Investor Presentation

Q4 | 11

December 6 • 2011

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 2012 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; weak, volatile or illiquid capital and/or credit markets; interest rate and currency value fluctuations; changes in monetary, fiscal, interest rate or economic policy; the degree of competition in the geographic and business areas in which we operate; changes in laws or in supervisory expectations or requirements, including capital and liquidity requirements and guidance; 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 markets activities; the possible effects on our business of war or terrorist activities; disease or illness that affects local, national or international economies; disruptions to public infrastructure, such as transportation, communications, power or water supply; and technological changes.

With respect to the M&I transaction, such factors include, but are not limited to: the possibility that the anticipated benefits from the transaction such as it being accretive to earnings and other impacts on earnings, expanding our North American presence and synergies are not realized in the time frame anticipated or at all as a result of changes in general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations (including changes to capital requirements) and their enforcement, and the degree of competition in the geographic and business areas in which the combined businesses now operate; the ability to promptly and effectively integrate the businesses of M&I and BMO; reputational risks and the reaction of M&I's customers to the transaction; diversion of management time on integration and restructuring related issues; and increased exposure to exchange rate fluctuations. A significant amount of M&I's business involved making loans or otherwise committing resources to specific companies, industries or geographic areas. Unforeseen events affecting such borrowers, industries or geographic areas could have a material adverse effect on the performance of our integrated U.S. operations. Our anticipation that annual cost savings from the integration of M&I and BMO will exceed US$300 million is based on the assumption that changes to business operations and support infrastructure and staffing will be consistent with our plans and that our expectations for business volumes are met. Our anticipation that the M&I acquisition will be accretive to adjusted earnings per share in 2012 is based on the assumption that results in 2012 will be consistent with our expectations based on our experience since the acquisition, our expectations for the economy and anticipated savings from integration and restructuring in 2012.

We caution that the foregoing list is not exhaustive of all possible factors. Other factors could adversely affect our results. For more information, please see the discussion on pages 30 and 31 of BMO's 2011 MD&A, which outlines in detail certain key factors that may affect Bank of Montreal'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 statements, 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.

In calculating the pro-forma impact of Basel III on our regulatory capital and regulatory capital ratios, we have assumed our interpretation of the proposed rules announced by the Basel Committee on Banking Supervision (BCBS) as of this date and our models used to assess those requirements are consistent with the final requirements that will be promulgated by BCBS and the Office of the Superintendent of Financial Institutions Canada (OSFI). We have also assumed that the proposed changes affecting capital deductions, risk-weighted assets, the regulatory capital treatment for non-common share capital instruments (i.e. grandfathered capital instruments) and the minimum regulatory capital ratios are adopted as proposed by BCBS and OSFI. We also assumed that existing capital instruments that are non-Basel III compliant but are Basel II compliant can be fully included in such estimates. The full impact of the Basel III proposals has been quantified based on our financial and risk positions at October 31 or as close to October 31 as was practical. The impacts of the changes from IFRS are based on our analysis to date, as set out in Transition to International Financial Reporting Standards in the Future Changes in Accounting Policies – IFRS section in our 2011 MD&A and later in this document. In setting out the expectation that we will be able to refinance certain capital instruments in the future, as and when necessary to meet regulatory capital requirements, we have assumed that factors beyond our control, including the state of the economic and capital markets environment, will not impair our ability to do so.

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 are material factors we consider when determining our strategic priorities, objectives and expectations for our business. In determining our expectations for economic growth, both broadly and in the financial services sector, we primarily consider historical economic data provided by the Canadian and U.S. governments and their agencies.

Non-GAAP Measures

Bank of Montreal uses both GAAP and non-GAAP measures to assess performance. Readers are cautioned that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings under GAAP and are unlikely to be comparable to similar measures used by other companies. Reconciliations of GAAP to non-GAAP measures as well as the rationale for their use can be found in Bank of Montreal's Fourth Quarter 2011 Earnings Release and Bank of Montreal's 2011 Management's Discussion and Analysis, all of which are available on our website at www.bmo.com/investorrelations.

Examples of non-GAAP amounts or measures include: productivity and leverage ratios; revenue and other measures presented on a taxable equivalent basis (teb); amounts presented net of applicable taxes; adjusted net income, revenues, provision for credit losses, earnings per share, ROE, productivity ratio and other adjusted measures which exclude the impact of certain items such as integration costs, amortization of acquisition related intangibles and charges for foreign exchange on hedges.

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

Strategic Highlights

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Bill Downe
President & Chief Executive Officer
BMO Financial Group

December 6 • 2011

2011 A Year of Progress

Strategic Priorities

1	Drive quality earnings growth across all North American **personal and commercial banking businesses**, by focusing on industry-leading customer experience and enhancing operating and sales force productivity.
2	Accelerate the growth of our **wealth management businesses** by helping our broad range of clients meet all their wealth management needs and by continuing to invest in our North American and global operations
3	Build deeper client relationships in our **capital markets business** to deliver growth in net income and strong ROE, while maintaining an appropriate risk / return profile
4	Develop our business in **select global markets** to grow with our clients, expand our capabilities and reach new customers.
5	Sustain a **culture** that focuses on customers, high performance and our people.

Relentless Customer Focus

- Remain focused on our strategy and our customers
- Acquisitions contributed substantially to growing our customer base

Brand Underpins Customer Strategy

- Maximize the strength of our brand to drive growth
- Introduction of BMO Harris Bank

Sustain a Culture of Excellence

- Strengthened Leadership
- Sustain a culture that supports our strategic agenda and is deeply rooted across the organization

Financial Results

Fourth quarter financial results contributed to strong 2011 performance

C$ millions unless otherwise indicated

	Q4 11	F2011
Revenue	3,881	13,718
PCL	290	857
Expense	2,425	8,605
Net Income	897	3,266
EPS ($)	1.34	5.26
ROE (%)	14.3	15.3
Adjusted[1]		
Revenue	3,610	13,467
Net Income	850	3,281
EPS ($)	1.27	5.29
Productivity Ratio (%)	64.8	62.4

- Q4 revenue growth 20% driven by acquisitions; over 80% of adjusted operating revenues and net income from retail businesses
- F2011 adjusted net income growth of 15% with revenues up 10%
- $5.1 billion in annual pre-provision pre-tax earnings reaches new high
- Remain well capitalized; pro forma Basel III ratio of 6.9%[2]

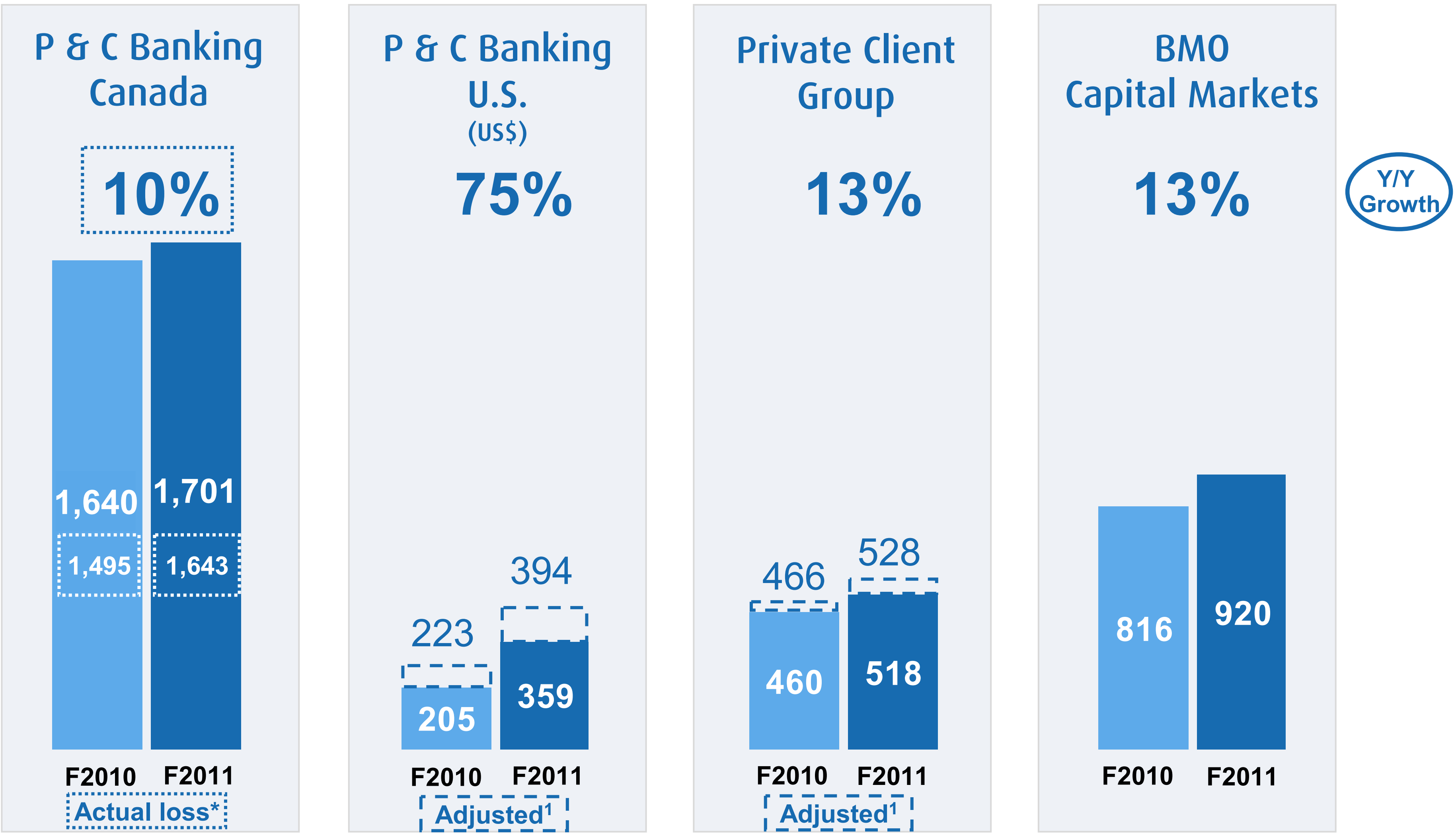
[1] Items excluded from fourth quarter 2011 results in the determination of adjusted results totalled $47 million after tax, comprised of a $107 million after-tax net benefit of credit-related items in respect of the acquired Marshall & Ilsley Corporation (M&I) loan portfolio (including $271 million in net interest income, net of provisions for credit losses of $98 million); costs of $53 million ($35 million after tax) for the integration and restructuring of the acquired business; and a $34 million ($25 million after tax) charge for amortization of acquisition-related intangible assets on all acquisitions. For further details on Q4 11 and F2011 adjusted results and non-GAAP measures, see page 21 of BMO's Fourth Quarter Earnings Release and pages 34 and 94 of BMO's 2011 annual Management Discussion & Analysis

[2] Estimates based on announced Basel III 2019 rules and the impact of adoption of IFRS. For further details regarding assumptions and factors used in our calculations refer to pages 6 and 13 of Bank of Montreal's Fourth Quarter 2011 Earnings Release and the Enterprise-Wide Capital Management section on pages 61-65 in our 2011 annual MD&A

Operating Group Performance

Annual Group Net Income *

C$ millions unless otherwise indicated



* P&C U.S. net income figures in US dollars; all others in Canadian dollars; P&C CAD Y/Y reported net income growth of 4%

[1] Note: Adjusted measures are non-GAAP measures. See slide 2 of this document, pages 34 and 94 of BMO's 2011 annual MD&A and page 21 of BMO's Fourth Quarter Earnings Release

