Q1 05

FINANCIAL RESULTS
Investor Community Conference Call

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Senior Executive Vice President and Chief Financial Officer

FEBRUARY 22 • 05

BMO Financial Group

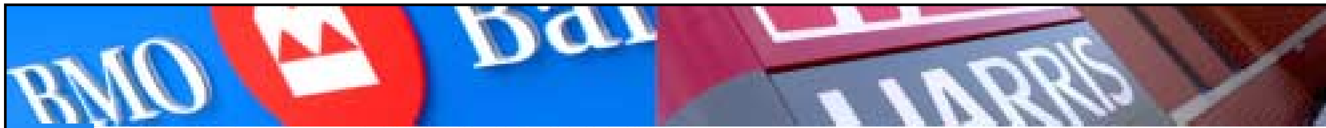
FORWARD-LOOKING STATEMENTS

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 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. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives for 2005 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 and other forward-looking statements will not prove to be accurate. 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.

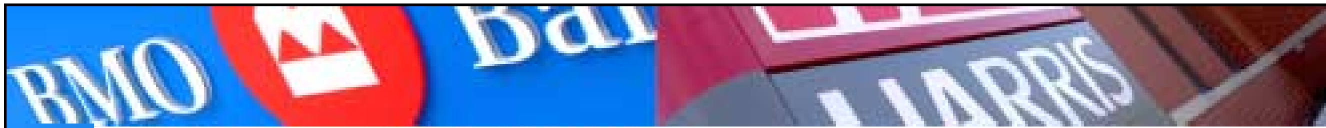
The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: global capital market activities; interest rate and currency value fluctuations; the effects of war or terrorist activities; the effects of disease or illness that impact on local, national or international economies; the effects of disruptions to public infrastructure, such as transportation, communications, power or water supply disruptions; industry and worldwide economic and political conditions; regulatory and statutory developments; the effects of competition in the geographic and business areas in which we operate; management actions; and technological changes. We caution that the foregoing list of factors is not exhaustive and that 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.



Q1 2005 FINANCIAL HIGHLIGHTS

- **Tenth consecutive quarter of Y/Y earnings growth**
  - Net Income of $602 MM
  - Up 15% Y/Y and 9% Q/Q
- **Business growth Y/Y in operating groups**
  - Volume-based revenue growth
  - Cost containment
- **Revenue growth and cost management remain a focus**
  - Revenue / expense growth differential of 4.7 percentage points
  - Cash productivity improves 288 bps Y/Y and 252 bps Q/Q
- **Continued solid credit performance**
  - $43 MM specific provision for credit losses in Q1
  - No reduction in general allowance this quarter

EPS Growth	16.0%
ROE	19.4%
Specific PCL	$43 MM
Tier 1 Capital	9.72%
Cash Productivity	61.9%



Q1 2005 AND Q4 2004 SIGNIFICANT ITEMS

Item	Pre-Tax Impact ($MM)	After-Tax Impact ($MM)	EPS Impact ($/share)	Description
Q1 2005				
Tax Recovery	-	32	0.06	Recovery of prior years' income taxes in Investment Banking Group
Merchant Banking Gain (NIR)	32	21	0.04	Change in accounting
Total Impact	**32**	**53**	**0.10**	
Q1 2004				
Mortgage Prepayment Fees (NIE)	42	27	0.05	Change in accounting
BMO Shares Held by BMO Subsidiaries (NIR)	(26)	(16)	(0.03)	Change in accounting
Reduction of General Allowance	40	26	0.05	
Future Income Tax Change	-	(19)	(0.04)	Future tax liability adjustment related to U.S. real estate
Total Impact	**56**	**18**	**0.03**	

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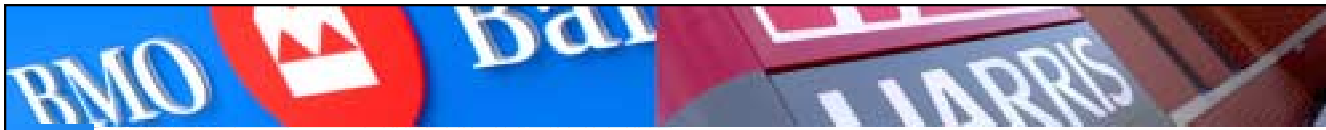
Q1 2005 FINANCIAL SUMMARY

Performance Measure	Q1 2005	Q4 2004	Q1 2004
Net Income ($ MM) *	**602**	551	521
Cash EPS - Diluted ($/share)	**1.19**	1.10	1.03
EPS - Diluted ($/share)	**1.16**	1.06	1.00
Cash Return on Equity (%) **	**20.0**	18.5	19.0
Return on Equity (%) **	**19.4**	17.8	18.3
Revenue Growth - Y/Y (%) *	**2.9**	(4.3)	3.7
Expense Growth - Y/Y (%)	**(1.8)**	(3.4)	(0.7)
Cash Productivity Ratio (%) *	**61.9**	64.4	64.7
Productivity Ratio (%) *	**62.9**	65.5	65.9
PCL/Avg. Loans Accept. (%) **	**0.11**	(0.03)	0.04
Capital: Tier 1 Capital (%)	**9.72**	9.81	9.65

* 2004 balances restated

** Annualized



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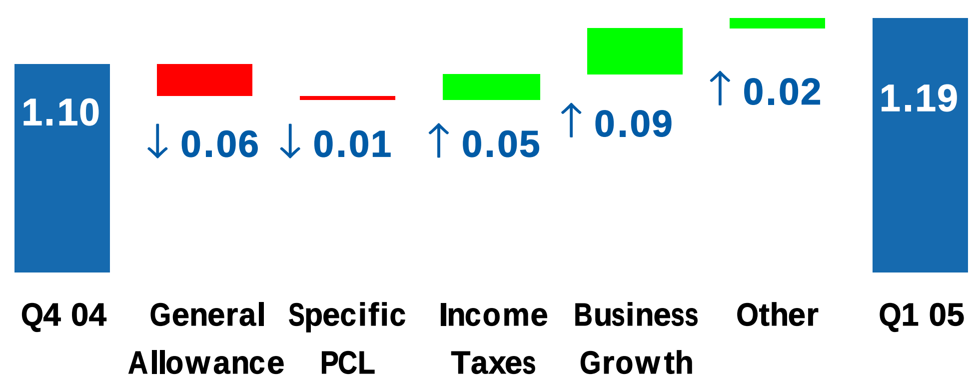
CASH EPS GROWTH

($/share)

Q/Q Earnings Growth Drivers:

- Higher revenues in each of the operating groups as a result of increased volumes in P&C and PCG, and improved trading revenue in IBG
- Tax recovery on prior years' taxes ($32 MM)

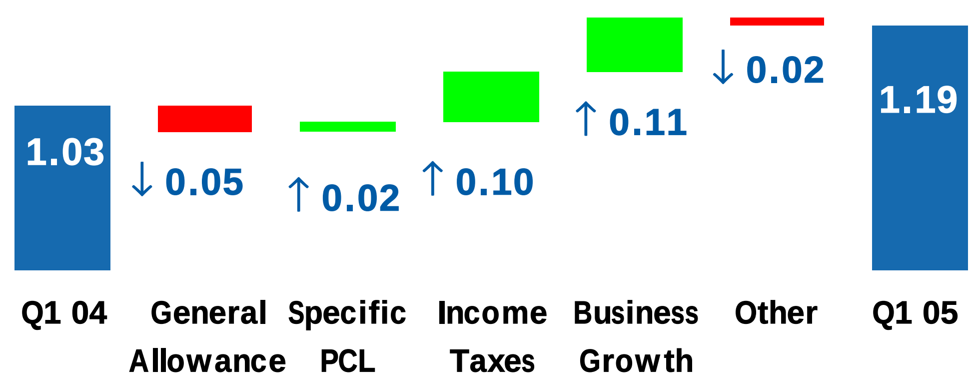
Q1 '05 vs Q4 '04



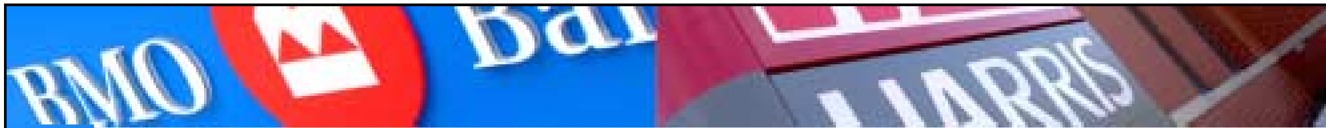
Y/Y Earnings Growth Drivers:

- Volume growth in P&C and PCG and ongoing cost management
- Tax recovery on prior years' taxes ($32 MM) and increased provision for future liabilities in Q1 04 (-$19 MM)

Q1 '05 vs Q1 '04



Note - In Q/Q analysis, "Other" includes investment securities gains in Q1 05 and Q4 04 net of reduction to card fees in Q4. Y/Y "Other" includes investment securities gains in Q1 05 and Q1 04 net of Q1 04 accounting changes



