



Q2
2008

Investor Community Conference Call

Financial Results

RUSS ROBERTSON

Chief Financial Officer

May 27 • 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 amount to be drawn under the BMO liquidity facilities provided to 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 level of defaults and losses on defaults were material factors we considered when establishing our expectation of the future performance of the transactions that Apex and Sitka Trusts have entered into. Key assumptions included that the level of defaults and losses on defaults would be consistent with historical experience. Material factors which were taken into account when establishing our expectations of the future risk of credit losses in Apex/Sitka Trust 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.

In establishing our expectation that we will reverse a portion of the charges recorded in preceding periods on Apex/Sitka Trust as discussed in this document, we considered the fact that the Trust was restructured on May 13th and assumed that the credit environment would be reasonably consistent with recent experience.

In establishing our expectations regarding the run-rate costs of our credit card loyalty rewards program discussed in this document, we took into account the terms of the agreement that was entered into with Loyalty Management Group Canada Inc. subsequent to the end of the quarter.

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 and our expectations about achieving those targets and our outlook for our businesses. 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. In the first quarter, we anticipated that there would be weaker economic growth in Canada and that the United States would slip into a mild recession in the first half of 2008. We also updated our views to expect lower interest rates and a somewhat weaker Canadian dollar than when we established our 2008 financial targets. Our views remain unchanged from the first quarter. 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.



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.



Q2 2008 Financial Highlights

Net Income	EPS	Y/Y EPS Growth	Cash EPS	ROE	Cash Operating Leverage	Specific PCL	Tier 1 Capital Ratio (Basel II)
\$642MM	\$1.25	(3.1)%	\$1.26	17.9%	(0.7)%	\$151MM	9.42%

Key Messages

- Focus on Canadian Personal & Commercial business paying off
 - ▶ Strong financial performance
 - ▶ Improved customer loyalty
 - ▶ Gains in market share
- Record earnings in Private Client Group
- BMO Capital Markets earnings up quarter-over-quarter and reduced risk related to off balance sheet exposure
 - ▶ Apex/Sitka restructuring closed May 13, 2008
- Tier 1 Capital ratio remains strong at 9.42%



Revenue

Q/Q ↑\$594MM or 29.4%

(↑\$106MM or 4.2% excluding Q1 08 significant items)

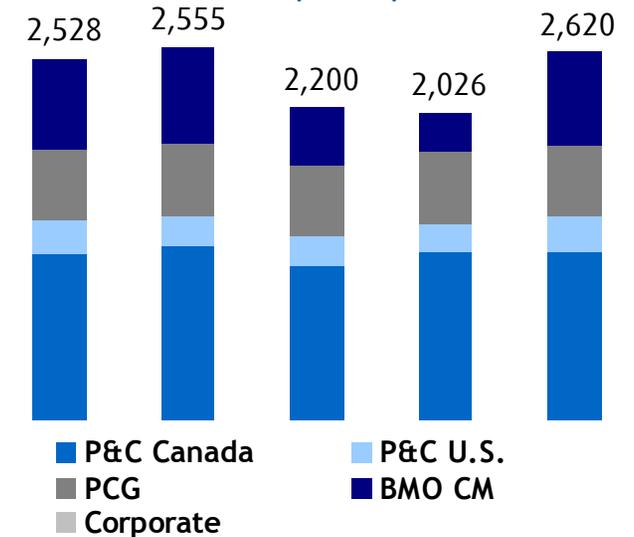
- + Positive valuation adjustments in BMO CM in Q2 08 (\$42MM) vs. a significant item charge in Q1 08 (\$488MM)
- + Improved core revenue in P&C Canada
- + One month of revenue from MMBC & Ozaukee acquisitions
- + Corporate revenue improved to a more normalized level
- + Higher debt and equity underwriting activity in BMO CM
- + Gain on sale of VISA International Inc. investment (US\$38MM)
- Lower commission and fee-based revenue in PCG

Y/Y ↑\$92MM or 3.6%

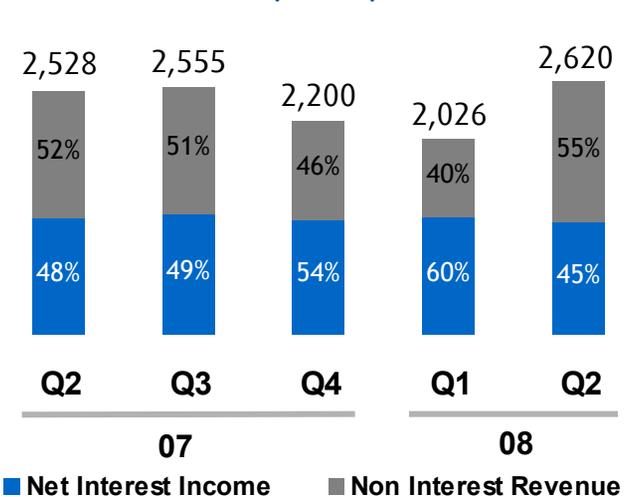
(↓\$79MM or 2.9% excluding Q2 07 significant items, ↑\$143MM excluding FX impact)

- + Volume growth across most products and improved mix in P&C Canada
- + Positive valuation adjustment in BMO CM in Q2 08 (\$42MM)
- + Increased average earning assets in BMO CM
- + Gain on sale of VISA International Inc. investment (US\$38MM)
- + Commodities losses in Q2 07 (\$171MM)
- Insurance and investment gains of \$40MM in Q2 07
- Lower transactional revenue in PCG
- Lower M&A fees and equity underwriting activity in BMO CM

