Investor Presentation

Q2 | 10

BMO

May 26 • 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.

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 Second 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 certain 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 Second 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, cash operating leverage, cash ROE 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

Q2|10

Bill Downe
President & Chief Executive Officer
BMO Financial Group

May 26 • 2010

Financial Results

Performance reflects the success achieved in delivering on our brand promise

C$MM unless otherwise indicated	Q2 2010	Q1 2010	Q2 2009
Revenue	3,049	3,025	2,655
Expense	1,830	1,839	1,888
PCL	249	333	372
Net Income	745	657	358
Cash EPS ($)	1.28	1.13	0.63
ROE (%)	16.4	14.3	8.1
Tier 1 Capital Ratio (%)	13.3	12.5	10.7
TCE / RWA Ratio (%)	9.8	9.5	8.2

- Robust top-line growth
- Continued focus on disciplined expense control
- Credit losses better than anticipated
- Strong capital position

Operating Group Highlights

Strong performance and positioned for future growth

P&C Canada

- Strong year-over-year performance with revenue growth of 10%
- Delivering strong revenue growth for 7 consecutive quarters
- Diners Club integration going well
- New product offers in both cards and mortgages

P&C U.S.

- Net income of US$45MM, reflects realignment of commercial accounts
- FDIC-assisted acquisition:
  - Expand branch network
  - # 1 position in Rockford, IL and strong position in Madison, WI
  - Integration on track
  - Positive reception from new customers and employees

Private Client Group

- Revenue growth of 19% year-over-year
- Success in attracting new client assets
- AUM and AUA up $45B or 20%, after adjusting for the weaker U.S. dollar

BMO Capital Markets

- Strong results year-over-year and quarter-over-quarter
- Strong trading reflects ability to capitalize on the market environment
- Investment banking pipeline is building

U.S. Commercial Banking Initiative

Capitalizing on an emerging growth opportunity

Change the client service and coverage model

- Deepen customer relationships
- Cross sell other products
- Leverage strong platform to a wider footprint

Increase market share

- Acquiring new customers with full banking relationships
- "Bank for Business"

Improve productivity and efficiencies

- Better alignment of costs with customer value

Looking Ahead…

Relentless focus on delivering an excellent customer experience across all the markets we serve

- Clearly defined brand
- Strong capital position
- Continuing to drive solid revenue and balance sheet growth
- Improving credit performance with some variability anticipated
- Investing in all of our businesses while remaining focused on expense control
- Committed to growing organically and through acquisition and being opportunistic in this environment

Financial Results

Q2|10

Russ Robertson
Chief Financial Officer
BMO Financial Group

Financial Highlights

Strong second quarter results

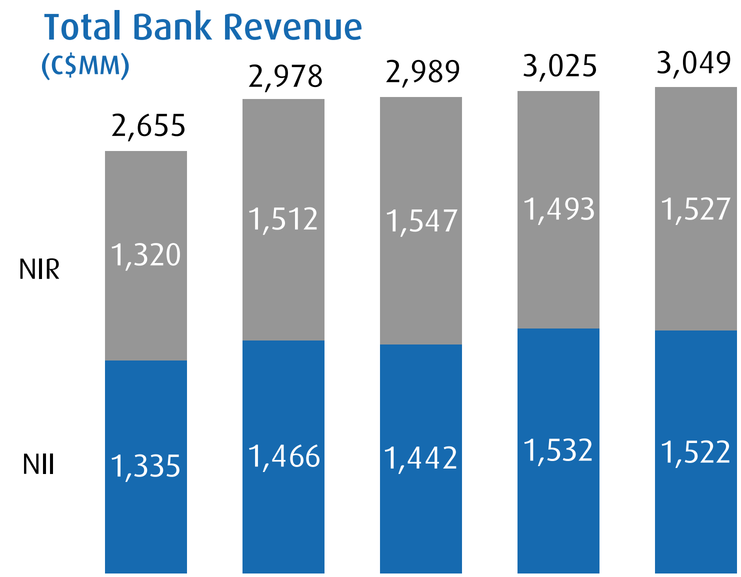
	Net Income	EPS	Cash EPS	ROE	Cash Productivity	Cash Operating Leverage	Total PCL	Tier 1 Capital Ratio (Basel II)
Q2 10	**$745MM**	**$1.26**	**$1.28**	**16.4%**	**59.7%**	**17.7%**	**$249MM**	**13.27%**

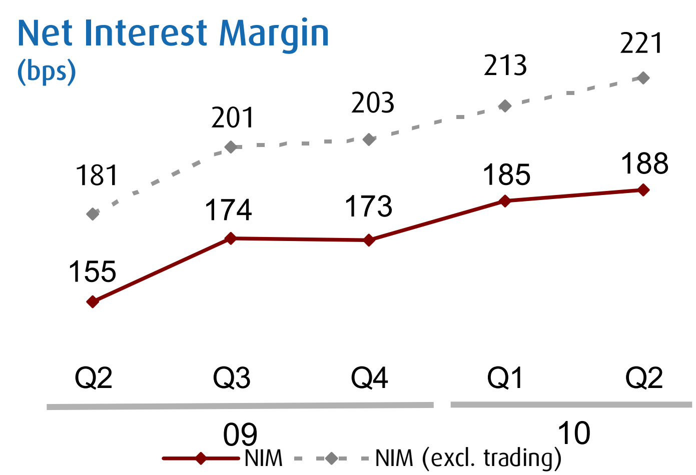
- Fifth consecutive quarter of higher revenues and net income
- P&C Canada continues to perform well
- PCG revenue strong with higher AUA/AUM balances
- Good results in BMO CM with strong trading revenue
- Provisions for credit losses continue improving trend
- ROE continues to improve
- Tier 1 Capital Ratio remains strong
- Announced FDIC-assisted acquisition

Revenue

Continued top-line growth and strong margins

- Revenues up 15% Y/Y and 0.8% Q/Q.
- Strong margin growth Y/Y driven by higher volumes in more profitable products and higher mortgage refinancing fees in P&C Canada; improved loan spreads despite lower loan balances in P&C US; as well as lower negative carry in Corporate Services as well as more stable market conditions and the lower impact of the prior year's funding activities.
- Margin improvement Q/Q driven primarily by Corporate Services due to the lower impact of the prior year's funding activities to enhance the bank's liquidity position.
- Y/Y improvement in NIR driven by improved trading revenues and investment securities gains in BMO CM; volume growth and the inclusion of Diners Club in P&C Canada; and strong results across all lines of businesses from PCG. Capital markets environment charges impacted trading revenue results in Q2 09.
- Q/Q improvement in NIR driven by strong growth in trading revenues in BMO CM and growth in card fees in P&C Canada, due in part to the inclusion of Diners Club.
- Weaker US dollar decreased growth by $157MM or 6.0% Y/Y and $23MM or 0.8% Q/Q.



