



CIBC WORLD MARKETS Institutional Investor Conference

BILL DOWNE
Chief Operating Officer

BMO  Financial Group

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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 involve, 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; interest rate and 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, and 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 on pages 29 and 30 of BMO's 2005 Annual Report concerning the effect certain key factors that may affect BMO's future 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 on how the Canadian and U.S. economies will perform in 2006 and how that impacts our businesses were material factors we considered when setting our strategic priorities and objectives, and in determining our financial targets for the fiscal year, including provisions for credit losses. Key assumptions included that the Canadian and U.S. economies would expand at a healthy pace in 2006 and that inflation would remain low. We also assumed that interest rates would increase gradually in both countries in 2006 and that the Canadian dollar would hold onto its recent gains. We believe that these assumptions are still valid and have continued to rely upon them in considering our ability to achieve our 2006 financial targets. 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.

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AGGRESSIVE PURSUIT OF NORTH AMERICAN VISION

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

INVESTOR CONFERENCE 2

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ACQUISITION OF FIRST NATIONAL BANK AND TRUST

- Privately held, 32-branch community bank located throughout the Central Indiana Region
- Indianapolis market is a natural extension from Chicago
 - ▶ One of the largest markets in close proximity to Chicago
 - ▶ Complements the Mercantile acquisition in Northwest Indiana
- Indianapolis is a demographically attractive market in terms of both population and median household income growth
 - ▶ Population growth and household income growth projected to increase by 9.1% and 19.4% respectively from 2006-2011
- Key strength: strong Harris customer loyalty scores
- Opportunity to expand business banking in the Indianapolis market

Retail Net Promoter Score

Year	Harris	Network Banks	Community Banks
F01	21%		
F03	26%		
F05	34%		
F06	37%		

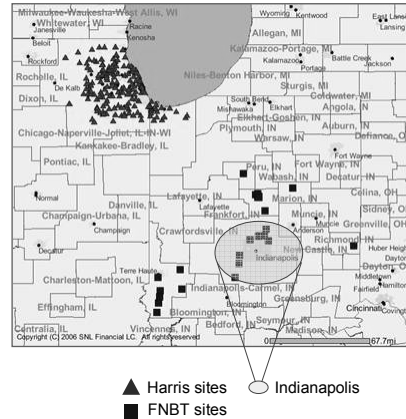
Legend: ■ Harris ■ Network Banks ■ Community Banks
Net Promoter Score is calculated as % of customers that will definitely recommend less % of detractors (undecided, probably not, definitely not recommend)

INVESTOR CONFERENCE 3



HARRIS: EXPANDING AND DEEPENING OUR FOOTPRINT

- Goal to become the leading Midwest retail and commercial bank with a network of 350 – 400 branches
 - ▶ When acquisition of FNTB completed, Harris will have 233 branches
- Branch technology platform initiative to replace current branch infrastructure and retail branch teller system near completion
- All recent acquisitions now on the same platform
 - ▶ Able to absorb FNTB and future acquisitions quickly and cost effectively



ACQUISITION AND EXPANSION STRATEGY

- Prospects for growth in the U.S.
 - ▶ Organic growth
 - ▶ De novo branch expansion
 - ▶ Acquisitions
- Disciplined approach to acquisitions, which must meet 3 criteria:
 - ▶ *Is it a good strategic fit?*
 - ▶ *Is it a good cultural fit?*
 - ▶ *Is it a good financial fit?*

U.S. Retail Acquisitions	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
New Lenox State Bank (NLSB)	2004	235
Mercantile	2004	161
Edville (Villa Park)	2005	66
<i>First National Bank and Trust (Pending)</i>	<i>2006</i>	<i>290</i>
Total		\$2,137

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INVESTING IN GROWTH IN P&C CANADA

- Grow franchise through customer-centric approach
- More than 1,000 ABMs replaced and 85% of branches refreshed
- Over 1,000 FTE hired since Q4 05 largely comprised of front line staff
- bcpbank Canada acquisition
- Future expansion in Canadian high-growth markets such as Alberta and B.C.

