BMO Financial Group
Q1 2010 CONFERENCE CALL

CORPORATE PARTICIPANTS

Viki Lazaris
BMO Financial Group
SVP, IR

Bill Downe
BMO Financial Group
President & CEO

Russ Robertson
BMO Financial Group
CFO

Tom Flynn
BMO Financial Group
EVP & Chief Risk Officer

Tom Milroy
BMO Financial Group
CEO - BMO Capital Markets

Frank Techar
BMO Financial Group
President & CEO - P&C Canada

Ellen Costello
BMO Financial Group
President & CEO - P&C US

CONFERENCE CALL PARTICIPANTS

Andre Hardy
RBC Capital Markets - Analyst

Mario Mendonca
Genuity Capital Markets - Analyst

John Reucassel
BMO Capital Markets - Analyst

Steve Theriault
BofA-ML - Analyst

Jim Bantis
Credit Suisse - Analyst

Michael Goldberg
Desjardins Securities - Analyst

Cheryl Pate
Morgan Stanley - Analyst

Darko Mihelic
Cormark Securities - Analyst

Sumit Malhotra
Macquarie Research - Analyst

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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 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, 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 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.

PRESENTATION

Viki Lazaris - BMO Financial Group - SVP, IR

Thank you. Good afternoon, everyone, and thanks for joining us today. Our agenda for today's investor presentation is as follows -- we'll begin the call with remarks from Bill Downe, BMO's CEO, followed by presentations from Russ Robertson, the Bank's Chief Financial Officer, and Tom Flynn, our Chief Risk Officer.

After their presentations we'll have a short question-and-answer period where we will take questions from pre-qualified analysts. To give everyone an opportunity to participate, please try to keep it to one or two questions and then re-queue.

Also with us this afternoon to take questions are BMO's four business unit heads -- Tom Milroy from BMO Capital Markets; Gilles Ouellette from the Private Client Group; Frank Techar, Head of P&C Canada; and Ellen Costello from P&C US.

At this time I would like to caution our listeners by stating the following on behalf of those speaking today. Forward-looking statements may be made during this call and there are risks that actual results could differ materially from forecasts, projections or conclusions in the forward-looking statements.

Certain material factors and assumptions were applied in drawing the conclusion or making the forecast or projections in these forward-looking statements. You can find additional information about these material factors and assumptions and the material factors that could cause actual results to differ in the caution regarding forward-looking statements set forth in our news release or on the investor relations website. With that said, I'll hand things over to Bill.

Bill Downe - BMO Financial Group - President and CEO

Thank you, Viki, and good afternoon, everyone. As noted, my comments may include forward-looking statements. As you saw in our news release earlier today, BMO has begun the year with a very good first quarter. Our results point to the earning power of the Bank and underline the momentum in our core businesses.

Our performance reflects strong top-line growth attributable to the success we've seen in delivering our brand promise that has clear benefits for our customers, disciplined expense control in each of our operating groups, credit performance slightly better than expectations and our strong capital position.

Quarterly revenue exceeded $3 billion for the first time and net income increased significantly from last year to $657 million or $1.12 per share with an ROE of 14.3%. Cash EPS came in at $1.13 per share and our pre-provision pre-tax earnings were $1.2 billion. We're very pleased with these results; they reflect continued progress in meeting the objectives we've laid out and are indicative of success against our strategic priorities. Our Tier 1 capital ratio was 12.5% and our tangible common equity to risk weighted asset ratio was 9.5%.

While the new regulatory capital standards are not yet finalized, our expectation is BMO will be less impacted relative to many peers and competitors and our capacity for business growth provides flexibility and positions us well to take advantage of strategic opportunities.

Russ will take you through our group results in some detail, but I'd like to touch on some of the quarterly highlights.

In the first quarter, P&C Canada again generated strong year-over-year performance. Revenue increased 12% and net income was up 28% reflecting growth in each of our lines of business. This group has delivered revenue growth over 9% for six consecutive quarters and over this same period cash productivity has steadily improved by 7.1% reaching 50.2% in the current quarter.

Our US P&C business continued to attract strong growth in deposits with a year-over-year increase of 5.2% for the quarter. Mortgage and auto originations also remained strong, while earnings reflected the continued pressure of impaired loans, we expect this will begin to abate later in the year. I'm going to comment shortly on an important initiative underway that will create opportunities for future growth in this business.

Private Client Group continues to generate good results; there was strong revenue growth across all of our businesses, in particular full-service investing, mutual funds and North American private banking. Assets under management and administration increased $27 billion from a year ago and, adjusting for the weaker US dollar, the growth was 18% demonstrating good momentum in attracting new client assets and the improvement in equity markets. The BMO Life Assurance acquisition also added to our revenue growth.

And finally, BMO Capital Markets' results were good despite moderation in interest-rate-sensitive businesses. We've also seen improvements in investment banking revenue and in the pipeline for the quarter.

Before leaving the discussion of our operating groups I'd like to take a moment to touch on the potential we see for growth in our US commercial banking business. There are now signs of economic recovery starting to emerge in the US Midwest, we're already seeing it in our first-quarter consolidated US operations. Emerging formations in commercial and industrial lending were lower, and we expect losses to begin to reduce in the coming quarters.

Companies are beginning to rebuild their working capital and inventories and we expect customers to begin to use their lines and put new lines in place. At the same time the Chicago market has undergone significant change in the competitive landscape with many traditional competitors distracted.

With all of this in mind, we took a strategic review of BMO Capital Markets U.S. mid-market client base to identify which would be better served using the P&C US commercial banking model. By migrating accounts we're going to create capacity for account growth and significantly reduce our cost to serve each account.

Equally important, we'll be able to provide these customers with more effective lending and operating services while creating the opportunity to win investment banking mandates. We believe this is an opportunity to take share from our competitors. To put this initiative into perspective, we expect it will more than double the size of our US commercial banking business.

Migrating relationships that are primarily lending accounts into P&C US also allows our investment bank to focus its attention fully on sectors and clients where we have differentiated competitive advantage and where we gain the most traction from a high touch investment banking model. We expect the US commercial business to account for a much greater proportion of our revenue and profitability and the ROE of both P&C US and BMO Capital Markets to begin to improve.

