Investor Presentation

Q3|11

August 23 • 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; weak, volatile or illiquid capital and/or credit markets; interest rate and currency value fluctuations; changes in monetary, fiscal 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.

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 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 July 31 or as close to July 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 2010 Annual Report 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.

In determining the impact of reductions to interchange fees in the U.S. Legislative Developments section, we have assumed that business volumes remain consistent with our expectations and that certain management actions are implemented that will modestly reduce the impact of the rules on our revenues.

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

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

Strategic Highlights

Q3|11

Bill Downe
President & Chief Executive Officer
BMO Financial Group

August 23 • 2011

Financial Results

Good third quarter results delivering adjusted net income of $843 million

C$ billions unless otherwise indicated	Q3 10	Q2 11	Q3 11
Revenue	2.9	3.2	3.3
PCL	0.21	0.14	0.17
Expense	1.9	2.0	2.1
Net Income (C$ millions)	669	800	793
EPS ($)	1.13	1.34	1.27
Adjusted[1] Net Income (C$ millions)	678	804	843
Adjusted[1] EPS ($)	1.14	1.35	1.36
Adjusted[1] ROE (%)	13.9	16.8	15.6
Adjusted[1] Productivity Ratio (%)	65.0	61.6	62.2
Common Equity Ratio (%)	10.27	10.67	9.11

- Improved results in each of the operating groups
- Credit performance continues to be good
- YTD net income of $2.4 billion
- Common equity ratio remains strong

* Reported Q3 11: ROE: 14.7%; productivity ratio: 64.5%

[1] Q3 11 Adjusted results exclude $53MM ($32MM after-tax) of costs for integration of the M&I acquisition, $17MM ($12MM after-tax) charge for amortization of acquisition-related intangible assets and $9MM ($6MM after-tax) of charges for the hedge of foreign currency risk on the purchase of M&I. Non-GAAP measures, see slide 2 of the Q3 11 Investor Presentation and page 28 of the Third Quarter 2011 Report to Shareholders.

Operating Group Performance

C$ millions unless otherwise indicated

Group Net Income *

*F2011 results include 26 days of M&I

Personal and Commercial Banking U.S. net income figures in US dollars; all others in Canadian dollars.

M&I Integration

Major Integration Accomplishments

- ✓ Closed Transaction July 5, 2011
- ✓ Renamed Harris N.A. and opened for business on July 6 as BMO Harris Bank N.A.
- ✓ Rebranding of Harris Bank initiated
- ✓ 8000 employees completed the orientation program
- ✓ Decisions made on key personal and commercial and online platforms and systems conversion plan.
- ✓ Top leadership in place at closing
- ✓ Workforce reduction identified

Integration Objectives	Update
Integrate businesses & people	Comprehensive orientation programs in place to ensure a smooth transition for all employees
Capture synergies	Cost save plans in place
Systems integration	Timelines being established for core system integration
Branding & branch conversion	New branding strategy defined Timeline for brand rollout across the network in place

Integration Time-Line

Dec 2010		July 2011	12-18 months	2013
Acquisition Announcement	Planning for Close and Integration	Close & Integration Begins	BMO Harris Bank Systems Conversion & Rebranding	Expected Integration Completion

Financial Results

Q3 | 11

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

August 23 • 2011

Financial Highlights

Good third quarter results, contributing to strong year-to-date performance

	Revenue	Net Income	EPS	ROE	Productivity	Operating Leverage	Total PCL	Common Equity Ratio (Basel II)
Q3 11 (reported)	**$3,274MM**	**$793MM**	**$1.27**	**14.7%**	**64.5%**	**1.5%**	**$174MM**	**9.11%**
Q3 11 (adjusted)[1]	**$3,283MM**	**$843MM**	**$1.36**	**15.6%**	**62.2%**	**4.9%**	**$174MM**	**9.11%**

- Another good quarter with solid revenue growth across businesses
- Adjusted net income[1] of $843 million, up 24% from a year ago and 4.8% from Q2. Adjustments include (all after-tax):
  - Integration costs for M&I of $32 million
  - Amortization of acquisition intangibles of $12 million
  - Charge for hedge of fx on the offer to purchase M&I of $6 million
- Adjusted EPS[1] of $1.36, up 19%, from a year ago
- Acquisition of M&I closed on July 5, 2011. Current quarter reflects M&I's results for 26 days
- Reported ROE at 14.7% and YTD 15.7%
- Strong capital position with a Basel II Common Equity Ratio of 9.11%
- Continued trend of improvement in credit
- YTD adjusted net income[1] of $2,431 million and growth of 16%; $2,369 million and growth of 14% on a reported basis

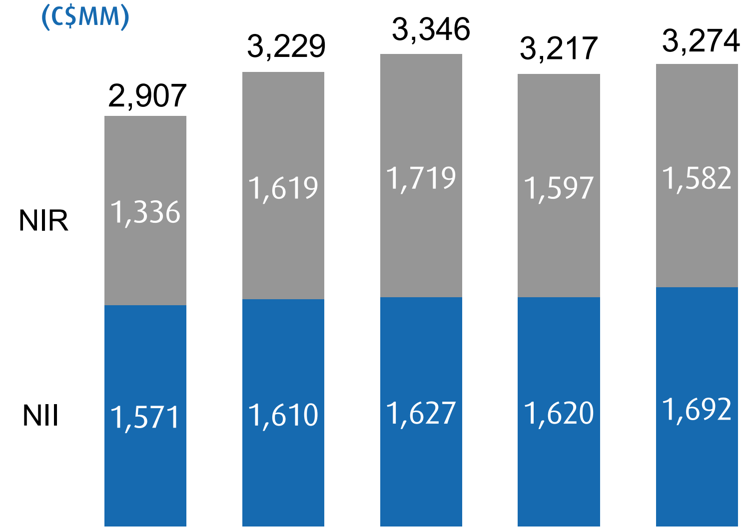
[1] Non-GAAP measures, see slide 2 of the Q3 11 Investor Presentation and page 28 of the Third Quarter 2011 Report to Shareholders. For details on adjustments refer to page 3 of the Third Quarter 2011 Report to Shareholders

Revenue

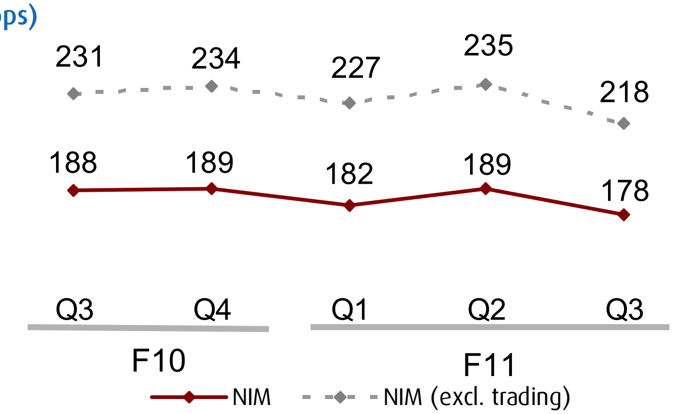
Solid year over year revenue growth

- Revenue up $367MM or 13% Y/Y (up 8.6% ex M&I revenue of $117MM)
- Q/Q revenue increased $57MM or 1.7% (down 2.2% ex M&I of $117MM). Impact of M&I and three more days in the quarter were partially offset by reduced revenue in Corporate Services which was strong in Q2
- YTD revenue growth of 9.5% (8.3% ex M&I)
- Net interest income up 7.7% Y/Y (3.3% ex M&I) driven by higher average earning assets and 4.4% Q/Q (down 0.5% ex M&I)
- Non-interest revenue up 18% Y/Y (15% ex M&I of $48MM) and down 1.0% Q/Q (down 4% ex M&I). Y/Y increase reflects strong growth in M&A fees, trading and wealth management businesses. Q/Q improved securitization revenues and investment management fees were offset by declines in securities and commission fees. A credit card securitization late in Q2 resulted in lower credit card fees in Q3
- Y/Y net interest margin, excluding trading, was lower. Declines in P&C Canada and BMO Capital Markets were partially offset by increases in P&C U.S. and Private Client Group
- Q/Q net interest margin, excluding trading, decreased 17 basis points (down 19 basis points ex M&I) largely due to lower net interest income in Corporate Services which was strong in Q2
- U.S. dollar exchange rate decreased revenue growth by $73MM or 2.5% Y/Y

Total Bank Revenue
(C$MM)



Net Interest Margin
(bps)



Non-Interest Expense

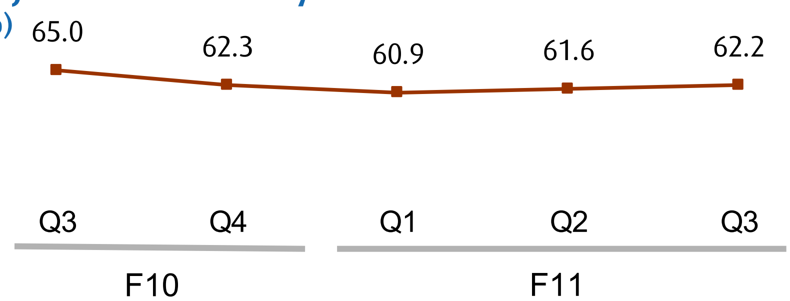
Continued investment in our businesses and focus on cost discipline across BMO

