



CITIGROUP

Financial Services Conference

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Bank of Montreal

February 1 • 06

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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.

OTHER REPORTING MATTERS

CAUTION REGARDING NON-GAAP MEASURES

Bank of Montreal uses both GAAP and non-GAAP measures to assess performance. Securities regulators require that companies caution readers that earnings and other measures adjusted to a basis other than GAAP do not have standardized meanings under GAAP and are unlikely to be comparable to similar measures used by other companies.

Reconciliations of GAAP to non-GAAP measures as well as the rationale for their use can be found in Bank of Montreal's quarterly Press Release, MD&A and in its Annual Report to Shareholders.

Non-GAAP results or measures include revenue, taxes and productivity results and measures that use Taxable Equivalent Basis (teb) amounts, cash-based profitability and efficiency measures, net economic profit and results and measures that exclude significant items.

GAAP METHODOLOGY

Unless otherwise indicated, all GAAP measures are reported in accordance with Canadian GAAP. A reconciliation of Canadian GAAP to U.S. GAAP can be found in Bank of Montreal's quarterly Financial Statements and Supplementary Package and in its Annual Report to Shareholders.

QUIET PERIOD

Bank of Montreal is currently in its "Quiet Period" which will end when it reports Q1 2006 results on Thursday, March 2, 2006. At that time, we will discuss Bank of Montreal's earnings and performance against targets.

A LEADING NORTH AMERICAN FINANCIAL INSTITUTION

- Consistent and focused North American growth strategy to continue to grow our core Canadian business and accelerate our expansion in the United States
 - ▶ Proven capacity to achieve targeted growth from our existing solid U.S. platform and strong Harris brand
 - ▶ Presence in some of the most lucrative markets in the U.S.

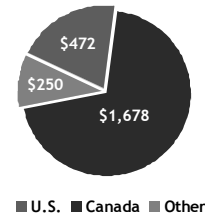


BANK OF MONTREAL (BMO)

- 4th largest bank in Canada measured by market cap
- 100% ownership of Chicago-based Harris Bank

Listings:	NYSE, TSX (Ticker: BMO)
Share Price at Oct. 31/05:	NYSE - US\$49.02; TSX - C\$57.81
Market Cap at Oct. 31/05:	C\$29 billion (US\$24* billion)
F2005 Average Assets:	C\$303 billion (US\$250* billion)
F2005 Net Income:	C\$2.4 billion (US\$2.0* billion)
F2005 ROE:	18.8%
# of Employees:	Almost 34,000

F2005 Net Income by Geography (C\$MM)



* Balances stated in Canadian dollars. F2005 average exchange rate: Cdn to U.S. 1.2138.

2006 FINANCIAL TARGETS

Performance Measure	F2006 Target (source: 2005 Annual Report)	F2005 Actual
EPS Growth ¹ (from a base of \$4.59)	5 - 10%	9%
Specific Provision for Credit Losses	\$400 MM or less	\$219 MM
Cash Productivity Ratio	100 - 150 bps improvement	120 bps improvement
Return On Equity	17 - 19%	18.8%
Tier 1 Capital	Minimum 8%	10.25%

¹ Excluding changes in the general allowance

BMO Financial Group

LINES OF BUSINESS

Personal & Commercial Client Group (P&C)

- Over 8.5 million customers across Canada & the U.S.
- Over 1,000 branches in Canada & the U.S.
- Access to approximately 2,500 automated banking machines in Canada and the U.S.

Investment Banking Group (IBG)

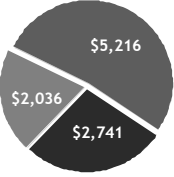
- Bulge bracket firm in Canada, mid-market niche player in the U.S.
- M&A and restructuring advisory services
- Industry leading research, sales and trading capability

Private Client Group (PCG)

- Full-service and direct investing, private banking, investment products
- C\$87 billion in AUM and C\$134 billion in AUA

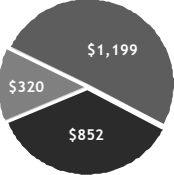
¹ Residual due to corporate areas

F05 Revenue by LOB¹ (C\$MM)



