Investor Presentation

Q1|11

March 1 • 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 2011 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.

With respect to the M&I transaction, such factors include, but are not limited to: the possibility that the proposed transaction does not close when expected or at all because required regulatory, shareholder or other approvals and other conditions to closing are not received or satisfied on a timely basis or at all; the terms of the proposed transaction may need to be modified to satisfy such approvals or conditions; the anticipated benefits from the proposed transaction such as it being accretive to 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 M&I operates; 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 merger-related issues; and increased exposure to exchange rate fluctuations. A significant amount of M&I's business involves 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.

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 29, 30, 61 and 62 of BMO's 2010 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 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 January 31 or as close to January 31 as was practical. The impact of IFRS conversion on our capital ratios is based on the analysis completed as of October 31, 2010. In calculating the impact of M&I and LGM on our capital position, our estimates reflect expected RWA and capital deductions at closing based on anticipated balances outstanding and credit quality at closing and our estimate of their fair value. It also reflects our assessment of goodwill, intangibles and deferred tax asset balances that would arise at closing. The Basel rules could be subject to further change, which may impact the results of our analysis. 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 First Quarter 2011 Report to Shareholders and 2010 Annual Report, 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 productivity, cash operating leverage; revenue and other measures presented on a taxable equivalent basis (teb); amounts presented net of applicable taxes and earnings which exclude the impact of provision for credit losses and taxes, and non recurring items such as acquisition integration costs.

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

Additional Information for Stockholders

In connection with the proposed merger transaction, BMO has filed with the Securities and Exchange Commission a Registration Statement on Form F-4 that includes a preliminary Proxy Statement of M&I, and a preliminary Prospectus of Bank of Montreal, as well as other relevant documents concerning the proposed transaction. Shareholders are urged to read the Registration Statement and the preliminary Proxy Statement/Prospectus regarding the merger, the definitive Proxy Statement/Prospectus when it becomes available and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information. A free copy of the preliminary Proxy Statement/Prospectus, as well as other filings containing information about BMO and M&I, may be obtained at the SEC's Internet site (http://www.sec.gov). You can also obtain these documents, free of charge, from BMO at www.BMO.com under the tab "About BMO - Investor Relations" and then under the heading "Frequently Accessed Documents", from BMO Investor Relations at investor.relations@bmo.com or 416-867-6642, from M&I by accessing M&I's website at www.MICorp.com under the tab "Investor Relations" and then under the heading "SEC Filings", or from M&I at (414) 765-7814.

BMO and M&I and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of M&I in connection with the proposed merger. Information about the directors and executive officers of BMO is set forth in the proxy statement for BMO's 2010 annual meeting of shareholders, as filed with the SEC on Form 6-K on February 26, 2010. Information about the directors and executive officers of M&I is set forth in the proxy statement for M&I's 2010 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 12, 2010. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the above-referenced preliminary Proxy Statement/Prospectus and the definitive Proxy Statement/Prospectus when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.

Strategic Highlights

Q1 | 11

Bill Downe
President & Chief Executive Officer
BMO Financial Group

March 1 • 2011

Financial Results

Strong first quarter results with good growth in each operating group

C$ billions unless otherwise indicated

	Q1 11	Q4 10	Q1 10
Revenue	3.3	3.2	3.0
PCL	0.25	0.25	0.33
Expense	2.0	2.0	1.8
Net Income (C$ millions)	776	739	657
Cash EPS ($)	1.32	1.26	1.13
ROE (%)	15.7	15.1	14.3
Cash Productivity Ratio (%)	60.9	62.3	60.5
Common Equity Ratio (%)	10.15	10.26	9.21
Tier 1 Capital Ratio (%)	13.02	13.45	12.53

- Net income 18% above last year
- Pre-tax pre-provision earnings $1.3 billion
- ROE continues to increase
- BMO remains well capitalized; As at January 31, 2011, based on fully implemented Basel III 2019 rules, our Common Equity Ratio is estimated to be 8.2%[1]

[1] BMO's Basel III Common Equity Ratio as at January 31, 2011 is estimated based on announced Basel III 2019 rules, the impact of adoption of IFRS, and does not include the impact of the Marshall & Ilsley and Lloyd George Management acquisitions announced in Q1 2011; calculations also assume no additional capital raise for M&I. For further details regarding assumptions and factors used in our calculations refer to pages 5, 14 and 15 of Bank of Montreal's First Quarter 2011 Report to Shareholders.

Revenue Growth

Delivered strong top line growth of 10.6%

* Q1 2011 Rev Growth Y/Y

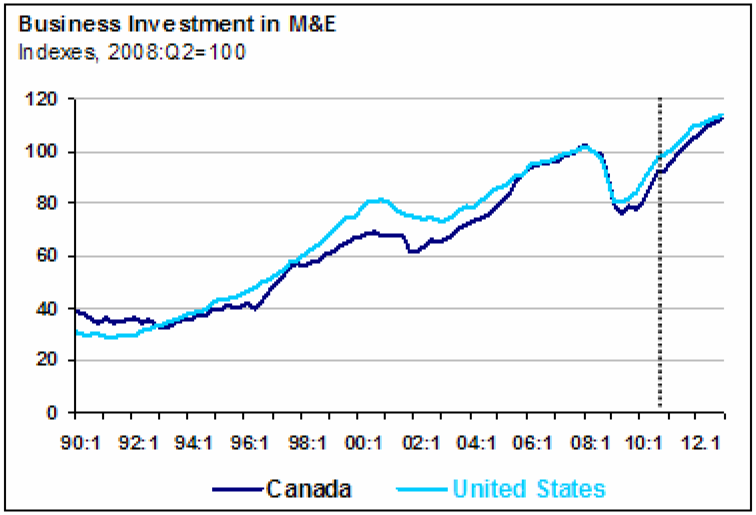
- **8.3%** — P&C Canada driven by volume growth and better spreads in Personal, good Y/Y volume growth in Commercial loans and deposits and inclusion of full quarter for Diners Club acquisition
- **8.8%[1]** — P&C U.S. growth from AMCORE transaction, improved loan spreads and deposit balance growth
- **19.9%** — PCG growth driven by 12% increase (in source currency) in AUM / AUA, higher insurance revenues, and higher deposit balances and spread in brokerage businesses
- **14.3%** — BMO CM growth from trading revenues and increase in investment banking activity, particularly M&A as confidence builds

[1] Revenue growth in source currency (USD)

U.S. Business Update

Good business opportunities available in the U.S and each of our businesses is well positioned

- Improving economic trends with rebound in machinery and equipment investment
- BMO CM on a positive trajectory with increased IB fee revenue supported by improved M&A activity and a strong pipeline
- In P&C Banking, client alignment initiative, increased productivity and building new relationships in commercial has positioned us for growth
- In PCG, we're leveraging the strong partnership between wealth, personal banking and capital markets to expand our client base
- Combined business with M&I will be advantaged by our strong capital base, proven risk management and client discipline



*Source: Statistics Canada; Department of Commerce, Bureau of Economic Analysis

BMO Capital Markets, Economic Research

M&I Update

Integration planning team making substantial progress

1	Capital	Now anticipate common equity offering of less than $400 million prior to closing
2	Organization Structure	Much planning work completed to date and in a position to fully implement after closing
3	Branding	Brand positioning has been critical to our success and intensely focused on importing the most important aspects of our Brand
4	Cost Synergies	At time of announcement, indicated cost savings of $250 million and expect to meet or exceed
5	Growth Opportunities	We've been in the market speaking to businesses and customers and enthusiastic about the revenue growth opportunities

Financial Results

Q1|11

Russ Robertson
Chief Financial Officer
BMO Financial Group

Financial Highlights

Strong results and good contribution from all operating groups

	Revenue	Net Income	EPS	Cash EPS[1]	ROE	Cash Productivity[1]	Cash Operating Leverage[1]	Total PCL	Tier 1 Capital Ratio (Basel II)
Q1 11	**$3,346MM**	**$776MM**	**$1.30**	**$1.32**	**15.7%**	**60.9%**	**(0.7)%**	**$248MM**	**13.02%**

