

BMO  Bank of Montreal

BMO  Harris Private Banking

BMO  Mutual Funds

BMO  InvestorLine

BMO  Nesbitt Burns

BMO  Life

BMO  **Financial Group**

UBS WARBURG

2003 Global Financial Services Conference

Karen Maidment

Executive Vice-President & CFO

April 30, 2003



BMO's Transnational Advantage

- Invest in core Canadian franchise
- Continued U.S. expansion
- Build on longstanding strengths

Successful Shift In Business Mix

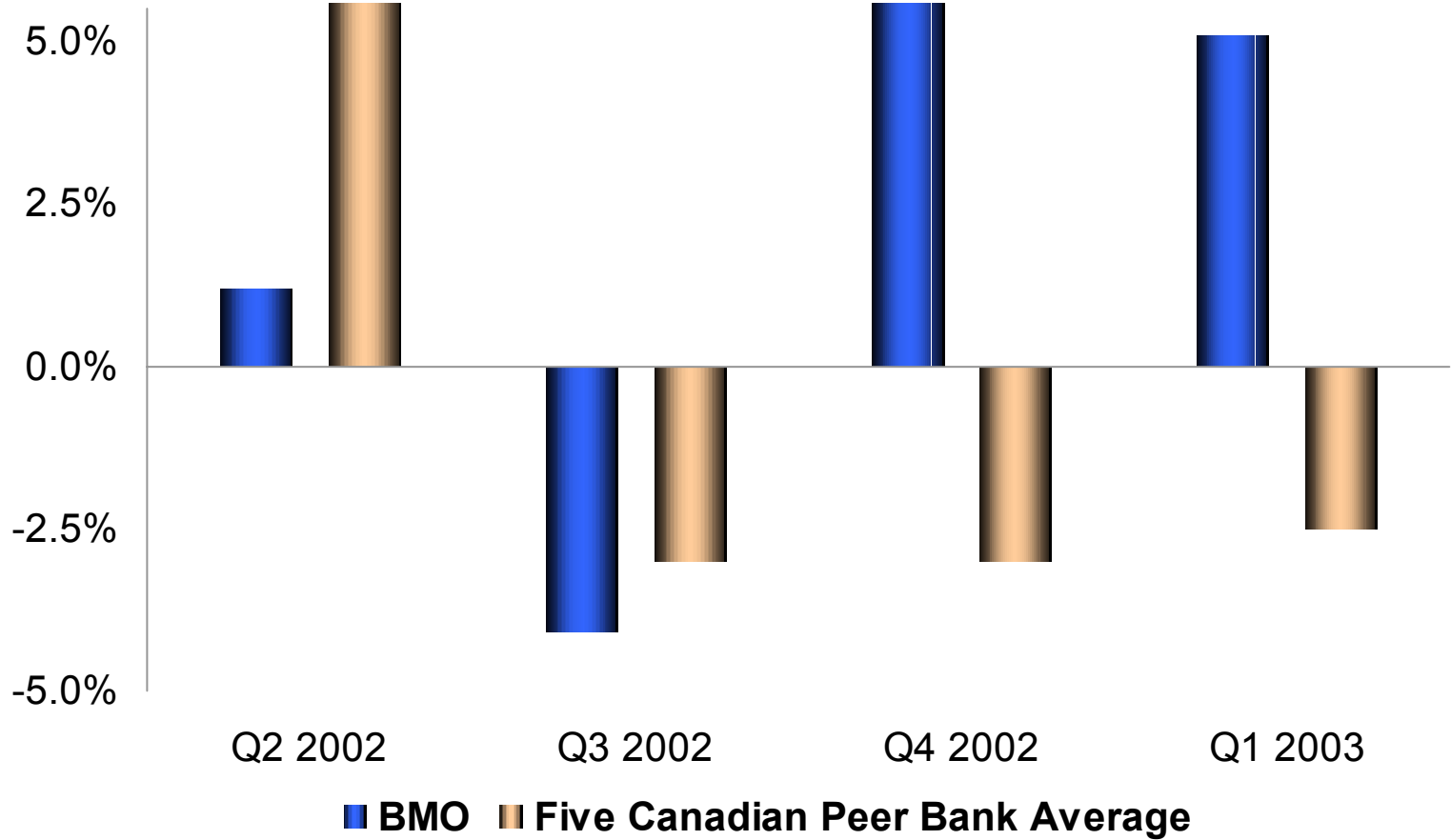
Since 1999, BMO has been:

