

Personal & Commercial Banking – Canada Investor Day



Defining great customer experience.

BMO  Financial Group

September 17 • 2009

Forward Looking Statements

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 2009 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 30 and 31 of the BMO 2008 Annual Report, which outlines in detail certain key factors that may affect our 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.

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 in our Third Quarter 2009 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.

Agenda

- | | |
|-------------------------|---|
| Bill Downe | • President & CEO, BMO Financial Group |
| Frank Techar | • President & CEO
Personal & Commercial Banking – Canada |
| Maurice Hudon | • Senior Executive Vice President |
| Lynne Kilpatrick | • Senior Vice President – Personal Banking |
| Gail Cocker | • Senior Vice President – Commercial Banking |
| Mike Kitchen | • Senior Vice President – P&C Products |
| François Hudon | • Senior Vice President – Québec Division |
| Wendy Millar | • Executive Vice President & Chief Risk Officer |
| | • Closing Remarks and Q&A |

Personal & Commercial Banking – Canada Investor Day



Frank Techar

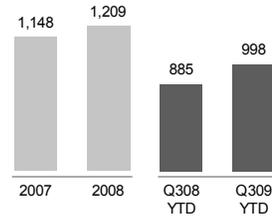
*President & Chief Executive Officer
Personal & Commercial Banking Canada*

Personal & Commercial Banking – Canada

- Largest contributor to total bank revenue and net income
- 16,100 employees
- Over 7 million customers
- 903 branches and 2,029 ABMs

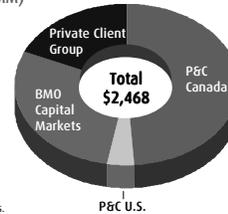


P&C Canada Net Income*
(C\$MM)



- Powerhouse commercial banking business
- Best everyday banking offer
- Largest MasterCard issuer in Canada
- Industry leading loyalty program – AIR MILES®
- Industry leading credit risk management practices

Net Income by Operating Group
F2008 As Reported
(C\$MM)



* All numbers in this presentation include movement of Term Investments business to P&C Canada and exclusion of Insurance business. 2008 results restated to reflect Basel II capital methodology. Prior years not restated.

Executing on a Clear Vision & Strategy

Our Vision

To be the bank that defines great customer experience.

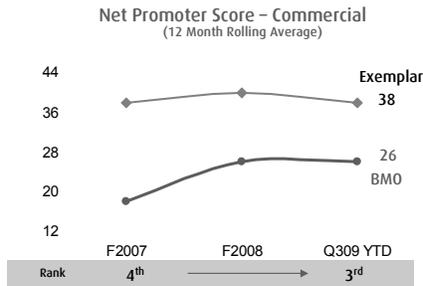
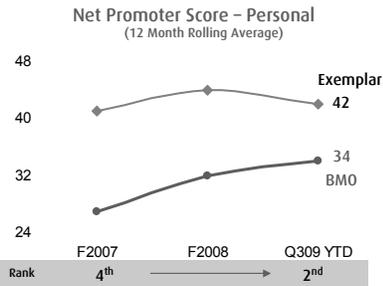
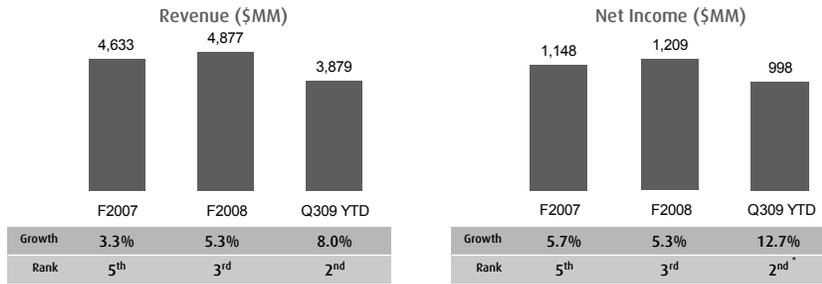
Our Strategy

