

BANK OF MONTREAL FINANCIAL HIGHLIGHTS

(Canadian \$ in millions except as noted)

For the three months ended

For the nine months ended

	Jul 31, 2000	Apr 30, 2000	Jan 31, 2000	Jul 31, 1999	Change from Jul 31,1999	Jul 31, 2000	Jul 31, 1999	Change from Jul 31,1999
Net Income Statement								
Net interest income (TEB) (a)	\$ 1,090	\$ 1,084	\$ 1,081	\$ 1,092	(0.2)%	\$ 3,255	\$ 3,293	(1.1)%
Other income	1,005	1,200	1,042	933	7.7	3,247	2,627	23.6
Total revenue (TEB) (a)	2,095	2,284	2,123	2,025	3.4	6,502	5,920	9.8
Provision for credit losses	100	100	100	80	25.0	300	240	25.0
Non-interest expense	1,326	1,348	1,254	1,284	3.1	3,928	3,787	3.7
Provision for income taxes (TEB) (a)	252	322	279	247	1.9	853	721	18.4
Non-controlling interest in subsidiaries	4	5	4	5	(3.4)	13	17	(20.5)
Net income before goodwill	413	509	486	409	1.2	1,408	1,155	21.8
Amortization of goodwill, net of applicable income tax	12	12	12	11	13.0	36	31	12.2
Net income	401	497	474	398	0.9	1,372	1,124	22.1
Taxable equivalent adjustment	33	35	31	34	(3.0)	99	105	(5.6)
Per Common Share (\$)								
Net income before goodwill								
- basic	\$ 1.46	\$ 1.81	\$ 1.72	\$ 1.42	\$ 0.04	\$ 4.99	\$ 4.01	\$ 0.98
- fully diluted	1.45	1.79	1.71	1.41	0.04	4.95	3.98	0.97
Net income								
- basic	1.41	1.76	1.68	1.38	0.03	4.85	3.89	0.96
- fully diluted	1.40	1.75	1.66	1.37	0.03	4.81	3.86	0.95
Dividends declared	0.50	0.50	0.50	0.47	0.03	1.50	1.41	0.09
Book value per share	37.74	37.45	35.77	34.91	2.83	37.74	34.91	2.83
Market value per share	63.75	53.75	48.15	54.90	8.85	63.75	54.90	8.85
Total market value of common shares (\$ billions)	16.7	14.4	12.9	14.6	2.1	16.7	14.6	2.1

As at

	Jul 31, 2000	Apr 30, 2000	Jan 31, 2000	Jul 31, 1999	Change from Jul 31,1999
Balance Sheet Summary					
Assets	\$235,646	\$ 238,414	\$ 228,525	\$ 225,218	4.6%
Loans	137,134	136,697	133,148	136,263	0.6
Deposits	156,675	162,067	154,469	150,424	4.2
Capital funds	16,603	16,428	15,920	15,914	4.3
Common equity	9,904	10,037	9,571	9,291	6.6
Net impaired loans and acceptances	(195)	(283)	(240)	(203)	3.7
Average Balances					
Loans	135,356	136,536	135,659	136,965	(1.2)
Assets	238,488	233,354	230,195	226,541	5.3

