Investor Presentation

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December 7 • 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 harbor" 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.

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 and 30 of Bank of Montreal's Management's Discussion and Analysis for 2010, 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, as well as 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, regulatory capital ratios, and risk-weighted assets (including Counterparty Credit Risk and Market Risk), 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 the October 31, 2010 pro-forma calculations. The full impact of the Basel III proposals has been quantified based on our financial and risk positions at year end or as close to year end as was practical. The Basel rules are not yet finalized and are subject to change, which may impact the results of our analysis. In setting out the expectation that we will be able to refinance certain capital instruments in the future, as and when necessary to meet regulatory capital requirements, we have assumed that factors beyond our control, including the state of the economic and capital markets environment, will not impair our ability to do so.

Our expectations regarding the key impacts of our transition to International Financial Reporting Standards (IFRS) are based on IFRS as issued by the International Accounting Standards Board (IASB) that are in effect as of this date. Should IFRS change prior to our transition to IFRS, our expectations of the key impacts of transition could change.

Assumptions about the performance of the Canadian and U.S. economies in 2011 and how that will affect our businesses were material factors we considered when setting our strategic priorities and objectives, and our outlook for our businesses. Key assumptions included that the Canadian and U.S. economies will grow moderately in 2011, that interest rates will remain low and that our assumptions regarding regulatory reforms will be consistent with the implementation of such reforms. We also assumed that housing markets will strengthen in Canada and the United States. We assumed that conditions in capital markets will improve somewhat and that the Canadian dollar will strengthen modestly relative to the U.S. dollar. 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 Fourth Quarter 2010 Earnings Release and Bank of Montreal's 2010 Management's Discussion and Analysis, 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, earnings which exclude the impact of provision for credit losses and taxes, and core earnings which exclude non recurring items such as acquisition integration costs.

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

Strategic Highlights

Q4 | 10

Bill Downe
President & Chief Executive Officer
BMO Financial Group

December 7 • 2010

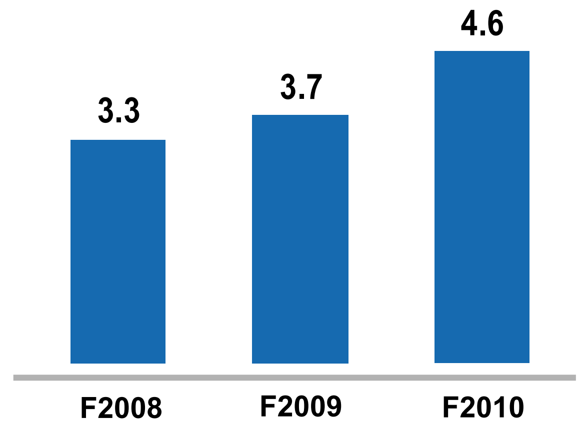
Financial Results

Achieving success with momentum across all our businesses, while also investing in future growth

C$ billions unless otherwise indicated

	Q4 10	F2010
Revenue	3.2	12.2
PCL	0.25	1.0
Expense	2.0	7.6
Net Income	0.74	2.8
Cash EPS ($)	1.26	4.81
ROE (%)	15.1	14.9
Cash Productivity Ratio (%)	62.3	61.9

Pre-Provision, Pre-Tax Earnings ($B)



- Generating good revenue growth
- Cash productivity improved 440 basis points on an annual basis
- ROE continues to increase
- Annual pre-tax pre-provision earnings up $937 million

Operating Group Highlights

P&C Canada

- Continues to excel achieving double-digit growth in revenue and net income for each of the past two years
- Personal and Commercial loyalty scores up from 2008 levels
- Investing strategically to improve competitive position

P&C U.S.

- Q4 10 net income, excluding acquisition integration costs, essentially unchanged compared to prior year
- Added new checking accounts, increased personal core deposits and market share and NPS remained high
- Awarded 2010 TNS Choice Award for superior performance in Chicago

Private Client Group

- Delivered strong earnings with Y/Y revenue growth across most businesses
- Good growth in AUM / AUA and improved equity market conditions
- Bank of Montreal (China) Co. Limited opened for business with local incorporation

BMO Capital Markets

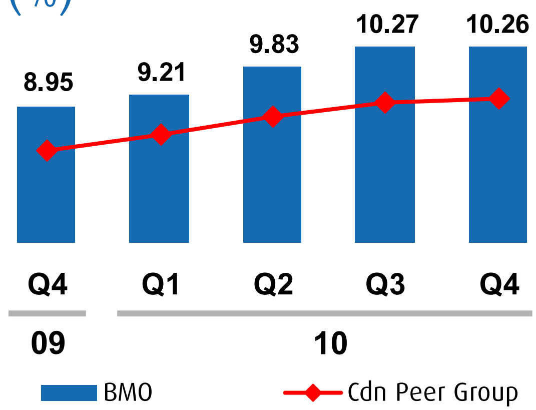
- Good overall performance in fourth quarter and the year
- Performance returned to levels experienced in the first half of this year
- Expanded and strengthened distribution capabilities to create integrated North American platform

Strong Capital Position

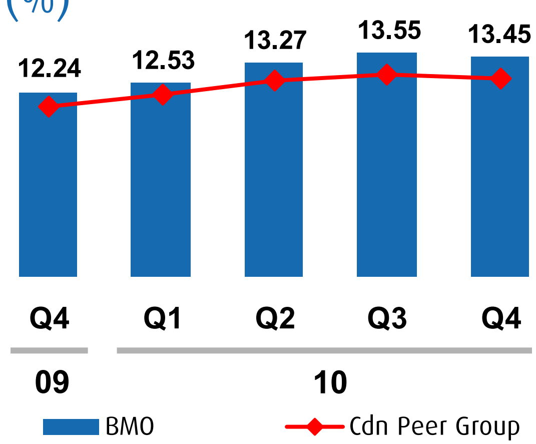
Positioned well to execute our growth strategy

- Strong capital ratios on a Basel II basis:
  - Common Equity Ratio at 10.26%
  - Tier 1 Capital Ratio at 13.45%
- Our proforma Basel III Common Equity Ratio as of October 31, 2010 is estimated to be 7.8% - exceeding **today** - the announced Basel III 2019 minimum capital requirement of 7.0%

Common Equity Ratio (Basel II) (%)



Tier 1 Capital Ratio (Basel II) (%)



Economic Outlook

Canada

- The Canadian economy is continuing to recover at a moderate pace
- Anticipate sufficient job growth over next two years to support spending by the Canadian consumer
- Business investment will remain well supported by commodities and solid balance sheets

United States

- The U.S. economy is growing modestly with continued high unemployment rates
- Corporate balance sheets are strong and there has been an upturn in U.S. capital investment
- Real estate remains key risk area
- Recent signs of improving employment increase our confidence that recovery will be sustained

* Source: BMO Economics; Outlook as at December 6, 2010

Financial Results

Q4|10

Russ Robertson
Chief Financial Officer
BMO Financial Group

Financial Highlights

Strong fourth quarter and fiscal year results

	Net Income	EPS	Cash EPS[1]	ROE	Cash Productivity[1]	Cash Operating Leverage[1]	Total PCL	Tier 1 Capital Ratio (Basel II)
Q4 10	**$739MM**	**$1.24**	**$1.26**	**15.1%**	**62.3%**	**(5.7)%**	**$253MM**	**13.45%**
F2010	**$2,810MM**	**$4.75**	**$4.81**	**14.9%**	**61.9%**	**7.5%**	**$1,049MM**	**13.45%**

- P&C Canada continues to deliver strong performance with good revenue growth in the quarter
- PCG reports strong results with net income substantially higher than last year
- BMO Capital Markets net income rises significantly from the third quarter reflecting an improvement in trading and investment banking activity
- Tier 1 Capital Ratio remains strong with fourth quarter ROE of 15.1%
- Fiscal 2010 pre-provision, pre-tax earnings of $4.6 billion, up from $3.7 billion a year ago
- Overall trend of improvement in credit

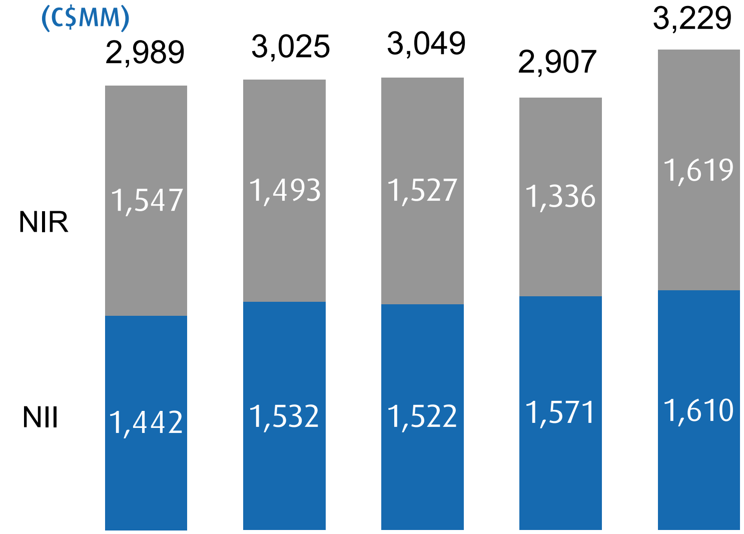
[1] Non-GAAP measure, see slide 2 of the Q4 10 Investor Presentation and page 19 of the Fourth Quarter 2010 Earnings Release