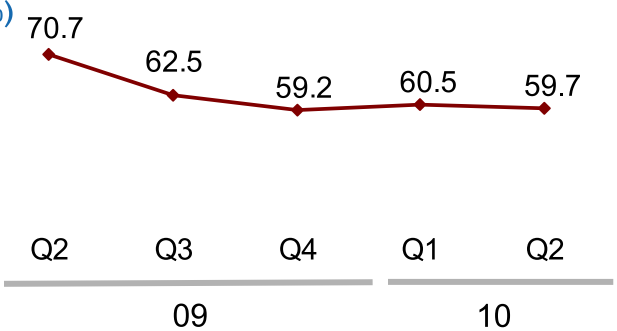


Non-Interest Expense

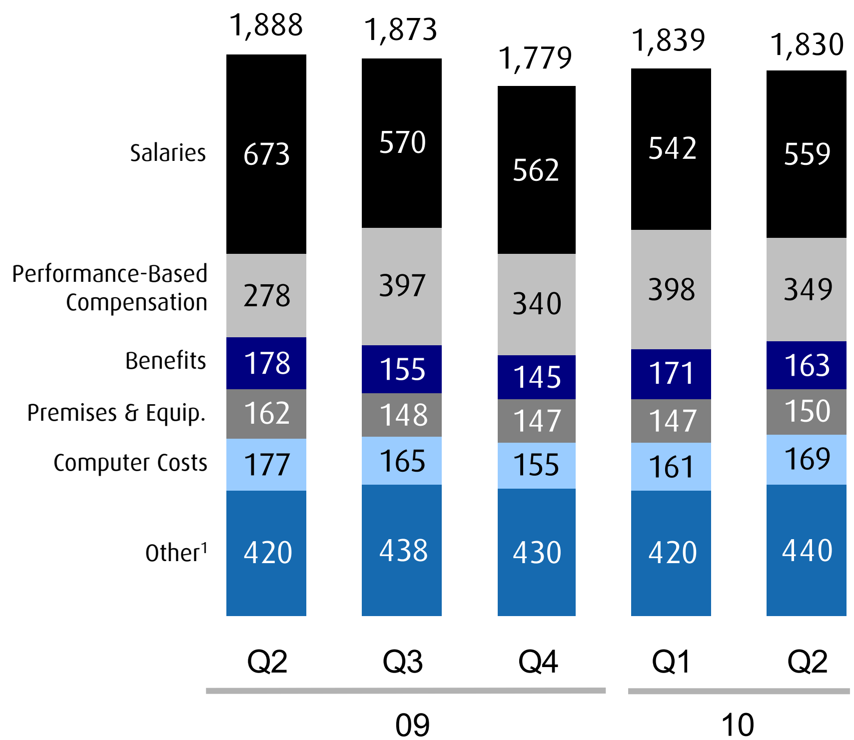
Expenses continue to be well managed

- Y/Y lower employee, premises and equipment costs including computer costs were offset by higher performance-based compensation – in-line with improved performance – and a more modest severance charge largely in BMO CM. Q2 09 included a $118MM severance charge in Corporate Services.
- Q/Q lower employee costs and savings from three fewer days were offset by increased severance costs as well as modest increases in computer, communications and travel costs.
- Q1 10 included $51MM charge related to stock-based compensation costs for employees eligible to retire (booked in performance-based compensation).
- Weaker U.S. dollar decreased expenses by $92MM Y/Y and $13MM Q/Q.

Cash Productivity Ratio
(%)



Total Bank Non-Interest Expense
(C$MM)



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

Realignment of U.S. Commercial Banking

Leverages Harris' strong reputation as a commercial lender

- Transferred certain U.S. mid-market clients from BMO CM to P&C U.S. to better serve their needs.
- P&C U.S. assumed US$6.4B of assets and US$3.2B of deposits from BMO CM.
- Opportunity to deepen relationships with commercial customers and win new business by increasing focus on traditional commercial banking activities (lending, loan syndications, cash management).
- Aligns costs with customer value and improves productivity and efficiency through synergies from a single operating model.

Q2 10

	Prior to Transfer		As Reported
(US$MM)	P&C US	Transfer	P&C US
Revenue	237	89	326
PCL	17	12	29
Expenses	199	29	228
Provision for Taxes	8	16	24
Net Income	**13**	**32**	**45**
Total Average Assets	24,369	6,402	30,771
Average Current Loans & Acceptances	18,896	5,679[1]	24,575
Average Deposits	21,112	3,166	24,278
Cash Productivity	81.6%	32.9%	68.3%

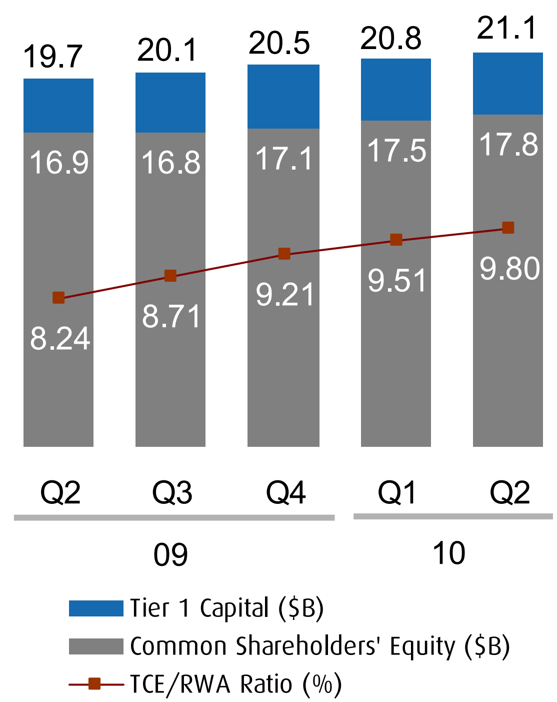
[1]Includes US$5,360MM of loans and US$319MM of acceptances

Capital & Risk Weighted Assets

Capital ratios remain strong

Basel II	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
Tier 1 Capital Ratio (%)	10.70	11.71	12.24	12.53	13.27
Total Capital Ratio (%)	13.20	14.32	14.87	14.82	15.69
Assets-to-Capital Multiple (x)	15.38	14.91	14.09	14.67	14.23
RWA ($B)	184.6	171.6	167.2	165.7	159.1
Total As At Assets ($B)	432.2	415.4	388.5	398.6	390.2
Tangible Common Equity-to-RWA (%)	8.24	8.71	9.21	9.51	9.80

Basel II Tier 1 Capital & Common Shareholders' Equity



Operating Groups – Q2 10 Quick Facts

P&C Canada

- Revenue growth of **10%** Y/Y
- Net income growth of **16%** Y/Y
- Cash productivity ratio of **51.0%**
- Net interest margin of **291 bps** – up **10 bps** Y/Y
- Volume growth across most products Y/Y

Private Client Group

- Revenue growth of **19%** Y/Y
- Net income growth of **64%** Y/Y
- AUA / AUM up **20%** Y/Y or **$45B** adjusting to exclude the impact of the weaker US dollar
- Equity markets continue to improve
- Strong contribution from insurance businesses

P&C U.S.

- Core[1] net income **US$61MM**
- Core[1] cash productivity ratio of **62.3%**
- Net interest margin of **355 bps** – up **19 bps** Q/Q & **29 bps** Y/Y
- FDIC-assisted acquisition - **US$2.0B** of loans (recorded at fair value of **US$1.5B**) and **US$2.2B** of deposits
- Transfer of **US$6.4B** assets & **US$3.2B** deposits from BMO CM as a result of commercial account realignment

