Q1 06

FINANCIAL RESULTS

Investor Community Conference Call

BMO Financial Group

KAREN MAIDMENT

Chief Financial and Administrative Officer

March 2 • 06

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 presentation, 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 the United States Private Securities Litigation Reform Act of 1995 and of any applicable Canadian securities legislation. Forward-looking statements may include, but are not limited to, comments with respect to our objectives and priorities for 2006 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 presentation 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; 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 affects 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 in our 2005 Annual Report concerning the effect certain key factors could have on actual 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 2006 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 our assumption that the Canadian and U.S. economies will expand at a healthy pace in 2006 and that inflation will remain low. We also have assumed that interest rates will increase gradually in both countries in 2006 and that the Canadian dollar will hold onto its recent gains in value. 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.

Q1 2006 FINANCIAL HIGHLIGHTS

- Earnings of $630MM and EPS of $1.22 driven by:
  - P&C earnings up $6MM Y/Y or 2% driven by revenue growth in both Canada and the U.S.
  - PCG earnings up $21MM Y/Y or 29% on growth across all lines of business
  - IBG earnings up $23MM Y/Y or 11%, excluding the $32MM income tax recovery in Q1 05, driven by higher trading income
- $52MM PCL was $9MM higher Y/Y and $5MM lower Q/Q
- Strong capital position with a Tier 1 Capital ratio of 10.38%, up from 9.72% a year ago and 10.25% at the end of 2005

EPS Growth	5.2%
ROE	18.5%
Specific PCL	$52MM
Tier 1 Capital	10.38%
Cash Productivity	61.1%

SIGNIFICANT ITEMS

Item	Pre-Tax Impact ($MM)	After-Tax Impact ($MM)	EPS Impact ($/share)	Group, Geography & Statement of Income Category
Q1 2006				
No significant items	-	-	-	
Q1 2006 Total Impact	**-**	**-**	**-**	
Q4 2005				
Gain on Sale of Harris*direct*	49	18	0.04	PCG U.S. - Revenue
Gain on Sale of Common Shares of TSX	50	32	0.06	PCG and IBG Canada - Revenue
Gain on Sale of Calgary Office Tower	29	19	0.04	Corp. Support Canada - Revenue
Card Fees Adjustment	(40)	(26)	(0.05)	P&C Canada - Revenue
Q4 2005 Total Impact	**88**	**43**	**0.09**	
Q1 2005				
Tax Recovery	-	32	0.06	IBG Canada - Income Taxes
Q1 2005 Total Impact	**-**	**32**	**0.06**	

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Q1 2006 FINANCIAL SUMMARY

Performance Measure	Q1 2006	Q4 2005	Q1 2005
Net Income ($MM)	630	657	602
Cash EPS – Diluted ($/share)	1.24	1.31	1.19
EPS – Diluted ($/share)	1.22	1.27	1.16
Cash Return on Equity (%) *	18.7	20.3	20.0
Return on Equity (%) *	18.5	19.8	19.4
Revenue Growth – Y/Y (%)	3.0	16.3	2.9
Expense Growth – Y/Y (%)	0.8	9.6	(1.8)
Cash Productivity Ratio (%)	61.1	60.9	61.9
Productivity Ratio (%)	61.5	61.7	62.9
PCL/Avg. Loans Accept. (%) *	0.12	0.13	0.11
Capital: Tier 1 Capital (%)	10.38	10.25	9.72

* Annualized

Q1 2006 GROUP NET INCOME

Group ($MM)	Q1 2006	Q4 2005	Q1 2005
P&C Canada	**266**	271	263
P&C Chicagoland Banking	**34**	34	31
Total P&C	**300**	305	294
IBG	**228**	226	237
PCG	**94**	107	73
Corporate Support	**8**	19	(2)
Total Bank	**630**	657	602

Corporate Support Details

Specific PCL	**36**	27	37
Other Corporate	**(28)**	(8)	(39)
Total Corporate Support	**8**	19	(2)

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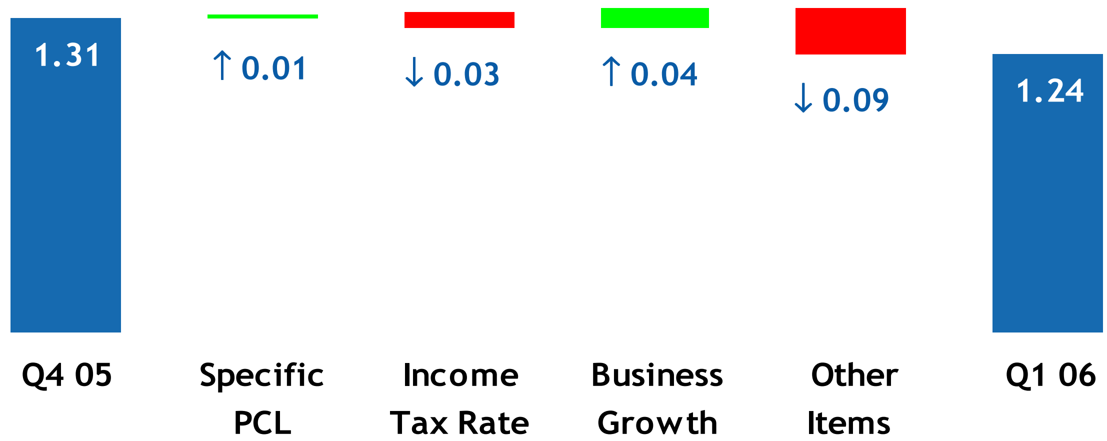
CASH EPS GROWTH

Q/Q Earnings Growth Drivers:

- Business growth primarily in PCG and IBG
- Higher effective tax rate (excluding other items)
- Other items represent Q4 05 gains on sale of Harris*direct*, TSX shares and Calgary office tower partially offset by an adjustment to card fees

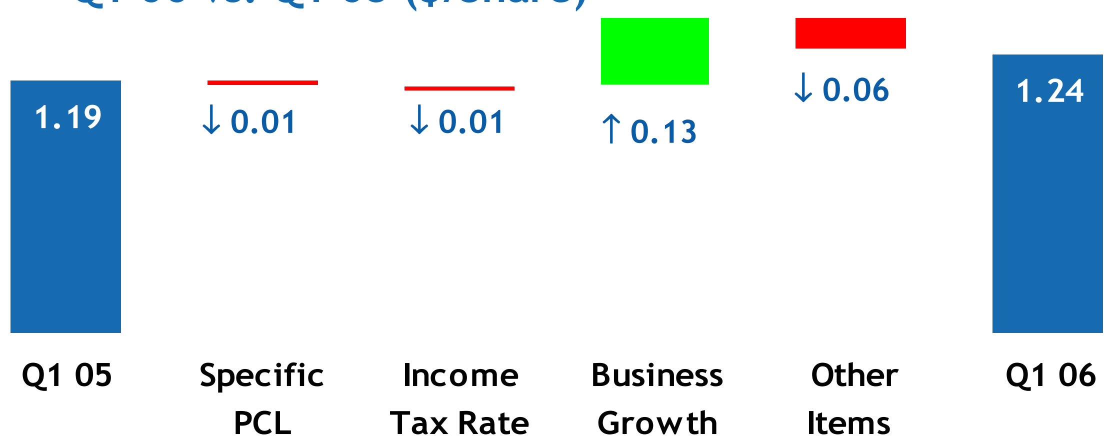
Q1 06 vs. Q4 05 ($/Share)



Y/Y Earnings Growth Drivers:

- Strong business growth primarily in PCG and IBG
- Other items represent the Q1 05 recovery of prior years' income taxes

Q1 06 vs. Q1 05 ($/Share)