We will win in Canada through the quality and consistency of our customer experience and through the most productive sales force and distribution network in the country

Our Path to Differentiation

1. Excel at sales leadership and performance management
2. Leverage customer insights to develop attractive offers and marketing program results
3. Focus investments and allocate resources to capitalize on highest value sales and distribution opportunities
4. Redesign core processes and leverage technology to improve the customer experience, free up front line capacity, and reduce operating costs
5. Build best-in-class Human Resources capabilities and develop strong line leaders
6. Maintain superior credit risk management position

Continuing to Make Gains on the Competition



* Net income ranking using actual losses

Transforming BMO: One Vision - One Brand

How do I earn more on my savings?
The BMO Smart Saver Account
Available exclusively online at bmo.com/savings

BMO First Morning Express

One business banking solution does not fit all.

Collect when you pay, however you pay.

Customers want a bank that helps them make better financial decisions

Making Money Make Sense™

Personal & Commercial Banking – Canada Investor Day



Mortgage Update

Maurice Hudon

Senior Executive Vice President
P&C Canada



September 17 • 2009

Mortgages – Core Customer Offer

Meeting our customers' needs to buy a home and help them choose the best mortgage solution that suits their needs

- \$63 billion mortgage book
- Competitive product suite to meet customers' needs



Mortgages – Improved Performance

		2007 – 2009
<input checked="" type="checkbox"/> Growing the mortgage business profitably	BMO originated balances	↑ 5.2%
	Number of mortgage specialists – Target 2010	330
<input checked="" type="checkbox"/> Driving improved share of wallet	Products per customer	2.16 (up from 1.74)
	Insurance penetration	58.5% (up from 54%)
<input checked="" type="checkbox"/> Increasing mortgage spreads	Spread on BMO originated balances	↑ 11 bps

Personal & Commercial Banking – Canada Investor Day



Personal Banking

Lynne Kilpatrick

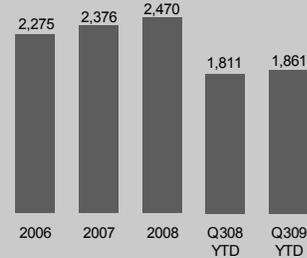
*Senior Vice President
Personal Banking*

Driving Growth Through Customer Experience

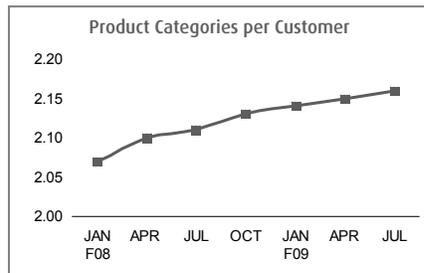
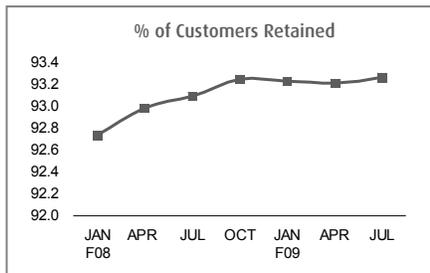
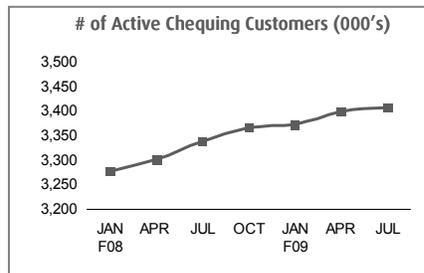
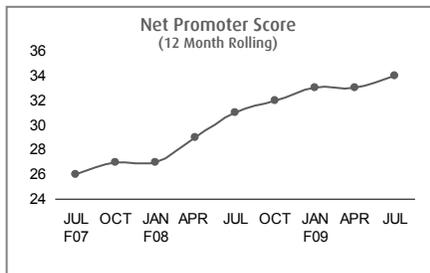