North American Markets

	Canada			U.S.
	Western	Central	Atlantic	IL, WI, MN, KS, MO, IN
GDP ($B)	584.5	931.8	99.0	1,816.7
Population (millions)	10.7	21.3	2.4	39.2
Unemployment Rate (%)	5.9	8.0	10.1	8.5
Avg. Annual Earnings ($)	46,850	44,000	41,450	43,500

- Support from low interest rates, firm commodity prices and gradual pickup in U.S. demand expected to sustain growth
- Canada national unemployment rate of 7.4%

- Recent U.S. data encouraging; Midwest expected to grow slightly faster than national average
- U.S. national unemployment rate at 8.6%

Source: BMO Economics, December 2, 2011

Financial Results

Q4|11

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

December 6th • 2011

Q4 2011 - Financial Highlights

Q4 results reflect execution of strategy and benefits of diversification

	Revenue	Net Income	EPS	ROE	Productivity	Operating Leverage	Specific PCL	Common Equity Ratio (Basel II)
Reported Results	**$3,881MM**	**$897MM**	**$1.34**	**14.3%**	**62.5%**	**0.2%**	**$210MM**	**9.6%**
Adjusted Results	**$3,610MM**	**$850MM**	**$1.27**	**13.5%**	**64.8%**	**(4.4%)**	**$192MM**	**9.6%**

- Adjusted net income up 14% Y/Y, benefitting from full quarter contribution from acquired M&I business
  - P&C Canada results reflect continued (though lower) volume growth across most products
  - P&C US results reflect benefit of the acquired business
  - Continued growth in underlying businesses in PCG
  - BMO CM results lower given market environment
- The acquired M&I business contributed $148MM of adjusted net income in Q4
- Adjusted EPS up 1%, reflecting shares issued for acquisition
- Reported net income up 21% Y/Y
- Adjustments in the quarter were (all after tax):
  - credit mark related items in respect of the acquired loan portfolio of $107MM; integration and restructuring costs of $(35)MM; and amortization of acquisition-related intangibles of $(25)MM

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94 of our 2011 annual MD&A and page 22 of our Fourth Quarter 2011 Earnings Release. For details on adjustments refer to slide 29

F2011 - Financial Highlights

Good annual performance with double digit income growth overall and in all operating groups

	Revenue	Net Income	EPS	ROE	Productivity	Operating Leverage	Specific PCL	Common Equity Ratio (Basel II)
Reported Results	**$13,718MM**	**$3,266MM**	**$5.26**	**15.3%**	**62.7%**	**(1.1)%**	**$819MM**	**9.6%**
Adjusted Results	**$13,467MM**	**$3,281MM**	**$5.29**	**15.3%**	**62.4%**	**(1.0)%**	**$801MM**	**9.6%**

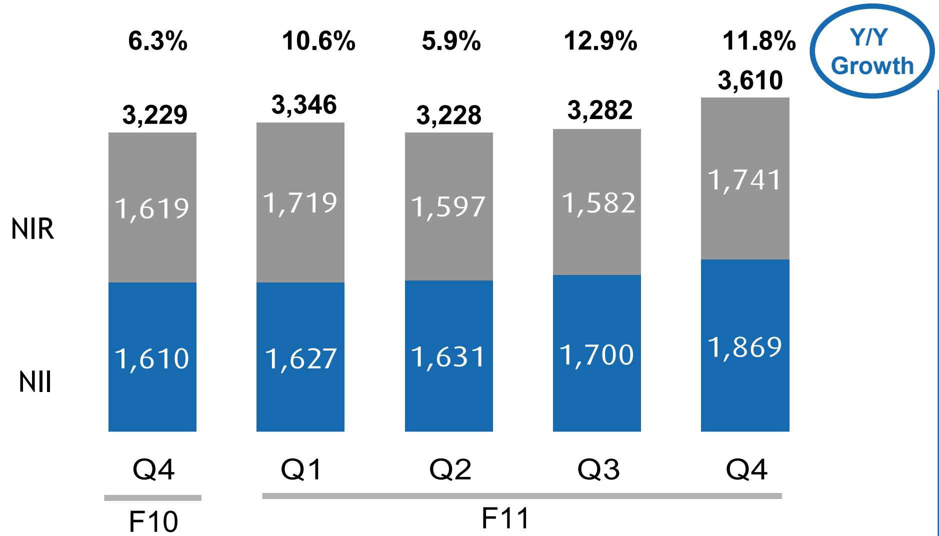
- Record reported net income, EPS and net income in each operating group
- Adjusted net income of $3.3B up 15% Y/Y and double digit growth in each group:
  - P&C Canada of $1,710MM up 4% and 10% on an actual loss basis
  - P&C US of US$394MM, substantial increase Y/Y. Excluding the acquired business, up 13%
  - PCG of $528MM, up 13%
  - BMO CM of $920MM, up 13%
- Adjusted EPS up 10% Y/Y
- The acquired M&I business contributed adjusted net income of $180MM
- Strong reported pre-provision pre-tax contribution of $5.1B, up 11% Y/Y
- Credit results improved from a year ago
- Reported net income up 16% Y/Y
- Adjustments for the year were (all after-tax):
  - Credit-related items in respect of the acquired loan portfolio of $107MM; integration and restructuring costs of $(84)MM; amortization of acquisition-related intangibles of $(54)MM; decrease in the ex M&I general allowance of $30MM; charge for hedge of fx risk on the purchase of M&I of $(14)MM

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94 of our 2011 annual MD&A and page 22 of our Fourth Quarter 2011 Earnings Release. For details on adjustments refer to slide 29

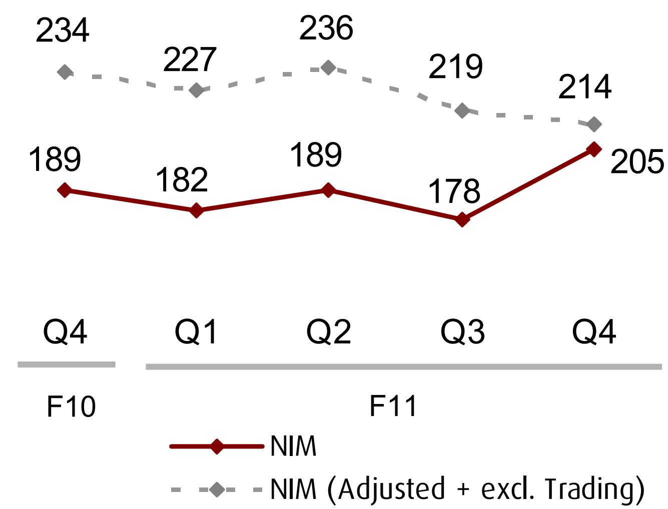
Revenue

Strong year over year revenue growth

Total Bank Adjusted Revenue (C$MM)



Net Interest Margin (bps)



- Q4 adjusted revenue up 12% Y/Y
  - NII up 16% reflecting results from the acquired business, increases across our retail businesses partially offset by reduced interest rate trading revenues and margins in BMO CM
  - NIR up 8% mainly due to the acquired business partially offset by declines in BMO CM trading revenues
  - Revenue down 4.1%, ex M&I, including 1.0% due to the weaker U.S. dollar. Decline in BMO CM, growth in all other businesses
- Q4 adjusted revenue up 10% Q/Q
  - Revenues from M&I up $390MM (full quarter in Q4 vs. 26 days in Q3)
  - Partially offset by lower Capital Markets revenues
  - Q/Q revenue down 2.0% ex M&I. The stronger U.S. dollar increased revenue growth by 1%
- Q4 reported revenue up 20% Y/Y driven largely by M&I

- Y/Y NIM adjusted and ex trading declined 20bps due to lower spreads in in BMO CM, P&C Canada and lower NII in Corporate Services. These declines were partially offset by an increase in P&C U.S. due to improved loan mix, higher deposits and the positive impact from the acquisition of M&I
- Q/Q NIM adjusted and ex trading declined 5bps due to lower spreads in BMO CM and P&C Canada and lower NII in Corporate Services. These declines were partially offset by an increase in P&C U.S. due to the positive impact from the acquisition of M&I
- Q4’11 reported NIM was lifted 26 bps by M&I credit mark related benefit

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94 of our 2011 annual MD&A and page 22 of our Fourth Quarter 2011 Earnings Release.
For details on adjustments refer to slide 29

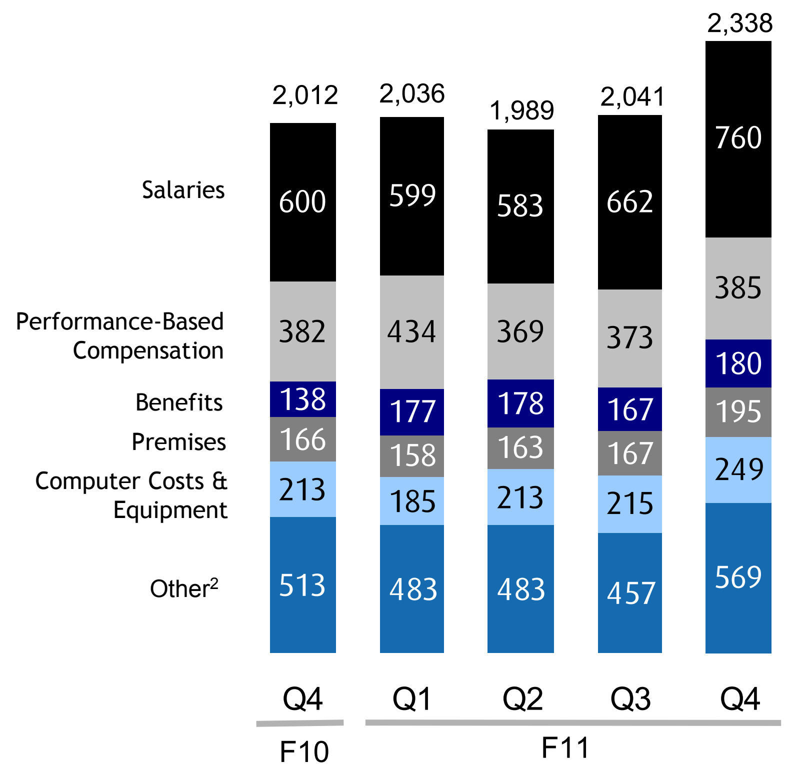
Non-Interest Expense

Year over year growth largely reflects acquisitions

Non-Interest Expense ($MM)	Q4 10	Q3 11	Q4 11	Q/Q B/(W)	Y/Y B/(W)
Reported	2,023	2,111	**2,425**	(15%)	(20%)
Adjusted	2,012	2,041	**2,338**	(15%)	(16%)
Reported (ex M&I)	2,023	1,974	**2,040**	(3.4%)	(0.9%)

- Y/Y adjusted Q4 non-interest expense increase of 16% largely due to acquisitions
- Q4 expenses excluding M&I up 1% Y/Y and 3% Q/Q
  - Q/Q increase driven by employee related costs, business investments and the stronger U.S. dollar (U.S. dollar impact increased expense growth by 1.1%)
- Expense related to the acquired businesses (of M&I and LGM) were $315MM or 13% of adjusted expenses
- Q4 '11 adjusted productivity ratio[1] of 64.8% up from 62.2% in Q3 due mainly to weaker capital markets environment

Total Bank Adjusted Non-Interest Expense
(C$MM)



Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94 of our 2011 annual MD&A and page 22 of our Fourth Quarter 2011 Earnings Release. Q4'11 adjusted expense excludes $53MM in Integration and restructuring costs relating to the M&I acquisition and $34MM for amortization of acquisition-related intangible assets. For details on adjustments refer to slide 29

[1] Reported productivity of 62.5%

[2] Consists of communications, business and capital taxes, professional fees, travel and business development and other

Good Contribution From Acquired M&I Business

Adjusted earnings of $148MM in Q4 '11

- Good performance in operating groups of $124MM, including P&C U.S. at $112MM and PCG at $10MM
- Operating group results reflect:
  - Provision for credit losses on expected loss basis;
  - Net interest income based on the contractual rates for loans and deposits; and
  - Amortization of intangibles expense (Q4: amortization was $27MM pre-tax, $18MM after-tax)
- Corporate Services includes:
  - An after-tax benefit of $107MM for credit mark related items
  - Integration and restructuring costs (Q4: $(53)MM pre-tax, $(35)MM after-tax)
  - Differences between expected losses and actual losses under BMO's expected loss methodology
  - Residual treasury items and rate mark, not significant in the quarter
  - Approximately US $1.5B of impaired real estate assets that were acquired on close of the transaction

M&I Net Income Contribution

Adjusted (C$MM)	Q2 11	Q3 11	Q4 11	F11
P&C U.S.	-	30	112	142
PCG	-	4	10	14
BMO CM	-	(1)	2	1
Corp. Services (incl. T&O)	-	(1)	24	23
Total Bank	**-**	**32**	**148**	**180**

As Reported (C$MM)	Q2 11	Q3 11	Q4 11	F11
P&C U.S.	-	26	97	123
PCG	-	4	6	10
BMO CM	-	(1)	2	1
Corp. Services (incl. T&O)	(25)	(39)	97	33
Total Bank	**(25)**	**(10)**	**202**	**167**

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94 of our 2011 annual MD&A and page 22 of our Fourth Quarter 2011 Earnings Release. For details on adjustments refer to slide 29

Impact of Credit Mark

- Credit mark related accounting impacts in the quarter produced revenue of $271MM, PCL of $98MM and net income of $107MM

	Pre-Tax ($MM)	After-tax ($MM)
Net Interest Income		
a) Portion of credit mark amortized to NII as increased yield on the portfolio	161	99
b) Portion of credit mark released through NII for loans repaid in full	110	68
Provision for credit losses		
c) Specifics taken on acquired loans	(18)	(11)
d) Increase in the general allowance	(80)	(49)
Net Income Impact	**173**	**107**

a) Amortization of a portion of the credit mark over the life of the purchased performing loan portfolio
   - Higher yield from amortization over time expected to be approximately offset by credit provisions

b) NII related to paydowns reflects gains from being paid off at higher amount than loans carrying value
   - Revenue will vary quarter to quarter

c) Specific provisions will be taken over time as losses emerge
   - Provisions are relatively low in Q4'11 given scrutiny portfolio was subject to on close

d) General allowance will be taken as appropriate

Capital & Risk Weighted Assets

Capital position strong

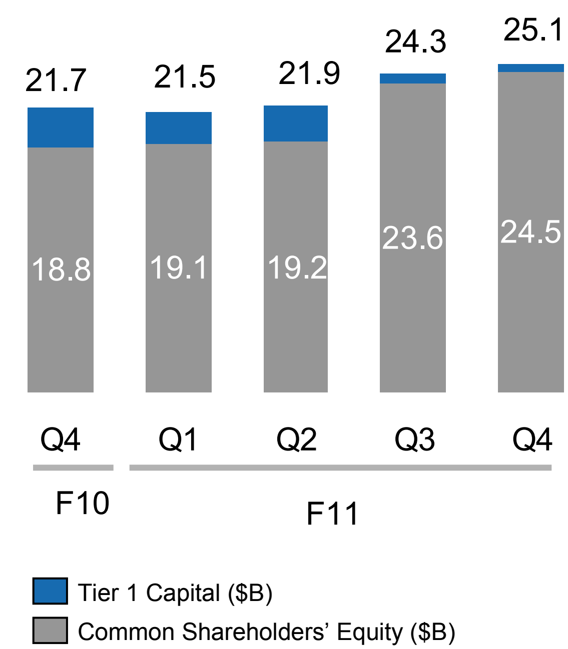
Basel II	F2010	F2011
Common Equity Ratio (%)[1]	10.3	9.6
Tier 1 Capital Ratio (%)	13.5	12.0
Total Capital Ratio (%)	15.9	14.9
RWA ($B)	161	209

- Ratios remain strong post acquisition with Common Equity Ratio of 9.6% using Basel II approach
- Y/Y RWA increase primarily due to the M&I acquisition, partly offset by lower source currency RWA

Basel III [2] (pro forma as at October 31, 2011)	
Common Equity Ratio (%)	6.9
Tier 1 Capital Ratio (%)	9.1

- Well positioned to meet Basel III capital requirements

Basel II Tier 1 Capital & Common Shareholders' Equity



[1] Common equity ratio equals shareholders' common equity less Basel II capital deductions divided by RWA. This ratio is also referred to as the Tier 1 common ratio

[2] Estimates based on announced Basel III 2019 rules and the impact of adoption of IFRS. For further details regarding assumptions and factors used in our calculations refer to pages 6 and 13 of Bank of Montreal's Fourth Quarter 2011 Earnings Release and the Enterprise-Wide Capital Management section on pages 61-65 in our 2011 annual MD&A

Operating Groups – Q4'11 Quick Facts

P&C Canada

- Revenue growth of **1.1%** Y/Y
- Net income growth of **1.5%** Y/Y
- Volume growth across most products Y/Y
- Net interest margin of **288 bps** – down **11 bps** Y/Y and **4bps** Q/Q
- Productivity ratio of **52.6%**
- Volume growth moderating

P&C U.S.

- Revenue more than doubled Y/Y; reflecting acquisitions
- Adjusted net income of **U.S. $171MM,** up **$122MM** Y/Y; up **$11MM** or **25%** excluding M&I
- Net income **U.S. $155MM**
- Adjusted Productivity ratio of **57.3%**
- Results reflect full quarter contribution of acquired business

Private Client Group

- Revenue growth of **18%** Y/Y; excluding insurance, up **23%** Y/Y
- Net income up **13%** Y/Y
- Excluding insurance net income up **20%** Y/Y
- AUA / AUM of **$422B** up **$158B** Y/Y
  - M&I and LGM acquisition added **$148B** to the increase
- Continue to see growth across our businesses, excluding insurance, despite challenging equity markets

BMO Capital Markets

- Revenue down **$131MM** or **16%** Y/Y given weaker and more volatile market conditions
- Net income of **$149MM**, down **$65MM** Y/Y
- Named a Primary Dealer by Federal Reserve Bank of New York

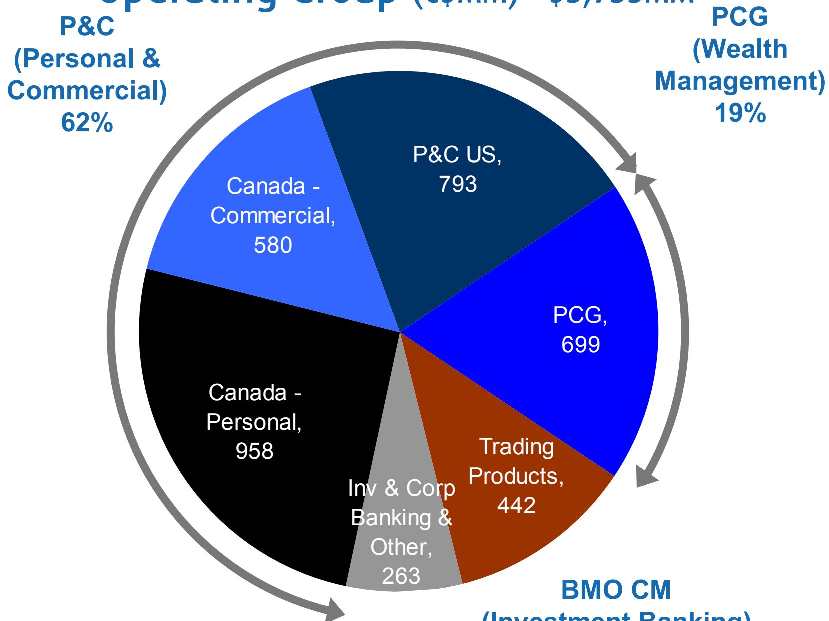
Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94 of our 2011 annual MD&A and page 22 of our Fourth Quarter 2011 Earnings Release. For details on adjustments refer to slide 29

* BMO employs a methodology for segmented reporting purposes whereby expected credit losses are charged to the operating groups quarterly based on their share of expected credit losses. The difference between quarterly charges based on expected losses and required quarterly provisions based on actual losses, as well as changes in the general allowance are charged (or credited) to Corporate Services.

Diversified Business Mix

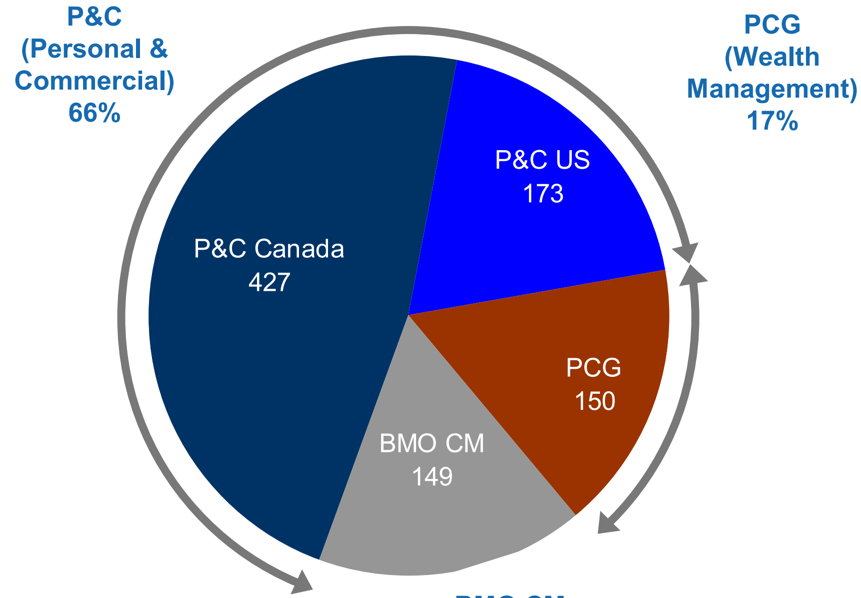
Over 80% of adjusted revenue and net income from retail businesses

Q4 11 Adjusted Revenue by Operating Group (C$MM) - $3,735MM*



[1] Corporate Services revenue $(125)MM

Q4 11 Adjusted Net Income by Operating Group[1] (C$MM) - $899MM*



[1] Corporate Services loss $(49)MM

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94 of our 2011 annual MD&A and page 22 of our Fourth Quarter 2011 Earnings Release. For details on adjustments refer to slide 29
[1] Operating segment results reported on an Expected Loss (EL) basis
* Excludes Corporate Services results

Personal & Commercial Banking - Canada

Volume growth moderated by lower net interest margins and planned higher initiative spend

