Investor Presentation Q1|12

February 28 • 2012

Forward Looking Statements & Non-GAAP Measures

Caution Regarding Forward-Looking Statements

Bank of Montreal's public communications often include written or oral forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbor" provisions of, and are intended to be forward-looking statements under, the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives and priorities for 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. Unforeseen events affecting such 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 Bank of Montreal's future results. When relying on forward-looking statements to make decisions with respect to Bank of Montreal, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Bank of Montreal does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by the organization or on its behalf, except as required by law. The forward-looking information contained in this document is presented for the purpose of assisting our shareholders in understanding our financial position as at and for the periods ended on the dates presented, as well as our strategic priorities and objectives, and may not be appropriate for other purposes.

In calculating the pro-forma impact of Basel III on our regulatory capital, 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. We have also assumed that existing capital instruments that are non-Basel 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 risk of loss 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 interim MD&A.

Non-GAAP Measures

Bank of Montreal uses both GAAP and non-GAAP measures to assess performance. Readers are cautioned that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings under GAAP and are unlikely to be comparable to similar measures used by other companies. Reconciliations of GAAP to non-GAAP measures as well as the rationale for their use can be found in Bank of Montreal's First Quarter 2012 Report to Shareholders and Bank of Montreal's 2011 Management's Discussion and Analysis, all of which are available on our website at www.bmo.com/investorrelations.

Examples of non-GAAP amounts or measures include: productivity and leverage ratios; revenue and other measures presented on a taxable equivalent basis (teb); amounts presented net of applicable taxes; adjusted net income, revenues, provision for credit losses, earnings per share, ROE, productivity ratio and other adjusted measures which exclude the impact of certain items such as credit-related items on the acquired M&I performing loans, run-off structured credit activities, M&I integration costs, amortization of acquisition-related intangibles, decrease (increase) in collective allowance for credit losses and restructuring costs.

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

Strategic Highlights

Q1 | 12

Bill Downe
President & Chief Executive Officer
BMO Financial Group

February 28 • 2012

Financial Results

Record first quarter net income of $1.1 billion, kicking off the year with very strong earnings

C$ millions unless otherwise indicated	Q1 11	Q4 11	Q1 12
Revenue	3,468	3,822	4,117
PCL	323	362	141
Expense	2,058	2,432	2,554
Net Income	825	768	1,109
EPS ($)	1.34	1.11	1.63
ROE (%)	17.8	12.7	17.2
Adjusted[1]			
Revenue	3,448	3,670	3,743
Net Income	817	832	972
EPS ($)	1.32	1.20	1.42
Productivity Ratio (%)	59.4	63.8	63.5

- Adjusted[1] net income up 19%
- Adjusted[1] revenue growth 9%
- Strong credit performance
- Adjusted[1] ROE 15%
- Remain well capitalized; pro forma Basel III common equity ratio of 7.2%[2]

[1] Items excluded from first quarter 2012 results in the determination of adjusted results totalled $137 million after tax, comprised of a $114 million after-tax net benefit of credit-related items in respect of the acquired Marshall & Ilsley Corporation (M&I) performing loan portfolio; costs of $70 million ($43 million after tax) for the integration of the acquired business; a $34 million ($24 million after tax) charge for amortization of acquisition-related intangible assets on all acquisitions; the benefit of run-off structured credit activities of $136 million ($136 million after tax); and a restructuring charge of $68 million ($46 million after tax) to align BMO Capital Markets' cost structure with the current and future business environment. For further details on adjusted results and Non-GAAP measures, see slide 2 of this presentation, pages 30-31 of BMO's Q1 2012 Report to Shareholders and pages 34, 94-95 of BMO's 2011 Annual Report

[2] Estimates based on announced Basel III 2019 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

Differentiated Customer-focused Strategy

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.

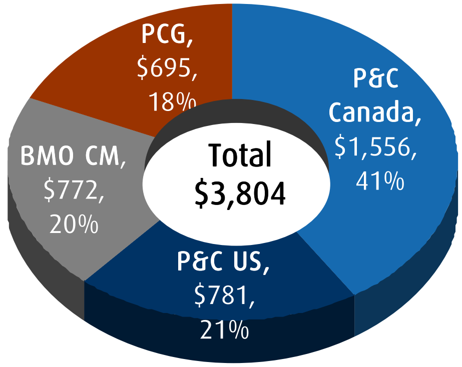
2. Accelerate the growth of our **wealth management businesses** by helping our broad range of clients meet all their wealth management needs and by continuing to invest in our North American and global operations

3. Build deeper client relationships in our **capital markets business** 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.

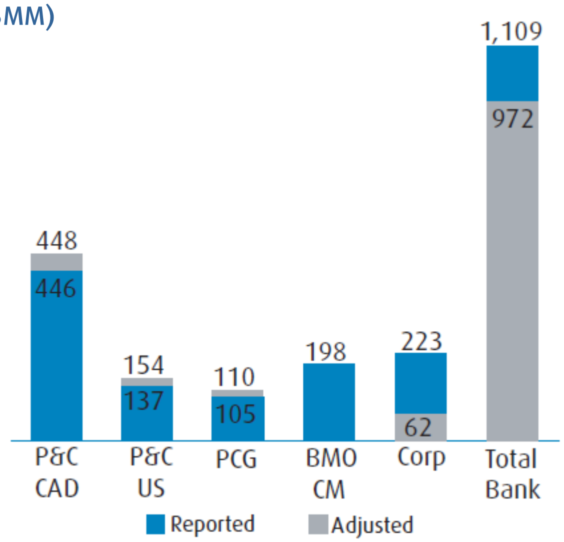
Q1 2012 Adjusted[1] Revenue by Operating Group (C$MM)



Excludes Corporate Services - $(61)

80% of adjusted[1] revenues from retail businesses

Q1 2012 Reported and Adjusted[1] Net Income (C$MM)



[1] Adjusted measures are non-GAAP measures. See slide 2 of this document, pages 30-31 of BMO's Q1 2012 Report to Shareholders and pages 34, 94-95 of BMO's 2011 Annual Report

Financial Results

Q1|12

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

February 28th • 2012

Q1 2012 - Financial Highlights

BMO Reports Very Strong First Quarter Net Income

	Revenue	Net Income	EPS	ROE	Productivity	Specific PCL	Common Equity Ratio (Basel II)
Reported Results	**$4,117MM**	**$1,109MM**	**$1.63**	**17.2%**	**62.0%**	**$122MM**	**9.6%**
Adjusted Results	**$3,743MM**	**$972MM**	**$1.42**	**15.0%**	**63.5%**	**$91MM**	**9.6%**

