



BMO  **Financial Group**
Annual Meeting of Shareholders



**KAREN
MAIDMENT**
Chief Financial &
Administrative Officer

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.

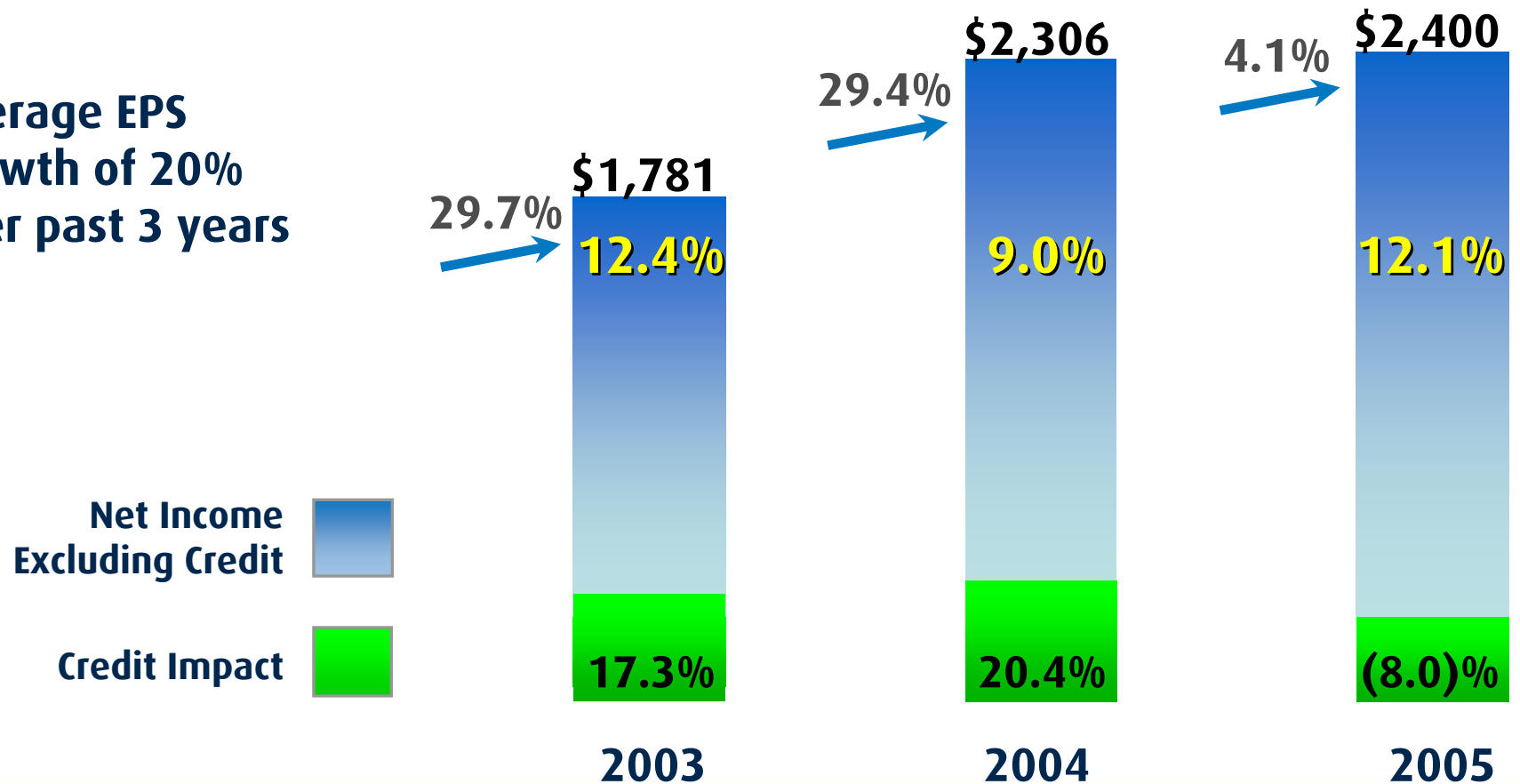
We caution that the foregoing list is not exhaustive of all possible factors. Other factors could adversely affect our results. For more information, please see the discussion in our 2005 Annual Report concerning the effect certain key factors could have on actual results. When relying on forward-looking 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.

