

Q3 | 10

Institutional Investor Presentation

BAL



Forward Looking Statements & Non-GAAP Measures

Caution Regarding Forward-Looking Statements

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

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

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

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

In concluding that we will complete the conversion of the operations acquired through the second quarter Rockford, Illinois-based bank transaction, we have assumed that no competing priorities emerge that take a priority claim to the needed staffing and technical resources and that no serious systems problems arise on the conversion.

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

Non-GAAP Measures


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

Examples of non-GAAP amounts or measures include: cash earnings per share, cash operating leverage, cash ROE and cash productivity; revenue and other measures presented on a taxable equivalent basis (teb); net income and cash productivity ratios measured on a core basis to exclude the impact of impaired loans, VISA litigation and acquisition integration costs; amounts presented net of applicable taxes and earnings which exclude the impact of provision for credit losses and taxes..

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

Bank of Montreal (BMO Financial Group)

- 4th largest bank in Canada measured by total assets
- 100% ownership of Chicago-based Harris Bank

Listings NYSE, TSX (Ticker: BMO)		F2010 YTD Results
Share Price Oct 31/09: NYSE – US\$46.37 <small>(Fiscal Year-end)</small> TSX – C\$50.06 Jul 31/10: NYSE – US\$61.06 TSX – C\$62.87		Revenue C\$9.0 billion (US\$8.6 ¹ billion)
Market Cap Oct 31/09: C\$28 billion (US\$26 billion ¹) Jul 31/10: C\$35 billion (US\$34 billion ¹)		Net Income C\$2.1 billion (US\$2.0 ¹ billion)
# of Employees 38,000		Cash EPS (reported) C\$3.55 (US\$3.40)
Over 10 million personal, commercial, corporate and institutional customers		PCL C\$0.8 billion (US\$0.8 ¹ billion)
		Average Assets C\$395 billion (US\$378 ¹ billion)
		Capital Ratios Tier 1 – 13.55% TCE/RWA – 10.39%

¹ Balances reported in Canadian dollars. Exchange rates are:
 F2010 YTD average: Cdn/U.S. \$1.0439 / As at July 31, 2010: \$1.0283

Financial and Capital Strength

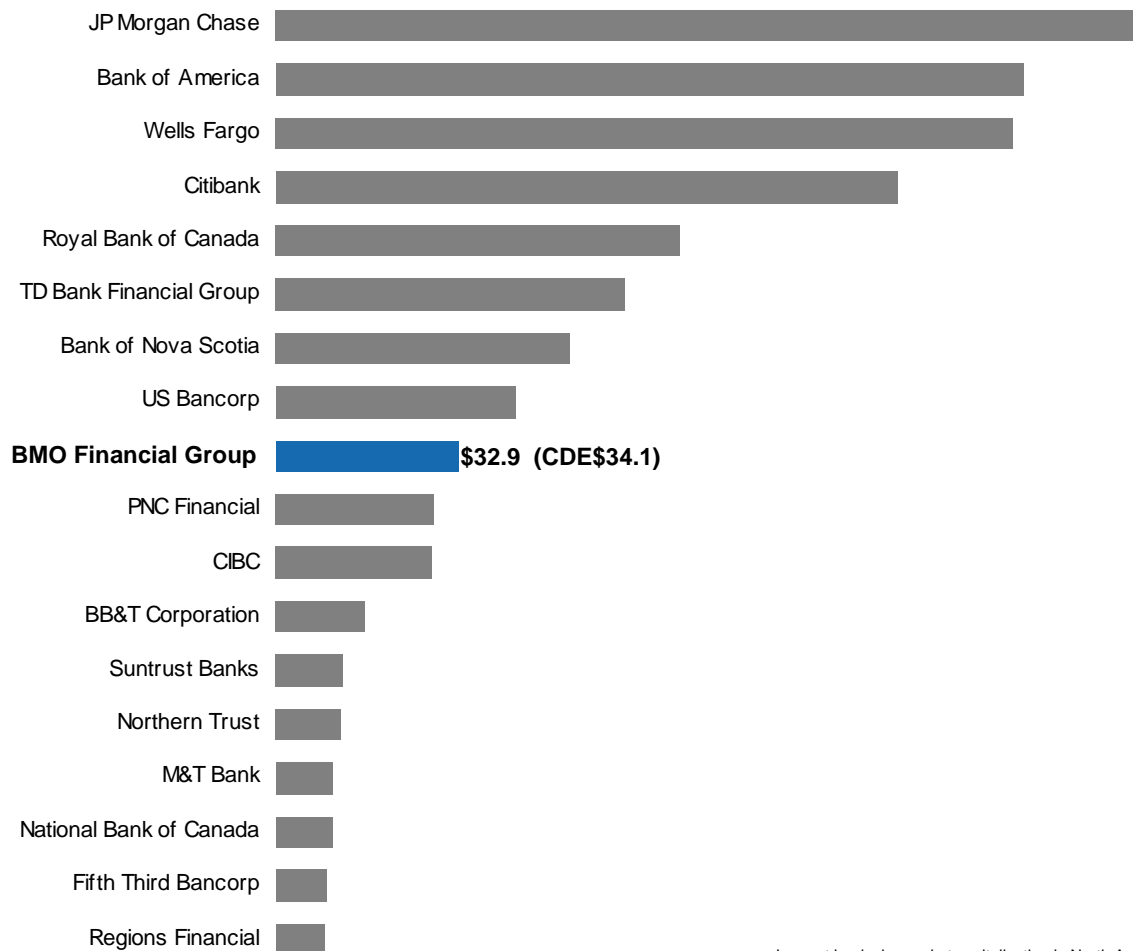
BMO's strong financial position and clear business strategy provide a unique opportunity to grow

Tangible Common Equity / Risk-Weighted Assets¹ (%)

Northern Trust	12.46
Citibank	12.14
TD Bank Financial Group	11.27
BMO Financial Group	10.39
JP Morgan Chase	9.86
Royal Bank of Canada	9.11
CIBC	9.10
National Bank of Canada	9.03
Bank of Nova Scotia	9.01
Suntrust Banks	8.73
BB&T Corporation	8.65
PNC Financial	8.51
Regions Financial	8.21
Bank of America	8.16
Wells Fargo	7.75
Fifth Third Bancorp	7.68
US Bancorp	6.63
M&T Bank	5.87

Market Capitalization

(\$US billions)



Largest banks by market capitalization in North America, as at September 8th, 2010 as published by Bloomberg.

¹ As at July 31, 2010 for Canadian Banks, as at June 30, 2010 for US banks as published in quarterly reports and using a consistent methodology.

