
Q1 | 10
March 2 • 2010
BMO

Forward Looking Statements & Non-GAAP Measures

Caution Regarding Forward-Looking Statements

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

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

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

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

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

Non-GAAP Measures

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

Examples of non-GAAP amounts or measures include: cash earnings per share and cash productivity; revenue and other measures presented on a taxable equivalent basis (teb); amounts presented net of applicable taxes and earnings which exclude the impact of provision for credit losses and taxes.

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

Strategic Highlights

Q1|10

Bill Downe
President & Chief Executive Officer
BMO Financial Group

Financial Results

Strong performance in core businesses reinforce earning power of operating groups

C$MM unless otherwise indicated	Q1 2010	Q4 2009	Q1 2009
Revenue	3,025	2,989	2,442
Expense	1,839	1,779	1,841
PCL	333	386	428
Net Income	657	647	225
Cash EPS ($)	1.13	1.13	0.40
ROE (%)	14.3	14.0	4.9
Tier 1 Capital Ratio	12.5	12.2	10.2
TCE / RWA Ratio	9.5	9.2	7.8

- Strong top-line growth
- Delivering on our brand promise that has clear benefits for customers
- Disciplined expense control
- Pre-provision, pre-tax earnings of $1.2 billion
- Strong capital position

Operating Group Highlights

Defining great customer experience

P&C Canada

- Strong year-over-year performance:
  - Revenue growth of 12% and net income growth of 28%
- Over 9% revenue growth for 6 consecutive quarters
- Cash productivity ratio of 50.2%
- Prudently managing mortgage portfolio

P&C U.S.

- Year-over-year deposit growth of 5.2%
- U.S. Commercial Banking initiative:
  - Improve customer experience
  - Expand client base / grow share
  - Reduce cost to serve each account
  - Increase profitability and ROE

Private Client Group

- Strong revenue growth, particularly in full-service investing, mutual funds and North American private banking
- AUM and AUA up $27 billion Y/Y; adjusting for the weaker U.S. dollar, growth was 18%
- Good momentum in attracting new client assets

BMO Capital Markets

- Good results despite moderation of interest-rate-sensitive businesses; improved investment banking revenues and pipeline
- U.S. Commercial Banking initiative:
  - Targeted focus on sectors and clients
  - Improve ROE

Financial Results

Q1|10

Russ Robertson
Chief Financial Officer
BMO Financial Group

Financial Highlights

Continued success in execution of strategy to deliver an excellent customer experience

	Net Income	EPS	Cash EPS	ROE	Cash Productivity	Cash Operating Leverage	Total PCL	Tier 1 Capital Ratio (Basel II)
Q1 10	**$657MM**	**$1.12**	**$1.13**	**14.3%**	**60.5%**	**23.9%**	**$333MM**	**12.53%**

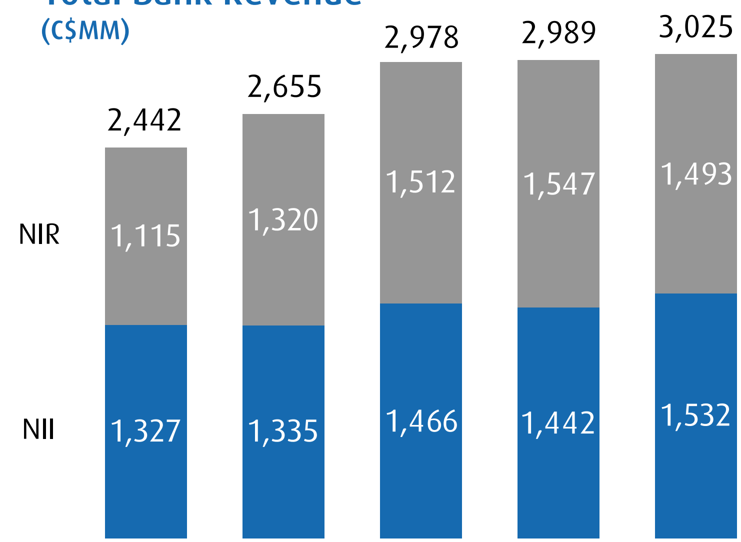
- Very good first quarter results
- Strong net income with fourth consecutive quarter of higher revenues
- Continuing commitment to expense control in all operating groups
- P&C Canada continues to achieve high year-over-year growth in revenue and net income
- Improved ROE while capital levels remain elevated
- Tier 1 capital ratio remains strong

Revenue

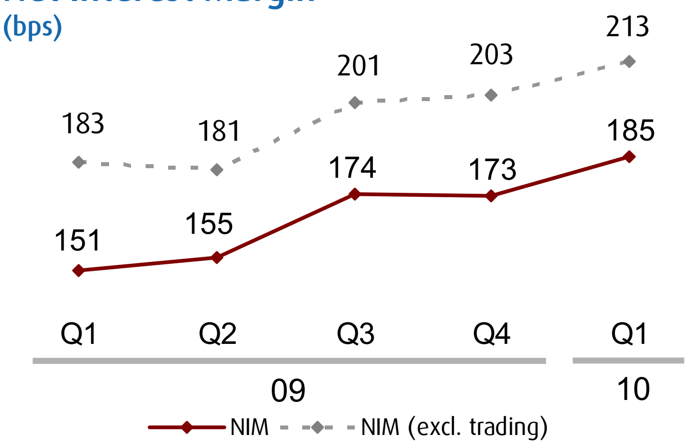
Continued focus on top-line growth – revenues exceed $3 billion

- Revenues up 24% Y/Y or 1.2% Q/Q.
- Weaker US dollar decreased growth by $128MM or 5.2 percentage points Y/Y and $18MM or 0.6 percentage points Q/Q.
- Strong margin growth Y/Y driven by actions taken in 2009 to mitigate the impact of rising long-term funding costs and deposit growth in P&C Canada and lower negative carry in Corporate Services as well as more stable market conditions.
- Margin improvement Q/Q driven by mix in P&C Canada and improved trading spreads in BMO CM.
- Y/Y improvement in NIR driven by improved investment banking activity and the impact of capital markets environment charges in Q1 09 offset by lower trading revenue.
- Q/Q Securities gains, higher M&A and underwriting activity were more than offset by lower trading NIR in BMO CM and lower securitization income in Corporate Services.

Total Bank Revenue
(C$MM)



Net Interest Margin
(bps)

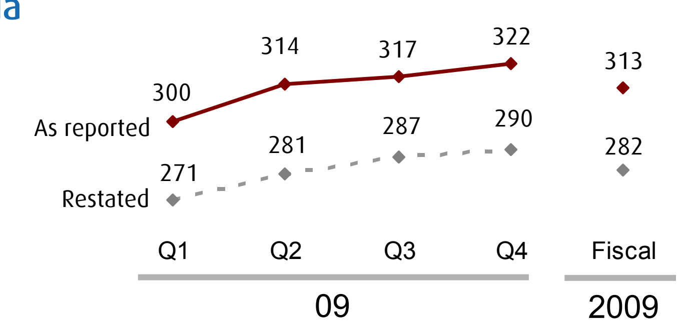


Securitization Reporting Change

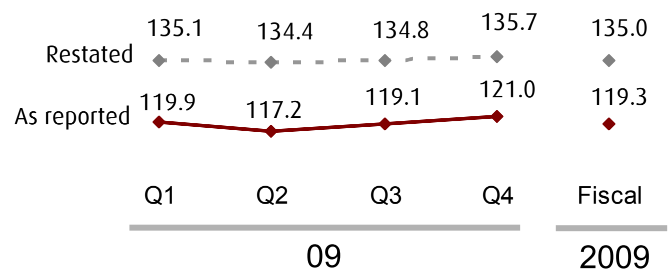
Impacts P&C Canada balances and net interest margins; NIM trends unchanged

- In Q1 2010, we changed the manner in which we report securitized assets in our segmented disclosure.
- Previously, certain securitized mortgage assets were not reported on P&C Canada's balance sheet.
- All securitized mortgage assets are now reported in P&C Canada with offsetting amounts in Corporate and net interest income earned on all securitized mortgage assets are included in P&C Canada net interest income.
- Previously net interest income earned on certain securitized mortgage assets was included in P&C Canada non-interest revenue.
- These changes do not have a meaningful impact on the earnings of P&C Canada.
- Prior periods have been restated to conform to the current presentation.
- Change in reporting is consistent with the reporting of securitized assets by our Canadian peer group.

