

BMO  Bank of Montreal

BMO  Harris Private Banking

BMO  Mutual Funds

BMO  InvestorLine

BMO  Nesbitt Burns

BMO  Life

BMO  **Financial Group**

HARRIS NESBITT

Peter McNitt

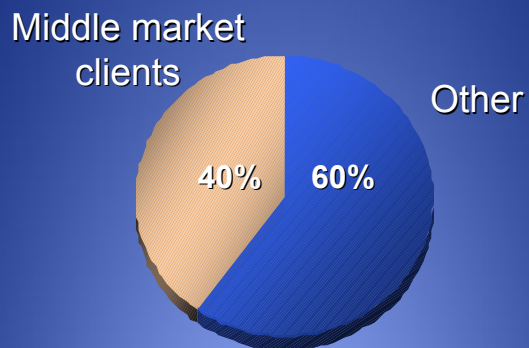
Executive Managing Director

Surjit Rajpal

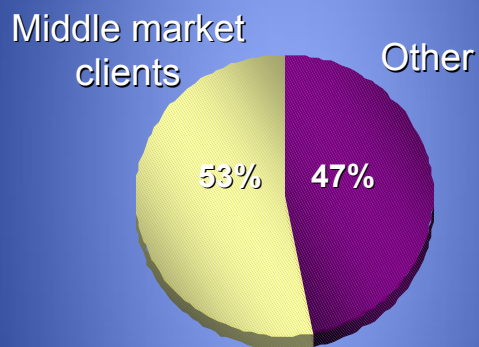
Executive Managing Director

May 1 and 2, 2003

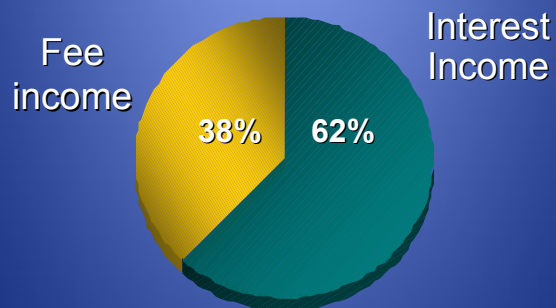
Revenue



Net Income



Fee-based vs. Interest Income

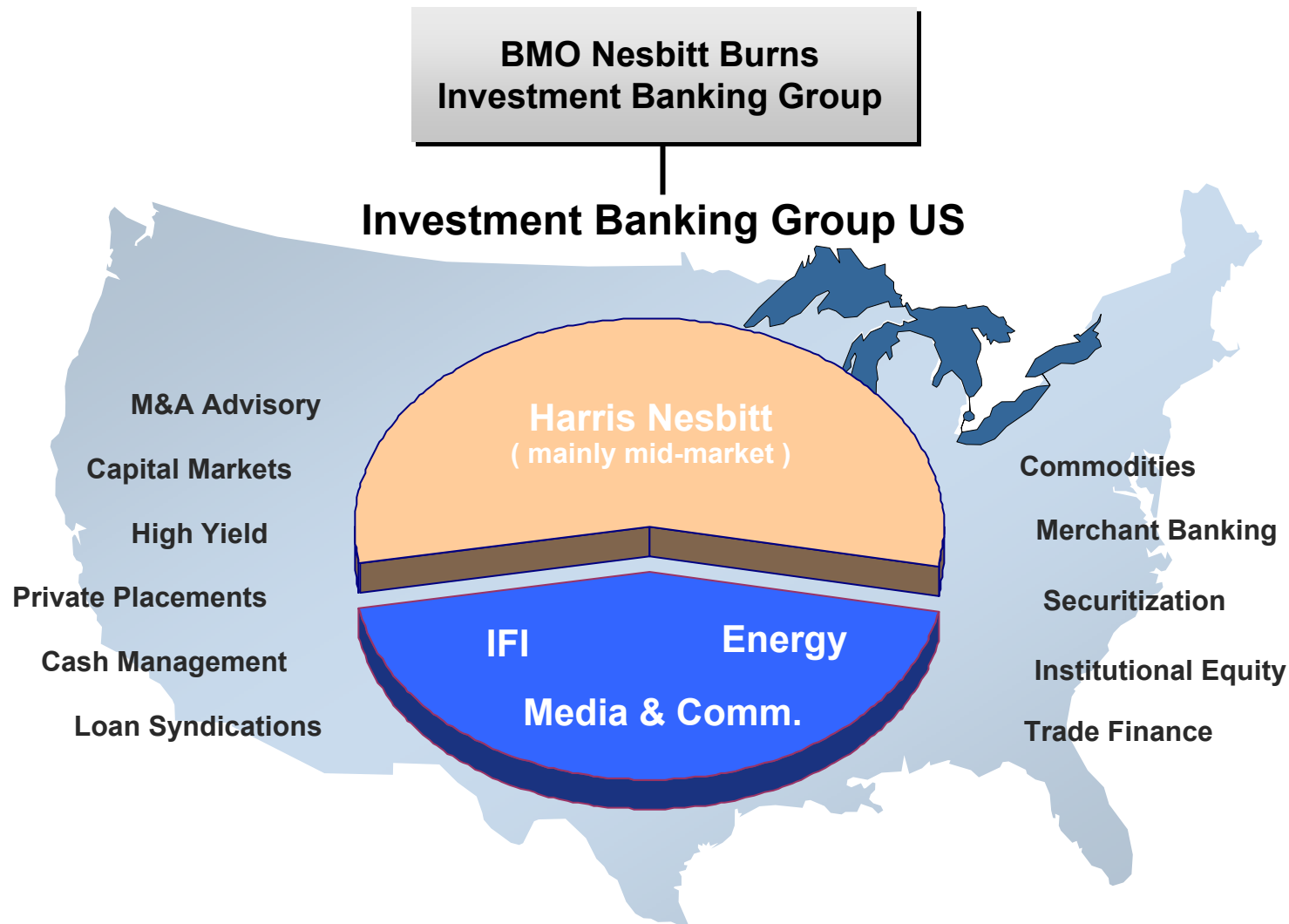


for illustrative purposes only

Middle Market important source of U.S. IBG Revenue

- Middle market client relationships generate a substantial proportion of total U.S. IBG revenue
- The financial needs of the middle market client indicate that annuity-like lending & cash management revenue will remain an important component of the U.S. IBG total
 - Fee income is growing as a % of total revenue
- Harris Nesbitt is largest of the U.S. mid-market investment and corporate banking teams

Harris Nesbitt is the principal US Middle Market coverage team in Investment Banking Group



