Investor Presentation

Q3|10

BMO

August 24 • 2010

Forward Looking Statements & Non-GAAP Measures

Caution Regarding Forward-Looking Statements

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

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

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

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

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

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

Non-GAAP Measures

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

Examples of non-GAAP amounts or measures include: cash earnings per share and cash productivity; 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.

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

Strategic Highlights

Q3 | 10

Bill Downe
President & Chief Executive Officer
BMO Financial Group

August 24 • 2010

Financial Results

Solid results underlining the benefit of the Bank's diversified business mix

C$MM unless otherwise indicated	Q3 2010	Q2 2010	Q3 2009
Revenue	2,907	3,049	2,978
Expense	1,898	1,830	1,873
PCL	214	249	417
Net Income	669	745	557
Cash EPS ($)	1.14	1.28	0.98
ROE (%)	13.7	16.4	12.1
Tier 1 Capital Ratio (%)	13.55	13.27	11.71
TCE / RWA Ratio (%)	10.39	9.80	8.71

- P&C Canada delivers a strong performance
- More challenging capital markets environment
- Credit losses better than anticipated

Operating Group Highlights

Strategically positioned for future growth as business conditions improve

P&C Canada	Continues to set the pace for the company Strength in Commercial Banking Growth in Personal Banking
P&C U.S.	Executing on the integration of the FDIC-assisted transaction in Rockford, Illinois Energized management team Enhanced business structure – commercial model with sector orientation Ramped up visibility of the strong Harris brand
Private Client Group	Growth across most of our businesses AUM and AUA up $26B or 11% Y/Y, after adjusting for the weaker U.S. dollar Increasing sales force and enhancing product offers
BMO Capital Markets	Weaker trading environment and economic conditions Negative impact of widening credit spreads Delivered $604MM in net income year-to-date

Capital and Regulatory Changes

Prudent strategy of maintaining elevated capital and liquidity levels yields opportunities

- Open items expected to be resolved towards calendar year-end
- Global framework will provide an appropriate transition period to ensure new rules, once implemented, do not jeopardize the recovery
- Tier 1 Capital Ratio 13.55% and TCE / RWA Ratio 10.39%
- Carefully monitoring all capital and regulatory changes that impact strategic expansion of US footprint

Looking Ahead…

Well positioned to increase our pace of growth

- BMO will continue to benefit from strong diversified business mix
- Regulatory environment is manageable
- GDP expected to remain positive supporting planned business growth
- P&C Canada and PCG producing very good results
- P&C US and BMO CM positioning businesses to benefit as the US economy gradually improves
- Credit performance expected to continue to improve with some quarterly variability
- Balance sheet is strong and committed to growth

Financial Results

Q3|10

Russ Robertson
Chief Financial Officer
BMO Financial Group

August 24 • 2010

Financial Highlights

Solid third quarter results

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

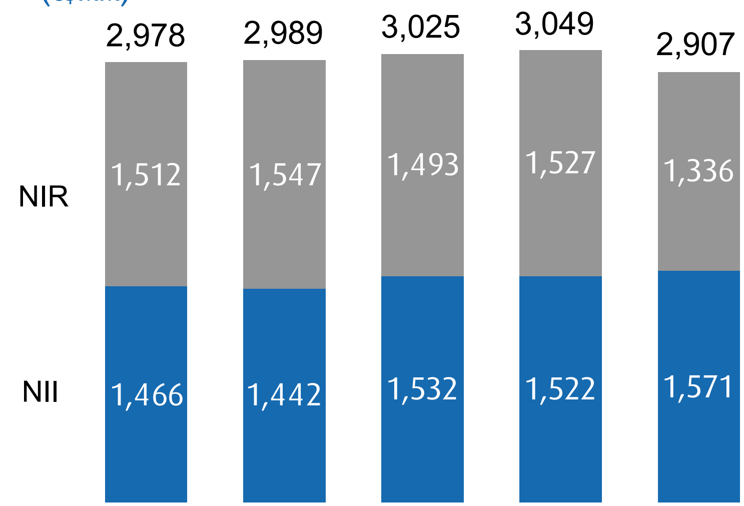
- P&C Canada continues to deliver strong performance with good revenue growth
- PCG revenue shows solid growth across most businesses
- BMO Capital Markets results reflect a more challenging capital markets environment
- Provisions for credit losses continue to improve
- ROE continues to improve Y/Y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

Revenue

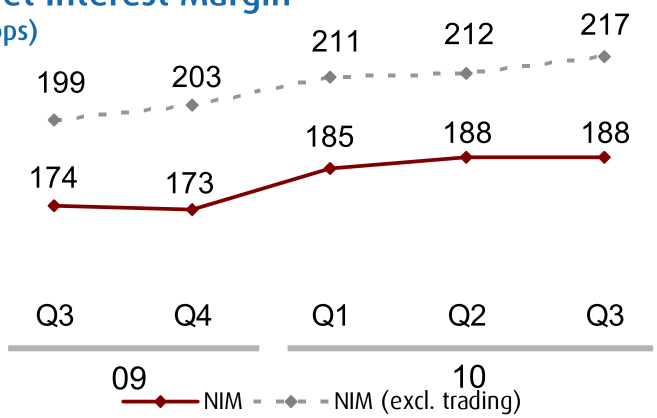
Strong year-over-year margin improvement

- Revenues down 2% Y/Y and 5% Q/Q.
- Strong margin growth Y/Y driven by higher spreads in deposit products in P&C Canada; improved loan spreads and deposit balance growth in P&C US; improved NII in Corporate Services offset in part by lower spreads on lending assets in BMO CM.
- Margins flat Q/Q as higher margins in P&C businesses were offset by reduced NII in Corporate Services and decreased spreads on trading assets in BMO CM.
- Y/Y NIR down due to significant decrease in trading revenues as well as lower securitization revenue, insurance revenue and underwriting fees more than offsetting higher mutual fund revenues, securities commissions and investment securities gains.
- Q/Q NIR down due to lower revenues from trading and insurance as well as reduced investment securities gains.
- Additional days in Q3 10 versus Q2 10.
- US dollar exchange rate decreased growth by $45MM or 1.5% Y/Y and increased growth by $12MM or 0.4% Q/Q.

Total Bank Revenue
(C$MM)



Net Interest Margin
(bps)