Total Revenue (\$MM)



Revenue Mix (\$MM)





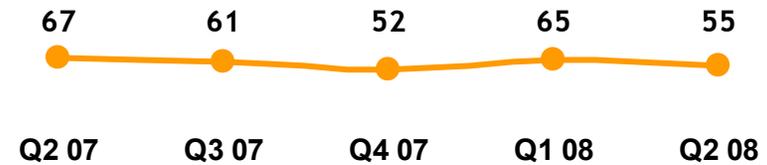
Net Interest Margins (bps)

Total Bank (non-teb)



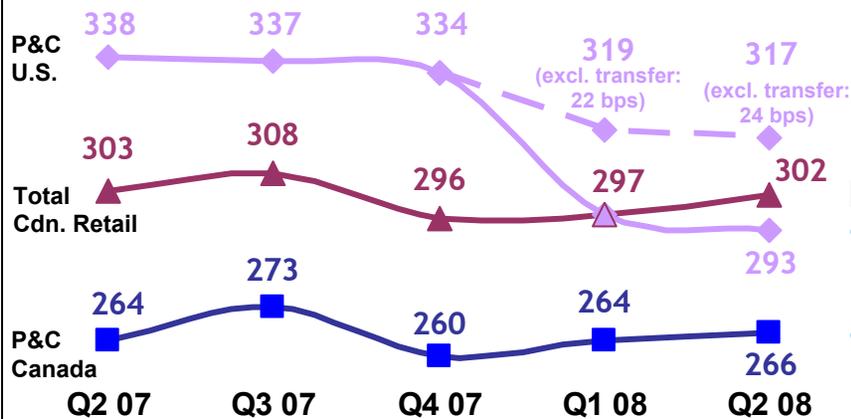
- Q/Q increase due to timing of revenue in corporate services
- Y/Y decrease due to growth in lower spread assets in BMO CM and reduced NII in Corporate Services

BMO CM (teb)



- Q/Q decrease due to growth in lower spread assets
- Y/Y decrease due to lower trading and money market assets and tighter spreads

Retail Banking



P&C U.S.

- Q/Q essentially flat adjusting for the impact of impaired loans
- Y/Y decrease due to the transfer of a small client-driven investment portfolio from Corporate Services (24 bps) and the highly competitive environment and the more difficult credit environment

P&C Canada

- Q/Q increase due to improved mortgage spreads, a result of exiting third-party and broker products, as well as positive mix from increased cards volume and improved deposit growth
- Y/Y increase due to improving product mix and wider spread on mortgages, partially offset by competitive pricing pressures in personal and commercial deposits

Total Canadian Retail is comprised of P&C Canada and PCG Canada



Quarterly Non-Interest Revenue Analysis

BALANCES (\$MM)	Q2 07	Q1 08	Q2 08	
Securities Commissions	303	271	270	
Trading Revenues	(10)	(301)	192	Includes positive valuation adjustment of \$71MM in Q2 08, core trading in Q2 08 is \$121MM Excluding significant items: Q2 07:\$153MM, Q1 08:\$119MM
Card Fees	70	67	78	
Mutual Fund Revenue	140	154	144	
Securitization Revenue	83	80	133	Higher mortgage securitization revenue
Underwriting and Advisory Fees	159	92	98	Lower equity underwriting and M&A activity Y/Y
Securities Gains (other than trading)	48	(2)	14	Q2 08 includes Visa Gain of \$38MM net of negative capital markets charge of \$35MM Excluding significant items: Q1 08:\$21MM
Insurance	77	62	52	
Other NIR	454	389	465	Q1 08 includes \$45MM of capital markets environment charges
TOTAL NON-INTEREST REVENUE	1,324	812	1,446	
TOTAL NIR EXCLUDING SIGNIFICANT ITEMS	1,487	1,300	1,446	



Q2 2008 Effects of Capital Markets Environment

	Pre-Tax Impact (\$MM)	After-Tax Impact (\$MM)	EPS Impact (\$/Share)
Net Recovery of:			
○ Mark-to-market recovery on APEX/Sitka Trust	85	57	The net benefit of \$42MM was reflected in trading non-interest revenue (\$71MM), other revenue (\$6MM) and securities gains/losses other than trading (-\$35MM)
○ Mark-to-market charge for holdings of commercial paper in 3 rd party Canadian conduits affected by the Montreal Accord	(36)	(24)	
○ Charge for capital notes in Links and Parkland SIVs	(23)	(15)	
Subtotal	26	18	
Mark-to-Market adjustments of:			
○ Valuation adjustments for counter party credit exposures on derivative portfolios	128	86	
○ Charge for other trading and structured-credit positions	(93)	(62)	
Subtotal	35	24	
Charge related to a number of smaller items impacting net income by \$10MM or less (including mark-to-market changes for the preferred share trading portfolio and monoline exposures)	(19)	(14)	
Total Net Benefit	42	28	



Non-Interest Expense

As Reported (\$MM)	Q2 2007	Q1 2008	Q2 2008	Q/Q Change	Y/Y Change
P&C Canada	648	695	657	(5)%	2%
P&C U.S.	183	166	199	21%	9%
Total P&C	831	861	856	-%	3%
PCG	364	368	348	(6)%	(5)%
BMO Capital Markets	397	383	441	15%	11%
Corporate Services	22	2	35	nm	nm
Total Bank	1,614	1,614	1,680	4%	4%

Q/Q ↑\$66MM or 4.1%

- + Stock-based compensation costs related to awards made to employees eligible to retire in Q1 08 (\$49MM)
- + Reduction in revenue-based costs in PCG
- + Lower capital tax due to reassessment
- Higher performance-based compensation in BMO CM in Q2 08
- Higher salaries, benefits and professional fees
- Visa litigation reserve included in P&C U.S. (\$17MM)
- Investment in business and other costs in P&C U.S.