Strong, Consistent Business Growth

Net Income (\$ Millions)

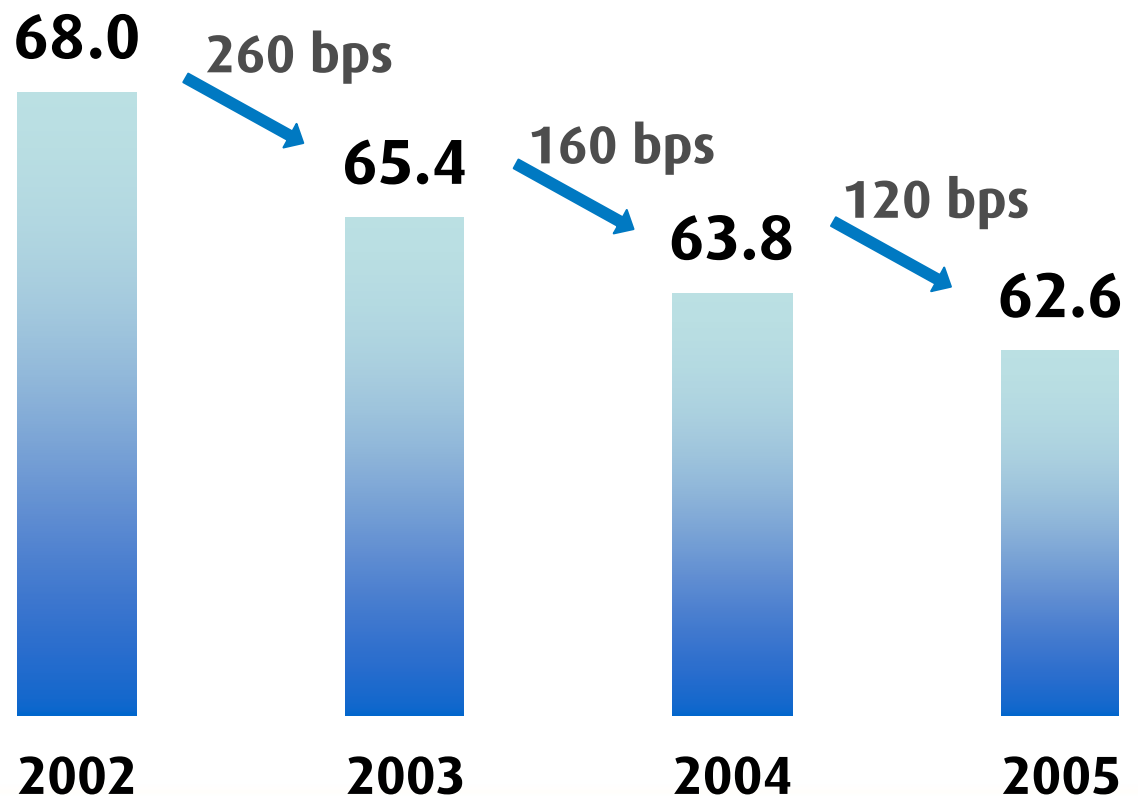
Average EPS
growth of 20%
over past 3 years



Excellent Progress on Cash Productivity

3 year improvement
added over \$300
million to net income

Cash Productivity Ratio Improvement
540 basis points (bps)