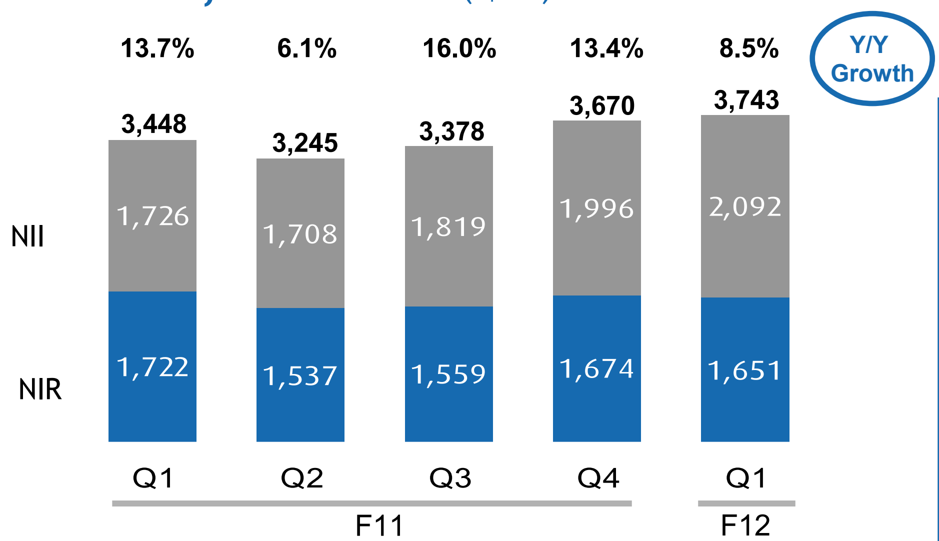
- Adjusted EPS up 7.6% Y/Y and 18% Q/Q
- Adjusted net income up 19% Y/Y
  - Business units executing on strategies
  - Adjusted revenue increased 8.5%
  - Good credit performance with specific PCLs of $91MM, down $226MM Y/Y including a $142MM recovery on M&I purchased credit impaired loans
  - Insurance results in PCG reduced by $47MM after-tax ($0.07/share) due to negative impact of lower interest rates
  - M&I added $215MM to adjusted net income
- Adjusted net income up 17% Q/Q
  - Adjusted revenue increased 2.0%
  - Adjusted operating leverage of 0.4% or 3.4% excluding performance-based compensation in respect of employees eligible to retire recorded in Q1 each year
  - Specific PCL down $190MM
- Adjustments in the quarter were (all after tax):
  - Credit-related items in respect of the acquired M&I performing loan portfolio of $114MM; run-off structured credit activities of $136MM; restructuring charge related to BMO Capital Markets of $(46)MM; acquisition integration costs of $(43)MM and amortization of acquisition-related intangibles of $(24)MM

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94-95 of BMO's 2011 Annual Report and page 31 of our First Quarter Report to Shareholders. For details on adjustments refer to slide 22

Revenue

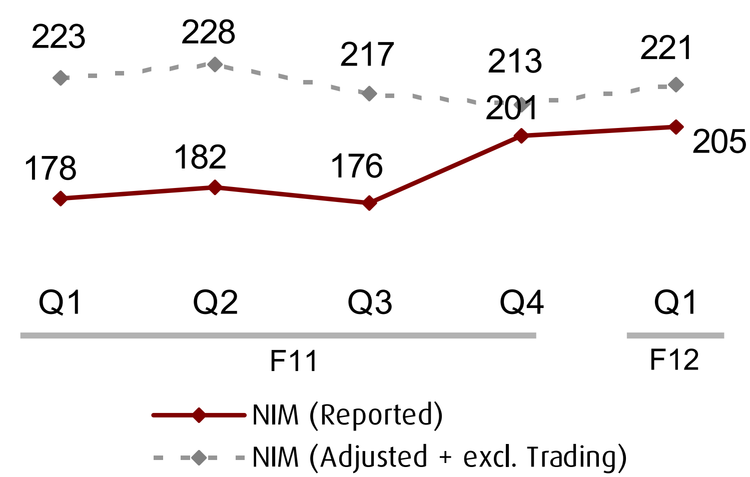
Y/Y revenue growth driven by M&I acquired business

Total Bank Adjusted Revenue (C$MM)



- Q1 adjusted revenue up 8.5% Y/Y
  - P&C Canada revenue was flat excluding one-time gain on a sale of securities in 2011
  - P&C US growth strong given acquisition
  - PCG revenue growth of 3.9%; impacted by lower interest rates
  - BMO CM revenue down from strong Q1'11
- Q1 adjusted revenue up 2.0% Q/Q
  - BMO CM revenues up 11% driven by improved market conditions resulting in higher trading revenues and revenues from interest-rate sensitive businesses

Net Interest Margin (bps)



NIM Adjusted and excl. Trading

- Q/Q increased 8 bps due primarily to higher net interest income in PCG and Corporate. P&C Canada NIM at 290 bps relatively unchanged
- Y/Y declined 2 bps due to lower spreads in BMO CM and P&C Canada, partly offset by an increase in P&C U.S.

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94-95 of BMO's 2011 Annual Report and page 31 of our First Quarter Report to Shareholders. For details on adjustments refer to slide 22

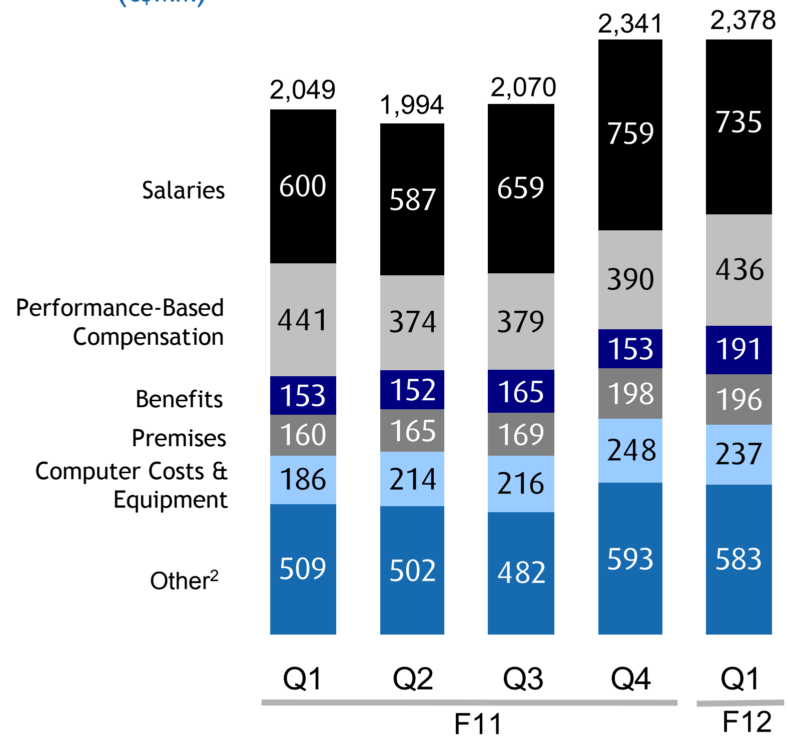
Non-Interest Expense

Y/Y growth largely reflects acquisitions; Q/Q growth modest

Non-Interest Expense ($MM)	Q1 11	Q4 11	Q1 12	Q/Q B/(W)	Y/Y B/(W)
Reported	2,058	2,432	**2,554**	(5%)	(24%)
Adjusted	2,049	2,341	**2,378**	(2%)	(16%)

- Y/Y adjusted non-interest expense increase of $329MM or 16%, largely due to acquisitions
  - Expense related to acquired businesses was $317MM
- Q/Q adjusted expenses up 1.6%
  - Q/Q adjusted expenses declined 1% excluding $71MM of performance-based compensation in respect of employees eligible to retire – operating leverage 3.4% on this basis
  - Productivity focus contributing to lower expense growth
- Adjusted productivity ratio[1] of 63.5% down from 63.8% in Q4

Total Bank Adjusted Non-Interest Expense (C$MM)



Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94-95 of BMO's 2011 Annual Report and page 31 of our First Quarter Report to Shareholders. For details on adjustments refer to slide 22

[1] Reported productivity of 62.0%

[2] Consists of communications, business and capital taxes, professional fees, travel and business development and other

Update on the Acquired M&I Business

- Strong contribution from M&I with Q1'12 adjusted net income of $215MM (Q4'11 $149MM)
  - Operating Groups of $100MM (Q4'11 $124MM), including
    - P&C US $90MM (Q4'11 $112MM). As expected results reflect lower interchange fees, higher expected loss provisions as well as lower spreads
    - PCG $11MM (Q4'11 $10MM)
  - Corporate Services of $115MM (Q4'11 $25MM) includes a recovery on purchased credit impaired loans of $88MM after-tax (Q4'11 nil)
- Reported net income of $269MM* (Q4'11 $199MM)
- Credit-related adjusting items in respect of acquired performing loans $114MM after-tax (Q4'11 $107MM); integration costs of $(43)MM after-tax (Q4'11 $(35)MM)
- Integration going well and on track

