



Investor Presentation

NBF 2008 Canadian Financial Services Conference

March 26 • 2008

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President and Chief Executive Officer

BMO  **Financial Group**



Forward Looking Statements

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 2008 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; 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 28 and 29 of [BMO's 2007 Annual Report](#), which outlines in detail certain key factors that may affect BMO's future results. When relying on forward-looking statements to make decisions with respect to 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. 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 2008 and how it will affect our businesses were material factors we considered when setting our strategic priorities and objectives, and when determining our financial targets, including provisions for credit losses. Key assumptions were that the Canadian economy will expand at a moderate pace in 2008 while the U.S. economy expands modestly, and that inflation will remain low in North America. We also assumed that interest rates in 2008 will decline slightly in Canada and the United States, and that the Canadian dollar will trade at parity to the U.S. dollar at the end of 2008. 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. We now anticipate weaker economic growth in Canada and that the United States will slip into a mild recession in the first half of 2008. We also expect lower interest rates and a somewhat weaker Canadian dollar than when we established our 2008 financial targets. 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.

Material factors which were taken into account when establishing our expectation of the future risk of credit losses in Apex and Sitka Trusts as discussed in this document included industry diversification in the portfolio, initial credit quality by portfolio and the first-loss protection incorporated into the structure discussed in the press release announcing the restructuring.

In establishing the expectation that the collateral calls will be capped at \$3.3 billion as discussed in this document, we assumed that BMO's credit rating would not be materially lowered.



Other Reporting Matters

CAUTION REGARDING NON-GAAP MEASURES

Bank of Montreal uses both GAAP and non-GAAP measures to assess performance. Securities regulators require that companies caution readers 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 Quarterly Report to Shareholders, MD&A and in its Annual Report to Shareholders all of which are available on our website at www.bmo.com/investorrelations.

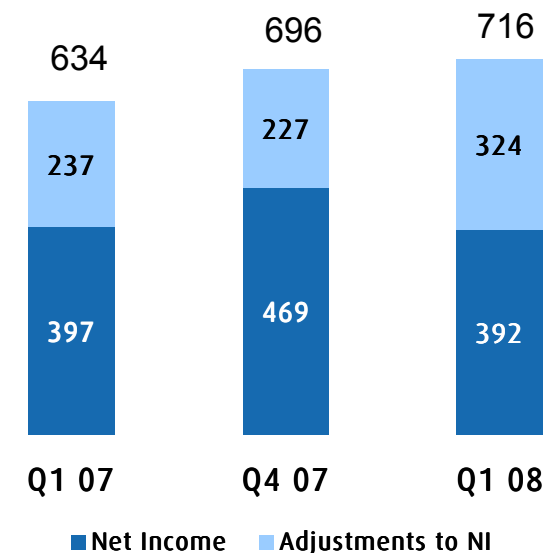
Non-GAAP results or measures include revenue, taxes and cash operating leverage results and measures that use Taxable Equivalent Basis (teb) amounts, cash-based profitability and cash operating leverage measures, Net Economic Profit and results and measures that exclude items that are not considered reflective of ongoing operations. Results stated on a basis that excludes commodities losses, charges for certain trading and valuation adjustments, changes in the general allowance and restructuring charges are non-GAAP measures. Bank of Montreal also provides supplemental information on combined business segments to facilitate comparisons to peers.



Q1 08 Financial Results

	Net Income	EPS	Cash EPS	ROE	Cash Operating Leverage
As Reported	\$255MM	\$0.47	\$0.49	6.7%	1.5%
Excluding Significant Items	\$617MM	\$1.19	\$1.21	16.8%	(1.8)%

Operating Group Net Income (\$MM)



Note: Excludes Corporate Services


- Challenging market conditions – proactively managing
- Momentum continues in P&C Canada