Y/Y ↑\$66MM or 4.1%
(↑\$117MM excluding FX impact)

- + Weaker U.S. dollar reduced expenses by \$51MM
- + Lower capital tax due to reassessment
- Higher salaries and professional fees
- Initiative spend in P&C Canada
- Visa litigation reserve included in P&C U.S. (\$17MM)
- Investment in business and other costs P&C U.S.



Quarterly Non-Interest Expense Analysis

BALANCES (\$MM)	Q2 07	Q1 08	Q2 08	
Salaries and Benefits	648	632	672	Higher employee related costs across the businesses including workforce expansion mostly in retail businesses
Performance-based Compensation	321	313	308	Q/Q increase due to higher variable compensation in BMO CM Q2 07 included \$33MM reduction due to commodities losses Q1 08 included \$49MM charge for stock-based compensation for retirement eligible employees
Premises & Equipment/Rental	133	135	139	
Computer Costs	187	191	196	
Business and Capital Tax	17	12	(1)	Capital tax benefit from prior year reassessment in Q2 08
Other	308	331	366	Higher professional fees and Visa litigation
TOTAL NON-INTEREST EXPENSE	1,614	1,614	1,680	



Capital & Risk Weighted Assets

Capital ratios remain very strong

	Basel I					Basel II	
	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	Q1 08	Q2 08
Tier 1 Capital Ratio (%)	9.67	9.29	9.51	9.05	9.03	9.48	9.42
Total Capital Ratio (%)	11.03	11.18	11.74	11.09	11.47	11.26	11.64
Assets-to-Capital Multiple (x)	17.5	17.3	17.2	17.6	16.2	18.4	16.2
RWA (\$B)	175.1	181.0	178.7	188.9	195.3	179.5	186.3
Total As At Assets (\$B)	356.5	359.2	366.5	376.8	375.2	376.8	375.2

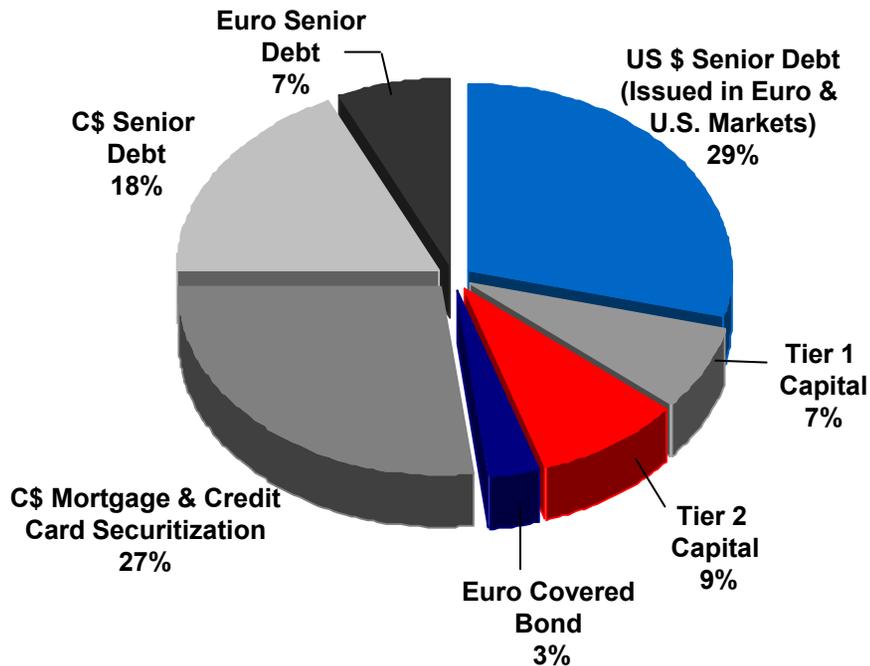


Diversified Wholesale Term Funding Mix

- BMO has a well diversified wholesale funding platform across markets, products, terms, currencies and maturities
- Borrowing programs are in place in key markets to allow the Bank to raise term funding opportunistically

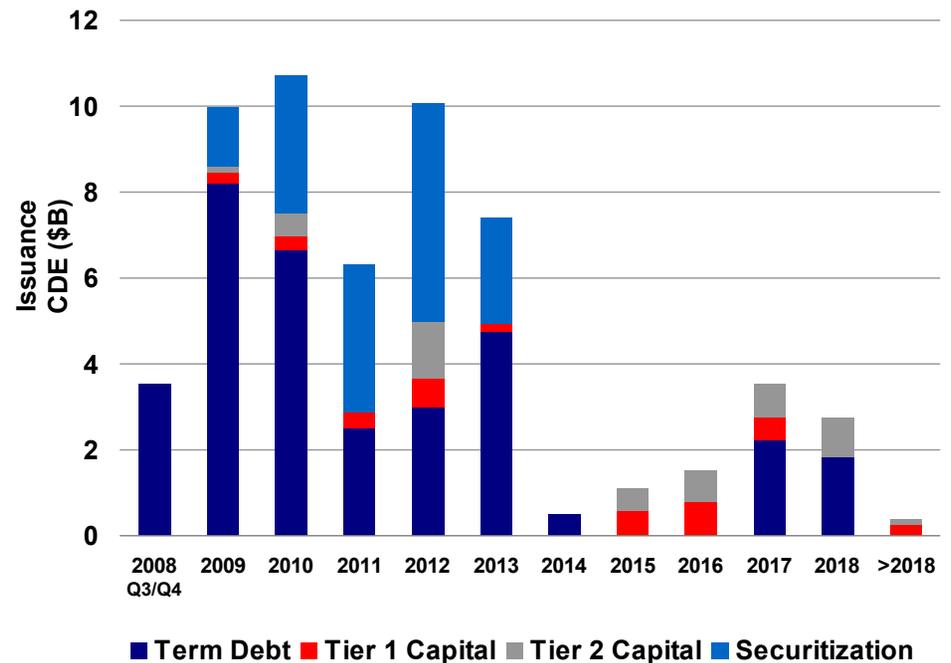
Wholesale Capital Market Term Funding Composition