- Exiting unprofitable, low-profit or low-potential businesses and branches
- Re-deploying capital and resources to higher-potential businesses
- Shifting its business mix in favor of high-return businesses

Divested business	Annual run-rate shortfall (\$MM)
Bancomer	\$119
Global Custody	12
Partners First	(2)
Corporate Trust	95
Branch Sales	60
IBG RWA reduction	\$350 - 400
Total	\$634 - 684

Outperformed Peer Group in Q1 Revenue Growth

Q1 Revenue Growth/Decline





P&C Outperforms

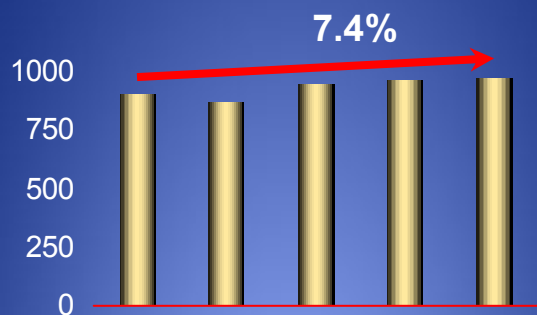
The Competition In Q1 2003

- Revenue up 7%
- Productivity improved 190 bps
- 12 month earnings up 18%

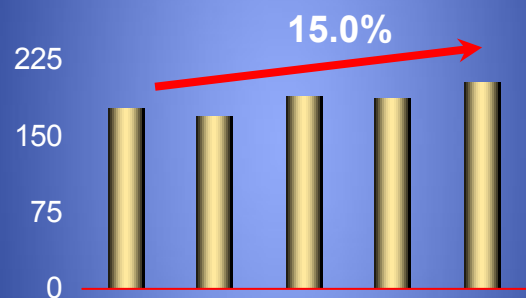
P&C Canada

- Revenue growth driven by significant volume growth and improving spreads
- Continued focus on productivity
- Well known top-tier credit quality

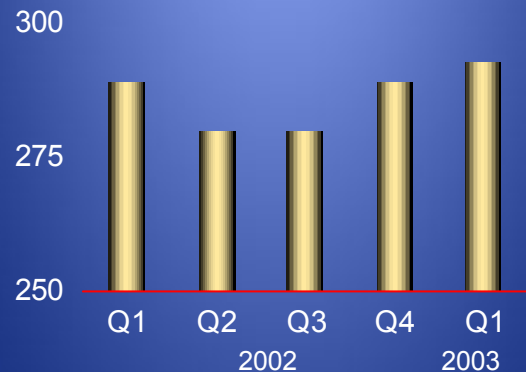
Revenue (\$MM)

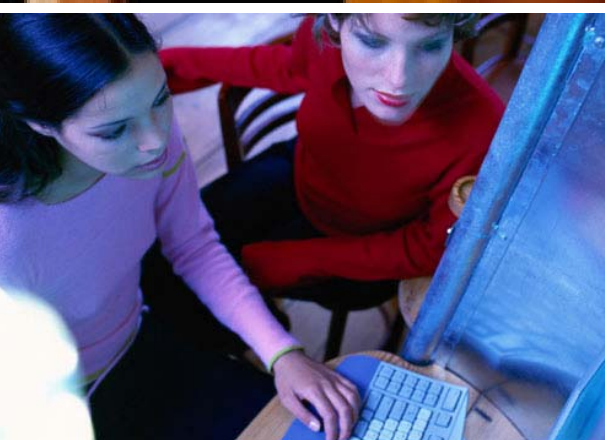


Net Income (\$MM)



Net Interest Margin (bps)