FTE in P&C Canada

Quarter	FTE
Q4 05	15,117
Q1 06	15,442
Q2 06	15,655
Q3 06	16,170

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TARGETING FUTURE GROWTH IN COMMERCIAL AND WEALTH

- Commercial banking
 - ▶ Leadership position in key segments
 - ▶ Specialized front line staff, concurrence officers in the field
- Wealth management
 - ▶ Canada: Key segments targeted include retirement, affluent and mass affluent
 - ▶ U.S.: Expand share of existing clients business and number of clients through expansion

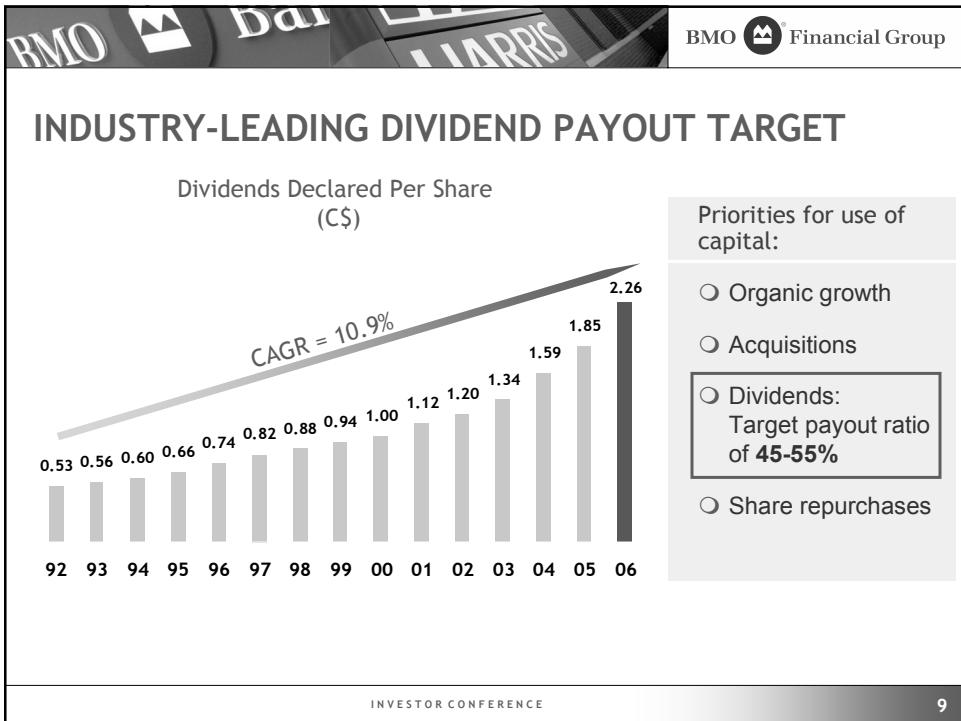
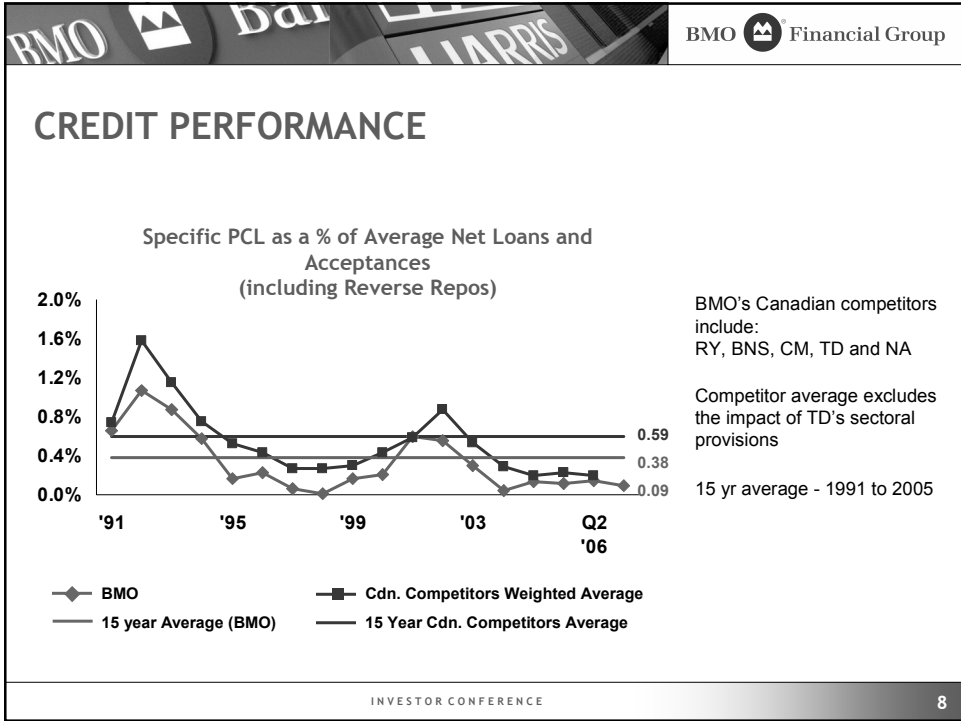
P&C - Commercial Banking Average Balances