Key Sectors

Mid-west focus

Emerging Majors
Equity Sponsors

Nationwide focus

Food/Agribusiness
Asset-Based Lending
Real Estate & Builders
Financial Institutions

Market Definition

Revenues: \$50MM – \$1 Bn
Sweet spot: \$100MM –
\$450MM

Market Size

Mid-west, mid-market
banking annual revenue pool
is estimated at over \$8Bn

At least 10,000 prospective,
Harris Nesbitt mid-market
clients in the 10-state area

Middle Market is a growth opportunity

- Harris Nesbitt focuses on building highly profitable, multi-product, lead relationships in key mid-market sectors
 - Mid-market clients in the mid-west and across the U.S.
- Established lending relationships with about 1,200 mid-market companies
 - 80% are privately held/non-investment grade
 - Lending is lead product; cash management key in relationships
 - Complex financial needs
 - Demand for industry expertise
 - Companies consolidate business with lead commercial bank

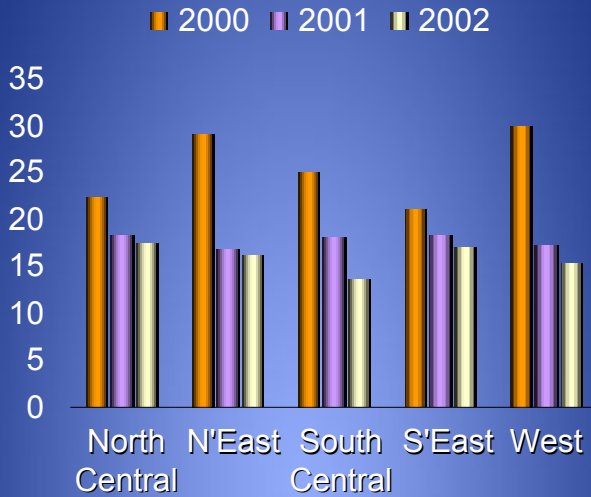
Total U.S. Middle Market loan syndication is growing

