023 are included in earnings for the period.

Unrealized gains (losses) recognized on Level 3 financial instruments may be offset by (losses) gains on economic hedge contracts.

Certain comparative figures have been reclassified to conform with the current period's presentation and for changes in accounting policy (Note 1).

na - not applicable

Note 7: Capital Management

Our objective is to maintain a strong capital position in a cost-effective structure that: is appropriate given our target regulatory capital ratios and our internal assessment of required economic capital; underpins our operating groups' business strategies and considers the market environment; supports depositor, investor and regulator confidence, while building long-term shareholder value; and is consistent with our target credit ratings.

As at July 31, 2024, we met OSFI's target capital ratio requirements, which include a 2.5% Capital Conservation Buffer, a 1.0% Common Equity Surcharge for Domestic Systemically Important Banks (D-SIBs), a Countercyclical Buffer and a 3.5% Domestic Stability Buffer (DSB) applicable to D-SIBs. As announced by OSFI on June 20, 2023, the DSB level was increased to 3.5% effective November 1, 2023. On June 18, 2024, OSFI announced that the DSB will remain at 3.5%. Our capital position as at July 31, 2024 is further detailed in the Capital Management section of our interim Management's Discussion and Analysis.

Regulatory Capital and Total Loss Absorbing Capacity Measures, Risk-Weighted Assets and Leverage Exposures ⁽¹⁾

(Canadian \$ in millions, except as noted)	July 31, 2024	October 31, 2023
CET1 Capital	\$ 55,605	\$ 52,914
Tier 1 Capital	63,598	59,785
Total Capital	73,530	68,718
TLAC	122,053	114,402
Risk-Weighted Assets	428,860	424,197
Leverage Exposures	1,480,736	1,413,036
CET1 Ratio	13.0%	12.5%
Tier 1 Capital Ratio	14.8%	14.1%
Total Capital Ratio	17.1%	16.2%
TLAC Ratio	28.5%	27.0%
Leverage Ratio	4.3%	4.2%
TLAC Leverage Ratio	8.2%	8.1%

(1) Calculated in accordance with OSFI's Capital Adequacy Requirements Guideline, Leverage Requirements Guideline and Total Loss Absorbing Capacity (TLAC) Guideline.

Note 8: Employee Compensation

Stock Options

We did not grant any stock options during the three months ended July 31, 2024 or 2023. During the nine months ended July 31, 2024 we granted a total of 1,113,853 stock options (1,322,817 stock options during the nine months ended July 31, 2023) with a weighted-average fair value of \$15.33 per option (\$18.94 per option for the nine months ended July 31, 2023).

To determine the fair value of the stock option tranches (i.e. the portion that vests each year) on the grant date, the following ranges of values were used for each option pricing assumption:

For stock options granted during the nine months ended	July 31, 2024	July 31, 2023
Expected dividend yield	4.5%	4.5% - 4.6%
Expected share price volatility	17.4% - 17.6%	20.9%
Risk-free rate of return	3.3% - 3.4%	3.2%
Expected period until exercise (in years)	6.5 - 7.0	6.5 - 7.0
Exercise price (\$)	118.50	122.31

Changes to the input assumptions can result in different fair value estimates.

Pension and Other Employee Future Benefit Expenses

Pension and other employee future benefit expenses are determined as follows:

(Canadian \$ in millions)	Pension benefit plans		Other employee future benefit plans	
For the three months ended	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Current service cost	\$ 39	\$ 40	\$ 1	\$ 1
Net interest (income) expense on net defined benefit (asset) liability	(16)	(17)	11	11
Impact of plan amendments	-	-	-	-
Administrative expenses	3	3	-	-
Benefits expense	26	26	12	12
Government pension plans expense (1)	93	94	-	-
Defined contribution expense	62	63	-	-
Total pension and other employee future benefit expenses recognized in our Consolidated Statement of Income	\$ 181	\$ 183	\$ 12	\$ 12

(1) Includes Canada Pension Plan, Quebec Pension Plan and U.S. Federal Insurance Contributions Act.

