Investor Presentation

Q4 | 11

December 21 • 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.

Bank of Montreal (BMO Financial Group)

- 4th largest bank[1] in Canada measured by total assets
- Top-ten North American Bank as measured by assets[1] (8th) and market capitalization[1] (9th)
- 100% ownership of Chicago-based BMO Harris Bank

Listings

NYSE, TSX (Ticker: BMO)

Share Price[1]

Oct 31/10: (Fiscal Year-end) NYSE – US$59.25
TSX – C$60.23

Oct 31/11: NYSE – US$59.17
TSX – C$58.89

Market Cap[1]

Oct 31/10: C$34 billion (US$33 billion)

Oct 31/11: C$38 billion (US$38 billion)

# of Employees

47,180

Over 12 million personal, commercial, corporate and institutional customers

Annual F2011 Results[2]

Adjusted[3] Revenue / Revenue

C$13.5B (US$13.7B) / C$13.7B (US$13.9B)

Adjusted[3] Net Income / Net Income

C$3.3B (US$3.3B) / C$3.3B (US$3.3B)

Adjusted[3] ROE / ROE

15.3% / 15.3%

Adjusted[3] EPS*/EPS

C$5.29(US$5.37) / C$5.26 (US$5.34)

PCL

C$857 million (US$870 million)

Average Assets

C$444 billion (US$450 billion)

Capital Ratios (Basel III)[4]

Common Equity Ratio – 6.9%

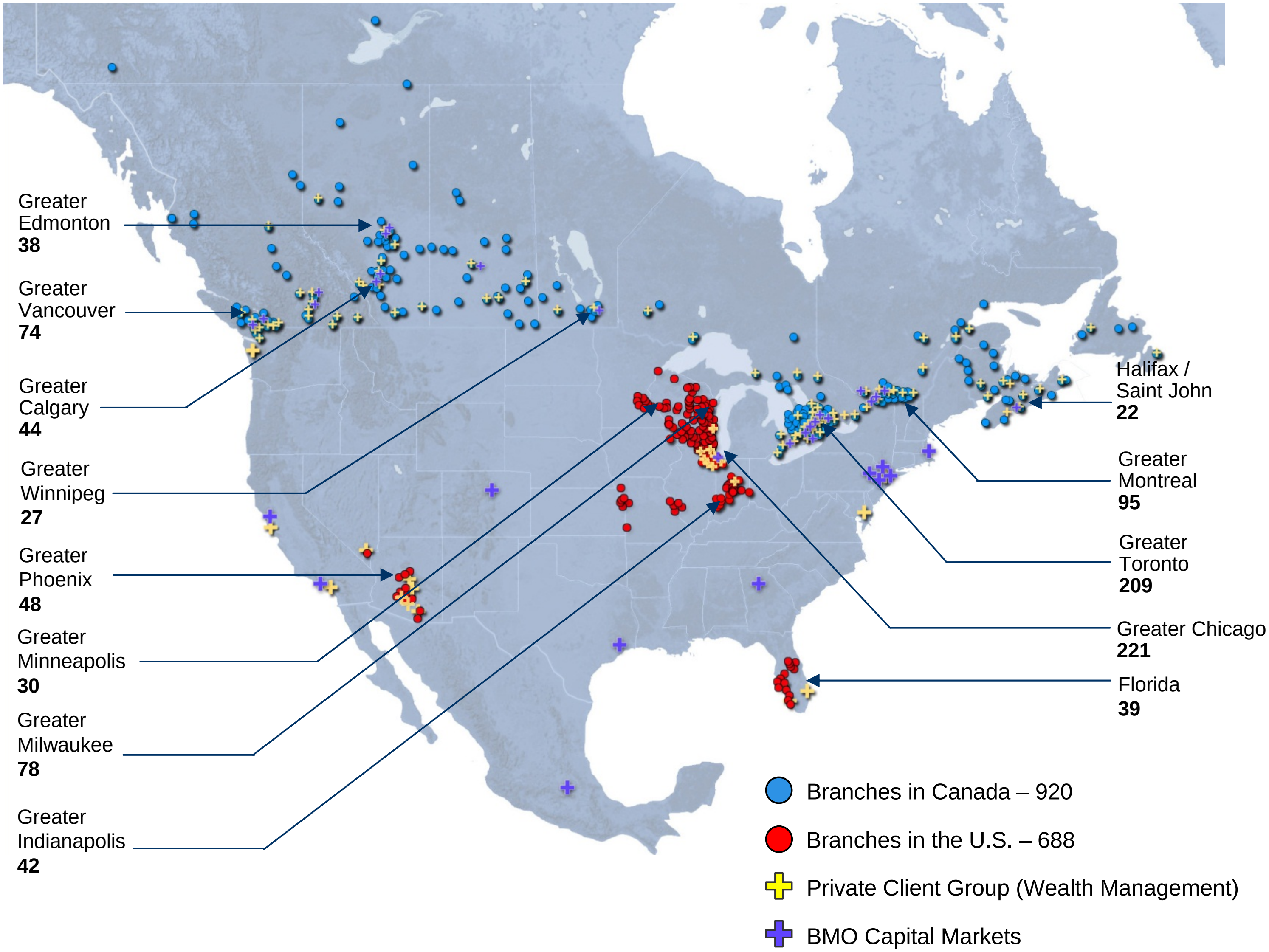
[1] Published by Bloomberg; Asset and market capitalization rankings as at October 31, 2011

[2] Balances reported in Canadian dollars. Cdn/U.S. exchange rate: F2011 average $0.9852

[3] F2011 adjusted net income excludes net adjustments of $15 million after tax or $0.03 per share, comprised of: $107 million net benefit of credit-related items in respect of the acquired M&I loan portfolio (pre-tax: $271 million in net interest income, net of provision for credit losses of $98 million); $84 million ($131 million pre-tax) cost of M&I integration and restructuring; $54 million ($70 million pre-tax) charge for amortization of acquisition-related intangible assets; $14 million ($20 million pre-tax) charge for hedge of foreign exchange risk on purchase of M&I; $30 million ($42 million pre-tax) decrease in general allowance. For further details on adjusted results and non-GAAP measures, see pages 34, 94 and 95 of BMO's 2011 Management's Discussion & Analysis

[4] Estimate 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 the Enterprise-Wide Capital Management section on pages 61-65 in BMO's 2011 Management's Discussion & Analysis

BMO Financial Group – North American Footprint



* Source: SNL Financial and Company Disclosure at October 31, 2011

Reasons to Invest in BMO

Clear and attractive investor proposition

Clear growth strategy
- Consistent and focused North American growth strategy
- Growing global presence to support our customers
- Commitment to our medium-term financial objectives

Well-positioned businesses in the current environment
- Good momentum supported by operating group performance
- Differentiated growth levers to support strong competitive performance

Strong financial position
- Basel II Common Equity Ratio and Tier 1 Ratio of 9.59% and of 12.01% respectively as at October 31, 2011
- Pro forma Basel III Common Equity Ratio 6.9%[1] at Oct 31, 2011
- Disciplined and balanced approach to capital management