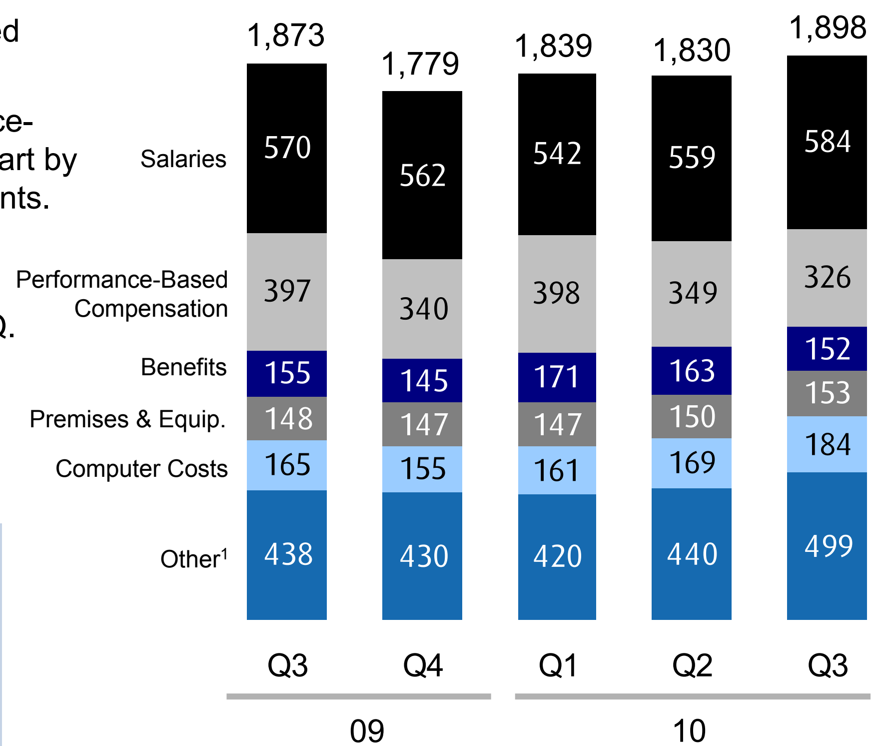


Non-Interest Expense

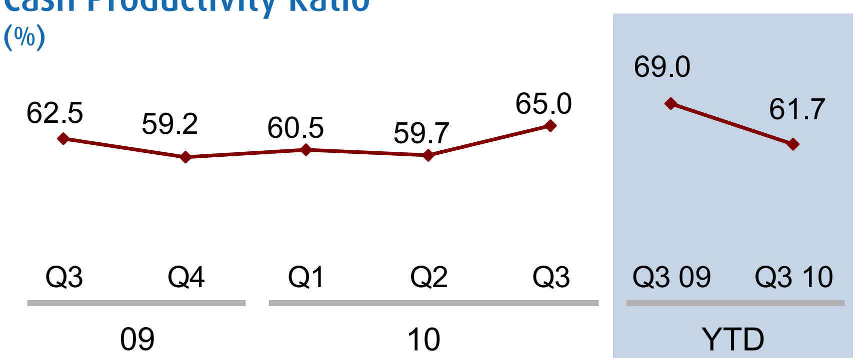
Prudently investing to grow our business

- Y/Y increase due to the Rockford, Illinois-based bank transaction, higher initiative spending and increased provincial sales taxes.
- Q/Q increase due to additional calendar days, increased investments in technology, higher professional fees, higher provincial sales and capital taxes as well as costs of acquired business.
- Y/Y and Q/Q employee costs down due to lower performance-based compensation – in-line with performance – offset in part by increased staffing in all groups, reflecting strategic investments. Q/Q decrease is also due to lower severance costs.
- U.S. dollar exchange rate lowered expenses by $29MM or 1.6% Y/Y and increased expenses by $8MM or 0.5% Q/Q.
- Cash productivity driven by BMO CM performance.

Total Bank Non-Interest Expense
(C$MM)



Cash Productivity Ratio
(%)



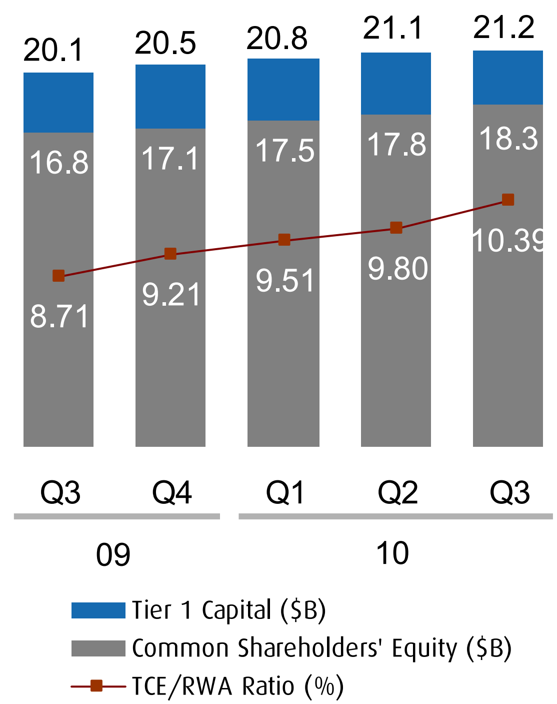
[1] Consists of amortization of intangible assets, communications, business and capital taxes, professional fees, travel and business development and other

Capital & Risk Weighted Assets

Capital ratios remain strong

Basel II	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
Tier 1 Capital Ratio (%)	11.71	12.24	12.53	13.27	13.55
Total Capital Ratio (%)	14.32	14.87	14.82	15.69	16.10
Assets-to-Capital Multiple (x)	14.91	14.09	14.67	14.23	14.27
RWA ($B)	171.6	167.2	165.7	159.1	156.6
Total As At Assets ($B)	415.4	388.5	398.6	390.2	397.4
Tangible Common Equity-to-RWA (%)	8.71	9.21	9.51	9.80	10.39

Basel II Tier 1 Capital & Common Shareholders' Equity



Operating Groups – Quick Facts

P&C Canada

- Revenue growth of **9%** Y/Y
- Net income growth of **17%** Y/Y
- Cash productivity ratio of **51.1%**
- Net interest margin of **296 bps** – up **9 bps** Y/Y and **5 bps** Q/Q
- Volume growth across most products Y/Y

P&C U.S.

- Net income **US$38MM** down **$14MM** Y/Y
- Core[1] net income **US$54MM** down **$11MM** Y/Y
- Core[1] cash productivity ratio of **66.2%**
- Net interest margin of **370 bps** – up **59 bps** Y/Y and **15 bps** Q/Q

Private Client Group

- Revenue growth of **4%** Y/Y
- Net income down **6%** Y/Y; excluding insurance net income growth of **54%** Y/Y
- AUA / AUM up **11%** Y/Y or **$26B** adjusting to exclude the impact of the weaker US dollar
- Insurance businesses impacted by unfavourable movements in interest rates and equity markets on policyholder liabilities

BMO Capital Markets

- Revenue down **29%** Y/Y
- Net income down **58%** Y/Y
- Results impacted by significantly lower trading revenues in a more difficult capital markets environment with fewer opportunities across many businesses

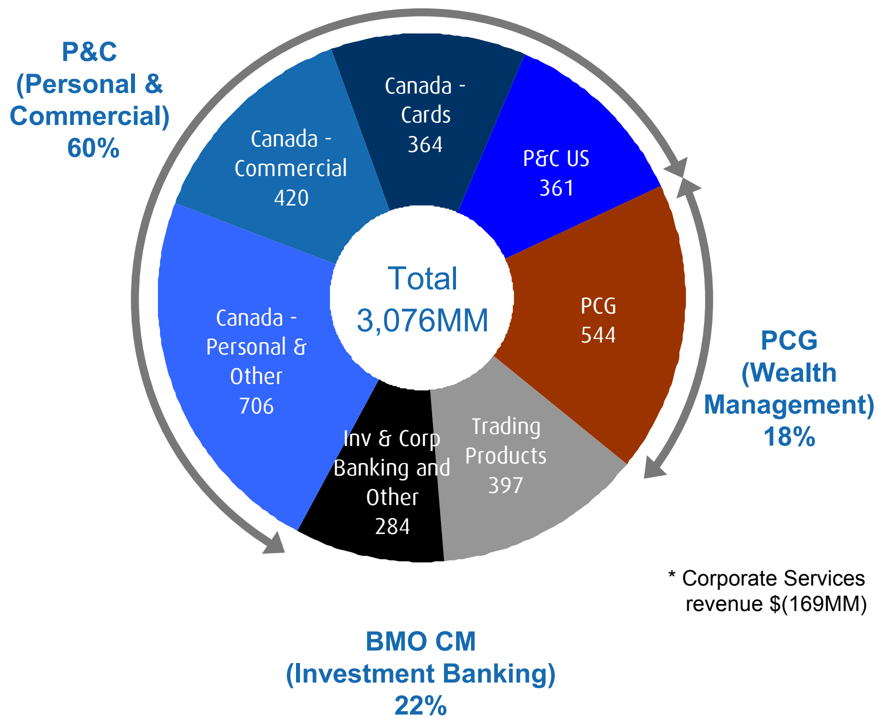
[1] Core: As reported results less impact of impaired loans, Visa and acquisition integration