REVENUE GROWTH

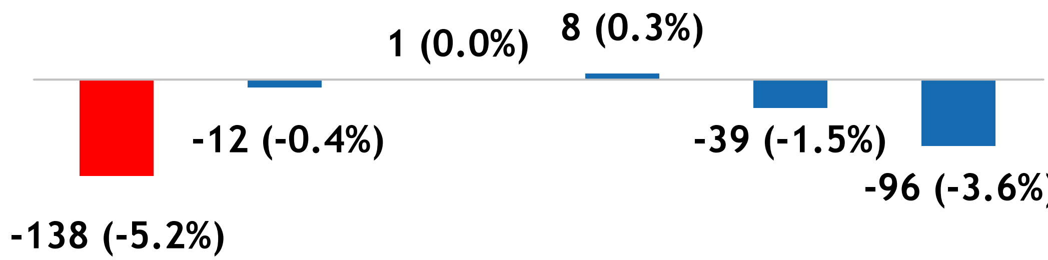
Q/Q

- Business growth driven principally by higher interest rate, equity and commodity derivatives trading revenue in IBG and improved deposit spreads and higher mutual fund fees in PCG. Lower net interest margin offset strong volume growth in mortgages in P&C Canada
- Acquisitions include Villa Park
- Other items represent Q4 05 gains on sale of TSX shares and Calgary office tower partially offset by an adjustment to card fees

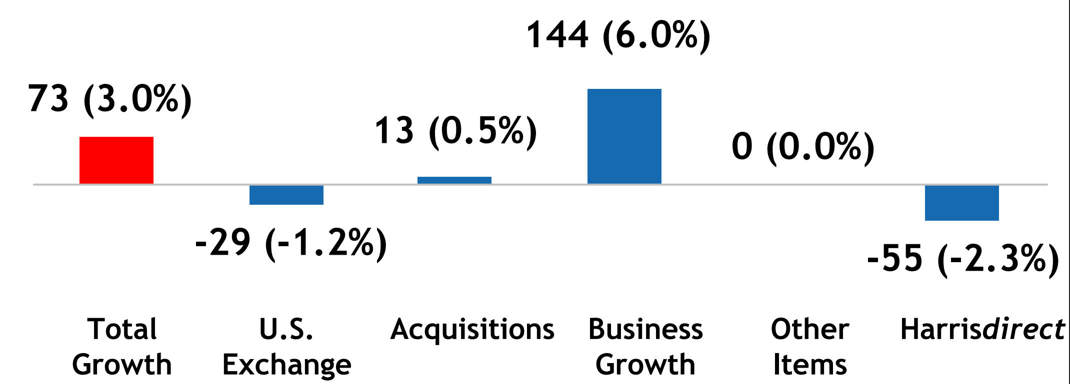
Y/Y

- Business growth driven principally by strong volume growth and higher cards revenue in P&C Canada, partially offset by a decline in net interest margin, broad-based growth in PCG's lines of business, and much higher trading income and M&A fees and increased lending volumes in IBG
- Acquisitions include Villa Park and Mercantile

Q1 06 vs. Q4 05 ($MM)



Q1 06 vs. Q1 05 ($MM)



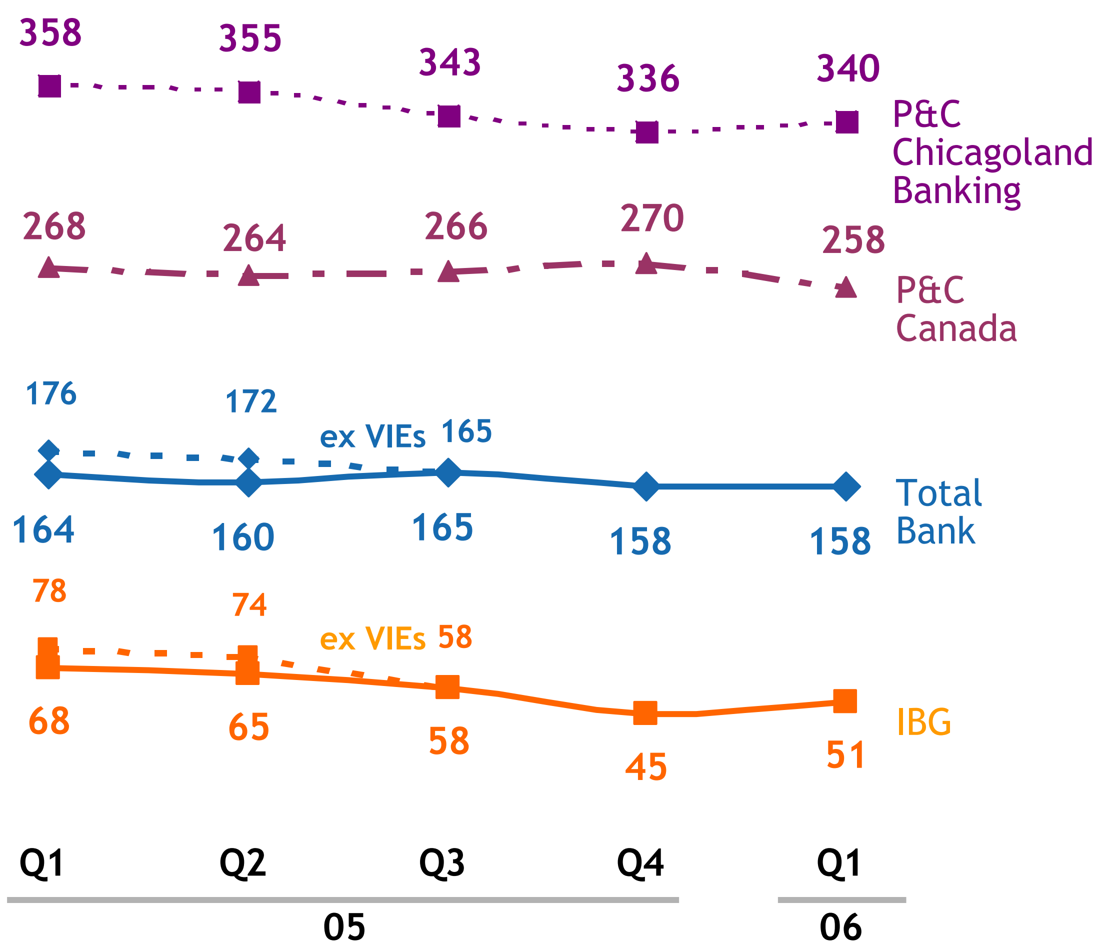
NET INTEREST MARGINS (bps)

Q/Q

- P&C Chicagoland Banking up due to lower non-earning assets and improved spreads on deposits
- P&C Canada down due to continued shifts in consumer product preferences, increased competition and the interest rate environment
- IBG margin up on higher trading net interest income and small increase in cash collections on previously impaired loans

Y/Y

- P&C Chicagoland Banking down due to consumer loans growing faster than deposits, competitive pressures and the impact of lower investment rates earned on long-term deposits, mitigated by pricing actions in certain deposit categories
- P&C Canada lower due to continued shifts in consumer product preferences, increased competition and the interest rate environment
- IBG margin down due to lower trading net interest income and lower spreads on corporate loans in competitive environment in the U.S. and in interest-rate sensitive businesses



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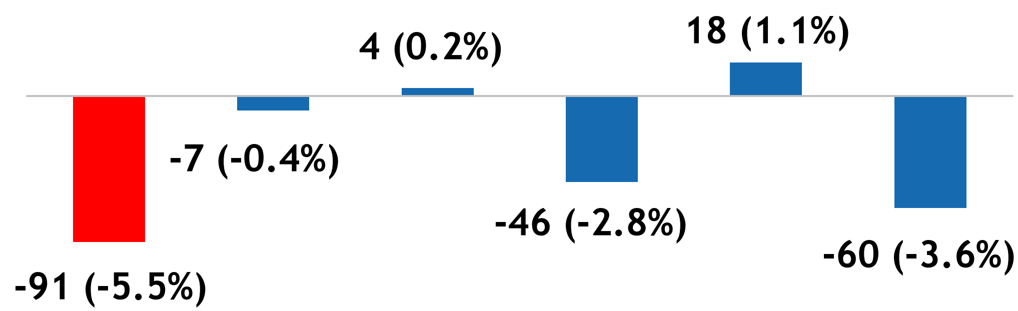
EXPENSE GROWTH

