

Q4
2007



FINANCIAL
RESULTS

Investor Community Conference Call

TOM FLYNN

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Acting Chief Financial 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.



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 productivity results and measures that use Taxable Equivalent Basis (teb) amounts, cash-based profitability and productivity 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 related to the capital markets environment, 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.



Q4 2007 FINANCIAL HIGHLIGHTS

	Net Income	EPS	Y/Y EPS Growth	Cash EPS	ROE	Specific PCL	Tier 1 Capital	Cash Productivity
As Reported	\$452MM	\$0.87	(35.6)%	\$0.89	12.2%	\$101MM	9.51%	73.3%
Excluding Significant Items	\$727MM	\$1.42	8.4%	\$1.44	19.9%	\$101MM	9.51% (as reported)	62.7%

(See slide 4 for description)

Key Messages

- Fourth quarter net income reduced by \$275MM after-tax (\$0.55/share) due to a number of significant items as detailed on slide 4, in part reflecting difficult capital markets environment conditions
- Excluding these items:
 - ▶ EPS of \$1.42, up 8.4% Y/Y
 - ▶ Cash EPS of \$1.44, up 8.3% Y/Y
 - ▶ Revenue increased 3.7% and expenses increased 1.1% resulting in operating leverage of 2.6%
- Tier 1 Capital ratio remains strong at 9.51%



Q4 07 SIGNIFICANT ITEMS

	Pre-Tax Impact (\$MM)	After-Tax Impact (\$MM)	EPS Impact (\$/Share)	Group, Geography & Statement of Income Category
Capital Markets Environment Losses				
○ Trading and structured credit-related positions and preferred shares	(169)	(114)	(0.23)	BMO CM – Canada – NII & NIR
○ Canadian asset backed commercial paper	(134)	(87)	(0.17)	BMO CM – Canada – NIR
○ Capital notes in Links & Parkland Financial Corporations SIVs	(15)	(10)	(0.02)	BMO CM – Canada – NIR
Subtotal	(318)	(211)	(0.42)	
Commodities Losses	(24)	(16)	(0.03)	BMO CM – U.S. – NII & NIR
General Allowance Increase	(50)	(33)	(0.07)	Corporate – Canada – PCL
Net Restructuring Charge	(24)	(15)	(0.03)	Corporate – Canada & U.S. – NIX
Total	(416)	(275)	(0.55)	

- Q4 results in P&C Canada include three items: a gain on sale of our investment in MasterCard International Inc. common shares (\$107MM, \$83MM after tax), a recovery of prior years' income taxes (\$43MM) and an adjustment to increase the liability for future customer redemptions related to our credit card loyalty rewards program (\$185MM, \$120MM after tax). These items largely offset.
- In addition income taxes benefited from prior years' income tax recoveries of \$18MM.

See slide 18 for complete significant item impact of F2007



CASH EPS

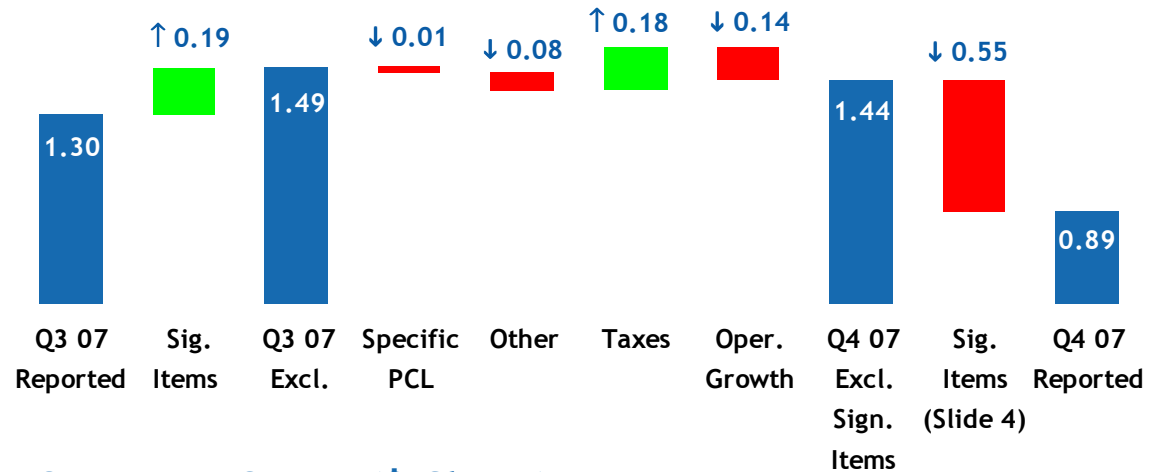
Q/Q ↓ \$0.41/share

- Lower NIM in P&C Canada due to rising funding costs and competitive environment
- Weaker capital market conditions affecting BMO CM
- Favourable resolution of prior period income tax audits and higher proportion of income from lower-tax-rate jurisdictions
- Other consists of a gain on sale of MasterCard Shares (+\$0.16/share) and a credit card loyalty rewards program charge (-\$0.24/share)
- Q3 07 significant items consists of commodities losses of \$0.19/share

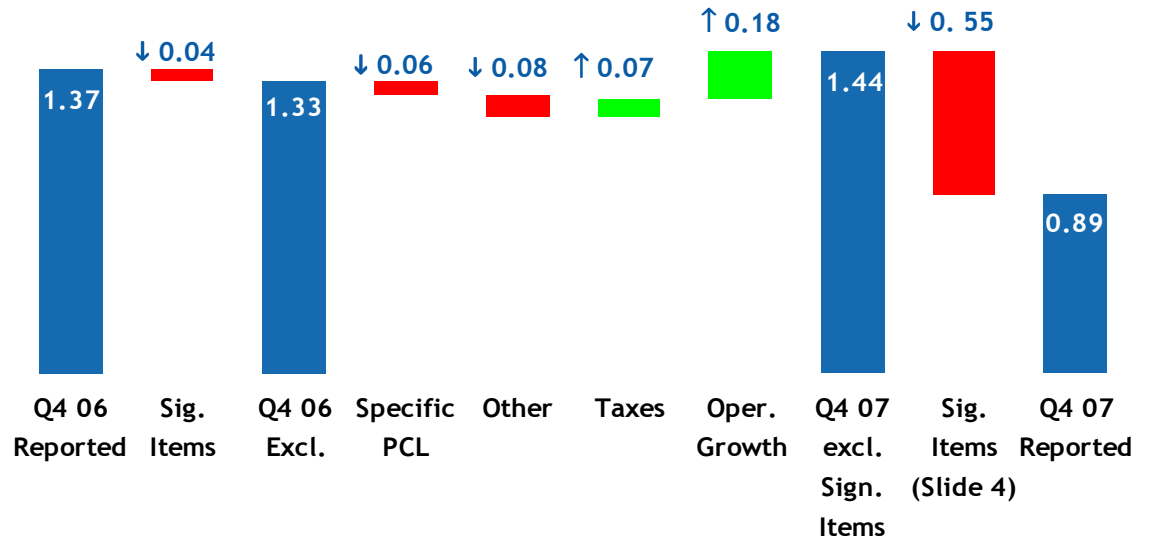
Y/Y ↓ \$0.48/share

- + Good volume growth in a number of P&C Canada's product areas
- + Good performance by P&C U.S. and PCG
- Increased Specific PCL
- Other is as per note above
- Q4 06 significant items consist of a decrease in the general allowance