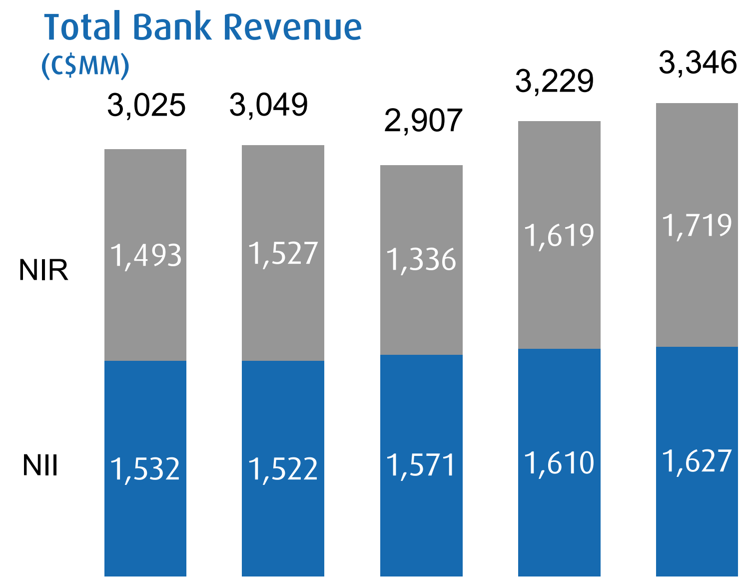
- P&C Canada momentum continues, delivering strong revenue growth
- PCG posts excellent results with net income up substantially from a year ago
- BMO Capital Markets continues to deliver strong performance
- Capital position remains strong
- Pre-provision, pre-tax earnings of $1.3 billion
- Overall trend of improvement in credit

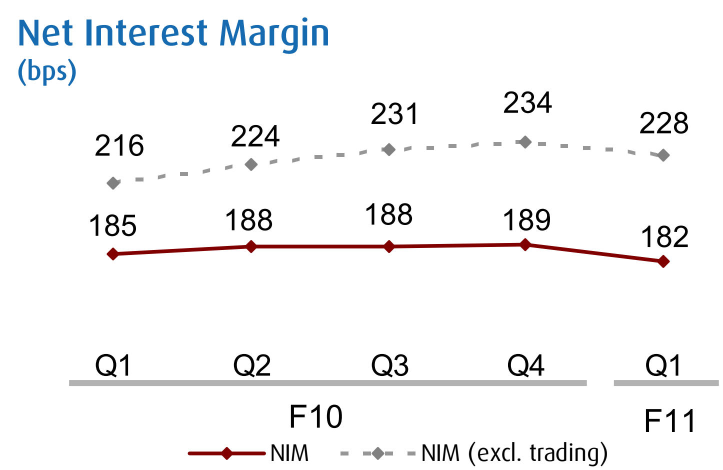
[1] Non-GAAP measure, see slide 2 of the Q1 11 Investor Presentation and page 25 of the First Quarter 2011 Report to Shareholders; Q1 11 productivity ratio and operating leverage were 61.2% and (0.7)% respectively

Revenue

Solid increases in each of our operating groups

- Revenues up 10.6% Y/Y and 3.6% Q/Q
- NIR growth of 15% Y/Y and 6.1% Q/Q was mostly attributable to strong increases due to growth in securities commissions and fees and trading revenues. Insurance income also rose strongly
- Net interest margin excluding trading was higher Y/Y due to improved loan spreads in P&C businesses and higher earning assets
- Net interest margin declined 3 basis points Y/Y. Solid increases in the retail businesses were offset by a decline in BMO Capital Markets, primarily driven by lower trading net interest income, and lower net interest income in Corporate Services
- Q/Q net interest margin declined 7 basis points. Higher margins in our retail businesses were offset by growth in lower-margin assets in BMO CM and reduced net interest income in Corporate Services
- U.S. dollar exchange rate decreased revenue growth by $39MM or 1.3% Y/Y and by $24MM or 0.7% Q/Q





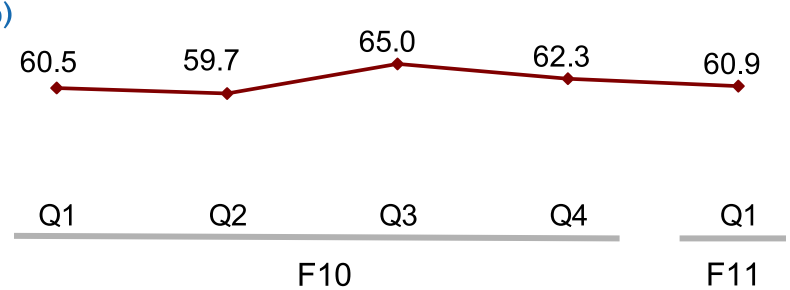
Non-Interest Expense

Investing in our business with good operating momentum across our businesses

- Approximately 45% of the Y/Y increase was due to continued investment in our P&C businesses including technology development initiatives and the addition of staff in Canada. 15% of the Y/Y increase was due to the impact of our completed acquisitions
- Y/Y expenses were also higher in Private Client Group and BMO Capital Markets due to increased employee compensation, resulting from higher revenues, and staff additions
- Q/Q employee compensation costs were higher reflecting increases in performance-based compensation costs, in line with increased revenues, and a $63 million charge for performance-based compensation costs in respect of employees eligible to retire recorded in Q1 each year. Benefits costs are also typically higher in the first quarter of the year
- U.S. dollar exchange rate lowered expenses by $26MM or 1.4% Y/Y and by $16MM or 0.8% Q/Q

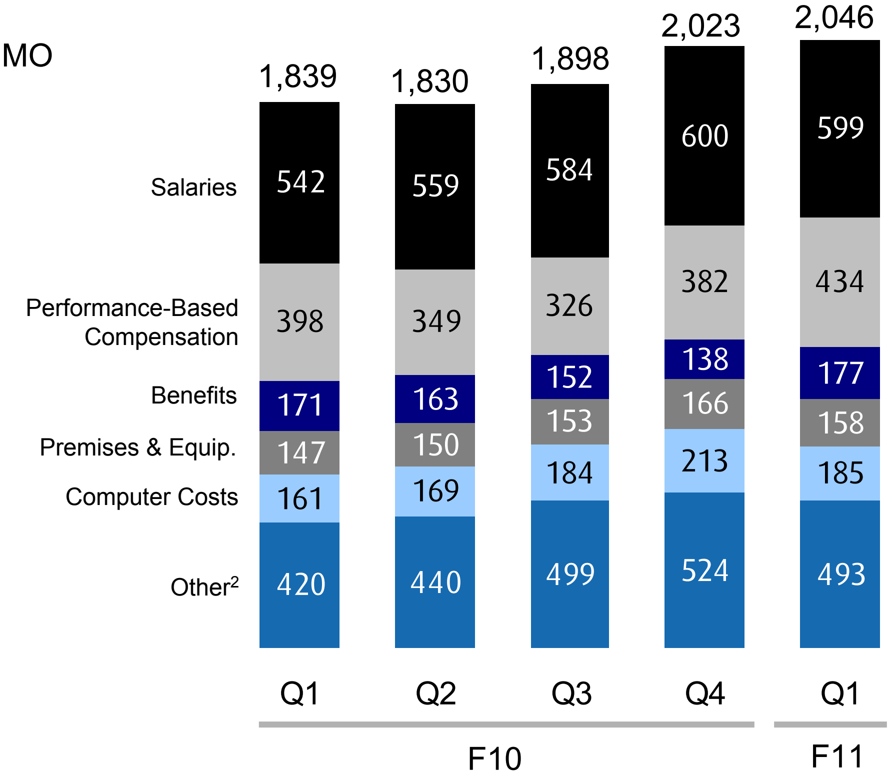
Cash Productivity Ratio[1]

(%)



Total Bank Non-Interest Expense

(C$MM)



[1] Non-GAAP measure, see slide 2 of the Q1 11 Investor Presentation and page 25 of the First Quarter 2011 Report to Shareholders

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

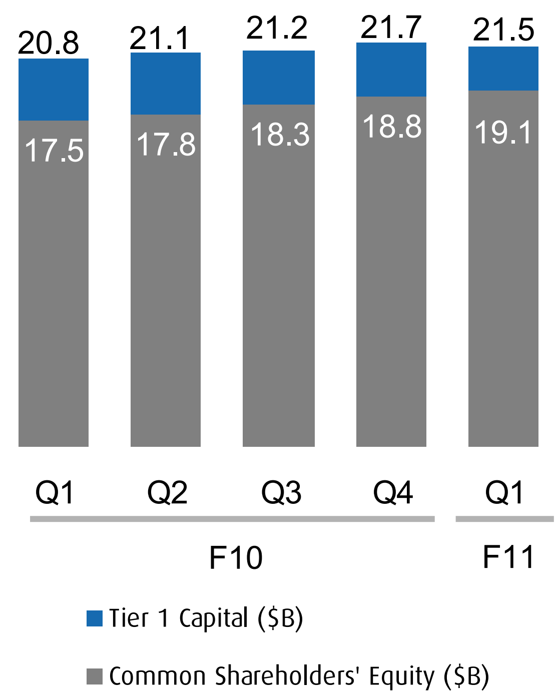
Capital & Risk Weighted Assets

Capital position remains strong

Basel II	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11
Tier 1 Capital Ratio (%)	12.53	13.27	13.55	13.45	13.02
Common Equity Ratio (%)[(1)]	9.21	9.83	10.27	10.26	10.15
Total Capital Ratio (%)	14.82	15.69	16.10	15.91	15.17
Assets-to-Capital Multiple (x)	14.67	14.23	14.27	14.46	14.80
RWA ($B)	165.7	159.1	156.6	161.2	165.3
Total As At Assets ($B)	398.6	390.2	397.4	411.6	413.2