Before handing off to Russ, I'd like to offer an observation on the new rules announced for government insured mortgages in Canada. Given the prospect of higher interest rates and the recent run up in housing prices in some markets, we think these measures are prudent.

In fact, late in 2008 BMO took early action in the management of our mortgage portfolio in view of the downturn. We proactively eliminated cross-selling of other lending products to insured mortgage applicants and going into 2010 we also changed our qualification rules which we continuously evaluate. This demonstrates a consistent lending discipline through the cycle and we continue to believe that credit management is a core strength at BMO.

It's important to us that customers' mortgages make sense for their financial situation. We're taking a strong advisory role helping our customers get the right mortgage and the right house. You can expect BMO to find ways to help customers with products that continue to build our business and acknowledge the government's prudent approach.

And to that end, today we're announcing a new 3.75% five-year fixed-rate mortgage. With a great rate and maximum 25 year amortization this easy to understand product will help Canadians become mortgage free faster and give them peace of mind with the prospect of rates rising later this year.

Looking ahead, the outlook for BMO is continued momentum: driving solid revenue and deposit growth, committed to expense control and continued execution of the strategy to deliver excellent customer experience across all of our businesses. And with that over to you, Russ.

Russ Robertson - BMO Financial Group - CFO

Thanks, Bill, and good afternoon. As some of my comments may be forward-looking, please note the caution regarding forward-looking statements on slide 1.

On slide 2 you can see the reported first quarter earnings were $657 million or $1.12 per share. On a cash basis, earnings were $1.13 per share and our Tier 1 capital ratio remains very strong. Return on equity in the quarter improved to 14.3% while we maintain higher capital levels as we deal with regulatory uncertainty. Credit costs remained elevated as expected with quarterly provisions of $333 million, which Tom will discuss shortly. This quarter's results reflect continued strong performance in our core businesses achieved through revenue growth and continuing attention to expense control, a key priority across the Bank.

Turning to slide 3, revenues were up $583 million or 24% from prior year with increases across most operating groups. The weak US dollar decreased revenue growth by 5.2%. P&C Canada benefited from volume growth, pricing actions taken in 2009 and strong deposit growth. Our Private Client Group increased due to the inclusion of BMO Life Assurance as well as organic growth. Capital markets revenues grew from our continued client focus and maintaining a diversified portfolio of businesses while P&C US reported consistent revenue levels with growth in margins offset by the continued impact of impaired loans.

Quarter-over-quarter revenue was up $36 million as improved margins, securities gains, M&A and underwriting activities more than offset lower securitization income in corporate services. Net interest income was $1.5 billion in the quarter, up $205 million or 15% from a year ago driven by strong growth in P&C Canada and a return to a more normal net interest income level in corporate services. Quarter-over-quarter net interest income increased $90 million or 6% mainly due to higher earnings in capital markets and solid growth in P&C Canada.

The total bank net interest margin was up 34 basis points year over year. Actions taken in 2009 to mitigate the impact of rising long-term funding costs, as well as deposit growth outpacing loan growth, improved P&C Canada's performance. Corporate Services also contributed to the improvement as management actions lowered the negative carry on certain assets and more stable market conditions benefited results. The quarter-over-quarter increase of 12 bps can be attributed to higher volumes and more profitable products in P&C Canada and improved trading spreads in capital markets.

On slide 4 we've illustrated the change we made this quarter to report all securitized mortgage balances in P&C Canada. This change increases the Group's average earning assets by approximately $15 billion and reduces reported net interest margins. However, the net interest margin trend is unchanged with margins improving over 2009 and the impact of P&C's net income was insignificant. The approach is consistent with our peers and prior periods are restated in our supplementary package.

Turning to slide 5, year-over-year expenses on a reported basis were flat; however, the weaker US dollar lowered expenses by $70 million year over year. Acquired business added $23 million while expenses were lowered as a result of lower salaries, reduced severance, computer costs and professional fees. Performance-based compensation was higher primarily due to the strength of capital markets and PCG's results. We also continue to focus on reducing discretionary expenses.

Lower staffing levels decreased our salary expense due in part to staff reductions that relate to the severance charge we took in Q2 2009. Annualized savings from these reductions are expected to exceed the $118 million

charge we took last year. And while we are keeping tight control on spending, as we have said, we do intend to redeploy some of these savings into more front-line staff.

Quarter-over-quarter expenses increased $60 million or 3%. $51 million of the increase is related to stock-based compensation costs for employees eligible to retire, that we book in the first quarter, with the remainder due to higher variable compensation in line with higher revenues and higher benefit costs, offset in part by a weaker US dollar.

On slide 6 you'll see that our risk-weighted assets were $166 billion at the end of Q1, down $1.5 billion over last quarter. The decrease was driven by the impact of a stronger Canadian dollar, lower corporate and commercial loan volumes and lower trading and bank exposures. These decreases were partially offset by an increase in retail loans and mortgages. Our Tier 1 capital ratio was strong at 12.53% in the quarter and is expected to remain strong through fiscal 2010. Tangible common equity to risk-weighted assets ratio also increased to 9.5%.

A quick comment on slide 8 -- this slide shows that about 70% of both operating revenue and net income is from our retail operations in Canada and the US including PCG. The remainder obviously is from capital markets businesses.

Moving to slide 9, P&C Canada continued its strong performance in the first quarter. Revenue rose over both comparable quarters as volumes across most products increased and margins continue to improve. Personal loan balances grew 13% year over year, driven by our home owner ReadiLine product. Personal deposits increased 5.4% year over year and commercial deposits grew 7.7% from a year ago.

Market share in most categories remained in line with Q4. Expenses increased modestly as higher initiative spending and advertising costs offset savings from lower staffing levels. The Group generated cash operating leverage of just over 11% and a cash productivity ratio of 50.2%.

On slide 11 P&C US results remain impacted by the elevated levels of impaired loans and the cost to manage them. Our focus in 2010 is on profitable growth in both loans and deposits while maintaining effective expense control. This focus has been demonstrated by an improved core cash productivity and 72% and increased net interest margin, deposit growth and stronger commercial mid-market mortgage and auto loan originations.

Turning to slide 12, our Private Client Group had a strong quarter with revenue growth across all businesses, in particular Full Service Investing, Mutual Funds and North American Private Banking. Excluding our insurance business, PCG net income was up 93% from a year ago, as improved equity markets and the success of our focus on attracting new clients increased our assets.

