BMO Financial Group

Investor Presentation

For the Quarter Ended – July 31, 2012

Q3 | 12

August 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.

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 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, unless OSFI has expressly advised otherwise. 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 July 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 the structured investment vehicle were material factors we considered when establishing our expectations regarding the structured investment vehicle discussed in this interim MD&A, including the adequacy of first-loss protection. Key assumptions included that assets will continue to be sold with a view to reducing the size of the structured investment vehicle, 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.

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. 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 Third 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, expenses, 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, hedge costs related to foreign currency risk on purchase of M&I, M&I integration costs, M&I acquisition-related 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.

BMO Financial Group

Strategic Highlights

Q3 | 12

For the Quarter Ended – July 31, 2012

August 28, 2012

Bill Downe

President & Chief Executive Officer

Financial Results

Our business continues to deliver consistent and attractive profitability within a sound risk framework

C$ millions unless otherwise indicated

	Q3 11	Q2 12	Q3 12
Revenue	3,320	3,959	3,878
PCL	230	195	237
Expense	2,221	2,499	2,484
Net Income	708	1,028	970
EPS ($)	1.09	1.51	1.42
ROE (%)	13.3	16.2	14.5
Adjusted[1]			
Revenue	3,380	3,727	3,677
Net Income	856	982	1,013
EPS ($)	1.34	1.44	1.49
Productivity Ratio (%)	61.2	63.2	63.7

- Strong adjusted[1] results with net income up 18% Y/Y to over $1 billion
  - EPS up 11%
  - Revenue growth 9%
  - ROE 15.2%
- Strong capital position; pro forma Basel III common equity ratio of 8.3%[2]
- Quarterly declared dividend increased by 3% to $0.72 per share
  - Target dividend payout range changed to 40-50%

[1] Adjusted measures are non-GAAP measures. See slide 2 and 11 of this document, pages 34, 94-95 of BMO's 2011 Annual Report and pages 32-33 of BMO's Third Quarter 2012 Report to Shareholders

[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, 16 and 17 of BMO's Third Quarter 2012 Report to Shareholders and the Enterprise-Wide Capital Management section on pages 61-65 in BMO's 2011 Annual Report

Operating Group Performance

Over 75% of adjusted net income from retail businesses

C$ millions unless otherwise indicated

Adjusted[2] Net Income

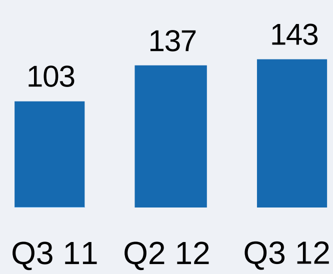
Q/Q Growth

P & C Banking Canada

5%[1]

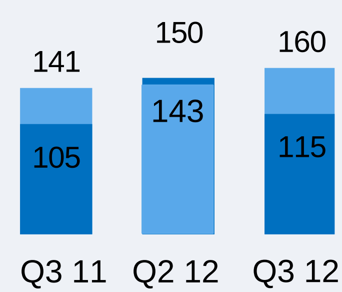
P & C Banking U.S. (US$)

4%



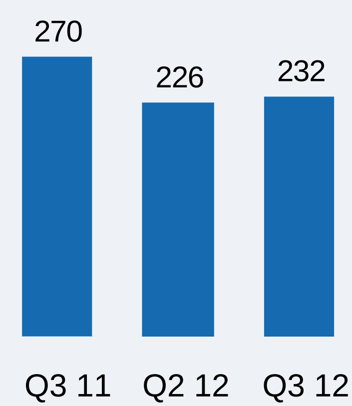
Private Client Group

11%[3]



BMO Capital Markets

3%



[1] P&C Canada growth rate is on a reported, actual loss basis.

[2] Adjusted measures are non-GAAP measures. See slide 2 and 11 of this document, pages 34, 94-95 of BMO's 2011 Annual Report and pages 32-33 of BMO's Third Quarter 2012 Report to Shareholders; Operating Group reported net income Q3'12 | Q2'12 | Q3'11: P&C Canada $453 | $446 | $443; P&C US $127 | $122 | $95; PCG $109 | $145 | $104; BMO CM $232 | $225 | $270

3 Excluding long-term interest rate impact on Insurance

BMO Financial Group

Financial Results

For the Quarter Ended – July 31, 2012

Q3 | 12

August 28th • 2012

Tom Flynn
Executive Vice President & Chief Financial Officer

Q3 2012 - Financial Highlights

Strong Results, Third Quarter Adjusted Income of $1.0B, up 18% Y/Y

	Revenue	Net Income	EPS	ROE	Productivity	Specific PCL	Common Equity Ratio (Basel II)
Reported Results	**$3,878MM**	**$970MM**	**$1.42**	**14.5%**	**64.1%**	**$229MM**	**10.3%**
Adjusted Results	**$3,677MM**	**$1,013MM**	**$1.49**	**15.2%**	**63.7%**	**$116MM**	**10.3%**

- Adjusted EPS up 11.2% Y/Y and 3.5% Q/Q
- Adjusted net income up 18.4% Y/Y with good business performance
  - Adjusted revenue increased 8.8%
  - P&C Canada income up 4.6% on an actual loss basis
  - P&C U.S. income reflects strong growth due to acquisition
  - PCG income up 8.4%. Insurance interest rate impact (Q3'12 - $0.07/share)
  - BMO CM income down 14.1% from strong results a year ago
  - Specific PCL of $116MM, down $129MM
  - Adjusted effective tax rate of 16.9%
- Adjusted net income up 3.1% Q/Q
  - Adjusted net income up in all operating groups with the exception of PCG
  - Disciplined expense management contributed to expenses down 0.6%
  - Specific PCL down $35MM

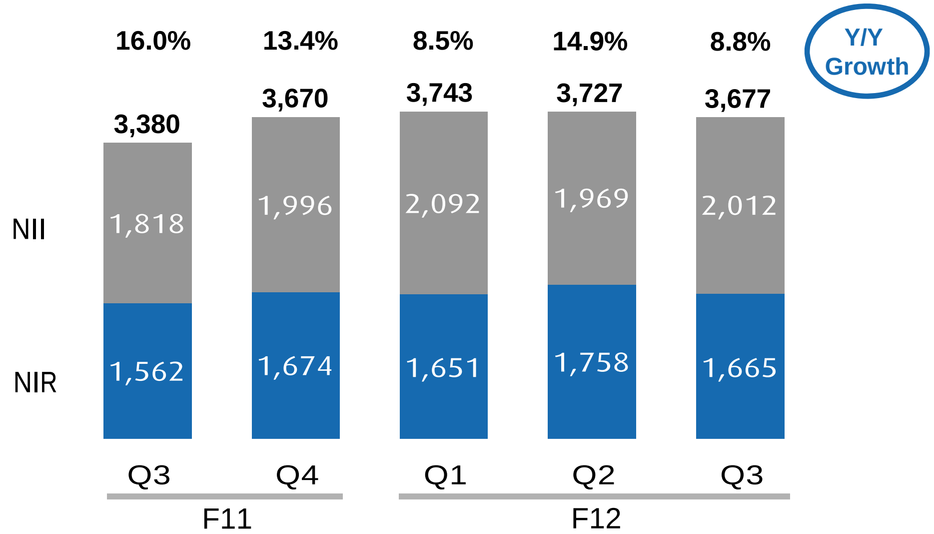
- See slide 11 for adjustments to reported results