As at April 30, 2008¹



Wholesale Capital Market Term Funding Maturity Profile

As at April 30, 2008¹



¹Proforma for the USD \$2.5 B extendible note and EUR 1.5 B FRN Issued in May 2008



APPENDIX



Significant Items

Gain / (Loss)		Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008 ²		
BMO CM	Commodities Losses	Pre-Tax Impact (\$MM)	(138) ¹	(149) ¹	(24) ¹	-	-	
		After-Tax Impact (\$MM)	(90)	(97)	(16)	-	-	
		EPS Impact (\$/share)	(0.18)	(0.19)	(0.03)	-	-	
	Trading and Valuation Adjustments	Pre-Tax Impact (\$MM)	-	-	(318)	(488)	-	-
		After-Tax Impact (\$MM)	-	-	(211)	(324)	-	-
		EPS Impact (\$/share)	-	-	(0.42)	(0.64)	-	-
Corporate	Restructuring Charge	Pre-Tax Impact (\$MM)	-	-	(24)	-	-	
		After-Tax Impact (\$MM)	-	-	(15)	-	-	
		EPS Impact (\$/share)	-	-	(0.03)	-	-	
	General Allowance	Pre-Tax Impact (\$MM)	-	-	(50)	(60)	-	-
		After-Tax Impact (\$MM)	-	-	(33)	(38)	-	-
		EPS Impact (\$/share)	-	-	(0.07)	(0.08)	-	-
Total Bank	Pre-Tax Impact (\$MM)	(138)	(149)	(416)	(548)	-	-	
	After-Tax Impact (\$MM)	(90)	(97)	(275)	(362)	-	-	
	EPS Impact (\$/share)	(0.18)	(0.19)	(0.55)	(0.72)	-	-	

¹ Q2 07: Revenue reduced \$171MM, net of performance-based compensation of \$33MM; Q3 07 and Q4 07 impact to revenue only

² Q2 08: Capital markets environment resulted in a net benefit of \$28MM after-tax and not considered to be significant



Quarterly Financial Trends

Performance Measure	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008
Net Income (\$MM)	671	660	452	255	642
Cash EPS – Diluted (\$/share)	1.31	1.30	0.89	0.49	1.26
EPS – Diluted (\$/share)	1.29	1.28	0.87	0.47	1.25
Cash Return on Equity (%) *	18.5	18.2	12.5	6.9	18.1
Return on Equity (%) *	18.3	18.0	12.2	6.7	17.9
Revenue Growth – Y/Y (%)	2.3	(0.6)	(10.6)	(2.0)	3.6
Expense Growth – Y/Y (%)	3.5	3.6	2.6	(3.5)	4.1
Cash Operating Leverage (%)	(1.1)	(4.2)	(13.2)	1.5	(0.7)
Operating Leverage (%)	(1.2)	(4.2)	(13.2)	1.5	(0.5)
PCL/Avg. Loans Accept. (%) *	0.12	0.18	0.29	0.42	0.28
Capital: Tier 1 Capital (%) – Basel II	n/a	n/a	n/a	9.48	9.42
Capital: Tier 1 Capital (%) – Basel I	9.67	9.29	9.51	9.05	9.03

*Annualized



Group Net Income

As Reported (\$MM)	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q/Q Change	Y/Y Change
P&C Canada	327	356	287	302	331	10%	1%
P&C U.S.	29	25	33	26	30	11%	5%
Total P&C	356	381	320	328	361	10%	1%
PCG	99	102	103	98	109	11%	10%
BMO Capital Markets	197	194	46	(34)	182	(+100)%	(8)%
Corporate Services	19	(17)	(17)	(137)	(10)	nm	nm
Total Bank	671	660	452	255	642	(+100)%	(4)%