Q/Q

- Business growth due to timing of marketing expenses and investments in physical distribution network in P&C Canada
- Acquisitions include Villa Park
- Performance-based compensation increase in IBG consistent with revenue growth in businesses with higher variable costs

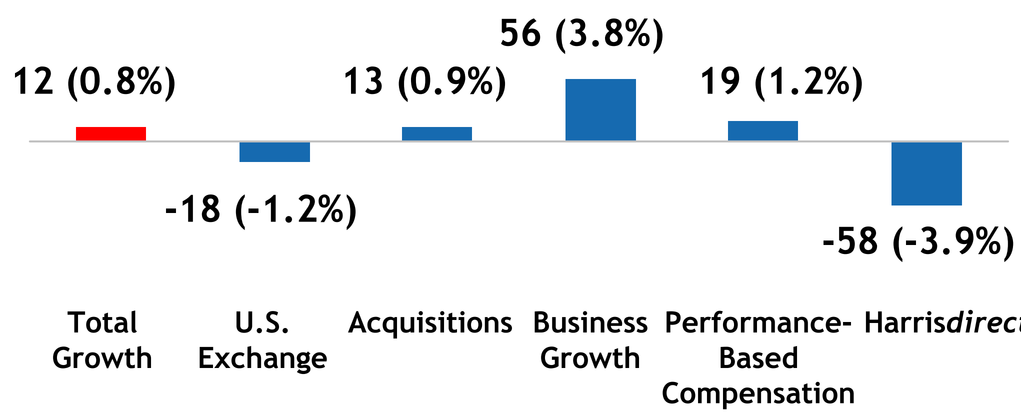
Q1 06 vs. Q4 05 ($MM)



Y/Y

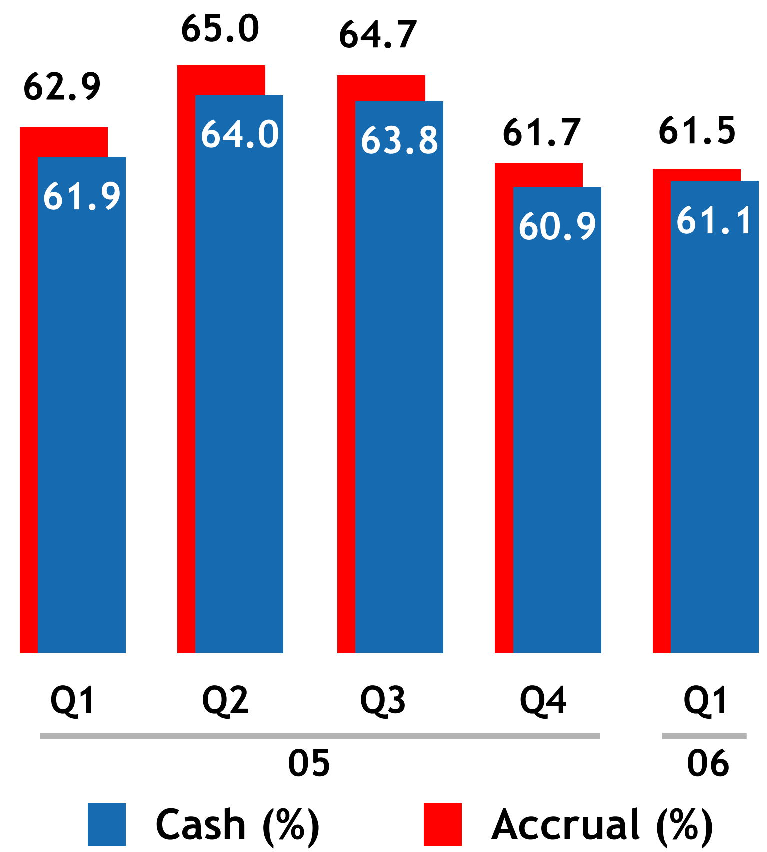
- Business growth primarily due to retail and commercial sales forces expansion and increased initiative expenditures in P&C Canada and new branches and technology upgrades in P&C Chicagoland Banking
- Acquisitions include Villa Park and Mercantile
- Performance-based compensation increase in PCG and IBG consistent with revenue growth in businesses with higher variable costs

Q1 06 vs. Q1 05 ($MM)



CASH PRODUCTIVITY RATIO

- Revenue/expense growth differential of 2.2 percentage points in Q1 06, 0.6 percentage points excluding the impact of Harris*direct*
- Q/Q deterioration of 18 bps and Y/Y improvement of 80 bps
- Excluding the impact of significant items in Q4 05, Q/Q improvement of 191 bps



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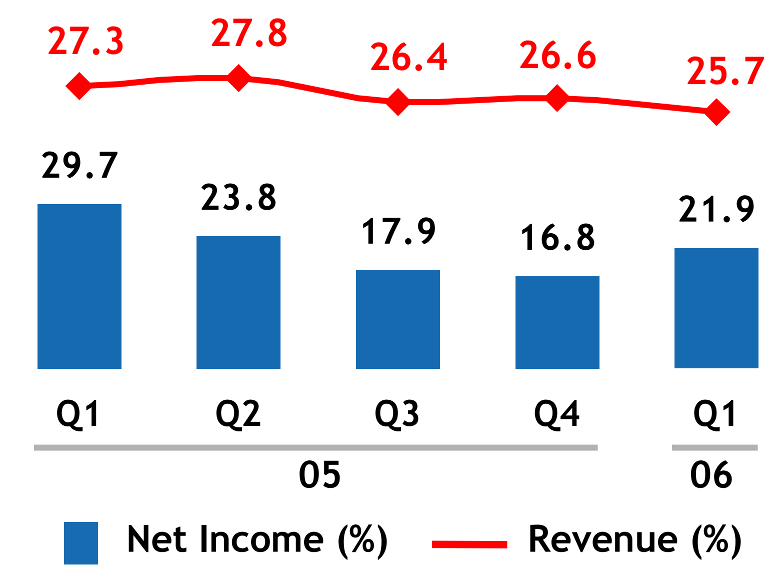
U.S. RESULTS

- Net income from U.S.-based business US$109MM or 21.9% of North American net income
- Q/Q increase primarily in IBG due to increased commodity derivatives trading revenue, partially offset by higher performance-based expenses and the Q4 05 US$15MM after tax gain on sale of Harris*direct* in PCG
- Y/Y decrease primarily in IBG due to higher expenses, mainly performance-based, offset in part by stronger commodity derivatives trading revenue and Corporate due to higher PCL and income taxes

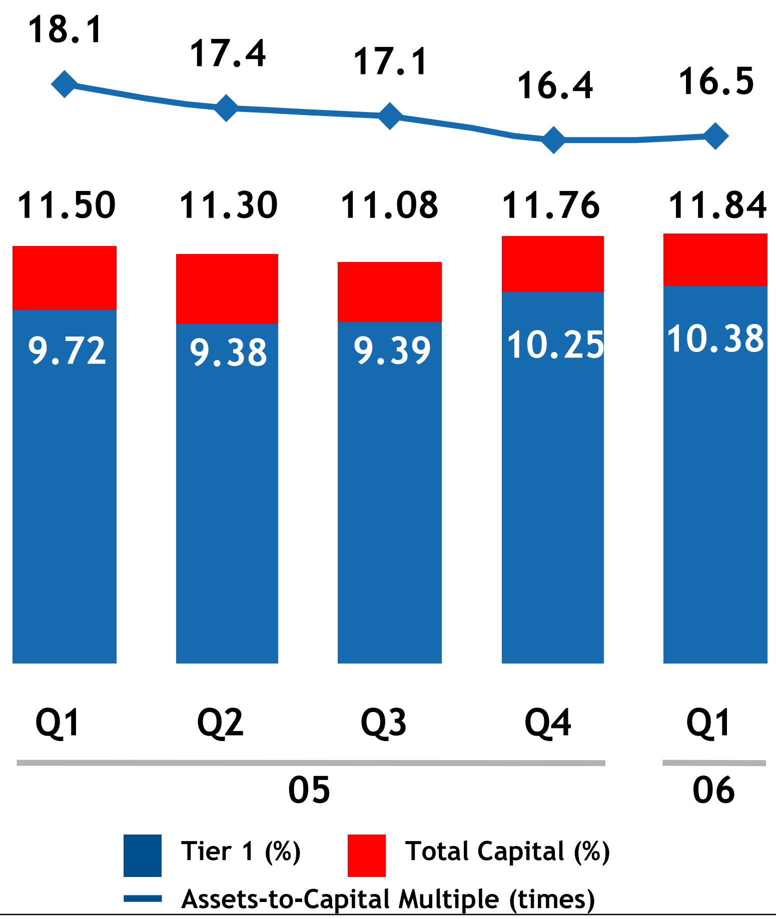
Net Income ($MM US)	Q1 06	Q4 05	Q1 05
P&C	29	27	25
PCG	4	10	3
IBG	79	52	92
Corporate	(3)	(3)	8
TOTAL	109	86	128