Net Interest Margin P&C Canada (bps)



Avg. Earning Assets P&C Canada ($B)

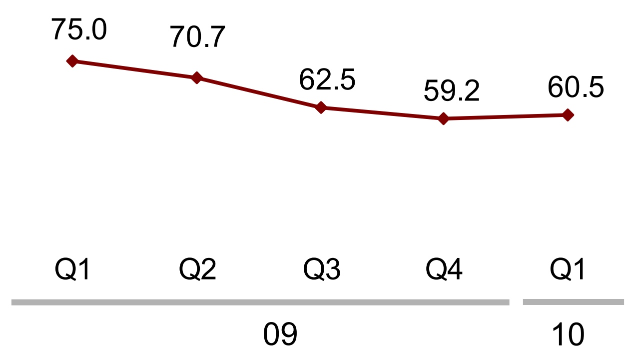


Non-Interest Expense

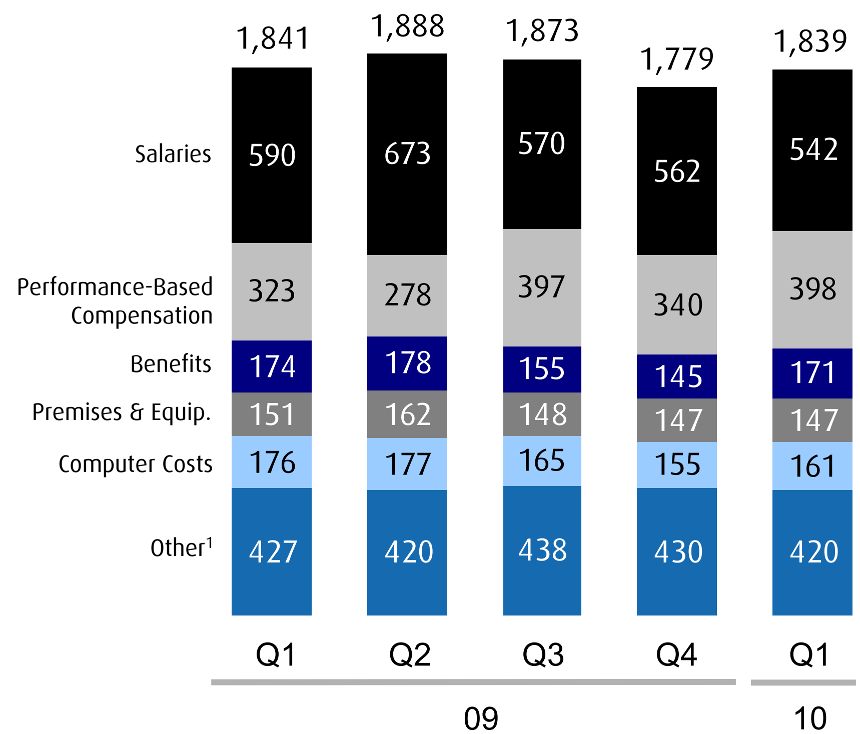
Continued focus on reducing discretionary expenses

- Q1 expenses include **stock-based compensation costs for employees eligible to retire** of $51MM pre-tax (booked in performance-based compensation).
- Expenses flat Y/Y as lower salaries due to fewer staff and lower severance, computer costs and professional fees were offset in part by higher performance-based compensation.
- Weaker U.S. dollar decreased expenses by $70MM Y/Y and $10MM Q/Q.

Cash Productivity Ratio
(%)



Total Bank Non-Interest Expense
(C$MM)



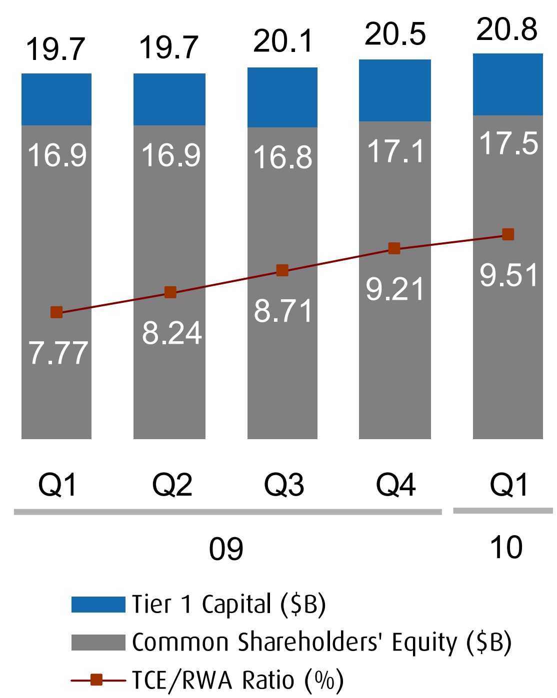
[1] Consists of amortization of intangible assets, communications, business and capital taxes, professional fees, travel and business development and other

Capital & Risk Weighted Assets

Capital ratios remain strong

Basel II	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10
Tier 1 Capital Ratio (%)	10.21	10.70	11.71	12.24	12.53
Total Capital Ratio (%)	12.87	13.20	14.32	14.87	14.82
Assets-to-Capital Multiple (x)	15.79	15.38	14.91	14.09	14.67
RWA ($B)	193.0	184.6	171.6	167.2	165.7
Total As At Assets ($B)	443.2	432.2	415.4	388.5	398.6
Tangible Common Equity-to-RWA (%)	7.77	8.24	8.71	9.21	9.51

Basel II Tier 1 Capital & Common Shareholders' Equity



Operating Groups – Quick Facts

P&C Canada

- Revenue growth of **12%** Y/Y
- Net income growth of **28%** Y/Y
- Cash productivity ratio of **50.2%**
- Net interest margin of **295 bps** - continued improvement Y/Y and Q/Q
- Revenue up in all businesses Y/Y and Q/Q

P&C U.S.

- Revenue flat Y/Y
- Core[1] cash net income **US$35MM**
- Core[1] cash productivity ratio of **72.1%**
- Results continue to be impacted by cost of carrying non-accrual loans
- Mortgage and auto loan origination remain strong

Private Client Group

- Revenue growth of **15%** Y/Y
- Net income growth of **68%** Y/Y
- AUA / AUM up **18%** Y/Y or **$40B** adjusting to exclude the impact of the weaker US dollar
- Equity markets continue to improve
- Strong contribution from insurance businesses

BMO Capital Markets

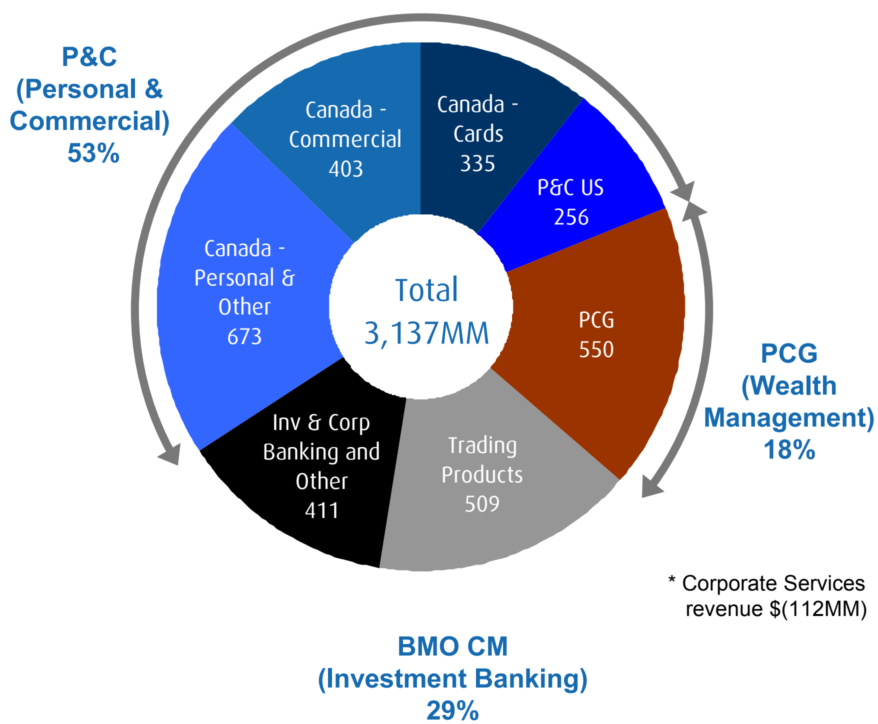
- Revenue growth of **27%** Y/Y
- Net income growth of **40%** Y/Y
- Results impacted by capital markets environment charges in Q1 09
- Trading revenues decline from elevated levels in Q1 09 while other investment banking areas improving