Revenue

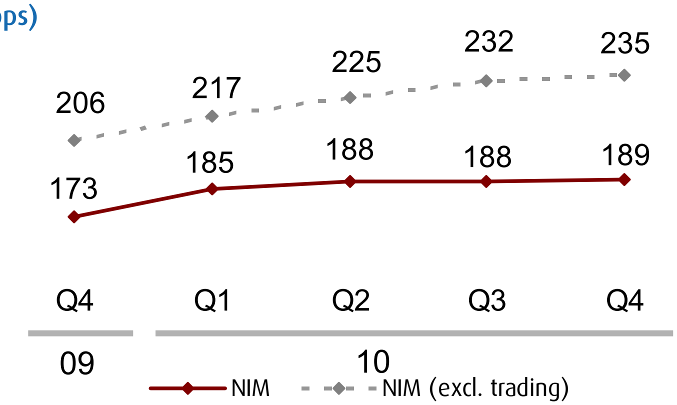
Solid increases in each of our operating groups

- Revenues up 8% Y/Y and 11% Q/Q.
- Net interest margin improved 16 basis points Y/Y driven by solid increases in P&C Canada, BMO CM and P&C US. P&C Canada margin increase was driven by higher spreads in personal loans and deposits, as well as additional personal lending interest revenue. BMO CM margin increase was mainly due to lower funding costs.
- Margin relatively flat Q/Q as improved loan and deposit spreads in P&C US, higher spreads in the brokerage businesses and higher net interest income in Corporate Services were largely offset by lower trading net interest income in BMO CM; solid increase in P&C Canada.
- Y/Y NIR growth of 4.7% was mostly attributable to strong increases in P&C Canada and PCG. There was strong growth in card fees, largely due the to Diners Club business acquisition in the first quarter of 2010.
- Q/Q NIR growth of 21% was driven by strong growth in PCG and BMO CM. Trading revenues were up considerably due to higher client activity in the current quarter and the favourable impact of credit spread movements this quarter, compared to the negative impact last quarter
- U.S. dollar exchange rate decreased revenue growth by $36MM or 1.2% Y/Y and by $5MM or 0.2% Q/Q.

Total Bank Revenue
(C$MM)



Net Interest Margin
(bps)

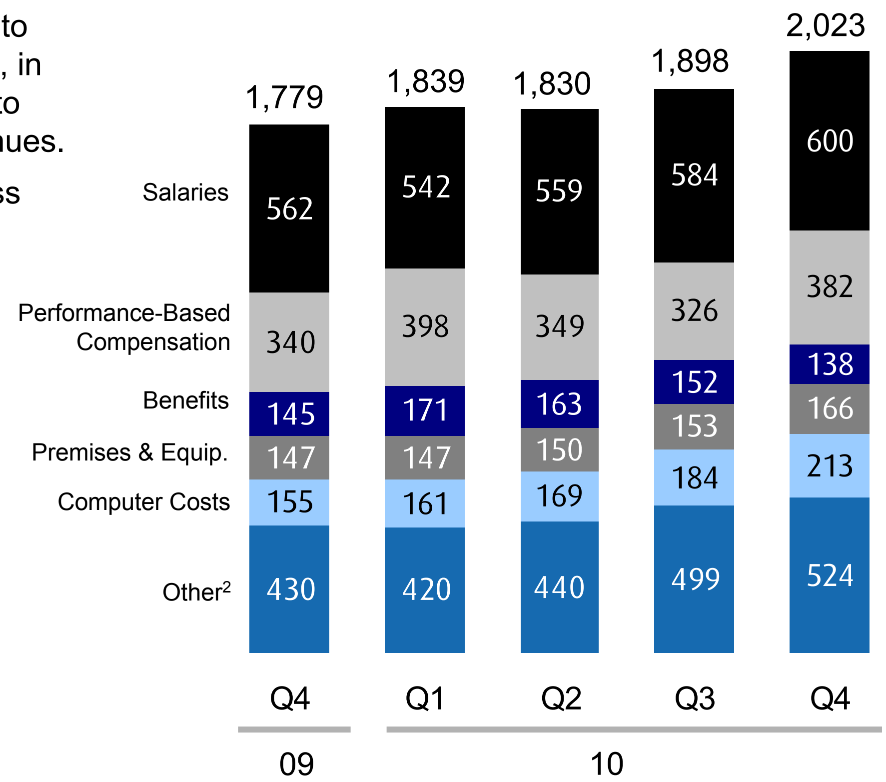


Non-Interest Expense

Investing in our business

- Approximately 25% of the Y/Y expense growth was attributable to the Rockford and Diners Club business acquisitions, including integration costs.
- Employee costs increased Y/Y due in part to staffing related to business initiatives and to performance based compensation, in line with improved performance. Q/Q increases largely due to higher performance-based costs, in line with increased revenues.
- Investment spend increased Y/Y and Q/Q to support business growth.
- U.S. dollar exchange rate lowered expenses by $22MM or 1.2% Y/Y and by $3MM or 0.2% Q/Q.

Total Bank Non-Interest Expense
(C$MM)



Cash Productivity Ratio[1]
(%)

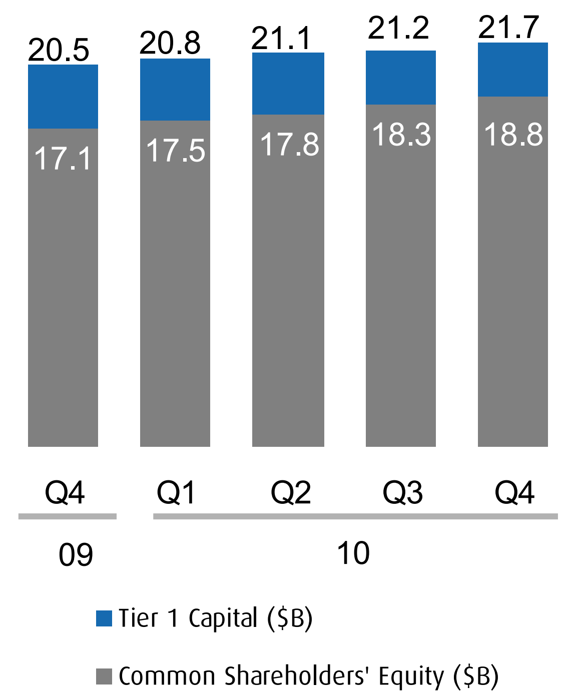
[1] Non-GAAP measure, see slide 2 of the Q4 10 Investor Presentation and page 19 of the Fourth Quarter 2010 Earnings Release
[2] Consists of amortization of intangible assets, communications, business and capital taxes, professional fees, travel and business development and other

Capital & Risk Weighted Assets

Basel II capital ratios remain strong

Basel II	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10
Tier 1 Capital Ratio (%)	12.24	12.53	13.27	13.55	13.45
Total Capital Ratio (%)	14.87	14.82	15.69	16.10	15.91
Assets-to-Capital Multiple (x)	14.09	14.67	14.23	14.27	14.46
RWA ($B)	167.2	165.7	159.1	156.6	161.2
Total As At Assets ($B)	388.5	398.6	390.2	397.4	411.6
Common Equity Ratio (%)[1]	8.95	9.21	9.83	10.27	10.26

Basel II Tier 1 Capital & Common Shareholders' Equity



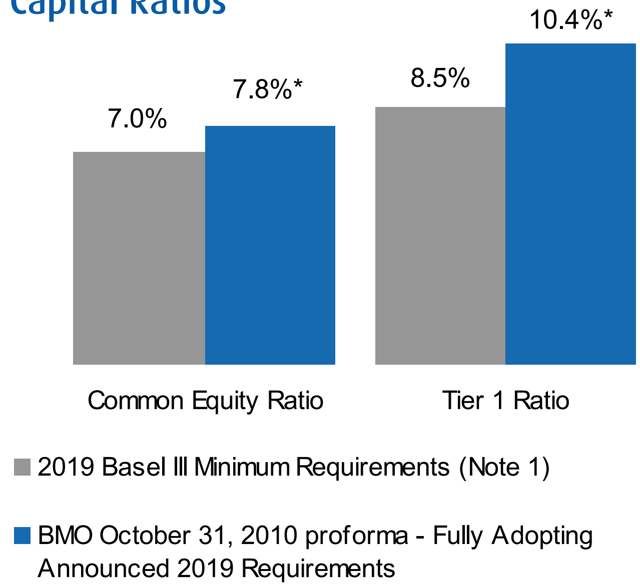
[1] Common equity ratio equals regulatory common equity less Basel II capital deductions divided by RWA. Sometimes this ratio is also referred to as the Tier 1 common ratio.