U.S. to N.A. Revenue and Net Income ($MM CDE)

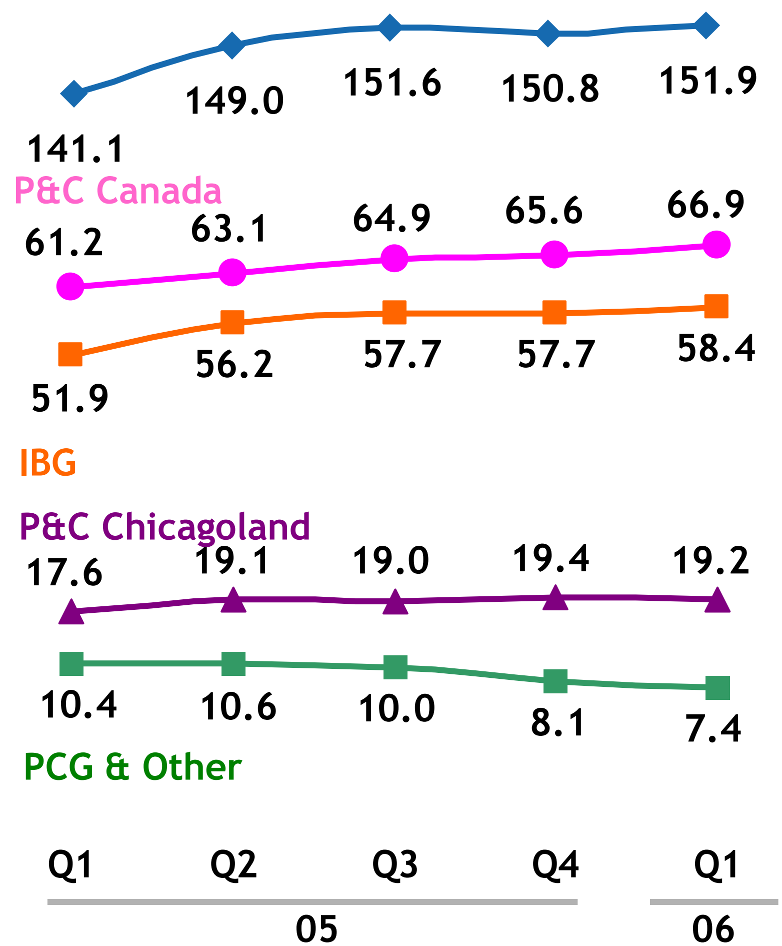


CAPITAL & RISK WEIGHTED ASSETS

Tier 1 capital ratio increases Q/Q as capital generation outpaces RWA growth



Risk Weighted Assets ($B)



FISCAL 2006 TARGETS

Performance Measure	Q1 2006	F2006 Target
EPS Growth[1] (base of $4.59)	5.2%	5%-10%
Specific Provision for Credit Losses	$52MM	$400MM or less *Revised to:* $325MM or less
Cash Productivity Ratio	80 bps improvement	100-150 bps improvement
Return On Equity	18.5%	17%-19%
Tier 1 Capital Ratio	10.38%	Minimum 8%

[1] Excluding changes in the general allowance

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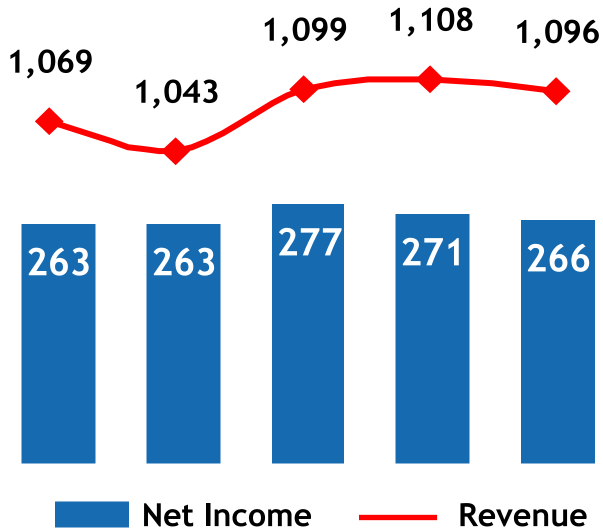
Appendix

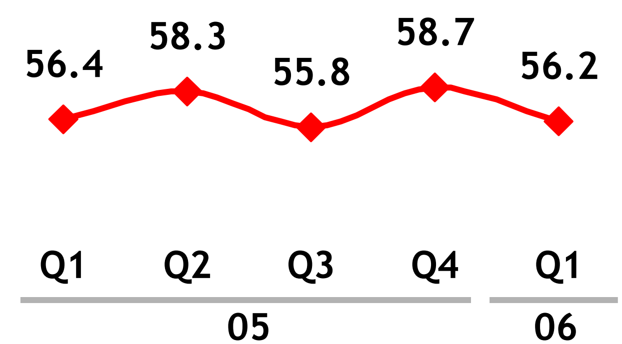
P&C CANADA

- Net income declined Q/Q by 2.3% due to lower net interest margin and increase provision for credit losses offset by lower expenses
- The decline in net interest margin Q/Q and Y/Y was primarily due to continued shifts in customer product preferences toward lower-spread products, increased competition and the interest rate environment
- Net income growth Y/Y of 1.2% driven by revenue growth partially offset by an increase to the provision for credit losses and expenses
- Revenue growth Y/Y due to volume growth in both personal and commercial products partially offset by lower net interest margin
- Cash productivity improvement Q/Q driven by lower expenses due to timing of both marketing and initiative expenses

Revenue / Net Income ($MM)



Cash Productivity Ratio (%)



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P&C CANADA – Personal Banking

- Total personal market share has increased Q/Q by 8 bps as a result of continued improvement in mutual funds, residential mortgages and personal loans
- Y/Y personal market share was higher by 7 bps due to strong growth in mutual funds and residential mortgages partially offset by declines in personal deposits and loans

Balance Growth	Y/Y	Q/Q
Residential Mortgages	12.1%	3.6%
Personal Loans	7.4%	1.3%
Personal Deposits	2.9%	0.4%