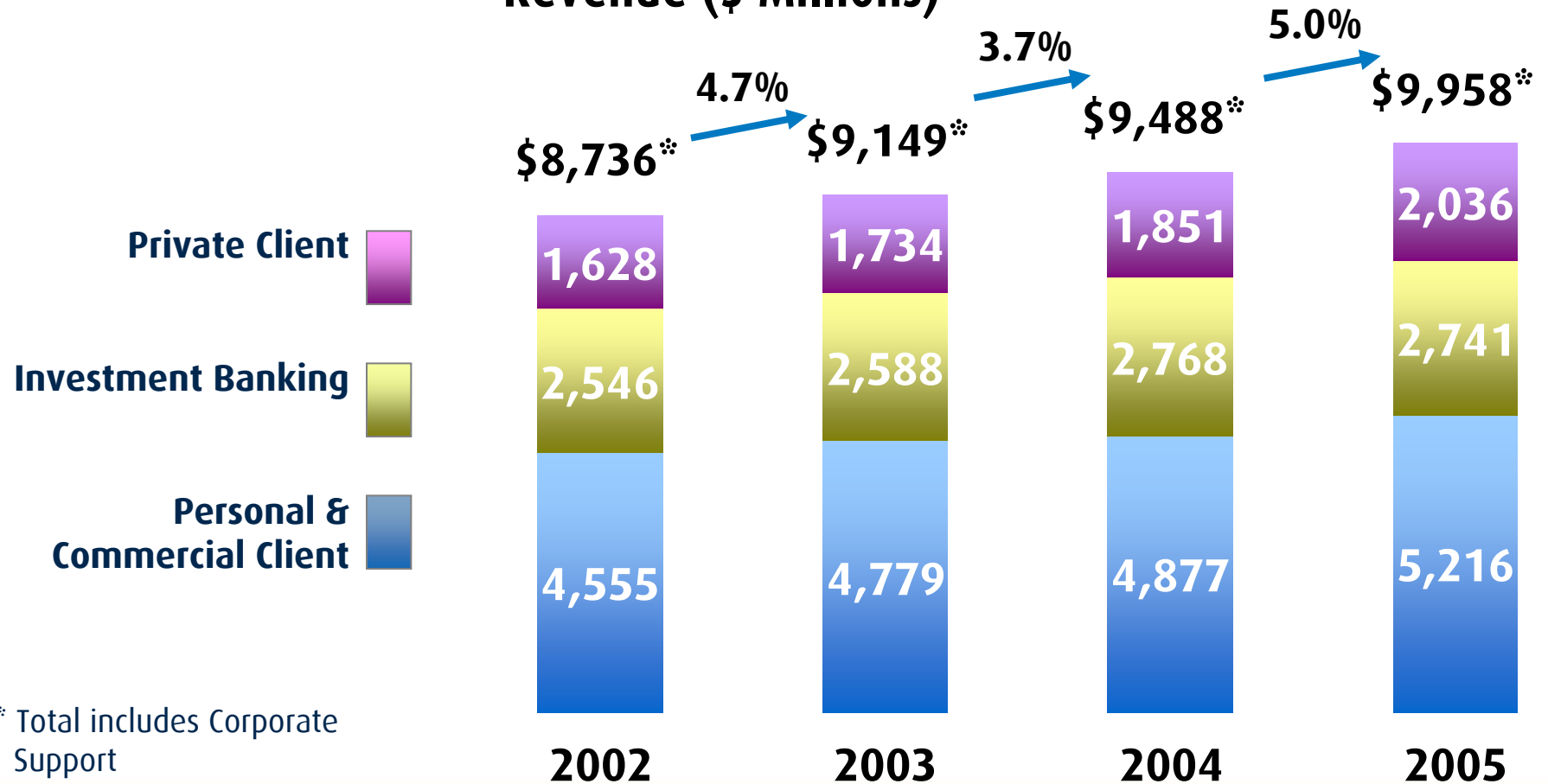
Every
Day

Fiscal 2005

FINANCIAL RESULTS

All Operating Groups Contributing to Revenue Growth

Revenue (\$ Millions)



Achieved or Exceeded Four of Five 2005 Financial Targets

Performance Measure	2005 Target	
EPS Growth	3-8%	✓
Return on Equity	17-18%	✓
Specific Provision for Credit Losses	\$400 million or less	✓
Tier 1 Capital	Minimum 8%	✓
Cash Productivity Improvement	150-200 basis points	X