LOB	Revenue (C\$MM)
P&C	\$5,216
IBG	\$2,741
PCG	\$2,036

F05 Net Income by LOB¹ (C\$MM)



LOB	Net Income (C\$MM)
P&C	\$1,199
IBG	\$852
PCG	\$320

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INVESTING IN CANADIAN BANKS

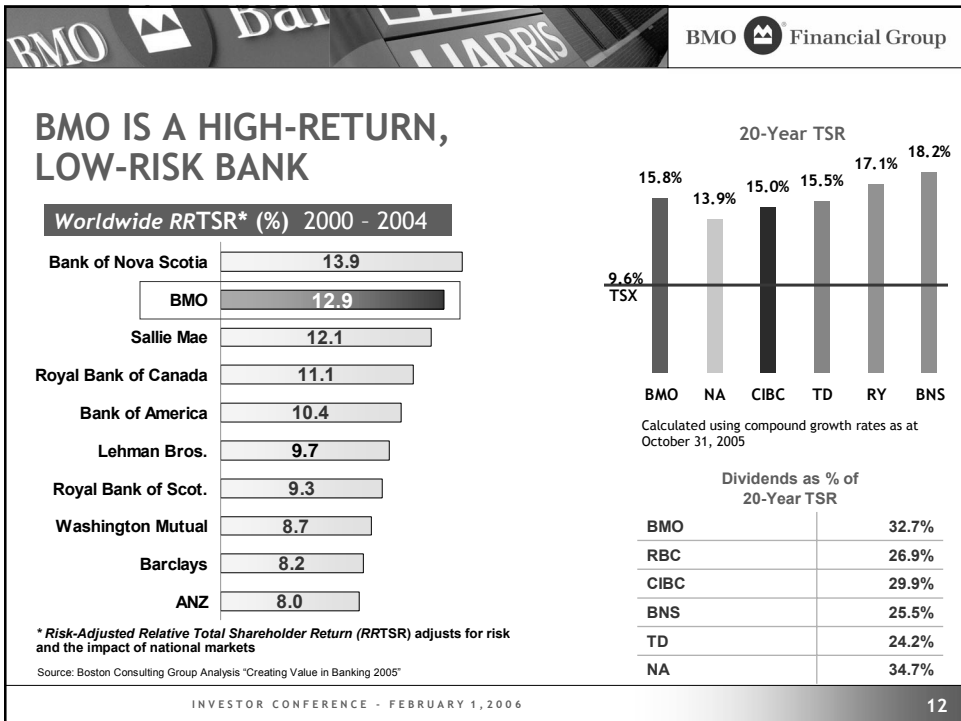
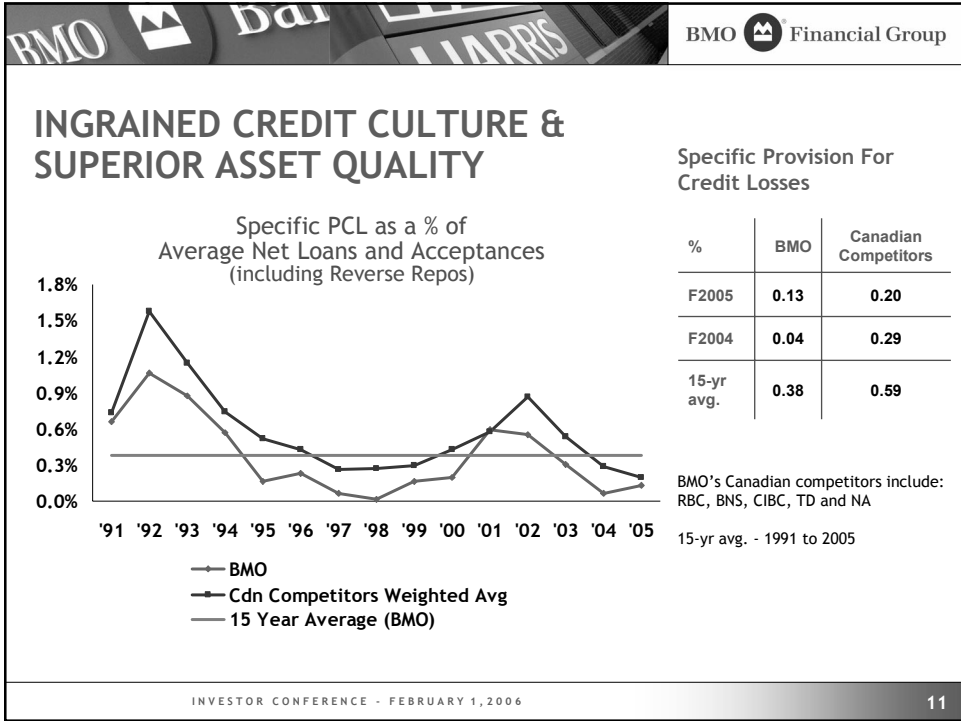
- Provides low-risk access to Canadian resource based economy
- Compared to U.S. Banks, Canadian Banks have typically had, of late, higher Total Shareholder Returns and ROEs ¹
- No incremental expenses related to stock options
- A less stretched housing market