- Y/Y adjusted non-interest expense[1] increased $153MM or 8.0% to $2,041MM
- Y/Y increase largely due to acquisitions, higher performance-based compensation, continued business investments and disciplined expense management
- Expenses excluding M&I of $1,974MM up 3.9% Y/Y and down 1.2% Q/Q
- Adjusted productivity ratio[1] of 62.2% and healthy operating leverage of 4.9%
- U.S. dollar exchange rate lowered expenses by $50MM or 2.6% Y/Y and had no impact Q/Q

Non-Interest Expense ($MM)	Q3 10	Q2 11	Q3 11	Q/Q B/(W)	Y/Y B/(W)
Reported	1,898	2,023	**2,111**	(4.3%)	(11.1%)
Adjusted[1]	1,888	1,988	**2,041**	(2.7%)	(8.0%)
Reported (ex M&I)	1,899	1,998	**1,974**	1.2%	(3.9%)

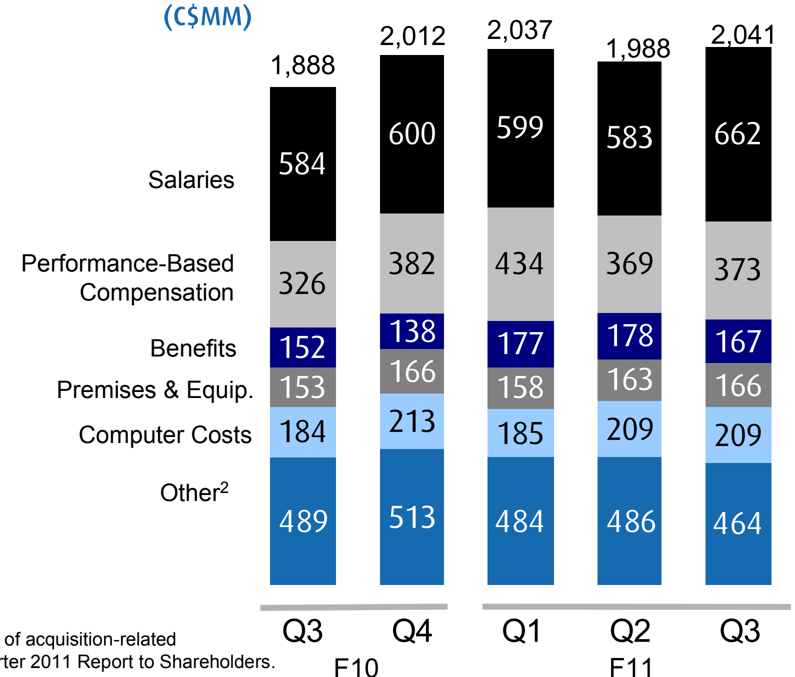
Adjusted Productivity Ratio[1]

(%)



Total Bank Adjusted Non-Interest Expense

(C$MM)



[1] Adjusted expense excludes $53MM in of integration costs relating to the M&I acquisition and $17MM for amortization of acquisition-related intangible assets. Non-GAAP measures, see slide 2 of the Q3 11 Investor Presentation and page 28 of the Third 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

M&I Acquisition

- Closed on July 5, 2011 for consideration of approximately $4B in the form of ~67MM common shares
- Reported Q3 results include impact of M&I:
  - Adjusted net income of $32MM; reported net loss of $10MM
  - Revenue of $117MM
  - Integration costs of $53MM and amortization of intangibles of $7MM
- Preliminary goodwill estimate of $1.8B
- Adds $29B of loans, after adjustment for future expected losses, and $34B of deposits
- More than doubles U.S. branch count to 688
- Increases assets under management and administration by $149B to over $530B
- Adds approximately two million customers
- Annual cost savings from integration expected to exceed $300MM
- Integration and restructuring costs expected to approximate $600MM
- Opportunities to add revenue in existing and new markets

M&I Impact

Net Income ($MM)	Q2 11	Q3 11
P&C U.S.	-	26
PCG	-	4
BMO CM	-	(1)
Corp. Services (incl. T&O)	(25)	(39)
Total Bank (Reported)	(25)	(10)
Total Bank (Adjusted)	-	32

Approach to incorporating M&I in results

- M&I results incorporated into appropriate operating group
- 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
- Corporate Services will include:
  - Integration and restructuring costs
  - Consistent with BMO methodology, differences between expected losses and actual losses
  - Any changes in estimate of future expected credit losses (credit mark), on the purchased M&I loans, as PCL
  - Approximately US$1.5B of impaired real estate secured assets that were acquired on the acquisition
  - Amortization of adjustment to market rates at closing on assets and liabilities (rate mark) in net interest earnings

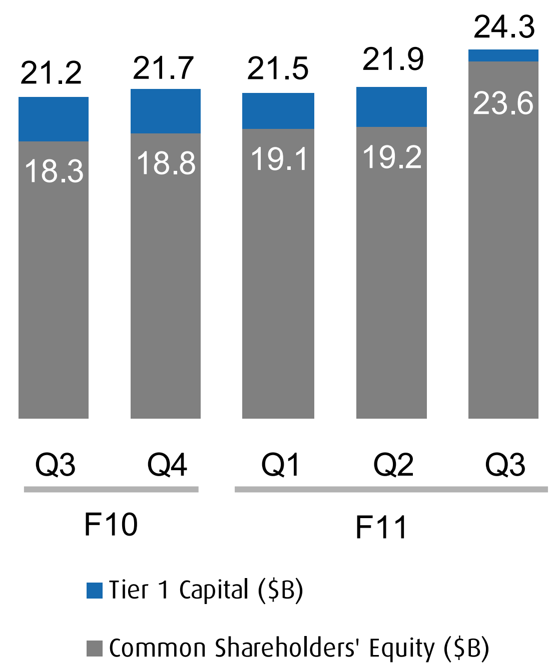
Capital & Risk Weighted Assets

BMO's capital position remains strong after closing of the M&I acquisition

Basel II	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11
Common Equity Ratio (%)[(1)]	10.27	10.26	10.15	10.67	9.11
Tier 1 Capital Ratio (%)	13.55	13.45	13.02	13.82	11.48
Total Capital Ratio (%)	16.10	15.91	15.17	17.03	14.21
RWA ($B)	156.6	161.2	165.3	158.7	212.0

- Acquisition of M&I reduced Common Equity Ratio and the Tier 1 Capital Ratio by 130 basis points and 190 basis points, respectively
- Q/Q RWA increase primarily due to M&I and higher corporate/commercial and securitization RWA
- Pro-forma for Basel III and IFRS the July 31, 2011 Common Equity Ratio and Tier 1 Capital ratio would be ~6.6% and ~8.8%, respectively[2]. Well-positioned to meet Basel III capital requirements in the near term

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] 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 5, 14 and 15 of Bank of Montreal's Third Quarter 2011 Report to Shareholders

Operating Groups – Quick Facts

P&C Canada

- Revenue growth of **2.5%** Y/Y
- Net income growth of **1.8%** Y/Y
- Net income growth of **4.9%** Y/Y, adjusted to reflect provisions on an actual loss basis
- Net interest margin of **292 bps** – down **1 bps** Q/Q
- Continuing to invest in our strategic priorities
- Volume growth across most products

P&C U.S.

- Revenue growth of **47%** Y/Y; **8.1%** excluding M&I
- Net income **U.S. $95MM,** up **$45MM** Y/Y; up **U.S. $18MM** or **39%** excluding M&I
- Productivity ratio of **60.8%**
- Net interest margin of **447 bps** – **flat** Q/Q; up **6 bps,** excluding M&I

Private Client Group

- Revenue growth of **13%** Y/Y; excluding insurance, up **20%** Y/Y
- Net income up **14%** Y/Y; excluding insurance, up **$30MM** or **43%** Y/Y
- M&I added **US$31MM** to revenue and **US$4MM** to net income; Lloyd George Management (LGM) had minimal effect on net income
- AUA / AUM of **$429B** up **$177B** Y/Y. Adjusting to exclude acquisitions and the weaker U.S. dollar AUA / AUM grew **$30B** or **12%**
  - M&I and LGM acquisition added **$153B** to the increase

BMO Capital Markets

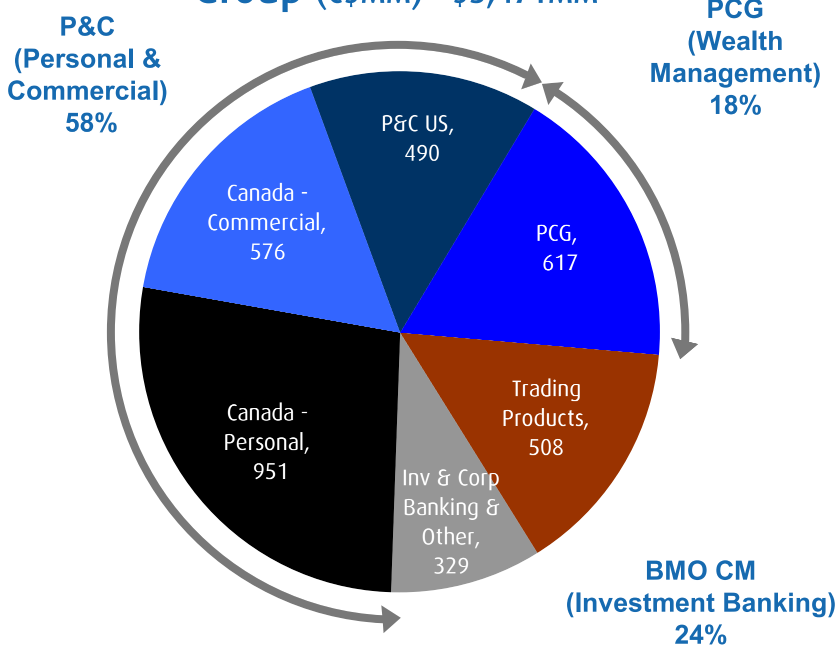
- Revenue up **$158MM** or **23%** Y/Y
- Net income of **$279MM**, up **$149MM** Y/Y
- ROE of **25.5%**
- Second year in a row received "Best Trade Bank in Canada" award for excellence from Trade Finance magazine