(Canadian \$ in millions)

For the nine months ended	Pension benefit plans		Other employee future benefit plans	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Current service cost	\$ 115	\$ 122	\$ 4	\$ 4
Net interest (income) expense on net defined benefit (asset) liability	(46)	(49)	31	32
Impact of plan amendments	-	(1)	(84)	-
Administrative expenses	9	7	-	-
Benefits expense	78	79	(49)	36
Government pension plans expense (1)	302	291	-	-
Defined contribution expense	231	207	-	-
Total pension and other employee future benefit expenses (recovery) recognized in our Consolidated Statement of Income	\$ 611	\$ 577	\$ (49)	\$ 36

(1) Includes Canada Pension Plan, Quebec Pension Plan and U.S. Federal Insurance Contributions Act.

We amended certain other employee future benefit plans in the first quarter of 2024. These amendments have combined the administration of a few plans. In addition, we converted one defined contribution plan into a defined benefit plan and therefore brought a net asset onto our Consolidated Balance Sheet equal to the surplus assets in that plan. This resulted in an \$84 million benefit of plan amendments that was recognized as a reduction in employee compensation expense. When there are surplus assets, we must assess their economic benefits to the bank. Given there are no immediate economic benefits without further plan amendments, the \$62 million in surplus assets of the combined plans are reduced to \$nil through other comprehensive income.

Note 9: Earnings Per Share

Basic earnings per share is calculated by dividing net income, after deducting dividends payable on preferred shares and distributions payable on other equity instruments, by the daily average number of fully paid common shares outstanding throughout the period.

Diluted earnings per share is calculated in the same manner, with further adjustments made to reflect the dilutive impact of instruments convertible into our common shares.

The following tables present our basic and diluted earnings per share:

Basic Earnings Per Common Share

(Canadian \$ in millions, except as noted)	For the three months ended		For the nine months ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Net income attributable to bank shareholders	\$ 1,865	\$ 1,563	\$ 5,017	\$ 2,722
Dividends on preferred shares and distributions on other equity instruments	(51)	(41)	(234)	(206)
Net income available to common shareholders	\$ 1,814	\$ 1,522	\$ 4,783	\$ 2,516
Weighted-average number of common shares outstanding (in thousands)	729,449	715,432	727,174	706,044
Basic earnings per common share (Canadian \$)	\$ 2.49	\$ 2.13	\$ 6.58	\$ 3.56

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Diluted Earnings Per Common Share

(Canadian \$ in millions, except as noted)	For the three months ended		For the nine months ended	
	July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023
Net income available to common shareholders adjusted for impact of dilutive instruments	\$ 1,814	\$ 1,522	\$ 4,783	\$ 2,516
Weighted-average number of common shares outstanding (in thousands)	729,449	715,432	727,174	706,044
Effect of dilutive instruments				
Stock options potentially exercisable (1)	3,473	4,320	3,629	4,531
Common shares potentially repurchased	(2,730)	(3,375)	(2,793)	(3,299)
Weighted-average number of diluted common shares outstanding (in thousands)	730,192	716,377	728,010	707,276
Diluted earnings per common share (Canadian \$)	\$ 2.48	\$ 2.12	\$ 6.57	\$ 3.56

(1) In computing diluted earnings per share, we excluded average stock options outstanding of 3,309,605 and 3,197,420 with a weighted-average exercise price of \$129.73 and \$130.81, respectively, for the three and nine months ended July 31, 2024 (2,270,156 and 2,178,439 with a weighted-average exercise price of \$135.00 and \$136.27, respectively, for the three and nine months ended July 31, 2023) as the average share price for the period did not exceed the exercise price.

Certain comparative figures have been reclassified for changes in accounting policy (Note 1).

Note 10: Income Taxes

Canadian tax authorities have reassessed us for additional income tax and interest in an amount of approximately \$1,465 million in respect of certain 2011-2018 Canadian corporate dividends. These reassessments denied certain dividend deductions on the basis that the dividends were received as part of a "dividend rental arrangement." In general, the tax rules raised by the Canadian tax authorities were prospectively addressed in the 2015 and 2018 Canadian federal budgets. We filed Notices of Appeal with the Tax Court of Canada and the matter is in litigation. We remain of the view that our tax filing positions were appropriate and intend to challenge all reassessments. However, if such challenges are unsuccessful, the additional expense would negatively impact our net income.