[1] Core: As reported results less impact of impaired loans, Visa and acquisition integration

Operating Group Performance

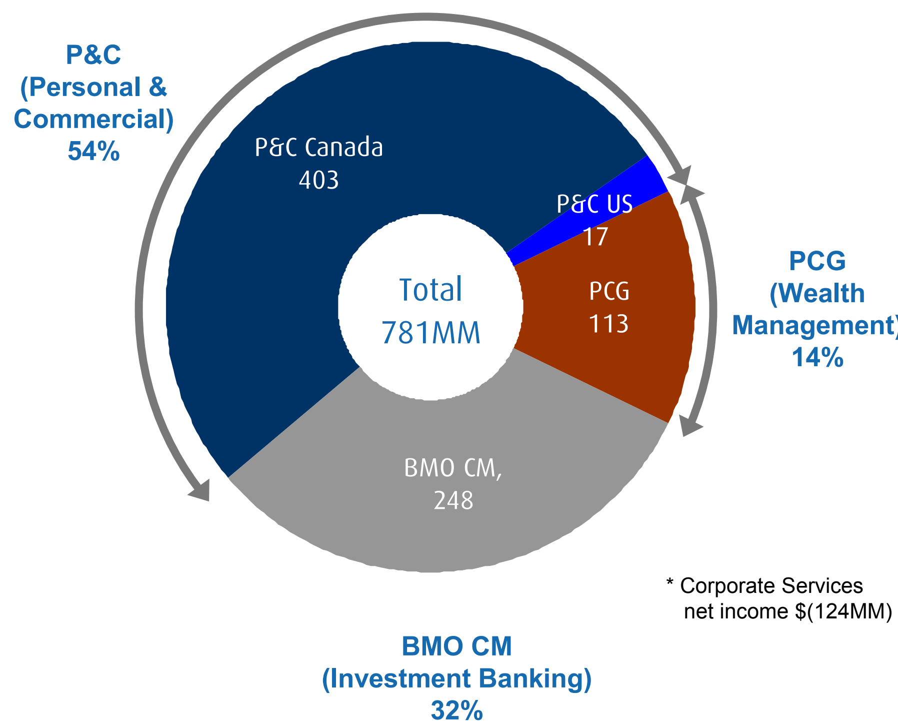
Over 70% of revenues from retail businesses in Canada and the US (P&C and PCG)

Q1 10 Revenue by Operating Group (C$MM)



* Corporate Services revenue $(112MM)

Q1 10 Net Income by Operating Group (C$MM)



* Corporate Services net income $(124MM)

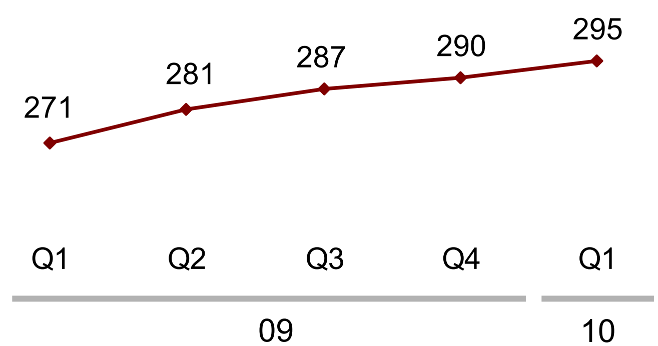
Personal & Commercial Banking - Canada

Continued strong revenue and net income growth

As Reported ($MM)	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	1,261	1,281	1,362	1,383	**1,411**	2%	12%
PCL	95	93	97	102	**120**	(20)%	(27)%
Expenses	704	692	735	706	**709**	-%	(1)%
Provision for Taxes	147	156	168	177	**179**	(1)%	(21)%
Net Income	**315**	**340**	**362**	**398**	**403**	1%	28%
Cash Productivity (%)	55.8	54.0	53.8	51.0	50.2		

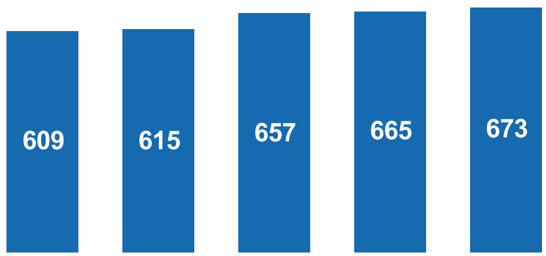
- Continue to deliver strong revenue growth of 11.8% and net income growth of 28.1% Y/Y.
- Maintaining strong margin while volume growth continues.
- Cash productivity expected to remain in the low 50 per cent range for 2010.
- Higher initiative and advertising costs funded by lower FTE as a result of expense initiatives.

Net Interest Margin
(bps)



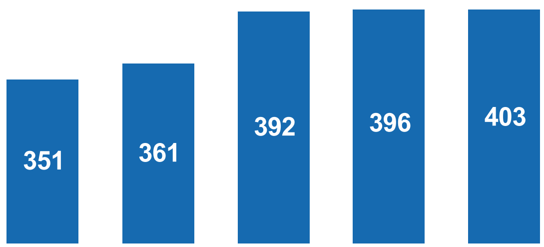
Personal & Commercial Banking - Canada

Revenue by Business ($MM)



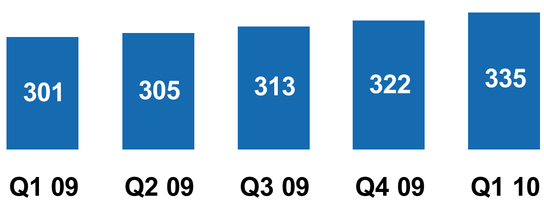
Personal (↑ $64MM or 10.2% Y/Y; ↑ $8MM or 1.0% Q/Q)

- Y/Y increase driven by volume growth in higher-spread loans and deposits, and actions to mitigate the impact of rising long-term funding costs in 2009, higher mutual funds revenue and loan and deposit fees.
- Q/Q increase driven by volume growth in personal loans.



Commercial (↑ $52MM or 14.8% Y/Y; ↑ $7MM or 1.9% Q/Q)

- Y/Y increase driven by volume growth in deposits, actions to mitigate the impact of rising long-term funding costs in 2009 and higher loan and deposit fees. Revenue also increased as a result of mark-to-market investment securities losses in the prior year.
- Q/Q volume growth in deposits.



Cards & Payment Service (↑ $34MM or 11.6% Y/Y; ↑ $13MM or 4.0% Q/Q)

- Y/Y and Q/Q increase due to balance growth and spread improvement, as well as the inclusion of one month of Diners Club results, partially offset by lower card fees.

"Personal" Includes Residential Mortgages, Personal Loans, Personal and Term Deposits, Mutual Funds and Insurance revenue sharing revenue

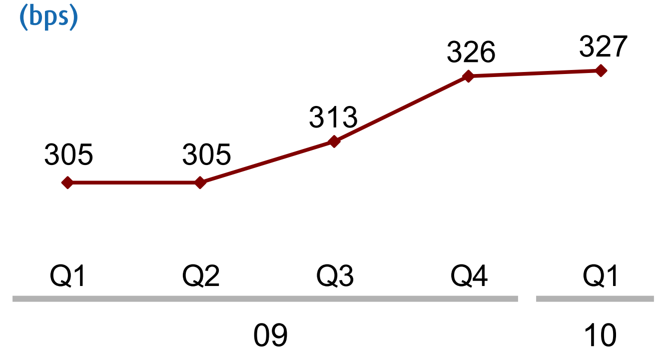
Personal & Commercial Banking - U.S.

Focusing on profitable loan growth & deposit generation while maintaining effective expense control

As Reported (US$MM)	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	244	235	245	249	**242**	(3)%	(1)%
PCL	15	14	15	15	**18**	(21)%	(21)%
Expenses	188	192	197	201	**200**	1%	(7)%
Provision for Taxes	13	12	11	12	**8**	27%	39%
Net Income	28	17	22	21	16	(26)%	(43)%
Cash Net Income	33	24	28	27	**20**	(25)%	(40)%
Core[1] Cash Net Income	41	37	41	37	**35**	(5)%	(14)%
Cash Productivity (%)	74.1	78.4	77.3	78.3	**80.5**		
Core[1] Cash Productivity (%)	70.7	71.6	70.3	73.2	**72.1**		

- Results impacted by increases in cost of managing impaired loans.
- Core cash productivity improved Q/Q.
- Net interest margin improvement driven by an increase in loan spreads and a decrease in asset levels, partially offset by deposit spread compression.
- Total deposits increased $1.0B or 5% Y/Y to $20.9B, which was primarily driven by an increase in Commercial Mid-Market deposits.