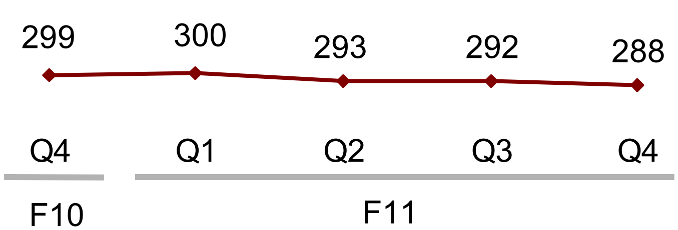
As Reported ($MM)	Q4 10	Q3 11	Q4 11	Q/Q B/(W)	Y/Y B/(W)
Personal Revenue	961	951	**958**	1%	(0)%
Commercial Revenue	560	576	**580**	1%	3%
Revenue	1,521	1,527	**1,538**	1%	1%
Expenses	788	788	**810**	(3)%	(3)%
Net Income	418	432	**424**	(2)%	1%
Productivity (%)	51.7	51.6	**52.6**		

F2011 net income of $1.7B, up 10% on an actual loss basis, and 4% on a reported basis. Productivity of 51.9%

Q4 Highlights

- Y/Y revenue increase due to volume growth in both Personal and Commercial moderated by lower NIM
- Y/Y expense growth as expected, reflecting investment in the business
- Q/Q net income decreased reflecting higher planned initiative spending
- NIM decreased 4 bps Q/Q due to lower deposit spreads and mortgage refinancing fees

Net Interest Margin
(bps)



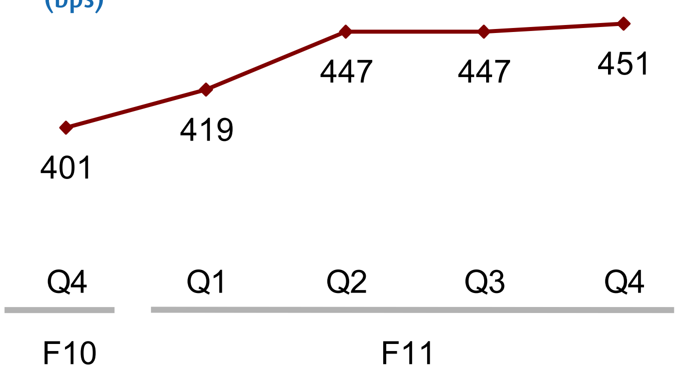
* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 167 of BMO's 2011 audited annual consolidated financial statements

Personal & Commercial Banking - U.S.

Revenue and NI more than doubled Y/Y reflecting good contribution from acquired business

As Reported (US$MM)	Q4 10	Q3 11	Q4 11	Q/Q B/(W)	Y/Y B/(W)
Revenue	363	509	**787**	54%	+100%
Expenses	264	310	**476**	(54)%	(80)%
Net Income	44	95	**155**	62%	+100%
Adjusted Net Income[1]	49	104	**171**	65%	+100%
Productivity (%)	72.8	60.8	**60.5**		
Adjusted Productivity (%)	71.1	58.4	**57.3**		

Net Interest Margin
(bps)



(Amounts in US$MM)

F2011 adjusted net income of $394MM, up 77%

Q4 Highlights

- Y/Y increase reflects adjusted net income contribution from the M&I acquisition of $111MM (Q3: $31MM)
- Y/Y, excluding M&I, revenue and adjusted net income growth of 1% and 25% respectively
- NIM improvement Y/Y mainly driven by increase in loan spreads due to mix and higher deposits partially offset by deposit spread compression
- 4th sequential quarter of productivity improvement
- BMO Harris Bank #1 in deposit market share in Wisconsin; #2 in Chicagoland and #3 across our U.S. Midwest markets

[1] Net income adjusted for costs related to amortization of acquisition-related intangibles
Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94 of our 2011 annual MD&A and page 22 of our Fourth Quarter 2011 Earnings Release. For details on adjustments refer to slide 29
* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 167 of BMO's 2011 audited annual consolidated financial statements

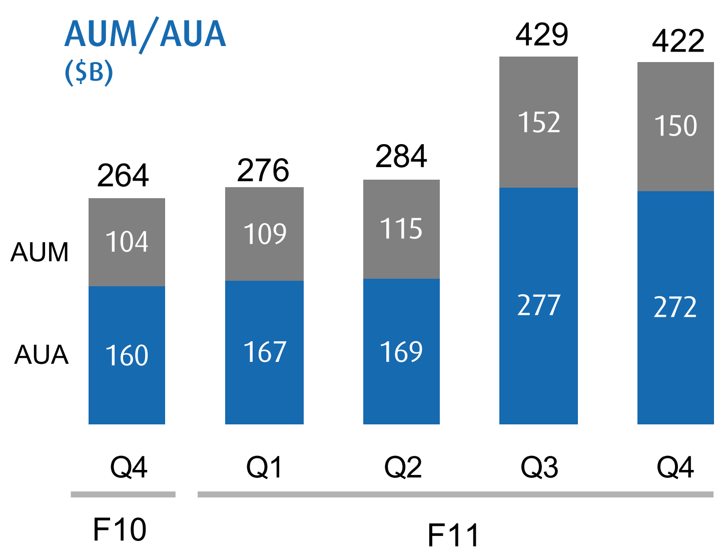
Private Client Group

Year over year net income growth of 13%; earnings ex Insurance strong at 20%

As Reported ($MM)	Q4 10	Q3 11	Q4 11	Q/Q B/(W)	Y/Y B/(W)
Revenue	593	617	**699**	13%	18%
Expenses	417	461	**514**	(12)%	(23)%
Net Income	129	120	**144**	21%	13%
Insurance Net Income	43	19	**41**	+100%	(2)%
PCG ex Insurance Net Income	86	101	**103**	2%	20%
Productivity Ratio (%)	70.3	74.7	**73.5**		

F2011 net income of $518MM, up 13%; ex Insurance businesses, up 31%

AUM/AUA
($B)



Q4 Highlights

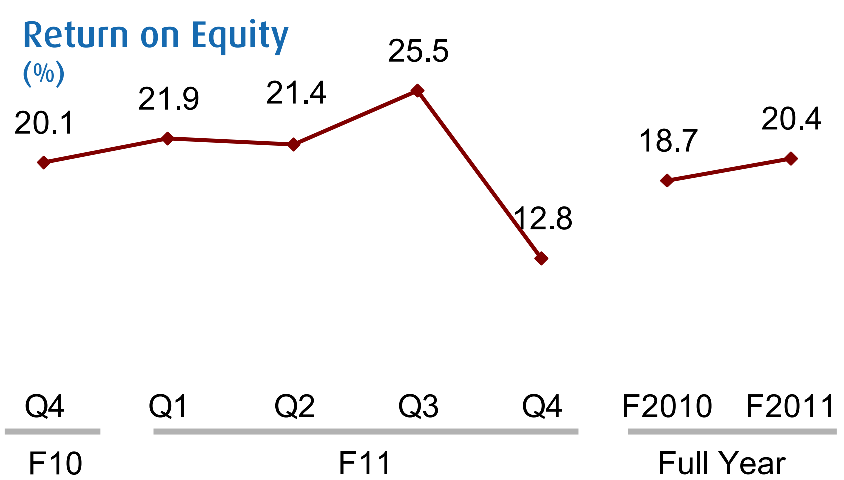
- M&I wealth businesses contributed US$6MM of net income and US$10MM of adjusted net income
- Net income excluding the insurance business was up 20% Y/Y driven by growth across our businesses
- Insurance net income declined Y/Y and increased Q/Q primarily due to the effect of movements of long-term interest rates on policyholder liabilities
- Y/Y expenses increased 23% or 3.2% adjusted for acquisitions primarily due to higher revenue-based costs
- Q/Q expenses increased 12% or 0.5% adjusted for acquisitions
- Y/Y AUM/AUA increased by $158B benefitting from acquisitions

* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 167 of BMO's 2011 audited annual consolidated financial statements
Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94 of our 2011 annual MD&A and page 22 of our Fourth Quarter 2011 Earnings Release. For details on adjustments refer to slide 29

BMO Capital Markets

Q4 results impacted by market environment

As Reported ($MM)	Q4 10	Q3 11	Q4 11	Q/Q B/(W)	Y/Y B/(W)
Trading Products Revenue	500	508	**442**	(13)%	(12)%
Investment & Corp Banking Revenue	336	329	**263**	(20)%	(22)%
Revenue	836	837	**705**	(16)%	(16)%
Expenses	463	458	**488**	(7)%	(5)%
Net Income	214	279	**149**	(46)%	(30)%



F2011 net income of $920MM, up 13%; with strong ROE of 20.4%

Q4 Highlights

- Net income down Y/Y and Q/Q given weaker and volatile market environment
- Revenue declines primarily due to:
  - Lower revenues from trading and interest-rate-sensitive businesses, partially offset by higher securities commissions
  - Lower M&A, lending and underwriting fees and lower securities gains
- Expenses up Y/Y and Q/Q from higher employee costs, in part due to investment in strategic hiring

* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 167 of BMO's 2011 audited annual consolidated financial statements

Corporate Services

Improvement in adjusted net income Y/Y mainly due to PCLs

Adjusted ($MM)	Q4 10	Q3 11	Q4 11
Revenue (teb)[1]	(96)	(189)	**(125)**
PCL[2] – Specific	22	(47)	**(57)**
– General	--	--	**--**
Expenses	82	53	**81**
Net Income	(69)	(92)	**(49)**

As Reported ($MM)	Q4 10	Q3 11	Q4 11
Revenue (teb)[1]	(96)	(197)	**146**
PCL[2] – Specific	22	(47)	**(39)**
– General	--	--	**80**
Expenses	82	106	**134**
Net Income	(68)	(130)	**24**

- Y/Y adjusted net income higher by $20MM
  - Revenues declined mainly due to higher residual funding costs and costs associated with supplemental liquidity, partially offset by a lower group teb offset and interest rate impact of M&I acquisition
  - PCL improved $79MM due to lower provisions charged to Corporate under BMO's EL methodology
- Q/Q adjusted net income higher by $43MM
  - Revenues improved $64MM mainly due to higher securitization-related revenues and a number of small positive items
  - PCL improved due to lower provisions charged to Corporate under BMO's EL methodology
  - Expenses increased mainly driven by the acquired business
- Adjustments include (all after-tax):
  - Credit mark related items in respect of the acquired loan portfolio of $107MM, composed of pre-tax net interest income of $271MM and increase in PCL of $98MM on the acquired portfolio, including an $80MM increase in the general allowance
  - Integration and restructuring costs of $35MM

