Q3 2008

Investor Community Conference Call

Financial Results

RUSS ROBERTSON

Chief Financial Officer

August 26 • 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 regarding the structured investment vehicles discussed in the Q3 Report to Shareholders including the amount to be drawn under the BMO liquidity facilities. 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 Trust has 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 Trust as discussed in the Q3 Report to Shareholders included industry diversification in the portfolio, initial credit quality by portfolio and the first-loss protection incorporated into the structure.

In establishing our expectations regarding the run-rate costs of our credit card loyalty rewards program discussed in the Q3 Report to Shareholders, we took into account the terms of the agreement that was entered into with Loyalty Management Group Canada Inc. in the quarter.

In establishing our expectations regarding the timing of completion of the integration of the Wisconsin acquisitions and associated costs discussed in the Q3 Report to Shareholders, we assumed that the integration would be completed in accordance with the current project plan and in line with current cost estimates.

In establishing our fourth quarter expectations for specific provisions for credit losses and for gross impaired loans, we assumed that the credit environment would remain consistent with current conditions, and that our credit exposures would perform in a manner consistent with the expectations we have developed through the ongoing assessment of our exposures.

Assumptions about the performance of the Canadian and U.S. economies in 2008 and how it would 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 would expand at a moderate pace in 2008 while the U.S. economy expands modestly, and that inflation would remain low in North America. We also assumed that interest rates in 2008 would decline slightly in Canada and the United States, and that the Canadian dollar would 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 that quarter to expect lower interest rates and a somewhat weaker Canadian dollar than when we established our 2008 financial targets. Although the United States avoided a technical recession in the first half of the year, we anticipate further weakness in its economy and as such our views remain largely 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.

Q3 2008 Financial Highlights

Net Income	EPS	Y/Y EPS Growth	Cash EPS	ROE	Cash Operating Leverage	Specific PCL	Tier 1 Capital Ratio (Basel II)
$521MM	**$0.98**	**(23.4)%**	**$1.00**	**13.5%**	**0.0%**	**$434MM**	**9.90%**

Key Messages

- Canadian retail strategy continues to deliver good results including record net income in Private Client Group
- BMO Capital Markets reports strong revenue growth
- Provision for credit losses elevated due to deterioration in U.S. Real Estate
- Tier 1 capital ratio remains strong at 9.90%

Q3 08 Items of Note

- Capital markets environment charges of $134MM ($96MM after-tax). See slide 7
- Income tax reserve adjustments $95MM ($82MM recorded in BMO CM)
- Increase in general allowance $50MM ($30MM after-tax)
- BMO Capital Markets severance $28MM ($19MM after-tax)

Revenue

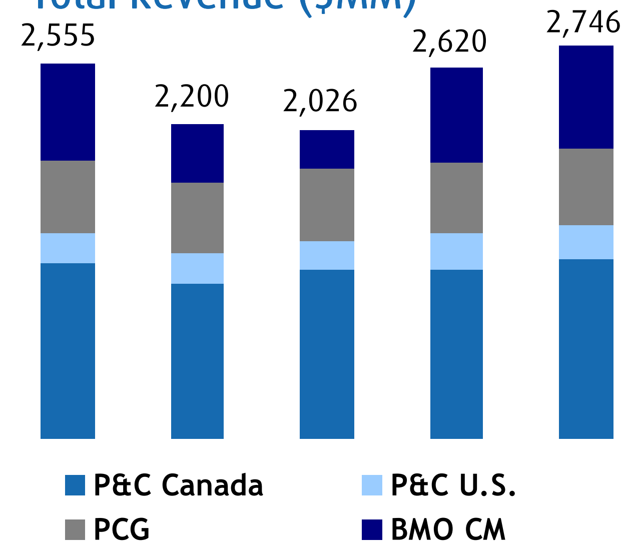
Q/Q ↑$126MM or 4.8%

+ Volume growth across most products, higher card revenue and payment services in P&C Canada as well as two additional calendar days in quarter
+ Higher commission and fee-based revenue in PCG
+ Higher trading and interest-rate-sensitive revenues and underwriting fees
+ Inclusion of Wisconsin acquisitions (US $11MM) and improved core volumes, spreads and fees
- Gain on sale of VISA International Inc. investment in Q2 08 (US $38MM)
- Capital markets environment charges of $134MM in Q3 08 vs. recovery of $42MM in Q2 08