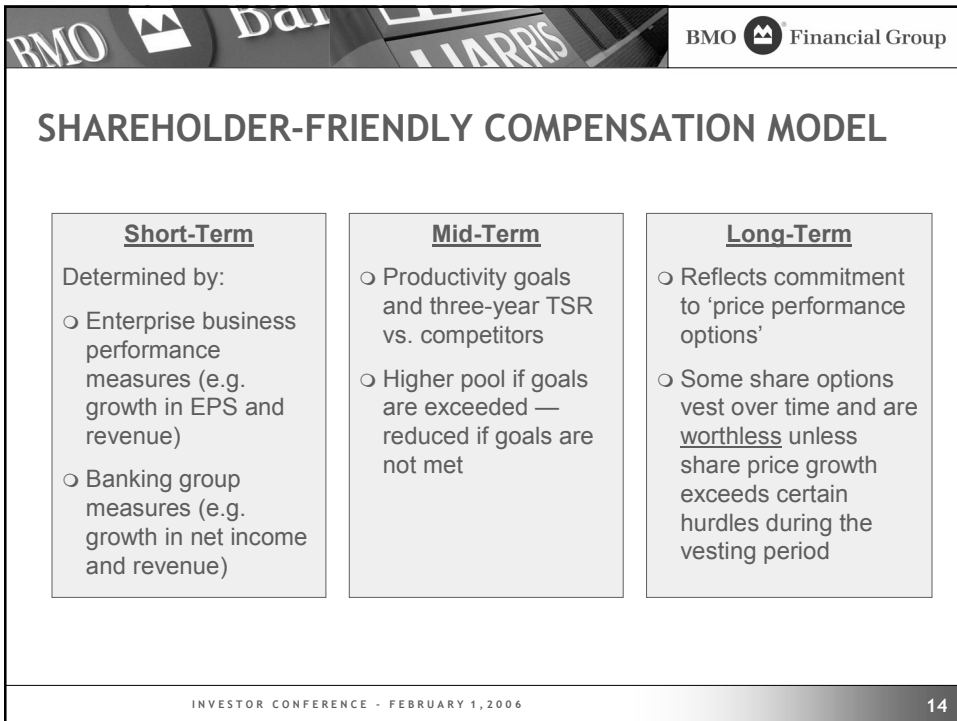
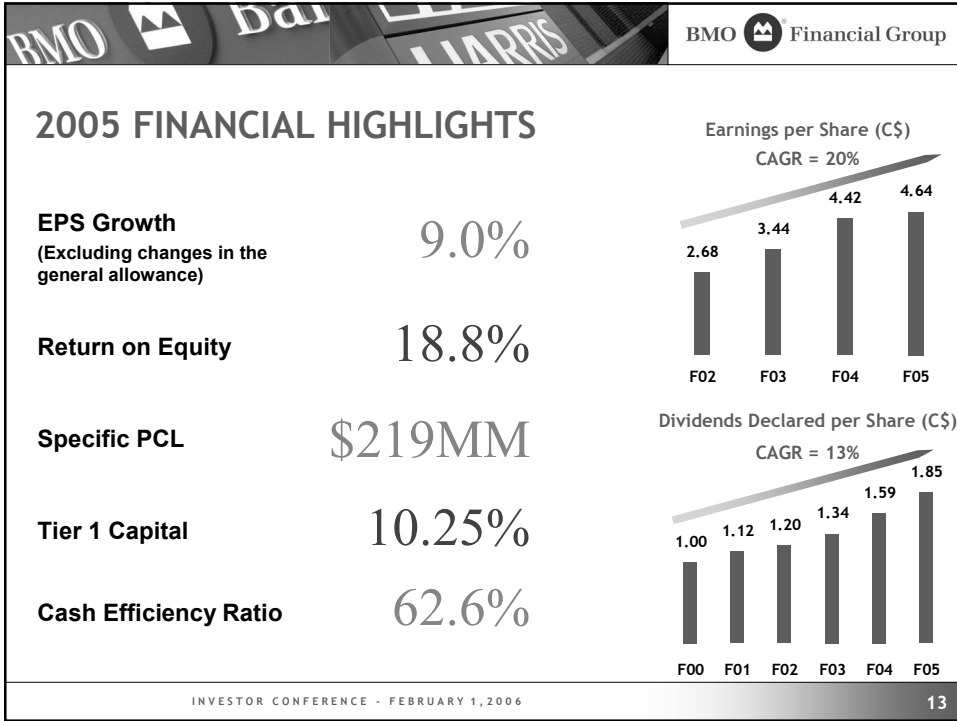
¹ Source: 2005 Annual Report