Impact of Proposed Basel III Capital Changes

BMO's estimated proforma October 31, 2010 Basel III capital ratios exceed currently announced future regulatory capital requirements

- BMO's estimated proforma October 31, 2010 Common Equity Ratio and Tier 1 Ratio exceed the currently announced Basel III future minimum regulatory capital requirements at full implementation
  - New capital deductions and the impact of the adoption of IFRS (mainly pensions) based on our analysis to date are expected to reduce Tier 1 common equity and Tier 1 capital by $1.5B and $1.7B respectively, as of October 31, 2010
  - New RWA requirements are expected to increase RWA by up to $31.3B, primarily due to higher counterparty credit risk ($23.4B) and to a lesser extent market risk and other Basel III requirements ($7.9B)
  - The increase in counterparty credit risk is based on proposals developed earlier in the year. There continues to be significant discussions concerning the approach and as a result, there is considerable uncertainty regarding the final impact on RWA
  - The expected introduction of central clearing agencies and management actions are anticipated to significantly mitigate the increase in counterparty credit risk risk-weighted assets noted above
- The capital ratios are estimated as at October 31, 2010 and **do not** include the benefit of additional retained earnings growth over time that could be used to meet future regulatory capital requirements
- There are still many uncertainties around the Basel proposals which could affect the amount of capital that we hold to meet regulatory requirements. Our strong capital ratios position us well to adopt final Basel III requirements

October 31, 2010 proforma Basel III Capital Ratios



* Does not include the benefit of additional retained earnings growth over time that could be used to meet future regulatory requirements.

BMO's proforma Tier 1 Ratio assumes existing non-common Tier 1 capital instruments are included in Tier 1 capital

2019 Basel III minimum requirements include the capital conservation buffer of 2.5%

See the Enterprise-Wide Capital Management Section in Management's Discussion and Analysis for fiscal 2010 for further details

Note 1: 2013 Basel III minimum requirements are 3.5% for Common Equity Ratio and 4.5% for Tier 1 Ratio

Operating Groups – Quick Facts

P&C Canada

- Revenue growth of **10%** Y/Y
- Net income growth of **5.5%** Y/Y
- Cash productivity ratio[1] of **51.5%**
- Net interest margin of **299 bps** – up **9 bps** Y/Y and **3 bps** Q/Q
- Volume growth across most products Y/Y

P&C U.S.

- Net income **US$37MM** down **$11MM** Y/Y
- Core[2] net income **US$59MM up $1MM** Y/Y
- Core[2] cash productivity ratio[1] of **66%**
- Net interest margin of **389 bps** – up **69 bps** Y/Y and **19 bps** Q/Q

Private Client Group

- Revenue growth of **8.6%** Y/Y
- Net income growth **25%** Y/Y; excluding insurance net income growth of **40%** Y/Y
- AUA / AUM up **$30B** or **13%** Y/Y adjusting to exclude the impact of the weaker U.S. dollar

BMO Capital Markets

- Revenue up **2.7%** Y/Y, **23%** Q/Q
- Net income down **17%** from very strong results of a year ago
- Results improved considerably from the previous quarter with higher trading revenues and other Investment Banking revenues

[1] Non-GAAP measure, see slide 2 of the Q4 10 Investor Presentation and page 19 of the Fourth Quarter 2010 Earnings Release

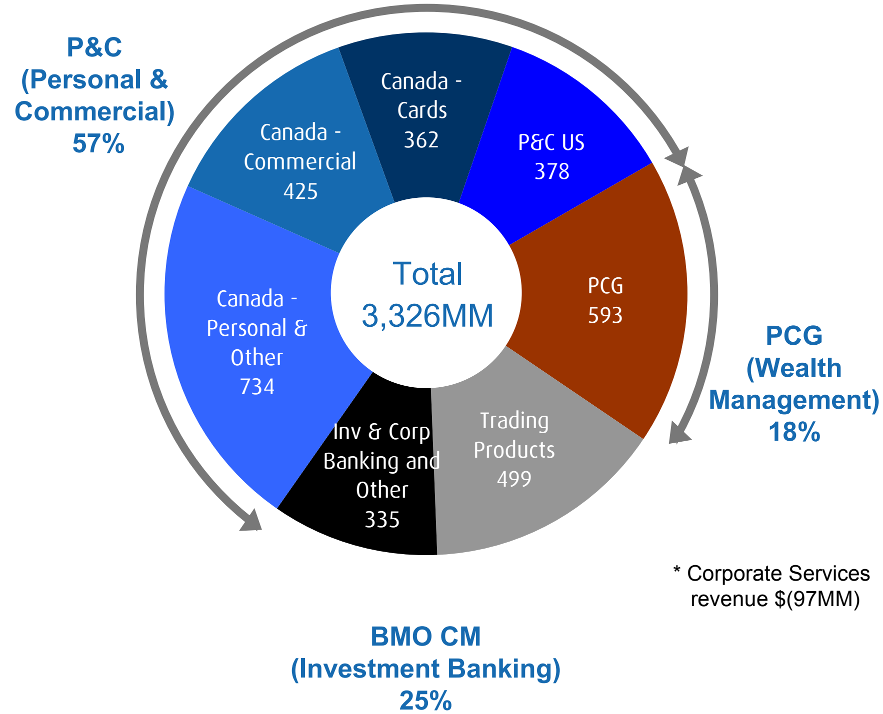
[2] Core: As reported results less impact of impaired loans, Visa and acquisition integration

* BMO employs a methodology for segmented reporting purposes whereby expected credit losses are charged to the operating groups quarterly based on their share of expected credit losses. The difference between quarterly charges based on expected losses and required quarterly provisions based on actual losses, as well as changes in the general allowance are charged (or credited) to Corporate Services. See Note 26 on page 157 of BMO's 2010 audited annual consolidated financial statements.

Operating Group Performance

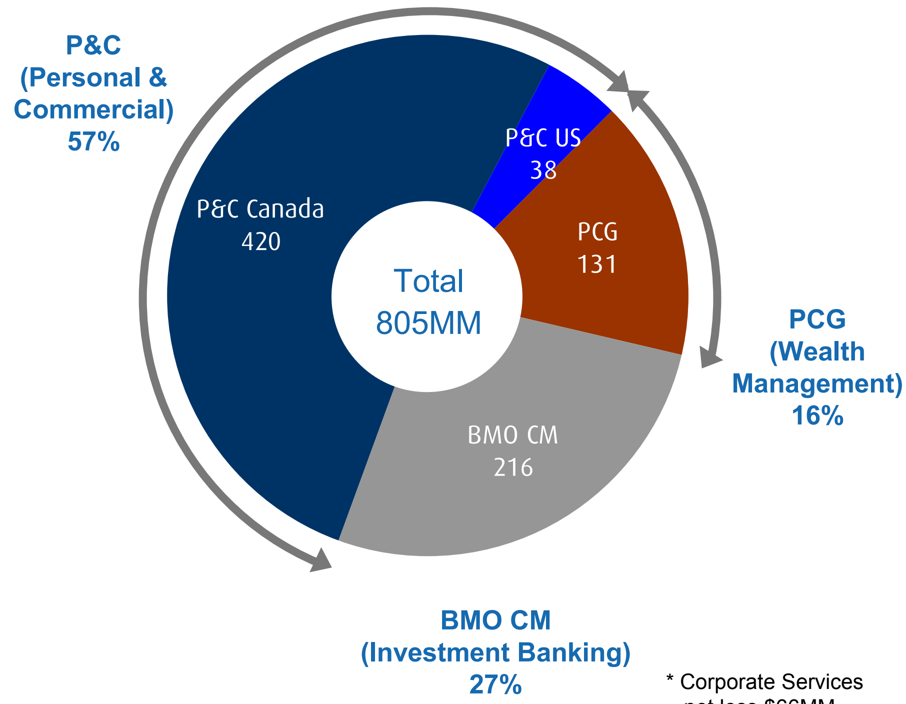
75% of revenues from retail businesses in Canada and the US (P&C and PCG)

Q4 10 Revenue by Operating Group (C$MM)



* Corporate Services revenue $(97MM)

Q4 10 Net Income by Operating Group (C$MM)



* Corporate Services net loss $66MM

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

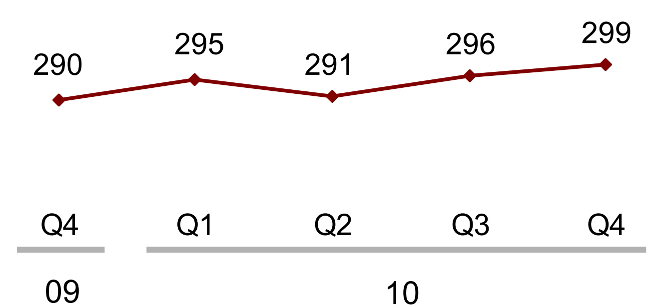
Personal & Commercial Banking - Canada

Continued strong financial performance

As Reported ($MM)	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	1,383	1,411	1,408	1,490	**1,521**	2%	10%
PCL	102	120	121	129	**132**	(3)%	(32)%
Expenses	706	709	720	763	**786**	(3)%	(11)%
Provision for Taxes	177	179	172	172	**183**	(7)%	(3)%
Net Income	**398**	**403**	**395**	**426**	**420**	(2)%	6%
Cash Productivity[1] (%)	51.0	50.2	51.0	51.1	**51.5**		

- Continuing to deliver strong revenue growth of 10% and net income of $420MM.
- Maintaining strong margin while volume growth continues.
- Maintaining cash productivity[1] in the low 50 per cent range throughout 2010.
- Continuing to invest in branch network, customer contact centre and increasing our specialized sales force to better serve our customers.

