

## TRANSACTION PROFILE: OZAUKEE/BMO FINANCIAL

### Ozaukee Bank Agrees to Merge with BMO Financial (BMO)/Harris Bank for \$193 Million

Hovde Financial is pleased to announce the terms of the signing of a merger agreement between our client, \$694 million asset size Cedarburg, Wisconsin-based Ozaukee Bank ("Ozaukee") and \$356.5 billion asset size Toronto, Canada-based BMO Financial, Inc. (TSX; NYSE: BMO). Ozaukee Bank locations will be converted into Harris N.A. branches, BMO's U.S. subsidiary, which has more than 230 locations in Illinois and Indiana and has affiliated wealth management offices in Arizona, California, Florida, Georgia, Virginia and Washington. With \$42 billion in assets and \$29 billion in deposits, Harris Bank is the 2nd largest bank based on branches in the Chicago MSA. Harris Bank will expand its footprint into the state of Wisconsin with six new locations throughout the Milwaukee MSA. Ozaukee operates branches in the north suburban communities of Cedarburg, Mequon, Thiensville, Port Washington, Grafton, and West Bend. With the merger, Harris Bank will enter at #1 and #14 in deposit market share rankings in Ozaukee County and the Milwaukee MSA, respectively.

Ozaukee shareholders will receive approximately \$190 million in BMO stock in a 100% stock transaction, plus a special cash dividend at closing estimated to be approximately \$3.0 million. Using March 31, 2007 financial data, the \$193.0 million deal value equates to 3.75x stated book value, 3.93x tangible book value, 22.3x Ozaukee's trailing 12-month earnings, a 30.4% premium-to-core deposits, and 27.8% of Ozaukee's total assets. This deal results in highest price-to-book and price-to-tangible book ratio ever paid in the state of Wisconsin. Hovde both initiated this transaction and served as Ozaukee's exclusive financial advisor.

Since January 1, 1997, Hovde's clients have garnered the highest pricing multiples in the state on a price-to-book, price-to-tangible book, price-to-LTM earnings, premium-to-core deposits, and price-to-assets basis.

This is the 23rd sell-side transaction that Hovde has announced since 2005 in the Midwest region (the most of any financial advisor).

### About Hovde Financial

Hovde Financial is a nationwide investment bank focused exclusively on the financial services industry, specializing in providing a variety of investment banking and financial advisory services to community banks and thrifts. Founded in 1987, the firm has been a financial advisor in 275 merger and acquisition transactions for an aggregate deal value of over \$20 billion. In addition, Hovde has advised on approximately \$5.5 billion in branch transactions. Client-driven and results-oriented, the firm's experienced principals and bankers are committed to providing superior, value-added advice.

## TRANSACTION PROFILE

HOVDE FINANCIAL IS PLEASED TO ANNOUNCE

### Ozaukee Bank - Cedarburg, WI

Has Agreed To Be Acquired By

### BMO Financial / Harris Bank - Toronto, Canada

Hovde Financial Both Initiated This Transaction and Served as Exclusive Financial Advisor to Ozaukee Bank

#### Overview of the Deal

- Toronto, Canada-based BMO Financial, Inc. (NASDAQ: BMO), holding company for Chicago, IL-based Harris Bank, expands its footprint into the state of Wisconsin and the Milwaukee MSA with the announced signing of a definitive agreement to acquire Cedarburg, WI-based Ozaukee Bancshares, Inc. in an all-stock transaction valued at \$190 million, plus a special cash dividend at closing based upon the amount of earnings of the Bank from March 31, 2007 through closing (estimated to occur at the end of November). The special dividend is estimated to be approximately \$3.0 million, and is in addition to the Bank's quarterly dividend of approximately \$980,000.
- Based on the total deal value of \$193 million (total deal value plus estimated earnings to close), this price is 3.8x stated book value, 3.9x tangible book value, 22.3x Ozaukee's LTM earnings, 30% premium to core deposits and 28% price-to-assets.
- This transaction represents ***the highest pricing multiples ever paid*** for a Wisconsin bank on a price-to-book and price-to-tangible book basis. On a price-to-earnings basis (22.3x), this transaction is the highest multiple paid since 1999, when Hovde handled the sale of FCB Financial (24.5x) and F&M Bancorp (23.8x), respectively.
- This is the 23rd sell-side transaction Hovde has announced since 2005 in the Midwest (*the most of any financial advisor*).

#### Pro Forma Branch Map



#### Transaction Pricing

Aggregate Deal Price (millions)	\$193.0
Announced Date	July 10, 2006
Anticipated Closing Date	Q4 2006
Form of Consideration	100% Stock
Consideration Structure	Variable Price
Price-to-Book Value	375.0%
Price-to-Tangible Book	393.4%
Price-to-LTM Earnings	22.3x
Premium-to-Core Deposits	30.4%
Price-to-Total Assets	27.8%

#### Buyer and Seller Financial Information

Financial Data for each as of 03/31/2007

#### Pro Forma Market Share - Milwaukee MSA

Rank	Institution	Branch Count	2006	
			Total Deposits in Market (\$000)	Total Market Share (%)
1	Marshall & Ilsley Corp. (WI)	62	11,401,063	29.05
2	U.S. Bancorp (MN)	48	7,772,493	19.80
3	JPMorgan Chase & Co. (NY)	31	2,656,586	6.77
4	Associated Banc-Corp (WI)	51	2,170,379	5.53
5	National City Corp. (OH)	23	1,280,637	3.26
6	Wauwatosa Holdings Inc. (MHC) (WI)	9	1,086,044	2.77
7	Guaranty Financial Corp. (MHC) (WI)	39	989,349	2.52
8	Bank Mutual Corp. (WI)	22	915,374	2.33
9	North Shore Bank FSB (WI)	20	783,038	2.00
10	Bankmanagers Corporation (WI)	8	624,655	1.59
11	Merchants and Manufacturers (WI)	27	618,860	1.58
12	Tri City Bankshares Corp. (WI)	35	597,355	1.52
13	Wells Fargo & Co. (CA)	13	596,963	1.52
14	<b>BMO Financial / Ozaukee Bank</b>	<b>7</b>	<b>555,050</b>	<b>1.41</b>
15	Equitable Bank SSB (WI)	13	259,376	1.32

	BMO Financial / Harris Bank	Ozaukee Bank
Headquarters	Toronto, Canada	Cedarburg, WI
Ticker	BMO	NA
States of Operation (branches)	Nationwide	WI(7)
Total Assets (\$000)	356,527,000	694,426
Total Deposits (\$000)	221,615,000	561,447
Core Deposits (\$000)	221,615,000	473,440
Total Equity (\$000)	15,421,000	51,464
Tangible Equity (\$000)	13,995,000	49,054
LTM Net Income (\$000)	2,425,000	8,657
LTM ROAA (%)	0.67	1.40
LTM ROAE (%)	7.03	18.71
Efficiency Ratio (%)	59.09	50.42
Non-Interest Income / AA (%)	0.56	0.82
Net Interest Margin (%)	3.32	3.80
NPAs / Assets (%)	1.55	1.48
Equity / Assets Ratio (%)	4.33	7.41