- Middle market now represents approximately 10% of the total syndication market volume

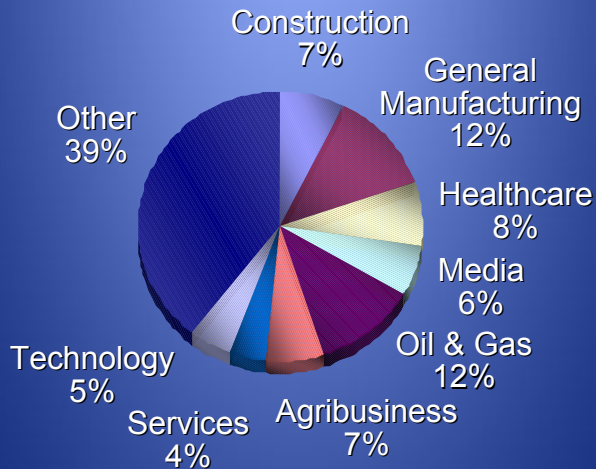
Volume (\$ Billions)	1Q02	2Q02	3Q02	4Q02	2002
Total Syndicated Lending Activity	184.34	355.52	230.72	198.77	969.35
Investment Grade Market	93.7	220.58	135.72	111.68	561.68
Leveraged Market	58.72	81.21	62.15	62.45	264.53
Institutional Market	9.62	23.45	15.07	16.39	64.53
Overall Middle Market	19.72	25.15	26.49	20.08	91.43
Traditional Middle Market	9.67	10.58	11.53	8.48	40.27

Source: Loan Pricing Corporation

MM Volume by location



Overall MM Volume by Industry 2002



Total Mid-Market syndication activity well diversified

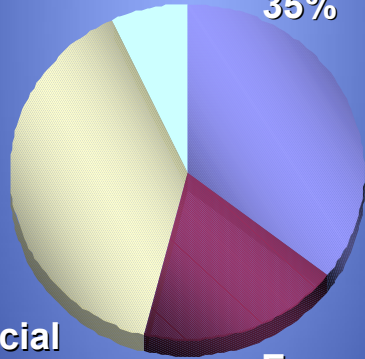
- Geographically
- Industry sectors
- Breadth & scope of syndicated lending activity provides opportunity for future growth

Source: Loan Pricing Corporation

2002 Loan Syndication
Revenues by Harris Nesbitt
Industry Group

Asset-Based
Lending 7%

Food/Agribusiness
35%



Special
Industries
39%

Emerging
Majors
19%

Harris Nesbitt Middle Market syndication a growing activity

- Market interest in Middle Market names
 - Harris Nesbitt clients now a significant proportion of total U.S. IBG syndication volume and revenue
- Capitalizing on Food/Agribusiness specialty
 - One of the top 5 in the sector
- Ensuring diversification
 - Special Industries (Builders & Contractors, Real Estate, Transportation) and Emerging Majors (Manufacturing, Consumer, Service companies)

Growing visibility on league tables

- ***BMO Nesbitt Burns a growing presence in Middle Market syndicated loans***

- *10th ytd in '03*

- *14th in '02 on both domestic large and traditional Middle Market lead arranger volume*

- ***Well-regarded by, and influential with, Mid-west investors***

1Q 2003 Domestic MM North Central Lead Arranger Volume

Rank	Bank Holding Company	Lead Arranger Volume	Market Share
1	Bank of America	673,800,000	14%
2	ABN AMRO Bank N.V.	584,862,911	12%
3	National City Corp.	474,650,000	10%
4	BANK ONE Corp.	320,000,000	6%
5	Citigroup	300,000,000	6%
6	JPMorgan	276,900,000	6%
7	General Electric Capital Corp.	264,000,000	5%
8	CIBC World Markets	248,500,000	5%
9	FleetBoston	233,500,000	5%
10	BMO Nesbitt Burns	220,000,000	4%
11	Wells Fargo & Co.	168,500,000	3%
12	PNC Bank	154,400,000	3%
13	Royal Bank of Scotland Plc	135,000,000	3%
14	Comerica Inc.	134,000,000	3%
15	U.S. Bancorp	128,000,000	3%
16	Wachovia Securities	115,000,000	2%
17	Scotia Capital	110,000,000	2%
18	Huntington Bancshares	100,500,000	2%
19	Mitsubishi Tokyo Financial Group	85,000,000	2%
20	Ableco Finance L.L.C.	81,600,000	2%
21	UBS Warburg	75,000,000	2%
22	Fifth Third Bank	42,500,000	1%
23	TransAmerica Corp.	17,000,000	0%
24	Antares Capital Corp.	14,000,000	0%

