

Our vision

To be the bank that defines great customer experience.

Who We Are

Established in 1817, BMO Financial Group serves more than 12 million personal, commercial, corporate and institutional customers in North America and internationally. We provide a broad range of retail banking, wealth management and investment banking products through our operating groups: Personal and Commercial Banking (operating as BMO Bank of Montreal in Canada and BMO Harris Bank in the United States); Private Client Group; and BMO Capital Markets.

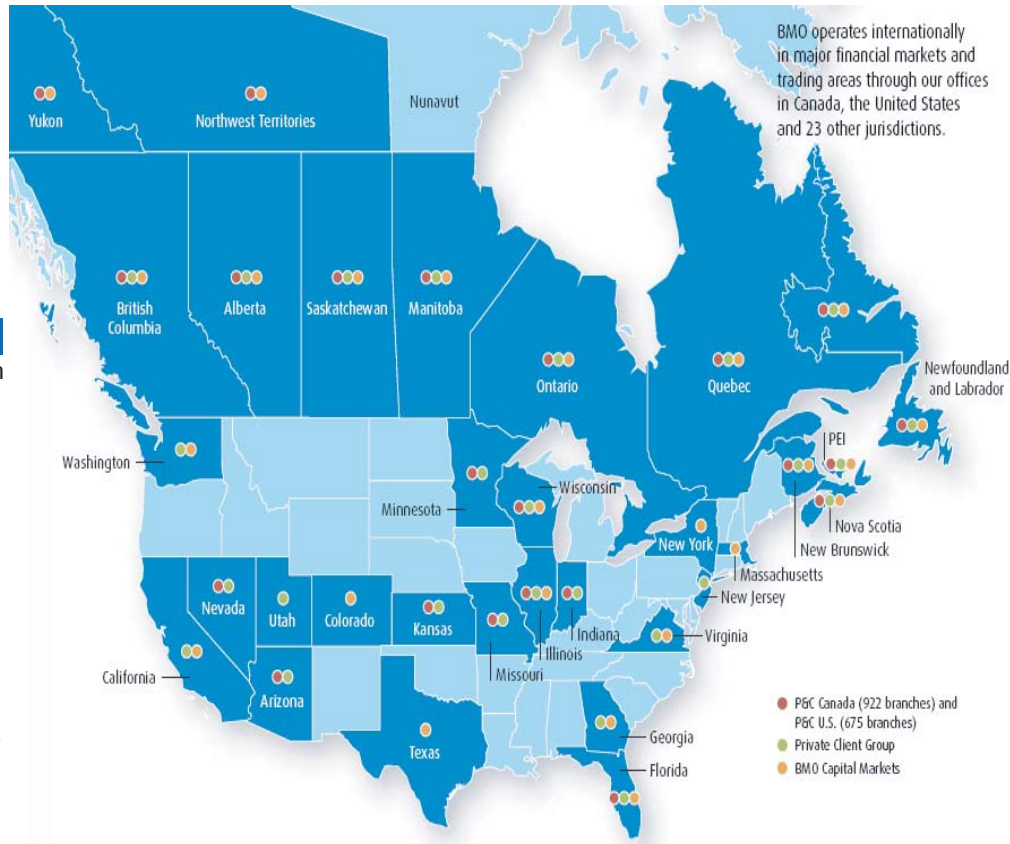
Strategic Priorities

1. Drive quality earnings growth across all North American personal and commercial banking businesses by focusing on industry leading customer experience and enhancing operating and sales force productivity.
2. Accelerate the growth of our wealth management businesses by helping our broad range of clients meet all their wealth management needs and by continuing to invest in our North American and global operations.
3. Build deeper client relationships in our capital markets businesses to deliver growth in net income and strong ROE, while maintaining an appropriate risk/return profile.
4. Develop our business in select global markets to grow with our clients, expand our capabilities and reach new customers.
5. Sustain a culture that focuses on customers, high performance and our people.

Our Guiding Principle

We aim to deliver top-tier total shareholder return and balance our commitments to financial performance, our customers, our employees, the environment and the communities where we live and work.