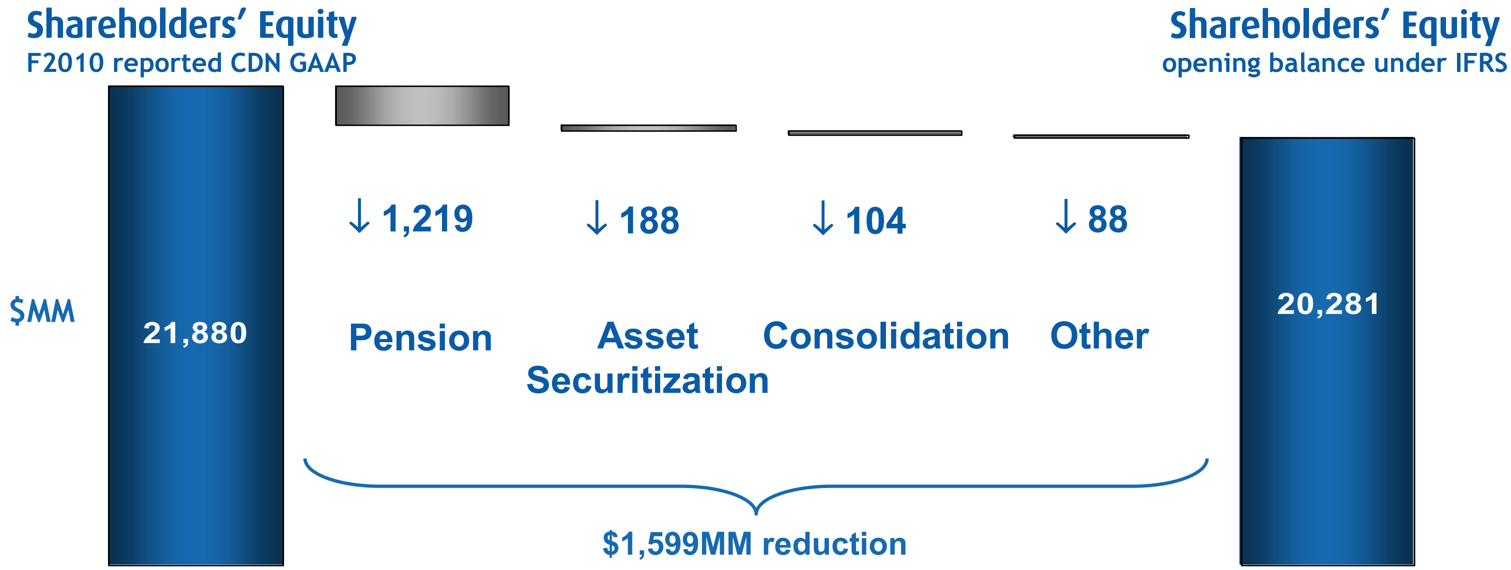
Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94 of our 2011 annual MD&A and page 22 of our Fourth Quarter 2011 Earnings Release. For details on adjustments refer to slide 29

[1] See Non-GAAP measures on slide 2 of the Q4 11 Investor Presentation and Notes to Users: Taxable Equivalent Basis, in the Q4 11 Supplementary Financial Information package

[2] Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 167 of BMO's 2011 audited annual consolidated financial statements

Transition to IFRS

Impact on Common Shareholders' Equity as of Nov 1, 2010, the transition date[1]



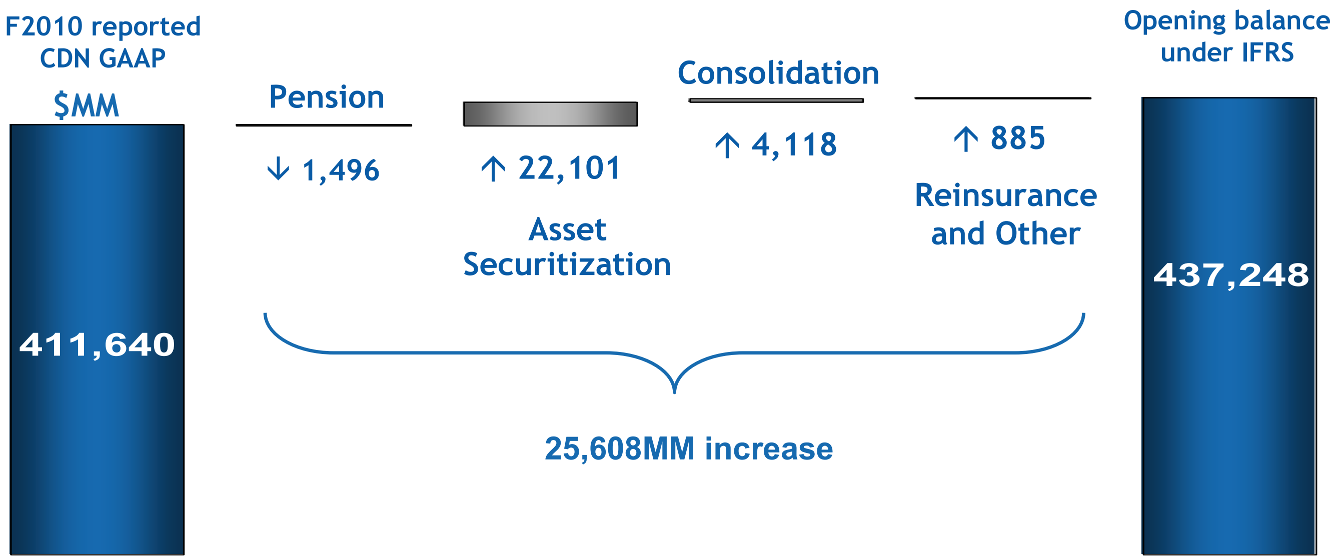
- Overall **Capital impact** expected to be approximately 50 bps to be phased in over 5 quarters
- **Pension and other employee future benefits** – one-time recognition of our deferred actuarial gains/losses into retained earnings. Any future losses or gains to be amortized into pension expense over expected remaining service period of active employees – consistent with current practice under Canadian GAAP.
- **Asset Securitization** – Required to recognize on balance sheet loans originated by the bank and sold to securitization programs.
- **Consolidation of VIEs** – net impact of consolidating certain VIEs including Canadian credit protection vehicle, U.K. structured investment vehicles, and U.S. customer securitization vehicle.

[1] Preliminary estimate; impact as of October 31, 2011, as a result of the transition to IFRS, is not expected to be significantly different

Note: Translation of net foreign operations: one-time recognition of our net loss into retained earnings; previously classified in accumulated other comprehensive income. No impact to total shareholders' equity or capital

Transition to IFRS – Balance Sheet and Income Statement

Reconciliation of Total Assets as of Nov 1, 2010, the transition date



- **Pension and other employee future benefits** – one-time recognition of our net cumulative actuarial loss into retained earnings, which is deferred on our balance sheet under Canadian GAAP.
- **Asset Securitization** – approximately $18B in mortgages and $4B in credit card loans sold to securitization programs that do not qualify for off-balance sheet accounting under IFRS
- **Consolidation of VIEs** – securities portfolios and loans held by the VIEs that will be consolidated. An intercompany loan provided to our U.K. structured investment vehicles is eliminated on consolidation.
- **Reinsurance** – presentation of reinsurance recoverables (and insurance liabilities) on a gross basis.

Impact of Adoption of IFRS on future earnings

- Overall earnings impact from IFRS is not expected to be significant, although there could be some earnings variability in Capital Markets due to consolidation of our structured investment vehicles

Group Net Income - Annual

Net Income, Reported ($MM)	F2010	F2011	B/(W)	
			$	%
P&C Canada	1,640	1,701	61	3.7
P&C U.S.	214	355	141	65.8
Total P&C	1,854	2,056	202	10.9
PCG	460	518	58	12.7
BMO Capital Markets	816	920	104	12.8
Corporate Services	(320)	(228)	92	28.8
Total Bank	2,810	3,266	456	16.2

Net Income, Adjusted ($MM)	F2010	F2011	B/(W)	
			$	%
P&C Canada	1,646	1,710	64	3.9
P&C U.S.	233	390	157	67.4
Total P&C	1,879	2,100	221	11.8
PCG	466	528	62	13.4
BMO Capital Markets	817	920	103	12.6
Corporate Services	(320)	(267)	53	16.6
Total Bank	2,842	3,281	439	15.5

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94 of our 2011 annual MD&A and page 22 of our Fourth Quarter 2011 Earnings Release. For details on adjustments refer to slide 29

* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 167 of BMO's 2011 audited annual consolidated financial statements

Select Balance Sheet Information

Average Net Loans & Acceptances ($B)	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11
Consumer Installment & other personal	50.6	51.5	51.8	54.5	59.3
Non-residential Mortgages	7.8	7.5	7.1	6.4	7.9
Residential Mortgages	47.9	49.9	50.6	53.8	56.7
Credit Cards	3.3	3.4	3.0	2.0	2.3
Businesses & governments	60.0	58.6	58.5	62.3	77.5
Customers' liability under acceptances & allowances for credit losses	5.8	5.4	5.3	5.3	5.5
Total	**175.4**	**176.3**	**176.3**	**184.3**	**209.2**

- Increase year over year in loans of $33.8B primarily due to acquired M&I business of US$29.8B. Excluding acquired businesses:
  - P&C Canada up $6.9B driven by higher customer volumes in personal loans and mortgages, and commercial loans
  - P&C US declined US$1.0B primarily due to mortgages and home equity balances.
  - Capital Markets declined $2.3B in business and government loans

Average Deposits ($B)	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11
Businesses and governments	128.6	136.7	134.4	142.8	161.2
Individuals	99.2	98.1	97.6	104.7	121.5
Banks, used in trading activities	20.4	19.7	20.2	22.1	23.1
Total	**248.2**	**254.5**	**252.2**	**269.6**	**305.8**

- Increase year over year in deposits of $57.6B primarily due to acquired M&I business of US$34.3B. Excluding acquired businesses:
  - P&C Canada up $4.3B, with $2.9B in commercial and $1.4B in individual deposits
  - Business and government deposits up $19.3B
    - $9.4B in BMO CM
    - US $3.2B in P&C US
    - $3.5B in Corporate

Personal & Commercial Banking Canada – Product Balances & Market Share

Personal

- Y/Y total personal lending balances up 5.3% and personal deposit balances up 1.9%
- Deposit share declined Y/Y, but was stable Q/Q; Lending market share declined Y/Y and Q/Q

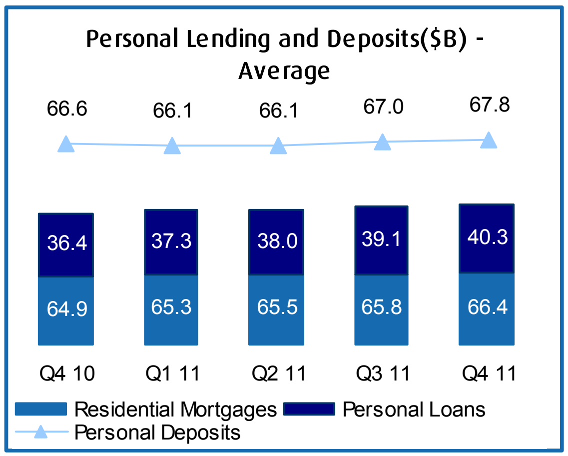
Commercial

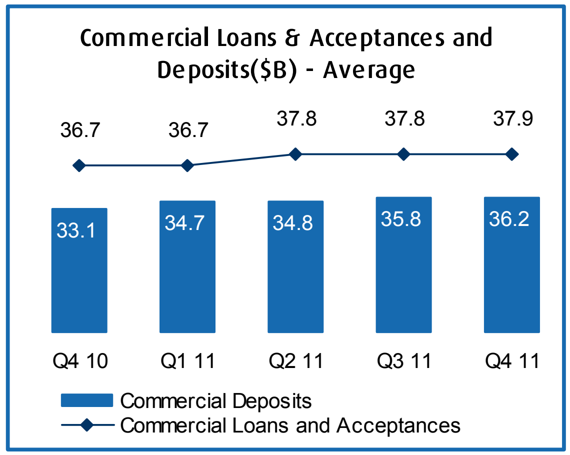
- Commercial deposit balances increasing over the past 10 quarters, up $3.1B or 9.3% Y/Y
- Maintained #2 market share position in Commercial loans
- Q/Q commercial loan market share declined reflecting the inclusion of multi-residential mortgages in total loan balances by one participant (previously excluded). This negatively impacted market share of all participants

