



BMO  **Financial Group**

STRATEGIC OVERVIEW

FOURTH QUARTER 2004

TONY COMPER

President & Chief Executive Officer

Investor Community Conference Call
November 23, 2004

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 2004 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.

Investor Relations

Susan Payne

416-867-6656

susan.payne@bmo.com

Steven Bonin

416-867-5452

steven.bonin@bmo.com

Amanda Mason

416-867-3562

amanda.mason@bmo.com

Fax:

416-867-3367

Email:

investor.relations@bmo.com

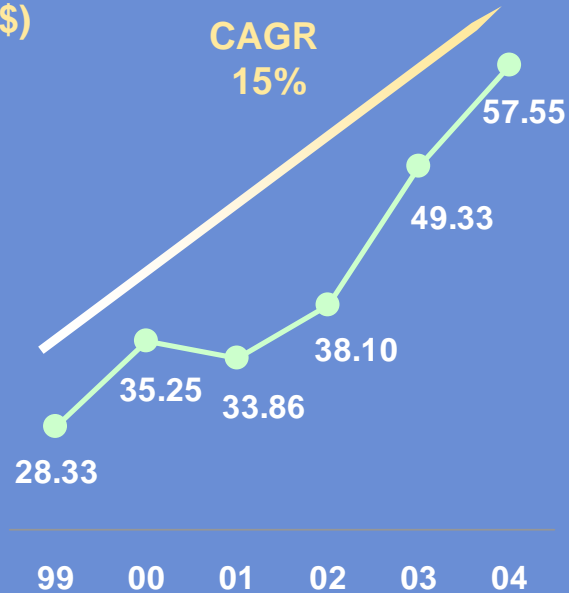
Excellent Performance Against Fiscal 2004 Targets

Performance Measure	F2004 Target		F2004 Actual
EPS Growth	10-15%	✓	29%
Specific Provision for Credit Losses	\$500 MM or less (revised to \$100MM or less)	✓	\$67 MM (before \$170MM reduction to General Allowance)
Cash Productivity Ratio	150-200 bps Improvement	✓	155 bps Improvement
Return On Equity (annualized)	16 -18%	✓	19.4%
Tier 1 Capital	Minimum 8%	✓	9.81%

Share Price

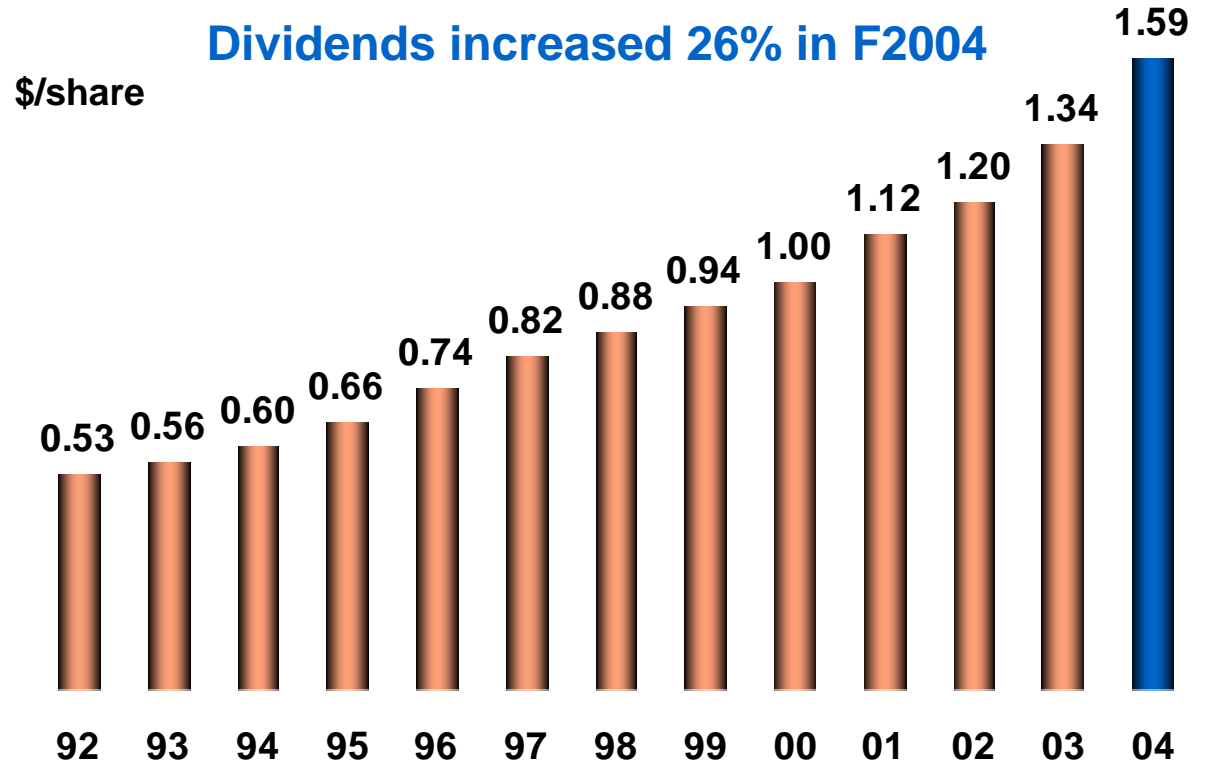
Oct. 31, BMO:TSX

(\$)