Q4 07 vs. Q3 07 (\$/Share)



Q4 07 vs. Q4 06 (\$/Share)



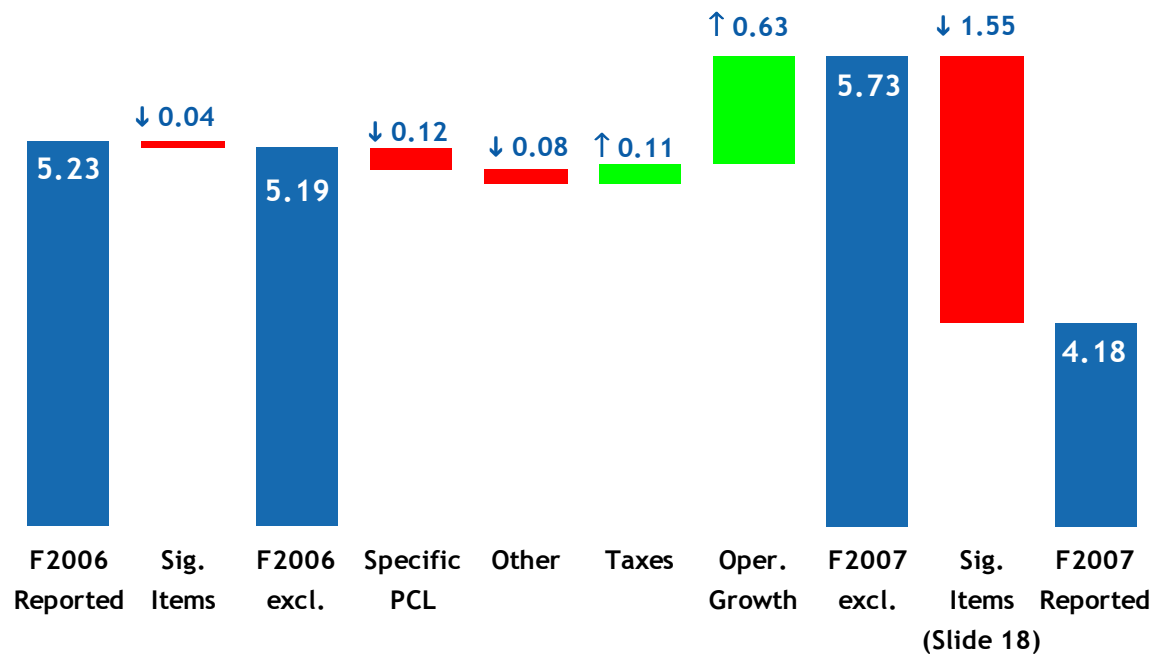


F2007 VS. F2006 YEAR TO DATE CASH EPS CHANGE

YTD \downarrow \$1.05/share

- + Broad-based volume growth in P&C Canada and PCG
- + Improved performance in a number of BMO CM businesses
- + Lower effective tax rate in F07, favourable resolution of prior period income tax audits and higher proportion of income from lower-tax-rate jurisdictions
- Other consists of a gain on sale of MasterCard Shares (+\$0.16/share), and a credit card loyalty rewards program charge (-\$0.24/share)
- F2006 significant items include reduction of the general allowance

F2007 vs. F2006 (\$/Share)





REVENUE (teb)

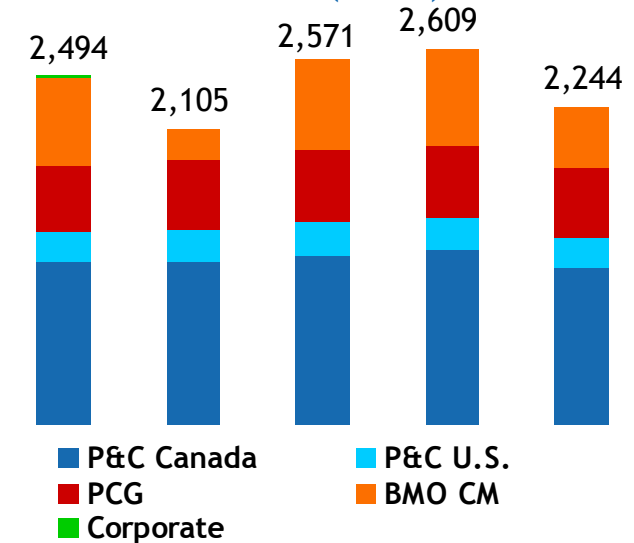
Q/Q ↓\$365MM or 14.0% (↓\$326MM or 12.5% excluding FX impact)
(↓6.2% excluding significant items)

- + Gain on sale of MasterCard shares (\$107MM)
- + Commodities Losses of \$24MM in Q4 07 vs. \$149MM in Q3 07
- Lower NIM in all operating groups
- Lower trading revenues, securities commissions, M&A fees and equity underwriting fees in BMO CM
- Weaker U.S. dollar reduced revenue by \$39MM
- Credit card loyalty rewards program charge (\$185MM) in P&C Canada
- Capital markets environment losses (\$318MM) in BMO CM

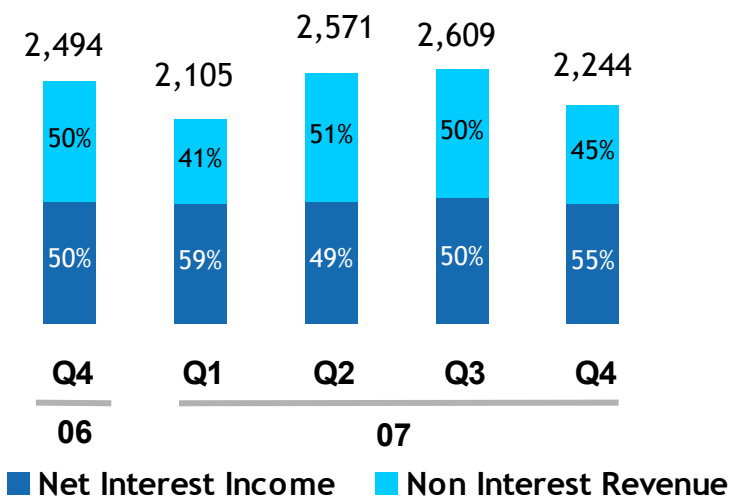
Y/Y ↓\$250MM or 10.1% (↓\$183MM or 7.3% excluding FX impact)
(↑3.7% excluding significant items)