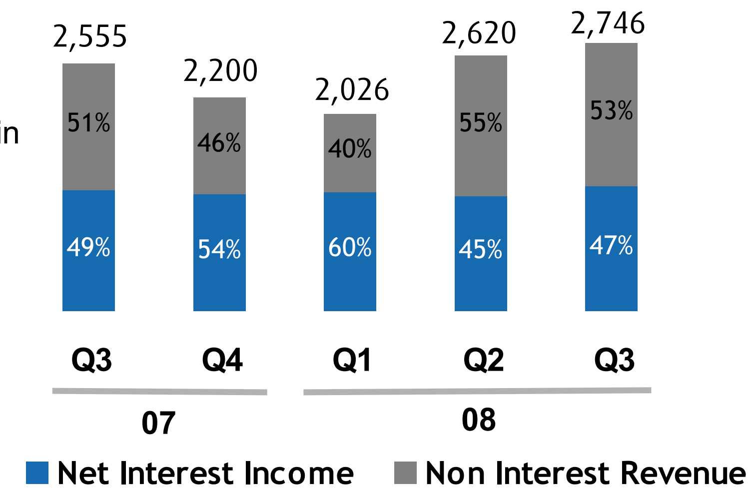
Y/Y ↑$191MM or 7.5%
(↑$42MM or 1.6% excluding Q3 07 significant items)

+ Strong volume growth across most products and higher card revenue in P&C Canada
+ Higher deposit balances in the brokerage businesses and higher loan and deposit balances in North American Private Banking
+ Inclusion of Wisconsin acquisitions, improved volumes, spreads and fees in P&C U.S.
+ Higher trading revenue due to commodities losses recorded in Q3 07 ($149MM) and strong performance in interest-rate-sensitive businesses
- Stronger Canadian dollar lowered revenue growth by $23MM
- Capital markets environment charges in Q3 08 (-$134MM)
- Lower M&A fees, equity underwriting revenue and corporate banking net interest income due to difficult capital markets environment
- Lower NIM in P&C Canada due to lower mortgage refinancing fees and higher funding costs

Total Revenue ($MM)



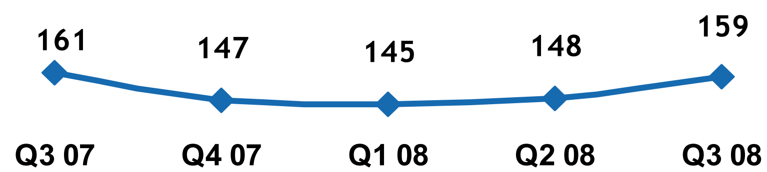
Revenue Mix ($MM)



BMO Financial Group

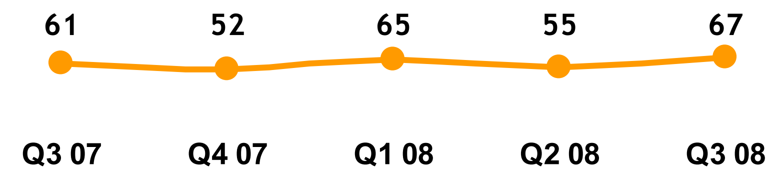
Net Interest Margins (bps)

Total Bank (non-teb)



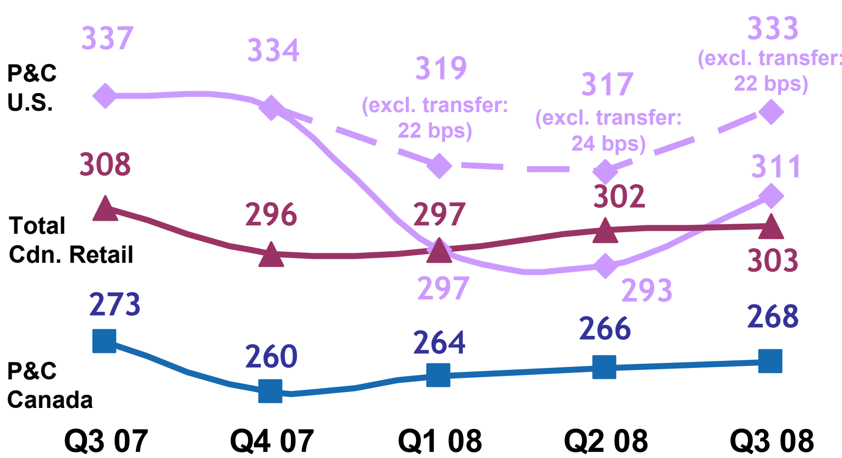
- Q/Q increase due to higher trading spreads in BMO CM
- Y/Y decrease due to growth of lower spread assets in BMO CM and lower spreads in the rest of the operating groups

BMO CM (teb)



- Q/Q and Y/Y increase due to better spreads in trading and interest-rate-sensitive businesses

Retail Banking



P&C U.S.