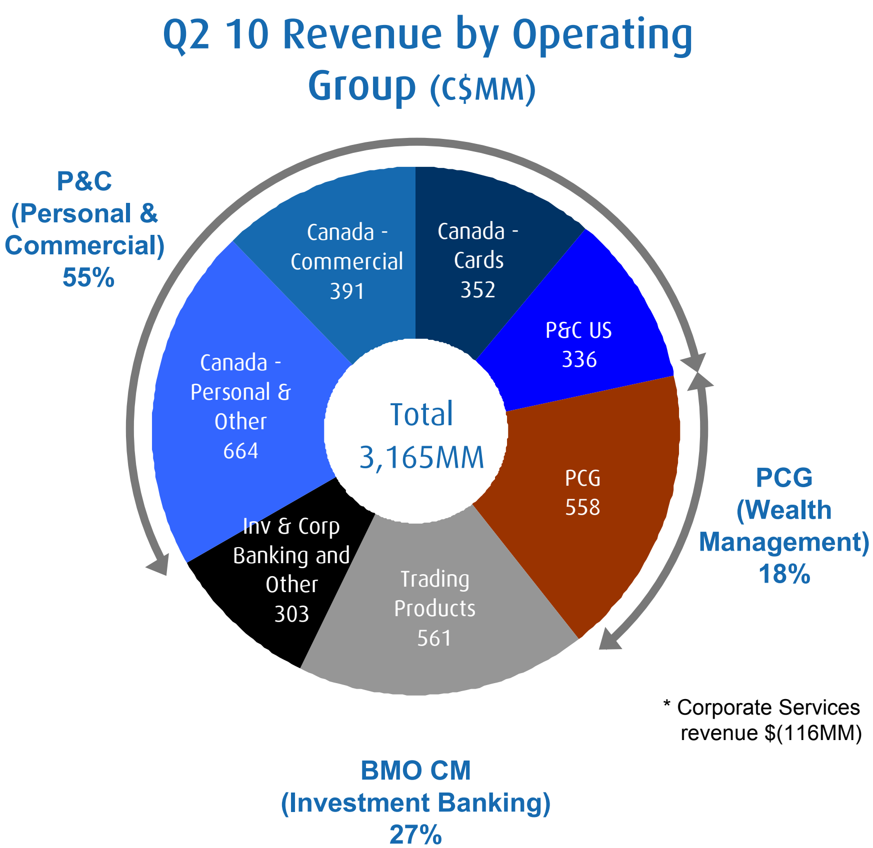
BMO Capital Markets

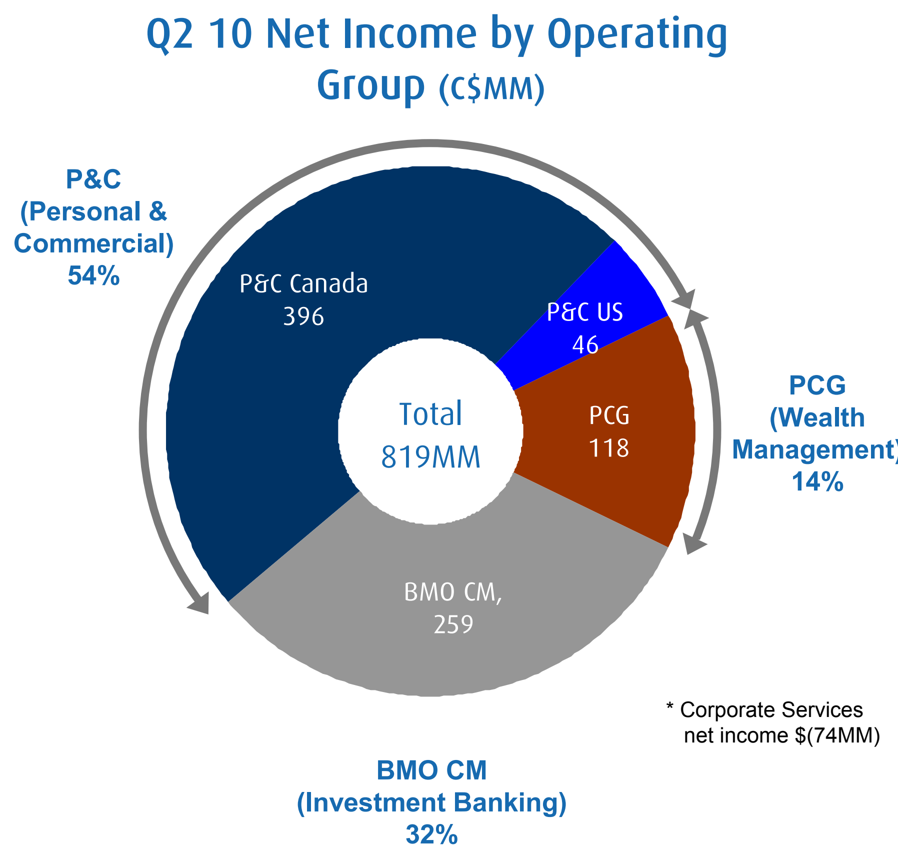
- Revenue growth of **28%** Y/Y
- Net income growth of **38%** Y/Y
- Q2 09 results impacted by capital markets environment charges
- Higher trading revenues
- Transfer of commercial accounts to P&C US allows CM to focus on competitive advantage in select sectors

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

Operating Group Performance

Over 70% of revenues from retail businesses in Canada and the US (P&C and PCG)





* 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.

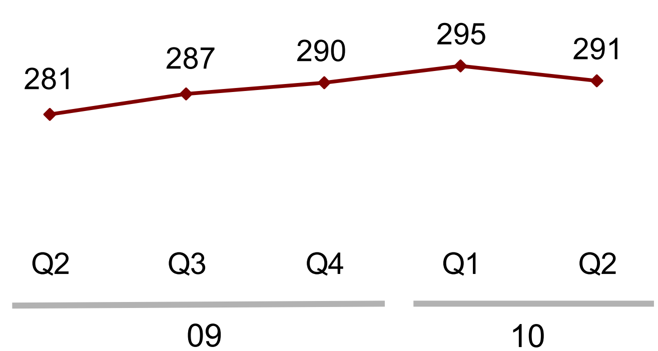
Personal & Commercial Banking - Canada

Continued strong revenue and net income growth

As Reported ($MM)	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	1,281	1,362	1,383	1,411	**1,407**	--	10%
PCL	93	97	102	120	**121**	(1)%	(31)%
Expenses	692	735	706	709	**719**	(1)%	(4)%
Provision for Taxes	156	168	177	179	**171**	2%	(11)%
Net Income	**340**	**362**	**398**	**403**	**396**	(2)%	16%
Cash Productivity (%)	54.0	53.8	51.0	50.2	**51.0**		

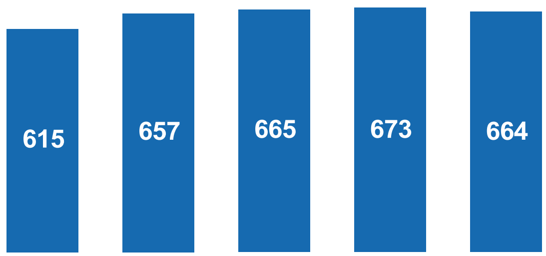
- Continue to deliver strong revenue growth of 10.0% and net income growth of 16.4% Y/Y.
- Maintaining strong margin while volume growth continues.
- Cash productivity expected to remain in the low 50 per cent range for 2010.
- Higher initiative costs funded by lower FTE as a result of good expense management.

Net Interest Margin
(bps)



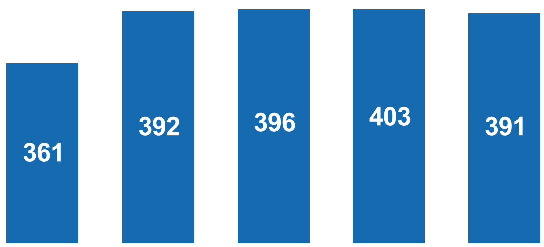
Personal & Commercial Banking - Canada

Revenue by Business ($MM)



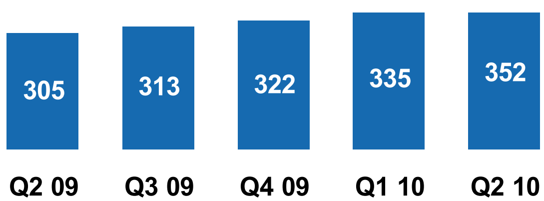
Personal (↑ $49MM or 8.3% Y/Y; ↓ $9MM or 1.1% Q/Q)

- Y/Y increase driven by volume growth in higher-spread loans and deposits, higher mutual funds revenue and higher mortgage refinancing fees.
- Q/Q decrease driven by 3 fewer days partially offset by higher mortgage refinancing fees.



Commercial (↑ $30MM or 8.5% Y/Y; ↓ $12MM or 2.7% Q/Q)

- Y/Y increase driven by volume growth in deposits, higher loan and deposit fees and higher mortgage refinancing fees.
- Q/Q decrease due to 3 fewer days.



Cards & Payment Service (↑ $47MM or 15.3% Y/Y; ↑ $17MM or 5.0% 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 the addition of Diners Club.