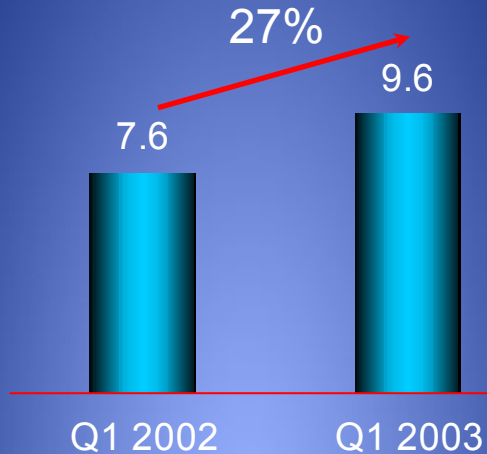
Investing in Initiatives That Drive Performance

<i>Improving Satisfaction</i>	2000	2001	2002
<i>Secure customer index</i>			
Personal*	24%	27%	28%
Small business**	26%	28%	29%
<i>Employee professionalism index</i>			
Personal*	36%	41%	44%
Small business**	35%	37%	40%

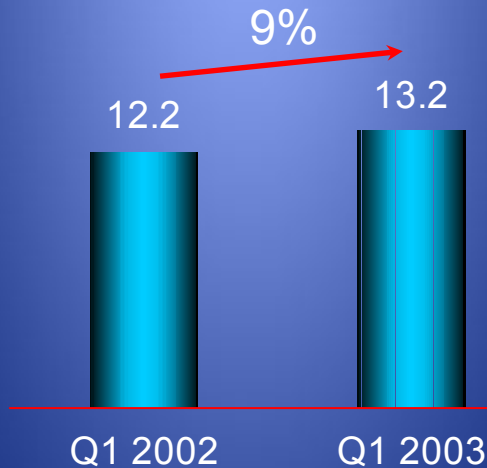
- Completed the rollout of leading edge technology, Pathway Connect
- Aligning our work flow and focus on process improvement

Source: * Burke Inc., **NFO-DF Group

Loans (US\$B)



Deposits (US\$B)



Strong Momentum In U.S. Retail And Business Banking

<i>Customers Very Satisfied*</i>	2001	2002
<i>Retail</i>		
Harris	59%	62%
Large Competitors	46%	51%
<i>Small Business</i>		
Harris	62%	66%
Large Competitors	46%	55%
Small Banks	63%	63%

- Strong Harris brand reputation in Chicagoland
- Adding 50 branches to well-entrenched, well-located distribution network

* Source: Burke Annual Survey



Strong U.S. Operating Leverage Micro Business

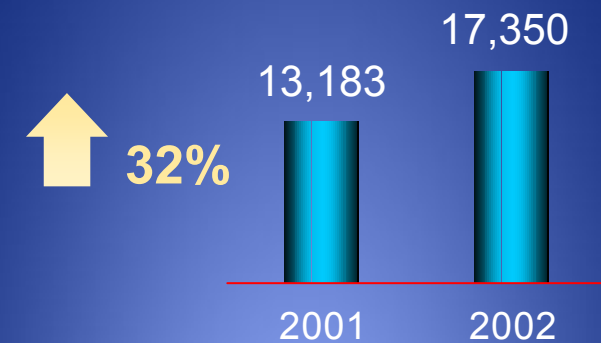
- Revenue under US\$500,000 per annum
- Represent about 80% of all companies in Chicagoland
- 350,000 micro businesses within a three-mile radius of our existing branch network
- Rolled out new strategy to two-thirds of Chicagoland locations
 - Simplified new account opening process
 - Special training of branch staff
 - Attractive on-line banking offer
 - Dedicated call center staff



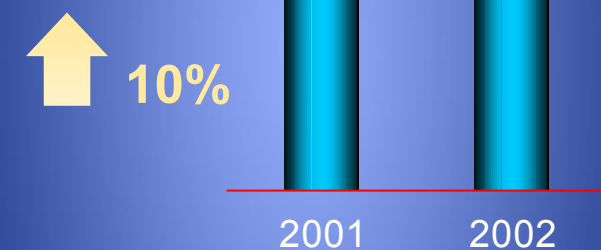
Strong U.S. Operating Leverage Indirect Auto Lending