- Q/Q increase due to core spread stabilization in both loans and deposits, in part due to pricing initiatives.
- Y/Y decrease primarily due to the transfer of a small client-driven investment portfolio from Corporate Services (22 bps) with the remainder due to the weaker credit market environment

P&C Canada

- Q/Q increase due mainly to a more favourable product mix and higher refinancing fees, partially offset by higher funding costs and competitive pricing pressures
- Y/Y decrease due to lower mortgage refinancing fees, higher funding costs and competitive pricing pressures, partially offset by improving product mix

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

Quarterly Non-Interest Revenue Analysis

BALANCES ($MM)	Q3 07	Q2 08	Q3 08	
Securities Commissions	299	270	**294**	
Trading Revenues	40	192	**220**	Q3 07: $189MM, excluding commodities losses Q2 08: $121MM, excluding capital markets environment recovery Q3 08: $296MM, excluding capital markets environment charges
Card Fees	79	78	**88**	
Mutual Fund Revenue	151	144	**151**	
Securitization Revenue	65	133	**133**	Higher mortgage securitization revenue and gain on new credit card securitization in both Q3 08 and Q2 08
Underwriting and Advisory Fees	160	98	**97**	
Securities Gains (other than trading)	6	14	**(75)**	Q2 08: $11MM, excluding Visa gain in P&C U.S. offset by a capital markets environment charge Q3 08: -$14MM, excluding capital markets environment charges
Insurance	55	52	**56**	
Other NIR	453	465	**496**	Q2 08: $459MM, excluding capital market environment recovery Q3 08: $493MM, excluding capital market environment recovery
TOTAL NON-INTEREST REVENUE	**1,308**	**1,446**	**1,460**	
TOTAL NIR EXCLUDING SIGNIFICANT ITEMS	**1,455**	**1,446**	**1,460**	

Q3 2008 Effects of Capital Markets Environment

	Pre-Tax Impact ($MM)	After-Tax Impact ($MM)	EPS Impact ($/Share)
Mark-to-market valuations on counterparty credit exposures on derivative contracts largely as a result of widening corporate counterparty credit spreads relative to BMO	(58)	(39)	
Other than temporary impairments and valuation adjustments on preferred shares held in our trading portfolio	(55)	(43)	
Recovery for other trading and structured-credit-related positions	25	17	
Subtotal	(88)	(65)	
Charge for asset-backed commercial paper held that is subject to the Montreal Accord	(28)	(19)	
Apex charge (net)	(15)	(10)	
Charge for capital notes investment in SIVs	(3)	(2)	
Total Net Charges	**(134)**	**(96)**	**(0.19)**

The net charge of $134MM was reflected in trading non-interest revenue (-$76MM), securities gains/losses other than trading (-$61MM) and other revenue (+$3MM)

BMO Financial Group

Non-Interest Expense

As Reported ($MM)	Q3 2007	Q2 2008	Q3 2008	Q/Q Change	Y/Y Change
P&C Canada	664	657	**710**	8%	7%
P&C U.S.	175	199	**194**	(3)%	10%
Total P&C	839	856	**904**	5%	8%
PCG	362	348	**380**	10%	5%
BMO Capital Markets	448	441	**477**	8%	7%
Corporate Services	10	35	**21**	nm	nm
Total Bank	1,659	1,680	**1,782**	6%	7%

Q/Q ↑$102MM or 6.0%

+ $45MM performance-based compensation

+ $40MM (approx.) of investment in businesses related to acquisitions and initiative spend

+ $28MM for BMO Capital Market severance costs

+ $21MM capital taxes

+$12MM professional fees

- $17MM Visa litigation reserve

- $27MM benefit costs and other

Y/Y ↑$123MM or 7.4%

- $30MM performance-based compensation

+ $70MM (approx.) of investment in businesses related to acquisitions, sales force expansion and initiative spend