* 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 27 on page 154 of the 2009 Annual report

Operating Group Performance

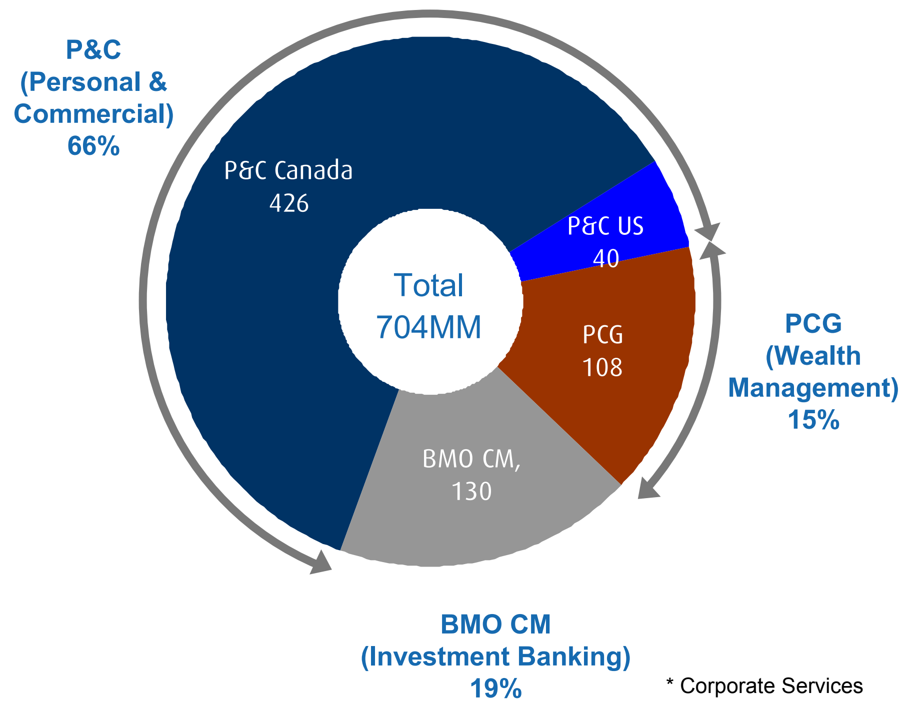
Over 75% of revenues from retail businesses in Canada and the US (P&C and PCG)

Q3 10 Revenue by Operating Group (C$MM)



* Corporate Services revenue $(169MM)

Q3 10 Net Income by Operating Group (C$MM)



* Corporate Services net loss $35MM

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

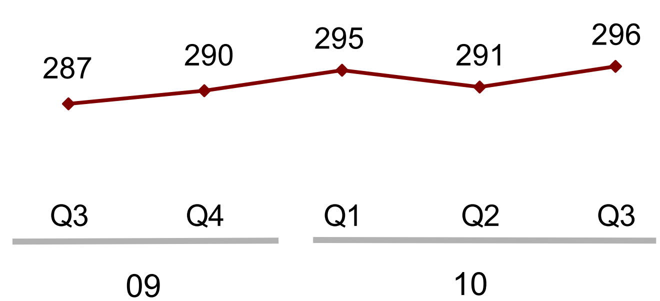
Personal & Commercial Banking - Canada

Continued strong revenue and net income growth

As Reported ($MM)	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	1,362	1,383	1,411	1,408	**1,490**	6%	9%
PCL	97	102	120	121	**129**	(6)%	(31)%
Expenses	735	706	709	720	**763**	(6)%	(4)%
Provision for Taxes	168	177	179	172	**172**	--%	(3)%
Net Income	**362**	**398**	**403**	**395**	**426**	8%	17%
Cash Productivity (%)	53.8	51.0	50.2	51.0	**51.1**		

- Continue to deliver strong revenue growth of 9.3% and net income growth of 17.3% Y/Y.
- Maintaining strong margin while volume growth continues.
- Cash productivity expected to remain in the low 50 per cent range for 2010.
- Continue to invest strategically to improve our competitive position while managing operating expenses prudently.

Net Interest Margin
(bps)



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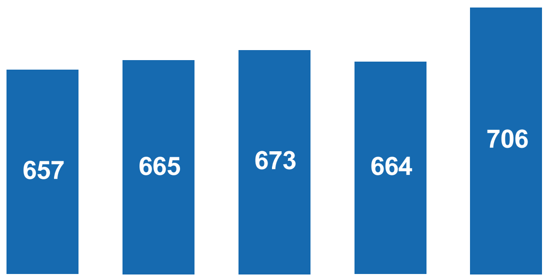
Personal & Commercial Banking - Canada

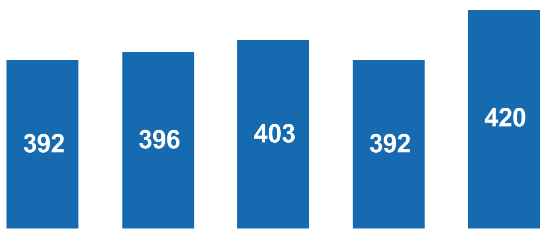
Revenue by Business ($MM)



Personal

(↑ $49MM or 7.1% Y/Y; ↑ $42MM or 5.9% Q/Q)

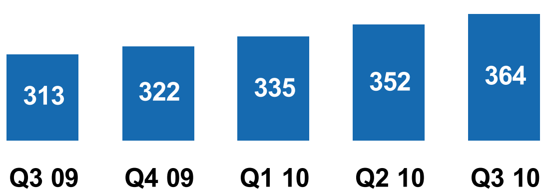
- Y/Y increase driven by volume growth in loans and higher spreads on deposit products from unusually low levels a year ago.
- Q/Q increase driven by 3 more days and volume growth in loans and deposits.



Commercial

(↑ $28MM or 7.2% Y/Y; ↑ $28MM or 7.2% Q/Q)

- Y/Y increase driven by volume growth in loans and deposits.
- Q/Q increase due to 3 more days and volume growth in loans and deposits.



Cards & Payment Service

(↑ $51MM or 16.6% Y/Y; ↑ $12MM or 3.8% Q/Q)

- Y/Y increase due to the addition of Diners Club, balance growth and spread improvement, partially offset by lower card fees.
- Q/Q increase due to higher Payments and Services revenue and 3 more days.

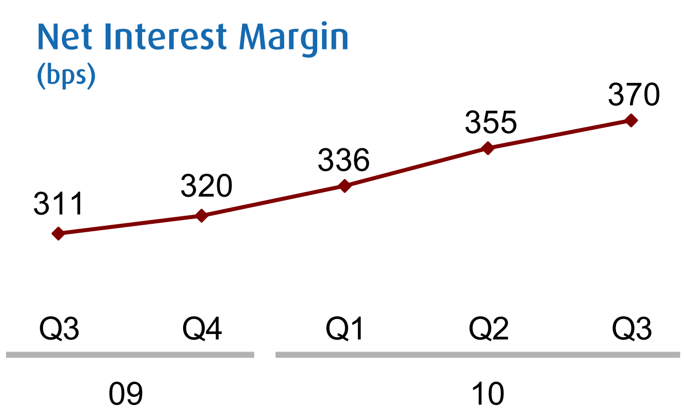
"Personal" Includes Residential Mortgages, Personal Loans, Personal and Term Deposits, Mutual Funds and Insurance revenue sharing revenue

Personal & Commercial Banking - U.S.