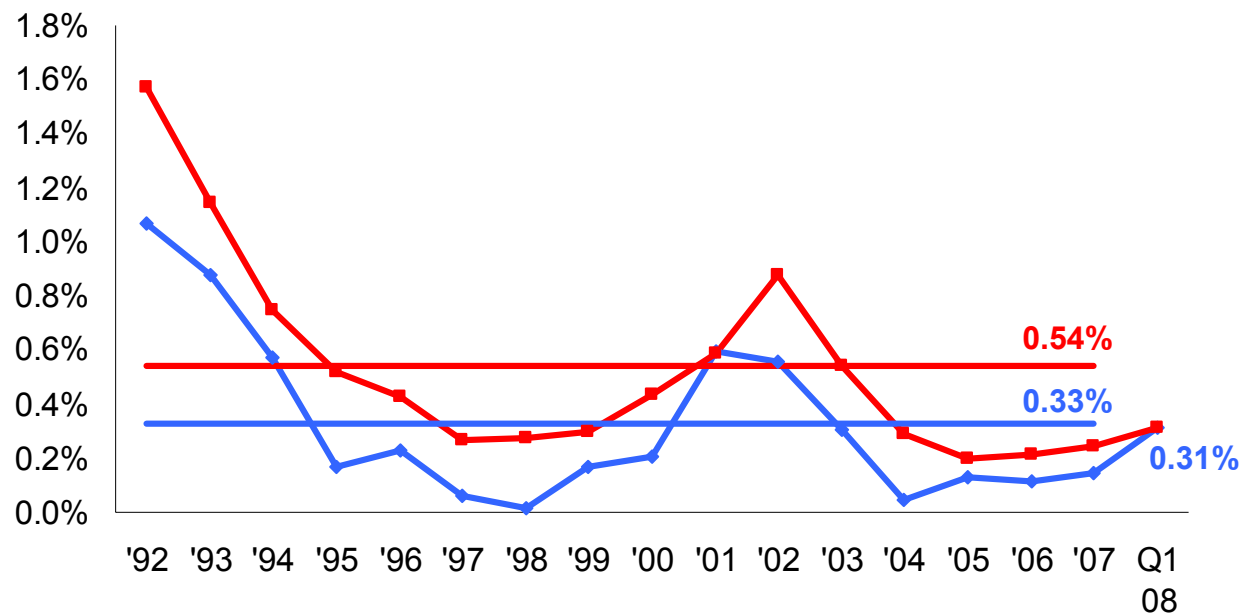
Specific PCL as a % of Average Net Loans and Acceptances (including Reverse Repos)

Credit Performance Measure

Historical Specific PCL average represents a 21 bps advantage over the Canadian peer group

%	BMO	 Cdn. Competitors
Q1 / 08	.31	.31
Q4 / 07	.19	.26
Q1 / 07	.10	.23
F2007	.15	.24
16 yr avg. *	.33	.54

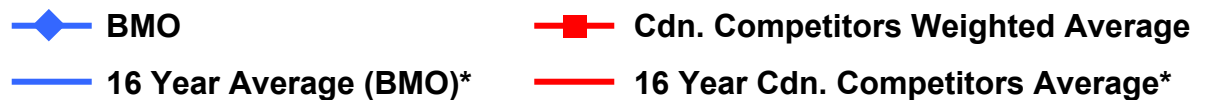
Specific PCL as a % of Average Net Loans and Acceptances (including Reverse Repos)



BMO's Canadian competitors include: RY, BNS, CM, TD and NA

Competitor average excludes the impact of TD's sectoral provisions

* 16 yr avg.: 1992 to 2007





Current Issues

Item	Status
Canadian Bank sponsored ABCP	<ul style="list-style-type: none">○ Market functioning as expected given current market conditions
U.S. Bank sponsored ABCP (Fairway)	<ul style="list-style-type: none">○ Conduit consists of high quality assets○ All outstanding paper has been consistently rolling with 3rd party investors
Canadian non-bank sponsored ABCP (majority under Montreal Accord)	<ul style="list-style-type: none">○ Balance at Q1 08 of approximately \$300MM○ BMO fully supports Accord
Links & Parkland SIVs	<ul style="list-style-type: none">○ BMO has provided senior-ranked funding to SIVs; allows SIVs to continue to sell assets in an orderly manner○ Size of conduits down significantly from July 2007
Apex & Sitka Trusts	<ul style="list-style-type: none">○ Successful restructuring announced, subject to definitive documentation and certain conditions, including investor approval○ Credit quality of underlying portfolio strong○ Preserves underlying positions, risk of credit loss to BMO low



