

# 2010

## Investor Presentation

National Bank Financial  
Canadian Financial Services Conference

The BMO logo is rendered in a 3D, metallic style with a dark blue base and a lighter blue top. The letters are bold and blocky, set against a background of a blue grid that recedes into the distance under a blue sky with light clouds.

**Bill Downe**

President and Chief Executive Officer  
BMO Financial Group

March 30 • 2010

# Forward Looking Statements & Non-GAAP Measures

## Caution Regarding Forward-Looking Statements

Bank of Montreal's public communications often include written or oral forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the safe harbour provisions of, and are intended to be forward-looking statements under, the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives and priorities for 2010 and beyond, our strategies or future actions, our targets, expectations for our financial condition or share price, and the results of or outlook for our operations or for the Canadian and U.S. economies.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that our assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: general economic and market conditions in the countries in which we operate; interest rate and currency value fluctuations; changes in monetary policy; the degree of competition in the geographic and business areas in which we operate; changes in laws; judicial or regulatory proceedings; the accuracy and completeness of the information we obtain with respect to our customers and counterparties; our ability to execute our strategic plans and to complete and integrate acquisitions; critical accounting estimates; operational and infrastructure risks; general political conditions; global capital market activities; the possible effects on our business of war or terrorist activities; disease or illness that impacts on local, national or international economies; disruptions to public infrastructure, such as transportation, communications, power or water supply; and technological changes.

We caution that the foregoing list is not exhaustive of all possible factors. Other factors could adversely affect our results. For more information, please see the discussion on pages 32 and 33 of BMO's 2009 Annual Report, which outlines in detail certain key factors that may affect BMO's future results. When relying on forward-looking statements to make decisions with respect to Bank of Montreal, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Bank of Montreal does not undertake to update any forward-looking statement, whether written or oral, that may be made, from time to time, by the organization or on its behalf, except as required by law. The forward-looking information contained in this document is presented for the purpose of assisting our shareholders in understanding our financial position as at and for the periods ended on the dates presented and our strategic priorities and objectives, and may not be appropriate for other purposes.

Assumptions about the performance of the Canadian and U.S. economies as well as overall market conditions and their combined effect on the bank's business, including those described under the heading Economic Outlook and Review in our First Quarter 2010 Report to Shareholders, are material factors we consider when determining our strategic priorities, objectives and expectations for our business. In determining our expectations for economic growth, both broadly and in the financial services sector, we primarily consider historical economic data provided by the Canadian and U.S. governments and their agencies.

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## Non-GAAP Measures

Bank of Montreal uses both GAAP and non-GAAP measures to assess performance. Readers are cautioned that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings under GAAP and are unlikely to be comparable to similar measures used by other companies. Reconciliations of GAAP to non-GAAP measures as well as the rationale for their use can be found in Bank of Montreal's First Quarter 2010 Report to Shareholders and 2009 Annual Report to Shareholders all of which are available on our website at [www.bmo.com/investorrelations](http://www.bmo.com/investorrelations).

Examples of non-GAAP amounts or measures include: cash earnings, cash productivity and cash operating leverage measures, and cash earnings per share; revenue and other measures presented on a taxable equivalent basis (teb); amounts presented net of applicable taxes; net economic profit and core results and measures that exclude items that are not considered reflective of ongoing operations. For example, core measures and results which exclude the impact of impaired loans, Visa litigation accruals, acquisition integration costs.

Bank of Montreal provides supplemental information on combined business segments to facilitate comparisons to peers.

# Financial Results

Strong operating momentum and earning power

	Revenue	Net Income	Cash EPS	ROE	Cash Productivity	Total PCL	Tier 1 Capital Ratio (Basel II)
<b>Q1 10</b>	<b>\$3,025MM</b>	<b>\$657MM</b>	<b>\$1.13</b>	<b>14.3%</b>	<b>60.5%</b>	<b>\$333MM</b>	<b>12.53%</b>

- Very good first quarter results
- Revenues exceed \$3 billion for the first time
- Disciplined expense control in each operating group
- Pre-provision, pre-tax earnings of \$1.2 billion

# Commitment to Strategic Priorities

## Defining great customer experience

1

Maximize earnings growth across all North American **personal and commercial banking businesses**, focusing on industry-leading customer experience and sales force productivity.

2

Accelerate the growth of our **wealth management business** by providing our clients with exceptional advice, emphasizing retirement and financial planning.

