

Bank of Montreal Acquires Florida Bank, Continues Growth in the U.S.

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Bank of Montreal, through its Chicago-based subsidiary Harris Bank, is acquiring Village Banc of Naples, Florida. The new locations in Naples and Ft. Myers allow the bank to expand its Florida and U.S. operations on the popular South Florida Gulf Coast.

"The acquisition of Village Banc of Naples is an excellent strategic fit," said William Downe, Vice-Chair, Bank of Montreal and head of the Private Client Group. "Expansion in the fast growing U.S. Sunbelt is a key component of the bank's six-point strategy, which calls for aggressively building the value of Harris Bank and rapidly growing the bank's wealth management business.

"We are capitalizing on our capabilities in private banking and wealth management and focusing on regions and cities frequented by Harris and Bank of Montreal customers, " said Mr. Downe. "The Bank of Montreal and Harris Bank brands are well known and many people from Canada and the U.S. Midwest will be confident in conducting their business with us in Florida, as will other residents of the state."

Harris Bank has been a leader in trust and investment services in Florida since the early 1980s, with full service branches in West Palm Beach, Sarasota and Vero Beach. In addition to its Florida operations and U.S. Midwest network of 140 locations, Harris Bank also has five branches in Arizona.

Village Banc of Naples has total assets of \$115.8 million and \$105.1 million in deposits. It has experienced rapid growth in loans and deposits since opening its main office in April 1997 and another branch in Ft. Myers in January 1999. The transaction is valued at \$19.3 million and is subject to regulatory approval.

Bank of Montreal's Private Client Group brings together all of the bank's wealth management capabilities in six lines of business: retail investment products, direct and full service investing, Canadian and U.S. private banking, and institutional asset management.

Bank of Montreal's six-point strategy for continuing its high growth objectives involves:

- Continuing to aggressively build the value of Harris Bank;
- Rapidly growing the Bank's wealth management business;
- Capitalizing on Bank of Montreal's strong Canadian position in personal and commercial banking;
- Building on the bank's strong leadership position in investment banking;
- Driving e-business opportunities;
- Intensively focusing on cost, capital and risk management.