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

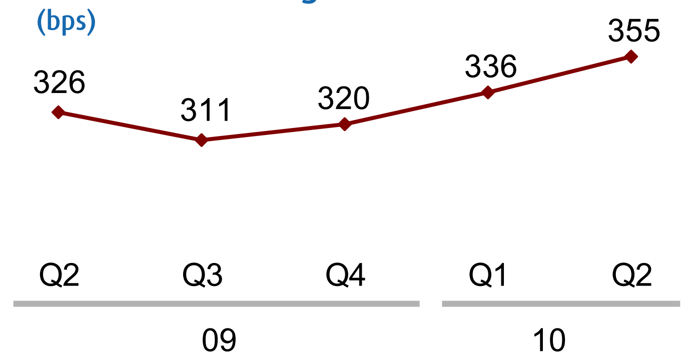
Personal & Commercial Banking - U.S.

Maintaining solid earnings through focused expense management

As Reported (US$MM)	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	342	327	323	330	**326**	(1)%	(5)%
PCL	19	20	21	30	**29**	1%	(60)%
Expenses	221	227	230	229	**228**	1%	(3)%
Provision for Taxes	37	27	25	23	**24**	1%	38%
Net Income	65	53	47	48	**45**	(6)%	(31)%
Core[1] Net Income	78	65	58	63	**61**	(3)%	(22)%
Cash Productivity (%)	62.1	67.0	69.2	67.8	**68.3**		
Core[1] Cash Productivity (%)	58.0	62.0	65.6	61.9	**62.3**		

- Revenues from improved loan spreads were more than offset by the decline in commercial loan balances due to lower client loan utilization, deposit spread compression and the impact of impaired loans.
- Results impacted by increases in cost of managing impaired loans.
- Net interest margin improvement driven by an increase in loan spreads despite lower loan balances, partially offset by deposit spread compression.

Net Interest Margin
(bps)



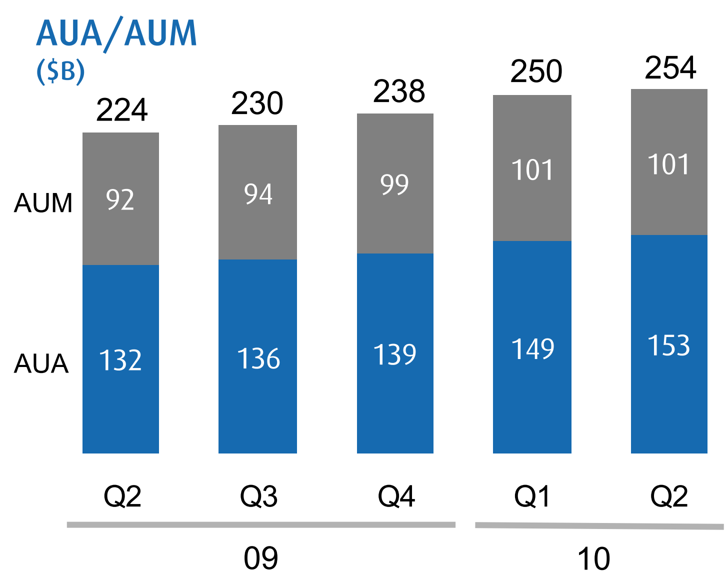
[1] Core: As reported results less impact of impaired loans, Visa and acquisition integration

Private Client Group

Strong net income growth from improving equity markets and attracting new client assets

As Reported ($MM)	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	467	521	545	550	**558**	1%	19%
PCL	2	1	1	2	**2**	--	--
Expenses	370	402	403	398	**398**	--	(7)%
Provision for Taxes	23	5*	35	37	**40**	(7)%	(78)%
Net Income	**72**	**113**	**106**	**113**	**118**	4%	64%
Cash Productivity (%)	79.2	76.7	74.0	72.0	71.2		

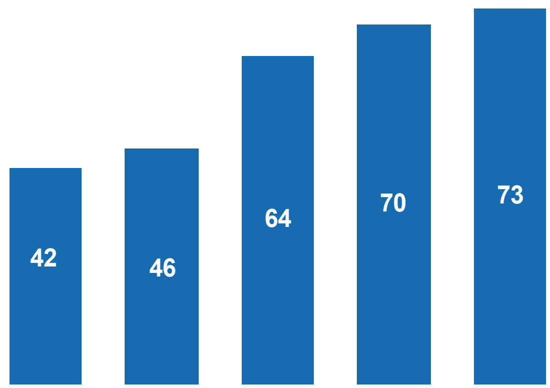
- Strong 64% net income growth, with all businesses growing revenue.
- Assets under management and assets under administration increased 20% over the prior year and 3% over the prior quarter excluding the impact of the weaker US dollar.
- Cash productivity of 71.2% continues to improve with an 800 bps improvement over the prior year and 80 bps over the preceding quarter.



*Q3 09 benefited from a $23 million recovery of prior periods' income taxes.

Private Client Group

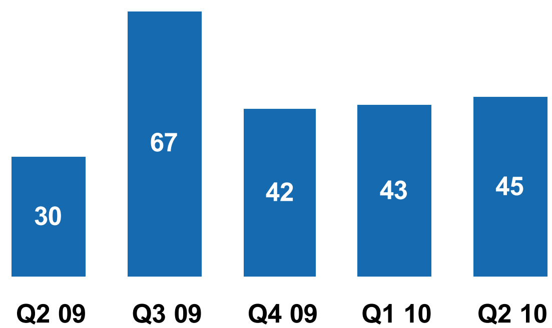
Net Income by Business ($MM)



PCG Excluding Insurance

(↑ $31MM or 79% Y/Y, ↑ $3MM or 5% Q/Q)

- Net income grew 79% Y/Y due to a focus on attracting new client assets, continued improvement in equity markets and active expense management.
- Net income grew 5% Q/Q due primarily to commission revenue in full-service investing partially offset by the effects of fewer days in the current quarter.



Insurance

(↑ $15MM or 43% Y/Y, ↑ $2MM or 2% Q/Q)

- Net income grew 43% Y/Y, half due to organic growth in BMO Life Insurance and half due to the BMO Life Assurance acquisition.
- Q3 09 benefited from a $23MM recovery of prior periods' income taxes.

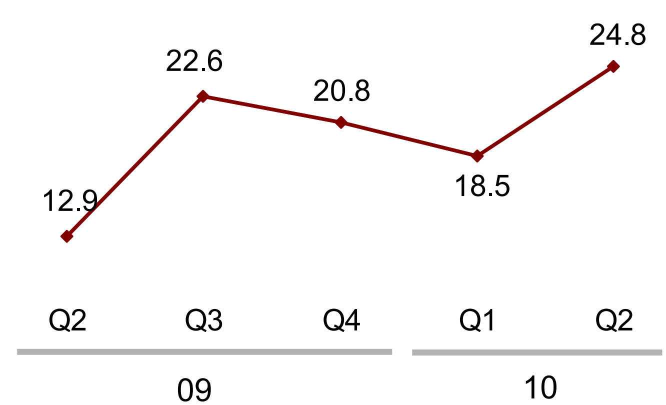
BMO Capital Markets

Continued strong revenue performance due to focus on clients & maintaining a diversified portfolio

As Reported ($MM)	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	678	942	814	827	**864**	5%	27%
PCL	39	37	33	65	**67**	(2)%	(74)%
Expenses	419	482	404	470	**469**	--	(12)%
Provision for Taxes	32	113	117	78	**69**	11%	+(100)%
Net Income	**188**	**310**	**260**	**214**	**259**	21%	38%
Cash Productivity (%)	61.9	51.2	49.5	56.8	**54.2**		

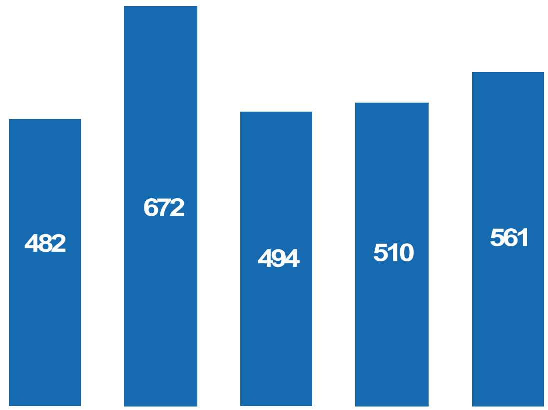
- Significant increase in trading revenues and net investment securities gains compared to losses a year ago, partially offset by lower corporate banking revenues.
- Y/Y higher expenses reflect increased employee costs including higher severance and higher variable compensation costs in line with revenue performance.
- Lower taxes Q/Q due to a higher proportion of tax-exempt income.

