

2011

BMO Financial Group Update

Federal Reserve Bank of Chicago & DePaul University
4th Annual Risk Conference

The BMO logo is rendered in large, white, 3D block letters with black shadows, positioned on a blue grid that recedes into the distance. The letters are 'B', 'M', and 'O'.

Terry Bulger

Executive Vice President & Chief Risk Officer,
Harris Financial Corp.

April 11 • 2011

BMO Financial Group

- F2010 revenues increased 10.4% to 12,210 million from the previous year
- F2010 net income 2,810 million; ROE was 14.9%
- Ninth-largest bank in North America, measured by market capitalization

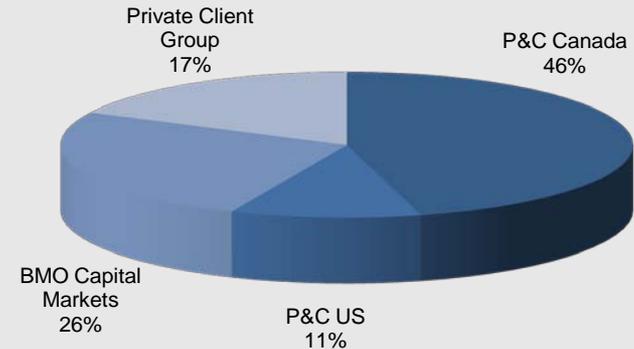
Key Operating Data

Listings	NYSE, TSX (Ticker: BMO)
Share Price (4/8/2011)	NYSE – US\$65.31 TSX – C\$62.50
Market Cap	\$35.07 billion
# of Employees	38,000