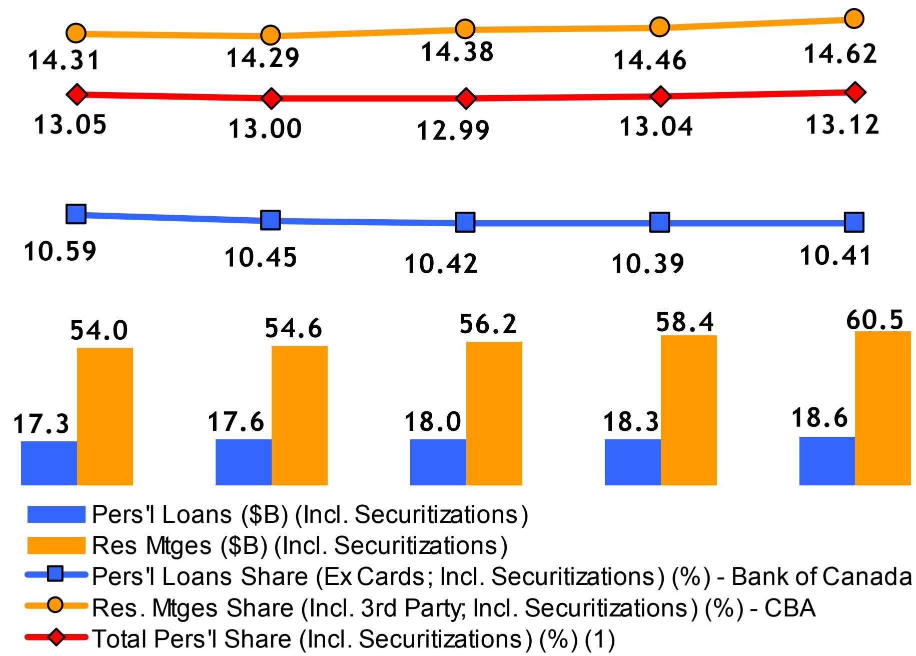
Notes

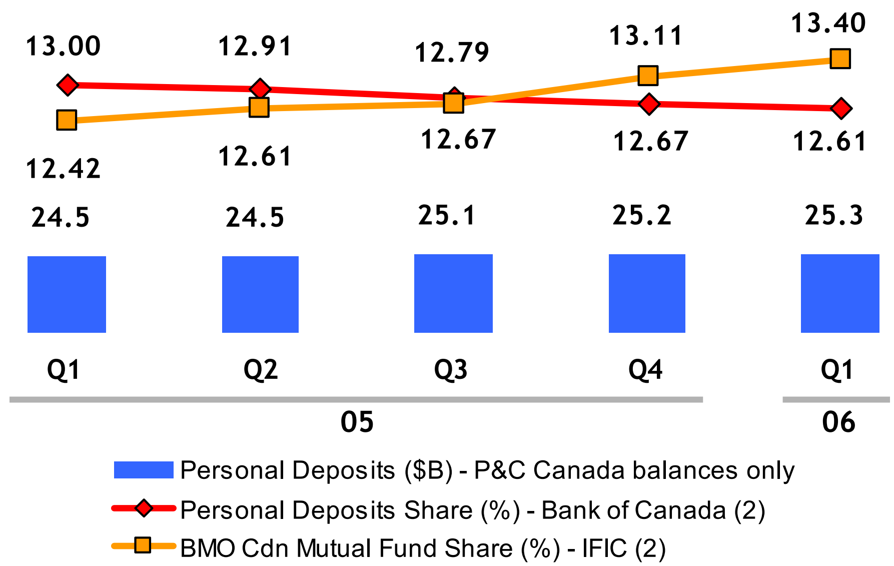
Personal share statistics are issued on a one-month lag basis. (Q1 06: December 2005)

Market share trends versus all FIs are consistent with the bank's

(1) Total Personal Share includes Personal Deposits, Mutual Funds, Personal Loans (excluding Credit Cards) and Residential Mortgages (including 3rd Party)

(2) Term and Mutual Fund AUA/AUM reported in PCG Canada





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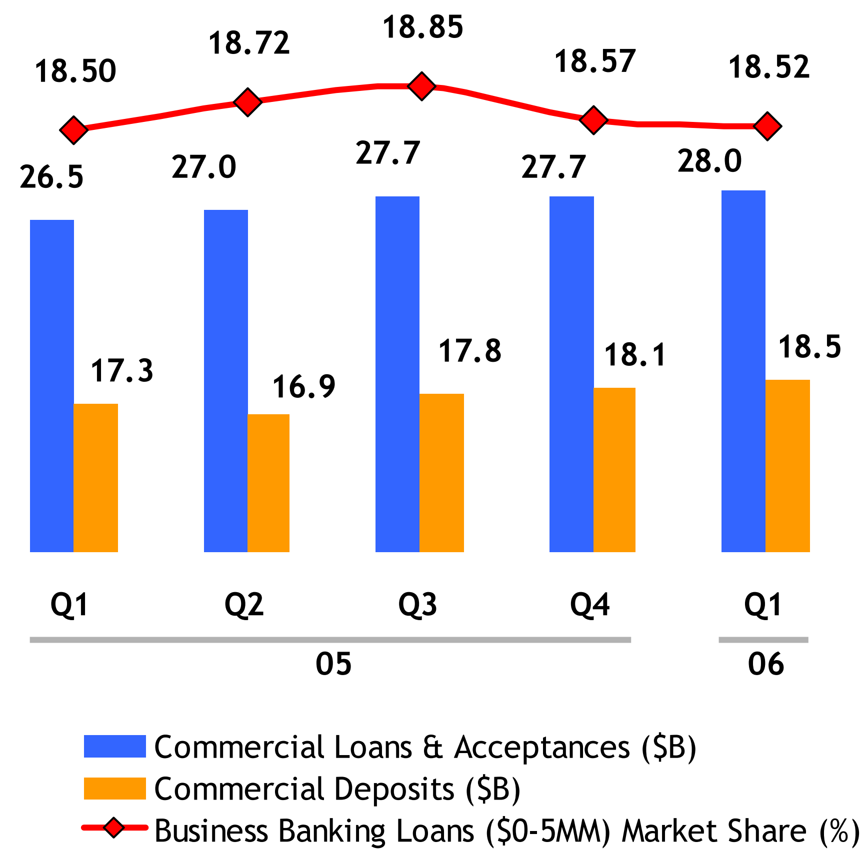
P&C CANADA – Commercial Banking

- BMO continued to rank second in business banking market share for business loans $5MM and below
- Y/Y market share increased 2 bps to 18.52% and Q/Q declined by 5 bps

Balance Growth	Y/Y	Q/Q
Commercial Loans & Acceptances	5.6%	1.1%
Commercial Deposits	7.1%	2.2%



Notes

Business loans (Banks) are issued by CBA on a one calendar quarter lag basis. (Q1 06: September 2005)

Market share restated to reflect the latest CBA data

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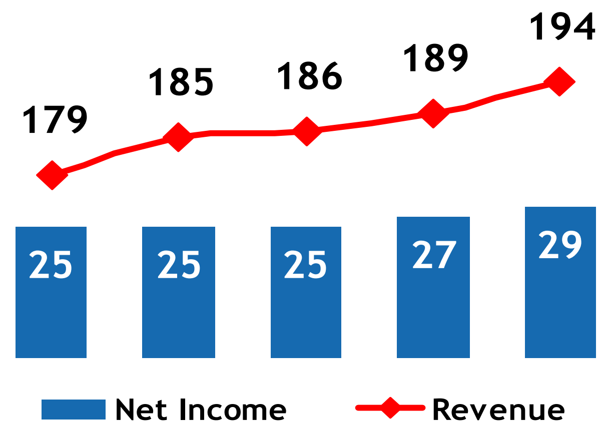
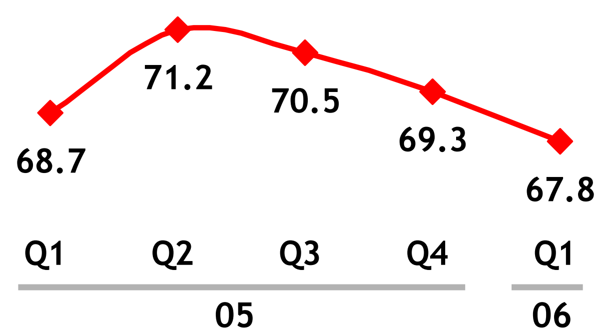
P&C CHICAGOLAND BANKING

- Revenue increased 9% Y/Y driven by continued strong loan growth, acquisitions and improving spreads on non-core consumer deposits
- Expenses are being managed to support productivity improvements while investing in key initiatives such as branch expansion and technology upgrades
- Cash productivity improved 90 bps Y/Y and 150 bps Q/Q
- Currently there are 199 locations in Chicagoland and Northwest Indiana. As we close in on our goal of increasing our distribution network to 200 locations in Chicagoland and 20 in Northwest Indiana, our intent is to use our existing infrastructure and integration capabilities to grow to 350 to 400 branches over the next five years

