

TWO BANKS. ONE PLEDGE.

LAST JANUARY, WE AT BANK OF MONTREAL AND ROYAL BANK ANNOUNCED OUR PROPOSAL TO MERGE.

Since then, we have spent a great deal of time working together to determine what our customers and other Canadians most want to know. With so many questions about service charges, the future of community banking, customer service and our commitment to small business, we believe you very much deserve some straight answers. The purpose of this proposed merger is to build a better bank, which will benefit all Canadians and small business. To this end, the new bank will do the following:

WE WILL REDUCE SERVICE CHARGES.

We will reduce personal banking package or plan fees by a minimum of 10%. And, we will lower other banking costs by reducing some service fees and eliminating some altogether.

WE WILL HAVE MORE, QUALIFIED CUSTOMER SERVICE STAFF.

We will have more, qualified customer service people. More people will mean more face-to-face banking.

WE WILL CONTINUE TO SERVICE RURAL CANADA.

We will ensure that no small town, rural area or remote location will lose branch service as a result of the merger.

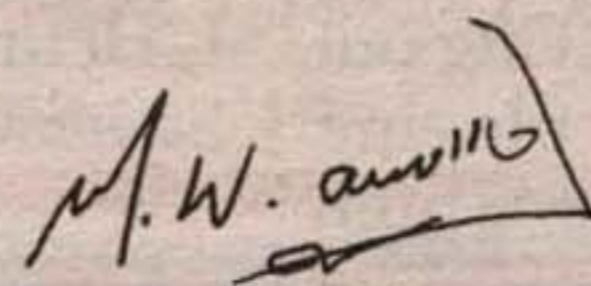
WE WILL HAVE A DEDICATED NEW BANK FOR SMALL BUSINESS.

We will make \$40 billion available to small and medium-sized business. This figure is double our current combined lending to this sector. We will create a new bank within a bank exclusively for small business with reduced turnover of account managers and more lending decisions made locally.

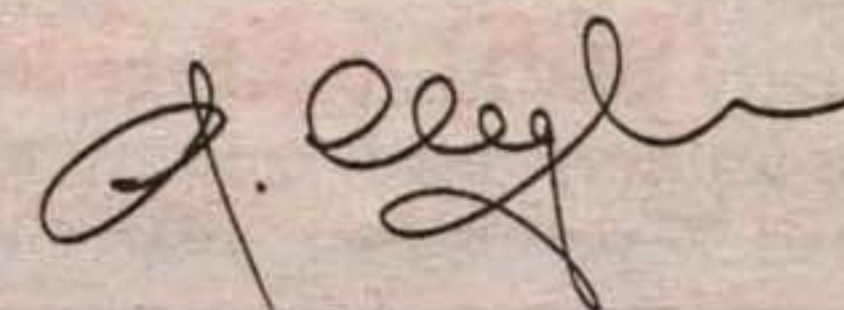
WE WILL INCREASE BRANCH ACCESS.

We will increase our total number of staffed outlets from 2,500 to 3,000.

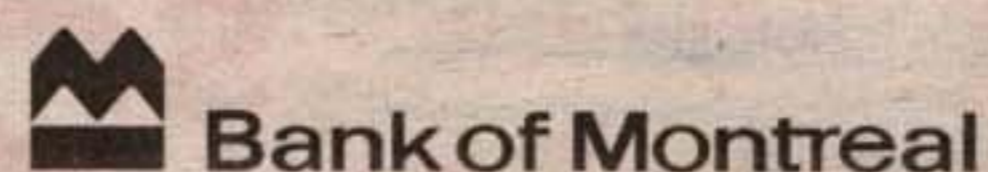
Most important, we pledge in the months ahead to listen carefully to what you, our customers, have to say and to continue the dialogue with you. By combining our talents, energy and resources, we will be able to save money and share those savings with our customers. We are sincerely determined to build a better bank for all Canadians. You have our pledge on that.



Matthew W. Barrett
Chairman and Chief Executive Officer
Bank of Montreal



John E. Cleghorn
Chairman and Chief Executive Officer
Royal Bank



Call toll-free 1-877-842-2565 or visit our web site at www.proposedmerger.com to get your free copy of our specially prepared book "Two Banks. One Pledge." which provides full details.