Q2 05

FINANCIAL RESULTS
Investor Community Conference Call

KAREN MAIDMENT
Senior Executive Vice President and Chief Financial Officer

MAY 25 • 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.

Q2 2005 FINANCIAL HIGHLIGHTS

- **Business growth Y/Y in P&C and wealth management group offset by IBG and Corporate**
  - Volume-based revenue growth in P&C
  - Strong full-service investing and mutual fund performance
  - Weaker results in certain IBG businesses
  - Lower investment securities gains in Corporate
- **Continued solid credit performance**
  - $46MM specific provision for credit losses in Q2
  - $40MM reduction in general allowance this quarter
- **Meeting cash productivity improvement target remains a key management focus**

EPS Growth	3.6%
ROE	19.5%
Specific PCL	$46 MM
Tier 1 Capital	9.38%
Cash Productivity	64.0%

SIGNIFICANT ITEMS

Item	Pre-Tax Impact ($MM)	After-Tax Impact ($MM)	EPS Impact ($/share)	Group, Geography & Income Statement Category
Q2 2005				
General Allowance Reduction	40	26	0.05	Corporate Support, Canada - PCL
Accounting Gain on Restructuring of VIEs	44	37	0.07	IBG, U.S. and Canada - Revenue
Fair Value Adjustment on Merchant Banking	(6)	(4)	(0.01)	Primarily IBG, U.S. and Canada - Revenue
Tax Recovery	-	20	0.04	P&C Canada, Other - Tax
Litigation Provision	(25)	(16)	(0.03)	Corporate Support, U.S. - Expense
Q2 2005 Total Impact	**53**	**63**	**0.12**	
Q1 2005				
Tax Recovery	-	32	0.06	IBG, Other - Tax
Fair Value Adjustment on Merchant Banking	32	21	0.04	Primarily IBG, U.S. & Canada-Revenue
Q1 2005 Total Impact	**32**	**53**	**0.10**	
Q2 2004				
General Allowance Reduction	40	26	0.05	Corporate Support, Canada - PCL
Card Fee Adjustment	(51)	(33)	(0.06)	P&C Canada, Canada - Revenue
Investment Gains	93	60	0.12	IBG and Corporate Support, U.S. and Canada - Revenue
Break Funding Costs	(44)	(29)	(0.06)	IBG, Canada - Revenue
Q2 2004 Total Impact	**38**	**24**	**0.05**	

Q2 2005 FINANCIAL SUMMARY

Performance Measure	Q2 2005	Q1 2005	Q2 2004	YTD 2005	YTD 2004
Net Income ($ MM)	**600**	602	591	1,202	1,112
Cash EPS - Diluted ($/share)	**1.21**	1.19	1.17	2.40	2.20
EPS - Diluted ($/share)	**1.16**	1.16	1.12	2.32	2.12
Cash Return on Equity (%) *	**20.2**	20.0	21.1	20.1	20.1
Return on Equity (%) *	**19.5**	19.4	20.4	19.5	19.4
Revenue Growth - Y/Y (%)	**(0.7)**	2.9	12.2	1.1	7.8
Expense Growth - Y/Y (%)	**0.9**	(1.8)	5.4	(0.4)	2.2
Cash Productivity Ratio (%)	**64.0**	61.9	62.9	62.9	63.8
Productivity Ratio (%)	**65.0**	62.9	64.0	63.9	64.9
PCL/Avg. Loans Accept. (%) *	**0.01**	0.11	0.01	0.06	0.03
Capital: Tier 1 Ratio (%)	**9.38**	9.72	9.67	9.38	9.67

* Annualized

Q2 2005 GROUP NET INCOME

Group	Q2 2005	Q1 2005	Q2 2004
P&C Canada	**263**	263	181
P&C Chicagoland	**30**	31	25
Total P&C	**293**	294	206
IBG	**206**	237	206
PCG	**77**	73	63
Corporate Support	**24**	(2)	116
Total Bank	**600**	602	591
Corporate Support Details			
Significant Items*	10	-	52
Specific PCL	36	37	48
Other Corporate	(22)	(39)	16
Total Corporate Support	24	(2)	116

* See slide 3 for details on significant items

CASH EPS GROWTH

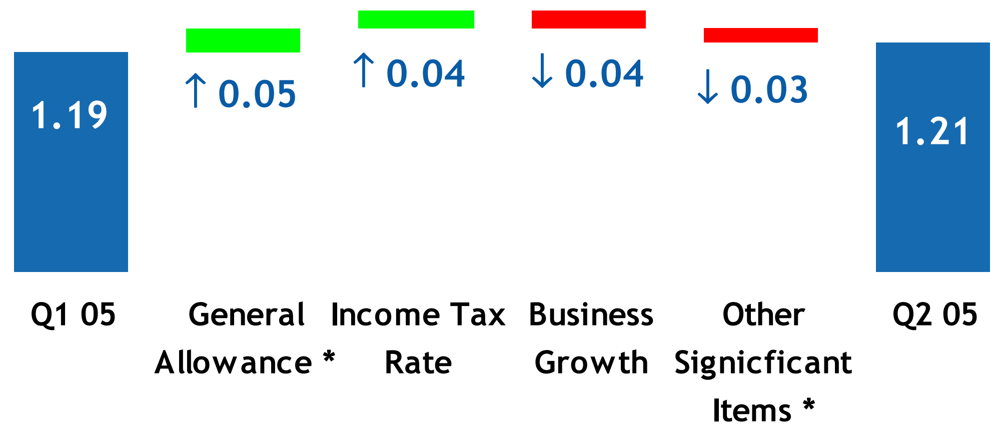
Q/Q Earnings Growth Drivers:

- Benefits from the reduction of the general allowance and income tax rate offset by decline across certain businesses in IBG

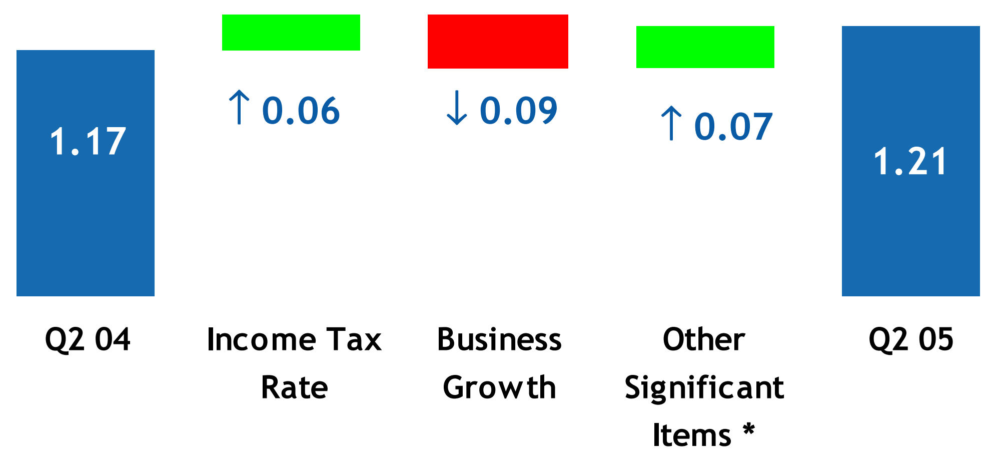
Y/Y Earnings Growth Drivers:

- Strong business growth in P&C and PCG businesses more than offset by weaker earnings in IBG
- Significant items net benefit attributable to revenue from VIEs restructuring
- Lower effective tax rate excluding significant items

Q2 05 vs. Q1 05 ($/Share)



Q2 05 vs. Q2 04 ($/Share)



* See slide 3 for details on general allowance and other significant items

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REVENUE GROWTH

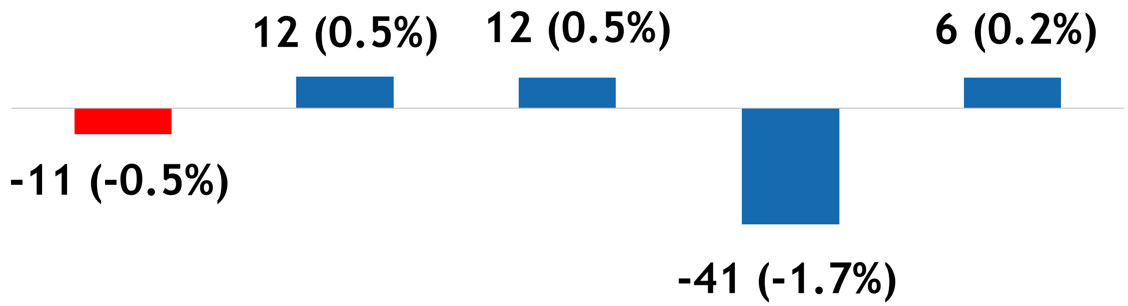
Q/Q

- Improvement in PCG's full-service investing and mutual funds more than offset by decline in some businesses in IBG and three fewer days in the quarter
- Acquisitions include Mercantile

