NATIONAL BANK
FINANCIAL
FOCUS 2002
INVESTMENT
SEMINAR

Tony Comper
Chairman & CEO
Focused Growth Strategy

- Expand in the U.S.
- Invest in core Canadian franchise
- Build on longstanding strengths
The Future Competitive Landscape

- Further consolidation over next three to five years
- BMO well-established as a transnational bank
A Growing U.S. Franchise

- Harris Private Bank
- Village Banc of Naples
- Freeman Welwood
- Burke, Christensen & Lewis
- Century Bank
- CSFBdirect
Significant U.S. Assets

C$ Billion

99 00 01

Harris Avg Assets

Other U.S. Avg Assets
Well-established Harris Brand
Integrated U.S. Platform

U.S.

Midwest

Chicago Area

Community Banking

Mid-market Corporate/Investment Banking

Wealth Management
Growing Community Banking

U.S.

Midwest

Chicago Area
Community Banking

Mid-market Corporate/Investment Banking

Wealth Management
The Acquirer *Of Choice*

**Strong community orientation**

**Centralize operations and support**

- *BMO’s business model paved the way for the successful acquisition of First National Bank of Joliet — adding C$2 billion in assets*
Growing Mid-market Banking

U.S.

Midwest

Chicago Area
Community Banking

Mid-market Corporate/Investment Banking

Wealth Management
Fully Integrated Corporate and Investment Banking Offering In The Midwest

BMO Nesbitt Burns

HARRIS NESBITT

THE HARRIS

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Growing Private Client Franchise

U.S.

Midwest

Chicago Area
Community Banking

Mid-market Corporate/Investment Banking

Wealth Management

NATIONAL BANK FINANCIAL INVESTMENT SEMINAR
Building A Private Client Platform — 1999

Harris Private Bank

ILLINOIS
- Chicago
- Barrington
- Naperville
- Palatine
- Winnetka

ARIZONA
- Phoenix
- Tucson
- Pinnacle Peak

FLORIDA
- West Palm Beach
- Ft. Myers
- Vero Beach
- Sarasota

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Building A Private Client Platform — Today

Freeman Welwood

WASHINGTON
- Seattle
- Tacoma

OREGON
- Portland

CALIFORNIA
- San Francisco

COLORADO
- Denver

UTAH
- Salt Lake City

ARIZONA
- Phoenix

HAWAI
- Honolulu

De novo openings
- Phoenix
-- Minneapolis
-- Seattle

CSFBdirect physical locations

- San Francisco
- Sandy City
- Dallas
- Boca Raton
- Atlanta
- New York City

Burke, Christensen & Lewis

ILLINOIS
- Chicago

OHIO
- Cleveland

WISCONSIN
- Milwaukee

MICHIGAN
- Detroit

Harris Private Bank

ILLINOIS
- Chicago
- Barrington
- Naperville
- Palatine
- Winnetka

OHIO
- Lake Forest
- St. Charles
- Woodstock
- Community Banks

ARIZONA
- Phoenix
- Tucson
- Carefree
- Biltmore

FLORIDA
- Ft. Myers
- Saratoga
- Vero Beach
- Naples
- West Palm Beach

1999 Presence
Acquisitions since 1999
Future Targets

NATIONAL BANK FINANCIAL INVESTMENT SEMINAR
Strong Growth In U.S. Private Client Assets

U.S. AUM/AUA and Term Deposits

C$ Billion

1999 2001

90 116

57% 26

CSFBdirect

Bank of Montreal
Expanding Wealth Management

Harris Direct Investing

CSFB direct

HARRIS INVESTORLINE

Bank of Montreal

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**Attractive** Business With Stand-Alone Economics

- Attractive client base in terms of account size, net worth, personal income, use of technology and age profile
- Brings total active U.S. retail clients to 1.5 million
- Makes BMO direct investing business 7th largest in North America
- Solid transaction as a stand-alone, direct investing play
Recognized Technology Leadership

“Best of the Web”
– March 2001

Number one “4-Stars” rating
– March 2001

“Best Online Brokerage Service”
– March 2001

“Top Online Broker”
– 2000 Worth Magazine
Readers’ Choice Awards
Progress To Date

Harris Direct Investing

- Marketing and re-branding program well developed
- Developing cross-selling program
- Technology integration process well advanced
- High level of management compatibility
Future Expansion Opportunities

- Looking for properties that enhance the value of existing Canadian and U.S. franchises
Leveraging Our Transnational Potential

• Imported successful U.S. private banking model into Canada

• Credit scoring expertise developed in Canada benefits U.S. consumer and small business lending operations

• Cross-border management team
**Expertise** In Credit Risk Management

Specific provision for credit losses to loans and acceptances

- BMO Avg.: 0.41%
- 5 Bank Avg.: 0.64%
- Canadian Peers
Creating A Competitive Business Model

• Continue to redirect capital to high-growth, high-return businesses
  ➢ During 2001 reduced risk weighted assets in Investment Banking Group by C$6 billion

• Aggressive cost management will limit 2002 expense growth to below revenue growth
Fostering A Sales Culture

- Rollout of new sales and service platform for Canadian retail banking
- Significant investment in specialized salespeople
- Efforts are beginning to reap rewards
Increasing Market Share

Small business loan market share %

<table>
<thead>
<tr>
<th>Year</th>
<th>Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>10</td>
</tr>
<tr>
<td>1996</td>
<td>16</td>
</tr>
<tr>
<td>2001</td>
<td>19</td>
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</tbody>
</table>
Assisting Personal and Small Business Customers

Significant progress since November launch

- Small business loan applications increased 85%
- Mortgage pipeline increased fourfold
- Personal & Commercial new business up 19% year-over-year
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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