* 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 Annual Report

Operating Group Performance

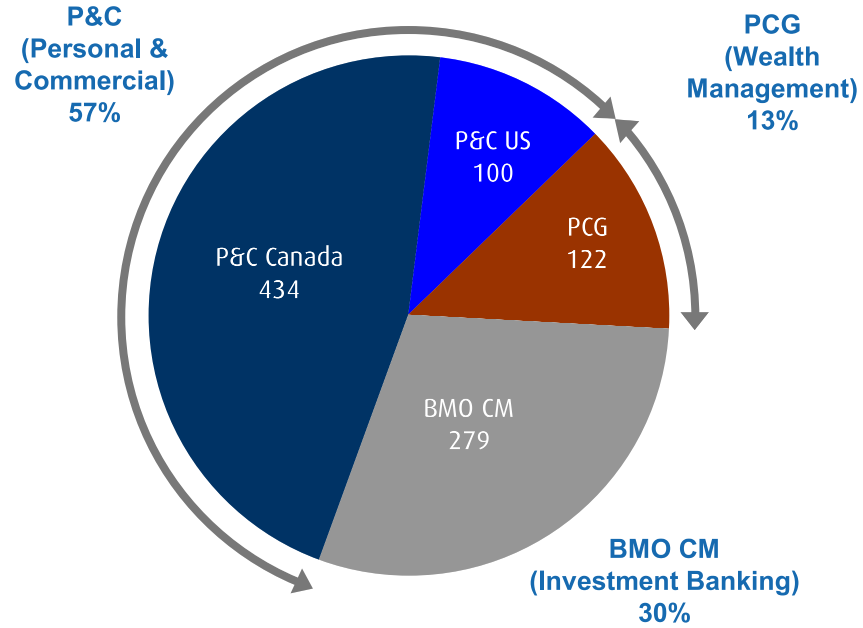
Over 75% of revenue and net income from retail businesses in Canada and the US (P&C and PCG), pro forma[1]

Q3 11 Revenue by Operating Group (C$MM) - $3,471MM*



[3] Corporate Services revenue $(197)MM

Q3 11 Adjusted[2] Net Income by Operating Group (C$MM) - $935MM*



[3] Corporate Services net loss $92MM

[1] Pro forma reflects full quarter adjusted run rate of M&I
[2] Non-GAAP measures, see slide 2 of the Q3 11 Investor Presentation and page 28 of the Third Quarter 2011 Report to Shareholders
[3] Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 Annual Report
* Excludes Corporate Services results

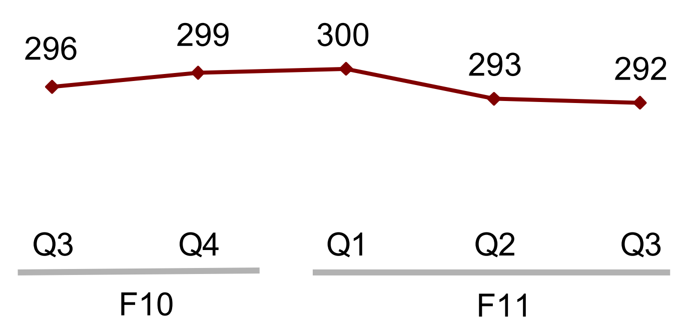
Personal & Commercial Banking - Canada

Results reflect growth in both our personal and commercial segments

As Reported ($MM)	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q/Q B/(W)	Y/Y B/(W)
Revenue	1,489	1,521	1,529	1,474	**1,527**	4%	3%
PCL*	129	132	136	136	**137**	-	(6)%
Expenses	765	788	774	778	**788**	(1)%	(3)%
Provision for Taxes	171	183	176	158	**170**	(8)%	1%
Net Income	**424**	**418**	**443**	**402**	**432**	8%	2%
Productivity (%)	51.3	51.7	50.6	52.8	**51.6**		

- Q/Q net income increased driven by volume growth, 3 more days in the quarter and expense management
- Y/Y net income growth of 4.9%, adjusted to reflect provisions on actual loss basis
- Net Interest margin stable Q/Q
- Good volume growth Y/Y across personal and commercial loans and deposits
- Focused on maintaining productivity in low 50's per cent range
- Investing in distribution capabilities through branch and specialized sales force expansion, along with investments in the customer contact centre, online and mobile banking

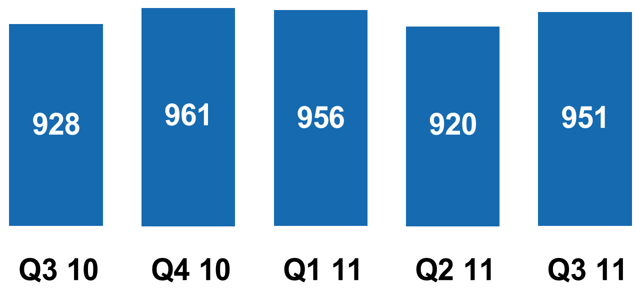
Net Interest Margin
(bps)



* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 Annual Report

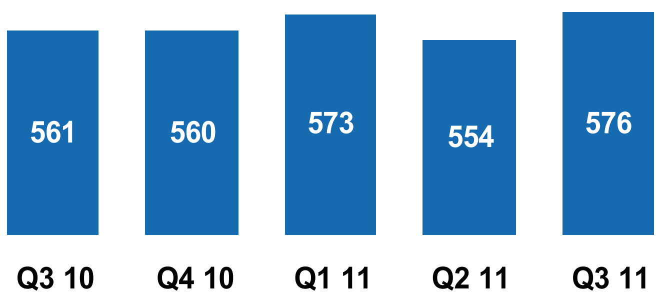
Personal & Commercial Banking - Canada

Revenue by Business ($MM)



Personal[1]
(↑ $23MM or 2.5% Y/Y; ↑ $31MM or 3.4.% Q/Q)

- Y/Y increase driven by volume growth partially offset by lower deposits spread in a low interest rate environment
- Q/Q increase driven by 3 more days in the quarter and volume growth partially offset by lower mortgage refinancing fees



Commercial[1]
(↑ $15MM or 2.5% Y/Y; ↑ $22MM or 3.8% Q/Q)

- Y/Y increase driven by volume growth, favourable product mix and higher activity fees, partially offset by lower commercial deposits spread and lower cards revenue
- Q/Q increase driven by 3 more days in the quarter, volume growth and higher cards and payments revenue partially offset by net investment security gains in Q2

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

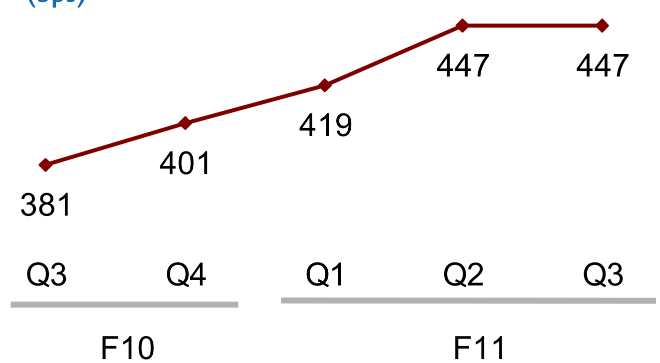
Personal & Commercial Banking - U.S.

Increased market presence with M&I acquisition expected to drive revenue and net income growth

As Reported (US$MM)	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q/Q B/(W)	Y/Y B/(W)
Revenue	346	363	360	361	**509**	41%	47%
PCL*	30	30	36	37	**54**	(51)%	(86)%
Expenses	241	264	241	238	**310**	(30)%	(29)%
Provision for Taxes	25	25	29	31	**50**	(57)%	(83)%
Net Income	**50**	**44**	**54**	**55**	**95**	72%	94%
Productivity (%)	69.5	72.8	67.1	65.8	**60.8**		

- Y/Y revenue, expense, PCL and net income increases primarily reflected contribution from the M&I acquisition of US$135MM, US$75MM, US$18MM and US$27MM, respectively
- Y/Y, excluding M&I, revenue and net income growth of 8.1% and 39% respectively; expenses down 2.5%
- Net interest margin improvement Y/Y driven by increase in loan spreads as a result of the favourable mix changes and deposit balance growth
- During the quarter approximately US$1.0B impaired real estate secured loans were transferred to Corporate Services. Prior period loan balances, revenues and expenses have been restated to reflect the transfer. Approximately US$1.5B of similar assets acquired in the M&I transaction also included in Corporate Services

Net Interest Margin
(bps)