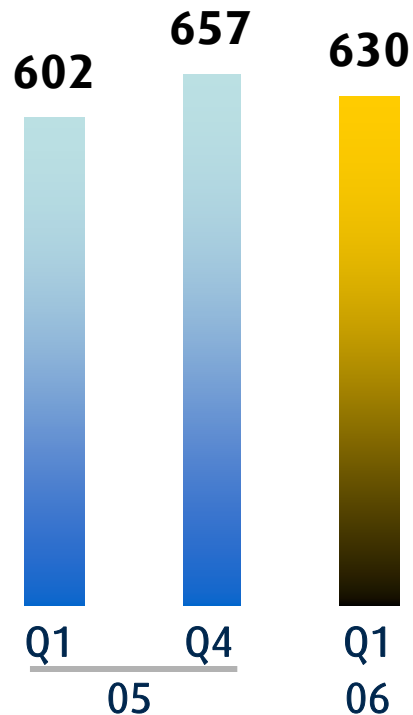
Every
Day

Q1 2006

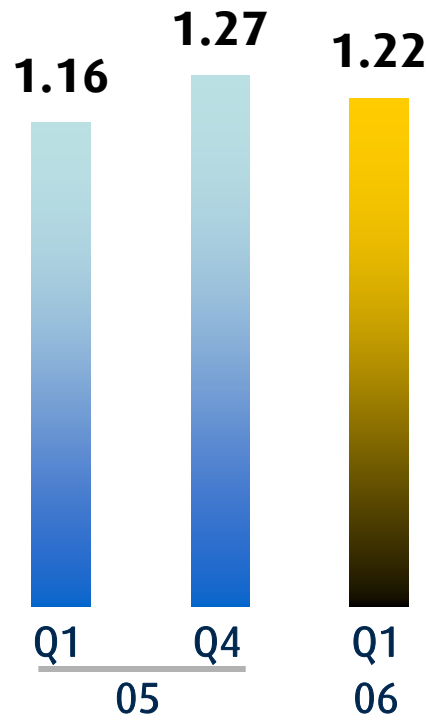
FINANCIAL RESULTS

Higher Revenues Drive Improved Year-Over-Year Performance

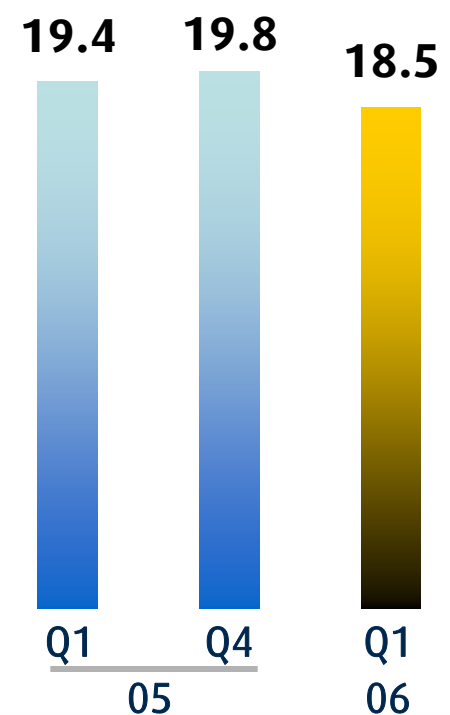
Net Income
\$630 million



Earnings per Share
\$1.22



Return on Equity
18.5%



Q1 Financial Highlights

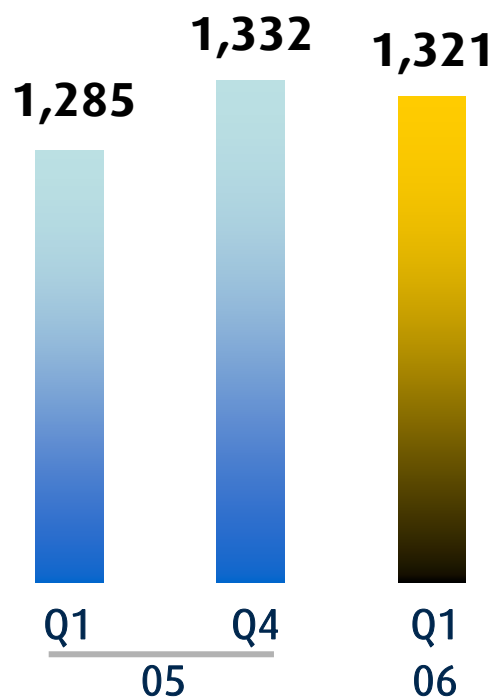
Net income increases \$60MM or 11% excluding tax recovery

\$ Millions	Q1 06	Growth vs. Q1 05
Revenue	\$2,512	5.3%*
Less Expenses	\$1,545	4.7%*
Less Provisions for Credit Losses	\$52	n.a.
Less Taxes / Minority Interest	\$285	n.a.
= Net Income	\$630	4.7%

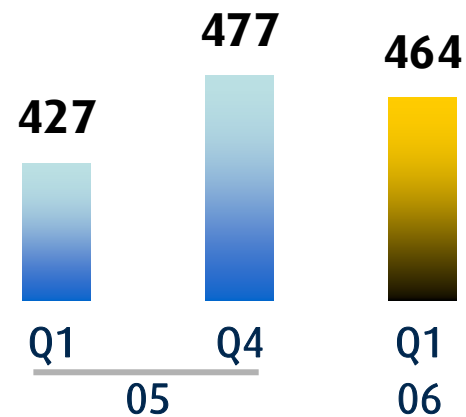
*Revenue and expense growth excluding prior year results of Harris *direct*, sold in Q4 2005

Revenue Growth in Operating Groups (\$ Millions)

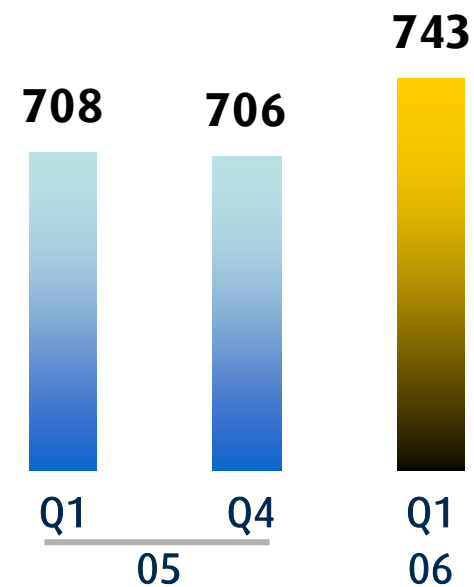
Personal & Commercial Client
Yr/Yr Growth 2.8%