Proactive risk management
- Independent risk oversight across the enterprise
- Disciplined credit risk management capabilities and processes

Commitment to stakeholders
- Clear brand promise that delivers real benefit for customers
- Consistent dividend payment and longest-running dividend payout record of any company in Canada
- Sound corporate governance

[1] Estimate 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 the Enterprise-Wide Capital Management section on pages 61-65 in Bank of Montreal's 2011 MD&A

Economic Outlook

Canada

- The Canadian economy has picked up after stalling in the spring, with the auto sector recovering after supply chain disruptions arising from Japan's tragedy
- Modest growth is expected in 2012 due to the strong currency and less-supportive fiscal policy, though firm commodity prices should support business investment
- Housing activity is expected to continue moderating amid tighter mortgage insurance rules
- The unemployment rate is forecast to remain steady at just above 7% in the year ahead
- Rising energy and food costs have lifted inflation temporarily, but inflation should recede in 2012 due to steadier commodity prices and the strong Canadian dollar
- The Bank of Canada is expected to keep interest rates steady in 2012
- The Canadian dollar should remain just below parity against the U.S. dollar in 2012, supported by firm commodity prices and higher interest rates than in the U.S.

United States

- The U.S. economy has improved on the back of firmer consumer spending and strong business investment, though housing markets remain weak
- Despite fiscal restraint, economic growth should pick up moderately in the year ahead, supported by low interest rates and robust business investment
- The unemployment rate will likely decline only slowly in 2012
- The Federal Reserve is expected to keep interest rates near zero until mid-2013
- The U.S. dollar is expected to remain firm until Europe's credit crisis abates later in 2012

Outlook as at December 7, 2011; Source: BMO Economics

Economic Indicators

North America forecast to grow modestly



	Canada			United States			Eurozone		
Economic Indicators (%)[1]	**2010**	**2011E**	**2012E**	**2010**	**2011E**	**2012E**	**2010**	**2011E**	**2012E**
GDP Growth	3.2	2.3	2.0	3.0	1.8	2.2	1.8	1.5	(1.0)
Inflation	1.8	3.0	2.5	1.6	3.2	2.6	1.6	2.7	2.0
Interest Rate (3mth Tbills)	0.6	0.9	0.9	0.1	0.1	0.0	0.7	1.3	1.1
Unemployment Rate	8.0	7.5	7.4	9.6	9.0	8.8	10.1	10.1	10.4
Current Account Balance / GDP*	(3.1)	(3.0)	(2.8)	(3.2)	(3.0)	(2.8)	0.2	0.1	0.6
Budget Surplus / GDP*	(2.1)	(1.8)	(1.6)	(8.9)	(8.5)	(6.2)	(6.3)	(4.0)	(2.9)

Sources: BMO Economics, Haver Analytics
[1]Annual average
*Estimates As of December 7, 2011; Eurozone estimates provided by OECD

Systemic Differences Between Canadian & U.S. Banks

Canada

- Mature oligopoly: 6 chartered banks with a single regulator (OSFI)
- Almost no subprime in this market
- Governed by the Bank Act
- Foreign ownership limits in place
- Integrated business model: customers purchase multiple products from one institution
- Residential mortgages lower risk due to:
  - No lending with loan to value above 80% without government backed insurance
  - Shorter terms (i.e.1-10 years)
  - Prepayment charges borne by the borrower
  - No Mortgage interest deductibility for income tax purposes (no incentive to take on higher levels of debt)
- New rules for government-backed insured mortgages and secured lines of credit:
  - All borrowers must meet the standards for five-year fixed rate mortgage, regardless of the mortgage chosen
  - Minimum 20% down payment required for rental properties
  - Maximum length amortization on insured mortgages lowered from 35 to 30 years, effective March 18, 2011
  - Maximum amount Canadians can withdraw when refinancing their mortgages lowered to 85 percent of the value of their homes, effective March 18, 2011
  - Withdrawal of government backed insurance for home equity secured lines of credit, effective April 18, 2011
- Current government not permitting bank mergers amongst big banks

U.S.

- Fragmented market
- Multiple regulators
- Choice of State vs. National Charter allows flexibility in choosing regulatory environment and structuring operations
- Bank Holding Companies provide flexibility in structuring business activities
- Branch restrictions in U.S. and various limits on interstate expansion
- Historically, more likely to securitize residential mortgages as prepayment penalties borne by the bank
- Consolidation continues

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 1 of this document, page 94-95 of BMO's 2011 Management Discussion & Analysis. For details on adjustments refer to slide 32

Operating Group - Overview

Personal & Commercial Banking - Canada

- Over 7 million customers
- Over 900 branches
- Access to over 2,100 automated banking machines

Personal and Commercial Banking – U.S.

- Over 2 million customers
- Almost 700 branches
- Access to over 1,350 automated banking machines across eight states

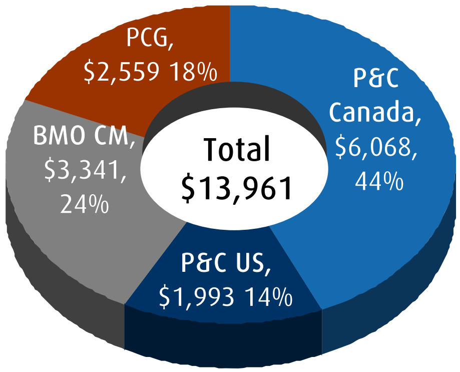
Private Client Group (PCG)

- BMO's group of wealth management businesses serve a full range of client segments from mainstream to ultra-high net worth, and institutional markets
- Broad offering of wealth management products and solutions including Insurance
- Operates in Canada and the United States, as well as in Asia and Europe

BMO Capital Markets (BMO CM)

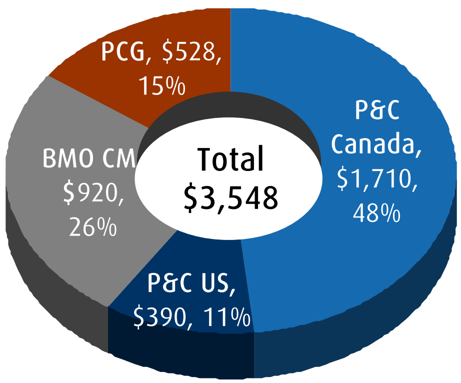
- Provides a broad range of products and services to help corporate, institutional and government clients achieve their ambitions
- Expertise in areas including equity and debt underwriting, corporate lending and project financing, M&A, foreign exchange, debt and equity research and institutional sales and trading
- 30 offices on five continents, including 17 in North America

F2011 Adjusted[1] Revenue by Operating Group (C$MM)



Excludes Corporate Services Revenue $(494)

F2011 Adjusted[1] Net Income by Operating Group (C$MM)



Corporate Services Net Loss $267

[1] Non-GAAP measures, see slide 1 and page 22 of the Fourth Quarter 2011 Earnings Release. For details on adjustments refer to slide 32

* 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. See Note 26 on page 167 of BMO's 2011 audited annual consolidated financial statements