REVENUE GROWTH

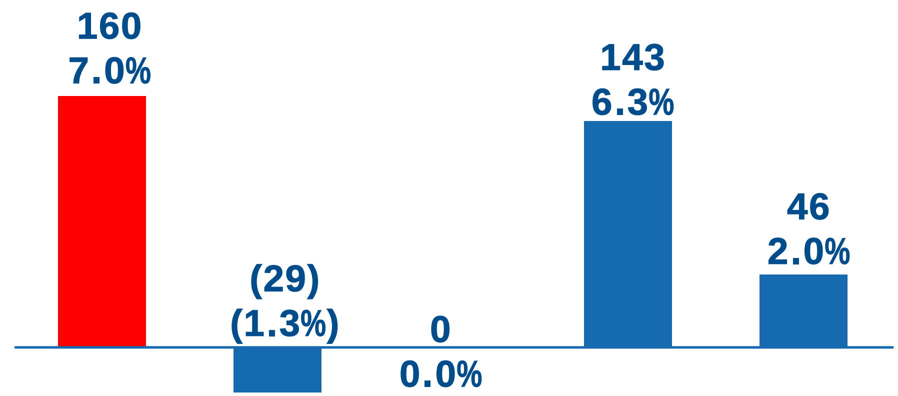
Q/Q

- Business growth driven by positive market conditions for IBG and PCG, increased asset levels in both PCG and P&C
- Other represents merchant banking mark-to-market gain and the reduction to card fees in Q4 04

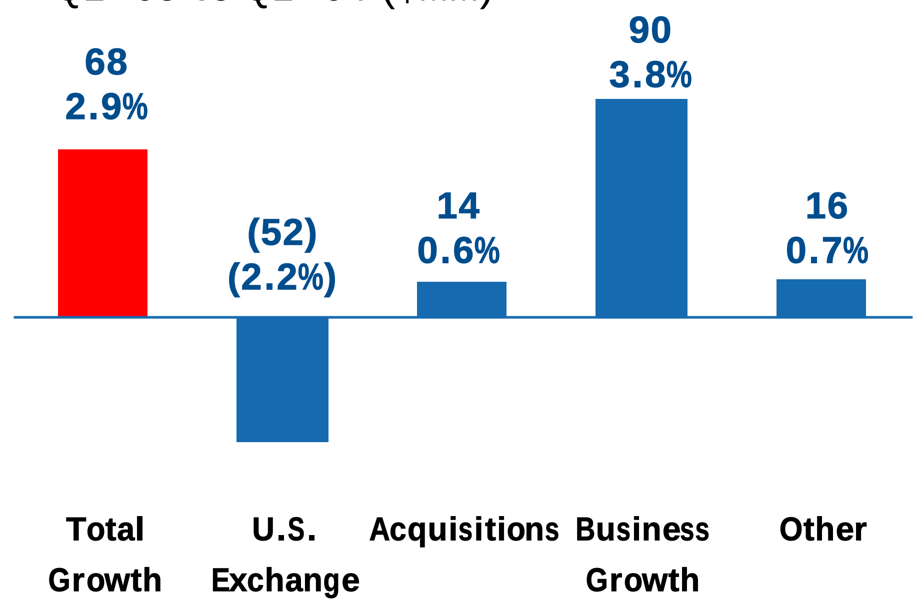
Y/Y

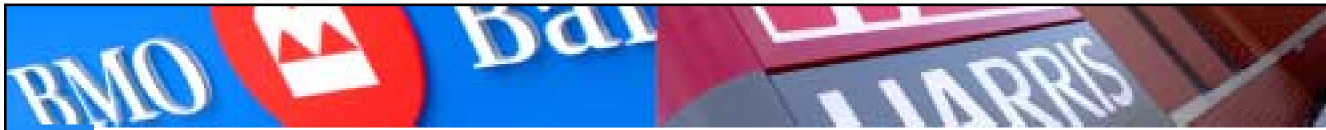
- Business growth driven primarily by P&C Canada volume and PCG positive market conditions/revenue initiatives
- Other represents merchant banking mark to market gain net of accounting change for BMO shares held by BMO subsidiaries and change in accounting for mortgage prepayment fees

Q1 ’05 vs Q4 ’04 ($MM)



Q1 ’05 vs Q1 ’04 ($MM)





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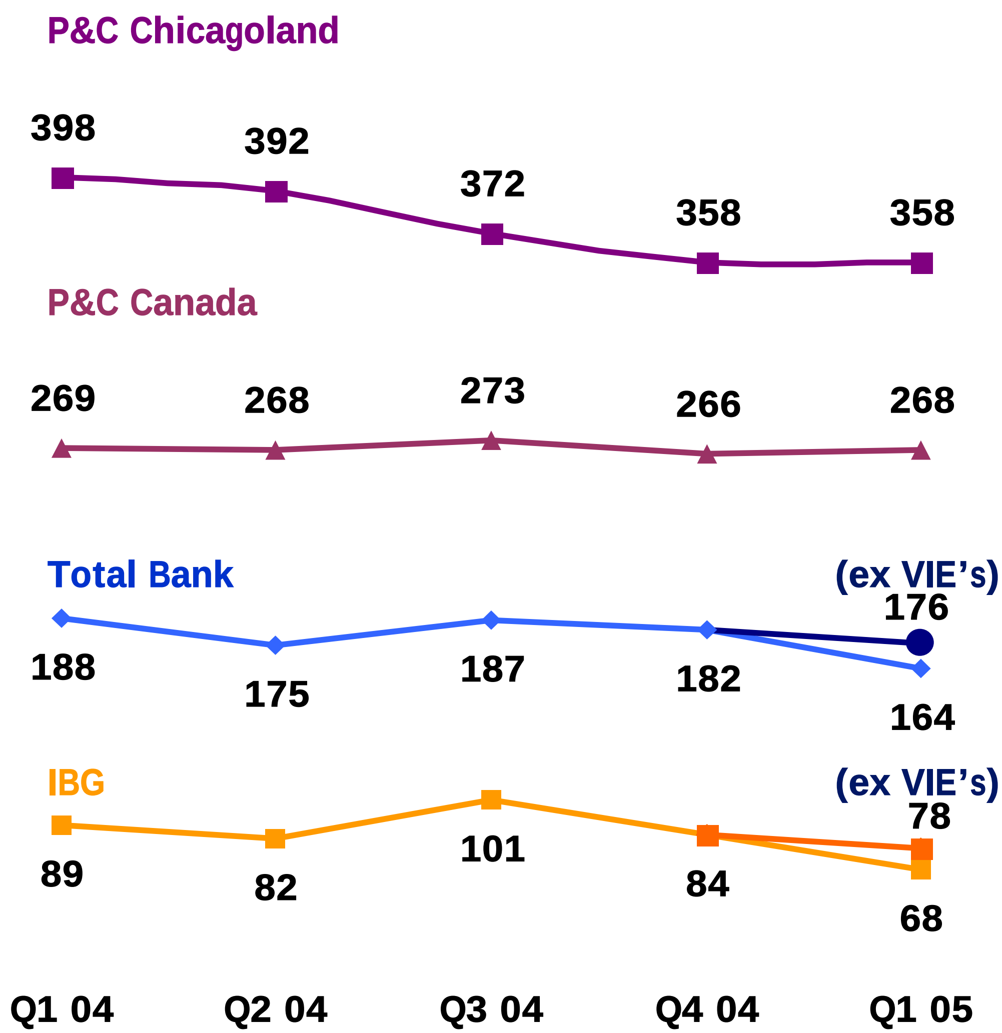
NET INTEREST MARGIN (bps)

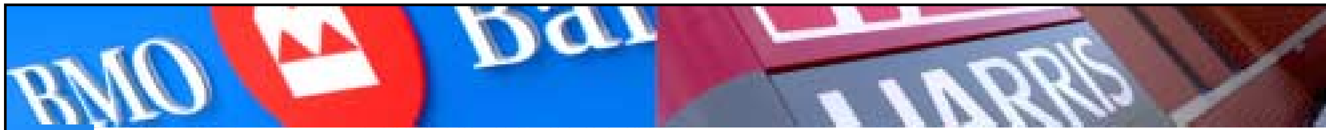
Q/Q

- Total Bank declined 6 bps excluding the impact of VIE's
- IBG declined partially due to consolidation of VIE assets (-10 bps), lower spreads on corporate lending and higher cash collections in Q4
- P&C margins stable both in Canada and Chicagoland

Y/Y

- Total Bank declined 6 bps excluding the impact of VIEs and Q1 04 accounting change for mortgage prepayment fees
- IBG declined due to the consolidation of VIE assets (-10 bps), lower spreads on client deposits, corporate loans and interest rate sensitive businesses compressed spreads corporate lending and capital markets businesses
- P&C Chicagoland declined primarily due to lower spreads on demand deposits as a result of the low rate environment