Cash Return on Equity
(%)



BMO Capital Markets

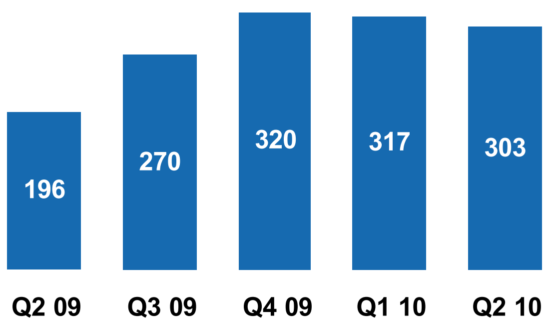
Revenue by Business ($MM)



Trading Products

(↑ $79MM or 16% Y/Y, ↑ $51MM or 10% Q/Q)

- Y/Y higher revenue as the prior year included significant negative valuation adjustments, including a loss of $215MM related to our credit protection vehicle. On an adjusted basis, revenues were elevated in Q2 09 as certain trading businesses took advantage of opportunities provided by market dislocation. In Q2 10, trading performance remains strong although below Q2 09. Revenues from our interest-rate-sensitive businesses have decreased from elevated levels due to narrower spreads and reduced asset levels. Commission fees are flat while net investment securities gains have increased.
- Q/Q higher revenue primarily due to higher interest rate trading revenue from improved market opportunities, as well as increased net investment securities gains, partially offset by lower commission fees and debt underwriting fees.



Investment & Corporate Banking

(↑ $107 MM or 55% Y/Y, ↓ $14MM or 4% Q/Q)

- Y/Y higher revenue mainly due to reduced MTM losses on credit derivatives used to hedge the loan portfolio, and net investment securities gains this year whereas prior year included losses on some of our merchant banking assets. This was partially offset by lower corporate banking revenues from reduced asset levels and lending fees. Investment banking revenues were also softer in the quarter although revenues have increased on a year to date basis.
- Q/Q lower revenue mainly due to decreased M&A activity, reduced lending fees, and decreased net investment securities gains on some of our merchant banking assets.

Corporate Services (Including Technology and Operations)

Lower PCL, improved revenue and lower expenses driving improved bottom line

As Reported ($MM)	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q/Q B/(W)	Y/Y B/(W)
Revenue	(197)	(210)	(103)	(112)	**(116)**	(4)%	40%
PCL – Specific	215	199	227	115	**28**	75%	87%
– General	--	60	--	--	**--**	--	--
Expenses	132	3	16	20	**9**	50%	93%
Provision for Taxes	(240)	(205)	(197)	(142)	**(97)**	(29)%	(59)%
Net Income	**(323)**	**(286)**	**(168)**	**(124)**	**(74)**	41%	77%

- Lower provisions for credit losses.
- Y/Y expense improvement driven by severance costs in the prior year.
- 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 and a reduced impact of the prior year's funding activities that enhanced our strong liquidity position, partly offset by lower securitization revenues.

Balance Sheet

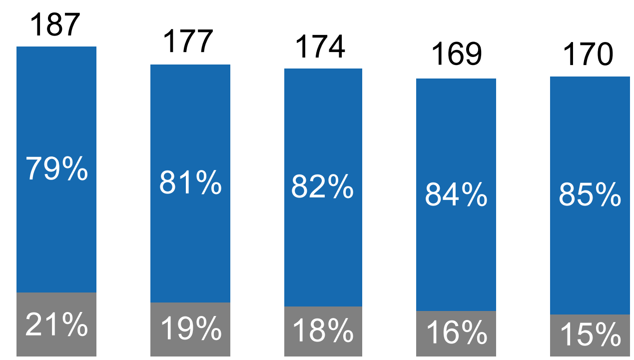
Average Net Loans & Acceptances
(↑ $1.1B Q/Q)

- Consumer instalment & other personal (↑ $0.9B)
- Residential mortgages (↑ $0.8B)
- Credit cards (↑ $0.2B)
- Businesses and governments (↓ $0.5B)
- Customers' liability under acceptances & allowance for credit losses (↓ $0.3B)
- The weaker U.S. dollar reduced balances by $1.4B

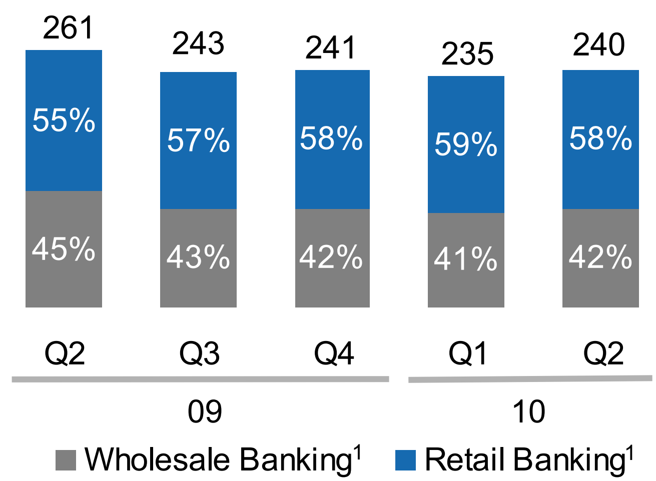
Average Deposits
(↑ $5.1B Q/Q)

- Businesses and governments (↑ $5.7B)
- Banks, used in trading activities (↑ $1.0B)
- Individuals (↓ $1.6B)
- The weaker U.S. dollar reduced balances by $2.7B

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

Q2|10

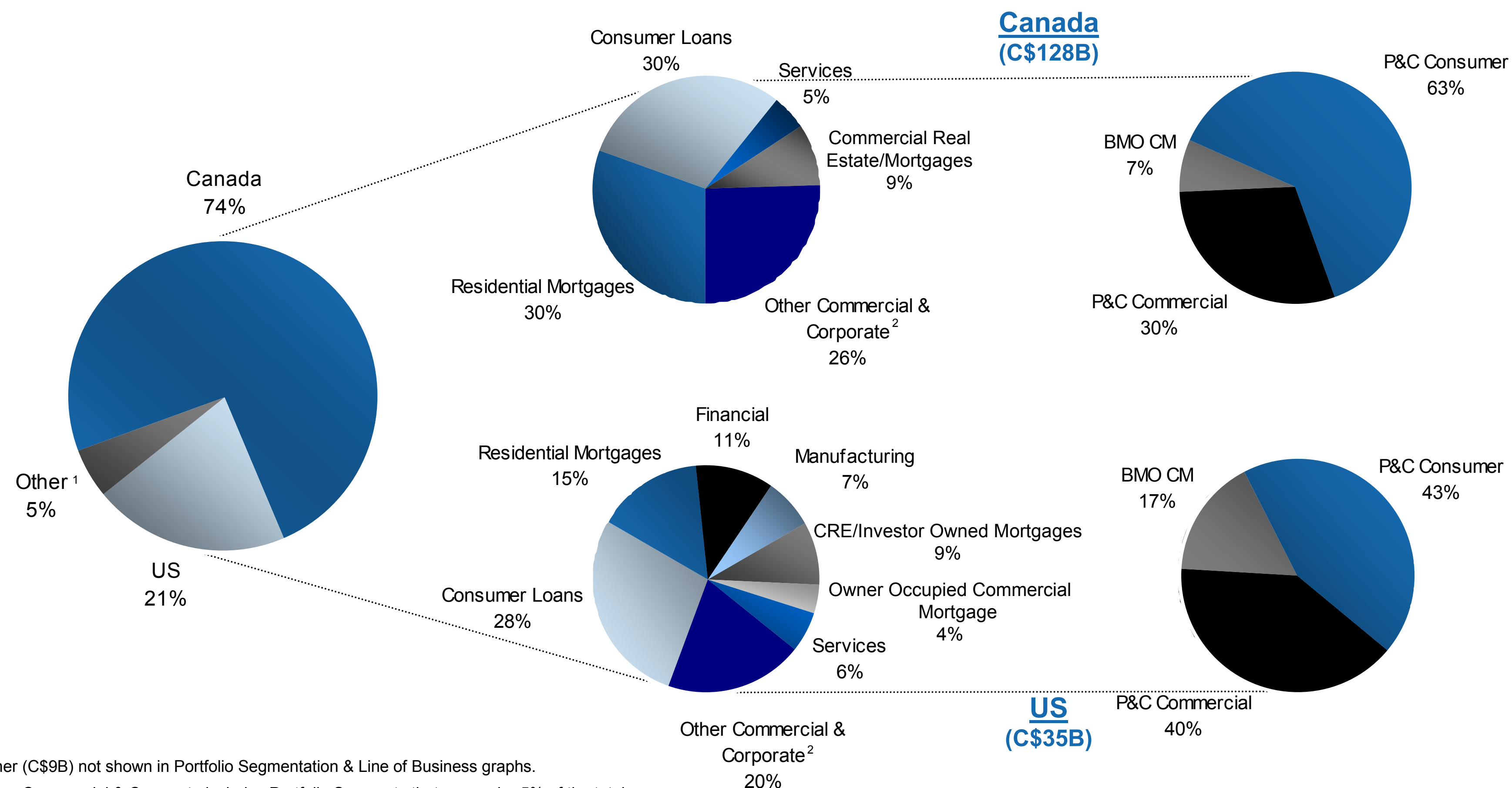
Tom Flynn
Executive Vice President & Chief Risk Officer
BMO Financial Group

