



# Forward Looking Statements

## 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 2009 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 30 and 31 of the BMO 2008 Annual Report, which outlines in detail certain key factors that may affect our 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 level of asset sales, expected asset sale prices, net funding cost, credit quality and risk of default and losses on default of the underlying assets of the structured investment vehicles were material factors we considered when establishing our expectations regarding the structured investment vehicles discussed in this document, including the amount to be drawn under the BMO liquidity facilities and the expectation that the first-loss protection provided by the subordinate capital notes will exceed future losses. Key assumptions included that assets would continue to be sold with a view to reducing the size of the structured investment vehicles, under various asset price scenarios, and that the level of defaults and losses will be consistent with the credit quality of the underlying assets and our current expectations regarding challenging market conditions continuing.

Assumptions about the level of defaults and losses on defaults were material factors we considered when establishing our expectation of the future performance of the transactions that Apex Trust has entered into. Key assumptions included that the level of defaults and losses on defaults would be consistent with historical experience. Material factors that were taken into account when establishing our expectations of the future risk of credit losses in Apex Trust and risk of loss to BMO included industry diversification in the portfolio, initial credit quality by portfolio, the first-loss protection incorporated into the structure and the hedges that BMO has entered into.

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 in our Fourth Quarter 2009 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.

# 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 Fourth Quarter 2009 Report to Shareholders and 2008 Annual Report to Shareholders all of which are available on our website at [www.bmo.com/investorrelations](http://www.bmo.com/investorrelations).

Non-GAAP results or measures include: revenue presented on a taxable equivalent basis; amounts presented net of applicable taxes; cash earnings per share; cash operating leverage results; measures that use taxable equivalent basis (teb) amounts; cash-based profitability and operating ratios; net economic profit and 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 Visa litigation accruals, impaired loans and acquisition integration costs as well as results and measures presented on a basis that exclude the impact of capital market environment charges. Bank of Montreal provides supplemental information on combined business segments to facilitate comparisons to peers.

# Financial Highlights

	Net Income	EPS	Cash EPS	ROE	Cash Operating Leverage	Total PCL <sup>1</sup>	Tier 1 Capital Ratio (Basel II)
<b>Q4 09</b>	<b>\$647MM</b>	<b>\$1.11</b>	<b>\$1.13</b>	<b>14.0%</b>	<b>8.3%</b>	<b>\$386MM</b>	<b>12.24%</b>
<b>F2009</b>	<b>1,787MM</b>	<b>\$3.08</b>	<b>\$3.14</b>	<b>9.9%</b>	<b>1.3%</b>	<b>\$1,603MM</b>	<b>12.24%</b>

## Strengths

- Strong fourth quarter results with 6% revenue growth and effective expense management
- P&C Canada continues to deliver strong revenue growth of 8%, net income growth of 22% and improvement in competitive position
- Tier 1 capital ratio remains strong

## Challenges

- Continued market environment pressures

<sup>1</sup> F2009 includes a charge to the general allowance of \$60MM in Q3 09

# Record Revenue and Strong Growth

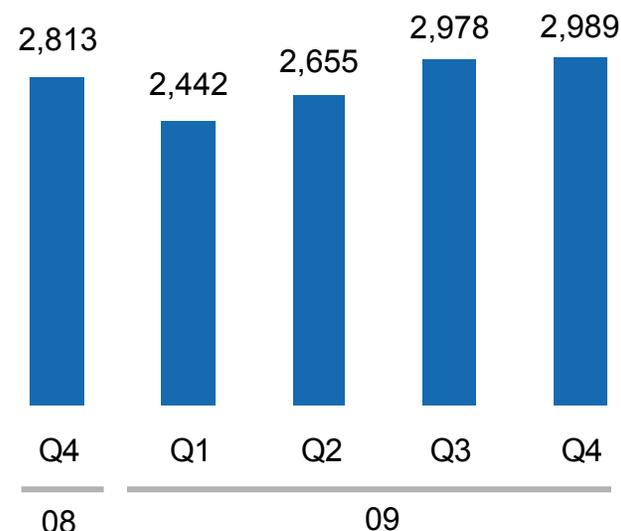
## Q/Q ↑ \$11MM or 0.4%

- + Improved net interest margins in P&C Canada and P&C U.S.
- + Volume growth in P&C Canada
- + Higher fee-based and commission revenue in PCG
- Trading down from extremely favourable conditions in Q3 09 and lower corporate banking revenue as well as lower debt underwriting fees and lower revenue from interest-rate-sensitive businesses in BMO CM
- Weaker U.S. dollar decreased revenue by \$20MM

## Y/Y ↑\$176MM or 6.3%

- + Improved net interest margins in P&C Canada and P&C U.S.
- + Volume growth across most products in P&C Canada
- + Higher lending & underwriting fees and reduced investment securities losses in BMO CM offset by lower trading revenues as conditions in Q4 08 were very favourable
- + BMO Life Assurance acquisition increased revenue by \$27MM
- Weaker U.S. dollar decreased revenue by \$20MM

## Total Revenue (\$MM)



## Revenue Mix

(\$MM)	Q4 2008	Q3 2009	Q4 2009	Q/Q B/(W)	Y/Y B/(W)
<b>NII</b>	1,409	1,466	<b>1,442</b>	(24)	33
<b>NIR</b>	1,404	1,512	<b>1,547</b>	35	143
<b>Total Revenue</b>	2,813	2,978	<b>2,989</b>	11	176
<b>NIM (%)</b>	1.71	1.74	<b>1.73</b>	(0.01)	0.02

# Non-Interest Revenue Analysis

(\$MM)	Q4 08	Q3 09	Q4 09	
Securities Commissions	270	240	<b>250</b>	Y/Y: Lower securities commissions due to weaker market environment
Trading Revenues	435	273	<b>163</b>	Q4 08: \$222MM excluding capital markets environment charges Q/Q & Y/Y: favourable market conditions in prior quarters
Card Fees	58	35	<b>29</b>	Q4 08: Higher due to credit card securitization
Mutual Fund Revenue	140	119	<b>128</b>	Y/Y: Lower client asset levels Q/Q: Higher client asset levels
Securitization Revenue	167	202	<b>201</b>	Y/Y: Higher card and mortgage balances
Underwriting and Advisory Fees	66	101	<b>116</b>	
Securities Gains (other than trading)	(252)	(12)	<b>14</b>	Q4 08: \$(24)MM excluding capital markets environment charges
Insurance Income	56	85	<b>86</b>	Q3 09 & Q4 09 include BMO Life Assurance
Other NIR	464	469	<b>560</b>	Q4 08: \$494MM excluding capital markets environment charges Q4 09: Loan recoveries and hedge gains vs. losses in Q3 09
<b>TOTAL NON-INTEREST REVENUE</b>	<b>1,404</b>	<b>1,512</b>	<b>1,547</b>	

