Q4 05

FINANCIAL RESULTS
Investor Community Conference Call

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Senior Executive Vice President and Chief Financial Officer

NOVEMBER 29 • 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 document, 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 in any applicable Canadian securities legislation. Forward-looking statements may involve, 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 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: general economic conditions in the countries in which we operate, interest rate and currency value fluctuations; changes in monetary policy; the degree of competition in the geographic and business areas in which we operate; changes in laws; unexpected judicial or regulatory proceedings; the accuracy and completeness of the information we obtain with respect to our customers and counterparties; our ability to complete and integrate acquisitions; 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 impacts on local, national or international economies, and disruptions to public infrastructure, such as transportation, communications, power or water supply disruptions; and technological changes.

We caution that the foregoing list is not exhaustive of all possible factors. Other factors could adversely affect our 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 on how the U.S. and Canadian economies will perform in 2006 and how that impacts 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 Canadian and US 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 the Canadian dollar will hold onto its recent gains. 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.

Q4 2005 FINANCIAL HIGHLIGHTS

- Record earnings of $657MM, or EPS of $1.27, driven by strong results in all operating groups
  - P&C earnings driven by strong volume growth and stable margins in Canada
  - PCG earnings increased due to strength in full-service investing and mutual funds combined with gains on sale of Harris*direct* and TSX shares
  - IBG earnings increased due to improved capital markets activities and gain on sale of TSX shares
- $57MM PCL was $70MM worse Y/Y due to the very favourable credit performance, including a reduction of the general allowance, in Q4 04

EPS Growth	19.8%
ROE	19.8%
Specific PCL	$57MM
Tier 1 Capital	10.25%
Cash Productivity	60.9%

SIGNIFICANT ITEMS

Item	Pre-Tax Impact ($MM)	After-Tax Impact ($MM)	EPS Impact ($/share)	Group, Geography & Statement of Income Category
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**	
Q4 2004				
General Allowance Reduction	50	33	0.06	Corp. Support Canada – PCL
Card Fees Adjustment	(14)	(9)	(0.02)	P&C Canada – Revenue
Q4 2004 Total Impact	**36**	**24**	**0.04**	

Q4 2005 FINANCIAL SUMMARY

Performance Measure	Q4 2005	Q3 2005	Q4 2004	F2005	F2004
Net Income ($ MM)	**657**	541	551	2,400	2,306
Cash EPS - Diluted ($/share)	**1.31**	1.08	1.10	4.79	4.57
EPS - Diluted ($/share)	**1.27**	1.05	1.06	4.64	4.42
Cash Return on Equity (%) *	**20.3**	17.1	18.5	19.4	20.1
Return on Equity (%) *	**19.8**	16.5	17.8	18.8	19.4
Revenue Growth - Y/Y (%)	**16.3**	2.0	(4.3)	5.0	3.7
Expense Growth - Y/Y (%)	**9.6**	2.6	(3.4)	2.8	1.1
Cash Productivity Ratio (%)	**60.9**	63.8	64.4	62.6	63.8
Productivity Ratio (%)	**61.7**	64.7	65.5	63.5	64.9
PCL/Avg. Loans Accept. (%) *	**0.13**	0.17	(0.03)	0.11	(0.07)
Capital: Tier 1 Ratio (%)	**10.25**	9.39	9.81	10.25	9.81

* Annualized

Q4 2005 GROUP NET INCOME

Group ($MM)	Q4 2005	Q3 2005	Q4 2004
P&C Canada	**272**	276	235
P&C Chicagoland	**33**	31	32
Total P&C	**305**	307	267
IBG	**225**	184	191
PCG	**107**	63	53
Corporate Support	**20**	(13)	40
Total Bank	**657**	541	551

Corporate Support Details

PCL (Specific and General)	**27**	18	86
Other Corporate	**(7)**	(31)	(46)
Total Corporate Support	**20**	(13)	40

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CASH EPS GROWTH

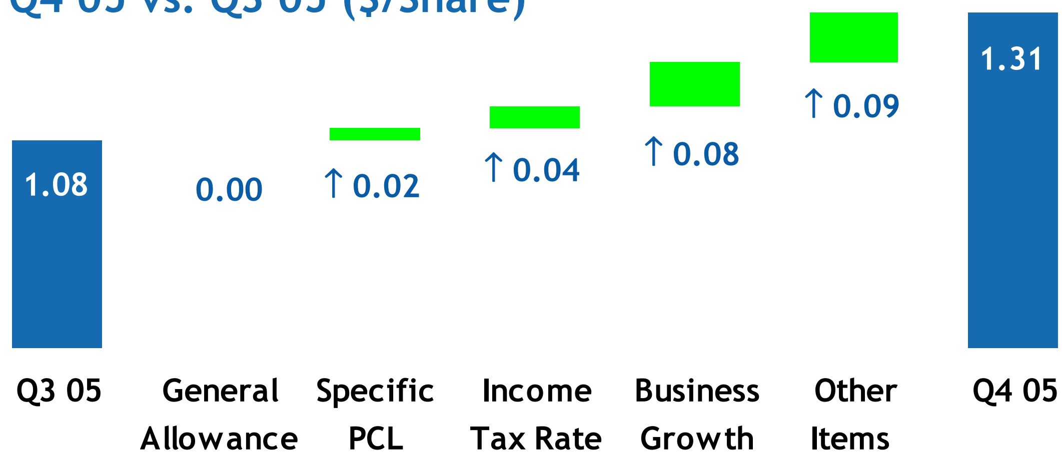
Q/Q Earnings Growth Drivers:

- Strong business growth
- Lower 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

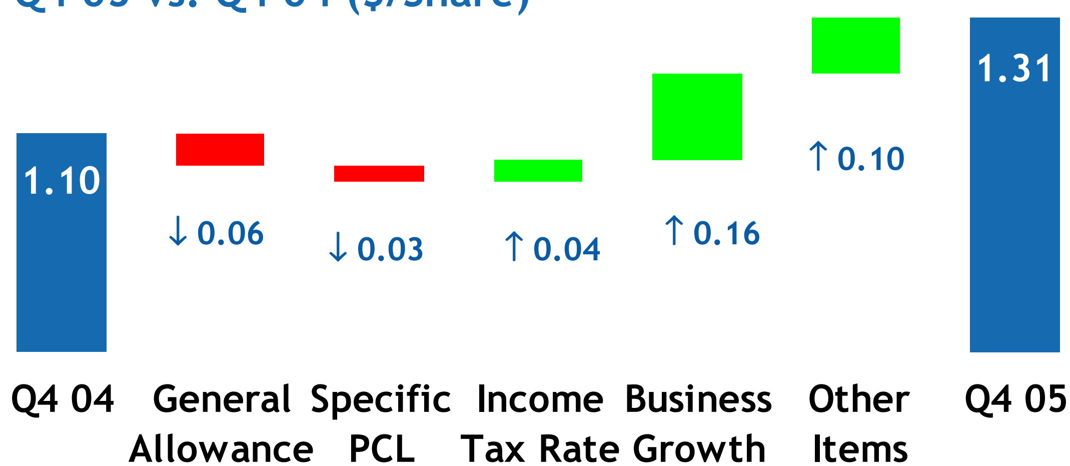
Y/Y Earnings Growth Drivers:

- Strong business growth
- No reduction of the general allowance and higher specific PCL
- Lower effective tax rate (excluding other items)
- Other items in Q4 05 same as above as well as an adjustment to card fees in Q4 04

Q4 05 vs. Q3 05 ($/Share)



Q4 05 vs. Q4 04 ($/Share)



REVENUE GROWTH

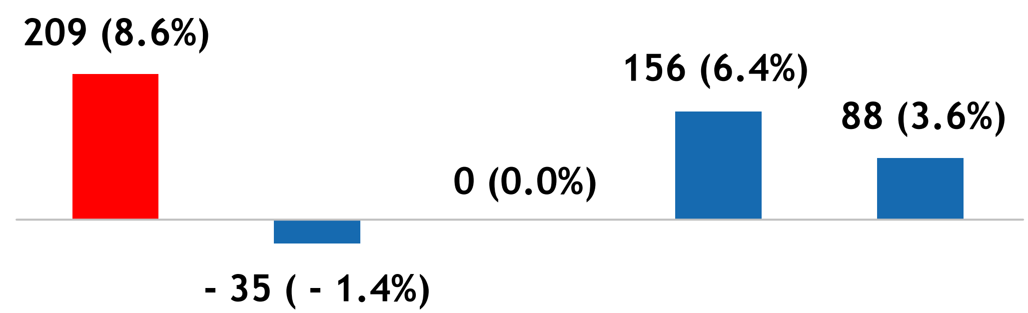
Q/Q

- Business growth across all operating groups and more specifically, in P&C Canada as a result of volume growth; in PCG as a result of full-service investing and mutual funds and in IBG from stronger trading revenues, M&A, equity underwriting and commissions
- 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