Revenue / Net Income ($MM US)

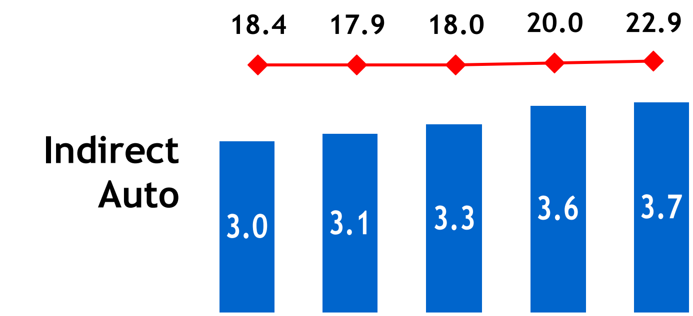


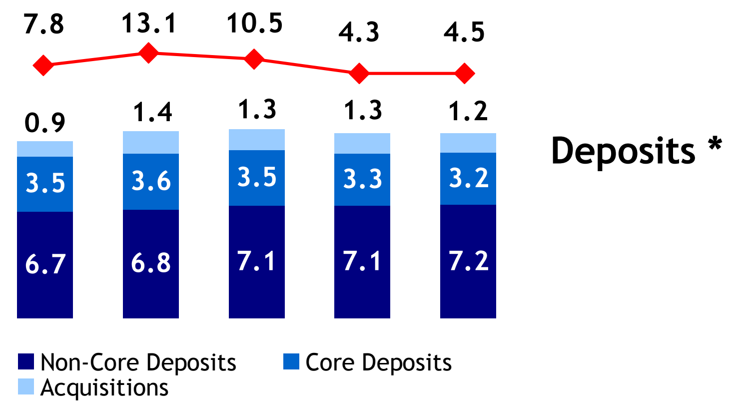
Cash Productivity Ratio (%)

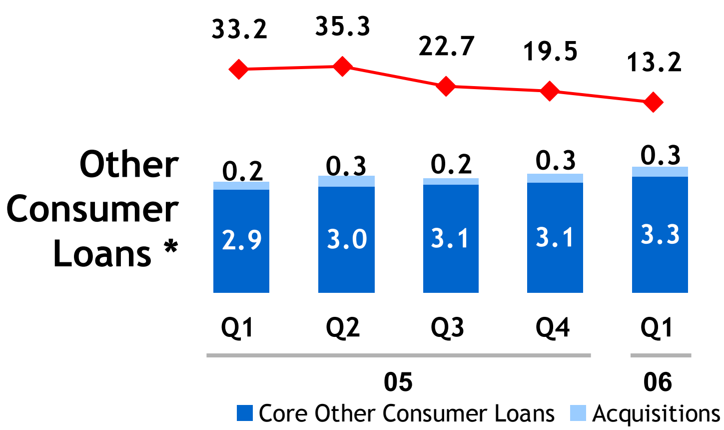


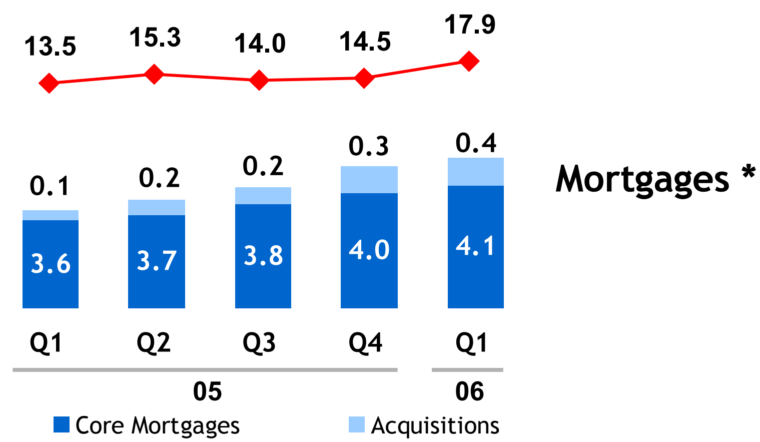
P&C CHICAGOLAND BANKING – Consumer

Consumer business continues to show strong growth









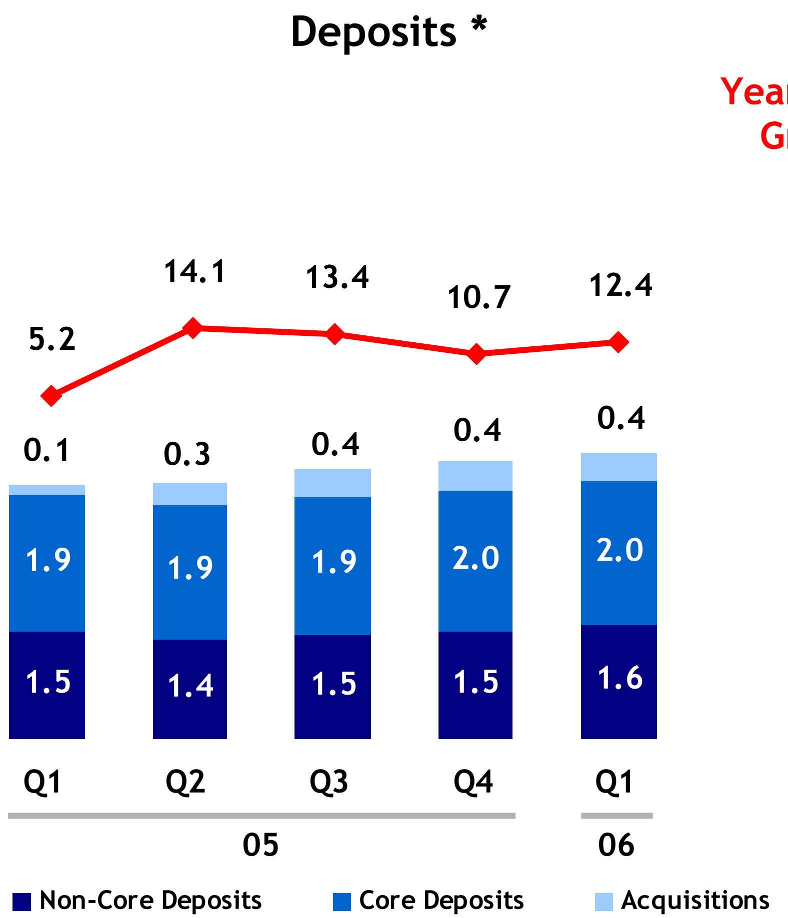
Y/Y Growth (%)

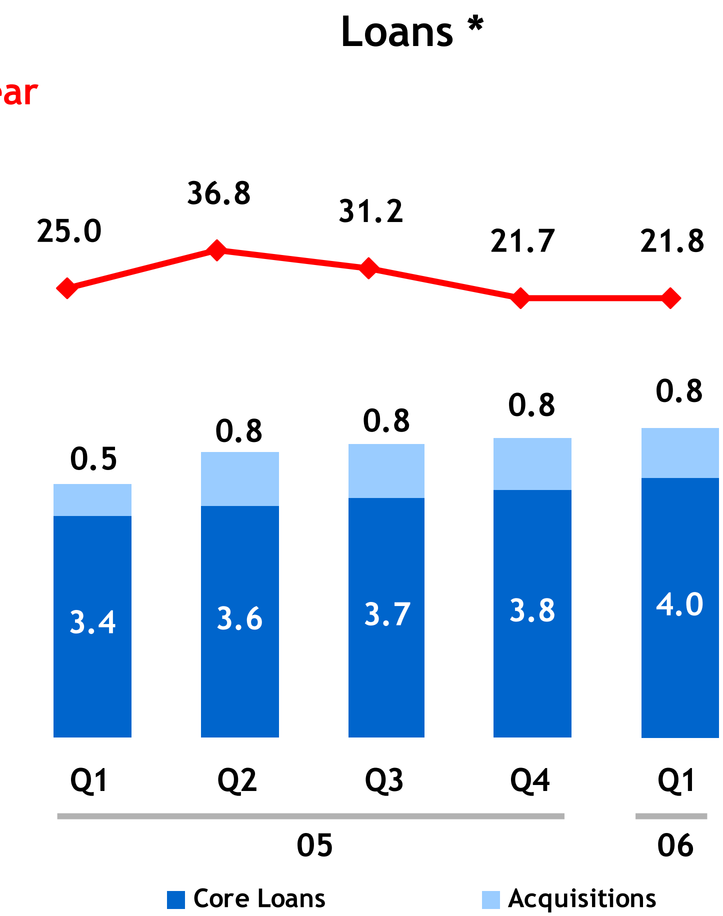
Volume ($B US)

