

Acquisition of Diners Club North American Franchise – Highlights

- **BMO has entered into an agreement to acquire from Citigroup, the U.S. and Canadian Diners Club franchise, a globally recognized brand and premiere Travel and Entertainment (T&E) card program:**
 - ▶ Profitable business with a long history of success in the Commercial Card sector
 - ▶ Full suite of charge and credit cards targeted to the unique values and needs of corporations (mid-market to multi-national) and affluent individuals
 - ▶ Products include: Travel & Entertainment (T&E), purchasing, and Professional (consumer) cards
 - ▶ Purchase includes a North American award winning proprietary loyalty program, Club Rewards
 - ▶ Sales and market growth are delivered mainly through a dedicated sales and client relationship management team along with an outbound calling team

- **Growing our Cards business is a strategic priority for BMO:**
 - ▶ Expected to immediately more than double BMO's overall Corporate Card business
 - ▶ Enhances BMO's T&E product and allows BMO to offer its clients an award winning product line and provides BMO with exclusive rights to issue Diners Club cards to corporate clients in Canada and the U.S. under the MasterCard acceptance brand
 - ▶ The Diners T&E offering complements BMO's current program enabling BMO to offer clients a superior total commercial card program
 - ▶ Anticipated future growth: Increase BMO brand awareness and visibility in the U.S. market and facilitate planned rollout of a robust global program by leveraging the well established Diners Club brand and the MasterCard platform
 - ▶ Expand sales opportunities by leveraging Diners Club marketing and sales footprint

- **An opportunity to purchase a key franchise in the Diners Club International network at an attractive price coupled with a strong, long-term strategic fit with BMO's Commercial Card business**

- **Strategic Rationale:**
 - ▶ Strategic acquisition to significantly grow BMO's Commercial Card business and market share in both Canada and the U.S.
 - ▶ Provides a competitive global, T&E card and dramatically enhances BMO's ability to compete in the highly attractive commercial card market -- a growing and profitable business
 - ▶ Purchase creates a differentiated and robust Commercial Card program offering for North American clients and strengthens BMO's global reach through partnerships with other Diners Club franchisees around the world

Financial Details:

Net Receivables Acquired	Approximately US\$1 billion
Impact on Tier 1	Approximately 10 bps
Expected Closing	Anticipated before March 31, 2010

- All cash transaction for cardholder receivables. Final value to be determined on closing.



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