Credit-Related Adjusting Items on the Acquired M&I Performing Loan Portfolio (CDE $MM)	Q4 11	Q1 12
Net Interest Income		
a) Portion of credit mark included in NII as increased yield on the portfolio	161	168
b) Portion of credit mark released through NII for loans repaid in full	110	66
Total Revenue Impact	**271**	**234**
Provision for credit losses		
c) Specifics taken on acquired loans	(18)	(31)
d) Increase in the collective allowance	(80)	(19)
Total PCL Impact	**(98)**	**(50)**
Pre-tax Impact	**173**	**184**
After-tax Impact	**107**	**114**

a) A portion of the credit mark is included in NII over the life of the purchased performing loan portfolio. Higher yield over time expected to be approximately offset by credit provisions
b) NII related to pay-downs reflects gains from being paid off at higher amount than loans carrying value. Revenue will vary quarter to quarter
c) Specific provisions will be taken over time as losses emerge. Provisions are relatively low in the months subsequent to the acquisition given the scrutiny over the portfolio on close
d) Collective allowance will be taken as appropriate

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94-95 of BMO's 2011 Annual Report and page 31 of our First Quarter Report to Shareholders. For details on adjustments refer to slide 22

* Q1'12 Reported results include (all after-tax): credit-related items on acquired M&I performing loan portfolio $114MM (Q4'11 $107MM); integration costs $(43)MM (Q4'11 $(35)MM); acquisition-related costs nil (Q4'11 $(4)MM); and amortization of intangibles $(17)MM (Q4'11 $(18)MM)

Capital & Risk Weighted Assets

Capital position strong

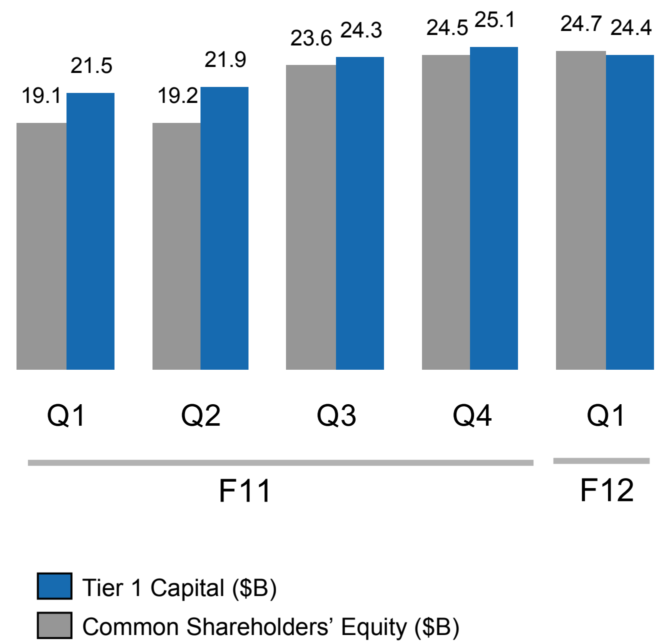
Basel II	Q1 11	Q4 11	Q1 12
Common Equity Ratio (%)[1]	10.2	9.6	9.6
Tier 1 Capital Ratio (%)	13.0	12.0	11.7
Total Capital Ratio (%)	15.2	14.9	14.6
RWA ($B)	165	209	209
Assets to Capital Multiple	14.8	13.7	15.4

- Ratios remain strong
- Q/Q higher RWA from Basel 2.5 market risk amendment, offset primarily by lower RWA due to the transition to IFRS, improved risk assessments and lower Basel II market risk RWA
- IFRS impact on Tier 1 Capital Ratio of approx 6 bps in Q1'12

Basel III [2] (pro forma as at January 31, 2012)	
Common Equity Ratio (%)	7.2
Tier 1 Capital Ratio (%)	9.1

- Well positioned to meet Basel III capital requirements
- Pro forma ratios reflect full impact of IFRS with no phase-in

Tier 1 Capital & Common Shareholders' Equity



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

[2] Estimates based on announced Basel III 2019 rules and the impact of adoption of IFRS

Operating Groups – Q1'12 Quick Facts

Over 75% of adjusted revenue and adjusted net income from retail businesses[1]

P&C Canada

- Revenue relatively flat Q/Q
- Net income up **5.4%** Q/Q on an actual loss basis
- Volume growth across most products
- Net interest margin of **290 bps** – relatively unchanged Q/Q
- Productivity ratio of **52.2%**

P&C U.S.

- Revenue declined **1.2%** Q/Q, reflecting expected impact of lower interchange and spreads
- Adjusted net income of **US$152MM,** down **$19MM** or **11%** Q/Q primarily due to lower interchange revenue, higher PCLs and lower spreads
- Net income of **US$135MM**
- Adjusted Productivity ratio of **60.1%**

Private Client Group

- Revenue decline of **1.6%** Q/Q; excluding insurance, up **3.2%** Q/Q
- Insurance business negatively impacted by lower interest rates in Q1'12 (**$47MM** after-tax)
- Excluding insurance net income down **3.9%** Q/Q mainly due to eligible to retire expenses; up **27%** Y/Y
- Net income down **24%** Q/Q due to insurance
- AUA / AUM of **$435B** up **$10B** Q/Q

BMO Capital Markets

- Revenue up **$79MM** or **11%** Q/Q driven by trading revenues as market conditions improved
- Net income of **$198MM**, up **$55MM** or **39%** Q/Q
- ROE of **17.4%**

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94-95 of BMO's 2011 Annual Report and page 31 of our First Quarter Report to Shareholders. For details on adjustments refer to slide 22

[1] Based on operating segment results; excludes Corporate Services results

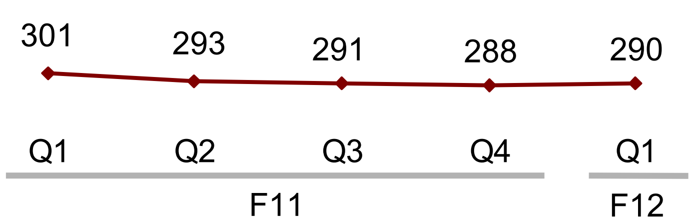
* BMO employs a methodology for segmented reporting purposes whereby expected credit losses are charged to the operating groups quarterly based on their share of expected credit losses. The difference between quarterly charges based on expected losses and required quarterly provisions based on actual losses, as well as changes in the collective allowance are charged (or credited) to Corporate Services

Personal & Commercial Banking - Canada

Focused on the customer and managing profitability in lower economic growth environment

As Reported ($MM)	Q1 11	Q4 11	Q1 12	Q/Q B/(W)	Y/Y B/(W)
Personal Revenue	968	970	**963**	(1)%	(1)%
Commercial Revenue	612	588	**593**	1%	(3)%
Revenue	1,580	1,558	**1,556**	0%	(2)%
PCL	136	138	**138**	-	(2)%
Expenses	779	808	**813**	(1)%	(4)%
Net Income	477	439	**446**	1%	(7)%
Net Income (actual PCL)	460	415	**438**	5%	(5)%
Productivity (%)	49.3	51.8	**52.2**	(0.4)%	(2.9)%

Net Interest Margin
(bps)



Highlights

- Revenue flat Q/Q and Y/Y excluding a one-time securities gain in Q1'11
- Q1'11 revenue benefited from security gains of $24MM ($17MM after tax)
- NIM of 290 bps - relatively unchanged Q/Q
- Expenses well managed; declined Q/Q excluding performance-based compensation in respect of the employees eligible to retire recognized in Q1
- Net income up 5.4% Q/Q using actual PCLs
- Q/Q net income benefited from lower tax rates
- Loan balance increased $6.2B or 4.2% Y/Y and $1.1B or 0.7% Q/Q
- Deposit balance increased $5.2B or 5.1% Y/Y and $2.0B or 1.9% Q/Q

* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 167 of BMO's 2011 audited annual consolidated financial statements

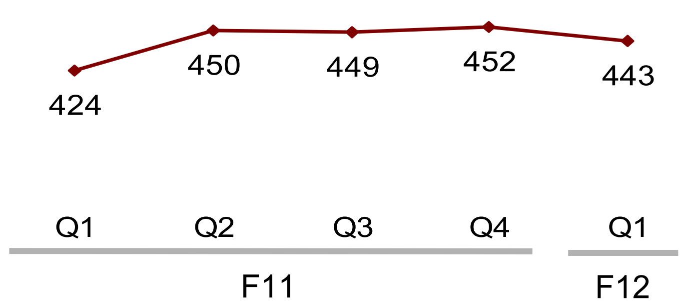
Personal & Commercial Banking - U.S.