Acquired Businesses of M&I

- Closed on July 5, 2011 for consideration of approximately $4B in the form of ~67MM common shares
- F2011 results include impact of M&I:
  - Adjusted net income of $180MM with P&C US contributing $142MM and PCG $14MM
  - Adjusted revenue of $640MM
  - Q4 reported results include $107MM net after-tax benefit for credit related items in respect of acquired loans
- On close added $29B of loans, after adjustment for future expected losses, and $34B of deposits
- More than doubles U.S. branch count to nearly 700
- Substantially contributes to our growing customer base with over 2 million customers in P&C US
- Annual cost savings from integration expected to exceed US$300MM
- Integration and restructuring costs expected to total ~US$600MM; $131MM or 22% incurred to date

Adjusted measures are non-GAAP measures. See slide 1 of this document, and pages 34, 94-95 of BMO's 2011 Management's Discussion & Analysis

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%**

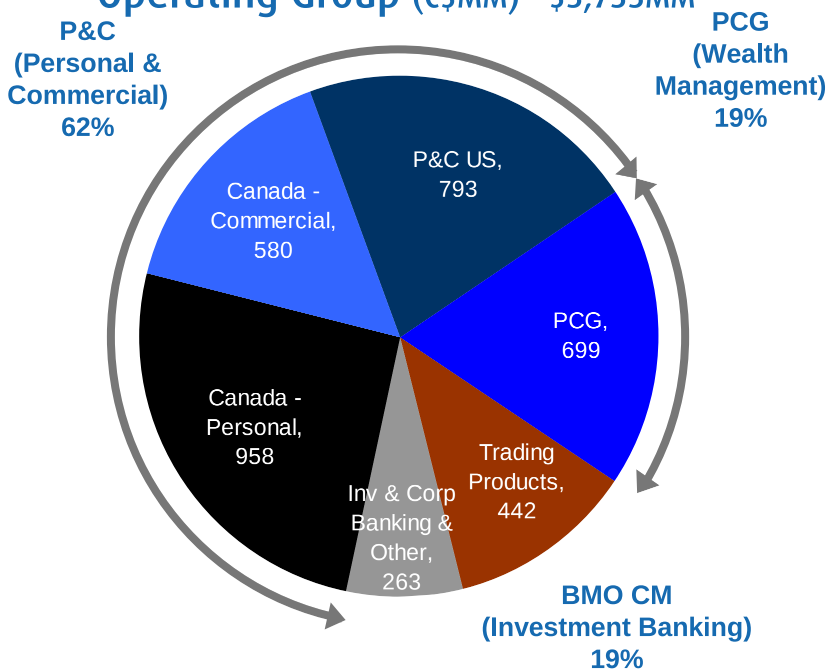
- Adjusted net income up 14% Y/Y, benefitting from full quarter contribution from acquired M&I business
  - P&C Canada results reflect continued (though lower) volume growth across most products
  - P&C US results reflect benefit of the acquired business
  - Continued growth in underlying businesses 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 1 of this document, page 94-95 of BMO's 2011 Management Discussion & Analysis. For details on adjustments refer to slide 32

Diversified Business Mix

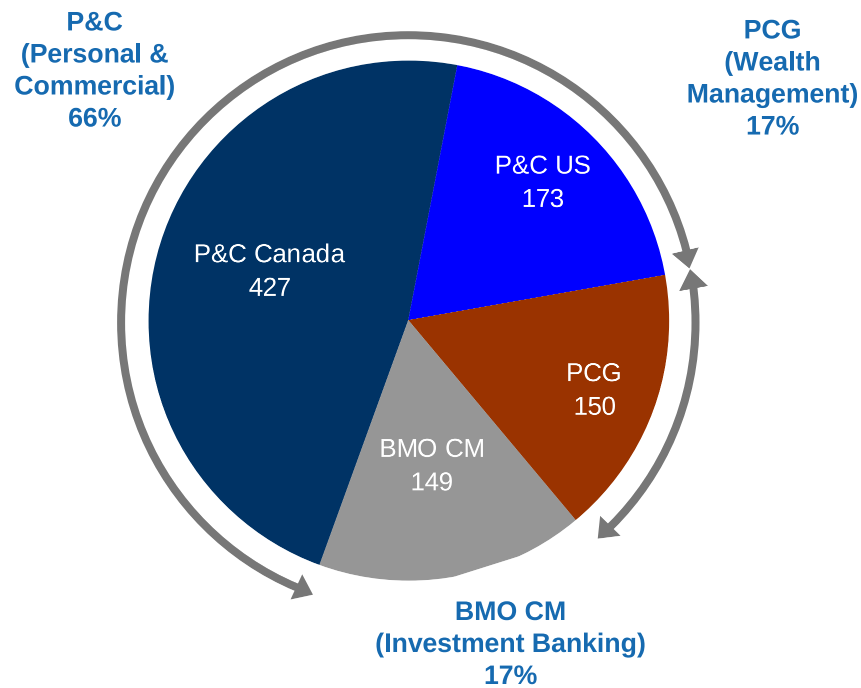
Over 80% of adjusted revenue and net income from retail businesses

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 1 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 32

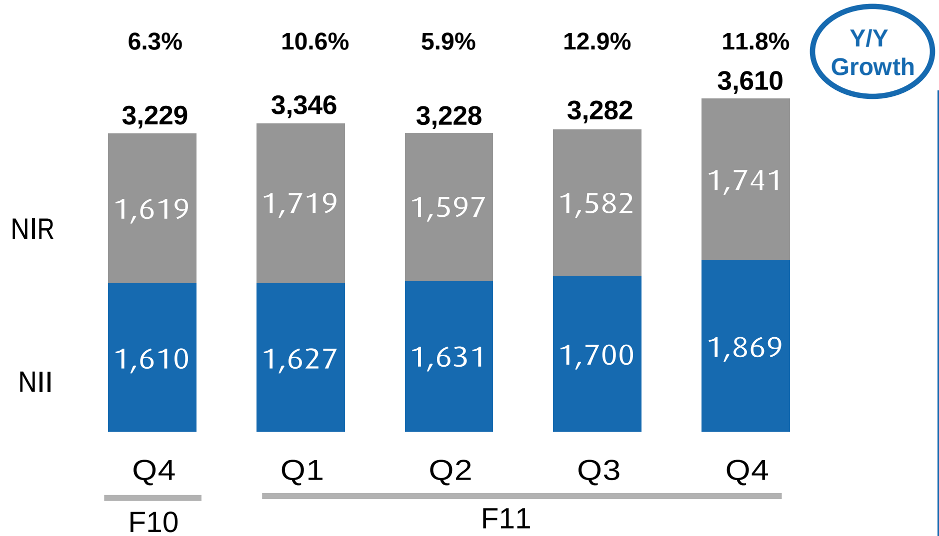
[1] Operating segment results reported on an Expected Loss (EL) basis