Excluding Significant Items (\$MM)	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q/Q Change	Y/Y Change
P&C Canada	327	356	287	302	331	10%	1%
P&C U.S.	29	25	33	26	30	11%	5%
Total P&C	356	381	320	328	361	10%	1%
PCG	99	102	103	98	109	11%	10%
BMO Capital Markets	287	291	273	290	182	(37)%	(37)%
Corporate Services	19	(17)	31	(99)	(10)	nm	nm
Total Bank	761	757	727	617	642	4%	(16)%

nm – not meaningful



P&C - Canada

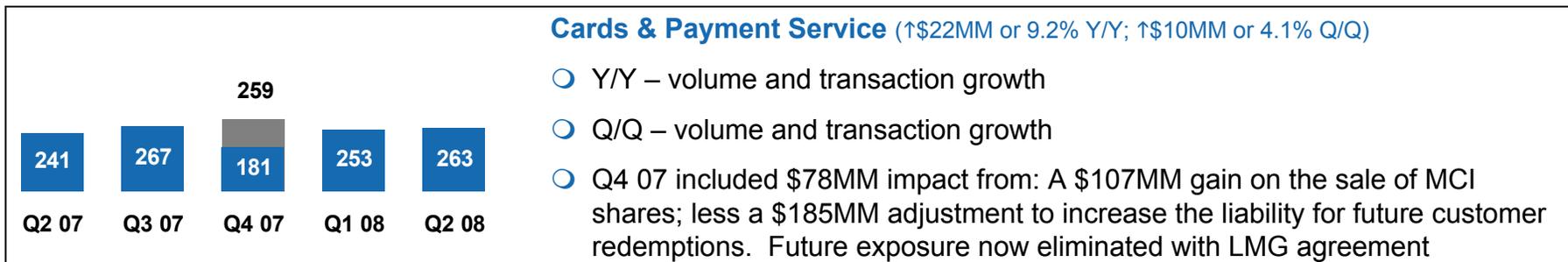
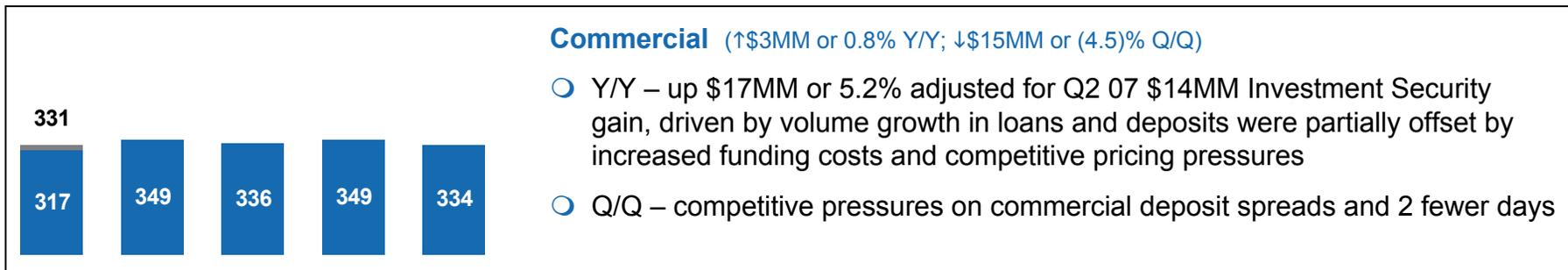
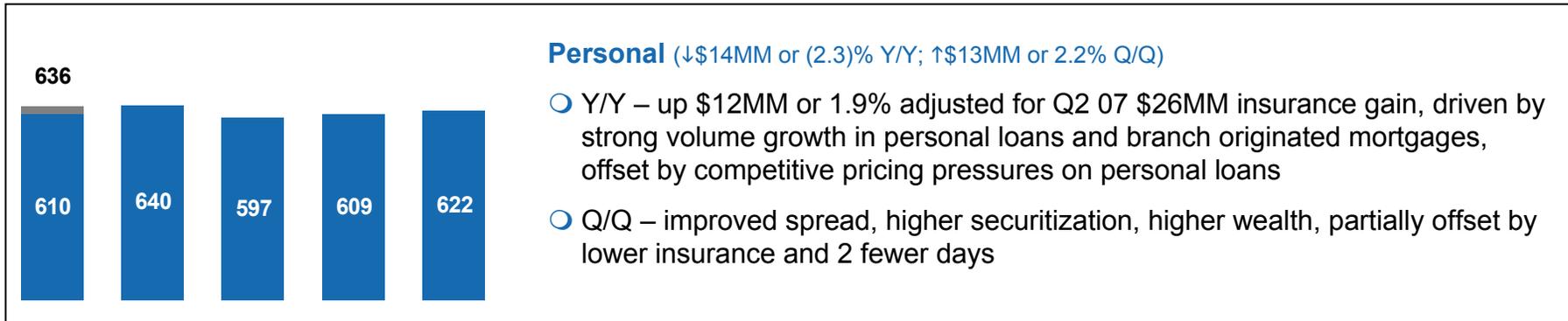
P&L (\$MM)	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08
Net Interest Income (teb)	735	801	770	793	786
Non-interest Revenue	473	455	344	418	433
Total Revenue (teb)	1,208	1,256	1,114	1,211	1,219
PCL	81	81	81	83	82
Expenses	648	664	690	695	657
Provision for Taxes	152	155	56	131	149
Net Income	327	356	287	302	331
Cash Operating Leverage (%)	5.3	2.6	(7.1)	(4.5)	(1.0)

- Y/Y net income up \$36MM or 12%, adjusted for notable items in Q2 07 (\$23MM insurance gain and \$9MM investment security gain)
- Operating leverage, adjusted for notable items in Q2 07, is positive at 2.8% driven by volume growth across most products
- Q/Q net income up \$29MM or 9.9% driven by lower allocated costs. Revenue was modestly higher, increase in NIM, securitization and cards offset by 2 fewer days and lower insurance revenue



P&C Canada

Revenue by Business (\$MM)



■ Insurance, security and MCI IPO gains

“Personal” Includes Residential Mortgages, Personal Loans, Personal Deposits, Term, Mutual Funds, Insurance and Other.



