

Q1 05

STRATEGIC OVERVIEW

*Investor Community
Conference Call*

TONY COMPER

*President and
Chief Executive Officer*

FEBRUARY 22 • 05



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.



STRONG FIRST QUARTER

Performance Measure	Q1 2005	Q1 2004
Net Income	\$602 MM	\$521 MM
Cash Net Income	\$621 MM	\$540 MM
EPS	\$1.16	\$1.00
Cash EPS	\$1.19	\$1.03
Cash Productivity	61.9%	64.7%
Return on Equity	19.4%	18.3%



WELL POSITIONED TO ACHIEVE TARGETS

Performance Measure	Q1 2005	F2005 Target
EPS Growth ¹ (base of \$4.21)	22%	3-8%
Specific Provision for Credit Losses	\$43 MM	\$400 MM or less <i>Now estimated to be:</i> \$350 MM or less
Cash Productivity Ratio	288 bps improvement	150-200 bps improvement
Return On Equity	19.4%	17-18%
Tier 1 Capital	9.72%	Minimum 8%

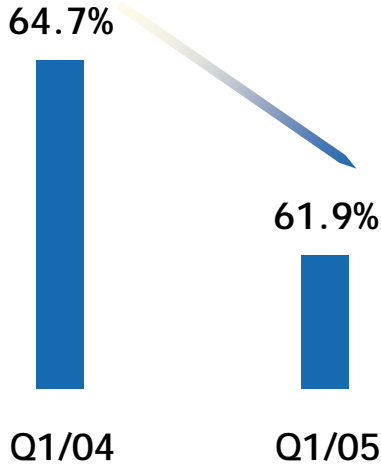
¹ excluding changes in the general allowance



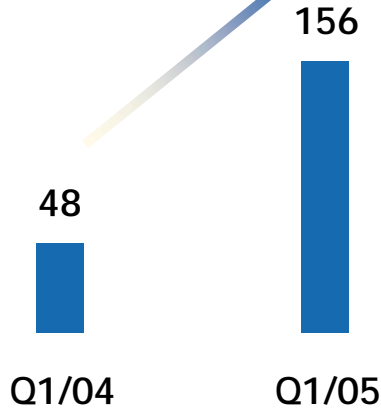
KEY AREAS OF FOCUS IN 2005

- Achieve all financial targets with a particular focus on productivity
- Continue to improve U.S. performance
 - Consolidation of 26 charters into 1 National charter expected to be completed by May 2005
- Accelerate growth in the U.S. both organically and through acquisitions
 - Completed Mercantile Bancorp acquisition

Cash Productivity



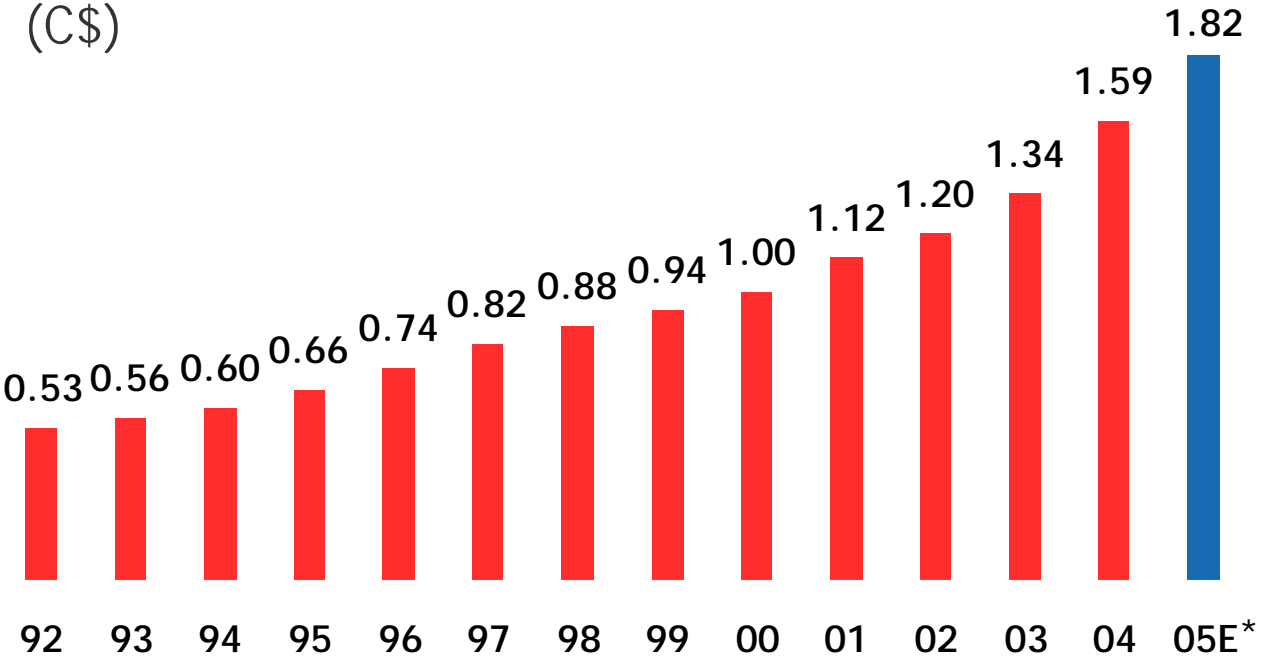
U.S. Net Income (C\$MM)



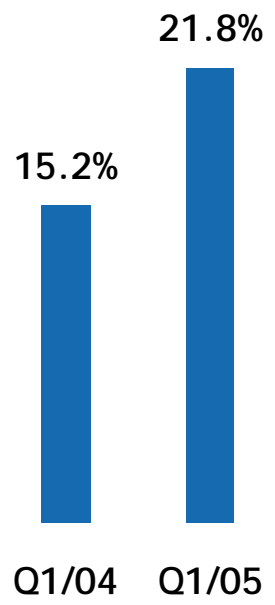


QUARTERLY DIVIDEND INCREASES 4.5% 15% increase since Q2 2004

Dividends Declared Per Share
(C\$)



5-year TSR



*Based on the assumption that current dividend level continues for the rest of the year



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