Results a year ago included a charge of $11 million after-tax related to the decision to purchase auction-rate securities from client accounts. Insurance net income was also up 38% from the prior year. Revenue increases were achieved while keeping expenses relatively flat. Expenses include $19 million from the BMO Life Assurance acquisition. The cash productivity ratio improved to 72% in the first quarter.

Market conditions for some of our businesses also improved in our capital markets business with revenue up 27% from the prior year. As expected, trading revenues adjusted for capital markets environment charges were down from the prior year as volatility in the market decreased and spreads narrowed.

Compared to Q4, revenues grew 3% due to higher investment securities gains, improved M&A activity and increases in debt underwriting. Commission revenues also improved while trading revenues and corporate banking net interest income were relatively unchanged.

Expenses were higher than both comparable quarters due to higher variable compensation consistent with improved revenue performance. Q4 also included an adjustment to variable compensation to align with annual performance. I would also point out that cash ROE for this Group was 18.4% in the quarter, this is the third quarter of ROE in excess of 18% in this business.

Finally, on slide 16 Corporate Services results have improved significantly benefiting from lower provisions for credit losses under BMO's expected loss methodology and higher revenues mainly due to lower negative carry on certain asset-liability interest-rate positions and more stable market conditions.

In conclusion, our results reflect another quarter of high-quality earnings delivered by our businesses with strong capital and good cost management. With that I'll turn things over to Tom.

Tom Flynn - BMO Financial Group - Chief Risk Officer

Thanks, Russ, and good afternoon. Before I begin, I draw your attention to the caution regarding forward-looking statements.

I'll start with slide 3 where we provide a breakdown of our loan portfolio. The portfolio is well diversified with 72% of loans in Canada and 22% in the US. Within the Canadian portfolio 63% of assets are consumer loans. Of this total approximately 85% is secured. Our US portfolio mix is 44% consumer with commercial and capital markets loans together making up the larger portion.

Slide 4 provides details on our US loan portfolio. As we have discussed in past quarters, credit losses in the US are higher than those in Canada. That said, it is important to point out that the portfolio represents just 22% of total loans and is well diversified and that our underwriting practices were more conservative than the industry overall.

US consumer portfolios are relatively evenly spread across first mortgage, home equity and auto loans. The portfolios continue to be impacted by the economic environment but performance is better than peers. The commercial real estate sector continues to experience weakness in the US, loans in the sector are $3.9 billion or 2% of total loans. Within this, investor-owned mortgages represent approximately 5% of our US portfolio and the developer portfolio is 3%.

Investor-owned mortgages are concentrated in our Midwest footprint, are diversified by property type and were underwritten prudently. As previously noted, we continue to closely manage our exposures in the sector and we have not seen substantial change quarter over quarter. The general C&I portfolio is well diversified; we are continuing to see migration in this portfolio and performance is reasonable given the environment.

Turning to slide 5, we provide information on formations. Formations in the quarter were $456 million, down from $735 million in Q4 and down from the quarterly average we saw in 2009. Almost all of the decrease in formations came from the US capital markets and commercial portfolios.

The chart shows that the majority of formations continue to come from the US; US formations were spread across C&I, commercial real estate and mortgages and financials. The financials category largely relates to a $100 million formation from a credit from our US securitization vehicle on which we took a $20 million provision in the quarter. This is the first impaired loan from the vehicle in two years. Within Canada, formations were well diversified across a number of sectors.

Slide 6 details our provision for credit loss by business group. The consolidated specific provision was $333 million, lower than Q4 which was $386 million. We've made a change in the presentation on the slide that is consistent with the securitization reporting change that Russ mentioned earlier.

In the P&C Canada business segment we now include actual credit losses on securitized assets. In the quarter those losses were $53 million, the same level as Q4. The losses are related to securitized credit cards. Under securitization accounting these credit costs are recorded in the financial statements as negative NIR in our corporate segment, not as PCL. On the fourth row from the bottom of the table we therefore back out these credit costs to arrive at the consolidated PCL of $333 million for the quarter.

The Canadian P&C consumer and commercial portfolio continues to perform well. Consumer provisions increased somewhat over last quarter which is reflective of continued high unemployment levels; delinquencies have been stable. P&C US provisions continue to be higher. Our performance here, similar to other banks, is impacted by the weak real estate market and high unemployment. While the provision was down quarter over quarter, we expect conditions to continue to be challenging here through 2010.

Lastly, Capital Markets provisions were down quarter over quarter and were concentrated in the US. We continue to see slower migration in our capital markets portfolio.

Turning to slide 7, you can see a segmentation of the specific provision by geography and sector. The Canadian provision was $138 million versus $124 million in Q4. The consumer loan and credit card segments continue to be the largest components of Canadian provisions. The US provision was $190 million, down $71 million from Q4. US commercial real estate and mortgages and consumer loans account for the majority of the US provisions.

Slide 8 shows information on our consumer credit performance against peers in Canada and the U.S. As detailed on the slide, our performance across multiple products compares well to peers. A high portion of our consumer portfolio is secured and we continue to maintain our disciplined approach to lending. That concludes my presentation and we can now move to the Q&A.

QUESTION AND ANSWER

Operator

(Operator Instructions). Andre Hardy, RBC Capital Markets.

Andre Hardy - *RBC Capital Markets - Analyst*

Thanks. For Tom Milroy, the trading revenues behaved a lot better than what global investment dealers have reported. I'm just wondering if you have any insights on why that might have been?

Tom Milroy - BMO Financial Group - CEO, BMO Capital Markets

Yes, I'm not sure, obviously our business is largely focused in Canada. I think it's important to remember that the earlier results we had in Q1 of 2009 were a lot lower than they would have been if it hadn't been for the charges we took. So our trading revenues are actually down year over year. They're at a level that we think is a good quarter.

We think it reflects the diversified nature of our revenue flow and builds on the work that we've been doing to ensure that we drive strong sustainable returns throughout the cycle. So, I'm not really sure what the others are up to, but I know that's what we're focusing on.

Andre Hardy - *RBC Capital Markets - Analyst*

Can you help us understand how much of your trading is flow driven versus prop? And how much above average spreads might have helped last year versus other factors such as volumes?