- + Loan growth in P&C Canada across all products, excluding mortgages
- Lower NIM in all operating groups
- Weaker U.S. dollar reduced revenue by \$67MM
- Commodities losses in BMO CM and other items as noted above

Total Revenue (\$MM)



Revenue Mix (\$MM)





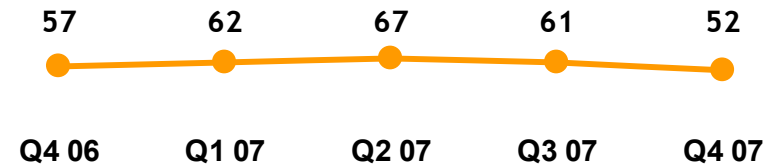
NET INTEREST MARGINS (bps)

Total Bank



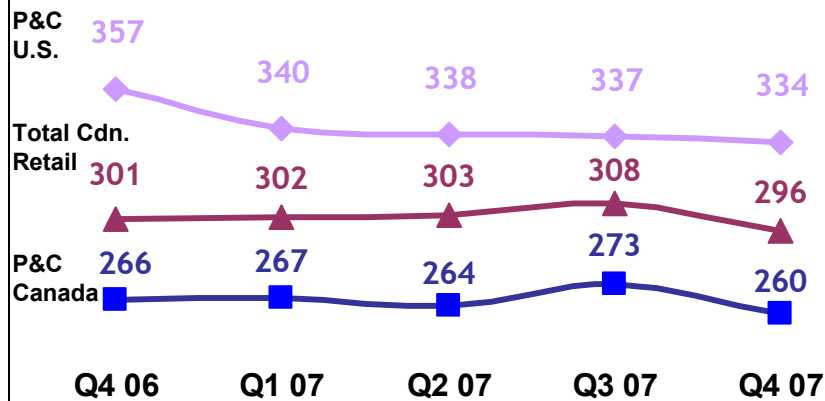
- Q/Q decrease due to increased funding costs, lower mortgage refinancing fees and competitive pressure in P&C Canada and lower-spread assets in BMO CM
- Y/Y declined primarily as a result of BMO CM representing a higher percent of Total Bank assets and growth in lower spread assets in BMO CM

BMO CM



- Q/Q decrease due to lower spreads on money market assets and corporate loans and higher levels of low spread assets
- Y/Y decrease due mainly to growth in lower-spread assets

Retail Banking



P&C U.S.

- Q/Q decrease due to competitive pressures and change in customer preferences to lower spread products
- Y/Y decrease due to continued competitive pressures and customers shifting from higher-spread to lower-spread products

P&C Canada

- Q/Q decrease due to increase funding costs, lower mortgage refinancing fees and competitive pressures on personal and commercial loans
- Y/Y decrease due to increase funding costs and competitive pressures on personal and commercial loans, partially offset by improved mortgage spreads and improved mix as deposit growth improves

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



QUARTERLY NON-INTEREST REVENUE ANALYSIS

BALANCES (\$MM)	Q4 06	Q3 07	Q4 07	
Securities Commissions	247	299	265	Softer market conditions
Trading Revenues	90	40	(165)	\$152MM excluding significant items in Q4 07, \$187MM excluding the commodities losses in Q3 07. Lower Interest rate and Equity trading Q/Q
Card Fees	105	79	(105)	Credit card rewards liability charge \$185MM in Q4 07
Mutual Fund Revenue	130	151	148	
Securitization Revenue	55	65	61	
Underwriting and Advisory Fees	104	160	103	Lower equity underwriting & M&A activity Q/Q
Securities Gains (other than trading)	46	6	148	Increase in Q4 07 due to \$107MM gain on sale of MasterCard shares offset in part by capital markets environment losses of \$15MM
Insurance	49	55	52	
Other NIR	420	453	497	
TOTAL NON-INTEREST REVENUE	1,246	1,308	1,004	
TOTAL NIR EXCLUDING SIGNIFICANT ITEMS AND CARD CHARGE AND MASTERCARD GAIN	1,246	1,455	1,414	



ANNUAL NON-INTEREST REVENUE ANALYSIS

BALANCES (\$MM)	F2006	F2007	
Securities Commissions	1,051	1,145	
Trading Revenues	718	(487)	\$649MM excluding significant items in F2007. Lower interest rate trading was in part offset by higher equity and FX trading
Card Fees	396	107	\$292MM excluding customer card loyalty rewards program liability adjustment
Mutual Fund Revenue	499	576	
Securitization Revenue	100	296	Securitization of cards receivable – shifting revenue from card fees to securitization
Underwriting and Advisory Fees	407	528	
Securities Gains (other than trading)	145	246	Gain on sale of MasterCard shares of \$107MM, offset by capital markets environment losses of \$15MM
Insurance	204	230	
Other NIR	1,721	1,865	
TOTAL NON-INTEREST REVENUE	5,241	4,506	
TOTAL NIR EXCLUDING SIGNIFICANT ITEMS AND CARD CHARGE AND MASTERCARD GAIN	5,241	5,735	



NON-INTEREST EXPENSE

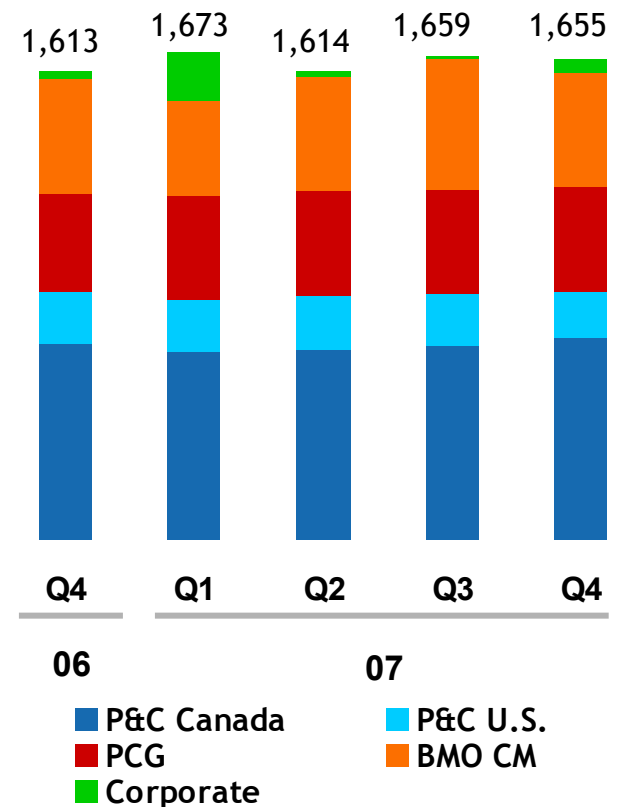
Q/Q ↓\$4.0MM or 0.2% (↑\$23MM or 1.4% excluding FX impact)