Net Interest Margin
(bps)



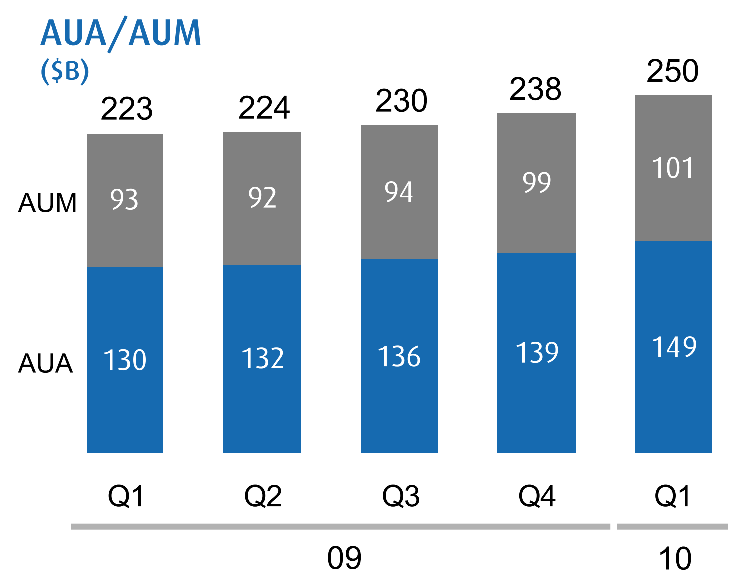
[1] Core: As reported results less impact of impaired loans, Visa and acquisition integration

Private Client Group

Continued momentum from attracting new client assets and improving equity markets

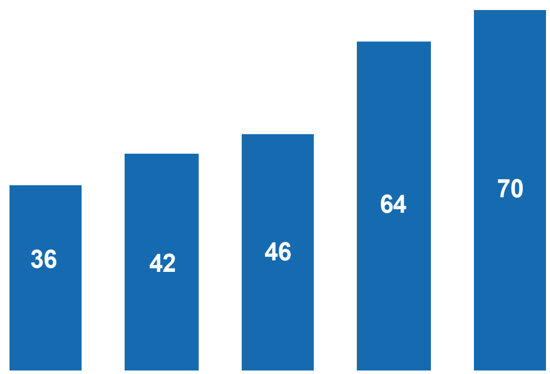
As Reported ($MM)	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	479	467	521	545	**550**	1%	15%
PCL	1	2	1	1	**2**	(35)%	(40)%
Expenses	394	370	402	403	**398**	2%	(1)%
Provision for Taxes	16	23	5	35	**37**	(7)%	(115)%
Net Income	**68**	**72**	**113**	**106**	**113**	8%	68%
Cash Productivity (%)	82.0	79.2	76.7	74.0	72.0		

- Y/Y all of our lines of business achieved revenue growth.
- Assets under management and assets under administration increased 18% over the prior year and 5% over the prior quarter in source currency.
- Cash productivity of 72.0% continues to improve, better than 82.0% a year ago and 74.0% in the preceding quarter.
- Q1 09 revenue included a charge of $17 million ($11 million after tax) associated with the decision to assist some of our U.S. clients by purchasing auction-rate securities from their accounts. Q3 09 benefited from a $23 million recovery of prior periods' income taxes.



Private Client Group

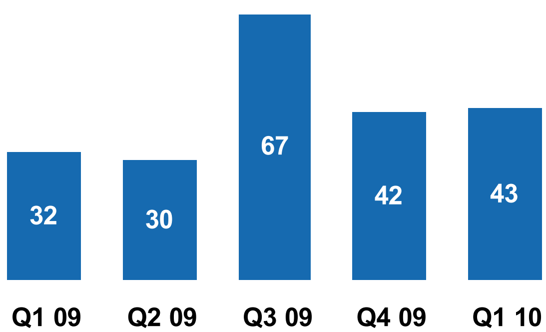
Net Income by Business ($MM)



PCG Excluding Insurance

(↑ $34MM or 93% Y/Y, ↑ $6MM or 11% Q/Q)

- Y/Y higher due to a focus on attracting new client assets, continued improvement in equity markets and active expense management. Net income grew across all businesses, in particular Full Service Investing, Mutual Funds and North American Private Banking. Results a year ago included a charge of $11 million after tax related to the decision to assist some of our US clients by purchasing auction-rate securities from their accounts.
- Q/Q higher due primarily to higher fee-based revenue in Full Service Investing, higher trust and investment revenue in North American Private Banking and higher mutual fund revenue, partially offset by lower commission revenue in the brokerage businesses.



Insurance

(↑ $11MM or 38% Y/Y, ↑ $1MM or 4% Q/Q)

- Y/Y higher due to the BMO Life Assurance acquisition which increased net income by $7 million.
- Q3 09 benefited from a $23 million recovery of prior periods' income taxes.

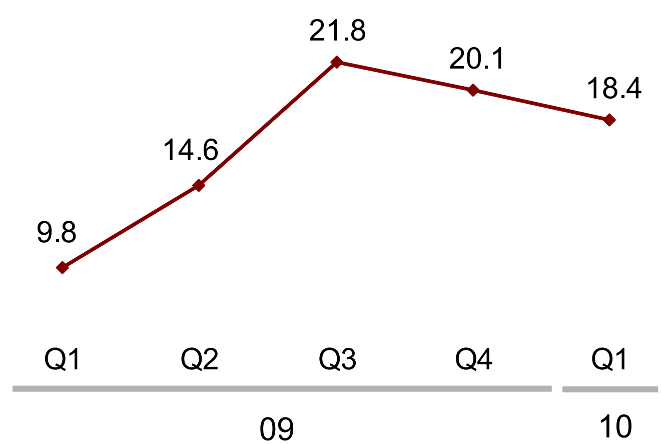
BMO Capital Markets

Continued strong revenue performance due to focus on clients and maintaining a diversified portfolio

As Reported ($MM)	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	727	812	1,033	894	**920**	3%	27%
PCL	42	44	43	41	**78**	(90)%	(83)%
Expenses	475	455	516	434	**500**	(15)%	(5)%
Provision for Taxes	33	66	130	131	**94**	28%	(+100)%
Net Income	**177**	**247**	**344**	**288**	**248**	(14)%	40%
Cash Productivity (%)	65.3	56.1	49.9	48.5	**54.4**		

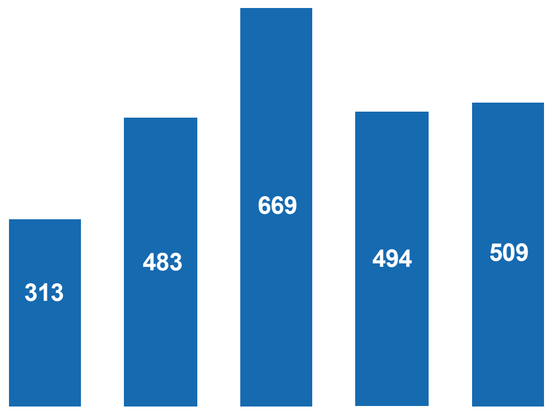
- Net securities gains, compared to large losses a year ago, and increased M&A, debt underwriting and lending fees.
- Expenses reflect higher variable compensation costs consistent with improved performance.

Cash Return on Equity (%)



BMO Capital Markets

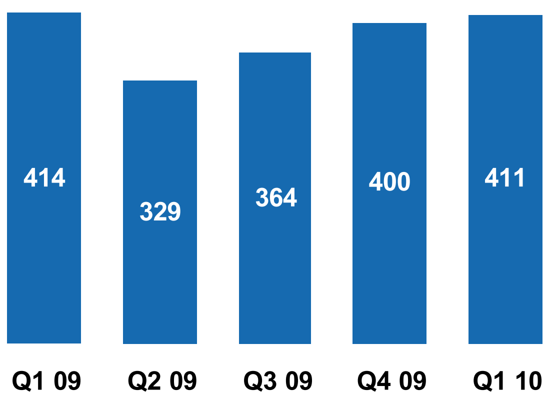
Revenue by Business ($MM)



Trading Products

(↑ $196MM or 63% Y/Y, ↑ $15MM or 3% Q/Q)

- Y/Y higher revenue as the prior year included significant negative valuation adjustments, including $248MM loss related to our credit protection vehicle. On an adjusted basis, trading revenues were elevated in Q1 09 as certain trading businesses took advantage of opportunities provided by market dislocation. In Q1 10, trading revenues were at more normal levels due to reduced opportunities from lower market volatility. There were also significantly reduced revenues from the interest-rate-sensitive businesses due to narrower spreads.
- Q/Q higher revenue primarily due to increased net investment securities gains, higher securities commissions, and higher debt underwriting fees, partially offset by lower interest rate trading revenue.