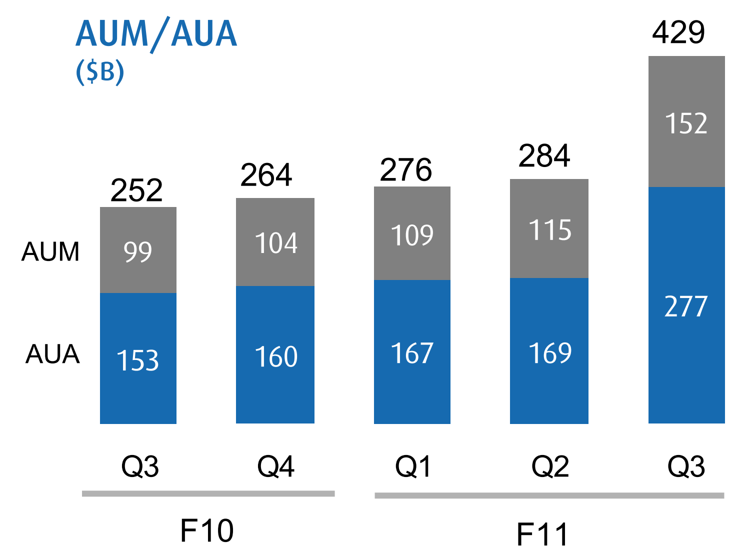
* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 Annual Report

Private Client Group

Strong results in traditional wealth

As Reported ($MM)	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q/Q B/(W)	Y/Y B/(W)
Revenue	544	593	661	582	**617**	6%	13%
PCL*	1	2	2	2	**2**	-	(35)%
Expenses	404	417	459	437	**461**	(6)%	(14)%
Provision for Taxes	34	45	47	42	**34**	22%	-
Net Income	**105**	**129**	**153**	**101**	**120**	19%	14%
Productivity Ratio (%)	74.4	70.3	69.5	75.0	**74.7**		

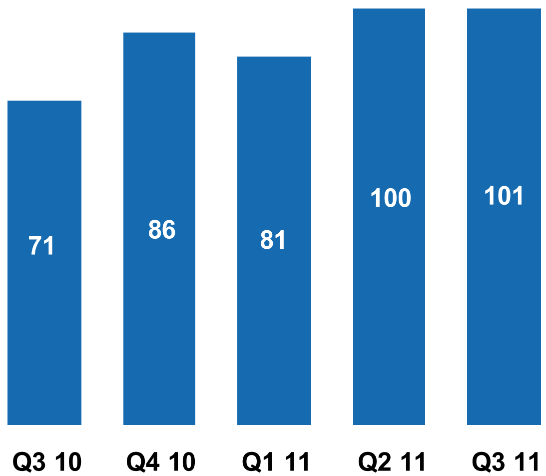
- Net income up $15MM or 14% from the same quarter a year ago
- Net income in PCG excluding insurance, improved 43% Y/Y and relatively unchanged Q/Q
- Q3 11 includes $4MM of net income and $39MM of revenue from the M&I and LGM acquisitions
- Revenue in PCG excluding insurance, improved 20% Y/Y or 12% adjusting for acquisitions
- Insurance business impacted by adverse effect of unfavourable long-term interest rate movements on policyholder liabilities relative to prior year; Q2 11 was impacted by $47MM after-tax of unusually high reinsurance claims
- Total expenses increased 14% Y/Y or 5.7% adjusting for the impact of acquisitions due primarily to revenue growth in PCG excluding insurance
- AUM / AUA grew 12% Y/Y adjusting for the impact of M&I and LGM and the weaker U.S. dollar. The M&I and LGM acquisitions brought $153B in client assets to our business.
- M&I acquisition almost triples the size of our U.S. wealth businesses as measured by AUM/AUA



* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 Annual Report

Private Client Group

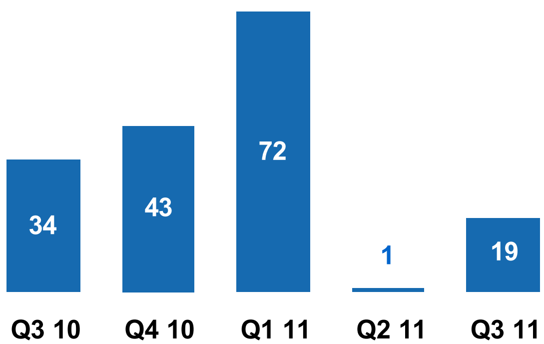
Net Income by Business ($MM)



PCG Excluding Insurance

(↑ $30MM or 43% Y/Y, ↑ $1MM or 1% Q/Q)

- Net income grew 43% Y/Y with revenue growth across all businesses from our continued focus on attracting new client assets and improved equity markets. M&I acquisition added $4MM of net income in Q3.
- Net income relatively unchanged Q/Q as higher mutual fund and private banking revenue was mostly offset by lower revenue in our brokerage businesses



Insurance

(↓ $15MM or 45% Y/Y, ↑ $18MM Q/Q)

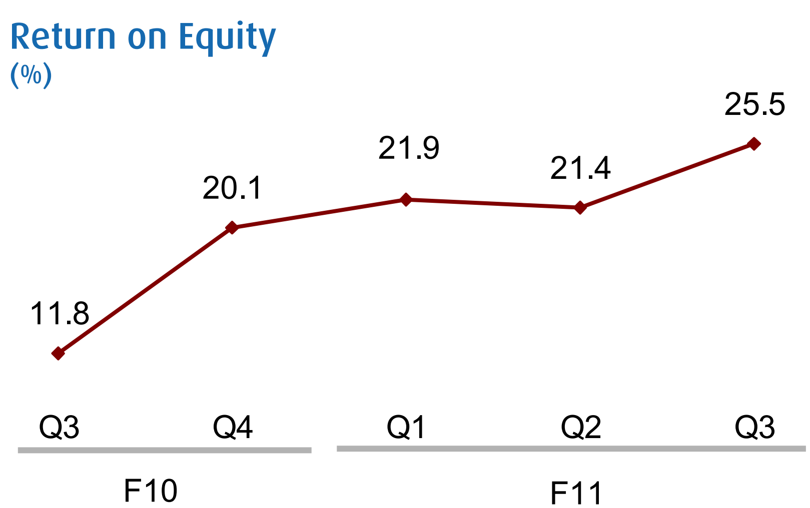
- Net income decreased Y/Y primarily due to the effect of unfavourable long-term interest rate movements on policyholder liabilities relative to the prior year
- Net income increased Q/Q as Q2 included unusually high reinsurance claims. Impact was partly offset by the adverse effect of unfavourable long-term interest rate movements on policyholder liabilities relative to the prior quarter

BMO Capital Markets

Continued good financial performance due to focus on clients and diversified portfolio of businesses

As Reported ($MM)	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q/Q B/(W)	Y/Y B/(W)
Revenue	679	836	963	836	**837**	-	23%
PCL*	66	66	30	30	**30**	-	55%
Expenses	422	463	493	468	**458**	2%	(8)%
Provision for Taxes	61	93	183	103	**70**	31%	(14)%
Net Income	**130**	**214**	**257**	**235**	**279**	19%	+100%

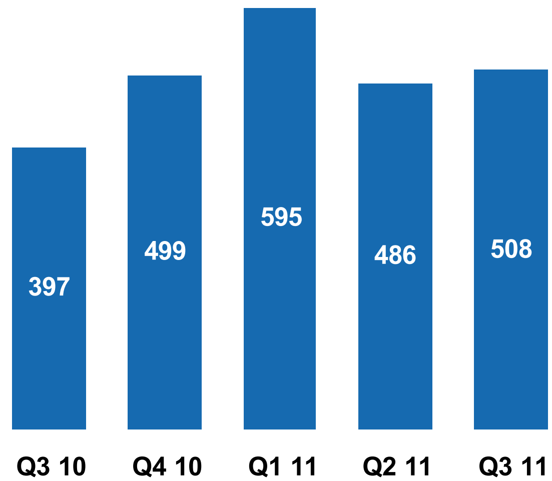
- Y/Y revenue increased primarily due to trading revenues as the trading environment in Q3 last year was weak for all Canadian peer banks. There were increased M&A and equity underwriting fees, higher securities commissions, higher revenues from interest-rate-sensitive businesses, and increased net investment securities gains, partially offset by lower lending fees in Corporate banking
- Q/Q increased revenues from interest-rate-sensitive businesses and higher M&A fees were offset by decreased net securities gains and debt underwriting fees
- Expenses up Y/Y due to higher variable compensation, in line with revenue performance. Expenses down Q/Q due to lower employee costs, offset by higher support costs
- Results for the period benefitted from a recovery of prior periods' income taxes



* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 Annual Report

BMO Capital Markets

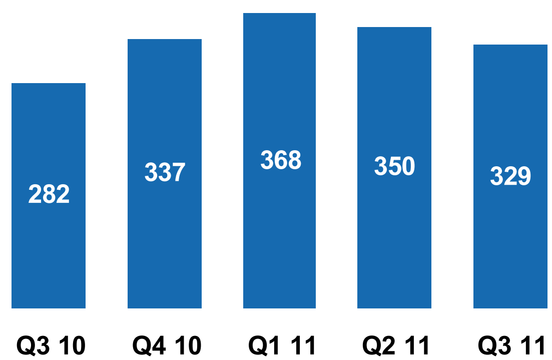
Revenue by Business ($MM)



Trading Products

(↑ $111MM or 28% Y/Y, ↑ $22MM or 5% Q/Q)

- Y/Y higher revenue mainly due to higher trading revenue resulting from a more favourable trading environment. There were also higher commissions, increased net investment securities gains and higher revenues from interest-rate-sensitive businesses
- Q/Q higher revenue from interest-rate-sensitive businesses, partially offset by lower underwriting fees