* Acquisitions include Lakeland, New Lenox, Mercantile and Villa Park

P&C CHICAGOLAND BANKING – Commercial

Despite heavy competition, commercial loans continue to grow



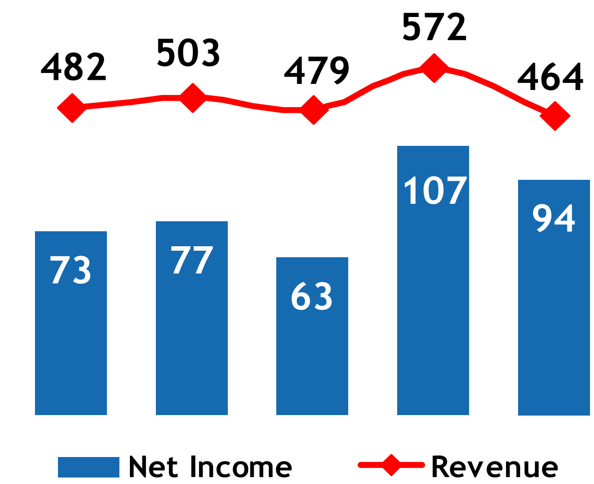


* Acquisitions include Lakeland, New Lenox, and Mercantile

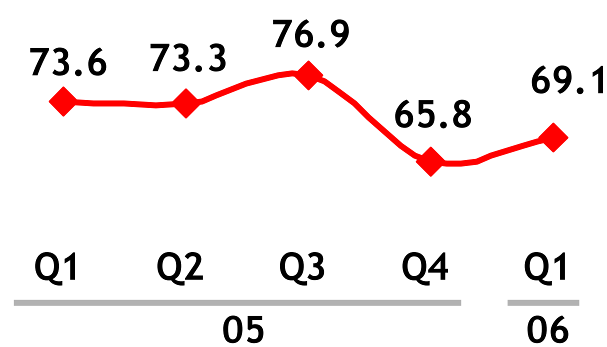
PRIVATE CLIENT GROUP

- Net income increased 29% Q/Q and Y/Y excluding the gains on sale of Harris*direct* ($49MM or $18MM after tax) and TSX shares ($25MM or $16MM after tax) in the prior quarter
- Revenue increased 3% Q/Q (excluding Harris*direct* and sale of TSX shares) due to improved deposit spreads and growth in asset levels in the mutual fund businesses
- Revenue increased 9% Y/Y (excluding Harris*direct*) due to growth across all lines of business
- Cash productivity improved 347 bps Q/Q and 334 bps Y/Y (excluding Harris*direct* and sale of TSX shares) from strong revenue and stable expense levels

Revenue / Net Income ($MM)



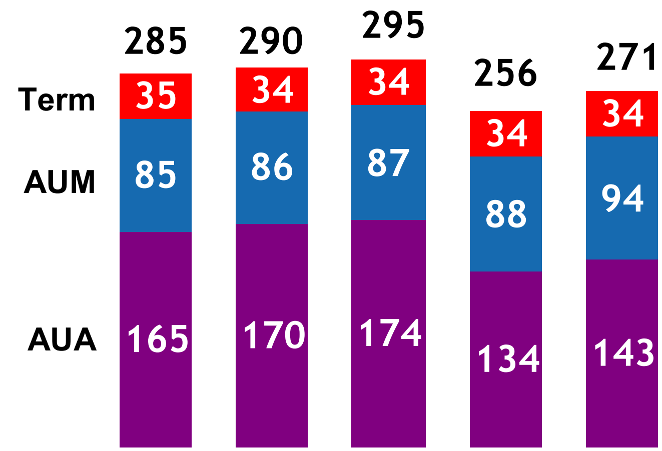
Cash Productivity Ratio (%)



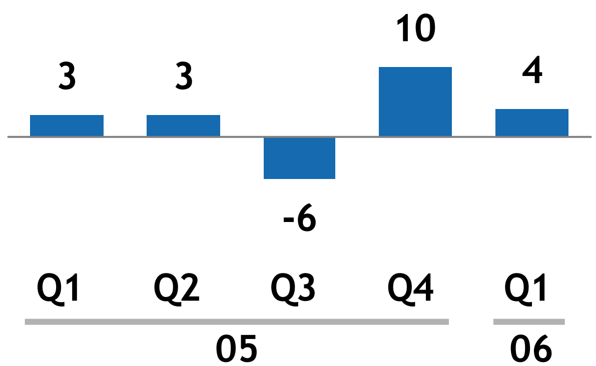
PRIVATE CLIENT GROUP

- Assets under management and administration, including term deposits, of $271B grew 13% Y/Y (adjusted for the sale of Harris*direct* and F/X impact):
  - Assets under management grew 15%
  - Assets under administration grew 15%
- Y/Y U.S. net income relatively unchanged excluding Harris*direct* as solid revenue growth in private banking was partially offset by weaker performance in the U.S. mutual fund businesses
- Q4 05 included the US$15MM gain on sale of Harris*direct*

AUA / AUM ($B)

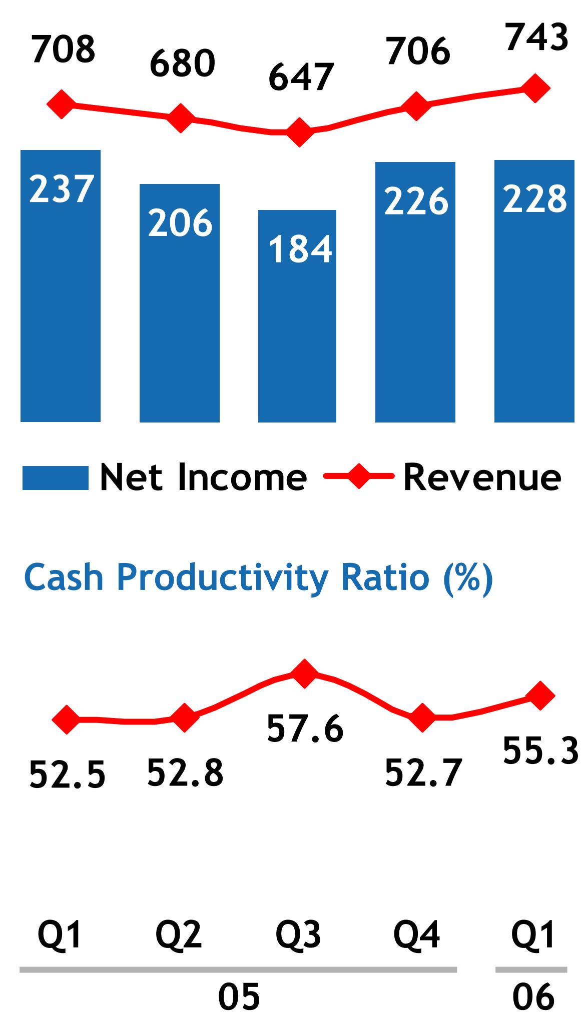


U.S. Net Income ($MM US)



