Clear Path Ahead

MERRILL LYNCH
INVESTOR CONFERENCE
2005

BILL DOWNE
Deputy Chair
Bank of Montreal

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President & CEO
Harris N.A.

NOVEMBER 15 • 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.

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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 productivity 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 Q4 2005 results on Tuesday, November 29, 2005. At that time, we will discuss Bank of Montreal's earnings and targets.

Thank you, Andre.

The Bank of Montreal, or BMO Financial Group as we are more formally known, is the only Canadian bank presenting at this conference. Our investment story is compelling. Yet many U.S. investors do not know us. We appreciate your taking the time today to get to know us better, and commit that you will hear more from us in the future.

A LEADING NORTH AMERICAN FINANCIAL INSTITUTION

- Consistent and focused North American growth strategy that is working
  - 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.

Our goal is to be recognized as a top tier North American financial services company. We have a strategy in place. We have been laying the groundwork. And we have a clear path ahead.

Today, I'll talk about how BMO has developed a winning strategy and discipline that distinguishes us in the Canadian market, and how we are using the strategy and discipline to pursue our vision of becoming a top-performing North American financial institution. Then Frank will focus more closely on Harris Bank's U.S. retail strategy.

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BMO Financial Group

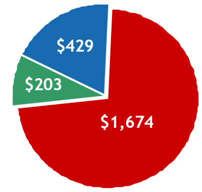
BANK OF MONTREAL (BMO)

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

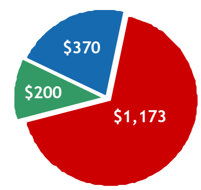
Listings:	NYSE, TSX (Ticker: BMO)
Share Price at Oct. 31/05:	NYSE - US$49.02; TSX - C$57.81
Market Cap[1]:	C$29 billion (US$24* billion)
Total Assets[1]:	C$290 billion (US$237* billion)
F2004 Net Income:	C$2.3 billion (US$1.8* billion)
F2004 ROE:	19.4%
# of Employees:	Over 34,000

Net Income by Geography (C$MM)

F2004



YTD Q3 F2005



U.S. Canada Other

* Balances stated in Canadian Dollars. F2004 average exchange rate: Cdn to U.S. 1.3131, 2005 YTD average exchange rate 1.2261

[1] As at Q3 F2005 - July 31

BMO is listed on both the New York and Toronto Stock Exchanges and as at July 31, 2005, the end of our third quarter, BMO had a market cap of approximately US$24 billion, over US$230 billion in assets and over 34,000 employees

To the end of Q3 2005, our Canadian operations accounted for 67% of our net income, while U.S. operations accounted for 21%.

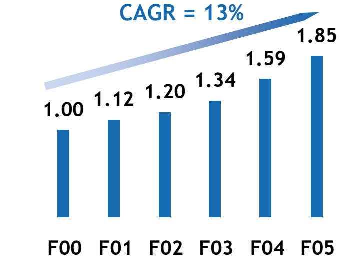
In April this year, BMO was ranked 171st overall in the Forbes Global 2000. The Global 2000, is a comprehensive listing of the world's biggest and most important companies, as measured by sales, profits, assets and market value. The list for 2005 includes companies from 46 countries.

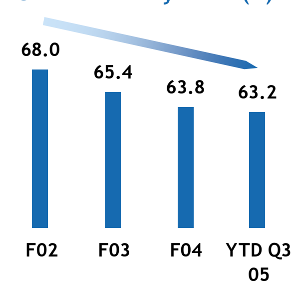
REASONS TO BUY / HOLD BMO

- Track record for stability, earnings consistency and strong dividend growth
- Commitment to ongoing efficiency ratio improvement. Cash efficiency ratio improved 480 bps from F2002 to Q3 F2005
- Prudence and expertise in credit risk management
- Balanced approach to capital management
  - Tier 1 Capital Ratio of 9.39% as at Q3 F2005
- Shareholder-friendly incentive compensation

P/E Ratios *	
BMO	12.9x
Canadian Banks	15.4x
U.S. Major Regionals & Money Centers	14.1x

* Source: First Call, November 9, 2005, External Research





BMO has a history of stable and consistent earnings, quarter-by-quarter, year-by-year, and through all phases of the credit cycle.

We are seen as an excellent dividend payer. Earlier this quarter we announced an 11% quarterly dividend increase, which puts us near the middle of our long-term payout range of 35-45%. This has been our 13th consecutive year of dividend increases. It reflects our confidence in our strong capital position and the quality of earnings.

Our Tier 1 ratio is strong – at the end of Q3 it was 9.39%. And, with our Tier 1 capital ratio up about 35 basis points with the recent sale of Harris*direct*, our U.S. direct brokerage business, we will have more capital to invest in future opportunities that will drive growth.

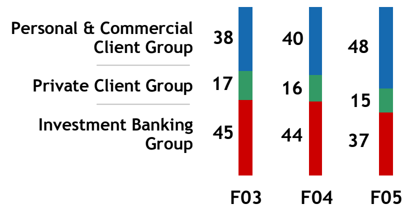
BMO's leadership in aligning compensation with shareholder interests — in the short term and the long term — will be reflected in our relative performance for many years to come.

BMO Financial Group

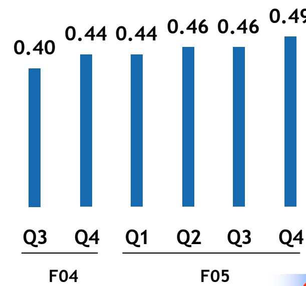
PRIORITIES FOR CAPITAL DEPLOYMENT

- Fund organic growth
  - De novo branch construction in Chicago
  - Increased credit utilization
- Acquisitions
- Dividends and share buybacks

Allocated Capital
By Line of Business (%)[1]



Quarterly Dividends per Share (C$)



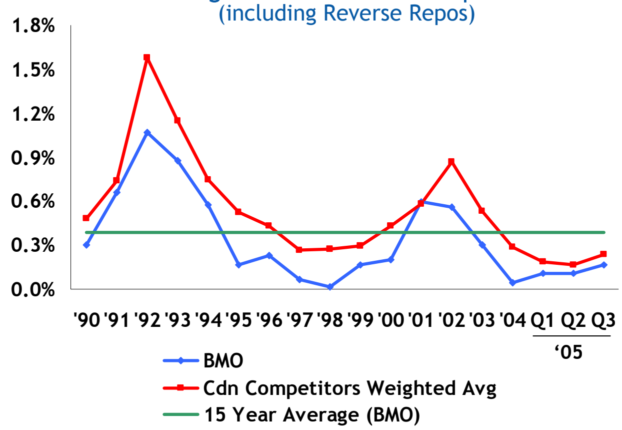
[1] Difference between Total and Allocated Capital booked in Corporate Areas

We have a well-diversified program for capital deployment. Our priorities are: first, organic business growth through, for example, increased credit utilization and new branch construction in Chicago; second, personal and commercial banking acquisitions in the U.S. Midwest; and, finally, returns via dividends and a modest share buyback program primarily used to offset dilution from the exercise of stock options.

We have a number of competitive advantages. These include our strengths in commercial banking, and our growth potential in the U.S. And of course, the hallmark of BMO - our superior credit risk management.