For the three months ended

For the nine months
ended

	Jul 31, 2000	Apr 30, 2000	Jan 31, 2000	Jul 31, 1999	Jul 31, 2000	Jul 31, 1999
Primary Financial Measures (%) (b)						
5 year total shareholder return	21.5	18.2	17.5	22.6	21.5	22.6
Net economic profit (\$ millions)	124	226	201	147	551	409
Earnings per share growth	2.2	40.0	33.9	4.6	24.6	(1.0)
Return on equity	15.0	19.8	19.0	16.2	17.9	15.6
Revenue growth	3.4	16.5	9.8	5.8	9.8	4.7
Expense-to-revenue ratio	63.2	59.1	59.0	63.4	60.4	64.0
Provision for credit losses as a % of average loans and acceptances	0.28	0.28	0.28	0.22	0.28	0.22
Gross impaired loans and acceptances as a % of equity and allowance for credit losses	9.83	8.71	8.89	8.56	9.83	8.56
Liquidity ratio	29.1	30.1	29.9	28.6	29.1	28.6
Tier 1 capital ratio	8.44	8.06	7.84	7.87	8.44	7.87
Credit rating	AA-	AA-	AA-	AA-	AA-	AA-
Other Financial Ratios (% except as noted) (b)						
Total shareholder return	16.7	(1.0)	(12.0)	(10.3)	16.7	(10.3)
Dividend yield	3.7	4.2	3.3	3.1	3.5	2.9
Price-to-earnings ratio (times)	11.1	9.4	9.3	11.8	11.1	11.8
Market-to-book value (times)	1.69	1.44	1.35	1.57	1.69	1.57
Cash earnings per share – basic (\$)	1.49	1.83	1.74	1.44	5.06	4.08
Cash return on common shareholders' equity	16.6	21.8	21.0	18.1	19.7	17.5
Return on average assets	0.67	0.87	0.82	0.70	0.78	0.66
Net interest margin	1.82	1.89	1.87	1.91	1.86	1.94
Other income as a % of total revenue	48.0	52.5	49.1	46.1	49.9	44.4
Expense growth	3.1	6.2	1.8	6.4	3.7	6.2
Tier 1 capital ratio – U.S. basis	8.07	7.67	7.63	7.56	8.07	7.56
Total capital ratio	12.33	11.13	10.99	10.84	12.33	10.84
Equity-to-assets ratio	5.1	5.1	5.1	5.1	5.1	5.1

- (a) Reported on a taxable equivalent basis (TEB).
(b) For the period ended or as at, as appropriate.
(c) All ratios in this report are based on unrounded numbers.

BANK OF MONTREAL CONSOLIDATED STATEMENT OF INCOME

(Unaudited)
(Canadian \$ in millions except number of common shares)

For the three months ended

For the nine months ended

	Jul 31, 2000	Apr 30, 2000	Jan 31, 2000	Jul 31, 1999	Jul 31, 2000	Jul 31, 1999
Interest, Dividend and Fee Income						
Loans	\$ 2,604	\$ 2,654	\$ 2,449	\$ 2,405	\$ 7,707	\$ 7,292
Securities	745	673	701	569	2,119	1,817
Deposits with banks	283	263	231	258	777	795
	3,632	3,590	3,381	3,232	10,603	9,904
Interest Expense						
Deposits	1,835	1,905	1,754	1,545	5,494	4,757
Subordinated debt	90	83	86	85	259	254
Other liabilities	650	553	491	544	1,694	1,705
	2,575	2,541	2,331	2,174	7,447	6,716
Net Interest Income	1,057	1,049	1,050	1,058	3,156	3,188
Provision for credit losses	100	100	100	80	300	240
Net Interest Income After Provision for Credit Losses	957	949	950	978	2,856	2,948
Other Income						
Deposit and payment service charges	162	159	164	155	485	451
Lending fees	85	72	80	89	237	238
Capital market fees	237	341	224	207	802	576
Card services	59	47	53	56	159	150
Investment management and custodial fees	92	100	104	111	296	316
Mutual fund revenues	62	57	52	52	171	147
Trading revenues	50	140	77	86	267	243
Securitization revenues	83	81	70	69	234	212
Other fees and commissions	175	203	218	108	596	294
	1,005	1,200	1,042	933	3,247	2,627
Net Interest and Other Income	1,962	2,149	1,992	1,911	6,103	5,575
Non-Interest Expense						
Salaries and employee benefits	764	805	734	705	2,303	2,071
Premises and equipment	270	272	257	280	799	828
Communications	66	64	65	62	195	196
Other expenses	220	201	194	232	615	676
	1,320	1,342	1,250	1,279	3,912	3,771
Amortization of intangible assets	6	6	4	5	16	16
Total non-interest expense	1,326	1,348	1,254	1,284	3,928	3,787
Income Before Provision for Income Taxes, Non-Controlling Interest in Subsidiaries and Goodwill	636	801	738	627	2,175	1,788
Income taxes	219	287	248	213	754	616
	417	514	490	414	1,421	1,172
Non-controlling interest	4	5	4	5	13	17
Net Income Before Goodwill	413	509	486	409	1,408	1,155
Amortization of goodwill, net of applicable income tax	12	12	12	11	36	31
Net Income	\$ 401	\$ 497	\$ 474	\$ 398	\$ 1,372	\$ 1,124
Dividends Declared						
- preferred shares	\$ 25	\$ 26	\$ 25	\$ 30	\$ 76	\$ 90
- common shares	\$ 131	\$ 134	\$ 134	\$ 125	\$ 399	\$ 375
Average Number of Common Shares Outstanding	266,387,269	267,820,009	267,248,718	266,031,542	267,147,123	265,558,358
Average Assets	\$ 238,488	\$ 233,354	\$ 230,195	\$ 226,541	\$ 234,017	\$ 227,184
Net Income Per Common Share Before Goodwill						
Basic	\$ 1.46	\$ 1.81	\$ 1.72	\$ 1.42	\$ 4.99	\$ 4.01
Fully Diluted	1.45	1.79	1.71	1.41	4.95	3.98
Net Income Per Common Share						
Basic	1.41	1.76	1.68	1.38	4.85	3.89
Fully Diluted	1.40	1.75	1.66	1.37	4.81	3.86