3

Deliver strong, stable returns in our **capital markets business** by providing highly targeted solutions to our core clients, everywhere we compete, from a single integrated platform.

4

Grow our business in **select global markets** to meet our customers' expanding needs.

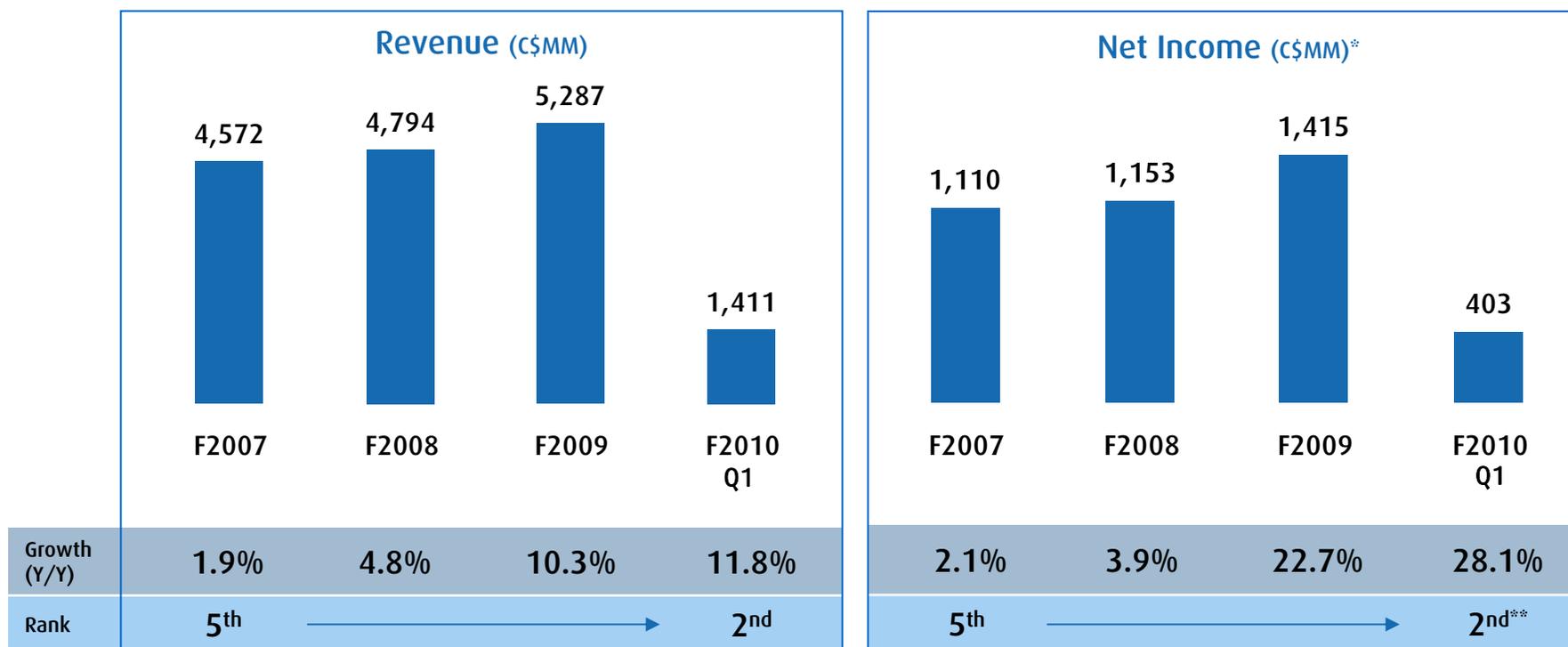
5

Sustain a **culture** that focuses on customers, high performance and our people.

# Strengthening Competitive Position

Successful differentiated approach and narrowing the gap to the industry leader

## Personal & Commercial Canada



\* BMO employs a methodology for segmented reporting purposes whereby expected credit losses are charged to the operating groups quarterly based on their share of expected credit losses. The difference between quarterly charges based on expected losses and required quarterly provisions based on actual losses, as well as changes in the general allowance are charged (or credited) to Corporate Services.

