



Dear Shareholder:

July 5, 2011

We are very pleased to welcome you as a new investor in Bank of Montreal.

As you begin to familiarize yourself with our company's operations, goals and strategy, you'll find our Annual Report to Shareholders – available online in the Investor Relations area of our website – to be a valuable source of information.

The annual report makes clear why we're so optimistic about our future. BMO had an outstanding year in 2010, marked by strong performance and significant progress against a clearly defined strategy.

That strategic focus is evident in a number of dimensions. At the top of the list is growth. In the most recent fiscal year we posted our highest revenue growth of the past decade – against a backdrop of unsettled economic conditions, as well as sweeping and potentially challenging regulatory change.

This is an unprecedented time for our industry. In recent years, the nature of customers' relationships with banks has been fundamentally changing. At BMO, we've focused our efforts on those changing expectations.

This is also an unprecedented time for our company with the conclusion of the purchase of Marshall & Ilsley Corporation (M&I). In making the transition to BMO Harris Bank, we further advance our leadership among U.S. financial institutions while keeping our focus on local markets and the day-to-day needs of more than two million individuals and businesses. And guiding this new direction is a principle that never changes: our steadfast commitment to our customers, existing and new.

We have a single purpose at BMO – to be the bank that defines great customer experience. Every employee of the company has the same goal: to support our customers with straightforward guidance and advice, and to give them confidence that they are making the right choices.

We take very seriously our responsibility to run our business ethically and transparently in order to achieve sustainable positive results. And we can gauge our success by the fact that we've paid dividends on an uninterrupted basis since 1829. This is the longest dividend-paying record in Canadian history, and one of the longest in North America.

Moreover, we understand that we have a unique role to play in society as an institution that has a direct impact on economic prosperity and future growth.

This understanding of our deeper responsibilities, and of the trust that is vested in us, is woven through every aspect of our commitment to BMO stakeholders – including all members of the diverse communities we serve across North America.

A few weeks ago, Reputation Institute, in its study conducted in collaboration with *American Banker*, ranked Harris #1 in its annual survey on bank reputation in the U.S. Achieving the top ranking is an enormous source of pride for everyone at BMO, as it underscores the value of our collective efforts, as well as BMO's reputation for upholding the highest standards of corporate governance.

It is notable that both Harris and M&I ranked in the top 10 of the Reputation Institute/*American Banker* reputation survey. This recognition only reinforces our confidence in the combined strength of two historic banks, each with deep customer and community roots.

### **Facts about your shares**

Your M&I shares have been exchanged for Bank of Montreal shares at a ratio of 0.1257 Bank of Montreal shares for each M&I share. You have only been issued whole Bank of Montreal shares. A check representing your fractional cash entitlement is enclosed with this letter.

Your shares have been electronically credited to an account maintained by our transfer agent, Computershare Trust Company of Canada, through the Direct Registration System (DRS). The Direct Registration Advice included with this letter confirms how many Bank of Montreal common shares have been recorded to your DRS account. You can request a physical share certificate representing your Bank of Montreal common shares by completing the information accompanying the Direct Registration Advice.

We also have enclosed information on our **Dividend Reinvestment Plan (DRIP)**: a Shareholder DRIP Prospectus and enrollment form. Reinvesting your quarterly dividends is an effective way to build on your investment in BMO. To obtain more information on the plan's features, please visit the Investor Relations page of [bmo.com](http://bmo.com)

Bank of Montreal's common shares trade on the New York Stock Exchange (NYSE) and the Toronto Stock Exchange (TSX) under the symbol **BMO**. The dividends on our common shares, as declared by our Board of Directors, historically have been paid quarterly in the months of February, May, August and November, and the record dates historically have been at the beginning of those months. Dividends are paid in U.S., Canadian and U.K. funds according to your address of record. U.S. and Canadian shareholders can elect to have their dividends paid in either U.S. or Canadian funds; however, if no election is made, shareholders are paid in funds according to their address of record.

For the remainder of 2011, Bank of Montreal dividends are scheduled to be paid as follows: on August 26 to shareholders of record as of August 2, and on November 28 to shareholders of record as of November 1.

U.S. shareholders are generally subject to a 15% Canadian withholding tax on Bank of Montreal dividend payments. The Canadian tax withheld will, subject to certain limitations, be creditable or deductible against U.S. federal income taxes. Please consult your tax advisor to obtain further details on the taxation of Bank of Montreal dividends for you.

You can find more information about BMO Financial Group, including our 2010 Annual Report and 2011 Quarterly Reports to shareholders as they become available, on our website: [www.bmo.com/investorrelations](http://www.bmo.com/investorrelations). Or you can contact our transfer agent, Computershare Trust Company of Canada, by calling the toll-free number 1-800-340-5021.

At BMO Financial Group, we are firmly committed to building the value of our company – seeking to maintain consistent growth in dividends over time. We look forward to a long and mutually rewarding relationship with you as a new shareholder.

Sincerely,

A handwritten signature in black ink, appearing to read 'William A. Downe', with a long horizontal flourish extending to the right.

William A. Downe  
President and Chief Executive Officer