- + Lower performance-based compensation (\$98MM)
- + Weaker U.S. dollar reduced expenses by \$27MM
- Net restructuring charge (\$24MM)
- Higher professional fees, computer costs and business promotion

Y/Y ↑\$42MM or 2.6% (↑\$87MM or 5.4% excluding FX Impact)

- + Lower performance-based compensation (\$33MM)
- + Weaker U.S. dollar reduced expenses by \$45MM
- Net restructuring charge (\$24MM)
- Higher employee costs as in front-line sales and service staff increased
- Higher professional fees, computer costs and business promotion

Total Expenses (\$MM)





QUARTERLY NON-INTEREST EXPENSE ANALYSIS

BALANCES (\$MM)	Q4 06	Q3 07	Q4 07	
Salaries and Benefits	616	641	616	Investment in front line staff offset by lower benefits costs
Performance-based Compensation	318	383	285	In line with Q4 performance
Premises & Equipment/Rental	130	131	134	
Computer Costs	198	194	216	Higher consulting fees
Business and Capital Tax	19	-	6	Capital tax recoveries
Net Restructuring Charges	-	-	24	
Other	332	310	374	Higher professional fees
TOTAL NON-INTEREST EXPENSE	1,613	1,659	1,655	



ANNUAL NON-INTEREST EXPENSE ANALYSIS

BALANCES (\$MM)	F2006	F2007	
Salaries and Benefits	2,502	2,550	Added front line staff, offset in part by lower benefits cost
Performance-based Compensation	1,322	1,275	Reduced costs in BMO CM as a result of the commodities losses offset in part by higher revenue-based costs in PCG
Premises & Equipment/Rental	502	527	
Computer Costs	709	776	Higher consulting fees
Business and Capital Tax	94	47	Recovery of capital taxes
Restructuring Charges	-	159	
Other	1,224	1,267	Higher professional fees
TOTAL NON-INTEREST EXPENSE	6,353	6,601	



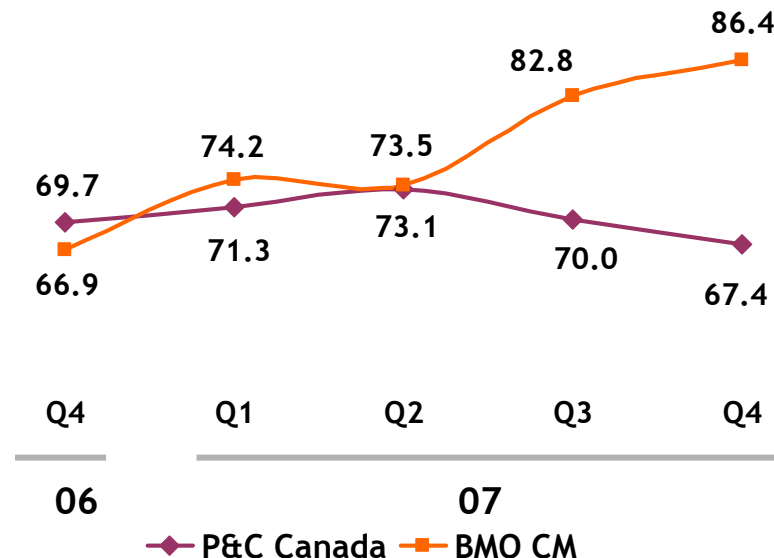
CAPITAL & RISK WEIGHTED ASSETS

	Q4 06	Q1 07	Q2 07	Q3 07	Q4 07
Tier 1 Capital Ratio (%)	10.22	9.76	9.67	9.29	9.51
Total Capital Ratio (%)	11.76	11.20	11.03	11.18	11.74
Assets-to-Capital Multiple (x)	16.1	17.3	17.5	17.3	17.2
RWA (\$B)	162.8	173.0	175.1	181.0	178.7
Total As At Assets(\$B)	320.0	355.5	356.5	359.1	366.5

Q/Q Tier 1 Capital Ratio Change of +22 bps:

+10 bps	Higher Tier 1 Capital in part due to preferred share issuance
+12 bps	Lower RWA

Key RWA Trends (\$B)



Q/Q P&C Canada RWA decreased due to mortgage portfolio initiatives. Offset by loan growth.

Q/Q BMO CM RWA increased due to higher loans and acceptances, higher commitments.



FISCAL 2007 TARGETS

Performance Measure	F2007 Excluding Restructuring Charge and Increase to General Allowance	F2007 Excluding Restructuring Charge, Increase to General Allowance and Commodities Losses	F2007 Target	Target Met
EPS Growth ¹ (base of \$5.11)	EPS of \$4.38, down 14.3% from \$5.11 a year ago	EPS of \$5.24, up 2.5% from \$5.11 a year ago	5% - 10%	x
Specific Provision for Credit Losses	\$303MM	\$303MM	\$400MM or less <i>revised to:</i> \$300MM or less ²	✓
Cash Productivity Ratio Improvement	(473) bps	(37) bps	100-150 bps improvement	x
Return On Equity	15.3%	18.4%	18% - 20%	x

¹ Excluding changes in the general allowance

² In Q2 the specific provision was estimated to be \$300MM or less in fiscal 2007



FISCAL 2008 TARGETS

Performance Measure	F2007 Actual Excluding Restructuring Charge and increase to general allowance	F2008 Target
EPS Growth	EPS of \$4.38, down 14.3% from \$5.11 a year ago	10% - 15% ¹ (base of \$5.24) ²
Specific Provision for Credit Losses	\$303MM	\$475MM or less
Operating Leverage	n/a	Grow revenues by 2% more than expenses
Return On Equity	15.3%	18% - 20%
Tier 1 Capital Ratio	9.51%	Minimum of 8.0%

¹Excluding changes in the general allowance

²Excluding commodities losses, restructuring charges and changes in the general allowance