INVESTOR CONFERENCE - FEBRUARY 1, 2006 8

	
<h2>2006 STRATEGIC PRIORITIES</h2>	
	<p>Achieve financial targets with a particular focus on revenue growth to improve productivity</p>
	<p>Drive revenue growth by providing a superior client experience and earning a larger share of customers' business</p>
	<p>Continue to improve U.S. performance</p>
	<p>Accelerate growth in the United States both organically and through acquisitions</p>
	<p>Grow net income in Canada through operational efficiency and improved market share, accelerating our growth in commercial banking and wealth management</p>
	<p>Build a high-performance organization by developing our people, living our values and being an employer of choice</p>
	<p>Maintain our world-class foundation of leading governance, sound risk management, productive systems and excellent after sales service</p>
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<h2>BMO's RISK MANAGEMENT FRAMEWORK</h2>	
<ul style="list-style-type: none"> ○ Independence of credit <ul style="list-style-type: none"> ▶ A second look ▶ Dual signatures ○ Independence of monitoring ○ Decentralized and large discretionary limits ○ Quality and experience – qualification / risk curriculum ○ Active but prudent participation in CDS and hedge funds (originate to hold / sell) ○ Balance of technical science and experience / process ○ Early identification of deteriorating accounts ○ Know your customer 	
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>CONSISTENCY THROUGH THE CYCLE</p> </div>	
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ECONOMIC OUTLOOK

Canada

- Growth will be sustained through 2006 by firm consumer spending and rising business investment. Exports will be less constrained by the strong C\$.
- Short-term interest rates, though expected to rise through 2006, will continue to support the economy
- Long bond yields are expected to rise through 2006

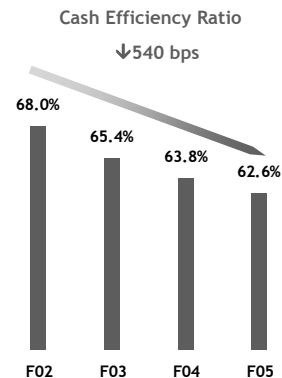
U.S.

- Interest rates will continue to rise near-term on indications that growth is weathering the impact of the various hurricanes and attendant rise in oil prices
- The tightening will also reflect concern that higher energy prices will pressure inflationary expectations upwards
- Housing market and residential mortgage growth will cool due to earlier rate increases, but strong capital spending will support business loans
- Consolidation will continue in response to deregulation

Source: BMO Economics

EXCELLENT PROGRESS ON EFFICIENCY

- Improved 540 bps from 2002 to the end of 2005
- Committed to improving 100 - 150 bps each year
- Strong culture of cost discipline, with revenue growth a strategic priority for F06
- Compensation tied to success in achieving targets