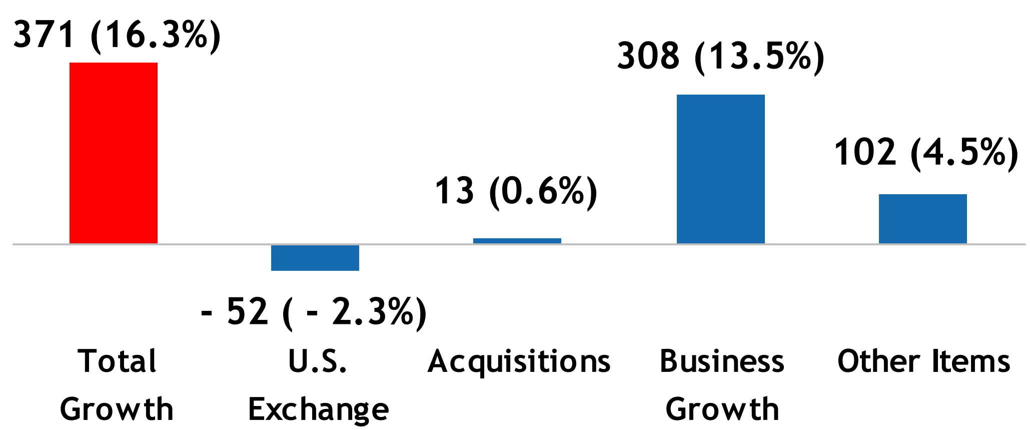
Y/Y

- Business growth across all operating groups and more specifically, in P&C Canada as a result of strong volume growth in personal and commercial products; in PCG as a result of initiatives and favourable market conditions and in IBG from trading revenue, M&A and commissions
- Acquisitions include Mercantile in Chicagoland
- Other items in Q4 05 as above and a $14MM adjustment to card fees in Q4 04

Q4 05 vs. Q3 05 ($MM)



Q4 05 vs. Q4 04 ($MM)



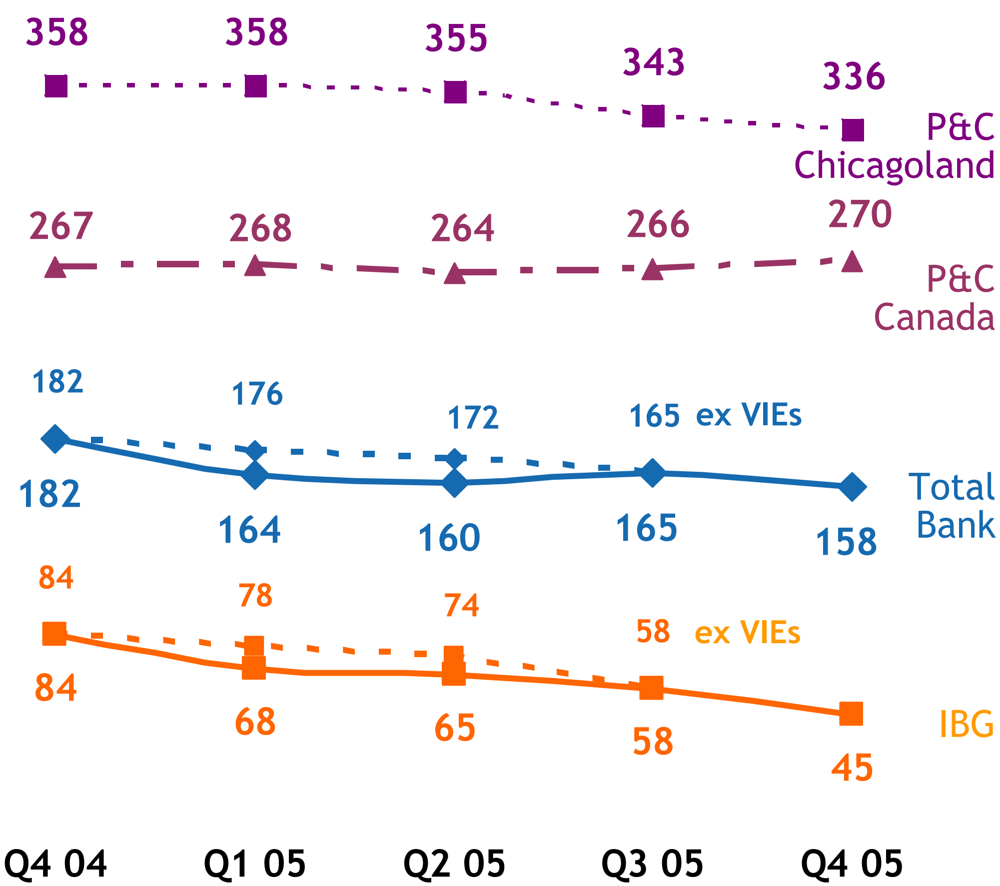
NET INTEREST MARGINS (bps)

Q/Q

- P&C Chicagoland down due to competitive pressures
- P&C Canada up due to improved mix with growth in higher spread assets combined with better margins in consumer lending
- IBG margin declined due to lower trading net interest income and rising short term interest rates in the U.S. that compressed spreads in interest rate sensitive businesses

Y/Y

- P&C Chicagoland margin declined due to competitive pressures limiting ability to pass on higher short-term rates to loan customers
- P&C Canada up modestly due to better margins in consumer lending
- IBG margin declined due to lower trading net interest income and to lower spreads on corporate loans in the competitive rate environment in the U.S. and in interest rate sensitive businesses in the rising interest rate environment



EXPENSE GROWTH

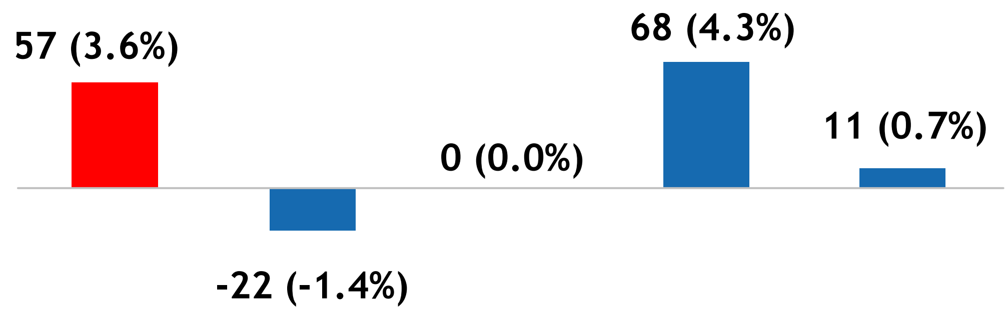
Q/Q

- Business growth primarily due to higher employee related costs and investments in our distribution network in P&C Canada, as well as severance and project related costs
- Performance-based compensation increased in PCG due to higher revenue offset by a decrease in IBG reflecting alignment with financial results

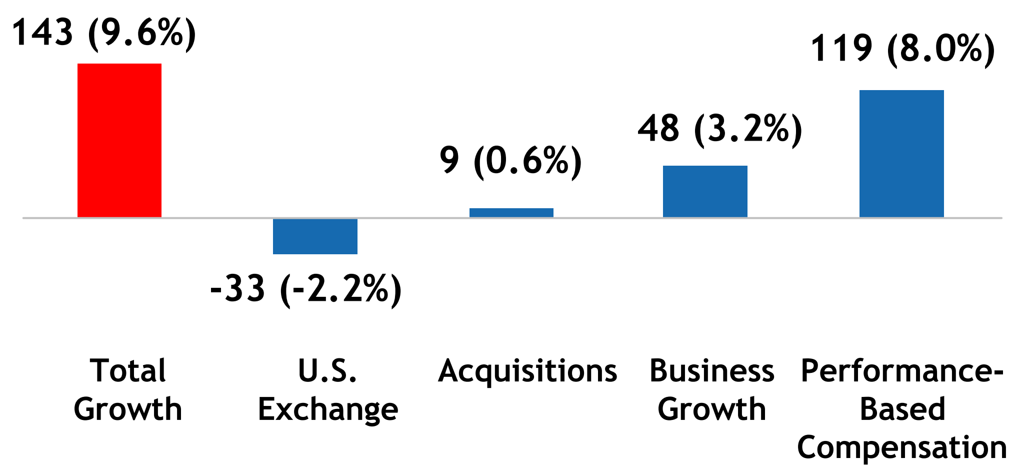
Y/Y

- Business growth primarily due to continued investments in our distribution network in P&C Canada; expansion strategy and initiatives in P&C Chicagoland, as well as severance costs
- Acquisitions include Mercantile in Chicagoland
- Performance-based compensation increase in PCG reflecting stronger results and IBG reflecting significantly lower Q4 04 expense to align with 04 financial results