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 34, 94-95 of BMO's 2011 Annual Report and page 32-33 of BMO's Third Quarter 2012 Report to Shareholders

Revenue

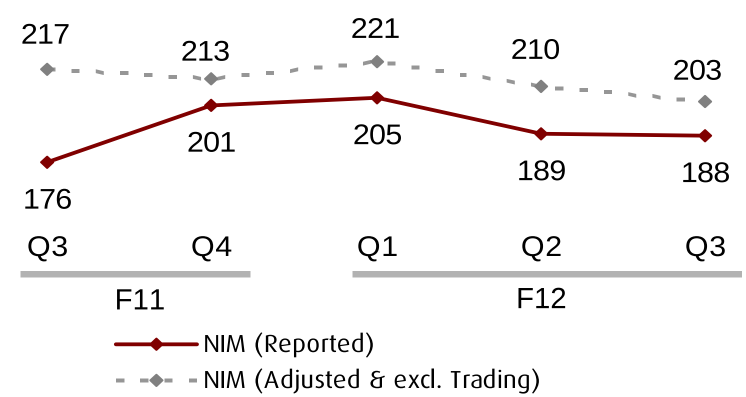
Y/Y revenue growth in all retail businesses

Total Bank Adjusted Revenue (C$MM)



- Q3 adjusted revenue up 8.8% Y/Y
  - NII up 11% primarily in P&C U.S. and PCG due to acquired business
  - NIR up 6.7% driven primarily by the acquired business, growth from P&C Canada across a number of categories and organic growth in P&C U.S.
- Q3 adjusted revenue down 1.4% Q/Q
  - NII up 2.1% with growth across all operating groups in part due to two more days in the current quarter and good volume growth
  - NIR down 5.3% primarily due to lower interest rates which reduced PCG Insurance revenue by $61MM in Q3'12 and lower non-trading securities gains

Net Interest Margin
(bps)



NIM Adjusted and excl. Trading

- Q/Q (7) bps change primarily due to P&C Canada and BMO CM
  - P&C Canada
    - Lower personal lending margins resulting from customer behaviours in our cards business and competitive pressures
    - Deposit spread compression in the low rate environment
    - Loan growth exceeding deposit growth, particularly mortgages
  - BMO CM down due to lower market spreads
- Y/Y (14) bps change due mainly to lower spreads in BMO CM, P&C Canada and P&C U.S. partly offset by the positive mix impact from the acquired business

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 34, 94-95 of BMO's 2011 Annual Report and page 32-33 of BMO's Third Quarter 2012 Report to Shareholders. For details on adjustments refer to slide 11

Non-Interest Expense

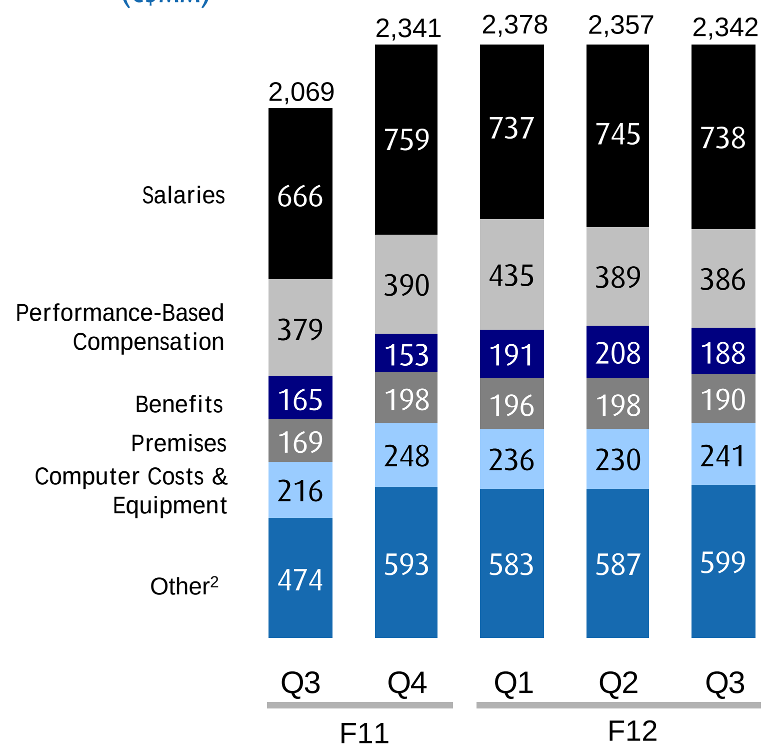
Disciplined expense management

Non-Interest Expense ($MM)	Q3 11	Q2 12	Q3 12	Q/Q B/(W)	Y/Y B/(W)
Reported	2,221	2,499	**2,484**	1%	(12)%
Adjusted	2,069	2,357	**2,342**	1%	(13)%

- Y/Y adjusted non-interest expense increase of $273MM or 13%, largely due to acquisitions
  - Acquired businesses increased expenses by $248MM
  - The stronger U.S. dollar increased expense growth by $26MM or 1.3% on a basis that excludes M&I
  - Expense down $1MM excluding the above items from expense management
- Q/Q adjusted non-interest expenses down $15MM or 0.6%
  - Down 1.5% after adjusting for the stronger U.S. dollar that increased expense growth by $20MM or 0.9%
  - Lower employee-related costs and cost management despite the effect of two more days
  - Operating leverage of (0.7)% or 1.2% on a basis that excludes impact of long-term rates on insurance
- Adjusted productivity ratio[1] of 63.7% compared to 63.2% in Q2'12

Total Bank Adjusted Non-Interest Expense

(C$MM)



[1] Reported productivity of 64.1%

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

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For details on adjustments refer to slide 11

Capital & Risk Weighted Assets

Capital position strong

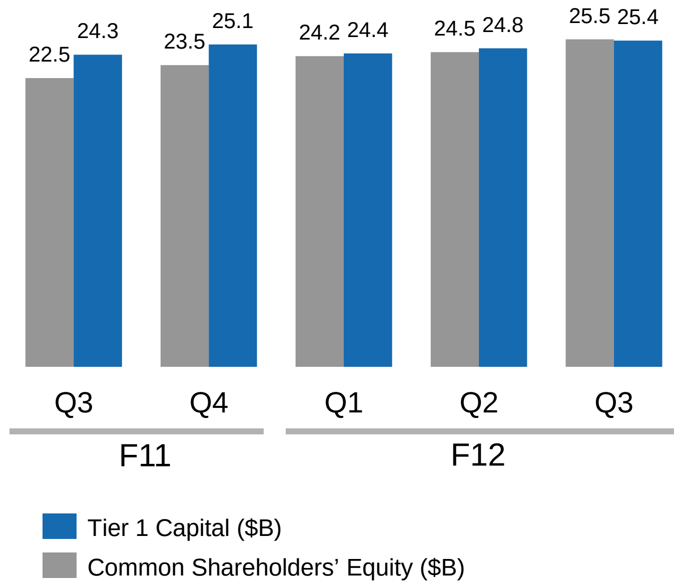
Basel II	Q3 11	Q2 12	Q3 12
Common Equity Ratio (%)[1]	9.1	9.9	10.3
Tier 1 Capital Ratio (%)	11.5	12.0	12.4
Total Capital Ratio (%)	14.2	14.9	14.8
RWA ($B)	212	207	205
Assets to Capital Multiple	14.3	15.1	15.8