# Non-Interest Revenue Analysis

(\$MM)	F2008	F2009	
Securities Commissions	1,105	973	F09: Lower commission fees in Trading Products
Trading Revenues	546	723	F08: \$804MM excluding capital markets environment charges F09: \$1,067MM excluding capital markets environment charges
Card Fees	291	121	F08: Higher due to credit card securitization
Mutual Fund Revenue	589	467	F09: Lower average assets under management
Securitization Revenue	513	929	F09: Higher card and mortgage balances
Underwriting and Advisory Fees	353	397	
Securities Gains (other than trading)	(315)	(354)	F08: \$(185MM) excluding capital markets environment charges F09: \$(177MM) excluding capital markets environment charges
Insurance Income	237	295	F09: includes two quarters of BMO Life Assurance
Other NIR	1,814	1,943	F09: increase due to higher lending fees
<b>TOTAL NON-INTEREST REVENUE</b>	<b>5,133</b>	<b>5,494</b>	

# Non-Interest Expense

As Reported (\$MM)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	Q/Q B/(W)	Y/Y B/(W)
P&C Canada	714	704	693	737	<b>709</b>	4%	1%
P&C U.S.	243	231	234	215	<b>215</b>	-	11%
<b>Total P&amp;C</b>	<b>957</b>	<b>935</b>	<b>927</b>	<b>952</b>	<b>924</b>	<b>3%</b>	<b>4%</b>
PCG	394	385	363	392	<b>396</b>	(1)%	-
BMO Capital Markets	451	473	451	516	<b>435</b>	16%	4%
Corporate Services	16	48	147	13	<b>24</b>	(85)%	(65)%
<b>Total Bank</b>	<b>1,818</b>	<b>1,841</b>	<b>1,888</b>	<b>1,873</b>	<b>1,779</b>	<b>5%</b>	<b>2%</b>

Cash Productivity Ratio (%)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
P&C Canada	55.6	56.2	54.4	54.3	<b>51.1</b>
P&C U.S.	86.2	74.3	76.9	76.0	<b>77.0</b>
<b>Total P&amp;C</b>	<b>60.9</b>	<b>59.7</b>	<b>58.6</b>	<b>57.9</b>	<b>55.3</b>
PCG	77.8	80.2	77.4	75.1	<b>72.5</b>
BMO Capital Markets	62.4	65.0	55.6	49.9	<b>48.6</b>
<b>Total Bank</b>	<b>64.2</b>	<b>75.0</b>	<b>70.7</b>	<b>62.5</b>	<b>59.2</b>

Cash Operating Leverage (%)	<b>18.0</b>	<b>6.4</b>	<b>(11.0)</b>	<b>3.3</b>	<b>8.3</b>
-----------------------------	-------------	------------	---------------	------------	------------

# Non-Interest Expense Analysis

(\$MM)	Q4 08	Q3 09	Q4 09	
Salaries	576	570	<b>562</b>	Effective expense management despite the inclusion of BMO Life Assurance in <b>Q3 09</b> & <b>Q4 09</b>
Performance-based Compensation	323	397	<b>340</b>	Y/Y: Higher compensation in line with higher revenues
Benefits	108	155	<b>145</b>	
Premises & Equipment/Rental	147	148	<b>147</b>	
Computer Costs	191	165	<b>155</b>	Q/Q: Lower due to timing of project spend
Other	473	438	<b>430</b>	Y/Y: Lower due to professional fees and capital taxes
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>1,818</b>	<b>1,873</b>	<b>1,779</b>	

# Non-Interest Expense Analysis

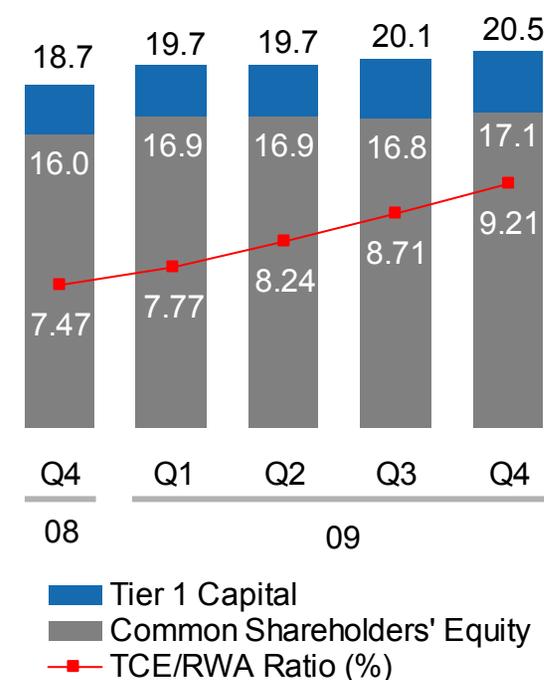
(\$MM)	F2008	F2009	
Salaries	2,149	<b>2,395</b>	<b>F09:</b> Includes severance charge of \$118MM booked in Q2 09 as well as two quarters of BMO Life Assurance acquisition
Performance-based Compensation	1,297	<b>1,338</b>	<b>F09:</b> Higher compensation in line with higher revenues
Benefits	530	<b>652</b>	
Premises & Equipment/Rental	563	<b>608</b>	
Computer Costs	678	<b>673</b>	
Other	1,677	<b>1,715</b>	<b>F09:</b> Higher FDIC premiums due to a special assessment in Q3 09
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>6,894</b>	<b>7,381</b>	

# Capital & Risk Weighted Assets

## Capital ratios remain strong

Basel II	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Tier 1 Capital Ratio (%)	9.77	10.21	10.70	11.71	12.24
Total Capital Ratio (%)	12.17	12.87	13.20	14.32	14.87
Assets-to-Capital Multiple (x)	16.42	15.79	15.38	14.91	14.09
RWA (\$B)	191.6	193.0	184.6	171.6	167.2
Total As At Assets (\$B)	416.1	443.2	432.2	415.4	388.5
Tangible Common Equity-to-RWA (%)	7.47	7.77	8.24	8.71	9.21

Basel II Tier 1 Capital & Common Shareholders' Equity (c\$B)