Note: Reporting under United States generally accepted accounting principles would have resulted in consolidated net income of \$382, basic earnings per share of \$1.34 and fully diluted earnings per share of \$1.32 for the three months and \$1,317, \$4.65 and \$4.59, respectively, for the nine months ended July 31, 2000.

BANK OF MONTREAL
CONDENSED CONSOLIDATED BALANCE SHEET

(Unaudited) (Canadian \$ in millions)

As at

	July 31, 2000	April 30, 2000	January 31, 2000	October 31, 1999	July 31, 1999
Cash resources	\$ 21,027	\$ 23,257	\$ 23,441	\$ 24,036	\$ 25,776
Securities	47,462	48,398	44,913	43,273	38,557
	68,489	71,655	68,354	67,309	64,333
Loans					
Residential mortgages	39,416	39,190	38,598	38,189	37,280
Consumer instalment and other personal loans	17,617	17,589	17,052	16,912	16,554
Credit card loans	1,367	1,275	1,217	1,160	1,026
Loans to businesses and governments	60,270	58,887	59,727	57,998	60,292
Securities purchased under resale agreements	19,993	21,228	17,958	25,090	22,424
	138,663	138,169	134,552	139,349	137,576
Allowance for credit losses	(1,529)	(1,472)	(1,404)	(1,348)	(1,313)
	137,134	136,697	133,148	138,001	136,263
Customers' liability under acceptances	7,977	8,227	8,195	6,753	6,583
Other assets	22,046	21,835	18,828	18,552	18,039
Total Assets	\$ 235,646	\$ 238,414	\$ 228,525	\$ 230,615	\$ 225,218
Deposits					
Banks	\$ 29,170	\$ 30,248	\$ 27,869	\$ 30,398	\$ 29,407
Businesses and governments	64,755	68,253	64,564	65,459	60,051
Individuals	62,750	63,566	62,036	61,017	60,966
	156,675	162,067	154,469	156,874	150,424
Acceptances	7,977	8,227	8,195	6,753	6,583
Securities sold but not yet purchased	13,698	14,334	14,161	10,450	10,942
Securities sold under repurchase agreements	21,371	18,425	19,504	24,177	25,527
Other liabilities	19,322	18,933	16,276	16,668	15,828
	62,368	59,919	58,136	58,048	58,880
Subordinated debt	5,027	4,721	4,688	4,712	4,746
Shareholders' equity					
Share capital					
Preferred shares	1,672	1,670	1,661	1,668	1,877
Common shares	3,164	3,219	3,205	3,190	3,162
Retained earnings	6,740	6,818	6,366	6,123	6,129
	11,576	11,707	11,232	10,981	11,168
Total Liabilities and Shareholders' Equity	\$ 235,646	\$ 238,414	\$ 228,525	\$ 230,615	\$ 225,218