- Ratios remain strong
- Q/Q capital ratios benefited from higher regulatory capital
- IFRS impact on Tier I Capital Ratio is approximately -32 bps to the end of Q3 and will be approximately -60 bps when fully phased in Q1 2013

Basel III [2] (pro forma as at July 31, 2012)	
Common Equity Ratio (%)	8.3
Tier 1 Capital Ratio (%)	9.9

- Well positioned for Basel III capital requirements
- Pro forma ratios reflect estimated full impact of Basel III and IFRS with no phase-in

Common Shareholders' Equity & Basel II Tier 1 Capital



[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. For further details regarding assumptions and factors used in our calculations refer to pages 6, 16 and 17 of BMO's Third Quarter 2012 Report to Shareholders and the Enterprise-Wide Capital Management section on pages 61-65 in BMO's 2011 Annual Report

Adjusting Items

Adjusting[1] items – Pre-tax ($MM)	Q3 11	Q2 12	Q3 12
Credit-related items on the acquired M&I performing loan portfolio	-	90	**76**
Run-off structured credit activities	(51)	76	**(15)**
Hedge costs related to foreign currency risk on purchase of M&I	(9)	-	**-**
M&I integration costs	(53)	(74)	**(105)**
M&I acquisition-related costs	(82)	-	**-**
Amortization of acquisition-related intangible assets	(17)	(33)	**(33)**
Decrease in the collective allowance for credit losses	15	18	**15**
Restructuring costs	-	(31)	**-**
Adjusting items included in reported pre-tax income	(197)	46	**(62)**

Adjusting[1] items – After-tax ($MM)	Q3 11	Q2 12	Q3 12
Credit-related items on the acquired M&I performing loan portfolio	-	55	**47**
Run-off structured credit activities	(51)	73	**(15)**
Hedge costs related to foreign currency risk on purchase of M&I	(6)	-	**-**
M&I integration costs	(32)	(47)	**(65)**
M&I acquisition-related costs	(58)	-	**-**
Amortization of acquisition-related intangible assets	(12)	(24)	**(24)**
Decrease in the collective allowance for credit losses	11	12	**14**
Restructuring costs	-	(23)	**-**
Adjusting items included in reported after-tax net income	(148)	46	**(43)**
EPS ($)	(0.25)	0.07	**(0.07)**

[1] All adjusting items are reflected in Corporate Services with the exception of the amortization of acquisition-related intangible assets, which is reflected across the Operating Groups

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 34, 94-95 of BMO's 2011 Annual Report and page 32-33 of BMO's Third Quarter 2012 Report to Shareholders

Operating Groups – Q3 2012 Quick Facts

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

P&C Canada

- Revenue up **1%** Y/Y with volume growth across most products
- Net income up **5%** Y/Y and Q/Q on an actual loss basis
- Good loan growth Y/Y and Q/Q. Commercial loans up **6.6%** Y/Y and **3.2%** Q/Q
- Net interest margin **274 bps** – down **7 bps** Q/Q driven by lower loan and deposit spreads
- Productivity ratio **51.1%**

P&C U.S.

- Revenue up **US$235MM** Y/Y, reflecting benefit of the acquisition
- Adjusted net income [2] of **US$143MM,** up **$40MM** Y/Y; up **$6MM** Q/Q
- Adjusted Productivity ratio **60.2%**
- Good volume growth trends in core C&I

Private Client Group

- Revenue up **9%** Y/Y
- Adjusted net income[3] of **$115MM,** up **8%** Y/Y
- Insurance business impacted by long-term interest rates in Q3'12 (**$45MM** after-tax)
- AUA / AUM of **$445B** up **$14B** Y/Y as we continue to attract new client assets

BMO Capital Markets

- Revenue down **2%** Y/Y from relatively stronger environment a year ago
- Net income of **$232MM**, down **14%** Y/Y; up **3%** Q/Q
- Revenue up **2%** Q/Q due to improved trading and corporate banking revenue
- ROE **19.3%**
- Productivity **59.6%**

Adjusted measures are non-GAAP measures. See slide 2 of this document, page 34, 94-95 of BMO's 2011 Annual Report and page 32-33 of BMO's Third Quarter 2012 Report to Shareholders
For details on adjustments refer to slide 11

[1] Based on adjusted operating segment results; excludes Corporate Services [2] P&C US reported net income of US$127MM, up $32MM Y/Y and $5MM Q/Q [3] PCG reported net income of $109MM, up 6% Y/Y

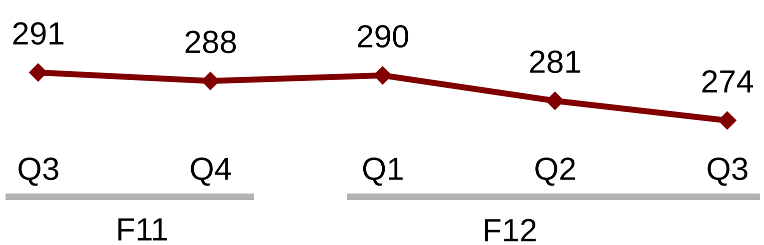
* BMO employs a methodology for segmented reporting purposes whereby expected credit losses are charged to the operating groups quarterly based on their share of expected credit losses. The difference between quarterly charges based on expected losses and required quarterly provisions based on actual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

Personal & Commercial Banking – Canada

Solid net income performance and good loan growth

As Reported ($MM)	Q3 11	Q2 12	Q3 12	Q/Q B/(W)	Y/Y B/(W)
Personal Revenue	963	961	**963**	0%	0%
Commercial Revenue	579	562	**593**	6%	3%
Revenue	1,542	1,523	**1,556**	2%	1%
PCL	137	141	**143**	(3)%	(5)%
Expenses	785	776	**795**	(2)%	(1)%
Net Income	443	446	**453**	1%	2%
Net Income (actual PCL)	434	432	**454**	5%	5%
Productivity (%)	50.9	51.0	**51.1**	(0.1)%	(0.2)%

Net Interest Margin
(bps)



- Net income up 5% Y/Y and Q/Q on an actual loan loss basis
- Y/Y revenue growth driven by higher volumes across most products, partially offset by lower NIM
- Expenses well managed
- Higher loan balance growth
  - Commercial loans up 6.6% Y/Y and 3.2% Q/Q
  - Personal lending up 6.3% Y/Y and 2.8% Q/Q
- Deposit balances increased 3.8% Y/Y and 1.6% Q/Q
- Improvements in market share for all loan and deposit products
- NIM down 7bps Q/Q primarily due to:
  - Lower personal lending margins resulting from customer behaviours in our cards business and competitive pressures
  - Deposit spread compression in the low rate environment
  - Loan growth exceeding deposit growth, particularly mortgages

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Personal & Commercial Banking - U.S.