\*\* Net income ranking using actual losses

# U.S. Commercial Banking Initiative

## Unique opportunity for Harris to grow and take market share

- 
- Beginning of a recovery in the Midwest market
  - Uneven competitive landscape
- 
- Increase market coverage of a larger universe of accounts
  - Realize economic benefits in commercial banking model
  - Leverage strong reputation as a commercial lender and the Harris brand to build market share
- 
- Expect to more than double the size of the existing P&C U.S. business (approx. \$6.5BN in both loans and deposits)
  - Average customer sales size expected to increase from \$150MM - \$200MM to \$400MM - \$500MM in P&C U.S.
  - Product mix improvement is expected to drive better productivity and ROE
- 



# Financial and Capital Strength

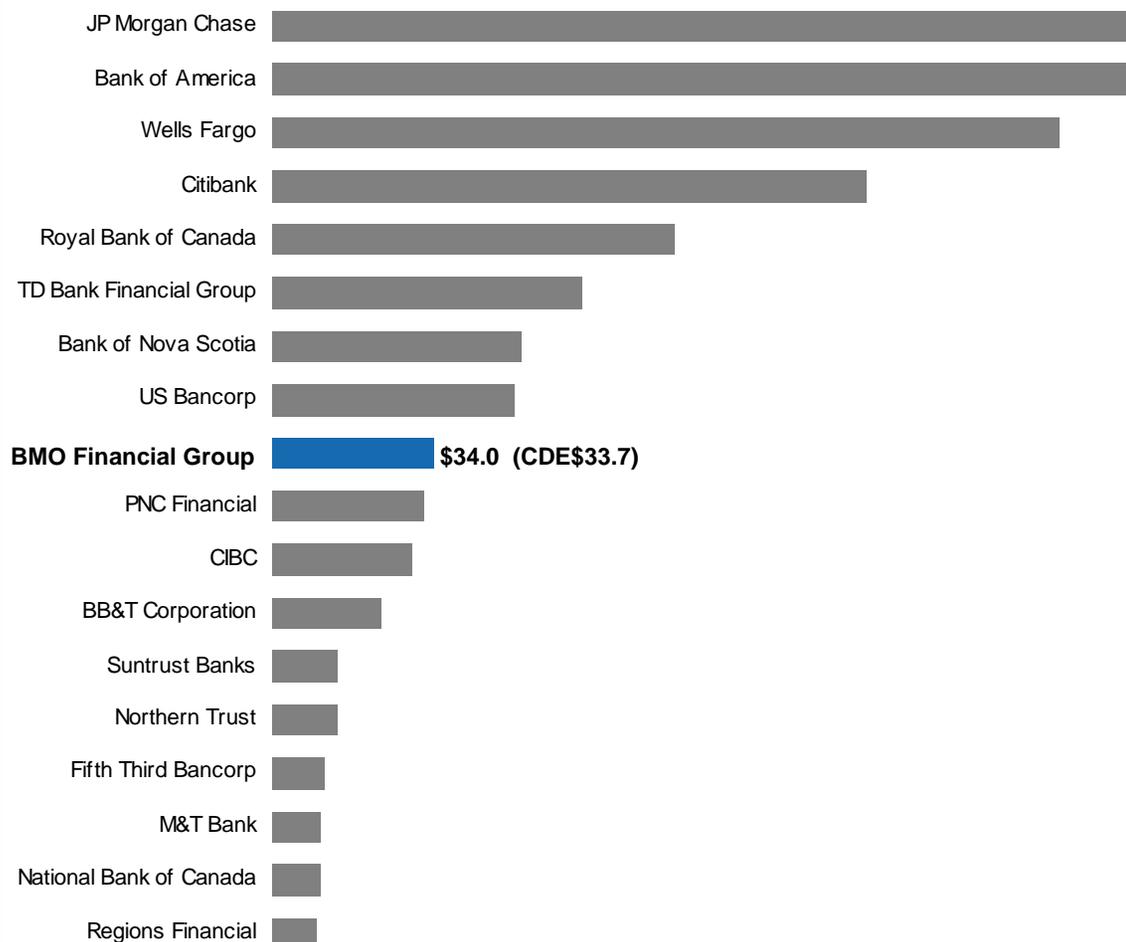
BMO's strong financial position and clear business strategy provide a unique opportunity to grow

## Tangible Common Equity / Risk-Weighted Assets<sup>1</sup> (%)

Northern Trust	11.98
Citibank	11.68
TD Bank Financial Group	9.85
<b>BMO Financial Group</b>	<b>9.51</b>
National Bank of Canada	8.95
JP Morgan Chase	8.80
Royal Bank of Canada	8.72
Bank of Nova Scotia	8.49
BB&T Corporation	8.11
CIBC	8.00
Regions Financial	7.95
Suntrust Banks	7.90
Fifth Third Bancorp	7.30
Bank of America	7.00
Wells Fargo	6.54
US Bancorp	5.86
PNC Financial	5.43
M&T Bank	5.17