Reasons to Invest in BMO

○ Clear growth strategy

- ▶ Consistent and focused North American growth strategy
- ▶ Strong Canadian and U.S. customer base
- ▶ Growing global presence to support our customers
- ▶ Commitment to our medium-term financial objectives

○ Strong financial position

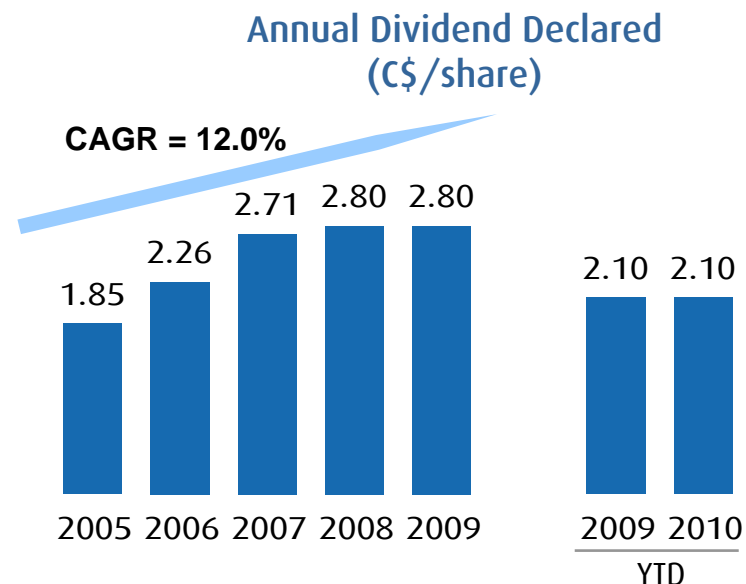
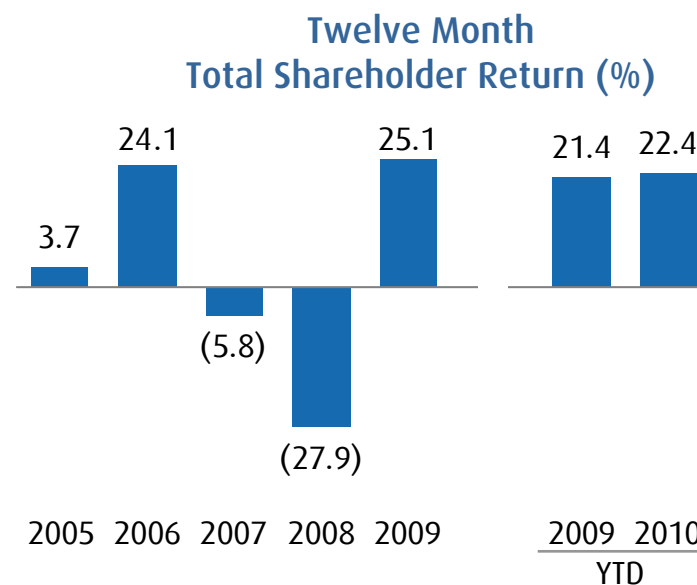
- ▶ Balanced approach to capital management
- ▶ Tier 1 Capital Ratio of 13.55% at July 31, 2010
- ▶ Tangible common equity to risk-weighted assets ratio of 10.39% at July 31, 2010
- ▶ Strong senior debt ratings

○ Proactive risk management

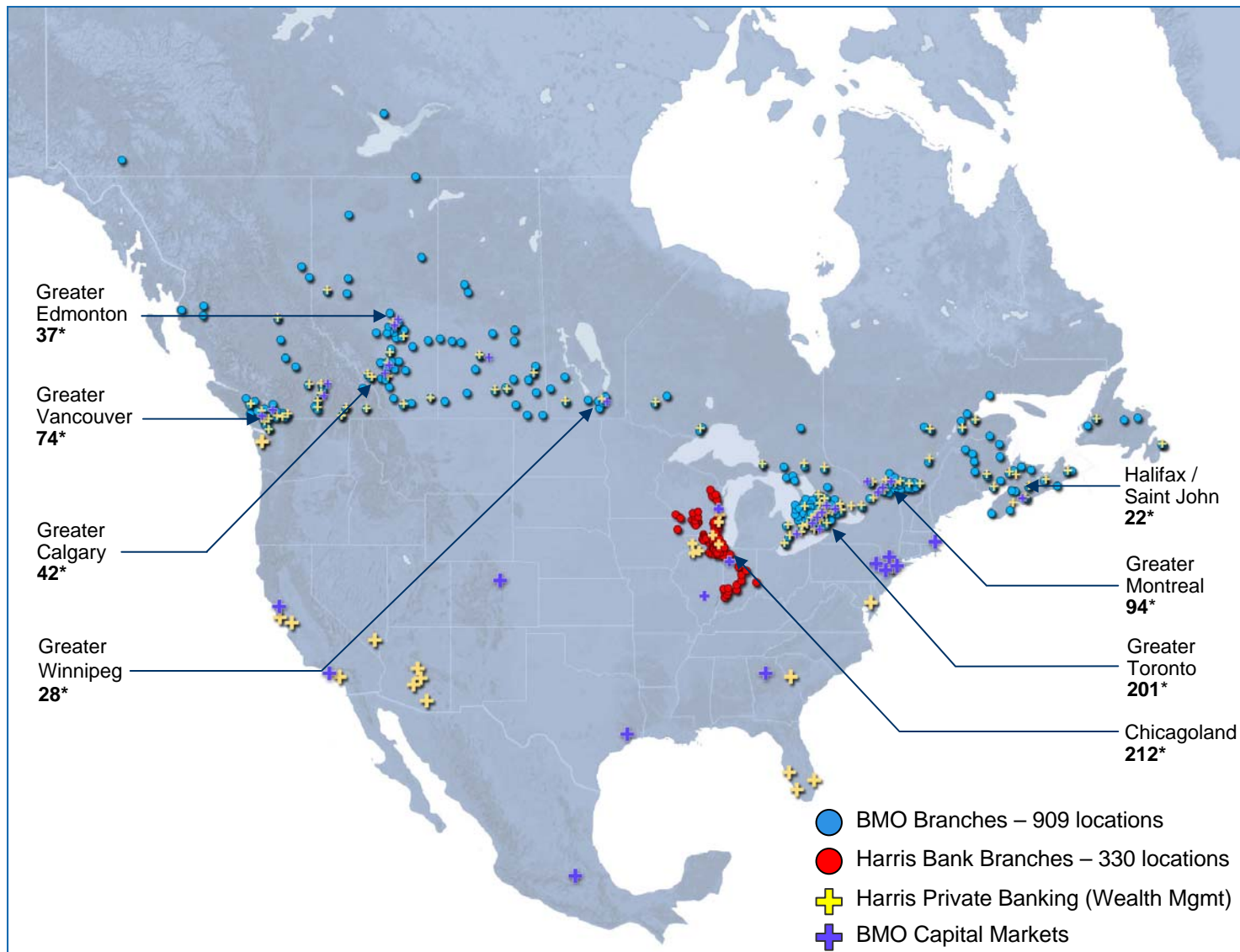
- ▶ Independent risk oversight across the enterprise
- ▶ Disciplined credit risk management capabilities and processes
- ▶ Group and individual performance assessments that reflect risk-adjusted returns and align with shareholder interests

○ Commitment to stakeholders

- ▶ Clear brand promise that delivers real benefit for customers
- ▶ Engaged employees committed to exceeding customers' expectations
- ▶ Financial performance and consistent dividend payment track record
- ▶ Strategic approach to corporate responsibility and sustainability