- Capital ratios declined Q/Q largely due to higher RWA, primarily reflecting the adoption of the Advanced Internal Ratings Based approach to determine credit RWA for Harris Bankcorp., and lower Tier 1 Capital due to the redemption of BMO BOaTS Series B
- Basel II Tier 1 Capital Ratio and Common Equity Ratio on pro forma basis at January 31, 2011, after including the impact of both the M&I and Lloyd George Management acquisitions, announced during the first quarter, are estimated[2] to be 11.0% and 8.8% respectively
- On a Basel III basis, the pro forma Common Equity Ratio is estimated to be 8.2%[2] as at January 31, 2011 and 6.4%[2] after including M&I and Lloyd George Management acquisitions

Basel II Tier 1 Capital & Common Shareholders' Equity



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

[2] BMO's Basel III Common Equity Ratios as at January 31, 2011 are estimated based on announced Basel III 2019 rules, the impact of adoption of IFRS, and assumes no additional capital raise for M&I. For further details regarding assumptions and factors used in our calculations refer to pages 5, 14 and 15 of Bank of Montreal's First Quarter 2011 Report to Shareholders.

Operating Groups – Quick Facts

P&C Canada

- Revenue growth of **8.3%** Y/Y
- Net income growth of **10%** Y/Y
- Cash productivity ratio[1] of **50.5%**
- Net interest margin of 300 **bps** – up **5 bps** Y/Y and **1 bps** Q/Q
- Volume growth across most products

P&C U.S.

- Net income **U.S.$42MM** down **$6MM** Y/Y and up **$4MM** Q/Q
- Core[2] net income **U.S.$63MM, flat** Y/Y
- Productivity ratio of **72.0%**
- Core[2] cash productivity ratio[1] of **62.4%**
- Net interest margin of **404 bps** – up **68 bps** Y/Y and **15 bps** Q/Q

Private Client Group

- Revenue growth of **20%** Y/Y
- Net income growth **38%** Y/Y
- AUA / AUM up **$31B** or **12%** Y/Y adjusting to exclude the impact of the weaker U.S. dollar
- Results benefited from new client assets and improved equity market conditions

BMO Capital Markets

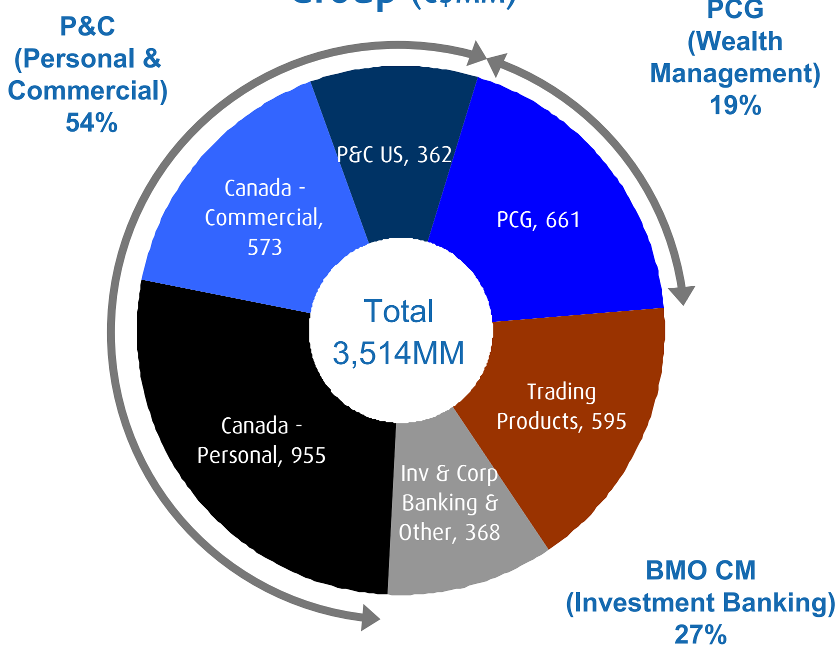
- Revenue up **14%** Y/Y, **15%** Q/Q
- Net income up **21%** Y/Y and **20%** Q/Q.
- Results included a provision for prior periods' income taxes in our U.S. segment

[1] Non-GAAP measure, see slide 2 of the Q1 11 Investor Presentation and page 25 of the First Quarter 2011 Report to Shareholders
[2] Core: As reported results less impact of impaired loans, Visa and acquisition integration
* 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 157 of BMO's 2010 audited annual consolidated financial statements

Operating Group Performance

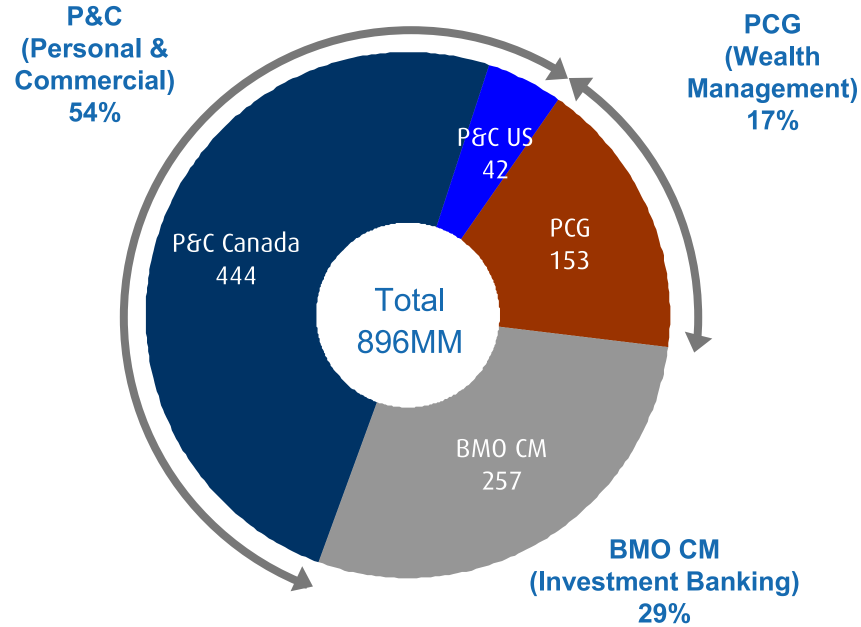
Over 70% of revenue and net income from retail businesses in Canada and the US (P&C and PCG)

Q1 11 Revenue by Operating Group (C$MM)



* Corporate Services revenue $(168MM)

Q1 11 Net Income by Operating Group (C$MM)



* Corporate Services net loss $120MM

* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 audited annual consolidated financial statements

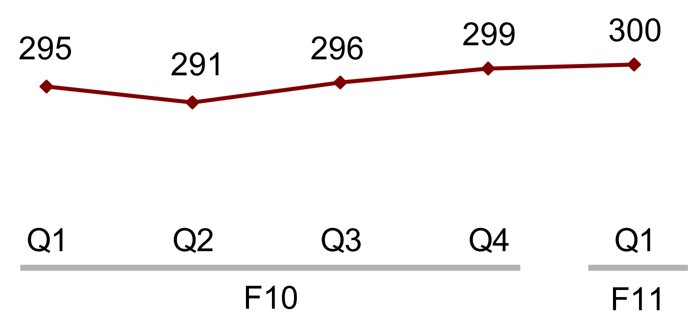
Personal & Commercial Banking - Canada

Continued strong financial performance

As Reported ($MM)	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q/Q B/(W)	Y/Y B/(W)
Revenue	1,412	1,408	1,490	1,521	**1,528**	1%	8%
PCL*	120	121	129	132	**136**	(3)%	(13)%
Expenses	711	722	764	787	**773**	2%	(9)%
Provision for Taxes	178	171	172	183	**175**	5%	1%
Net Income	**403**	**394**	**425**	**419**	**444**	6%	10%
Cash Productivity[1] (%)	50.3	51.1	51.2	51.6	**50.5**		

- Continuing to deliver strong revenue growth of 8.3% and net income of $444MM
- Maintaining strong margin while volume growth continues
- Maintaining cash productivity[1] in the low 50 per cent range
- Expanding distribution by investing in branch network, customer contact centre and increasing our specialized sales force