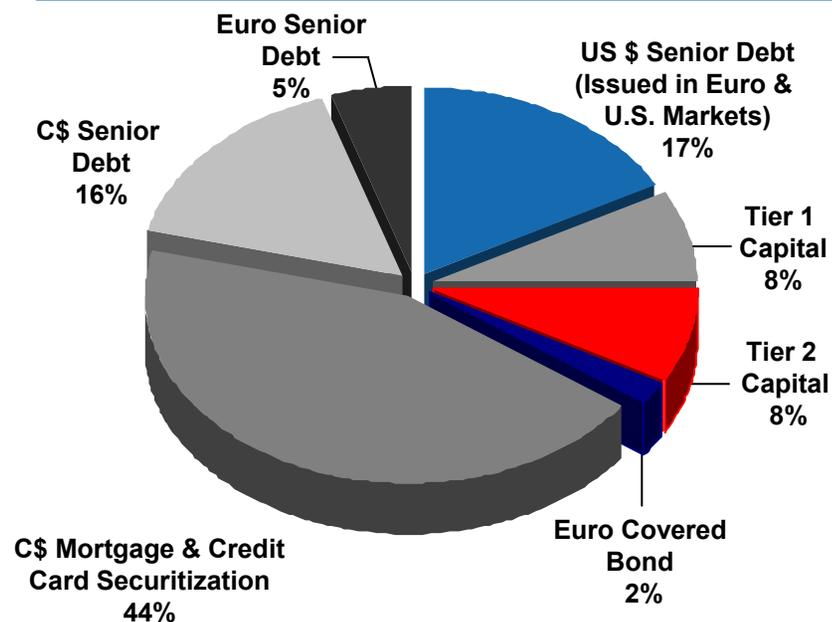


# Diversified Wholesale Term Funding Mix

- Our wholesale funding principles seek to match the term of assets with the term of funding. Loans for example are largely funded with customer deposits and capital, with the difference provided by longer-term wholesale funding.
- BMO has a well diversified wholesale funding platform across markets, products, terms, currencies and maturities.
- BMO has largely prefunded its fiscal 2010 wholesale term-funding requirements.
- Our liquidity position remains sound as reflected by our cash and securities to total asset ratio and level of core deposits.

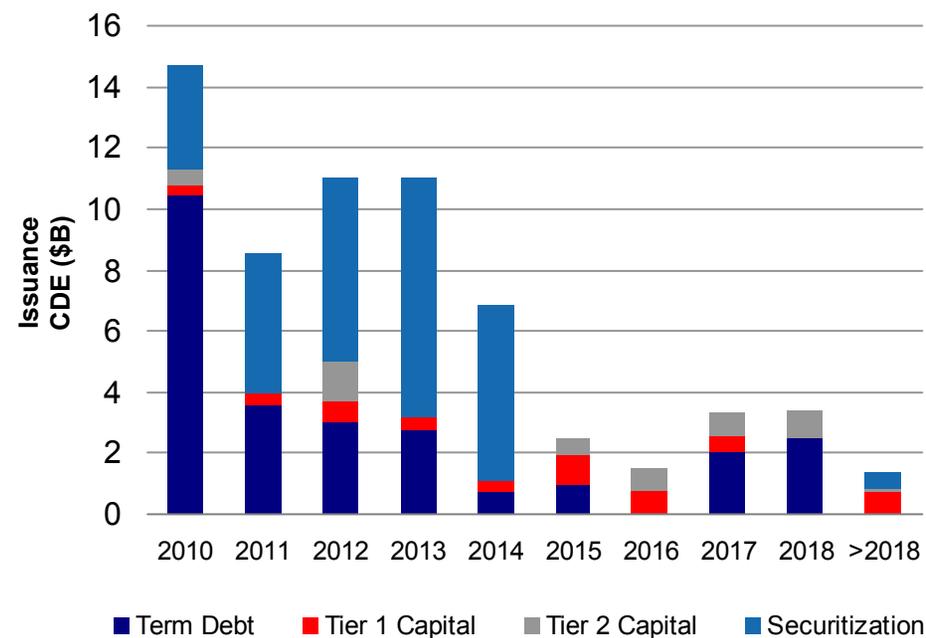
## Wholesale Capital Market Term Funding Composition (Total \$64.3B)

As at Oct 31, 2009



## Wholesale Capital Market Term Funding Maturity Profile (Total \$64.3B)

As at Oct 31, 2009



# Balance Sheet

## Average Net Loans & Acceptances

(↓ \$3.2B Q/Q)

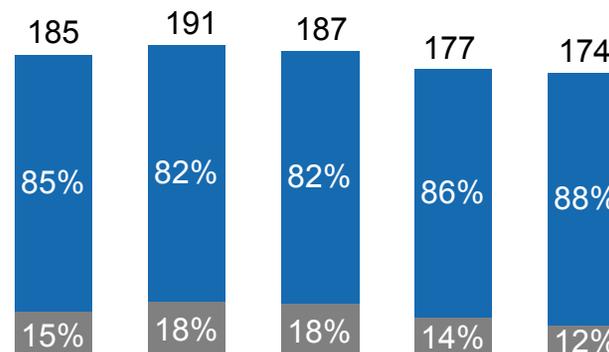
- Consumer instalment & other personal (↑ \$1.0B)
- Credit cards (↑ \$0.2B)
- Business and governments (↓ \$3.4B)
- Customers' liability under acceptances & allowance for credit losses (↓ \$0.9B)
- Allowance for credit losses (↓ \$0.1B)

## Average Deposits

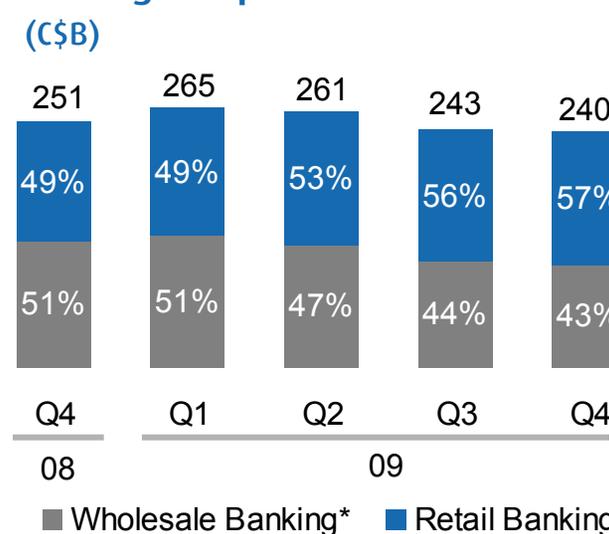
(↓ \$2.9B Q/Q)

- Businesses and governments (↑ \$0.4B)
- Banks, used in trading activities (↓ \$3.2B)
- Individuals (↓ \$0.1B)