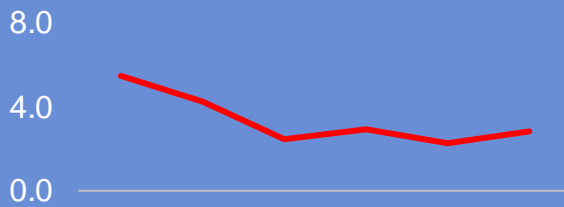


- ✓ Delivering strong short-term returns while investing in growth and acquisitions that will support higher future returns
- ✓ 5 year TSR rose to 18.9%, up from 12.9% at the end of F2003

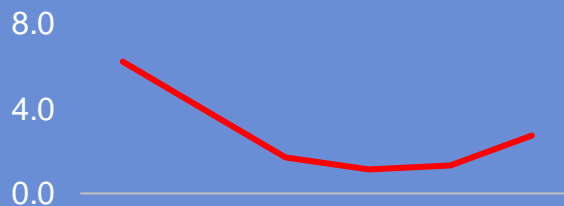
Strong Returns To Shareholders



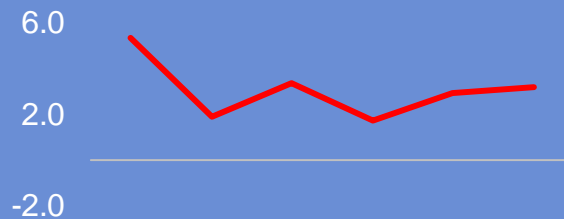
Canadian Overnight Rate (%)



Federal Funds Rate (%)



Canada Real GDP Growth (%)



U.S. Real GDP Growth (%)



Economic and Financial Services Trends in 2005

Canada

- Firm consumer spending and business investment but exports constrained by higher C\$
- Short-term interest rates, although rising gradually in 2005, will continue to stimulate the economy
- Economic expansion should support growth in personal loans and business banking
- Rising rates will lead to a flattening of the yield curve

U.S.

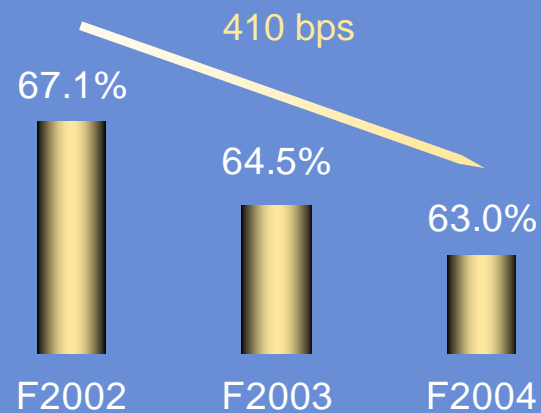
- Expected to perform well in 2005, though growth will moderate largely in response to higher interest rates
- Interest rates will continue to increase at a modest pace in 2005 and lead to a flattening of the yield curve
- Housing market will cool as rates rise, but strength in capital spending will increase demand for business loans
- Consolidation will continue in response to deregulation

Fiscal 2005 Targets

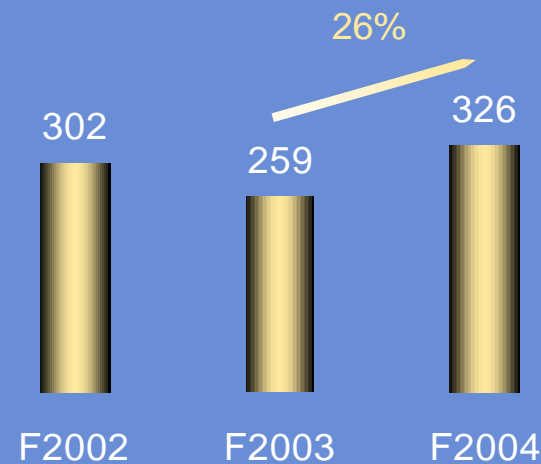
Performance Measure	F2005 Target	F2004 Actual
EPS Growth	3-8%	29%
Specific Provision for Credit Losses	\$400MM or less	\$67MM (before \$170MM reduction to the General Allowance)
Cash Productivity Ratio	150-200 bps improvement	155 bps improvement
Return On Equity (annualized)	17-18%	19.4%
Tier 1 Capital	Minimum 8%	9.81%

Progress on Key F2004 Priorities

BMO Cash Productivity



U.S. Net Income



2005 Key Areas of Focus

1. Achieve all financial targets with a particular focus on productivity
2. Continue to improve U.S. performance
3. Accelerate growth in the U.S. both organically and through acquisitions



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