Note 11: Operating Segmentation

Operating Groups

We conduct our business through three operating groups, each of which has a distinct mandate. Our operating groups are Personal and Commercial Banking (P&C) (comprised of Canadian Personal and Commercial Banking (Canadian P&C) and U.S. Personal and Commercial Banking (U.S. P&C)), BMO Wealth Management (BMO WM) and BMO Capital Markets (BMO CM), along with a Corporate Services unit.

For additional information refer to Note 25 of our annual consolidated financial statements for the year ended October 31, 2023.

Our results and average assets, grouped by operating segment, are as follows:

(Canadian \$ in millions)							
	Canadian					Corporate	
For the three months ended July 31, 2024	P&C	U.S. P&C	BMO WM	BMO CM	Services (1)	Total	
Net interest income (2)	\$ 2,253	\$ 2,056	\$ 326	\$ 479	\$ (320)	\$ 4,794	
Non-interest revenue	655	397	1,113	1,187	46	3,398	
Total Revenue	2,908	2,453	1,439	1,666	(274)	8,192	
Provision for credit losses on impaired loans	353	368	1	92	14	828	
Provision for (recovery of) credit losses on performing loans	35	26	(10)	36	(9)	78	
Total provision for (recovery of) credit losses	388	394	(9)	128	5	906	
Depreciation and amortization	151	239	65	75	-	530	
Non-interest expense	1,109	1,253	904	972	71	4,309	
Income (loss) before taxes and non-controlling interest in subsidiaries	1,260	567	479	491	(350)	2,447	
Provision for (recovery of) income taxes	346	97	117	102	(80)	582	
Reported net income (loss)	\$ 914	\$ 470	\$ 362	\$ 389	\$ (270)	\$ 1,865	
Non-controlling interest in subsidiaries	\$ -	\$ (3)	\$ -	\$ -	\$ 3	\$ -	
Net income (loss) attributable to bank shareholders	\$ 914	\$ 473	\$ 362	\$ 389	\$ (273)	\$ 1,865	
Average assets (3)	\$ 329,786	\$ 240,484	\$ 65,428	\$ 475,893	\$ 274,275	\$ 1,385,866	
	Canadian				Corporate		
For the three months ended July 31, 2023	P&C	U.S. P&C	BMO WM	BMO CM	Services (1)	Total	
Net interest income (2)	\$ 2,061	\$ 1,995	\$ 357	\$ 568	\$ (76)	\$ 4,905	
Non-interest revenue	655	419	1,168	895	10	3,147	
Total Revenue	2,716	2,414	1,525	1,463	(66)	8,052	
Provision for credit losses on impaired loans	197	117	1	1	17	333	
Provision for (recovery of) credit losses on performing loans	62	87	6	9	(5)	159	
Total provision for credit losses	259	204	7	10	12	492	
Depreciation and amortization	143	252	71	84	-	550	
Non-interest expense	1,101	1,299	919	991	712	5,022	
Income (loss) before taxes	1,213	659	528	378	(790)	1,988	
Provision for (recovery of) income taxes	332	157	132	83	(281)	423	
Reported net income (loss)	\$ 881	\$ 502	\$ 396	\$ 295	\$ (509)	\$ 1,565	
Non-controlling interest in subsidiaries	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ 2	
Net income (loss) attributable to bank shareholders	\$ 881	\$ 500	\$ 396	\$ 295	\$ (509)	\$ 1,563	
Average assets (3)	\$ 312,155	\$ 229,427	\$ 62,034	\$ 453,798	\$ 252,686	\$ 1,310,100	

(1) Corporate Services includes Technology and Operations.

(2) Operating groups report on a taxable equivalent basis (teb). Revenue and the provision for income taxes are increased on tax-exempt securities to an equivalent before-tax basis to facilitate comparisons of income between taxable and tax-exempt sources. The offset to the groups' teb adjustments is reflected in Corporate Services revenue and provision for income taxes. Beginning January 1, 2024, we did not take the deduction for certain Canadian dividends received in BMO CM due to proposed legislation, and as a result, we no longer reported this revenue on a teb basis. This proposed legislation was enacted in the third quarter of fiscal 2024.

