



Q1
2008

Investor Community Conference Call

Strategic Highlights

BILL DOWNE

President & Chief Executive Officer

March 4 • 2008

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 level of asset sales, expected asset sale prices and risk of default of the underlying assets of the structured investment vehicles were material factors we considered when establishing our expectations of the future performance of our interests in the structured investment vehicles discussed in this document. Key assumptions included that assets would continue to be sold with a view to reducing the size of the structured investment vehicles, under various asset price scenarios.

Assumptions about the risk level of our commodities portfolio and liquidity levels in the energy derivative markets and how that will affect the performance of our commodities business were material factors we considered in making the forward-looking statements regarding our commodities business set out in this document. Key assumptions included that the current risk level of the portfolio and liquidity levels in the energy derivative markets would remain stable.

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.



Financial Results

	Net Income	EPS	Y/Y EPS Growth	Cash EPS	ROE	Cash Operating Leverage	Specific PCL
As Reported	\$255MM	\$0.47	(29.9)%	\$0.49	6.7%	1.5%	\$170MM
Excluding Significant Items	\$617MM	\$1.19	(8.5)%	\$1.21	16.8%	(1.8)%	\$170MM

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

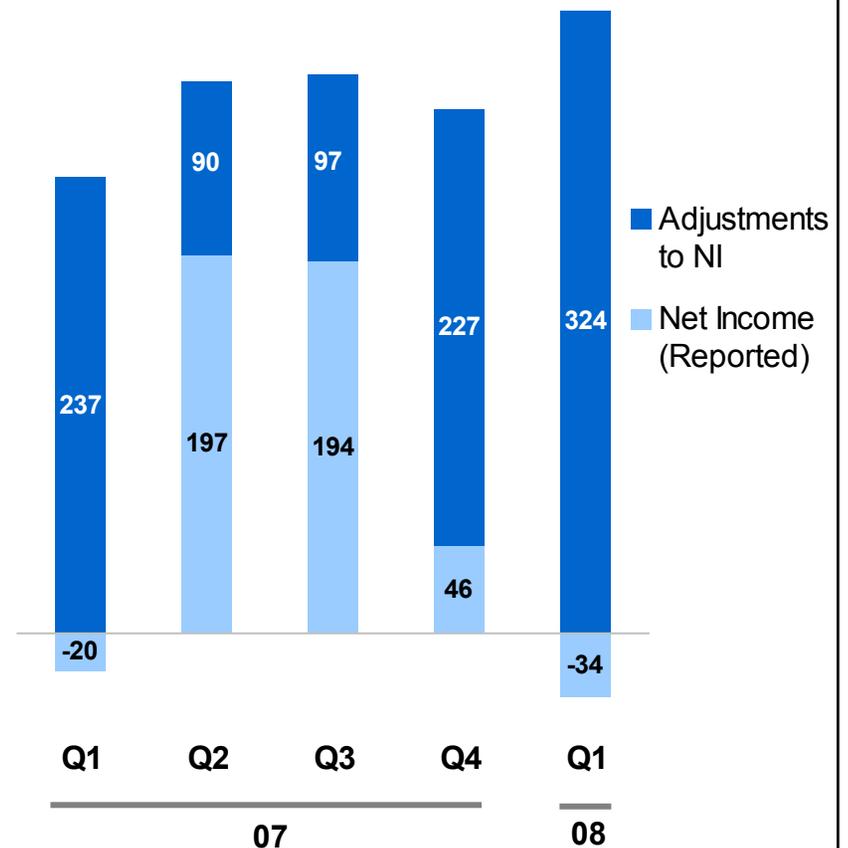
Significant Items itemized in Financial Highlights presentation.



BMO Capital Markets

- Goal to generate ROE in excess of 20%
- De-risking businesses
 - ▶ Ensuring that our trading activities are supporting clients with broad and valuable relationships
 - ▶ Have successfully reduced risk in commodities

Net Income (C\$MM)