* Excludes Corporate Services results

Revenue

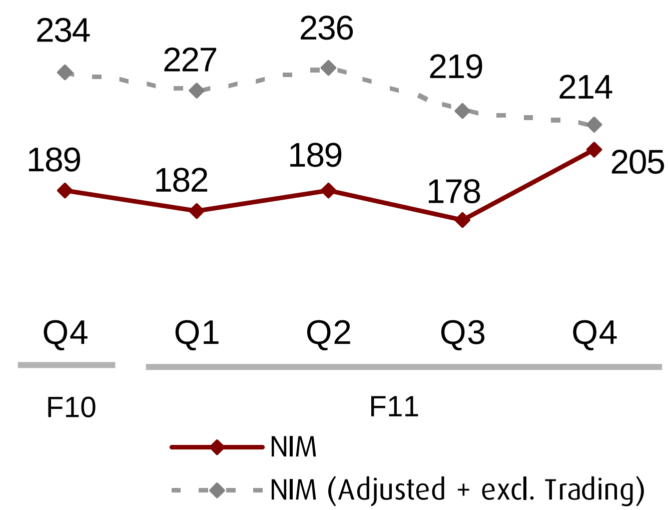
Strong year over year revenue growth

Total Bank Adjusted Revenue (C$MM)



- 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

Net Interest Margin (bps)



- 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 1 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 32

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 1 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 32

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

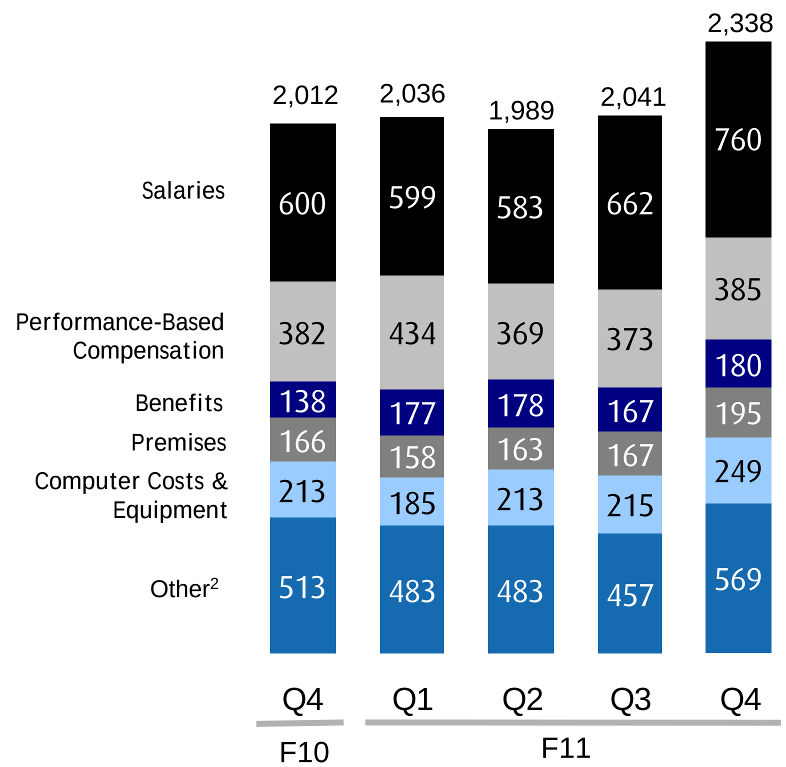
Non-Interest Expense

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 1 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 32

[1] Reported productivity of 62.5%

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

Capital & Risk Weighted Assets

Capital position strong

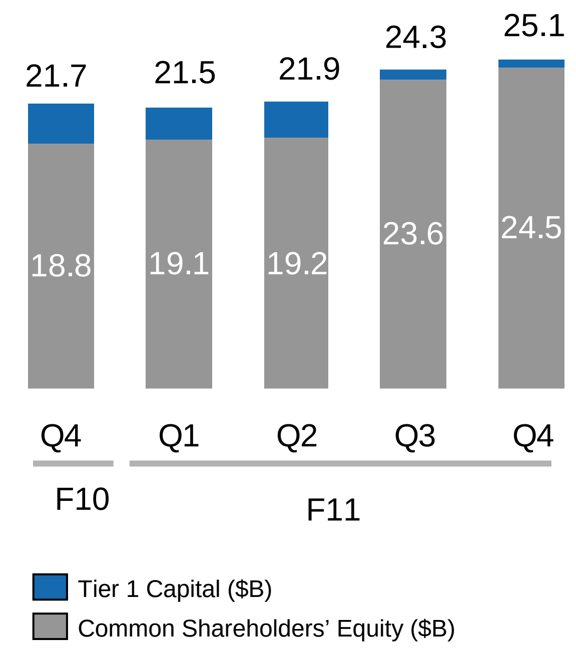
Basel II	F2010	F2011
Common Equity Ratio (%)[1]	10.3	9.6
Tier 1 Capital Ratio (%)	13.5	12.0
Total Capital Ratio (%)	15.9	14.9
RWA ($B)	161	209

- 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



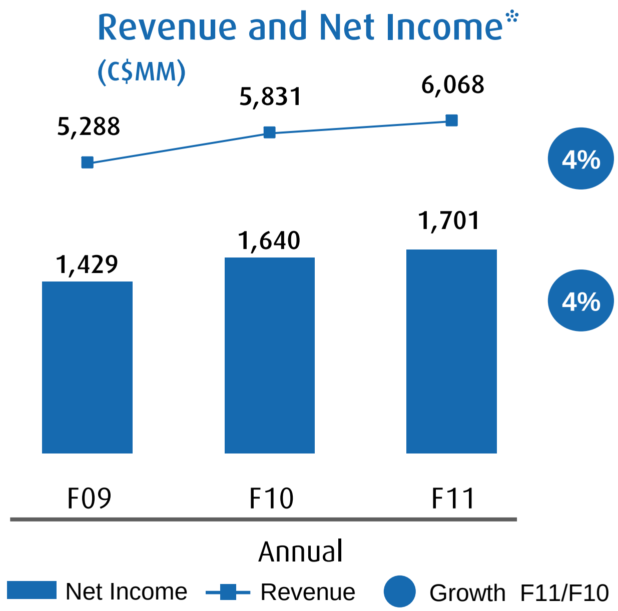
[1] Common equity ratio equals shareholders' common equity less Basel II capital deductions divided by RWA. This ratio is also referred to as the Tier 1 common ratio

[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

Personal & Commercial Banking Canada

Enhancing the customer experience; annual net income up 10% on an actual loss basis

- F2011 revenue up 4% to $6.1 billion and net income up 4% (10% on actual loss basis)
- Q4 11 net income up slightly Y/Y reflecting volume growth in both personal and commercial moderated by lower NIM; expense growth reflects planned business investment
- Improved productivity of our sales and distribution network
  - Opened or upgraded a record 58 branches including 9 in an innovative new format
  - Improved productivity of financial planners by over 20%
- Continued redesign of core processes and technologies to create front-line capacity and reduce costs
- Customer loyalty continues to improve
- Ranked 2nd among six largest Canadian banks (Forrester Research Inc's Online Banking Rankings, July 2011)