Tom Milroy - BMO Financial Group - CEO, BMO Capital Markets

Yes, if I could turn to the prop piece, the flow prop, our strategy is really a client-focused strategy. That being said, like everyone else, we have a certain amount of our revenues that come from prop activity. We would think over the cycle it would be somewhere in the neighborhood of 10% of our overall capital markets revenue.

The types of proprietary strategy we pursue, though, are generally lower risk and all subject to VAR and other limits. So it is not a big piece of our business. Obviously, last year it would have been greater than that and was significant. But in the quarter, we are starting to return to levels that we would expect to see through the cycle.

Andre Hardy - ***RBC Capital Markets - Analyst***

Thanks. And one for Tom Flynn, page 29 of the supp pack has the expected loss rates for different loan categories. Can you help me understand the timing of increasing expected loss rates on corporate exposures when every single indicator is telling us that the corporate world is getting better?

Tom Flynn - BMO Financial Group - Chief Risk Officer

Yes, this is a [recent] table. And the expected loss numbers that you see on that table moved up, as you have noted, pretty significantly quarter-over-quarter for corporate. The change in the loss numbers you are looking at there related to the portion of the portfolio that was in default.

And we arrive at the BEEL number by making our best judgment about the expected loss on that part of the portfolio. And the number can move around quarter-to-quarter because of assessments that are made. So it is a bit of a lagging indicator, I would say, in that [the move was driven by last year's estimate of future expected loss on] the defaulted portfolio.

Andre Hardy - ***RBC Capital Markets - Analyst***

That explains things. Thank you.

Operator

Mario Mendonca, Genuity Capital Markets.

Mario Mendonca - ***Genuity Capital Markets - Analyst***

Good afternoon. Just first a question up for Frank Techar. The domestic operating leverage, double-digit now for the last couple of quarters, two quarters that is, is there anything you can offer on -- just some indication going forward?

Because it does seem a little bit -- I don't think I've seen it that way before from any bank, double-digit operating leverage for two consecutive quarters. Is there anything you can offer us going forward?

Frank Techar - BMO Financial Group - President & CEO, P&C Canada

Yes, thanks, Mario. Obviously, we are really happy with a terrific quarter, again; strong revenue growth and well-managed expenses. And looking forward, my expectation is revenue growth levels compared to this quarter might moderate a little bit. We, obviously, on a year-over-year basis, have seen the benefits of some repricing activity.

That repricing activity on a linked basis is starting to slow. In fact, in this quarter the five basis points that we saw in our margin improvement was all as a result of mix and the sale of high-spread products relative to our lower-spread mortgage and term products.

So we know it's going to be slowing. I believe and what we are focused on is increasing the growth in our balance sheet. We saw that in Q1 as well. Personal deposits continue to grow more rapidly, consumer loans continue to grow more rapidly, credit cards continue to grow more rapidly. And the commercial business is also starting to pick up.

So my expectation is we can continue to compete and do it at a revenue level that is in excess of some of the numbers you've seen historically from us. But I do think it is going to moderate a bit as we go through the year.

On the expense side, we have done a great job in managing our core expenses while continuing to invest in the strategy that we've put forward. You can see in the supp pack that we are down about 900 people year-over-year for a number of reasons. But we are really focused on the productivity of our sales force.

And once we are comfortable that we are at the levels that we want to be relative to unit sales and the productivity, we will see an increase in our staffing levels going forward.

So my expectation is we will probably see a little bit higher expense growth as we go through the year. But we have always had a medium-term target of 3% from an operating leverage perspective. Obviously, we are much better than that over the last few quarters, and we are going to continue to move forward on that basis.

Mario Mendonca - *Genuity Capital Markets - Analyst*

Thanks for that. The second question perhaps for Bill. The DRIP, it was obviously very important this quarter, 3.7 million shares. Given where your capital ratios are and what some of your peers have done with the discount, is there any -- are you contemplating changing anything with the DRIP?

Bill Downe - BMO Financial Group - President and CEO

Well, obviously we didn't make a decision in that direction in this quarter, Mario. I think that the whole policy around the DRIP is clearly something that we are studying. After a difficult year in 2009, I know that our retail shareholders who have been active participants in the DRIP are very appreciative of its existence.

And at the same time, we have to keep our eye on the capital. As you said, the Tier 1 capital ratio continues to strengthen and the TCE to risk-weighted asset ratio continues to strengthen. And in the absence of asset growth, and we are looking hopefully to asset growth, as Frank said, as the year unfolds, or opportunities for consolidation, we would have to take that under consideration, there's no question.

Mario Mendonca - *Genuity Capital Markets - Analyst*

And finally, just to follow up on that last point about asset growth. Last quarter you suggested that you expected to see it in the second half of 2010. Is that still your expectation?

Bill Downe - BMO Financial Group - President and CEO

It is. I guess with respect to the level of economic growth we feel more confident in the recovery. But I think we've said pretty consistently we think that the rate of growth for the next couple of years is going to be somewhat muted.

So I think it's really a question of what goes on in the minds of our commercial clients first and foremost. Because the initial use of credit lines has been really focused on rebuilding working capital and starting to refill the inventory chain. We've seen very little investment in equipment or structures. And I think that's when you're going to start to see credit utilization.

So whether it's the third and fourth quarter of the year or the fourth quarter and the first quarter of next year, I'm not certain. I do know that when I have been out talking to commercial clients that they're all evaluating what they ought to be doing. And two quarters ago I would say everybody was too cautious to think about making a move. Now I think -- I'm seeing the same level of thought going into when are we going to start to reinvest. So, it's either the second half of the year or delayed by a quarter. But I still believe that we'll start to see demand pick up.

Mario Mendonca - *Genuity Capital Markets - Analyst*

That was helpful, thank you.

Operator

John Reucassel, BMO Capital Markets.

John Reucassel - *BMO Capital Markets - Analyst*

Thank you. Just for Frank. On the HELOC loan portfolio, I think it's $24 billion in Canada, I believe that's the un-drawn and committed. How much is on the balance sheet now for Canada and HELOCs?

Tom Flynn - BMO Financial Group - Chief Risk Officer

John, it's Tom Flynn. The number on the balance sheet right now is about $16-17 billion.

John Reucassel - *BMO Capital Markets - Analyst*

Okay, Tom, would you give a HELOC to someone if you didn't have their mortgage?