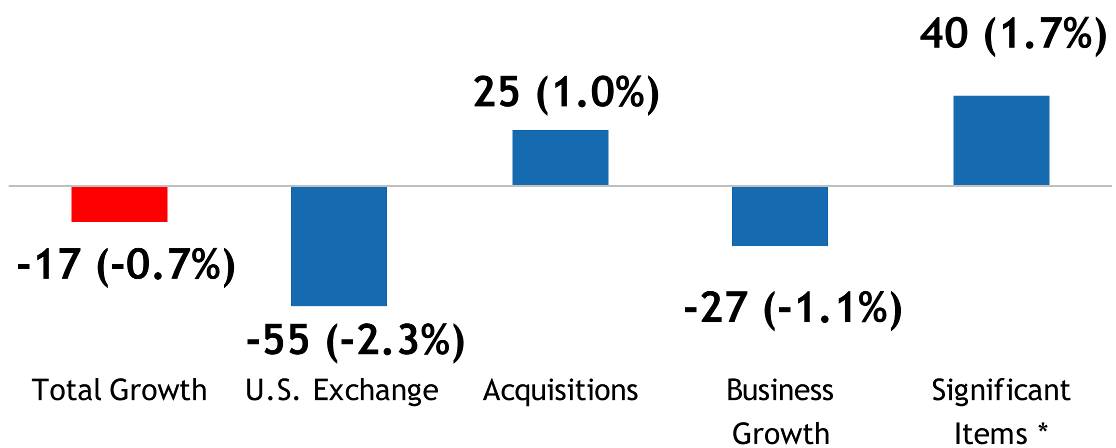
Y/Y

- Volume growth in P&C and higher full-service investing in PCG more than offset by decline in certain businesses in IBG
- Acquisitions include Mercantile, New Lenox and Lakeland

Q2 05 vs. Q1 05 ($MM)



Q2 05 vs. Q2 04 ($MM)



* See slide 3 for details on significant items

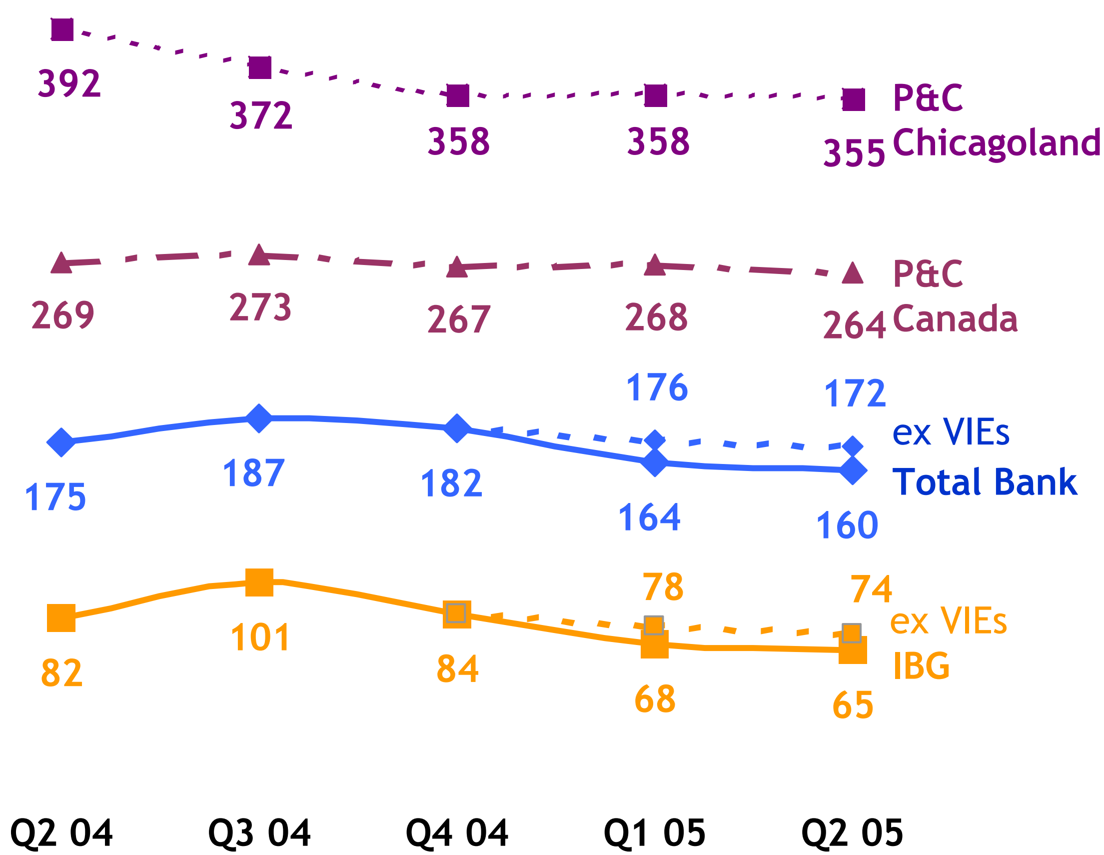
NET INTEREST MARGINS (bps)

Q/Q

- IBG decline due to lower spreads on corporate loans and interest rate sensitive businesses
- P&C margins down both in Canada and Chicagoland due to competitive pressures

Y/Y

- IBG decline due to VIEs and lower spreads on client deposits, corporate loans and interest rate sensitive businesses
- P&C Chicagoland decline in retail and business banking due to competitive pressures limiting ability to pass on higher short-term rates to loan customers and lower spreads on longer-term deposits



EXPENSE GROWTH

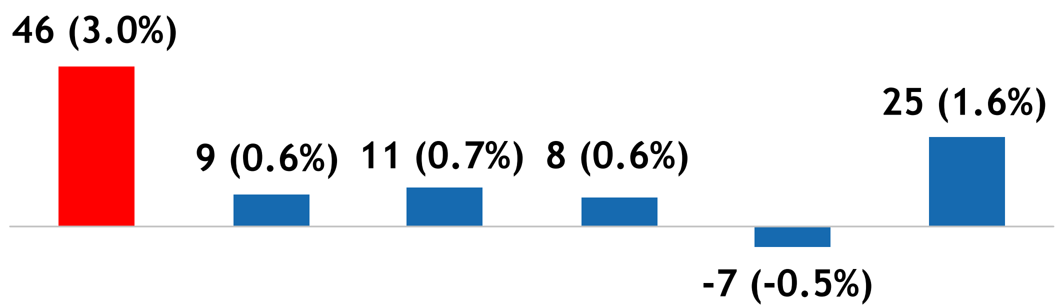
Q/Q

- Business growth primarily due to volume-driven costs in P&C
- Performance-based compensation decrease primarily in IBG partially offset by higher PCG commissions in full-service investing
- Acquisitions include Mercantile

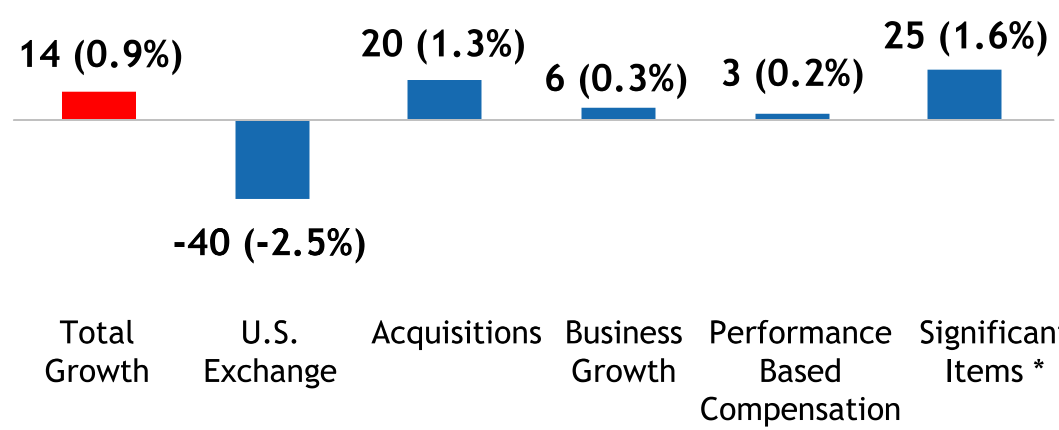
Y/Y

- Business growth minimal as increase for Chicagoland initiatives and IBG costs mostly offset by lower PCG costs
- Performance-based compensation contained as PCG higher commissions in full-service investing, offset by lower costs in IBG
- Acquisitions include Mercantile, New Lenox and Lakeland