P&C Canada – Personal Banking

Market Share (%) ¹	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08
Personal Loans	10.57	10.78	11.10	11.31	11.38
Residential Mortgages	12.17	11.82	11.24	10.98	10.69
Personal Deposits	12.22	12.11	11.96	12.11	12.07
Mutual Funds	13.57	13.66	13.66	13.39	12.94

Balances (\$B) (Owned & Managed)	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08
Personal Loans	20.8	21.7	22.8	23.6	24.5
Residential Mortgages	63.5	63.5	63.4	63.9	64.0
Personal Deposits	24.2	24.5	24.3	24.4	24.4
Cards	6.0	6.4	6.6	6.9	6.9

- Personal loan market share has improved 6 consecutive quarters. Increased personal loan balances and market share led by increases in secured loan products
- Decreased residential mortgage market share, as expected from exiting the 3rd party and broker mortgage channels, however, overall mortgage growth and improved mortgage spread, as branch-originated mortgages growth outpaced declines from exited channels
- Personal deposit balances flat and decline in market share. There are improving trends in PRS balances, but chequing and savings accounts growth lags

¹ Personal share statistics are issued on a one-month lag basis. (Q2.08: March 2008)

Sources: Mutual Funds – IFIC, Credit Cards – CBA, Consumer Loans & Residential Mortgages – Bank of Canada, Personal Deposits – OSFI



P&C Canada – Commercial Banking

Market Share (%) ¹	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08
\$0 - \$1MM	18.46	18.68	18.73	18.83	19.07
\$1 - \$5MM	19.14	19.70	19.60	19.89	20.11
\$0 - \$5MM	18.80	19.20	19.17	19.37	19.60

- Business banking share for \$0-5MM band was 19.60%, which is an increase of 80bps Y/Y and 23bps Q/Q
- Continue to rank second in Canada
- Y/Y broad-based volume growth

Balances (\$B)	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08
Commercial Loans & Acceptances	30.8	31.8	32.7	33.2	34.1
Commercial Deposits	20.1	21.0	21.4	22.1	21.2

¹ Business loans (Banks) are issued by CBA on a one calendar quarter lag basis (Q2.08: December 2007)



Personal & Commercial Banking – U.S.

P&L (US\$MM)	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08
Net Interest Income (teb)	167	169	173	167	171
Non-interest Revenue	39	42	47	48	84
Total Revenue (teb)	206	211	220	215	255
PCL	8	8	9	9	10
Expenses	159	165	160	166	198
Provision for Taxes	14	14	18	14	17
Net Income	25	24	33	26	30
Cash Operating Leverage (%)	(1.3)	(6.2)	8.0	(0.5)	(1.5)
Net Income (Excl. Acquisition Integration Costs)	27	29	33	27	31
Cash Operating Leverage (%) (Excl. Acquisition Integration Costs)	(1.7)	(6.3)	6.0	(0.7)	(2.9)

- Moderate volume growth and increased fee revenue
- Y/Y NIM down 21 bps excluding the 24 bps impact of transfer of a small client-driven investment portfolio. Remaining decline due to competitive pressures on pricing and impact of the more difficult credit environment
- Y/Y NIX higher due to continued targeted investment in the business and a number of small items negatively impacting expenses
- Wisconsin acquisitions added \$6MM in revenue and operating expenses
- Q2 08 includes impact of Visa Inc. transaction - \$38MM Non-interest revenue, \$17MM expense from an associated litigation reserve, net \$13MM net income



P&C U.S.

Personal Products – Average Balances (US\$B)	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08
Mortgages	4.9	5.0	5.1	5.1	5.2
Other Personal Loans	4.1	4.2	4.3	4.4	4.7
Indirect Auto	4.5	4.5	4.5	4.5	4.5
Deposits	13.2	13.3	13.3	13.2	14.0

- Moderate volume growth in competitive market
- Increases in Q2 08 reflect one month of Wisconsin acquisitions which closed in Q2 08 - full impact will be seen in Q3

Commercial Products – Average Balances (US\$B)	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08
Commercial Loans	5.8	5.9	6.0	6.0	6.5
Commercial Deposits	4.2	4.3	4.3	4.5	4.4



Private Client Group

P&L (\$MM)	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08
Net Interest Income (teb)	153	154	154	155	165
Non-interest Revenue	365	366	354	364	345
Total Revenue (teb)	518	520	508	519	510
PCL	-	1	1	1	1
Expenses	364	362	356	368	348
Provision for Taxes	55	55	48	52	52
Net Income	99	102	103	98	109

- Record net income of \$109MM as expenses actively managed in a difficult market environment
- Y/Y net income increased \$10MM or 10%. Revenue grew 1.2%, while expenses declined 2.8%, adjusted for a prior year \$7MM gain on sale of Montreal Stock Exchange common shares and the impact of the weaker US dollar
- Q/Q Net income up \$11MM or 11%. Revenue declined primarily in the brokerage businesses, partially offset by higher term investment products revenue. Expenses reflected lower revenue-based costs. In addition, the prior quarter included a charge for the annual stock-based compensation costs for employees eligible to retire