Investment & Corporate Banking

(↑ $47 MM or 15% Y/Y, ↓ $21MM or 6% Q/Q)

- Y/Y higher revenue mainly due to strong M&A performance and higher equity underwriting fees, partially offset by lower lending fees
- Q/Q lower revenue mainly due to decreased net investment securities gains and debt underwriting fees, partially offset by increased M&A and equity underwriting fees

Corporate Services

Decline in net income due to impact of M&I and unusually strong Q2

As Reported ($MM)	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q/Q B/(W)	Y/Y B/(W)
Revenue (teb)[1]	(169)	(96)	(169)	(23)	**(197)**	+(100)%	(17)%
PCL[2] – Specific	(13)	22	43	(16)	**(47)**	+100%	+100%
– General	--	--	--	(42)	**--**	+(100)%	--
Expenses	55	82	77	111	**106**	4%	(93)%
Provision for Taxes	(188)	(150)	(176)	(103)	**(144)**	40%	(23)%
Net Income	**(42)**	**(68)**	**(131)**	**9**	**(130)**	+(100)%	+(100)%
Adjusted Net Income[3]	**(42)**	**(68)**	**(131)**	**5**	**(92)**	+(100)%	+(100)%

- Y/Y adjusted net income[3] lower by $50MM
  - Revenue declined due to the impact of the M&I acquisition and the less favourable year-over-year impact of hedging activities, partly offset by a lower Group teb offset
  - Specific PCL improved due to lower provisions charged to Corporate Services under BMO's expected loss methodology
- Q/Q adjusted net income[3] lower by $97MM
  - Revenue in the prior quarter included higher interest on the settlement of certain income tax matters and higher securitization-related revenues largely due to a credit card securitization
  - Specific PCL improved due to lower provisions charged to Corporate Services under BMO's expected loss methodology
  - Corporate Services includes US$1.0B of impaired real estate secured loans transferred from P&C U.S. Prior period loan balances, revenues and expenses have been restated to reflect the transfer. Similar loans valued at approximately US$1.5B, acquired on the M&I acquisition, have also been included in Corporate Services

[1] See Non-GAAP measures on slide 2 of the Q3 11 Investor Presentation and Notes to Users: Taxable Equivalent Basis, in the Q3 11 Supplementary Financial Information package
[2] Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 Annual Report
[3] Net Income adjusted for costs related to the M&I integration and integration planning and the reduction of the general allowance in Q2 11. See Non-GAAP measures, slide 2 of the Q3 11 Investor Presentation and page 28 of the Third Quarter 2011 Report to Shareholders

Balance Sheet

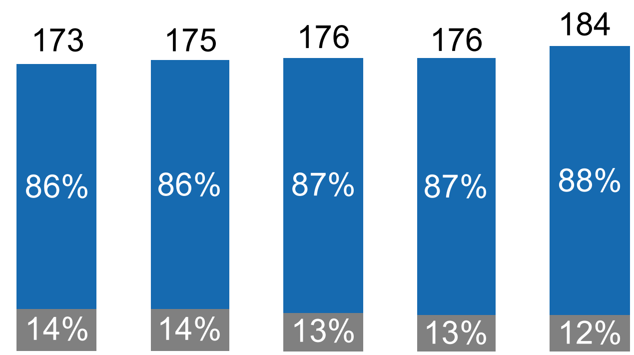
Average Net Loans & Acceptances
(↑ $8.0B Q/Q)

- Consumer instalment & other personal (↑ $2.7B)
- Non-residential mortgages (↓ $0.3B)
- Residential mortgages (↑ $1.1B)
- Credit cards (↓ $1.0B)
- Businesses and governments (↑ $5.5B)
- Customers' liability under acceptances & allowance for credit losses (↑ $0.02B)
- U.S. dollar increased balances by $26MM
- Y/Y average Canadian assets increased $27B or 11%; average US assets increased $24B or 20%; average assets in other geographies declined $7B or 26%
- M&I acquisition adds $29B of loans ($8B in average balances), net of an adjustment for future expected losses

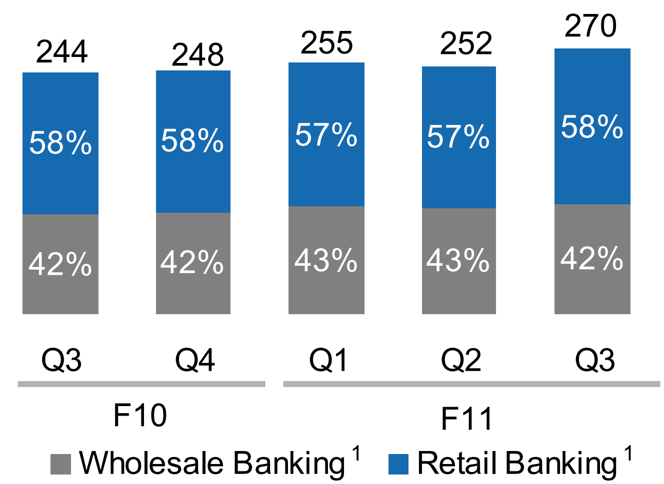
Average Deposits
(↑ $17.4B Q/Q)

- Businesses and governments (↑ $8.4B)
- Individuals (↑ $7.0B)
- Banks, used in trading activities (↑ $2.0B)
- U.S. dollar increased balances by $58MM
- M&I acquisition adds $34B of deposits ($9B in average balances)

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]	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11
Personal	Total Personal Lending[1]	11.1	11.1	11.1	11.1	11.1
Personal	Personal Deposits[1]	11.9	11.8	11.7	11.6	11.7
Personal	Mutual Funds[1]	13.4	13.4	13.4	13.5	13.4
Comm'l	Commercial Loans $0 - $5MM[2]	20.2	20.3	20.3	20.2	20.2

	Balances ($B) (Owned & Managed)	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11
Personal	Personal Loans	35.0	36.4	37.3	38.0	39.1
Personal	Residential Mortgages	64.3	64.9	65.3	65.5	65.8
Personal	Total Personal Lending	99.3	101.3	102.6	103.5	104.9
Personal	Personal Cards	7.3	7.4	7.5	7.2	7.4
Personal	Personal Deposits	66.7	66.6	66.2	66.1	67.0
Commercial	Commercial Loans & Acceptances	36.2	36.7	36.7	37.8	37.8
Commercial	Commercial Cards	1.7	1.7	1.7	1.6	1.7
Commercial	Commercial Deposits	32.5	33.1	34.7	34.8	35.8

Personal

- Total Personal lending balances increased Y/Y and Q/Q, driven by growth in branch-originated mortgages and Homeowner ReadiLine products. Market share remained flat Y/Y and Q/Q
- Personal deposit balances increased Y/Y and Q/Q. Increase in operating deposits was partially offset by decline in term. Market share declined Y/Y but increased Q/Q
- Personal Cards balances increased Y/Y and Q/Q

Commercial

- Continue to rank second in commercial loans ($0-5MM) market share
- Commercial loans balances increased Y/Y and remained flat Q/Q
- Commercial deposit balances increasing over the past 9 quarters, up $3.3B or 10.2% Y/Y, reflecting focus on meeting customer needs

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 (Q3 F11: May 2011))
2. Business loan share (Banks) issued by CBA (one calendar quarter lag basis (Q3 11: Mar 2011))

P&C U.S. – Product Balances

Personal Products – Average Balances (US$B)	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11 (excluding M&I)	Q3 11 (including M&I)	Total As At	M&I As At
Mortgages	4.4	4.2	4.2	4.1	**3.9**	**5.2**	**7.7**	**3.8**
Other Personal Loans	5.1	5.1	4.9	4.8	**4.7**	**6.1**	**8.9**	**4.2**
Indirect Auto	4.3	4.3	4.4	4.4	**4.4**	**4.6**	**4.9**	**0.4**
Deposits	15.9	16.0	15.6	15.9	**16.0**	**22.0**	**33.6**	**17.8**

Commercial Products – Average Balances (US$B)	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11 (excluding M&I)	Q3 11 (including M&I)	Total As At	M&I As At
Commercial Loans	11.0	11.2	10.7	10.3	**10.7**	**18.1**	**32.5**	**21.8**
Commercial Deposits	10.0	10.7	11.7	11.1	**12.5**	**15.9**	**23.1**	**10.6**

Personal

- M&I contributed $2.9B in average loans and $6.0B in average deposits. ($8.4B as at loans and $17.8B as at deposits)
- Decline in mortgage balances (ex M&I) primarily driven by amortization/run off of outstandings and new originations being sold in the secondary market
- Indirect Auto balances (ex M&I) up $192MM or 5% from Q3 10

Commercial

- M&I contributed $7.4B in average loans and $3.4B in average deposits. ($21.7B as at loans and $10.6B as at deposits)
- Commercial banking business (excluding run-off portfolio/M&I) saw commercial loan growth of $380MM or 5% Q/Q, while deposits continue to be at record levels

Note: Average balances for M&I are approximately 1/3 of as at balance due to the inclusion of results for only one month in the quarter.