Q4 05 vs. Q3 05 ($MM)

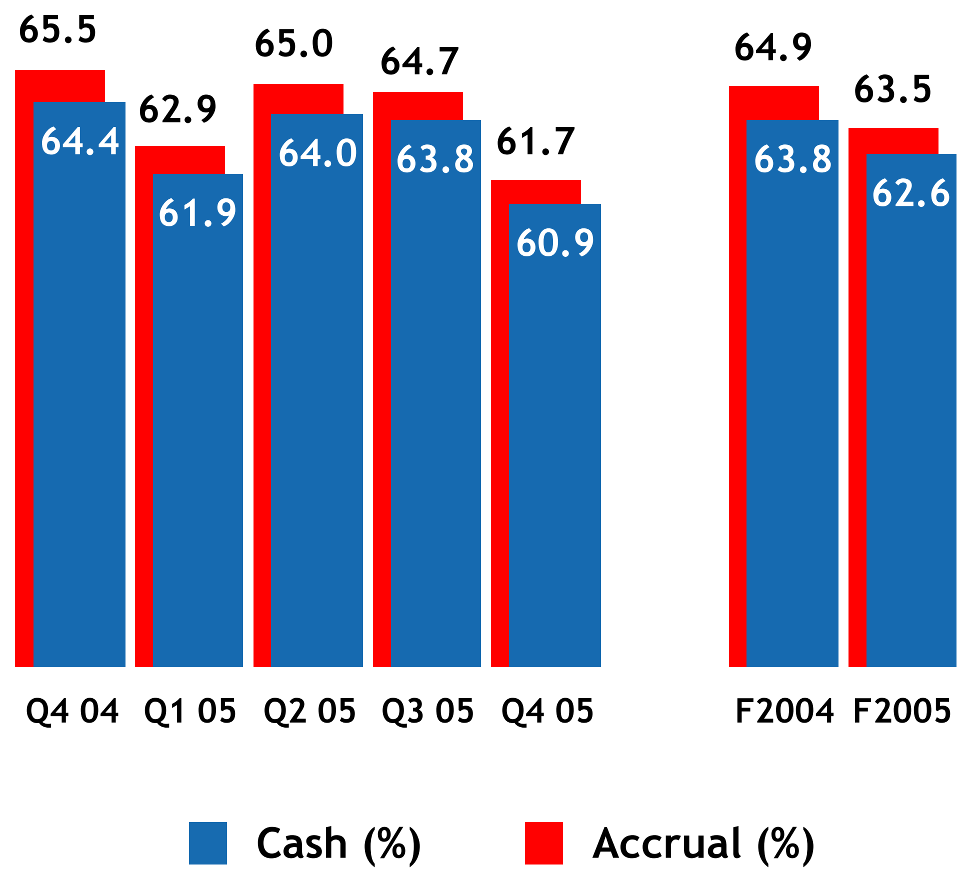


Q4 05 vs. Q4 04 ($MM)



CASH PRODUCTIVITY RATIO

- Revenue/expense growth differential of 6.7 percentage points in Q4 05
- Q/Q improvement of 285 bps and Y/Y improvement of 350 bps
- Full year improvement of 120 bps, short of our target of 150 - 200 bps
- Excluding VIE gain, 92 bps improvement in F05

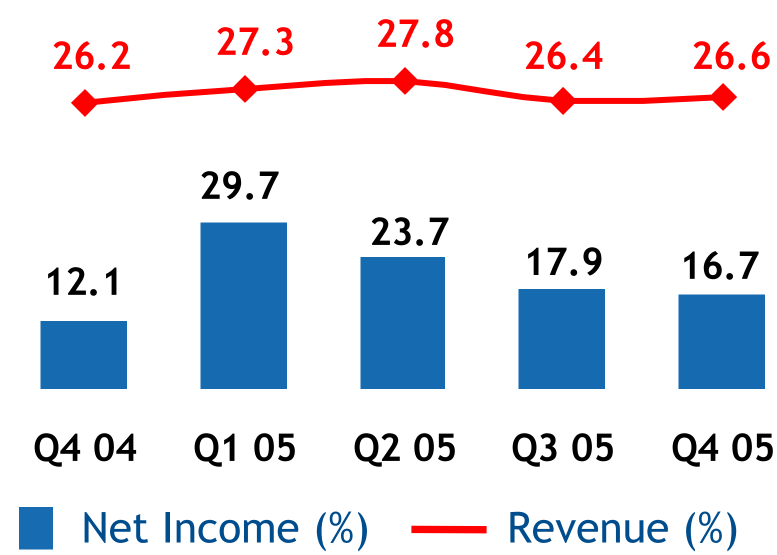


U.S. RESULTS

- Revenue contribution from U.S.-based business within 25% – 35% range of total revenue
- Net income from U.S.-based business US$86MM or 16.7% of North American net income
- Q/Q increase primarily due to gain on sale of Harris*direct*
- Y/Y increase in all operating groups primarily driven by gain on sale of Harris*direct* in PCG and higher trading income and investment securities gains in IBG
- YTD increase primarily due to acquisitions in P&C Chicagoland, the sale of Harris*direct* in PCG and the VIEs restructuring and merchant banking gains in IBG
- In F05, P&C Chicagoland incurred US$17MM (US$10MM after tax) of costs to integrate new businesses and effect the charter consolidation; $3MM ($2MM after tax) in F04

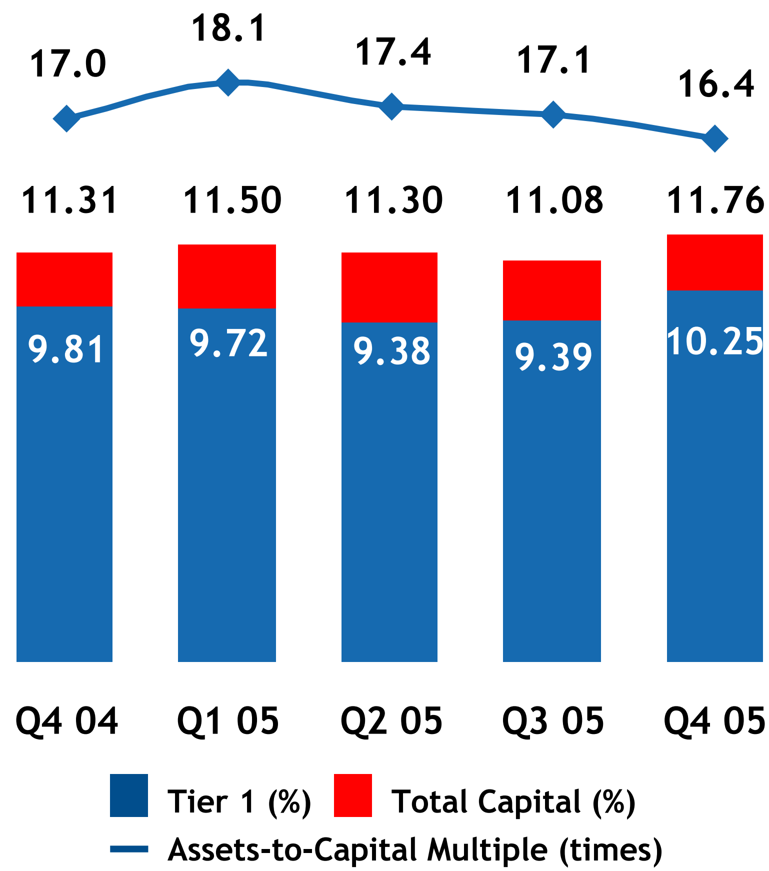
Net Income ($MM USE)	Q4 05	Q3 05	Q4 04	F05	F04
P&C	27	25	25	102	85
PCG	10	(6)	(9)	10	(11)
IBG	53	58	39	284	251
Corporate	(4)	(10)	(6)	(12)	(3)
TOTAL	86	67	49	384	322