Investment & Corporate Banking

(↓ $3 MM or 1% Y/Y, ↑ $11MM or 3% Q/Q)

- Y/Y was relatively flat as lower corporate banking and global treasury NII was offset by increased lending fees and M&A activity.
- Q/Q higher revenue due to increased net investment securities gains on some of our merchant banking assets, higher M&A activity, and reduced MTM losses on credit derivatives used to hedge the loan portfolio, partially offset by decreased lending fees.

Corporate Services (Including Technology and Operations)

Revenue improvement and lower provision for credit losses driving improved bottom line

As Reported ($MM)	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	(324)	(197)	(210)	(103)	**(112)**	(10)%	65%
PCL – Specific	272	215	199	227	**114**	49%	58%
– General	-	-	60	-	**-**	-%	-%
Expenses	38	132	2	17	**20**	(21)%	51%
Provision for Taxes	(284)	(240)	(204)	(198)	**(141)**	(29)%	(51)%
Net Income	**(369)**	**(323)**	**(286)**	**(168)**	**(124)**	25%	66%

- Y/Y revenue improvement primarily attributable to a lower negative carry on certain asset-liability interest rate positions mainly as a result of management actions and a more stable market environment.
- Lower provisions for credit losses.

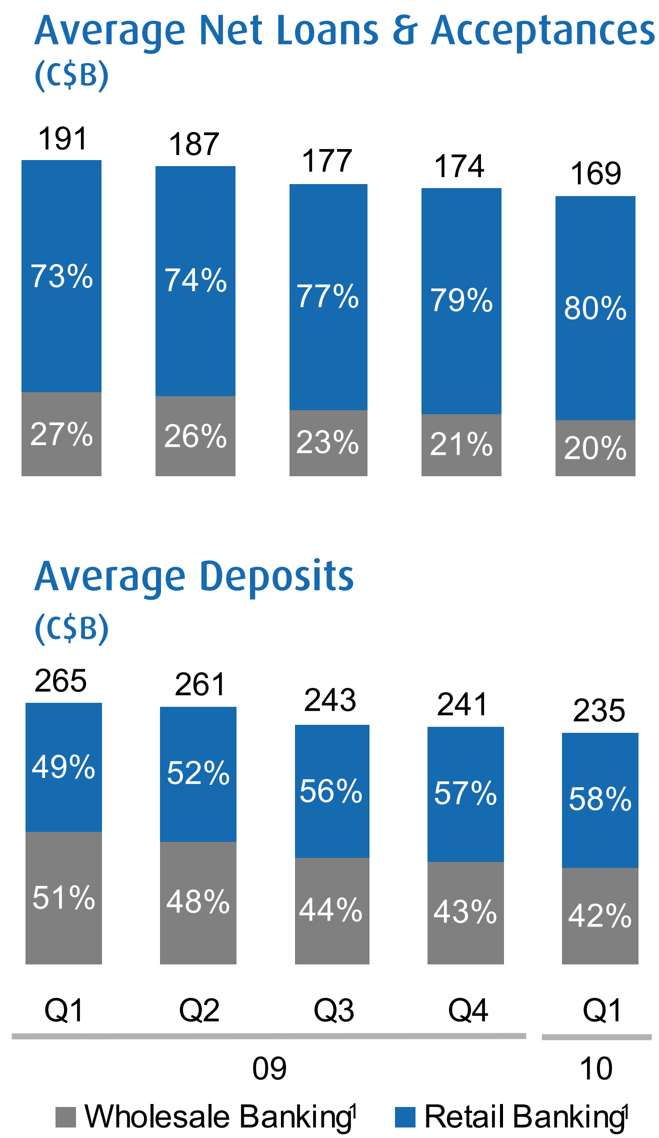
Balance Sheet

Average Net Loans & Acceptances
(↓ $5.1B Q/Q)

- Consumer instalment & other personal (↑ $0.9B)
- Credit cards (↑ $0.4B)
- Residential mortgages (↓ $2.6B)
- Businesses and governments (↓ $2.5B)
- Customers' liability under acceptances & allowance for credit losses (↓ $1.2B)
- Non-residential mortgages (↓ $0.1B)

Average Deposits
(↓ $5.5B Q/Q)

- Businesses and governments (↓ $4.5B)
- Individuals (↓ $0.7B)
- Banks, used in trading activities (↓ $0.3B)



[1] Corporate Services is included in Retail Banking's average net loans and acceptances, and in Wholesale Banking's average deposits

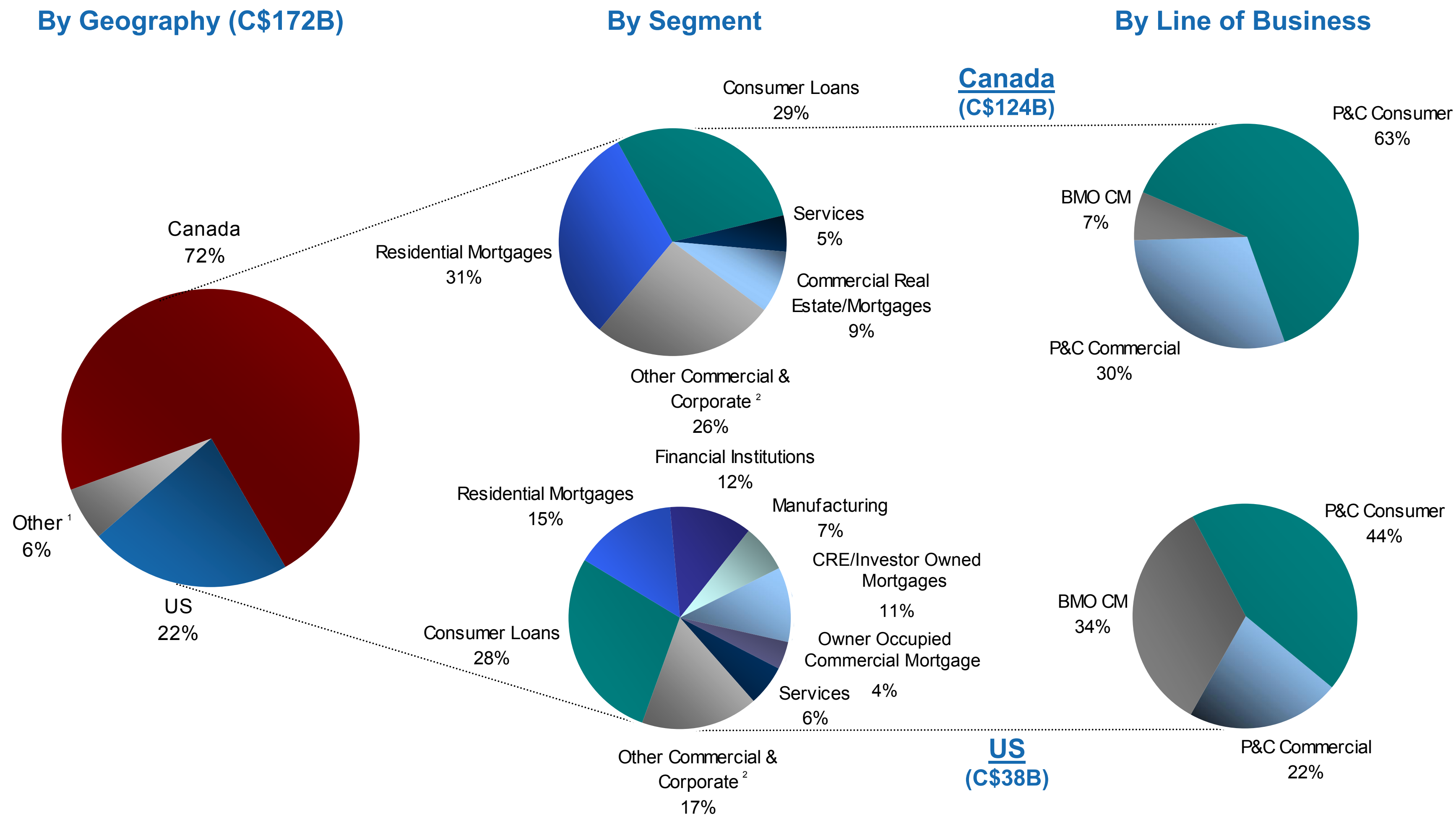
Risk Review

Q1|10

Tom Flynn
Executive Vice President & Chief Risk Officer
BMO Financial Group

Loan Portfolio - Well Diversified by Segment and Business

- Canadian and US portfolios well diversified. Canadian portfolio 72% of total, US 22%.
- P&C banking business represents the majority of loans, 85% of the Retail portfolio is secured in Canada and 99% in the US.