Private Client**
Yr/Yr Growth 8.8%



Investment Banking
Yr/Yr Growth 5.0%



*Private Client revenue excluding Harris *direct*

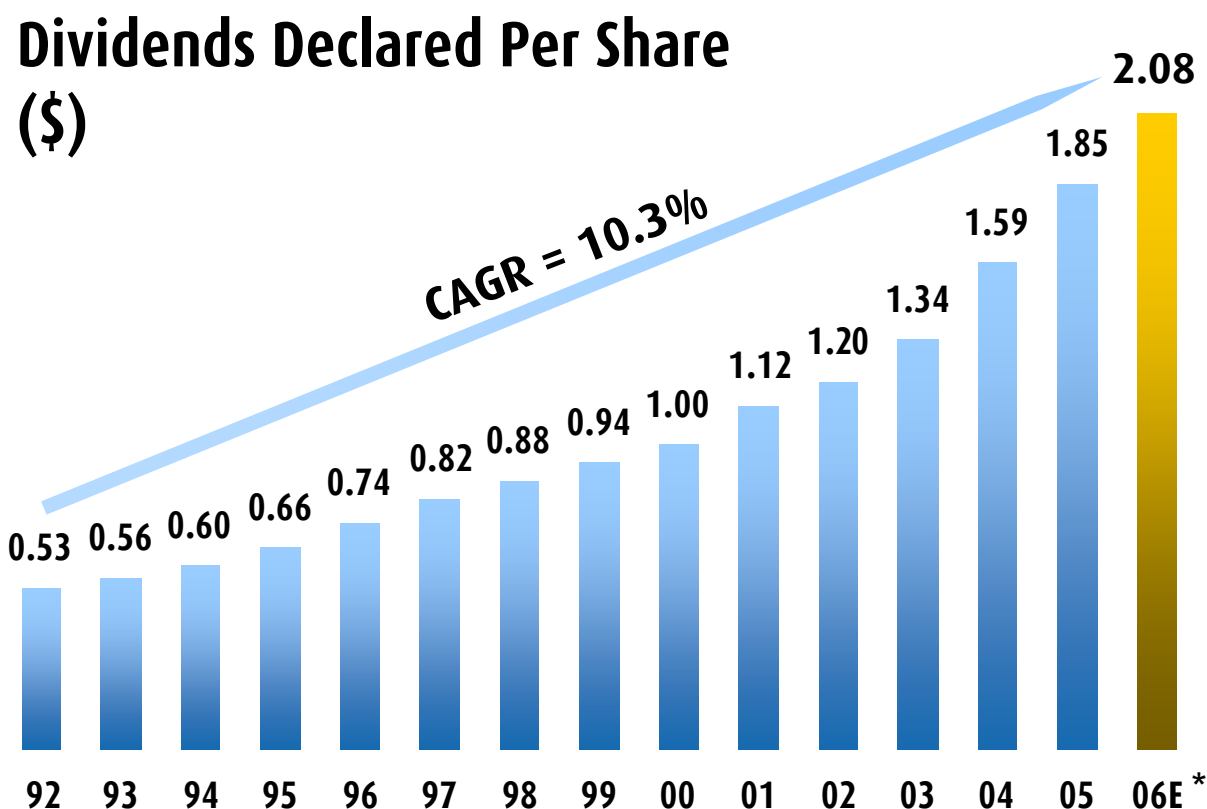
2006 Financial Targets: On Track To Achieve

Performance Measure	2006 Target	Q1 2006 Actual	On Track
EPS Growth (ex. 2005 General)	5-10%	5.2%	✓
Return on Equity	17-19%	18.5%	✓
Specific Provision for Credit Losses	\$400 million or less ¹⁾	\$52 million	✓
Tier 1 Capital	Minimum 8%	10.38%	✓
Cash Productivity Improvement	100-150 basis points	80 basis points	✓

1) PCL now anticipated to be \$325 million or less

Strong, Consistent Dividend Growth

- Annual growth of 13.1% on dividends declared over 5 years
- Dividend yield of 3.2% in 2005
- Announced a \$0.04 or 8.2% increase in dividends to \$0.53 for the second quarter

