

BMO has restated its interim financial statements and MD&A for the first quarter of 2007 to reflect the effects of previously announced commodities trading losses that relate to that quarter.

Please refer to the restated First Quarter 2007 Report to Shareholders.



**BMO**  **Financial Group**

PRIOR TO RESTATEMENT


**Q1**  
**2007**

**STRATEGIC HIGHLIGHTS** | Investor Community Conference Call

**TONY COMPER**  
*Immediate Past President & Chief Executive Officer*

**March 1 • 2007**



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**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 2007 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 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 2006 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.

Assumptions about the performance of the Canadian and U.S. economies in 2007 and how that will affect our businesses were material factors we considered when setting our strategic priorities and objectives and in determining our financial targets, including provisions for credit losses. Key assumptions included that the Canadian and U.S. economies would expand at a moderate pace in 2007 and that inflation would remain low. We also assumed that interest rates in 2007 would remain little changed in Canada but decline in the United States and that the Canadian dollar would hold onto its value relative to the U.S. dollar. Although the U.S. dollar strengthened relative to the Canadian dollar in the first quarter, we believe that our other assumptions are valid. We have continued to rely upon those assumptions and the views outlined in the following Economic Outlook in considering our ability to achieve our 2007 targets. 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.

**STRATEGIC HIGHLIGHTS - FIRST QUARTER 2007** **2**

## Q1 FINANCIAL HIGHLIGHTS

| Performance Measure | Q1 2007 (ex restructuring) | Q1 2007 (reported) | Q1 2006  |
|---------------------|----------------------------|--------------------|----------|
| Net Income          | \$673 MM                   | \$585 MM           | \$606 MM |
| Cash Net Income     | \$682 MM                   | \$594 MM           | \$615 MM |
| EPS                 | \$1.30                     | \$1.13             | \$1.17   |
| Cash EPS            | \$1.32                     | \$1.15             | \$1.19   |
| Cash Productivity   | 61.7%                      | 66.9%              | 62.4%    |
| Return on Equity    | 18.0%                      | 15.7%              | 17.8%    |

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