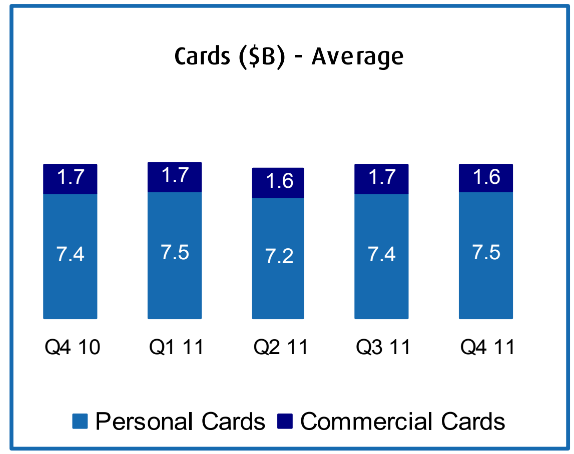
Cards

- Y/Y Personal Cards balances up 1.0%
- Commercial Cards balances have declined Y/Y and Q/Q

Market Share (%) [1]	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11
Total Personal Lending[1]	11.1	11.2	11.1	11.1	11.0
Personal Deposits[1]	11.8	11.7	11.6	11.7	11.7
Mutual Funds[1]	13.4	13.4	13.5	13.4	13.4
Commercial Loans $0 - $5MM[2]	20.3	20.3	20.2	20.2	19.5







Sources: Mutual Funds – IFIC; Consumer Loans, Residential Mortgages & Personal Deposits – OSFI (changed from previous source Bank of Canada)

1. Personal share issued by OSFI; Mutual Funds share issued by IFIC (two months lag basis (Q4 F11: Aug 2011))
2. Business loan share (Banks) issued by CBA (one calendar quarter lag basis (Q4 11: Jun 2011))

Personal & Commercial Banking U.S. – Product Balances

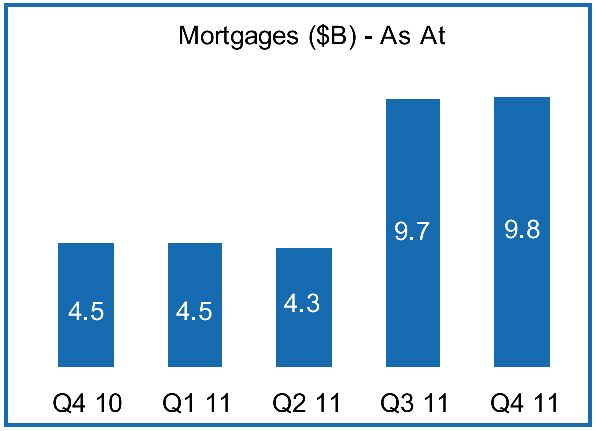
All amounts in U.S. $B

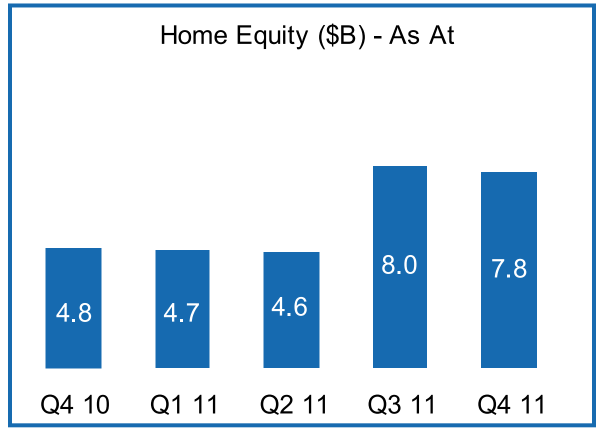
Personal (Y/Y)

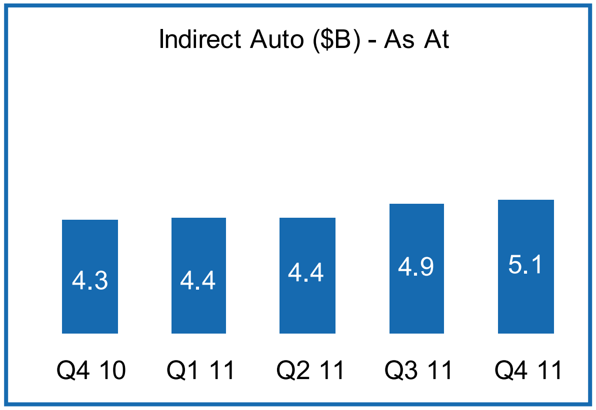
- Mortgages increased $5.3B with $5.6B from M&I, which was primarily offset by amortization/run off of outstandings in the existing portfolio and new originations being sold in the secondary market
- Indirect Auto increased $0.8B with $0.6B from M&I as originations in the existing portfolio are slightly higher than paydowns
- Home equity increased $3.0B with $3.4B from M&I, which was primarily offset by a decline in the existing portfolio due to customer pay downs as originations are down due to overall decreases in home values
- Personal deposits increased $17.4B due to M&I as the increases in legacy core deposits were offset by maturities in legacy term deposits
- Q4'11 Credit Card loans of $0.3B and other personal loans of $0.2B not reflected in charts

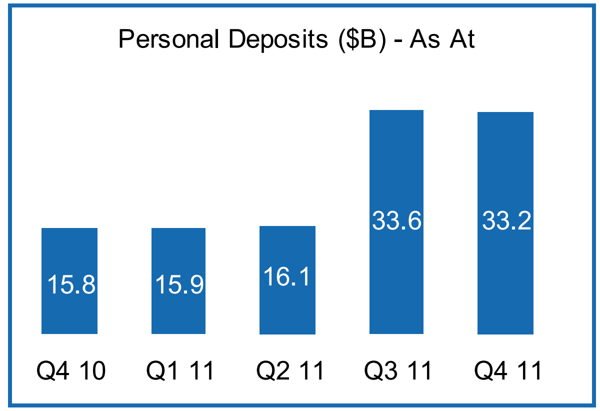
Commercial (Y/Y)

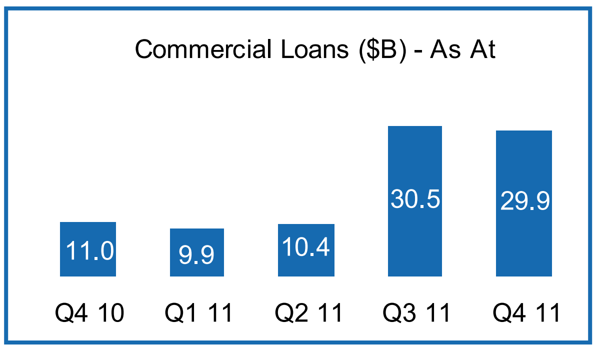
- Commercial (excluding run-off portfolio/M&I) loan growth of $1.3B or 20% from start of the fiscal year on an average basis, while deposits continue to be at record levels
- M&I core commercial loan portfolio balance decreased reflecting normal course of business and seasonal paydowns

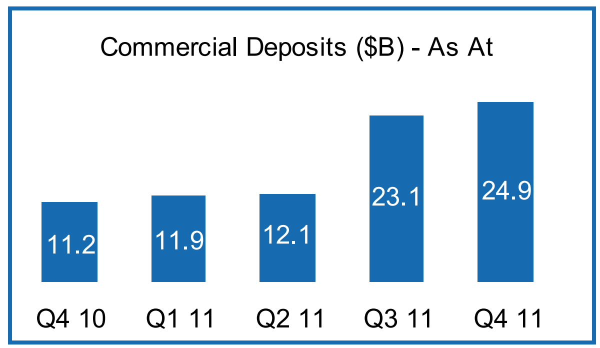












Adjusting Items

- Adjusted results reflect the following items

Adjusting items – pre-tax ($MM)	Q4 10	Q3 11	Q4 11	Annual F2010	Annual F2011
Net interest income					
Hedge of foreign currency risk on the purchase of M&I	-	(9)	**-**	-	**(20)**
Recognition of a portion of the credit mark on the acquired M&I loan portfolio	-	-	**271**	-	**271**
Non-interest expense					
Costs of M&I integration and restructuring	-	(53)	**(53)**	-	**(131)**
Amortization of acquisition-related intangible assets	(11)	(17)	**(34)**	(36)	**(70)**
Provision for credit losses					
Specific provisions for credit losses on the acquired M&I loan portfolio	-	-	**(18)**	-	**(18)**
Increase in the general allowance for credit losses	-	-	**(80)**	-	**(38)**
Income tax benefit (charge) related to the above	2	29	**(39)**	4	**(9)**

Adjusting items – After-tax ($MM)	Q4 10	Q3 11	Q4 11	Annual F2010	Annual F2011
Hedge of foreign currency risk on the purchase of M&I	-	(6)	**-**	-	**(14)**
Recognition of a portion of the credit mark on the acquired M&I loan portfolio	-	-	**167**	-	**167**
Costs of M&I integration and restructuring	-	(32)	**(35)**	-	**(84)**
Amortization of acquisition-related intangible assets	(9)	(12)	**(25)**	(32)	**(54)**
Specific provisions for credit losses on the acquired M&I loan portfolio	-	-	**(11)**	-	**(11)**
Increase in the general allowance for credit losses	-	-	**(49)**	-	**(19)**
Adjusting items in net income	(9)	(50)	**47**	(32)	**(15)**
EPS Impact ($)	(0.02)	(0.09)	**0.07**	(0.06)	**(0.03)**