Source: Loan Pricing Corporation

Banks

JPMorganChase
BankOne
Bank of America
US Bancorp
First Union
KeyCorp
National City
ABN LaSalle
Wells Fargo

Non-bank FIs

Tyco/CIT
GE Capital
Antares
Madison Capital
GMAC

Investment Banks

William Blair
Piper Jaffray
B of A Securities
Houlihan Lokey
Baird
E&Y/KPMG

Harris Nesbitt is competitive in the Middle Market

- Main competitors are large regionals & niche/boutique investment banks
- Selective competition from bulge bracket firms
- Economic environment has created unpredictable competitive environment
- Lending and cash management are the core products for mid-market companies



BLACK & VEATCH



OASIS



INFORMATION SERVICES INC.



WIRELESS DIMENSIONS
Accessories For a Wireless World



HERITAGE NURSERIES
A CUT ABOVE



PROTIENT
The Future of Protein



Client relationships provide Competitive Advantage

- Attractive client base, strong long-term relationships
- Universal bank - solid reputation, recognized brand, competitive products
- Effectively integrated corporate & investment bank
- Customized coverage model
- Sector specialties
- Focused, disciplined strategy execution

Successfully leveraging lending relationships

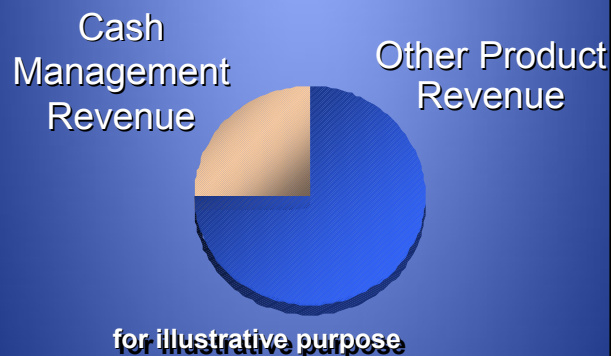
- *Focus on lead relationships for cross-sell leverage*
 - *Customized coverage model and marketing strategy*
- 
- *Harris Nesbitt has established a differentiated position in targeted sectors*

- Leverage lending relationships
 - Cross sell fee-based products to existing clients
- Capitalize on bundled buying behaviour of mid-market companies
 - Fully-integrated, advisory-oriented coverage
- Highly focused sales force
 - Compensation tightly linked to performance
 - Upgrading origination and advisory skills