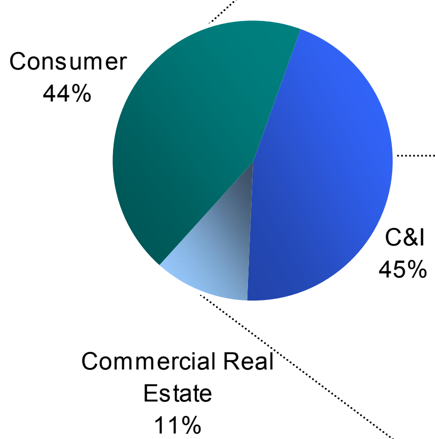


1 Other (C$10B) not shown in Portfolio Segmentation & Line of Business graphs.

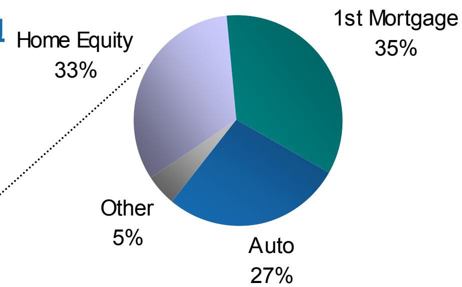
2 Other Commercial & Corporate includes Portfolio Segments that are each <5% of the total.

US Loan Portfolio – Well Diversified and Not Outsized Relative to Total Balance Sheet

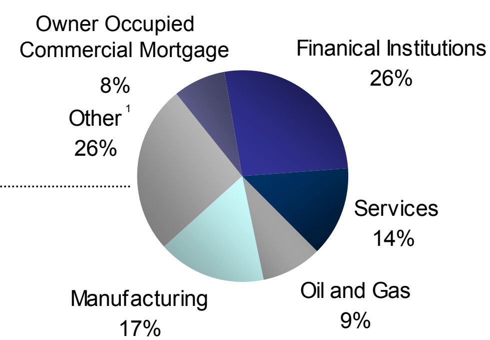
Total US Loans Outstanding
US $35.3B
22% of Consolidated Loans
(January 31, 2010)



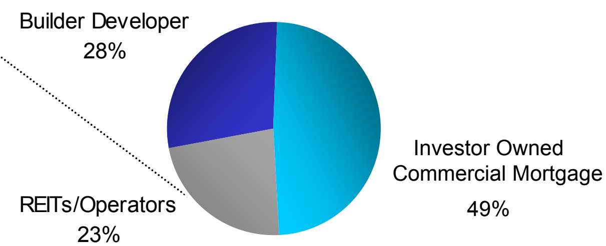
Consumer
(US$15.5B)



C&I
(US$15.9B)



Commercial Real Estate (CRE) /Investor Owned Mortgages
(US$3.9B)

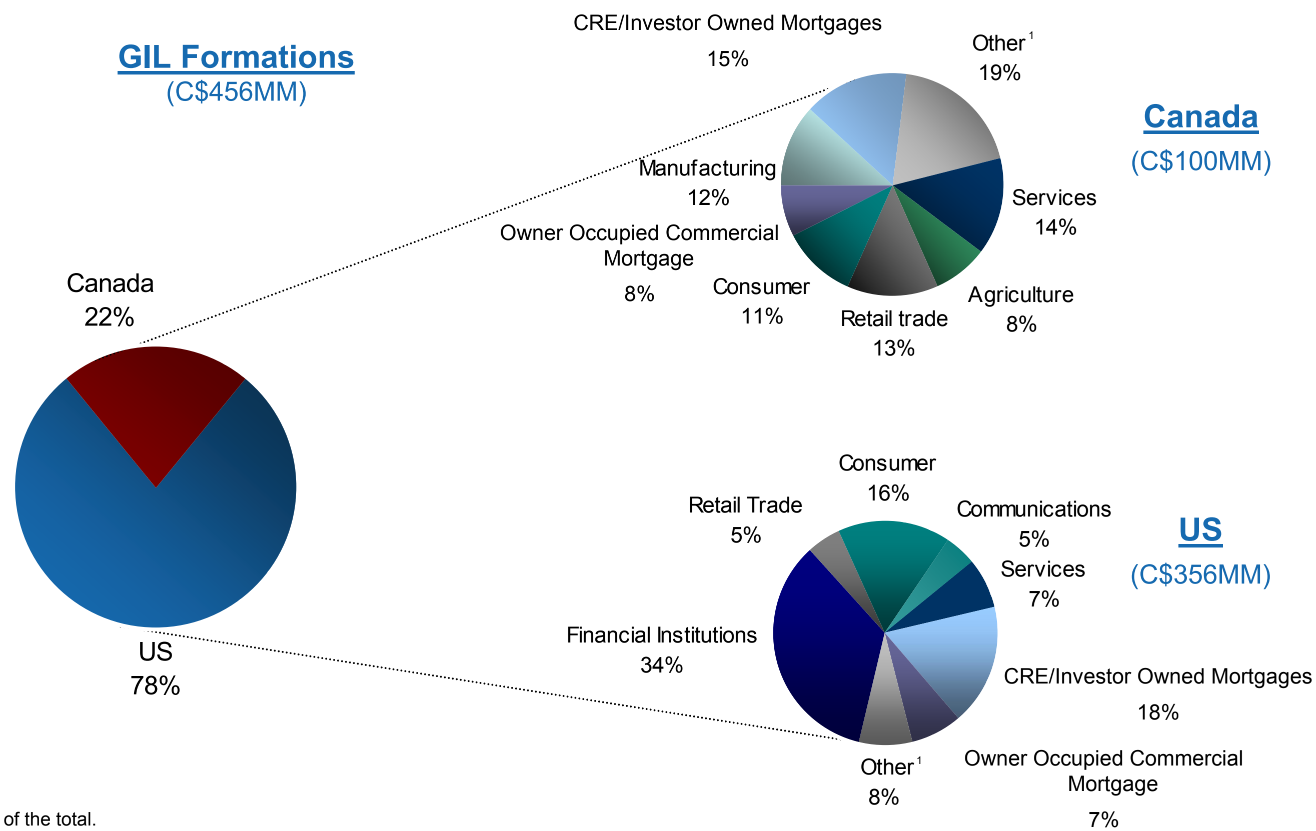


1 Other C&I includes Portfolio Segments that are each <5% of the total

- Consumer portfolios: $15.5B, performing better than US peer group although impacted by environment.
  - Residential real estate market remains stressed but our underwriting was more conservative than most and performance is better than peers.
  - Indirect Auto portfolio strong overall and relative to peers reflecting conservative underwriting.
- C&I portfolio: well diversified and performing reasonably considering environment.
- Commercial Real Estate/Investor Owned-Mortgages: $3.9B
  - Portfolio not that large at 2% of BMO loans and 11% of US loans.
  - The Investor-Owned Mortgage component at ~$2B, is 5% of the US total. Predominantly in the Illinois/Indiana/Wisconsin footprint and well diversified across Retail, Residential, Mixed Use, Office and Industrial. Prudent lending practices maintained. The portfolio is experiencing some negative migration given environment.
  - Developer portfolio continues to reduce and is ~3% of the total US portfolio. The portfolio continues to experience weakness due to housing market conditions.