## Average Net Loans & Acceptances (C\$B)



## Average Deposits (C\$B)



\* Wholesale Banking includes BMO Capital Markets & Corporate Services

# APPENDIX

# Quarterly Financial Results

Performance Measures	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Net Income (\$MM)	560	225	358	557	<b>647</b>
Cash EPS – Diluted (\$/share)	1.08	0.40	0.63	0.98	<b>1.13</b>
EPS – Diluted (\$/share)	1.06	0.39	0.61	0.97	<b>1.11</b>
Cash Return on Equity (%) *	14.3	5.2	8.4	12.3	<b>14.2</b>
Return on Equity (%) *	14.0	4.9	8.1	12.1	<b>14.0</b>
Revenue Growth – Y/Y (%)	27.9	20.5	1.3	8.4	<b>6.3</b>
Expense Growth – Y/Y (%)	9.9	14.1	12.4	5.1	<b>(2.2)</b>
Cash Operating Leverage (%)	18.0	6.4	(11.0)	3.3	<b>8.3</b>
Operating Leverage (%)	18.0	6.4	(11.1)	3.3	<b>8.5</b>
PCL/Avg. Loans Accept. (%) *	1.01	0.90	0.79	0.94	<b>0.89</b>
Tier 1 Capital (%)	9.77	10.21	10.70	11.71	<b>12.24</b>

\*Annualized

# Group Net Income

As Reported (\$MM)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	Q/Q B/(W)	Y/Y B/(W)
<b>P&amp;C Canada</b>	324	308	334	356	<b>394</b>	11%	22%
<b>P&amp;C U.S.</b>	12	34	25	25	<b>25</b>	-	+100%
<b>Total P&amp;C</b>	336	342	359	381	<b>419</b>	10%	25%
<b>PCG</b>	84	73	78	120	<b>110</b>	(7)%	32%
<b>BMO Capital Markets</b>	290	179	249	343	<b>289</b>	(16)%	(1)%
<b>Corporate Services</b>	(150)	(369)	(328)	(287)	<b>(171)</b>	41%	(14)%
<b>Total Bank</b>	560	225	358	557	<b>647</b>	16%	16%

Excluding Items of Note (\$MM)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	Q/Q B/(W)	Y/Y B/(W)
<b>P&amp;C Canada</b>	324	308	334	356	<b>394</b>	11%	22%
<b>P&amp;C U.S.</b>	12	34	25	25	<b>25</b>	-	+100%
<b>Total P&amp;C</b>	336	342	359	381	<b>419</b>	10%	25%
<b>PCG</b>	103	84	78	120	<b>110</b>	(7)%	7%
<b>BMO Capital Markets</b>	298	527	329	343	<b>289</b>	(16)%	(3)%
<b>Corporate Services</b>	(52)	(369)	(248)	(248)	<b>(171)</b>	31%	nm
<b>Total Bank</b>	685	584	518	596	<b>647</b>	9%	(6)%

nm – not meaningful

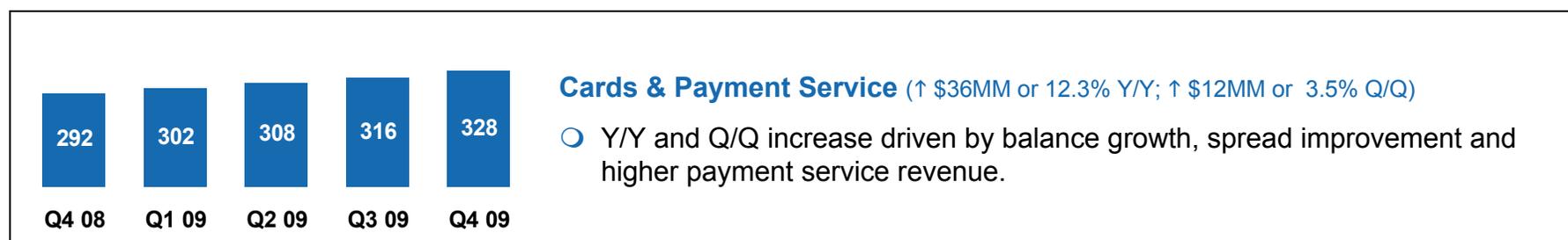
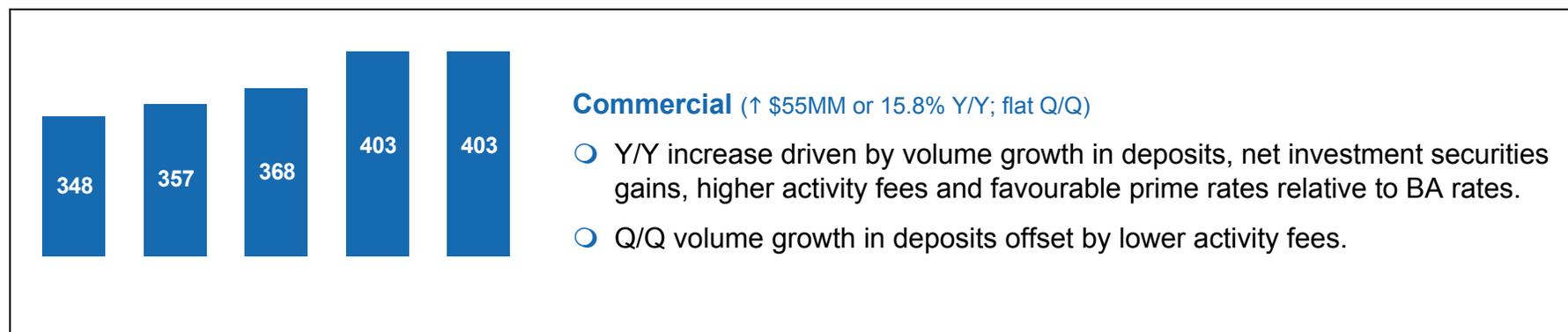
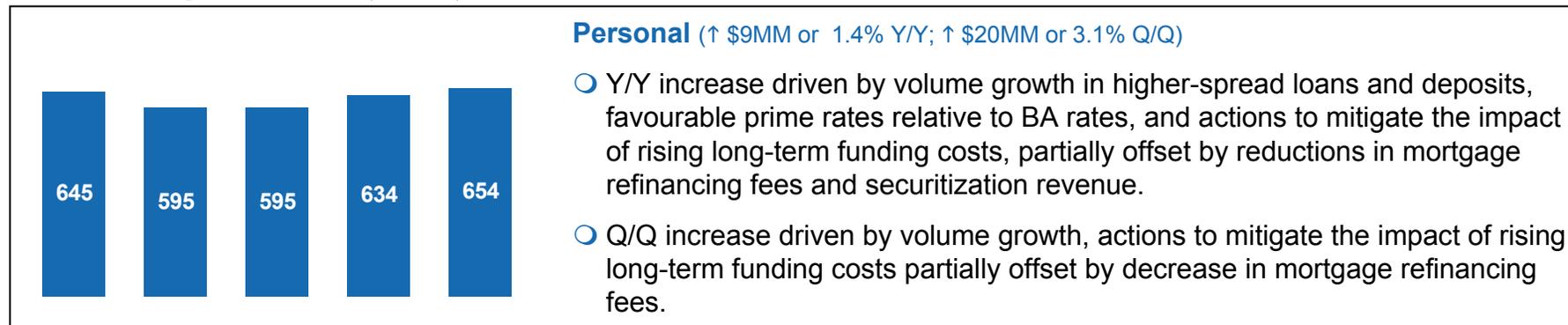
# Personal & Commercial Banking - Canada

