Q406

FINANCIAL RESULTS

Investor Community Conference Call

KAREN MAIDMENT
Chief Financial and Administrative Officer

November 28 • 06

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, and are intended to be forward-looking statements under, the United States Private Securities Litigation Reform Act of 1995 and 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; 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 impacts on local, national or international economies, and 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 on pages 29 and 30 of BMO’s 2005 Annual Report, which outlines in detail certain key factors that may affect BMO’s future 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 2007 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 provisions for credit losses. Key assumptions include that the Canadian and U.S. economies will expand at a moderate pace in 2007 and that inflation will remain low. We have also assumed that interest rates in 2007 will remain little changed in Canada but decline in the United States and that the Canadian dollar will hold onto its recent gains in value relative to the U.S. dollar. 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.

Q4 2006 FINANCIAL HIGHLIGHTS

- Earnings of $696MM, up 4.8% and EPS of $1.35, up 5.5%.
- Net Income by Operating Group:
  - P&C Canada unchanged Y/Y as volume growth offset by NIM decline, higher expenses
  - P&C U.S. decreased $11MM Y/Y driven by acquisition integration costs and branch technology expenses
  - PCG increased $12MM, excluding gains on asset sales in Q4 05 (decreased $22MM as reported) through higher mutual fund fees and interest revenue
  - IBG decreased $40MM Y/Y due primarily to lower trading revenues and securities gains
- $16MM PCL consisting of a $51MM specific provisions and a $35MM reduction in the general allowance
- Tier 1 Capital ratio remains strong at 10.22%

EPS Growth	5.5%
ROE	19.4%
Specific PCL	$51MM
Tier 1 Capital	10.22%
Cash Productivity	64.2%

Q4 2006 FINANCIAL SUMMARY

Performance Measure	Q4 2006	Q3 2006	Q4 2005	F2006	F2005
Net Income ($MM)	**696**	710	664	2,663	2,396
Cash EPS – Diluted ($/share)	**1.37**	1.40	1.32	5.23	4.78
EPS – Diluted ($/share)	**1.35**	1.38	1.28	5.15	4.63
Cash Return on Equity (%) *	**19.6**	20.6	20.6	19.5	19.4
Return on Equity (%) *	**19.4**	20.3	20.0	19.2	18.8
Revenue Growth – Y/Y (%)	**(5.9)**	6.7	16.3	1.5	5.0
Expense Growth – Y/Y (%)	**(0.9)**	2.0	9.4	0.3	2.6
Cash Productivity Ratio (%)	**64.2**	61.1	60.5	62.4	62.6
Productivity Ratio (%)	**64.6**	61.5	61.4	62.8	63.6
PCL/Avg. Loans Accept. (%) *	**0.03**	0.09	0.13	0.09	0.11
Capital: Tier 1 Capital (%)	**10.22**	10.07	10.30	10.22	10.30

* Annualized

Q4 2006 GROUP NET INCOME

Group ($MM)	Q4 2006	Q3 2006	Q4 2005	F2006	F2005
P&C Canada	**271**	345	271	1,141	1,074
P&C U.S.	**23**	31	34	115	125
Total P&C	**294**	376	305	1,256	1,199
IBG	**186**	201	226	860	853
PCG	**85**	85	107	360	320
Corporate Services	**131**	48	26	187	24
Total Bank	**696**	710	664	2,633	2,396
Corporate Services Details					
General PCL	**23**	-	-	23	26
Specific PCL	**36**	42	27	140	118
Other Corporate	**72**	6	(1)	24	(120)
Total Corporate Services	**131**	48	26	187	24

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CASH EPS GROWTH

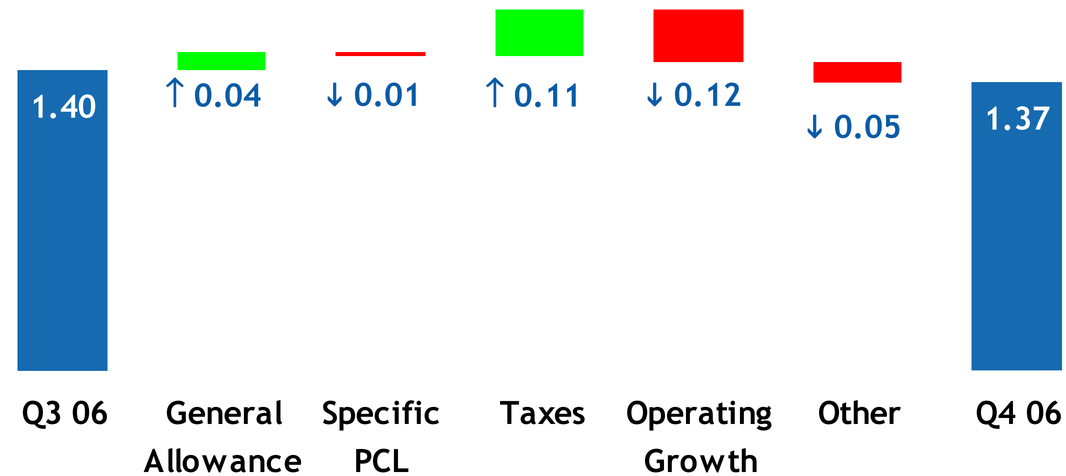
Q/Q Earnings Growth Drivers:

- Operating growth declined with less robust capital markets in IBG and higher P&C U.S. expenses
- Taxes benefited from favourable resolution of certain tax matters and a large number of small initiatives
- Other includes the MasterCard IPO gain in Q3 06

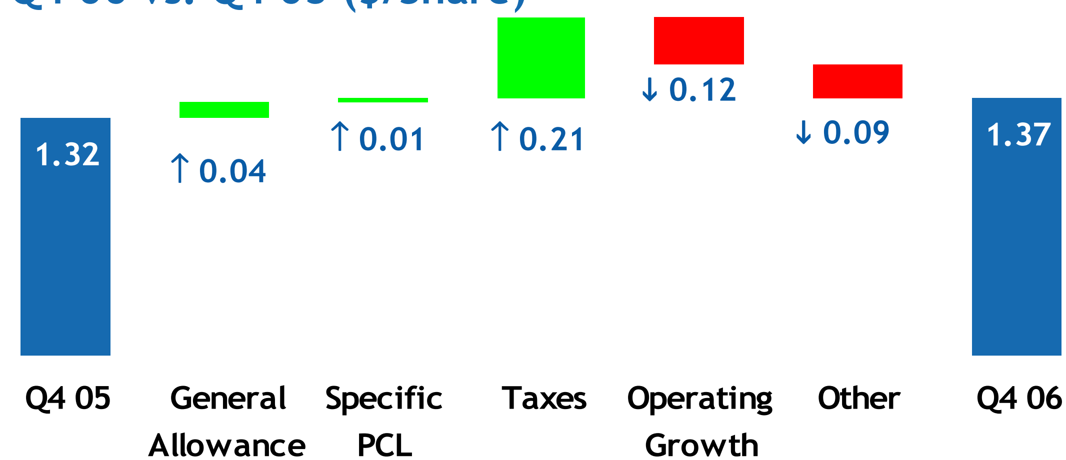
Y/Y Earnings Growth Drivers:

- Softening markets, lower trading in IBG and compressed margins in P&C and IBG partly offset by volume growth
- Taxes benefited from favourable resolution of certain tax matters and a large number of small initiatives
- Other includes Q4 05 Harris*direct* gain, TSX share sale, sale of Calgary office tower and customer loyalty card adjustment

Q4 06 vs. Q3 06 ($/Share)

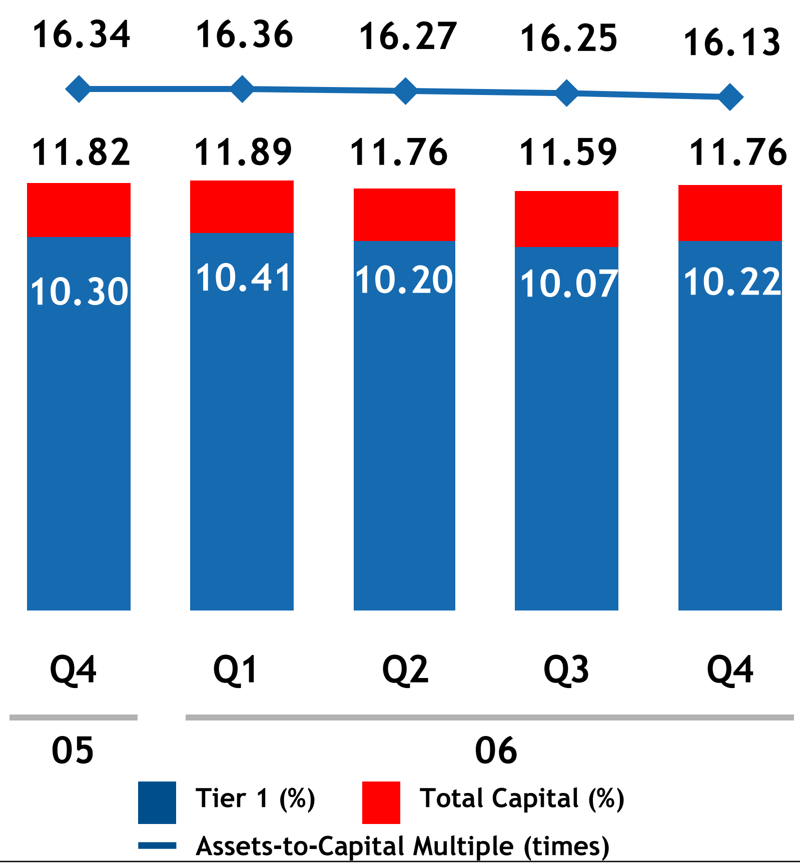


Q4 06 vs. Q4 05 ($/Share)