Quarter	Loans & Acceptances - Canada (C\$B)	Loans & Acceptances - U.S. (US\$B)
Q3* 05	27.7	4.5
Q4 05	27.7	4.6
Q1 06	28.0	4.8
Q2 06	28.8	4.9
Q3 06	29.5	5.1

PCG AUA / AUM (C\$B)

Quarter	Term AUM	AUA	Total
Q3* 05	34	136	257
Q4 05	34	135	256
Q1 06	34	143	271
Q2 06	35	148	273
Q3 06	36	150	280

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Q&A

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Appendix

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KEY TERMS OF FNBT ACQUISITION

- Cash Purchase Price: US\$290MM
- Excluding one time items, the transaction is modestly accretive to cash earnings per share in year 1
- Non-capitalized one-time items of approximately US\$20MM
- LTM P/E of 24.8x (excludes one-time items of US\$7.3MM after tax and assumes 35% tax rate) and P/B 2.2x. P/E of 21.8x based on annualized YTD '06 earnings
- Structure that allows deductibility of purchase price premium for tax and certain pre-closing adjustments to book value result in lower effective multiples estimated to be: LTM P/E 22.5x (excluding one-time items), P/B 1.9x
- Transaction multiples in line with other recent transactions in the region

FNBT Assets (US\$MM)

Period	Assets (US\$MM)
F03	1,459
F04	1,379
F05	1,253
June 06	1,259

FNBT Loans (US\$MM)

Period	Loans (US\$MM)
F03	796
F04	774
F05	792
June 06	837

FNBT Deposits (US\$MM)

Period	Deposits (US\$MM)
F03	929
F04	847
F05	883
June 06	923

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BMO IS A HIGH-RETURN, LOW-RISK BANK

**Worldwide RRTSR* (%) 2001 - 2005
Large-Cap Universal Banks**

Bank	RRTSR* (%)
Bank 1	14.2
Bank 2	11.5
Bank 3	11.0
Bank 4	10.0
Bank 5	8.3
Bank 6	6.7
BMO Financial Group	6.4
Bank 7	6.3
Bank 8	6.2

**Historic Worldwide RRTSR
Rankings for BMO
(Large-Cap Universal Banks)**

5 year RRTSR*	%	Worldwide Ranking
2001-2005	6.4	7
2000-2004	12.9	2
1999-2003	8.5	5

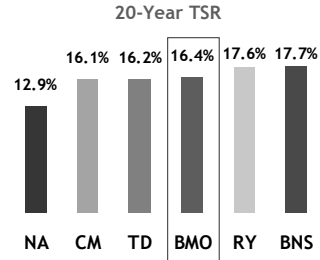
* Risk-Adjusted Relative Total Shareholder Return (RRTSR) adjusts for risk and the impact of national markets

Source: Boston Consulting Group Analysis "Creating Value in Banking 2006"

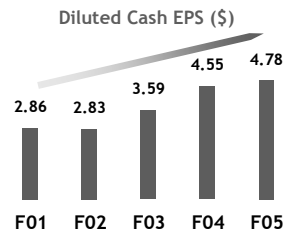
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STRONG TRACK RECORD FOR GROWTH

- Strong shareholder returns
- Leadership changes position BMO for future growth
- Efforts directed to improving the customer experience



Calculated using compound growth rates as at July 31, 2006



INVESTOR RELATIONS • CONTACT INFORMATION

Viki Lazaris
Senior Vice President
 (416) 867-6656
viki.lazaris@bmo.com

Steven Bonin
Director
 (416) 867-5452
steven.bonin@bmo.com

Krista White
Senior Manager
 (416) 867-7019
krista.white@bmo.com

FAX: (416) 867-3367

E-mail: investor.relations@bmo.com
www.bmo.com/investorrelations