Y/Y growth reflects benefit of acquisition

(Amounts in US$MM)

As Reported (US$MM)	Q1 11	Q4 11	Q1 12	Q/Q B/(W)	Y/Y B/(W)
Revenue	356	781	**771**	(1)%	+100%
PCL	36	78	**85**	(10)%	(+100)%
Expenses	237	472	**487**	(3)%	(+100)%
Adjusted Net Income[1]	59	171	**152**	(11)%	+100%
Adjusted Productivity (%)	65.1	57.1	**60.1**	(3.0)%	5.0%

Net Interest Margin
(bps)



Highlights

- Strong growth Y/Y
- Q/Q adjusted net income decreased $19MM or 11%
- Q/Q revenue declined reflecting expected impact of lower interchange revenue and also lower NIM net of securities gains
- Q/Q PCL higher using BMO's expected loss provisioning methodology
- Q/Q expense growth largely reflects litigation expense mostly offset by securities gains
- Q/Q NIM decline reflects benefit of increased deposit balances more than offset by deposit spread compression and lower loan spreads
- Y/Y NIM improved 19 bps primarily due to deposit balances and the impact of the acquired business
- M&I contributed US$89MM to Q1'12 adjusted net income (US$111MM Q4'11)

* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 167 of BMO's 2011 audited annual consolidated financial statements

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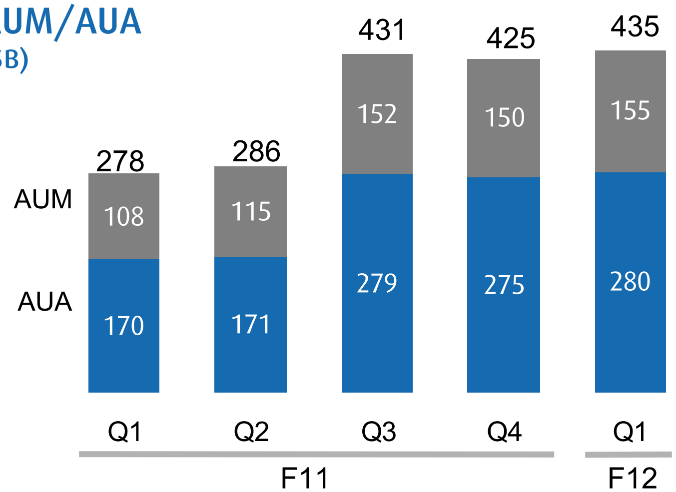
[1] Net income adjusted for costs related to amortization of acquisition-related intangibles

Private Client Group

Results lower due to unfavourable impact of long-term interest rates on Insurance business, solid Y/Y growth excluding Insurance

As Reported ($MM)	Q1 11	Q4 11	Q1 12	Q/Q B/(W)	Y/Y B/(W)
Revenue	669	706	**695**	(2)%	4%
Expenses	479	534	**557**	(4)%	(16)%
Adjusted Net Income[1]	145	143	**110**	(23)%	(24)%
Net Income	144	137	**105**	(24)%	(28)%
Insurance Net Income	71	40	**12**	(71)%	(83)%
PCG ex Insurance Net Income	73	97	**93**	(4)%	27%
Adjusted Productivity (%)	71.4	74.8	**79.2**	(4.4)%	(7.8)%

AUM/AUA
($B)



Highlights

- Y/Y PCG net income up 12% on a basis that excludes the effect of unfavourable movements in long-term interest rates relative to the prior year. Q1'12 impact $47MM after-tax
- Y/Y PCG excluding Insurance net income up 27%
- Adjusted net income down 23% Q/Q and 24% Y/Y
- Q/Q PCG net income down 3% on a basis that excludes impact of unfavourable movements in long-term interest rates that lowered Insurance business results
- Y/Y revenue up 3.9%, with 20% growth in PCG excluding Insurance revenue due to acquisitions and higher than usual asset management revenue from a strategic investment, partially offset by lower brokerage revenue in challenging equity markets
- Y/Y expenses up 16% mainly as a result of acquisitions
- M&I wealth businesses contributed US$11MM of adjusted net income and US$7MM of net income

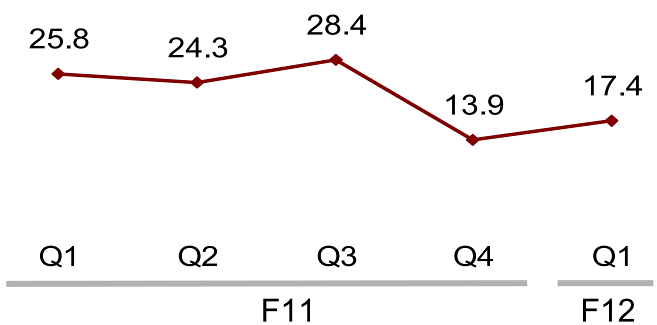
* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 167 of BMO's 2011 audited annual consolidated financial statements
[1] Adjusted net income adjusts for the amortization of acquisition-related intangible assets
Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94-95 of BMO's 2011 Annual Report and page 31 of our First Quarter Report to Shareholders. For details on adjustments refer to slide 22

BMO Capital Markets

Q1 results reflect improved market environment compared to the previous quarter

As Reported ($MM)	Q1 11	Q4 11	Q1 12	Q/Q B/(W)	Y/Y B/(W)
Trading Products Revenue	595	436	**513**	18%	(14)%
Investment & Corp Banking Revenue	364	257	**259**	1%	(29)%
Revenue	959	693	**772**	11%	(20%)
PCL	30	30	**24**	19%	20%
Expenses	489	485	**483**	1%	1%
Net Income	260	143	**198**	39%	(24%)
Productivity Ratio (%)	51.0	70.0	**62.6**	7.4%	(11.6)%

Return on Equity
(%)



Highlights

- Y/Y net income and revenue performance reflect very strong results a year ago
- Q/Q net income and revenue up from weak Q4 as market conditions improved particularly in the latter half of quarter
- Q/Q expenses relatively flat as higher stock-based compensation costs for employees eligible to retire and increased technology spend was offset by other expense savings
- Management has taken action to better align expenses with the current and future business environment

* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 167 of BMO's 2011 audited annual consolidated financial statements

Corporate Services

Adjusted net income up Y/Y and Q/Q driven largely by PCL improvement

Adjusted ($MM)	Q1 11	Q4 11	Q1 12
Revenue (teb)	(118)	(74)	**(61)**
PCL – Specific	112	32	**(161)**
– Collective	--	--	**--**
Expenses	72	73	**66**
Net Income	(126)	(67)	**62**

As Reported ($MM)	Q1 11	Q4 11	Q1 12
Revenue (teb)	(98)	78	**313**
PCL – Specific	124	96	**(130)**
– Collective	(6)	17	**19**
Expenses	72	131	**208**
Net Income	(110)	(106)	**223**