BMO's North American Footprint



Performance Objectives

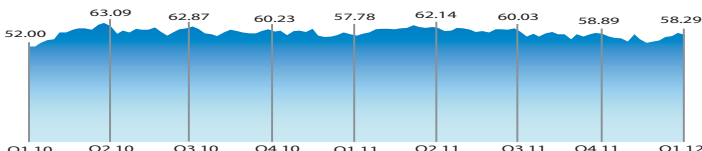
BMO's business planning process is rigorous and considers the prevailing economic conditions, our customers' evolving needs and the opportunities available across our lines of business. It includes clear and direct accountability for annual performance that is measured against internal and external benchmarks and progress towards our strategic priorities. In managing our operations, we balance current profitability with the need to invest in our businesses for future growth.

Over the medium term, our financial objectives are to:

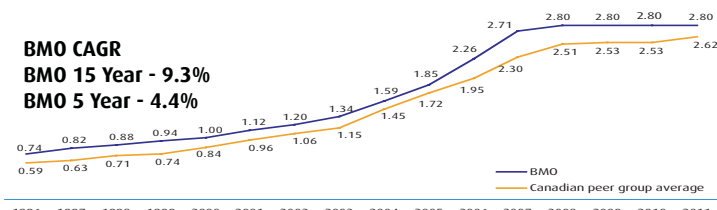
- ▶ Achieve average annual adjusted earnings per share (EPS) growth of 8% to 10%
- ▶ Earn average annual adjusted return on equity (ROE) of between 15% and 18%
- ▶ Generate average annual adjusted operating leverage of 2% or more, and
- ▶ Maintain strong capital ratios that exceed regulatory requirements

Shareholder Information

Closing Share Price (c\$)



Declared Dividend History (c\$/Share)



Share Information: Q1 2012

Common shares outstanding (31 January 2012):	640.4 million
Average volume of shares traded on TSX:	1 944 917
Average volume of shares traded on NYSE:	857 934
Market capitalization (31 January 2012):	CDN \$37.3 billion
Target dividend payout ratio:	45 - 55%

Senior Debt	DBRS	AA (Stable Outlook)	Moody's	Aa2 (Stable Outlook)
Credit Ratings:	Fitch	AA- (Stable Outlook)	Standard and Poor's	A+ (Stable Outlook)

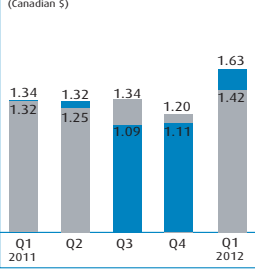
Contact Information

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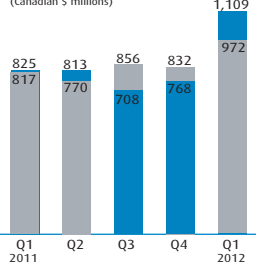
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Numbers That Matter

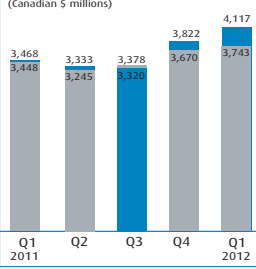
Earnings per Share



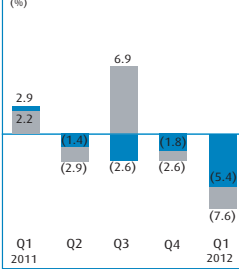
Net Income



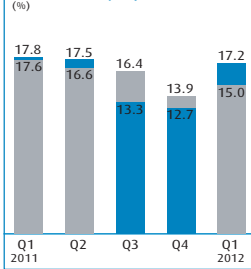
Total Revenues



Operating Leverage (x/y)



Return on Equity



Reported
Adjusted exclude the following items (after tax):

Benefit of credit-related items in respect of the acquired M&I performing loan portfolio:
\$114 million in Q1 11
\$107 million in Q4 11

Run-off structured credit activities:
\$136 million in Q1 12
(\$119) million in Q3 11
(\$51) million in Q4 11
\$100 million in Q2 11
\$20 million in Q1 11

M&I acquisition-related costs (including integration):
\$43 million in Q1 12
\$39 million in Q4 11
\$90 million in Q3 11
\$17 million in Q2 11

Charges for the hedge of foreign currency risk on the purchase of M&I:
\$6 million in Q3 11
\$8 million in Q1 11