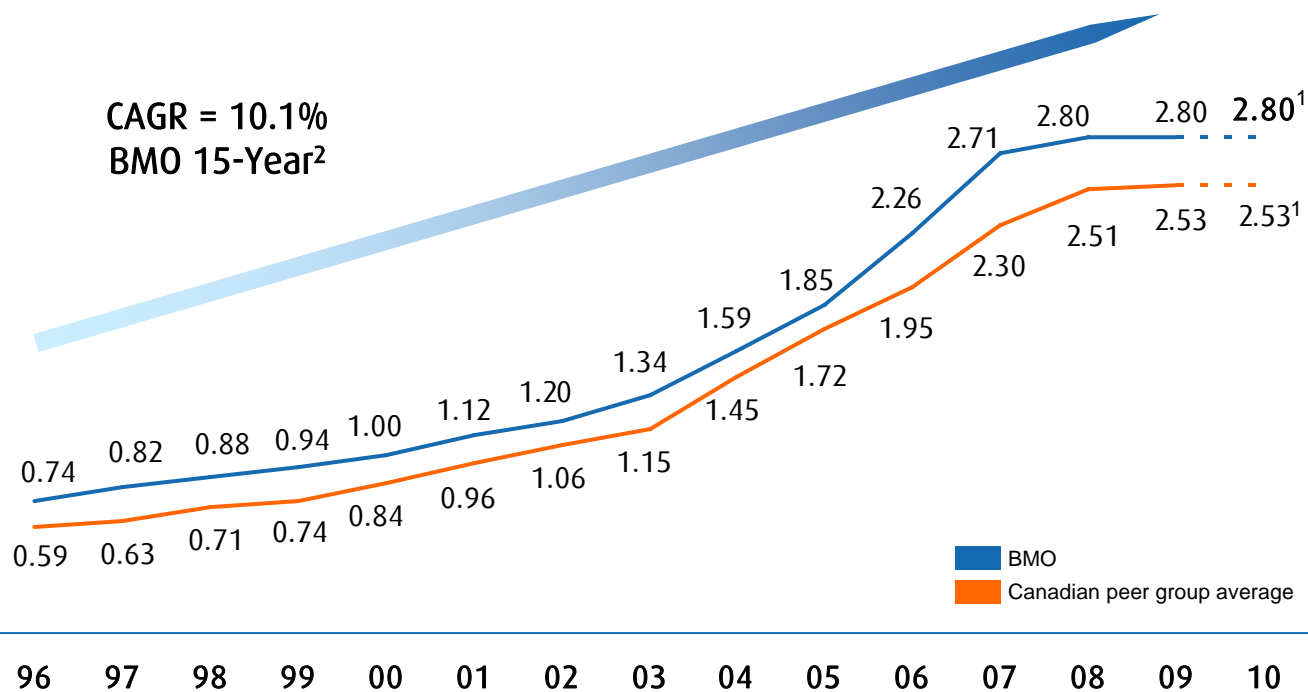
BMO Financial Group – Positioned for Strong Growth



* Retail locations in major urban centers

Annual Dividend

Annual Dividends Declared Per Share (C\$)



Target Payout Ratio
45% - 55%

¹Estimate based on the assumption that current dividend level continues for the rest of the year

²CAGR based on dividends declared 1995 - 2010

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 penalties 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:
 - ▶ All borrowers must meet standards for five-year fixed rate mortgage, regardless of mortgage chosen
 - ▶ Maximum amount Canadians can withdraw in refinancing their mortgages lowered to 90 per cent from 95 per cent of the value of their homes
 - ▶ Minimum 20% down payment required for government-backed mortgage insurance on non-owner-occupied properties purchased for speculation
- 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

Economic Outlook

Canada

- The Canadian economy is clearly cooling after a strong rebound into early 2010. We expect the expansion to continue in 2011 at a moderate pace, with support from low interest rates offset by a high Canadian dollar and lacklustre U.S. demand.
- Housing was a primary growth driver earlier this year, but the sector has slowed substantially in the wake of tighter mortgage insurance rules, the HST (in Ontario and B.C.), and a slight rise in short-term borrowing rates.
- The Bank of Canada will push interest rates higher only gradually over the next year, wary of the elevated level of uncertainty about the economic outlook.
- The Canadian dollar is expected to remain trendless until there is more certainty about the global economic outlook. We look for the currency to strengthen towards parity again by the second half of 2011 as the economic recovery takes firmer hold and commodity prices strengthen.

U.S.

- The U.S. economy is grinding through "unusually uncertain times", according to Fed Chairman Bernanke, with the recent slowdown more pronounced than expected. Even so, the economy is unlikely to sink back into a double dip recession because financial conditions remain supportive.
- Growth remains patchy and reliant on record-low interest rates and government support. Expect even softer growth in the second half of 2010, and minimal job growth, keeping the unemployment rate just below 10%. Households continue to pay down debts and rebuild savings.
- The Federal Reserve will keep interest rates near zero well into next year to ensure a durable recovery.

* Outlook as at September 8, 2010

Economy ... Recession Over

	Canada			United States			Eurozone		
Economic Indicators (%)	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E
GDP Growth	(2.5)	3.0	2.5	(2.6)	2.6	2.2	(4.0)	1.6	1.5
Inflation	0.3	1.7	1.8	(0.3)	1.5	1.2	0.3	1.5	1.8
Private Consumption Growth	0.4	3.4	3.1	(1.2)	1.5	2.2	(1.2)		
Interest Rate (3mth Tbills) ¹	0.3	0.6	1.2	0.2	0.1	0.2	1.2	0.7	1.1
Unemployment Rate	8.3	8.0	7.7	9.3	9.6	9.1	9.4	10.0	9.7
Current Account Balance / GDP	(2.8)	(3.1)	(3.4)	(2.7)	(3.4)	(3.4)	(0.3)	0.3	0.8
Budget Surplus / GDP	(3.5)	(3.1)	(1.6)	(9.9)	(9.2)	(7.0)	(6.3)	(6.6)	(5.7)

Sources: BMO Economics, Haver Analytics

¹Annual average

*Forecasts as of September 9, 2010

BMO's Strategic Priorities

1

Maximize earnings growth across all North American **personal and commercial banking businesses**, focusing on industry-leading customer experience and sales force productivity.

2

Accelerate the growth in our **wealth management business** by providing our clients with exceptional advice, emphasizing retirement and financial planning.

3

Deliver strong, stable returns in our **capital markets business** by providing highly targeted solutions to our core clients, everywhere we compete, from a single integrated platform.