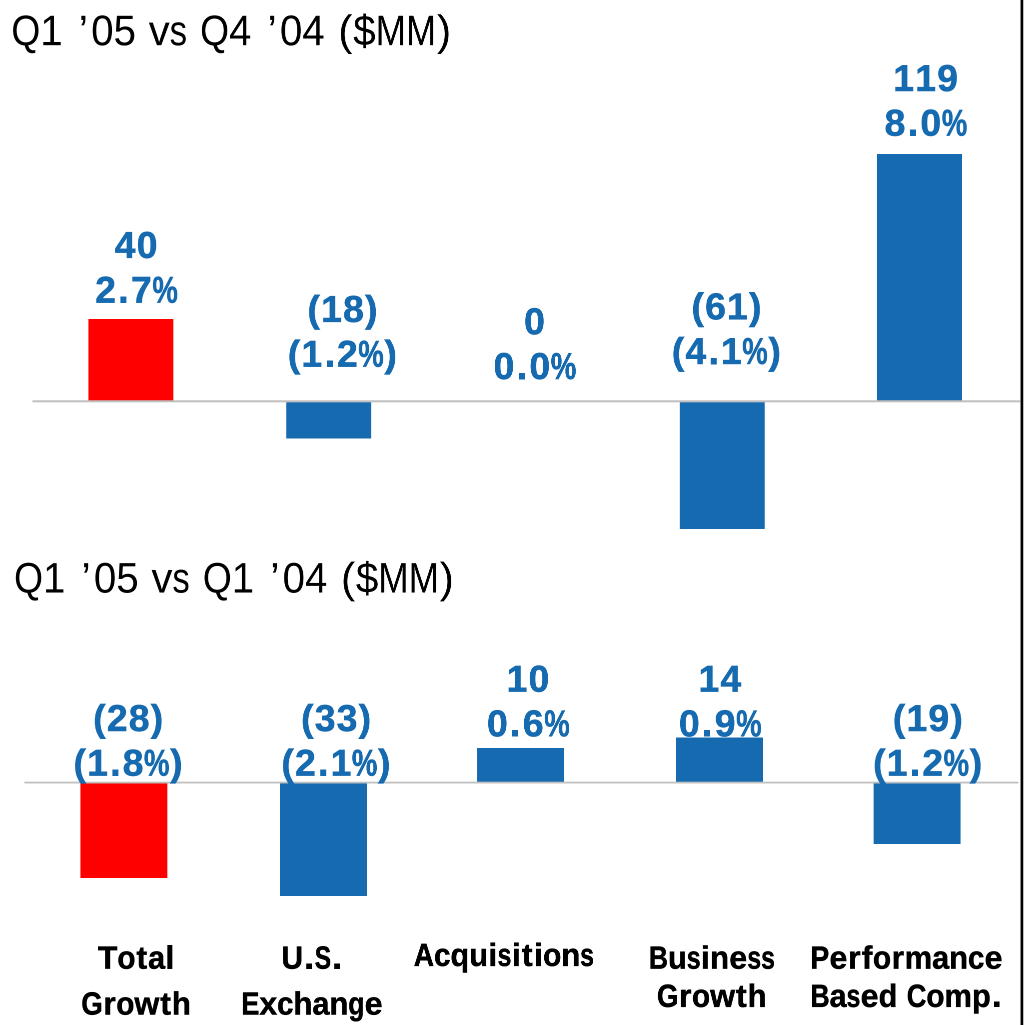
EXPENSE GROWTH

Q/Q

- Continued focus on containing operating expenses. Q4 04 included one time costs in PCG related to severance and business optimization ($20 MM)
- Higher performance-based compensation as Q4 04 compensation was reduced to better align with 2004 results

Y/Y

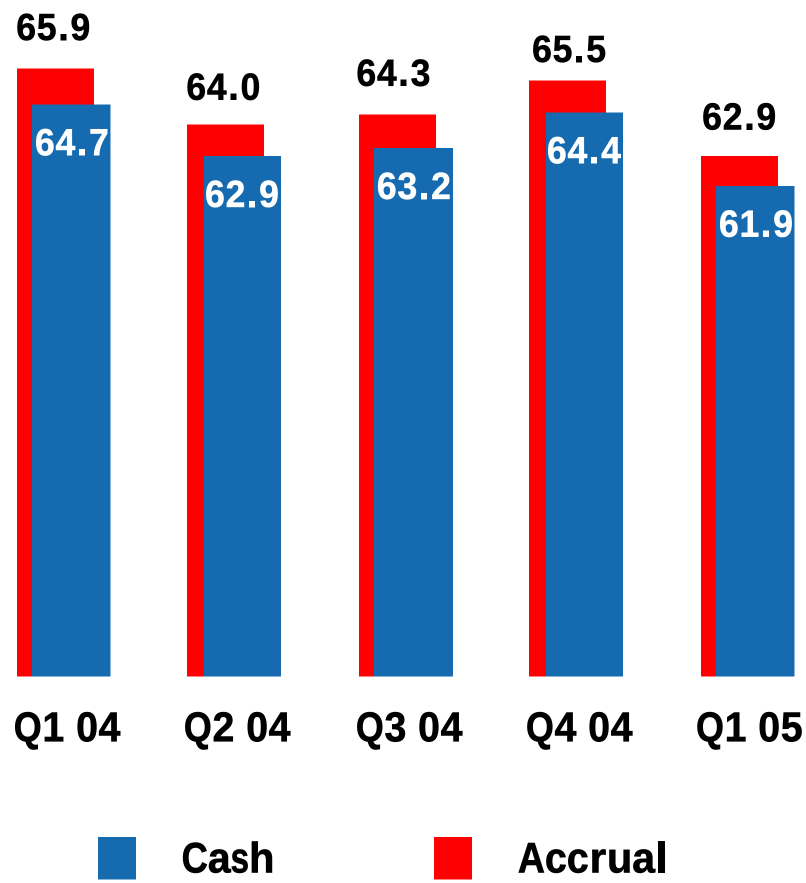
- Business growth driven by employee and volume-related expenses in groups
- Decrease in performance-based compensation reflects hedging of medium-term program in Q1 04



CASH PRODUCTIVITY RATIO

252 bps improvement Q/Q, 288 bps Y/Y

- Revenue/expense growth differential of 4.7 percentage points
- Cost management remains a focus
- Committed to improving 150-200 bps each year

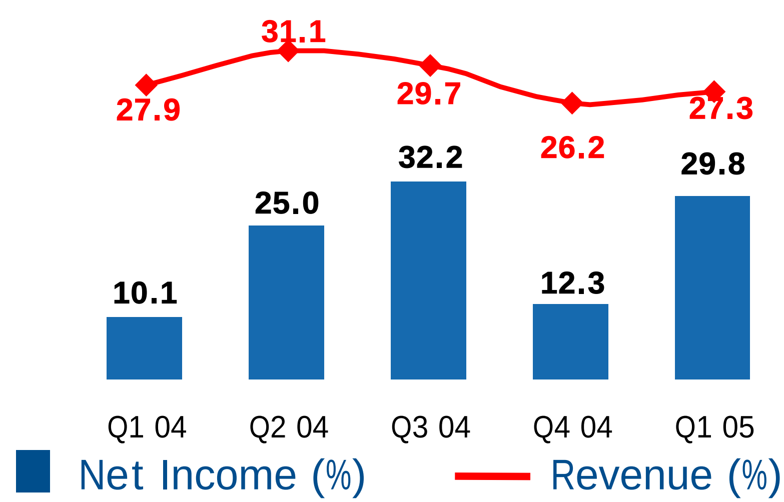


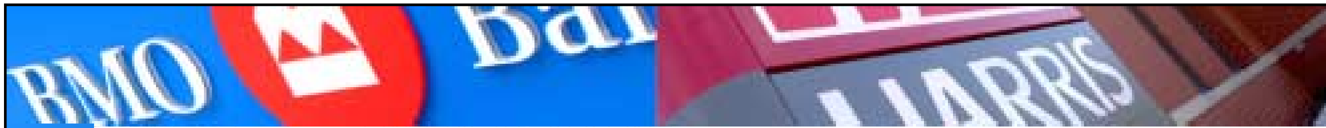
IMPROVING U.S. RESULTS

- Revenue contribution from U.S.-based business within 25 – 35% range
- Net income from U.S.-based business $128 MM USE or 29.8% of North American net income
- Y/Y increase driven by lower PCL, mark-to-market gain on merchant banking and adjustment to future income tax liabilities recorded in Q1 04
- Q/Q increase due to higher market-based revenues, the mark-to-market gain in merchant Banking and PCG expenses in Q4
- Cost management remains a priority
- Charter consolidation in P&C Chicagoland on track to be completed by May 2005 and expected to enhance productivity

Net Income ($USE MM)	Q1 05	Q4 04	Q1 04
P&C	25	25	21
PCG	3	(9)	(1)
IBG	92	40	64
Corporate	8	(8)	(47)
TOTAL	128	48	37

U.S. to N.A. Revenue and Net Income

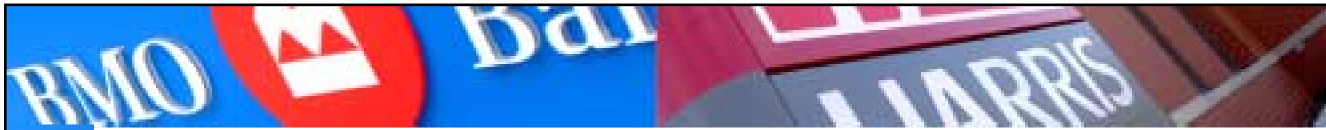




FISCAL 2005 TARGETS

Performance Measure	Q1 2005	F2005 Target
EPS Growth[1] (base of $4.21)	22%	3-8%
Specific Provision for Credit Losses	$43 MM	$400 MM or less *Now estimated to be:* $350 MM or less
Cash Productivity Ratio	288 bps improvement	150-200 bps improvement
Return On Equity	19.4%	17-18%
Tier 1 Capital	9.72%	Minimum 8%