May 26 • 2010

Loan Portfolio – Well Diversified by Segment and Business

- Canadian and US portfolios well diversified. Canadian portfolio 74% of loans, US portfolio 21% loans.
- P&C banking business represents the majority of loans.
    - Retail portfolios are predominantly secured - 85% in Canada and 99% in the US.

By Geography (C$172B) | **By Segment** | **By Line of Business**

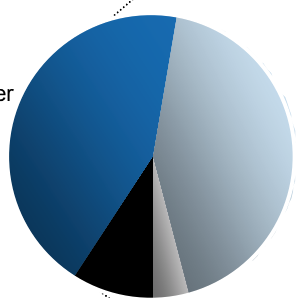


1 Other (C$9B) not shown in Portfolio Segmentation & Line of Business graphs.

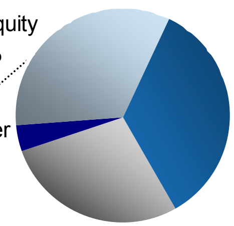
2 Other Commercial & Corporate includes Portfolio Segments that are each <5% of the total, also our US portfolio includes ~C$1.5B related to the recently acquired portfolio which contains both Consumer & Commercial loans.

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

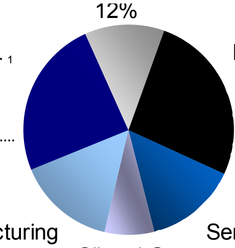
Total US Loans Outstanding
US $34.7B
21% of Consolidated Loans
(April 30, 2010)



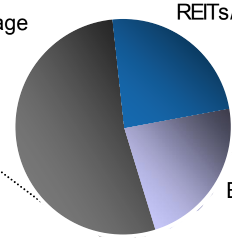
Consumer
(US$15.1B)



C&I
(US$16.4B)



Commercial Real Estate (CRE)
/Investor Owned Mortgages
(US$3.2B)



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

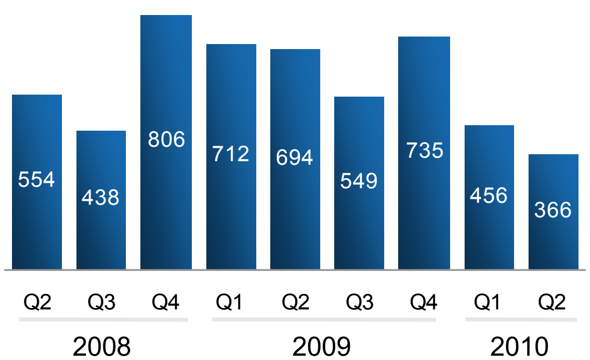
- Consumer portfolios: $15.1B
  - Residential real estate market remains stressed but our underwriting was more conservative than most, and performance is better than peers.
  - Auto portfolio strong overall and relative to peers reflecting conservative underwriting.
- C&I portfolio: well diversified and performing reasonably considering environment.
- Commercial Real Estate/Investor Owned-Mortgages: $3.2B.
  - Portfolio not that large at 2% of BMO loans and 9% of US loans.
  - The Investor-Owned Mortgage component at $1.7B, is 5% of the US total. Prudent lending practices maintained. The portfolio is experiencing negative migration given strain on the sector.
  - Developer portfolio is under $1B and migration in it has slowed.
- Recently acquired portfolio, reflected in C&I - Other segment: ~$1.5B and reflected at market value.
  - Portfolio is ~23% Consumer loans, ~40% C&I & ~37% CRE/Investor Owned Commercial Mortgages.
  - All loans are covered by a loss share agreement with the FDIC covering 80% of loan losses.

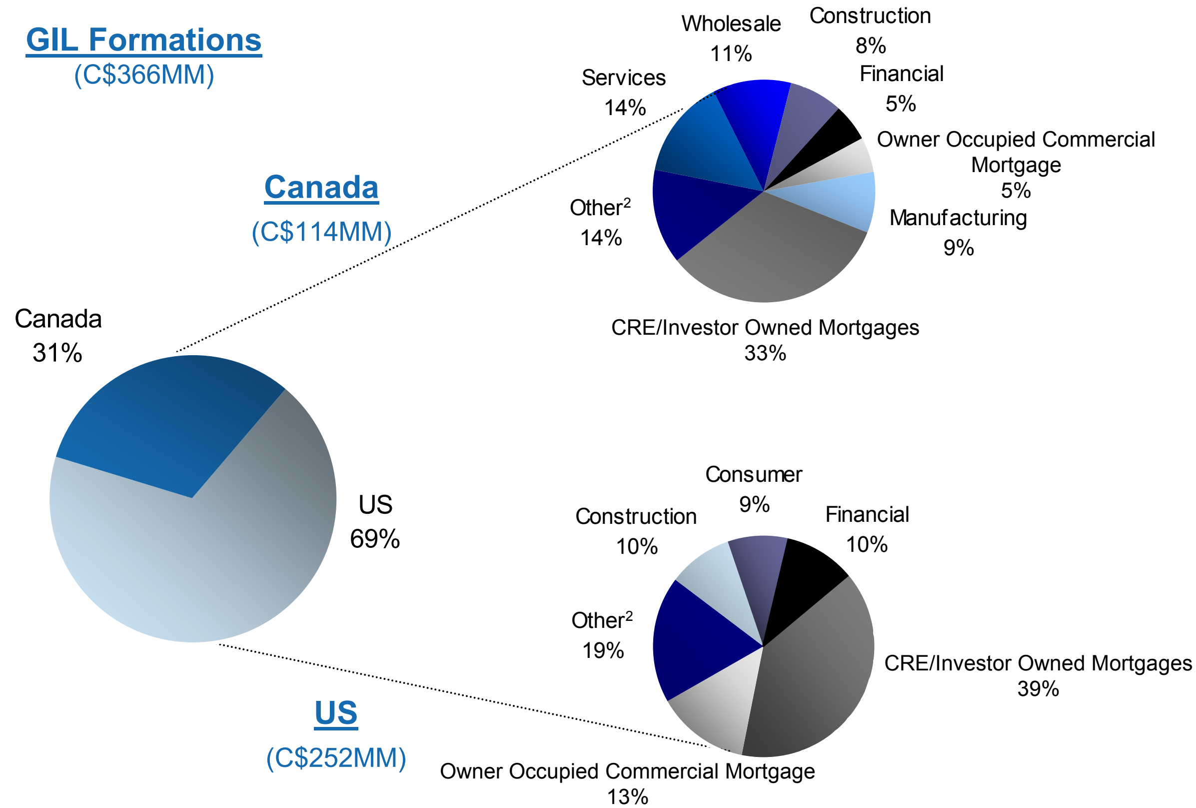
Impaired Loans & Formations – Migration Continues but at a Slower Pace