Net Interest Margin
(bps)



[1] Non-GAAP measure, see slide 2 of the Q1 11 Investor Presentation and page 25 of the First Quarter 2011 Report to Shareholders
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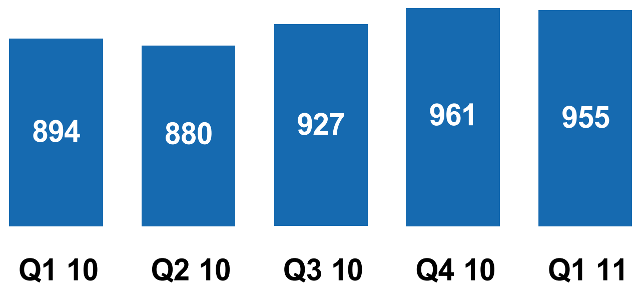
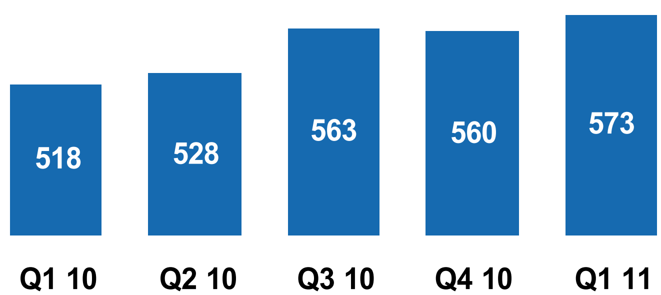
Personal & Commercial Banking - Canada

Revenue by Business ($MM)



Personal[1]
(↑ $61MM or 7.0% Y/Y; ↓ $6MM or 0.6% Q/Q)

- Y/Y increase driven by volume growth and higher spreads in personal lending products
- Q/Q decrease driven by lower cards revenue (higher reward costs and lower cards and payment services revenue) and the impact of additional personal lending revenue recorded in Q4, partially offset by volume growth and higher spread in personal lending products



Commercial[1]
(↑ $55MM or 10.6% Y/Y; ↑ $13MM or 2.2% Q/Q)

- Y/Y increase driven by volume growth, favourable product mix, and the inclusion of a full quarter of Diners Club business results in the current year, partially offset by lower spread in commercial deposits
- Q/Q increase due to volume growth in loans and deposits and favourable product mix

[1] "Personal" Includes Residential Mortgages, Personal Loans, Personal, Personal Cards and Term Deposits, Mutual Funds and Insurance revenue sharing revenue. "Commercial" Includes Loans, Deposits, Term, Cards, Diners and Moneris

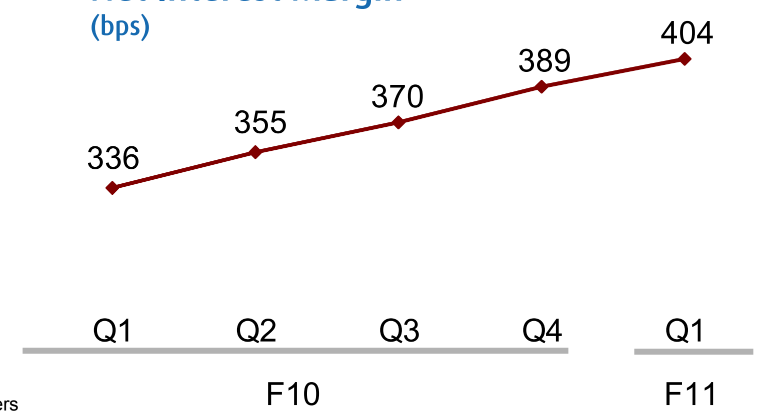
Personal & Commercial Banking - U.S.

Solid top line growth driven by improved loan spreads and higher deposit balances Y/Y

As Reported (US$MM)	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q/Q B/(W)	Y/Y B/(W)
Revenue	330	327	345	364	**359**	(1)%	9%
PCL*	30	29	30	30	**36**	(22)%	(23)%
Expenses	228	229	256	276	**259**	7%	(13)%
Provision for Taxes	24	24	21	20	**22**	(11)%	7%
Net Income	**48**	**45**	**38**	**38**	**42**	12%	(13)%
Core[1] Net Income[2]	63	61	54	60	**63**	5%	-%
Cash Productivity[2] (%)	67.6	68.3	72.5	74.2	**70.3**		
Core[1] Cash Productivity[2] (%)	61.8	62.3	66.1	65.9	**62.4**		

- Y/Y revenue and operating expense increases primarily reflect contribution from the Rockford, Illinois-based bank transaction of US$17MM and US$15MM, respectively
- Results impacted by increases in costs of managing impaired loans
- Net interest margin improvement driven by an increase in loan spreads and deposit balance growth, partially offset by lower deposit income due to deposit spread compression
- Personal business seeing good household growth and new checking account openings; commercial momentum reflected in strong pipelines for new deposit balances and loan originations that is expected to lift loan utilization

Net Interest Margin
(bps)



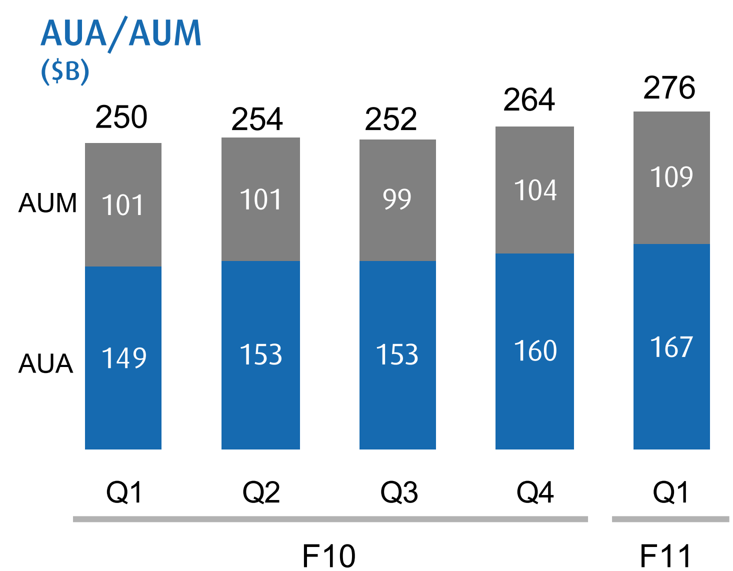
[1] Core: As reported results less impact of impaired loans, Visa and acquisition integration
[2] Non-GAAP measure, see slide 2 of the Q1 11 Investor Presentation and page 25 of the First Quarter 2011 Report to Shareholders
* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 audited annual consolidated financial statements

Private Client Group

Excellent results as all businesses improved revenue Y/Y and Q/Q

As Reported ($MM)	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q/Q B/(W)	Y/Y B/(W)
Revenue	550	558	544	593	**661**	12%	20%
PCL	2	2	1	2	**2**	nm	nm
Expenses	402	402	404	417	**459**	(10)%	(14)%
Provision for Taxes	35	39	34	45	**47**	(3)%	(30)%
Net Income	**111**	**115**	**105**	**129**	**153**	19%	38%
Productivity Ratio (%)	72.9	72.1	74.4	70.3	69.5		

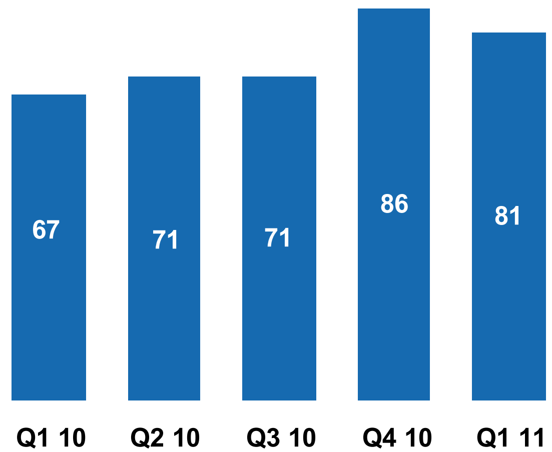
- Net income grew 38% Y/Y and 19% Q/Q, as we continue to see good momentum across the businesses
- Revenue improved in all of our businesses Y/Y and Q/Q
- Expenses in Q1 F2011 include stock-based compensation costs for employees eligible to retire
- Assets under management and assets under administration grew 12% over the prior year (in source currency)
- Productivity ratio of 69.5% improved 340 basis points from the prior year



* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 audited annual consolidated financial statements