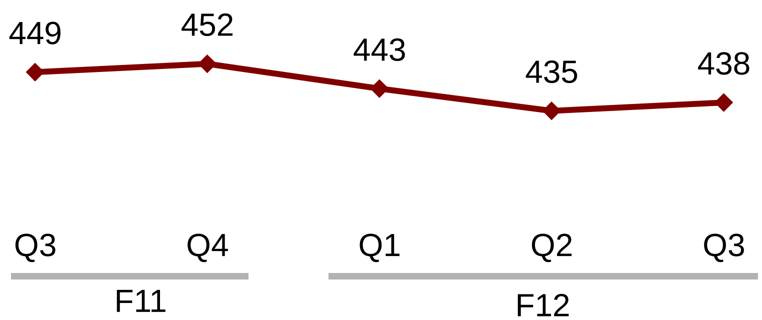
Net Income up Y/Y and Q/Q

(Amounts in US$MM)

As Reported (US$MM)	Q3 11	Q2 12	Q3 12	Q/Q B/(W)	Y/Y B/(W)
Revenue	504	738	**739**	0%	47%
PCL	54	84	**83**	1%	(54)%
Expenses	305	473	**468**	1%	(53)%
Net Income	95	122	**127**	5%	34%
Adjusted[1] Net Income	103	137	**143**	4%	37%
Adjusted[1] Productivity (%)	58.2	60.9	**60.2**	0.7	(2.0)

- Strong revenue and net income growth Y/Y due to acquired business
- Adjusted[1] net income up 4% Q/Q on lower expenses
- Q/Q revenue stable
- Continued good volume growth trends in core C&I with balances up 10.2% since Q4'11. Pipeline remains strong.
- Q/Q NIM up 3 bps
- Technology investments to better enhance our customer experience

Net Interest Margin
(bps)



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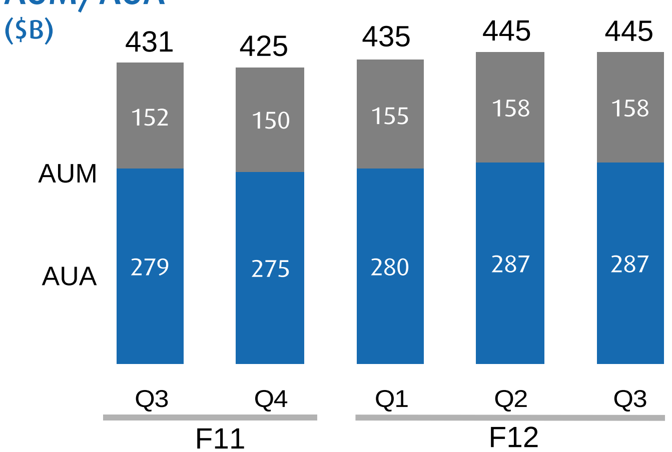
Private Client Group

Wealth business performing well; Insurance weaker in the quarter

As Reported ($MM)	Q3 11	Q2 12	Q3 12	Q/Q B/(W)	Y/Y B/(W)
Revenue	622	743	**678**	(9)%	9%
Expenses	488	553	**544**	2%	(12)%
Net Income	104	145	**109**	(25)%	6%
Adjusted[1] Net Income	105	150	**115**	(24)%	8%
Insurance Net Income	19	52	**18**	(65)%	(1)%
PCG ex Insurance Net Income	86	98	**97**	(2)%	10%
Adjusted[1] Productivity (%)	77.7	73.4	**79.2**	(5.8)	(1.5)

AUM/AUA



- Adjusted net income up 8% Y/Y
- Insurance business impacted by lower interest rates in Q3’12 ($45MM after-tax) and Q3’11 ($36MM after-tax). Minor benefit in Q2’12
- Ex. Insurance revenue up 11% Y/Y due to acquisitions and organic growth; down 1% Q/Q due to lower brokerage revenues partly offset by higher spread-based and fee-based revenues
- AUM/AUA up $14B Y/Y

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BMO Capital Markets

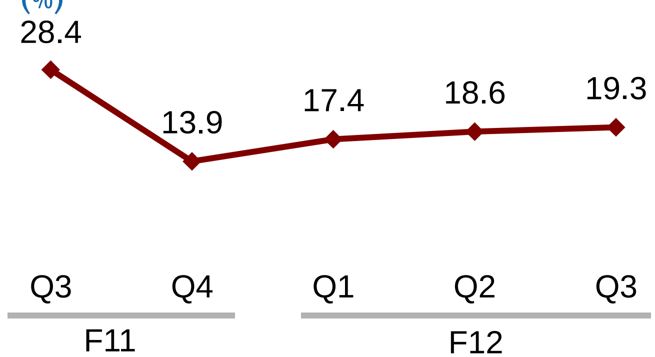
Good Q3 results given environment reflecting focus on execution and benefit of diversified business

As Reported ($MM)	Q3 11	Q2 12	Q3 12	Q/Q B/(W)	Y/Y B/(W)
Trading Products Revenue	500	473	**488**	3%	(3)%
Investment & Corp Banking Revenue	322	316	**318**	1%	(1)%
Revenue	822	789	**806**	2%	(2)%
PCL	29	24	**25**	(1)%	18%
Expenses	455	471	**480**	(2)%	(6)%
Net Income	270	225	**232**	3%	(14)%
Productivity Ratio (%)	55.3	59.7	**59.6**	0.1	(4.3)

- Y/Y revenue down from relatively stronger M&A and equity underwriting fees a year ago, partially offset by higher trading revenues in the current quarter
- Y/Y expenses up due to lower employee and support costs a year ago
- Q/Q revenue higher mainly due to higher corporate banking revenue, debt underwriting fees and trading revenues, partially offset by lower net investment securities gains, M&A fees and equity underwriting fees
- Q/Q expenses up due to higher support costs

Return on Equity

(%)



* 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

Corporate Services

Adjusted results up Y/Y and Q/Q

Adjusted[1] ($MM)	Q3 11	Q2 12	Q3 12
Revenue (teb)	(94)	(60)	**(114)**
PCL – Specific	24	(100)	**(140)**
– Collective	--	--	**--**
Expenses	65	121	**80**
Net Income	(62)	21	**65**

As Reported ($MM)	Q3 11	Q2 12	Q3 12
Revenue (teb)	(151)	172	**87**
PCL – Specific	24	(56)	**(28)**
– Collective	(15)	--	**8**
Expenses	199	230	**188**
Net Income	(199)	91	**47**

- Y/Y adjusted net income higher by $127MM
  - Adjusted revenues declined $20MM due to a number of small items
  - Expenses increased $15MM primarily due to acquisitions
  - Adjusted PCL improved $164MM consisting of a $118MM recovery on the acquired M&I impaired loan portfolio and $46MM lower provisions charged to Corporate Services under BMO's expected loss (EL) provisioning methodology[2]
  - Adjusted effective tax rate of 16.9%
- Q/Q adjusted net income higher by $44MM
  - Adjusted revenues declined $54MM due to a number of small items
  - Adjusted PCL decreased $40MM mainly due to lower provisions charged to Corporate Services under BMO's EL provisioning methodology[1]
  - Expenses decreased $41MM mainly as a result of higher employee-related costs in Q2
- See slide 11 for adjustments to reported results. All adjustments impact Corporate Services with the exception of amortization of acquisition-related intangible assets