- Y/Y adjusted net income higher by $188MM
  - Adjusted PCL improved $273MM consisting of a recovery of $131MM in Corporate under BMO's EL provisioning methodology and a recovery of $142MM on the acquired M&I purchased credit impaired loans
  - Adjusted revenues improved mainly due to higher gains on the sale of securities and hedging losses in the prior year including losses that related to securitization programs
  - Expenses relatively flat
- Q/Q adjusted net income higher by $129MM, mainly due to the PCL items noted above
  - Adjusted PCL improved $193MM
- Adjustments in Q1 F'12 include (all after-tax):
  - Credit-related items in respect of the acquired M&I performing loan portfolio of $114MM, composed of pre-tax net interest income of $234MM and an increase in PCL of $50MM pre-tax (comprised of an increase in the collective allowance of $19MM and specifics of $31MM)
  - Run-off Structured Credit Activities of $136MM[1]
  - Restructuring charge of $(46)MM related to reducing the cost structure in Capital Markets business consistent with Bank overall productivity focus
  - M&I Integration costs of $(43)MM

* Operating segment results reported on an Expected Loss (EL) basis; see Note 26 on page 167 of BMO's 2011 audited annual consolidated financial statements
Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94-95 of BMO's 2011 Annual Report and page 31 of our First Quarter Report to Shareholders. For details on adjustments refer to slide 22

[1] Effective for reporting in the first quarter of fiscal 2011, certain structured credit activities consolidated under IFRS, were transferred to Corporate Services from BMO Capital Markets as they are being run-off and do not reflect core business for the segment

Group Net Income

Net Income, Adjusted ($MM)	Q1 11	Q4 11	Q1 12	B/(W)	
				Q/Q	Y/Y
P&C Canada	479	441	448	2%	(6%)
P&C U.S.	59	172	154	(10%)	+100%
Total P&C	538	613	602	(2%)	12%
PCG	145	143	110	(23%)	(24%)
BMO Capital Markets	260	143	198	39%	(24%)
Corporate Services	(126)	(67)	62	+100%	+100%
Total Bank	817	832	972	17%	19%

Net Income, Reported ($MM)	Q1 11	Q4 11	Q1 12	B/(W)	
				Q/Q	Y/Y
P&C Canada	477	439	446	1%	(7%)
P&C U.S.	54	155	137	(11%)	+100%
Total P&C	531	594	583	(2%)	10%
PCG	144	137	105	(24%)	(28%)
BMO Capital Markets	260	143	198	39%	(24%)
Corporate Services	(110)	(106)	223	+100%	+100%
Total Bank	825	768	1,109	44%	34%

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94-95 of BMO's 2011 Annual Report and page 31 of our First Quarter Report to Shareholders. For details on adjustments refer to slide 22

Select Balance Sheet Information

Average Net Loans & Acceptances ($B)	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12
Consumer Instalment & other personal	51.5	51.8	54.4	59.3	59.8
Non-residential Mortgages[1]	7.5	7.1	6.8	8.3	6.8
Residential Mortgages	74.7	74.4	75.7	79.3	79.6
Credit Cards	7.8	7.5	7.8	8.1	8.1
Businesses & governments[1]	57.2	57.9	63.7	79.1	82.1
Customers' liability under acceptances & allowances for credit losses	5.4	5.2	5.2	5.4	5.3
Total	204.1	204.0	213.6	239.5	241.7

[1]In Q1'12, $1.6 billion of commercial real estate loans from acquired M&I business were re-classed from non-residential mortgages to business & government loans.

Average Deposits ($B)	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12
Businesses and governments	137.8	135.5	143.6	162.5	171.1
Individuals	98.1	97.6	104.6	121.5	122.3
Banks	19.7	20.2	22.1	23.1	21.2
Total	255.7	253.3	270.3	307.1	314.6

- Y/Y increase in loans and deposits largely driven by acquired M&I business

Loans

- Q/Q increase of $2.2B primarily in business and government loans in BMO Capital Markets and growth in personal loans and mortgages in P&C Canada. P&C U.S. growth in commercial banking business loans in key segments more than offset by declines in personal banking, CRE and run-off portfolios

Deposits

- Q/Q increase of $7.5B primarily in business and government deposits, driven by increased US deposits and US dollar wholesale funding

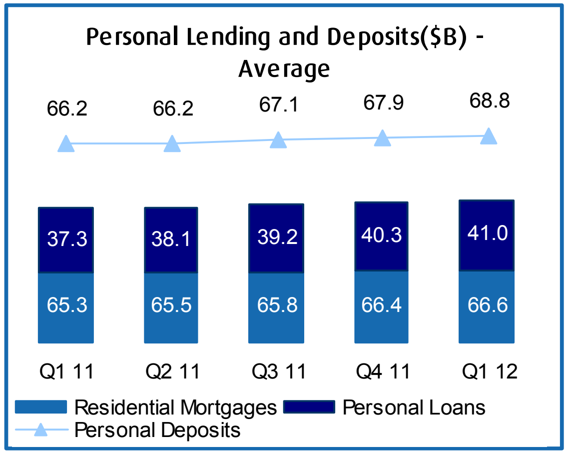
Personal & Commercial Banking Canada – Product Balances & Market Share

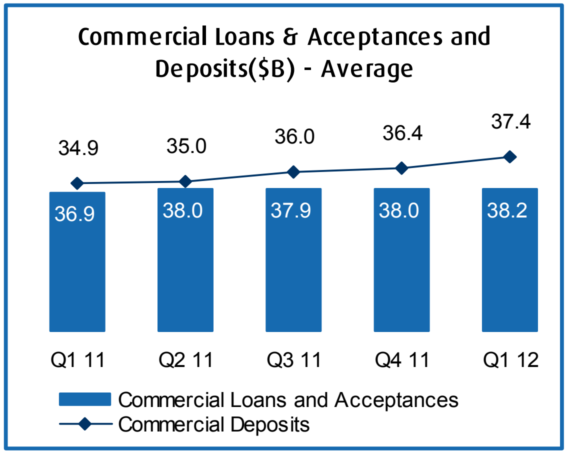
Personal
- Y/Y total personal lending balances up 4.8% and personal deposit balances up 4.0%

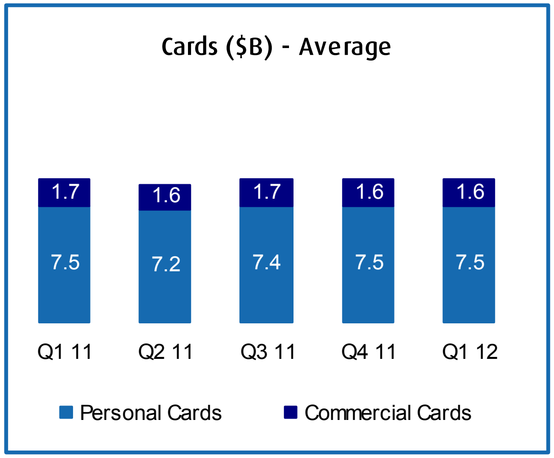
Commercial
- Commercial deposit balances increasing over the past 11 quarters, up $2.6B or 7.4% Y/Y
- Y/Y total commercial loan and acceptance balances up $1.3B or 3.5%.
- Maintained #2 market share position in Commercial loans, up 45bps Q/Q

Cards
- Y/Y Personal Cards balances up 0.9%
- Commercial Cards balances have declined 3.8% Y/Y but increased 1.9% Q/Q.
- Cards market share up 7bps Q/Q and up 11bps Y/Y, while balances remain stable

Market Share (%) [1]	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12
Total Personal Lending[1]	11.0	11.0	10.9	10.9	10.8
Personal Deposits[1]	11.7	11.6	11.7	11.7	11.3
Mutual Funds[1]	13.4	13.5	13.4	13.4	13.3
Commercial Loans $0 - $5MM[2,3]	20.3	20.2	20.2	19.5	20.0
Cards (Balance) [4]	9.8	9.6	9.7	9.8	9.9







Sources: Mutual Funds – IFIC; Consumer Loans, Residential Mortgages & Personal Deposits – OSFI (changed from previous source Bank of Canada)

1. Personal share issued by OSFI; Mutual Funds share issued by IFIC (two months lag basis (Q1 F12: Nov 2011)). IFRS balance sheet changes reflected
2. Business loan share (Banks) issued by CBA (one calendar quarter lag basis (Q1 12: Sep 2011))
3. Reclassification was done by the Bank in Q1 for commercial loans. The impact on market share was an increase of 61bps
4. Cards market share issued by CBA and does not include Diners