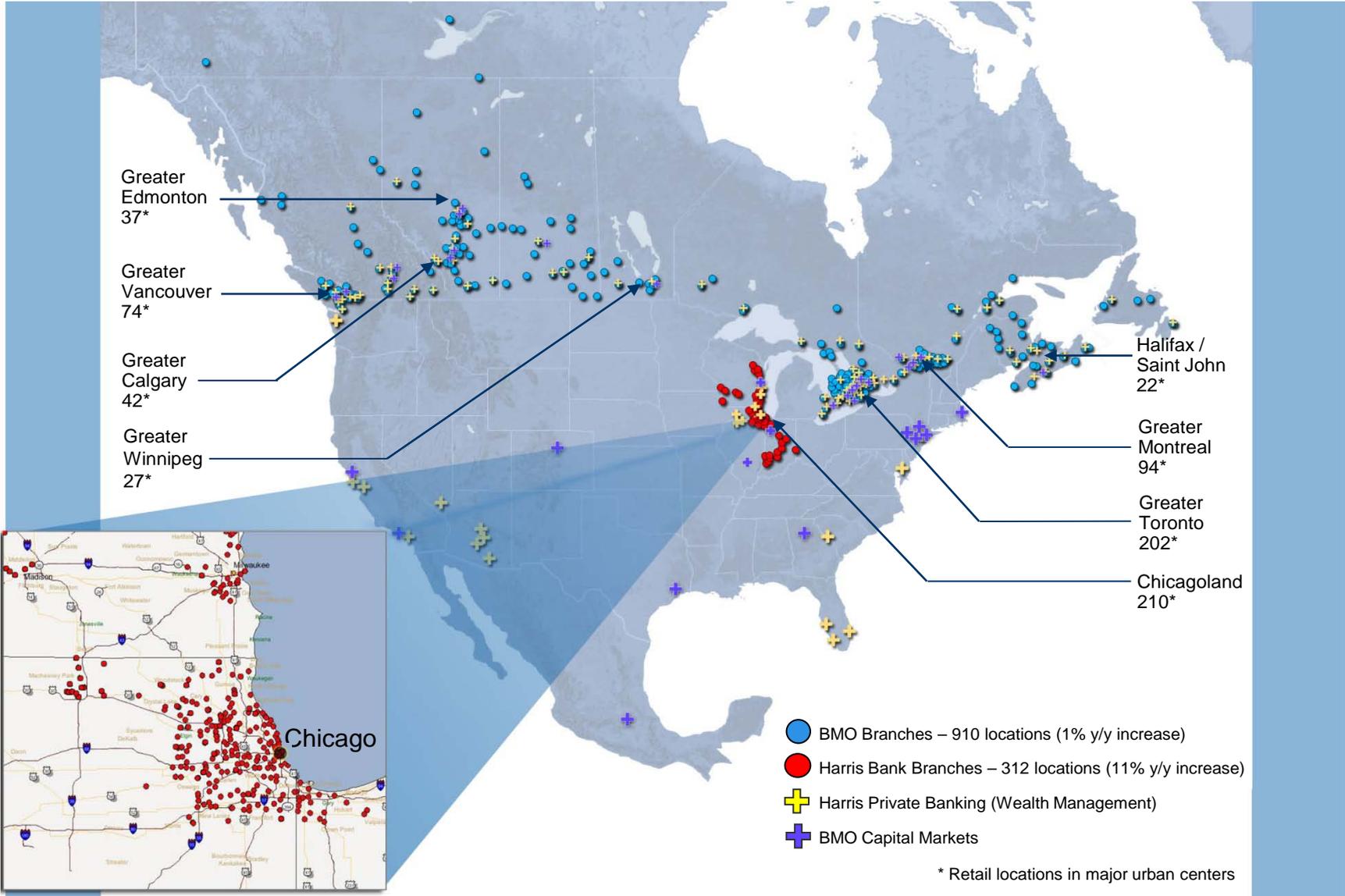
F2010 Results

Revenue	\$12.2 billion
Net Income	\$2.8 billion
Cash EPS (reported)	\$4.75
PCL	\$1 billion
Average Assets	\$398 billion
Capital Ratios	Tier 1: 13.45% TCE/RWA: 10.47%