INGRAINED CREDIT CULTURE & SUPERIOR ASSET QUALITY

Specific PCL as a % of
Average Net Loans and Acceptances
(including Reverse Repos)



Specific Provision For Credit Losses

%	BMO	Canadian Competitors
F2004	.04	.29
Q2/05	.11	.17
Q3/05	.17	.24
15 yr av.	.39	.61

BMO's Canadian competitors include: RBC, BNS, CIBC, TD and National

15 yr av. - 1990 to 2004

We are proud of our solid reputation for risk management. In today's volatile market, this is top of mind for most investors. Investors tell us that they are concerned about where the credit provisions are heading, especially with high oil prices, the possibility that the housing boom may end abruptly, and concerns about pandemics. In this uncertainty, BMO has a distinct competitive advantage over our peers.

This chart shows credit losses on net loans and acceptances. For 14 of the past 15 years, BMO has had the lowest specific provisions as a percentage of net loans and acceptances among its Canadian peer group.

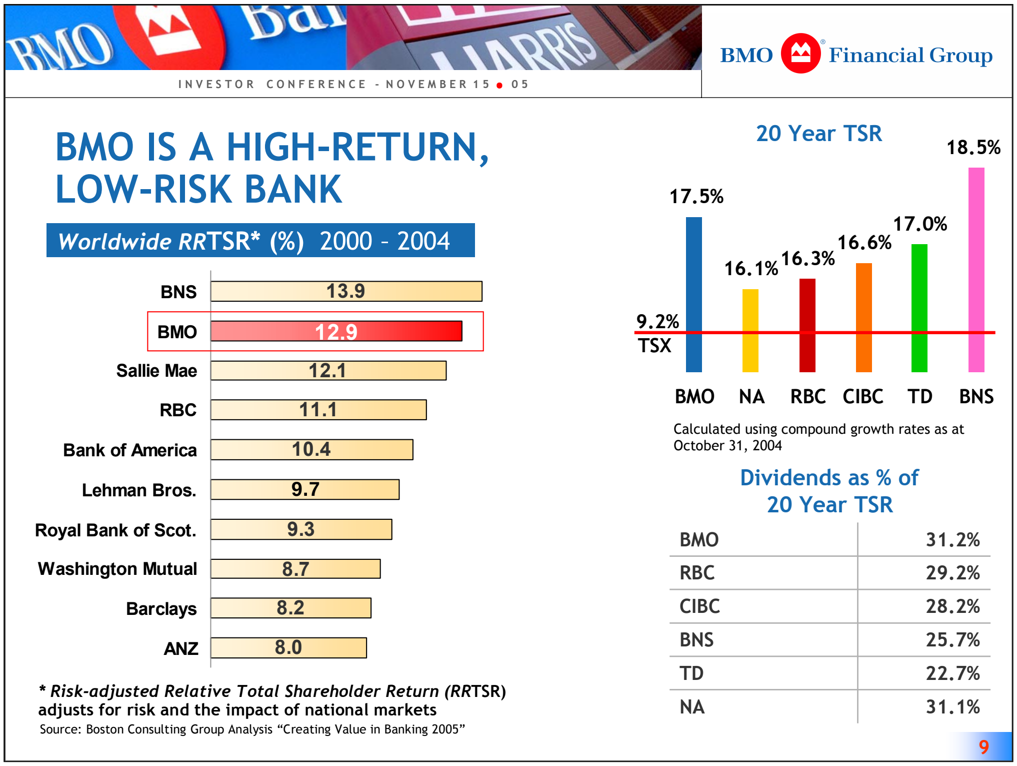
Credit spreads have begun to move up from historically low levels and will continue to widen out as interest rates increase. We believe credit will once again differentiate BMO as we enter the next phase of the credit cycle and investors recognize the value of our consistently disciplined approach.

Our credit management also includes our method of managing portfolio diversification in our investment banking and wealth management businesses. Many financial institutions diversify based on sector caps. We built on a superior credit adjudication process and became a market leader throughout North America in implementing a disciplined risk correlation methodology. This enabled us to recognize emerging problems in the communication sectors. We took provisions in '01 that showed up in our competitors in '02 at much higher levels.

Continued on next page…

No one is immune from an upswing in credit defaults. But our approach to risk management has provided our shareholders with compensation for expected loss and allocated the capital necessary to anticipate unexpected loss.

By the way, investors aren't the only ones who appreciate the consistency of our credit culture. Customers benefit too from the consistency of our relationship support



Boston Consulting Group does an annual assessment of financial services companies worldwide, based on total shareholder returns adjusted for two effects: the influence of national stock markets, and the risk to which shareholders have been exposed. They call this measure the Risk-Adjusted Relative Total Shareholder Return. This slide supports our belief that we have identified the right business mix, the right growth strategy and the right priorities to attract shareholders with an appetite for high returns at relatively low risk.

As you can see from this global comparison, BMO fares exceptionally well on this measure, ranking #2 in the world in the 2000 to 2004 period.

Further, over the past 20 years, BMO shareholders have earned an average annual return of 17.5%. That’s almost twice the Toronto Stock Exchange average. In the Canadian peer group, BMO is the leader over this time frame in dividend contributions to Total Shareholder Return.

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

For those less familiar with Canada, this slide updates our economic outlook for both countries. The Canadian economy will likely continue to exhibit low inflation and a relatively healthy fiscal situation that is superior to most other industrial economies. This should act to keep interest rates low and growth relatively strong. The outlook for growth is enhanced further by the fact that commodity prices, and energy prices in particular, are likely to remain high over the next five to ten years. BMO will be able facilitate U.S. firms wanting to undertake greater investment in the Canadian economy and/or the energy sector.

LINES OF BUSINESS

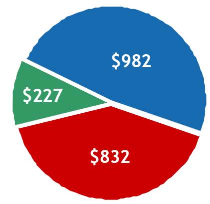
Personal & Commercial Client Group (P&C)
- Over 8.5 million customers across Canada & the U.S.
- Over 1,000 branches in Canada & the U.S.
- Access to approximately 2,500 automated banking machines in Canada and the U.S.