Tom Flynn - BMO Financial Group - Chief Risk Officer

Let me give you a few parameters around the portfolio including addressing the question that you've asked about. Overall the portfolio is performing very well, losses on the portfolio are running below 10 basis points, so really at a de minimus kind of a level. We don't write home-equity products with a loan to value above 80%. And so it's got a conservative loan to value profile. And the average loan to value on the portfolio would be about 50%. And 90% of the portfolio is either in a first mortgage position or in a second behind a BMO first. The short answer to your question is no.

John Reucassel - ***BMO Capital Markets - Analyst***

Okay. That is helpful. And then Tom, just while you're there - I guess one of the things I have a hard time figuring out with all these new rules on capital are liquidity proposals. Are you able to quantify what the impact would be on BMO from what they have proposed? Are you able to do that for us now? It's just hard for us to know if it's just that you are going to carry more cash on the balance sheet or is it more retail funding. How are we from the outside going to measure this?

Tom Flynn - BMO Financial Group - Chief Risk Officer

It's a difficult thing to deal with really because right now, as you know, we just have a paper that's been put out for discussion. The industry is quantifying the impacts from the capital paper and the liquidity paper and then there will be significant discussions from the spring through to about the end of the year and we'll end up, we expect, with guidance at that time.

I think given the degree of uncertainty that exists around what the ultimate rules will be and what balance sheets will look like when they're implemented down the road, it's very difficult to quantify what the impact would be of the liquidity rules.

John Reucassel - ***BMO Capital Markets - Analyst***

Okay, so that's a no. Last question. Bill, I just want to make sure that I understand your outlook for loan growth. I heard Frank talk about moderating revenue growth in Canadian P&C, so I assume part of that is volume. And you talked about growth coming from commercial; Does that mean you don't have very high expectations for the corporate loan book? And I guess I'm trying to get a consolidated view of the total loan growth over the next year or so.

Bill Downe - BMO Financial Group - President and CEO

When I talk about the commercial business, I would say commercial users of credit, and that would include the corporate universe too, the large corporate universe has been very conservative in their Cap-Ex plans for the year. What I think I heard Frank say, and obviously I'll let him clarify, is that he saw moderation in revenue growth from spread expansion, but that we expected to see volume pick up. At some point we will see volume pick up.

If you look at the balance sheets of the North American industry, they have contracted quite significantly, as has the use of credit. So I think you can't extrapolate that from its current levels very far. And there has to be a rebuilding of the use of credit. So we do think we'll see some volume growth.

In Canada in commercial banking we have a strong market share. And so to grow much faster than the market I think is always a challenge on the loan side. Certainly we're focused on growing our commercial deposit share. So I think commercial banking will have some revenue and net income growth opportunities.

In the United States I think it's very significant. We have a strong reputation as a commercial lender and the realignment that I spoke to is going to give us more people calling in the market. I think it obviously has some economic benefits in our model, but it's going to give us better market coverage of a larger universe of accounts. And it's at a time when I think the market is very uneven. There are a number of US banks that are being extremely cautious with respect to their balance sheets because they still have a capital rebuilding challenge. And some of the very large universal banks have other priorities.

And finally, and I think this is an extremely important point, customer loyalty has a great deal more visibility. And if I think back over the last three decades we've seen this coming out of downturns where we've been able to build

market share on the back of very significant reversal because we have a reputation for being consistent and supportive of our customers. A lot of business comes from reputation and referral.

And I think that this is an area where BMO, and the Harris brand as well, is going to be able to capitalize. So I do think that the movement of accounts is going to improve the economics of the business, but I think more importantly it's going to improve our ability to grow.

John Reucassel - *BMO Capital Markets - Analyst*

Thank you.

Bill Downe - BMO Financial Group - President and CEO

You're welcome.

Operator

Steve Theriault, Bank of America.

Steve Theriault - *BofA-ML - Analyst*

Thanks very much. A question for Bill to start. Last quarter you noted that part of the Bank's ability to ultimately get to your 17% to 20% ROE target was related to the notion that the Bank's running at conservative capital ratios. So with the proposed changes we saw in December, granted there's a fair bit of uncertainty there, do you feel any less confident regarding the sustainable ROE of the Bank or the timing it will take to get there?

Bill Downe - BMO Financial Group - President and CEO

Steve if I understand your question, is it that the boundaries that are being established in the quantitative impact study appear to be imposing potentially higher capital requirements on banks and would that change my view of our ability to earn a good return on equity?

Steve Theriault - *BofA-ML - Analyst*

True.

Bill Downe - BMO Financial Group - President and CEO

That was your question?

Steve Theriault - *BofA-ML - Analyst*

Yes.

Bill Downe - BMO Financial Group - President and CEO

Well, at the time of the last call we were looking at where we thought the questionnaire was going to come out, and I would say there have been no surprises. The issues around the kinds of things that could reduce capital, whether it's pension or deferred tax or I guess another one that's obviously very visible is other than wholly owned subsidiaries.

And I think where our confidence comes from is first of all, when you look at the Canadian banking universe we have less in the way of issues than the US and European banks as a whole. And then within Canada you just come back to the fact that we have a high proportion of our Tier 1 is common and it's the highest among the Canadian banks. And we don't have a number of those other issues.

So in an environment where the ultimate rules are going to be determined by just how feasible it is, in the end global capital markets require a vibrant banking system and I think the regulators are going to take the results of the QIS and come up with a sensible framework that we're starting out in a strong position. As those new rules are imposed it's going to change pricing in the market.

And I think when you start with very strong capitalization you don't have to bid for capital or you don't have to issue equity in order to grow your business, you can take advantage of that. So, I think there are some trade-offs. There will obviously be some adjustments that will need to be made as new rules are finalized. I think there will be some opportunities that will pretty much offset the negative impact. So I remain -- I wouldn't say optimistic, I remain cautiously optimistic.

Steve Theriault - *BofA-ML - Analyst*

Okay, that's great. A quick one for Tom Flynn if I might then. Tom, trying to piece together -- maybe this isn't the best idea -- but trying to piece together the actual versus expected losses in the segmented disclosures. So if I look at BMO Capital Markets, for example, the actual losses are down considerably in the quarter and the reported PCL in the segment is up considerably. Is there any way to reconcile that? And are you still married to this method of disclosure or is there any consideration going forward to a more typical approach here?