Focusing on profitable organic customer acquisition in both the Personal and Commercial lines of business

As Reported (US$MM)	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	327	323	330	327	**345**	6%	6%
PCL	20	21	30	29	**30**	(3)%	(44)%
Expenses	226	231	229	228	**257**	(12)%	(13)%
Provision for Taxes	29	23	23	25	**20**	8%	21%
Net Income	52	48	48	45	**38**	(15)%	(27)%
Core[1] Net Income	65	58	63	61	**54**	(11)%	(17)%
Cash Productivity (%)	67.0	69.2	67.8	68.4	**72.6**		
Core[1] Cash Productivity (%)	62.0	65.6	61.9	62.4	**66.2**		

- Revenue and expense increase primarily reflects contribution from our Rockford, Illinois-based bank transaction, each by $18MM.
- Results impacted by increase in cost of managing impaired loans and a valuation adjustment on our serviced mortgage portfolio related to lower long-term interest rates.
- 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.



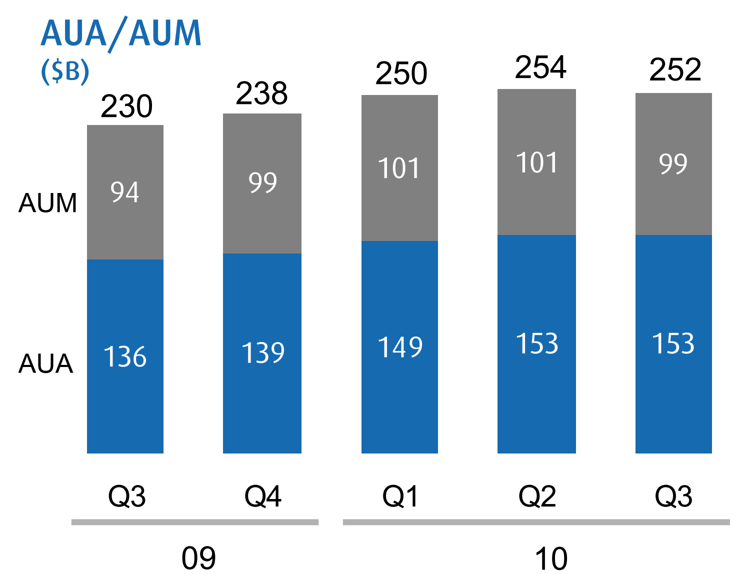
[1] Core: As reported results less impact of impaired loans, Visa and acquisition integration
* Operating segment results reported on an Expected Loss (EL) basis; see Note 27 on page 154 of the 2009 Annual Report

Private Client Group

Underlying businesses performing well

As Reported ($MM)	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	521	545	550	**558**	**544**	(2)%	4%
PCL	1	1	2	**2**	**1**	nm	--%
Expenses	402	403	398	**398**	**402**	(1)%	--%
Provision for Taxes	5	35	37	**40**	**33**	15%	(+100)%
Net Income	**113**	**106**	**113**	**118**	**108**	(9)%	(6)%
Cash Productivity (%)	76.7	74.0	72.0	71.2	73.5		

- Strong net income growth Y/Y across most businesses was more than offset by the effects of unfavourable movements in interest rates and equity markets on the insurance business policyholder liabilities and the $23MM recovery of prior periods' taxes recorded in last year's Q3 results.
- Net income excluding insurance grew a strong 54% Y/Y.
- In source currency, assets under management and assets under administration increased 11% over the prior year.
- Q/Q net income growth was more than offset by the effects of adverse market movements on the insurance business policyholder liabilities.



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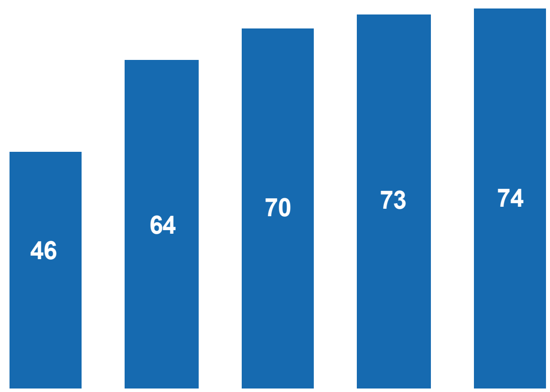
Private Client Group

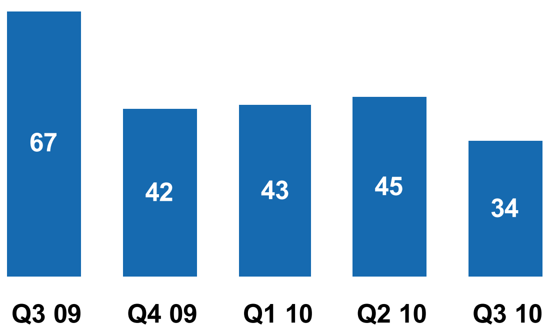
Net Income by Business ($MM)



PCG Excluding Insurance

(↑ $28MM or 54% Y/Y, ↑ $1MM or --% Q/Q)

- Net income grew 54% Y/Y from solid revenue growth from our focus on attracting new client assets and continued improvement in equity markets; active expense management also contributed to the net income growth.
- Net income Q/Q up modestly as higher mutual fund revenue and higher net interest income was offset by lower commission revenue in the brokerage businesses.



Insurance

(↓ $33MM or 48% Y/Y, ↓ $11MM or 23% Q/Q)

- Solid growth Q/Q and Y/Y in net premiums was more than offset by the effects of unfavourable movements in interest rates and equity markets on policyholder liabilities.
- Results a year ago included a $23MM recovery of prior periods' income taxes.

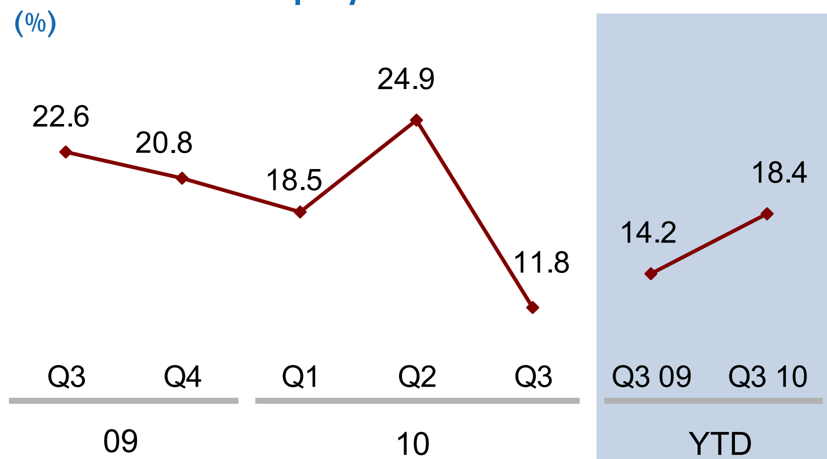
BMO Capital Markets

Challenging trading environment, future results are expected to benefit from recent hires in key sectors and our diversified portfolio of businesses

As Reported ($MM)	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	958	814	844	920	**681**	(26)%	(29)%
PCL	37	33	65	67	**66**	1%	(81)%
Expenses	482	404	470	468	**421**	10%	13%
Provision for Taxes	129	117	95	125	**64**	50%	52%
Net Income	**310**	**260**	**214**	**260**	**130**	(50)%	(58)%
Cash Productivity (%)	50.3	49.5	55.6	50.9	**61.9**		

- Trading revenues have decreased Q/Q and Y/Y in a more difficult trading environment, driven by the negative impact of widening credit spreads, lower trading margins, and fewer trading opportunities.
- Corporate banking revenues improved Q/Q, but were down Y/Y due to significantly reduced asset levels.
- Lower expenses reflect lower variable compensation costs consistent with revenue performance.