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

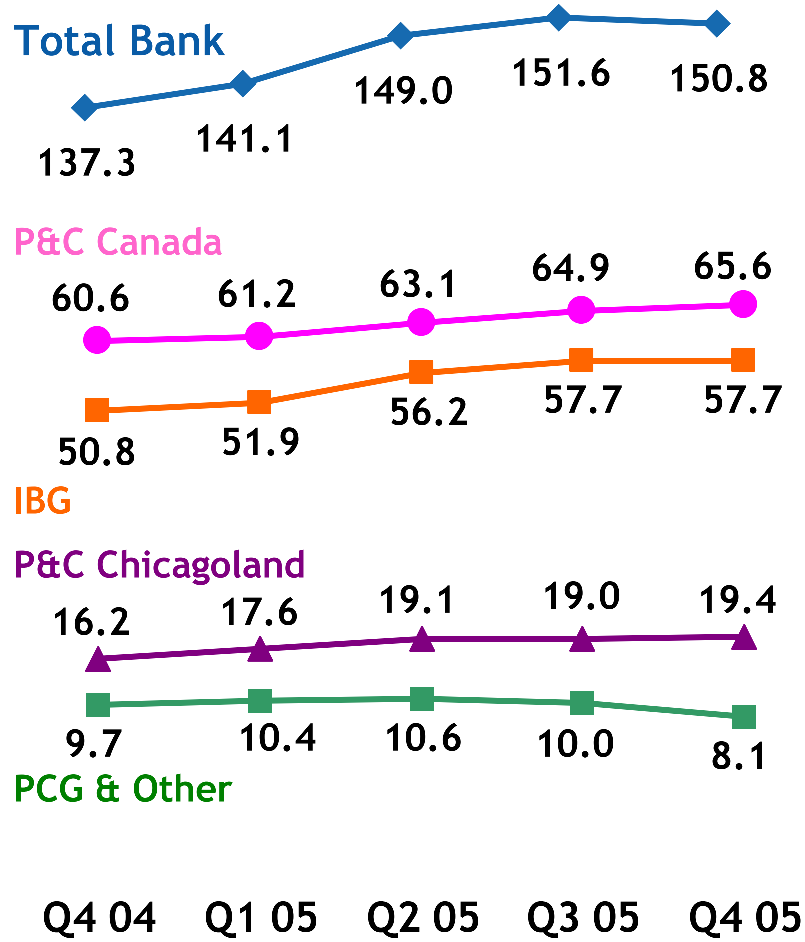


CAPITAL & RISK WEIGHTED ASSETS

Tier 1 capital ratio increases Y/Y as capital generation outpaces RWA growth and goodwill declines due to sale of Harris*direct*



Risk Weighted Assets ($B)



SALE OF HARRIS*direct*

- On October 6, 2005, completed the sale of Harris*direct* to E*TRADE FINANCIAL Corp.
- Resulted in a $49MM ($18MM after tax) gain in PCG U.S. results in Q4 05, after deduction of transaction costs and other adjustments, including US$25MM for estimated reimbursement by Harris*direct* of mutual fund program fees related to Harris Insight Funds
- Reduced BMO's goodwill balance by $470MM and intangible assets by $195MM and increased BMO's Tier 1 capital ratio by 40 bps
- Harris*direct*'s summarized results for each quarter of 2005 were:

$MM CDE	Q1 05	Q2 05	Q3 05	Q4 05 *	F2005 *
Total Revenue	55	53	48	96	252
Non-Interest Expense	58	58	67	60	243
Net Income	(2)	(3)	(12)	12	(5)
Cash Net Income	7	6	(5)	19	27
$MM USE					
Total Revenue	45	43	39	82	209
Non-Interest Expense	48	47	54	51	200
Net Income	(2)	(2)	(10)	10	(4)
Cash Net Income	6	5	(4)	16	23

* Includes the gain on sale of $49MM ($18MM after tax) or US$41MM (US$15MM after tax)

FISCAL 2005 TARGETS

Performance Measure	F2005 Actual	F2005 Target
EPS Growth[1] (base of $4.21)	9.0%	3%-8%
Specific Provision for Credit Losses	$219MM	$400MM or less *Revised to:* $275MM or less
Cash Productivity Ratio	120 bps improvement	150-200 bps improvement
Return On Equity	18.8%	17%-18%
Tier 1 Capital Ratio	10.25%	Minimum 8%

[1] Excluding changes in the general allowance

FISCAL 2006 TARGETS

Performance Measure	F2005 Actual	F2006 Target
EPS Growth[1] (base of $4.59)	9.0%	5%-10%
Specific Provision for Credit Losses	$219MM	$400MM or less
Cash Productivity Ratio	120 bps improvement	100-150 bps improvement
Return On Equity	18.8%	17%-19%
Tier 1 Capital Ratio	10.25%	Minimum 8%

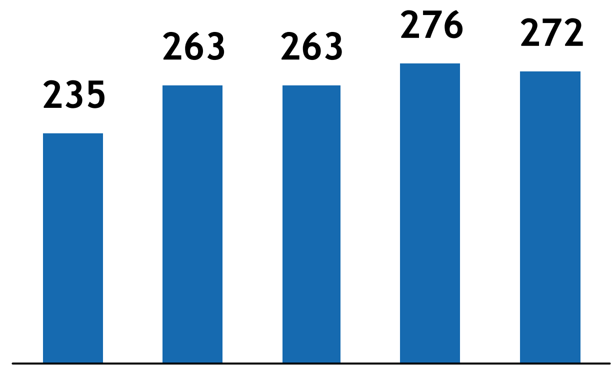
[1] Excluding changes in the general allowance

Appendix

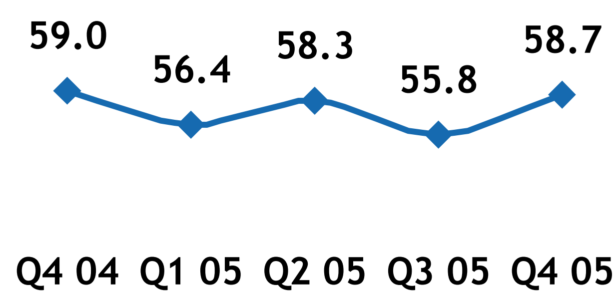
P&C CANADA

- Strong net income growth Y/Y of 15% and record results for 2005 resulting in growth of 23% over 2004
- Strong performance primarily due to revenue growth from most products and effective cost management
- Results include a $40MM ($26MM after tax) adjustment to reduce card fees, $15MM ($10MM after tax) of other revenues from sundry asset sales and a lower effective tax rate. Overall, these largely offset.
- Q/Q net income declined $4MM and cash productivity was higher due to the card fees adjustment and timing of other expenses

Net Income ($MM)



Cash Productivity Ratio (%)



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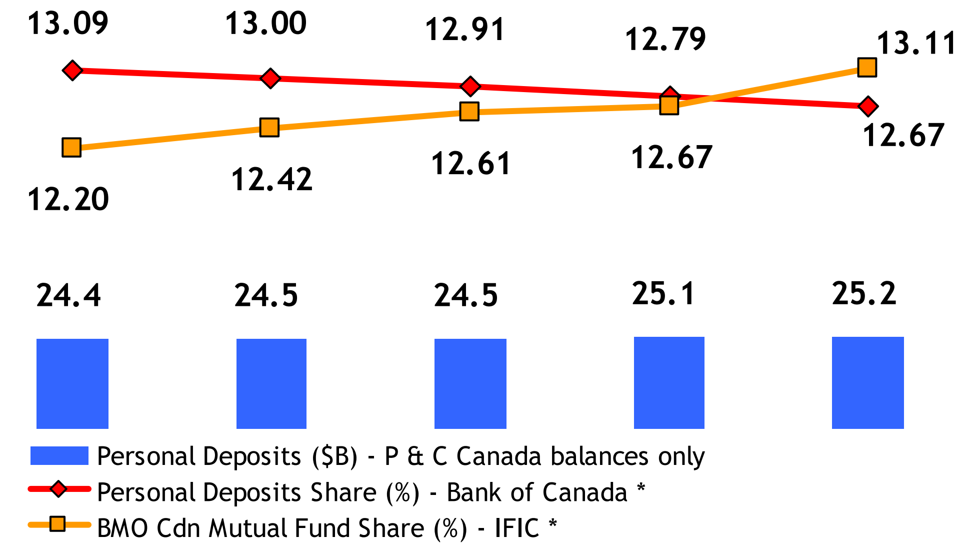
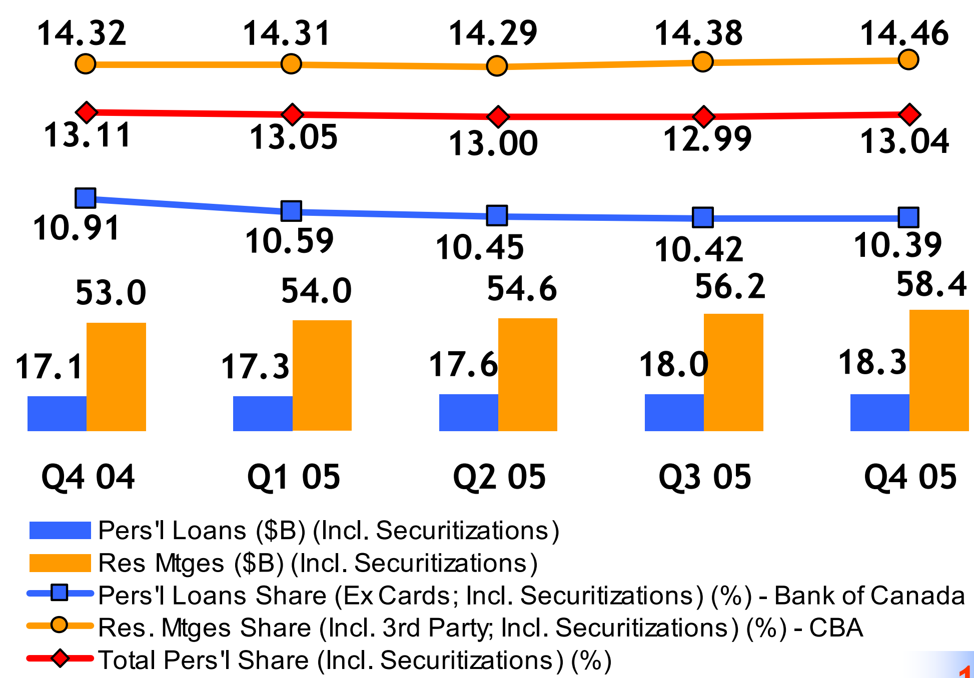
P&C CANADA