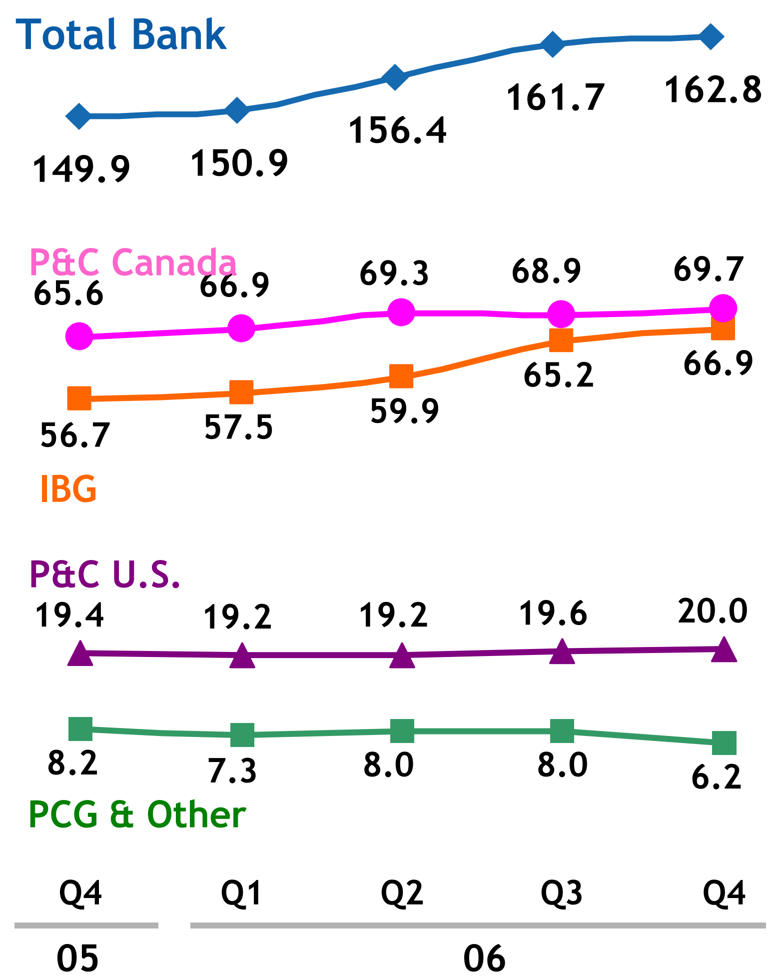


CAPITAL & RISK WEIGHTED ASSETS

Tier 1 capital ratio increased Q/Q as capital generation outpaced RWA growth



Risk Weighted Assets ($B)



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REVENUE GROWTH

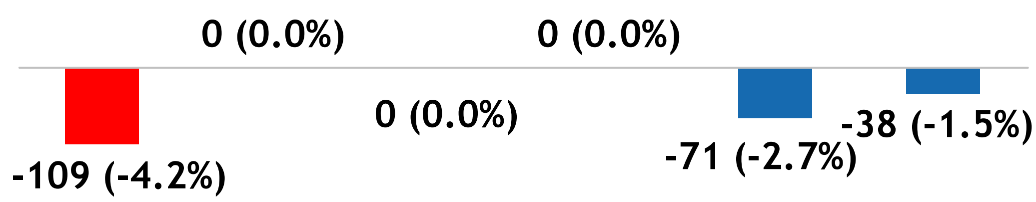
Q/Q

- Business growth declined due to lower interest income driven by compressed lending spreads in IBG and P&C, a sharp reduction of commodity derivatives trading and lower securities commissions and insurance income. These were in part offset by a credit card securitization gain and higher M&A fees
- Other Items represent gain on MasterCard IPO in Q3 06

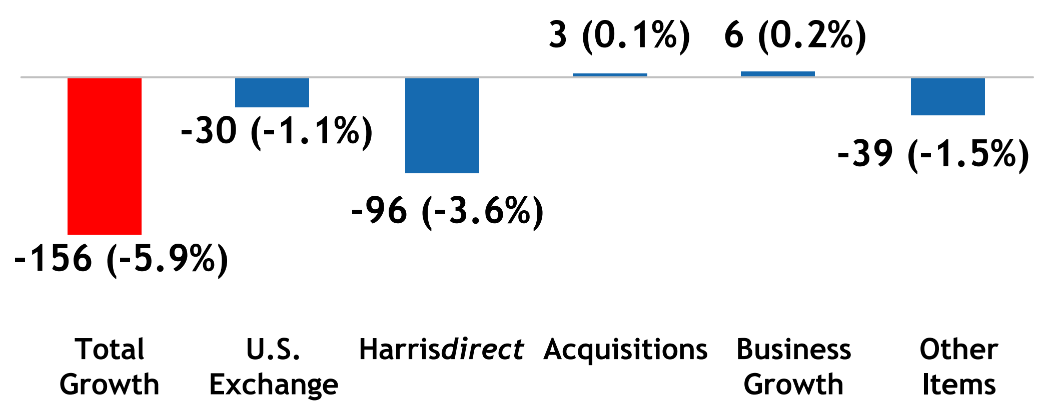
Y/Y

- Increased volumes in PCG partly offset as volume growth in P&C Canada and U.S. mitigated by narrower margins and weaker commodity derivatives trading revenue in IBG
- Villa Park acquisition in P&C U.S.
- Other Items represent Q4 05 TSX share sale, sale of Calgary office tower and customer loyalty card adjustment

Q4 06 vs. Q3 06 ($MM)



Q4 06 vs. Q4 05 ($MM)



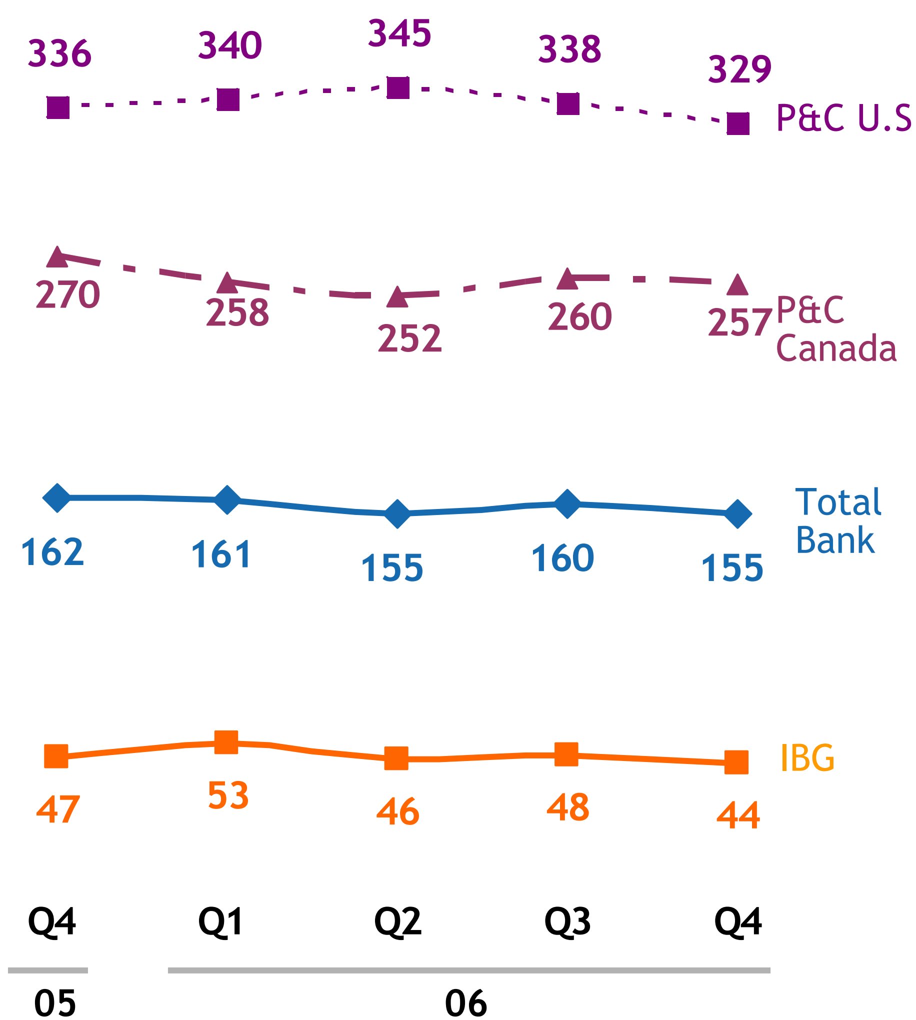
NET INTEREST MARGINS (bps)

Q/Q

- P&C Canada down due to lower mortgage refinancing fees
- IBG margin down due to compressed spreads in interest-rate sensitive businesses, the run-off of non-core assets and reduced spreads on corporate banking assets
- P&C U.S. down due to loan spread compression combined with changing product mix

Y/Y

- P&C Canada down due to competitive mortgage pricing in an aggressive market and total loans growing faster than deposits
- IBG margin down due to lower spreads on corporate loans in competitive rate environment in the U.S. and in interest-rate sensitive businesses, partially offset by higher trading interest revenue
- P&C U.S. down due to competitive pressures on loan pricing and total loans growing faster than deposits mitigated by pricing actions in certain deposit categories