[1] Adjusted measures are non-GAAP measures. See slide 2 of this document, page 34, 94-95 of BMO's 2011 Annual Report and page 32-33 of BMO's Third Quarter 2012 Report to Shareholders

[2] 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

Group Net Income

Net Income, Adjusted[1] ($MM)	Q3 11	Q2 12	Q3 12	B/(W)	
				Q/Q	Y/Y
P&C Canada	444	449	**456**	1%	2%
P&C U.S.	99	136	**145**	7%	48%
Total P&C	543	585	**601**	3%	11%
PCG	105	150	**115**	(24)%	8%
BMO Capital Markets	270	226	**232**	3%	(14)%
Corporate Services	(62)	21	**65**	+100%	+100%
Total Bank	856	982	**1,013**	3%	18%

Net Income, Reported ($MM)	Q3 11	Q2 12	Q3 12	B/(W)	
				Q/Q	Y/Y
P&C Canada	443	446	**453**	1%	2%
P&C U.S.	90	121	**129**	8%	43%
Total P&C	533	567	**582**	3%	9%
PCG	104	145	**109**	(25)%	6%
BMO Capital Markets	270	225	**232**	3%	(14)%
Corporate Services	(199)	91	**47**	(50)%	+100%
Total Bank	708	1,028	**970**	(6)%	37%

[1] Adjusted measures are non-GAAP measures. See slide 2 of this document, page 34, 94-95 of BMO's 2011 Annual Report and page 32-33 of BMO's Third Quarter 2012 Report to Shareholders
For details on adjustments refer to slide 11

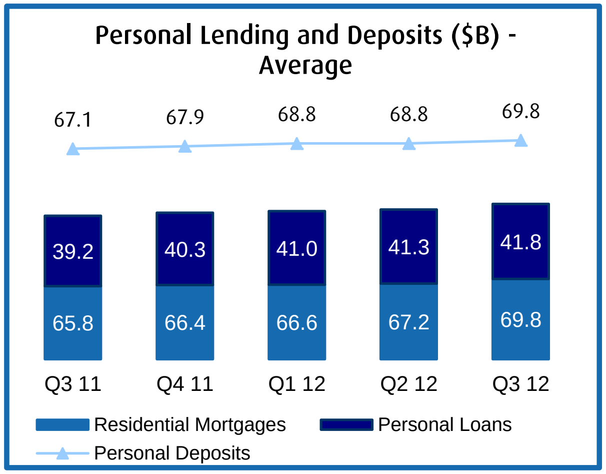
Personal & Commercial Banking Canada – Product Balances & Market Share

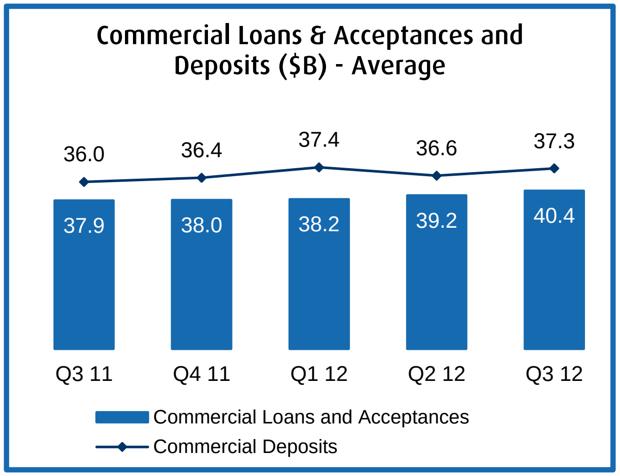
Personal
- Good lending growth with balances up 6.3% Y/Y and 2.8% Q/Q
- Deposit balances up 4.0% Y/Y and 1.5% Q/Q
- Total personal lending market share up 16 bps Q/Q and personal deposit market share up 5 bps Q/Q
- Mortgage balances up 6.1% Y/Y and 3.8% Q/Q

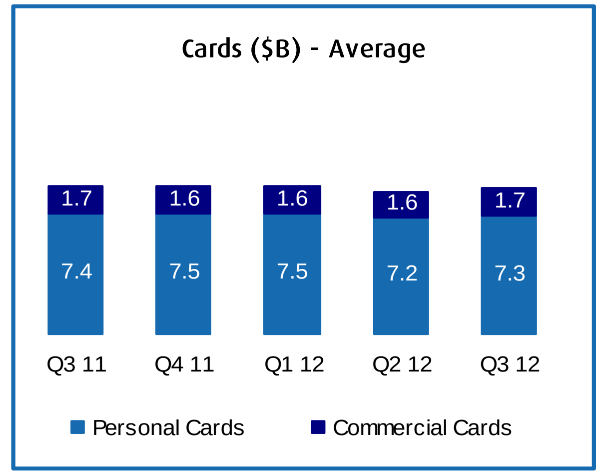
Commercial
- Commercial loans up 6.6% Y/Y and 3.2% Q/Q
- No. 2 market share position in commercial loans. Commercial pipeline strong
- Deposits increasing over the past 13 quarters, up 3.6% Y/Y

Cards
- Retail market share consistent Q/Q (up 1 bp) and Y/Y (up 4 bps)

Market Share (%)	Q3 11	Q4 11	Q1 12	Q2 12	Q3 12
Total Personal Lending[1]	10.9	10.8	10.8	10.8	10.9
Personal Deposits[1]	11.7	11.6	11.3	11.2	11.2
Mutual Funds[2]	13.4	13.3	13.4	13.2	13.2
Commercial Loans $0 - $5MM[3]	19.5	20.0	19.9	19.9	N/A
Retail Cards (NRS) [4]	12.6	13.0	12.8	12.6	12.6





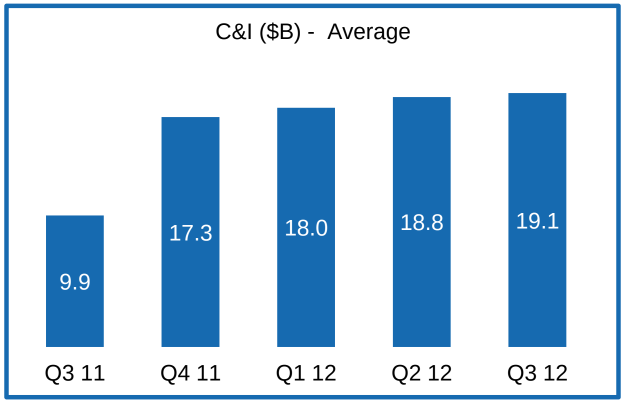


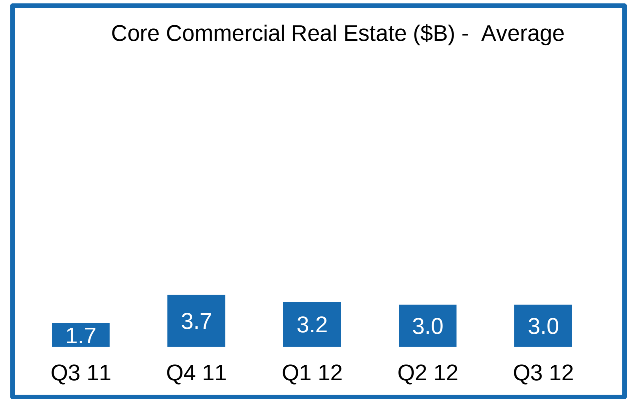
Sources: Mutual Funds – IFIC; Consumer Loans, Residential Mortgages & Personal Deposits – OSFI
1. Personal share issued by OSFI (one month lag basis (Q3 F12: June 2012))
2. Mutual Funds share issued by IFIC (5 Bank, one month lag basis (Q3 F12: June 2012))
3. Business loan share (Banks) issued by CBA (one calendar quarter lag basis (Q2 F12: Mar 2012))
4. Retail cards market share issued by CBA (based on NRS with 1 month lag (Q3 F12: Jun 2012). Previously based on balance with 3 months lag.)