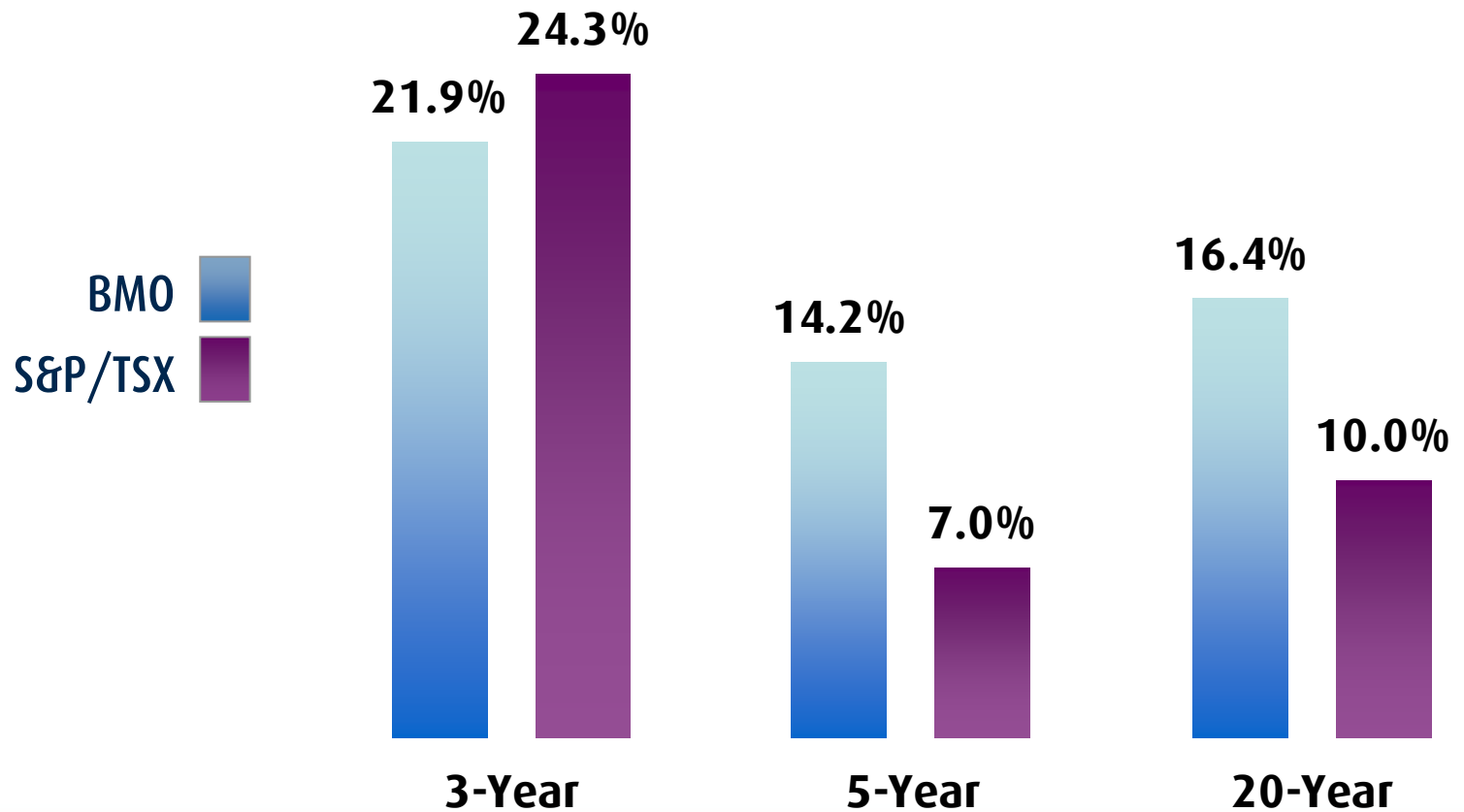


*Based on the assumption that current dividend level continues for the rest of the year