- Proven local (Chicagoland) business model
- Only "A" paper (no leasing or floor plans)
- Expanding business model through mid-western states
- 40% increase in loan balances in each of the last 2 years to US\$2.2 billion

Home Equity Loans*



Small Business Loans*



Consumer Deposits**



Strong U.S. Operating Leverage Sales Management

Compensation based on contribution to profitability

- Opportunity for sustained performance improvement
- Points system drives sales of higher profit products
- Migrating model to new acquisitions

* Number of loans originated

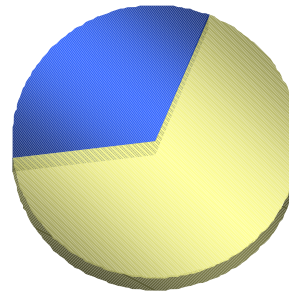
** Number of new accounts



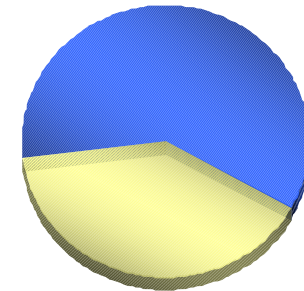
Full Picture of U.S. Retail and Business Banking

- Retail and Business banking represents about 60% of total U.S. operations when Harris Nesbitt mid-market contribution is included
- Productivity Ratio improves to approx. 60%

**Net Income
Triples**



**Revenue
Increases 70%**



Chicagoland Banking

**Harris Nesbitt Mid-market &
Cash Management Services**

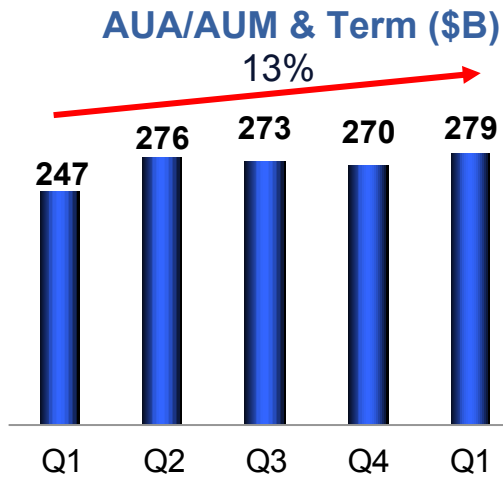


Improved Disclosure And Accountability

- Centralized reporting of treasury risk management activities
- Reclassification of businesses furthers BMO leadership in transparent financial disclosure



Poised For Market Turnaround In Wealth Management



- PCG Q1 2003 AUA/AUM increased 13% over previous year
- S&P/TSX Composite declined 14%
- S&P 500 declined 23%



BMO's Total IBG Risk-Weighted Assets (\$B)



IBG: Increasing Profitability and Decreasing Volatility In IBG

Since 1999

- Risk-weighted assets have been reduced by \$29 billion
- Impact of reduced RWA is a run-rate reduction of \$396MM in revenue through F2000-F2002
- Actual reduction in IBG revenue through F2000-F2002 was \$350-400MM

U.S. Acquisition Provides Equity Distribution Capability

- New York-based equity research, sales, trading and investment banker meets IRR requirements
- Provides added value for clients:
 - U.S. research capability for Canadian investors
 - U.S. research and distribution capabilities for Canadian issuing clients
 - Equity research, sales and trading services for mid-market clients served by Harris Nesbitt, Media & Communications and Energy teams
- Adds 650 institutional relationships

Transaction:

