

STRATEGIC OVERVIEW

SECOND QUARTER 2004

TONY COMPER

President & Chief Executive Officer

Investor Community Conference Call
May 26, 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.

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Sharp Rise In Q2 Results

Performance Measure	Q2 2004	Q2 2003
Net Income	\$602MM	\$409MM
Cash Net Income	\$621MM	\$429MM
EPS	\$1.12	\$0.77
Cash EPS	\$1.17	\$0.81
Return On Equity	20.4%	15.2%

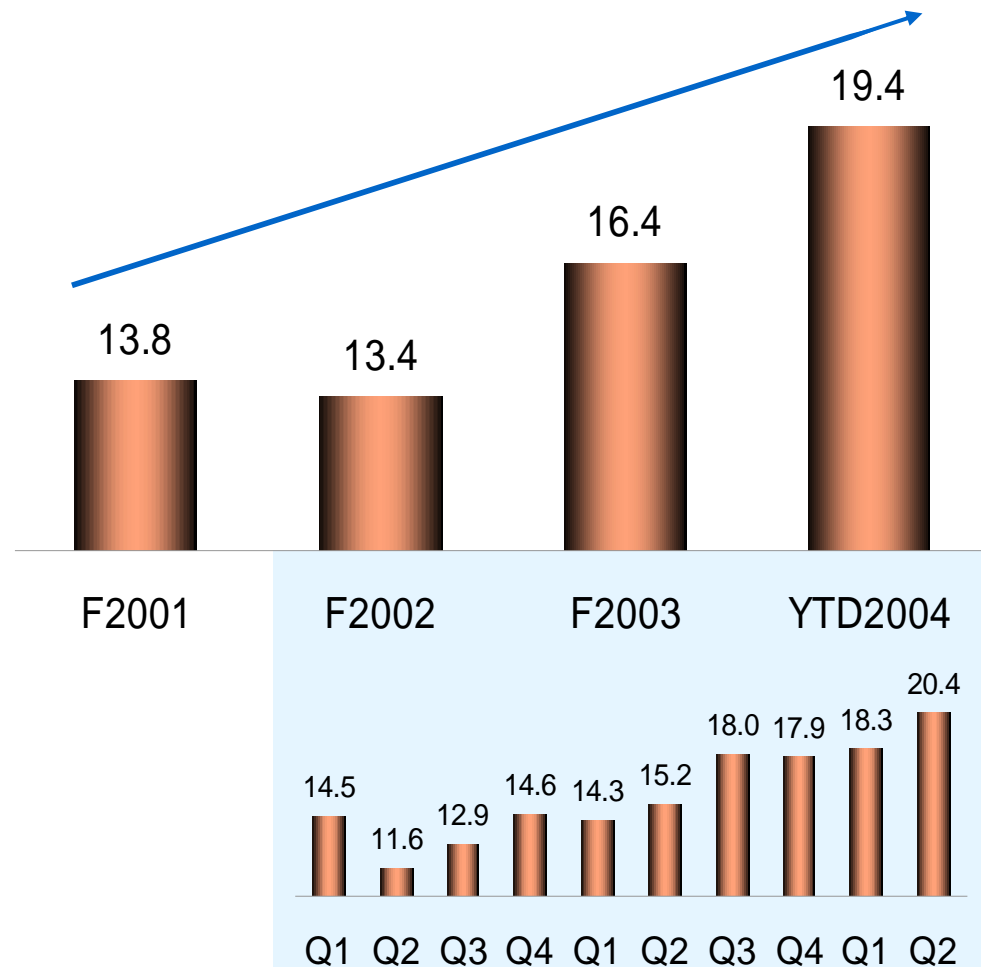
Dividends Declared Per Share (\$)

F2004	1.55
2003	1.34
2002	1.20
2001	1.12
2000	1.00
1999	0.94
1998	0.88
1997	0.82
1996	0.74
1995	0.66
1994	0.60
1993	0.56
1992	0.53

- ✓ Uninterrupted dividend payment
- ✓ In Q1 2004 announced an increase in the quarterly dividend from \$0.35 to \$0.40
- ✓ Target payout is 35-45%

Progress In Building ROE

Return On Equity (%)



Strong Performance Against Our Targets for F2004

Performance Measure	YTD 2004	F2004 Target
EPS Growth (vs. YTD 2003)	39.5%	10 – 15%
Specific Provision for Credit Losses	\$100MM <small>(before \$80MM reduction to GA)</small>	\$500MM or less <i>Now revised to:</i> \$300MM or less
Cash Productivity Ratio (vs. YTD 2003)	330 bps improvement	150 – 200 bps improvement
Return On Equity (annualized)	19.4%	16 – 18%
Tier 1 Capital	9.67%	Minimum 8%

Q2 Strategic Highlights:

- ✓ Announced New Lenox State Bank acquisition
- ✓ Completed Lakeland Community Bank acquisition
- ✓ Entered partnership with Westjet & The Loyalty Group



Solid Progress On Enterprise Priorities For 2004

1. Improve Productivity
2. Improve Customer Loyalty in P&C Canada
3. Improve U.S. Performance
4. Drive Sales and increase Share of Wallet
5. Aggressively pursue U.S. Acquisitions
6. Maintain status as Employer of Choice
7. Create a sustainable High-Performance Culture



BMO  **Financial Group**