Q2 05 vs. Q1 05 ($MM)



Q2 05 vs. Q2 04 ($MM)

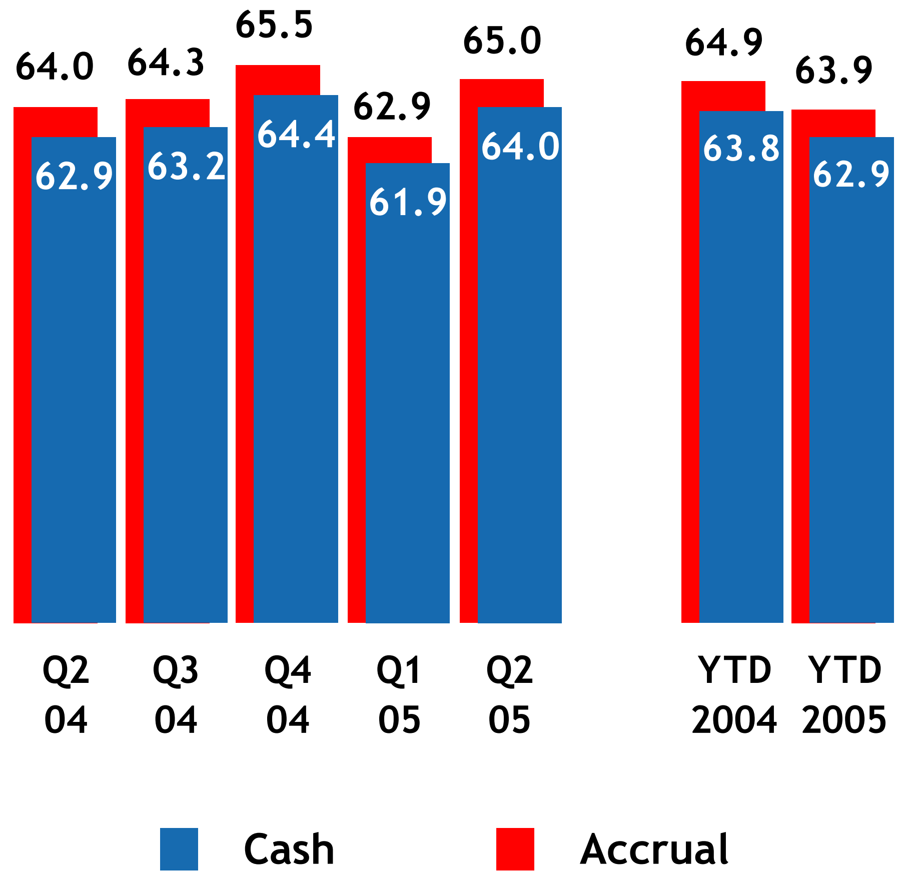


* See slide 3 for details on significant items

CASH PRODUCTIVITY RATIO

213 bps deterioration Q/Q — 106 bps Y/Y

- Revenue/expense differential of (1.6) percentage points Y/Y
- YTD improvement of 90 bps. Excluding VIEs, YTD improvement of 31 bps
- Management continues to focus on growing revenues while controlling costs

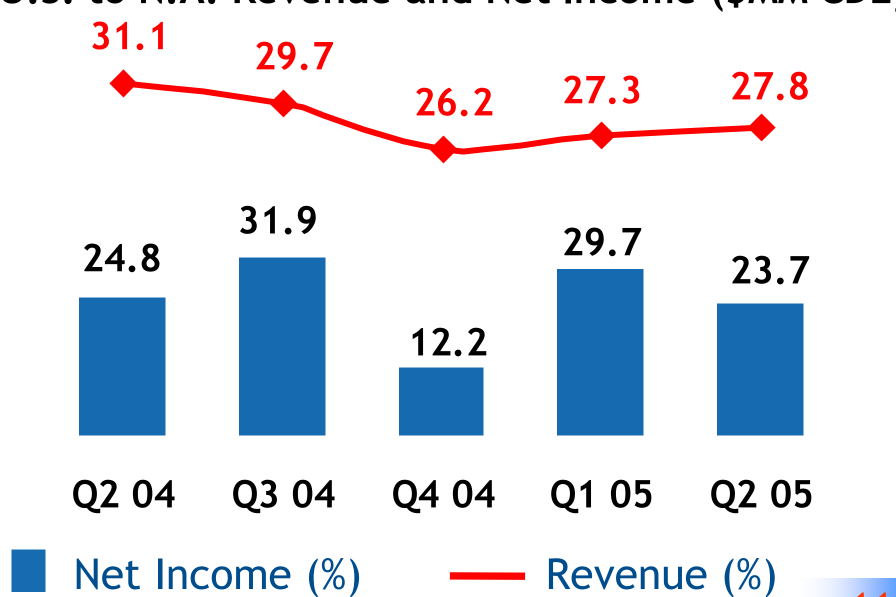


U.S. RESULTS

- Revenue contribution from U.S.-based business within 25% – 35% range
- Net income from U.S.-based business $103MM USE or 23.7% of North American net income
- Y/Y increase driven by portion of VIEs benefit and lower PCL, offsetting IBG decline in certain businesses
- Q/Q decline due to challenging market conditions in IBG and litigation provision in Corporate
- Gain on VIEs in Q2 offset by merchant banking gain in Q1
- Growing revenues while controlling costs remains a top management priority
- Charter consolidation in P&C Chicagoland on track to be completed in May 2005 and to provide benefits in 2006

Net Income ($MM USE)	Q2 05	Q1 05	Q2 04	YTD 05	YTD 04
P&C	25	25	19	50	40
PCG	3	3	1	6	-
IBG	81	92	62	173	126
Corporate	(6)	8	13	2	(35)
TOTAL	103	128	95	231	131

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



FISCAL 2005 TARGETS

Performance Measure	Q2 YTD 2005	F2005 Target
EPS Growth[1] (base of $4.21)	12%	3%-8%
Specific Provision for Credit Losses	$89MM	$400MM or less *Now estimated to be:* $275MM or less
Cash Productivity Ratio	90 bps improvement [2]	150-200 bps improvement
Return On Equity	19.5%	17%-18%
Tier 1 Capital Ratio	9.38%	Minimum 8%

[1] Excluding changes in the general allowance

[2] Cash productivity improvement 31 bps YTD excluding VIE benefits

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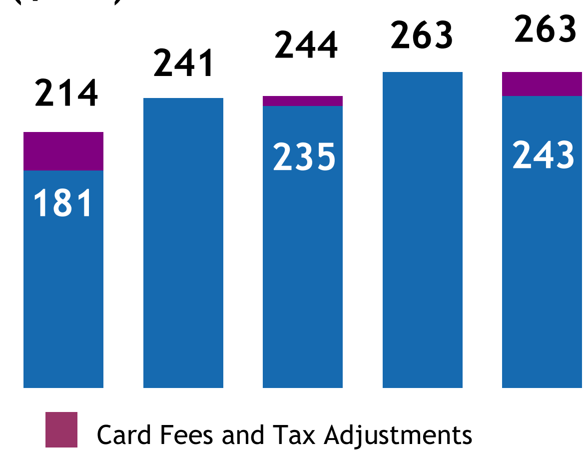
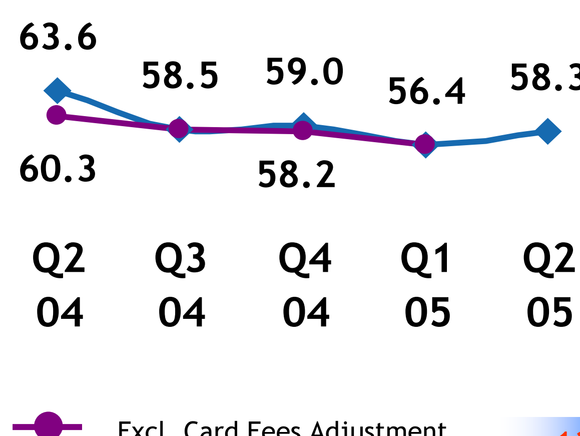
P&C CANADA

- Reported net income increased 45% Y/Y driven by strong revenue growth in personal and commercial products, higher card fee revenue, effective cost management and the benefit of a $20MM recovery of prior years' income taxes in the current quarter
- Results in Q2 04 were negatively impacted by a $51MM ($33MM after-tax) adjustment to card fees
- Net income, excluding the card fee adjustment and the income tax recovery, improved 13% Y/Y and declined 8% Q/Q primarily due to three fewer days in the current quarter
- Revenue excluding the card fee adjustment increased 5% Y/Y and declined 2% Q/Q
- Cash productivity excluding the card fee adjustment improved by 200 bps Y/Y and deteriorated by 190 bps Q/Q. The Y/Y improvement was primarily due to strong revenue growth and effective cost management while the Q/Q deterioration was due to three fewer days in the current quarter and higher expenses.