Total Shareholder Return

BMO vs. S&P/TSX

Average annual return as of Jan. 31st, 2006



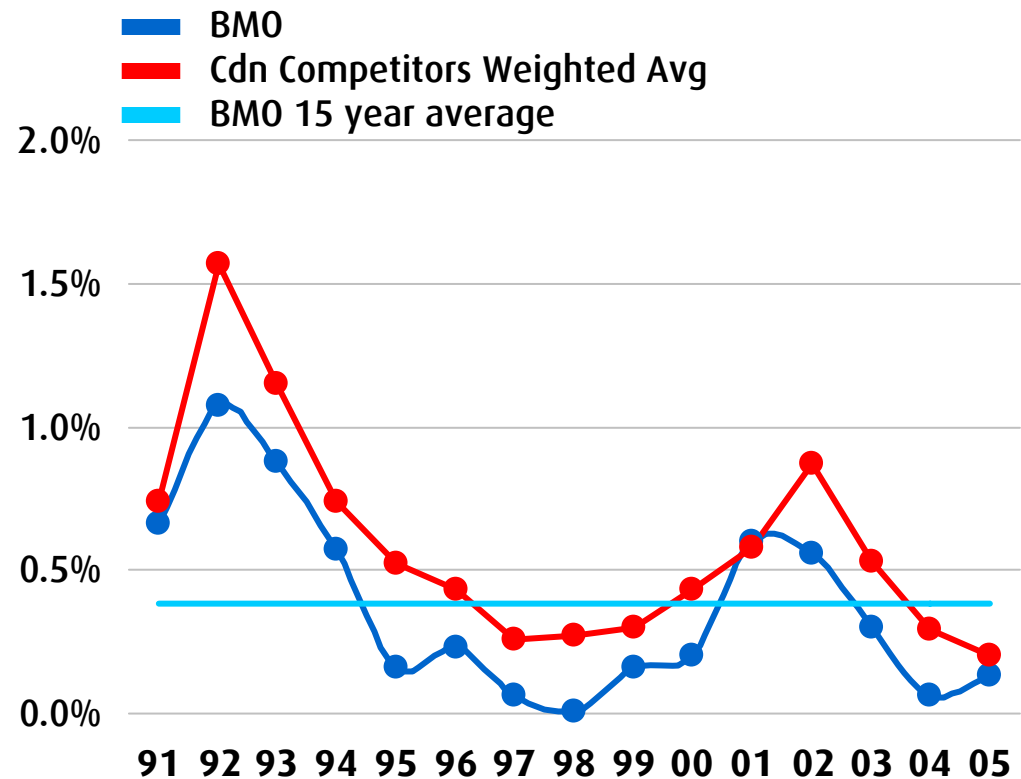
Maintaining Our Credit Risk Management Advantage

%	BMO	Canadian Competitors
F2005	0.13	0.20
F2004	0.04	0.29
15 year average	0.38	0.59

BMO's Canadian competitors include: RBC, BNS, CIBC, TD and NA

15-yr average - 1991 to 2005

Specific Provision For Credit Losses as % of Average Net Loans and Acceptances



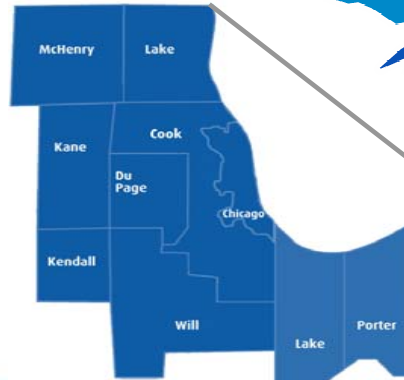
Credit Risk Management: What Sets Us Apart

- Quality, experienced people
- Well-entrenched regional credit centres
- Know Your Customer
- Reward our people on profitability or overall quality of a transaction
- Dual-signature process
- Excellent monitoring process

REGIONAL CREDIT CENTRES

P&C Canada – Commercial lending limits of up to C\$50MM in major centres supported by local decisions

P&C U.S. – Local decisions by regional presidents for business loans of up to US\$15MM



Major Commercial Centres ★
Local Decisioning Offices ●

Help Provided When Times Are Tough

BMO chief wants border open to Canadian beef

Special terms offered to ease the burden

By Martin Cash

TONY Comper, president and CEO of the Bank of Montreal, pounded his fist on the podium at a speech to the Manitoba Chambers of Commerce yesterday morning declaring Canadian beef safe and stressing the need to get the border open with the United States.

"I know there has been lots of good effort to get the border re-opened," he said, "but let's all push harder to get it done now."

Comper made the remarks in Winnipeg three weeks after provincial



declare bankruptcy.

"These are tough times and I have great admiration for what they are doing," Comper said, adding he did not know what else Canadian governments could do to speed up the process of opening the border.

"Our clients have done an excellent job in building equity over the past four or five years and they are in a good position to weather the storm," said Allinott, who is the incoming chairman of the Manitoba Chambers of Commerce.

Allinott said the chamber has struck a task force and is looking at what needs to be done to re-build the beef processing capacity in Canada.