- Providing tools, training and performance management systems for branch staff
- Marketing campaigns geared toward customer acquisition and growing share of wallet
- Strong, brand-centric offers:
 - ▶ SmartSteps
 - ▶ First Home Essentials
 - ▶ Registered Disability Savings Plan

Personal Banking Revenue (C\$MM)

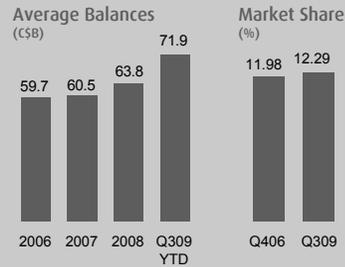


Personal Banking – Customer Metrics



Personal Banking – Deposit Growth

Personal Deposits



**How do I
earn more on
my savings?**

The BMO Smart Saver Account
Available exclusively online
at bmo.com/savings

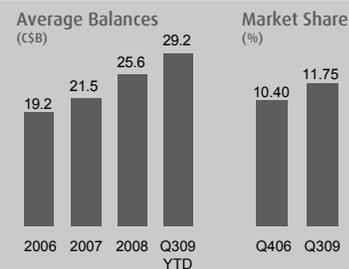


BMO Bank of Montreal
Making money make sense™

- Average deposit balances of \$72B, up 14% from 2008
- Improvement from all parts of deposit book
- BMO SmartSaver account generated \$2B deposit balances since inception
- Introduced virtual account opening
- Raised \$4B personal term deposits since fall 2008

Personal Banking – Lending

Personal Loans



- \$29B personal loan book
- High spread business
- Market share increased 135 bps over last 3 years
- Share decline in 2009 due to deliberate management actions to protect quality of loan book
- Re-pricing actions resulted in margin increase of 14 bps



Shoulda Woulda Coulda

Your home can turn what's important to you into a reality with **Homeowner ReadLine®**

[Learn More ▶](#)

BMO Bank of Montreal

Personal & Commercial Banking – Canada Investor Day



Commercial Banking

Gail Cocker

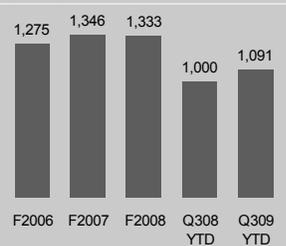
*Senior Vice President
Commercial Banking*

BMO  Financial Group

September 17 • 2009

Commercial Banking – Focused and Delivering

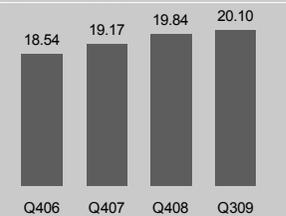
Commercial Banking Revenue
(C\$MM)



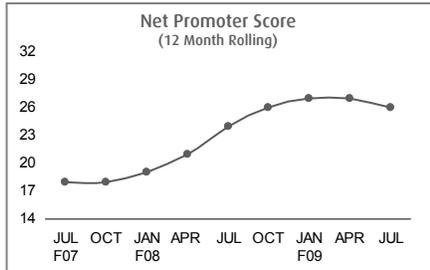
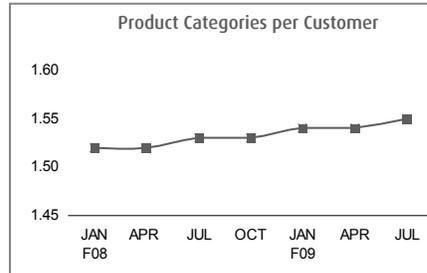
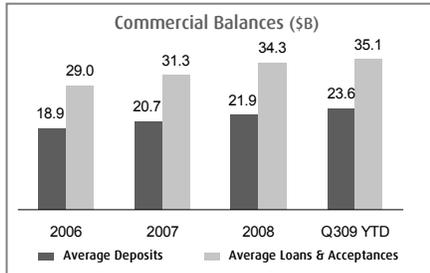
*BMO is a valued partner in helping
Canadian businesses grow and
prosper*