Tom Flynn - BMO Financial Group - Chief Risk Officer

To the first question, it's pretty hard to reconcile movement in any quarter between actual losses and the expected loss. The expected loss, as you know, is calculated by looking at the ratings distribution in the portfolio and its up in capital markets and the other groups because year over year there was negative migration in the portfolios and we've also got assumed growth. And so that's why the expected loss is up in the segmented reported numbers. The specific provision for capital markets is down by a reasonable amount quarter over quarter and that just reflects the impact of slowing migration in the portfolio, in particular in the US.

In terms of how we feel about this approach, it's kind of funny because we're the only Canadian bank that uses the expected loss methodology. But over the last year there's been more discussion internationally about moving to some kind of an expected loss provisioning approach for the banking industry globally. And so the plan is to keep with this approach for now and to participate in the debate that's going on in the industry with respect to a possible change to expected loss provisioning overall. Obviously not sure where that's going to go, but the fact that that debate is occurring I think reinforces the idea that thinking about expected loss through the cycle as you do business has merit.

Steve Theriault - *BofA-ML - Analyst*

Fair enough. Thanks for your time.

Operator

Jim Bantis, Credit Suisse.

Jim Bantis - *Credit Suisse - Analyst*

Good afternoon, just a couple questions. Tom, looking on slide or page 35 of the supp pack and we're seeing a notable increase in consumer installment and personal loans on gross impaired loans. And I'm wondering if you can give us a little bit of color on what's causing this trend that's been picking up since really the second half of 2009 and where you see the trend going?

Tom Flynn - BMO Financial Group - Chief Risk Officer

Most of the increase is coming from the U.S., and our delinquency rates in the U.S. are up, and the impaireds are up, and really it's a function of the continued high employment rate in the U.S. and the housing market that is still weak in the U.S. We expect delinquency levels and impaired levels to continue to be elevated in the U.S. possibly with a little bit of an upward trend for a while. Whereas in Canada, things really look as if they're stabilizing.

Jim Bantis - *Credit Suisse - Analyst*

Thanks, Tom. Is there a particular product or region that's causing the uptick here?

Tom Flynn - BMO Financial Group - Chief Risk Officer

In the U.S. it's coming for us and from the industry, both the home equity product and the mortgage product. And in Canada, there's no real significant split by geography. I would point out that a good portion, I think it's about 70% of the Canadian residential mortgages that are impaired, are insured. So ultimately we don't expect to have a loss there even though they are classified as impaired.

Jim Bantis - *Credit Suisse - Analyst*

Got it. Thanks very much, that's pretty helpful. I just wanted to follow-up with Bill's earlier comments about the initiative to transfer a group of loans or a segment of loans from BMO Capital Markets to the US business. I'm wondering if you can give us a little more quantitative color on this with respect to maybe the timing. You talked about the size being more than double the size of the US commercial loan portfolio, if you could give us a base of what that size is, and maybe, from Ellen's perspective, what the impact could be from an earnings perspective?

Bill Downe - BMO Financial Group - President and CEO

Sure, thanks, Jim. I've commented on it. Why don't I turn it over to Ellen and let her give you the parameters?

Ellen Costello - BMO Financial Group - President & CEO, P&C US

Jim, as Bill touched on, we expect to more than double the size of our existing business, which has a book of about $6.5 billion in both loans and deposits. It will adjust our mix significantly, I think you know that we were low weighted on commercial and that was one of the drivers of our weak productivity and ROE. So we'll make a difference on our ROE and productivity.

And most importantly, as Bill talked about, it will add more resources to our current assets under way and take advantage of the disruption in the marketplace. We've already made some great gains there and this will only help accelerate that. We are expecting to have the numbers nailed down by the second quarter, it would be really hard for me to give you anything definitive at this point, but you'll see improving trends on both productivity and ROE.

Jim Bantis - *Credit Suisse - Analyst*

Got it. Thanks very much. When you think of the mix of business, I'm just trying to get a sense of the average size of the client, the loan size. If you could just give a little color on that that would be really helpful.

Ellen Costello - BMO Financial Group - President & CEO, P&C US

That's a great question. The commercial mid-market portfolio that we currently have in P&C has an average customer sales side between $150 million and $200 million. This will increase our average to about $400 million to $500 million.

Jim Bantis - *Credit Suisse - Analyst*

Oh, that's pretty meaningful. Okay, so thanks very much. I guess the bottom line of this when the transition is complete we'll see the shift in wholesale earnings for the Bank drawdown from this 38% to 40% level and we'll see a notable pickup in the Harris earnings going forward?

Ellen Costello - BMO Financial Group - President & CEO, P&C US

You will.

Jim Bantis - *Credit Suisse - Analyst*

Got it. Thanks very much.

Operator

Michael Goldberg, Desjardins Securities.

Michael Goldberg - *Desjardins Securities - Analyst*

Thanks. My question is for Tom Flynn. Tom, you said in your presentation that 99% of your retail portfolio in the United States is secured. But in that portfolio could you tell us what amount of loans do you estimate loan to values over 100% or over 120%? And on loans where the value of the asset has fallen to below the amount of the loan, are you actually experiencing problems with borrowers walking away?

Tom Flynn - BMO Financial Group - Chief Risk Officer

I'll take a crack at that, Michael. To answer the last part of the question first, we're not seeing significant, what people refer to as strategic defaults, which is where people walk away from mortgages that are underwater for purely financial reasons. So there's been some discussion of that being a potential risk in the industry, we're alert to the risk but we're not seeing it as a significant trend in the portfolio.

And I would point out that Illinois, where the bulk of our portfolio is, is a recourse state which gives us some protection from that risk. In terms of part of the portfolio that's underwater, clearly given a 25% - 28% decrease in house prices, some portion of both the mortgage and the home equity portfolio is underwater. In general, the vast majority of the portfolio was underwritten at loan to value ratios of initially below 90%. So, I don't have the number at my fingertips. But the majority of the portfolio would clearly still be well above water.

Michael Goldberg - *Desjardins Securities - Analyst*

Thank you.

Operator

Cheryl Pate, Morgan Stanley.