Net Income ($MM)



Cash Productivity (%)



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P&C CANADA

Personal Banking

- Strong growth in mutual funds continues to be offset by erosion in the personal loan market share
- Total personal market share of banks decreased 4 bps Q/Q and 24 bps Y/Y to 13.01%
- Residential mortgage market share declined 2 bps Q/Q and 19 bps Y/Y to 14.29%

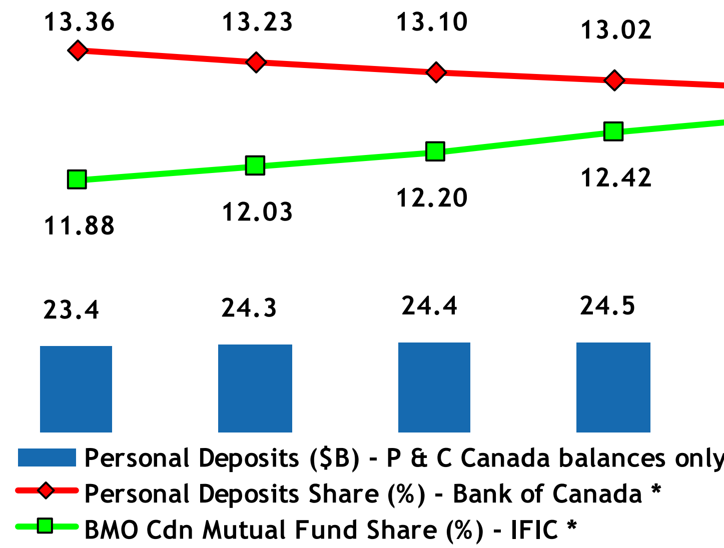
Balance Growth	**Y/Y Growth**	**Q/Q Growth**
Residential Mortgages	9.1%	1.2%
Personal Loans	8.8%	1.7%
Personal Deposits	4.7%	(0.3%)

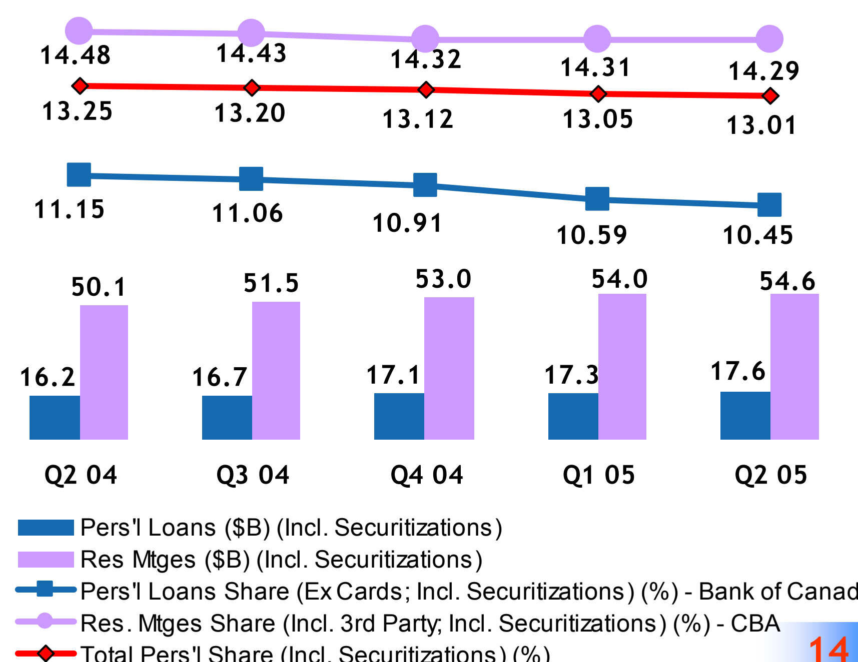
Notes:

Personal share statistics are issued on a one-month lag basis. (Q2 05: March 2005)

Market share trends versus all FI's are consistent with the banks

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





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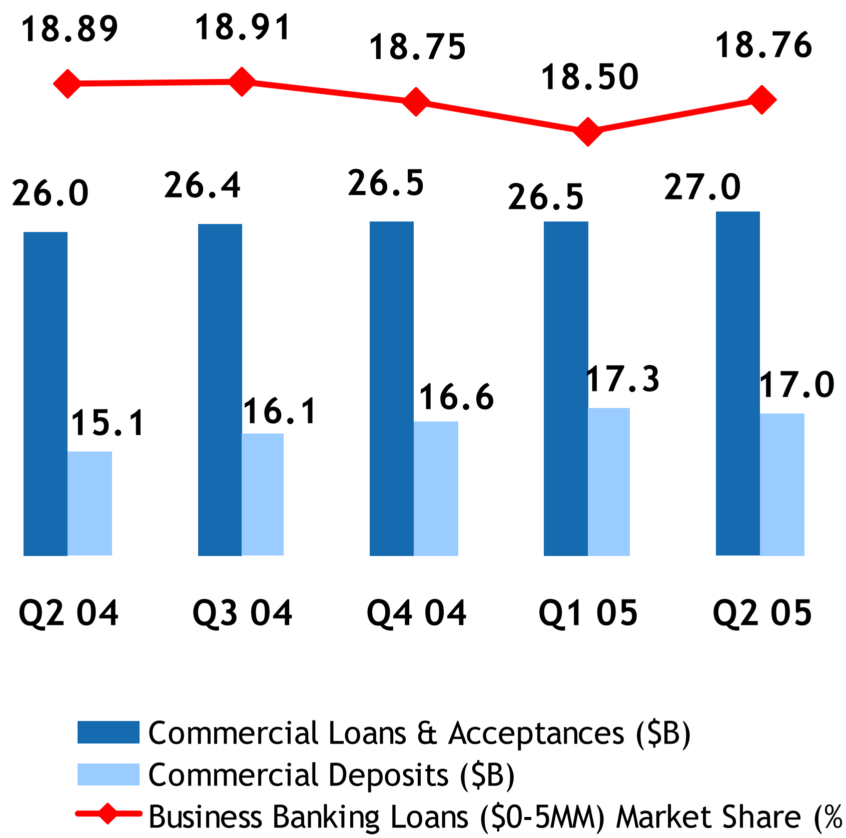
P&C CANADA

Commercial Banking

- BMO continued to rank 2nd in business banking market share for business loans $5MM and below
- Business banking market share improved 26 bps Q/Q
- Strong volume growth in a soft market produced increased market share in all customer segments

Balance Growth	**Y/Y Growth**	**Q/Q Growth**
Commercial Loans & Acceptances	3.9%	2.0%
Commercial Deposits	12.3%	(2.0%)



Note

Business loans (Banks) are issued by CBA on a one calendar quarter lag basis. (Q2 05: December 2004)

Market share restated to reflect the latest CBA data

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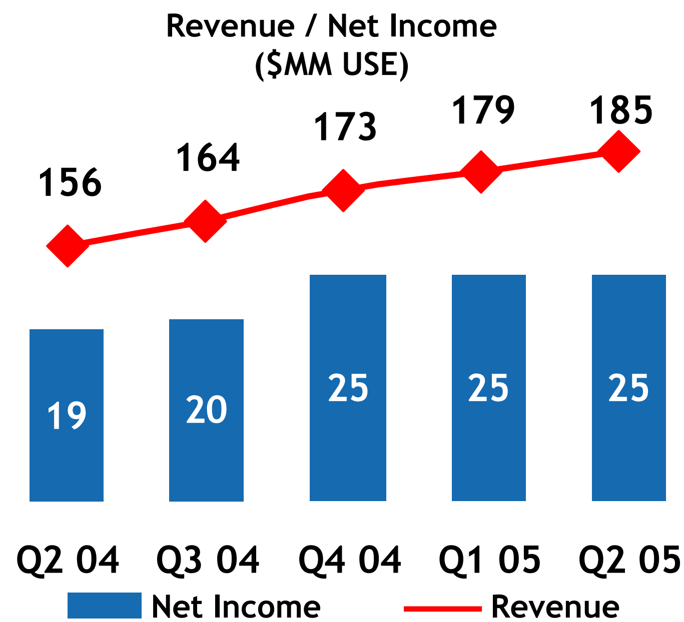
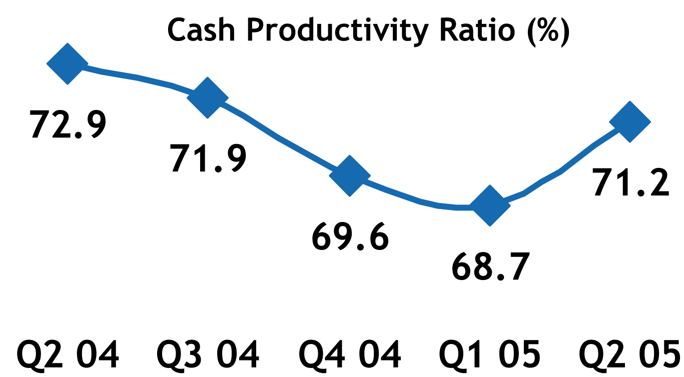
P&C CHICAGOLAND