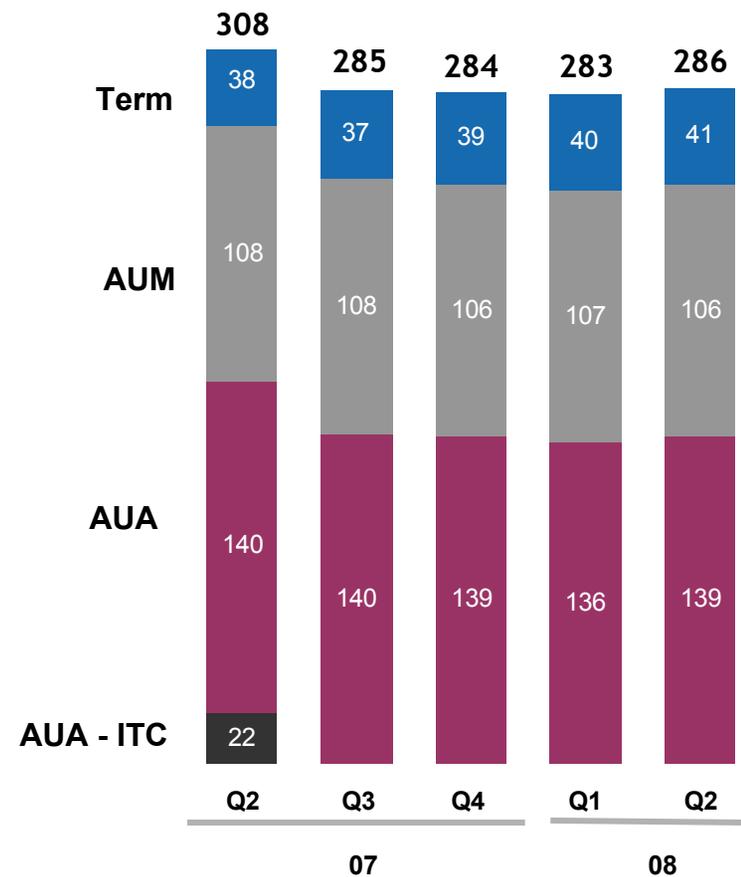
Note: Effective December 1, 2007 BMO Mutual Funds began absorbing the operating expenses of its funds in return for a fixed administration fee. This resulted in an increase in both non-interest revenue and expenses for the quarter.



PCG – AUA/AUM/Term

- Assets under management and administration were impacted by the weaker U.S. dollar and softer market conditions
- Assets grew \$7.6 billion or 3% Y/Y and \$2.3 billion or 1% Q/Q (adjusted for F/X and the transfer of our U.S. Institutional Trust and Custody (ITC) business to P&C U.S. in Q3 07)

AUA / AUM/Term (\$B)





BMO Capital Markets

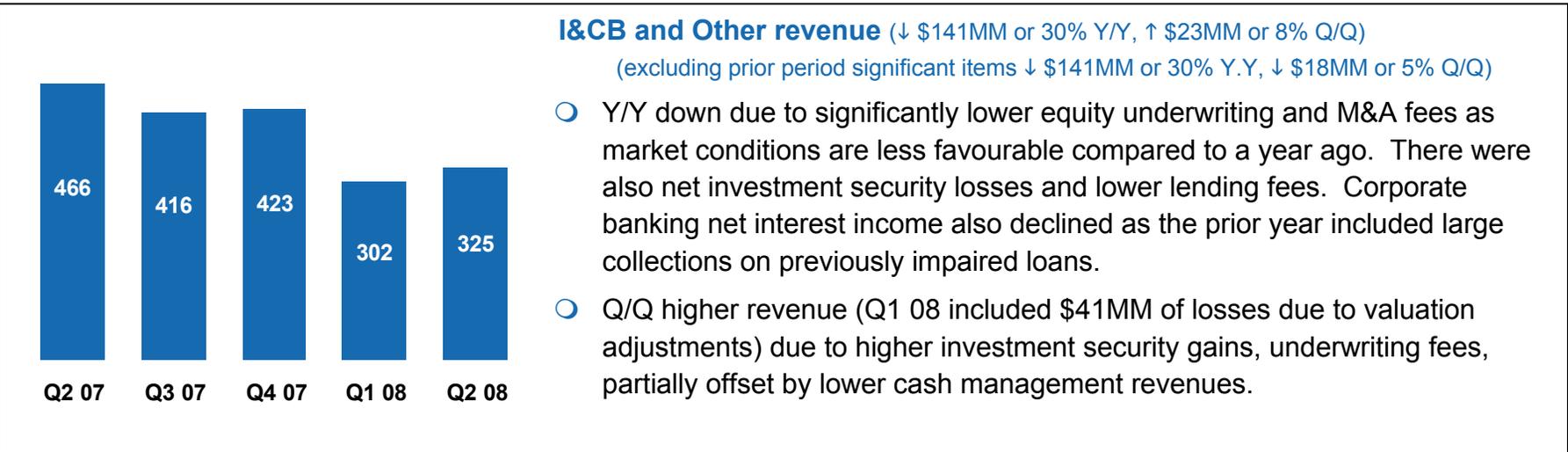
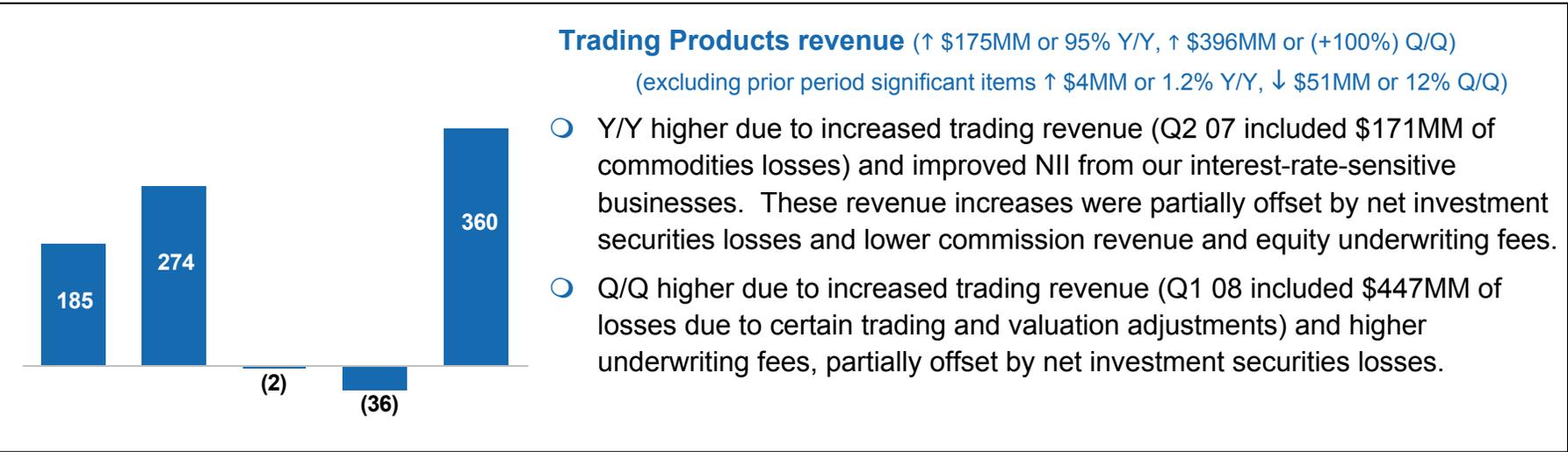
P&L (\$MM)	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08
Net Interest Income (teb)	256	253	233	303	234
Non-interest Revenue	395	437	188	(37)	451
Total Revenue (teb)	651	690	421	266	685
PCL	19	19	19	29	29
Expenses	397	448	399	383	441
Provision for Taxes	38	29	(43)	(112)	33
Net Income	197	194	46	(34)	182
Average Assets (\$B)	204	211	220	233	232