Risk Review

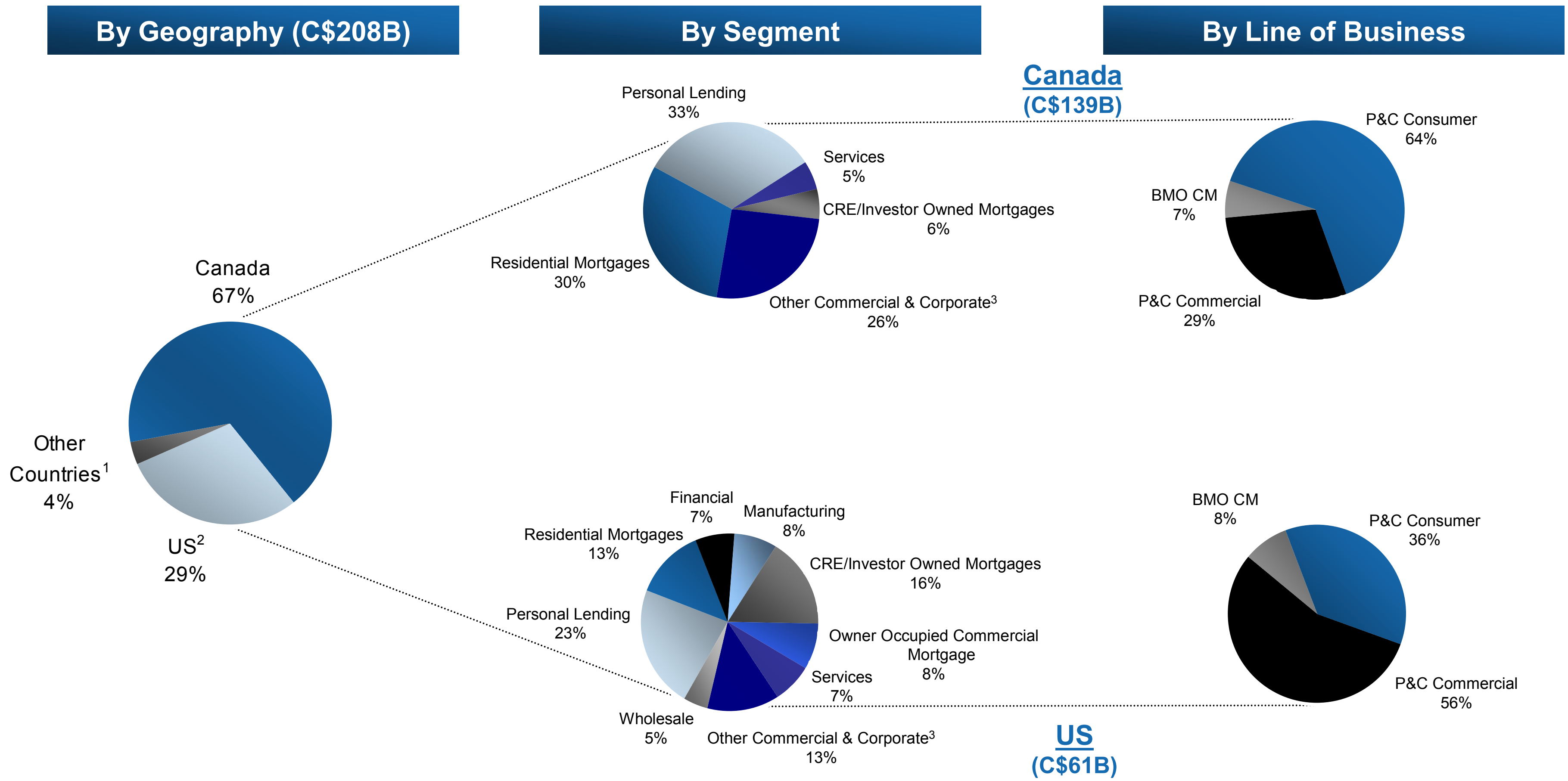
Q4|11

Surjit Rajpal
Executive Vice President & Chief Risk Officer
BMO Financial Group

December 6 • 2011

Loan Portfolio – Well Diversified by Segment and Business

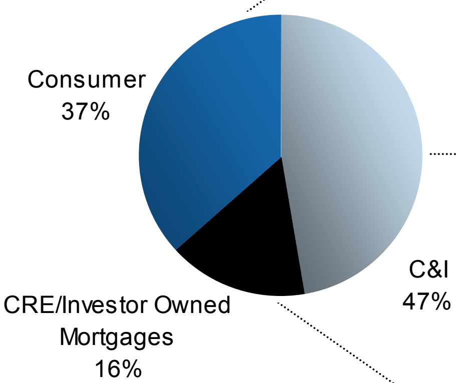
- Canadian and US portfolios well diversified. The M&I acquired loan portfolio contributes ~14% of total loans
- P&C business represents the majority of loans
  - Retail portfolios are predominantly secured – 87% in Canada and 96% in the US
- Canadian residential mortgages (~$42B) represent ~7.5% of the Canadian residential mortgage market (~$563B)



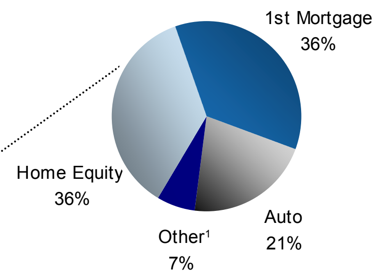
1 Other Countries of $8B not shown in Portfolio Segmentation & Line of Business graphs
2 Includes ~$29B from the M&I acquired loan portfolio
3 Other Commercial & Corporate includes Portfolio Segments that are each <5% of the total

US Loan Portfolio

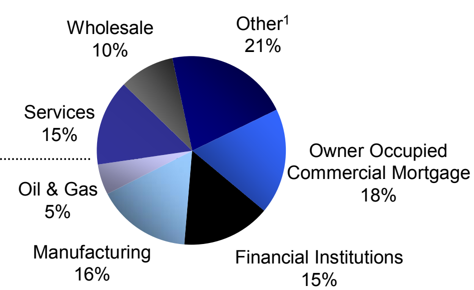
Total US Loans Outstanding
US$61.3 billion
29% of Consolidated Loans



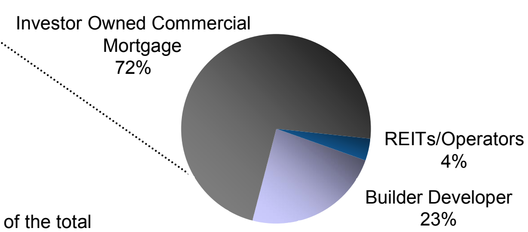
Consumer (US$23.2B)



C&I (US$28.1B)



CRE/Investor Owned Mortgages (US$10.0B)



- Total US portfolio is US$61.3B, including the M&I acquired loan portfolio (US$29.5B)
- Portfolio composition is ~37% Consumer loans, ~47% C&I and ~16% CRE/Investor Owned Mortgages, in line with the prior quarter
- Consumer portfolio is US$23.2B, with approximately 72% of the portfolio comprised of Home Equity and Residential Mortgages
- C&I portfolio of US$28.1B is split relatively evenly among the industry groups. The top three industry groups (Owner Occupied Commercial Mortgage, Manufacturing and Financial Institutions) comprise 49% of the portfolio
- Commercial Real Estate (CRE) portfolio is US$10.0B with the majority from the M&I acquired loan portfolio (US$7.7B)
  - Investor Owned Commercial Mortgages at US$7.3B is the largest component of the CRE portfolio but accounts for only 11.9% of US loans
  - Developer portfolio continues to reduce and is ~3.8% of the total US portfolio. Majority of the portfolio is impaired

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

European Exposure

Country[1] (C$ MM)	Lending[2]				Securities[2]				Repo Style Transactions[3]	Derivatives[4]				Total Exposure
	Bank	Corporate	Sovereign[5]	Total	Bank	Corporate	Sovereign[5]	Total	Total	Bank	Corporate	Sovereign[5]	Total	
GIIPS (2%)	77	50	0	**127**	0	28	10	**38**	**0**	38	0	0	**38**	**203**
Eurozone (50%) (excluding GIIPS)	553	543	0	**1,096**	110	56	3,544	**3,710**	**6**	241	7	4	**252**	**5,064**
Rest of Europe (48%)	545	360	0	**905**	418	40	3,008	**3,466**	**18**	334	35	24	**393**	**4,782**
All Europe	**1,175**	**953**	**0**	**2,128**	**528**	**124**	**6,562**	**7,214**	**24**	**613**	**42**	**28**	**683**	**10,049**

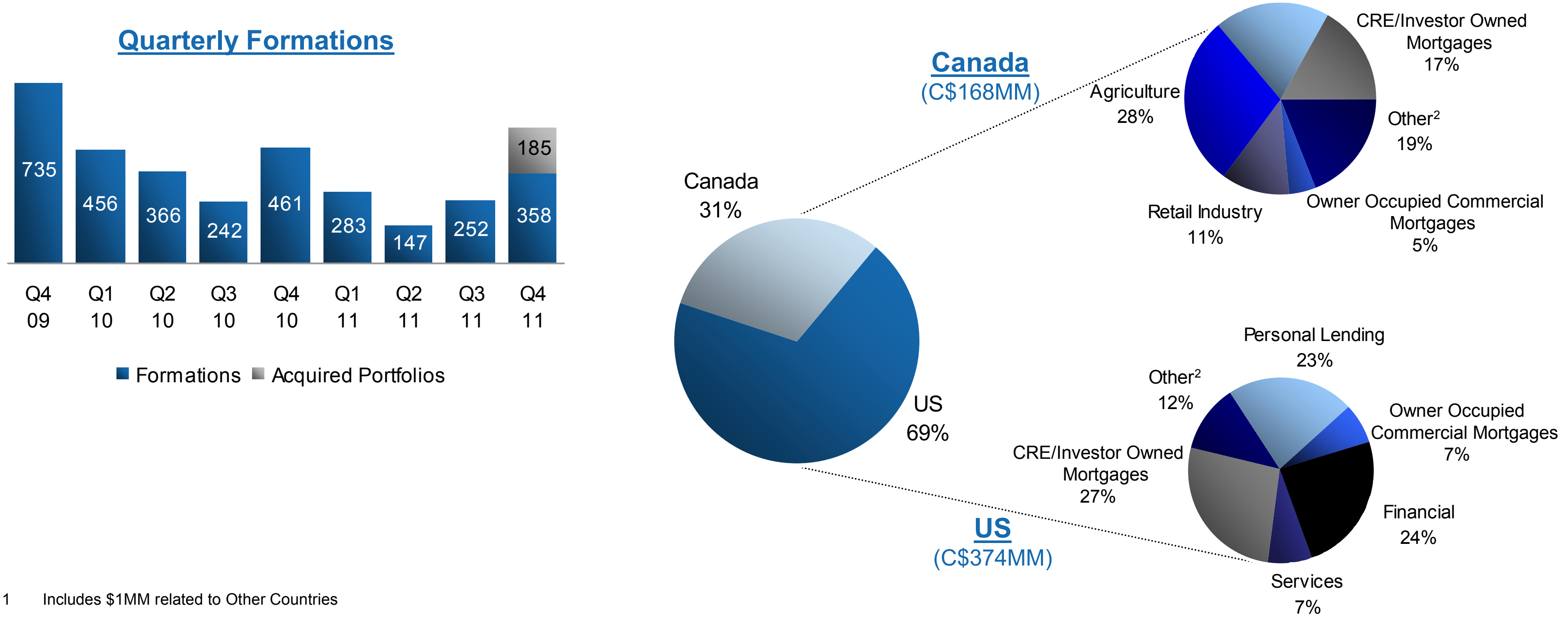
- Direct exposures to Greece, Ireland, Italy, Portugal and Spain (GIIPS) are primarily to banks for trade finance and trading products. Exposures remain modest at $203MM. In addition, our Irish subsidiary is required to maintain reserves with the Irish central bank of ~$163MM (not included above)
- Our direct exposure to the other Eurozone countries totalled ~$5.1B, of which 91% is to counterparties domiciled in countries with a Moody's/S&P rating of Aaa/AAA
- Direct exposure to the remaining European countries totalled ~$4.8B, of which 98% was to counterparties in countries with a Moody’s/S&P rating of Aaa/AAA
  - A significant majority of our sovereign exposure consists of short-term, tradeable cash products
  - Exposure to banks was comprised of short-term trading instruments, short-term debt, derivative positions and letters of credit and guarantees

1 Eurozone is defined as the 17 countries that share a common Euro currency. Rest of Europe includes the United Kingdom
2 Lending includes funded lending, trade finance, and unfunded commitments of $715 million. Securities includes cash products, insurance investments and traded credit (equal to the net long value)
3 Repo style transactions are all with bank counterparties. Exposures are equal to the current gross exposure with collateral offsets
4 Derivative amounts are MTM, incorporating transaction netting, and for counterparties where a CSA is in effect, collateral offsets. Total amount of collateral offsets is $1.03 billion
5 Sovereign includes sovereign-backed bank cash products

Impaired Loans and Formations

- Fiscal 2011 formations are down to $1,225MM from $1,525MM in Fiscal 2010
- Q4 '11 formations higher quarter over quarter at $543MM[1] (Q3 '11: $252MM)
  - Acquired portfolios contributed ~$185MM. Of this, ~$81MM has 80% FDIC loss coverage
  - US formations are $374MM (Q3 '11: $137MM) with CRE/Investor Owned Mortgages and Personal Lending the largest sectors
  - Canadian formations of $168MM (Q3 '11: $115MM) are well spread across sectors
- Q4 '11 Gross Impaired Loans (GIL) are $2,685MM versus $2,290MM in Q3 '11
  - Canada & other countries impaired balances account for 36% and US 64%. Largest segment in Canada being Consumer and in the US, Commercial Real Estate