➤ *Clients bundle lending & Cash Management purchase decision*

➤ *Mid-market clients need progressive, not leading edge, products*

➤ *Cash Management is a significant part of the HN revenue mix*



➤ *ROE is attractive - in 20% to 30% range*

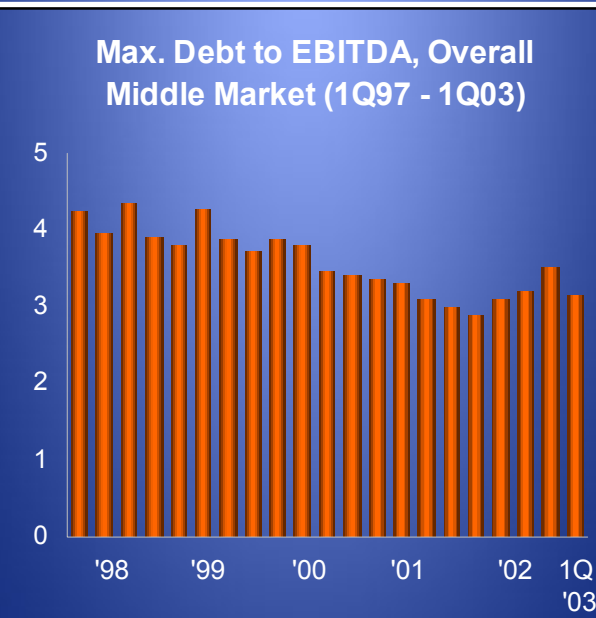
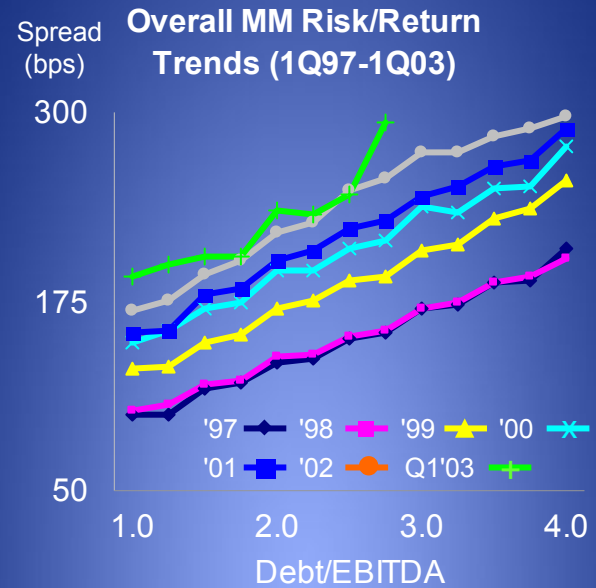
Cash Management is key in the Middle Market

- Cash Management a fundamental, non-discretionary activity for all businesses
 - Payables
 - Receivables
 - Investments
- Sources of revenue
 - Transaction processing
 - Deposits
 - Investment spread
- Revenue driven by new clients, organic growth, interest rates and the economy

Loan Syndications

Syndications has introduced greater efficiency in the mid-market sector

- Increased spread across risk classes
- Active non-traditional loan participants
- Reasonable leverage
- Reduced underwriting risk



- *Economic downturn severe in manufacturing sectors in mid-west*
- *Companies eliminated cap ex, reduced debt & managing working capital*
- *Weak M&A market activity in 2002*
- *Credit quality stabilized in 2nd half of 2002*
- *Survivors are well positioned to capitalize on upturn in economy*

Sustaining performance in an economic downturn

- Harris Nesbitt deal flow, both lending and M&A, weakened in 2002.
 - Strong loan margins
 - Softer fee income
- Loan volume declined ~11% from October 2001
 - Utilization off ~30% from traditional levels
 - Volume stabilized in 2003, but no upturn
- Increasing lead positions and adding new clients
- Relationship ROE & ROAC hurdle rate discipline applied

Key performance indicators remain on track

- *Pipeline averaging 45 deals, up 20% from 2002*
- *Total of 288 Mandates Won ytd*
- *Added 64 (net new) relationships in first 5 months F2003*
- *Margins continue to exceed 2.50%*
- *GKM acquisition presents new opportunities with clients*

- Coverage-based leading indicators on track
 - Meetings, pitches and mandates won
- Increasing volume of deals, new names in pipeline
- Pursuing opportunities to drive increased revenue and grow fee income
 - GKM research, sales and trading
 - Cash Management, Business Development, Capital Markets initiatives
 - Prospecting
- Positioned to capitalize on return to normal loan utilization levels

Forward-looking Statements

Caution Regarding Forward-looking Statements

This financial presentation includes forward-looking statements, which are made pursuant to the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, comments with respect to our objectives, targets, strategies, financial condition, the results of our operations and our businesses, our outlook for our businesses and for the Canadian and U.S. economies, and risk management.