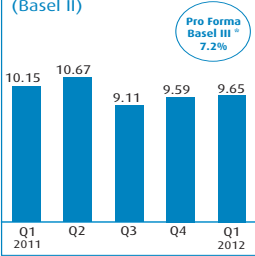
Charges for amortization of acquisition-related intangible assets:
\$24 million in Q1 12
\$25 million in Q4 11
\$12 million in Q3 11
\$9 million in Q2 11
\$8 million in Q1 11

Decrease (increase) in the collective allowance for credit losses:
\$12 million in Q4 11
\$11 million in Q3 11
(\$23) million in Q2 11
(\$4) million in Q1 11

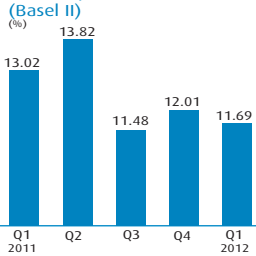
Restructuring costs:
(\$46) million in Q1 12

Please see page 30 of BMO's Q1 2012 Report to Shareholders for a description of these Non-GAAP measures.

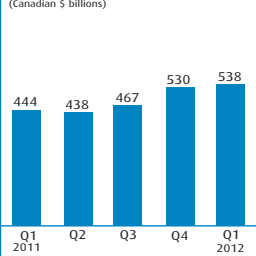
Common Equity Ratio % (Basel II)



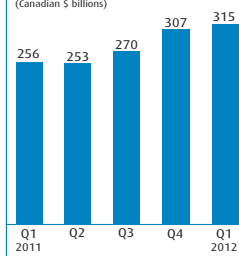
Tier 1 Capital Ratio (Basel II)



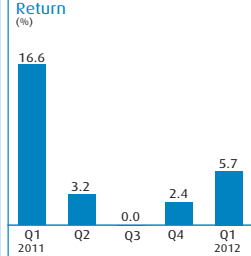
Total Assets (Avg)



Total Deposits (Avg)



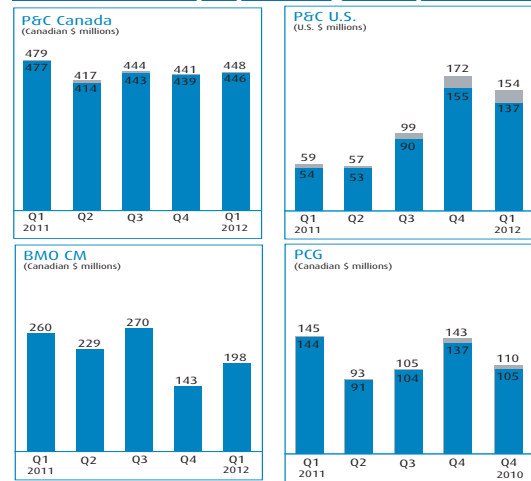
One Year Total Shareholder Return (%)



* Estimates based on announced Basel III 2011 rules and the impact of adoption of IFRS. For further details regarding assumptions and factors used in our calculations refer to pages 6 and 15 of Bank of Montreal's First Quarter 2012 Report to Shareholders and the Enterprise-Wide Capital Management section on pages 61-65 in our 2011 Annual Report

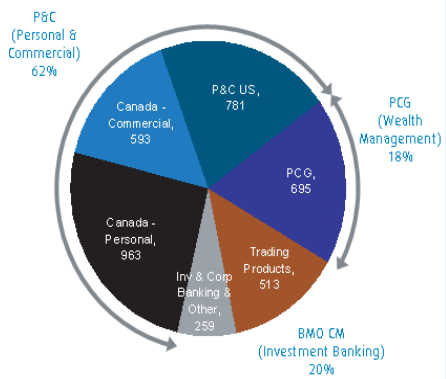
Operating Groups

Net Income by Operating Group*

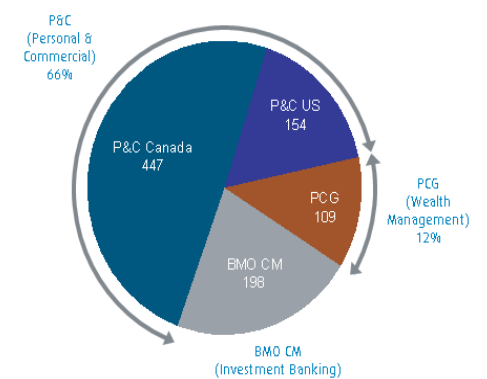


Over 75% of adjusted revenue¹ and adjusted net income¹ from retail businesses

Q1 12 Adjusted¹ Revenue by Operating Group (c\$MM) - \$3,804MM*



Q1 12 Adjusted¹ Net Income by Operating Group² (c\$MM) - \$910MM*



* Excludes Corporate Services revenue (\$61MM)

