

BMO Financial Group to Acquire F&C Asset Management plc

– Fact Sheet –

Key Takeaways - Expanding BMO's Wealth Management Business

- Consistent with stated intention to grow Wealth Management business
- Enhances BMO Global Asset Management's scale, product set and distribution capabilities (pro forma combined AUM of ~US\$269⁽¹⁾ billion)
- Complementary distribution and limited product overlap expected to drive future revenue growth
- Increases cross-sell potential into attractive growth markets with broader product capabilities
- Experienced and talented management teams with a common desire to grow the business

F&C Overview and Transaction Highlights

Description	<ul style="list-style-type: none"> • F&C is a diversified investment manager with approximately £82 billion of assets under management as at December 31, 2013 • Headquartered in the U.K. and with offices in 11 cities across 8 countries, the firm employs 658 people, including 251 investment professionals
Ownership	<ul style="list-style-type: none"> • Publicly held (LSE: FCAM)
Office Locations	<ul style="list-style-type: none"> • London (headquarters), Edinburgh, Amsterdam, Dublin, Frankfurt, Lisbon, Munich, Zurich, Hong Kong, and Mumbai
Financial Information	<ul style="list-style-type: none"> • Revenue £249 million; EBITDA £90 million (LTM June 2013) • AUM approximately £82 billion (as at December 31, 2013)
Consideration	<ul style="list-style-type: none"> • 120 pence in cash per F&C share <ul style="list-style-type: none"> ▪ Premium of 28% to the closing price of F&C shares as at January 24, 2014 • Acquisition values the existing issued and to be issued share capital of F&C at approximately C\$1.3 billion (£708 million)
Capital and Financing	<ul style="list-style-type: none"> • Given strong capital position, no common equity offering required • ~75 bps impact on Basel III Common Equity Tier 1 Ratio • F&C net indebtedness of £87⁽²⁾ million expected to remain outstanding post closing
Transaction Economics	<ul style="list-style-type: none"> • Modestly accretive to EPS⁽³⁾ in first year • Estimated internal rate of return of ~15% • Implied EV / EBITDA⁽⁴⁾ of ~9.4x
Other Information	<ul style="list-style-type: none"> • Subject to F&C shareholder approval and the satisfaction of all regulatory and other conditions • Shareholders will be entitled to receive a normal course dividend of 2 pence per share for the financial year ended December 31, 2013 • Closing after May 1, 2014

1. As at December 31, 2013.

2. As at June 30, 2013.

3. Cash Earnings, excluding one-time costs and the amortization of intangible assets.

4. EBITDA for the twelve months ended June 30, 2013.

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Cautionary statement regarding forward-looking information

This fact sheet contains statements which are, or may be deemed to be, "forward-looking statements", including for the purposes of Canadian securities law and the US Private Securities Litigation Reform Act of 1995. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of BMO and F&C about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this fact sheet include statements relating to the expected effects of the Acquisition on BMO and F&C, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: the anticipated benefits from the proposed transaction, for example the Acquisition being accretive to earnings, the estimated internal rate of return, and BMO's capital position are not realized as a result of changes in general economic and market conditions in the countries in which BMO operates; weak, volatile or illiquid capital and/or credit markets; interest rate and currency value fluctuations; the degree of competition in the geographic and business areas in which BMO operates; changes in laws or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance; and those other factors set out on pages 30 and 31 of BMO's 2013 Annual Report. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors.

Assumptions about current and expected capital requirements, F&C's assets under management, revenues and expenses, potential for assets under management and earnings growth as well as costs associated with the Acquisition, and expected revenue and cost synergies were material factors BMO considered in estimating the internal rate of return to BMO and the estimate of the acquired business being accretive to BMO's earnings.

Assumptions about current and expected capital requirements and BMO's models used to assess those requirements under the Canadian Capital Adequacy Requirement Guideline, F&C's assets under management, revenues and expenses, potential for assets under management and earnings growth as well as costs associated with the Acquisition were material factors BMO considered in estimating the impact on its Basel III Common Equity Tier 1 ratio.

This fact sheet is a summary only and does not provide an exhaustive description of the terms and conditions of the Acquisition. All information contained in this fact sheet is subject to and qualified by reference to the information, terms and conditions contained in the Rule 2.7 Announcement dated January 28, 2014 (including the bases and sources and terms upon which such information is provided).

You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with our legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Conduct Authority), BMO is not under any obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.