Private Client Group

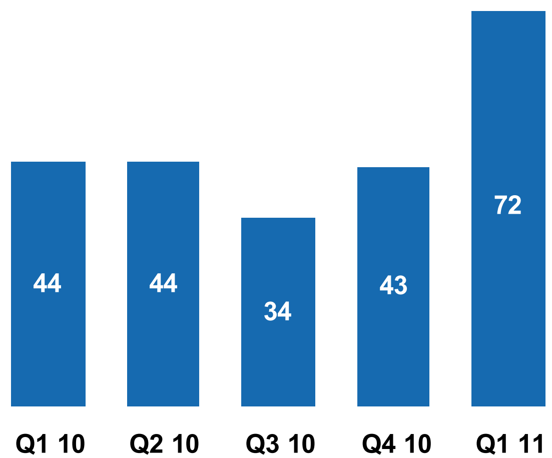
Net Income by Business ($MM)



PCG Excluding Insurance

(↑ $14MM or 20% Y/Y, ↓ $5MM or 6% Q/Q)

- Net income grew 20% Y/Y with revenue growth across all of our businesses from our continued focus on attracting new client assets and improving equity markets
- Net income declined 6% Q/Q as higher expenses primarily due to stock-based compensation costs for employees eligible to retire were only partially offset by revenue growth across all of our businesses, in particular brokerage



Insurance

(↑ $28MM or 66% Y/Y, ↑ $29MM or 70% Q/Q)

- Net income grew 66% Y/Y and 70% Q/Q primarily due to the effects of favourable market movements on policyholder liabilities and higher net premium revenues

* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 audited annual consolidated financial statements

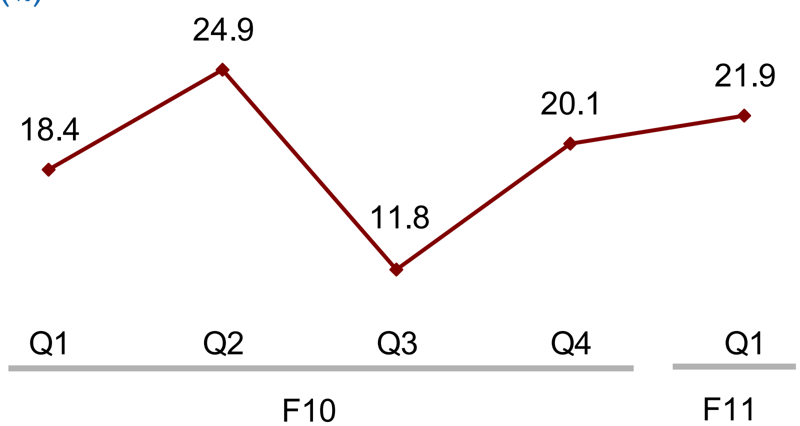
BMO Capital Markets

Continued strong revenue performance in investment banking activity, as well as increased trading

As Reported ($MM)	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q/Q B/(W)	Y/Y B/(W)
Revenue	843	920	679	836	**963**	15%	14%
PCL	65	67	66	66	**30**	54%	54%
Expenses	471	469	422	463	**493**	(7)%	(5)%
Provision for Taxes	95	124	61	93	**183**	(97)%	(93)%
Net Income	**212**	**260**	**130**	**214**	**257**	20%	21%
Cash Productivity[1] (%)	55.9	51.0	62.0	55.4	**51.2**		

- Higher investment banking fees Q/Q and Y/Y were partially offset by decreased net investment securities gains
- Trading revenues increased Q/Q due to an unfavourable accounting adjustment in the previous quarter
- Corporate banking revenues decreased Q/Q and Y/Y due to lower lending fees and reduced asset levels
- Expenses have increased Q/Q as variable compensation costs were higher in line with revenue performance and stock-based compensation costs for employees eligible to retire that are recognized in the first quarter, partially offset by costs related to a litigation settlement in the prior quarter. Expenses have increased Y/Y due to higher employee costs as we continue to invest in strategic hiring across the business
- Current quarter results included a provision for prior periods' income taxes in the U.S. segment

Return on Equity
(%)

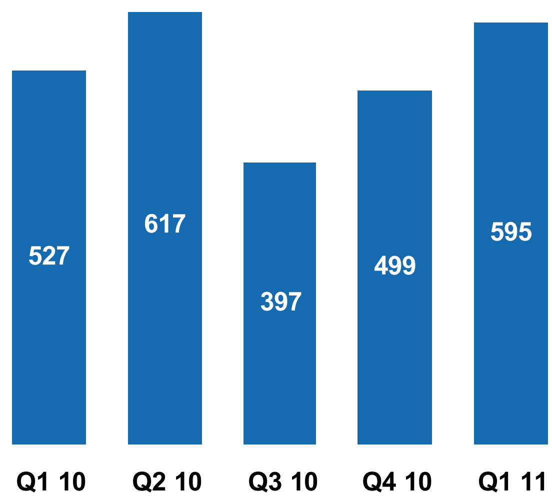


[1] Non-GAAP measure, see slide 2 of the Q1 11 Investor Presentation and page 25 of the First Quarter 2011 Report to Shareholders

* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 audited annual consolidated financial statements

BMO Capital Markets

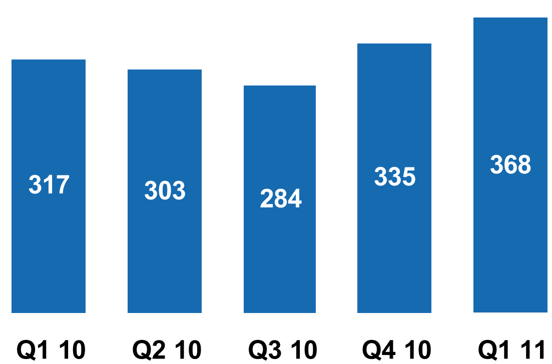
Revenue by Business ($MM)



Trading Products

(↑ $68MM or 13% Y/Y, ↑ $96MM or 19% Q/Q)

- Y/Y higher revenue mainly due to higher trading revenue. There were also higher commissions and higher debt underwriting fees
- Q/Q significantly higher trading revenue as the prior quarter included a negative accounting adjustment in our equity trading business. There were higher underwriting fees and higher commissions in the current quarter



Investment & Corporate Banking

(↑ $51 MM or 16% Y/Y, ↑ $33MM or 10% Q/Q)

- Y/Y higher revenue mainly due to strong M&A performance and higher underwriting fees. This was partially offset by lower corporate banking revenue due to lower lending fees and reduced asset levels, as well as decreased net investment securities gains
- Q/Q higher revenue mainly due to strong M&A performance and higher underwriting fees, partially offset by lower lending fees

Corporate Services (Including Technology and Operations)

Lower provisions were offset by reduced revenues and higher expenses Y/Y

As Reported ($MM)	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q/Q B/(W)	Y/Y B/(W)
Net interest income before group teb[1] offset	(134)	(89)	(93)	(109)	**(150)**	(40)%	(12)%
Group teb[1] offset	(65)	(105)	(121)	(64)	**(61)**	5%	6%
Net interest income (teb)[1]	(199)	(194)	(214)	(173)	**(211)**	(23)%	(6)%
Non-interest revenue	70	21	47	74	**43**	(43)%	(40)%
Revenue (teb)[1]	(129)	(173)	(167)	(99)	**(168)**	(73)%	(31)%
PCL – Specific	115	28	(13)	22	**43**	(95)%	63%
– General	--	--	--	--	**--**	--%	--%
Expenses	13	3	40	69	**60**	14%	+(100)%
Provision for Taxes	(156)	(152)	(182)	(146)	**(169)**	17%	9%
Net Income	**(120)**	**(70)**	**(31)**	**(62)**	**(120)**	(97)%	--%

- Y/Y net income is flat as the reduction in provisions for credit losses charged to Corporate under BMO's expected loss provisioning methodology were offset by reduced revenues and higher expenses
- Y/Y revenue lower by $39 million mostly due to a $27 million reduction in non-interest revenue. The decline in non-interest revenue was driven approximately equally by higher funding transaction fees, higher mark-to-market losses on securitization-related swaps and the impact of hedge ineffectiveness. Q/Q revenues were lower primarily due to a large number of small items including lower securitization-related revenues and lower interest on income tax refunds
- Y/Y expense growth driven by higher technology investment spending

• Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 audited annual consolidated financial statements

[1] Taxable equivalent basis is a non-GAAP measure, see Notes to Users: Taxable Equivalent Basis, in the Q1 11 Supplementary Financial Information package