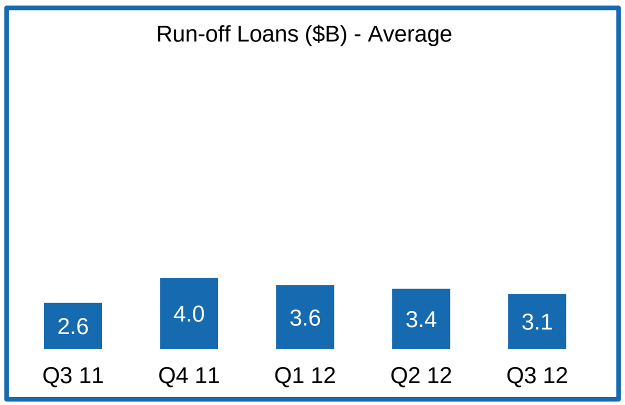
Personal & Commercial Banking U.S. – Commercial Balances

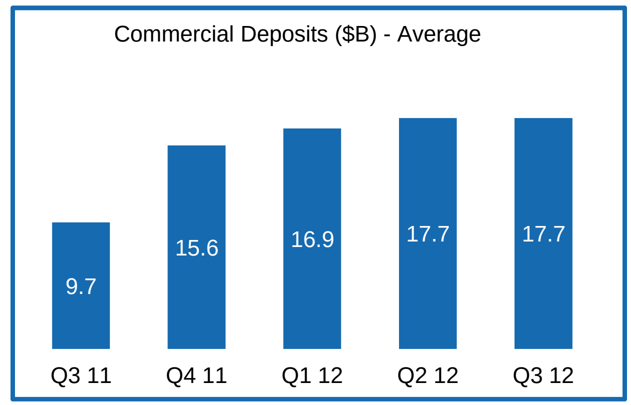
All amounts in U.S. $B

- Solid C&I loan growth, with Q3'12 being the 3rd straight sequential quarter of growth since Q4'11; growth of 10.2% since Q4'11
  - C&I loans of $19.8B at July 31'12 up 14% from $17.4B at July 31'11
  - Loan growth from expansion initiatives in Asset-Based Lending, Dealer Finance and Equipment Leasing
  - Continued strong competitive market pricing pressure
- New client acquisitions strong, reflecting a significant number of completed transactions. Pipeline remains strong.
- Continued high customer retention levels
- Core CRE portfolio stabilizing
- Commercial Run-off portfolio continues to decline as expected
- Commercial deposits continue to be at high levels







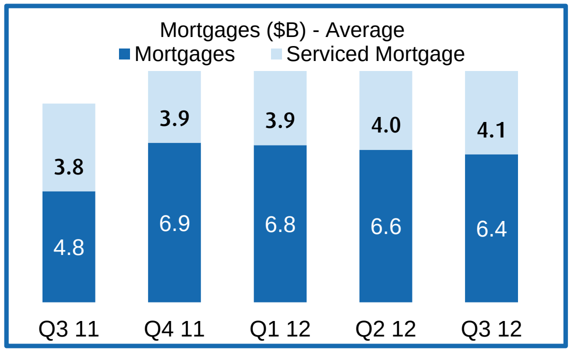


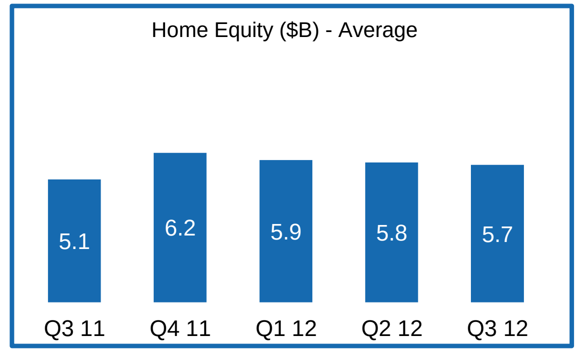
Note: Average balances in Q3'11 included M&I for one third of the quarter, due to the timing of the closing of the acquisition

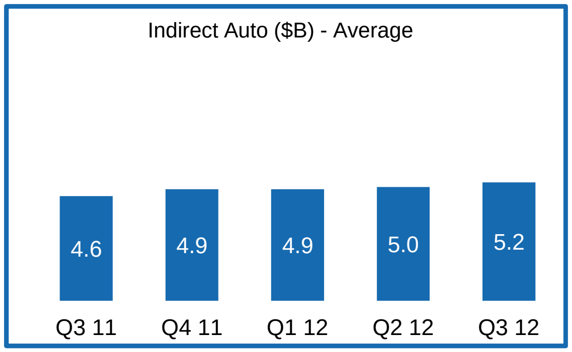
Personal & Commercial Banking U.S. – Personal Balances

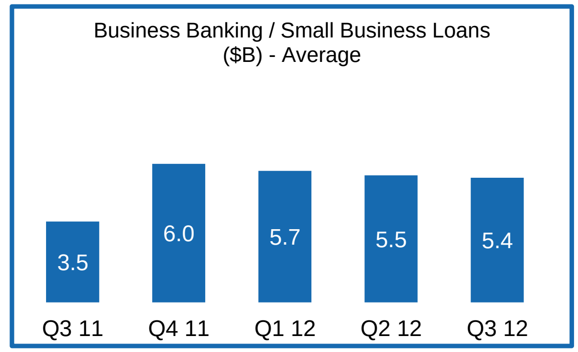
All amounts in U.S. $B

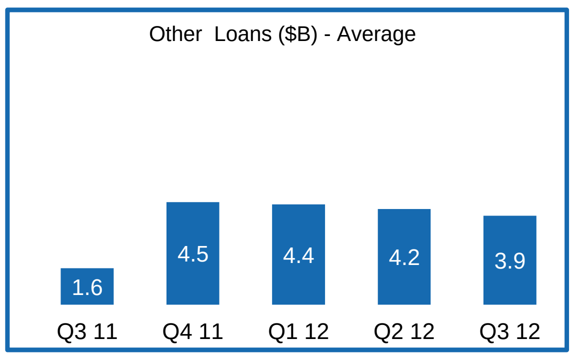
- Mortgage portfolio continues to reflect practice of selling originations in the secondary market and some deleveraging
- Home Equity portfolio reflects continued consumer deleveraging
- Indirect Auto portfolio continues to build momentum with third straight quarter of sequential growth
- Business Banking environment remains cautious for new borrowings
- Q/Q growth in personal core deposits have been more than offset by a decline in money market accounts and term deposit maturities
- Other loans include non-strategic portfolios such as wholesale mortgages, purchased home equity, and certain CRE, as well as credit card balances and other personal loans

