

BMO CAPITAL MARKETS CORP.
(An Indirect Wholly Owned Subsidiary of Bank of Montreal)

Statement of Comprehensive Income

Year ended December 31, 2016

(Dollars in thousands)

Revenues:

Underwriting and advisory	\$ 229,732
Commissions	115,317
Interest income, net of interest expense of \$167,537	35,503
Dividend income, net of dividend expense of \$575,076	8,943
Investment management revenue	36,155
Trading gain, net	14,851
Service revenue from affiliates	192,848
Other	2,487
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Total revenues	635,836

Expenses:

Employee compensation and benefits	399,643
Floor brokerage and clearing fees	23,720
Travel and entertainment	30,899
Occupancy and equipment	18,969
Communications	16,442
Professional services	7,698
Data processing	7,587
Interest on subordinated liabilities	7,453
Depreciation and amortization	3,759
Service expense paid to affiliates	56,257
Other	11,766
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Total expenses	584,193

Income before income taxes 51,643

Income tax expense (19,697)

Net income 31,946

Other comprehensive income:

Net change in unrealized losses on pension and postretirement benefits 1,143

Income tax expense (400)

Total other comprehensive income, net of tax 743

Total comprehensive income \$ 32,689

See accompanying notes to financial statements.