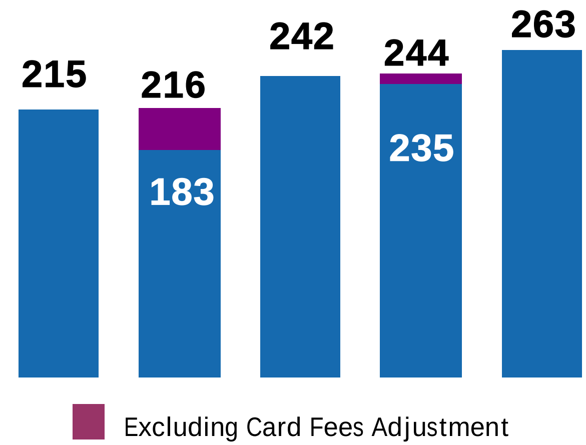
[1] excluding changes in the general allowance



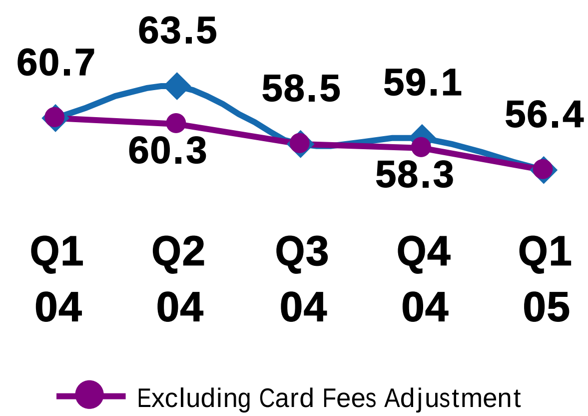
P & C CANADA

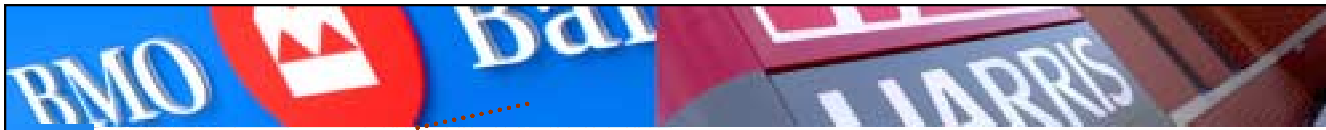
- Net income increased 22% Y/Y and 11% Q/Q driven by strong revenue growth and effective cost management
- Revenue increased 7% Y/Y and 3% Q/Q driven primarily by strong volume growth across most personal and commercial products
- 2004 net income was reduced by adjustments to card fees in the second and fourth quarters to reflect higher loyalty reward redemption costs
- Cash productivity improved by 430 bps Y/Y and 270 bps Q/Q. Y/Y improvement is expected to slow in the second half of the year due in part to the earnings pattern of 2004

Net Income ($ MM)



Cash Productivity Ratio (%)





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P&C CANADA

Personal Banking

- The most recently available data (Dec. 2004) indicates that total personal market share of banks decreased 7 bps Q/Q and 21 bps Y/Y to 13.05%
- Strong growth in mutual funds continues to be offset by erosion in the personal loan market share
- Residential mortgage market share declined Y/Y but remained stable Q/Q

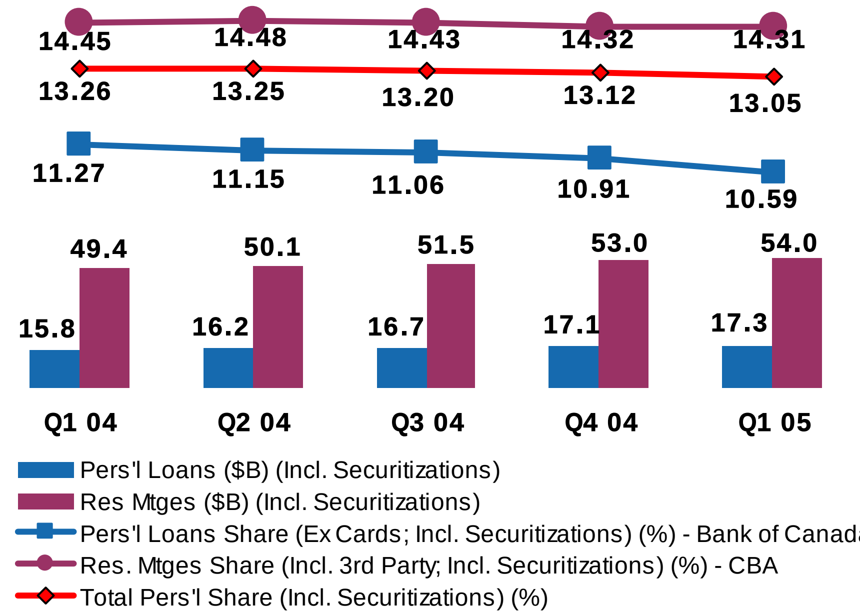
Balance Growth	Y/Y Growth	Q/Q Growth
Residential Mortgages	9.4%	1.9%
Personal Loans	9.4%	1.2%
Personal Deposits	7.2%	0.5%

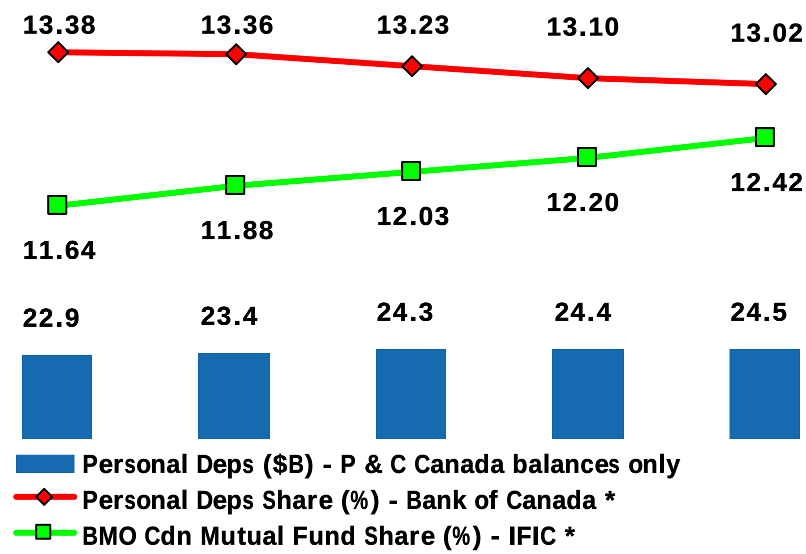
Notes:

Personal Share statistics are issued on a one-month lag basis. (Q1 05: December 2004)

Market Share trends versus all FI's are consistent with the Banks

* Term and Mutual Fund AUA / AUM reported in PCG Canada



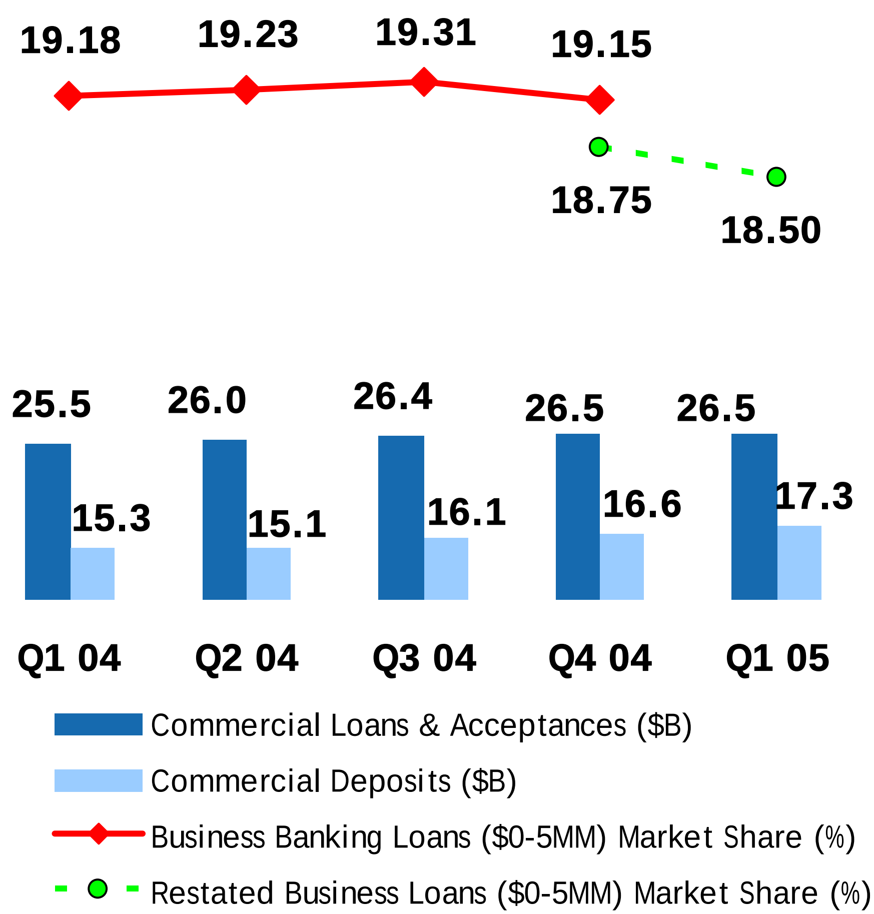


P&C CANADA

Commercial Banking

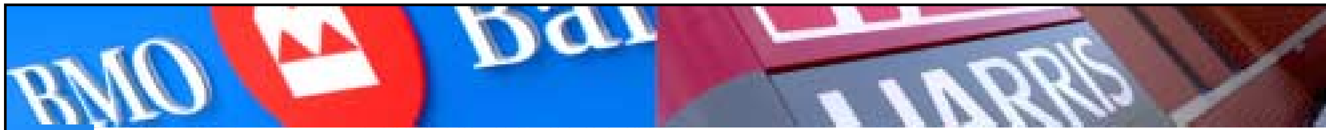
- The most recently available data (Sept. 2004) indicates that BMO continued to rank 2nd in business banking market share for business loans $5 million and below
- Business banking market share decreased 25 bps Q/Q after adjusting for a sizable competitor reclassification that resulted in approximately a 40 bps reduction in BMO's reported market share
- Competitor pricing across all segments, combined with weakness in the independent business segment, were primary drivers of our market share decline this quarter