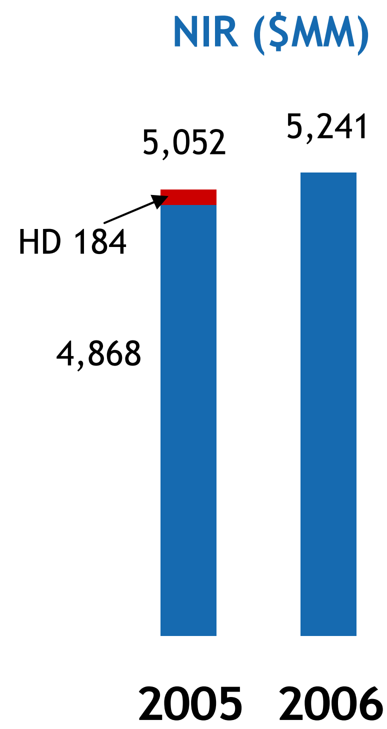
QUARTERLY NON-INTEREST REVENUE

BALANCES ($MM)	**Q4 05***	**Q3 06**	**Q4 06**	
Securities Commissions	256	260	**247**	Lower trading commissions
Trading Revenues	169	163	**69**	Lower volatility in commodities
Card Fees	60	106	**105**	Loyalty program adjustment $40MM in Q4 05
Mutual Fund Revenue	109	128	**130**	
Securitization Revenue	34	21	**55**	$27MM gain on $1.5B credit card sec'n, booked primarily in Corporate
Underwriting and Advisory	99	92	**104**	
Investment Securities Gains	79	51	**46**	Gain on MC IPO in Q3 06 of $38MM
Insurance	38	58	**49**	Favourable claims experience in Q3 06
Other NIR	505	457	**441**	
Total	1,349	1,336	**1,246**	

* Excludes the impact of Harris*direct* of $77MM

ANNUAL NON-INTEREST REVENUE

BALANCES($MM)	F05*	F06	
Securities Commissions	1,012	1,051	Higher direct investing volumes, commission fees in trading products
Trading Revenues	413	633	Higher commodities driven by volatility, F/X trading
Card Fees	334	396	$40MM customer loyalty card adjustment in F05
Mutual Fund Revenue	404	499	Positive net sales and appreciating asset values
Securitization Revenue	113	100	
Underwriting and Advisory	349	407	Increased M&A, offset by lower equity underwriting
Investment Securities Gains	165	145	
Insurance	162	204	Growth in portfolio
Other NIR	1,916	1,806	Deposit payments, lending fees
Total	**4,868**	**5,241**	



* Excludes the impact of Harris*direct* of $184MM

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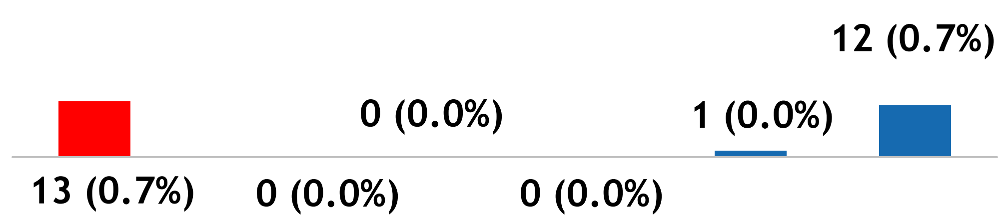
EXPENSE GROWTH

Q/Q

- Business growth primarily consists of higher technology costs and expenses associated with higher branch volumes, marketing and branch maintenance costs in P&C U.S.

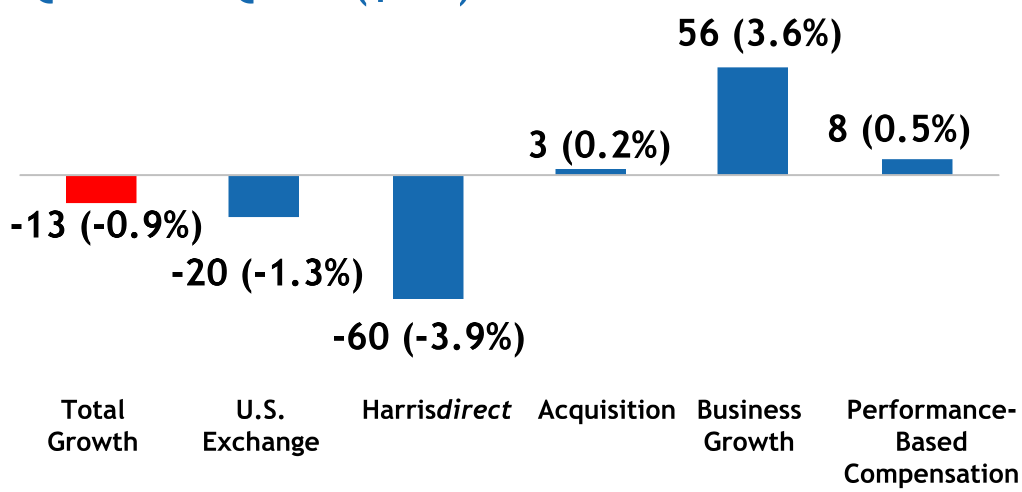
Q4 06 vs. Q3 06 ($MM)



Y/Y

- Business growth consists of retail and commercial sales force expansion and increased initiative and marketing in P&C Canada; acquisition integration costs, new branches and a new branch technology platform in P&C U.S.
- Villa Park acquisition in P&C U.S.

Q4 06 vs. Q4 05 ($MM)



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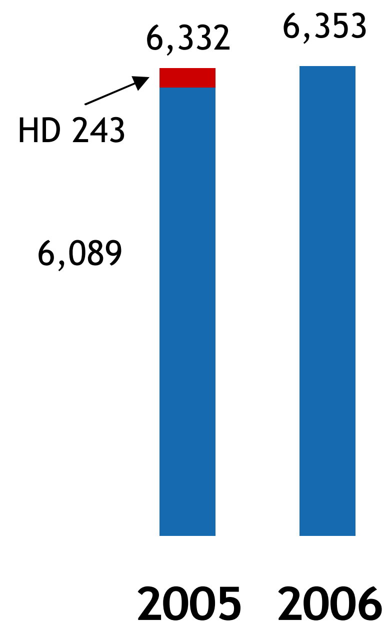
ANNUAL EXPENSES

BALANCES ($MM)	F05*	F06	
Salaries and Benefits	2,438	2,502	Over 1,000 additional FTEs, primarily in sales and frontline in P&C Canada partially offset by effective cost management
Performance based compensation	1,263	1,322	Increase driven by higher capital market related revenue in IBG & PCG
Premises & Equipment/Rental	436	476	Additional costs for new data centre in Barrie
Computer costs	696	709	Relatively unchanged, despite investments made in P&C U.S. business
Travel & Business Development	216	253	Advertising associated with Regeneration, BMO Capital Markets rebranding, P&C U.S. campaign
Other	1,040	1,091	
Total	6,089	6,353	

NIX ($MM)

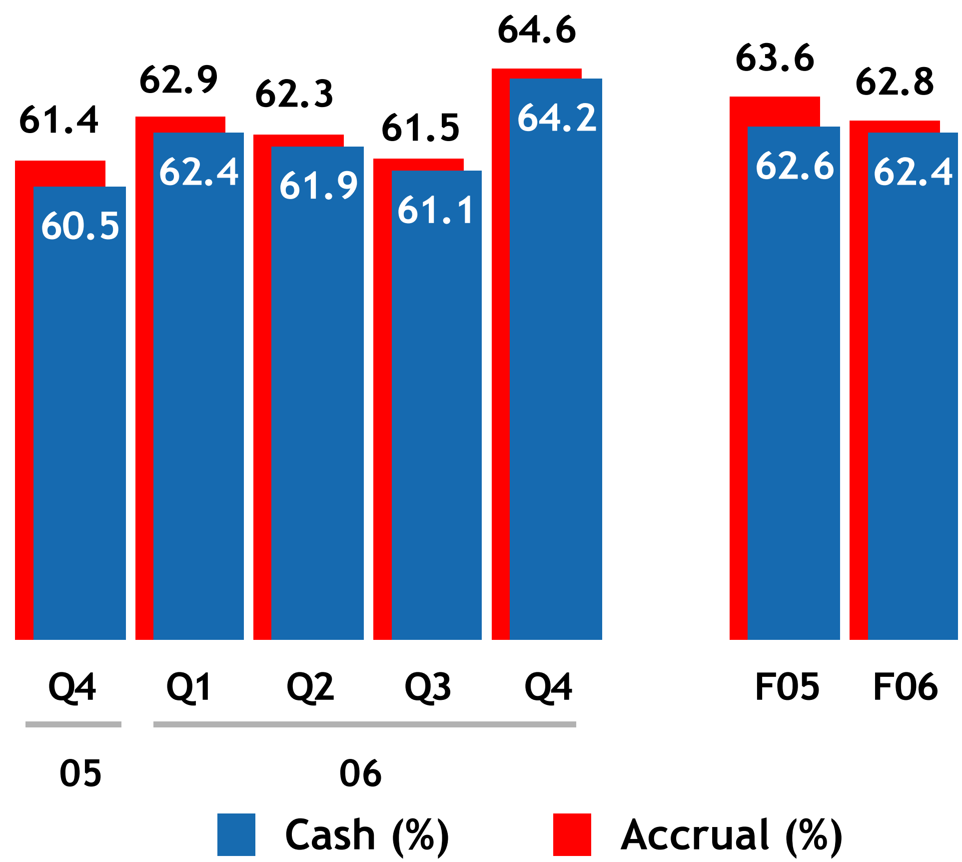


* Excludes the impact of Harris*direct*

CASH PRODUCTIVITY RATIO

25 bps annual improvement

- Revenue/expense growth differential of (5.0) percentage points in Q4 06 and 1.2 percentage points on an annual basis
- Cash productivity ratio deteriorated 312 bps Q/Q and 369 bps Y/Y