Personal

- Total personal market share has risen moderately Q/Q as a result of continued improvement in mutual funds and growth in residential mortgages offset primarily by a decline in personal deposits
- Y/Y personal market share was lower by 7 bps due to declines in personal deposits and loans partially offset by strong growth in mutual funds and residential mortgages

Balance Growth	Y/Y	Q/Q
Residential Mortgages	10.3%	4.0%
Personal Loans	7.3%	1.7%
Personal Deposits	3.1%	0.2%





Notes:

Personal share statistics are issued on a one-month lag basis. (Q4 05: September 2005)

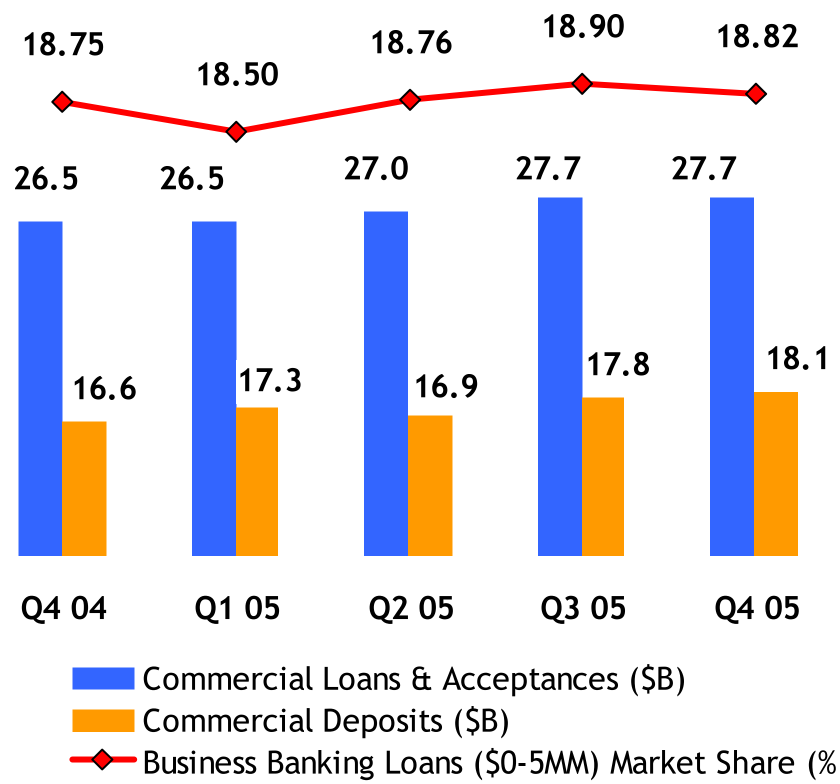
Market share trends versus all FIs are consistent with the bank's trends

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

P&C CANADA

Commercial

- One of our priorities for 2005 was to increase our business banking market share relative to our competitors
- Y/Y market share increased by 7 bps to 18.82%
- BMO continued to rank second in business banking market share for business loans $5 million and below
- Decline Q/Q was almost entirely due to competitor seasonal portfolio purchases



Balance Growth	Y/Y	Q/Q
Commercial Loans & Acceptances	4.3%	(0.1)%
Commercial Deposits	9.0%	1.9%

Notes:

Business loans (Banks) are issued by CBA on a one calendar quarter lag basis. (Q4 05: June 2005)

Market share restated to reflect the latest CBA data

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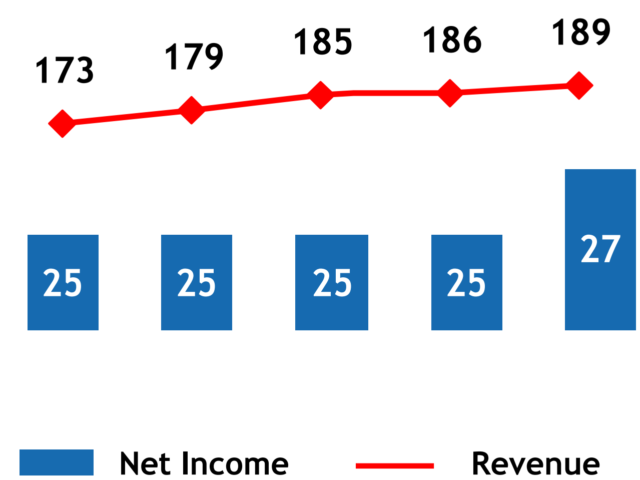
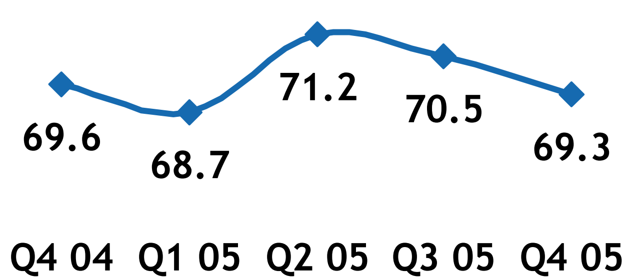
P&C CHICAGOLAND

- Solid performance driven by continued strong loan growth and acquisitions
- Revenue increased 10% Y/Y as a result of acquisitions and strong organic loan growth while managing a declining margin
- Expenses being managed to support productivity improvements while investing in key initiatives such as branch expansion and the charter consolidation
- Cash productivity improved 30 bps Y/Y and 120 bps Q/Q. On an annual basis, cash productivity improved 150 bps
- Currently there are 195 locations in Chicagoland and Northwest Indiana. The recent acquisition of Villa Park, once approved by the regulators, will add two locations. Remain on target to reach 200 locations in Chicagoland and 20 locations in Northwest Indiana by 2007 and to grow to 350 to 400 branches over the next five years

Revenue / Net Income ($MM USE)



Cash Productivity Ratio (%)