Net Interest Margin
(bps)



[1] Non-GAAP measure, see slide 2 of the Q4 10 Investor Presentation and page 19 of the Fourth Quarter 2010 Earnings Release

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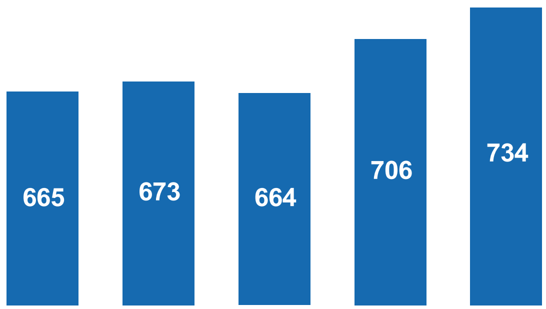
Personal & Commercial Banking - Canada

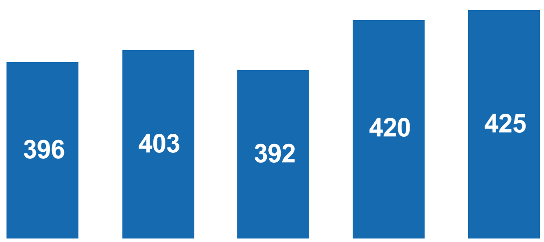
Revenue by Business ($MM)



Personal

(↑ $69MM or 10% Y/Y; ↑ $28MM or 4.0% Q/Q)

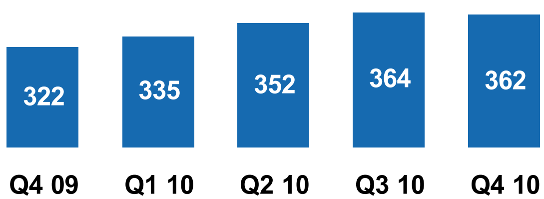
- Y/Y increase driven by volume growth in personal lending products, higher spreads on personal loan and deposit products as well as additional personal lending interest revenue of $15MM.
- Q/Q increase driven by volume growth in personal lending products and the additional interest revenue noted above, partially offset by lower mortgage refinancing fees.



Commercial

(↑ $29MM or 7.8% Y/Y; ↑ $5MM or 1.6% Q/Q)

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



Cards & Payment Service

(↑ $40MM or 12% Y/Y; ↓ $2MM or 1.0% Q/Q)

- Y/Y increase due to the addition of Diners Club and balance growth.
- Q/Q revenue remained stable.

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

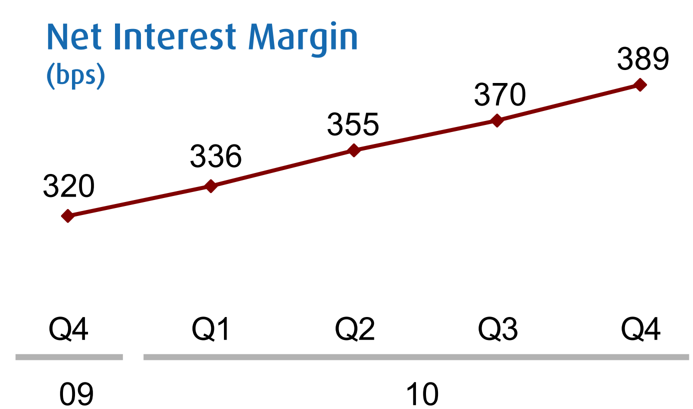
Personal & Commercial Banking - U.S.

Core businesses are performing well; recent Rockford transaction successfully integrated

As Reported (US$MM)	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	323	330	327	345	**365**	5%	13%
PCL*	21	30	29	30	**30**	-	(42)%
Expenses	231	229	228	257	**277**	(8)%	(20)%
Provision for Taxes	23	23	25	20	**21**	7%	19%
Net Income	**48**	**48**	**45**	**38**	**37**	(2)%	(21)%
Core[1] Net Income[2]	58	63	61	54	**59**	8%	2%
Cash Productivity[2] (%)	69.2	67.8	68.4	72.6	**74.2**		
Core[1] Cash Productivity[2] (%)	65.6	61.9	62.4	66.2	**66.0**		

Amounts in this section are in U.S. dollars.

- Y/Y revenue and operating expense increases primarily reflect contribution from the Rockford, Illinois-based bank transaction of $25MM and $23MM, respectively.
- Results impacted by increase in costs of managing impaired loans and integration costs of $17MM ($11MM after-tax), related to our Rockford transaction.
- 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.



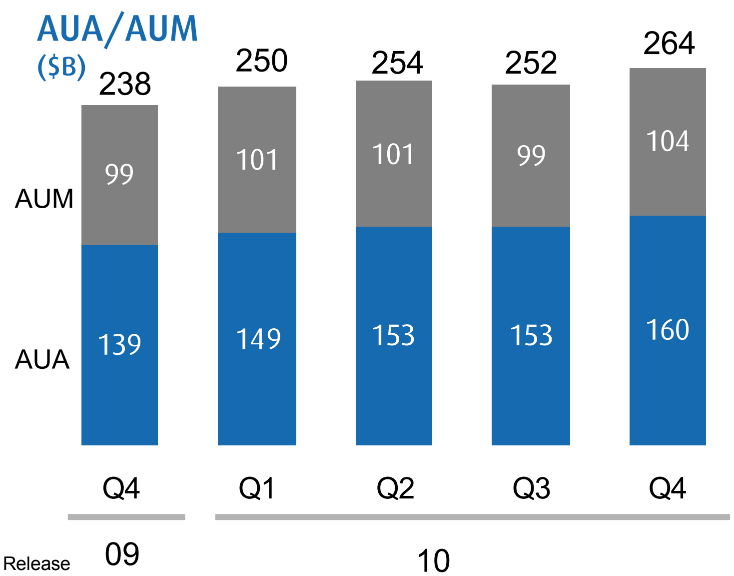
[1] Core: As reported results less impact of impaired loans, Visa and acquisition integration
[2] Non-GAAP measure, see slide 2 of the Q4 10 Investor Presentation and page 19 of the Fourth Quarter 2010 Earnings Release
* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 audited annual consolidated financial statements.

Private Client Group

Good growth from a year ago and the third quarter

As Reported ($MM)	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	545	550	558	544	**593**	9%	9%
PCL	1	2	2	1	**2**	nm	nm
Expenses	403	398	398	402	**413**	(3)%	(2)%
Provision for Taxes	35	37	40	33	**47**	(38)%	(34)%
Net Income	**106**	**113**	**118**	**108**	**131**	22%	25%
Cash Productivity[1] (%)	74.0	72.0	71.2	73.5	69.5		

- Net income grew a strong 22% Q/Q and 25% Y/Y, as we continue to see growth across most of our businesses
- Net income excluding insurance grew a strong 40% Y/Y
- Assets under management and assets under administration grew 13% over the prior year (in source currency)
- Cash productivity[1] of 69.5% improved 455 basis points from the prior year



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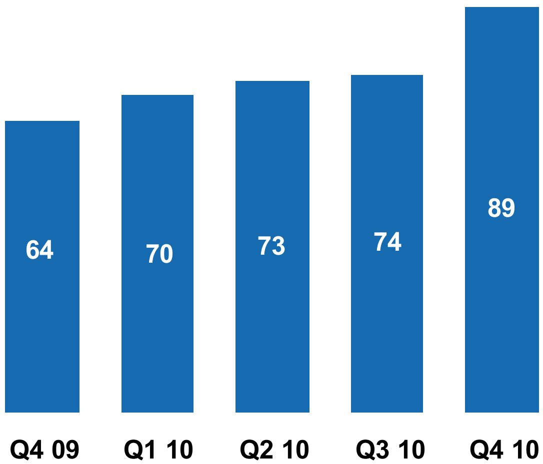
Private Client Group

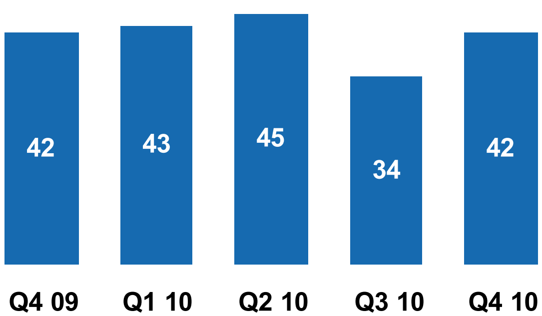
Net Income by Business ($MM)



PCG Excluding Insurance

(↑ $25MM or 40% Y/Y, ↑ $15MM or 21% Q/Q)

- Net income grew a strong 40% Y/Y with strong revenue growth from our continued focus on attracting new client assets and improving equity markets
- Net income grew a strong 21% Q/Q with strong revenue growth across most of our businesses, particularly in the brokerage and mutual fund businesses



Insurance

(unchanged Y/Y, ↑ $8MM or 24% Q/Q)

- Net income unchanged Y/Y, as the benefit from higher premium revenue was offset by the effects of unfavourable market movements on policyholder liabilities
- Growth Q/Q primarily from higher premium revenue and the effects of market movements relative to the third quarter

BMO Capital Markets

Results this quarter reflect an improvement in trading and investment banking activity from the third quarter.