4

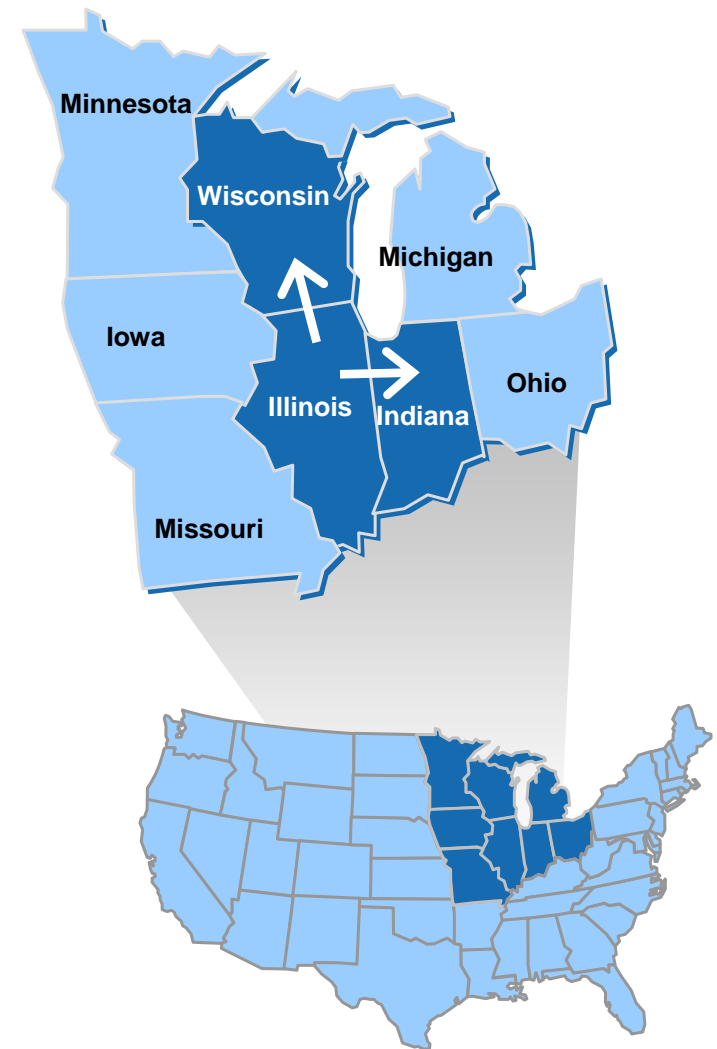
Grow our business in **select global markets** to meet our customers' expanding needs.

5

Sustain a **culture** that focuses on customers, high performance and our people.

U.S. Growth Potential

- Chicago is the hub of Midwest region
 - ▶ Population base of 60 million people, almost double that of Canada's population
 - ▶ GDP of \$2.6 trillion U.S.
- Harris is a well known brand in the attractive U.S. Midwest market
- Uniquely positioned between smaller community banks and larger network banks
- Current market conditions are expected to provide opportunities
- FDIC-assisted acquisition closed in April 2010



Acquisition History

Harris Bank

- Recognized and respected bank, in business for over 125 years
- Established strengths in both personal and commercial businesses, serving over 1 million customers

Distribution network

- 330 branches
 - ▶ 226 in Illinois
 - ▶ 52 in Wisconsin
 - ▶ 52 in Indiana
- 924 ATM's
- Internet & telephone banking

Chicago

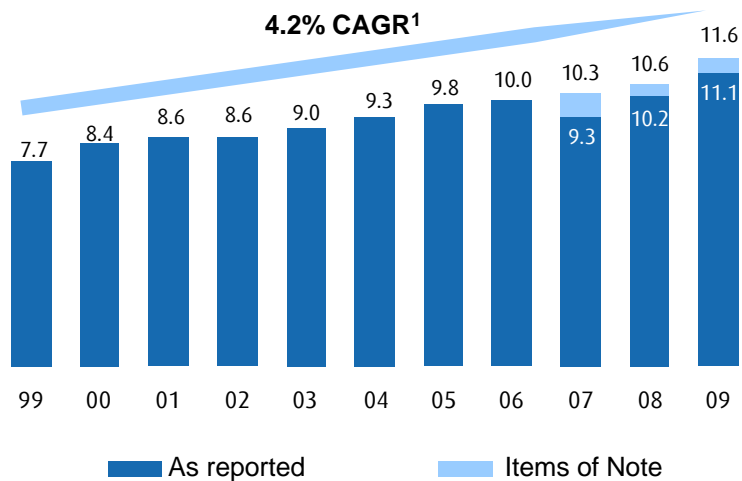
- Solid growth in population and median household incomes
- Highly diversified economy
- Banking industry still fragmented

U.S. Retail Acquisitions	Year	Amount (US \$MM)
Harris Bank	1984	547
Barrington	1985	32
St. Charles & Batavia	1988	26
Libertyville	1990	6
Frankfort	1990	17
Suburban Bancorp	1994	222
Household Int'l	1996	277
Joliet	2001	221
Lakeland	2004	37
New Lenox State Bank (NLSB)	2004	235
Mercantile	2004	161
Edville (Villa Park)	2005	66
First National Bank and Trust	2006	290
Merchants & Manufacturers	2008	135
Ozaukee	2008	180
AMCORE N.A.	2010	222
Total		2,674

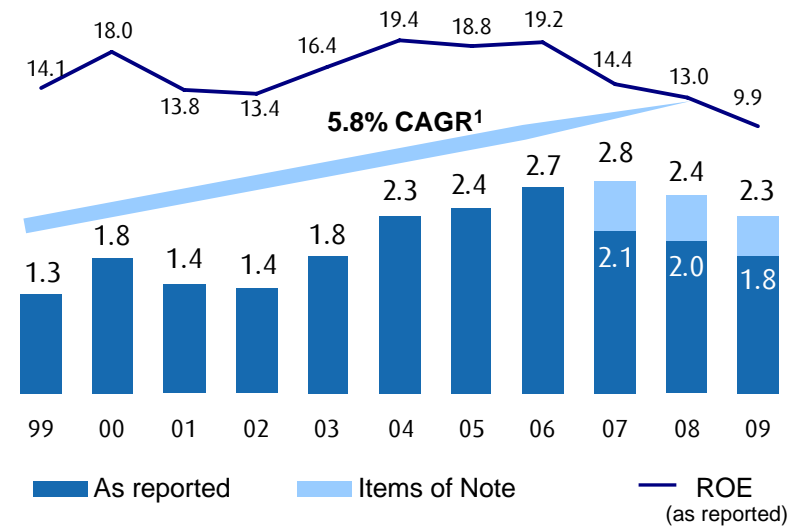
Long-Term Financial Trends

- BMO has delivered positive financial results over the last ten years, with compounded annual Net Income growth of 5.8%¹

Revenue (\$B)



Net Income (\$B) & Return on Equity (%)



¹ Excluding items of note
As reported results:
Revenue CAGR of 3.7%
Net Income CAGR of 3.3%

Operating Groups

Personal & Commercial Banking (P&C)

- Over 8 million customers across Canada & the U.S.
- Over 1,200 branches in Canada & the U.S.
- Access to almost 3,000 automated banking machines in Canada and the U.S.