F2010 Revenue by Operating Group

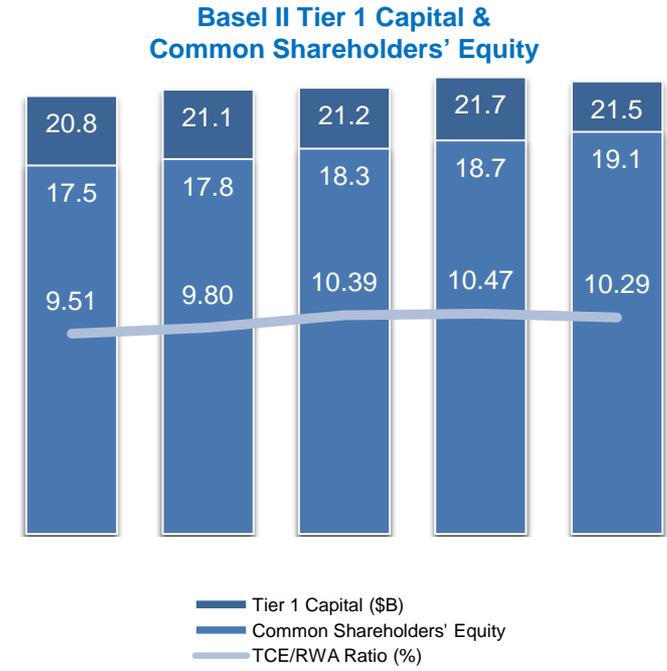


North American Footprint



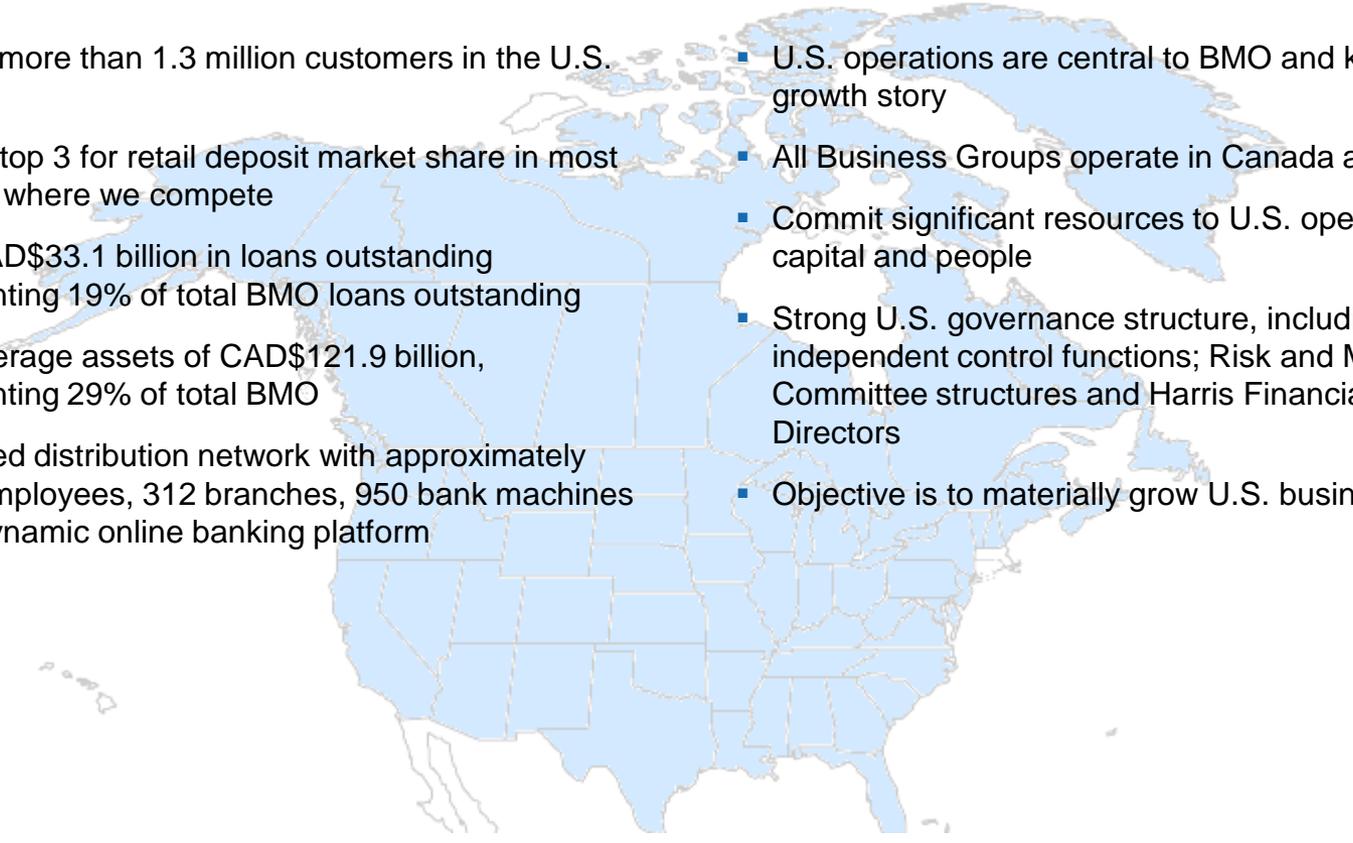
Capital & Risk Weighted Assets

Basel II	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11
Tier 1 Capital Ratio (%)	12.53	13.27	13.55	13.45	13.02
Total Capital Ratio (%)	14.82	15.69	16.10	15.91	15.17
Assets-to-Capital Multiple (x)	14.67	14.23	14.27	14.46	14.80
RWA (C\$B)	165.7	159.1	156.6	161.2	165.3
Total As At Assets (C\$B)	398.6	390.1	397.4	411.6	413.2
Tangible Common Equity-to-RWA (%)	9.51	9.80	10.39	10.47	10.29



- Risk based capital demand under both forecast and stress scenarios is reviewed quarterly with Board Risk Review Committee as part of the Bank's Internal Capital Adequacy Assessment Process
- BMO's TCE to RWA ratio was 10.47% at October 31, 2010.

U.S. Business is Integral to BMO

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- A light blue map of the United States with state boundaries outlined in a darker blue. The map is positioned in the background, partially obscured by the text and bullet points.
- Serving more than 1.3 million customers in the U.S. Midwest
 - Ranked top 3 for retail deposit market share in most markets where we compete
 - Over CAD\$33.1 billion in loans outstanding representing 19% of total BMO loans outstanding
 - Total average assets of CAD\$121.9 billion, representing 29% of total BMO
 - Integrated distribution network with approximately 7,000 employees, 312 branches, 950 bank machines and a dynamic online banking platform
 - U.S. operations are central to BMO and key part of growth story
 - All Business Groups operate in Canada and US
 - Commit significant resources to U.S. operations – capital and people
 - Strong U.S. governance structure, including independent control functions; Risk and Management Committee structures and Harris Financial Board of Directors
 - Objective is to materially grow U.S. business