As Reported ($MM)	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	814	844	920	681	**834**	23%	3%
PCL	33	65	67	66	**66**	0%	(95)%
Expenses	404	470	468	421	**463**	(10)%	(15)%
Provision for Taxes	117	95	125	64	**89**	(45)%	22%
Net Income	**260**	**214**	**260**	**130**	**216**	65%	(17)%
Cash Productivity[1] (%)	49.5	55.6	50.9	61.9	**55.3**		

- Trading revenues have improved significantly Q/Q due to higher client activity in the current quarter and the favourable impact of credit spread movements this quarter compared to the negative impact last quarter.
- Corporate banking revenues increased Q/Q as a result of higher lending fees, but were lower Y/Y due to reduced asset levels and lower lending fees.
- Expenses have increased Q/Q as variable compensation costs were higher in line with revenue performance. Expenses have increased Y/Y with higher employee compensation costs reflecting strategic hires in key sectors during the year. The remaining expense increase Q/Q and Y/Y was primarily due to costs related to a litigation settlement.

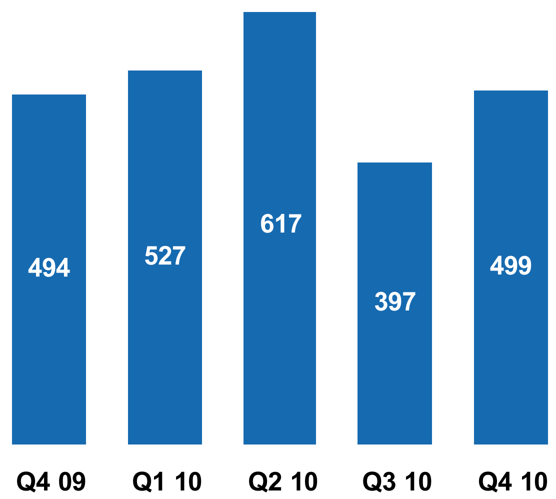
Cash Return on Equity[1]
(%)

[1] Non-GAAP measure, see slide 2 of the Q4 10 Investor Presentation and page 19 of the Fourth Quarter 2010 Earnings Release

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

BMO Capital Markets

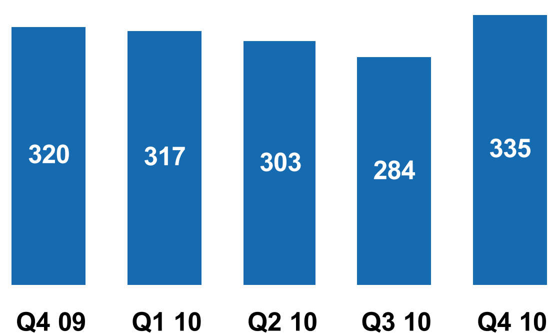
Revenue by Business ($MM)



Trading Products

(↑ $5MM or 1% Y/Y, ↑ $102MM or 26% Q/Q)

- Y/Y higher revenue mainly due to increased net investment securities gains, and debt underwriting and commission fees, partially offset by lower trading revenue and lower revenues from our interest-rate-sensitive businesses.
- Q/Q significantly higher trading revenue due to higher client activity in the current quarter and the favourable impact of credit spread movements this quarter compared to the negative impact last quarter. Despite the strong growth, revenues in the current quarter were reduced by accounting adjustments in our equity trading business. In addition, there were increased net investment securities gains, partially offset by lower commission fees and lower revenues from our interest-rate-sensitive businesses.



Investment & Corporate Banking

(↑ $15 MM or 5% Y/Y, ↑ $51MM or 18% Q/Q)

- Y/Y higher revenue mainly due to strong M&A performance, reduced MTM losses on credit derivatives used to hedge the loan portfolio, and increased net investment securities gains. This was partially offset by lower corporate banking revenue due to reduced asset levels and lower lending fees.
- Q/Q higher revenue mainly due to strong M&A performance, and to a lesser extent increased lending fees, equity underwriting fees, and net investment securities gains.

Corporate Services (Including Technology and Operations)

Lower PCL driving year-over-year improved bottom line

As Reported ($MM)	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	Q/Q B/(W)	Y/Y B/(W)
Net interest income before group teb[1] offset	(141)	(134)	(88)	(95)	**(108)**	(14)%	23%
Group teb[1] offset	(44)	(65)	(105)	(121)	**(64)**	47%	(45)%
Net interest income (teb)[1]	(185)	(199)	(193)	(216)	**(172)**	21%	7%
Non-interest revenue	82	70	20	47	**75**	56%	(9%)
Revenue	(103)	(129)	(173)	(169)	**(97)**	42%	5%
PCL – Specific	227	115	28	(13)	**22**	+(100)%	91%
– General	--	--	--	--	**--**	--%	--%
Expenses	16	20	9	44	**74**	(63)%	+(100)%
Provision for Taxes	(197)	(159)	(154)	(184)	**(145)**	(21)%	(26)%
Net Income	**(168)**	**(124)**	**(74)**	**(35)**	**(66)**	(89)%	61%

- Y/Y reduction in provisions for credit losses charged to Corporate under BMO's expected loss provisioning methodology.
- Y/Y expense growth driven by higher technology investment spending as well as higher performance-based compensation and professional fees.

• Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 157 of BMO's 2010 audited annual consolidated financial statements.
[1] Taxable equivalent basis is a non-GAAP measure, see Notes to Users: Taxable Equivalent Basis, in the Q4 10 Supplementary Financial Information package

Balance Sheet

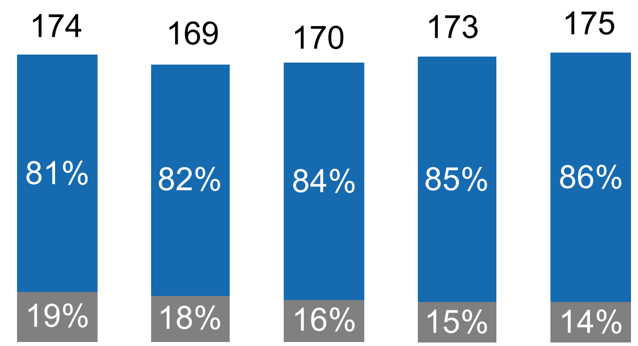
Average Net Loans & Acceptances
(↑ $2.8B Q/Q)

- Consumer instalment & other personal (↑ $1.5B)
- Non-residential mortgages (↑ $0.1B)
- Residential mortgages (↑ $0.6B)
- Credit cards (↑ $0.04B)
- Businesses and governments (↑ $0.4B)
- Customers' liability under acceptances & allowance for credit losses (↑ $0.2B)
- The weaker U.S. dollar decreased balances by $0.3B

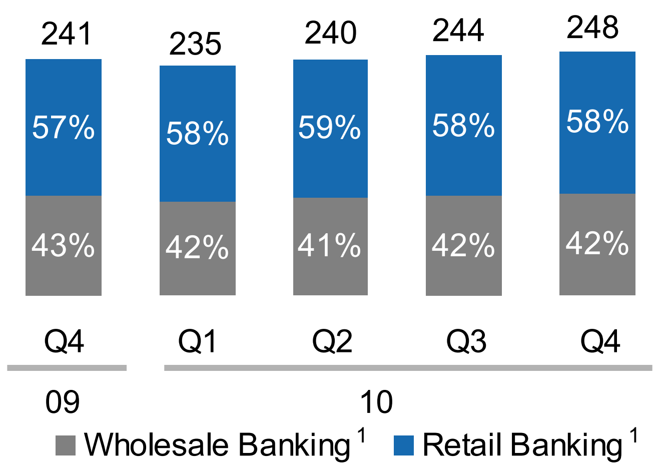
Average Deposits
(↑ $3.8B Q/Q)

- Businesses and governments (↑ $4.5B)
- Individuals (↑ $0.4B)
- Banks, used in trading activities (↓ $1.1B)
- The weaker U.S. dollar reduced balances by $0.6B