P&L (\$MM)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Net Interest Income	895	908	896	953	<b>981</b>
Non-interest Revenue	390	346	375	400	<b>404</b>
Total Revenue	1,285	1,254	1,271	1,353	<b>1,385</b>
PCL	89	95	93	97	<b>102</b>
Expenses	714	704	693	737	<b>709</b>
Provision for Taxes	158	147	151	163	<b>180</b>
Net Income	324	308	334	356	<b>394</b>
Cash Operating Leverage (%)	10.2	4.6	0.1	2.4	<b>8.7</b>
Net Interest Margin (%)	2.88	3.00	3.14	3.17	<b>3.22</b>

- Net income increased \$70MM or 22% Y/Y. Cash operating leverage is strong at 8.7% with solid revenue growth of 7.8% combined with cash expense decline of 0.9%.
- Q/Q net income increased \$38MM or 11% due to higher revenue and lower expenses.

# P&C Canada

## Revenue by Business (\$MM)



“Personal” Includes Residential Mortgages, Personal Loans, Personal Deposits, Term, Mutual Funds, and Other

# P&C Canada – Personal Banking

Market Share (%) <sup>1</sup>	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Personal Loans	12.01	12.11	11.80	11.75	<b>11.83</b>
Residential Mortgages	10.10	9.86	9.78	9.48	<b>9.32</b>
Personal Deposits <sup>2</sup>	12.02	12.20	12.41	12.29	<b>12.30</b>
Mutual Funds	12.69	12.43	12.12	12.38	<b>12.72</b>

- Personal loan market share improved Q/Q. Market share declined Y/Y due to management action taken to maintain the quality of portfolio.
- Residential mortgage market share decreased Y/Y and Q/Q due to the run off of the broker-channel and 3rd party portfolio.
- Personal deposit market share increased Q/Q and Y/Y. Confident with the actions taken to generate future growth.

Balances (\$B) (Owned & Managed)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Personal Loans	27.8	28.7	29.1	30.0	<b>31.3</b>
Residential Mortgages	63.5	63.1	63.4	63.1	<b>63.2</b>
Personal Deposits	59.6	63.4	66.6	67.1	<b>67.3</b>
Cards	7.5	7.6	7.4	7.6	<b>7.9</b>

<sup>1</sup>Personal share statistics are issued on a one-month lag basis. (Q4 09: September 2009)

<sup>2</sup>Personal deposits market share is restated based on Bank of Canada data

Sources: Mutual Funds – IFIC, Consumer Loans, Residential Mortgages & Personal Deposits – Bank of Canada

# P&C Canada – Commercial Banking

Market Share (%) <sup>1</sup>	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
\$0 - \$1MM	18.96	19.13	19.21	19.19	<b>18.95</b>
\$1 - \$5MM	20.66	20.66	20.68	20.93	<b>20.80</b>
\$0 - \$5MM	19.84	19.93	19.97	20.10	<b>19.92</b>

- Continue to rank second in Canadian business banking market share.
- Commercial loan balance declined Y/Y and Q/Q, business banking market share \$(0-5)MM improved Y/Y but declined Q/Q.
- Commercial deposits increased Y/Y and Q/Q reflecting customer attraction to the security of bank deposits in the current environment and also the bank's focus on meeting customer needs.

Balances (\$B)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Commercial Loans & Acceptances	35.1	35.2	35.3	34.8	<b>34.3</b>
Commercial Deposits	28.7	29.9	29.4	30.3	<b>30.9</b>

<sup>1</sup>Business loans (Banks) data is issued by CBA on a one calendar quarter lag basis (Q4 09: June 2009)

# Personal & Commercial Banking – U.S.

P&L (US\$MM)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Net Interest Income (teb)	191	196	187	190	<b>192</b>
Non-interest Revenue	52	48	48	55	<b>57</b>
Total Revenue (teb)	243	244	235	245	<b>249</b>
PCL	12	15	14	15	<b>15</b>
Expenses	217	188	189	193	<b>199</b>
Provision for Taxes	3	14	11	14	<b>12</b>
Net Income	11	27	21	23	<b>23</b>
Cash Net Income	18	33	27	29	<b>29</b>
Cash Operating Leverage (%)	(25.3)	(1.3)	(2.7)	(1.8)	<b>10.6</b>
Net Interest Margins (%)	3.00	3.05	3.05	3.13	<b>3.26</b>
Core Cash Net Income <sup>1</sup>	41	40	40	43	<b>39</b>
Core Cash Operating Leverage (%) <sup>1</sup>	(5.8)	(0.7)	4.7	2.9	<b>0.1</b>

- Y/Y revenue increase due to strong deposit volume growth and gains on the sale of mortgages largely offset by the impact of higher levels of impaired loans.
- Y/Y expenses decrease reflects lower impact of Visa litigation accrual and integration costs.
- Q/Q revenue increase due to the benefit of more days and improved loan spreads.
- Q/Q expenses increase due to higher marketing to support sales and customer acquisition and severance.

<sup>1</sup>Core: As reported results less the impact of Visa, impaired loans and acquisition integration

# P&C U.S.

Personal Products – Average Balances (US\$B)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Mortgages	5.6	5.5	5.6	5.2	<b>4.9</b>
Other Personal Loans	4.9	5.2	5.2	5.2	<b>5.2</b>
Indirect Auto	4.6	4.5	4.3	4.1	<b>4.1</b>
Deposits	14.1	14.6	15.3	15.1	<b>14.7</b>

- Mortgage originations of \$0.4B decreased 18% Q/Q, but increased 51% Y/Y. Balances decreased \$0.3B from the third quarter as the portfolio amortizes and new originations are largely sold in the secondary market.
- Auto originations of \$0.5B increased 26% Q/Q and offset the amortization of the portfolio.

- Total Commercial loans declined \$0.3B primarily due to the impacted of current economic conditions on the Commercial Real Estate portfolio.

- Personal and Commercial deposits declined \$0.6B from \$21.1B to \$20.5B, primarily due to CD maturities from fall campaign and a decrease in public funds balances.