Cash Return on Equity
(%)



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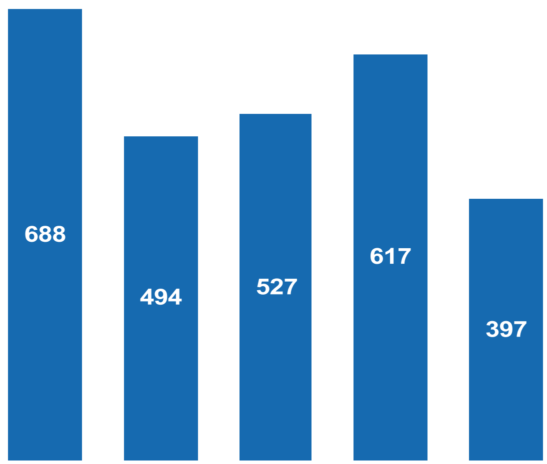
BMO Capital Markets

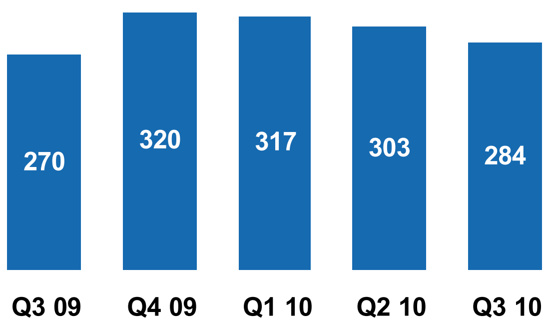
Revenue by Business ($MM)



Trading Products

(↓ $291MM or 42% Y/Y, ↓ $220MM or 36% Q/Q)

- Y/Y significantly lower trading revenue mainly due to a combination of the negative impact of widening credit spreads, lower trading margins and fewer trading opportunities. Revenues from our interest-rate-sensitive businesses have decreased due to narrower spreads and reduced asset levels. These decreases in revenues were partially offset by reduced net investment securities losses, increased commission fees and debt underwriting fees.
- Q/Q lower revenue primarily due to decreased trading revenue resulting from a more challenging trading environment as noted above, as well as decreased net investment securities gains, partially offset by higher revenues from our interest-rate-sensitive businesses.



Investment & Corporate Banking

(↑ $14 MM or 5% Y/Y, ↓ $19MM or 6% Q/Q)

- Y/Y higher revenue mainly due to reduced MTM losses on credit derivatives used to hedge the loan portfolio. This was partially offset by lower corporate banking revenues from reduced asset levels. Equity and debt underwriting fees decreased, while M&A activity improved.
- Q/Q lower revenue mainly due to decreased corporate banking net interest income, and lower equity underwriting and M&A fees, partially offset by increased debt underwriting and lending fees.

Corporate Services (Including Technology and Operations)

Lower PCL and improved revenue driving better bottom line

As Reported ($MM)	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	(226)	(103)	(129)	(173)	**(169)**	2%	26%
PCL – Specific	199	227	115	28	**(13)**	+100%	+100%
– General	60	--	--	--	**--**	--%	+100%
Expenses	3	16	20	9	**44**	+(100)%	+(100)%
Provision for Taxes	(221)	(197)	(159)	(154)	**(184)**	19%	(16)%
Net Income	**(286)**	**(168)**	**(124)**	**(74)**	(35)	53%	88%

- Y/Y revenue improvement largely attributable to a lower negative carry on certain asset-liability interest rate positions mainly as a result of management actions and more stable market conditions.
- Lower provisions for credit losses.
- Y/Y expense growth driven by higher technology investment spending as well as higher provincial sales tax and capital taxes.

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

Balance Sheet

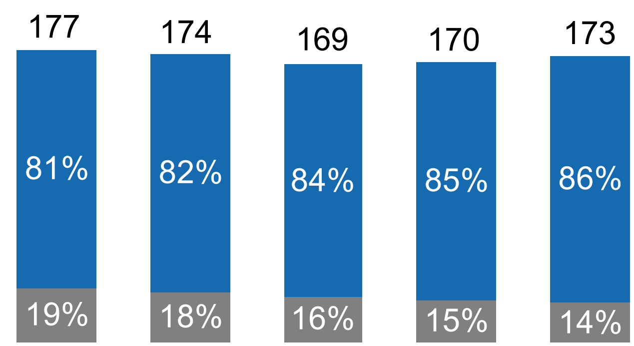
Average Net Loans & Acceptances
(↑ $2.9B Q/Q)

- Consumer instalment & other personal (↑ $2.1B)
- Non-residential mortgages (↑ $1.0B)
- Residential mortgages (↑ $0.6B)
- Credit cards (↑ $0.1B)
- Businesses and governments (↓ $1.2B)
- Customers' liability under acceptances & allowance for credit losses (↑ $0.3B)
- The stronger U.S. dollar increased balances by $0.8B

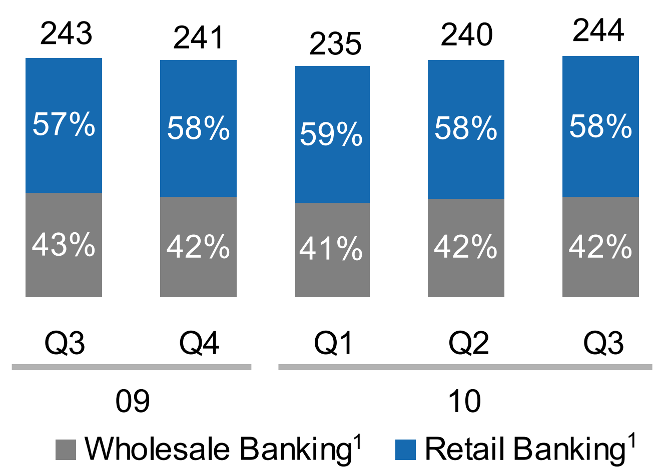
Average Deposits
(↑ $4.2B Q/Q)

- Businesses and governments (↑ $3.9B)
- Individuals (↑ $2.3B)
- Banks, used in trading activities (↓ $2.0B)
- The stronger U.S. dollar reduced balances by $1.5B