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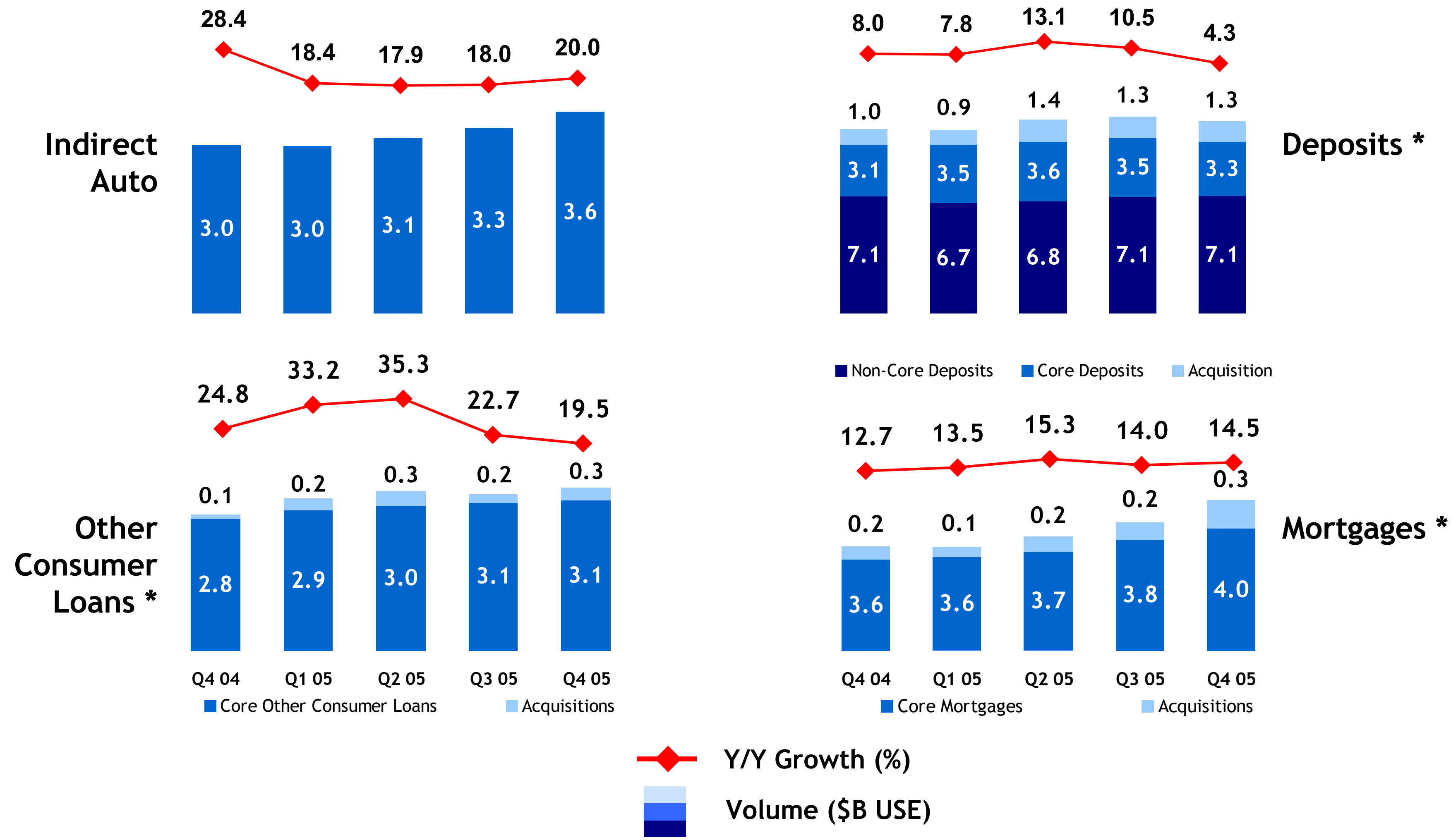
P&C CHICAGOLAND – Consumer

Core consumer business continues to show strong growth



* Acquisitions include Lakeland, New Lenox, and Mercantile

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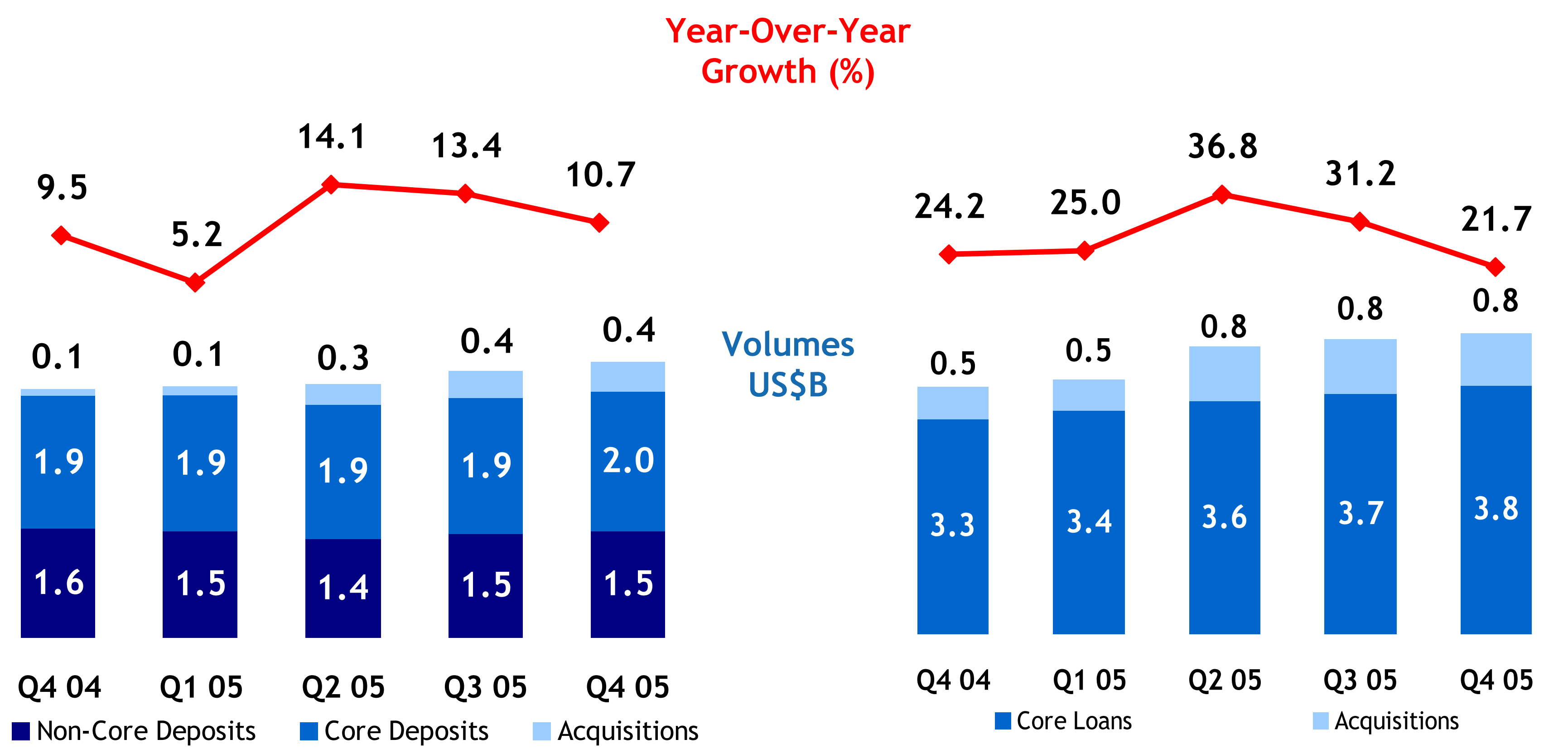
P&C CHICAGOLAND – Commercial

Commercial lending continues to show signs of improving growth

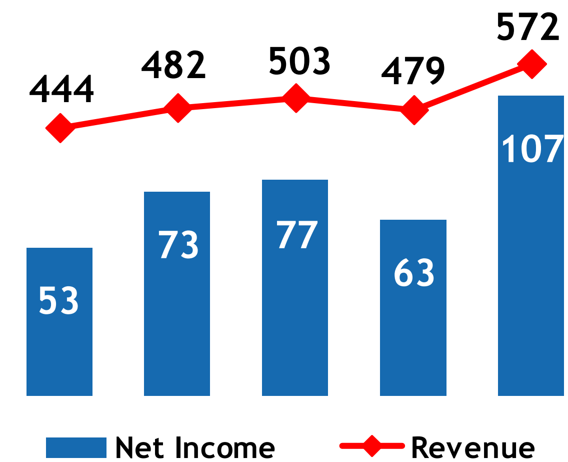


* Acquisitions include Lakeland, New Lenox, and Mercantile

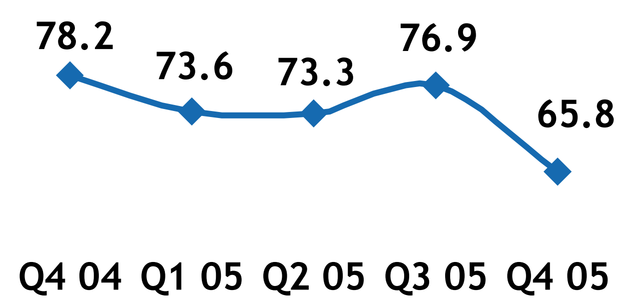
PRIVATE CLIENT GROUP

- Net income increased 103% Y/Y or 36% excluding the gains on sale of Harris*direct* ($49MM or $18MM after tax) and TSX shares ($25MM or $16MM after tax)
- Revenue increased 14% Y/Y (adjusted for F/X impact and excluding asset sales above) reflecting revenue growth across all the Group's lines of business
- Cash productivity improvement of 1,240 bps Y/Y or 260 bps excluding asset sales above due to revenue growth and disciplined expense management