GIL Formations (C$543MM)[1]



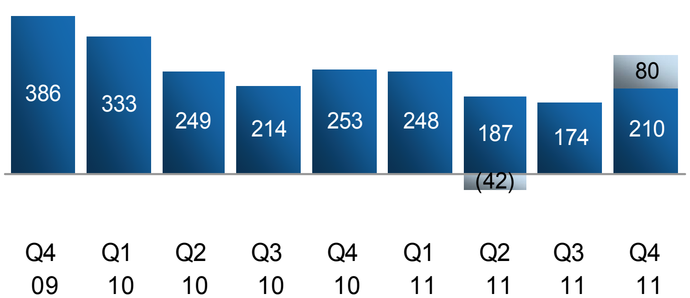
1 Includes $1MM related to Other Countries

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

Provision for Credit Losses

- Fiscal 2011 specific provisions are down to $819MM from $1,049MM in Fiscal 2010
- Q4 '11 Specific provisions at $210MM are up from last quarter (Q3 '11: $174MM)
  - Main drivers of the increase are: P&C US provisions (excluding M&I) at $69MM (Q3 '11: $51MM) and the M&I acquired loan portfolio at $18MM
- P&C Canada provisions at $158MM are down quarter/quarter (Q3 '11: $161MM)
- Capital Markets provisions remain low at $10MM
- Increase in General Allowance of $80MM is related to the M&I acquired loan portfolio

Quarterly



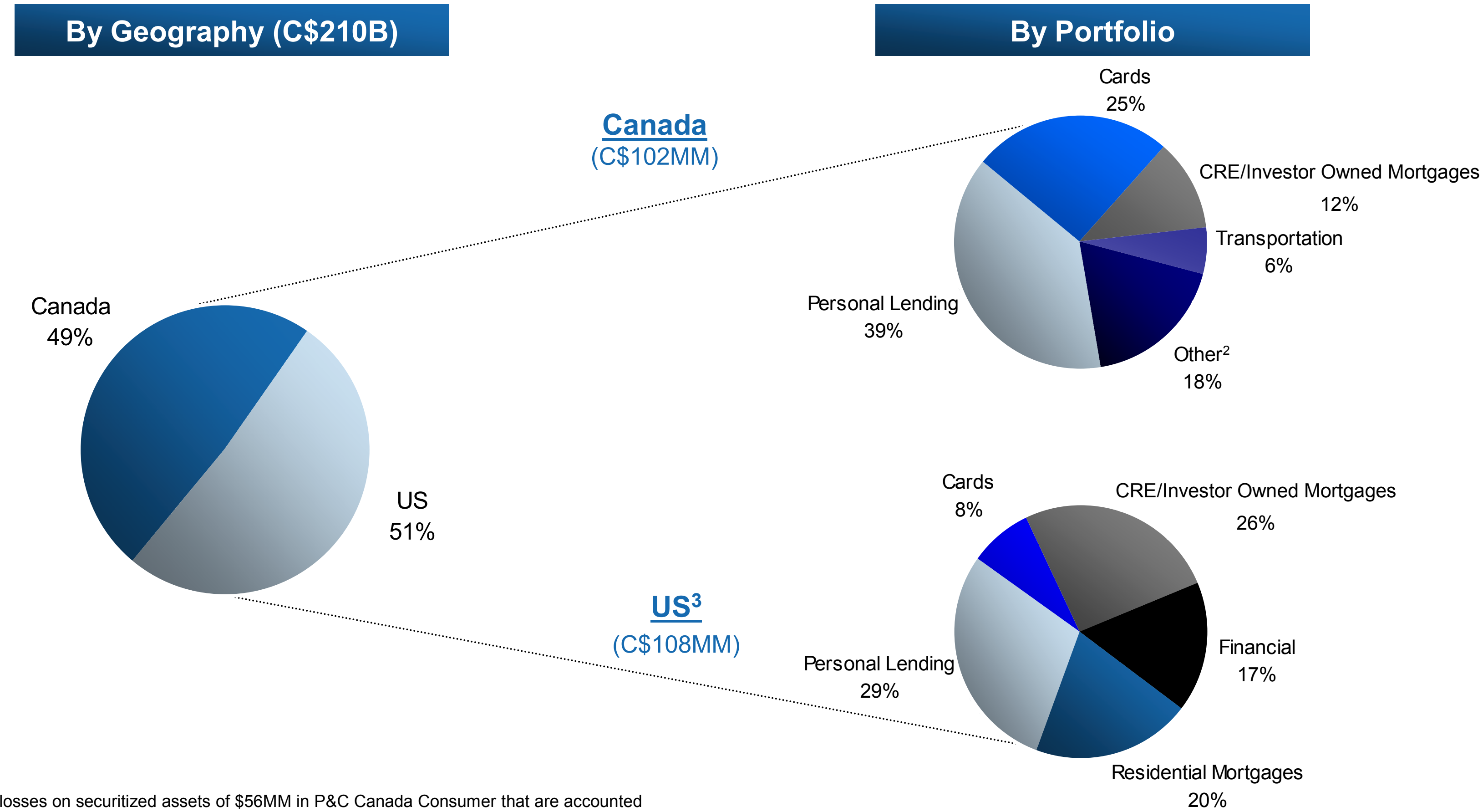
Business Segment (By Business Line Segment) (C$ MM)	Q4 '10	Q3 '11	Q4 '11
Consumer – P&C Canada	119	135	130
Commercial – P&C Canada	27	26	28
Total P&C Canada	**146**	**161**	**158**
Consumer – P&C US	64	47	39
Commercial – P&C US	66	4	30
Total P&C US	**130**	**51**	**69**
PCG	**6**	**(2)**	**2**
Capital Markets	**16**	**7**	**10**
Corporate Services[1]	**-**	**19**	**9**
Losses on Securitized Assets[2]	(45)	(62)	(56)
Adjusted Specific Provisions			**192**
M&I Acquisition	-	-	18
Specific Provisions	**253**	**174**	**210**
Change in General Allowance	-	-	80
Total PCL	**253**	**174**	**290**

1 Corporate Services include Real Estate secured assets transferred as of Q3 '11, previously reported in P&C US Commercial. Prior periods not restated

2 P&C Canada Consumer includes losses associated with securitized assets which are accounted for as negative NIR in Corporate, not as PCL on the income statement and were F'11: $212MM (F'10: $203MM)

Specific Provision Segmentation[1]

- Canadian provisions modestly higher at $102MM (Q3 '11: $94MM, Q4 '10: $98MM) with the Personal Lending and Cards' sectors the largest contributors. Commercial provisions well diversified
- US provisions higher at $108MM (Q3 '11: $80MM, Q4 '10: $156MM). The Consumer portfolio represents the majority of provisions with Financial and Commercial Real Estate related, the largest sectors within Commercial & Corporate. The M&I acquired loan portfolio contributes ~$18MM in specific provisions

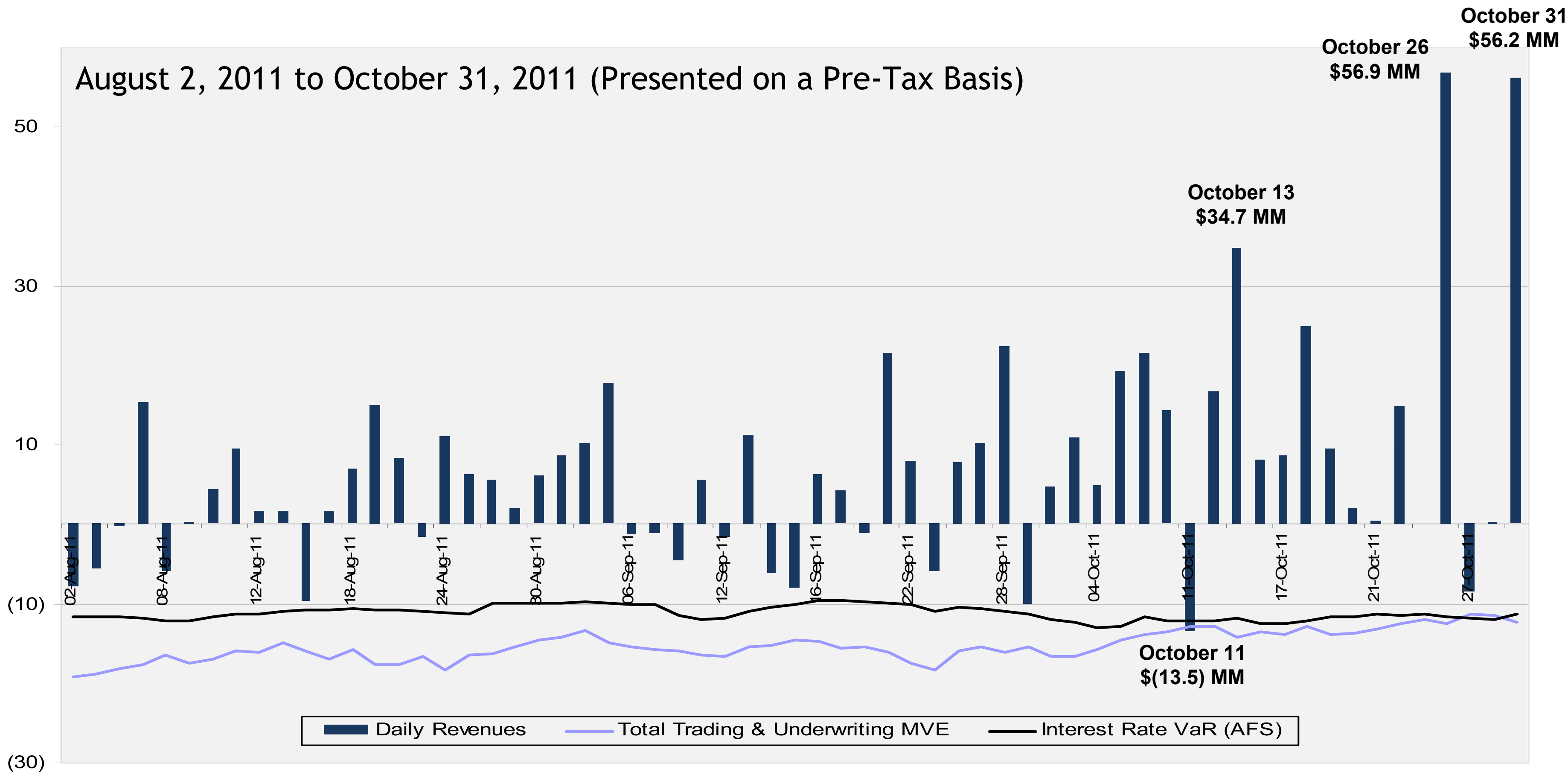


1 Excludes losses on securitized assets of $56MM in P&C Canada Consumer that are accounted for as negative NIR in the Corporate segment

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

3 Chart excludes net recoveries of $6MM in the Other portfolio

Trading & Underwriting Net Revenues vs. Market Value Exposure



The largest daily P&L gains for the quarter are as follows: **October 13 – CAD $34.7MM, October 26 – CAD $56.9MM** and **October 31 – CAD $56.2MM.** Gains primarily reflect normal trading activity and credit valuation adjustments

The largest daily P&L loss for the quarter was on **October 11– CAD $(13.5)MM** which primarily reflects normal trading activity and credit valuation adjustments

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