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$174 billion in AUA

Net Income by LOB[1] (C$MM)

F2004



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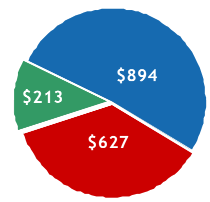


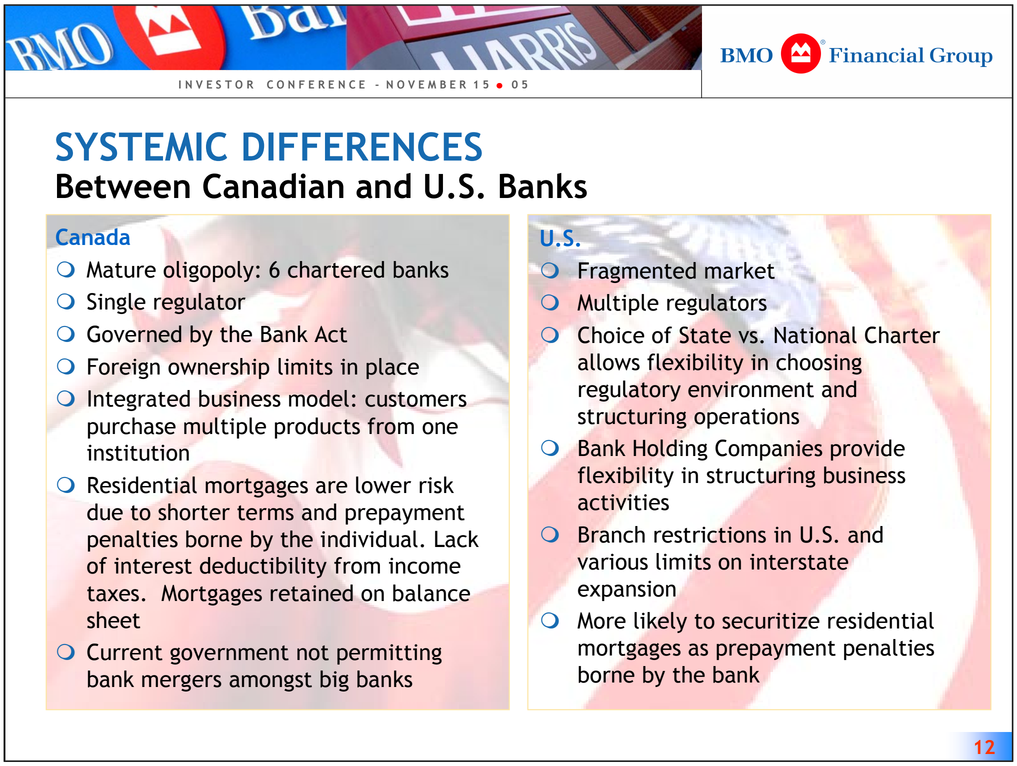
P&C IBG PCG

[1] Residual due to corporate areas

In both countries, we operate three lines of business: Personal and Commercial, Investment Banking, and Wealth Management.

We serve Canadian clients through BMO Bank of Montreal, our personal and commercial banking business, and BMO Nesbitt Burns, one of Canada's leading full-service investment and wealth management firms.

In the United States, personal, commercial and wealth management clients are served through Harris, a major U.S. Midwest financial services organization, with a network of community banks in the Chicago area and wealth management offices across the United States. Harris Nesbitt is a leading mid-market investment and corporate bank.



As you compare, Canadian and US banks, it's important to note the differences between banking systems. The Canadian system has 5 large banks from coast to coast and one large regional bank based in Quebec. These banks offer a full range of services. Each bank has a personal & commercial segment, wealth management and investment banking. Each of the 5 large banks has a sophisticated national multi-channel infrastructure that operates in multiple time zones across Canada and in at least 2 languages. There is no float in the Canadian Banking system. All cheques are cleared on the same day they are presented.

With Canada's integrated business model, customers can purchase multiple products from one institution. This is very different than the fragmented U.S. system, with thousands of banks, where consolidation is still very much in progress.

OPERATIONAL FOCUS

- Increase profits in broad-based Canadian franchise
- Accelerate expansion in the U.S.
- Pursue growth opportunities where we already enjoy competitive advantages and/or the market is rapidly expanding or transforming

Canada

- Improve our position in the commercial market
- Gain market share in the rapidly growing high net worth market
- Increase our share of our clients' investment banking business by delivering our full offering

U.S.

- Grow organically & through acquisitions to be a leading player in the personal and commercial market in the U.S. Midwest and the corporate mid-market
- Selectively expand our wealth management franchise

We are using the strengths we've acquired in the Canadian system to pursue our vision of becoming a top-performing North American financial services company. We expect to do this by increasing profits in our broad-based Canadian franchise, and accelerate our expansion in the U.S.

2005 STRATEGIC PRIORITIES

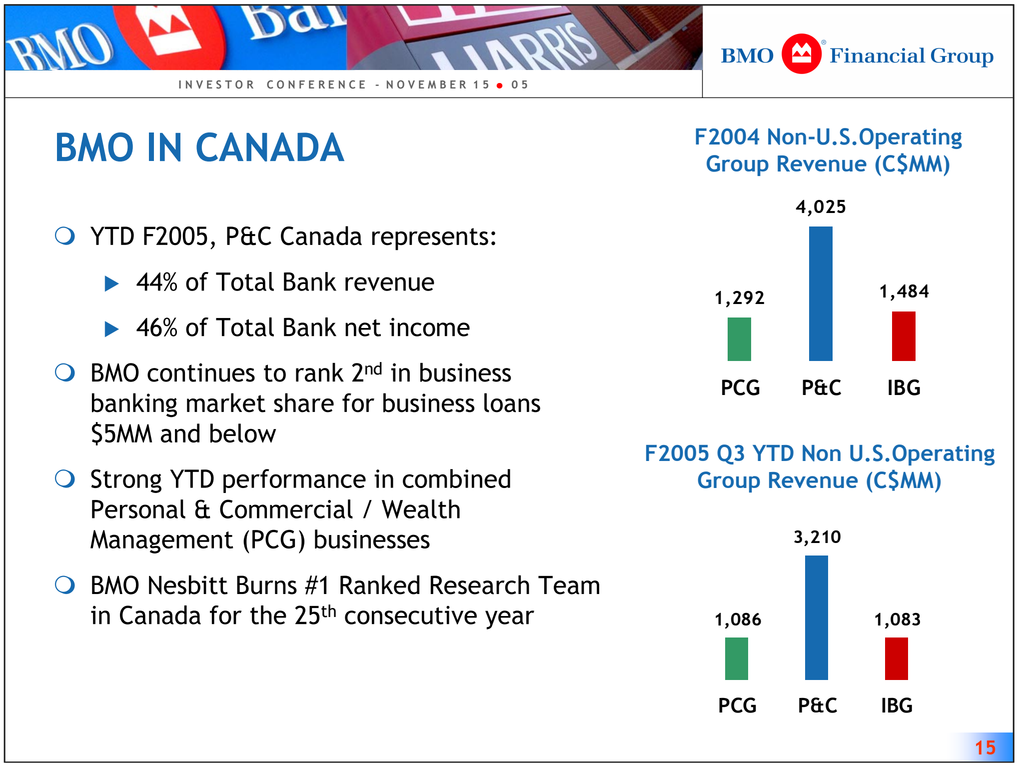
1. Achieve financial targets with a particular focus on productivity
2. Drive revenue growth by providing a superior client experience, earning a larger share of customers' business
3. Continue to improve U.S. performance
4. Accelerate growth in the U.S. both organically and through acquisitions
5. Grow net income in Canada through operational efficiency and improved market share, accelerating our growth in commercial banking and wealth management
6. Build a high-performance organization by developing our people, living our values and being an employer of choice
7. Maintain our world-class foundation of leading governance, sound risk management, productive systems and excellent after sales service

Let me outline three aspects of this strategy: efficiency, customer service, and growth.

First, efficiency – or productivity as we term it in Canada. From the end of fiscal 2002 to the end of our Q3 this year, we improved the efficiency ratio by 480 basis points. This is a significant achievement, and we are going to build on it. Productivity improvement is an important long-term goal for BMO, but not at the expense of investing for future growth.