Balance Growth	Y/Y Growth	Q/Q Growth
Commercial Loans & Acceptances	3.9%	-0.1%
Commercial Deposits	13.7%	4.5%



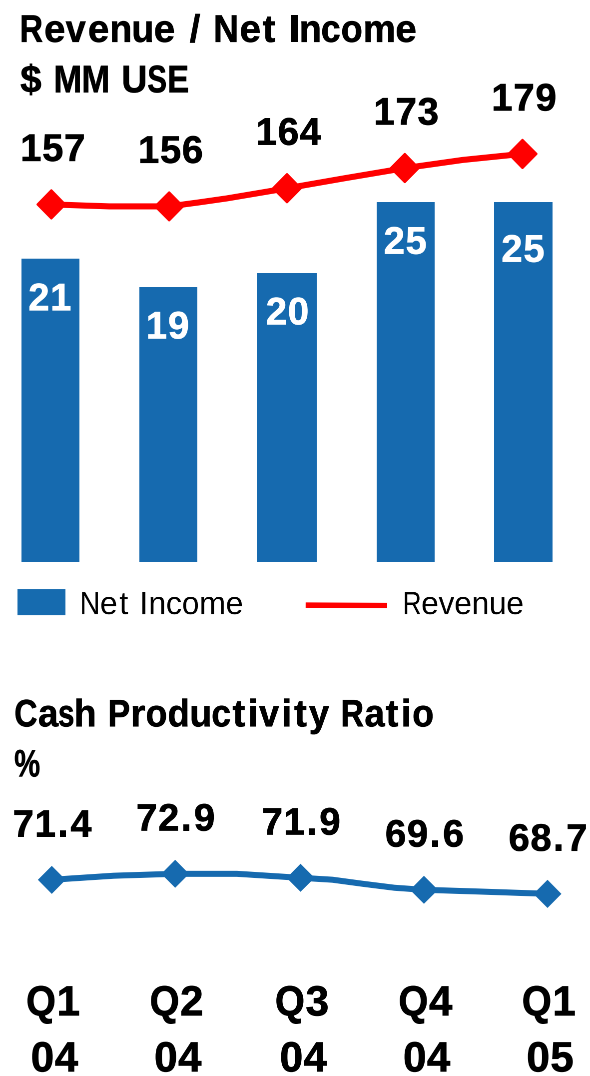
Note

Business Loans (Banks) are issued by CBA on a one calendar quarter lag basis. (Q1 05: September 2004)



P&C CHICAGOLAND

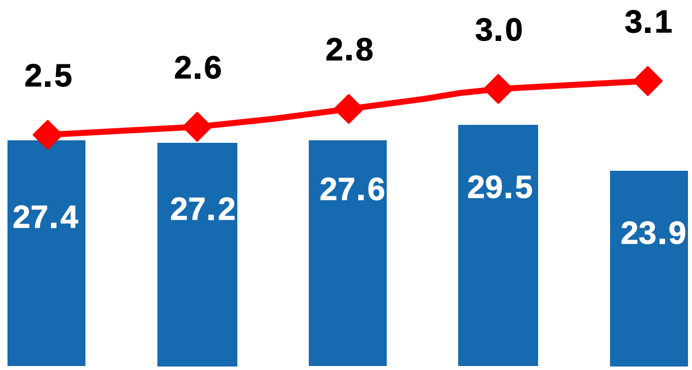
- Solid performance driven by continued strong loan growth and acquisitions
- Cash productivity is steadily improving and has decreased 270 bps since last year
- We continue to grow revenue through acquisitions and strong organic loan growth while managing a declining margin. Expenses are being managed to support productivity improvements while investing in key initiatives such as branch expansion