INVESTMENT BANKING GROUP

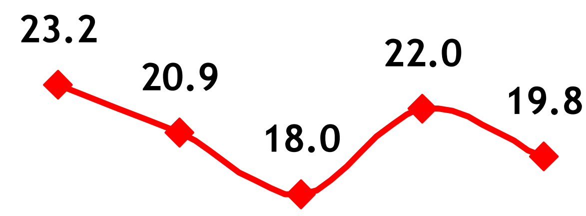
- Revenues increased Q/Q and Y/Y due to strong trading revenues and higher M&A
- Investment securities gains decreased Q/Q primarily due to the gain on sale of TSX shares ($25MM or $16MM after tax) in Q4 05
- Equity and debt underwriting declined Y/Y
- Q1 05 included gain on adoption of fair value accounting for merchant banking investments ($30MM or $21MM after tax) as well as a $32MM recovery of prior years' income taxes
- Productivity deteriorated Q/Q and Y/Y due to a shift in business mix to revenues with higher associated variable costs



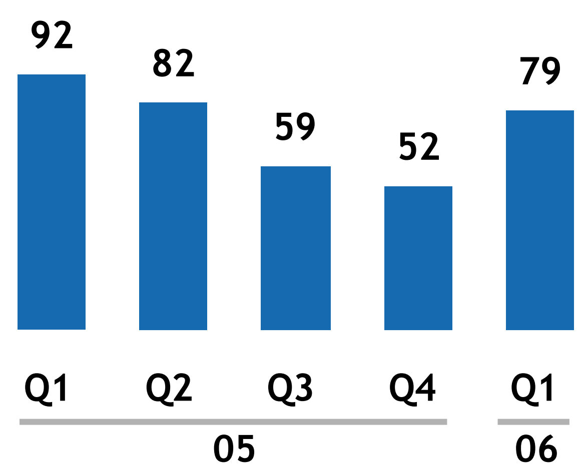
INVESTMENT BANKING GROUP

- Cash ROE decreased Q/Q and Y/Y due primarily to higher allocated capital. Net income was essentially unchanged Q/Q but declined Y/Y due mainly to the $32MM recovery of prior years' income taxes in Q1 05
- U.S. net income benefited from strong trading revenues as a result of commodities price volatility and higher cash collections
- Q/Q U.S. results also benefited from improved lending fees and commission revenues
- Y/Y U.S. results were also impacted by higher costs of client deposits and lower investment securities gains

Cash ROE (%)



U.S. Net Income ($MM US)



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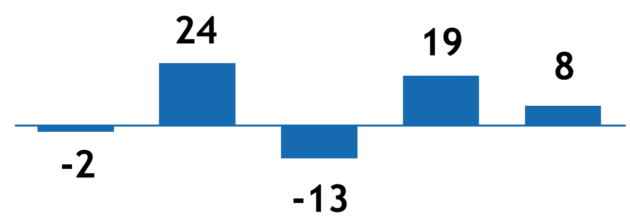
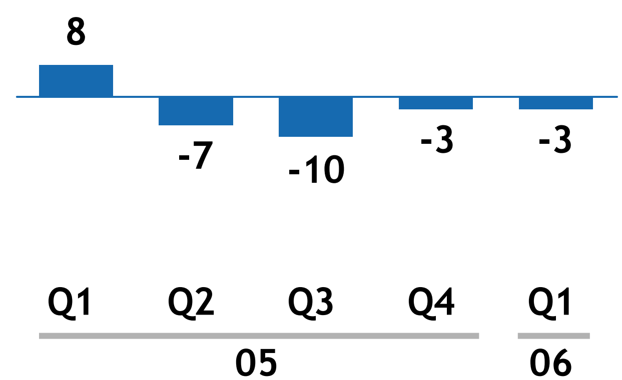
CORPORATE SUPPORT
Including Technology and Solutions

- Net income decreased Q/Q as Q4 05 included the $19MM after tax gain on sale of the Calgary office tower offset by lower performance-based compensation costs in the current quarter
- Y/Y net income improvement due to higher net interest revenues
- U.S. net income flat Q/Q and decreased Y/Y due to higher PCL and income taxes

Net Income ($MM)



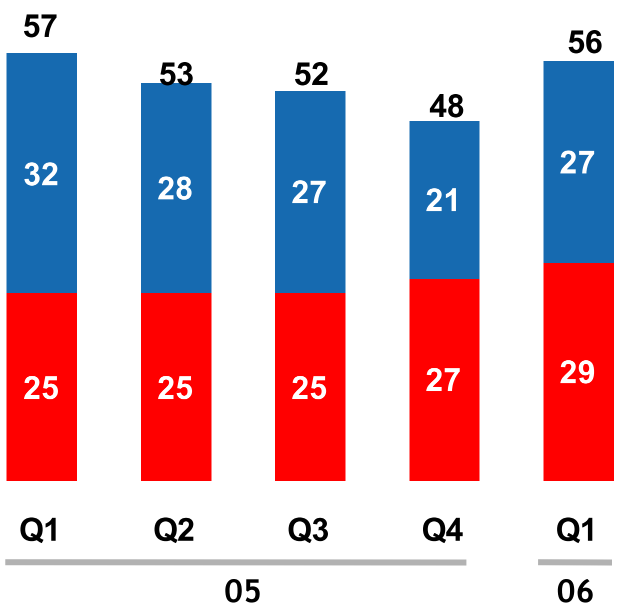
U.S. Net Income ($MM US)



U.S. RETAIL AND MID-MARKET

Operations represent 32% of U.S. revenue and 23% of U.S. expenses in Q1 06

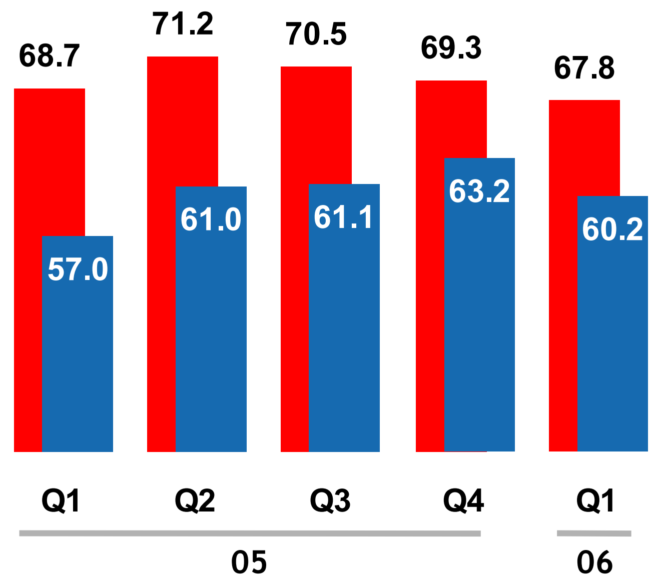
Net Income ($MM US)



P&C Chicagoland Banking Reported

U.S. Mid-Market

Cash Productivity Ratio (%)



Total P&C Chicagoland Banking Reported

Total P&C Chicagoland Banking Including U.S. Mid-Market

U.S./CANADIAN EXCHANGE

- $4MM pre-tax earnings decline Q/Q and $9MM Y/Y
- Excluding hedging, a one cent change in the CDN/U.S. exchange rate changes quarterly earnings by approximately $1MM pre-tax

$MM	Q/Q	Y/Y
Increased (Reduced) Revenue	(12)	(29)
Reduced (Increased) Expense	7	18
Reduced (Increased) Provision for Credit Losses	-	1
Hedging Gains (Losses)	1	1
Total Pre - Tax Impact - Gain (Loss)	**(4)**	**(9)**

INVESTOR RELATIONS • CONTACT INFORMATION

Susan Payne
Senior Vice President
(416) 867-6656
susan.payne@bmo.com

Steven Bonin
Director
(416) 867-5452
steven.bonin@bmo.com

Krista White
Senior Manager
(416) 867-7019
krista.white@bmo.com

FAX: (416) 867-3367

E-mail: investor.relations@bmo.com

www.bmo.com/investorrelations

BMO Financial Group