Second, customer service. Our strategic priority is to build deep lasting relationships with our clients by focusing on what matters to the customer. Done well, it creates rich cross selling opportunities from each of our three business lines, and on both sides of the border. Our customers are increasingly looking at investing on both sides of the border, and we are in a better place to help them. BMO's employees understand that cross selling our services is one of our basic strategies. Most importantly, they understand the value of customer loyalty to our long-term profitability.

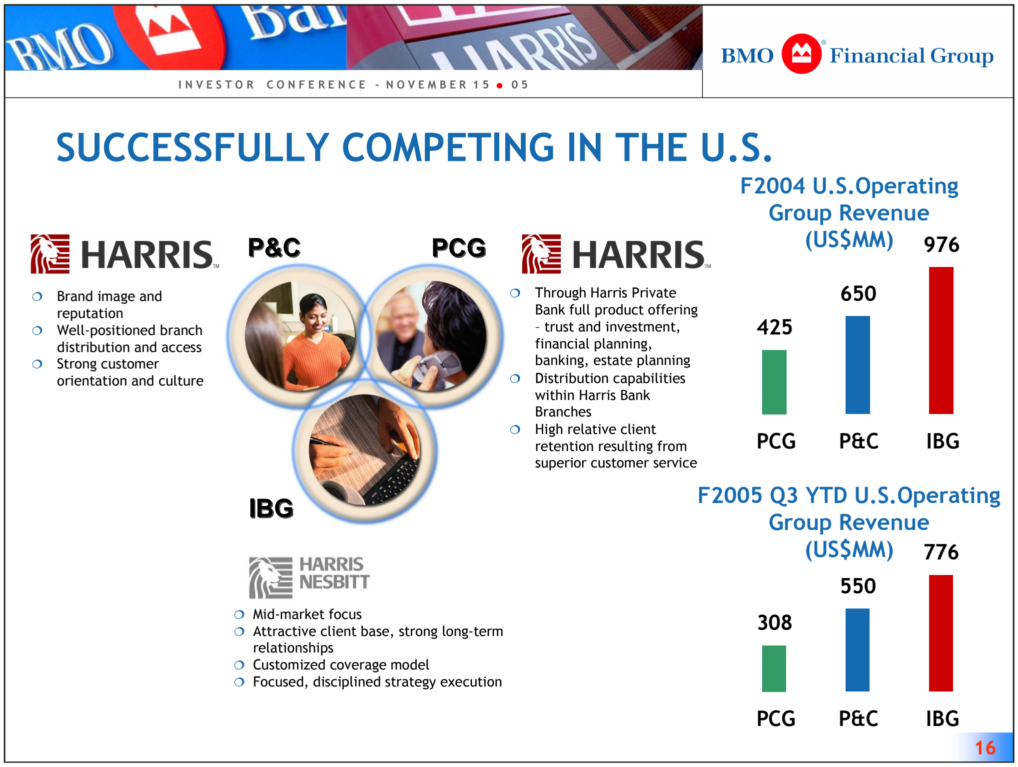
The third aspect of our strategy to become a top tier North American financial services company is growth – both de novo growth and growth through acquisitions. We are actively pursuing growth opportunities where we already enjoy competitive advantages or where we see strong market growth. Let me tell you about what we're doing in each country.



In Canada, we are well positioned in every market we serve, but our largest line of business is personal and commercial. In a mature market such as Canada's, P&C is a game of inches. But, given the size of the market, even small gains in market share have the potential for substantial increases in revenue.

The strength of our Canadian business, and our most distinguishing capability, is Commercial Banking, where we have almost 20% market share. Our model is based on consistency regardless of where we are in the business cycle and a disciplined approach to this market is paying off. We have increased share by remaining in the market during challenging economic cycles while our competitors have withdrawn. We place decision-making as close to the customer and local market as possible. We put relatively high lending limits in the hands of local management and support those managers with world-class adjudication and portfolio management. This has allowed us to grow a strong business within acceptable risk parameters.

Our domestic bank has done a good job of maintaining margins in spite of the flattened yield curve. Compared to our peers, third quarter year-to-date financial performance in our Canadian personal and commercial and private client businesses was very strong. In investment banking, we are especially renowned for the quality of our research. In fact, earlier this month, BMO Nesbitt Burns was ranked independently as the number one Overall Research Team in Canada. This is the 25th straight year that we have received this recognition. It's a distinction we're proud of, and we intend to replicate this success with our U.S. investment banking business.



In the U.S. our growth strategy is different. We have taken a methodical approach to growing U.S. operations and have successfully managed integration risk through a succession of acquisitions. In a relatively short time we have built a top 30 financial services provider. Last year, we generated revenue of over $2B in the U.S., more than double what we generated in 1994.

We see success in the U.S. as critical to the overall success and accelerated growth of BMO. We are active participants in the consolidation of the financial services industry. We continue our hunt for personal and commercial properties that will accelerate progress toward Harris's goal of becoming the leading personal and commercial bank in the U.S. Midwest. Frank is going to take you through the retail side of our U.S. operations, but before he does, I have a few comments about Wealth Management and Investment Banking.

Wealth management remains a profitable, high growth business for us. Over the next 5 years industry sources are forecasting a 7% annual growth of households with investable assets of $1 million and 9% growth of households having investable assets of $10 million. The Harris Private Bank has an excellent reputation, strong brand recognition, and an attractive customer base. We are the 10th largest provider ranked by assets in Barron's 2004 survey of Top Wealth Managers in the U.S. And we were voted the 7th best private bank in the U.S. by the 2004 Euromoney peer poll. We offer a broad range of high-quality wealth management solutions.

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Historically, we conducted private banking in our headquarters in downtown Chicago. We have now migrated that capability to the communities where our customers live and work. We put personal investment management & advisory services, estate and retirement planning, to name a few, in the broader distribution network. This helps us tap the wealth management opportunities of a larger population of Midwest customers. We see a substantial opportunity to improve our share of wallet of securities and mutual funds in the Chicago area.

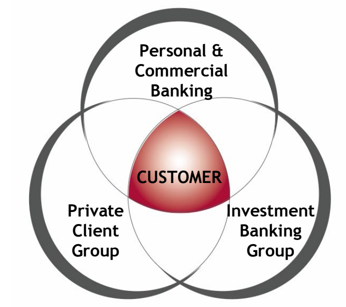
Our third business line in the U.S. is Investment Banking, which in fiscal 2004 generated almost half of our U.S. based revenue. Our strategy, as I've said, is to become dominant in every segment in which we compete, and the focus for U.S. investment banking is on the mid-market. In 2004 we had a top 5 corporate lending ranking in the US middle market (defined as companies generating $25MM to $1B in revenues) in the Agriculture, Food & Beverage, and Retailing & Wholesaling sectors.

We do not compete head on with bulge bracket firms in the U.S. Instead, we have an attractive niche position and have relationships with over 1500 mid-market clients. We have put in place a product offering that addresses our clients' needs – from lines of credit to equity issuance to merger and acquisition advice. We are also building out our research capabilities. In May 2005, members of the Equity Research Groups at both BMO Nesbitt Burns and Harris Nesbitt were recognized by Forbes Magazine and The Wall Street Journal for excellence in Research.