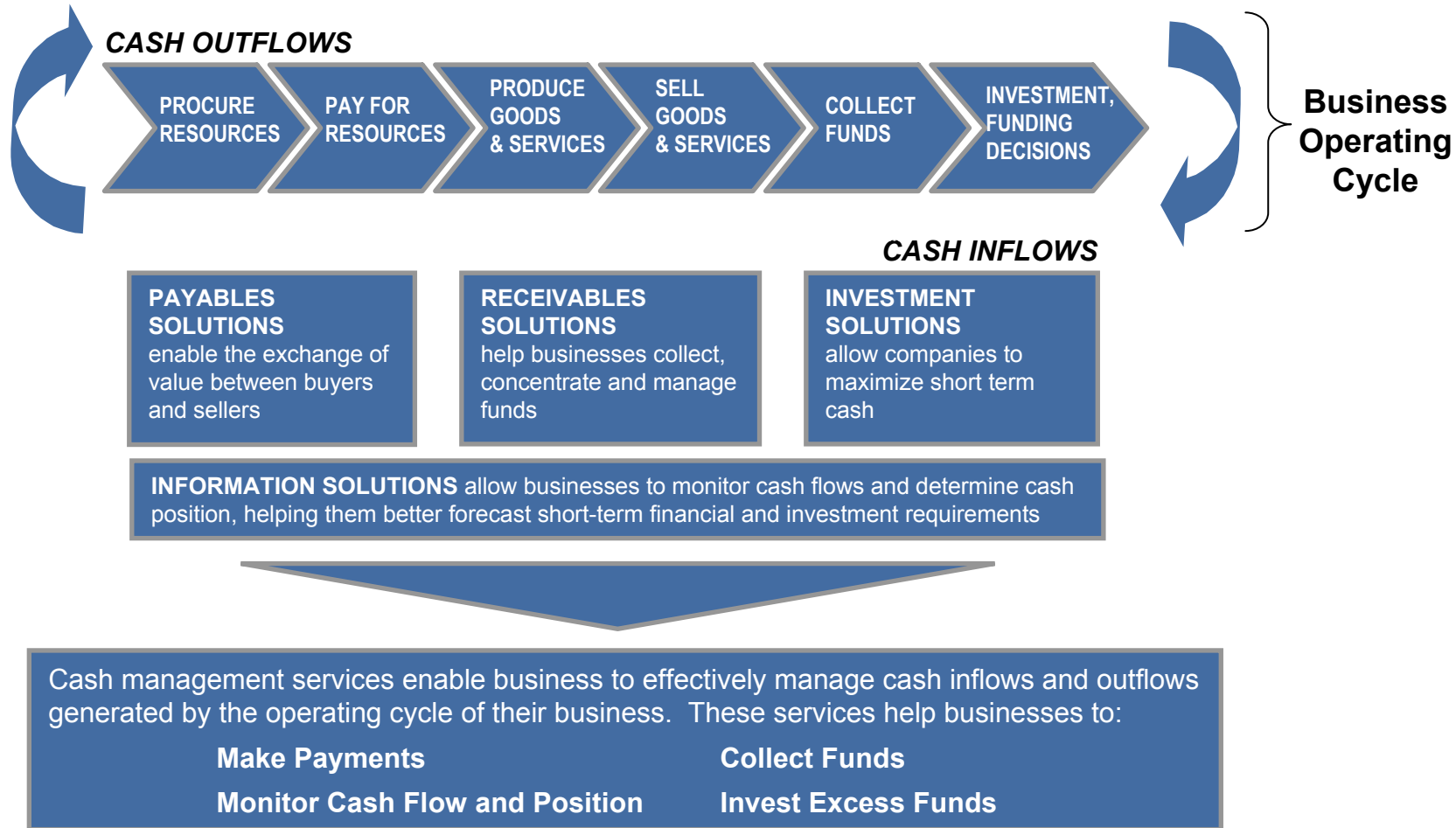
By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this report not to place undue reliance on these forward-looking statements as a number of important factors could cause actual future results to differ materially from the plans, objectives, targets, expectations, estimates and intentions expressed in such forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by the following factors: fluctuations in interest rates and currency values; regulatory developments; statutory changes; the effects of competition in the geographic and business areas in which we operate, including continued pricing pressure on loan and deposit products; and changes in political and economic conditions including, among other things, inflation and technological changes. We caution that the foregoing list of important 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 the foregoing factors as well as other uncertainties and potential events. The Bank does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Bank.