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FISCAL 2006 TARGETS

Performance Measure	F2006 Actual	F2006 Target	Target Met
EPS Growth[1] (base of $4.58[2])	11.6%	5%-10%	✓
Specific Provision for Credit Losses	$211MM	$400MM or less *Revised to:* $250MM or less	✓
Cash Productivity Ratio	25 bps improvement	100-150 bps improvement	✗
Return On Equity	19.2%	17%-19%	✓
Tier 1 Capital Ratio	10.22%	Minimum 8%	✓

[1] Excluding changes in the general allowance
[2] Restated from $4.59 due to the retroactive application of a change in accounting policy for stock-based compensation

FISCAL 2007 TARGETS

Performance Measure	F2006 Actual	F2007 Target
EPS Growth[1] (base of $5.11)	11.6%	5% to 10%
Specific Provision for Credit Losses	$211MM	$400MM or less
Cash Productivity Ratio	25 bps improvement	100-150 bps improvement
Return On Equity	19.2%	18%-20%
Tier 1 Capital Ratio	10.22%	NA[2]

[1] Excluding changes in the general allowance

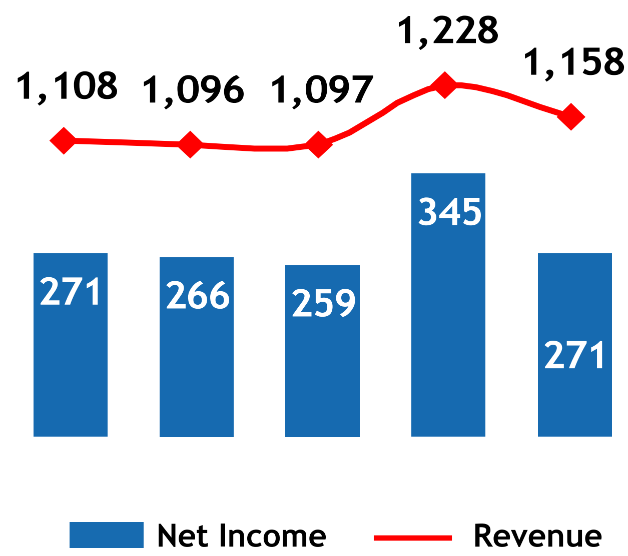
[2] BMO's policy is to maintain a Tier 1 Capital Ratio of at least 8%, but no longer states the ratio as an annual performance target

Appendix

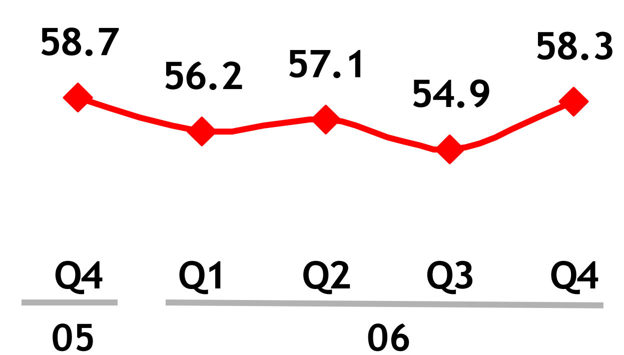
P&C CANADA

- Q/Q net income declined as Q3 06 results included the $38MM ($25MM after-tax) MasterCard IPO gain and a $26MM income tax recovery. The balance of the decline was attributable to lower revenue as expense levels were comparable in both periods as we continue to invest in our businesses
- Q/Q revenue decline driven by lower securitization revenue, lower insurance revenue as a result of unfavourable claims experience and reduced net interest margins as a result of decreased mortgage refinancing fees
- Y/Y net income unchanged as strong volume growth was offset by lower net interest margins, increases in expenses and higher provision for credit losses
- Y/Y net interest margins decreased due to competitive pressures on loan pricing, in particular aggressive mortgage pricing in the early part of the year, and loan growth outpacing deposit growth, partially offset by pricing actions in certain deposit categories
- Y/Y expense growth due to an expanded workforce and increased project initiatives and marketing expenditures

Revenue / Net Income ($MM)

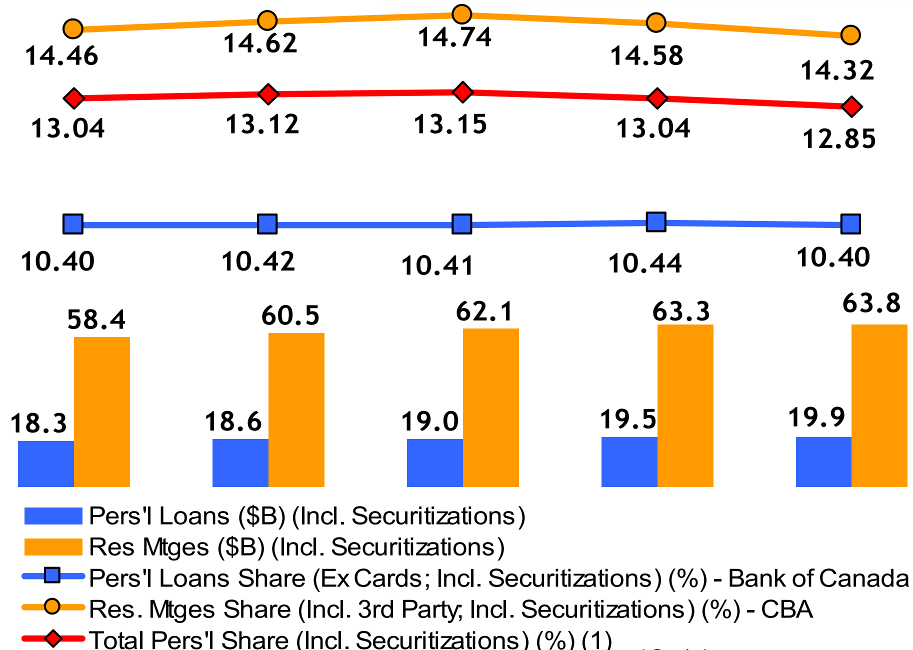


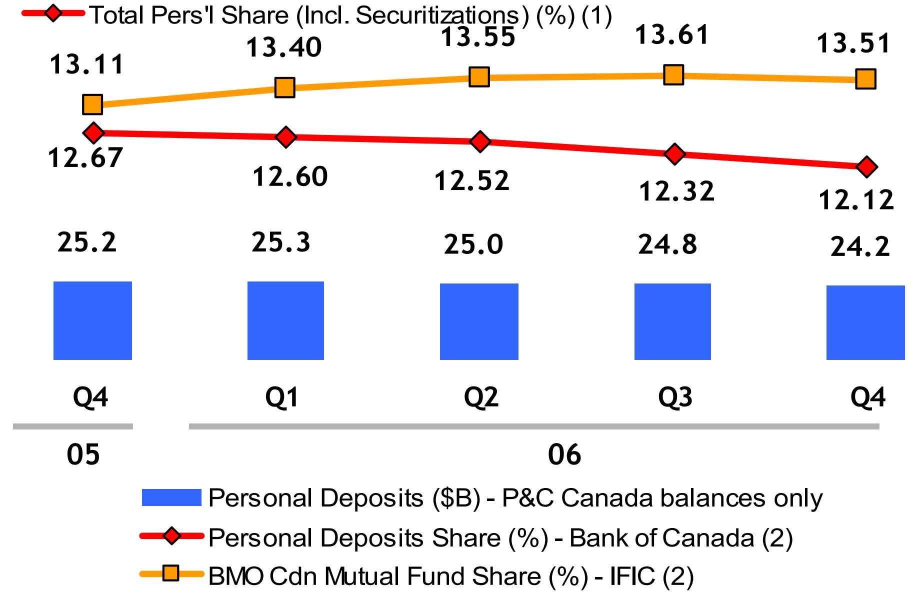
Cash Productivity Ratio (%)



P&C CANADA
– Personal Banking

- Mortgage and personal loan volumes continued to grow. However, Q/Q personal market share declined due to a decrease in residential mortgages and PRS deposits.
- Y/Y personal market share was 19 bps lower due to declines in deposits and residential mortgages partially offset by growth in mutual funds
- Decline in personal deposits expected due to PRS pricing strategy modified in Q1 06 to improve spread





Notes

Personal share statistics are issued on a one-month lag basis. (Q4 06: September 2006)