- US\$30MM purchase price
- 100% share swap
- 2.4 x book value
- 0.3 x revenue





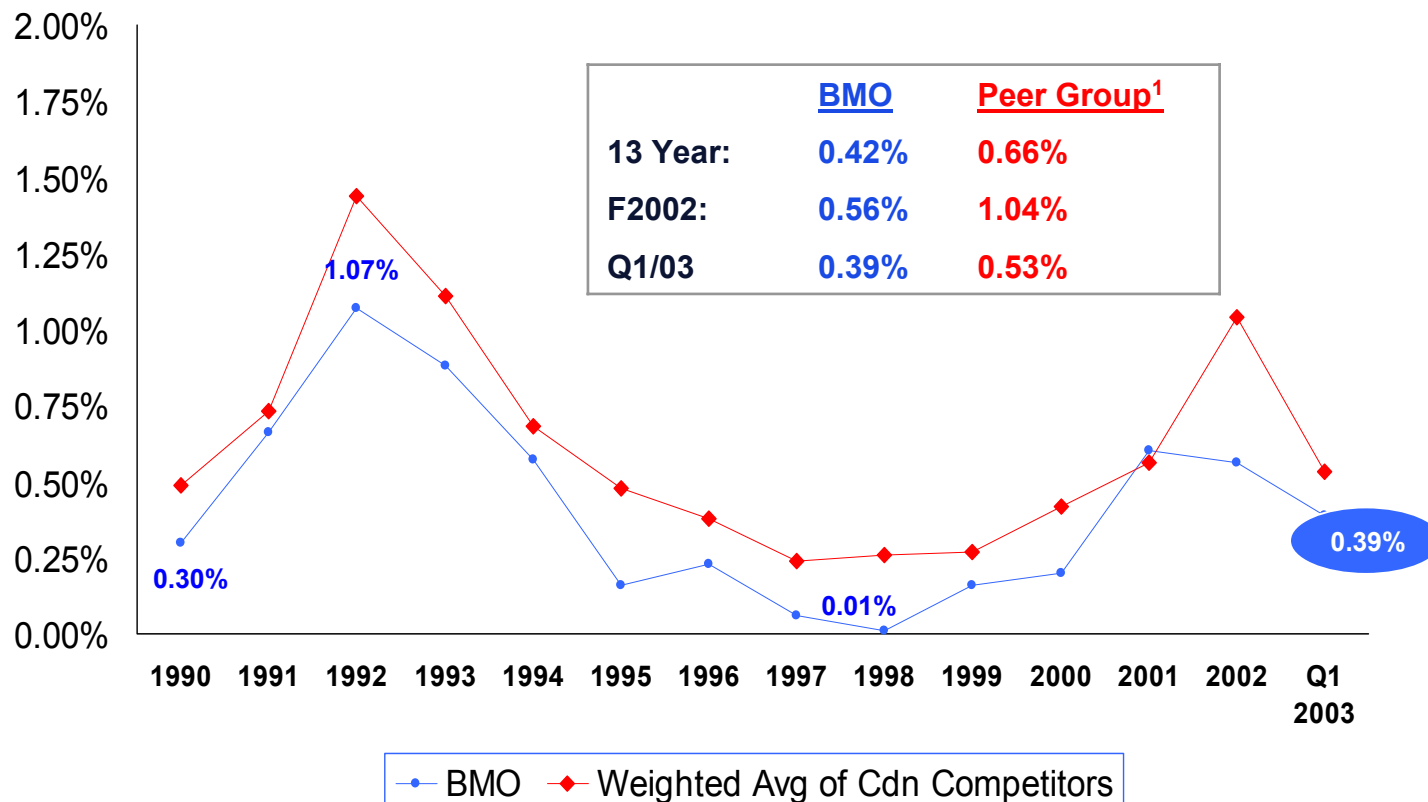
Strategic Expansion In The U.S. Continues

- Acquisitions must be a good strategic and cultural fit
- Two key investment objectives:
 - *IRR should be at least 15%*
 - *accretive to cash EPS within 2-3 years*
- Focused primarily on U.S. expansion
 - *retail acquisitions*
 - *wealth management “in-fill” acquisitions*

Continuing Leadership In Credit Risk Management

Specific Provision for Credit Losses

(as a percentage of Average Net Loans and Acceptances including Reverse Repos)



1 - BMO's Canadian Competitors include: Royal, BNS, CIBC, TD and National. TD's sectoral provisions have been treated as specifics in F2002 and therefore drawdowns from these sectorals have been excluded from PCL in all subsequent periods.