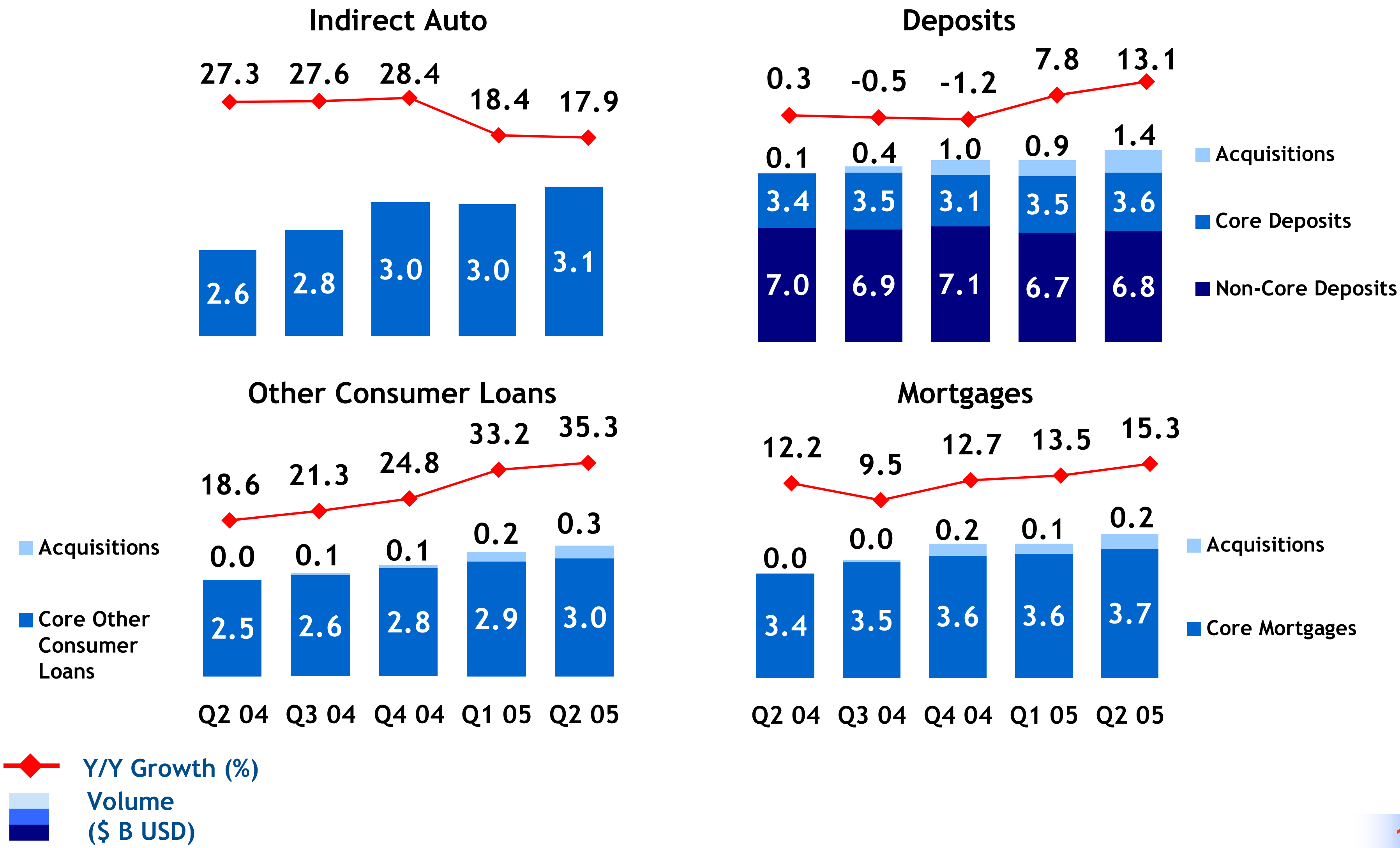
- Solid performance driven by continued strong loan growth and acquisitions
- Revenue has increased 19% over last year as a result of acquisitions and strong organic loan growth while managing a declining margin
- Expenses are being managed to support productivity improvements while investing in key initiatives such as branch expansion and our charter consolidation
- Cash productivity is steadily improving and is 170 bps better than last year. The increase Q/Q is primarily the result of fewer days and the impact of one time acquisition costs.
- The acquisition of Mercantile Bancorp Inc. and a new branch opening in April increases our Harris community banking network to 190 locations in Chicago and Northwest Indiana