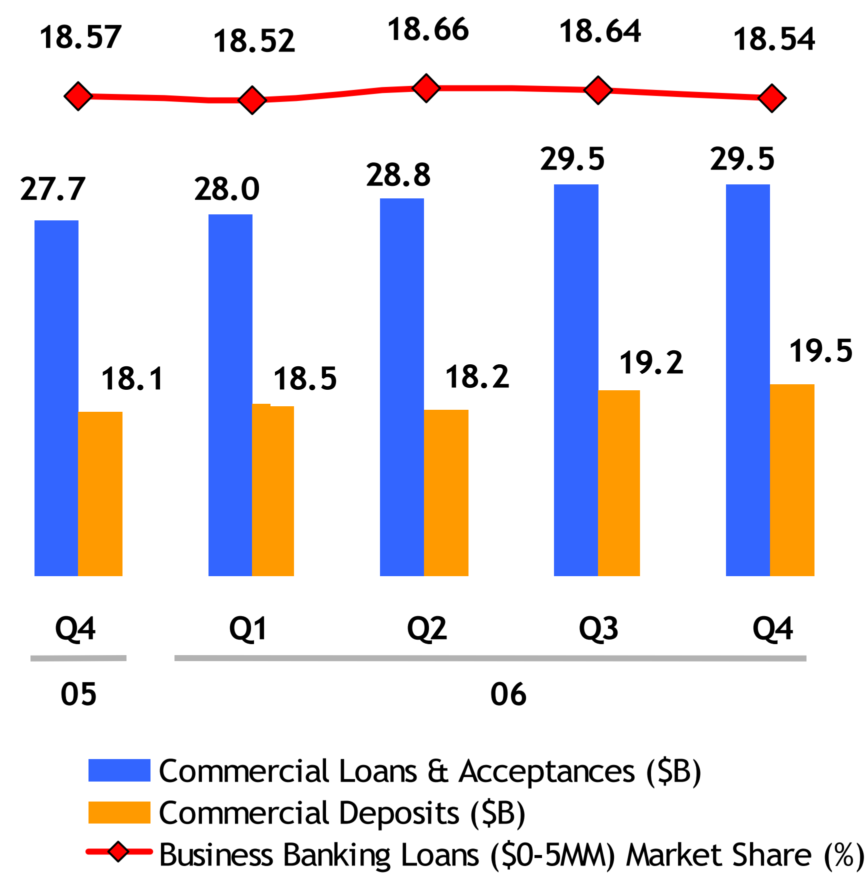
Market share trends versus all FIs are consistent with the bank's

(1) Total Personal Share includes Personal Deposits, Mutual Funds, Personal Loans (excluding Credit Cards) and Residential Mortgages (including 3rd Party)

(2) Term and Mutual Fund AUA/AUM reported in PCG Canada

P&C CANADA – Commercial Banking

- BMO continued to rank second in business banking market share for business loans $5MM and below
- Y/Y market share declined 3 bps to 18.54%. Q/Q market share declined 10 bps. The strongest performance was in the upper half of the market share category
- In the $1 to $5 million segment we experienced growth of 7.1% and market share growth for the year of 36 bps while we declined 8 bps from the previous quarter
- Simplified product offerings and expansion in the front-line sales force will provide more opportunities to serve our small business customers. During the quarter we announced the formation of three new operating units focused solely on commercial business in the key Toronto, Montreal and Vancouver markets
- Growth in commercial or larger end of market very strong with balance growth of 17.6% in loans over $5MM and continue to view this as an area of competitive strength



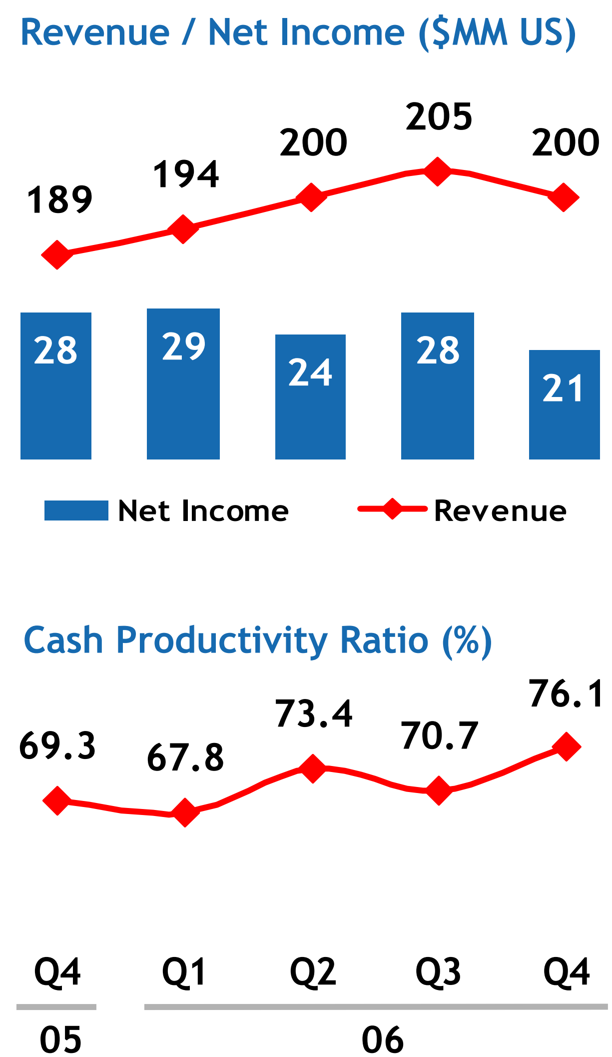
Notes

Business loans (Banks) are issued by CBA on a one calendar quarter lag basis. (Q4 06: June 2006)

Market share restated to reflect the latest CBA data

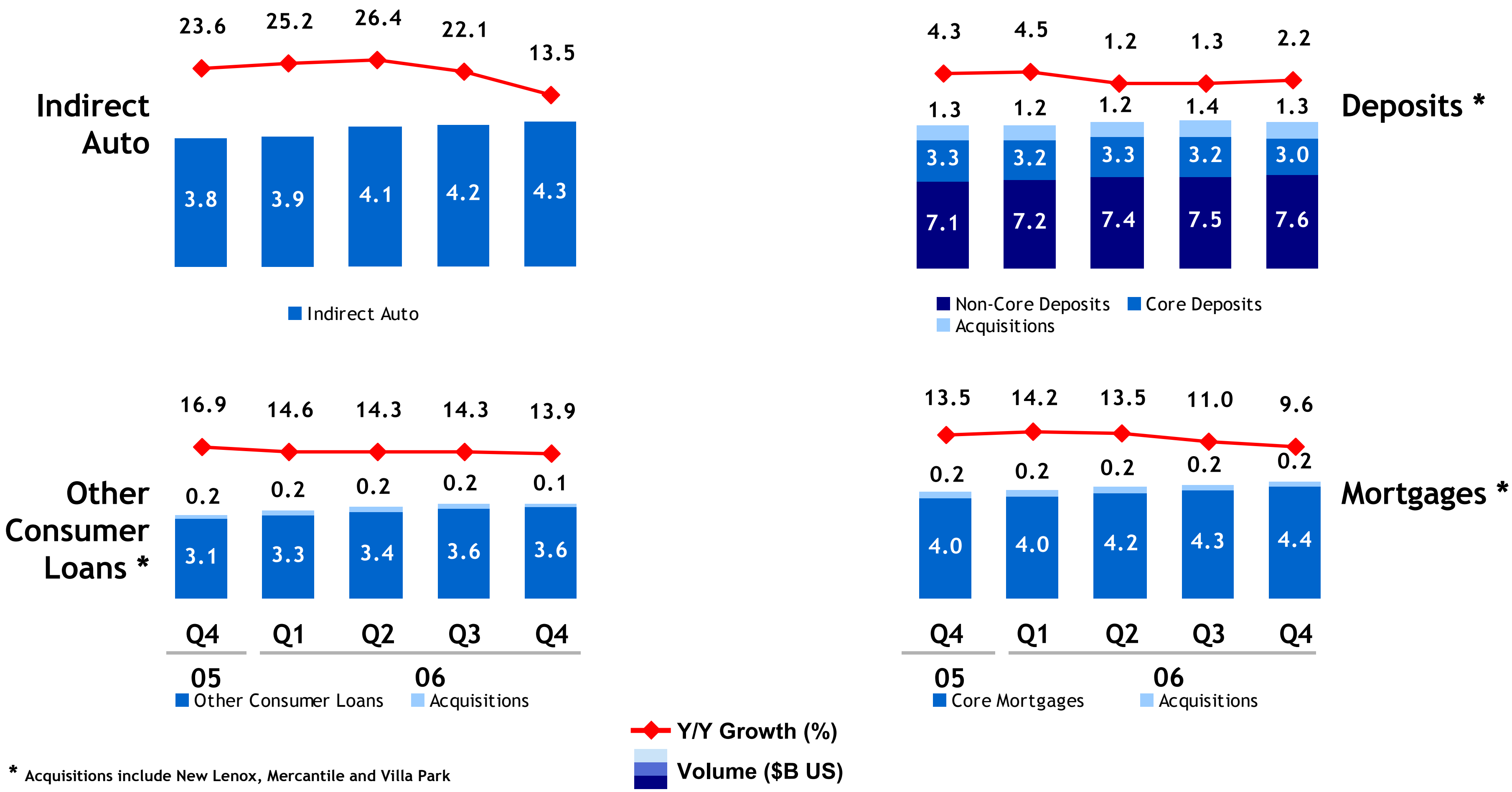
P&C U.S.