Balance Sheet

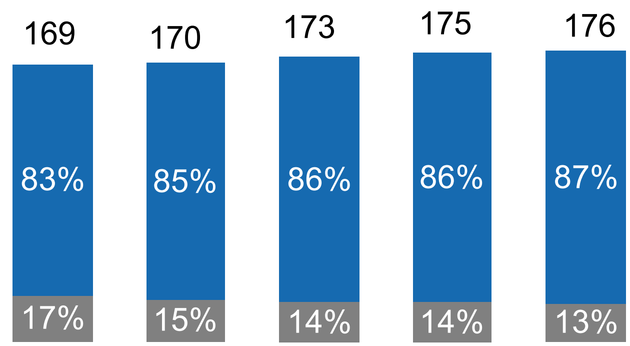
Average Net Loans & Acceptances
(↑ $0.9B Q/Q)

- Consumer instalment & other personal (↑ $0.9B)
- Non-residential mortgages (↓ $0.3B)
- Residential mortgages (↑ $2.0B)
- Credit cards (↑ $0.07B)
- Businesses and governments (↓ $1.4B)
- Customers' liability under acceptances & allowance for credit losses (↓ $0.3B)
- The weaker U.S. dollar decreased balances by $1.4B

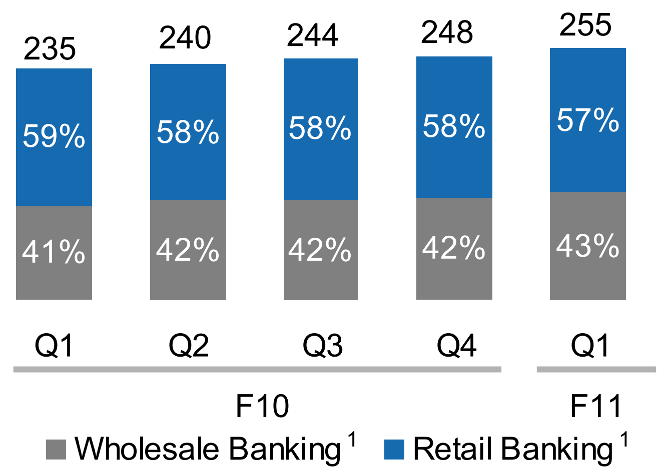
Average Deposits
(↑ $6.4B Q/Q)

- Businesses and governments (↑ $8.2B)
- Individuals (↓ $1.1B)
- Banks, used in trading activities (↓ $0.7B)
- The weaker U.S. dollar reduced balances by $3.0B

Average Net Loans & Acceptances
(C$B)



Average Deposits
(C$B)



[1] Corporate Services is included in Retail Banking's average net loans and acceptances, and in Wholesale Banking's average deposits

P&C Canada – Market Share & Product Balances

	Market Share (%) [1]	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11
Personal	Total Personal Lending	10.1	10.2	10.2	10.2	10.2
Personal	Personal Cards (Net Retail Sales) [1]	13.2	13.2	13.1	13.0	13.1
Personal	Personal Deposits[2]	12.2	11.9	11.9	11.8	11.7
Personal	Mutual Funds[2]	13.5	13.5	13.5	13.4	13.4
Comm'l	Commercial Loans $0 - $5MM[3]	19.8	19.9	20.2	20.3	20.4

	Balances ($B) (Owned & Managed)	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11
Personal	Personal Loans	32.4	33.4	35.0	36.4	37.3
Personal	Residential Mortgages	63.9	63.6	64.3	64.9	65.3
Personal	Total Personal Lending	96.3	97.0	99.3	101.3	102.6
Personal	Personal Cards	7.4	7.2	7.3	7.4	7.5
Personal	Personal Deposits	66.7	65.9	66.7	66.6	66.2
Commercial	Commercial Loans & Acceptances	34.1	35.3	36.2	36.7	36.7
Commercial	Commercial Cards[4]	0.8	1.7	1.7	1.7	1.7
Commercial	Commercial Deposits	31.5	31.6	32.5	33.1	34.7

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

[1]Personal Cards NRS are issued on a one fiscal quarter lag basis. (Q1 11: Oct 2010)

[2]Personal share statistics are issued on a one-month lag basis. (Q1 11: Dec 2010)

[3]Business loans (Banks) data is issued by CBA on a one calendar quarter lag basis (Q1 11: Sep 2010)

[4]Q1 10 includes 1 month and from Q2 10 onwards includes 3 months of Diners Club North American franchise acquisition

Personal

- Total Personal lending balances increased Y/Y and Q/Q, driven by growth in branch-originated mortgages and Homeowner ReadiLine products. Market share increased Y/Y and remained flat Q/Q
- Personal deposit balances decreased Y/Y and Q/Q, driven by a decrease in term deposits. Market share declined Y/Y and Q/Q
- Personal Cards balances increased Y/Y and Q/Q. Market share decreased Y/Y and increased Q/Q

Commercial

- We continue to rank second in Canadian business lending market share
- Commercial deposit balances increased Y/Y and Q/Q reflecting the bank's focus on meeting customer needs
- Commercial Cards balances increased Y/Y due to the addition of Diners and volume growth

P&C U.S. – Product Balances

Personal Products – Average Balances (US$B)	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11
Mortgages	4.7	4.5	4.4	4.2	**4.2**
Other Personal Loans	5.1	5.0	5.1	5.1	**4.9**
Indirect Auto	4.2	4.2	4.3	4.3	**4.4**
Deposits	14.6	14.6	15.9	16.0	**15.6**
Serviced Mortgages	3.5	3.6	3.7	3.7	**3.6**
Commercial Products – Average Balances (US$B)	**Q1 10**	**Q2 10**	**Q3 10**	**Q4 10**	**Q1 11**
Commercial Loans	12.1	12.0	12.0	12.1	**12.1**
Commercial Deposits	8.9	9.7	10.0	10.7	**11.7**