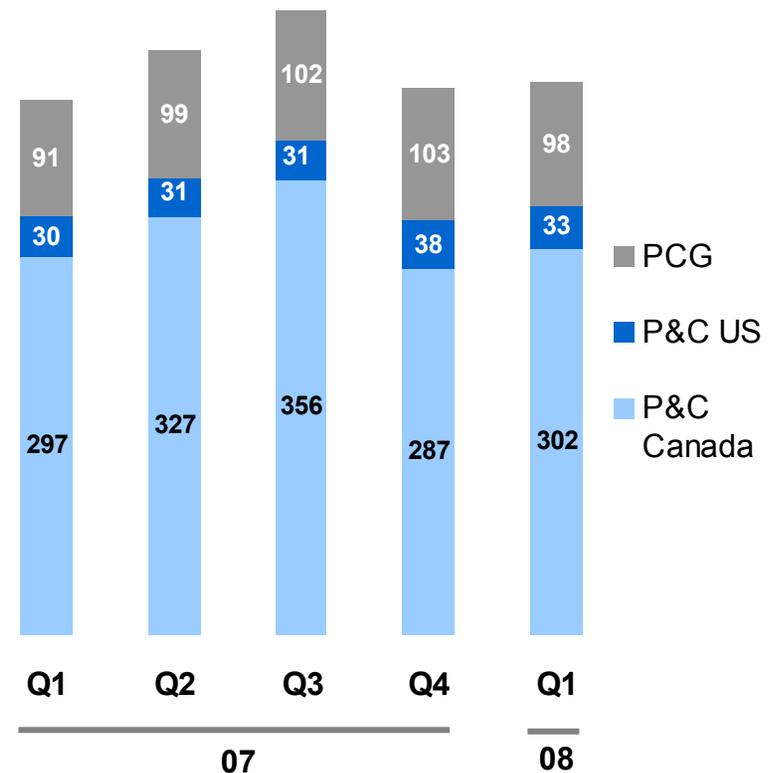
See Slide 13 of Financial Highlights presentation for significant items by quarter



Retail Businesses

- P&C Canada
 - ▶ Market share improvements in key areas
 - ▶ NPS improvements
- P&C US
 - ▶ Market remains challenging, disruption providing opportunity
- PCG
 - ▶ Continues to innovate and be recognized for products and services

Net Income
(C\$MM/P&C US Cash NI US\$MM)

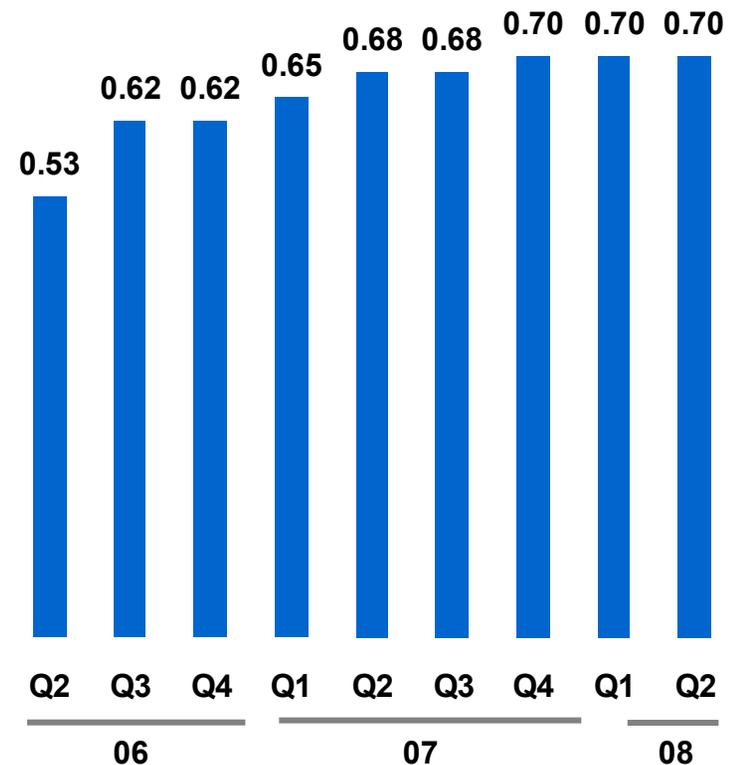




Quarterly Dividend

- Announced dividend of \$0.70 per share
- Since Q2 06, quarterly dividend has increased 32%
- Target payout ratio of 45 – 55% continues to lead peers
 - ▶ Current payout ratio near midpoint of range excluding significant items

Quarterly Dividends Declared Per Share (\$)





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.



Investor Relations Contact Information

www.bmo.com/investorrelations

E-mail: investor.relations@bmo.com

Fax: 416.867.3367

VIKI LAZARIS

Senior Vice President

416.867.6656 ■ viki.lazaris@bmo.com

STEVEN BONIN

Director

416.867.5452 ■ steven.bonin@bmo.com

KRISTA WHITE

Senior Manager

416.867.7019 ■ krista.white@bmo.com

BMO  **Financial Group**