APPENDIX

SIGNIFICANT ITEMS

Gain/(Loss)	Pre-Tax Impact (\$MM)	After-Tax Impact (\$MM)	EPS Impact (\$/Share)	Group, Geography & Statement of Income Category
Q4 06 & F2006				
General Allowance Reduction	35	23	0.04	Corporate – Canada - PCL
Q3 07				
Commodities Losses	(149)	(97)	(0.19)	BMO CM – Canada & U.S. – NII & NIR
Q4 07				
Capital Markets Environment Losses	(318)	(211)	(0.42)	BMO CM – Canada – NII & NIR
Commodities Losses	(24)	(16)	(0.03)	BMO CM – U.S. – NII & NIR
General Allowance Increase	(50)	(33)	(0.07)	Corporate – Canada – PCL
Net Restructuring Charge	(24)	(15)	(0.03)	Corporate – Canada & U.S. – NIX
Total	(416)	(275)	(0.55)	
F2007				
Capital Markets Environment Losses	(318)	(211)	(0.42)	BMO CM – Canada – NII & NIR
Commodities Losses	(733)	(440)	(0.86)	BMO CM – Canada & U.S. – NII, NIR, NIX
General Allowance Increase	(50)	(33)	(0.07)	Corporate – Canada – PCL
Net Restructuring Charge	(159)	(103)	(0.20)	Corporate – Canada & U.S. – NIX
Total	(1,260)	(787)	(1.55)	



QUARTERLY FINANCIAL TRENDS

Performance Measure	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007
Net Income (\$MM)	696	348	671	660	452
Cash EPS – Diluted (\$/share)	1.37	0.68	1.31	1.30	0.89
EPS – Diluted (\$/share)	1.35	0.67	1.29	1.28	0.87
Cash Return on Equity (%) *	19.6	9.5	18.5	18.2	12.5
Return on Equity (%) *	19.4	9.2	18.3	18.0	12.2
Revenue Growth – Y/Y (%)	(5.9)	(16.2)	2.8	0.2	(10.1)
Expense Growth – Y/Y (%)	(0.9)	5.9	3.5	3.6	2.6
Cash Productivity Ratio (%)	64.2	78.9	62.3	63.2	73.3
Productivity Ratio (%)	64.6	79.5	62.8	63.6	73.7
PCL/Avg. Loans Accept. (%) *	0.03	0.10	0.12	0.18	0.29
Capital: Tier 1 Capital (%)	10.22	9.76	9.67	9.29	9.51

*Annualized



Q4 2007 GROUP NET INCOME

As Reported (\$MM)	Q4 2006	Q3 2007	Q4 2007	Q/Q Change	Y/Y Change
P&C Canada	272	350	284	(19)%	4%
P&C U.S.	24	26	32	22%	35%
Total P&C	296	376	316	(16)%	7%
PCG	84	105	107	1%	27%
BMO Capital Markets	188	196	48	(75)%	(74)%
Corporate Services	128	(17)	(19)	nm	nm
Total Bank	696	660	452	(32)%	(35)%
Excluding Significant Items (\$MM)	Q4 2006	Q3 2007	Q4 2007	Q/Q Change	Y/Y Change
P&C Canada	272	350	284	(19)%	4%
P&C U.S.	24	26	32	22%	35%
Total P&C	296	376	316	(16)%	7%
PCG	84	105	107	1%	27%
BMO Capital Markets	188	293	275	(6)%	46%
Corporate Services	105	(17)	29	nm	nm
Total Bank	673	757	727	(4)%	8%

nm – not meaningful



F2007 VS. F2006 GROUP NET INCOME

As Reported (\$MM)	CDE			USD		
	F2006	F2007	Change	F2006	F2007	Change
P&C Canada	1,142	1,250	9%			
P&C U.S.	115	114	(1)%	102	105	3%
Total P&C	1,257	1,364	9%			
PCG	355	408	15%			
BMO Capital Markets	860	425	(51)%			
Corporate Services	191	(66)	nm			
Total Bank	2,663	2,131	(20)%			

Excluding Significant Items (\$MM)	CDE			USD		
	F2006	F2007	Change	F2006	F2007	Change
P&C Canada	1,142	1,250	9%			
P&C U.S.	115	114	(1)%	102	105	3%
Total P&C	1,257	1,364	9%			
PCG	355	408	15%			
BMO Capital Markets	860	1,076	25%			
Corporate Services	168	70	nm			
Total Bank	2,640	2,918	11%			

nm – not meaningful



PERSONAL & COMMERCIAL BANKING - CANADA

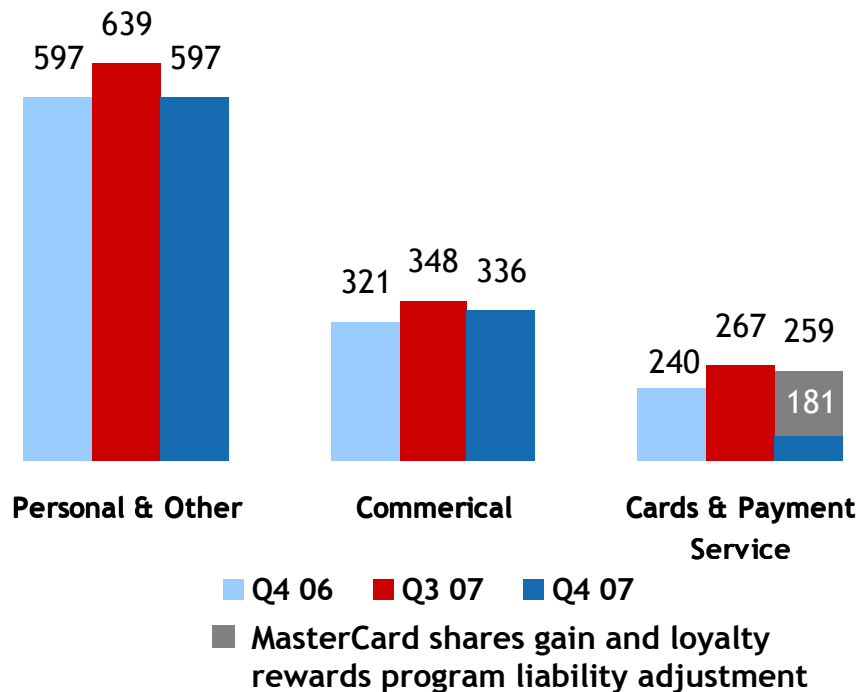
P&L (\$MM)	Q4 06	Q3 07	Q4 07	Key Variances
Net Interest Income (teb)	755	800	770	<ul style="list-style-type: none"> Q4 included items with \$6MM net income impact: \$107MM (\$83MM after-tax) gain on the sale of MasterCard shares, a \$43MM income tax recovery, and a \$185MM (\$120MM after-tax) adjustment related to our credit card loyalty rewards program. Revenue growth (excl. items above) Y/Y and Q/Q benefited from strong volume in personal lending, commercial and cards businesses, partially offset by increased cost of funds. Q/Q revenue was impacted by lower securitization revenue. Decreased NIM Y/Y due to increased cost of funds, competitive pressures on personal and commercial loans, partially offset by improved mortgage spread and an improved mix as deposit growth improved. Q/Q NIM decreased primarily due to increased costs of funds, lower mortgage refinancing fees and competitive pressures on our personal and commercial loans. Y/Y expense increase of 3.2% due to higher employee-related costs as the front-line workforce expanded, higher promotional costs including the retail AIR MILES initiative and bcpbank Canada costs. Q/Q expense growth of 3.8% driven by increased promotional costs related to the retail AIR MILES initiative and increased front-line workforce.
Non-interest Revenue	403	454	344	
Total Revenue	1,158	1,254	1,114	
PCL	79	81	81	
Expenses	675	670	696	
Provision for Taxes	132	153	53	
Net Income	272	350	284	
NIM (bps)	266	273	260	
Cash Productivity (%)	58.1	53.3	62.3	