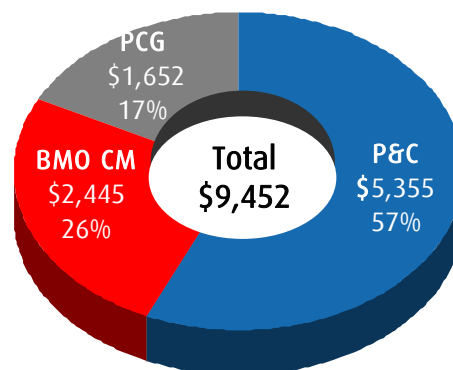
Private Client Group (PCG)

- Full-service and direct investing, private banking, investment products
- BMO Life Insurance

BMO Capital Markets (BMO CM)

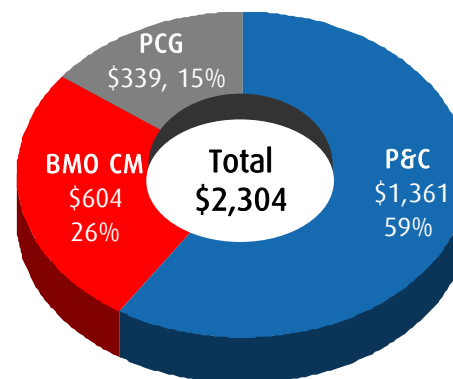
- Bulge bracket firm in Canada, mid-market niche player in the U.S.
- Capital raising, M&A and restructuring advisory services
- Industry leading research, sales and trading capability

F2010 YTD Revenue by Operating Group (C\$MM)



Corporate Services Revenue \$(471)

F2010 YTD Net Income by Operating Group (C\$MM)



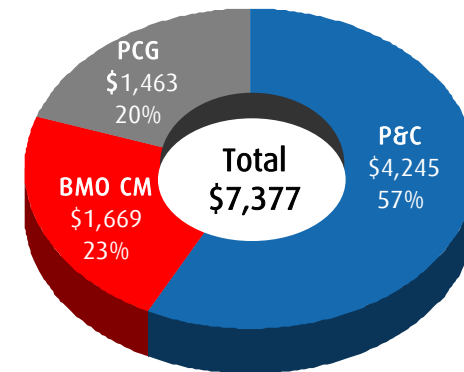
Corporate Services Net Loss \$233

* 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 27 on page 154 of the 2009 Annual report

Highlights of BMO in Canada

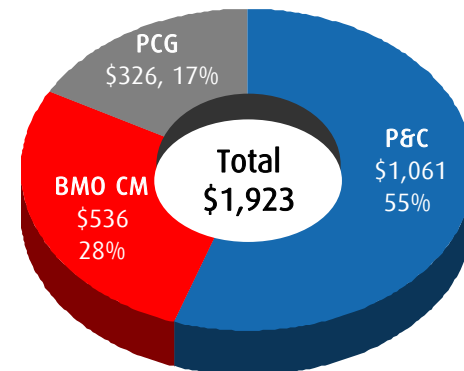
- Large, full service universal bank
- BMO continues to rank 2nd in business banking market share for business loans \$5MM and below
- Strong performance in combined Personal & Commercial (P&C) / Private Client Group (PCG) businesses
- BMO Capital Markets (BMO CM) Ranked Top Overall Equity Research Team in Canada for the 29th consecutive year
- BMO InvestorLine was recognized as Canada's best of the bank-owned brokerages by *The Globe and Mail* in 2009

F2010 YTD Non-U.S. Operating Group Revenue (C\$MM)



Corporate Services Revenue \$(352)

F2010 YTD Non-U.S. Operating Group Net Income (C\$MM)



Corporate Services Net Loss \$75

* Operating segment results reported on an Expected Loss (EL) basis; see Note 27 on page 154 of the 2009 Annual Report

Our Presence in the U.S.



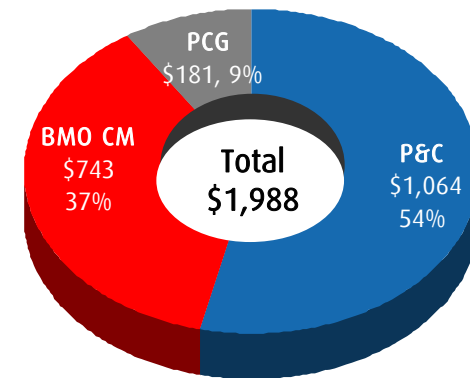
Personal & Commercial (P&C)

- Established Harris brand and a commitment to service excellence
- Comprehensive and increasingly integrated distribution network
- Strong working relationships with key partners in PCG and BMO CM, thus leveraging the capabilities and scale of BMO Financial Group

Private Client Group (PCG)

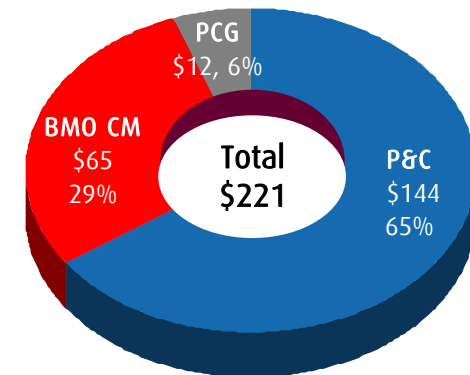
- Full range of client offerings and industry-recognized leadership in client service
- Strategic presence in Chicago and select high-growth wealth management markets
- Access to broad client base distribution network, in partnership with Harris Community Bank

F2010 YTD U.S. Operating Group Revenue (US\$MM)



Corporate Services Revenue \$(115)

F2010 YTD U.S. Operating Group Net Income (US\$MM)



Corporate Services Net Loss \$149

BMO Capital Markets

BMO Capital Markets (BMO CM)

- Attractive client base, strong long-term relationships
- Primary focus on Mid-market
- Full service, integrated investment & corporate bank
- Cross-border capabilities
- Sector specialties
- Top-tier equity research capabilities
- Strong position in the municipal bond market

* Operating segment results reported on an Expected Loss (EL) basis; see Note 27 on page 154 of the 2009 Annual Report

Financial Highlights

Solid third quarter results

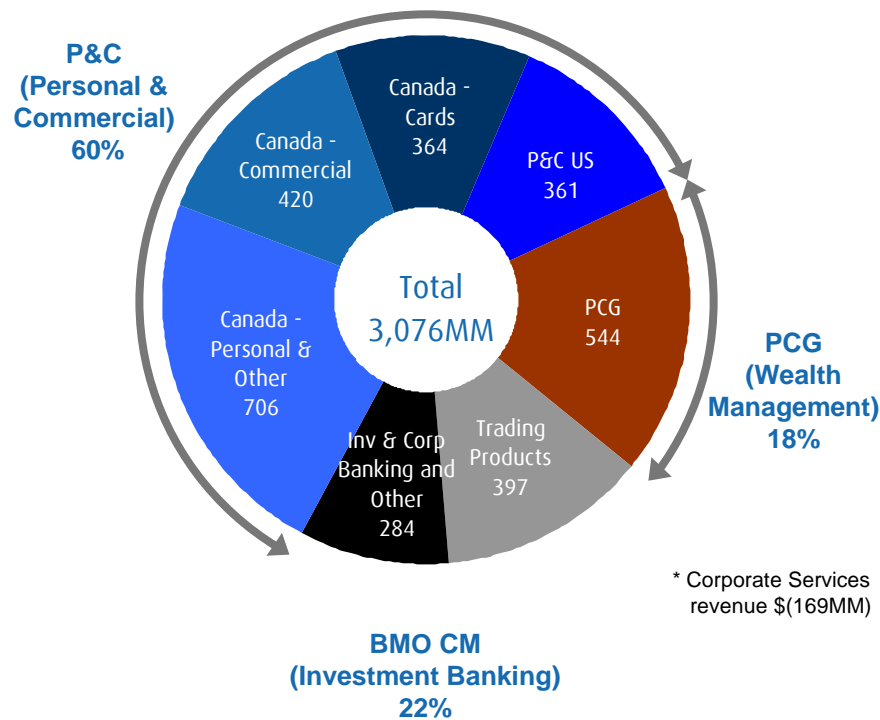
	Net Income	EPS	Cash EPS	ROE	Cash Productivity	Cash Operating Leverage	Total PCL	Tier 1 Capital Ratio (Basel II)
Q3 10	\$669MM	\$1.13	\$1.14	13.7%	65.0%	(3.9)%	\$214MM	13.55%
YTD	\$2,071MM	\$3.51	\$3.55	14.8%	61.7%	11.7%	\$796MM	13.55%