* 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

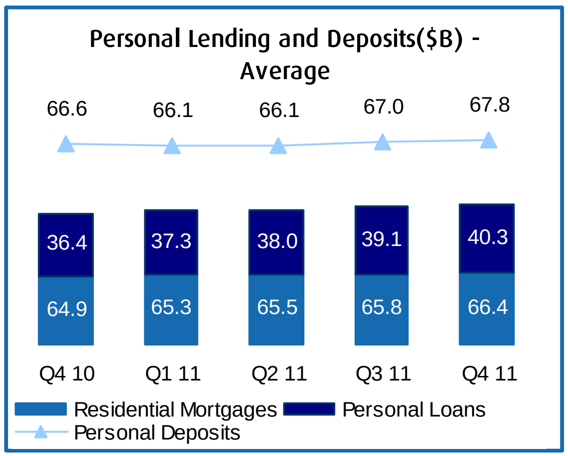
Personal & Commercial Banking Canada – Product Balances & Market Share

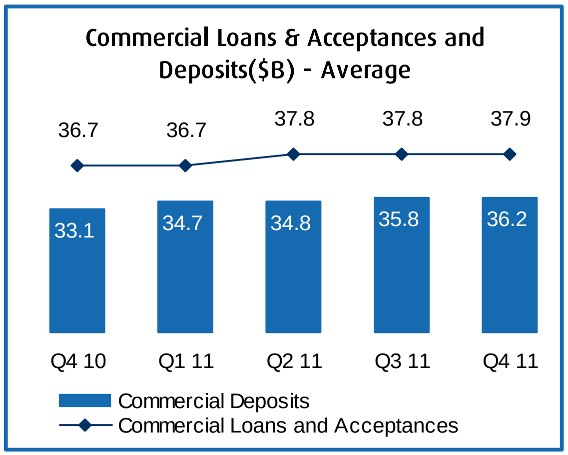
Personal
- Y/Y total personal lending balances up 5.3% and personal deposit balances up 1.9%
- Deposit share declined Y/Y, but was stable Q/Q; Lending market share declined Y/Y and Q/Q

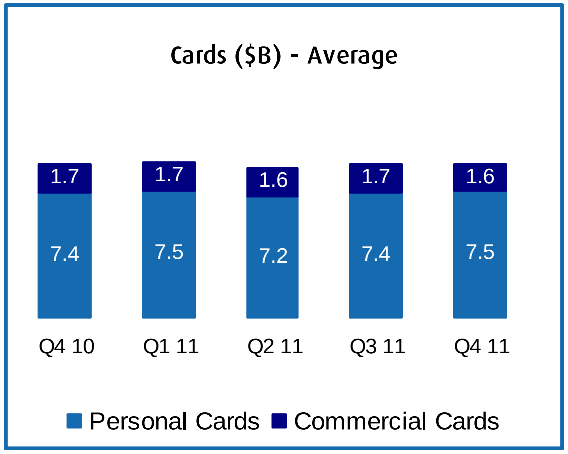
Commercial
- Commercial deposit balances increasing over the past 10 quarters, up $3.1B or 9.3% Y/Y
- Maintained #2 market share position in Commercial loans
- Q/Q commercial loan market share declined reflecting the inclusion of multi-residential mortgages in total loan balances by one participant (previously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

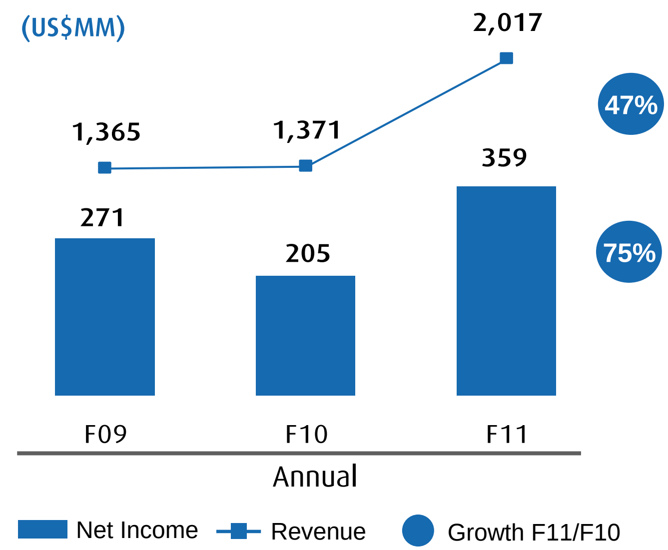
An enviable market position; Q4 revenue and net income more than doubled Y/Y

- F2011 revenue up 47% and adjusted net income up 77% mainly due to lift from M&I
  - Acquired M&I businesses added $554MM to revenue and $142MM to adjusted net income in F2011 (~ 4 months of results)
- Q4 11 revenue and net income more than doubled Y/Y
- Focused on sales productivity, effectively managing costs and optimizing expanded distribution network and capabilities; adjusted productivity of 57.3% in Q4 11
- Maintaining strong customer loyalty
- Enviable deposit market share positions in U.S. Midwest
  - #1 in Wisconsin, 18.0%
  - #2 in Chicago market, 11.6% (up from 9.5% a year ago)
  - #3 across our Midwest markets
- Pleased with all elements of integration plan to-date

BMO Harris Bank

Revenue and Net Income*

(US$MM)



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Note: Adjusted measures are non-GAAP measures, see slide 1 of this document and pages 34, 94-95 of BMO's 2011 Management Discussion & Analysis

Personal & Commercial Banking U.S. – Product Balances

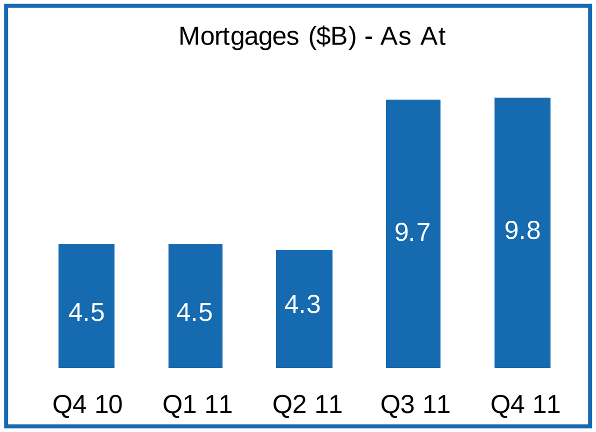
All amounts in U.S. $B

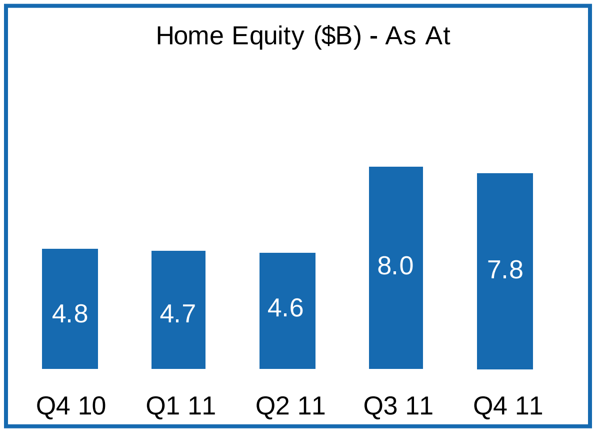
Personal (Y/Y)