- Powerhouse commercial banking business
- Strong revenue growth
- #2 market position and growing - surpassed 20% market share in Q3 09
- Stellar loan loss performance

Business Loans Market Share
(\$0 - \$5MM) (%)



Commercial Banking – Customer Metrics



- Closing the gap to our competition on customer loyalty
- YTD referrals to personal banking partners up 160%
- YTD referrals to wealth management partners up 220%

Driving Growth Through Customer Experience

Shifting focus from “just lending” to a full suite of solutions

- Consistent and aligned performance management system
- Increased capability of sales force
- Customer tools and offers to help customers run their businesses
 - ▶ Business Coach Podcasts
 - ▶ Packaged solutions



Personal & Commercial Banking – Canada Investor Day



Credit Cards

Mike Kitchen

*Senior Vice President
P&C Products*

BMO  Financial Group

September 17 • 2009

Credit Cards – Building on Success

 		
Compound Annual Growth Rate (CAGR)	2006 – 2008	2002 – 2005
Active Account Growth	↑ 5%	0%
Balance Growth	↑ 13%	↑ 7%
Growth in Card Purchases	↑ 11%	↑ 11%
Revenue Growth *	↑ 12%	↑ 7%

* Excludes One-time Air Miles charges of \$65MM in '04 and \$40MM in '05.

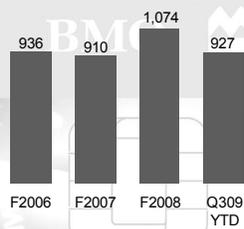
Cards Strategy – Delivering Strong Organic Growth

Elements of Success	BMO's Strategy
Quality of reward or loyalty program	<p>Improve breadth and competitiveness of BMO's rewards program</p> <ul style="list-style-type: none"> ✓ AIR MILES rewards ✓ Student Price Card ✓ Shell Partnership
Cost to the consumer	<p>Maintain an advantaged position in customer offerings</p> <ul style="list-style-type: none"> ✓ Interest rate options ✓ Annual fee options ✓ Customer choice
Trusted financial institution	<p>Utilize strength of BMO's distribution system to increase new business</p> <ul style="list-style-type: none"> ✓ 903 BMO Bank of Montreal branches ✓ Sales targets



Credit Cards – Strong and Successful Business

Cards & Payment Service Revenue (C\$MM)



Cards Balance Growth (%)



- Largest MasterCard issuer in Canada
- 3rd Largest credit card issuer in Canada
- Strong financial performance
- Best in class product offering
- Prudent credit management and lower credit loss rates

Bringing Clarity to Customers

- Simplified credit card suite to 7 key products
- Improved sales tools
- Created better connections with deposit accounts
- Improved competitive position of Bank of Montreal's AIR MILES® offer

More ways to collect.



BMO Bank of Montreal
Making money make sense.



Collect when you pay, however you pay.



At BMO, Bank of Montreal, you're always collecting. Now that you use your AIR MILES® reward miles with both your BMO debit card and your BMO Gold AIR MILES® MasterCard®, you can collect faster and to your favorite destination sooner.

Ask us for details.

BMO Bank of Montreal
Making money make sense.

Driving Growth Through Customer Experience



- ✓ Strong foundation and success
- ✓ Very strong product line reflects BMO's Brand Promise
- ✓ Competitive product offering
- ✓ Encourages deeper customer relationships
- ✓ Well positioned for future growth