- P&C Canada continues to deliver strong performance with good revenue growth
- PCG revenue shows solid growth across most businesses
- BMO Capital Markets results reflect a more challenging capital markets environment
- Provisions for credit losses continue to improve
- ROE continues to improve Y/Y although down Q/Q
- Tier 1 Capital Ratio remains strong
- Year-to-date improvements in revenue and net income

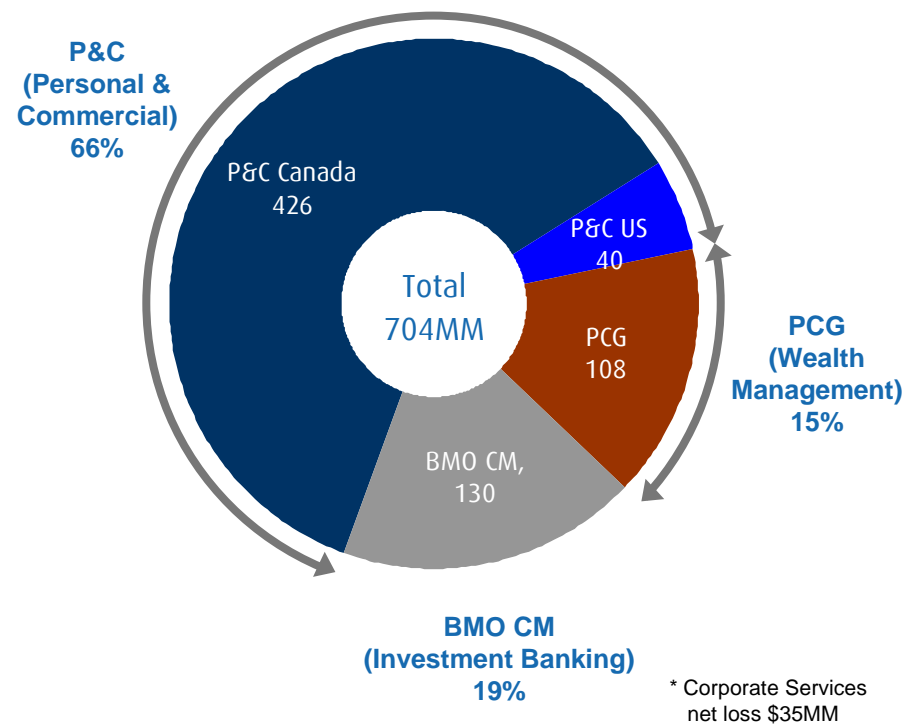
Operating Group Performance

Over 75% of revenues from retail businesses in Canada and the US (P&C and PCG)

Q3 10 Revenue by Operating Group (c\$MM)



Q3 10 Net Income by Operating Group (c\$MM)



* Operating segment results reported on an Expected Loss (EL) basis; see Note 27 on page 154 of the 2009 Annual Report

Group Performance

As Reported (\$MM)	Revenue			Net Income		
	F2008	F2009	F09/F08 B/(W)	F2008	F2009	F09/F08 B/(W)
P&C Canada	4,794	5,287	10%	1,153	1,415	23%
P&C U.S.	1,342	1,568	17%	242	286	18%
Total P&C	6,136	6,855	12%	1,395	1,701	22%
PCG	2,146	2,012	(6)%	426	359	(16)%
BMO Capital Markets	2,178	3,089	42%	568	873	54%
Corporate Services	(255)	(892)	(+100)%	(411)	(1,146)	(+100)%
Total Bank	10,205	11,064	8%	1,978	1,787	(10)%

Excl. Notable Items (\$MM)	Revenue			Net Income		
	F2008	F2009	F09/F08 B/(W)	F2008	F2009	F09/F08 B/(W)
P&C Canada	4,794	5,287	10%	1,153	1,415	23%
P&C U.S.	1,342	1,568	17%	242	286	18%
Total P&C	6,136	6,855	12%	1,395	1,701	22%
PCG	2,146	2,012	(6)%	426	359	(16)%
BMO Capital Markets	2,566	3,610	41%	828	1,228	48%
Corporate Services	(255)	(892)	(+100)%	(245)	(1,027)	(+100)%
Total Bank	10,593	11,585	9%	2,404	2,261	(6)%

* Operating segment results reported on an Expected Loss (EL) basis; see Note 27 on page 154 of the 2009 Annual Report

Group Net Income

As Reported (\$MM)	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q/Q B/(W)	Y/Y B/(W)
P&C Canada	362	398	403	395	426	8%	17%
P&C U.S.	58	51	51	46	40	(14)%	(31)%
Total P&C	420	449	454	441	466	6%	11%
PCG	113	106	113	118	108	(9)%	(6)%
BMO Capital Markets	310	260	214	260	130	(50)%	(58)%
Corporate Services	(286)	(168)	(124)	(74)	(35)	53%	88%
Total Bank	557	647	657	745	669	(10)%	20%

Excluding Items of Note (\$MM)	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q/Q B/(W)	Y/Y B/(W)
P&C Canada	362	398	403	395	426	8%	17%
P&C U.S.	58	51	51	46	40	(14)%	(31)%
Total P&C	420	449	454	441	466	6%	11%
PCG	113	106	113	118	108	(9)%	(6)%
BMO Capital Markets	315	294	214	260	130	(50)%	(59)%
Corporate Services	(247)	(168)	(124)	(74)	(35)	53%	86%
Total Bank	601	681	657	745	669	(10)%	11%

nm – not meaningful

* Operating segment results reported on an Expected Loss (EL) basis; see Note 27 on page 154 of the 2009 Annual Report

P&C Canada – Market Share & Product Balances

	Market Share (%) ¹	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
Personal	Personal Loans	11.7	11.8	11.8	12.0	12.4
	Residential Mortgages ^{1,3}	9.8	9.6	9.5	9.4	9.3
	Personal Deposits ¹	12.3	12.3	12.2	11.9	11.9
	Mutual Funds	12.9	13.3	13.5	13.5	13.5
Commercial	\$0 - \$1MM ²	19.2	19.0	18.7	18.7	18.8
	\$1 - \$5MM ²	20.9	20.8	20.9	21.0	21.4
	\$0 - \$5MM ²	20.1	19.9	19.8	19.9	20.2