Personal & Commercial Banking – Canada

Investing in the Business

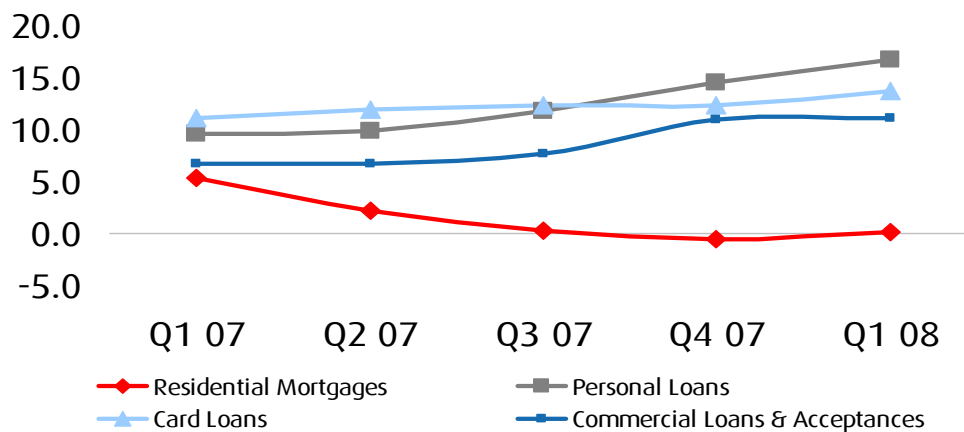
Investment	Status
People	<ul style="list-style-type: none">○ Increasing customer facing staff, including mortgage specialists & financial planners<ul style="list-style-type: none">▶ Over 1,000 FTE hired since October 2006○ Customer loyalty data reported at branch level starting January 2007○ Individual standardized scorecards launched November 2007
Technology	<ul style="list-style-type: none">○ Full rollout of new technology in May 2007<ul style="list-style-type: none">▶ Gives 40 minutes per day back to bankers▶ Able to open multiple products in the same time it took to open one
Distribution	<ul style="list-style-type: none">○ Added 22 new branches and redeveloped 31 in F2007, the most in recent years





P&C Canada

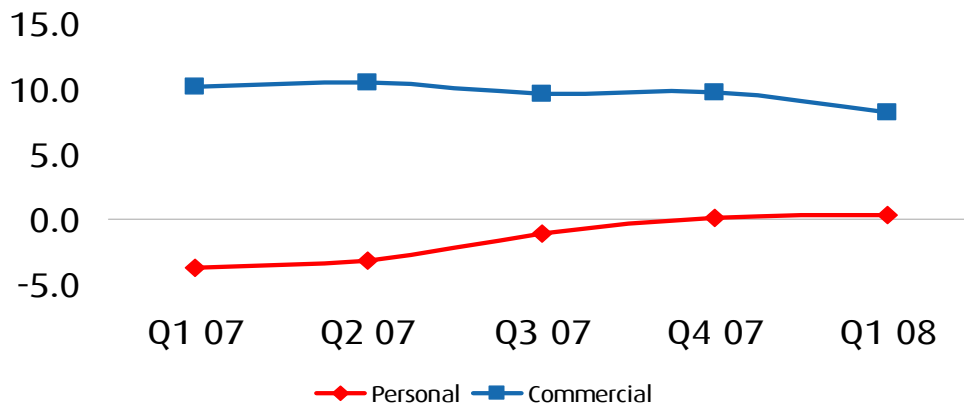
Y/Y Loan Growth (%)



Market Share Changes (bps)

Category	Y/Y	Q/Q
Personal Loans	↑ 80	↑ 21
Residential Mortgages	↓ 143	↓ 26
Business Banking Loans (\$0 - \$5MM)	↑ 80	↑ 20

Y/Y Deposit Growth (%)



Market Share Changes (bps)

Category	Y/Y	Q/Q
Personal Deposits	↓ 32	↑ 15



Our Operating Philosophy

Our Vision

To be the top-performing financial services company in North America

Our Governing Objective

To maximize the total return to BMO shareholders and generate, over time, first-quartile total shareholder return relative to our Canadian and North American peer groups

Our Medium-Term Financial Objectives

Over time, increase EPS by a minimum of 10% per year, earn average annual ROE of between 18% and 20%, grow revenues by two percentage points more than expenses, and maintain a strong regulatory capital position, consistent with our peers.



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