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

Risk Review

Q3 | 10

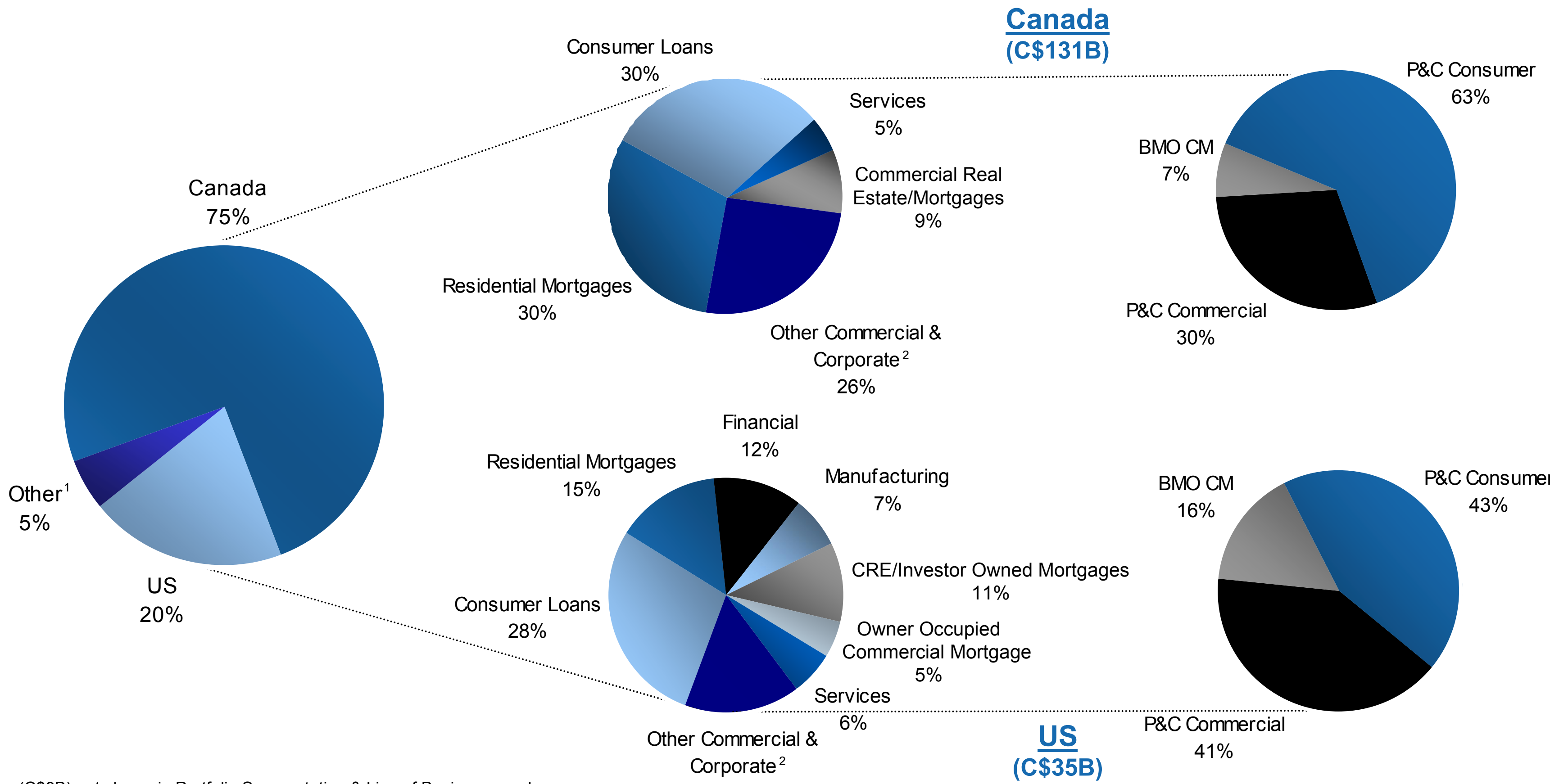
Tom Flynn
Executive Vice President & Chief Risk Officer
BMO Financial Group

August 24 • 2010

Loan Portfolio – Well Diversified by Segment and Business

- Canadian and US portfolios well diversified. Canadian portfolio 75% of loans, US portfolio 20% loans.
- P&C banking business represents the majority of loans.
  - Retail portfolios are predominantly secured – 86% in Canada and 99% in the US.

By Geography (C$175B) **By Segment** **By Line of Business**

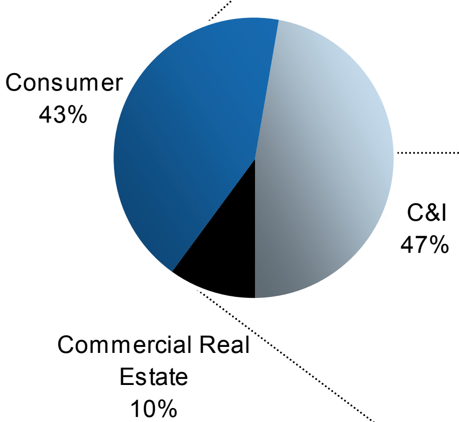


1 Other (C$9B) not shown in Portfolio Segmentation & Line of Business graphs.

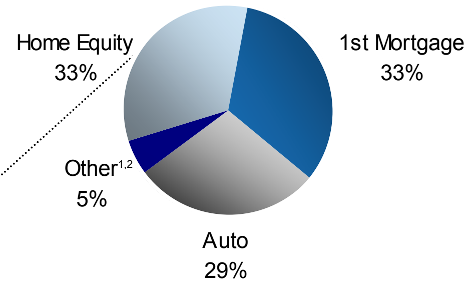
2 Other Commercial & Corporate includes Portfolio Segments that are each <5% of the total, also our US portfolio includes ~C$1.4B related to the portfolio acquired in Q2 which contains both Consumer & Commercial loans.

US Loan Portfolio – Well Diversified and Not Outsized Relative to Total Balance Sheet

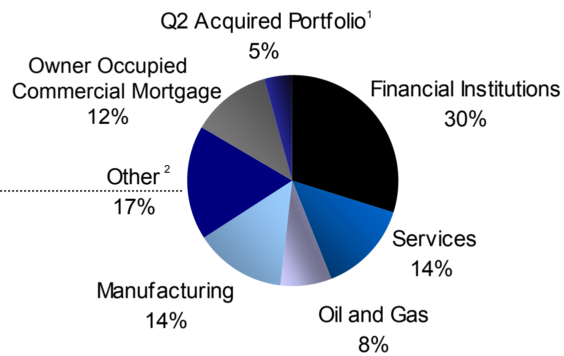
Total US Loans Outstanding
US $34.4B
20% of Consolidated Loans
(July 31, 2010)



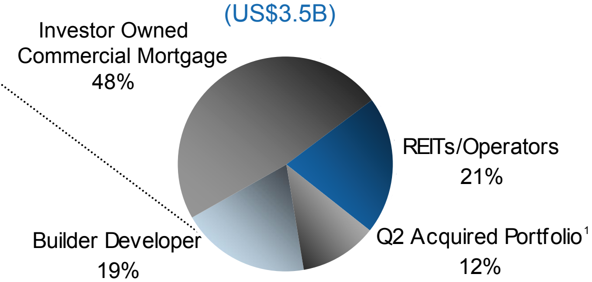
Consumer
(US$14.8B)



C&I
(US$16.1B)



Commercial Real Estate (CRE) /Investor Owned Mortgages
(US$3.5B)



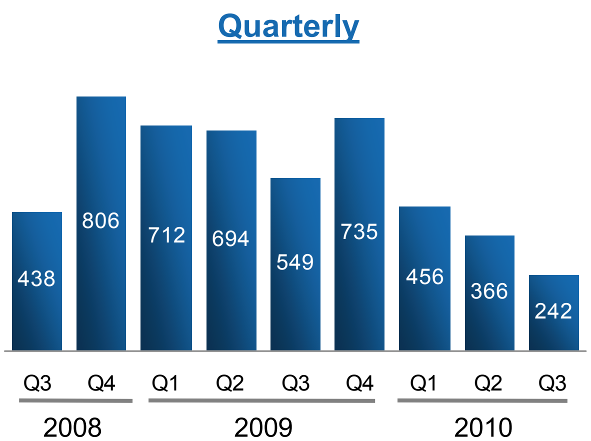
1 The Q2 acquired portfolio represents ~4% of the US portfolio, including 2% in Consumer-Other. Segmentation subject to change, losses on this portfolio are subject to 80/20 loss share agreement with the FDIC.