(3) Included within average assets are average earning assets, which are comprised of deposits with other banks, deposits at central banks, securities borrowed or purchased under resale agreements, loans and securities. Total average earning assets for three months ended July 31, 2024 are \$1,260,434 million, including \$323,768 million for Canadian P&C, \$219,467 million for U.S. P&C, and \$717,199 million for all other operating segments including Corporate Services (for three months ended July 31, 2023 - Total: \$1,162,389 million, Canadian P&C: \$297,976 million, U.S. P&C: \$209,493 million and all other operating segments: \$654,920 million).

Certain comparative figures have been reclassified to conform with the current period's presentation and for changes in accounting policy (Note 1).

(Canadian \$ in millions)

	Canadian		U.S. P&C		BMO WM	BMO CM	Corporate Services (1)	Total
For the nine months ended July 31, 2024	P&C		P&C					
Net interest income (2)	\$ 6,548	\$	\$ 6,108	\$	\$ 973	\$ 1,342	\$ (941)	\$ 14,030
Non-interest revenue	1,957		1,188		3,187	3,574	(98)	9,808
Total Revenue	8,505		7,296		4,160	4,916	(1,039)	23,838
Provision for credit losses on impaired loans	886		839		10	164	60	1,959
Provision for (recovery of) credit losses on performing loans	195		126		(13)	(6)	(23)	279
Total provision for (recovery of) credit losses	1,081		965		(3)	158	37	2,238
Depreciation and amortization	439		723		198	226	-	1,586
Non-interest expense	3,247		3,676		2,746	2,965	852	13,486
Income (loss) before taxes and non-controlling interest in subsidiaries	3,738		1,932		1,219	1,567	(1,928)	6,528
Provision for (recovery of) income taxes	1,031		359		297	326	(508)	1,505
Reported net income (loss)	\$ 2,707	\$	\$ 1,573	\$	\$ 922	\$ 1,241	\$ (1,420)	\$ 5,023
Non-controlling interest in subsidiaries	\$ -	\$	\$ 1	\$	\$ -	\$ -	\$ 5	\$ 6
Net income (loss) attributable to bank shareholders	\$ 2,707	\$	\$ 1,572	\$	\$ 922	\$ 1,241	\$ (1,425)	\$ 5,017
Average assets (3)	\$ 324,846	\$	\$ 236,323	\$	\$ 63,877	\$ 456,676	\$ 271,060	\$ 1,352,782

	Canadian		U.S. P&C		BMO WM	BMO CM	Corporate Services (1)	Total
For the nine months ended July 31, 2023	P&C		P&C					
Net interest income (2)	\$ 5,947	\$	\$ 5,530	\$	\$ 1,027	\$ 1,860	\$ (624)	\$ 13,740
Non-interest revenue	1,816		1,162		2,919	2,881	(1,578)	7,200
Total Revenue	7,763		6,692		3,946	4,741	(2,202)	20,940
Provision for (recovery of) credit losses on impaired loans	492		221		3	(2)	58	772
Provision for credit losses on performing loans	152		109		14	19	666	960
Total provision for credit losses	644		330		17	17	724	1,732
Depreciation and amortization	413		624		211	250	-	1,498
Non-interest expense	3,050		3,267		2,677	2,976	1,987	13,957
Income (loss) before taxes and non-controlling interest in subsidiaries	3,656		2,471		1,041	1,498	(4,913)	3,753
Provision for (recovery of) income taxes	1,005		573		246	345	(1,143)	1,026
Reported net income (loss)	\$ 2,651	\$	\$ 1,898	\$	\$ 795	\$ 1,153	\$ (3,770)	\$ 2,727
Non-controlling interest in subsidiaries	\$ -	\$	\$ 2	\$	\$ -	\$ -	\$ 3	\$ 5
Net income (loss) attributable to bank shareholders	\$ 2,651	\$	\$ 1,896	\$	\$ 795	\$ 1,153	\$ (3,773)	\$ 2,722
Average assets (3)	\$ 307,717	\$	\$ 204,519	\$	\$ 59,446	\$ 463,156	\$ 251,184	\$ 1,286,022

(1) Corporate Services includes Technology and Operations.

