



Q1 06

STRATEGIC OVERVIEW

Investor Community Conference Call

BMO  **Financial Group**

TONY COMPER
President & Chief Executive 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.



HIGHER REVENUES DRIVE IMPROVED YEAR-OVER-YEAR PERFORMANCE

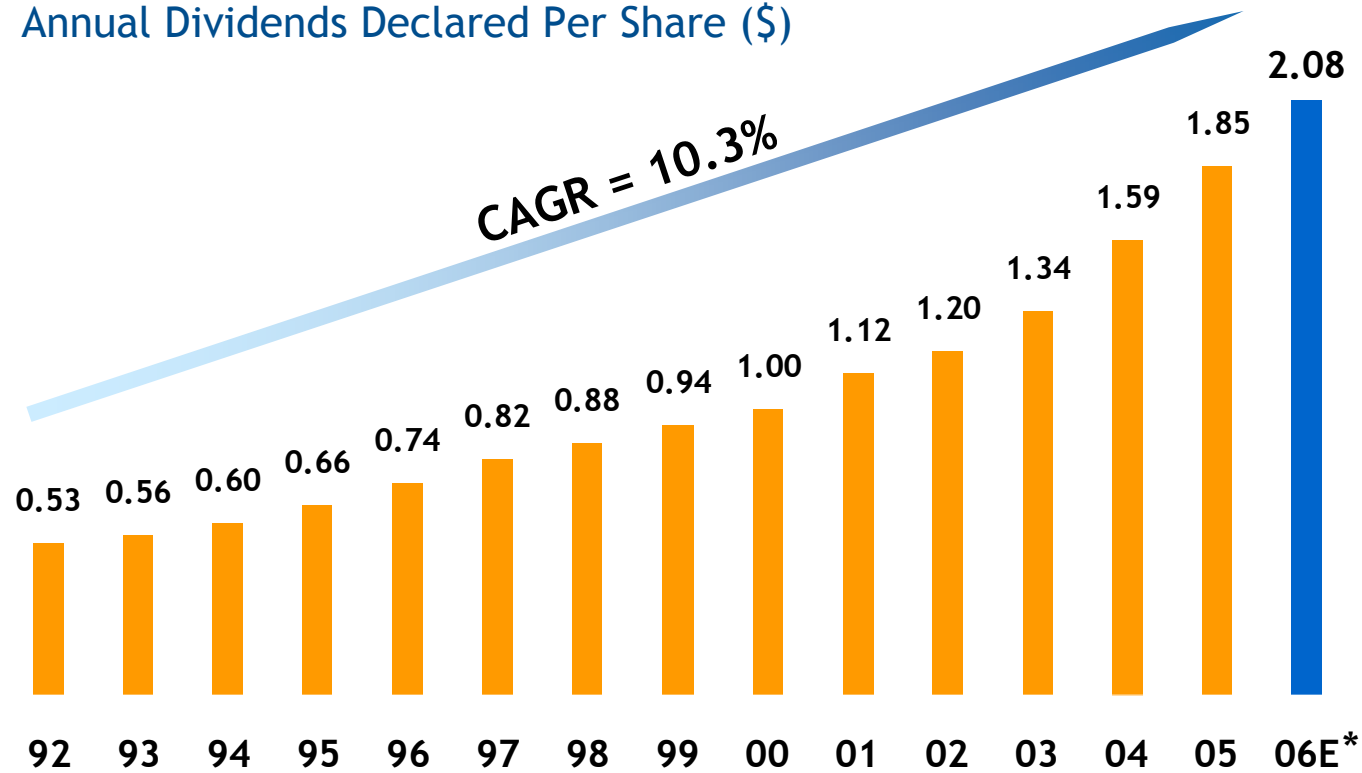
Performance Measure	Q1 2006	Q1 2005
Net Income	\$630 MM	\$602 MM
Cash Net Income	\$639 MM	\$621 MM
EPS	\$1.22	\$1.16
Cash EPS	\$1.24	\$1.19
Cash Productivity	61.1%	61.9%
Return on Equity	18.5%	19.4%



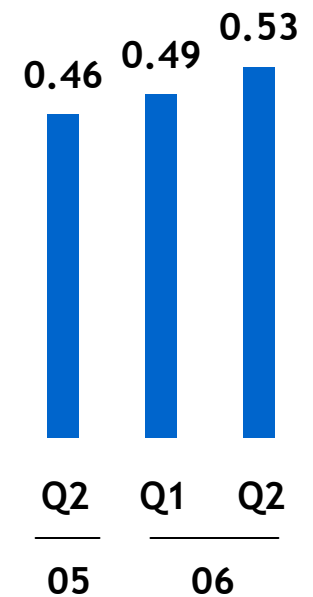
QUARTERLY DIVIDEND INCREASES 8.2%

15% increase since Q2 2005

Annual Dividends Declared Per Share (\$)



Quarterly Dividends Declared Per Share (\$)



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







ON TRACK TO ACHIEVE 2006 TARGETS

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

¹ excluding changes in the general allowance



2006 PRIORITIES

	Achieve financial targets with a particular focus on revenue growth to improve productivity
	Drive revenue growth by providing a superior client experience and earning a larger share of customers' business
	Continue to improve U.S. performance
	Accelerate growth in the United States both organically and through acquisitions
	Grow net income in Canada through operational efficiency and improved market share, accelerating our growth in commercial banking and wealth management
	Build a high-performance organization by developing our people, living our values and being an employer of choice
	Maintain our world-class foundation of leading governance, sound risk management, productive systems and excellent after sales service



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