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

Q4 | 10

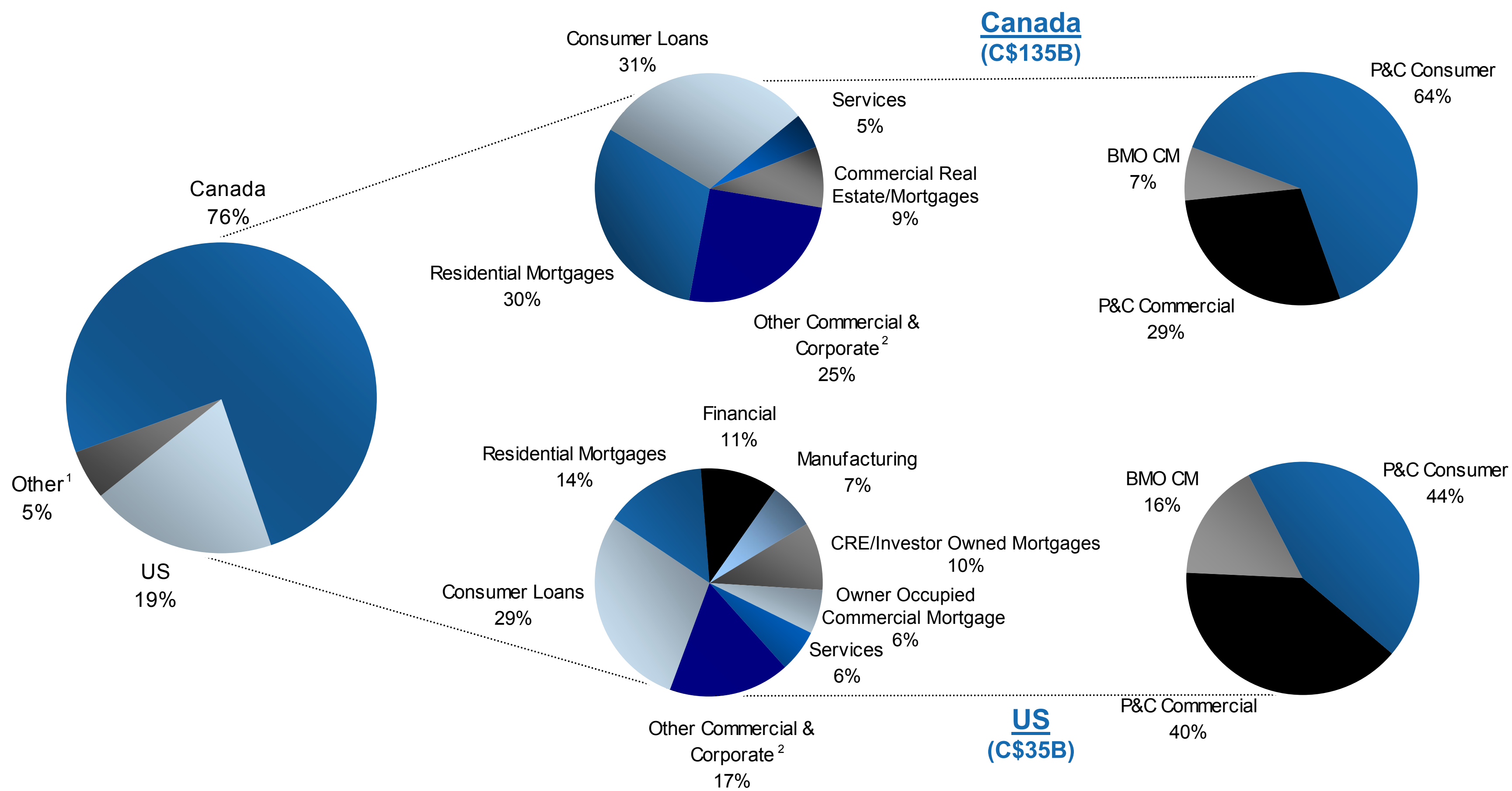
Tom Flynn
Executive Vice President & Chief Risk Officer
BMO Financial Group

December 7 • 2010

Loan Portfolio – Well Diversified by Segment and Business

- Canadian and US portfolios well diversified. Canadian portfolio 76% of loans, US portfolio 19% of loans, down from 23% a year ago.
- P&C banking business represents the majority of loans.
  - Retail portfolios are predominantly secured – 86% in Canada and 98% in the US.

By Geography (C$179B) | **By Segment** | **By Line of Business**

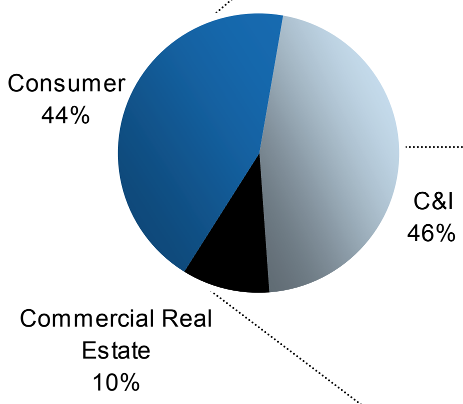


1 Other C$9B not shown in Portfolio Segmentation & Line of Business graphs.

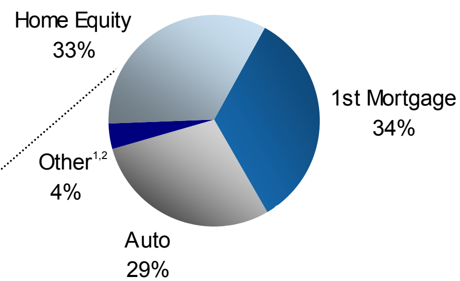
2 Other Commercial & Corporate includes Portfolio Segments that are each <5% of the total.

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

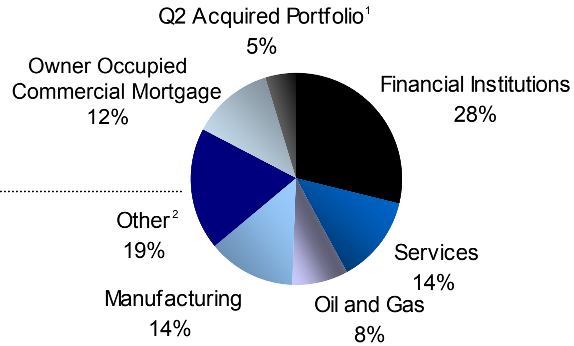
Total US Loans Outstanding
US$34.0B
19% of Consolidated Loans
(October 31, 2010)



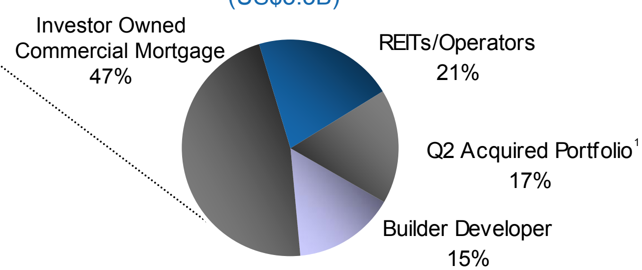
Consumer
(US$15.0B)



C&I
(US$15.7B)



Commercial Real Estate (CRE) /Investor Owned Mortgages
(US$3.3B)



1 The Q2 acquired portfolio represents ~3% 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.

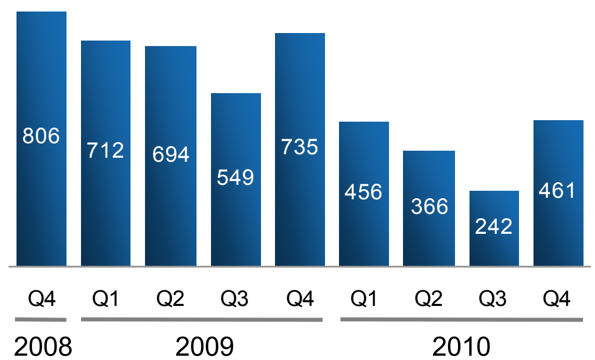
2 Other C&I includes Portfolio Segments that are each <5% of the total.

- Consumer portfolios: $15.0B; performance better than US peer.
  - Residential real estate market remains stressed but our more conservative underwriting practices are reflected in above peer average performance.
  - Indirect Auto portfolio strong overall and better than peer.
- C&I portfolio: well diversified and performing reasonably considering environment.
- Commercial Real Estate/Investor Owned-Mortgages: $3.3B.
  - Portfolio is less than 2% of BMO loans and 10% of US loans.
  - REITs performing reasonably.
  - The Investor-Owned Mortgage component at $1.6B, is 5% of the US total. Prudent lending practices maintained and portfolio is well diversified across footprint and property types.
  - Developer portfolio continues to reduce and is ~2% of the total US portfolio. Majority of the portfolio is impaired.
  - Market remains challenged.