Personal & Commercial Banking U.S. – Product Balances

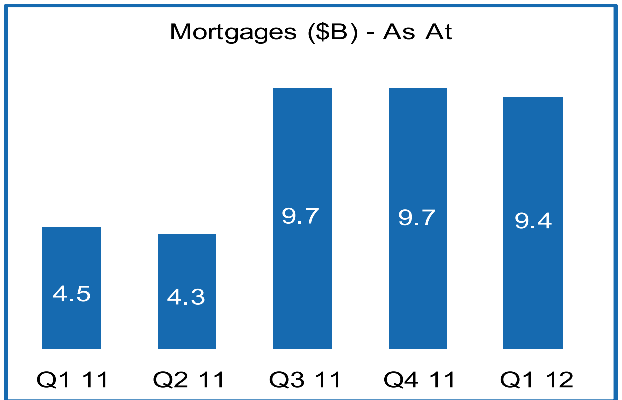
All amounts in U.S. $B

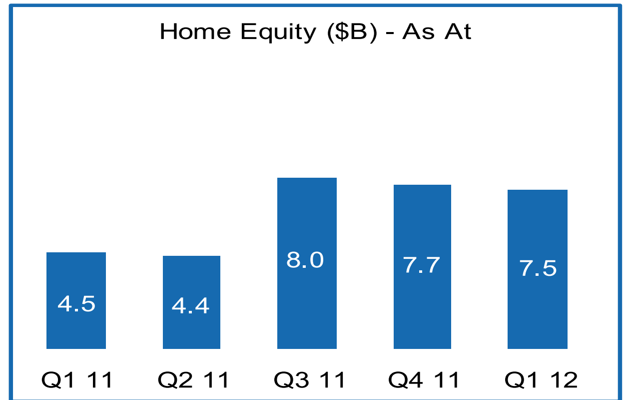
Personal

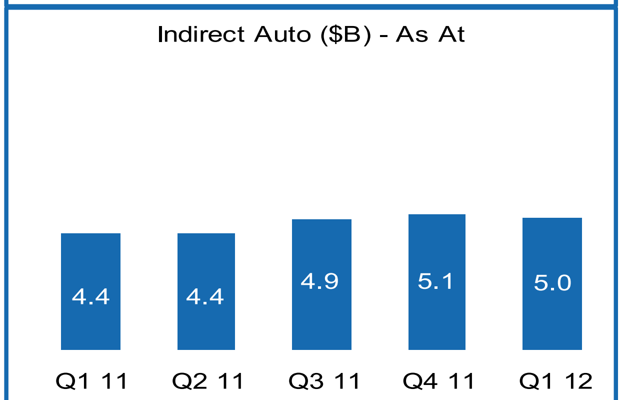
- Y/Y product balances up significantly driven by M&I acquired business
- Q/Q personal loans down given environment and selling of mortgage originations to secondary market
- Q/Q personal deposits have been steady as core growth was offset by maturities on term deposits

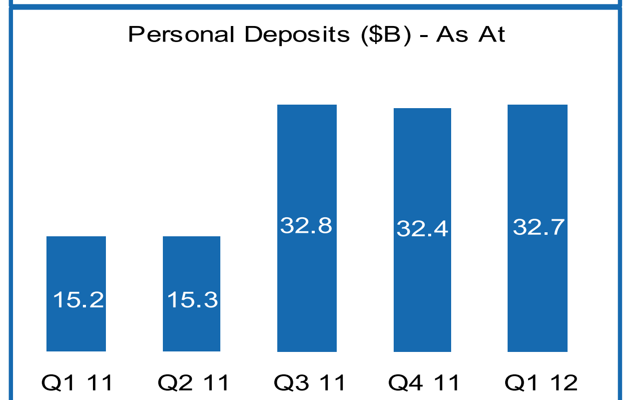
Commercial

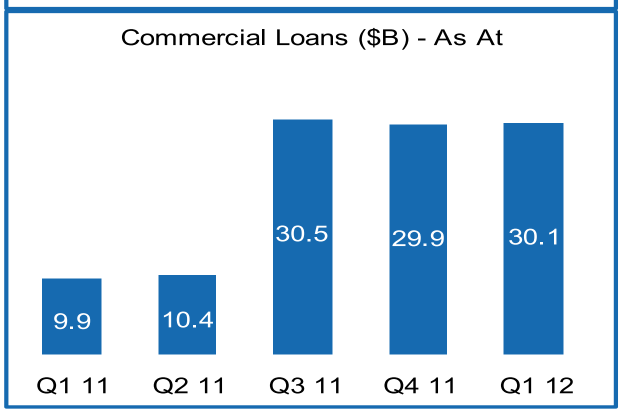
- Strong Y/Y loan and deposit growth driven by both M&I acquisition and organic growth
- Commercial banking business loan growth was $1.1 billion Q/Q in key segments and this was partially offset by normal course paydowns and declines in CRE and run-off portfolios, as expected
- Q/Q deposit growth driven by the commercial mid-market and financial institutions segments

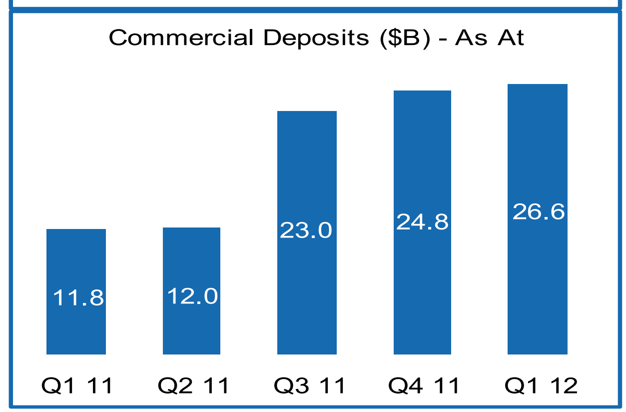












Adjusting Items

Adjusting items – Pre-tax ($MM)	Q1 11	Q4 11	Q1 12
Credit-related items on the acquired M&I performing loan portfolio	-	173	**184**
Run-off structured credit activities	20	(119)	**136**
M&I integration costs	-	(53)	**(70)**
M&I acquisition-related costs	-	(4)	**-**
Amortization of acquisition-related intangible assets	(9)	(34)	**(34)**
Decrease (increase) in the collective allowance for credit losses	(6)	17	**-**
Restructuring costs	-	-	**(68)**
Reduction in pre-tax income due to adjusting items in reported results	5	(20)	**148**

Adjusting items – After-tax ($MM)	Q1 11	Q4 11	Q1 12
Credit-related items on the acquired M&I performing loan portfolio	-	107	**114**
Run-off structured credit activities	20	(119)	**136**
M&I integration costs	-	(35)	**(43)**
M&I acquisition-related costs	-	(4)	**-**
Amortization of acquisition-related intangible assets	(8)	(25)	**(24)**
Decrease (increase) in the collective allowance for credit losses	(4)	12	**-**
Restructuring Costs	-	-	**(46)**
Adjusting items in net income	8	(64)	**137**
EPS ($)	0.02	(0.09)	**0.21**

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 94-95 of BMO's 2011 Annual Report and page 31 of our First Quarter Report to Shareholders