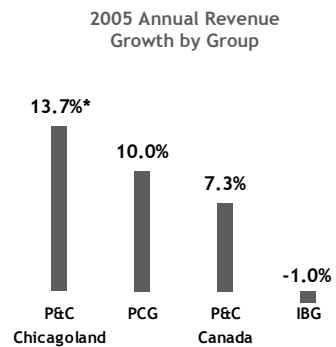
TECHNOLOGY AS AN ENABLER

Capabilities centralized to reduce risk of delivering on commitments and focus on higher value opportunities	<ul style="list-style-type: none"> ○ Unit costs for processing reduced ○ Proceeds can be reinvested in revenue enhancing capabilities
Re-engineering of branch platform and investment of sales and management information capabilities	<ul style="list-style-type: none"> ○ Information search time has decreased by over 20% ○ Referrals from customer service representatives increased by 30% in F05 ○ Better tracking has led to faster and more proactive customer issue resolution ○ Proactive notification to staff of significant customer activities facilitate timely customer dialogue

Underpinning all of this is a shift to a sales-culture environment

REVENUE GROWTH A PRIORITY

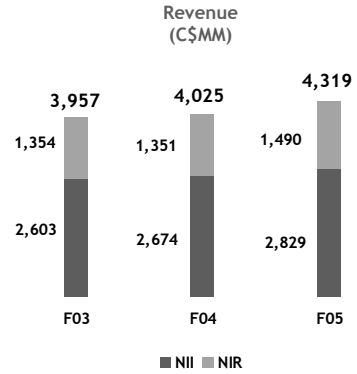
- Revenue growth primary driver of shareholder value creation for top performing companies
- 2006 focus on efficiency improvement with a stronger emphasis on revenue growth



* In Source Currency

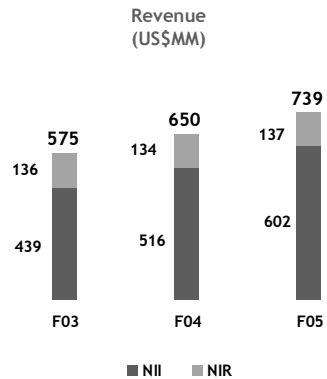
PERSONAL & COMMERCIAL - CANADA GROWTH OPPORTUNITIES

- Investing in our distribution network including replacing the entire ATM network
- Adding dedicated relationship managers in branches to actively provide advice and support
- Continue expanding programs and offers to meet all of our customers financial needs
- Increase products sold through the branch system
- Sharing of best practices between branches



PERSONAL & COMMERCIAL - CHICAGOLAND BANKING GROWTH OPPORTUNITIES

- Acquisitions and de novo expansion
 - ▶ Target of 200 locations in Chicagoland and 20 in Northwest Indiana by 2007
 - ▶ Expand the network to 350 to 400 branches over the next five years
- Focus on sales programs within branches



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PRIVATE CLIENT GROUP GROWTH OPPORTUNITIES

- Increasing share of existing clients' investable assets in key businesses on both sides of the border
- Mutual fund growth driven by:
 - ▶ Performance and mix of funds
 - ▶ Distribution through branch system

Period	NII	NIR	Total
F03	559	1,175	1,734
F04	533	1,318	1,851
F05	577	1,459	2,036

Period	Revenue
F03	321
F04	378
F05	437

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INVESTMENT BANKING GROUP GROWTH OPPORTUNITIES

- Focusing on client alignment and refining sector focus to match product and service capabilities in the U.S. to high growth opportunities
- Continue focus on integrated coverage to bring the best solutions to our clients
- Diversification of IBG businesses to manage reliance on yield curve


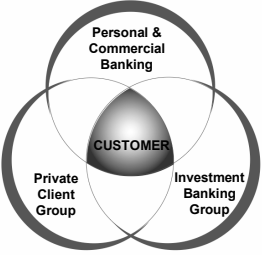
Period	NII	NIR	Total
F03	1,344	1,244	2,588
F04	1,260	1,508	2,768
F05	965	1,776	2,741

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DELIVERING SEAMLESS SOLUTIONS

- In F05 established a Chicago-based unit to coordinate organization wide capabilities to customers needing banking services on both sides of the border
- Cross-selling initiatives in Canada and the U.S.
 - ▶ Referrals from P&C Canada to PCG up 40% year-over-year
 - ▶ F05 One Harris initiative results encouraging