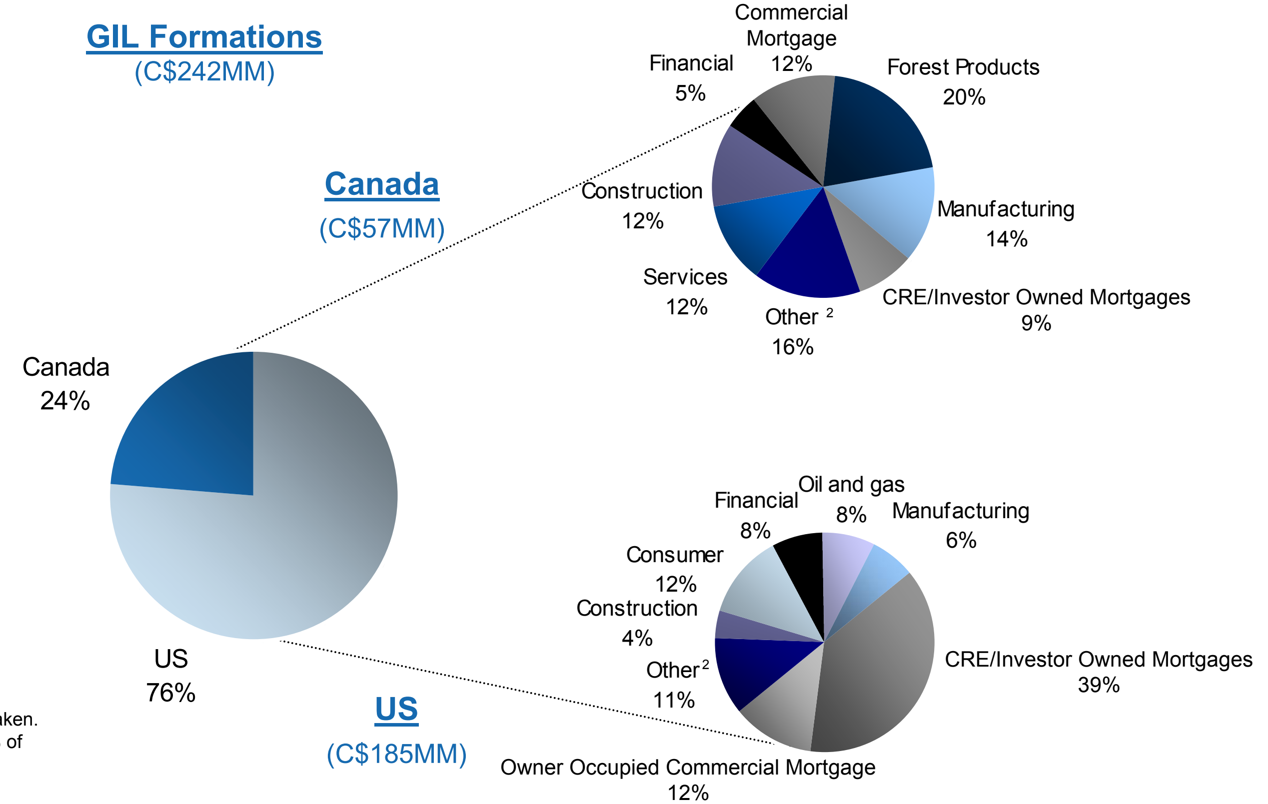
2 Other C&I includes Portfolio Segments that are each <5% of the total.

- Consumer portfolios: $14.8B; performance better than US peers.
  - Residential real estate market remains stressed but our more conservative underwriting practices are reflected in above peer average performance.
  - Indirect Auto portfolio performance has been strong.
- C&I portfolio: well diversified and performing reasonably considering environment.
- Commercial Real Estate/Investor Owned-Mortgages: $3.5B.
  - Markets continue to experience weakness.
  - Portfolio not that large at ~2% of BMO loans and 10% of US loans.
  - The Investor-Owned Mortgage component at $1.7B, is 5% of the US total. Prudent lending practices maintained and portfolio is well diversified across footprint and property types.
  - Developer portfolio in particular has been challenged; continues to reduce and is ~2% of the total US portfolio.

Impaired Loans & Formations

- Q3 '10 formations were lower quarter over quarter at $242MM (Q2 '10: $366MM).
- Q3 '10 Canadian formations were modest at $57MM vs. Q2 '10 at $114MM and continue to be diversified across sectors.
- Q3 '10 US formations of $185MM (Q2 '10: $252MM) were diversified across sectors with CRE/Investor Owned Mortgages the largest at 39%.
- Gross Impaired Loans on a core basis decreased to $2.8B from $3.0B in Q2. GIL balances were $3.1B[1] (Q2 '10: $3.4B) including GILs from the Q2 US bank acquisition covered by FDIC loss share.
  - Canada & Other impaired balances account for 31%, US 69%. Largest segments in Canada are Consumer and Manufacturing. Largest segments in US relate to Commercial Real Estate.





1 Assets were recorded at market value and therefore no allowance taken. 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 – Benefiting from Lower Migration

- Specific provisions were $214MM vs. $249MM last quarter.
- P&C Canada provisions were lower quarter over quarter largely due to the Commercial portfolio as expected.
- P&C US provisions were flat quarter over quarter with consumer down and commercial up from a low Q2 level.
- Capital Market provisions were again in a small net recovery position and have experienced the largest improvements year over year.

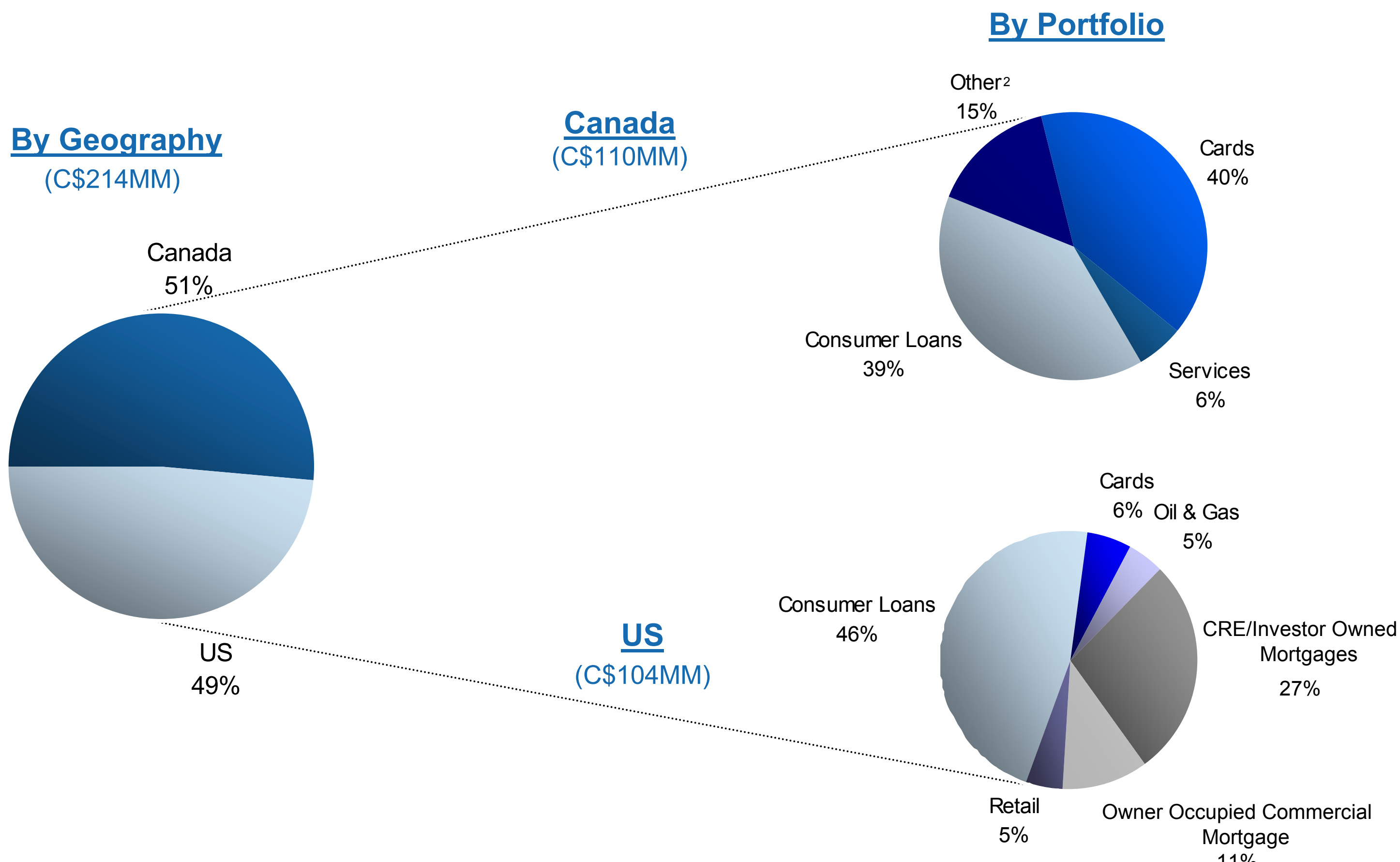
Business Segment (By Business Line Segment) (C$ MM)	Q3 '09[1]	Q2 '10	Q3 '10
Consumer – P&C Canada	143	155	145
Commercial – P&C Canada	34	50	26
Total P&C Canada	**177**	**205**	**171**
Consumer – P&C US	65	67	51
Commercial – P&C US	67	34	52
Total P&C US	**132**	**101**	**103**
PCG	**7**	**2**	**-**
Capital Markets Canada & Other	32	(16)	(3)
Capital Markets US	52	12	(7)
Total Capital Markets	**84**	**(4)**	**(10)**
Losses on Securitized Assets[2]	(43)	(55)	(50)
Specific Provisions	**357**	**249**	**214**
Change in General Allowance	60	-	-
Total PCL	**417**	**249**	**214**