Commercial Products – Average Balances (US\$B)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Commercial Loans	7.4	7.4	7.1	7.0	<b>6.7</b>
Commercial Deposits	4.9	5.3	5.7	6.0	<b>5.8</b>

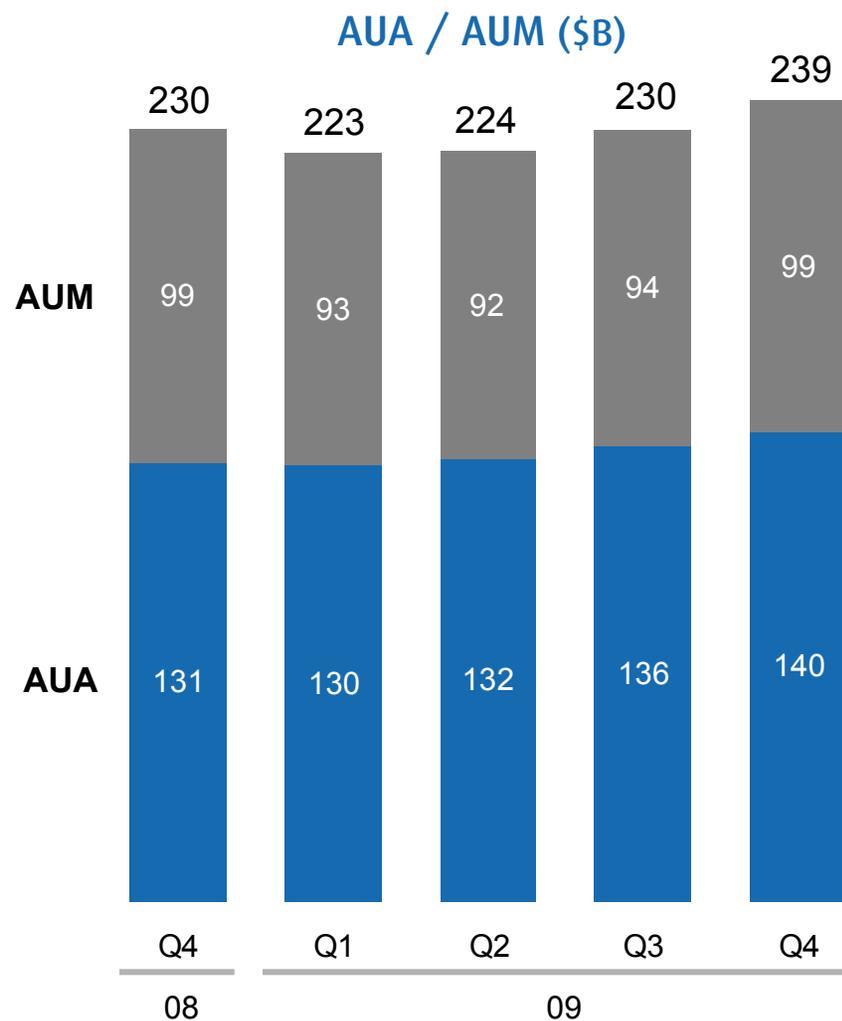
# Private Client Group

P&L (\$MM)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Net Interest Income (teb)	101	92	86	87	<b>88</b>
Non-interest Revenue	405	387	381	434	<b>457</b>
Total Revenue (teb)	506	479	467	521	<b>545</b>
PCL	1	1	2	1	<b>1</b>
Expenses	394	385	363	392	<b>396</b>
Provision for Taxes	27	20	24	8	<b>38</b>
Net Income	84	73	78	120	<b>110</b>
Net Income excluding Insurance	58	42	47	53	<b>69</b>
Insurance Net Income	26	31	31	67	<b>41</b>

- Q/Q net interest income relatively unchanged as interest rates continue to remain stable.
- Q/Q non-interest revenue (NIR) improved by \$23MM due primarily to higher revenue in the brokerage businesses, higher fee-based revenue in mutual funds on a 3.9% increase in client assets amid improved equity markets.
- Q/Q expenses increased \$4MM from the previous quarter due primarily to higher revenue-based costs.
- Q/Q net income excluding insurance improved \$16MM or 29% and benefited from improved equity markets, active expense management and continued focus on attracting new client assets.
- Q/Q insurance net income decreased \$26MM primarily due to a \$23MM recovery of prior years' income taxes recorded in Q3.
- BMO Life Assurance acquired in April 09 contributed to F2009 results.

# PCG – AUA/AUM

- Assets under management (AUM) in source currency improved 6% Q/Q.
- Assets under administration (AUA) in source currency improved by 2% Q/Q.



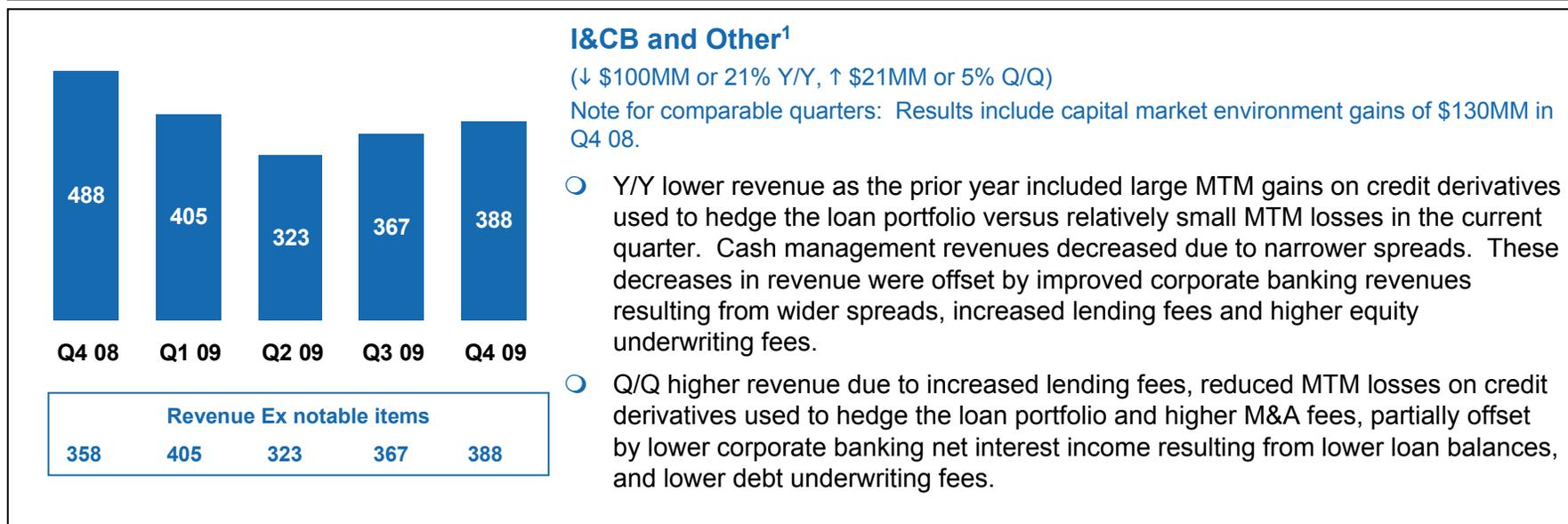
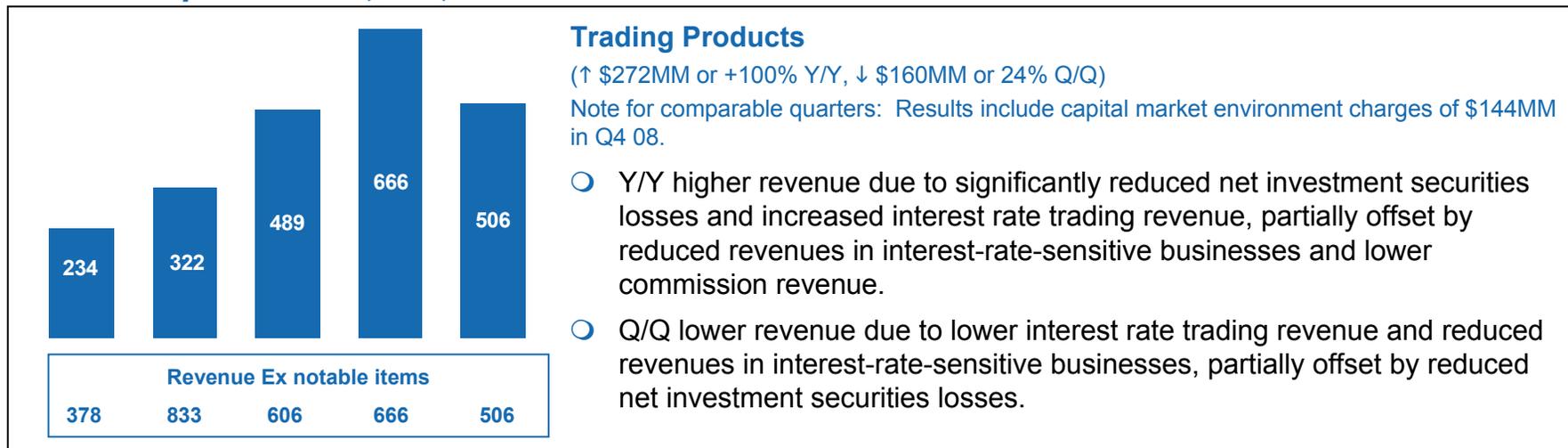
# BMO Capital Markets