Impaired Loans & Formations – Migration Continues but at a Slower Pace

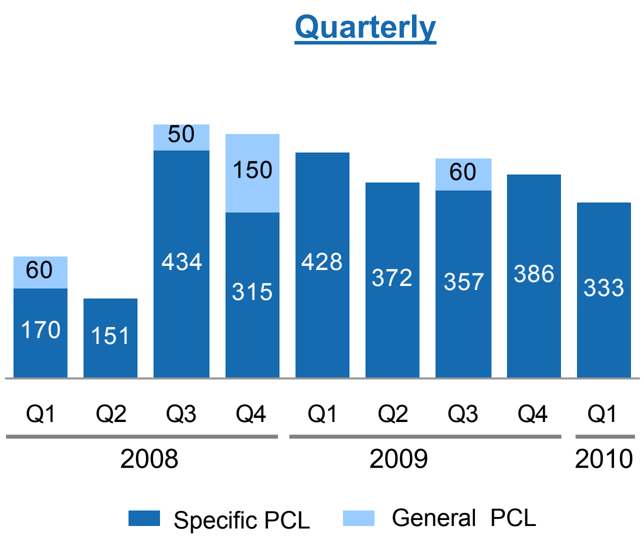
- Q1 '10 formations were lower quarter over quarter at $456MM (Q4: $735MM, F'09 $2,690MM). Migration is continuing although at a slower pace.
- Q1 '10 Canadian formations of $100MM (Q4 '09: $104MM, F'09 $422MM) were diversified across sectors with CRE/Investor Owned Mortgages the largest at 15%.
- Q1 '10 US formations of $356MM (Q4 '09: $605MM, F'09 $2,146MM) were diversified across C&I, Real Estate and Financials.
- Gross Impaired Loans down to $3.1B (Q4 '09: $3.3B).
  - Canada & Other balances account for 35%, US 65%. Largest segments in Canada are Consumer and Manufacturing. Largest segments in US are related to Commercial and Residential Real Estate.



1 Other includes Portfolio Segments that are each <5% of the total.

Provision for Credit Losses – Remain Elevated but Down Quarter Over Quarter

- Specific provisions are $333MM vs. $386MM last quarter.
- P&C Canada provisions were higher quarter over quarter, primarily in the consumer portfolio.
- P&C US provisions improved quarter over quarter but continue to be impacted by the weak economy and real estate markets.
- BMO Capital Markets provisions were down quarter over quarter and remain concentrated in the US.
- P&C Canada Consumer includes losses associated with securitized assets which are accounted for as negative NIR in Corporate and were $53MM for Q1 '10 (Q4 '09: $53MM, F'09: $172MM).



Business Segment (By Business Line Segment) (C$ MM)	Q1 '09	Q4 '09	Q1 '10
Consumer – P&C Canada	120	149	161
Commercial – P&C Canada	22	28	29
Total P&C Canada	**142**	**177**	**190**
Consumer – P&C US	44	72	58
Commercial – P&C US	148	77	73
Total P&C US	**192**	**149**	**131**
PCG [1]	**1**	**20**	**5**
Capital Markets Canada & Other	-	1	6
Capital Markets US	125	92	54
Total Capital Markets	**125**	**93**	**60**
Losses on Securitized Assets [2]	(32)	(53)	(53)
Specific Provisions	**428**	**386**	**333**
Change in General Allowance	-	-	-
Total PCL	**428**	**386**	**333**

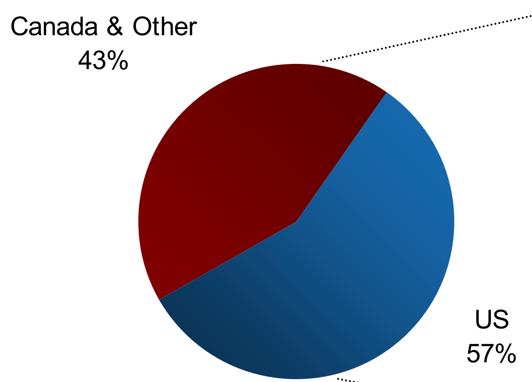
1 Substantially all PCG provisions are in the US.
2 Losses on securitized assets are included as negative NIR in corporate, not as PCL on the income statement.

Specific Provision Segmentation[1]

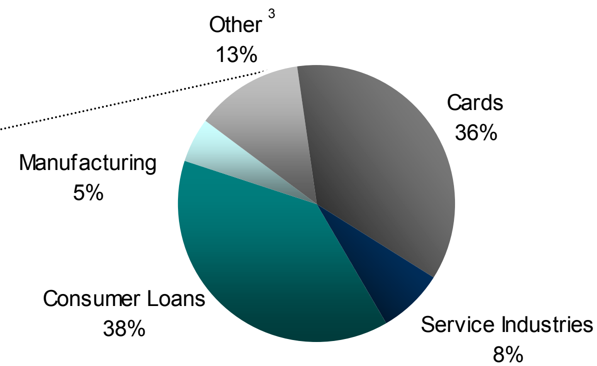
- Canadian provisions continue to be centered in the Consumer portfolio and are up from last quarter at $138MM (Q4 ‘09: $124MM). Commercial provisions are well diversified.
- US provisions were down to $190MM in Q1 ‘10 versus $261MM in Q4 ’09, largely due to lower Capital Markets provisions in the Manufacturing & Transportation segments.
- C&I represents largest component of US provisions with Consumer and real estate related accounting for the balance.

By Portfolio

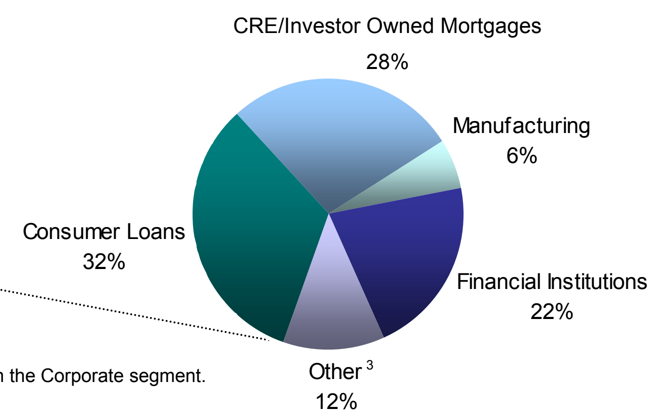
By Geography [2]
(C$333MM)



Canada
(C$138MM)



US
(C$190MM)



1 Excludes losses on securitized assets of $53MM in P&C Canada Consumer that are accounted for as negative NIR in the Corporate segment.

2 Other (C$5MM) not shown in portfolio segmentation graphs.

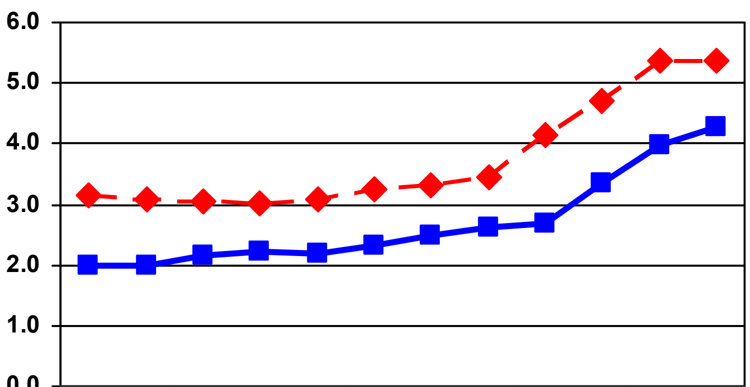
3 Other includes Portfolio Segments that are each <5% of the total.

Consumer Credit Performance – Strong Performance vs. Peers

Canadian Credit Performance

- Canadian performance remains strong relative to peers.
  - #1 performance in loan loss rates for personal products based on F2009 peer comparison[1].
  - Credit Card losses F2009 were 359bps and significantly better than other credit card issuers who averaged 538bps[2].
  - 85% of the Canadian Retail portfolio is secured; 88% excluding credit cards.

CBA/BMO Card Loan Loss Comparisons (%)



	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09
CBA	3.14	3.08	3.04	3.01	3.07	3.24	3.32	3.46	4.14	4.72	5.37	5.38
BMO	1.99	1.98	2.16	2.21	2.19	2.33	2.48	2.63	2.70	3.36	3.97	4.29

1 Peer comparison on Personal Loan products is to CBA.

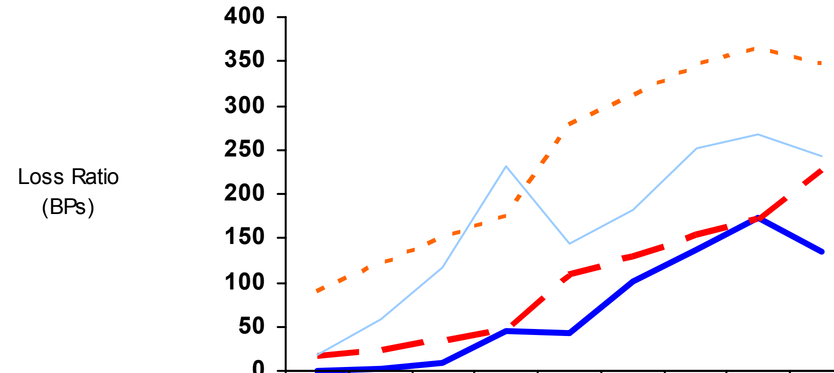
2 Including securitized assets, excluding losses due to fraud-consistent with industry comparative reporting practices. Peer group includes all Canadian Credit Card issuers as well as BMO.