Cheryl Pate - *Morgan Stanley - Analyst*

Hi, good afternoon. My first question is for Frank. I'm wondering if you could give us some color on some of the trends you saw in the mortgage business this quarter as well as expectations for the year in terms of growing share of wallet, increasing profitability? And then maybe tie that to your view on the net interest margin? Thanks.

Frank Techar - BMO Financial Group - President & CEO, P&C Canada

Thanks, Cheryl. I think everybody knows the mortgage business is one of those businesses that we have a little bit of a different point of view on relative to the competition; a little bit different strategy on, that we have been executing over the last couple of years. We have and will continue to see run-off in our broker portfolio for at least another couple of years and it's having a significant impact on our share.

What we're doing to try to offset that decline is build up our proprietary mobile mortgage specialist sales force. Last year in a tough market we increased the size of the sales force by about 6%. This year we have plans to increase it by almost 30% and we're well on our way to achieving that objective.

So increasing that sales force is part of the strategy. At this point in time at we are seeing significant growth from our mortgage specialist channel so we're confident that we're on track from a strategic perspective. We had mentioned earlier that we have reduced the number of our generalist salespeople in our branches as we look at our productivity performance branch by branch, and that has had an impact on our mortgage business and the growth in our mortgage business through our branch channel.

So my expectation is, again as I said earlier, as we become more confident with our performance management system and the productivity of our general sales force we will start to add people back into our branches and our mortgage growth will improve as a result of that as well.

So for the time being I think we're going to see mortgage growth at the level we're at. As we go through the next few quarters and our sales force grows we'll see improving growth, our objective is to continue to focus on growing share in this product ultimately but it's going to take some time given the transition we're going through in the portfolio that we have at this point.

Bill mentioned earlier our new mortgage product that we are launching today, another big part of our strategy is to be very competitive and creative in support of our customer promise. I think this mortgage product is going to help as we go into the mortgage season this year. And so we've got some other tactics under way to try to get the growth going.

And obviously the lower growth of this product compared to the strong growth in our consumer lending and credit card products is having the impact on the spreads that you've seen over the course of the last year. And my expectation is that will continue moving forward.

Cheryl Pate - *Morgan Stanley - Analyst*

Thanks, that's very helpful. Just one more question if I might for Russ. I wonder if you can talk a little bit about the asset sensitivity to rate increases? It looks like from reading through the report slight positive to earnings in both the 100 basis point increase and decrease scenario, any color you can share there?

Russ Robertson - BMO Financial Group - CFO

Yes, that's correct. We expect that with rising rates that it will keep positive to earnings. As I said, it's positive and there will be some margin expansion with the rising rates.

Cheryl Pate - *Morgan Stanley - Analyst*

Okay, thanks.

Operator

Darko Mihelic, Cormark Securities.

Darko Mihelic - *CORMARK SECURITIES - Analyst*

Thank you. I'm going to try and take a crack at this sizing initiative on the loan book. Forgive me if I bounce around a little bit here, but I'm trying to look at page 8 of the supplemental and page 10 and sort of combine these two loan books. If I combine the average current loans and acceptances of P&C US and BMO Capital Markets, it's about a $31 billion loan book.

So if I take a $6.5 billion slice of that and double it, you'd still be lower than where you were a year ago, which was about $40 billion. So I guess my question is for Bill and anyone else who wants to chime in, what about underlying growth elsewhere? So if we double $6.5 billion but we reduce the size of the other loan books, and I guess this is more a question for Tom, is the runoff continuing in your portfolio for the foreseeable future?

Bill Downe - BMO Financial Group - President and CEO

Yes, I think that's a very good question, Darko. It goes to what the logic for the change is. What we don't want to do as we continue to refine that capital utilization of capital markets is to miss an opportunity to serve the

commercial banking universe that is within our geographic market but not in the areas of concentration of capital markets.

So the mere movement of account coverage from one part of the portfolio to another has an expense benefit, because we expect to be more efficient in the management of those accounts. But the real revenue lift, is a very specific belief that we have, that this is the time to increase prospect coverage in the market and take share from our competitors.

I'm looking at the same revenue decline numbers as you are. It's happening across the market. We have done a better job of protecting our balance sheet in the U.S. than the market itself. So it gives us confidence we can grow share if the market starts to grow. And this is something that we're anticipating that will happen. I think we'll continue to grow share and I think they'll be complimentary.

The real question is, will it be a couple of quarters as we complete this process and as the market starts to recover? I think Ellen spoke specifically to how we're going to go about it and the timeline. I'm hoping that in the second quarter, we'll give you more specifics about the accounts that have been transferred. But I think it's the latter half of the year when we start to see a pickup in credit utilization, the traction that I'm hoping that we're going to show is going to be there.

One of the things I do have a great deal of confidence in, is the enthusiasm of the professionals that work in both groups. They brought this framework forward on the basis that it was going to stimulate growth for the Bank and stimulate the origination of investment banking opportunities, whether it's fixed income or equity raising or M&A. And we've talked about this client universe for a long time.

It's a very significant block of commercial accounts, many of which are privately owned, many of which at some point in the future are going to have a succession event, and by making this adjustment at a time when we think the market is going to start to grow again, we want to own a significant part of the market. And that's the logic behind it.

Darko Mihelic – *Cormark Securities - Analyst*

Thank you. Maybe just one last question if we could just circle back to interest rate sensitivity. I'm actually interested in that as well because it looks as though from a structural point of view, you are more asset sensitive.

But also in a very peculiar way, your insurance business seems to me quite sensitive to interest rates. It seems like a 1% move would give you $80 million after-tax in earnings. For perspective, I think the midpoint of Sun Life's range is zero.

So, is this a strategy of Bank of Montreal to move up the interest rate sensitivity curve? And can you talk to maybe perhaps in slightly more laymen's terms…I mean forget about a 1% interest rate increase, which is theoretical, and I don't really know how to use that…to maybe a potential situation where we have the Bank of Canada raise rates by 50 basis points in the back half of the year what kind of impact that would have on your margin? Can you help us in any way with that regard?

Tom Flynn - BMO Financial Group - Chief Risk Officer

Yes, it's Tom Flynn. I will take a crack at that. If the Bank of Canada was to raise rates by 50 basis points over the back half of the year, which would be roughly in line with the market expectations, we have taken steps in our Capital Market business to decrease our exposure to rising short-term rates. So we have mitigated our exposure to that risk.