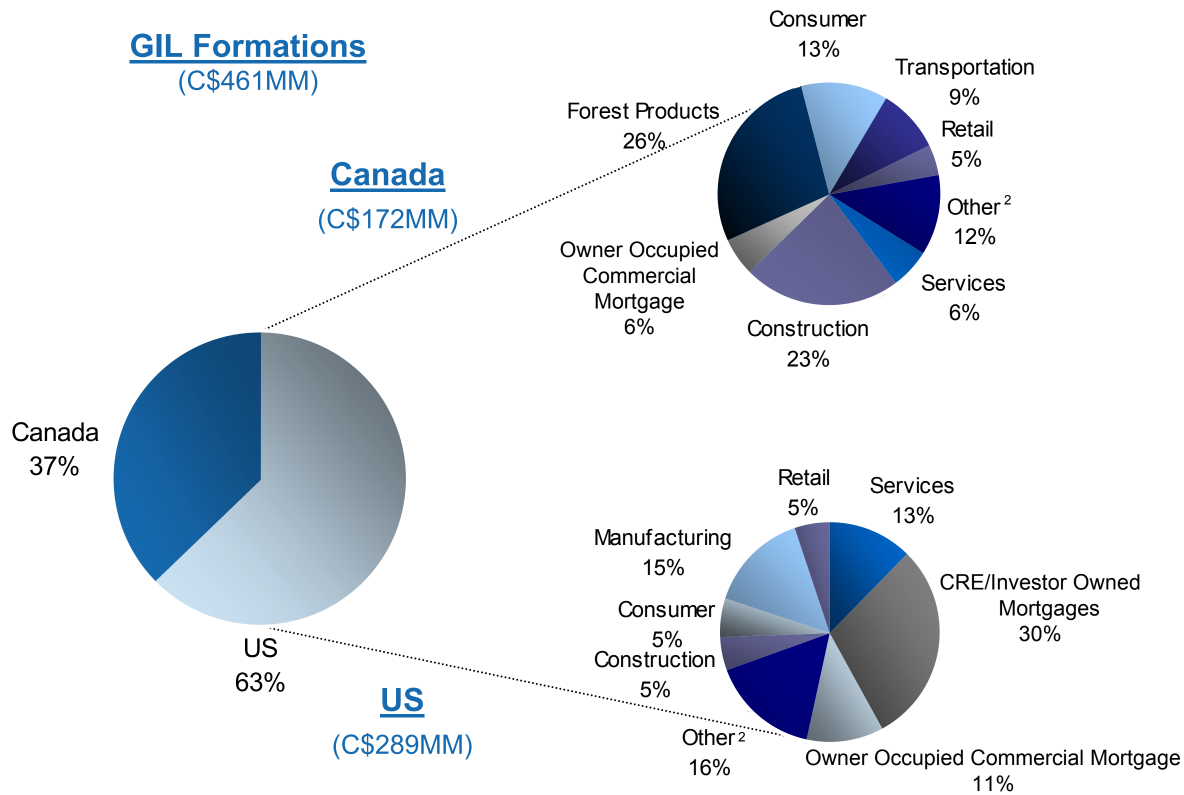
Impaired Loans & Formations

- Q4 '10 formations were higher quarter over quarter at $461MM (Q3 '10: $242MM).
- Q4 '10 Canadian formations were $172MM (Q3 '10: $57MM). The Forest Products and Construction sectors were the largest contributors with remaining formations diversified by sector.
- Q4 '10 US formations of $289MM (Q3 '10: $185MM) with CRE/Investor Owned Mortgages the largest sector at 30%.
- Gross Impaired Loans (GIL) on a core basis of $2.9B versus $2.8B in Q3. GIL balances $3.2B (Q3 '10: $3.1B) including GILs from the Q2 US bank acquisition covered by FDIC loss share[1] .
  - Canada & Other impaired balances account for 32%, US 68%. Largest segment in Canada being the Consumer portfolio. Largest segments in US relate to Commercial Real Estate.

Quarterly



GIL Formations
(C$461MM)



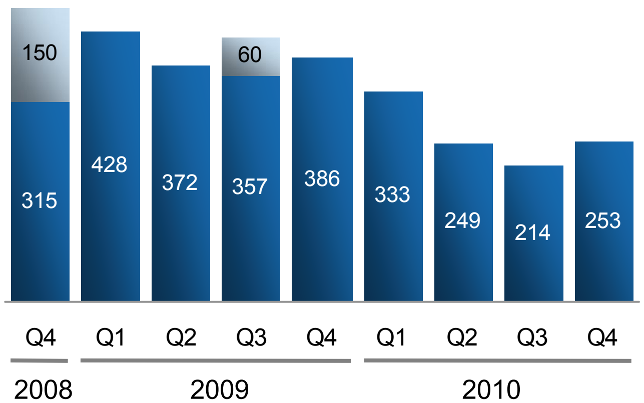
1 Assets were recorded at market value. As part of the purchase agreement BMO is indemnified against 80% of the losses associated with this portfolio by the FDIC.

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

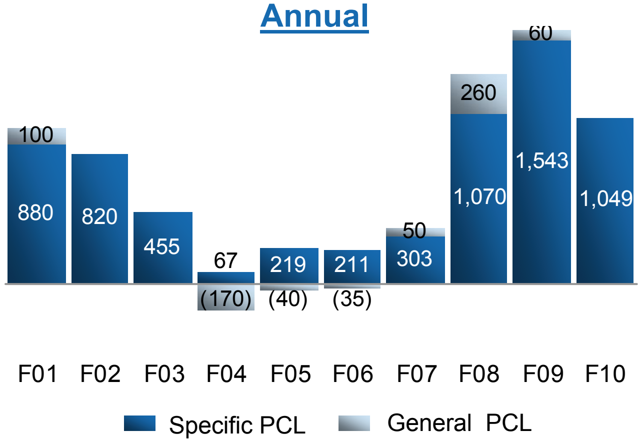
Provision for Credit Losses

- Specific provisions were $253MM vs. $214MM last quarter but down from $386MM a year ago. Quarter/quarter variability is not unexpected at this point in the cycle.
- P&C Canada provisions were lower quarter/quarter, approximately evenly split between recoveries and improved personal loan performance.
- P&C US provisions remain elevated reflecting a continued weak environment.
- Capital Market provisions were modest after two quarters of net recoveries.

Quarterly



Annual



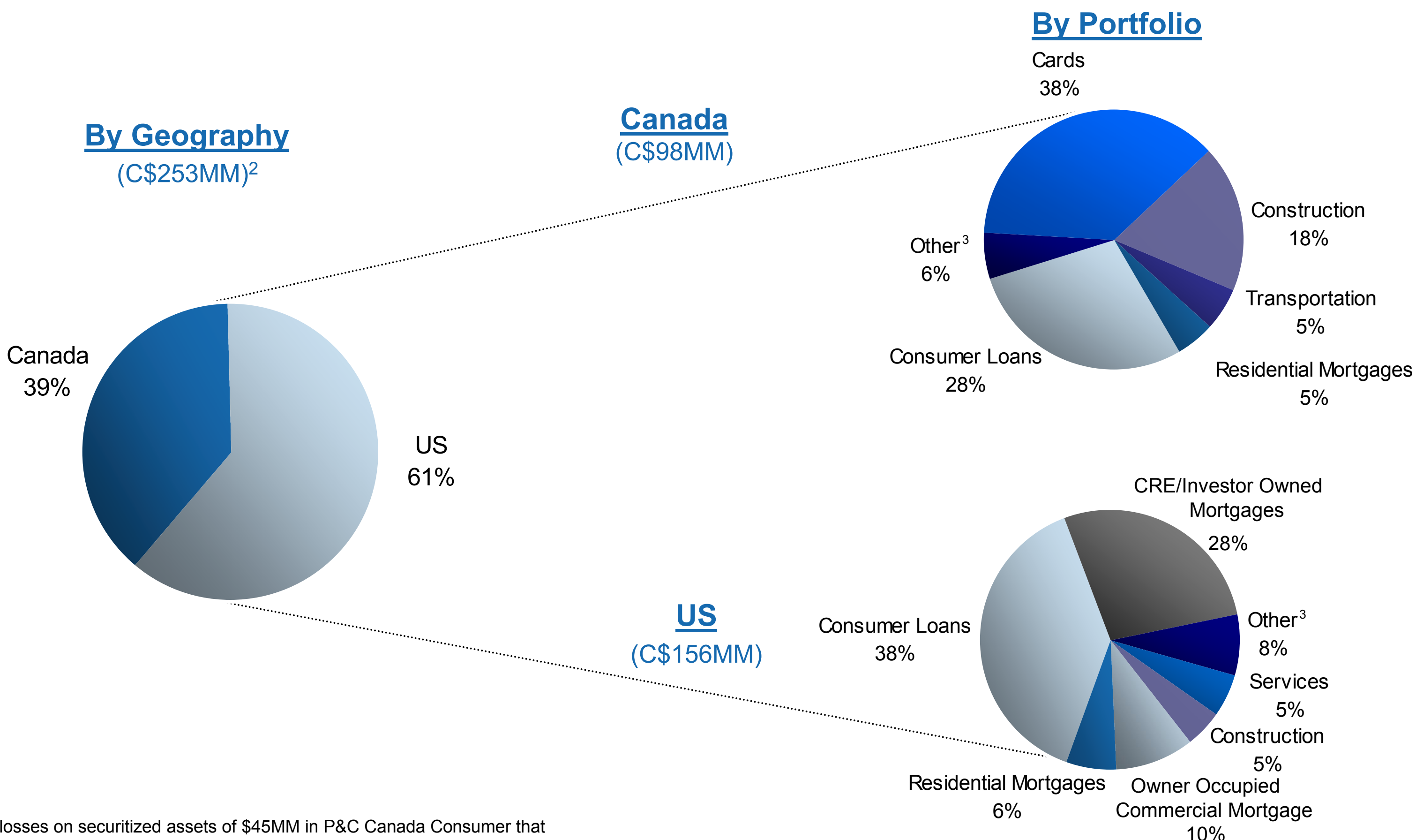
Business Segment (By Business Line Segment) (C$ MM)	Q4 '09[1]	Q3 '10	Q4 '10
Consumer – P&C Canada	149	145	119
Commercial – P&C Canada	28	26	27
Total P&C Canada	**177**	**171**	**146**
Consumer – P&C US	72	51	64
Commercial – P&C US	84	52	66
Total P&C US	**156**	**103**	**130**
PCG	**20**	**-**	**6**
Capital Markets Canada & Other	1	(3)	3
Capital Markets US	85	(7)	13
Total Capital Markets	**86**	**(10)**	**16**
Losses on Securitized Assets[2]	(53)	(50)	(45)
Specific Provisions	**386**	**214**	**253**
Change in General Allowance	-	-	-
Total PCL	**386**	**214**	**253**

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 F'10: $203MM (F'09: $172MM).