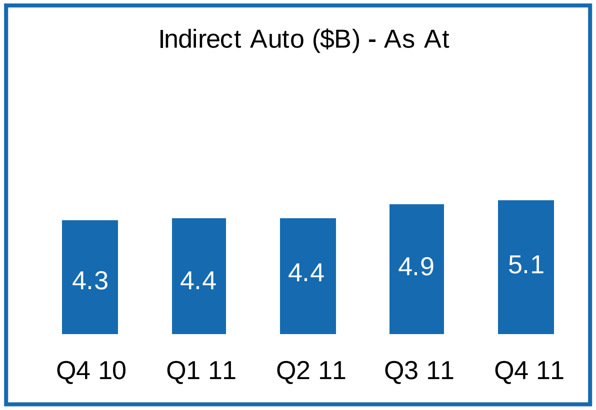
- Mortgages increased $5.3B with $5.6B from M&I, which was primarily offset by amortization/run off of outstandings in the existing portfolio and new originations being sold in the secondary market
- Indirect Auto increased $0.8B with $0.6B from M&I as originations in the existing portfolio are slightly 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

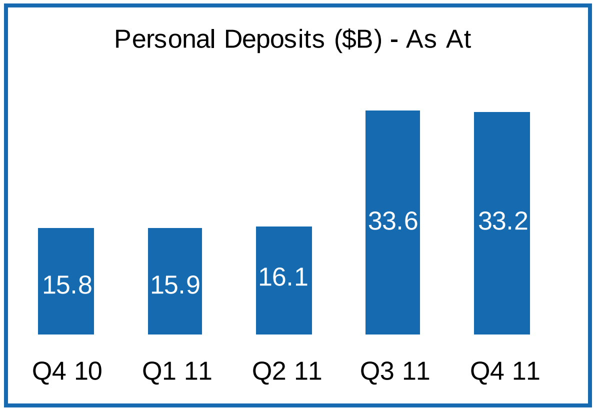
Commercial (Y/Y)

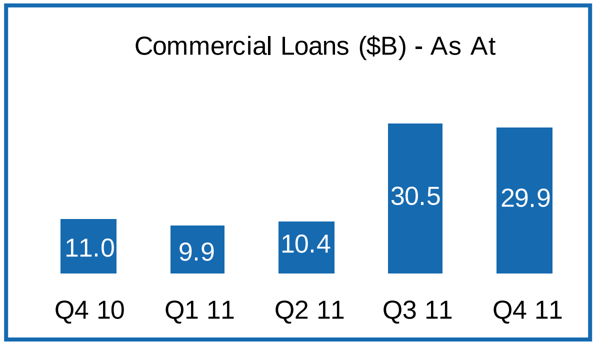
- Commercial (excluding run-off portfolio/M&I) loan growth of $1.3B or 20% from start of the fiscal year on an average basis, while deposits continue to be at record levels
- M&I core commercial loan portfolio balance decreased reflecting normal course of business and seasonal paydowns

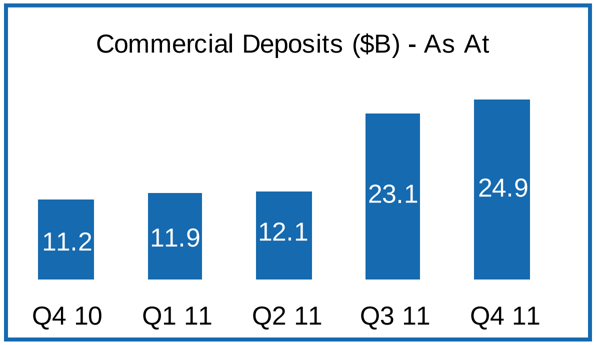












Private Client Group

Wealth businesses performing well; Q4 net income up 13% Y/Y, earnings ex Insurance up 20%

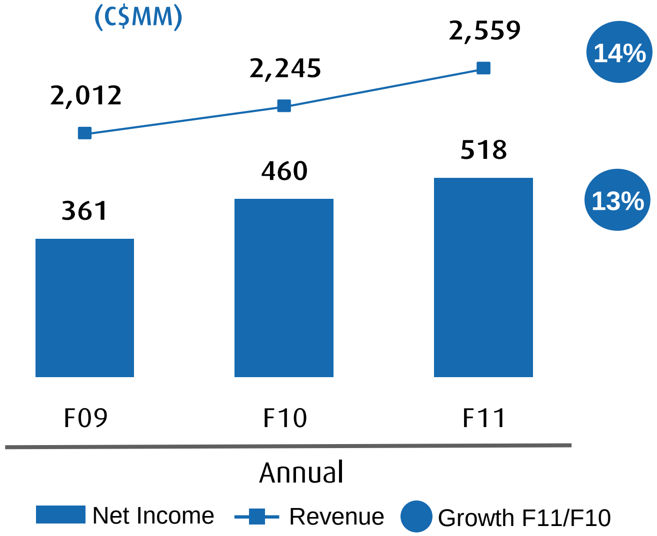
- F2011 revenue up 14% and adjusted net income up 13%, driven by strong performance from traditional wealth businesses, up 31%
- AUM / AUA up $158 billion or 60% (62% in source currency) primarily due to acquisitions
- Q4 11 net income up 13% Y/Y with M&I wealth businesses contributing US$6 million of net income (US$10 million adjusted net income)
- Selectively investing for future growth
  - M&I almost doubles our U.S. private banking footprint, adds established family of mutual funds and large team of financial advisors and strong capabilities in institutional trust services
  - With M&I and Lloyd George Management, global asset management business manages over $100B in combined assets
  - Expanded ETF family to 44 funds, $3 billion in assets managed

BMO InvestorLine®

Ranked # 1 among bank-owned online brokerages by *The Globe and Mail* in 2011

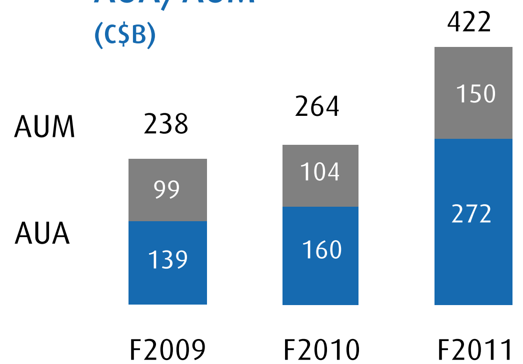
Revenue and Net Income*

(C$MM)



AUA/AUM

(C$B)