Risk Review

Q3|11

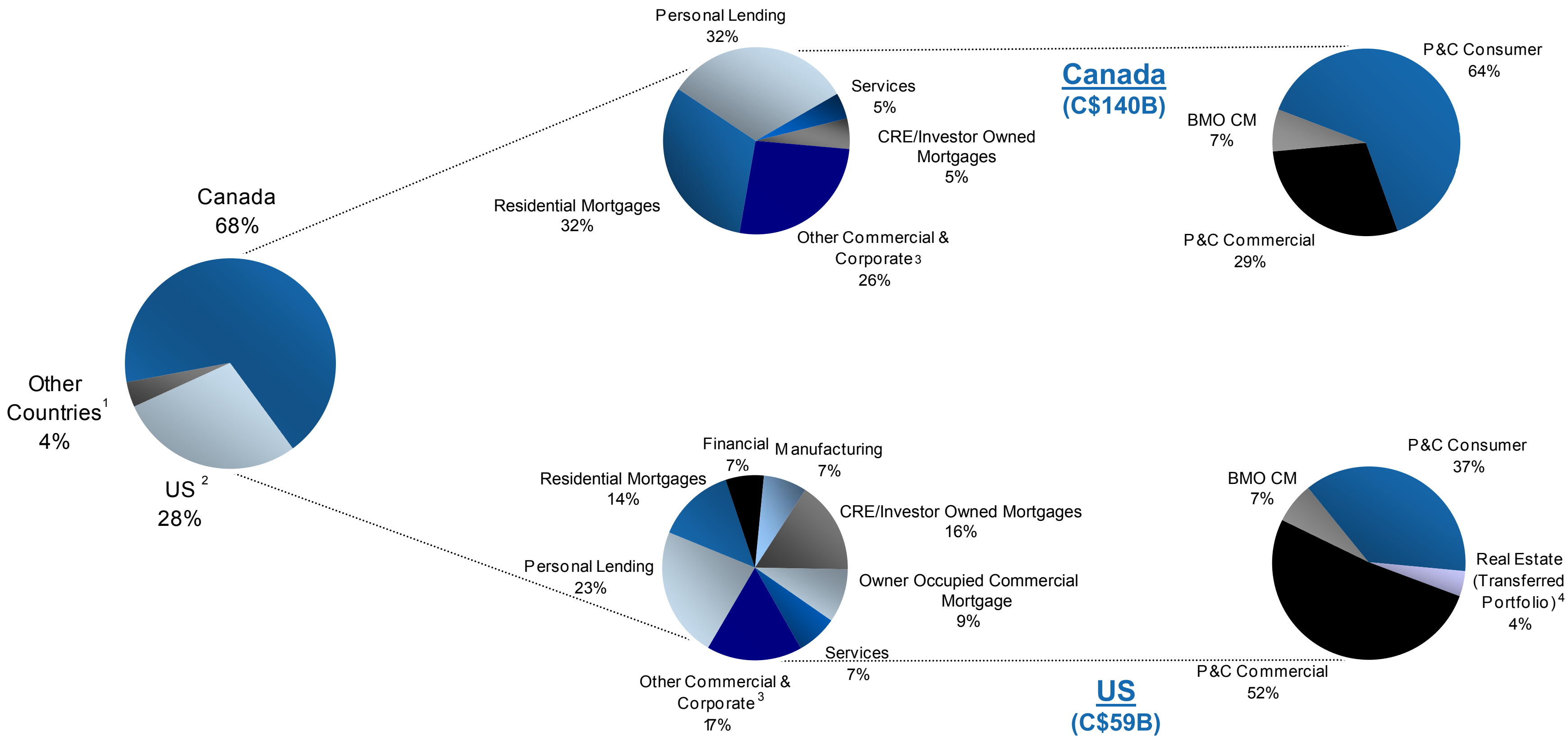
Surjit Rajpal
Executive Vice President & Chief Risk Officer
BMO Financial Group

August 23 • 2011

Loan Portfolio – Well Diversified by Segment and Business

- Canadian and US portfolios well diversified. Canadian portfolio 68% of loans, US portfolio 28% of loans.
  - Marshall & Ilsley (M&I) purchased portfolio ~14% of total loans.
- P&C business represents the majority of loans.
  - Retail portfolios are predominantly secured – 87% in Canada and 95% in the US.

By Geography (C$207B) | **By Segment** | **By Line of Business**



1 Other Countries of $8B not shown in Portfolio Segmentation & Line of Business graphs.

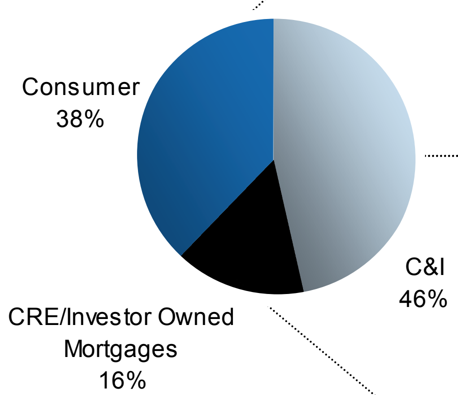
2 Includes ~$29B of the M&I purchased portfolio, net of fair value adjustment.

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

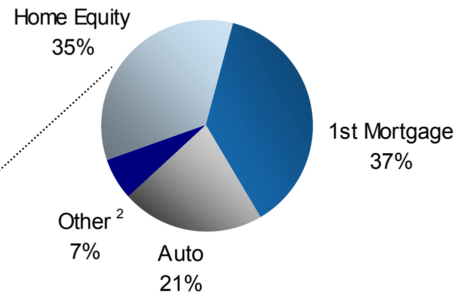
4 As of Q3 '11, Real Estate (Transferred Portfolio) includes US real estate secured assets transferred to Corporate Services.

US Loan Portfolio

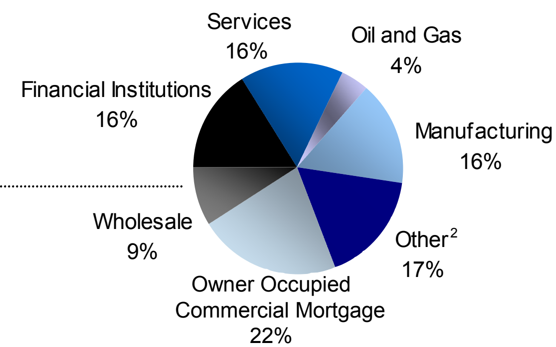
Total US Loans Outstanding[1]
US$61.7B
28% of Consolidated Loans



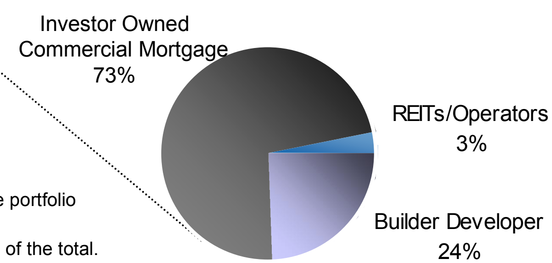
Consumer (US$23.3B)



C&I (US$28.6B)



CRE/Investor Owned Mortgages (US$9.8B)