- Results in Q2 & Q3 of F2007 were impacted by commodities losses
- Results in Q4 07 & Q1 08 were impacted by capital market environment changes
- Excluding the above significant items, softer but stable performance in most core businesses including high-return fee-based businesses
- Q/Q expenses up due to higher performance-based compensation
- Y/Y expenses up due to salaries, benefits and performance-based compensation



BMO Capital Markets

Revenue by Business (\$MM)





Corporate Services Including Technology and Operations

P&L (\$MM)	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08
Total Revenue (teb)	(86)	(136)	(61)	(185)	(50)
PCL – Specific	(50)	(19)	(8)	48	29
– General	-	-	50	60	-
Expenses	22	10	25	2	35
Restructuring charge	-	-	24	-	-
Total Expenses	22	10	49	2	35
Provision for taxes	(96)	(128)	(154)	(176)	(123)
Net Income	19	(17)	(17)	(137)	(10)

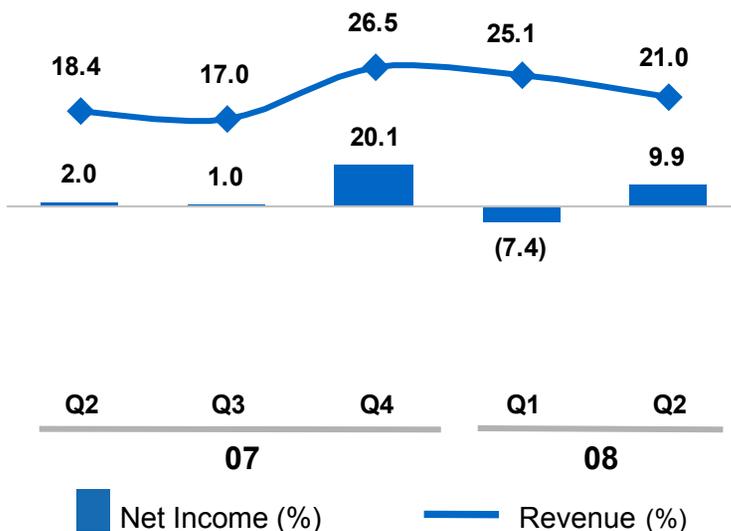
- Y/Y net income decrease due to higher PCL and higher expenses, mitigated in part by higher revenues and proportionately lower income taxes. Revenues increased primarily due to higher securitization revenues
- Q/Q net income increase due to higher revenues, lower PCL and proportionately lower income taxes, offset in part by higher expenses. Revenues increased due to higher securitization revenues and higher earnings from certain subsidiaries, while Q1 08 was negatively impacted by a number of small items. Expenses increased due to the timing of expense allocations



U.S. Results

Net Income (US\$MM)	As Reported					Excl. Significant Items				
	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08
P&C	25	24	33	26	30	25	24	33	26	30
PCG	2	2	(3)	2	4	2	2	(3)	2	4
BMO CM	2	2	114	56	64	92	93	130	72	64
Corporate	(19)	(24)	(51)	(101)	(40)	(19)	(24)	(46)	(63)	(40)
TOTAL	10	4	93	(17)	58	100	95	114	37	58

U.S. to North American Revenue and Net Income (as reported)



- Q/Q P&C U.S. net income up US\$4MM due to VISA gain and acquisitions partially offset by impact of a more difficult credit environment
- Q/Q BMO CM reported net income up \$8MM due to lower capital market environmental losses in the current quarter
- Corporate results in Q1 08 included an increase to the general allowance



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