Revenue / Net Income ($MM)



Cash Productivity Ratio (%)



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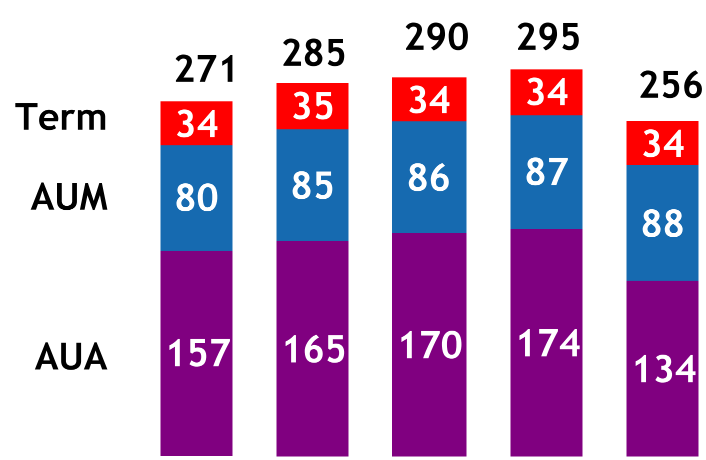
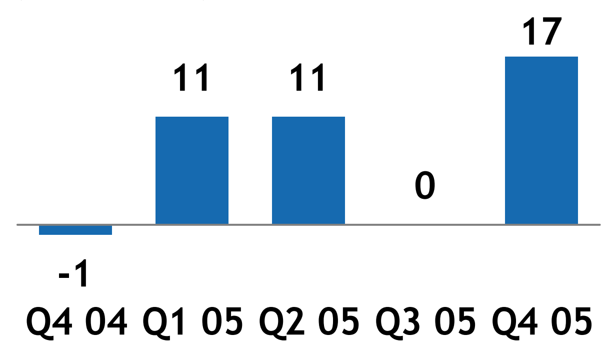
PRIVATE CLIENT GROUP

- Assets under management and administration, including term deposits, of $256B grew 9% Y/Y (adjusted for F/X impact on U.S. assets and sale of Harris*direct*) as follows:
  - Assets under management grew 11% Y/Y
  - Assets under administration grew 10% Y/Y
  - Term investment products relatively unchanged
- U.S. cash net income increased $18MM Y/Y or $3MM excluding the sale of Harris*direct* ($41MM USE or $15MM USE after tax) primarily due to the benefit of ongoing expense management initiatives

AUA/AUM ($B)



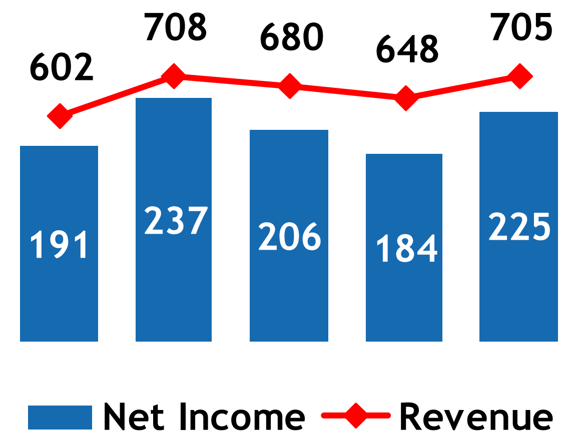
U.S. Cash Net Income ($MM USE)



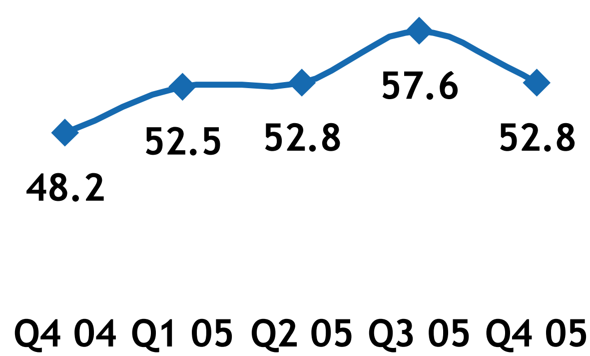
INVESTMENT BANKING GROUP

- Revenue growth reflects more favourable market conditions
- Y/Y revenue increased due to higher trading, M&A, commissions and investment securities gains partially offset by compressed spreads in interest rate sensitive businesses, on corporate loans and the impact of the strong Canadian dollar
- Q/Q revenue increased due to higher trading, commissions, M&A, equity underwriting and investment securities gains
- Q4 05 includes gain on sale of TSX shares ($25MM or $16MM after tax)
- Productivity deteriorated Y/Y due in part to an increase in performance-based compensation as areas of revenue weakness in 2005 were concentrated in businesses with low variable costs. Q/Q productivity improved due to higher revenue

Revenue / Net Income ($MM)



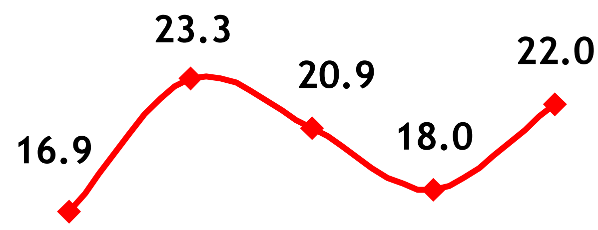
Cash Productivity Ratio (%)



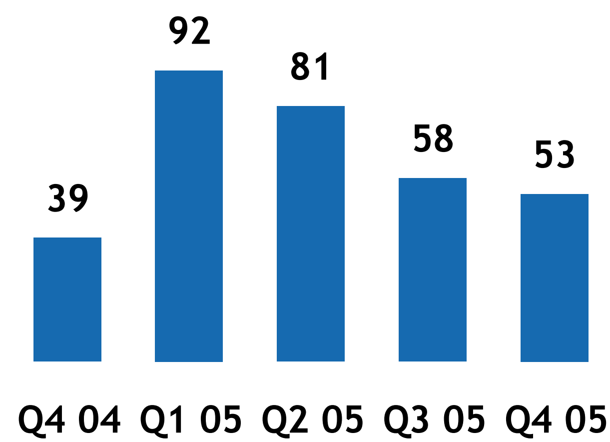
INVESTMENT BANKING GROUP

- Y/Y cash ROE increased due to higher net income combined with lower allocated capital in the current year
- Y/Y and Q/Q U.S. net income benefited from improved trading revenue as a result of commodities price volatility, higher net investment securities gains and underwriting. There was also Y/Y increase in M&A and commission revenue partially offset by lower spreads on corporate loans reflecting a very competitive U.S. environment and lower cash management revenue
- Q/Q U.S. net income declined essentially due to higher taxes

Cash ROE (%)



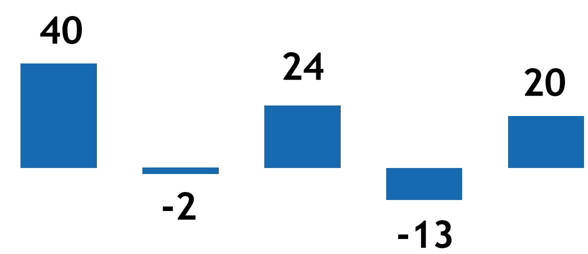
U.S. Net Income ($MM USE)



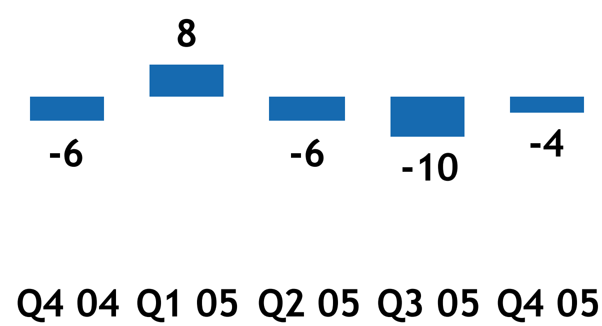
CORPORATE SUPPORT
Including Technology and Solutions