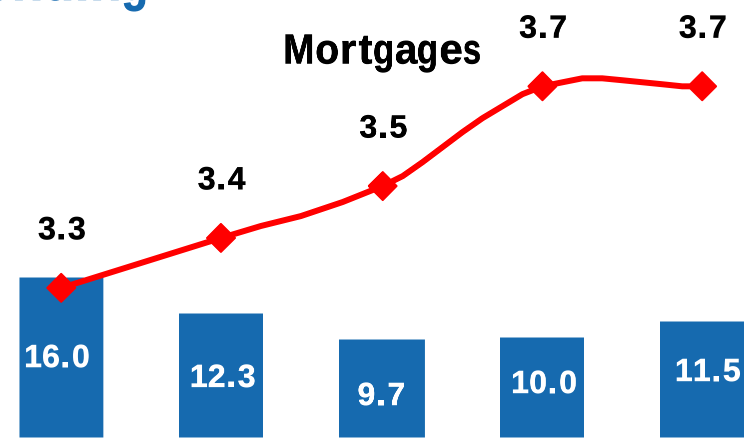
P&C CHICAGOLAND – Consumer

Continued strong growth in consumer lending

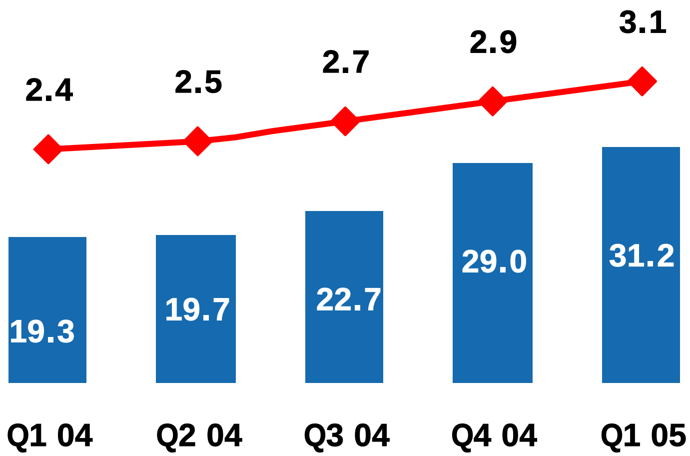
Indirect Auto



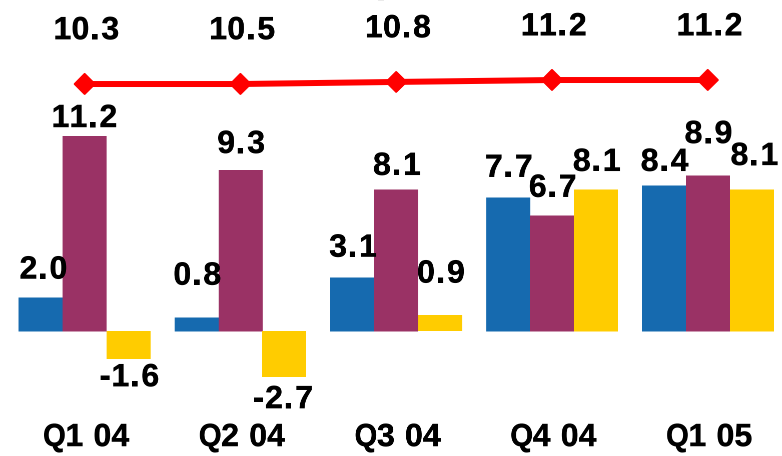
Mortgages



Other Consumer Loans



Deposits



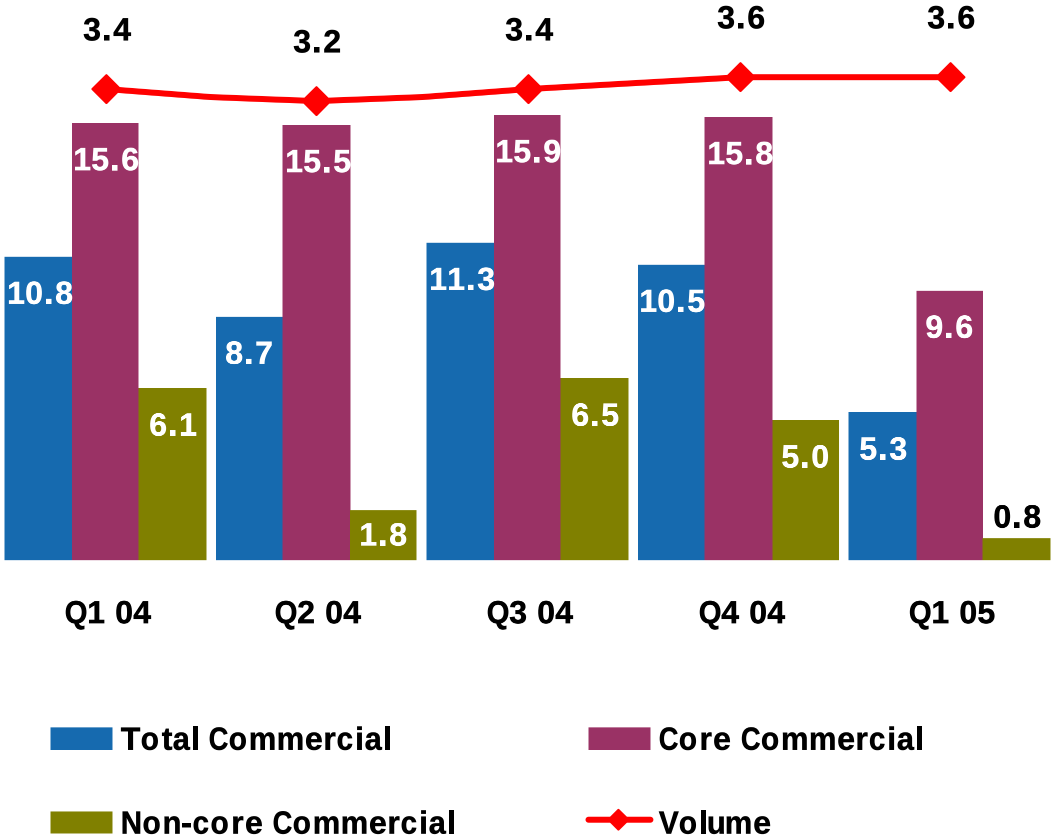
US $ Y/Y Growth (%) — Average Balances ($B US)

Total Consumer
Core Consumer
Non-core Consumer
Volume

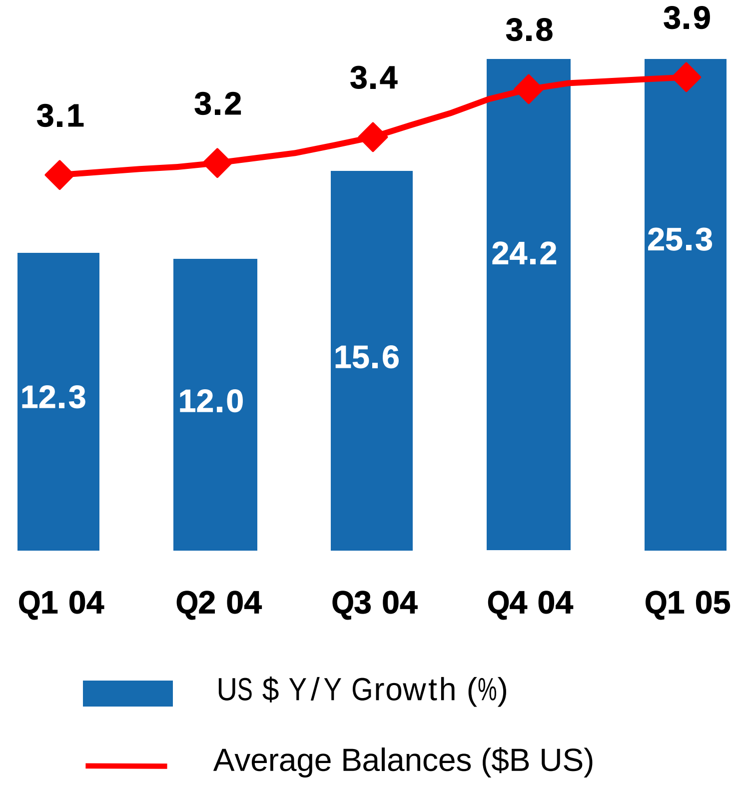
P&C CHICAGOLAND – Commercial

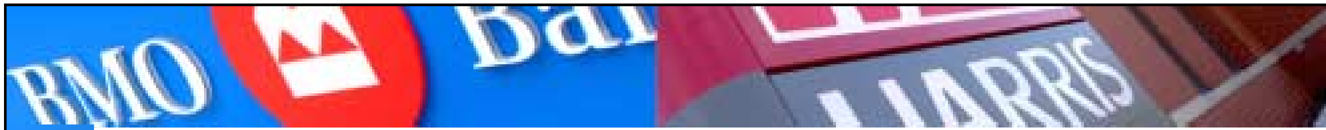
Commercial lending growth beginning to show signs of improvement

Deposits



Loans

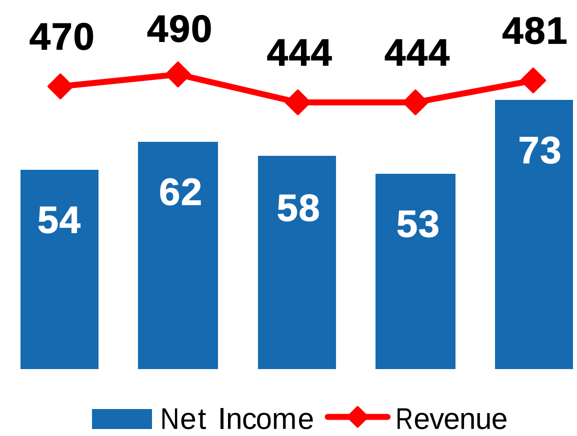




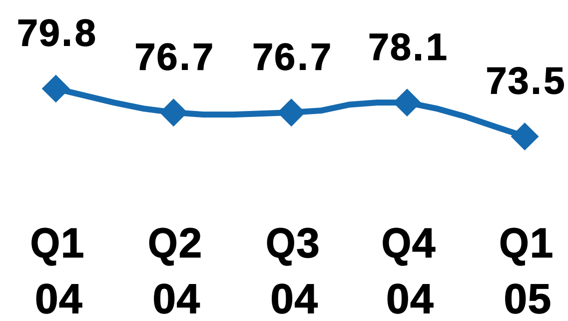
PRIVATE CLIENT GROUP

- Net income growth of 37% Y/Y; achieved through focused business optimization initiatives and positive market fundamentals
- Revenue growth of 4% Y/Y (adjusted for F/X impact on U.S. revenues) benefited from successful revenue generating initiatives and positive market fundamentals
- Revenue growth of 8% Q/Q driven primarily by increased client trading activity in Full-Service and Direct Investing businesses
- Cash Productivity improved 630 bps Y/Y as revenue growth outpaced expense growth due to sustainable cost reduction initiatives

Revenue / Net Income
$MM



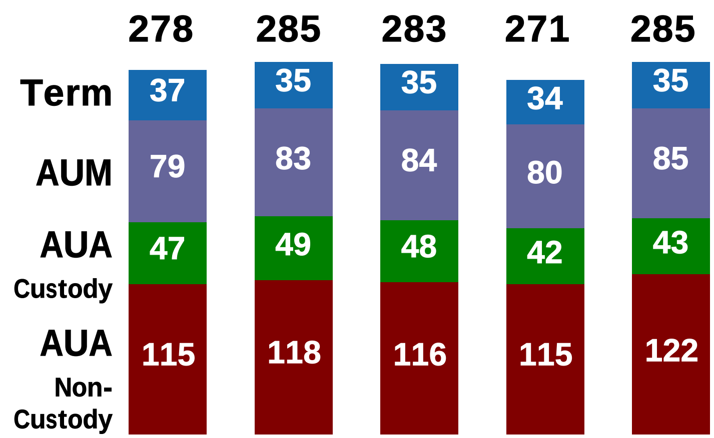
Cash Productivity
%



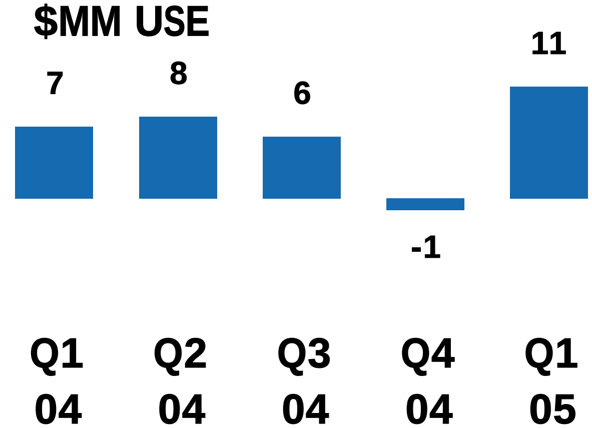
PRIVATE CLIENT GROUP

- Assets under Management and Administration, including term deposits grew 6% Y/Y (adjusted for F/X impact on U.S. assets)
  - Assets under Management grew 11% Y/Y (adjusted for F/X impact on U.S. assets)
  - Non-Custody Assets under Administration grew 9% Y/Y(adjusted for F/X impact on U.S. assets)
  - Term investment products declined 5% Y/Y, due to impact of low interest rate environment
- U.S. cash net income increased Y/Y and Q/Q, largely due to lower expense levels. Revenue declined 4% Y/Y (in source currency) due primarily to lower client trading activity which offset moderate revenue growth in fee-based businesses.