Reaffirmed Commitments to 2003 Targets

Performance Measure	F2003 Target (ex. non-recurring items)
EPS Growth*	10 – 15% (Cash EPS 10 – 15%)
Return On Equity	14 – 15% (Cash ROE 15 – 16%)
Provision For Credit Losses	Maintain an annual PCL at or below the 2002 level (\$820MM) (Current estimate is \$700MM or below)
Tier 1 Capital	Minimum 8.0%

* Growth based on F2002 diluted EPS of \$2.76 and diluted cash EPS of \$2.91

Q1 2003

DIVIDENDS
DECLARED

\$0.33

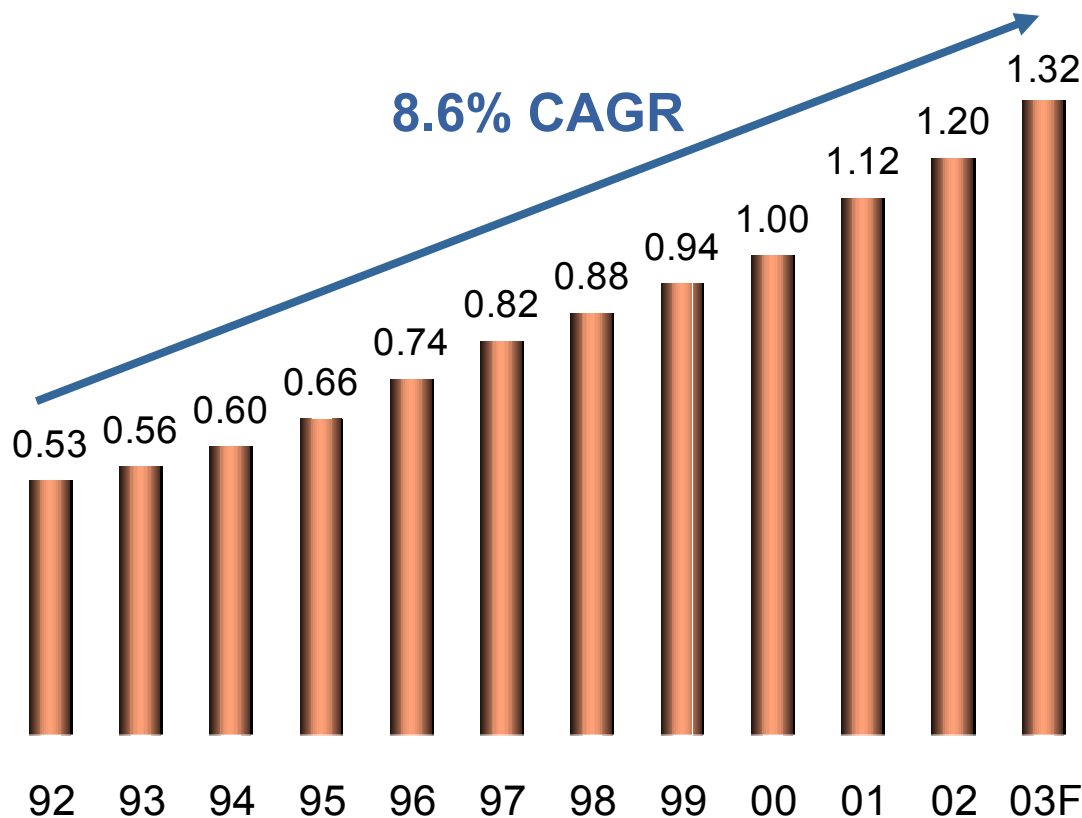
PAYOUT RATIO
43.2%

YIELD*
3.20%

*Based on 01/31/03 share price of \$41.30

Increased Dividend Payout Ratio

Dividends Declared Per Share



BMO  Bank of Montreal

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Forward-Looking Statements

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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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; 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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Q & A