	Balances (\$B) (Owned & Managed)	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
Personal	Personal Loans	30.0	31.3	32.4	33.4	35.0
	Residential Mortgages	64.0	64.1	63.9	63.6	64.3
	Personal Deposits	67.0	67.2	66.7	65.9	66.7
Commercial	Commercial Loans & Acceptances	34.8	34.3	34.1	35.3	36.2
	Commercial Deposits	29.5	30.5	31.5	31.6	32.5
	Cards (Retail & Corporate)	7.6	7.8	8.1	8.9	9.1

Sources: Mutual Funds – IFIC, Consumer Loans, Residential Mortgages & Personal Deposits – Bank of Canada

¹Personal share statistics are issued on a one-month lag basis. (Q3 10: June 2010)

²Business loans (Banks) data is issued by CBA on a one calendar quarter lag basis (Q3 10: March 2010)

³Residential Mortgages market share is restated based on Bank of Canada data

⁴Q1 10 includes 1 month and from Q2 10 onwards includes 3 months of Diners Club acquisition

P&C U.S. – Product Balances

Personal Products – Average Balances (US\$B)	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
Mortgages	5.2	4.9	4.6	4.4	4.2
Other Personal Loans	5.2	5.2	5.2	5.3	5.3
Indirect Auto	4.1	4.1	4.2	4.2	4.3
Deposits	15.1	14.7	14.6	14.6	15.9

Commercial Products – Average Balances (US\$B)	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
Commercial Loans	13.5	12.3	11.8	11.5	11.7
Commercial Deposits	8.8	8.3	8.9	9.7	10.0

Personal

- Personal loan originations of \$0.8B declined \$0.2B or 18% Y/Y. However, the pipeline for mortgage and home equity is 22% higher than the beginning of the fiscal year with a 75% increase in the jumbo mortgage pipeline.
- Decline in mortgage balances are primarily driven by amortization/run off of outstandings and new originations being sold in the secondary market.
- Rockford, Illinois-based bank transaction contributed \$0.2B of average loans and \$1.2B of average deposits to personal.
- Net new personal checking accounts of 2,407 in Q3 10 from a decline of (676) in Q3 09.

Commercial

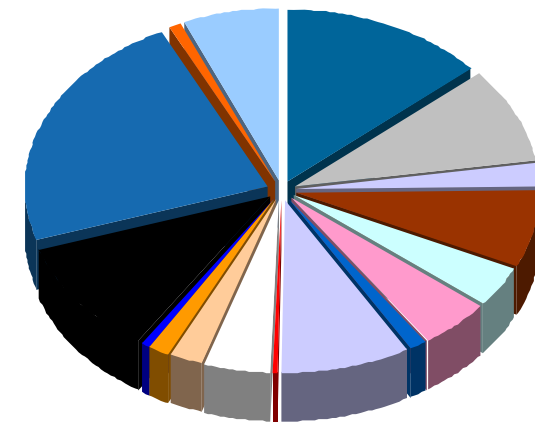
- Excluding the Rockford, Illinois-based bank transaction's \$0.9B of average loans and \$0.3B of average deposits, commercial loans reflect impact of lower client loan utilization while deposits showing benefit of strategic sales efforts.

Loan Portfolio Distribution

Total Gross Loans and Acceptances As at July 31, 2010

(\$B)	Canada	U.S.*	Other	Total	
Consumer					
Residential Mortgage	40	5	-	45	26%
Consumer Loans	40	10	-	50	28%
Cards	3	-	-	3	2%
Total Consumer	83	15	-	98	56%
Commercial	39	14	-	53	30%
Corporate	10	6	9	25	14%
Total	132	35	9	176	100%

Commercial and Corporate Gross Loans and Acceptances by Industry (\$B) As at July 31, 2010

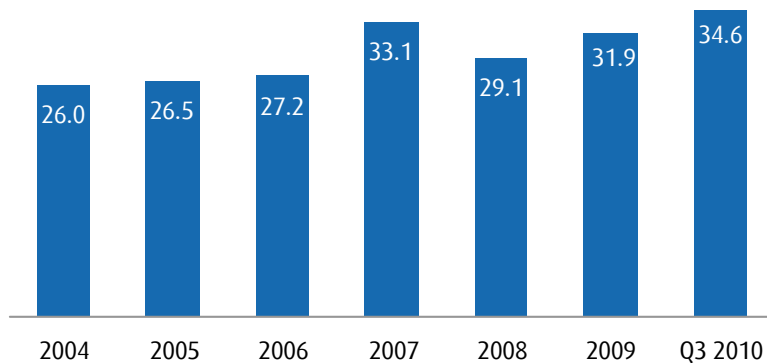


- Commercial Mortgages
- Commercial Real Estate
- Construction
- Retail Trade
- Wholesale Trade
- Agriculture
- Communications
- Manufacturing
- Mining
- Oil & Gas
- Transportation
- Utilities
- Forest Products
- Service Industries
- Financial
- Government
- Other

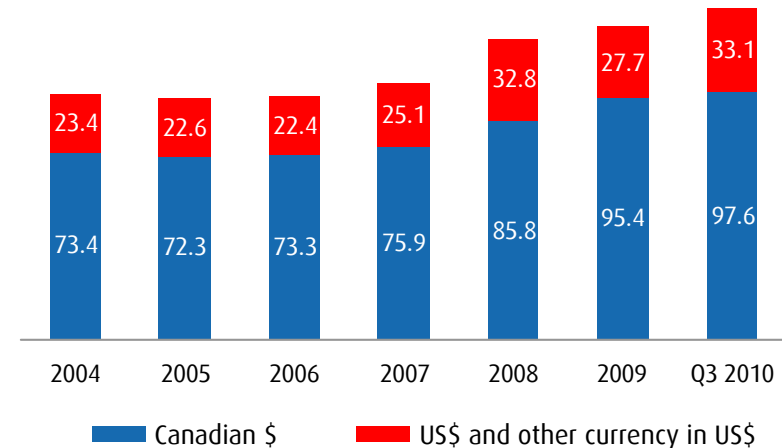
Liquidity and Funding Strategy

- BMO's large base of core and 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, we diversify our sources of funding by market, instrument and term.

Liquidity Ratio (%)



Core Deposits (in billions)



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

Programs:

- ▶ European Note Issuance Program: US\$20bn
- ▶ Canadian Base Shelf Program: \$8bn
- ▶ Global Covered Bond Program: €7bn
- ▶ US MTN Program: US\$6bn

Current program size:

Additional Sources:

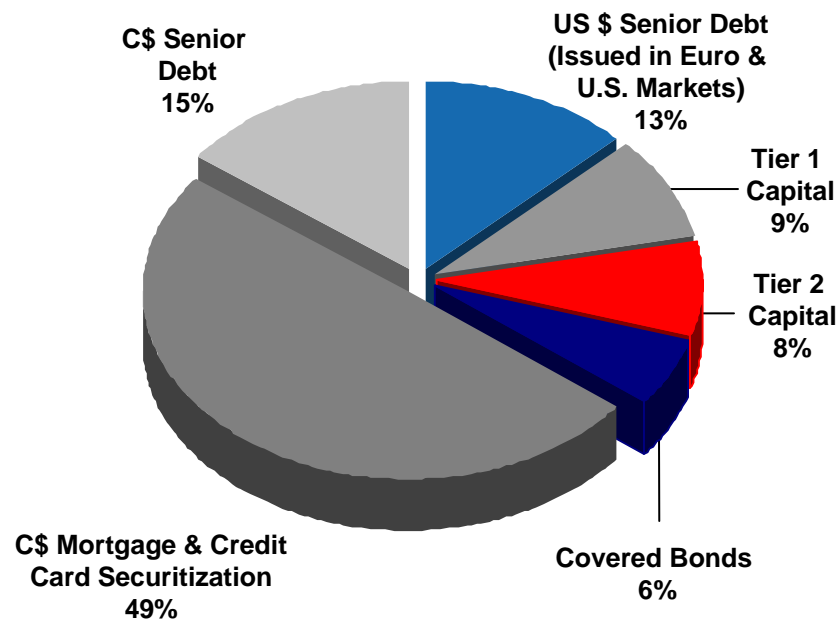
- ▶ Securitization: Mortgages (Canada Mortgage Bond participation and MBS) and Credit Card ABS (\$3bn shelf)
- ▶ Canadian & US Senior (unsecured) deposits

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 the difference provided by longer-term wholesale funding
- BMO has a well diversified wholesale funding platform across markets, products, terms, currencies and maturities
- BMO's liquidity position remains sound as reflected by our cash and securities to total asset ratio and level of core deposits

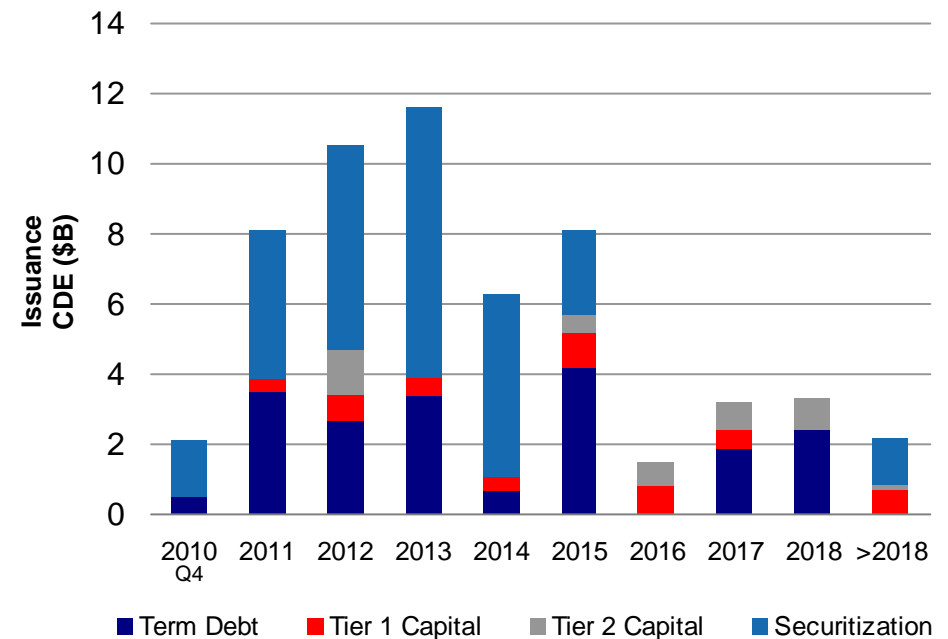
Wholesale Capital Market Term Funding Composition (Total \$57.0B)

As at July 31, 2010



Wholesale Capital Market Term Funding Maturity Profile (Total \$57.0B)

As at July 31, 2010



Corporate Governance

- Comprehensive code of business conduct and ethics provides a framework for directors, officers and employees on the conduct and ethical decision-making integral to their work
- Governance practices are consistent with, and in many cases exceed, requirements of the TSX and NYSE. The Bank is also in compliance with applicable rules adopted by the Canadian Securities Administrators (CSA) and the U.S. Securities and Exchange Commission (SEC) to give effect to the provisions of the *Sarbanes-Oxley Act*.
- To ensure non-employee directors' compensation is aligned with shareholder interests, at least 50% of the annual retainer must be paid in Common Shares of the Bank or Deferred Share Units
- *The Globe and Mail's Board Games 2009* annual review of corporate governance practices ranked BMO 3rd overall among 157 Canadian reporting issuers

Recent Sustainability Initiatives

BMO is now carbon neutral*. Worldwide.

Why go carbon neutral?

We believe that sustainability and success go hand in hand. Going carbon neutral demonstrates our unwavering commitment to minimizing the impact of our operations on the environment. It's also about embracing opportunities for learning, keeping pace with change and constantly striving to be a leader in environmental sustainability.



How?

BMO measured its carbon footprint, engaged an accredited third party to verify it, and focused on three main areas:

- Consumption reduction measures limiting emissions from transportation and energy use
- Purchasing electricity from 100% renewable sources mitigating approximately 39 per cent of BMO's total emissions footprint
- Purchasing carbon offsets to neutralize the remaining emissions by investing in the Greening Canada Fund

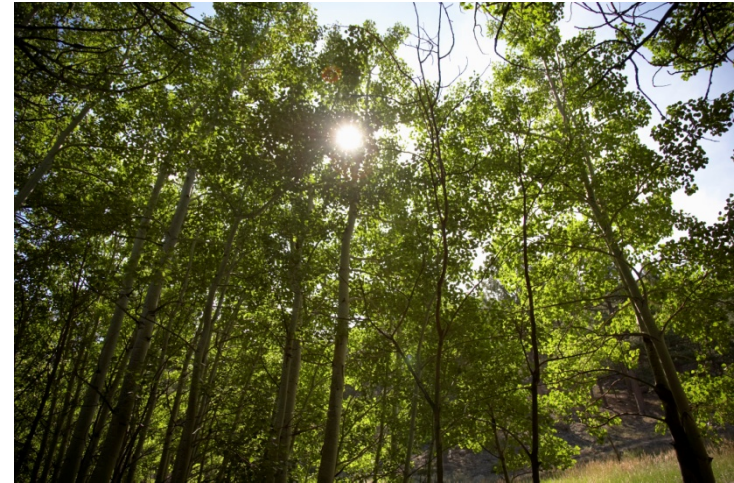
What's next?

BMO will continue to seek opportunities to further reduce our emissions, minimizing the environmental impacts of our business operations.

* Relative to its energy consumption and transportation emissions.

Ongoing Stakeholder Engagement

- BMO supports various international environmental initiatives:
 - ▶ Signatory to the United Nations' *UNEP Statement by Financial Institutions on the Environment & Sustainable Development*, the *Carbon Disclosure Project* and *The Equator Principles*
- External recognition for our sustainability efforts:
 - ▶ Included in indices that recognize the sustainability performance of companies across economic, social and environmental dimensions (e.g. *FTSE4Good Index*, *Dow Jones Sustainability North America Index* and *Jantzi Social Index*)
 - ▶ Named as one of the highest scoring companies in the world and the only Canadian bank in the *Global 500 Carbon Disclosure Leadership Index* for 2009.



Investor Relations Contact Information

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The letters 'BMO' are rendered in a bold, white, 3D sans-serif font. They are positioned on a dark blue surface that reflects the letters. The background consists of a blue sky with light clouds and a white grid pattern that recedes into the distance, creating a sense of depth.

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