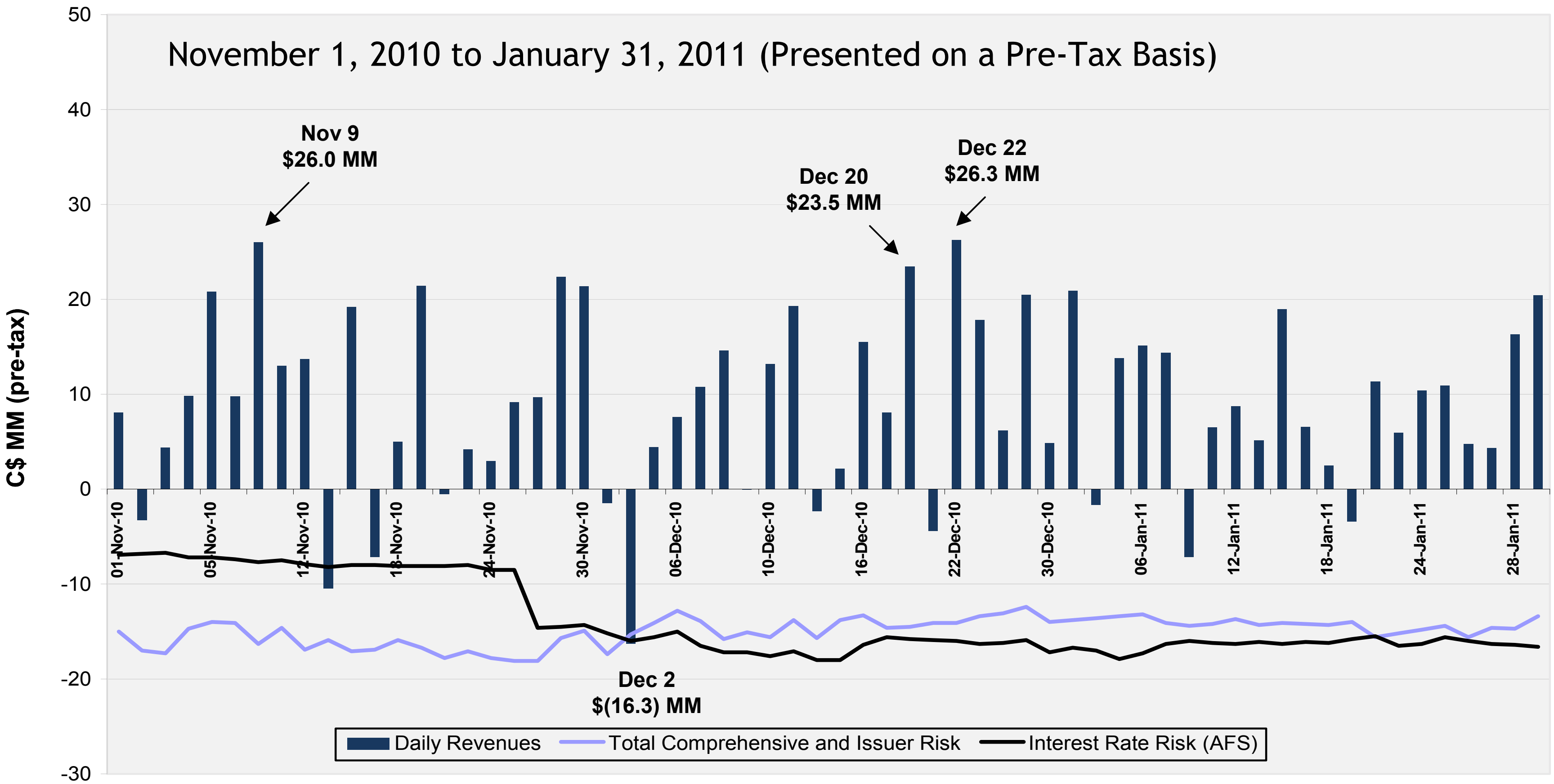
Personal

- Mortgage pipeline up $189MM or 55% Y/Y and originations are up $170MM or 60%
- Decline in mortgage balances Y/Y are primarily driven by amortization/run off of outstandings and new originations being sold in the secondary market, as reflected in our serviced mortgage portfolio
- Indirect Auto balances continue to grow despite increased competition
- Core deposits grew $184MM from the start of the fiscal year, with new checking accounts up 20% Y/Y. However, deposit balances are down Q/Q primarily due to maturities on term deposits

Commercial

- Excluding the Rockford, Illinois-based bank transaction's $1.0B of average loans and $0.3B of average deposits, commercial loans declined Y/Y, reflecting the impact of lower client loan utilization while deposits grew due to sales efforts

Trading & Underwriting Net Revenues vs. Market Value Exposure



The largest daily P&L gains for the quarter are as follows:

- **November 9 – CAD $26.0MM:** Reflects normal trading activity and credit valuation adjustments.
- **December 20 – CAD $23.5MM:** Reflects normal trading activity and credit valuation adjustments.
- **December 22 – CAD $26.3MM:** Reflects normal trading activity and credit valuation adjustments.

The largest daily P&L loss for the quarter was **December 2 – CAD $(16.3)MM** which primarily reflects credit valuation adjustments.

Interest rate risk (AFS) is now being reported separately from comprehensive and issuer risk measures. The interest rate risk (AFS) calculation was also enhanced to include additional risk factors resulting in the November increase.

Revenues exclude certain month-end adjustments that would not be meaningful to represent as part of daily trading revenues.

Risk Review

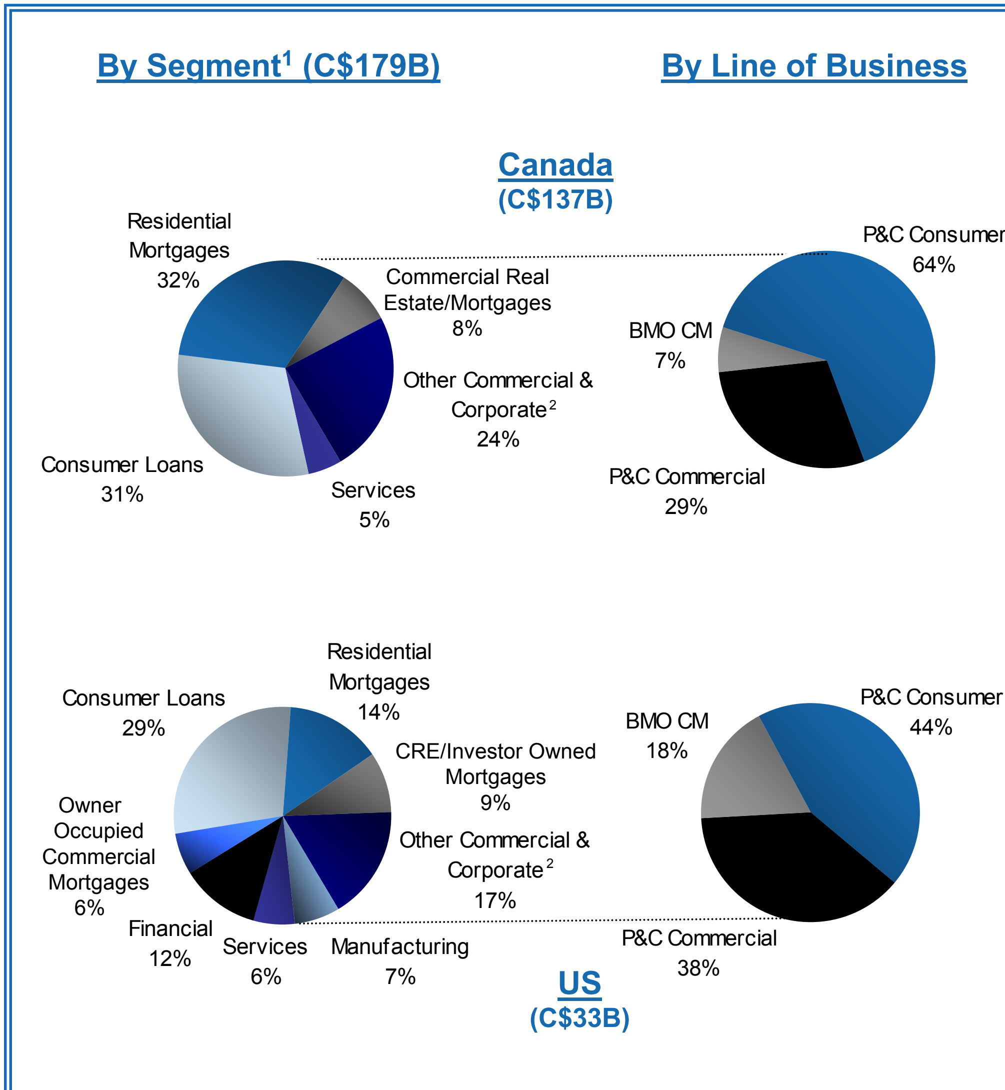
Q1|11

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

March 1 • 2011

Loan Portfolio – Well Diversified by Segment and Business

- Canadian and US portfolios well diversified. Canadian portfolio 76% of loans, US portfolio 19%.
- P&C banking business represents the majority of loans.
  - Retail portfolios are predominantly secured – 86% in Canada and 99% in the US.
- Canadian portfolios performance sound.
- US Loan Portfolio:
  - Consumer portfolio is $14.7B, relatively evenly split between Home Equity, Residential Mortgages and the Auto portfolios.
  - Commercial Real Estate/Investor Owned Mortgages at $3.0B ($2.5B excluding the Q2 '10 acquired portfolio) not large at 9% of US loans and less than 2% of total loans.
    - The Investor-Owned Mortgage portfolio is $1.8B. Prudent lending practices maintained and portfolio has a largely Midwestern footprint (83% IL).
    - Developer portfolio continues to reduce and is ~2% of the total US portfolio. Majority of the portfolio is impaired.
  - Real estate markets remain weak.