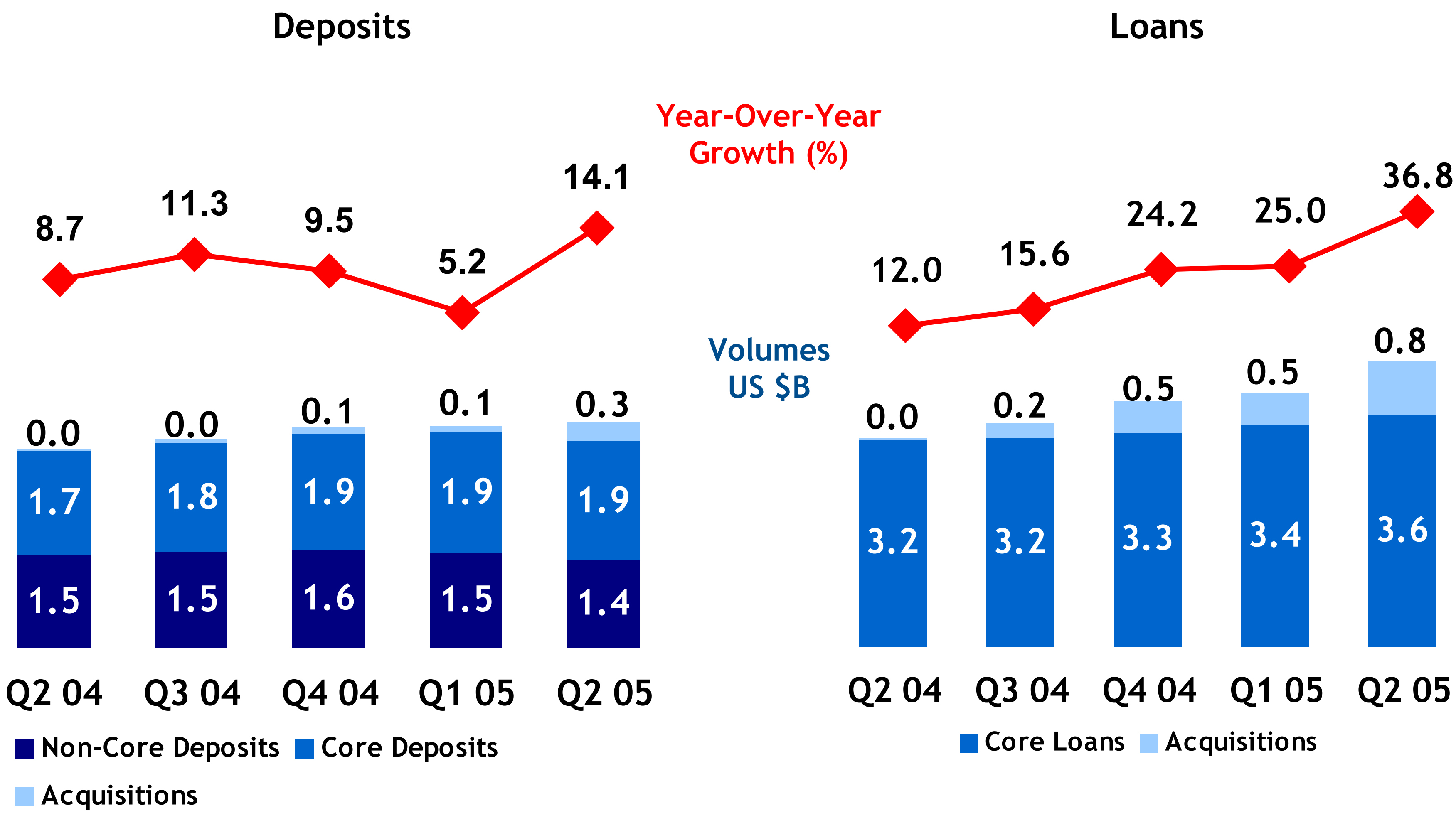
P&C CHICAGOLAND – Consumer

- Continued strong growth in core consumer business



P&C CHICAGOLAND – Commercial

- Commercial lending growth continues to show signs of improvement



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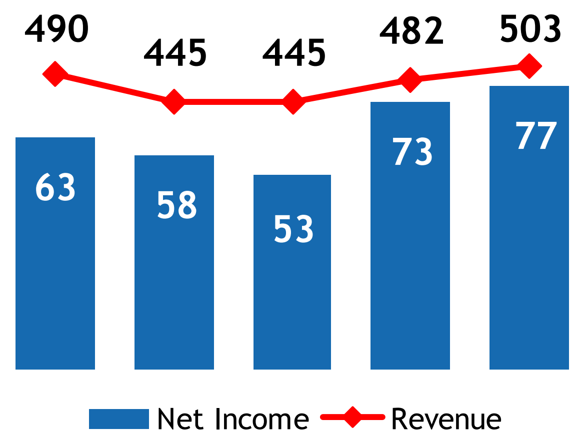
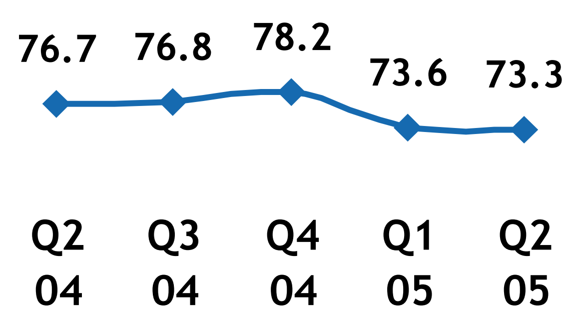
PRIVATE CLIENT GROUP

- Net income rose 24% Y/Y to a record $77MM for Q2 05
- Revenue growth of 5% Y/Y (adjusted for F/X impact on U.S. revenues) reflects growth in full-service investing and mutual fund businesses, which offset lower revenues in direct investing
- Cash productivity improved 340 bps on a favourable 5% revenue/expense growth differential Y/Y

Revenue / Net Income ($MM)



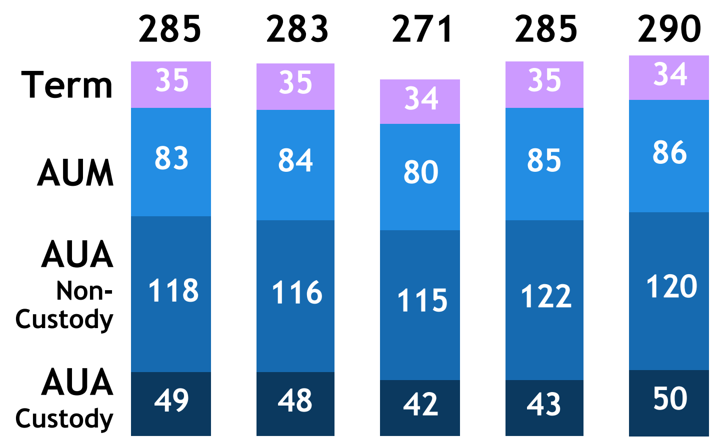
Cash Productivity (%)



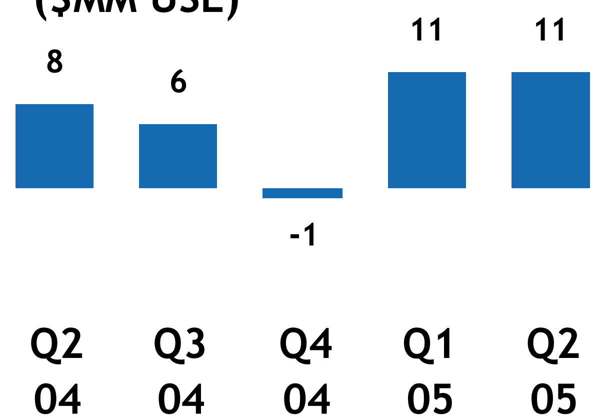
PRIVATE CLIENT GROUP

- Assets under management and administration, including term deposits of $290B grew 6% Y/Y (adjusted for F/X impact on U.S. assets)
  - Assets under management and non-custody assets under administration, the primary drivers of our fee and commission revenue base, each grew 8% Y/Y (adjusted for F/X impact on U.S. assets)
  - Term investment products declined 2% Y/Y on softer demand
- U.S. cash net income increased Y/Y, largely due to lower expense levels. Revenue declined 6% Y/Y (in source currency) due primarily to lower revenue in direct investing which offset moderate revenue growth in fee-based businesses.

AUA / AUM ($B)



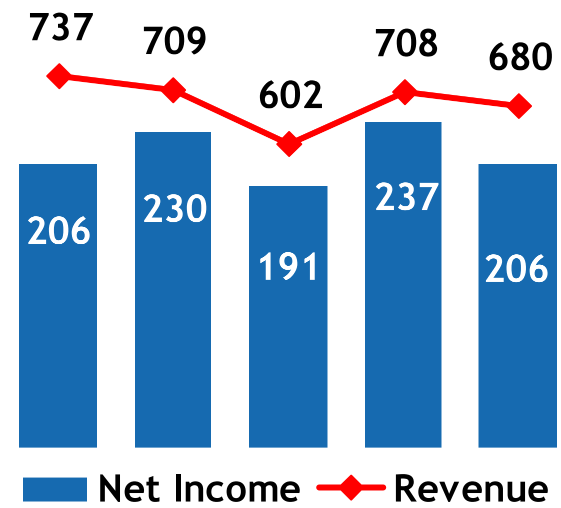
U.S. Cash Net Income ($MM USE)



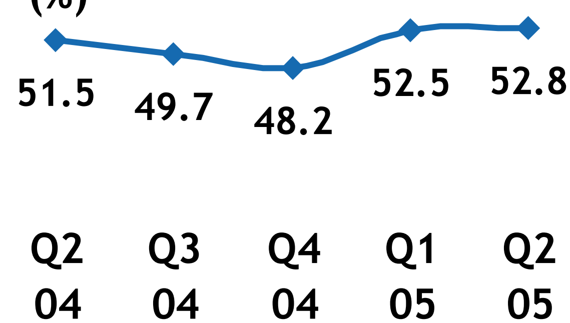
INVESTMENT BANKING GROUP

- Current quarter revenues reflect mixed market conditions. Q2 05 benefited from $44MM ($37MM after tax) in revenues related to restructuring of VIEs. Q1 05 positively impacted from the adoption of fair value accounting for Merchant Banking investments and recovery of prior years' taxes.
- Improved M&A and solid commission revenues were more than offset by compressed spreads in our interest rate sensitive businesses, lower underwriting activity, increased costs on client deposits and the impact of the stronger Canadian dollar for performance Y/Y
- Q/Q results saw improvement in both M&A activity and commission revenues, more than offset by lower debt underwriting and trading revenues
- Productivity deteriorated Y/Y and Q/Q as the declines in revenues were primarily concentrated in businesses with relatively low variable costs

Revenue / Net Income ($MM)



Cash Productivity Ratio (%)



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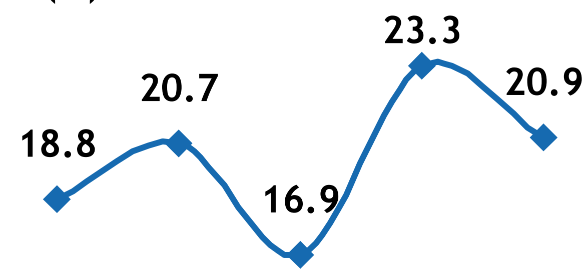
INVESTMENT BANKING GROUP

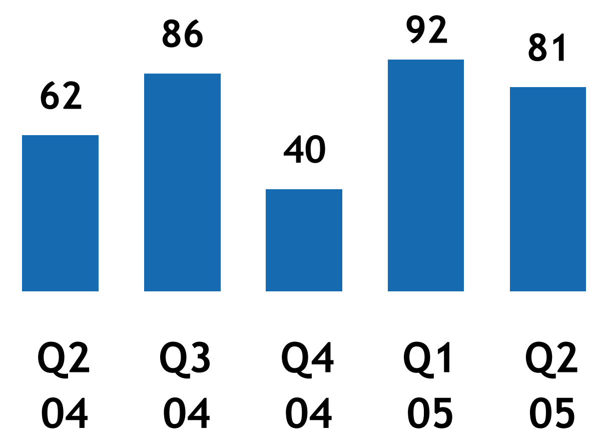
- Y/Y ROE increased despite impact of rising interest rates and stronger Canadian dollar. Q2 05 benefited from the restructuring of VIEs. Q1 05 positively impacted from adoption of fair value accounting for Merchant Banking investments and recovery of prior years' taxes.