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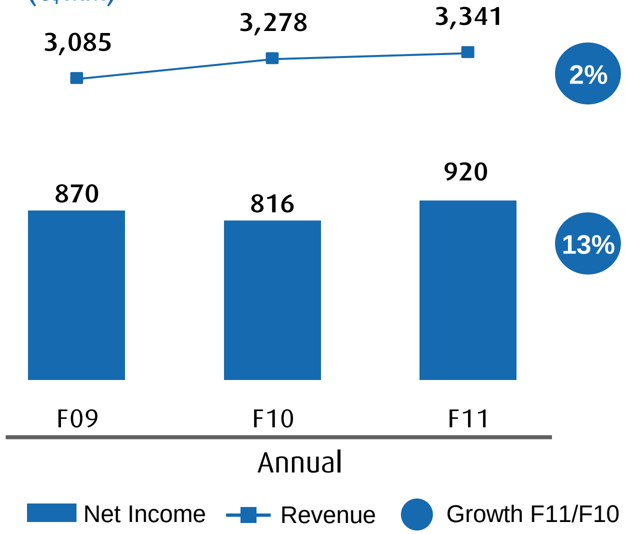
Adjusted measures are non-GAAP measures. See slide 1 of this document, and pages 34, 94-95 of BMO's 2011 Management's Discussion & Analysis

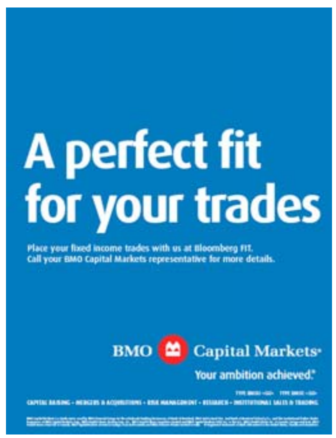
BMO Capital Markets

Building a North American capital markets business with a unified approach to client coverage

- F2011 net income up 13% with strong ROE of 20.4%, up from 18.7% from a year ago
- Q4 11 net income down Y/Y and Q/Q given weaker and volatile market environment
- Build out of distribution platform, primarily in the U.S.; strengthened fixed income capabilities, including designation as Primary Dealer by the NY Fed
- Continued to expand U.S. Equity Research and Sales & Trading capabilities adding experienced senior talent
- Investment banking pipeline remains healthy

Revenue and Net Income*
(C$MM)





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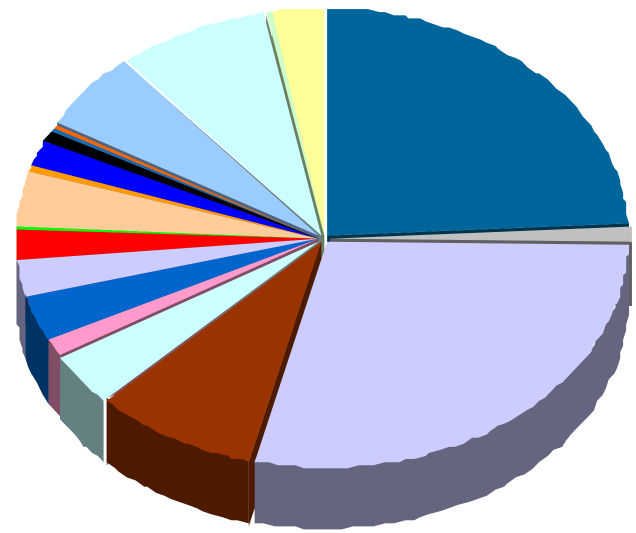
Diversified Loan Portfolio

Total Gross Loans and Acceptances*
As at October 31, 2011

($B)	Canada	U.S.*	Other	Total	
Consumer					
Residential Mortgage	42	8	-	50	24%
Consumer Loans	46	14	-	60	29%
Cards	2	-	-	2	1%
Total Consumer	**90**	**22**	**-**	**112**	**54%**
Commercial	**40**	**34**	**-**	**74**	**36%**
Corporate	**9**	**5**	**8**	**22**	**10%**
Total	**139**	**61**	**8**	**208**	**100%**

Gross Loans and Acceptances by Product and Industry ($B)*
As at October 31, 2011



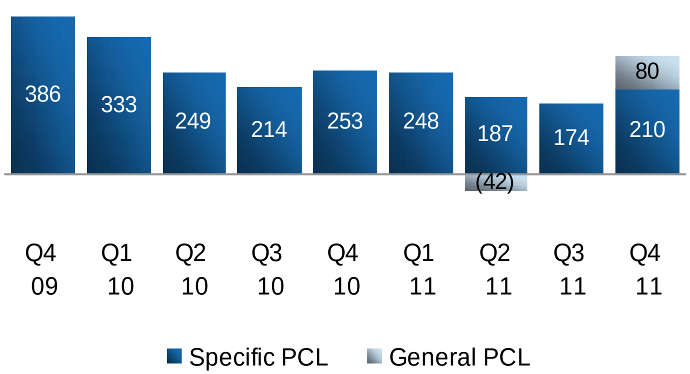
- Residential Mortgages - 24.2%
- Cards - 1.1%
- Personal Loans - 28.5%
- Commercial Mortgages - 8.7%
- Commercial Real Estate - 3.9%
- Construction - 1.1%
- Retail Trade - 3.3%
- Wholesale Trade - 2.5%
- Agriculture - 2.2%
- Communications - 0.3%
- Manufacturing - 4.1%
- Mining - 0.3%
- Oil & Gas - 1.7%
- Transportation - 0.9%
- Utilities - 0.4%
- Forest Products - 0.2%
- Service Industries - 5.6%
- Financial - 7.9%
- Government - 0.3%
- Other - 2.8%

*Excluding securities borrowed or purchased under resale agreements

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**

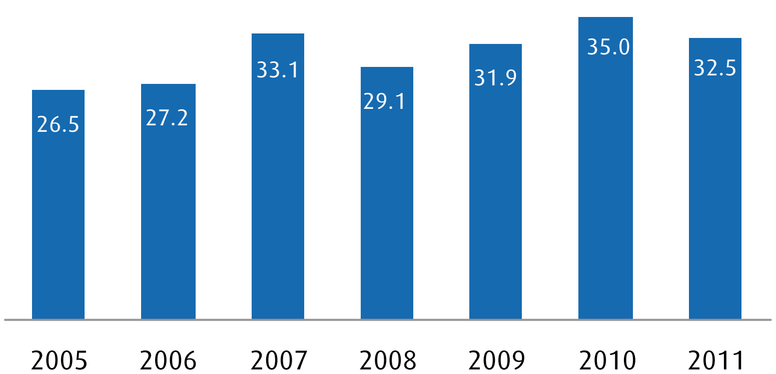
1 Corporate Services include Real Estate secured assets transferred as of Q3 '11, previously reported in P&C US Commercial. Prior periods not restated

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)

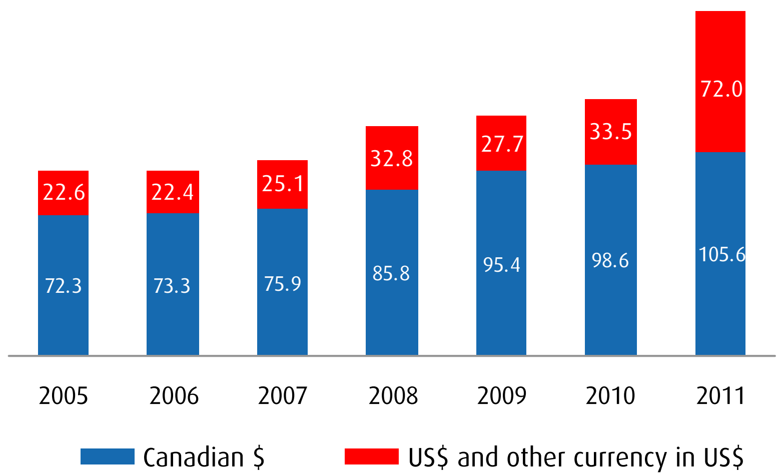
Liquidity and Funding Strategy

- BMO's large base of customer deposits, along with our strong capital base, reduces reliance on wholesale funding.
- Our wholesale funding principles seek to match the term of assets with the term of funding (e.g. to fund loans with longer term funds). In addition, our wholesale funding is diversified by customer, type, market, maturity term, currency and geographic region.