## Market Capitalization

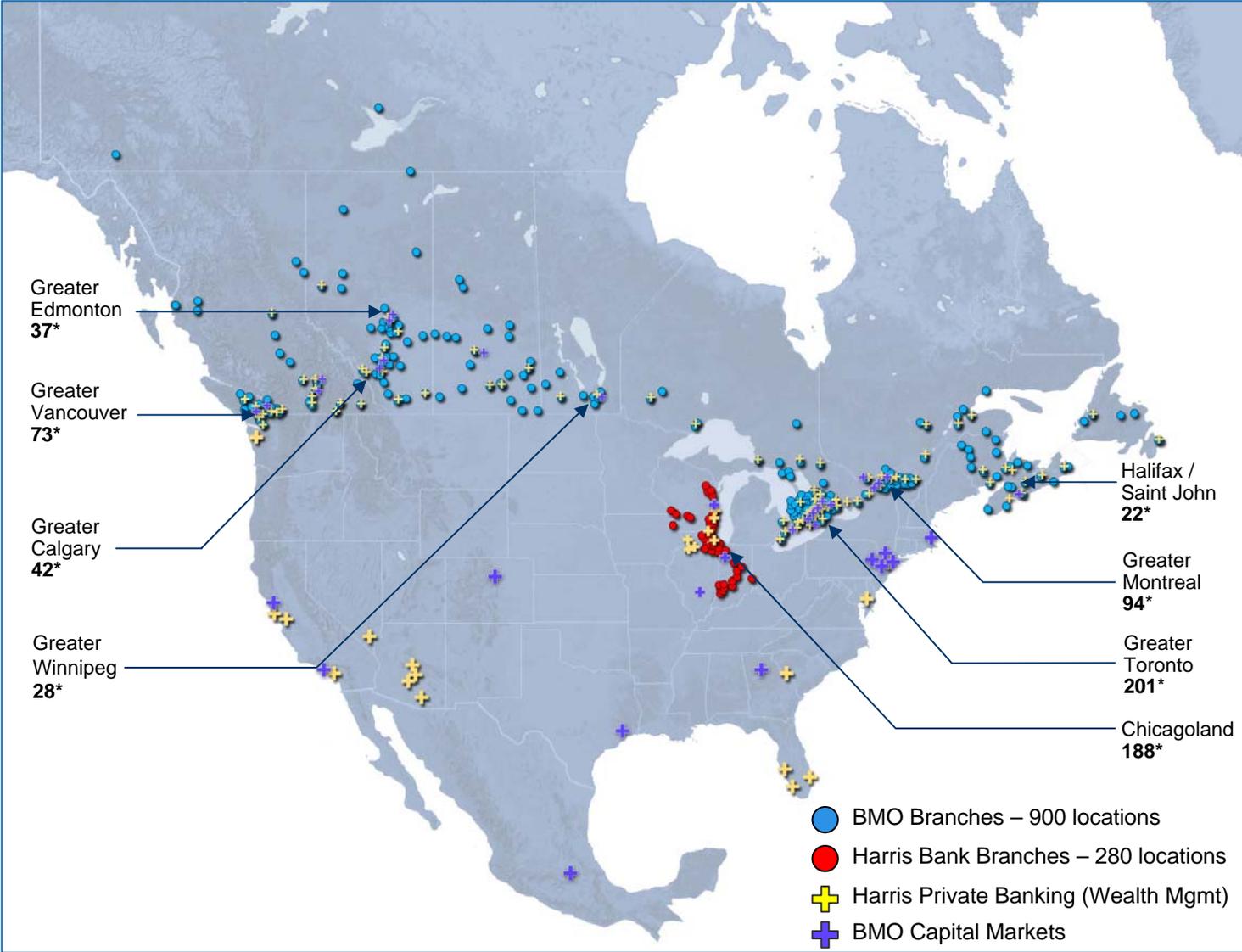
(\$US billions)



Largest banks by market capitalization in North America, as at March 25<sup>th</sup>, 2010 as published by Bloomberg.

<sup>1</sup> As at January 31, 2010 for Canadian Banks, As at December 31, 2009 for US banks as published in quarterly reports and using a consistent methodology.

# BMO Financial Group – Positioned for Strong Growth



\* Retail locations in major urban centers

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