- U.S. net income improved Y/Y reflecting the benefit of restructuring the VIEs and higher trading income as a result of volatility in commodity markets and MTM gains on credit default swaps.The impact of rising interest rates, compressing spreads and weaker U.S. dollar negatively affected results Y/Y. Q1 05 positively impacted from adoption of new accounting guidelines related to fair value accounting for Merchant Banking investments.

Cash ROE (%)

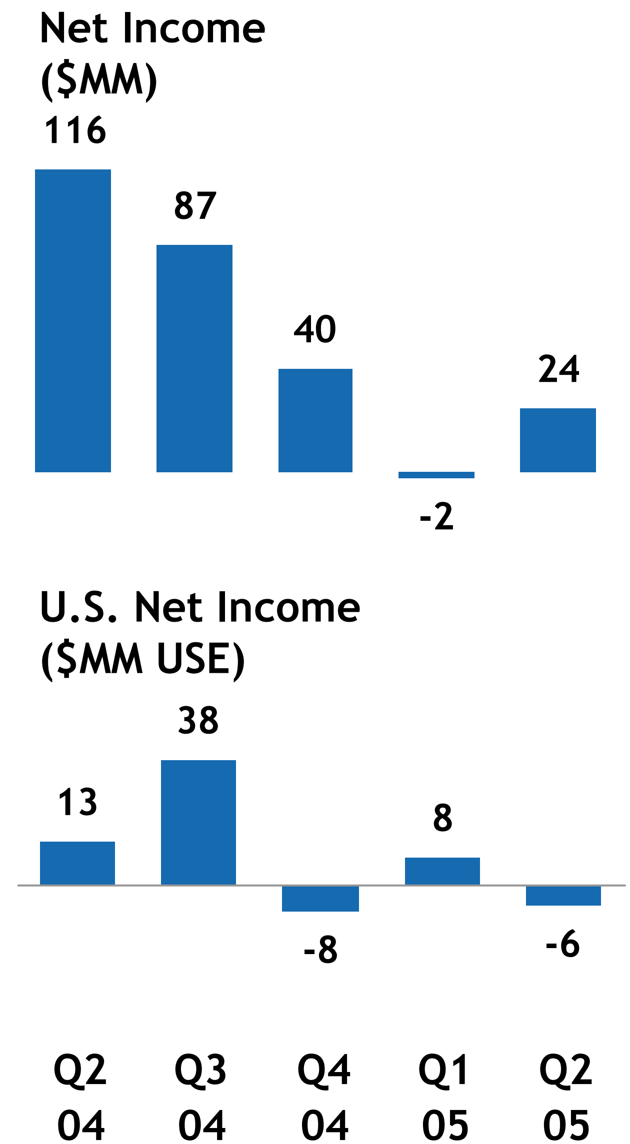


U.S. Net Income ($MM USE)



CORPORATE SUPPORT
Including Technology and Solutions

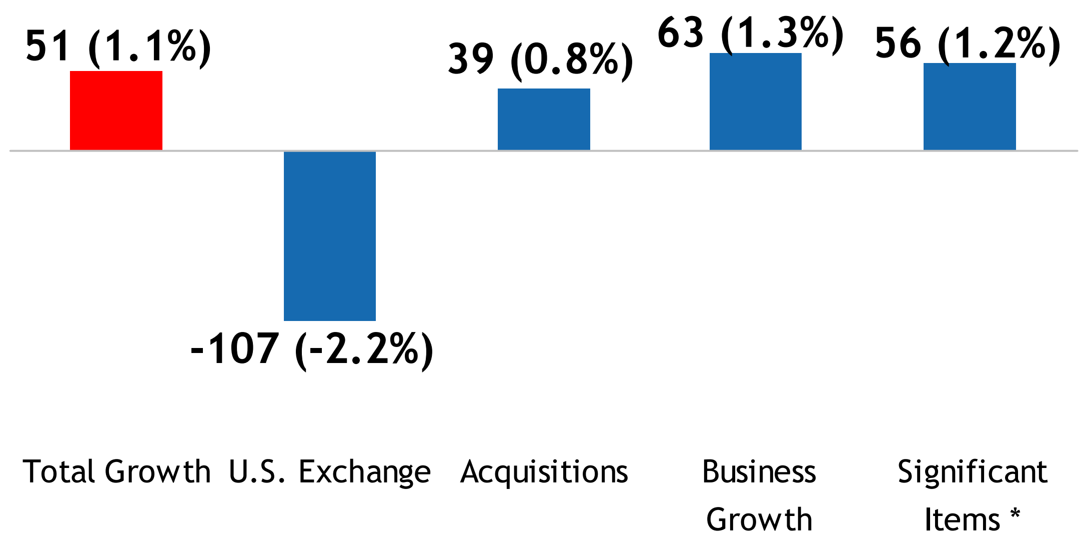
- Net income higher Q/Q due to reduction of general allowance in Q2 05, as lower revenues were offset by higher expenses
- Y/Y decline due to high investment gains in Q2 04 the year-ago period, a lower provision recovery and the litigation provision in Q2 05
- U.S. net income declined Y/Y primarily due to high investment gains in Q2 04 and the litigation provision in Q2 05, partially offset by lower PCL. Q/Q reflects the litigation provision.



Appendix

YEAR TO DATE REVENUE GROWTH

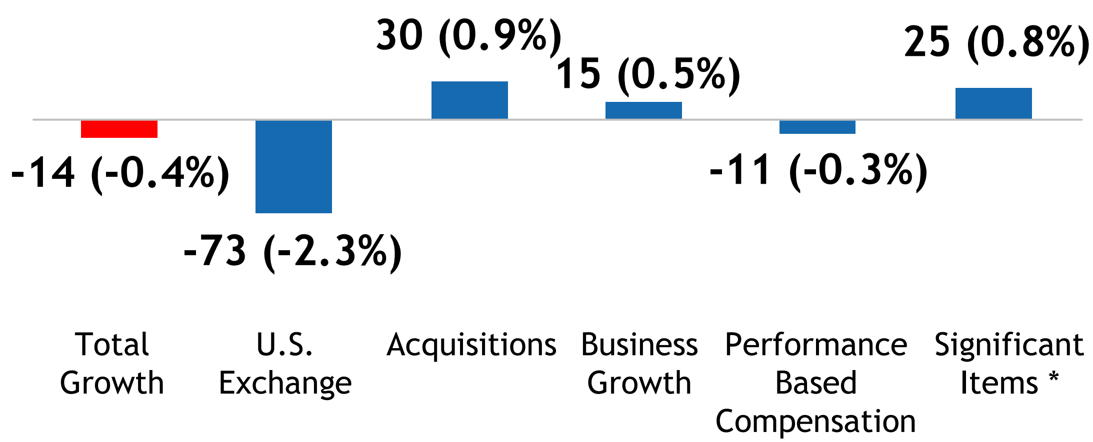
- Volume growth in P&C businesses and PCG mutual fund improvement more than offsets decline across certain businesses in IBG
- Acquisitions include Mercantile, New Lenox and Lakeland
- YTD 2004 significant items include $16MM net Q1 04 revenue benefits for mortgage prepayment fees and investment securities gains less a charge for BMO treasury shares