+ $40MM professional fees

+ $28MM for BMO Capital Market severance costs

+ $20MM capital taxes

- $23MM weaker U.S. dollar

+ $18MM other

Quarterly Non-Interest Expense Analysis

BALANCES ($MM)	Q3 07	Q2 08	Q3 08	
Salaries and Benefits	641	672	**691**	Expansion in retail business and higher severance costs in BMO CM ($28MM)
Performance-based Compensation	383	308	**353**	Higher variable compensation in line with revenue increases in PCG and BMO CM
Premises & Equipment/Rental	131	139	**142**	
Computer Costs	194	196	**204**	
Business and Capital Tax	-	(1)	**20**	Capital tax benefit from prior year reassessment in Q2 08 ($16MM) and Q3 07 ($19MM)
Other	310	366	**372**	
TOTAL NON-INTEREST EXPENSE	**1,659**	**1,680**	**1,782**	

Capital & Risk Weighted Assets

Capital ratios remain very strong

	Basel I					Basel II		
	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	Q1 08	Q2 08	Q3 08
Tier 1 Capital Ratio (%)	9.29	9.51	9.05	9.03	9.45	9.48	9.42	9.90
Total Capital Ratio (%)	11.18	11.74	11.09	11.47	12.07	11.26	11.64	12.29
Assets-to-Capital Multiple (x)	17.3	17.2	17.7	16.2	15.8	18.4	16.2	15.9
RWA ($B)	181.0	178.7	188.9	195.3	192.0	179.5	186.3	182.3
Total As At Assets ($B)	359.2	366.5	376.8	375.2	375.0	376.8	375.2	375.0

APPENDIX

Quarterly Financial Trends

Performance Measure	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008
Net Income ($MM)	660	452	255	642	**521**
Cash EPS – Diluted ($/share)	1.30	0.89	0.49	1.26	**1.00**
EPS – Diluted ($/share)	1.28	0.87	0.47	1.25	**0.98**
Cash Return on Equity (%) *	18.2	12.5	6.9	18.1	**13.7**
Return on Equity (%) *	18.0	12.2	6.7	17.9	**13.5**
Revenue Growth – Y/Y (%)	(0.6)	(10.6)	(2.0)	3.6	**7.5**
Expense Growth – Y/Y (%)	3.6	2.6	(3.5)	4.1	**7.4**
Cash Operating Leverage (%)	(4.2)	(13.2)	1.5	(0.7)	**0.0**
Operating Leverage (%)	(4.2)	(13.2)	1.5	(0.5)	**0.1**
PCL/Avg. Loans Accept. (%) *	0.18	0.29	0.42	0.28	**0.89**
Capital: Tier 1 Capital (%) – Basel II	n/a	n/a	9.48	9.42	**9.90**
Capital: Tier 1 Capital (%) – Basel I	9.29	9.51	9.05	9.03	**9.45**

*Annualized

Group Net Income

As Reported ($MM)	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q/Q Change	Y/Y Change
P&C Canada	356	287	302	331	**343**	3%	(3)%
P&C U.S.	25	33	26	30	**28**	(4)%	6%
Total P&C	381	320	328	361	**371**	3%	(3)%
PCG	102	103	98	109	**110**	1%	8%
BMO Capital Markets	194	46	(34)	182	**259**	42%	34%
Corporate Services	(17)	(17)	(137)	(10)	**(219)**	nm	nm
Total Bank	660	452	255	642	**521**	(19)%	(21)%

Excluding Significant Items ($MM)	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q/Q Change	Y/Y Change
P&C Canada	356	287	302	331	**343**	3%	(3)%
P&C U.S.	25	33	26	30	**28**	(4)%	6%
Total P&C	381	320	328	361	**371**	3%	(3)%
PCG	102	103	98	109	**110**	1%	8%
BMO Capital Markets	291	273	290	182	**259**	42%	(11)%
Corporate Services	(17)	31	(99)	(10)	**(189)**	nm	nm
Total Bank	757	727	617	642	**551**	(14)%	(27)%

nm – not meaningful

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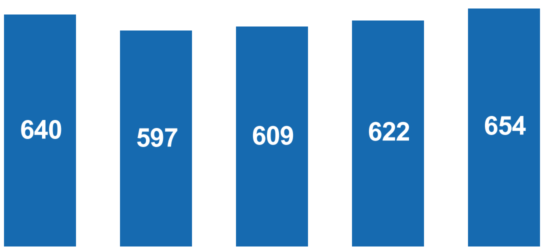
P&C - Canada