- Q2 '10 formations were lower quarter over quarter at $366MM (Q1 '10: $456MM, F'09 $2,690MM). Migration continued although at a slower pace.
- Q2 '10 Canadian formations of $114MM (Q1 '10: $100MM, F'09 $422MM) were diversified across sectors.
- Q2 '10 US formations of $252MM (Q1 '10: $356MM, F'09 $2,146MM) were diversified across sectors with CRE/Investor Owned Mortgages the largest at 39%.
- Gross Impaired Loans on a core basis decreased to $3.0B (Q1 '10: $3.1B, Q4 '09: $3.3B). Including GILs from the recent US bank acquisition, balances were $3,405MM[1].
  - Canada & Other impaired balances account for 30%, US 70%. Largest segments in Canada were Consumer and Manufacturing. Largest segments in US were related to Commercial and Residential Real Estate.

GIL Formations
(C$366MM)

Quarterly



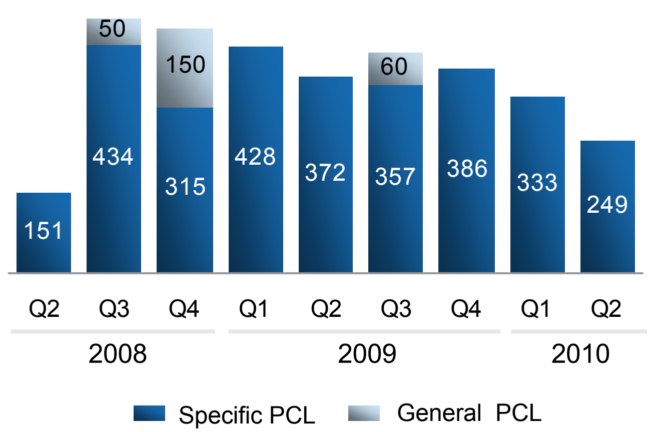


1 Assets were recorded at market value and therefore no allowance taken. As part of the purchase agreement BMO is indemnified against 80% of the losses associated with this portfolio by the FDIC.

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

Provision for Credit Losses – Remain Elevated but Down Quarter Over Quarter

- Specific provisions were $249MM vs. $333MM last quarter driven primarily by decreases in Capital Markets & P&C US Commercial.
- P&C Canada provisions were higher quarter over quarter largely due to the Commercial portfolio & the inclusion of Diners this quarter.
- P&C Canada Consumer includes losses associated with securitized assets which are accounted for as negative NIR in Corporate and were $55MM for Q2 '10 (Q1 '10: $53MM, F'09: $172MM).
- P&C US provisions improved quarter over quarter but continue to be impacted by the weak labour and real estate markets.
- Capital Market provisions benefitted from recoveries and stabilizing migration.



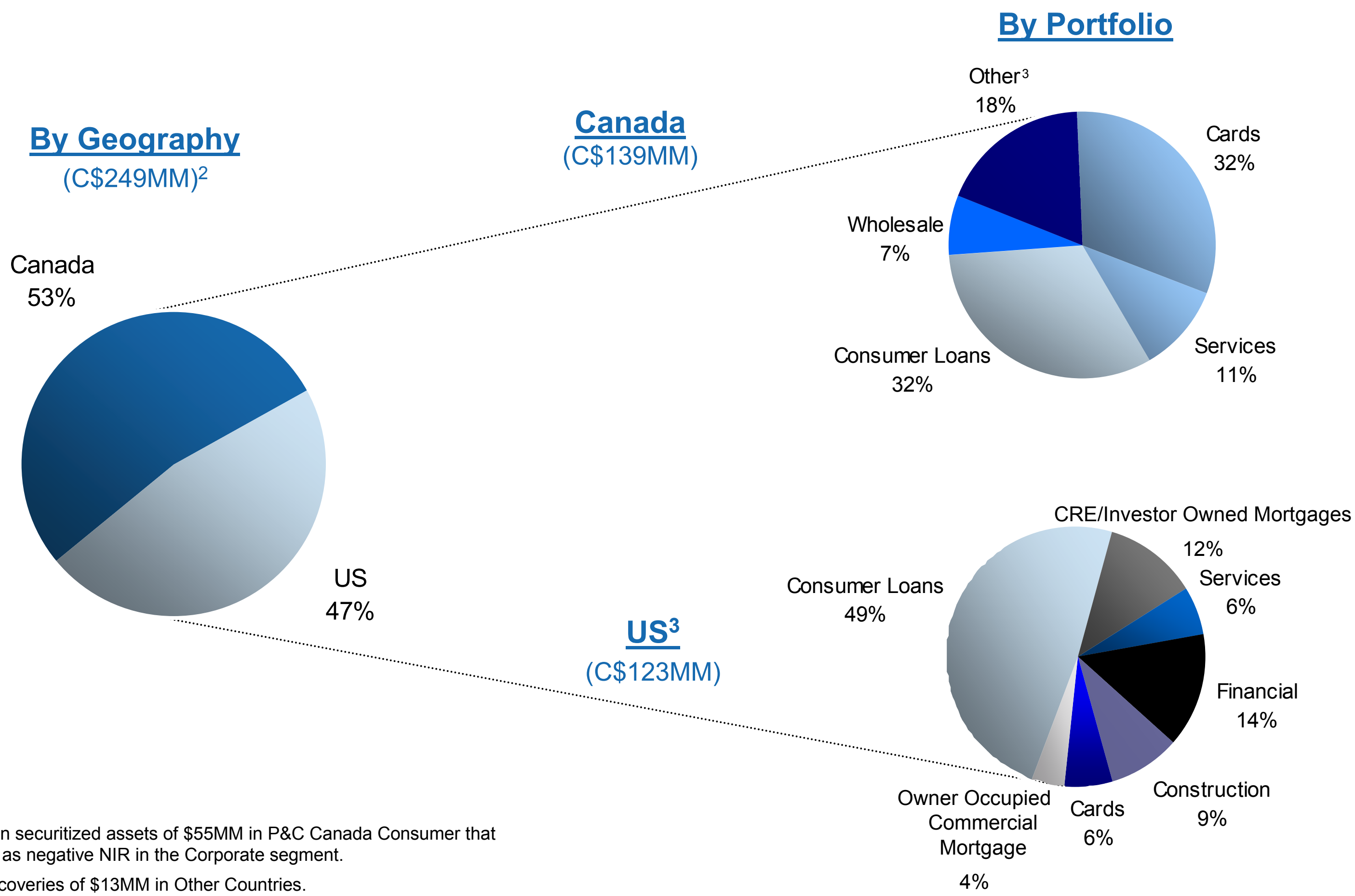
Business Segment (By Business Line Segment) (C$ MM)	Q2 '09[1]	Q1 '10[1]	Q2 '10
Consumer – P&C Canada	156	161	155
Commercial – P&C Canada	11	29	50
Total P&C Canada	**167**	**190**	**205**
Consumer – P&C US	61	58	67
Commercial – P&C US	85	73	34
Total P&C US	**146**	**131**	**101**
PCG	**2**	**5**	**2**
Capital Markets Canada & Other	3	6	(16)
Capital Markets US	98	54	12
Total Capital Markets	**101**	**60**	**(4)**
Losses on Securitized Assets[2]	(44)	(53)	(55)
Specific Provisions	**372**	**333**	**249**
Change in General Allowance	-	-	-
Total PCL	**372**	**333**	**249**

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

2 P&C losses on securitized assets are included as negative NIR in corporate, not as PCL on the income statement.

Specific Provision Segmentation[1]

- Canadian provisions continued to be centered in the Consumer portfolio and were flat to last quarter at $139MM (Q1 '10: $138MM). Commercial provisions were well diversified.
- US provisions were down at $123MM in Q2 '10 versus $190MM in Q1 '10, due to lower corporate and commercial provisions. US provisions were approximately one half consumer with the other half diversified across a number of sectors.



