

2008 Highlights

BMO's annual report provides our shareholders with the information they need to make sense of our business. The following chart presents a snapshot of our financial performance and business growth, customer satisfaction and risk management, as well as corporate governance and responsibility. It also refers readers to more detailed information within the annual report.

FINANCIAL PERFORMANCE P 26, 34

- Net income of \$1,978 million compared with \$2,131 million a year ago.
- Earnings per share of \$3.76 compared with \$4.11 a year ago.
- Return on equity of 13.0% compared with 14.4% a year ago.

BUSINESS GROWTH

- P&C Canada earned \$1,320 million with higher revenues and earnings in each quarter of the year, demonstrating tangible progress on our strategic agenda.
- P&C U.S. earned \$96 million by growing revenues and effectively managing costs. We successfully completed the integration of our Wisconsin acquisitions.
- PCG earned \$395 million, matching the record results of a year ago despite difficult markets. We continue to invest for future growth while actively managing expenses.
- BMO Capital Markets earned \$692 million in a very difficult capital market environment with good results in a number of our core businesses.

CUSTOMER SATISFACTION

- P&C Canada grew our customer base, improved customer loyalty scores and established individual performance scorecard standards to measure our success.
- P&C U.S.'s multi-year transformation program is enhancing the customer experience and improving front-line and operating efficiency. We increased our market presence by expanding our commercial sales force, and increased our number of branches to over 280.
- PCG expanded the number of sales and sales support roles, invested in technology, and expanded our asset management capabilities by completing the acquisition of U.K.-based Pyrford International plc.
- BMO Capital Markets continued to identify growth opportunities for our core clients; enhanced the expertise we offer to our clients as demonstrated through the acquisition of Griffin, Kubik, Stephens & Thompson, Inc., a Chicago-based municipal bond dealer; and expanded our international presence, opening an office in Mumbai¹, India. We now operate in locations across North America, Europe, Asia, Australia and South America.

RISK MANAGEMENT P 14, 73

- Strengthened risk management capabilities as part of our Risk Evolution Initiative.
- Acted to reduce risk in some of our capital markets businesses.
- Maintained strong capital ratios that are well in excess of our target levels.

CORPORATE GOVERNANCE P 17

- We remain committed to conducting our business honestly and transparently, acting in accordance with our framework for sound corporate governance. *FirstPrinciples*, our code of business conduct and ethics, is the foundation of our employee governance framework.
- BMO is effectively positioned to meet regulatory requirements and respond to emerging compliance risks on a timely basis.
- For the sixth consecutive year, BMO Financial Group was recognized for its leadership in corporate social responsibility, ranked by Corporate Knights as one of the Best 50 Corporate Citizens.

CORPORATE RESPONSIBILITY P 20

- One of two Canadian banks named in the Carbon Disclosure Leadership Index, signifying distinction in the level of awareness of the risks and opportunities associated with climate change.
- Released BMO's Environmental Policy and Action Plan.

¹ Office in Mumbai opened in November 2008.