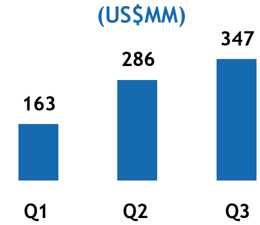
And, one of our competitive advantages is a niche in cross-border transactions – we will follow our clients when they do business on either side of the border.

INTEGRATION MAKES A DIFFERENCE

- All three lines of business work closely together
- Earn a larger share-of-wallet and drive revenue growth through increased referrals and cross-sell and continue to improve productivity
- One Harris initiative to provide exceptional customer service by leveraging the full capabilities of the organization to meet a broad range of customer needs



One Harris Total Intergroup Cross-Sell F2005 (US$MM)

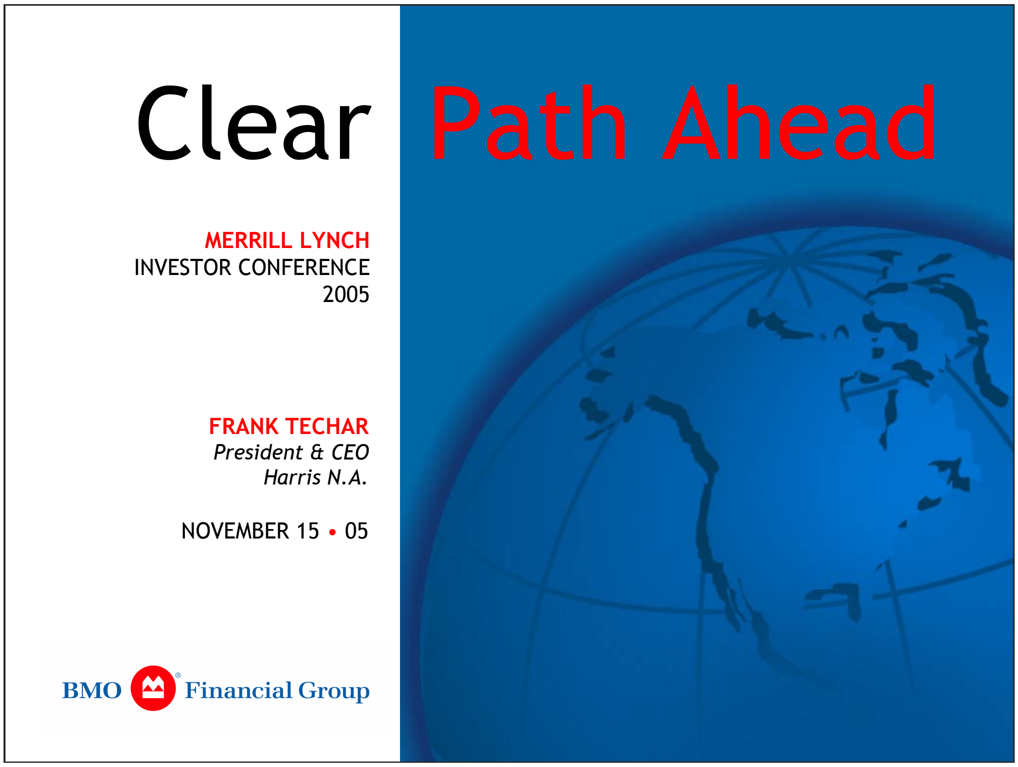


In conclusion, our three business lines each have strong potential for growth in their own right. The greatest potential for revenue growth comes from using all three in delivering solutions to our customers. We have distinguished ourselves in using an integrated platform to accomplish this.

In Canada, we have initiated District Sales Councils that cross business groups to promote dedication to customer service and cross selling opportunities. In the United States, we have launched a similar program called One Harris. We establish targets, incentives and performance tracking mechanisms to ensure the highest level of collaboration across our lines of business. Early results show that we are gaining good momentum in earning a larger share of wallet and driving revenue growth.

In the final analysis, it's very simple. We have a great distribution system, a great brand, and great employees. We motivate and provide incentives for those employees to talk to clients and potential customers about what we do, and how we can do more for them. And we're going to make it easy for them to do business with us.

I will now turn the microphone over to Frank who will talk about how we are applying our strategy in the U.S. P&C market and talk about our goal of becoming the number one personal and commercial bank in the Midwest.



Thank you, Bill.

Our U.S. strategy is built around the brand we acquired in 1984, when BMO became the first Canadian bank to buy a major U.S. financial institution, the Harris Bank in Chicago. The Harris name has been synonymous with honesty, fair dealing and exceptional customer service in the U.S. for over 100 years.

In the past decade, we have transformed Harris from a unit bank that was focused on wholesale and private banking, to one that includes a large retail and commercial business of nearly 200 branches in Illinois and Northwest Indiana.

This morning I'd like to talk about three things: who we are, what makes us different, and where we are going.

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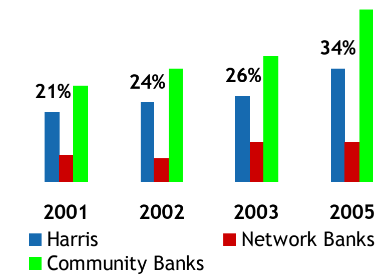
BMO Financial Group

OUR GOAL

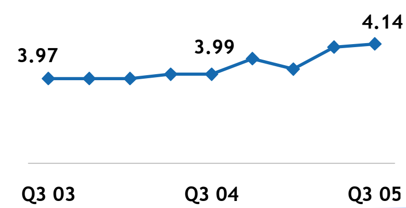
- To become the leading P&C Bank in the U.S. Midwest
- Strong brand equity based on service excellence and trust
- Relationship-focused, community-banking business model
- Management focus:
  - Same branch revenue growth
  - Customer loyalty leadership
  - Share of wallet growth
  - Acquisition integration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

Net Promoter Score



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



Our goal, quite simply, is to become the leading P&C bank in the U.S. Midwest. Our superior customer service delivered through our own Community Bank model is our key competitive advantage and we have a tight management focus on core growth driven by exceptional service and expanding relationships.

Our customer service continues to improve and our objective is to close the gap between us and the community banks while continuing to widen the gap with the network competitors.

And as you can see, we have been successful in selling more to our current customer base.

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

Top 5 MSA Profile

	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	149	60%
Philadelphia	5.8	173	69%

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

The acquisition of Harris and subsequent expansion has given us a strong presence in the third largest Metropolitan Statistical Area in the U.S. Chicago's population growth is in the second quartile of all U.S. MSAs, and its median household income is in the first quartile. And to put it in context, the GDP of this MSA represents almost 35% of the GDP of Canada – so clearly we do not see this as a niche business.

The market is crowded with about 275 direct competitors and even more if you include mortgage specialists and investment specialists.

But this means the market is also very fragmented. One of the unique features of this market is the fact that the top six competitors still have less than half of the market share. In most markets, including the other 4 largest, as you can see, the top six competitors have at least 60% of the market share.