- Net income improved Q/Q due to gain on sale of the Calgary building and lower PCL
- Y/Y decline due to lower recovery of credit losses compared to the very favourable credit performance in Q4 04, including the reversal of the general allowance, offset by gain on sale of the Calgary building and increased interest income
- U.S. net income improves Q/Q and Y/Y due to the timing of certain revenues and expenses

Net Income ($MM)



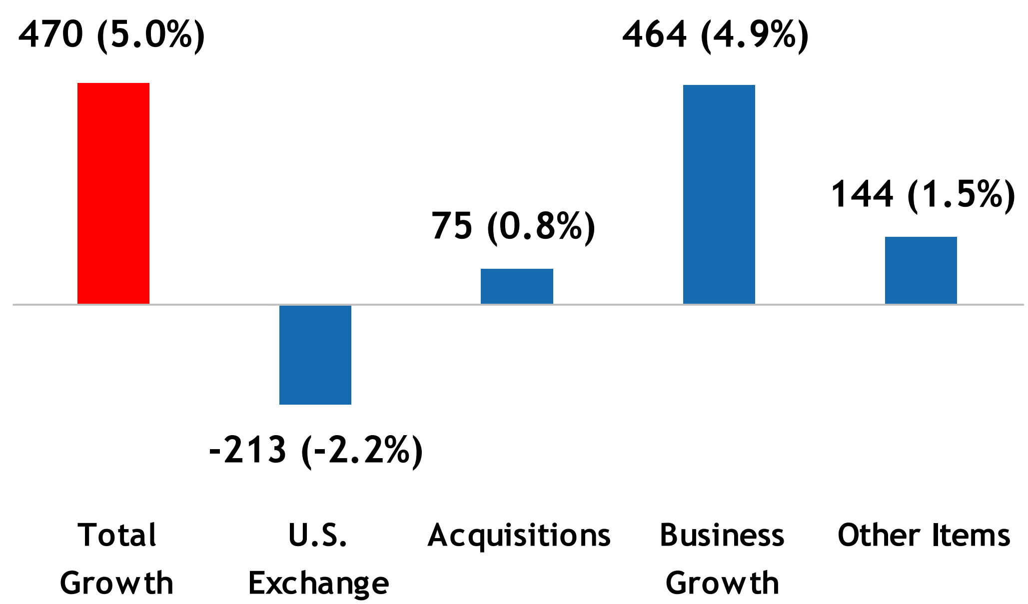
U.S. Net Income ($MM USE)



BMO Financial Group

ANNUAL REVENUE GROWTH ($MM)

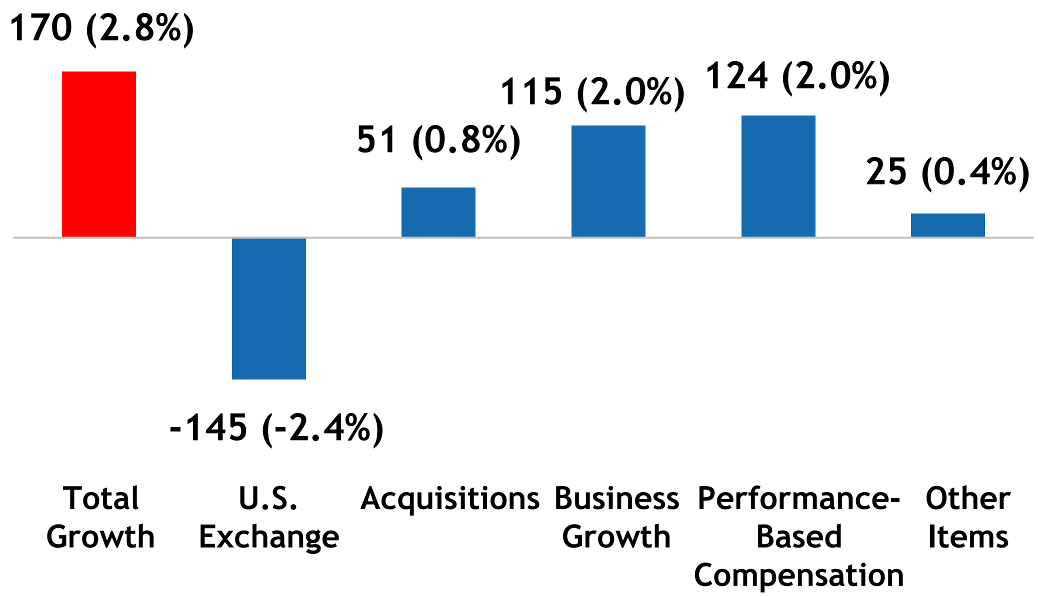
- Business growth due to volume growth in P&C businesses and higher card fee and insurance revenue together with PCG full-service investing, mutual fund and term investment products revenue
- Weaker U.S. dollar reduced revenue growth
- Other items in 05 represent gains on sale of Harris*direct*, TSX shares and Calgary office tower, VIEs and the merchant banking gains, partially offset by net securities gains, loan recoveries, and mortgage prepayment fees net of BMO treasury shares in 04. Adjustment in card fees included in both years



BMO Financial Group

ANNUAL EXPENSE GROWTH ($MM)

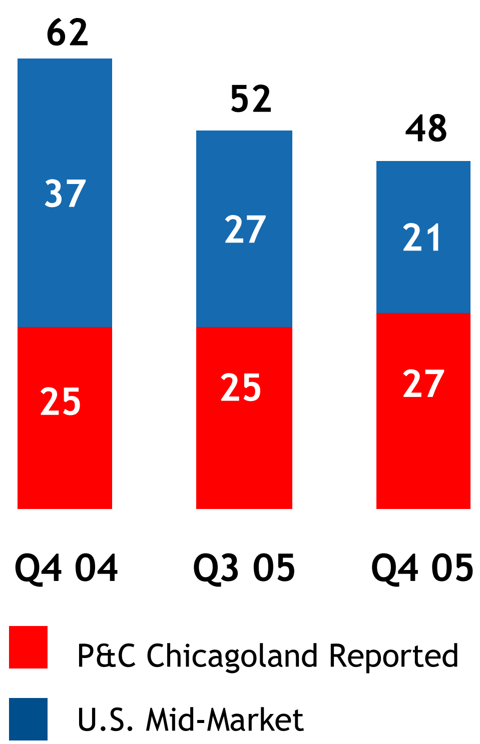
- Business growth primarily due to continued investments in our distribution network in P&C Canada; expansion strategy and initiatives in P&C Chicagoland as well as severance
- Weaker U.S. dollar reduced expense growth
- Performance-based compensation increase in P&C Canada and PCG due to earnings growth and in IBG as a result of stronger revenue in fee-based businesses
- Other Items include litigation provision in 05



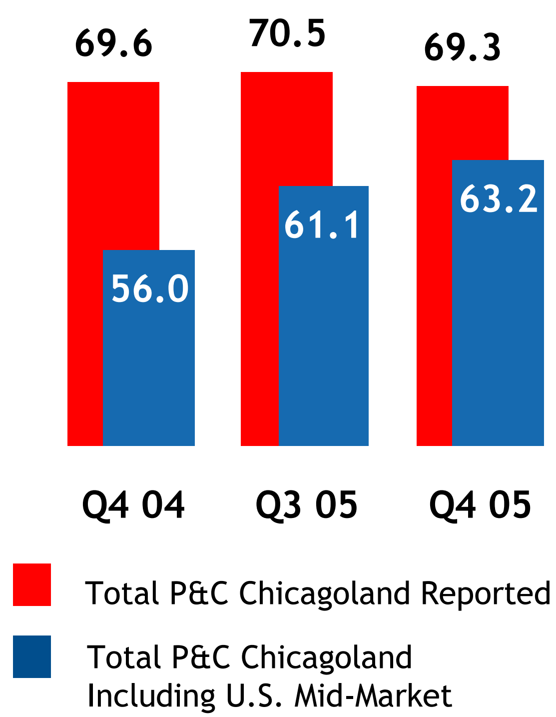
U.S. RETAIL AND MID - MARKET

Operations represent 30% of U.S. revenue and 22% of U.S. expenses in Q4 05

Net Income ($MM USE)



Cash Productivity Ratio (%)



U.S./CANADIAN EXCHANGE

- $4MM pre-tax earnings decline Q/Q and $10MM Y/Y
- For F2005 minimal impact of stronger Canadian dollar ($57MM or 1.7% of pre-tax earnings) as compared to F2004
- 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	(35)	(52)	(213)
Reduced (Increased) Expense	22	33	145
Increased Provision for Credit Losses	1	1	1
Hedging Gains (Losses)	8	8	10
Total Pre - Tax Impact	**(4)**	**(10)**	**(57)**

BMO Financial Group

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