

Acquisition of AIG Life Insurance Company of Canada – Highlights

- **AIG Life Insurance Co. of Canada is a life insurance company which manufactures and sells a full suite of individual life insurance products:**
 - ▶ Offers a broad range of life insurance and annuity products
 - ▶ Insurance products include: term life, whole life, universal life, annuities and critical illness; and the capability to market segregated funds and guaranteed minimum withdrawal benefit (GMWB) products in all provinces
 - ▶ A customer focused organization with an ability to bring innovative new products to market to meet the needs of Canadians
 - ▶ Direct to customer distribution supported by state of the art customer contact management and marketing capabilities
 - ▶ Access to the independent distribution channel through trusted relationships with high quality brokers
 - ▶ Based in Toronto, AIG Life Insurance Co. of Canada has an experienced management team with approximately 300 employees and sales offices in Montreal, Calgary and Vancouver

- **Growing life insurance business is a strategic priority for BMO:**
 - ▶ Extension of existing wealth management offering
 - ▶ BMO will be able to offer a full suite of life and accident protection products to customers
 - ▶ Adds approximately 400,000 customers split equally between direct marketed and face-to-face through licensed insurance agents
 - ▶ AIG Life Insurance Co. of Canada's innovative and highly capable direct marketing program complements BMO's existing insurance products

- **An opportunity to purchase one of the few remaining mid-size Canadian life insurance companies at fair terms to BMO in current market conditions**

- **Rationale:**
 - ▶ Increased participation in a large and growing market – the Canadian life insurance industry generates over \$14 billion of premiums annually and over \$34 billion of annual annuity deposits. This will extend BMO's capabilities to compete and capture a greater share of the total financial services wallet.
 - ▶ Acquisition of state of the art direct marketing platform and access to a large, established broker network
 - ▶ Diversifies BMO's revenue stream

Financial Details:

Purchase Price	\$375MM *
<i>• Cash for 100% of shares of AIG Life Insurance Co. of Canada</i>	
Impact on Tier 1	< 15 bps
Implied Price / Book ¹	1.06x *
Accretive to Cash EPS	In Year 1
Expected Closing By	June 1 2009
Integration Timing	6 – 12 Months

* Final purchase price dependent on book value at closing

¹ Canadian GAAP



Investor Relations Contact Information

VIKI LAZARIS

Senior Vice President

416.867.6656 ■ viki.lazaris@bmo.com

STEVEN BONIN

Director

416.867.5452 ■ steven.bonin@bmo.com

www.bmo.com/investorrelations

E-mail: investor.relations@bmo.com

Fax: 416.867.3367

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 press release, 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 2009 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 press release 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 capital and/or credit markets; interest rate and currency value fluctuations; changes in monetary policy; the degree of competition in the geographic and business areas in which we operate; changes in laws; judicial or regulatory proceedings; the accuracy and completeness of the information we obtain with respect to our customers and counterparties; our ability to execute our strategic plans and to complete and integrate acquisitions; critical accounting estimates; operational and infrastructure risks; general political conditions; global capital market activities; the possible effects on our business of war or terrorist activities; disease or illness that impacts on local, national or international economies; disruptions to public infrastructure, such as transportation, communications, power or water supply; and technological changes.

We caution that the foregoing list is not exhaustive of all possible factors. Other factors could adversely affect our results. For more information, please see the discussion on pages 30 and 31 of Bank of Montreal's 2008 Annual Report, 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 statement, whether written or oral, that may be made, from time to time, by the organization or on its behalf, except as required by law. The forward-looking information contained in this document is presented for the purpose of assisting our shareholders in understanding our financial position as at and for the periods ended on the dates presented and our strategic priorities and objectives, and may not be appropriate for other purposes.

Assumptions about the performance of the Canadian and U.S. economies in 2009 and how that will affect our businesses were material factors we considered when setting our strategic priorities and objectives, and our outlook for our businesses. Key assumptions included that the Canadian and U.S. economies will contract in the first half of 2009, and that interest rates and inflation will remain low. We also assumed that housing markets in Canada will weaken in 2009 and strengthen in the second half of the year in the United States. We assumed that capital markets will improve somewhat in the second half of 2009 and that the Canadian dollar will strengthen modestly relative to the U.S. dollar. 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. Tax laws in the countries in which we operate, primarily Canada and the United States, are material factors we consider when determining our sustainable effective tax rate.