

BMO  Bank of Montreal

BMO  Harris Private Banking

BMO  Mutual Funds

BMO  InvestorLine

BMO  Nesbitt Burns

BMO  Life

BMO  Financial Group

HARRIS PRIVATE BANK

William E. Thonn

Executive Vice President

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Selectively Expanding And Leveraging Our Capabilities

- Nine new locations opened in the past year, primary focus going forward is to bring full wealth offering to these locations
- Leveraging capabilities acquired through myCFO, and Sullivan, Bruyette, Speros & Blayney (SBSB) acquisitions to attract the independent advisory client segment
- Creating integrated client service and sales teams capable of selling entire breadth of the Private Bank offering
- Aggressively managing costs

Comprehensive Solutions To Meet The Complex Needs Of The Affluent

- Uniquely positioned to serve the affluent with segmented offerings for clients with \$1 million to \$10 billion
- Solutions range from specific, individual product recommendations to execution of complex wealth management strategies using objective, multi-disciplinary advisory teams

	Harris Private Bank	myCFO	SBSB
Differentiation	<ul style="list-style-type: none"> • 100 year history in wealth management with established brand • Quality, proprietary product offering encompassing investment, trust and banking solutions • Private Wealth Group focused solely on the needs of the ultra-high-net-worth marketplace 	<ul style="list-style-type: none"> • Holistic, unbiased approach by best-in-class advisors using innovative technology and an open architecture platform 	<ul style="list-style-type: none"> • Comprehensive financial planning services with an open architecture platform
Services	<ul style="list-style-type: none"> • Investment management including asset allocation and performance reporting • Trust services • Private banking including customized lending, mortgages, and deposit services 	<ul style="list-style-type: none"> • Investment advisory including asset allocation, capital markets, performance reporting, manager selection, and asset placement • Family office services including tax, expense management, financial reporting, estate & trust, philanthropy, and risk management 	<ul style="list-style-type: none"> • Financial planning including estate, insurance, and education planning • Tax compliance and planning • Portfolio management including asset allocation, manager selection, and performance reporting
Target client segments	<ul style="list-style-type: none"> • Targeted affinity groups (industry groups, firms and associations) • Affluent retirees • Investable assets > \$1 million • Clients with assets > \$25 million served through the Private Wealth Group 	<ul style="list-style-type: none"> • Individuals and families of wealth • Investable assets > \$25 million 	<ul style="list-style-type: none"> • Working wealthy • Investable assets > \$1 million

Market Dynamics

- *Millionaire households growing at over 9% annually*
- *Millionaire households produce financial services annual revenue in excess of \$90 billion*
- *Highly profitable with top-tier ROE's of 20%+*
- *Average account life of 10 years*
- *Highly fragmented with no competitor having national market share greater than 5%*
- *Unprecedented competition by traditional providers and new entrants*

Sources: VIP Forum, Claritas, Boston Consulting Group

Uniquely Positioned In A High Growth Market

Harris' Competitive Advantages

- 100 year history in wealth management business, a strong brand equity and a name associated with strength, credibility and stability
- Differentiated offering combining objective, unbiased advice with best in class proprietary products
- Client focus building partnerships that last generations
 - At 12 years, longer than industry average account life
- Relationships managed by highly experienced professionals with a 12 year average tenure in the organization
- Innovative technology platform
- Expertise in servicing defined client segments such as business owners, corporate executives, attorneys and airline pilots



Optimized The Business For A Changing Marketplace

- Refined investment management and personal trust servicing model to ensure resources aligned with client revenues
 - Private Client Access unit serves lower balance clients more effectively with increased profitability - 2400 accounts transitioned
 - 500 accounts below Private Bank threshold transferred to brokerage
- Consolidated Arizona, Florida and Washington businesses into “The Harris Bank, NA” which allows expansion of services to myCFO and SBSB locations
- Restructured the sales organization
- Interdisciplinary teams created to deepen client relationships
- Operational efficiencies achieved with reduced costs – 16% FTE reduction



Focusing On Redefining The Business Through Added Capabilities

- Optimizing service and sales strategy and integrating full capabilities across client base
 - Acquisitions of myCFO and SBSB provide expanded offerings to attract, retain and service clients regardless of changes in net worth or financial guidance required
- Analyzing pricing structure across all product lines to ensure fees are competitive and identify any pricing opportunities
 - All investment management and personal trust accounts undergoing fee “gaps” analysis
- Continue focus on strong cost reduction and organizational design initiatives and review of all expense categories



Conclusions

- Well positioned in key affluent markets with significant opportunities
- myCFO and SBSB acquisitions give us the unique capability of delivering the full spectrum of private banking services required to meet the specialized needs of affluent clients
- Aggressively managing expenses through business optimization initiatives and reviewing all facets of the business model
- Poised for growth as market conditions improve

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 filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, press releases 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. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives for 2003 and beyond, our strategies or future actions, our targets, expectations for our financial condition or share price, 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 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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