AUA / AUM
$B



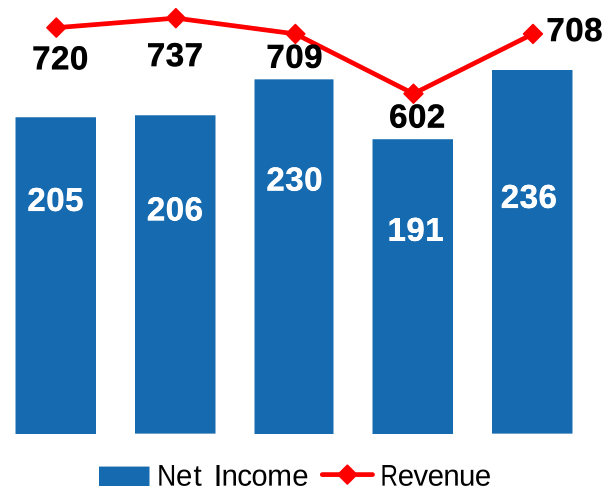
U.S. Cash Net Income
$MM USE



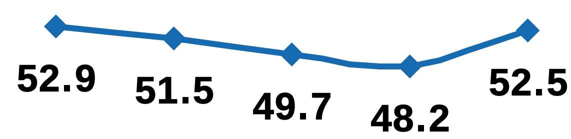
INVESTMENT BANKING GROUP

- Current quarter revenues reflect favourable market conditions despite the negative impact of the stronger Canadian dollar. Q1 2005 also benefited from a $32 MM recovery of prior years' taxes
- Stronger trading revenues, solid commission revenues and improved origination activity positively contributed to revenues both Q/Q and Y/Y. Investment securities gains on adoption of fair value accounting for Merchant Banking investments favourably impacted the quarter.
- The strengthening Canadian dollar, compressed spreads in our interest rate sensitive businesses and on client deposits negatively affected performance both Q/Q and Y/Y
- Productivity improved Y/Y but deteriorated Q/Q

Revenue / Net Income
$ MM



Cash Productivity Ratio
%

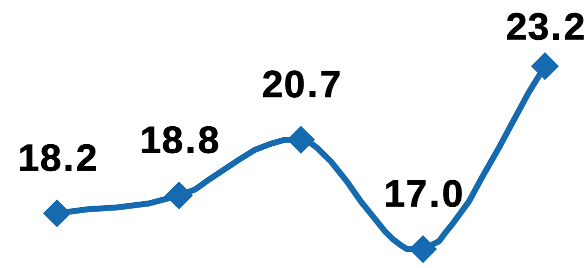


Q1 04 | Q2 04 | Q3 04 | Q4 04 | Q1 05

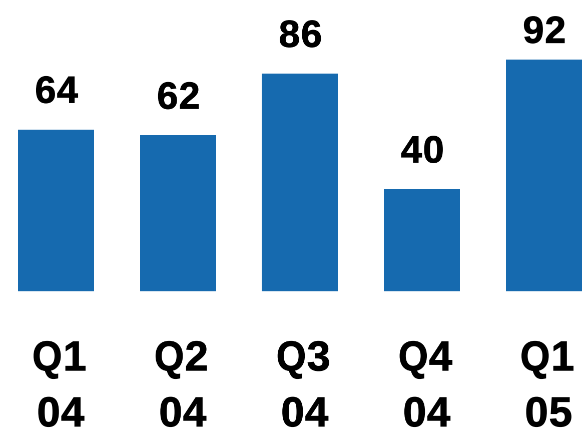
INVESTMENT BANKING GROUP

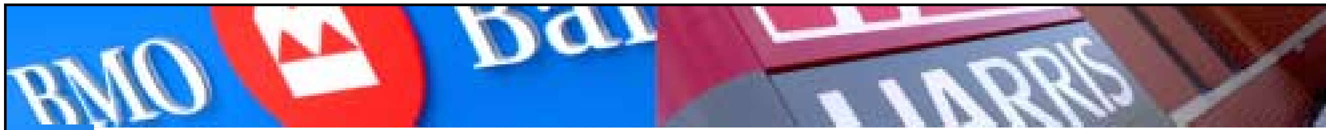
- Trend in ROE is a reflection of markets that softened in Q4 2004 but improved in Q1 2005. Q1 2005 also benefited from a recovery of prior year's taxes. The impact of rising interest rates and the strengthening Canadian dollar negatively impacted ROE
- U.S. net income has improved Q/Q and Y/Y reflecting higher trading income as a result of volatility in the F/X and commodity markets. The adoption of new accounting guidelines related to fair value accounting for Merchant Banking investments also positively impacted results Q/Q and Y/Y

Cash ROE
%



U.S. Net Income
$MM USE

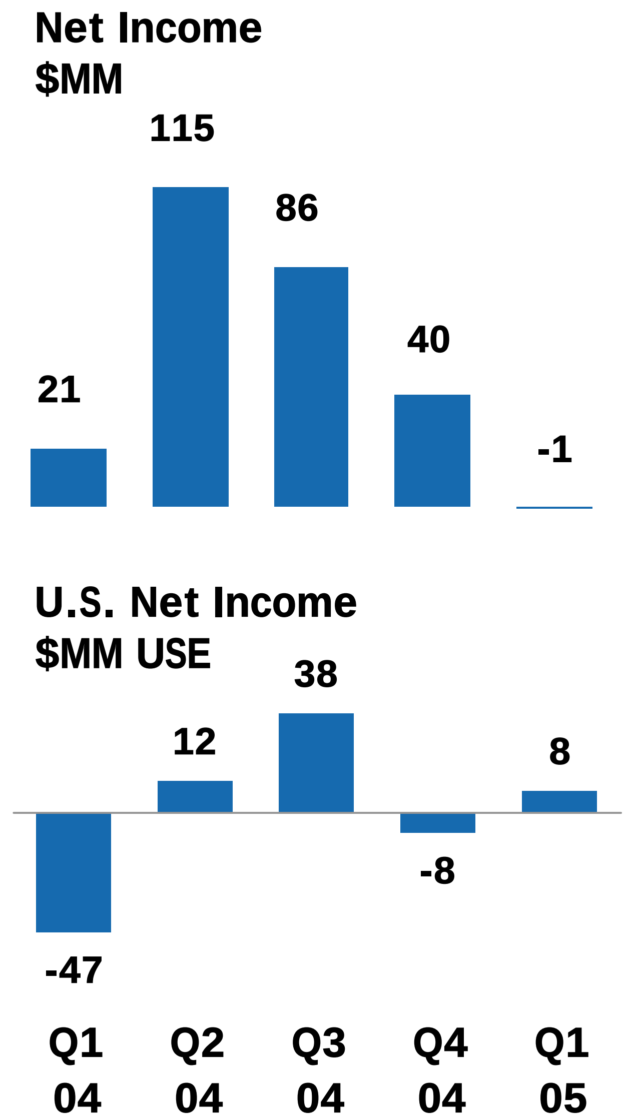




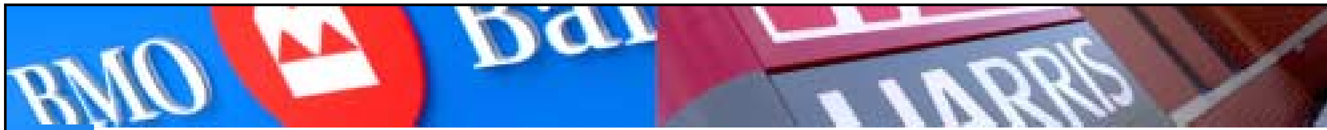
BMO Financial Group

CORPORATE SUPPORT
including Technology and Solutions

- Net income down Q/Q due to reduced recovery of credit losses in part due to reduction of the general allowance in Q4 04, partially offset by higher tax benefits and lower expenses in Q1 05
- Y/Y decline primarily due to $18 MM lift in Q1 04 net income as a result of the reduction of the general allowance and other accounting changes
- U.S. net income up Y/Y primarily due to lower PCL in Q1 05 and increase in future tax liabilities related to U.S. real estate of $14 MM USE in Q1 04



Appendix



2004 RESTATEMENTS

Accounting Change

- Preferred equity and capital trust securities convertible by the holder into common shares now classified as liabilities, and dividends / payments on these instruments recorded as interest expense

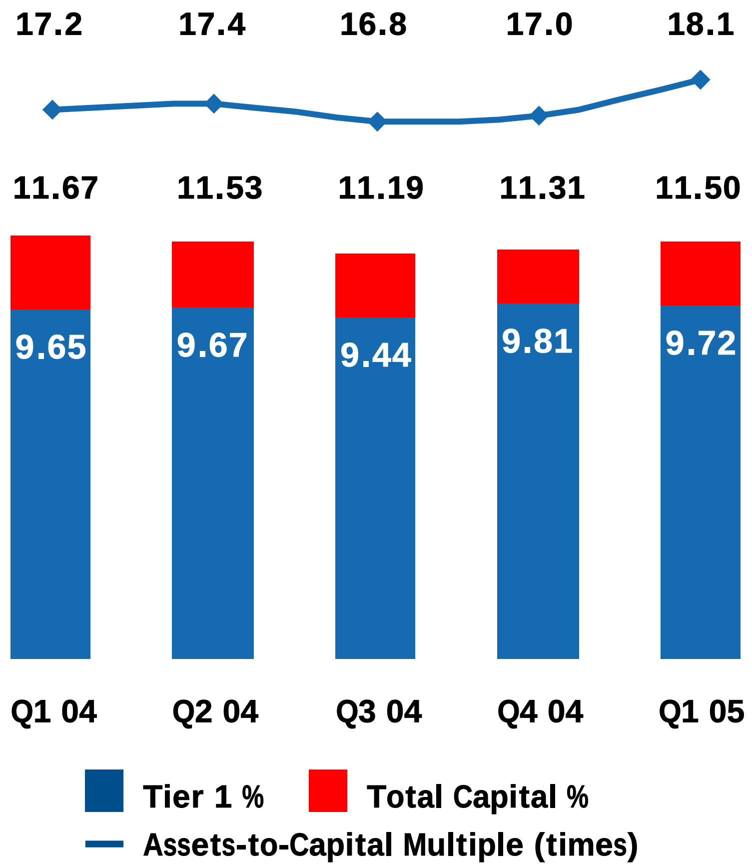
Other Items

- Implemented new funds transfer pricing and costing methodologies used to measure financial performance across all lines of business and transferred business functions to improve alignment of operations with strategies. Balances have been restated and results not significantly different at the operating group level