Risk Review

Q1|12

Surjit Rajpal
Executive Vice President & Chief Risk Officer
BMO Financial Group

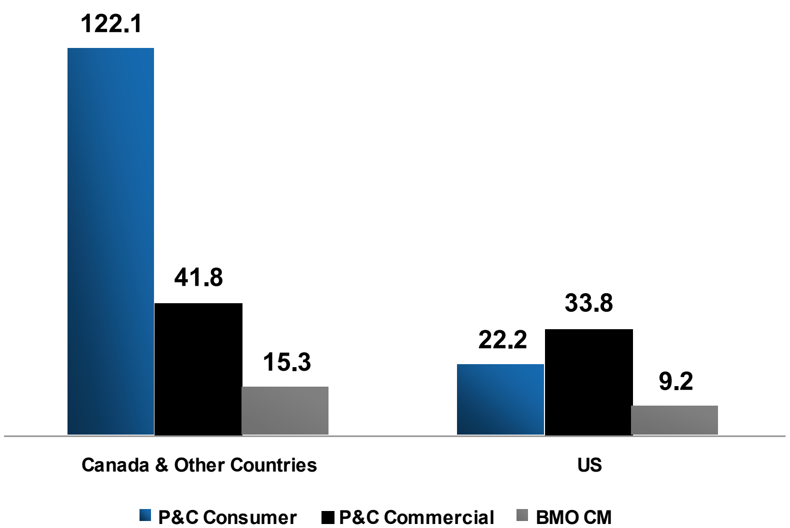
February 28 • 2012

Loan Portfolio – Well Diversified by Segment and Business

- Canadian and US portfolios well diversified. The M&I loan portfolio contributes ~12% of total loans
- P&C business represents the majority of loans
  - Retail portfolios are predominantly secured – 87% in Canada and 97% in the US

By Segment (C$B)	Canada & Other Countries[1]	US[2]	Total	% of total
Residential Mortgages	68.7	8.0	76.7	31%
Personal Lending	46.0	13.7	59.7	24%
Cards	7.4	0.5	7.9	3%
Total Consumer	**122.1**	**22.2**	**144.3**	**59%**
CRE/Investor Owned Mortgages	9.9	10.1	20.0	8%
Financial Institutions	10.7	7.0	17.7	7%
Services	7.5	4.9	12.4	5%
Manufacturing	4.0	5.1	9.1	4%
Retail	5.5	2.1	7.6	3%
Owner Occupied Commercial Mortgages	2.0	5.0	7.0	3%
Other Commercial & Corporate[3]	17.5	8.8	26.3	11%
Total Commercial & Corporate	**57.1**	**43.0**	**100.1**	**41%**
Total Loans	**179.2**	**65.2**	**244.4**	**100%**

By Line of Business

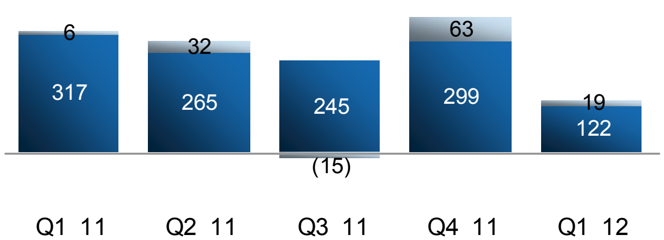


1 Includes ~$5B from Other Countries
2 Includes ~$29B from the M&I loan portfolio
3 Other Commercial & Corporate includes Portfolio Segments that are each <2% of total loans

Provision for Credit Losses

- Q1 '12 Adjusted specific provisions at $91MM are down from last quarter (Q4 '11: $281MM)
  - Main driver of the decrease is a $142MM recovery related to the Purchased Credit Impaired Loans (PCIs)
- P&C Canada provisions at $149MM are down quarter/quarter (Q4 '11: $172MM)
- Capital Markets has a net recovery of $11MM
- Increase in the Collective Allowance of $19MM is due to the M&I portfolio

Quarterly PCL



Business Segment (By Business Line Segment) (C$ MM)	Q1 '11	Q4 '11	Q1 '12
Consumer – P&C Canada	136	134	125
Commercial – P&C Canada	24	38	24
Total P&C Canada	**160**	**172**	**149**
Consumer – P&C US	61	40	43
Commercial – P&C US	70	31	13
Total P&C US	**131**	**71**	**56**
PCG	3	2	4
Capital Markets	3	12	(11)
Corporate Services[1]	20	24	35
Sub-Total	**317**	**281**	**233**
Purchased Credit Impaired Loans	-	-	(142)
Adjusted Specific Provisions	**317**	**281**	**91**
Acquired Performing Loans[2]	-	18	31
Specific Provisions	**317**	**299**	**122**
Change in Collective Allowance	6	63	19
Total PCL	**323**	**362**	**141**

1 Includes: Real estate secured assets transferred out of P&C US Commercial as of Q3'11 (prior periods not restated) and IFRS impact related to interest on impaired loans

2 Q1 '12 amount of $31MM includes $2MM from PCG and $5MM from Corporate lines of business. Q4 '11 amount of $18MM includes $(2)MM from Corporate line of business

Specific Provision Segmentation

- Canadian provisions lower at $153MM (Q4 '11: $180MM) with the Personal Lending and Cards' sectors the largest contributors. Commercial provisions well diversified
- Recovery of $31MM in the US (Q4 '11: $119MM) which is driven by a $142MM recovery recognized in the Purchased Credit Impaired Loans (PCIs) in the current quarter
- Removing the impact of PCIs in the current quarter, US provisions are comparable to prior quarter at $111MM (Q4 '11: $119MM)
  - The acquired M&I performing loans contribute $31MM in specific provisions (Q4'11: $18MM)

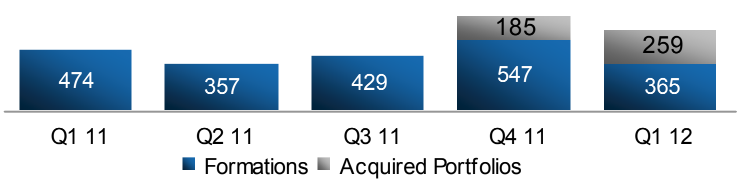
(C$MM)	Canada	US	Total	% of total
Cards	86	7	93	76%
Personal Lending	36	31	67	55%
Residential mortgages	3	5	8	7%
Consumer	**125**	**43**	**168**	**138%**
CRE/Investor Owned Mortgages	2	(16)	(14)	-12%
Owner Occupied Commercial Mortgages	2	4	6	5%
Manufacturing	15	(10)	5	4%
Agriculture	1	(1)	-	0%
Services	2	(10)	(8)	-7%
Financial Institutions	1	(17)	(16)	-13%
Retail	1	-	1	1%
Construction	-	(15)	(15)	-12%
Forest Products	1	(2)	(1)	-1%
Other Commercial & Corporate	3	(7)	(4)	-3%
Commercial and Corporate	**28**	**(74)**	**(46)**	**-38%**
Specific PCL	**153**	**(31)**	**122**	**100%**

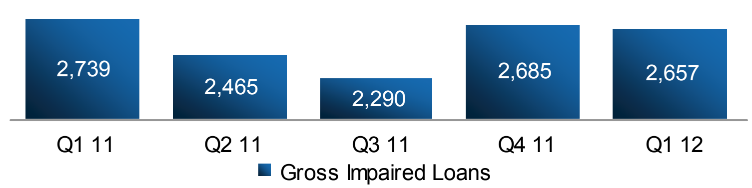
Impaired Loans and Formations[1]

- Q1 '12 formations lower quarter over quarter at $624MM (Q4 '11: $732MM)
  - US formations are $387MM (Q4 '11: $426MM) including $259MM from the acquired portfolios, of which $27MM is covered by FDIC loss share agreement. CRE/Investor Owned Mortgages and Consumer Loans are the largest sectors
  - Canadian formations of $237MM (Q4 '11: $305MM) are well spread across sectors
- Q1 '12 Gross Impaired Loans (GIL) are lower at $2,657MM (Q4 '11: $2,685MM)
  - Largest segment in Canada is Consumer and in the US, Commercial Real Estate