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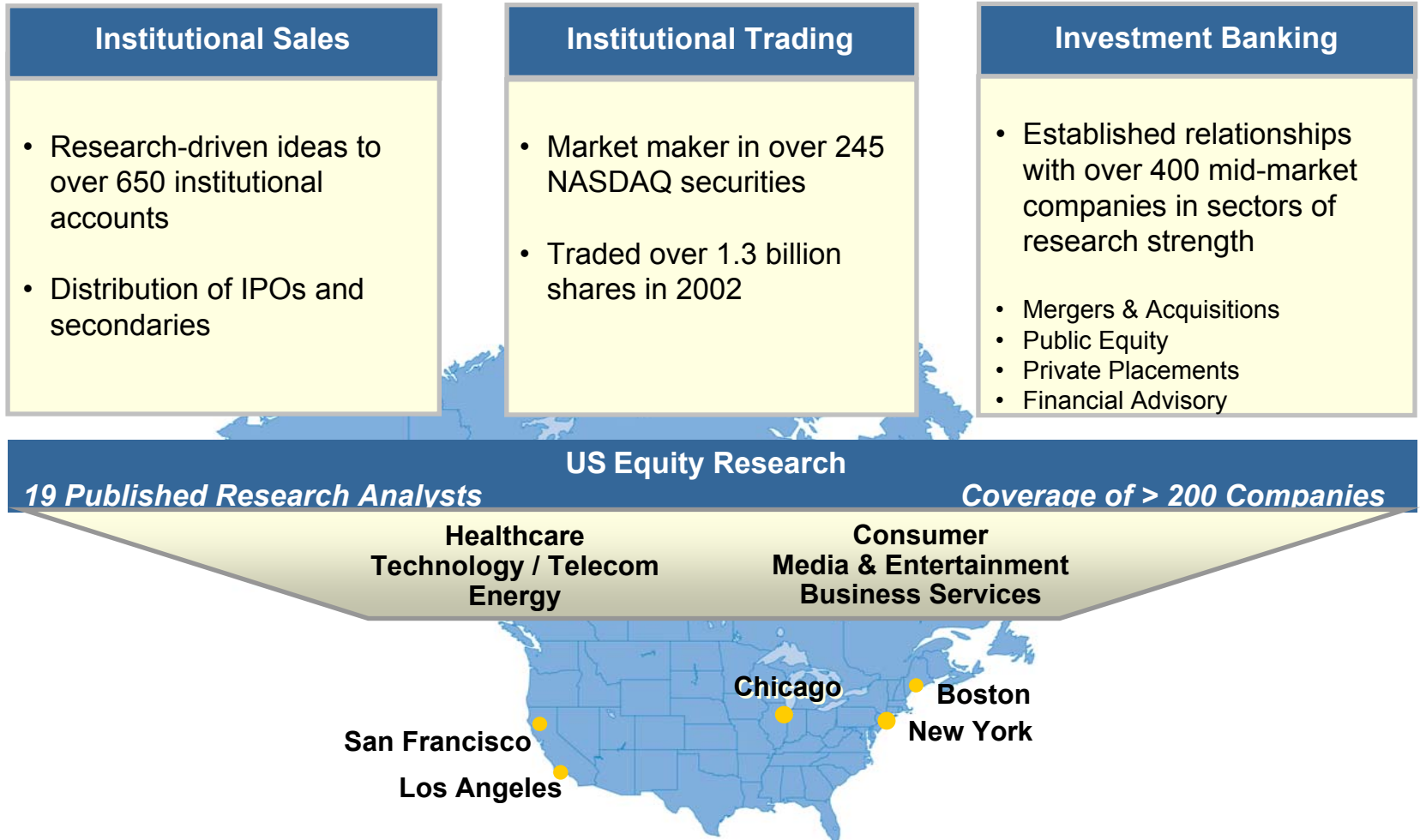
Cash Management Business Description

Cash Management is a fundamental, non-discretionary activity for all businesses. The critical nature of this activity enables the Cash Management provider to establish deep relationships with clients that produce steady, annuity-like revenue streams.



Acquisition of Gerard Klauer Mattison

New York-based GKM is complementary to Harris Nesbitt and our US platform -- providing a US equity research, sales and trading capability and an expanded client base



U.S. Acquisition Provides Equity Distribution Capability

- New York-based equity research, sales, trading and investment bank
- 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*