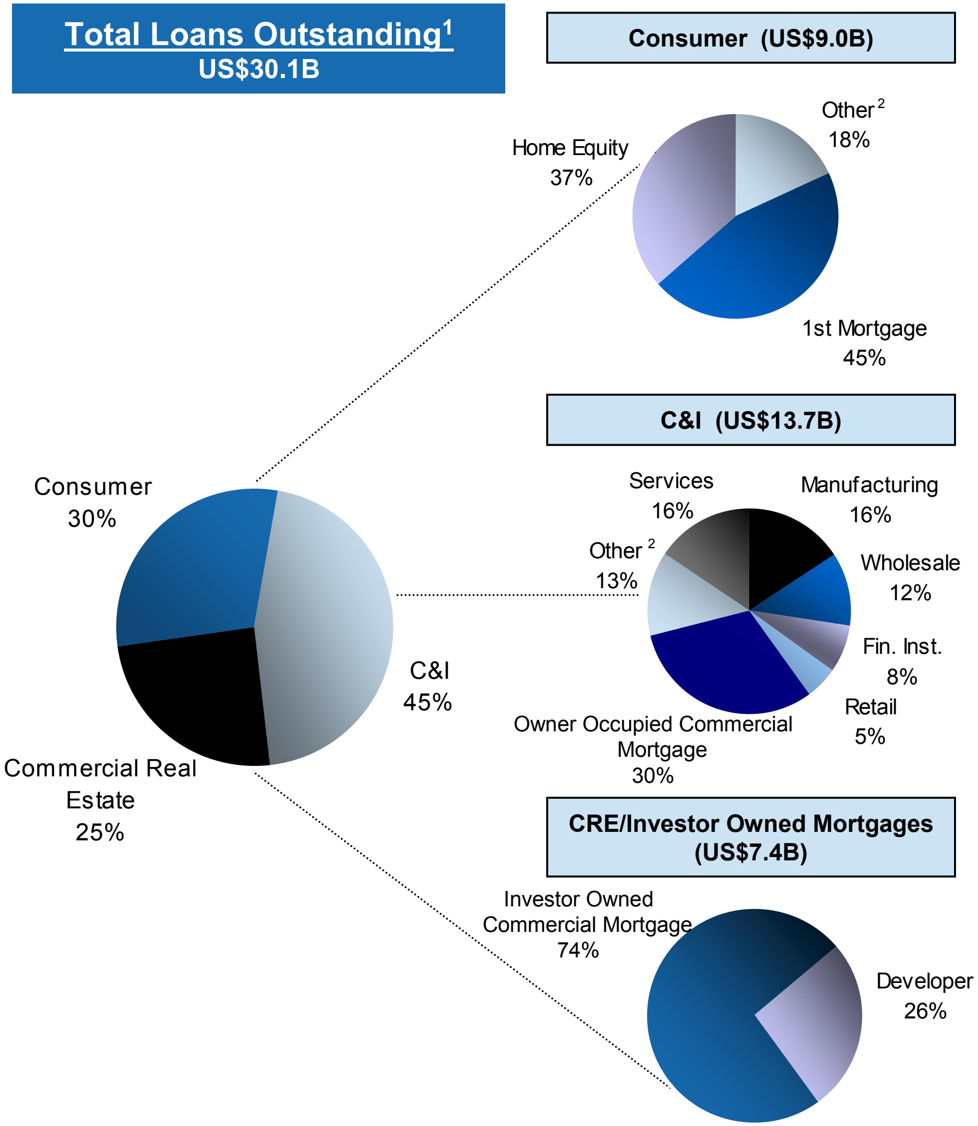


- Total US portfolio is US$61.7B, which includes recently acquired M&I (US$30.1B).
- Consumer portfolio is US$23.3B, with approximately two-thirds of the portfolio comprised of Home Equity and Residential Mortgages.
- C&I portfolio of US$28.6B is split relatively evenly among the industry groups. The primary components of the 'Other' industry grouping includes Retail and Transportation.
- CRE/Investor Owned Mortgages at US$9.8B with the majority of the balance (US$7.4B) from M&I.
  - Investor Owned Mortgages at US$7.1B is the largest component of the CRE portfolio.
  - Developer portfolio is ~4.4% of the total US portfolio.
- Portfolio is ~38% Consumer loans, ~46% C&I and ~16% CRE/Investor Owned Mortgages.

1. M&I figures are net of the fair value adjustment on the portfolio (credit mark).
2. Other includes Portfolio Segments that are each <5% of the total.

M&I Loan Portfolio

Total Loans Outstanding[1]
US$30.1B



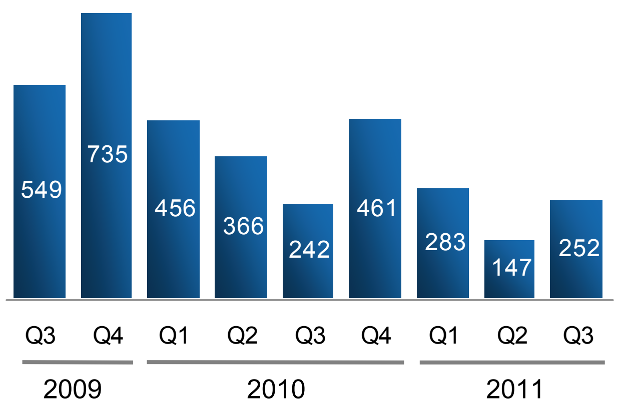
- Diversified loan portfolio mix by both asset class and geography.
- Retail portfolio consists primarily of residential secured loans.
  - Predominately prime.
  - 1st Mortgages primarily in Wisconsin (37%) and Arizona (34%).
- C&I portfolio consists of a diversified base of small business, middle market, large corporate and public sector customers across various industries and regions.
- CRE portfolio comprised mostly of Investor Owned Commercial Mortgages and is primarily located in Wisconsin (45%) and Minnesota (13%).
- Continued credit stabilization and improving asset quality of loan portfolio over recent quarters.
- Credit Mark on Loans US$3.5B, reflects more comprehensive portfolio review.

1 Figures net of the fair value adjustment on the portfolio (credit mark).
2 Other includes Portfolio Segments that are each <5% of the total.

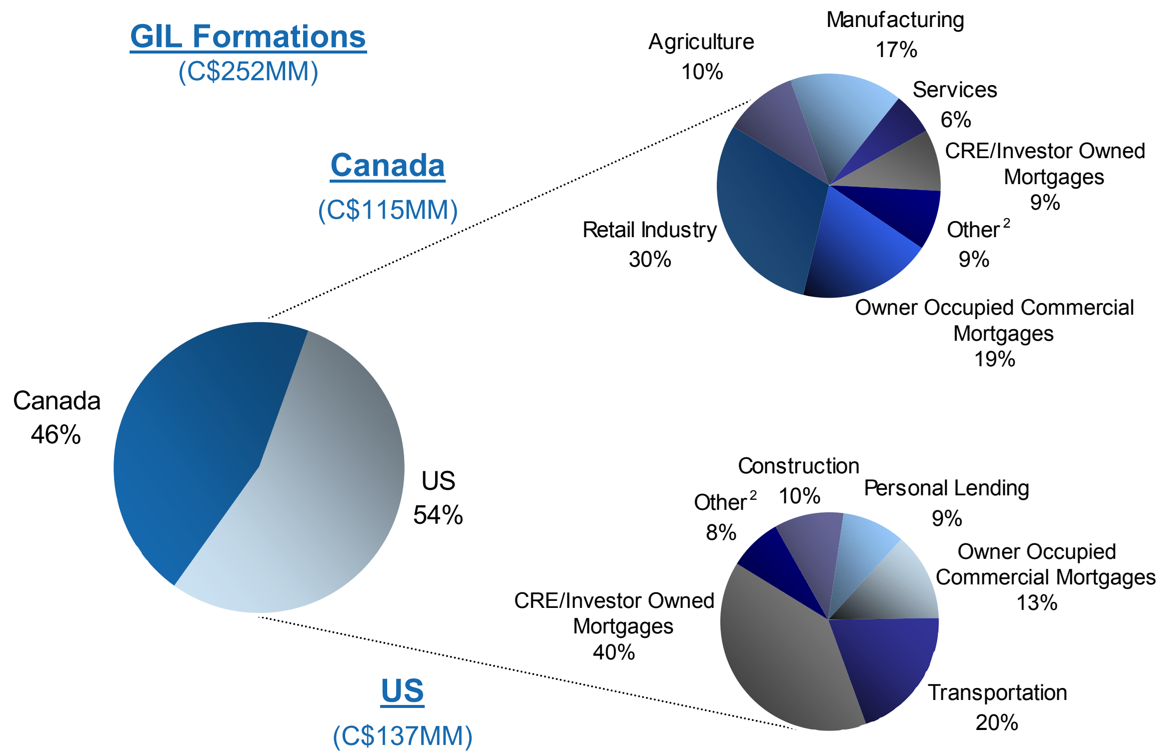
Impaired Loans and Formations

- Q3 '11 formations higher quarter over quarter at $252MM (Q2 '11: $147MM).
- Q3 '11 Canadian formations of $115MM (Q2 '11: $39MM) are well spread across sectors.
- Q3 '11 US formations of $137MM (Q2 '11: $108MM) with CRE/Investor Owned Mortgages the largest sector.
- Gross Impaired Loans (GIL)[1] are $2,290MM versus $2,465MM in Q2.
  - Canada & other countries impaired balances account for 34%, US 66%. Largest segment in Canada being the Consumer portfolio. Largest segments in US relate to Commercial Real Estate.
- There are no GIL or formations for the M&I Portfolio as it was acquired at fair value.

Quarterly Formations



GIL Formations
(C$252MM)



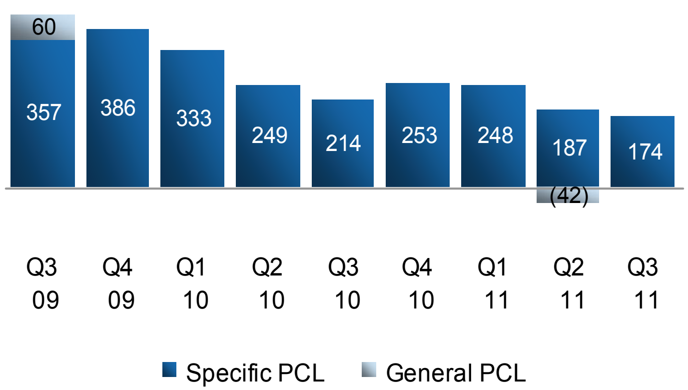
1 Prior periods have been restated to exclude the US portfolio acquired in Q2 '10.

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

Provision for Credit Losses

- Specific provisions at $174MM are down from last quarter (Q2 '11: $187MM).
- There are no provisions for the M&I Portfolio as it was acquired at fair value.
- P&C Canada provisions at $161MM are up quarter/quarter (Q2 '11: $151MM).
- P&C US provisions at $51MM are lower quarter/quarter.
  - US real estate secured assets that were transferred to Corporate Services are now reflected in Real Estate (Transferred Portfolio), $19MM.
- Capital Market provisions remain low at $7MM.