BMO Financial Group

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MARKET SHARE INFORMATION

	Number of Branches		2004 share	2005 share	1 Year Growth	5 Year Growth	Deposits per Branch ($M) 2005
Chase	287	%	11.1	10.5	1.9	37.7	61.3
		$ MM	17.3	17.6			
Harris	172	%	9.1	8.5	0.4	45.5	83.1
		$ MM	14.2	14.3			
LaSalle	140	%	7.9	7.6	3.2	4.9	91.4
		$ MM	12.4	12.8			
Fifth Third	103	%	4.1	4.3	13.5	27.4	70.9
		$ MM	6.4	7.3			
Charter One	136	%	4.1	3.8	0.7	40.1	47.1
		$ MM	6.4	6.4			
Top 5 Share		%	36.3	34.7			
Total Market		$	156.6	168.7			
Total Market Growth		%	8.4	7.7	7.7	40.3	

Source: www.fdic.gov as at June 30, 2005. Market share data for 8 counties: Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, Will. Data adjusted to remove large corporate /wholesale deposits by subtracting the deposits of the main location to derive a proxy for retail and small business.

Over the past five years, we have grown our market share in Chicago and its surrounding counties and have experienced above average volume growth. Today we are one of the top three banks that, together, have just over 25% of the region's retail deposits. Our market share has dropped slightly this year as it did for the other top 3 banks as we are challenged in a rising rate environment to balance profitable growth with market share considerations. You can also see that over the past 5 years our 45% growth has been the highest of the top 5 and the only one that has gained share during that period.

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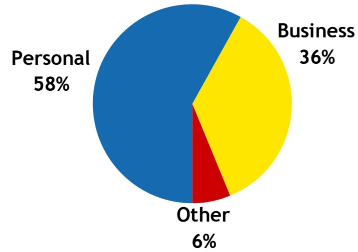
U.S. P&C CORE OFFERING

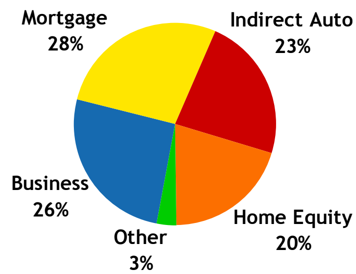
Core Offering
Consumer Deposits
Consumer Loans
Business Deposits
Business Loans
Cash Management Services
Merchant Processing Services

Harris Partner Offering
Private Banking
Trust & Investment Management
Large Corporate Banking
Capital Markets

F2005 Q3 YTD Revenue



Loans (Q3 2005 - US$14B)



We have a very competitive retail and business offer in this marketplace, and we have proven we can compete in every product category. We also have an advantage over the smaller community banks with our Wealth and Investment Banking capabilities, which Bill mentioned earlier.

As you can see, our portfolio is well diversified. To the end of Q3, the personal side of our business generated approximately two-thirds of our revenue, while business banking generated approximately one-third

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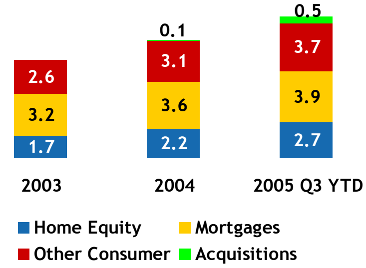
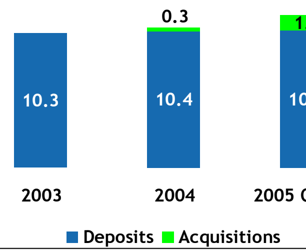
PERSONAL BANKING OVERVIEW

- Strong growth in balances
  - Consumer loans up 20% F2004 vs. F2003; up 20% 2005 Q3 YTD
  - Consumer deposits up 3.9% F2004 vs. F2003; up 8.4% 2005 Q3 YTD
- Continued strong profitable growth in home equity lending with minimal losses
- Indirect auto lending #6 in market share in new cars (first 5 positions held by captives); #3 for used cars (behind one bank,one captive)
  - Successful expansion in Midwest; now in 10 states
  - Loan losses 75% below industry average

Consumer Loans (US$B)



Consumer Deposits (US$B)



We have had strong growth in both loans and deposits in our consumer segment. We have enjoyed double-digit growth rates in both our home equity and indirect auto portfolios. One of the fiercest areas of competition in the Chicagoland area is consumer deposits, which is the cornerstone of developing and maintaining deep customer relationships. While our deposit growth has not been as strong as our asset growth, as I mentioned earlier, our 5-year performance is at the top compared to our largest competitors. And we continue to look at ways to accelerate this growth.

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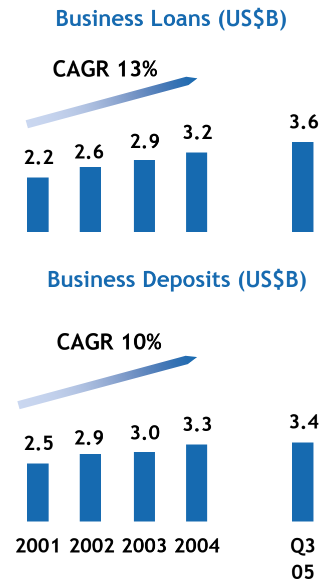
BUSINESS BANKING OVERVIEW

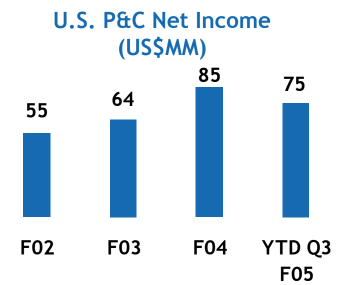
- Strong performance from 2001-2004
  - Added $1.0 billion in business banking loans
  - Added $800 million in business banking deposits
- Leverage brand equity, sales discipline and distribution capabilities; differentiated by our people and service quality
- Solid underwriting standards and lending processes enable stable earnings growth
- Strong #2 or #3 position in market segments

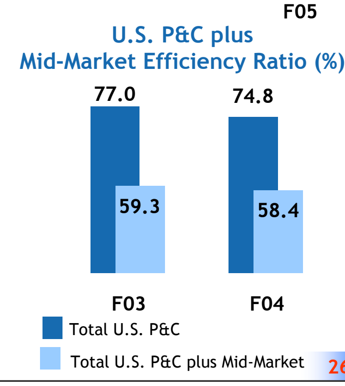


We also enjoyed strong growth in our business segment. Over the past three years we've generated a 13% CAGR on business loans and 10% on business deposits. We are holding a strong number two or three position in each of the three segments we serve.

U.S. P&C COMPARED TO U.S. REGIONALS

- Regional banks benefit from treasury activities (at BMO, treasury function is centralized) and gains on sales of securities
- Best way to compare to U.S. Regionals is to combine U.S. P&C with Investment Banking Group Mid-Market operations





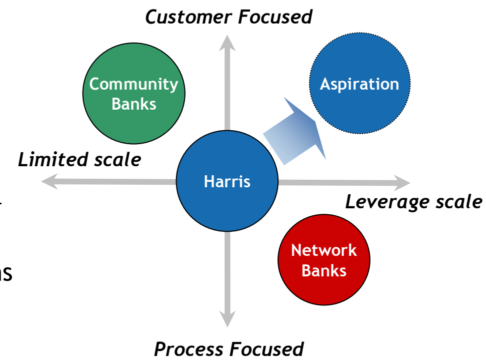
So how are we doing? As you can see on this slide, our Net Income has increased from 2002 to 2004 by a CAGR of 24%. This growth was driven primarily by strong core growth with annualized same branch revenue growth of 10% over the same period. In addition, our efficiency has improved 450 basis points over the same period.