P&L ($MM)	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
Net Interest Income (teb)	801	770	793	786	**822**
Non-interest Revenue	455	344	418	433	**469**
Total Revenue (teb)	1,256	1,114	1,211	1,219	**1,291**
PCL	81	81	83	82	**87**
Expenses	664	690	695	657	**710**
Provision for Taxes	155	56	131	149	**151**
Net Income	356	287	302	331	**343**
Cash Operating Leverage (%)	2.6	(7.1)	(4.5)	(1.0)	**(4.1)**

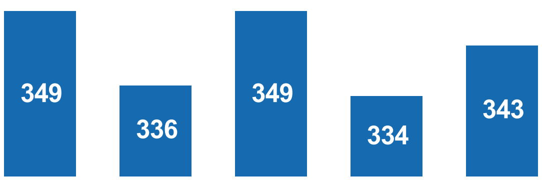
- Y/Y net income down $13MM. Prior year included an income tax recovery of $14MM. Adjusted for tax, net income increased $1MM or 0.8%. Cash operating leverage is negative at (4.1%) as expense growth in initiatives, and minimal capital taxes in 2007 offset current revenue growth.
- Q/Q net income up $12MM or 3.4% driven by higher revenue, due to 2 more calendar days in Q3, volume growth, improved net interest margin, higher cards and Moneris revenue.

P&C Canada
Revenue by Business ($MM)



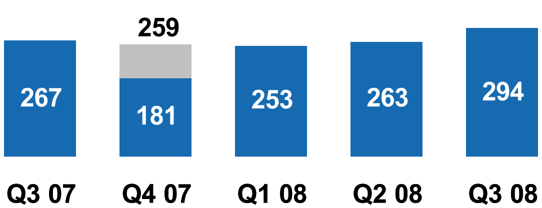
Personal (↑ $14MM or 2.3% Y/Y; ↑ $32MM or 5.1% Q/Q)

- Y/Y growth driven by strong volume growth in personal loans and branch originated mortgages, positive mix, better spreads on mortgages and personal deposits offset by increasing funding costs and competitive pricing pressures on personal loans.
- Q/Q volume growth, 2 more days, improved spread despite higher funding costs due to improving mix of product, and higher securitization.



Commercial (↓ $6MM or 1.2% Y/Y; ↑ $9MM or 2.8% Q/Q)

- Y/Y volume growth in loans and deposits partially offset by increased funding costs and competitive pricing pressures. Results a year ago benefited from higher loan recoveries.
- Q/Q volume growth and 2 more days, offset by higher funding costs.



Cards & Payment Service (↑ $27MM or 10.3% Y/Y; ↑ $31MM or 11.9% Q/Q)

- Y/Y volume and transaction growth, as well as higher Moneris revenues.
- Q/Q volume and transaction growth, as well as higher Moneris revenues.
- Q4 07 included $78MM impact from: A $107MM gain on the sale of MCI shares; less a $185MM adjustment to increase the liability for future customer redemptions on our loyalty rewards program.

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]	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
Personal Loans	10.78	11.10	11.31	11.36	**11.65**
Residential Mortgages	11.82	11.23	10.96	10.67	**10.34**
Personal Deposits	12.11	11.96	12.11	12.07	**12.01**
Mutual Funds	13.66	13.66	13.39	12.94	**12.87**

[1] Personal share statistics are issued on a one-month lag basis. (Q3 08: June 2008)

Average Balances ($B) (Owned & Managed)	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
Personal Loans	21.7	22.8	23.6	24.5	**25.9**
Residential Mortgages	63.5	63.4	63.9	64.0	**64.5**
Personal Deposits	24.5	24.3	24.4	24.4	**24.8**
Cards	6.4	6.6	6.9	6.9	**7.3**

- Personal loan market share has improved for seven consecutive quarters. Increased personal loan balances and market share led by increases in secured loan products.
- Residential mortgage market share has decreased due to the exit of the broker mortgage channels. However, branch-originated mortgages showed growth and mortgage spread improved.
- Personal deposit balances increased although market share continues to decline.

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]	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
$0 - $1MM	18.68	18.73	18.83	19.07	**19.15**
$1 - $5MM	19.70	19.60	19.89	20.11	**20.58**
$0 - $5MM	19.20	19.17	19.37	19.60	**19.89**

[1] Business loans (Banks) are issued by CBA on a one calendar quarter lag basis (Q3 08: March 2008)

Average Balances ($B)	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
Commercial Loans & Acceptances	31.8	32.7	33.2	34.1	**34.8**
Commercial Deposits	21.0	21.4	22.1	21.2	**22.0**

- Business banking market share has improved 6 of the last 7 quarters
- Continue to rank second in Canada
- Y/Y broad-based volume growth

Personal & Commercial Banking – U.S.