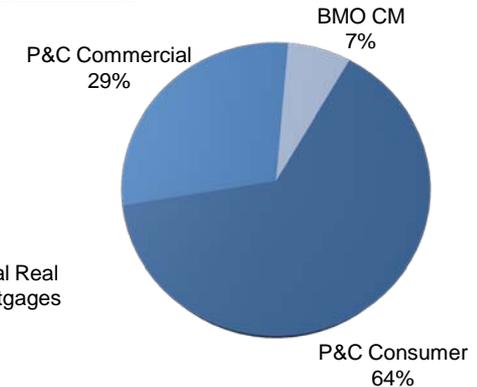
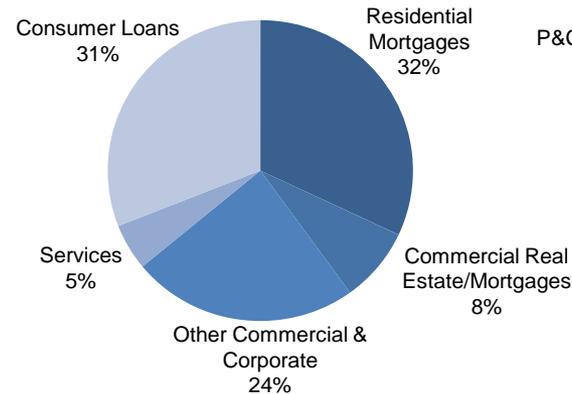
Diversified Portfolio

- Canadian and US portfolios well diversified.
Canadian portfolio 76% of loans, US portfolio 19%.
- P&C banking business represents the majority of loans.
 - Retail portfolios are predominantly secured – 86% in Canada and 99% in the US.
- Canadian portfolios performance sound.
- US Loan Portfolio:
 - Consumer portfolio is \$14.7B, relatively evenly split between Home Equity, Residential Mortgages and the Auto portfolios.
 - Commercial Real Estate/Investor-Owned Mortgages at \$3.0B (\$2.5B excluding the Q2 '10 acquired portfolio) not large at 9% of US loans and less than 2% of BMO total loans.
 - The Investor-Owned Mortgage portfolio is \$1.8B. Portfolio has a largely Midwestern footprint (83% IL).
 - Developer portfolio continues to reduce and is ~2% of the total US portfolio.

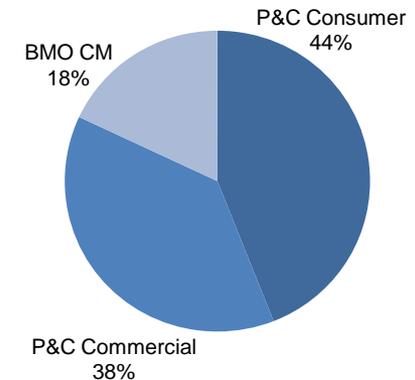
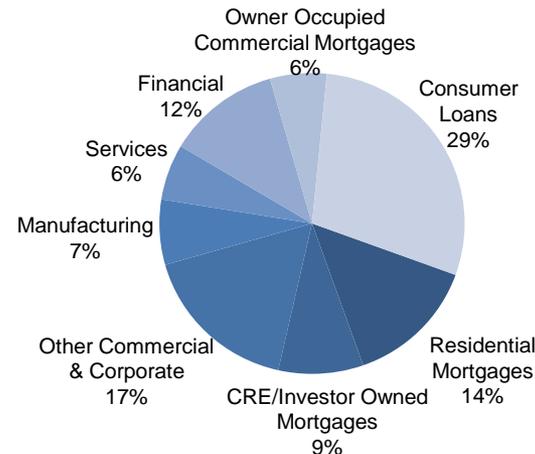
By Segment¹ (C\$179B)

By Line of Business

Canada (C\$137B)



US (C\$33B)



ERPM's Strategy and 2011 Priorities

STRATEGY

- Promote a 'three lines of defence' approach to risk management with operating businesses 'owning' the risk in their operations, Risk Management together with other corporate groups providing a second line of defence, and corporate audit a third
- Work with businesses on optimizing risk-return, ensuring risk transparency and embedding a strong risk culture, maintaining independent risk judgement
- Working within our independent oversight structure and the limits of our risk appetite, help the Bank deliver solutions to our customers
- Ensure strength in risk management is seen as one of the defining characteristics of BMO
- Provide leadership to the enterprise on risk and risk-related industry trends

F2011 STRATEGIC PRIORITIES

Excellence in Independent Risk Management:

1. Continue to embed risk culture and disseminate risk appetite
2. Work with the businesses to support sound business initiatives
3. Continue to manage the problem loan portfolio
4. Strengthen risk and foundational capabilities

People:

5. Build best in class capabilities in people management

Continuous Improvement:

6. With Finance and the groups, drive more effective capital management
7. Enhance engagement with risk community, positioning BMOFG as a leading risk manager