P&L (\$MM)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Net Interest Income (teb)	362	516	504	440	<b>338</b>
Non-interest Revenue	360	211	308	593	<b>556</b>
Total Revenue (teb)	722	727	812	1,033	<b>894</b>
PCL	30	42	44	43	<b>41</b>
Expenses	451	473	451	516	<b>435</b>
Provision for Taxes	(49)	33	68	131	<b>129</b>
Net Income	290	179	249	343	<b>289</b>
Net Income (excluding Notable items)	298	527	329	343	<b>289</b>
Average Assets (\$B)	239	288	281	241	<b>227</b>

- Net interest income lower Q/Q largely due to lower loan balances, lower trading net interest income and reduced revenues from interest-rate-sensitive businesses.
- Non-interest revenue decreased Q/Q largely due to lower trading revenue and lower debt underwriting fees, partly offset by higher lending fees, reduced net investment securities losses and increased M&A activity.
- Q4 08 included large recoveries of prior period income taxes.
- Average assets balance decreased Q/Q mainly due to lower derivative valuations and loan balances.

# BMO Capital Markets

## Revenue by Business (\$MM)



<sup>1</sup> Other includes Corporate Portfolios, Merchant Banking, Credit Investment Management (CIM) UK and CM Other

## Corporate Services (Including Technology and Operations)

P&L (\$MM)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
Net Interest Income (teb)	(161)	(429)	(384)	(224)	<b>(174)</b>
Non-interest Revenue	191	112	197	23	<b>69</b>
Total Revenue (teb)	30	(317)	(187)	(201)	<b>(105)</b>
PCL – Specific	183	272	215	199	<b>227</b>
– General	150	-	-	60	-
Expenses	16	48	147	13	<b>24</b>
Provision for taxes	(188)	(287)	(240)	(205)	<b>(204)</b>
Net Income	(150)	(369)	(328)	(287)	<b>(171)</b>

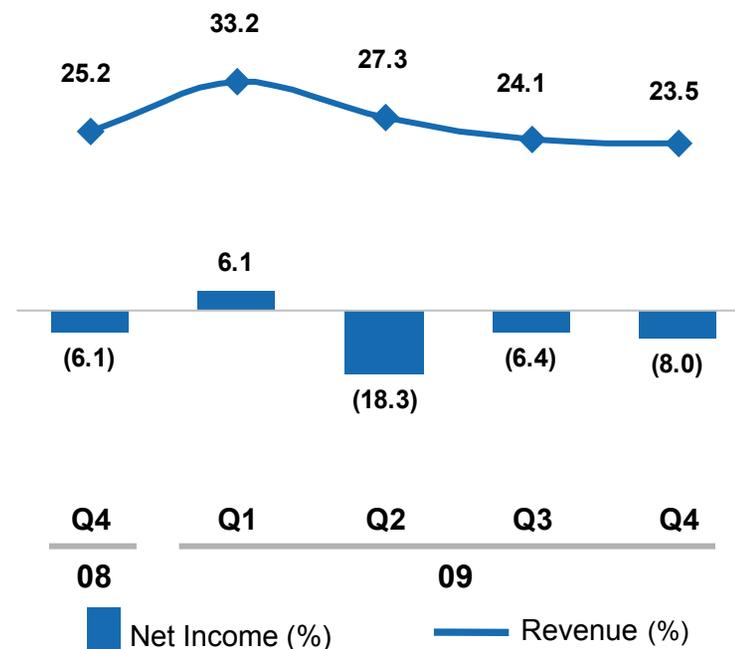
- Q/Q net income up mainly due to improved revenues and lower PCL.
- Q/Q revenues higher mainly due to mark-to-market gains on hedging activities compared to losses in the prior quarter, and due in part to management actions and a more stable market environment.
- Y/Y net income down mainly due to lower revenues mitigated by lower PCL.
- Y/Y revenues were lower primarily due to lower mark-to-market gains on hedging activities compared to the prior year and lower securitization revenue.

# U.S. Results

Net Income (US\$MM)	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
P&C	11	27	21	23	23
PCG	(15)	(8)	(1)	-	2
BMO CM	99	198	108	88	70
Corporate	(128)	(208)	(170)	(135)	(137)
<b>TOTAL</b>	<b>(33)</b>	<b>9</b>	<b>(42)</b>	<b>(24)</b>	<b>(42)</b>

- Q/Q P&C U.S. net income flat as improved loan spreads were offset by increased marketing expenses in support of sales and customer acquisition and severance.
- Q4 08 & Q1 09 results in PCG impacted by the decision to purchase certain holdings from our U.S. clients in the weak capital markets environment.
- Q/Q BMO CM net income down as increased revenues from lending and M&A were offset by lower trading revenue and higher non-interest expenses.
- Q/Q Corporate Services net income flat as higher provision for credit losses largely offset by lower FDIC insurance premiums due to a special assessment fee in the third quarter.