- Revenue trend reflects strong loan growth, acquisitions, new branches and improved deposit spread partly offset by lower loan spreads and in Q4'06, changing deposit mix
- Loan volume continues to show strong Y/Y growth despite a highly competitive market; lower loan spreads reflect heightened competition
- Q/Q net income decline reflects reduced revenue and increased expenses associated with higher technology costs, costs associated with higher business volumes, marketing and property maintenance costs
- One time acquisition related costs increased US$3MM Y/Y and US$13MM YTD



P&C U.S. – Consumer

Consumer loans continue to show strong growth, moderated by heightened competition and the economic environment



* Acquisitions include New Lenox, Mercantile and Villa Park

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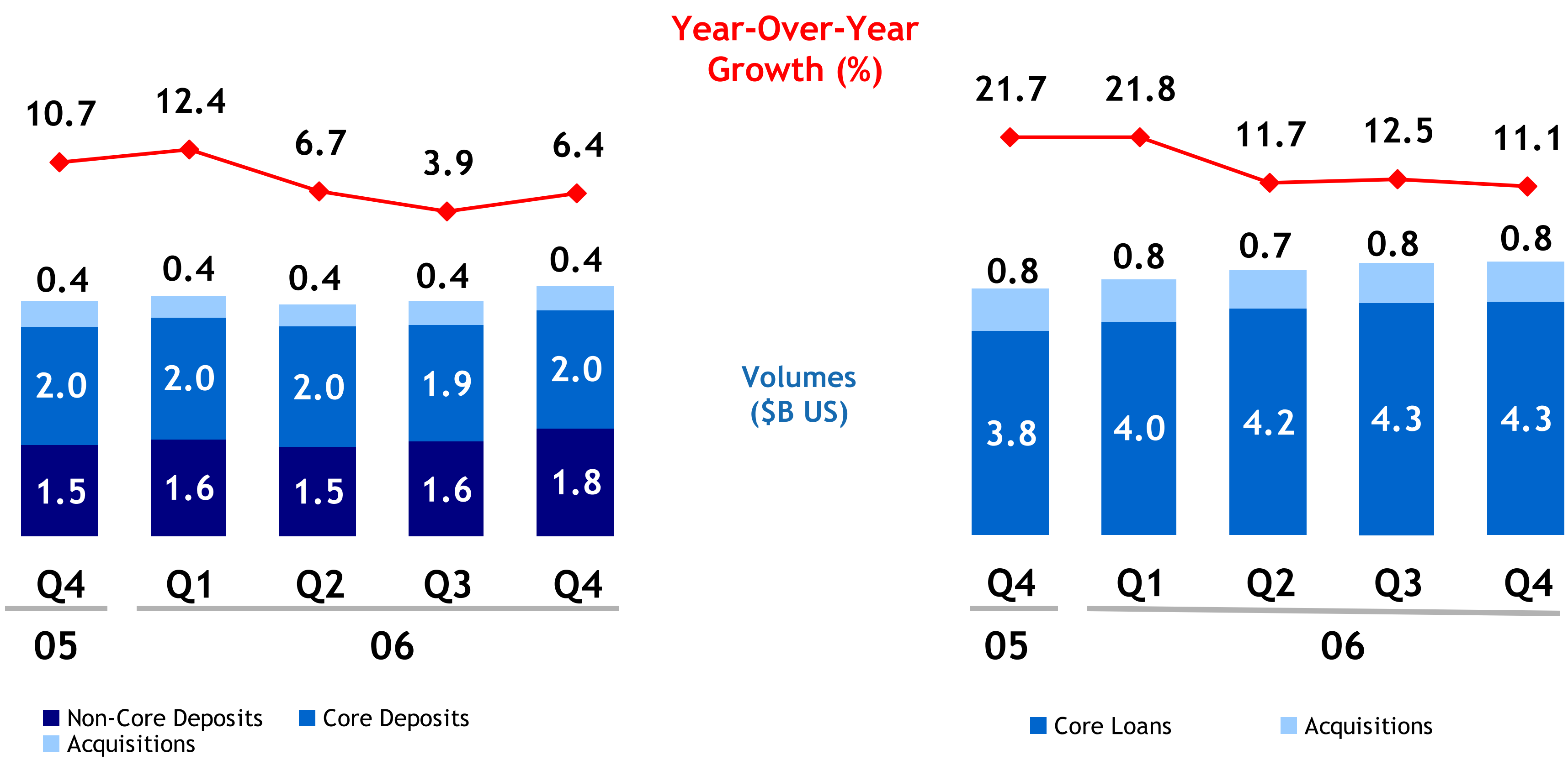
P&C U.S. – Commercial

Q4 ’06 Commercial loan growth reflects heightened competition

Deposits *

Loans *



* Acquisitions include New Lenox, Mercantile, and Villa Park

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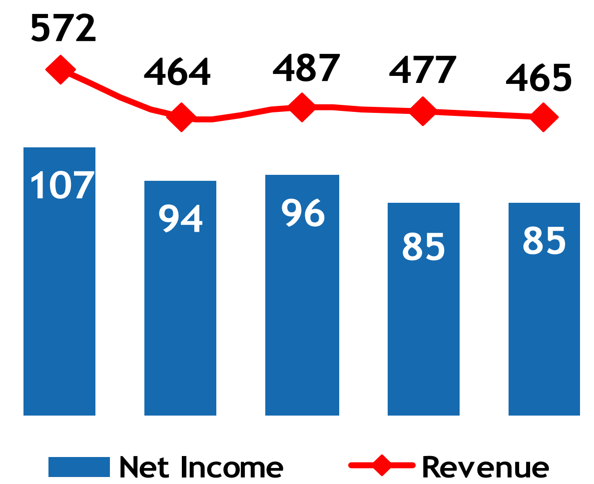
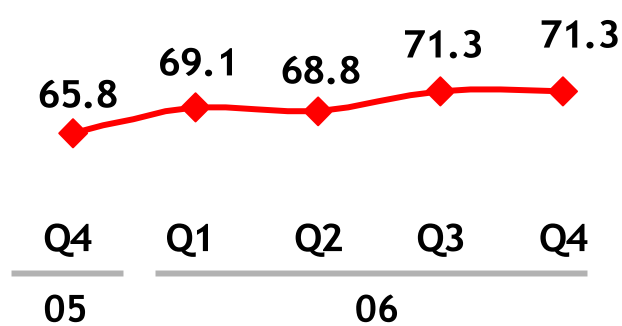
PRIVATE CLIENT GROUP

- Record net income in F2006 of $360MM up 27% excluding the prior year gains on sale of Harris*direct* ($49MM or $18MM after tax) and TSX shares ($25MM or $16MM after tax) or up 13% on a reported basis
- Net income in Q4/06 up 18% Y/Y excluding the prior year gains or down 21% on a reported basis
- Revenue decreased 3% Q/Q due primarily to lower direct investing commission revenue
- Revenue increased 4% Y/Y (excluding Harris*direct*, asset sales and F/X) due to higher managed assets and net interest income
- Cash productivity unchanged Q/Q but improved Y/Y by 127 bps and 214 bps annually excluding Harris*direct* and asset sales, on revenue growth and cost control

Revenue / Net Income ($MM)



Cash Productivity Ratio (%)



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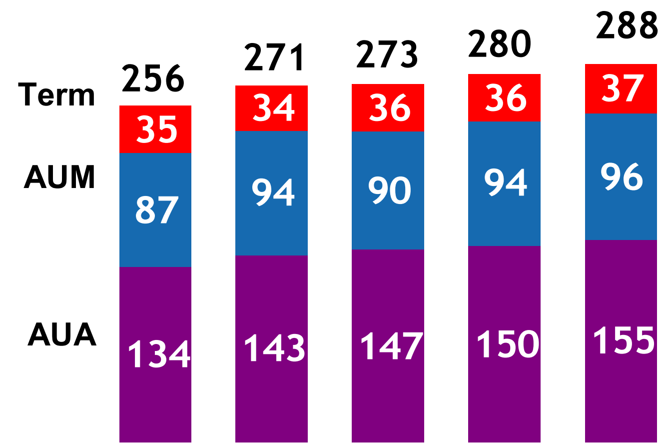
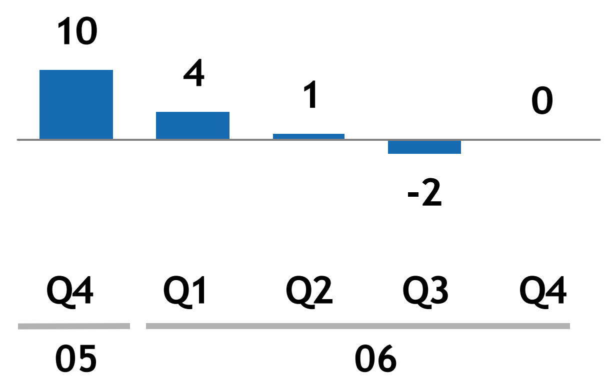
PRIVATE CLIENT GROUP

- Assets under management and administration, including term deposits, grew 16% Y/Y (adjusted for F/X):
  - Assets under management grew 17%
  - Assets under administration grew 18%
  - Term deposits grew 8%
- Y/Y U.S. net income relatively unchanged excluding Harris*direct*'s operating results and gain on sale
- Q4 05 included the US$15MM after-tax gain on sale of Harris*direct*

AUA / AUM ($B)



U.S. Net Income ($MM US)