¹ bcpbank Canada acquisition completed December 4, 2006



P&C CANADA

Revenue by Business (\$MM)



Personal

Personal includes Residential Mortgages, Personal Loans, Personal Deposits, Term, Mutual Funds, Insurance and Other.

Personal

(Flat Y/Y; Down \$42MM or 6.5% Q/Q)

- Y/Y flat as volume growth in personal loans and branch originated mortgages, increased securitization revenue and growth in the sale of term investments and mutual funds were offset by increased cost of funds as well as competitive pressures on our premium saving accounts
- Q/Q volume growth was more than offset by increased cost of funds, lower securitization revenue and a decline in mortgage refinance fees

Commercial

(Up \$15MM or 4.5% Y/Y; Down \$12MM or 3.4% Q/Q)

- Y/Y volume growth in loans and deposits were partially offset by increased cost of funds and competitive pressures
- Q/Q volume growth was more than offset by increased costs of funds and competitive pressures

Cards & Payment Service

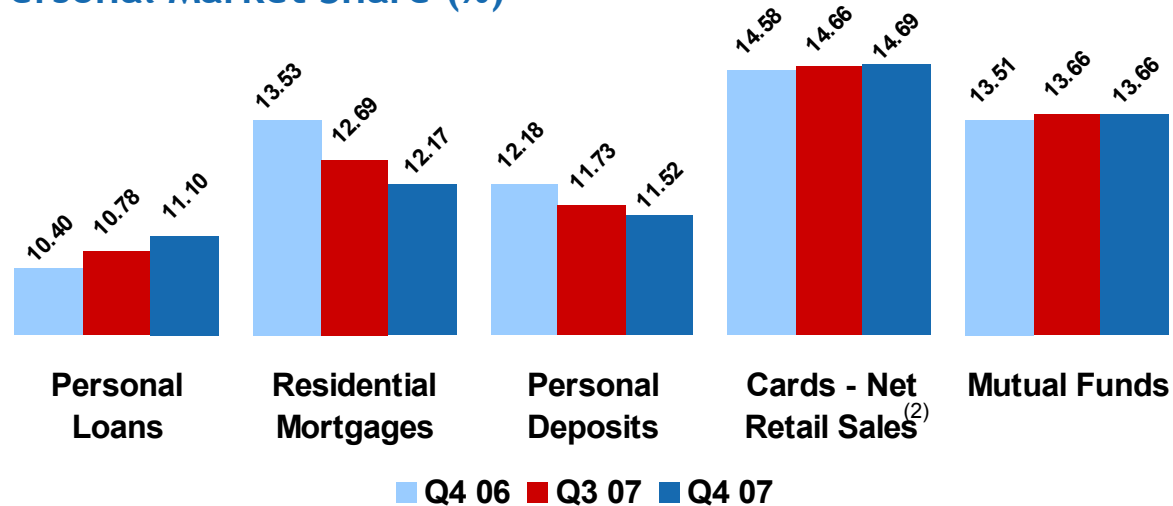
(Excl. gain on Sale of MasterCard shares & loyalty rewards program liability adjustment, up \$19MM or 8.0% Y/Y; down \$8MM or 2.9% Q/Q)

- Y/Y revenue driven by volume growth
- Q/Q revenue declined due to lower transaction volumes.



P&C CANADA - PERSONAL BANKING

Personal Market Share (%) ¹



¹ Personal share statistics are issued on a one-month lag basis. (Q4.07: Sep 2007)

² Net Retail Sales (NRS) refer to card volume less transfers and cash advances. (Q4.07: Aug 2007)

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

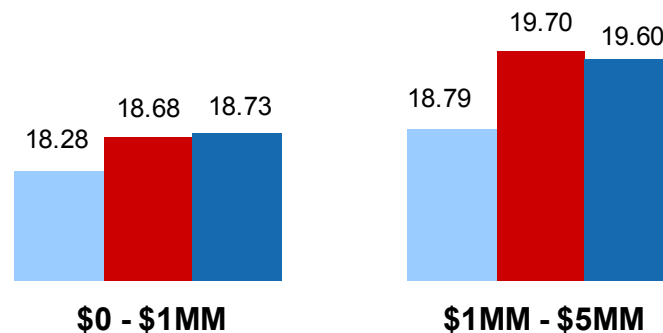
Balances (\$B) (Owned & Managed)	Q4 06	Q3 07	Q4 07	Growth Y/Y	Growth Q/Q
Personal Loans	19.9	21.7	22.8	14.5%	4.7%
Residential Mortgages	63.8	63.5	63.4	(0.5)%	(0.1)%
Personal Deposits	24.2	24.5	24.3	0.1%	(1.1)%
Cards	5.9	6.4	6.6	12.3%	2.9%

- Increased personal loan balances and market share (70bps Y/Y) led by increases in secured loan products.
- Decreased mortgage balances and market share (136bps Y/Y) as Branch originated mortgage volume growth was more than offset by declines in 3rd party and broker mortgages. We intend to accelerate growth in higher spread branch originated mortgages by increasing our specialized sales force.
- Personal deposit volume and market share have declined 66bps Y/Y. There are improving trends in PRS balance growth Q/Q, but not yet seeing sustained growth in high spread chequing & savings products.
- Cards - Net Retail Sales share increased 11bps Y/Y. We are focusing on relationship customers and increasing branch card originations. Volume growth has been strong Y/Y and Q/Q.



P&C CANADA - COMMERCIAL BANKING

Business Loan Market Share (%) ¹



■ Q4 06 ■ Q3 07 ■ Q4 07

- Business banking market share for the \$0-\$5MM band was 19.17%, an increase of 63bps Y/Y and a decline of 3bps Q/Q.
- We continue to rank second in Canada
- Broad-based volume growth Y/Y and Q/Q

¹ Business loans (Banks) are issued by CBA on a one calendar quarter lag basis (Q4.07: June 2007)

Average Balances (\$B)	Q4 06	Q3 07	Q4 07	Growth Y/Y	Growth Q/Q
Commercial Loans and Acceptances	29.5	31.8	32.7	11.0%	2.9%
Commercial Deposits	19.5	21.0	21.4	9.7%	1.6%



PERSONAL & COMMERCIAL BANKING - U.S.