"That is something that has to happen," he said. "We have to be able to control our own destiny, to



Flood Relief Program

While the recent flooding in our area has subsided, at BMO Bank of Montreal™ we recognize that there will be a period of financial recovery for customers who have been directly impacted.

If you are a BMO Bank of Montreal customer who has suffered damage or loss of income resulting from the floods or their aftermath, we may be able to help ease your financial strain.

BMO Bank of Montreal can help qualifying customers by:

- skipping payments* on:
 - mortgages
 - lines of credit
 - personal loans
- extending pre-approved mortgage rate guarantee period to 150 days.

Ask us about these and other types of financial assistance before August 31, 2005.

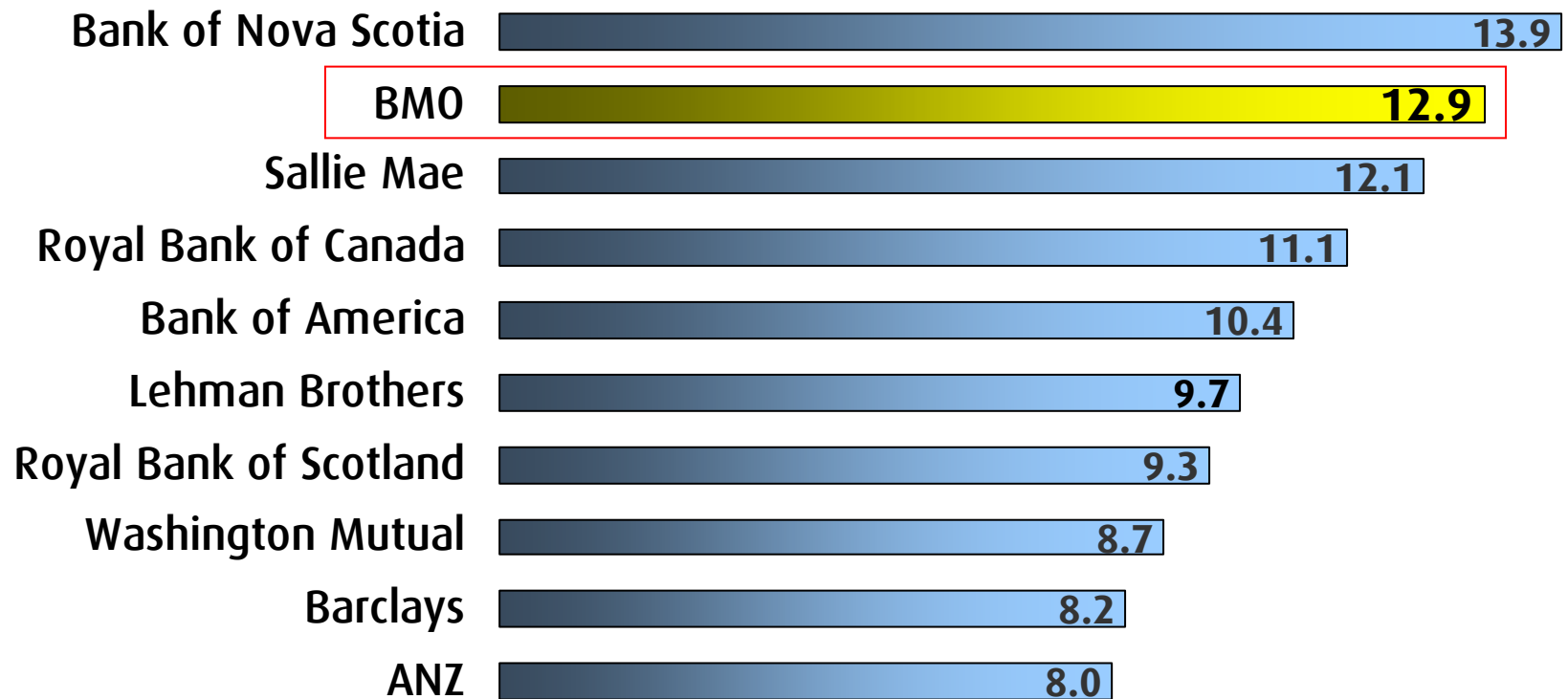
BMO  Bank of Montreal

Ask us for details

*Interest for any skipped payment is added to the principal.
*Eligibility rules apply at Bank of Montreal.

BMO: A High-Return, Low-Risk Bank

Worldwide RRTSR* (%) 2000 – 2004



* Risk-Adjusted Relative Total Shareholder Return adjusts for risk and the impact of national markets

Source: Boston Consulting Group Analysis "Creating Value in Banking 2005"



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