P&L (US$MM)	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
Net Interest Income (teb)	169	173	167	171	**195**
Non-interest Revenue	42	47	48	84	**51**
Total Revenue (teb)	211	220	215	255	**246**
PCL	8	9	9	10	**11**
Expenses	165	160	166	198	**192**
Provision for Taxes	14	18	14	17	**14**
Net Income	24	33	26	30	**28**
Cash Operating Leverage (%)	(6.2)	8.0	(0.5)	(1.5)	**(0.3)**
Net Income (Excl. Acquisition Integration Costs)	29	33	27	31	**30**
Cash Operating Leverage (%) (Excl. Acquisition Integration Costs)	(6.3)	6.0	(0.7)	(3.0)	**(3.0)**

- Improvement in core operating earnings reflecting volume growth and increased fee revenue.
- Y/Y NIM down 26 bps, 22 bps associated with the impact of transfer of a small client-driven investment portfolio with the remainder due to credit markets. Currently seeing some spread stabilization in consumer and commercial businesses, both in deposits and loans aided by pricing initiatives.
- Y/Y NIX higher due to continued targeted investment in the business, volume growth and impact of credit markets.
- Wisconsin acquisitions added $18MM in revenue, $16MM in operating expenses, and $3MM in PCL.

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P&C U.S.

Personal Products – Average Balances (US$B)	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
Mortgages	5.0	5.1	5.1	5.2	**5.6**
Other Personal Loans	4.2	4.3	4.4	4.7	**4.8**
Indirect Auto	4.5	4.5	4.5	4.5	**4.6**
Deposits	13.3	13.3	13.2	14.0	**14.8**

Commercial Products – Average Balances (US$B)	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
Commercial Loans	5.9	6.0	6.0	6.5	**7.4**
Commercial Deposits	4.3	4.3	4.5	4.4	**4.9**

- Moderate volume growth in slowing economic and competitive environment
- Q3 08 reflects full quarter impact of Wisconsin acquisitions:
  - Average loans $1.6B:

    Mortgages $0.3B
    Other Personal $0.2B
    Commercial $1.1B
  - Average deposits $1.6B:

    Personal $1.4B
    Commercial $0.2B
  - Period-end balances in line with averages

Private Client Group

P&L ($MM)	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
Net Interest Income (teb)	154	154	155	165	**167**
Non-interest Revenue	366	354	364	345	**377**
Total Revenue (teb)	520	508	519	510	**544**
PCL	1	1	1	1	**1**
Expenses	362	356	368	348	**380**
Provision for Taxes	55	48	52	52	**53**
Net Income	102	103	98	109	**110**

- Record net income of $110MM with increased revenue in a difficult market environment.
- Y/Y net income increased $8MM or 8%. Revenue higher in the brokerage businesses and North American Private Banking. Expenses higher primarily due to higher revenue-based costs.
- Q/Q net income increased $1MM or 1%. Revenue improved primarily in the brokerage and mutual funds businesses. Expenses included higher revenue-based costs.

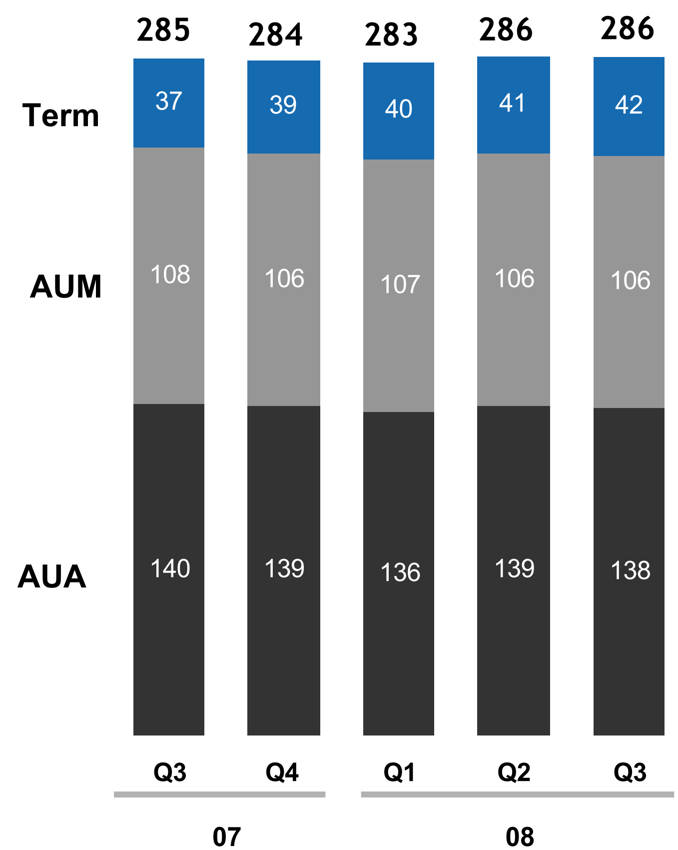
Note: Effective December 1, 2007 BMO Mutual Funds began absorbing the operating expenses of its funds in return for a fixed administration fee. This resulted in an increase in both non-interest revenue and expenses for the quarter.

