

Q4  
2007



## STRATEGIC HIGHLIGHTS

### Investor Community Conference Call

**BILL DOWNE**  
*President & Chief Executive Officer*

**November 27 • 2007**

## 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 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 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 2008 and how that will affect our businesses are material factors we consider when setting our strategic priorities and objectives, and in determining our financial targets, including provision for credit losses. Key assumptions include 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 have assumed that interest rates in 2008 will decline slightly in Canada and the United States, and that the Canadian dollar will trade at approximately parity to the U.S. dollar by 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. Assumptions about the terms of any agreement we enter to transfer our liability for future customer redemptions, or to change the cost structure, relating to our customer credit card loyalty rewards program are material factors we considered in assessing expected changes in the run-rate costs of the program. 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.

## TOTAL BANK FINANCIAL HIGHLIGHTS

Performance Measure	Q4 2007 As Reported	Q4 2007 Ex Significant Items	F2007 As Reported	F2007 Ex Significant Items
Net Income	\$452 MM	\$727 MM	\$2,131 MM	\$2,918 MM
Cash Net Income	\$461 MM	\$736 MM	\$2,169 MM	\$2,956 MM
EPS	\$0.87	\$1.42	\$4.11	\$5.66
Cash EPS	\$0.89	\$1.44	\$4.18	\$5.73
Cash Productivity	73.3%	62.7%	68.8%	60.9%
Return on Equity	12.2%	19.9%	14.4%	19.8%

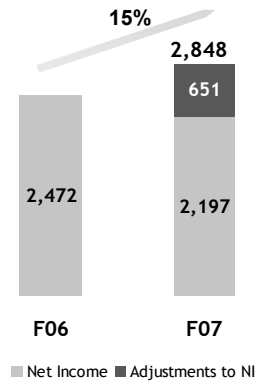
Significant Items comprised of Commodities Losses, Charges related to capital markets environment, Changes in the general allowance and Restructuring Charges. Please refer to Slide 4 of the Financial Highlights presentation for the financial impact of each.

## OPERATING GROUP HIGHLIGHTS

Reported Net Income (C\$MM unless otherwise indicated)	F2006	F2007	Growth
P&C Canada	1,142	1,250	9%
P&C U.S. (USD)	102	105	3%
PCG	355	408	15%
BMO CM	860	425	(51%)

Reported Net Income (C\$MM)	F2006	F2007	Growth
Operating Groups	2,472	2,197	(11%)

Operating Group Net Income (C\$MM)



BMO CM F07 results include the after tax impact of 1) \$440MM of commodities losses and 2) \$211MM of charges related to the capital markets environment incurred in Q4 07

## 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

### 2008 TARGETS

EPS Growth	Specific PCL	Operating Leverage	Return on Equity	Tier 1 Capital Ratio
10% - 15% <sup>1</sup> Base of \$5.24 <sup>2</sup>	\$475MM or less	Grow revenues by 2% more than expenses	18% - 20%	Minimum of 8%

<sup>1</sup> Excluding changes in the general allowance <sup>2</sup> Excluding commodities losses, restructuring charges and changes in the general allowance

## BMO Financial Group

### INVESTOR RELATIONS CONTACT INFORMATION

**VIKI LAZARIS**, *Senior Vice President*  
viki.lazaris@bmo.com  
416.867.6656

**STEVEN BONIN**, *Director*  
steven.bonin@bmo.com  
416.867.5452

**KRISTA WHITE**, *Senior Manager*  
krista.white@bmo.com  
416.867.7019



E-mail: [Investor.relations@bmo.com](mailto:Investor.relations@bmo.com)  
Fax: 416.867.6656  
[www.bmo.com/investorrelations](http://www.bmo.com/investorrelations)