(2) Operating groups report on a teb basis. Revenue and the provision for income taxes are increased on tax-exempt securities to an equivalent before-tax basis to facilitate comparisons of income between taxable and tax-exempt sources. The offset to the groups' teb adjustments is reflected in Corporate Services revenue and provision for income taxes. Beginning January 1, 2024, we did not take the deduction for certain Canadian dividends received in BMO CM due to proposed legislation, and as a result, we no longer reported this revenue on a teb basis. This proposed legislation was enacted in the third quarter of fiscal 2024.

(3) Included within average assets are average earning assets, which are comprised of deposits with other banks, deposits at central banks, securities borrowed or purchased under resale agreements, loans and securities. Total average earning assets for nine months ended July 31, 2024 are \$1,224,759 million, including \$314,719 million for Canadian P&C, \$215,821 million for U.S. P&C, and \$694,219 million for all other operating segments including Corporate Services (for nine months ended July 31, 2023 - Total: \$1,135,342 million, Canadian P&C: \$293,614 million, U.S. P&C: \$189,259 million and all other operating segments: \$652,469 million).

Certain comparative figures have been reclassified to conform with the current period's presentation and for changes in accounting policy (Note 1).

Investor and Media Information

Investor Presentation Materials

Interested parties are invited to visit BMO's website at www.bmo.com/investorrelations to review the 2023 Annual MD&A and audited annual consolidated financial statements, quarterly presentation materials and supplementary financial and regulatory information package.

Quarterly Conference Call and Webcast Presentations

Interested parties are also invited to listen to our quarterly conference call on Tuesday, August 27, 2024, at 7:15 a.m. (ET). The call may be accessed by telephone at 416-340-2217 (from within Toronto) or 1-800-806-5484 (toll-free outside Toronto), entering Passcode: 9768240#. A replay of the conference call can be accessed until September 27, 2024, by calling 905-694-9451 (from within Toronto) or 1-800-408-3053 (toll-free outside Toronto) and entering Passcode: 4631832#.

A live webcast of the call can be accessed on our website at www.bmo.com/investorrelations. A replay can also be accessed on the website.

Media Relations Contact

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Investor Relations Contacts

Christine Viau, Head, Investor Relations, christine.viau@bmo.com, 416-867-6956

Bill Anderson, Director, Investor Relations, bill2.anderson@bmo.com, 416-867-7834

Shareholder Dividend Reinvestment and Share Purchase Plan (DRIP)

Common shareholders may elect to have their cash dividends reinvested in common shares of the bank, in accordance with the bank's Shareholder Dividend Reinvestment and Share Purchase Plan. More information about the Plan and how to enrol can be found at www.bmo.com/investorrelations.

For dividend information, change in shareholder address or to advise of duplicate mailings, please contact

Computershare Trust Company of Canada
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1
Telephone: 1-800-340-5021 (Canada and the United States)
Telephone: (514) 982-7800 (international)
Fax: 1-888-453-0330 (Canada and the United States)
Fax: (416) 263-9394 (international)
E-mail: service@computershare.com

For other shareholder information, please contact

Bank of Montreal
Shareholder Services
Corporate Secretary's Department
One First Canadian Place, 21st Floor
Toronto, Ontario M5X 1A1
Telephone: (416) 867-6785
E-mail: corp.secretary@bmo.com

For further information on this document, please contact

Bank of Montreal
Investor Relations Department
P.O. Box 1, One First Canadian Place, 37th Floor
Toronto, Ontario M5X 1A1

To review financial results and regulatory filings and disclosures online, please visit BMO's website at www.bmo.com/investorrelations.

BMO's 2023 Annual MD&A, audited consolidated financial statements, annual information form and annual report on Form 40-F (filed with the U.S. Securities and Exchange Commission) are available online at www.bmo.com/investorrelations and at www.sedarplus.ca. Printed copies of the bank's complete 2023 audited consolidated financial statements are available free of charge upon request at 416-867-6785 or corp.secretary@bmo.com.

Annual Meeting 2025

The next Annual Meeting of Shareholders will be held on Friday, April 11, 2025.

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