P&L (U.S.\$MM)	Q4 06	Q3 07	Q4 07	Key Variances
Net Interest Income (teb)	164	169	173	<ul style="list-style-type: none"> ○ Volume growth combined with stable NIM drove net interest income growth, despite a slowing economy ○ Expenses decreased \$4MM or 2.7% Q/Q primarily due to lower acquisition integration costs: US\$1MM in Q4 07, US\$6MM in Q3 07, US\$4MM in Q4 06 ○ Excluding acquisition integration costs, Q4 07 cash productivity was 69.7% ○ NIM decreased 23 bps Y/Y due to competitive pressures on pricing and customer preferences shifting from high-spread to lower-spread products in both loans and deposits
Non-interest Revenue	36	42	47	
Total Revenue	200	211	220	
PCL	7	8	9	
Expenses	160	165	161	
Provision for Taxes	12	14	18	
Net Income	21	24	32	
NIM (bps)	357	337	334	
Cash Productivity (%)	75.9	74.7	70.4	



P&C U.S.

Personal – Average Balances (U.S.\$B)	Q4 06	Q3 07	Q4 07	
Mortgages	4.4	5.0	5.1	<ul style="list-style-type: none"> ○ Moderation in mortgage and home equity growth due to a reduction in real estate activity, spreads remain stable ○ Growth in indirect auto loans is being offset by pay downs; spreads are trending upward ○ Deposit growth primarily in certificates of deposit and high-yield chequing ○ 2007 balances include acquisition of FNBT
Other Personal Loans	4.0	4.2	4.3	
Indirect Auto	4.3	4.5	4.5	
Deposits	12.0	13.3	13.3	
Commercial – Average Balances (U.S.\$B)	Q4 06	Q3 07	Q4 07	
Commercial Loans	5.1	5.9	6.0	<ul style="list-style-type: none"> ○ Loan growth has moderated in recent quarters and reflects a softening real estate market and heightened competition ○ Increase in deposits primarily in higher cost products ○ 2007 balances include acquisition of FNBT
Commercial Deposits	4.2	4.3	4.3	



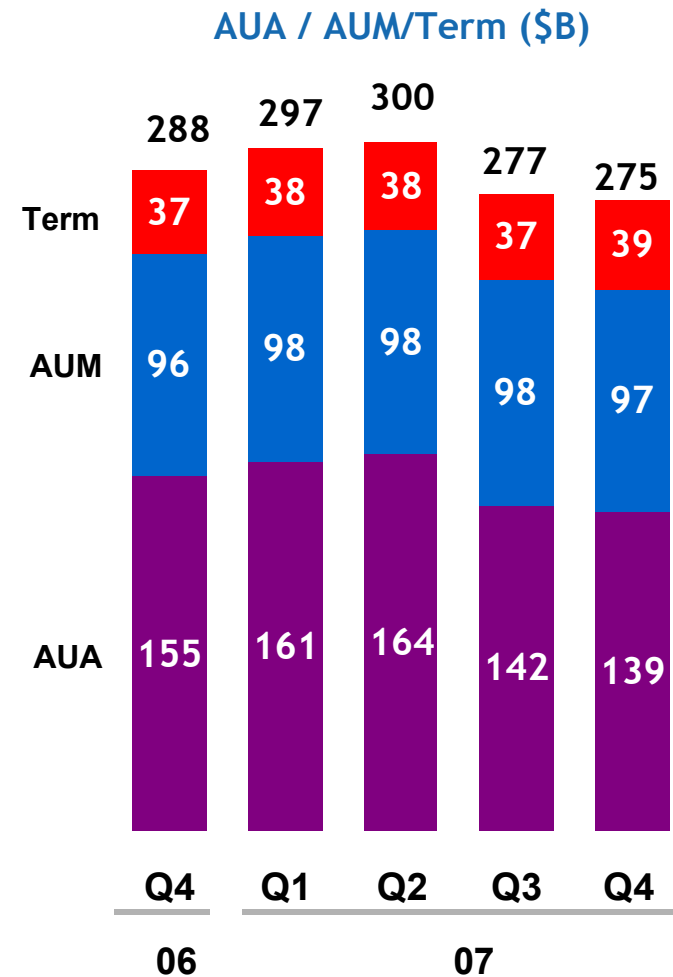
PRIVATE CLIENT GROUP

P&L (\$MM)	Q4 06	Q3 07	Q4 07	Key Variances
Net Interest Income (teb)	145	154	155	<ul style="list-style-type: none"> ○ Y/Y revenue increased 11% excluding the impact of the weaker U.S. dollar <ul style="list-style-type: none"> ○ Non-interest revenue increased primarily due to higher fee-based revenue in Full-Service Investing, higher mutual fund revenue and higher trust & investment revenue in North American Private Banking. Strong growth in transaction volumes in BMO Investorline also contributed to the increase ○ Net interest income increased primarily due to higher deposit balances and spreads in the brokerage businesses ○ Y/Y expenses increased 7% excluding the impact of the weaker U.S. dollar, primarily due to higher investment spending in our client-facing sales force and supporting technology, and higher revenue-based costs ○ Q/Q revenue decreased 1% excluding the impact of the weaker U.S. dollar due to lower commission revenue in Full-Service Investing, partially offset by higher mutual fund revenue ○ Q/Q expenses are relatively unchanged excluding the impact of the weaker U.S. dollar
Non-interest Revenue	320	366	355	
Total Revenue	465	520	510	
PCL	1	1	1	
Expenses	335	357	352	
Provision for Taxes	45	57	50	
Net Income	84	105	107	



PRIVATE CLIENT GROUP - AUA/AUM/Term

- Assets under management and administration were impacted by the weaker U.S. dollar and softer market conditions in the latter half of the year
- Assets grew \$18.6 billion or 7% Y/Y and \$6.8 billion or 2% 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)