Quarterly



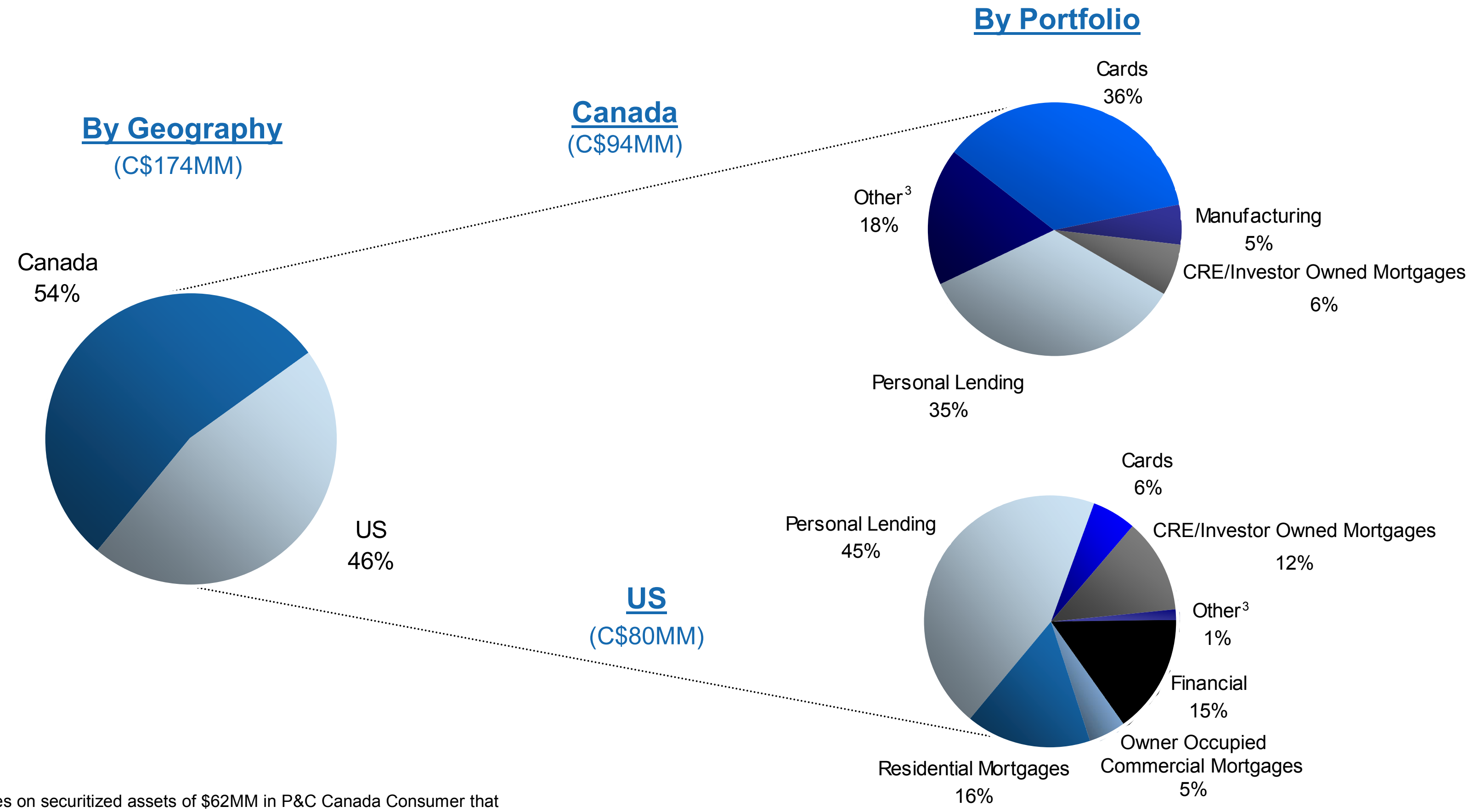
Business Segment (By Business Line Segment) (C$ MM)	Q3 '10	Q2 '11	Q3 '11
Consumer – P&C Canada	145	130	135
Commercial – P&C Canada	26	21	26
Total P&C Canada	**171**	**151**	**161**
Consumer – P&C US	51	43	47
Commercial – P&C US	52	36	4
Total P&C US	**103**	**79**	**51**
PCG	**0**	**5**	**(2)**
Capital Markets Canada & Other Countries	(3)	0	1
Capital Markets US	(7)	0	6
Total Capital Markets	**(10)**	**0**	**7**
Real Estate (Transferred Portfolio)[1]	**-**	**-**	**19**
Losses on Securitized Assets[2]	(50)	(48)	(62)
Specific Provisions	**214**	**187**	**174**
Change in General Allowance	-	(42)	-
Total PCL	**214**	**145**	**174**

1 Real Estate secured assets transferred to Corporate Services, 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 $62MM for Q3 '11 (Q2 '11: $48MM, Q1 '11: $46MM, F'10: $203MM).

Specific Provision Segmentation[1]

- Canadian provisions lower at $94MM (Q2 '11: $98MM, Q3 '10: $110MM), continue to be centred in the Consumer portfolio. Commercial provisions were well diversified.
- US provisions lower at $80MM[2] (Q2 '11: $90MM, Q3 '10: $104MM). The Consumer portfolio represents the majority of provisions with Financial and Commercial Real Estate related, the largest sectors within Commercial & Corporate.

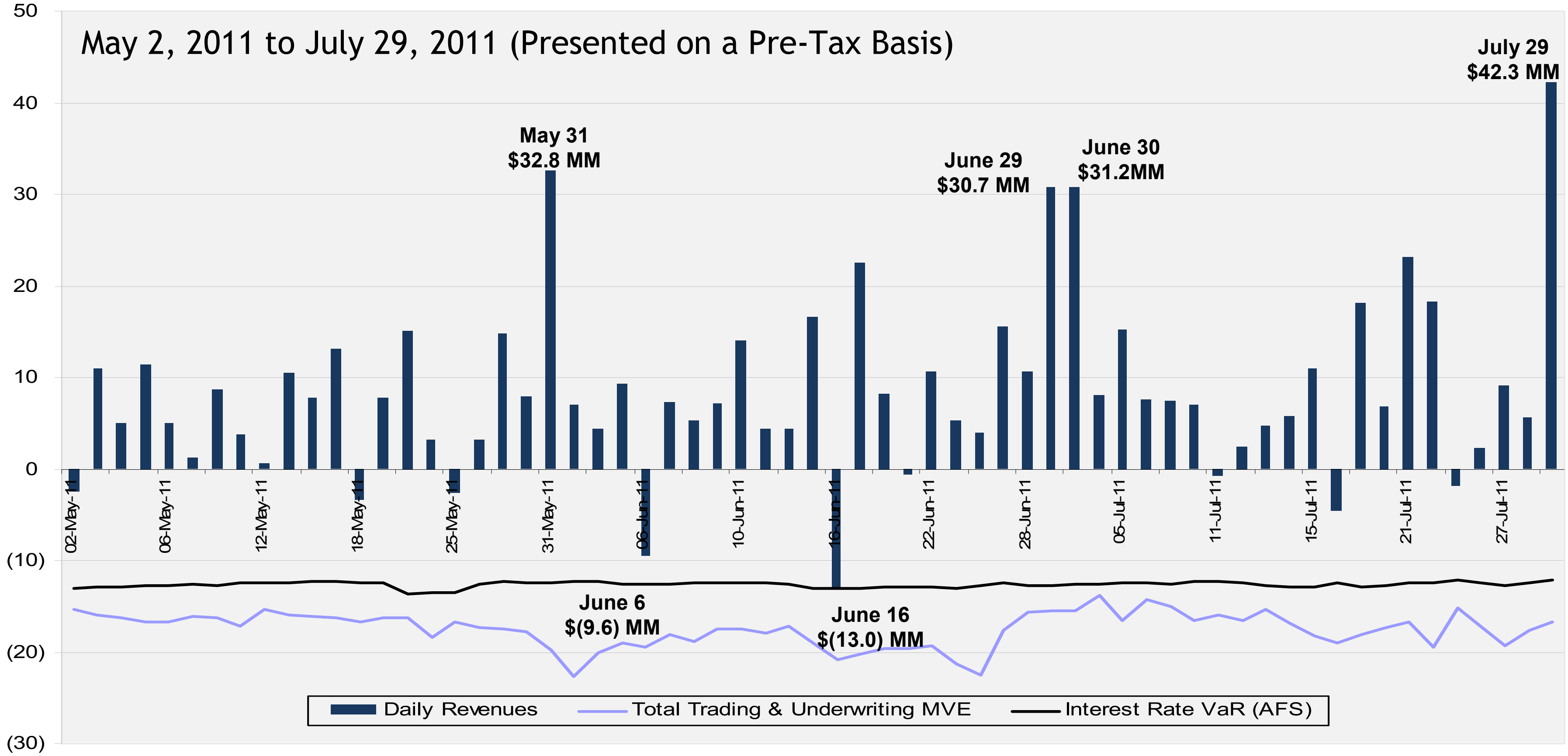


1 Excludes losses on securitized assets of $62MM in P&C Canada Consumer that are accounted for as negative NIR in the Corporate segment.

2 There are no provisions for the M&I Portfolio as it was acquired at fair value.

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

Trading & Underwriting Net Revenues vs. Market Value Exposure



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

- **May 31 – CAD $32.8MM:** Primarily reflects normal trading activity and credit valuation adjustments.
- **June 29 – CAD $30.7MM:** Primarily reflects normal trading & underwriting activity and credit valuation adjustments.
- **June 30 – CAD $31.2MM:** Primarily reflects normal trading activity and valuation adjustments.
- **July 29 – CAD $42.3MM:** Primarily reflects normal trading & underwriting activity and valuation adjustments.

The largest daily P&L losses for the quarter were **June 6 – CAD $(9.6)MM** and **June 16 – CAD $(13.0)MM** which primarily reflects normal trading activity and credit valuation adjustments.

Investor Relations Contact Information

www.bmo.com/investorrelations

E-mail: investor.relations@bmo.com

Fax: 416.867.3367

VIKI LAZARIS
Senior Vice President
416.867.6656
viki.lazaris@bmo.com

MICHAEL CHASE
Director
416.867.5452
michael.chase@bmo.com

ANDREW CHIN
Senior Manager
416.867.7019
andrew.chin@bmo.com