* Excludes Corporate Services net income (\$62MM)

¹ Adjusted measures are non-GAAP measures. See page 94-95 of our 2011 Annual Report and page 30 of BMO's First Quarter 2012 Report to Shareholders.
² Operating segment results reported on an Expected Loss (EL) basis

* 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 collective allowance are charged (or credited) to Corporate Services. See Note 26 on page 167 of BMO's 2011 Annual Report.

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 2012 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, interest rate 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 and the effect of changes to accounting standards, rules and interpretations on these estimates; operational and infrastructure risks; changes to our credit ratings; 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; natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply; technological changes; and our ability to anticipate and effectively manage risks associated with all of the foregoing factors.

With respect to the completed acquisition of Marshall & Ilsley Corporation (M&I), factors that may influence the future outcomes that relate to forward-looking statements include, but are not limited to: the possibility that the anticipated benefits from the transaction, such as expanding our North American presence, providing synergies, being accretive to earnings and resulting in other impacts on earnings, are not realized in the time frame anticipated, or at all, as a result of changes in general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations (including changes to capital requirements) and their enforcement, and the degree of competition in the geographic and business areas in which the combined business now operates; our ability to effectively integrate the businesses of M&I and BMO on a timely basis; reputational risks and the reaction of M&I's customers to the transaction; diversion of management time to issues related to integration and restructuring; and increased exposure to exchange rate fluctuations. A significant amount of M&I's business involved making loans or otherwise committing resources to specific borrowers, industries or geographic areas could have a material adverse effect on the performance of our integrated U.S. operations. Our anticipation that annual cost savings from the integration of M&I and BMO will exceed US\$300 million is based on the assumption that changes to business operations and support infrastructure and staffing will be consistent with our plans and that our expectations for business volumes are met.

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 BMO's 2011 Annual MD&A, 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 BMO, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of 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, risk-weighted assets (including Counterparty Credit Risk and Market Risk) and regulatory capital ratios, we have assumed that our interpretation of the proposed rules and proposals 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 by OSFI as proposed by BCBS (except that OSFI also requires the deduction from capital of certain merchant banking investments). We have also assumed that existing capital instruments that are non-Base III compliant but are Basel II compliant can be fully included in the January 31, 2012, pro-forma calculations. The full impact of the Basel III proposals has been quantified based on our financial and risk positions at quarter end or as close to quarter end as was practical. 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.

Assumptions about the level of asset sales, expected asset sale prices, net funding cost, credit quality, risk of default and losses on default of the underlying assets of certain structured investment vehicles were material factors we considered when establishing our expectations regarding the structured investment vehicles discussed in this interim MD&A, including whether the first-loss protection provided by the subordinated capital notes will exceed future losses. Key assumptions included that assets will continue to be sold with a view to reducing the size of the structured investment vehicles, under various asset price scenarios, and that the level of default and losses will be consistent with the credit quality of the underlying assets and our current expectations regarding continuing difficult market conditions. In determining amounts of asset maturities by year, we have made assumptions as to which issuers will or will not redeem subordinated debt prior to its maturity date, where permitted.

Assumptions about the level of default and losses on default were material factors we considered when establishing our expectations regarding the future performance of the transactions into which our credit protection vehicle has entered. Among the key assumptions were that the level of default and losses on default will be consistent with historical experience. Material factors that were taken into account when establishing our expectations regarding the future risk of credit losses in our credit protection vehicle and of risk to BMO included industry diversification in the portfolio, initial credit quality by portfolio, the first-loss protection incorporated into the structure and the hedges that BMO has entered.

In determining the impact of reductions to interchange fees in the U.S. Legislative and Regulatory Developments section, we have assumed that business volumes remain consistent with our expectations and that certain management actions are implemented that will modestly reduce the impact of the rules on our revenues. Assumptions about the performance of the Canadian and U.S. economies, as well as overall market conditions and their combined effect on our business, 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. See the Economic Outlook and Review section of this Annual Report.