BMO Financial Group

PCG – AUA/AUM/Term

- Assets under management and administration were impacted by the weaker U.S. dollar and softer market conditions
- Assets grew $4.2 billion or 1.5% Y/Y and decreased $1.0 billion or 0.4% Q/Q (adjusted for F/X)

AUA / AUM/Term ($B)

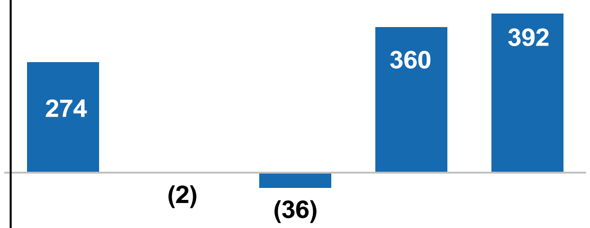


BMO Capital Markets

P&L ($MM)	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
Net Interest Income (teb)	253	233	303	234	**287**
Non-interest Revenue	437	188	(37)	451	**459**
Total Revenue (teb)	690	421	266	685	**746**
PCL	19	19	29	29	**29**
Expenses	448	399	383	441	**477**
Provision for Taxes	29	(43)	(112)	33	**(19)**
Net Income	194	46	(34)	182	**259**
Average Assets ($B)	211	220	233	232	**231**

- Improved performance due to revenue growth and recovery of prior period income taxes during the quarter
- Net interest income improved during the quarter largely due to higher trading NII and higher revenues from our interest-rate-sensitive businesses
- Non-interest revenue reflected stronger trading performance offset by capital market environment charges
- Stable performance in core lending and fee-based businesses, although lower M&A activity
- Q/Q expenses up due to increased performance-based compensation and severance costs
- Results in Q3 & Q4 of F2007 were impacted by commodities losses
- Credit deterioration and impact of challenging capital markets environment arising in Q4 07 continue

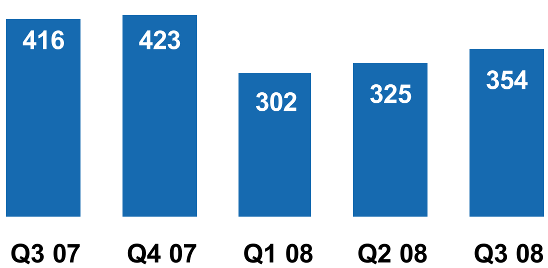
BMO Capital Markets
Revenue by Business ($MM)



Trading Products revenue

(↑ $116MM or 42% Y/Y, ↑ $32MM or 9% Q/Q)

- Y/Y higher due to increased trading revenue (Q3 08 included $134MM of capital market environment losses and Q3 07 included $149MM of commodities losses) and strong performance from our interest-rate-sensitive businesses. These revenue increases were partially offset by net investment securities losses and lower commission revenue.
- Q/Q higher due to increased trading revenue (Q3 08 included $134MM of capital market environment losses vs. a recovery of $59MM in Q2 08) and revenue from our interest-rate-sensitive businesses, higher advisory fees and commission revenue, partially offset by increased net investment securities losses.



I&CB and Other revenue

(↓ $60MM or 15% Y/Y, ↑ $29MM or 9% Q/Q)

- Y/Y down due to significantly lower M&A fees as market conditions are less favourable compared to a year ago. Corporate banking net interest income also declined partly due to reduced collections on previously impaired loans. These decreases were partially offset by higher lending fees.
- Q/Q higher revenue (Q2 08 included $17MM of capital market environment losses) due to higher MTM gains on credit derivatives and reduced net investment securities losses, partially offset by lower M&A fees.