Personal & Commercial Banking – Canada Investor Day



Productivity & Performance Management

François Hudon

*Senior Vice President
Québec Division*

BMO  Financial Group

September 17 • 2009

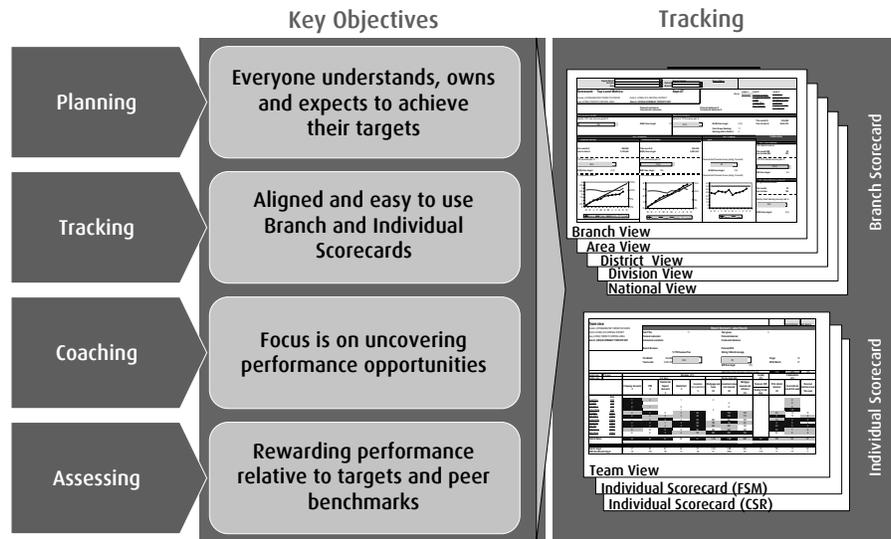
Québec Market – Overview

- 145 branches
- 2,000 employees
- Strong presence on the Island of Montréal
- Smaller-sized transactions compared to rest of Canada
- Two major competitors dominate two-thirds of the market



The BMO brand has strong corporate resonance in the Québec market and is highly respected

Managing for Superior Performance



Performance Management Delivering Results

Québec Division	2007 – 2009
Sales per FTE	↑ 19%
New mortgage sales	↑ 20%
Creditor insurance sales	↑ 10%
MasterCard sales	↑ 28%
New chequing customers	↑ 11%
Commercial borrowing customers	↑ 13%

Personal & Commercial Banking – Canada Investor Day



Risk Management

Wendy Millar

Executive Vice President and Chief Risk Officer

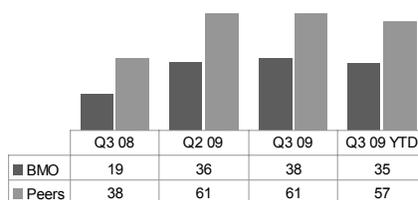
BMO  Financial Group

September 17 • 2009

Canadian Credit Performance – Leading the way

BMO – Lowest Loan Losses in the Industry

Personal & Commercial - Canada
Comparative PCL
Actual Loss (bps)



- P&C Canada's YTD PCL performance ranks first among peers and outperformed the industry average by a margin of over 20bps
- BMO ranks first in personal instalment loans and personal lines of credit consistently for the past several years
- Mortgage performance is on par with industry average
- Credit Cards performance YTD is more than 100 bps better than industry average

Loan Losses	2004	2005	2006	2007	2008	Q2 09 YTD*
Total Instalment & Personal Lines of Credit						
P&C Canada (bps)	23	16	17	17	19	27
Rank	1	1	1	1	1	1

* Latest comparatives available
Peers are: RBC, TD, CIBC & BNS.

BMO  Financial Group

Personal & Commercial Banking Canada – Investor Day September 17, 2009

32

Best in Class Credit Risk Management

Provides top credit risk performance for the Bank AND Customers with access to financing solutions consistently throughout the cycle....

Key Differentiators:

- Best in the industry credit training
- Decentralized credit decisions
- Independence of credit function
- Advanced modelling capabilities utilized to optimize risk/return
- Effective management of high risk accounts
 - ▶ Early identification of high risk customers
 - ▶ Customer focused approach:
 - 15% - 20% commercial customer repatriation through the cycle
 - 96% retail customer resolution

Personal & Commercial Banking – Canada Investor Day



Q&A



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 ■ wiki.lazaris@bmo.com

STEVEN BONIN
Director
416.867.5452 ■ steven.bonin@bmo.com

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

BMO  Financial Group