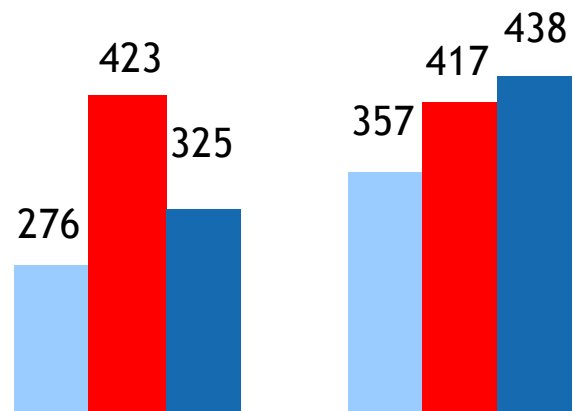
BMO CAPITAL MARKETS

P&L (\$MM)	Q4 06	Q3 07	Q4 07	Key Variances
Net Interest Income (teb)	191	254	233	<ul style="list-style-type: none"> ○ Q4 07 results were impacted by capital markets environment losses of \$318MM (\$211MM after-tax) and losses of \$24MM (\$16MM after-tax) in our commodities business. Q3 07 results were impacted by losses in our commodities business of \$149MM (\$97MM after-tax). ○ The capital markets environment losses were driven by the deterioration of the credit markets in the current quarter. ○ The effective tax rate continues to be low as a high portion of the group's income was attributable to lower tax rate jurisdictions. ○ Average Assets increased due to: <ul style="list-style-type: none"> ○ Higher corporate banking asset levels ○ Higher trading and investment securities
Non-interest Revenue	442	437	188	
Total Revenue	633	691	421	
PCL	19	19	19	
Expenses	391	445	397	
Provision for Taxes	35	31	(43)	
Net Income	188	196	48	
Average Assets (\$B)	171.0	210.8	220.2	



BMO CAPITAL MARKETS (excluding significant items)

Revenue by Group (\$MM)



Trading Products¹ I&CB and Other²

Note ■ Q4 06 ■ Q3 07 ■ Q4 07

(1) Trading Products Q3 07 and Q4 07 revenues excludes commodities losses of \$149 MM and \$24 MM respectively, Q4 07 revenues also exclude capital markets environment losses of \$303 MM.

(2) I&CB denotes Investment and Corporate Banking. Other Q4 07 revenues exclude a \$15 MM write-down in Links and Parkland structured investment vehicles (SIVs).

Trading Products revenue

(Ex significant items ↑ \$49MM or 18% Y/Y, ↓ \$98MM or 23% Q/Q)

- Y/Y increase due to higher foreign exchange trading and equity trading revenues, and improved net interest income from our interest-rate-sensitive businesses. Net investment securities gains were lower, partially offset by increased commission fees.
- Q/Q decrease due to lower interest rate trading revenues along with lower equity trading revenues, lower debt and equity new issue fees, and commission fees, partially offset by higher investment securities gains and foreign exchange trading revenues.

I&CB and Other revenue

(Ex Q4 significant items ↑ \$81MM or 22% Y/Y, ↑ \$21MM or 5% Q/Q)

- Y/Y increase due to higher investment securities gains, loan fees, merger and acquisition and debt underwriting fees. Lending revenues were up significantly due to higher corporate banking assets partially offset by lower cash collections on previously impaired loans.
- Q/Q increase due to higher investment securities gains and loan fees, partially offset by lower M&A advisory fees, equity and debt underwriting fees. Lending revenues were down due to lower spreads and lower cash collections on previously impaired loans.



CORPORATE SERVICES

Including Technology and Operations

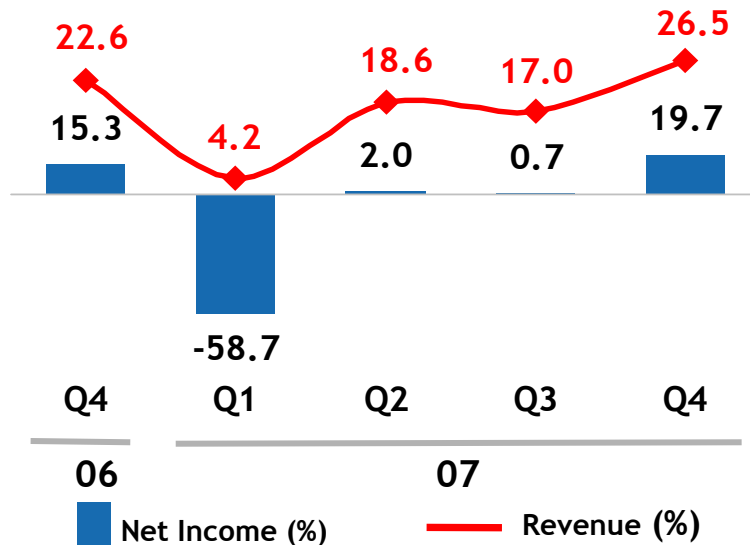
P&L (\$MM)	Q4 06	Q3 07	Q4 07	Key Variances
Total Revenue	13	(82)	(19)	<ul style="list-style-type: none"> ○ Net income decreased \$2MM Q/Q. The increase in revenues and lower income taxes were offset by a restructuring charge in the current quarter and higher PCL primarily due to a \$50MM increase in the general allowance. ○ Revenue increased \$63MM Q/Q due to various items including higher securitization-related revenues and some interest revenue on tax refunds. ○ Net income decreased \$147MM Y/Y due to a combination of higher PCL, mainly due to the \$50MM increase in the general allowance in Q4 '07 and a \$35MM decrease in the general allowance in Q4 '06, a restructuring charge in the current quarter, lower revenues and higher income taxes.
PCL	(90)	(19)	42	
Expenses	34	10	25	
Restructuring charge	-	-	24	
Total Expenses	34	10	49	
Provision for taxes	(78)	(74)	(110)	
Net Income	128	(17)	(19)	
Corporate Services Net Income Details (\$MM)	Q4 06	Q3 07	Q4 07	
General PCL	23	-	(33)	
Specific PCL	36	12	5	
Other Corporate	69	(29)	9	
Total Corporate Services Net Income	128	(17)	(19)	



U.S. RESULTS

Net Income (US\$MM)	As Reported					Excl. Commodities Losses				
	Q4 06	Q1 07	Q2 07	Q3 07	Q4 07	Q4 06	Q1 07	Q2 07	Q3 07	Q4 07
P&C	21	25	24	24	32	21	25	24	24	32
PCG	-	-	2	2	(2)	-	-	2	2	(2)
BMO CM	70	(167)	1	(1)	111	70	68	91	90	127
Corporate*	(2)	(10)	(18)	(22)	(50)	(2)	(10)	(18)	(22)	(50)
TOTAL	89	(152)	9	3	91	89	83	99	94	107

U.S. to N.A. Revenue and Net Income (as reported)



*Includes restructuring charges in Q1 07 of US\$11MM after-tax and Q4 07 of US\$5MM after-tax

- Q/Q P&C U.S. net income was up US\$4MM (excluding acquisition integration costs) due to volume growth, higher service charge fees and asset sales
- Q/Q BMO CM net income was up due to lower commodities losses in Q4 07
 - ▶ BMO CM's non-commodities businesses net income was \$37MM higher Q/Q due to mainly to investment security gains and trading revenue



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