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CHICAGO-AREA OVERVIEW

An attractive, growing and competitive retail banking market

- Chicago Metropolitan Statistical Area (MSA) key demographic indicators
 - ▶ Population growth in the second quartile of all U.S. MSAs
 - ▶ Median household income in the first quartile of all U.S. MSAs

	Population (MM)	# of Banks	Deposit share of top 6 competitors*
New York	18.8	226	62%
Los Angeles	13.0	159	57%
Chicago	9.5	274	48%
Dallas	5.9	173	69%
Philadelphia	5.8	149	60%

* Unadjusted deposit market share as of June 30, 2005
Source: SNL database, FDIC

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P&C CHICAGOLAND BANKING - OUR GOAL

- To become the leading P&C bank in the U.S. Midwest
- Strong brand equity based on service excellence and trust
- Relationship-focused, community-banking business model
- Management focus:
 - Same branch revenue growth
 - Customer loyalty leadership
 - Share of wallet growth
 - Acquisition integration and value

Net Promoter Score

Year	Harris	Network Banks	Community Banks
2001	21%		
2002	24%		
2003	26%		
2005	34%		

Net Promoter Score is calculated as % of customers that will definitely recommend less % of detractors (undecided, probably not, definitely not recommend)

Accounts and Services/Household

Quarter	Accounts and Services/Household
Q4 03	3.97
Q4 04	4.08
Q4 05	4.12

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P&C CHICAGOLAND BANKING CUSTOMER BASE


- Strong, above-market penetration in **Builder** and **Preserver** customer segments
- The Builders and Preservers have:
 - Highest average balances
 - Highest profitability
 - Broadest range of financial needs
 - Largest forecast growth

Customer Segment Analysis

Segment	% of Chicago Area Households	% of Harris Households
Preserver	~10%	~15%
Builder	~19%	~37%
Classic	~35%	~15%
Basic	~36%	~33%
Total (Preserver + Builder)	29%	52%

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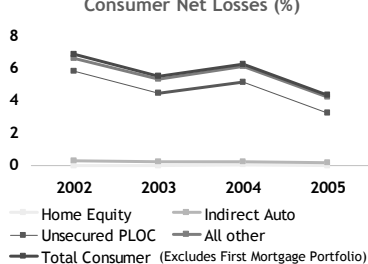




P&C CHICAGOLAND BANKING APPROACH TO CREDIT RISK MANAGEMENT

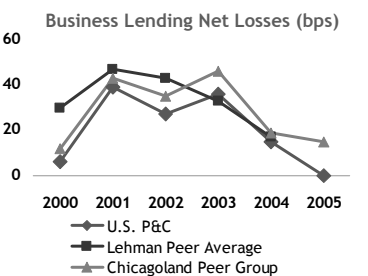
- Aligned with BMO overall risk management philosophy
- Success based on:
 - ▶ Structured and consistent application of criteria
 - ▶ Local market knowledge
- Consistent superior credit performance compared to peer groups

Consumer Net Losses (%)




Year	Home Equity	Unsecured PLOC	Indirect Auto	All other	Total Consumer (Excludes First Mortgage Portfolio)
2002	0.5	6.5	5.5	6.0	6.5
2003	0.5	5.5	4.5	5.0	5.5
2004	0.5	5.5	6.0	6.5	6.5
2005	0.5	4.5	3.5	4.0	4.5


Business Lending Net Losses (bps)



Year	U.S. P&C	Lehman Peer Average	Chicagoland Peer Group
2000	10	30	10
2001	40	45	40
2002	30	40	35
2003	35	45	45
2004	15	15	15
2005	5	10	15

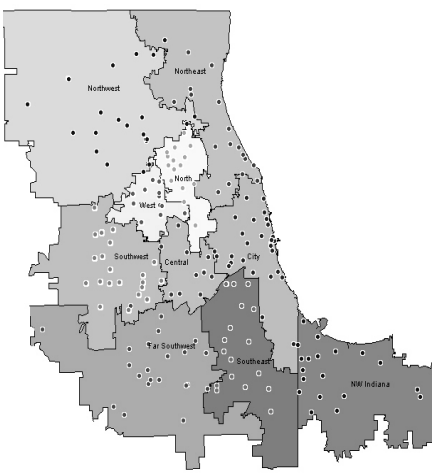
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P&C CHICAGOLAND ACQUISITION HISTORY

