


**BMO**  **Financial Group**

**Investment Banking Group**


**Yvan Bourdeau**  
*President & Chief Operating Officer*  
*BMO Nesbitt Burns*

October 22, 2003

**Contribution to Net Income**  
 YTD July 31, 2003

**BMO:**  
**Three Operating Groups**

- Personal & Commercial (P&C)
- Private Client Group (PCG)
- **Investment Banking Group (IBG)**

**BMO**  **Financial Group**

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## Investment Banking Strategic Direction

INNOVATIVE thinking.  
INTEGRATED solutions.



Approach

- Reinforce leading position through long-standing strengths
- Unparalleled research capabilities



Approach

- A mid-market firm targeting private and smaller cap public companies
- Leveraging Harris Bank expertise in Midwest mid-market

*Improve capital utilization and profitability of client relationships*







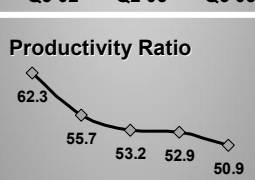

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## Investment Banking Leveraging Our Midwest Relationships

- Midwest mid-market is a growth opportunity
  - 10,000 companies with annual banking related services >\$8Bn
- Harris Nesbitt is highly competitive
  - Strong, long term relationships with over 1500 mid-market companies
  - Integrated investment & corporate bank
  - Sector specialties and customized coverage model
  - Successfully leveraging lending relationships by cross selling fee based products to existing clients

<p><b>Harris Nesbitt Gerard Locations</b></p>  <p><b>U.S. Offering</b></p> <ul style="list-style-type: none"> <li>Equity Research Sales &amp; Trading (Acquired with HN Gerard)</li> <li>M&amp;A</li> <li>Equity / Debt Underwriting</li> <li>Loan Financing</li> <li>Cash Management</li> <li>Capital Markets</li> <li>Securitization</li> <li>Merchant Banking</li> <li>Wealth Management</li> </ul> <p><b>Harris Nesbitt Gerard Equity Research, Sales &amp; Trading</b></p> <ul style="list-style-type: none"> <li>17 published research analysts <ul style="list-style-type: none"> <li>Healthcare</li> <li>Technology/Telecom</li> <li>Energy</li> <li>Consumer</li> <li>Media &amp; Entertainment</li> <li>Business Services</li> </ul> </li> </ul>	<h2 style="text-align: center;"><i>Investment Banking</i></h2> <h3 style="text-align: center;">Gerard Klauer Mattison Rounding Out Our U.S. Offering</h3> <ul style="list-style-type: none"> <li>Rebranded as Harris Nesbitt Gerard</li> <li>Added mid-market focused equity research, sales and trading</li> <li>Equity research coverage jumps from 100 U.S.-based companies to more than 300</li> <li>Adds over 650 institutional accounts</li> <li>Expands middle market banking client base</li> <li>Provides broader distribution capability for U.S. issuers</li> </ul>
<p>BMO  Financial Group</p>	<p style="text-align: center;">CSFB WHOLESALE BANKING CONFERENCE 2003</p> <p style="text-align: right;">4</p>

<p><b>Cash ROE</b></p>  <table border="1"> <tr><td>7.3</td><td>10.6</td><td>14.3</td><td>13.5</td><td>14.9</td></tr> </table> <p><b>Net Income</b></p>  <table border="1"> <tr><th>Q3 02</th><th>Q2 03</th><th>Q3 03</th></tr> <tr><td>108</td><td>166</td><td>188</td></tr> </table> <p><b>Productivity Ratio</b></p>  <table border="1"> <tr><td>62.3</td><td>55.7</td><td>53.2</td><td>52.9</td><td>50.9</td></tr> <tr><td>Q3 2002</td><td>Q4 2002</td><td>Q1 2003</td><td>Q2 2003</td><td>Q3 2003</td></tr> </table>	7.3	10.6	14.3	13.5	14.9	Q3 02	Q2 03	Q3 03	108	166	188	62.3	55.7	53.2	52.9	50.9	Q3 2002	Q4 2002	Q1 2003	Q2 2003	Q3 2003	<h2 style="text-align: center;"><i>Investment Banking</i></h2> <h3 style="text-align: center;">Strong Financial Performance</h3> <ul style="list-style-type: none"> <li>Improving overall performance and effective capital management have resulted in rising ROE</li> <li>Prudent expense management combined with revenue growth have contributed to significant productivity improvement</li> <li>Well positioned to benefit from market improvements</li> </ul>
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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, 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 or international economies; the effects of disruptions to public infrastructure, such as transportation, power or water supply disruptions; 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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