* See slide 3 for details on significant items

YEAR TO DATE EXPENSE GROWTH

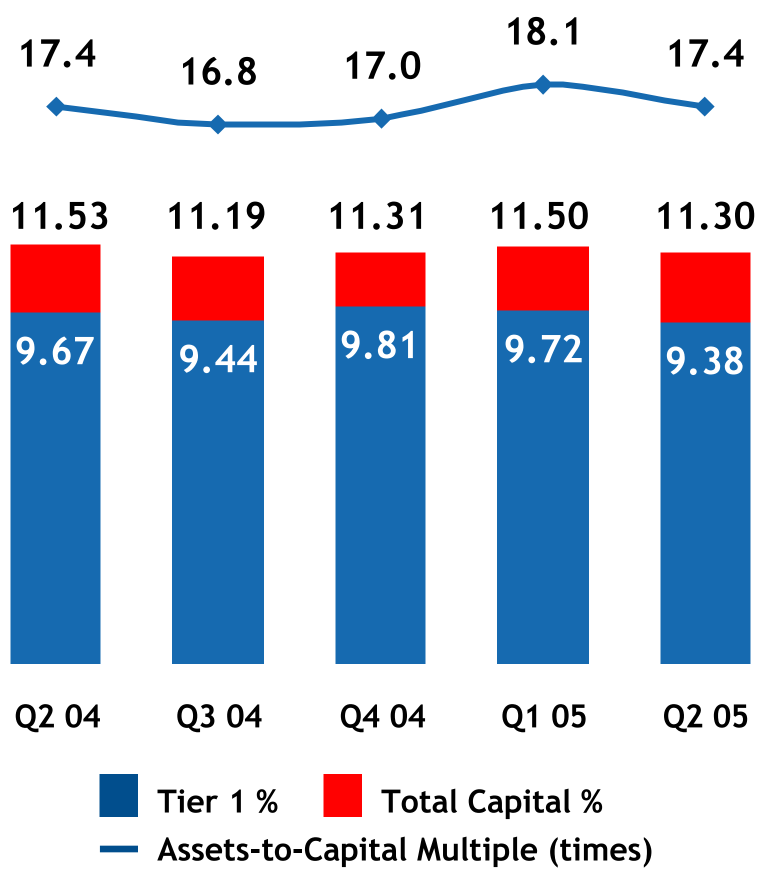
- Expense growth primarily for Chicagoland expansion strategy and initiatives
- Performance-based compensation decrease primarily in IBG and Corporate
- Acquisitions include Mercantile, New Lenox and Lakeland



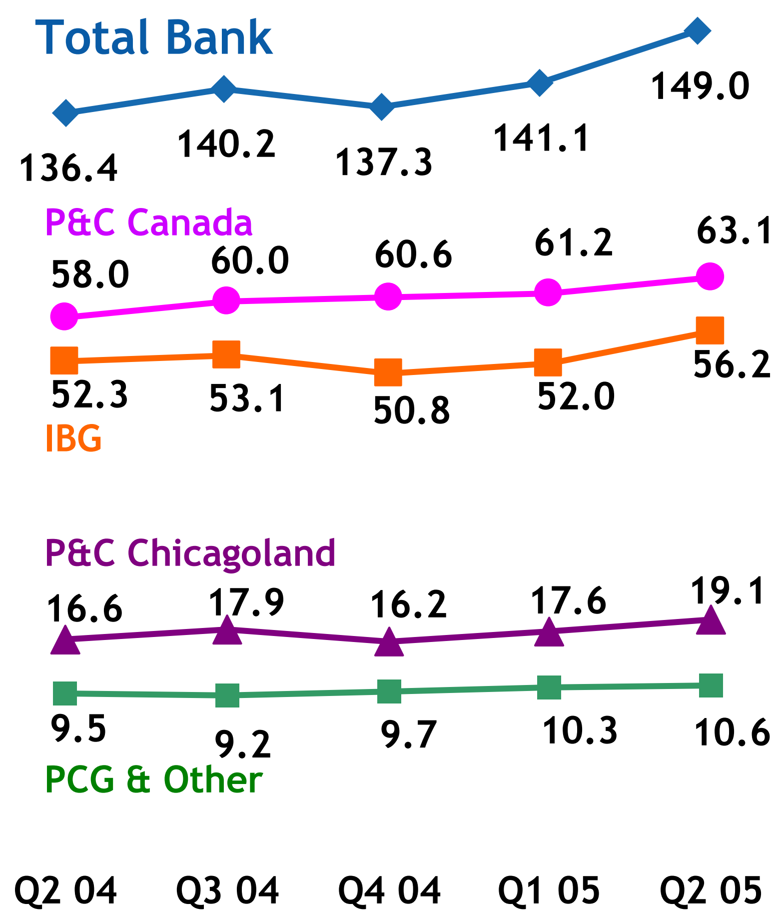
* See slide 3 for details on significant items

CAPITAL & RISK WEIGHTED ASSETS

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



Risk Weighted Assets ($B)



NORTH AMERICAN DIRECT INVESTING [1]

Moderating market activity relative to prior year softened trade volumes; generally in line with industry peer group

Measure	Q2 2004	Q1 2005	Q2 2005	Q/Q Change	Y/Y Change
Trades/Day (000)	26	22	22	2%	(14%)
Customer Assets ($B)	55	53	54	2%	(3%)
Active Accounts (000)	755	713	708	(1%)	(6%)
New Accounts (000)	24	16	21	29%	(13%)
Assets per Account ($ 000)	53	60	60	1%	13%

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

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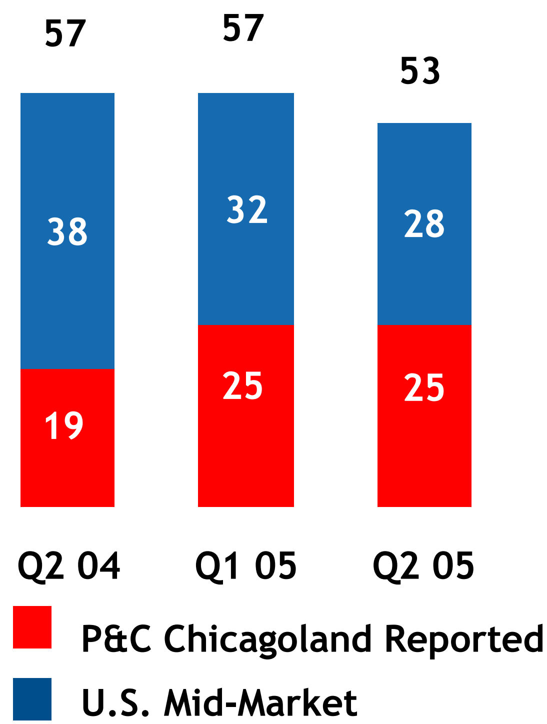
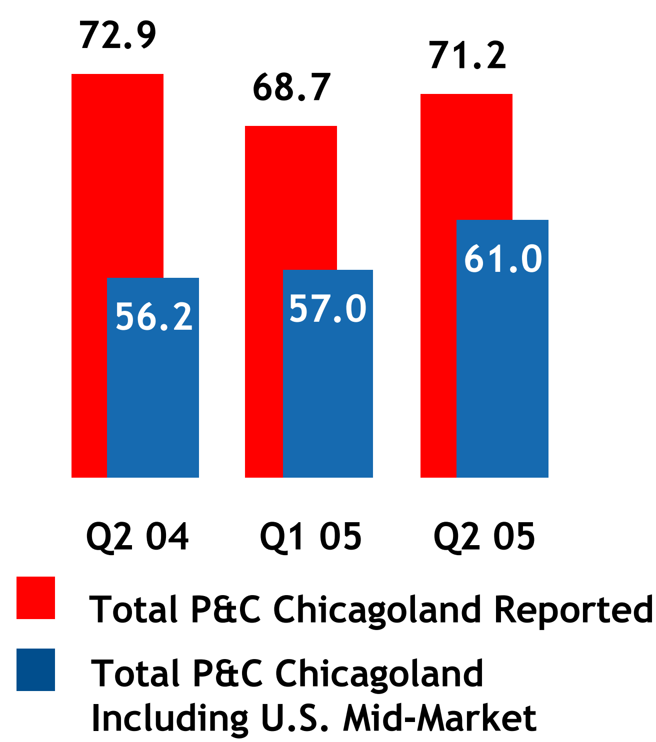
U.S. RETAIL AND MID-MARKET

Operations represent 33% of U.S. revenue and 21% of U.S. expenses in Q2 2005

Net Income ($MM USE)



Cash Productivity Ratio (%)



U.S./CANADIAN EXCHANGE

- $5MM pre-tax earnings benefit Q/Q and $(15)MM decline 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	YTD
Increased (Reduced) Revenue	12	(55)	(107)
Reduced (Increased) Expense	(9)	40	73
Increased Provision for Credit Losses	–	(2)	–
Hedging Gains	2	2	3
Total Pre-Tax Impact	**5**	**(15)**	**(31)**

BMO Financial Group

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

INVESTOR RELATIONS

www.bmo.com/investorrelations