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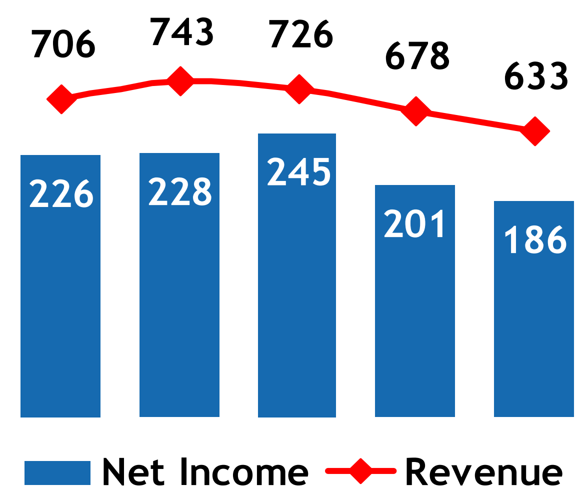
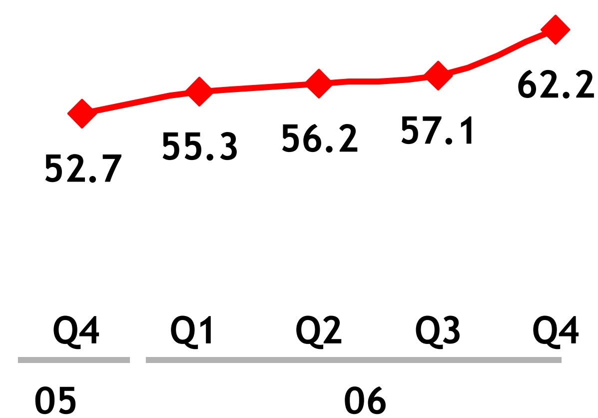
- Revenue decreased Q/Q due to lower trading revenues, commissions and cash collections on previously impaired loans offset partially by higher investment securities gains and M&A fees
- Revenue decreased Y/Y due to lower trading revenues, equity underwriting and reduced spreads. This was offset partially by improved corporate banking assets levels, higher lending fees and investment securities gains (excluding the impact of the gain on the sale of the TSX shares in Q4 05)
- Net Income decreased Q/Q and Y/Y due to lower revenues and higher expenses, offset partially by a lower effective tax rate
- Productivity declined Q/Q and Y/Y driven by lower revenues on weaker capital markets activity and higher expenses. Q4 05 included a reduction to performance-based compensation costs to align with full year results

Revenue / Net Income ($MM)



Cash Productivity Ratio (%)



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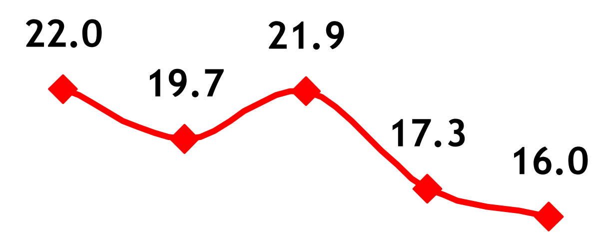
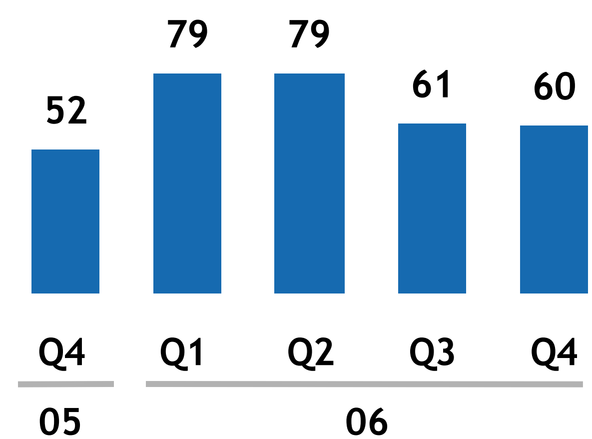
INVESTMENT BANKING GROUP

- Cash ROE declined Q/Q and Y/Y due primarily to weaker capital markets. The impact of a stronger Canadian dollar negatively impacted results Y/Y
- Q/Q U.S. results essentially unchanged as lower commodity derivatives trading revenues and commissions were offset by improved investment securities gains, M&A and lower expenses
- Y/Y improvement in U.S. results due to higher investment securities gains, M&A, lending fees and lower expenses. Improved corporate banking assets levels were partially offset by lower spreads. Lower commodity derivatives trading revenues and equity underwriting partially offset the Y/Y improvement in net income

Cash ROE (%)

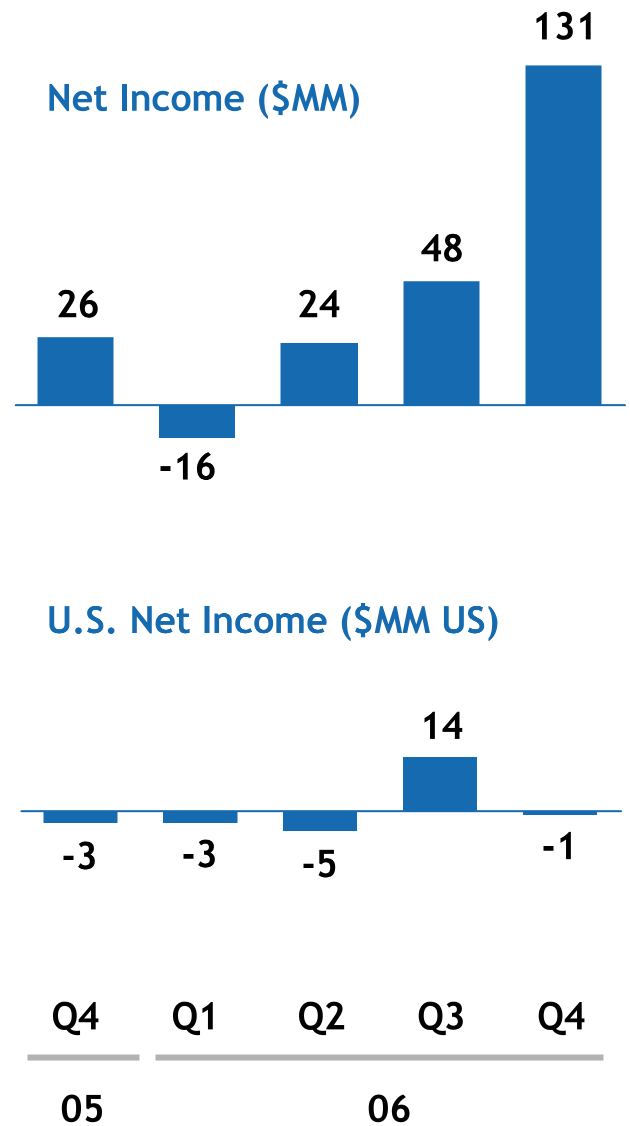


U.S. Net Income ($MM US)



CORPORATE SERVICES
Including Technology and Operations

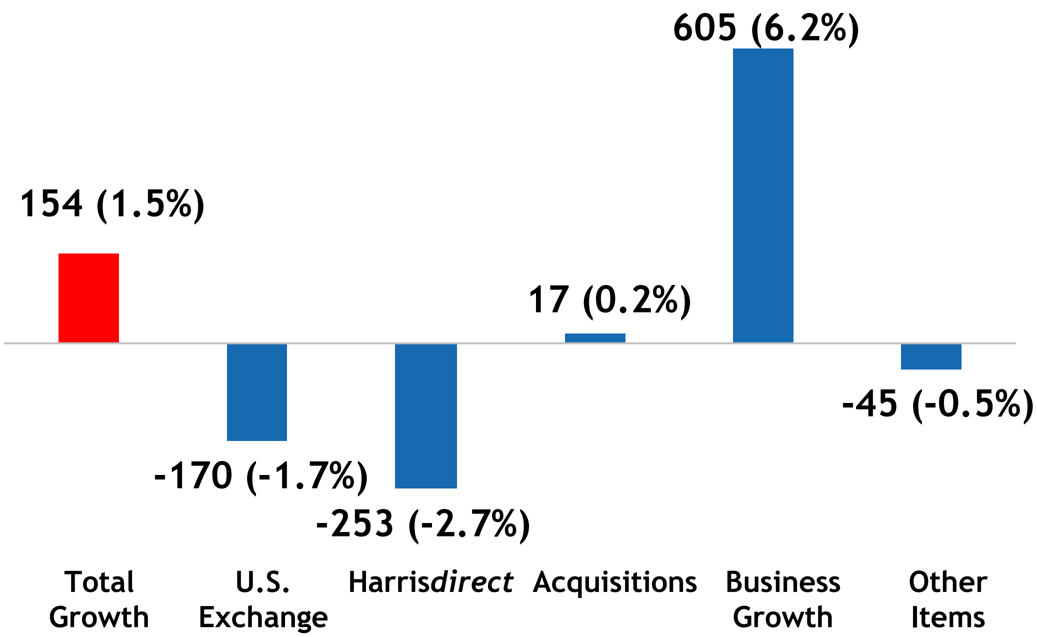
- Net income increased $83MM Q/Q due to better taxes, a lower provision for credit losses and a gain on credit card securitization
- Net income increased $105MM Y/Y due to low taxes and a lower provision for credit losses
- U.S. net income decreased $15MM Q/Q due to an increased provision for credit losses and higher income taxes. US net income was relatively flat Y/Y.