I think the short answer to your question is that with an orderly increase in rates, we wouldn't expect any significant short-term impact to the P&L.

Darko Mihelic – *Cormark Securities - Analyst*

Okay, and why the sensitivity in the insurance business?

Tom Flynn - BMO Financial Group - Chief Risk Officer

The sensitivity there, I think, relates to the duration of the assets and the liabilities. And the liabilities are very long-dated. So when rates go up in the actuarial models, you assume that you reinvest on the maturity of the existing fixed-income portfolio at a higher rate.

And in insurance accounting, you present value that, and that produces a positive impact. So it comes from the duration mismatch between the assets and the liabilities.

Darko Mihelic – *Cormark Securities - Analyst*

Oh, yes, I'm well aware of that. I'm just curious about the actual magnitude and why it is so sensitive to interest rates? Presumably, your balance sheet for your entire insurance operations would be relative to Sun Life's.

Tom Flynn - BMO Financial Group - Chief Risk Officer

I really can't comment on the structure of their balance sheet or how they report their sensitivity. So this is a number that we have for our book.

Darko Mihelic – *Cormark Securities - Analyst*

Okay, fair enough. Thank you very much.

Operator

Summit Malhotra, Macquarie Capital.

Sumit Malhotra - *Macquarie Research - Analyst*

Good afternoon. A two-parter for Tom Flynn. First on the line you call reductions and impairments, loans and acceptances, there is a few things that run through that. The FX, the repayments, and the sales and the actual repayments.

You have a comment in the press release about sales being relatively small in the quarter. I think the FX move was only about 1% on a spot basis. So are we looking at a very large recovery or recoveries that you booked this quarter? Can you give me a little bit more color on where that might have been coming from?

Tom Flynn - BMO Financial Group - Chief Risk Officer

Yes. So this is on page 38 of the supp pack on the table on the bottom. If you are looking at the number I am looking at, the reduction in impaired loans --.

Sumit Malhotra - ***Macquarie Research - Analyst***

Yes, at $265 million.

Tom Flynn - BMO Financial Group - Chief Risk Officer

At $265 million, so that is up from the average of the last number of quarters. And the biggest single driver is that we had a number of accounts move out of impaired status, in larger accounts. So three accounts totaled $150 million that moved out of impaired. And that was a higher rate of moving out of impaired than we have seen in the last few quarters.

The FX, as you said, had an impact but it wasn't that significant. It was about $25 million of the $265 million. And recoveries, which we show up above on the table on the top in the third row were $45 million in the quarter, which was basically in line with where we have been running. So there was no significant change in the recovery story in the quarter.

Sumit Malhotra - ***Macquarie Research - Analyst***

Any theme in the, shall we call them, repayments or return from...?

Tom Flynn - BMO Financial Group - Chief Risk Officer

I wouldn't make too much of it. But I think the direction is consistent with the theme related to a slowing in migration and a somewhat more positive outlook to the Capital Markets credit picture.

Sumit Malhotra - ***Macquarie Research - Analyst***

Well, the second part for you if we stay on this page, the additions or the formations in the quarter also trended lower, the $456 million. And we spoke briefly earlier about the $99 million that came from the Fairway conduit, the first time we've seen anything there in two years.

So if I want to play ball here, we can say you're at about $350 million on additions in the quarter. You have talked about this in the past, when net recoveries are looking better, and formations trending lower. How do you feel about the $333 million in provisions this quarter if you are thinking about your 2010 run rate?

Tom Flynn - BMO Financial Group - Chief Risk Officer

Well, Bill said in his comments that the $333 million came in better than expected or it was better than we expected, which we were happy to see. I think at this point, we would say that we expect the specific provision in 2010 to be below the level that we saw last year. And the quarterly average run rate last year was about $385 million.

This level this quarter was a pretty good number. We had a downtick in P&C US commercial and a reasonably significant downtick in Capital Markets. So I am not sure in the next quarter or two that there is going to be a continuation in the trend.

At the same time, we think that we will come in below the level last year, and we have may have some ups and downs in any quarter given movements on both the corporate side and the commercial side.

Sumit Malhotra - ***Macquarie Research - Analyst***

That is very helpful. Lastly for me is for Bill. There has been some press in the last month or so about FDIC operations and transactions in the Chicagoland area. You certainly have taken the prudent approach in terms of acquisitions, and that has been the right thing.

Your tone surrounding the US and what you are hearing from accounts sounds much improved. You are seeing some better trends in credit. Are we at the stage now, given BMO's very strong relative and absolute capital position in currently proposed standards that you are looking a little bit more closely than you may have in the past at deals?

Bill Downe - BMO Financial Group - President and CEO

Well Sumit, I think in the context of FDIC, and that's how you started the question, the quality of assets, and in that I mean beyond the loans, because you can in some sense insulate yourself from future default risk of the loans, but the quality of the deposit base and the customer base that we have seen in the vast majority of FDIC transactions that we have prereviewed or in anticipation has not improved, wasn't good. And I think in most cases, it probably won't get much better.

The improvement may be in the higher-quality banks where their prospects I think have improved. So I continue to view the FDIC avenue as one that may present us with an individual bank or two that are at an infill but as a strategy for using capital or growing the bank. It doesn't seem to me to be a very well-grounded one.

I have not any evidence of a change in the environment, if you like, with respect to receptivity. But I think confidence levels across the board are starting to improve as people think about the future of the businesses.

And as I have said on previous calls, the greatest opportunity is probably well-run banks that prior to the downturn would have thought about being in the position of consolidator, and just don't have the capital cushion to allow them to engage in that. And that is where their boards of directors may say the combination is better for our shareholders and better for our customers.

But I think that is something that is going to unfold over the course of 2010. And there isn't a moment, a week or a month that is going to make an immediate difference. I continue to remain positive in the view for what will be available in the course of the year.

Sumit Malhotra - ***Macquarie Research - Analyst***

Thanks for that detail, thanks for your time.

Bill Downe - BMO Financial Group - President and CEO

You are very welcome. And thank you, everyone, for the call and I will turn it back to you, Viki.

Viki Lazaris - BMO Financial Group - SVP, IR

So thanks for joining us today. And as always, if there are any further questions, please contact the Investor Relations team. Thanks.