1 Restated to reflect transfer between BMOCM & P&C US.

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, were $50MM for Q3 '10 (Q2 '10: $55MM, Q1 '10: $53MM, F'09: $172MM).

Specific Provision Segmentation[1]

- Canadian provisions continued to be centered in the Consumer portfolio and decreased from last quarter to $110MM (Q2 '10: $139MM). Commercial provisions were well diversified.
- US provisions were $104MM in Q3 '10 versus $123MM in Q2 '10 due to lower consumer and corporate provisions. Commercial provisions were up in the quarter, representing approximately half of the provisions with Commercial Real Estate the largest component at $30MM.



1 Excludes losses on securitized assets of $50MM 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.

APPENDIX

P&C Canada – Market Share & Product Balances

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

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

Sources: Mutual Funds – IFIC, Consumer Loans, Residential Mortgages & Personal Deposits – Bank of Canada
[1]Personal share statistics are issued on a one-month lag basis. (Q3 10: June 2010)
[2]Business loans (Banks) data is issued by CBA on a one calendar quarter lag basis (Q3 10: March 2010)
[3]Residential Mortgages market share is restated based on Bank of Canada data
[4]Q1 10 includes 1 month and from Q2 10 onwards includes 3 months of Diners Club acquisition

P&C U.S. – Product Balances

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

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

Personal

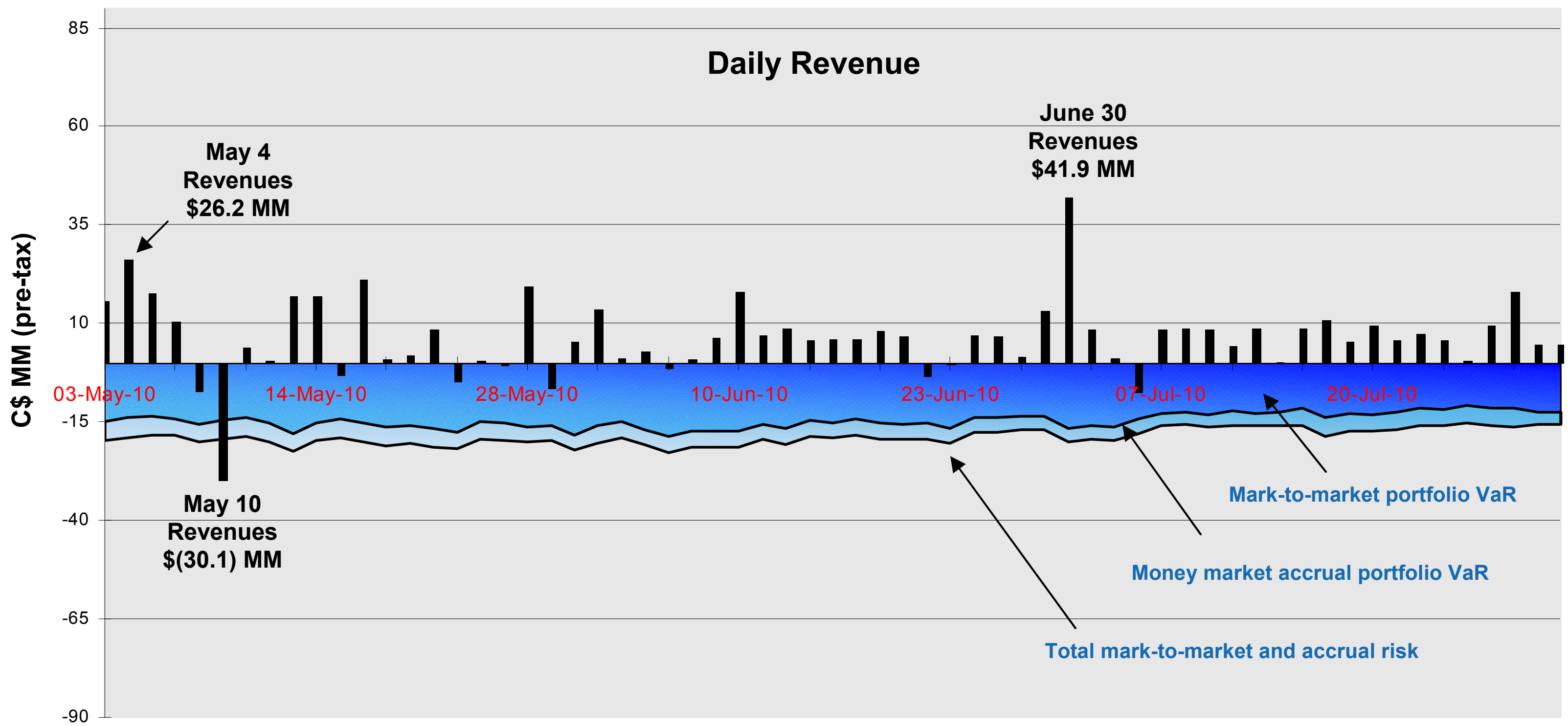
- Personal loan originations of $0.8B declined $0.2B or 18% Y/Y. However, the pipeline for mortgage and home equity is 22% higher than the beginning of the fiscal year with a 75% increase in the jumbo mortgage pipeline.
- Decline in mortgage balances are primarily driven by amortization/run off of outstandings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

Commercial

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

Trading & Underwriting Daily Revenue vs. Market Value Exposure

May 3, 2010 to July 30, 2010 (Presented on a Pre-Tax Basis)



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

- **May 4 – CAD $26.2MM:** Primarily reflects the recognition of credit valuation adjustments.
- **June 30 – CAD $41.9MM:** Primarily reflects monthly adjustment to record the taxable equivalent basis of certain transactions.

The largest daily P&L loss for the quarter was **May 10 – CAD $(30.1)MM** which reflects normal trading activity and the recognition of credit valuation adjustments.

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