



STRATEGIC HIGHLIGHTS

Q2 2002

Tony Comper
Chairman & CEO

Quarterly Investor
Presentation
May 28, 2002



Encouraging Results

From Personal And Commercial Group

Q2 '02 net income up 26% from Q2 '01

- *Chicagoland banking earnings up 139%*
 - *driven by loan and deposit growth, higher margins and First National Bank of Joliet acquisition*

- *Solid market share increases in Canada*
 - *retail operating deposits up 55 bps to 15.41%*
 - *residential mortgages up 35 bps to 14.77%*
 - *small business loans up 39 bps to 19.11%*

Performance Management Program - Progress In Challenging Environment

- *Strategic investments are expected to provide revenue lift in improving economic environment*
- *Implementing discretionary expense reductions and hiring constraints across the entire group*
- *Excluding the cost of acquisitions, expenses are down from Q1 '02, even after removing benefit of 3 fewer days*

Stock Options

- *BMO will begin recognizing compensation expense for new options granted after October 31, 2002*
- *We expect stock option expense to be in the range of \$0.02 to \$0.04 per share in fiscal 2003.*



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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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