Notes:

- These consolidated financial statements should be read in conjunction with our consolidated financial statements for the year ended October 31, 1999 as set out on pages 73 to 99 of our 1999 Annual Report. These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, including the requirements of the Superintendent of Financial Institutions Canada, using the same accounting policies and methods of computation as were used for our consolidated financial statements for the year ended October 31, 1999.
- On May 24, 2000 we announced a program to repurchase through recognized exchanges up to 10,000,000 of our common shares to be completed no later than October 31, 2000. At an average price of \$63.09 per share we had repurchased 6,106,100 shares as at July 31, 2000.
- On June 8, 2000 we issued new subordinated debt in the form of Series B Medium-Term Notes in the amount of \$300, redeemable at our option, carrying an interest rate of 6.6% per annum. The notes mature on June 8, 2010.
- Subsequent event - On August 8, 2000 we redeemed all of our Series 13 debentures at a redemption price equal to their principal amount of \$150.

BANK OF MONTREAL
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

(Unaudited) (Canadian \$ in millions)

For the three months ended

For the nine months ended

	July 31, 2000	July 31, 1999	July 31, 2000	July 31, 1999
Cash Flows From (Used in) Operating Activities				
Net income	\$ 401	\$ 398	\$ 1,372	\$ 1,124
Other adjustments to determine net cash flows	(130)	1,115	(4,878)	5,217
	271	1,513	(3,506)	6,341
Cash Flows From (Used in) Financing Activities				
Deposits	(5,392)	3,459	(199)	6,441
Securities sold but not yet purchased	2,668	1,626	(504)	(63)
Debt and share capital	(67)	70	(38)	(59)
Dividends paid	(156)	(155)	(475)	(465)
	(2,947)	5,000	(1,216)	5,854
Cash Flows From (Used in) Investing Activities				
Investment securities	1,056	(565)	1,341	790
Loans	(537)	(3,282)	567	(6,702)
Premises and equipment – net purchases	(73)	(105)	(136)	(237)
Interest bearing deposits with banks	2,166	(2,463)	3,248	(6,125)
Acquisition of an interest in a subsidiary	-	-	(59)	-
	2,612	(6,415)	4,961	(12,274)
Net Increase (Decrease) in Cash and Cash Equivalents	(64)	98	239	(79)
Cash and Cash Equivalents at Beginning of Period	2,722	2,785	2,419	2,962
Cash and Cash Equivalents at End of Period	\$ 2,658	\$ 2,883	\$ 2,658	\$ 2,883

BANK OF MONTREAL
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited) (Canadian \$ in millions)

For the nine months ended

	July 31, 2000	July 31, 1999
Balance at Beginning of Period	\$ 10,981	\$ 10,608
Net income	1,372	1,124
Dividends - Preferred shares	(76)	(90)
- Common shares	(399)	(375)
Preferred share redemption	-	(72)
Common share issues	47	67
Common shares repurchased	(385)	-
Translation adjustment on preferred shares issued in a foreign currency	4	(9)
Unrealized gain (loss) on translation of net investment in foreign operations, net of hedging activities and applicable income taxes	32	(60)
Costs of proposed merger, net of applicable income taxes	-	(25)
Balance at End of Period	\$ 11,576	\$ 11,168

Share Capital Information

July 31, 2000

	Number	Principal Amount	Convertible into...
Preferred Shares			
Class B – Series 1	10,000,000	\$ 250	common shares ¹
Class B – Series 2	10,000,000	372	common shares ¹
Class B – Series 3	16,000,000	400	common shares ¹
Class B – Series 4	8,000,000	200	common shares ¹
Class B – Series 5	8,000,000	200	-
Class B – Series 6	10,000,000	250	common shares ¹
Common Shares	262,405,712	3,164	-
Subordinated Debt – Series 13	n/a	150	common shares ¹
Stock options issued for investment in Grupo Financiero Bancomer	9,957,285	n/a	9,957,285 common shares
Stock options issued under Stock Option Plan	17,241,259	n/a	17,241,259 common shares