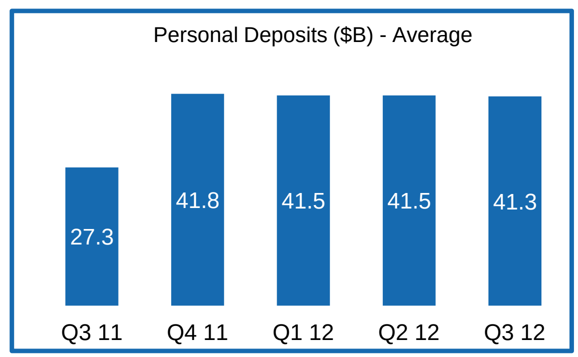












Note: Average balances in Q3'11 included M&I for one third of the quarter, due to the timing of the closing of the acquisition

BMO Financial Group

Risk Review

For the Quarter Ended – July 31, 2012

Q3 | 12

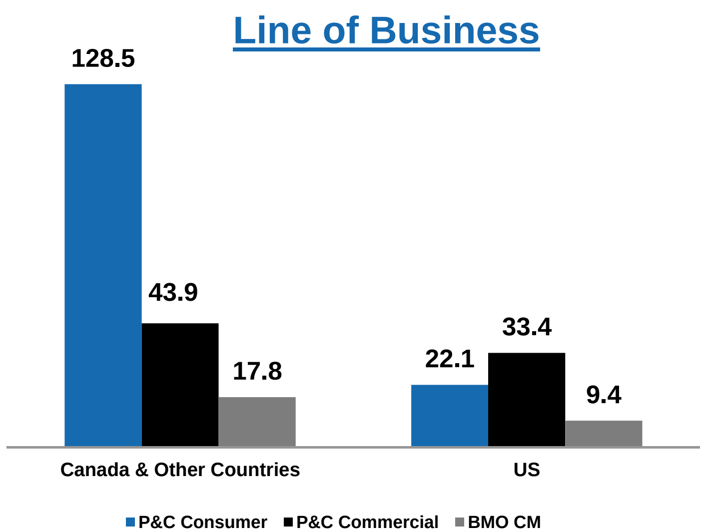
August 28th • 2012

Surjit Rajpal
Executive Vice President & Chief Risk Officer

Loan Portfolio Overview

- Canadian and US portfolios are well diversified
- P&C business represents the majority of loans
  - Retail portfolios are predominantly secured – 87% in Canada and 97% in the US

By Industry (C$ B)	Canada & Other Countries[1]	US[2]	Total	% of total
Residential Mortgages	73.9	8.1	82.0	32%
Personal Lending	47.2	13.6	60.8	24%
Cards	7.4	0.4	7.8	3%
Total Consumer	**128.5**	**22.1**	**150.6**	**59%**
Financial Institutions	11.9	7.4	19.3	8%
CRE/Investor Owned Mortgages	9.8	8.7	18.5	7%
Services	8.1	5.2	13.3	5%
Manufacturing	4.1	5.2	9.3	4%
Retail	6.2	2.3	8.5	3%
Owner Occupied Commercial Mortgages	2.0	4.6	6.6	3%
Other Commercial & Corporate[3]	19.6	9.4	29.0	11%
Total Commercial & Corporate	**61.7**	**42.8**	**104.5**	**41%**
Total Loans	**190.2**	**64.9**	**255.1**	**100%**



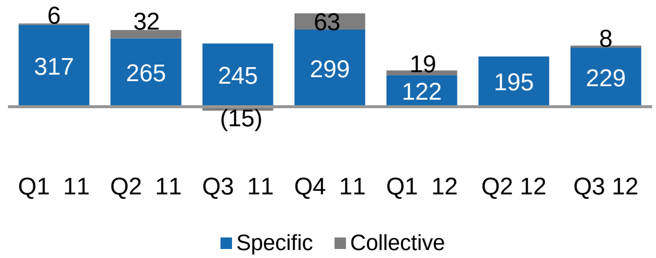
1 Includes ~$5B from Other Countries
2 Includes ~$27B from the M&I loan portfolio
3 Other Commercial & Corporate includes Portfolio Segments that are each <3% of total loans

Provision for Credit Losses (PCL)

- Q3 '12 adjusted specific provisions are $116MM (Q2 '12: $151MM)
  - Recovery related to the Purchased Credit Impaired Loans is $(118)MM vs. Q2 '12 at $(117)MM

By Business Line Segment (C$ MM)	Q3 11	Q2 12	Q3 12
Consumer – P&C Canada	124	129	122
Commercial – P&C Canada	26	32	19
Total P&C Canada	**150**	**161**	**141**
Consumer – P&C US	50	53	46
Commercial – P&C US	4	2	25
Total P&C US	**54**	**55**	**71**
PCG	(2)	1	4
Capital Markets	8	17	(1)
Corporate Services[1]	35	34	19
Sub-Total	**245**	**268**	**234**
Purchased Credit Impaired Loans	-	(117)	(118)
Adjusted Specific Provisions	**245**	**151**	**116**
Purchased Performing Loans[2]	-	44	113
Specific Provisions	**245**	**195**	**229**
Change in Collective Allowance	(15)	-	8
Total PCL	**230**	**195**	**237**

Quarterly PCL



1 Includes: Real estate secured assets transferred out of P&C US Commercial as of Q3'11 and IFRS impact related to interest on impaired loans

2 Q3 '12 amount of $113MM includes $3MM from PCG and $11MM from Corporate lines of business. These items as well as the difference between actual and expected losses for all businesses are booked through Corporate Services

Specific Provision Segmentation – Legacy Portfolio

- Canadian provisions are $140MM (Q2 '12: $177MM)
- US Legacy provisions are $96MM (Q2 '12: $91MM)
- Other Countries provisions are recoveries of $2MM (Q2 '12: NIL)
- Consumer portfolio accounts for ~75% of legacy provisions in both the US and Canada

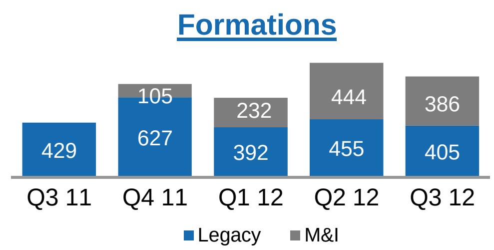
By Industry (C$ MM)	Canada & Other Countries	US (Legacy)	Total
Cards	84	9	93
Personal Lending	27	26	53
Residential mortgages	4	26	30
Consumer	**115**	**61**	**176**
Services	14	10	24
Owner Occupied Commercial Mortgages	2	11	13
Transportation	1	7	8
CRE/Investor Owned Mortgages	(3)	10	7
Retail	1	1	2
Other[1]	8	(4)	4
Commercial and Corporate	**23**	**35**	**58**
Specific PCL	**138**	**96**	**234**

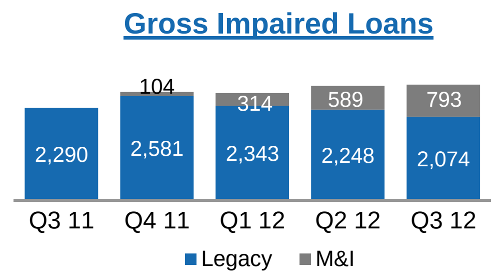
1 Other Commercial & Corporate includes Portfolio Segments that are each <2% of total specific PCL