Acquisition	Year	Amount (US \$MM)
Harris Bank	1984	547
Barrington	1985	32
St. Charles & Batavia	1988	26
Libertyville	1990	6
Frankfort	1990	17
Suburban Bancorp	1994	222
Household Int'l	1996	277
Joliet	2001	221
Lakeland	2004	37
NLSB	2004	235
Mercantile	2004	161
Edville	2005	66
Total		1,847



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ACQUISITION STRATEGY

- Target banks in Chicago area and the U.S. Midwest
- Advantages include deep market knowledge, the Harris brand with multiple lines of businesses, integration experience and completion of the charter consolidation
- Leading with P&C creates opportunities for both PCG and IBG
- Three key questions:
 - ✓ *Is it a good strategic fit?*
 - ✓ *Is it a good cultural fit?*
 - ✓ *Is it a good financial fit?*

Recent Acquisitions

2005	Edville Bankcorp, Inc.
2004	Mercantile National Bank New Lenox State Bank Lakeland Community Bank
2001	First National Bank of Joliet



APPENDICES

SYSTEMIC DIFFERENCES Between Canadian and U.S. Banks

Canada

- Mature oligopoly: 6 chartered banks
- Single regulator
- Governed by the Bank Act
- Foreign ownership limits in place
- Integrated business model: customers purchase multiple products from one institution
- Residential mortgages are lower risk due to shorter terms and prepayment penalties borne by the individual. Lack of interest deductibility from income taxes. Mortgages retained on balance sheet
- Current government not permitting bank mergers amongst big banks

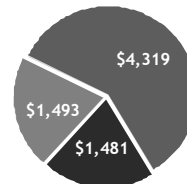
U.S.

- Fragmented market
- Multiple regulators
- Choice of State vs. National Charter allows flexibility in choosing regulatory environment and structuring operations
- Bank Holding Companies provide flexibility in structuring business activities
- Branch restrictions in U.S. and various limits on interstate expansion
- More likely to securitize residential mortgages as prepayment penalties borne by the bank

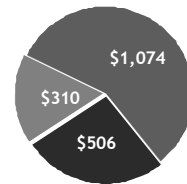
HIGHLIGHTS OF BMO IN CANADA

- F2005, P&C Canada represents:
 - ▶ 43% of Total Bank revenue
 - ▶ 45% of Total Bank net income
- BMO continues to rank 2nd in business banking market share for business loans \$5MM and below
- Strong performance in combined Personal & Commercial (P&C) / Wealth Management (PCG) businesses
- BMO Nesbitt Burns #1 Ranked Top Overall Equity Research Team in Canada for the 25th consecutive year
- BMO Harris Private Bank ranked as best private bank in Canada by *Euromoney Magazine* for the third year in a row


F05 Non-U.S. Operating Group Revenue (C\$MM)




F05 Non-U.S. Operating Group Net Income (C\$MM)



■ P&C ■ IBG ■ PCG


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OUR PRESENCE IN THE U.S.





- Brand image and reputation
- Well-positioned branch distribution and access
- Strong customer orientation and culture

P&C



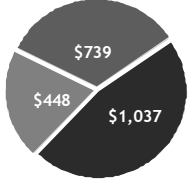
PCG



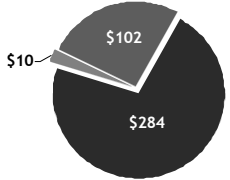


- Mid-market focus
- Attractive client base, strong long-term relationships
- Customized coverage model
- Focused, disciplined strategy execution


F05 U.S. Operating Group Revenue (US\$MM)



F05 U.S. Operating Group Net Income (US\$MM)



■ P&C ■ IBG ■ PCG



- Through Harris Private Bank full product offering - trust and investment, financial planning, banking, estate planning
- Distribution capabilities within Harris Bank branches
- High relative client retention resulting from superior customer service

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33



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