Corporate Services

Including Technology and Operations

P&L ($MM)	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
Total Revenue (teb)	(136)	(61)	(185)	**(50)**	**(84)**
PCL – Specific	(19)	(8)	48	**29**	**305**
– General	-	50	60	**-**	**50**
Expenses	10	25	2	**35**	**21**
Restructuring charge	-	24	-	**-**	**-**
Total Expenses	10	49	2	**35**	**21**
Provision for taxes	(128)	(154)	(176)	**(123)**	**(259)**
Net Income	(17)	(17)	(137)	**(10)**	**(219)**

- Y/Y and Q/Q net income down mainly due to higher PCL, including a $50MM increase in the general allowance in Q3 08

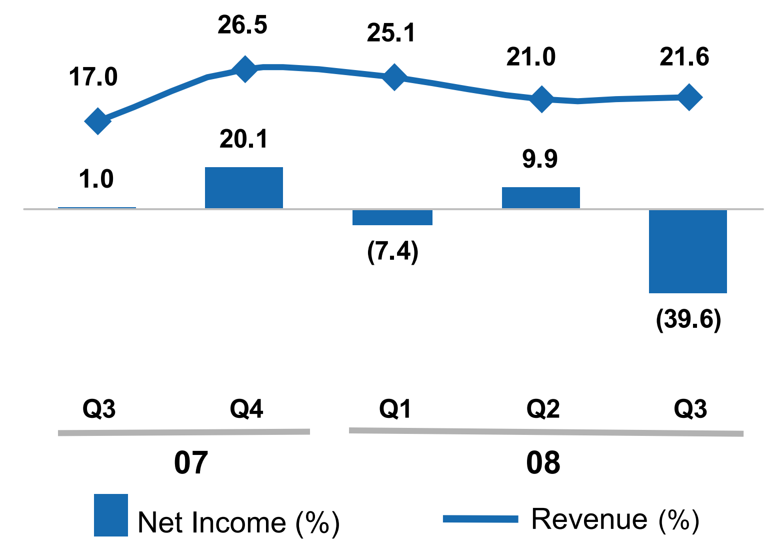
U.S. Results

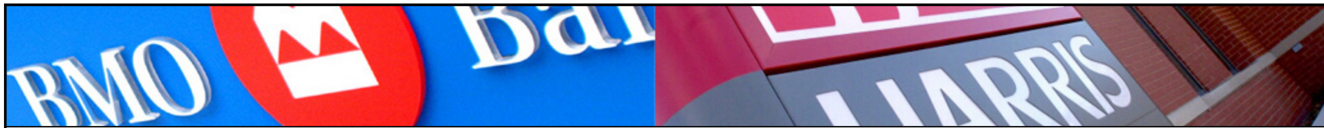
Net Income (US$MM)	As Reported Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
P&C	24	33	26	30	28
PCG	2	(3)	2	4	3
BMO CM	2	114	56	64	59
Corporate	(24)	(51)	(101)	(40)	(280)
TOTAL	4	93	(17)	58	(190)

- Q/Q P&C U.S. net income down US$2MM due to a gain in the Visa transaction and higher than normal expenses in Q2 08
- Q/Q BMO CM reported net income down US$5MM due to to severance offset in party by higher revenues
- Corporate results affected by higher provisions for credit losses

U.S. to North American Revenue and Net Income

(as reported)





BMO Financial Group

Significant Items

Gain / (Loss)			Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008
BMO CM	**Commodities Losses**	**Pre-Tax Impact ($MM)**	(149)[1]	(24)[1]	-	-	-
		After-Tax Impact ($MM)	(97)	(16)	-	-	-
		EPS Impact ($/share)	(0.19)	(0.03)	-	-	-
	Trading and Valuation Adjustments	**Pre-Tax Impact ($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)	-	(50)
		After-Tax Impact ($MM)	-	(33)	(38)	-	(30)
		EPS Impact ($/share)	-	(0.07)	(0.08)	-	(0.06)
Total Bank		**Pre-Tax Impact ($MM)**	(149)	(416)	(548)	-	(50)
		After-Tax Impact ($MM)	(97)	(275)	(362)	-	(30)
		EPS Impact ($/share)	(0.19)	(0.55)	(0.72)	-	(0.06)

[1] Impact of Commodities Losses was to revenue only

BMO Financial Group

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	
❍ Mark-to-market charge for holdings of commercial paper in 3rd 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**	**0.06**

The net charge of $134MM was reflected in trading non-interest revenue (+$71MM), securities gains/losses other than trading (-$35MM) and other revenue (+$6MM)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