However, comparing the U.S. regional banks to U.S. P&C's results as presented in our quarterly financial supplementary package is very difficult as we report in the way we manage the business with our mid-market corporate operations being reported in our Investment Banking Group. One way to get a better comparison with the U.S. Regionals is to add the two businesses together.

At Q3 2005 the combined year to date net income was about $162 million and the efficiency ratio was 62%. Treasury activities and sales or gains in securities are centralized at BMO and are not reflected in U.S. P&C numbers.

U.S. P&C BANKING DISTRIBUTION NETWORK

- Harris is well positioned:
  - Strong physical presence; 195 branches in Illinois and Northwest Indiana (as at October 31, 2005)
  - Community bank model
  - Charter consolidation completed - common platform
  - Streamlined back office operations
- Future expansion from:
  - Targeted de novo branch expansion
  - Acquisitions in the U.S. Midwest



One of our main differentiators is that we are blending BMO's Canadian experience in operating a large and diverse banking network with the community-focused banking model that is prevalent in many Chicago area banks. We want to offer the superior customer experience of community banks with the convenience and product breadth of network banks – in essence, a community-focused front office and a very efficient back office.

It's paying off. We are competing very successfully against large and determined competitors in the Chicago market – including major network players. As mentioned previously, the strength of our community-focused front office shows up in customer surveys. When the question is asked, "Would you refer business to Harris?" the number of strong advocates for our company is about three times higher than the large network players we compete against.

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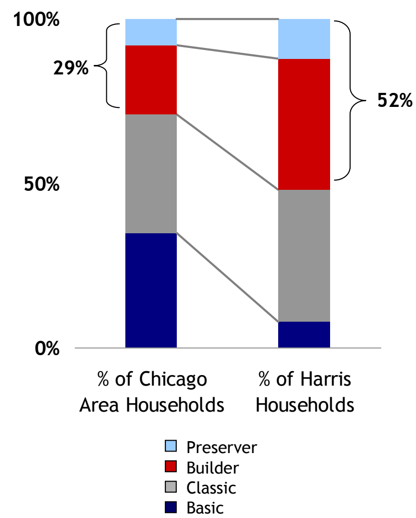
U.S. P&C CUSTOMER BASE

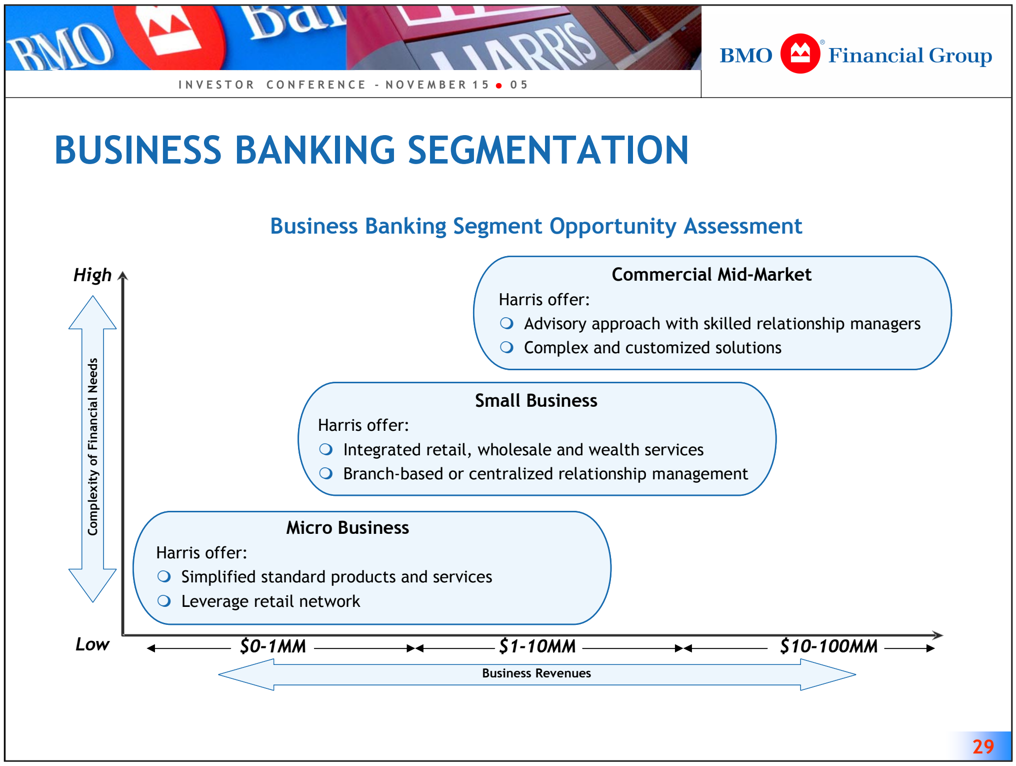
- Strong, above-market penetration in **Builder** and **Preserver** customer segments
- The Builders and Preservers have:
  - Highest average balances
  - Highest profitability
  - Broadest range of financial needs
  - Largest forecast growth

Customer Segment Analysis



Our focus on relationships and excellent service is attractive to two very important consumer segments: Builders and Preservers. These individuals have the highest average balances, the broadest range of financial needs, the highest profitability and the largest forecast growth. As you can see, on a relative basis, our strength and focus is centered here - they account for over half of our customer base, and Builders now represent 40 percent of our new customers, and they are particularly open to a broad range of Harris services.

So this is one of the key aspects of our U.S. growth strategy: we are better than the competition at serving the most desirable market segments.



We've also looked at the segmentation on the business banking side and divided the market into three segments. There is a healthy opportunity in each segment and our approach is designed to address the unique needs and opportunities in each.

In the micro business market, it means utilizing our large branch network. It means that once we get them into the branch, we receive them the right way, ask the right questions, get the right information and effectively follow up. It also means leveraging our client contact center to help manage and cross sell these clients. While our distribution network is a good way to create the right relationships, the call center is an efficient and effective way to make the customer feel welcome, supported and serviced.

Our small business offer also leverages our distribution network. But the credit and product needs are more complex, and the service expectation is more personalized. Therefore, our focus is all about sales discipline and well trained relationship managers, and appropriate staffing where the small business demographics demand it.

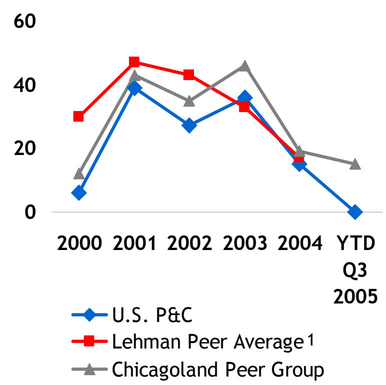
The commercial mid-market requires an advisory approach. These customers demand customized solutions. We continue to invest in developing very skilled relationship managers to serve this segment.