1. The number of shares issuable on conversion is not determinable until the date of conversion.

2. n/a – not applicable

3. For additional information refer to pages 86 and 87 of our 1999 Annual Report.

BANK OF MONTREAL NET INCOME & AVERAGE ASSETS BY OPERATING GROUP

For the three months ended

	Personal & Commercial Client Group (1)		Private Client Group (2)		Investment Banking Group (3)		Total Consolidated (4)	
	July 31, 2000	April 30, 2000	July 31, 2000	April 30, 2000	July 31, 2000	April 30, 2000	July 31, 2000	April 30, 2000
Net Income (\$ millions)								
Canada	168	170	39	55	77	77	250	281
United States	33	75	9	8	62	73	112	157
Mexico	3	22	-	-	1	2	23	24
Other Countries	16	15	(3)	(2)	5	23	16	35
Total	220	282	45	61	145	175	401	497
Average Assets (\$ billions)								
Canada	81.3	80.5	1.8	1.7	56.4	54.6	130.1	128.0
United States	18.2	17.9	2.4	2.3	59.2	54.2	80.7	77.2
Mexico	0.8	0.7	-	-	0.8	0.8	1.8	1.7
Other Countries	0.3	0.3	0.1	0.1	25.5	26.1	25.9	26.5
Total	100.6	99.4	4.3	4.1	141.9	135.7	238.5	233.4

NET INCOME & AVERAGE ASSETS BY OPERATING GROUP

For the nine months ended

	Personal & Commercial Client Group (1)		Private Client Group (2)		Investment Banking Group (3)		Total Consolidated (4)	
	July 31, 2000	July 31, 1999	July 31, 2000	July 31, 1999	July 31, 2000	July 31, 1999	July 31, 2000	July 31, 1999
Net Income (\$ millions)								
Canada	486	384	133	77	209	71	749	467
United States	207	50	23	17	209	306	444	387
Mexico	57	94	-	-	5	4	82	101
Other Countries	47	36	-	7	53	100	97	169
Total	797	564	156	101	476	481	1,372	1,124
Average Assets (\$ billions)								
Canada	80.3	75.0	1.6	1.3	53.7	42.7	127.0	111.0
United States	17.8	17.1	2.2	1.8	55.8	56.2	78.4	77.8
Mexico	0.8	0.7	-	-	0.8	1.0	1.7	1.8
Other Countries	0.3	0.2	0.1	0.1	26.5	36.2	26.9	36.6
Total	99.2	93.0	3.9	3.2	136.8	136.1	234.0	227.2

- (1) Personal and Commercial Client Group (P&C) is responsible for financial services to retail and commercial businesses in Canada and the U.S. through its branch and automated banking networks, electronic banking products, including mbanx services, credit card, corporate electronic banking, telebanking and alliances with the Bank's affiliated corporation Grupo Financiero Bancomer.
- (2) Private Client Group is responsible for providing wealth management services to individuals. The Group encompasses six lines of business – BMO Nesbitt Burns, Direct Investing (including BMO InvestorLine and Harris InvestorLine), BMO Harris Private Banking and Harris Private Bank serving high net worth clients, Institutional Asset Management, and Retail Investment Products.
- (3) Investment Banking Group is responsible for relationship management for large corporate and institutional customers, the delivery of treasury products and corporate and investment banking in Canada and the U.S.
- (4) Total Consolidated includes general provisions for credit losses and any residual revenues and expenses representing the difference between actual amounts incurred and the amounts allocated to operating groups.

Basis of presentation of results of operating groups:

Expenses are matched against the revenues to which they relate. Indirect expenses, such as overhead expenses and any revenue that may be associated thereto, are allocated to the operating groups using appropriate allocation formulas applied on a consistent basis. For each currency, the net income effect of funds transferred from any group with a surplus to any group with a shortfall is at market rates for the currency and appropriate term. Segmentation of assets by geographical region is based upon the ultimate risk of the underlying assets. Segmentation of net income is based upon the geographic location of the unit responsible for managing the related assets, liabilities, revenues and expenses.