BMO Financial Group

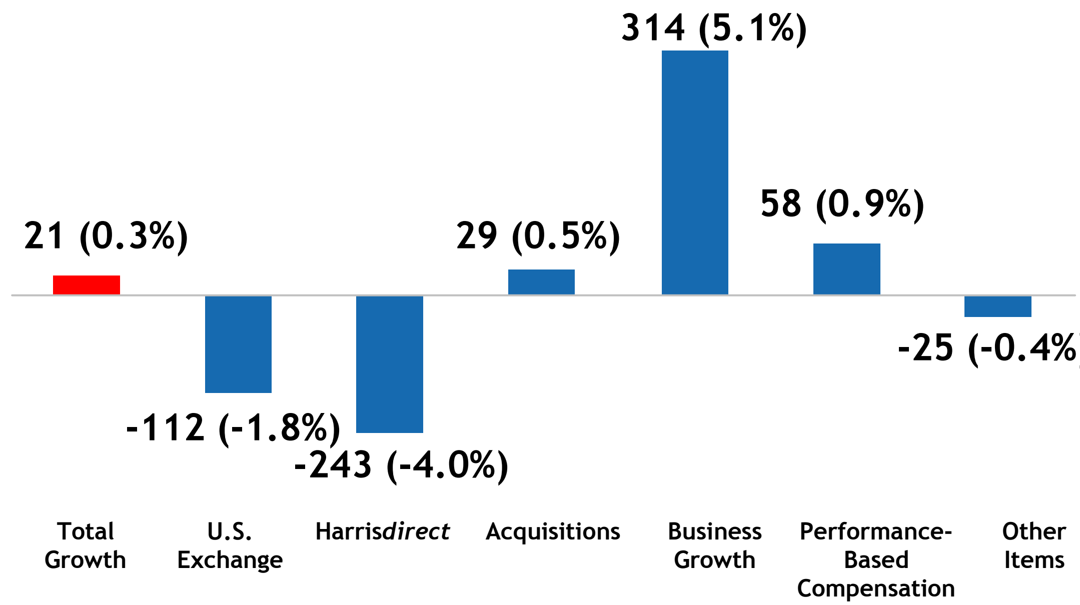
ANNUAL REVENUE GROWTH ($MM)

- Up 5.9% after excluding Harris*direct* and the weaker U.S. dollar
- Business growth consists of higher trading revenues in IBG; P&C Canada from volume growth, higher insurance and cards revenue partially offset by lower margins and securitization revenue; PCG due to higher mutual funds revenue and higher client trade volumes in direct investing
- Mercantile and Villa Park acquisitions in P&C U.S.
- Other represents the 2005 VIE gains, TSX gains and Calgary building sale partially offset by the 2006 MasterCard IPO gain and the 2005 customer loyalty card adjustment



ANNUAL EXPENSE GROWTH ($MM)

- Business growth consists of P&C Canada's increased frontline workforce; IBG variable compensation, computer and professional fees; PCG's higher revenue-based costs and professional fees; P&C U.S. for integration costs and new branches
- Variable compensation increase in IBG and PCG, partly offset by lower costs in P&C Canada & U.S.
- Mercantile and Villa Park acquisitions in P&C U.S.
- Harris*direct* includes operating results
- Other includes a litigation provision recorded in Q2 05

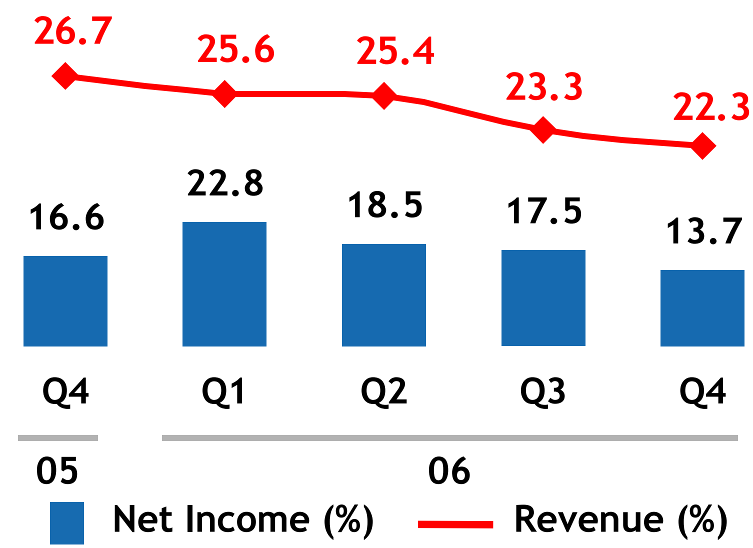


U.S. RESULTS

- Net income from U.S.-based business of US$80MM or 13.7% of North American net income
- Q/Q P&C U.S. net income decreased despite higher lending volumes, due to lower margins, a change in mix along with higher expenses related to higher business volumes and marketing costs
- Q/Q IBG net income was flat as reductions in trading and commission revenues offset higher net investment securities gains, M&A fees and lower expenses

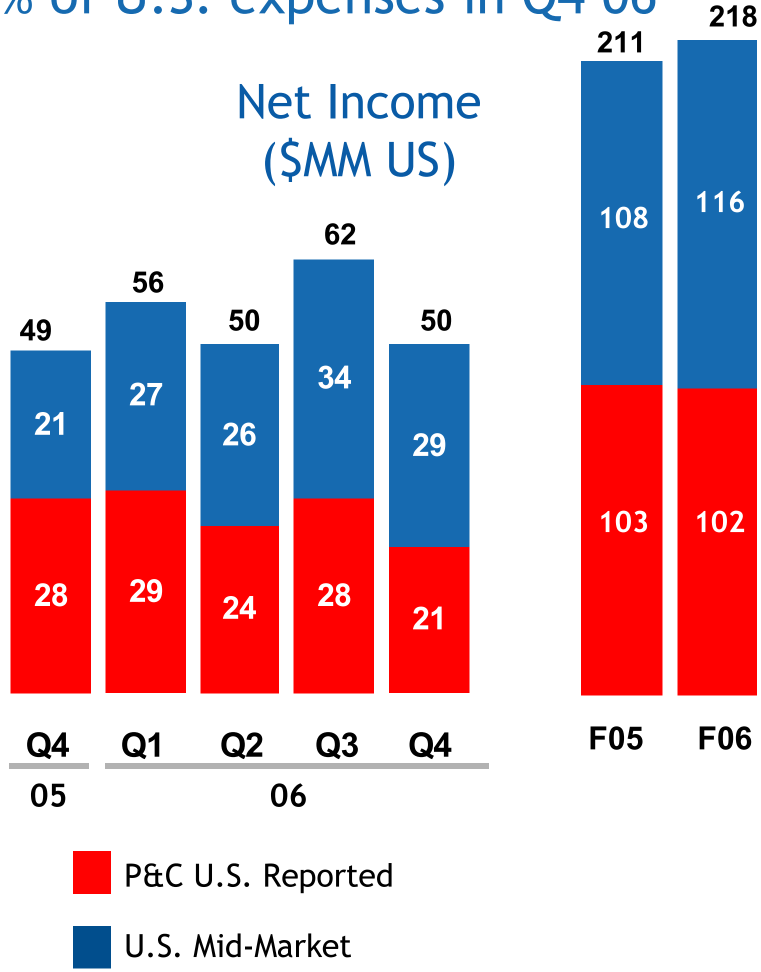
Net Income ($MM US)	Q4 06	Q3 06	Q4 05	F06	F05
P&C	21	28	28	102	103
PCG	-	(2)	10	3	8
IBG	60	61	52	279	284
Corporate	(1)	14	(3)	5	(8)
TOTAL	80	101	87	389	387

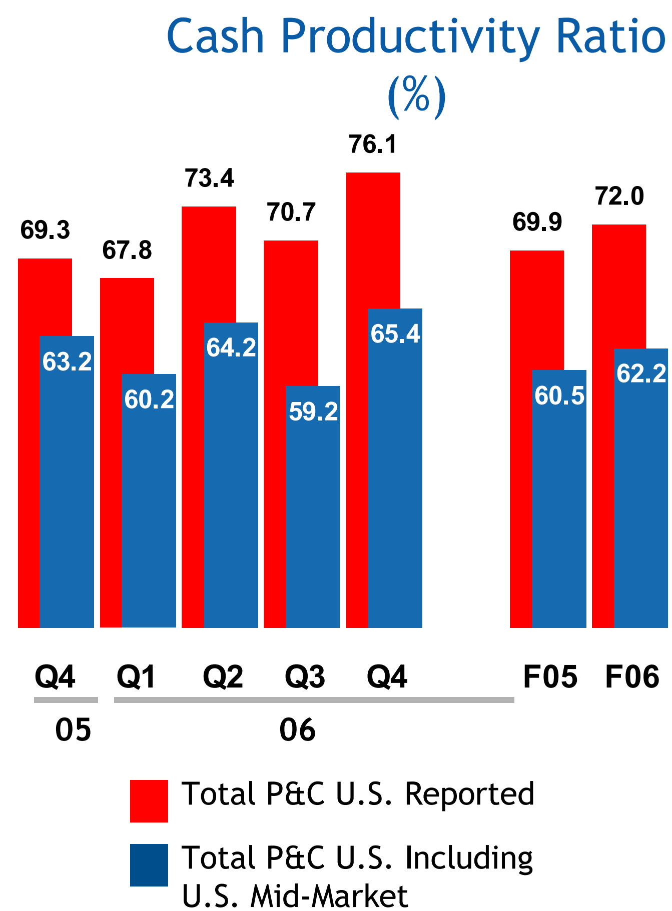
U.S. to N.A. Revenue and Net Income ($MM CDE)



U.S. RETAIL AND MID-MARKET

Operations represent 32% of U.S. revenue and 21% of U.S. expenses in Q4 06





U.S./CANADIAN EXCHANGE

- $1MM pre-tax earnings increase Q/Q and $9MM decline Y/Y
- Annually pre-tax earnings decreased $51MM
- Excluding hedging, a one cent change in the CDN/U.S. exchange rate changes quarterly earnings by approximately $1.5MM pre-tax

	Quarterly		Annual
$MM	Q/Q	Y/Y	Y/Y
Increased (Reduced) Revenue	-	(30)	(170)
Reduced (Increased) Expense	-	20	112
Reduced (Increased) Provision for Credit Losses	-	-	4
Hedging Gains (Losses)	1	1	3
Total Pre - Tax Impact - Gain (Loss)	**1**	**(9)**	**(51)**

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