1 Excludes losses on securitized assets of $55MM in P&C Canada Consumer that are accounted for as negative NIR in the Corporate segment.

2 Chart excludes recoveries of $13MM in Other Countries.

3 Other includes Portfolio Segments that are each <5% of the total. C$19MM recovery excluded from US pie chart.

APPENDIX

P&C Canada – Market Share & Product Balances

	Market Share (%)[1]	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
Personal	Personal Loans	11.8	11.7	11.8	11.8	**12.0**
	Residential Mortgages[3]	10.1	9.8	9.6	9.5	**9.4**
	Personal Deposits[2, 3]	12.4	12.3	12.3	12.2	**11.9**
	Mutual Funds	12.7	12.9	13.3	13.5	**13.5**
Commercial	$0 - $1MM	19.2	19.2	19.0	18.7	**18.7**
	$1 - $5MM	20.7	20.9	20.8	20.9	**21.0**
	$0 - $5MM	20.0	20.1	19.9	19.8	**19.9**

	Balances ($B) (Owned & Managed)	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
Personal	Personal Loans	29.1	30.0	31.3	32.4	**33.4**
	Residential Mortgages	64.1	64.0	64.1	63.9	**63.6**
	Personal Deposits	66.5	67.0	67.2	66.7	**65.9**
Commercial	Commercial Loans & Acceptances	35.3	34.8	34.3	34.1	**35.3**
	Commercial Deposits	28.7	29.5	30.5	31.5	**31.6**
	Cards (Retail & Corporate)	7.4	7.6	7.8	8.1[4]	**8.9[4]**

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. (Q2 10: March 2010)
Business loans (Banks) data is issued by CBA on a one calendar quarter lag basis (Q2 10: December 2009)
[2]Personal deposits market share is restated based on Bank of Canada data
[3]Residential Mortgages market share is restated based on Bank of Canada data
[4]Q1 10 includes 1 month and Q2 10 includes 3 months of Diners Club acquisition

P&C U.S. – Product Balances

Personal Products – Average Balances (US$B)	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
Mortgages	5.6	5.2	4.9	4.6	**4.4**
Other Personal Loans	5.2	5.2	5.2	5.2	**5.3**
Indirect Auto	4.3	4.1	4.1	4.2	**4.2**
Deposits	15.3	15.1	14.7	14.6	**14.6**

Commercial Products – Average Balances (US$B)	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
Commercial Loans	14.9	13.5	12.3	11.8	**11.5**
Commercial Deposits	12.1	8.8	8.3	8.9	**9.7**

Personal

- Personal loan originations of $0.8B were flat Y/Y however, balances declined. Home Equity utilization of 53.6% was the highest of the last six quarters with Auto originations the highest of the last 13 months.
- Net new Retail checking accounts increased 67% in Q2 10 vs. Q2 09.

Commercial

- Commercial loan and deposit declines reflect impact of economic environment with loans reflecting lower client loan utilization and deposits returning to more normative levels.

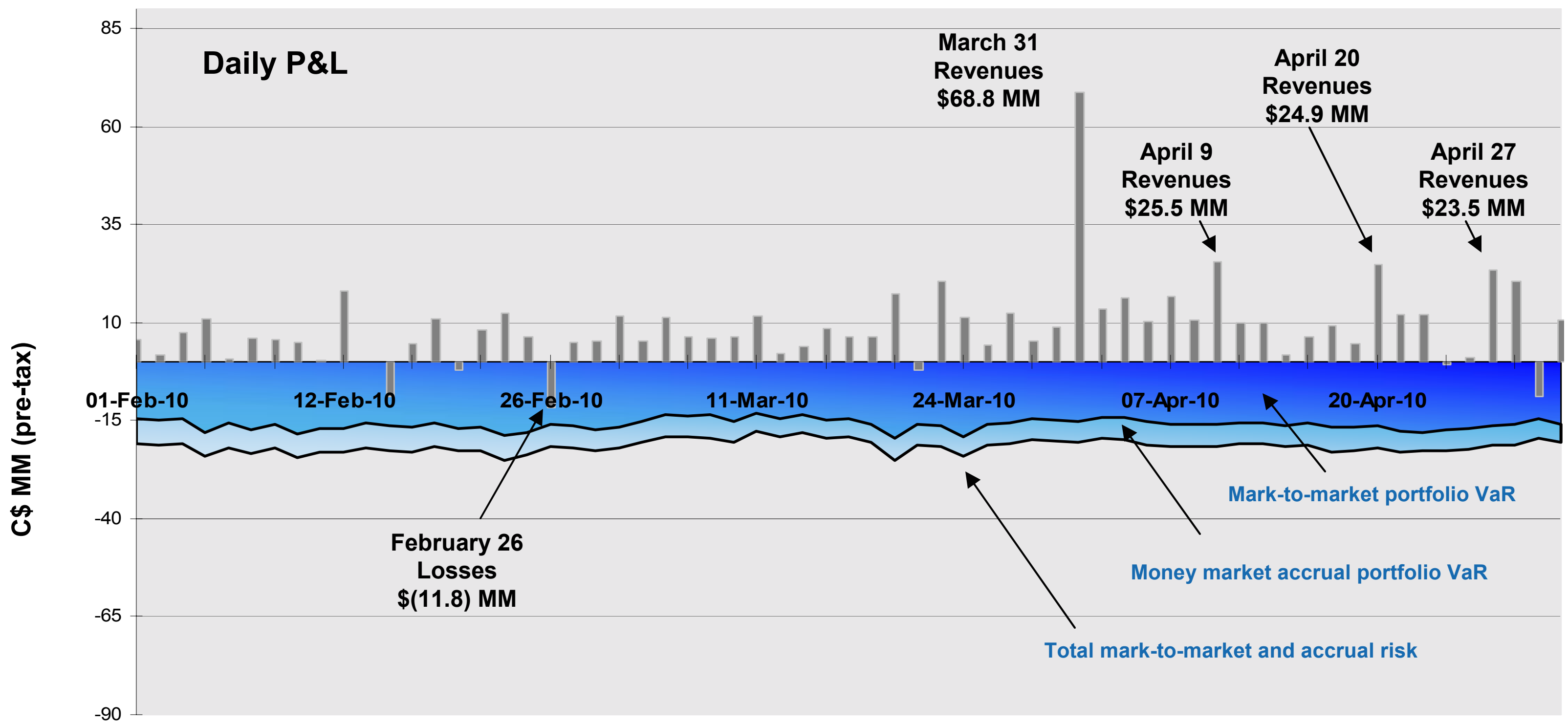
U.S. Commercial Banking – Annual Impact of Realignment

Portfolio transferred to P&C U.S. from BMO Capital Markets

As Reported (US$MM)	F2008	F2009	F2010 YTD
Revenue	342	369	177
PCL	19	20	24
Expenses	110	117	58
Provision for Taxes	67	77	31
Net Income	**146**	**155**	**64**
Total Average Assets	9,285	9,130	6,393
Average Current Loans & Acceptances	8,352	7,736	5,694
Average Deposits	2,925	4,789	2,889
Cash Productivity	32.0%	31.6%	32.9%

Trading & Underwriting Daily P&L vs. Market Value Exposure

February 1, 2010 to April 30, 2010 (Presented on a Pre-Tax Basis)



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

- **March 31 – CAD $68.8MM:** Reflects revenues from normal trading activity as well as the recognition of valuation adjustments including credit.
- **April 9 – CAD $25.5MM, April 20 – CAD $24.9MM, April 27 – CAD $23.5MM:** Reflects revenues from normal trading activity and the recognition of credit valuation adjustments.

The largest daily P&L loss for the quarter was **February 26 – CAD $(11.8)MM** due primarily to the recognition of valuation adjustments.

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