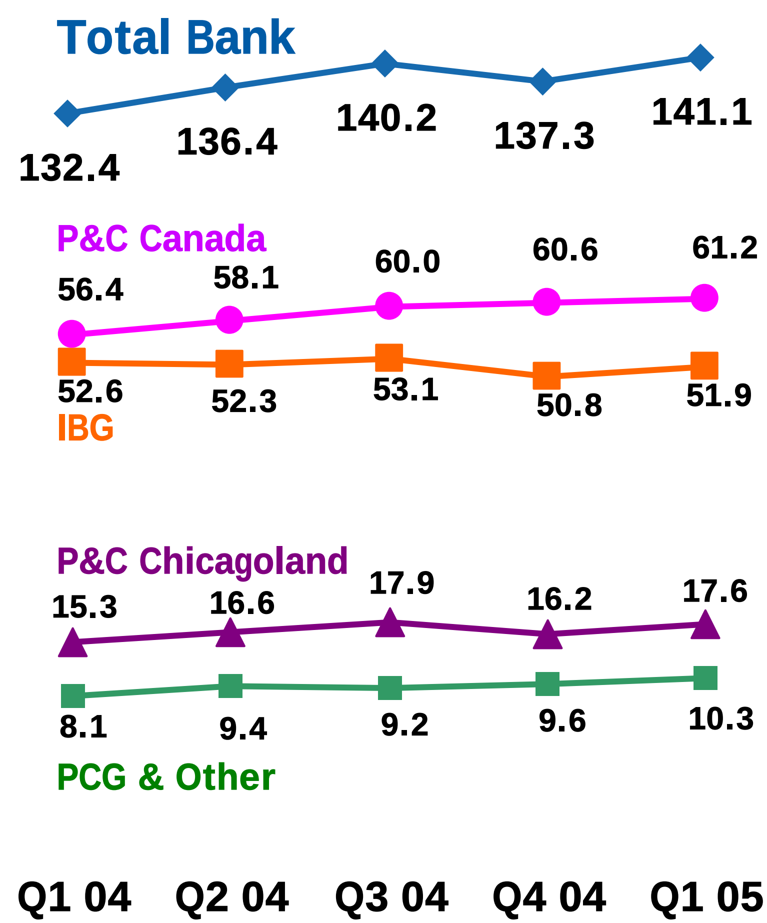
	F2004 Reported		F2004 Revised	
	Net Income ($MM)	Cash ROE (%)	Net Income ($MM)	Cash ROE (%)
P&C	1,003	25.3	985	25.7
IBG	856	18.4	832	18.7
PCG	231	17.3	227	17.2
Corporate	261	n.m.	262	n.m.
TOTAL	2,351	20.1	2,306	20.1

CAPITAL & RISK WEIGHTED ASSETS

Tier 1 capital ratio increased Y/Y as capital generation more than offset RWA growth



Risk Weighted Assets
$B

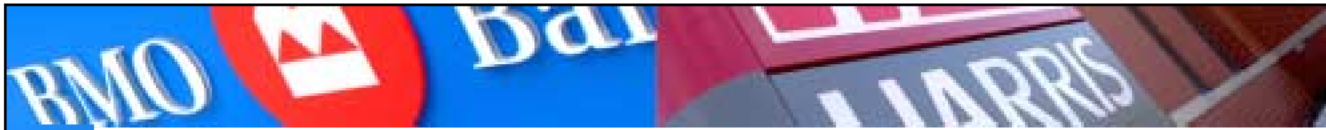


NORTH AMERICAN DIRECT INVESTING [1]

Positive market conditions benefited client trading activity Q/Q, Y/Y lower due to heightened client trading activity in Q1'04

Measure	Q1 2004	Q4 2004	Q1 2005	Q/Q Change (%)	Y/Y Change (%)
Trades / Day (000)	25	16	22	38	(11)
Customer Assets ($B)	52	49	53	2	8
Active Accounts (000)	765	733	713	(3)	(7)
New Accounts (000)	19	15	16	11	(13)
Assets per Account (000)	51	55	55	0	6

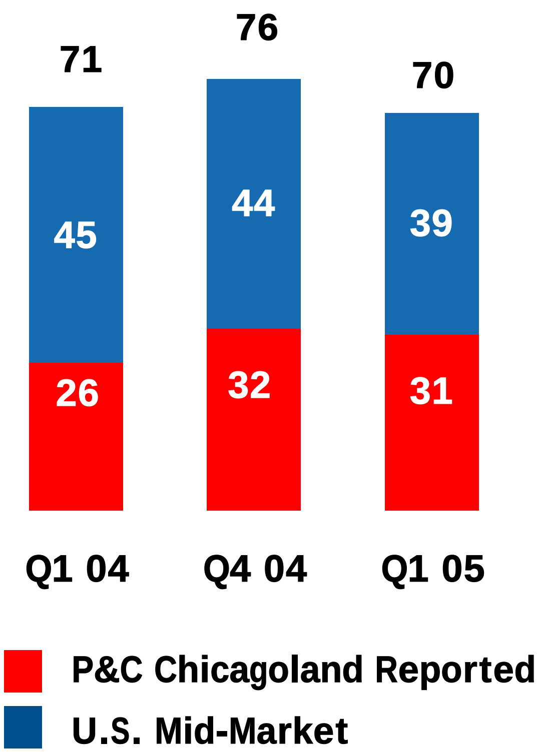
[1] North American Direct Investing includes Harris*direct* and BMO InvestorLine



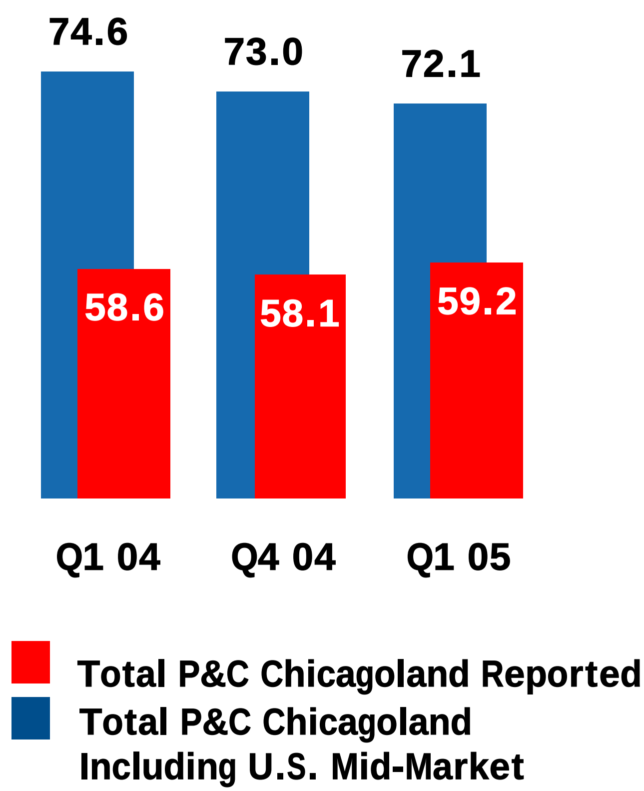
U.S. RETAIL AND MID-MARKET

Operations represent 35% of U.S. revenue and 20% of U.S. expenses in Q1 2005

Net Income
(C$MM)



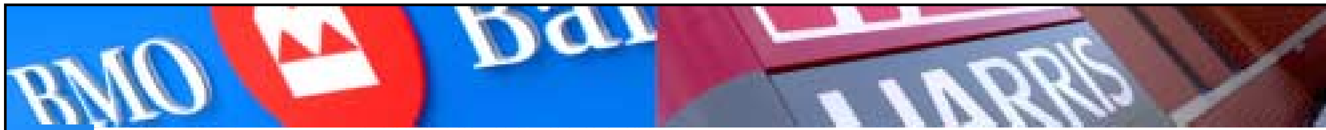
Productivity Ratio
(%)



U.S./CANADIAN EXCHANGE

- $(9) MM pre-tax earnings decrease Q/Q and
  $(16) MM decrease Y/Y
- Excluding hedging, a one cent change in the CDN/U.S. exchange rate changes quarterly earnings by approximately $1 MM pre-tax

$MM	Q/Q	Y/Y
Reduced Revenue	(29)	(52)
Reduced Expense	18	33
Reduced (increased) Provision for Credit Losses	1	2
Hedging gains	1	1
Total Pre-tax Impact	**(9)**	**(16)**



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