Specific Provision Segmentation[1]

- Canadian provisions continued to be centered in the Consumer portfolio and decreased from last quarter to $98MM (Q3 '10: $110MM). Commercial provisions were well diversified.
- US provisions were $156MM in Q4 '10 versus $104MM in Q3 '10 due to higher corporate provisions after a net recovery last quarter and the impact of the weak real estate market. Consumer provisions represent just under half of provisions and Commercial Real Estate related is the largest sector within Commercial & Corporate.



1 Excludes losses on securitized assets of $45MM in P&C Canada Consumer that are accounted for as negative NIR in the Corporate segment.

2 Chart excludes recoveries of $1MM in Other Countries.

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

APPENDIX

P&C Canada – Market Share & Product Balances

	Market Share (%)[1]	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10
Personal	Total Personal Lending	10.2	10.1	10.2	10.2	**10.2**
Personal	Personal Deposits[1]	12.3	12.2	11.9	11.9	**11.8**
Personal	Mutual Funds	13.3	13.5	13.5	13.5	**13.4**
Commercial	Commercial Loans $0 - $5MM[2]	19.9	19.8	19.9	20.2	**20.3**

	Balances ($B) (Owned & Managed)	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10
Personal	Personal Loans	31.3	32.4	33.4	35.0	**36.4**
Personal	Residential Mortgages	64.1	63.9	63.6	64.3	**64.9**
Personal	Total Personal Lending	95.4	96.3	97.0	99.3	**101.3**
Personal	Personal Deposits	67.2	66.7	65.9	66.7	**66.6**
Commercial	Commercial Loans & Acceptances	34.3	34.1	35.3	36.2	**36.7**
Commercial	Commercial Deposits	30.5	31.5	31.6	32.5	**33.1**
	Cards (Retail & Corporate) [3]	7.8	8.1	8.9	9.1	**9.1**

Personal
- Total Personal lending balances increased Y/Y and Q/Q. Market share remained flat Y/Y and Q/Q.
- 90% of our total personal lending portfolio is secured.
- Mortgage balances increased Y/Y and Q/Q as we successfully replaced the run-off of our broker channel loans with our branch originated balances. Mortgage market share was 9.2%.
- Personal loan market share of 12.7% was up Y/Y and Q/Q. Homeowner ReadiLine growth drove personal loan growth of 16% Y/Y.

Commercial
- We continue to rank second in Canadian business lending market share.
- Increase in commercial deposit balances reflects the bank's focus on meeting customer needs.

Cards
- Cards balances increased Y/Y due to the addition of Diners and volume growth.

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. (Q4 10: Sept 2010)
[2]Business loans (Banks) data is issued by CBA on a one calendar quarter lag basis (Q4 10: Jun 2010)
[3]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)	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10
Mortgages	4.9	4.6	4.4	4.2	**4.1**
Other Personal Loans	5.2	5.2	5.3	5.3	**5.2**
Indirect Auto	4.1	4.2	4.2	4.3	**4.3**
Deposits	14.7	14.6	14.6	15.9	**16.0**
Serviced Mortgages	3.4	3.5	3.6	3.7	**3.7**

Commercial Products – Average Balances (US$B)	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10
Commercial Loans	12.3	11.8	11.5	11.7	**12.1**
Commercial Deposits	8.3	8.9	9.7	10.0	**10.7**

Personal

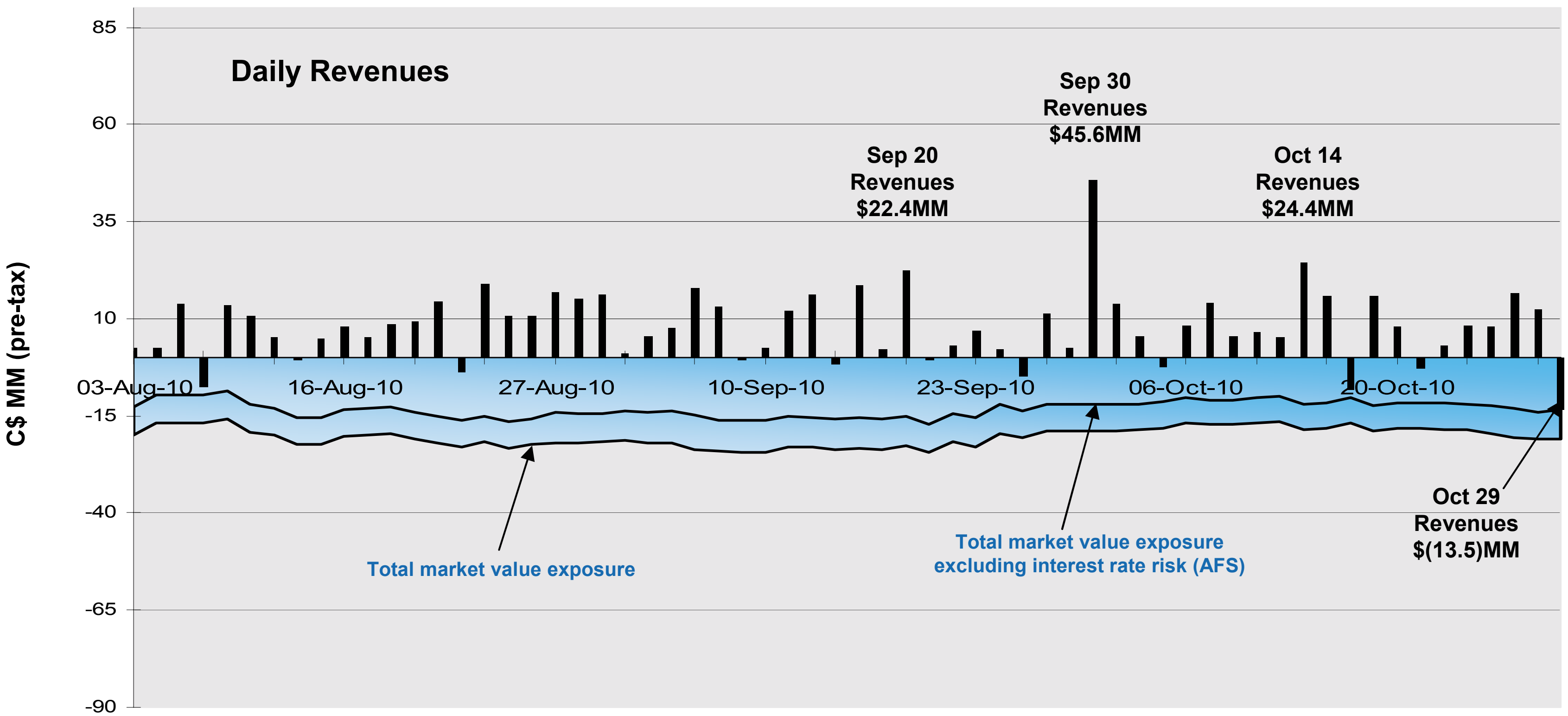
- Personal loan originations of $1.1B increased $0.1B or 8% Y/Y. Mortgage pipeline is at the highest level since May 2009.
- Decline in mortgage balances are primarily driven by amortization/run off of outstandings and new originations being sold in the secondary market.
- Rockford, Illinois-based bank transaction contributed $0.3B of average loans and $1.6B of average deposits to Personal.
- Net new personal checking accounts of 4,400 in Q4′10 increased 3,900 Y/Y.
- Our serviced mortgage portfolio growth of $0.3B or 9% Y/Y reflects mortgages we originated and sold in the secondary market which we service on behalf of the investor.

Commercial

- Excluding the Rockford, Illinois-based bank transaction′s $1.1B of average loans and $0.3B of average deposits, commercial loans declined, reflecting the impact of lower client loan utilization while deposits grew due to the benefit of our strategic sales effort.

Trading & Underwriting Net Revenues vs. Market Value Exposure

August 3, 2010 to October 29, 2010 (Presented on a Pre-Tax Basis)



The largest daily revenue gains for the quarter are as follows:

- **September 20 – C$22.4MM:** Reflects normal trading activity and credit valuation adjustments.
- **September 30 – C$45.6MM:** Reflects normal trading activity, fee income and valuation adjustments.
- **October 14 – C$24.4MM:** Reflects normal trading activity and credit valuation adjustments.

The largest daily loss for the quarter was **October 29 – C$(13.5)MM** which reflects normal trading activity and valuation and other adjustments.

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