Formations (C$MM)	Canada	US	Total	% of total
Consumer	**137**	**155**	**292**	**47%**
CRE/Investor Owned Mortgages	10	145	155	25%
Owner Occupied Commercial Mortgages	5	41	46	7%
Manufacturing	32	17	49	8%
Agriculture	14	-	14	2%
Services	5	16	21	3%
Financial Institutions	-	-	-	0%
Retail	7	2	9	1%
Construction	20	3	23	4%
Forest Products	2	-	2	0%
Other Commercial & Corporate[2]	5	8	13	2%
Commercial and Corporate	**100**	**232**	**332**	**53%**
Total Formations	**237**	**387**	**624**	**100%**

GIL Balance (C$MM)	Canada & Other Countries[3]	US	Total	% of total
Consumer	**350**	**448**	**798**	**30%**
CRE/Investor Owned Mortgages	140	708	847	32%
Owner Occupied Commercial Mortgages	31	218	250	9%
Manufacturing	97	56	154	6%
Agriculture	100	11	111	4%
Services	44	64	108	4%
Financial Institutions	16	75	92	3%
Retail	56	13	69	3%
Construction	38	21	59	2%
Forest Products	47	-	47	2%
Other Commercial & Corporate[2]	57	67	122	5%
Commercial and Corporate	**626**	**1,233**	**1,859**	**70%**
Total Gross Impaired Loans	**976**	**1,681**	**2,657**	**100%**





1 As of Q1 '12 Consumer formations are reported on a gross basis and exclude Cards. Prior periods have been restated accordingly
2 Other Commercial & Corporate includes Portfolio Segments that are each <2% of total GIL
3 Includes ~$13MM from Other Countries

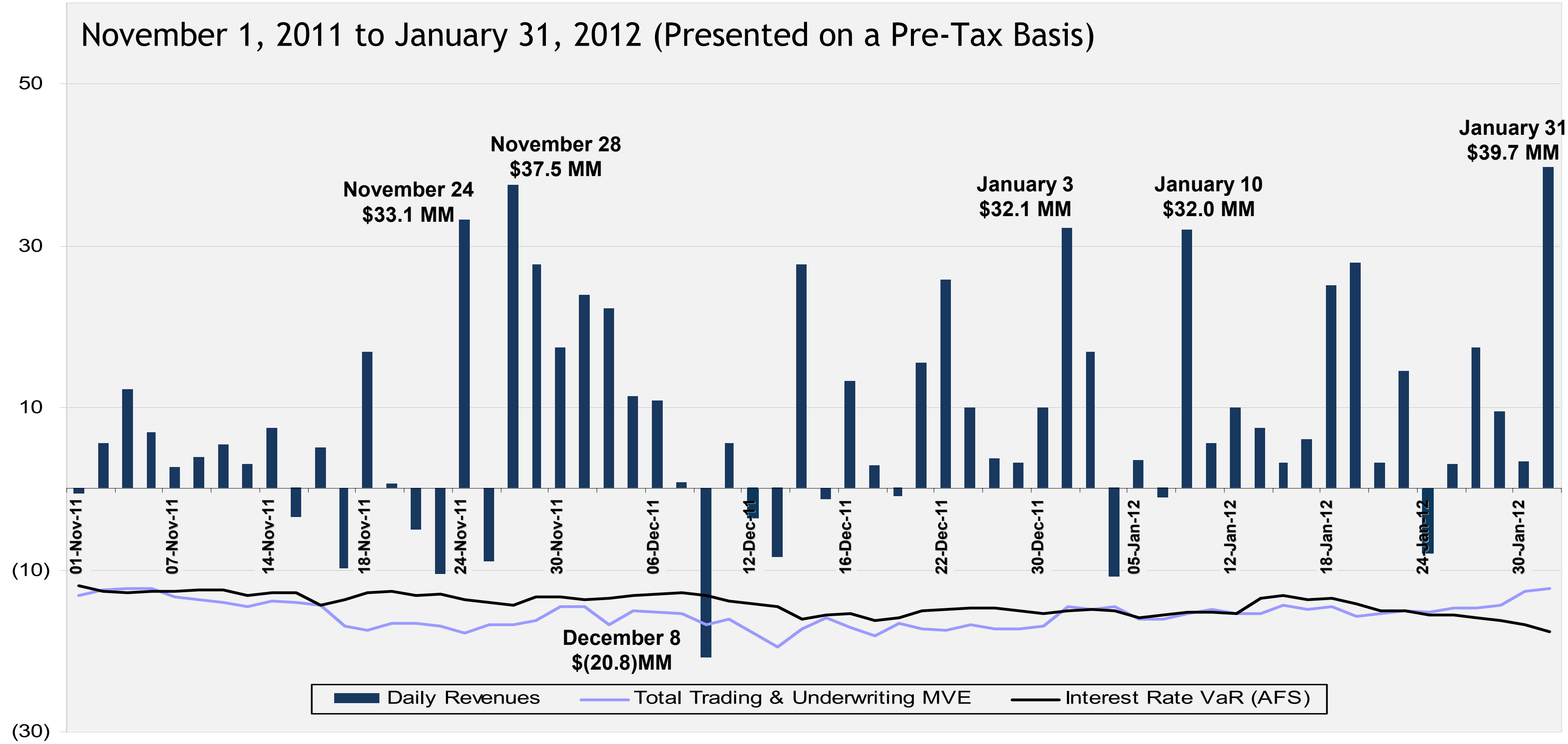
European Exposure

Country[1] (C$ MM)	Lending[2]				Securities[2]				Repo Style Transactions[3]	Derivatives[4]				Total Exposure
	Bank	Corporate	Sovereign[5]	Total	Bank	Corporate	Sovereign[5]	Total	Total	Bank	Corporate	Sovereign[5]	Total	
GIIPS (2%)	105	2	-	**107**	-	26	-	**26**	-	21	1	-	**22**	**155**
Eurozone (55%) (excluding GIIPS)	495	188	75	**758**	523	50	3,177	**3,750**	**12**	139	1	4	**144**	**4,664**
Rest of Europe (43%)	314	116	-	**430**	713	41	2,249	**3,003**	**15**	119	11	27	**157**	**3,605**
All Europe	**914**	**306**	**75**	**1,295**	**1,236**	**117**	**5,426**	**6,779**	**27**	**279**	**13**	**31**	**323**	**8,424**

- Direct exposures in Greece, Ireland, Italy, Portugal and Spain (GIIPS) are primarily to banks for trade finance and trading products. Exposures remain modest at net $155 million plus $48 million of unfunded commitments. In addition, our Irish subsidiary is required to maintain reserves with the Irish central bank of ~$75MM (not included above)
- Our direct exposure to the other Eurozone countries totalled ~$4.7B, of which 66% was to counterparties in countries with a Aaa/AAA rating by both Moody's and S&P, with almost 100% rated Aaa/AAA by one or the other of the rating agencies
- Direct exposure to the remaining European countries totalled ~$3.6B, of which 95% was to counterparties in countries with a Moody's/S&P rating of Aaa/AAA
  - A significant majority of our sovereign exposure consists of tradeable cash products
  - Exposure to banks was comprised of trading instruments, short-term debt, derivative positions and letters of credit and guarantees

1 Eurozone is defined as the 12 countries that share a common Euro currency. Rest of Europe includes the United Kingdom
2 Lending includes loans and trade finance. Securities includes cash products, insurance investments and traded credit
3 Repo style transactions are all with bank counterparties. Exposures are equal to the current gross exposure with collateral offsets
4 Derivative amounts are MTM, incorporating transaction netting, and for counterparties where a Credit Support Annex is in effect, collateral offsets
5 Sovereign includes sovereign-backed bank cash products

Trading & Underwriting Net Revenues vs. Market Value Exposure



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

- **November 24 – C$33.1MM, November 28 – C$37.5MM**, **January 3 – C$32.1MM, January 10 – C$32.0MM** which primarily reflects normal trading and credit valuation adjustments
- **January 31 – C$39.7MM** which primarily reflects normal trading, valuation adjustments and underwriting

The largest daily P&L loss for the quarter was on **December 8 – CAD $(20.8)MM** which primarily reflects normal trading and credit valuation adjustments

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