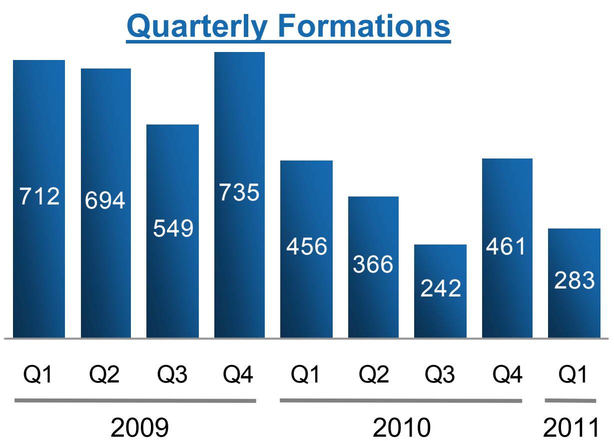


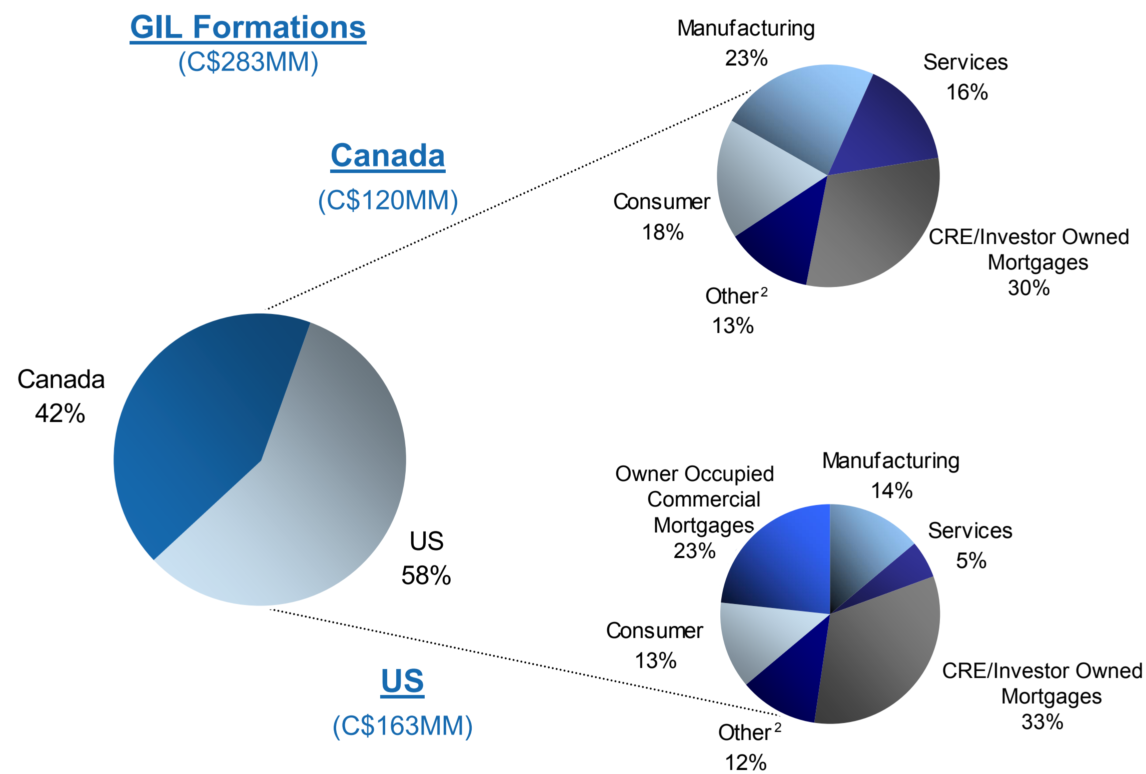
1 Other Countries portfolio, C$8B not shown in graphs.

2 Other Commercial & Corporate includes Portfolio Segments that are each <5% of the total.

Impaired Loans and Formations

- Q1 '11 formations lower than last quarter and a year ago at $283MM (Q4 '10: $461MM, Q1 '10: $456MM).
- Q1 '11 Canadian formations $120MM (Q4 '10: $172MM) with CRE/Investor Owned Mortgages and Manufacturing the largest contributors.
- Q1 '11 US formations of $163MM (Q4 '10: $289MM) with CRE/Investor Owned Mortgages the largest sector.
- Gross Impaired Loans (GIL) on a core basis of $2,777MM versus $2,919MM in Q4. GIL balances $3,066MM (Q4 '10: $3,221MM) including GILs from the Q2 '10 US bank acquisition covered by FDIC loss share agreement[1].
  - Canada & Other impaired balances account for 33%, US 67%. Largest segment in Canada being the Consumer portfolio. Largest segments in US relate to Commercial Real Estate.





1 As part of the purchase agreement BMO is indemnified against 80% of the losses associated with this portfolio by the FDIC.

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

Provision for Credit Losses

- Specific provisions $248MM vs. $253MM last quarter and down significantly from $333MM a year ago.
- P&C Canada provisions lower year/year but higher quarter/quarter largely due to high consumer recoveries in Q4 ‘10.
- P&C US provisions remain elevated reflecting a continued weak environment.
- Capital Market provisions remain low.

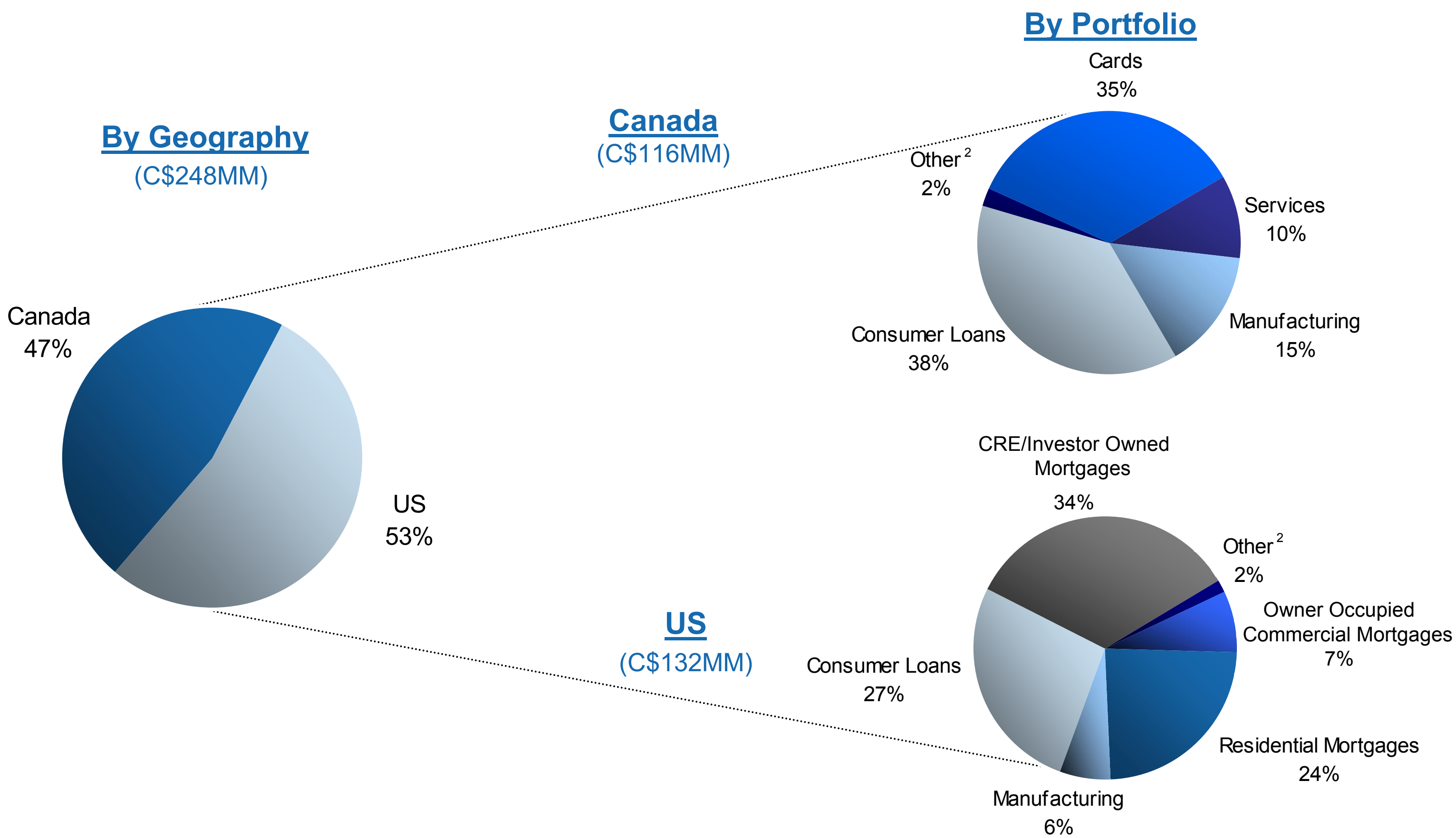
Quarterly

Business Segment (By Business Line Segment) (C$ MM)	Q1 ‘10	Q4 '10	Q1 '11
Consumer – P&C Canada	161	119	136
Commercial – P&C Canada	29	27	24
Total P&C Canada	**190**	**146**	**160**
Consumer – P&C US	58	64	61
Commercial – P&C US	73	66	70
Total P&C US	**131**	**130**	**131**
PCG	**5**	**6**	**3**
Capital Markets Canada & Other	6	3	8
Capital Markets US	54	13	(8)
Total Capital Markets	**60**	**16**	**0**
Losses on Securitized Assets[1]	(53)	(45)	(46)
Specific Provisions	**333**	**253**	**248**
Change in General Allowance	-	-	-
Total PCL	**333**	**253**	**248**

1 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, were F‘10: $203MM (F‘09: $172MM).

Specific Provision Segmentation[1]

- Canadian provisions at $116MM (Q4 '10: $98MM, Q1 '10: $138MM) continue to be centered in the Consumer portfolio. Commercial provisions were well diversified.
- US provisions lower at $132MM (Q4 '10: $156MM, Q1 '10: $190MM). The Consumer sector represents approximately half of provisions with Commercial Real Estate related the largest sector within Commercial & Corporate.



1 Excludes losses on securitized assets of $46MM 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.

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