

BMO  Bank of Montreal

BMO  Harris Private Banking

BMO  Mutual Funds

BMO  InvestorLine

BMO  Nesbitt Burns

BMO  Life

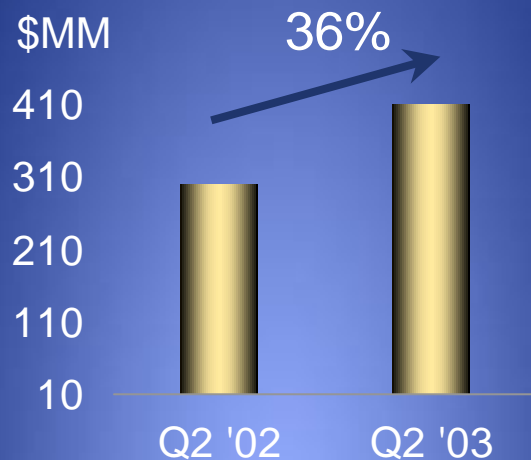
BMO  **Financial Group**

Strategic Overview Second Quarter 2003

Tony Comper
Chairman & CEO

Quarterly Investor Presentation
May 27, 2003

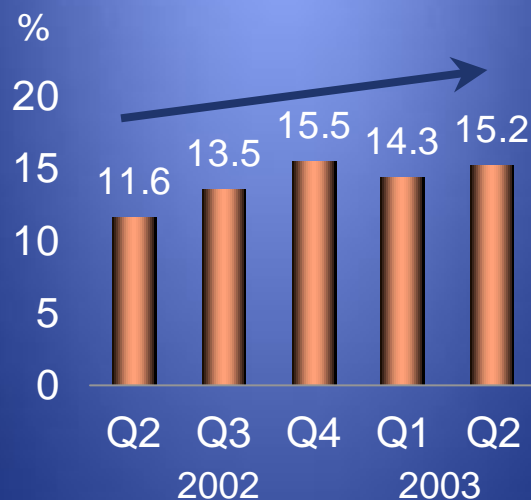
Net Earnings



BMO Earnings Rise 36% In Q2 and 20% YTD

- Higher profitability driven by:
 - solid growth in Personal & Commercial
 - improved credit performance
- 15.2% ROE - up 3.6 percentage points year-over-year

ROE





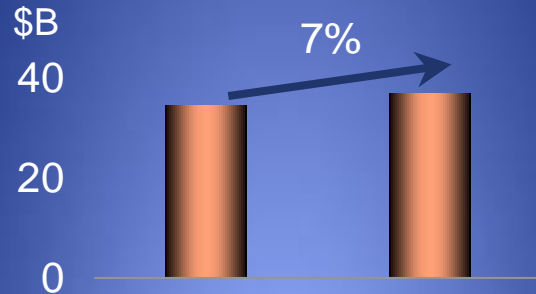
Credit Performance Drives Reduction In Provision for Credit Losses (“PCL”)

- Q1 PCL of \$150MM
- Q2 PCL of \$120MM
- Now estimate annual PCL will be at or below \$600MM

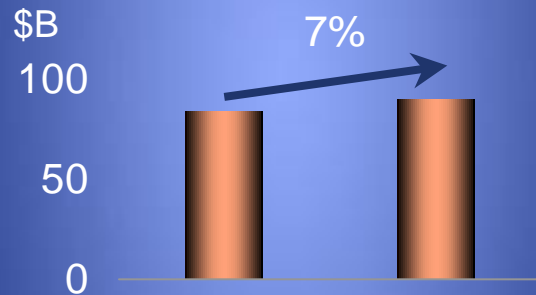


P&C Canada

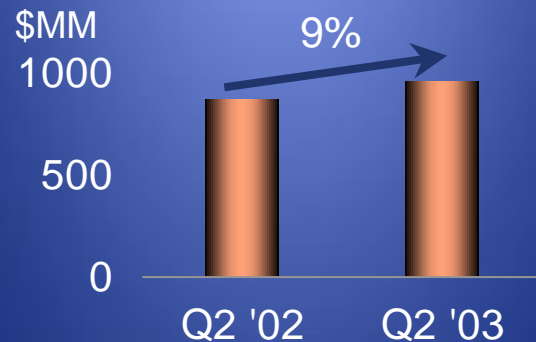
Deposit Growth



Loans & acceptances



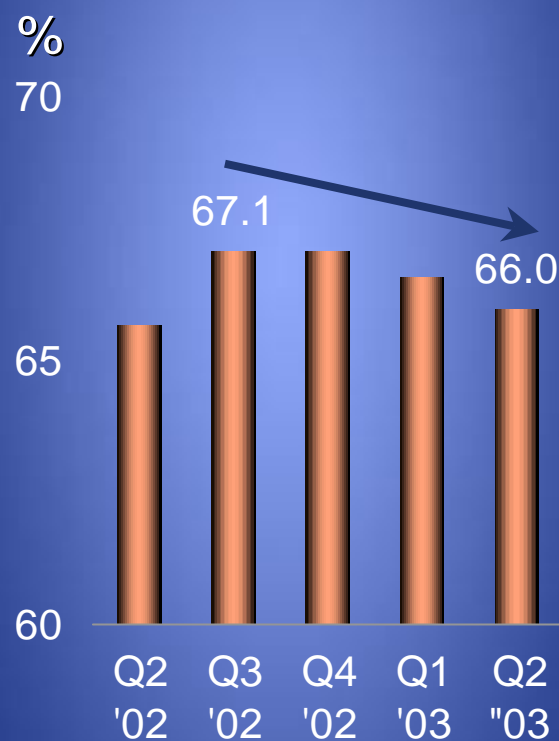
Revenue



Personal & Commercial Earnings Up 12%

- Earnings growth driven by strong volume growth and higher net interest margins
- Strong performance from P&C Canada
 - retail and business deposits grew 7%
 - loans and acceptances grew 7%
 - increased market share in retail banking and business loans under \$5MM
- U.S. loans increased 25% and deposits up 9% year-over-year

Cash expense to revenue ratio



Best Cash Productivity Ratio In Four Quarters

- Improved enterprise productivity ratio by 110 bps since Q4 2002
- Operating groups targeting a 150 to 200 bps improvement for 2003

U.S. Acquisitions since Q1 2002

- CSFB*direct*
- Morgan Stanley Individual Investor Group - online accounts

U.S. Direct Investing: Case Study In Productivity Improvement

- US\$100MM reduction in costs in F2002
- Further reductions planned for 2003
- Third party back office service provider allows for flexible cost structure and timely alignment of capacity to market demands

Financial Targets For 2003 On Track

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 \$600MM or below)
Tier 1 Capital	Minimum 8.0%

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



Transaction:

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

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

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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 and 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; the effects of war or terrorist activities; the effects of disease or illness that impact on local, national and international economies; 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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