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

<table>
<thead>
<tr>
<th>Key Operating Data</th>
<th>F2010 Revenue by Operating Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listings</td>
<td>NYSE, TSX (Ticker: BMO)</td>
</tr>
</tbody>
</table>
<pre><code>                    | TSX – C$62.50                |
</code></pre>
<p>| Market Cap         | $35.07 billion                 |
| # of Employees     | 38,000                         |</p>

**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%

Private Client Group 17%

BMO Capital Markets 26%

P&C US 11%

P&C Canada 46%
North American Footprint

BMO Branches – 910 locations (1% y/y increase)

Harris Bank Branches – 312 locations (11% y/y increase)

Harris Private Banking (Wealth Management)

BMO Capital Markets

* Retail locations in major urban centers
### Basel II Tier 1 Capital & Common Shareholders’ Equity

<table>
<thead>
<tr>
<th></th>
<th>Q1 10</th>
<th>Q2 10</th>
<th>Q3 10</th>
<th>Q4 10</th>
<th>Q1 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 Capital Ratio (%)</td>
<td>12.53</td>
<td>13.27</td>
<td>13.55</td>
<td>13.45</td>
<td>13.02</td>
</tr>
<tr>
<td>Total Capital Ratio (%)</td>
<td>14.82</td>
<td>15.69</td>
<td>16.10</td>
<td>15.91</td>
<td>15.17</td>
</tr>
<tr>
<td>RWA (C$B)</td>
<td>165.7</td>
<td>159.1</td>
<td>156.6</td>
<td>161.2</td>
<td>165.3</td>
</tr>
<tr>
<td>Total As At Assets (C$B)</td>
<td>398.6</td>
<td>390.1</td>
<td>397.4</td>
<td>411.6</td>
<td>413.2</td>
</tr>
<tr>
<td>Tangible Common Equity-to-RWA (%)</td>
<td>9.51</td>
<td>9.80</td>
<td>10.39</td>
<td>10.47</td>
<td>10.29</td>
</tr>
</tbody>
</table>

- 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

- 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)

- Residential Mortgages 32%
- Other Commercial & Corporate 24%
- CRE/Investor Owned Mortgages 9%
- Owner Occupied Commercial Mortgages 6%
- Financial 12%
- Services 6%
- Manufacturing 7%
- Other Commercial & Corporate 17%
- Commercial Real Estate/Mortgages 8%
- Consumer Loans 31%
- Residential Mortgages 32%
- P&C Commercial 29%
- Residential Mortgages 14%
- Consumer Loans 29%
- BMO CM 7%
- Residential Mortgages 14%
- P&C Commercial 38%
- Residential Mortgages 14%
- P&C Consumer 44%
- BMO CM 7%

By Line of Business

- Canada (C$137B)
  - Residential Mortgages 32%
  - P&C Commercial 29%
  - Residential Mortgages 14%
  - BMO CM 7%
  - P&C Consumer 64%

- US (C$33B)
  - Residential Mortgages 14%
  - P&C Commercial 38%
  - Residential Mortgages 14%
  - P&C Consumer 44%
  - BMO CM 18%
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