

Q3 05

STRATEGIC OVERVIEW
*Investor Community
Conference Call*

TONY COMPER
*President and
Chief Executive Officer*

AUGUST 23 • 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.



Q3 PERFORMANCE

Performance Measure	Q3 2005	Q2 2005	Q3 2004
Net Income	\$541 MM	\$600 MM	\$643 MM
Cash Net Income	\$558 MM	\$621 MM	\$664 MM
EPS	\$1.05	\$1.16	\$1.24
Cash EPS	\$1.08	\$1.21	\$1.27
Cash Productivity	63.8%	64.0%	63.2%
Return on Equity	16.5%	19.5%	21.0%
Provision for Credit Losses	\$73 MM	\$6 MM	(\$110) MM



PROGRESS ON U.S. EXPANSION

PRIORITIES

- Continue to improve U.S. performance
- Accelerate growth in the U.S. both organically and through acquisitions

ACTIONS

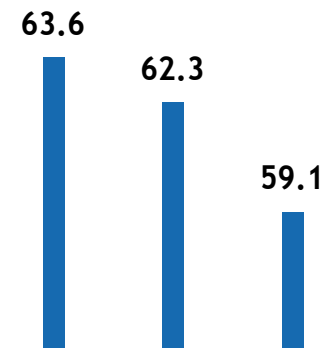
- Opened a new branch in Mount Prospect, with three more branches scheduled to open in Q4
- Successful Harris charter consolidation
- Announced definitive agreement to purchase Edville Bankcorp, Inc. and its subsidiary Villa Park Trust and Savings Bank
- Announced definitive agreement to sell *Harrisdirect*



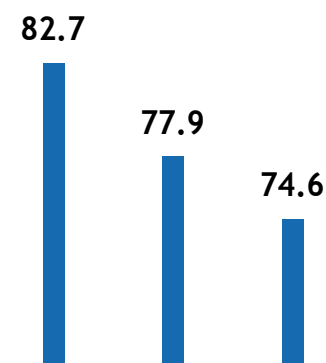
FOCUSED ON ANNUAL TARGETS

Performance Measure	YTD 2005	F2005 Target
EPS Growth ¹ (base of \$4.21)	3.4%	3-8%
Specific Provision for Credit Losses	\$162 MM	\$400 MM or less <i>Now estimated to be: \$275 MM or less</i>
Cash Productivity Ratio	40 bps improvement	150-200 bps improvement
Return On Equity	18.4%	17-18%
Tier 1 Capital	9.39%	Minimum 8%

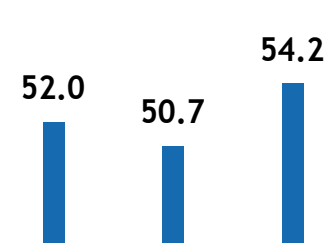
P&C Cash Productivity (%)



PCG Cash Productivity (%)



IBG Cash Productivity (%)

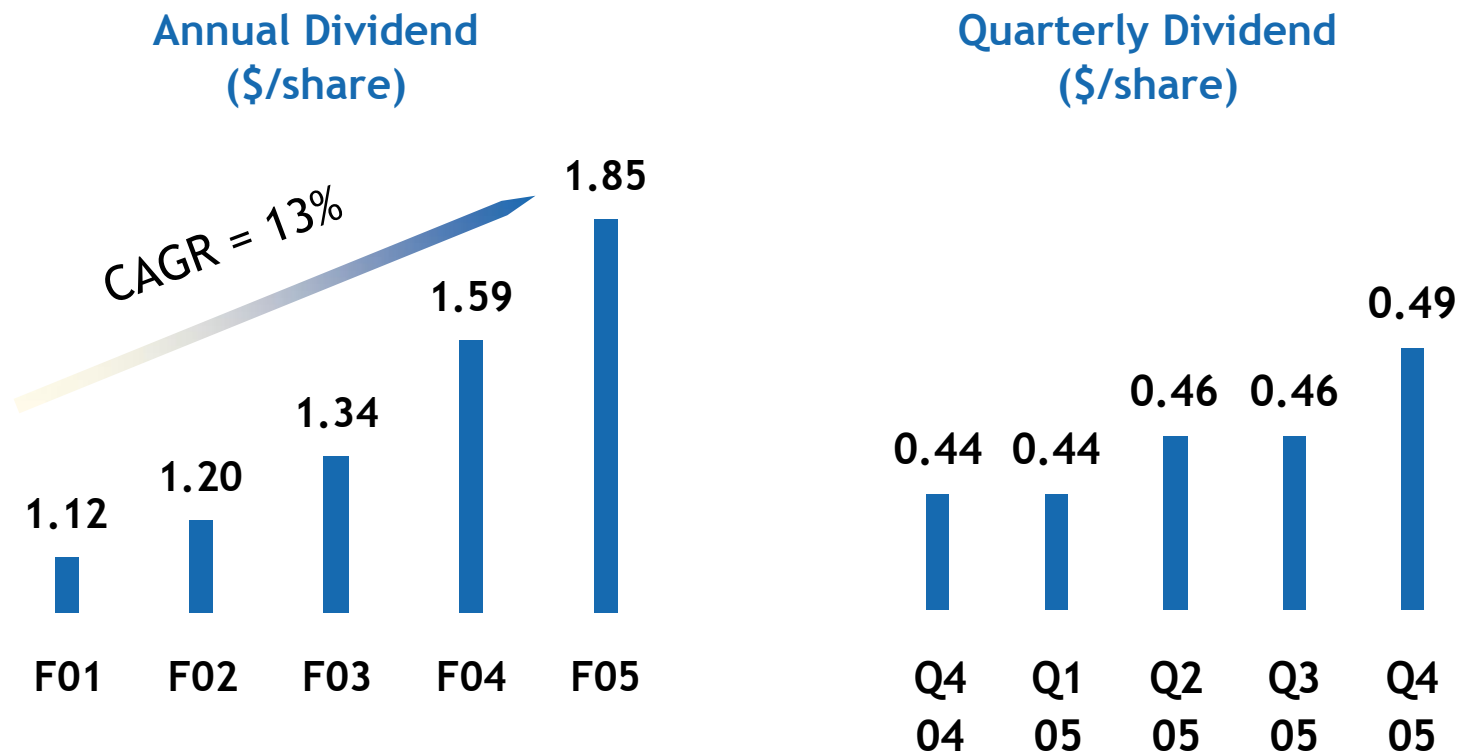


¹ Excluding changes in the general allowance



QUARTERLY DIVIDEND INCREASES 6.5%, UP 11% FROM A YEAR AGO

Payout ratio for the last 12 months near the midpoint of our stated goal range of 35 - 45%





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