US Credit Performance

- US Retail portfolio outperforming Risk Management Association (RMA) peers although higher given environment[1].
  - Residential Mortgages loan losses YTD F '10 134bps vs. RMA peer group loan losses of 226bps.
  - Home Equity YTD F '10 losses of 243bps vs. 348bps for RMA peers.
  - Indirect Auto loan losses YTD F '10 75bps vs. 170bps for RMA peers.
- 99% of the US Retail portfolio is secured.

First Mortgage and Home Equity Losses

(Quarterly Annualized)



	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10*
BMO Res Mtg	1	2	8	46	43	101	138	173	134
RMA Peer - Mtg	16	23	33	44	108	127	152	171	226
BMO Home Equity	19	58	116	232	143	183	251	268	243
RMA Peer - HE	91	122	151	175	278	312	346	366	348

1 RMA Peer represents 2 months loss through 11/30/09; Harris represents 3 months loss through 12/31/09.

APPENDIX

P&C Canada – Market Share & Product Balances

	Market Share (%)[1]	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10
Personal	Personal Loans	12.1	11.8	11.8	11.8	**11.8**
Personal	Residential Mortgages	9.9	9.8	9.5	9.3	**9.2**
Personal	Personal Deposits[2]	12.2	12.4	12.3	12.3	**12.2**
Personal	Mutual Funds	13.0	12.7	12.9	13.3	**13.5**
Commercial	$0 - $1MM	19.1	19.2	19.2	18.9	**18.7**
Commercial	$1 - $5MM	20.7	20.7	20.9	20.8	**20.9**
Commercial	$0 - $5MM	19.9	20.0	20.1	19.9	**19.8**

	Balances ($B) (Owned & Managed)	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10
Personal	Personal Loans	28.7	29.1	30.0	31.3	**32.4**
Personal	Residential Mortgages	64.9	64.1	64.0	64.1	**63.9**
Personal	Personal Deposits	63.2	66.5	67.0	67.2	**66.7**
Personal	Cards	7.6	7.4	7.6	7.8	**8.1**
Commercial	Commercial Loans & Acceptances	35.1	35.3	34.8	34.3	**34.1**
Commercial	Commercial Deposits	29.2	28.7	29.5	30.5	**31.5**

Sources: Mutual Funds – IFIC, Consumer Loans, Residential Mortgages & Personal Deposits – Bank of Canada
[1]Personal share statistics are issued on a one-month lag basis. (Q1 10: December 2009)
Business loans (Banks) data is issued by CBA on a one calendar quarter lag basis (Q1 10: September 2009)
[2]Personal deposits market share is restated based on Bank of Canada data

P&C U.S. – Product Balances

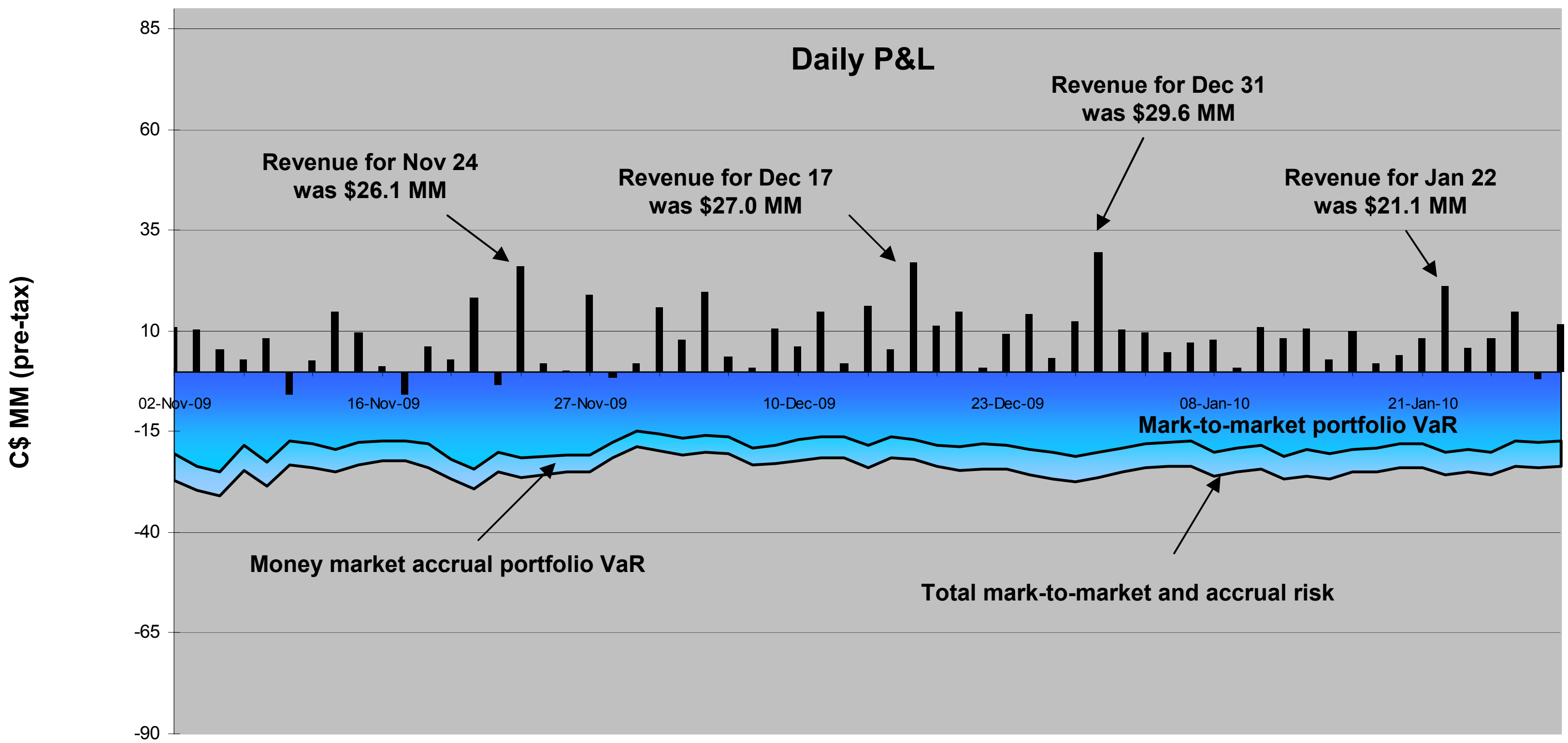
Personal Products – Average Balances (US$B)	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10
Mortgages	5.5	5.6	5.2	4.9	**4.6**
Other Personal Loans	5.2	5.2	5.2	5.2	**5.2**
Indirect Auto	4.5	4.3	4.1	4.1	**4.2**
Deposits	14.6	15.3	15.1	14.7	**14.6**

Commercial Products – Average Balances (US$B)	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10
Commercial Loans	7.4	7.1	7.0	6.7	**6.5**
Commercial Deposits	5.3	5.7	6.0	5.8	**6.3**

- Retail loans had an increase of over 80% for mortgage and auto originations over last year with portfolio balances reflecting secondary market mortgage sales and ongoing amortization.
- Total deposits increased $1.0B or 5% Y/Y to $20.9B, which was primarily driven by an increase in Commercial Mid-Market deposits.

Trading & Underwriting Net Revenues vs. Market Value Exposure

November 2, 2009 to January 29, 2010 (Presented on a Pre-Tax Basis)



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

- **November 24 – CAD $26.1MM:** Primarily reflects revenues from normal trading activity.
- **December 17 – CAD $27.0MM:** Primarily reflects recognition of credit valuation adjustments and revenues from normal trading activity.
- **December 31 – CAD$29.6MM:** Primarily reflects revenues from normal trading activity and month end valuation updates.
- **January 22 – CAD $21.1MM:** Primarily reflects revenues from normal trading activity.

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