In each of these business segments, our full service offer across all three of our lines of business comes together in a way that most competitors cannot match.

RISK MANAGEMENT

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

Business Lending Net Losses (bps)



[1] Lehman Peer Average data not available YTD Q3 2005

Bill referred to BMO's strength in credit risk management. This certainly applies to U.S. P&C where our success has been based on structured, consistent, and centralized underwriting, combined with local market knowledge. The result has been consistently superior credit performance compared to our peers.

We are also focusing on opportunities to expand our asset portfolios at a higher yield. For example, in our home equity program we recently reduced documentation requirements and expanded our offer to the next tier of customers, without incurring significant additional risk.

We also see our strong risk management capabilities as an important part of our acquisition and growth strategy.

BENEFITS OF CHARTER CONSOLIDATION

BEFORE

Customer Experience

- Difficult to transfer funds between accounts in different charters
- Individual ATM cards and statements required for accounts opened in different charters
- Special teller processing required for accounts serviced from different charter

Infrastructure

- Each charter bank has own
  - President
  - Board of Directors
  - Financial reporting
  - Compliance requirements
  - Processing bank on internal systems

26 Charters consolidated

AFTER

Customer Experience

- Able to seamlessly transact at **any** Harris Chicagoland banking location
- Management has more time to deal with customers by eliminating charter-related administration (finance and compliance)

Acquisitions

- Able to integrate future acquisitions quickly

Infrastructure / Financials

- Local leadership maintained with Presidents and community boards
- Direct expenses reduced across support functions (e.g. Finance, Compliance, Item processing)

Since 1984, we have made 12 Community Bank acquisitions. As we expanded, we preserved the individual banking charters in keeping an eye on our own strategic focus of exceptional service delivered in our diverse communities.

This spring, we successfully completed the consolidation of these charters, with no disruption in customer service. This move improves the platform's reliability, gives us a better cost structure and frees up management's time to focus on local market opportunities.

In building a systematic and reliable process to expand Harris, the consolidation of the charters is a key turning point. By moving to a single national banking charter, we can integrate future acquisitions quickly and successfully and we are in a better position to grow revenues faster.

U.S. P&C 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

* Edville Transaction anticipated to close by calendar year end 2005

HARRIS

NLSB
15901 Wolf Road, Orland Park

We have taken a deliberate and methodical approach to expansion, and we are positioned to step up the pace of acquisitions.

Acquisitions are not cut and dried – relationship building is key as discussions can continue over many years. We have a dedicated, experienced team in place, and we are very well known in the Chicago market and the Mid-West. We think we are in a good position as pressure from increased costs associated with governance and regulatory compliance and a credit cycle turn may force smaller players to consider their options.

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. (scheduled to close by calendar 2005 year end)
2004	Mercantile National Bank
	New Lenox State Bank
	Lakeland Community Bank
2001	First National Bank of Joliet

Future acquisitions will continue to be screened against 3 criteria: Is it a good strategic fit?; is it a good cultural fit?; and, is it a good financial fit? We have been acquiring banks with strong community roots and great service, and we have implemented our solid risk management approach. The result: community banks backed by the strength of a solid network capability.

As we close in on our goal to increase our distribution network to 200 branches, the next step in our expansion is to use our existing infrastructure and integration capabilities to grow to 350 to 400 branches over the next 5 years.

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INVESTOR RELATIONS

www.bmo.com/investorrelations

Bill and I have given you an overview of BMO's strategy to become a top tier North American financial institution. We've focused, in particular, on our opportunities in the Midwest market where we intend to become the leading player in every sector in which we compete.

To summarize, BMO developed a very successful model in the Canadian market, based upon a very strong Commercial offering, and superior risk management and asset quality and continue to compete aggressively in the "game of inches" that is the Canadian banking marketplace.

But in the meantime, we are moving very aggressively to apply our strengths to expanding in the United States. We are combining a superior customer service community-based front office with the high productivity of a network back office in Chicago. We have set the stage now for a more rapid expansion through de novo growth and new acquisitions in that market. But let me be clear – we will not make an acquisition for acquisition's sake. The acquisition has to make sense.

Add to that, BMO's success in using the broad range of services in all three lines of business – and on both sides of the U.S.-Canada border – and there is great potential for cross selling and earning a larger share of our clients' business.

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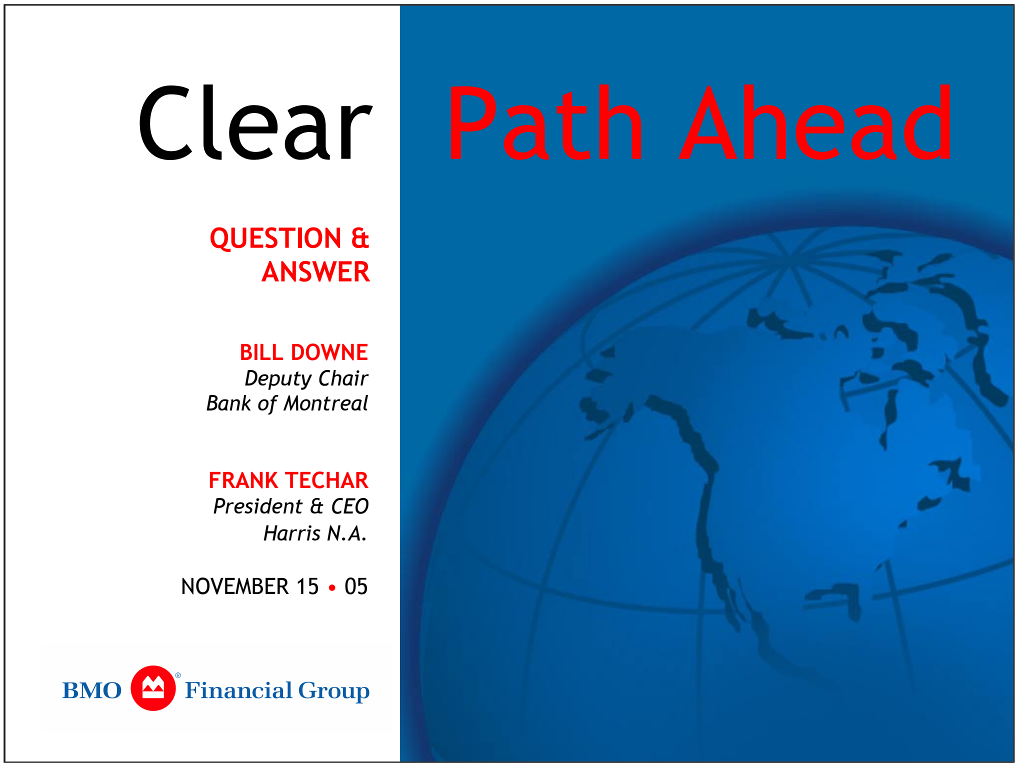

The end result is consistent dividend growth, combined with the stability and consistency that provides for greater security in uncertain times. These are compelling reasons to invest in BMO. As Bill said at the outset, we are not yet as well known in the U.S. investment community as we intend to be. But you'll hear much more from us as we continue to execute our strategy.

Bill and I would welcome your questions.