Impaired Loans and Formations

- Legacy portfolio formations (excluding M&I purchased performing portfolio) are lower for the quarter at $405MM (Q2 '12: $455MM)
- M&I Purchased Performing loan formations are $386MM (Q2 '12: $444MM). The potential for impairment and losses in this portfolio was adequately provided for in the credit mark
- Gross Impaired Loans (GIL) are $2,867MM of which the Legacy portfolio is $2,074MM and M&I is $793MM (Q2 '12: $2,837MM)

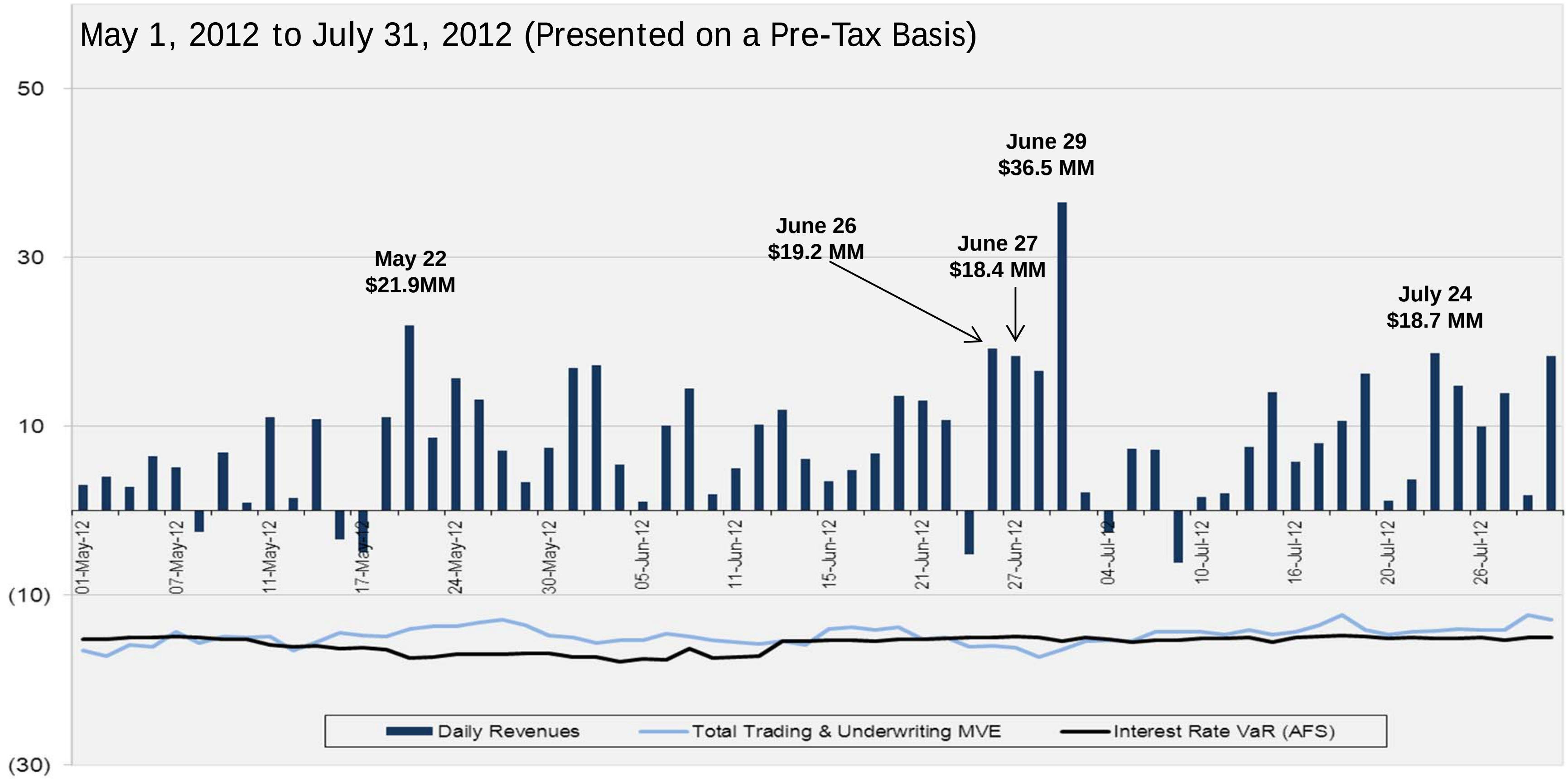
By Industry (C$ MM)	Formations			Gross Impaired Loans		
	Canada & Other Countries[2]	US	Total	Canada & Other Countries[2]	US	Total
Consumer	**130**	**65**	**195**	**329**	**324**	**653**
CRE/Investor Owned Mortgages	22	42	64	108	398	506
Owner Occupied Commercial Mortgages	3	20	23	18	182	200
Manufacturing	2	4	6	124	29	153
Services	36	33	69	71	81	152
Agriculture	4	-	4	91	3	94
Financial Institutions	-	1	1	11	64	75
Construction	-	1	1	46	9	55
Retail	3	17	20	24	22	46
Forest Products	-	-	-	37	-	37
Other Commercial & Corporate[1]	5	17	22	48	55	103
Commercial and Corporate	**75**	**135**	**210**	**578**	**843**	**1,421**
Total Legacy	**205**	**200**	**405**	**907**	**1,167**	**2,074**
M&I Purchased Performing	n.a.	386	386	n.a.	793	793





1 Other Commercial & Corporate includes Portfolio Segments that are each <2% of total GIL
2 Includes ~$16MM formations and ~$25MM GIL from Other Countries

Trading & Underwriting Net Revenues vs. Market Value Exposure



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

- **May 22 – C$21.9MM** which primarily reflects normal trading and credit valuation adjustments
- **June 26 – C$19.2MM** which primarily reflects normal trading
- **June 27 – C$18.4MM** which primarily reflects normal trading and credit valuation adjustments
- **June 29 – C$36.5MM** which primarily reflects normal trading and underwriting
- **July 24 – C$18.7MM** which primarily reflects normal trading and credit valuation adjustments

No significant loss days in the quarter

Canadian Residential Mortgages

- Total Canadian portfolio $73.9B (Q2 '12: $70.5B)
  - ~65% of the portfolio is insured (Q2 '12: ~70%)
  - Average LTV[1] of portfolio 61% (Q2 '12: 62%)
    - insured portfolio 64% (Q2 '12: 65%)
    - uninsured portfolio 56% (Q2 '12: 56%)

Residential Mortgages by Province (C$B)	Insured	Uninsured	Total	% of Total
Atlantic	3.2	1.2	4.4	6%
Quebec	7.3	3.7	11.0	15%
Ontario	20.1	9.9	30.0	41%
Alberta	8.3	3.4	11.7	16%
British Columbia	7.2	7.2	14.4	19%
All Other Canada	1.7	0.7	2.4	3%
Total Portfolio	**47.8**	**26.1**	**73.9**	**100%**

1 Loan to Value (LTV) adjusted for property values using the Housing Price Index

BMO Financial Group

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