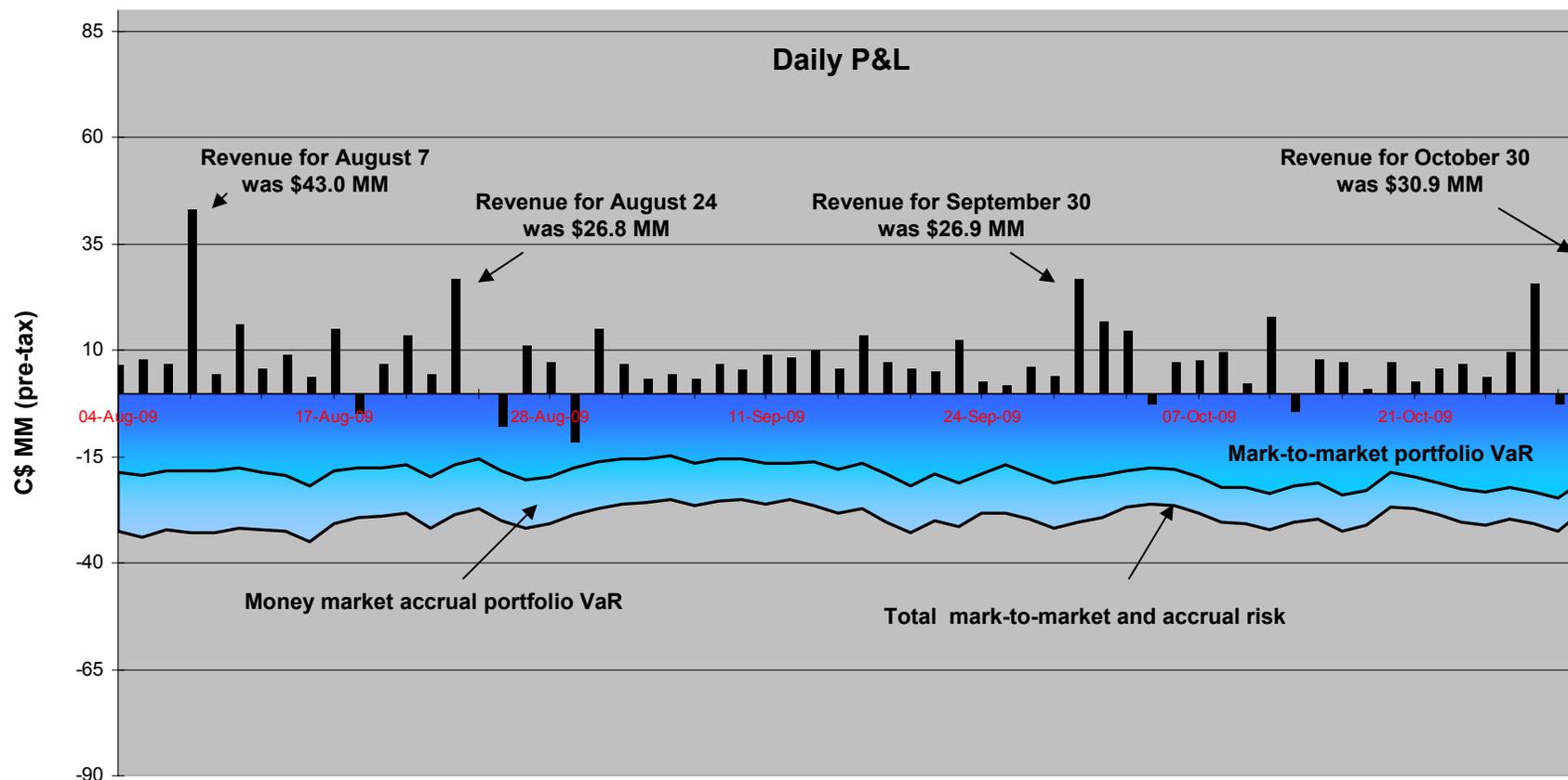
U.S. to North American Revenue and Net Income



# Trading and Underwriting

## Net Revenues vs. Market Value Exposure

August 4, 2009 to October 30, 2009 (Presented on a Pre-Tax Basis)



The largest daily P&L gains for the quarter are as follows:

- **August 7 – CAD \$43.0MM:** Primarily reflects recognition of credit valuation adjustments and revenues from normal trading activity.
- **August 24 – CAD \$26.8MM:** Primarily reflects revenues from normal trading activity and recognition of credit valuation adjustments.
- **September 30 – CAD \$26.9MM:** Primarily reflects revenues from normal trading activity.
- **October 30 – CAD \$30.9MM:** Primarily reflects recognition of valuation adjustments and revenues from normal trading activity.
- **Total CVA for Q4 09 was \$61MM.**

# Notable Items

Gain / (Loss)			F2008	F2009
BMO CM	Trading and Valuation Adjustments	Pre-Tax Impact (\$MM)	(388)	(521)
		After-Tax Impact (\$MM)	(260)	(355)
		EPS Impact (\$/share)	(0.51)	(0.66)
Corporate	General Allowance	Pre-Tax Impact (\$MM)	(260)	(60)
		After-Tax Impact (\$MM)	(166)	(39)
		EPS Impact (\$/share)	(0.33)	(0.07)
	Severance	Pre-Tax Impact (\$MM)	-	(118)
		After-Tax Impact (\$MM)	-	(80)
		EPS Impact (\$/share)	-	(0.15)
Total Bank		<b>Pre-Tax Impact (\$MM)</b>	<b>(648)</b>	<b>(699)</b>
		<b>After-Tax Impact (\$MM)</b>	<b>(426)</b>	<b>(474)</b>
		<b>EPS Impact (\$/share)</b>	<b>(0.84)</b>	<b>(0.88)</b>



## Investor Relations Contact Information

[www.bmo.com/investorrelations](http://www.bmo.com/investorrelations)  
E-mail: [investor.relations@bmo.com](mailto:investor.relations@bmo.com)  
Fax: 416.867.3367

### **VIKI LAZARIS**

Senior Vice President  
416.867.6656 ■ [wiki.lazaris@bmo.com](mailto:wiki.lazaris@bmo.com)

### **STEVEN BONIN**

Director  
416.867.5452 ■ [steven.bonin@bmo.com](mailto:steven.bonin@bmo.com)

### **ANDREW CHIN**

Senior Manager  
416.867.7019 ■ [andrew.chin@bmo.com](mailto:andrew.chin@bmo.com)