Liquidity Ratio (%)



Core Deposits (in billions)



- BMO's has access to diversified funding sources, including:

Programs: **Current program size:**

Program	Size
European Note Issuance Program:	US$20bn
Canadian Base Shelf Program:	$8bn
Global Covered Bond Program:	€10bn
US MTN Program:	US$15bn

Additional Sources:

- Securitization: Mortgages (Canada Mortgage Bond participation and MBS) and Credit Card ABS ($3bn shelf)
- Canadian & US Senior (unsecured) deposits

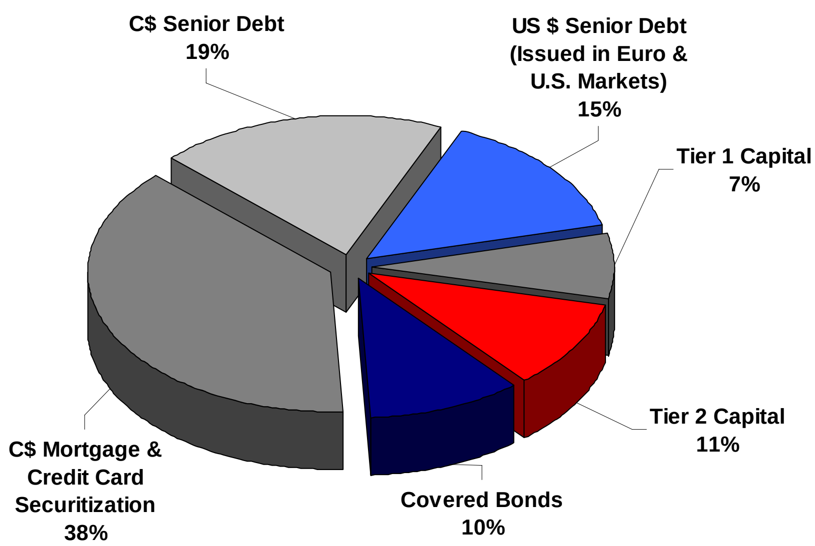
Diversified Wholesale Term Funding Mix

- BMO's wholesale funding principles seek to match the term of assets with the term of funding. Loans for example are funded with customer deposits and capital, with any difference provided by longer-term wholesale funding
- BMO has a well diversified wholesale funding platform across markets, products, terms, currencies and maturities

Credit Ratings			
Moody's	S&P	Fitch	DBRS
Aa2	A+	AA-	AA

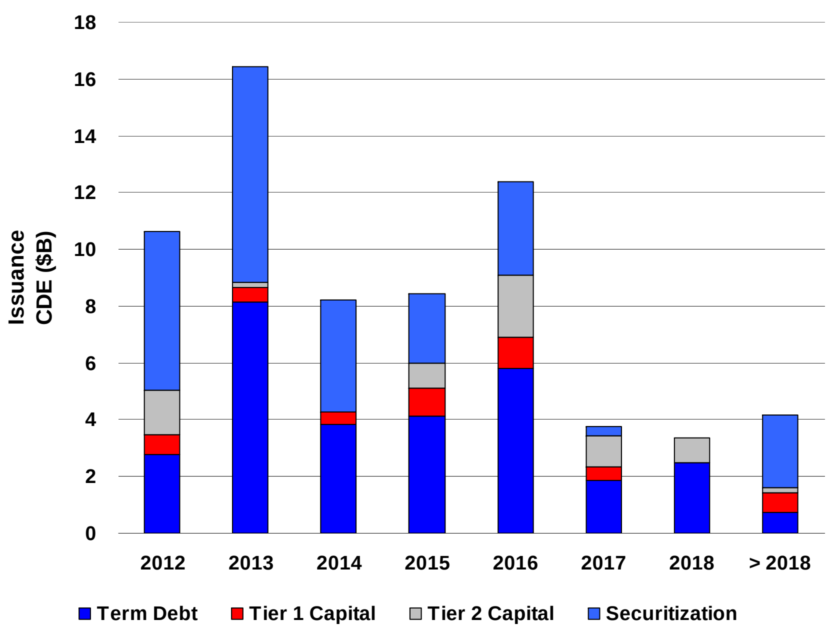
Wholesale Capital Market Term Funding Composition (Total $67.4B)

As at Oct 31, 2011



Wholesale Capital Market Term Funding Maturity Profile (Total $67.4B)

As at Oct 31, 2011



Corporate Governance

- Comprehensive code of business conduct and ethics, *FirstPrinciples,* guides conduct and ethical decision-making by our directors, officers and employees
- Governance practices reflect emerging best practices and BMO meets or exceeds legal, regulatory, TSX and NYSE requirements
- We have share ownership requirements to ensure directors' and executives' compensation is aligned with shareholder interests
- *The Globe and Mail's Board Games 2011* annual review of corporate governance practices in Canada ranked BMO 10th overall among 253 Canadian reporting issuers

Sustainability at BMO

We acknowledge the sustainability emphasis that stakeholders are placing on the social and environmental aspects of our business and recognize that judgements are made as to how well we respond to the issues. Common areas of focus include:

- Environmental Impact
- Diversity and Talent Management
- Access to Financial Services
- Ethical Behaviour
- Board Independence & Oversight
- Commitment to Communities
- Environmental, Social & Governance (ESG) Considerations

We have well-defined policies and programs in place to manage various impacts on our operations and, we understand that how we handle ESG factors may have an effect on our ability to respond to changes in the business environment which in turn could lead to reputational, business, or regulatory risk.

Our success in handling ESG factors has earned us a position on several key sustainability indices, including:

JSI JANTZI SOCIAL INDEX

Dow Jones Sustainability Indexes Member 2010/11

FTSE4Good

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

Looking Ahead…

We have the business platform, balance sheet and expertise to generate quality growth

- We're confident in our ability to perform strongly against peers through a number of differentiated growth levers:
  - ✓ **Continued successful integration of M&I;**
  - ✓ **Strength in commercial banking;**
  - ✓ **Expected return on investments we've made across our businesses in people, technology and distribution, including our US capital markets business; and**
  - ✓ **Continued success in our flagship P&C Canada business**

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)**

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