

Bank of Montreal Completes Acquisition of Guardian Group of Funds Ltd., Bank's Fund Family Grows to Over \$30 Billion

TORONTO , July 19, 2001

Bank of Montreal (TSE, NYSE: BMO) announced today that it has completed the acquisition of Guardian Group of Funds Ltd. (GGOF) from Guardian Capital Group Limited (TSE: GCG and GCG.A).

The acquisition adds \$2 billion in assets under management, increasing the bank's mutual fund assets under management to over \$30 billion. GGOF will operate as a separate organization with the same management team in place, within the bank's Private Client Group.

The transaction will be funded by the issuance of 4,960,140 Bank of Montreal (BMO) common shares from treasury in exchange for all outstanding shares of GGOF. BMO shares were valued at \$36.2893, being the weighted average trading price of BMO common shares on the TSE for the 20-day period ending and including May 11, 2001.

Bank of Montreal has also reorganized its mutual fund operations to bring the global family together under common management. Barry Cooper, Chairman and CEO of Jones Heward Investment Counsel Inc., a member of the Bank of Montreal Group of Companies, has assumed the additional responsibility as Head of Mutual Fund Investments.

"About 65 per cent of mutual fund assets in Canada are accessed through investment advisors and financial planners," said Mr. Cooper. "GGOF gives us significant entry into this network and strengthens our fund offerings."

Bank of Montreal's mutual fund family offers a full selection of domestic, foreign and sector-focused funds, with investment management provided by some of the world's leading investment management firms. In addition, Bank of Montreal has been expanding its sales force, with a growing team of almost 2,200 investment sales professionals in Canada and the United States.

The acquisition of GGOF is the fifth acquisition by BMO Private Client Group in less than two years. It follows the purchase of two U.S. direct brokerages, as well as two private banking operations in Florida and Arizona through The Harris, the wealth management arm of Bank of Montreal's U.S. subsidiary, Harris Bank.

BMO Private Client Group has total assets under administration and management, including term deposits, of \$235 billion. It is focused on wealth management, which represents the fastest growing area in the financial services category.