

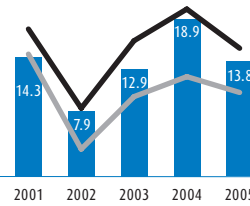
Financial Performance and Condition at a Glance

Our Performance

Total Shareholder Return (TSR)

- BMO's average annual five-year TSR of 13.8% declined from 18.9% a year ago, but is consistent with returns from the financial services industry and better than the broader market indices.
- BMO's one-year TSR of 3.7% in 2005 lowered our five-year TSR, but follows returns of 33% and 20% in the two prior years.

Further details are provided on page 32.



Peer Group Comparison

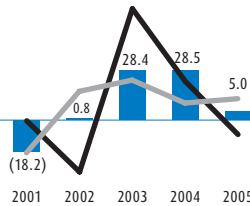
Five-Year TSR (%)

- BMO's average annual five-year TSR of 13.8% was below the Canadian peer group average of 15.4% but substantially above the North American peer group average of 10.1%.
- Performance declined from a year ago on this measure because of the exclusion of the strong returns in 2000.

Earnings per Share (EPS) Growth

- EPS rose 5% to a record \$4.64, after having grown strongly in 2003 and 2004. The increase was driven by business growth and a lower effective tax rate, partially offset by higher provisions for credit losses due to lower reversals and recoveries.
- EPS grew 9% excluding changes in the general allowance for credit losses in 2005 and 2004, exceeding our 2005 target of 3% to 8% growth on this basis.

Further details are provided on page 33.



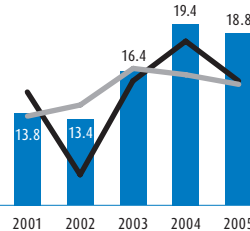
EPS Growth (%)

- BMO's EPS growth of 5.0% in 2005 was above the Canadian peer group average of -8.2% but below the North American peer group average of 12.3%.
- Litigation provisions recorded by some of our peers in 2004 and 2005 significantly reduced the Canadian peer group average in 2005 but increased the North American peer group average.

Return on Equity (ROE)

- ROE of 18.8% was down from 19.4% in 2004, but was the second highest in the past 20 years and above our 2005 target of 17% to 18%.

Further details are provided on page 34.



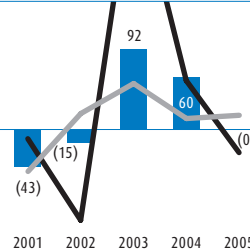
ROE (%)

- ROE of 18.8% in 2005 was well above the Canadian peer group average of 15.8% and the North American peer group average of 15.6%.
- BMO has earned ROE of more than 13% in each of the past 16 years, the only major North American bank to do so.

Net Economic Profit (NEP) Growth

- NEP, a measure of added economic value, remained high in 2005, declining marginally because of increased capital after growing 92% in 2003 and 60% in 2004.
- Each of the client operating groups generated higher NEP in 2005 but these increases were offset by lower NEP in Corporate Support primarily due to higher provisions for credit losses.

Further details are provided on page 34.



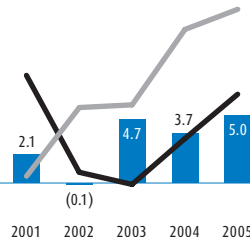
NEP Growth (%)

- NEP growth of -0.3% in 2005 was well above the Canadian peer group average of -27% but well below the North American peer group average of 16%, in large part due to the effect of litigation provisions of certain of our peers.

Revenue Growth

- Revenue* increased \$470 million or 5% in 2005. There was strong growth in Personal and Commercial Client Group and Private Client Group and in the fee-based businesses in Investment Banking Group.
- The weaker U.S. dollar lowered revenue growth by 2.2 percentage points.

Further details are provided on page 37.



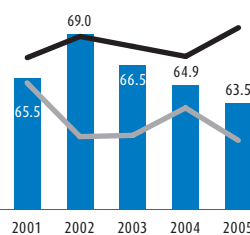
Revenue Growth (%)

- Revenue growth of 5.0% in 2005 was below the Canadian peer group average of 6.6% and the strong North American peer group average of 12.9%.
- BMO's revenue growth improved in 2005 and had outpaced the Canadian peer group average in 2003 and 2004.

Expense-to-Revenue (Productivity) Ratio

- The productivity ratio improved 140 basis points to 63.5% in 2005. The cash productivity ratio improved 120 basis points to 62.6%, following 420 basis points of total improvement in the two prior years. We had targeted an improvement of 150 to 200 basis points in the cash productivity ratio in 2005.

Further details are provided on page 41.



Expense-to-Revenue Ratio (%)

- BMO's productivity ratio of 63.5% was better than the Canadian peer group average of 69.5% but above the North American peer group average of 60.5%. The impact of litigation provisions of certain peers increased our advantage over the average Canadian peer.
- BMO's productivity ratio remains second best of the Canadian peer group.

*Revenue and income taxes in the MD&A are reported on a taxable equivalent basis. See pages 35, 37 and 42.

■ BMO Financial Group
 — Canadian peer group average
 — North American peer group average

See page 26 for further comments on peer group comparisons. Certain prior year data has been restated. See Note 1 on page 26.

Our Performance

Credit Losses

- The provision for credit losses increased \$282 million. Specific provisions were \$152 million higher, driven by lower reversals and recoveries, and the reduction in the general allowance was \$130 million lower.
- The provision represented 11 basis points of average net loans and acceptances, up from -7 basis points in 2004.

Further details are provided on pages 40 and 69.

Impaired Loans

- Gross impaired loans and acceptances totalled \$804 million, compared with \$1,119 million in 2004, representing 4.9% of equity and allowances for credit losses versus 7.5% a year ago.
- Formations of new impaired loans and acceptances, a key driver of credit provisions, totalled \$423 million, down from \$607 million in 2004 and \$1,303 million in 2003.

Further details are provided on pages 40 and 69.

Liquidity Ratio

- Cash and securities as a percentage of total assets was largely consistent with 2004 at 26.2%.
- Liquidity remains sound and continues to be supported by broad diversification of deposits.

Further details are provided on pages 72 and 73.

Capital Adequacy

- The Tier 1 Capital Ratio was 10.25%, up from 9.81% last year and above our minimum target of 8.0%.
- The Total Capital Ratio was 11.76%, up from 11.31% in 2004.
- BMO has \$3.4 billion of excess capital relative to our targeted Tier 1 Capital Ratio.

Further details are provided on pages 59 and 60.

Credit Rating (Standard & Poor's)

- Our credit rating, as measured by Standard & Poor's^{®3} (S&P) senior debt ratings, remained at AA-, matching two competitors and exceeding the rating of the three other major Canadian banks.
- The S&P ratings outlook on BMO remains stable.

Further details are provided on page 60.

Credit Rating (Moody's)

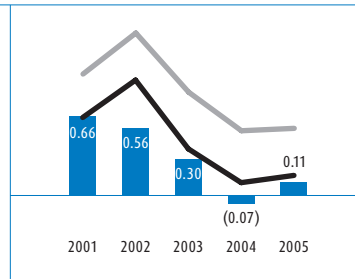
- Our credit rating, as measured by Moody's^{®4} senior debt ratings, remained at Aa3, slightly below the highest-rated Canadian bank and consistent with the highest-rated of the other major Canadian banks.
- The Moody's ratings outlook on BMO remains stable.

Further details are provided on page 60.

Peer Group Comparison

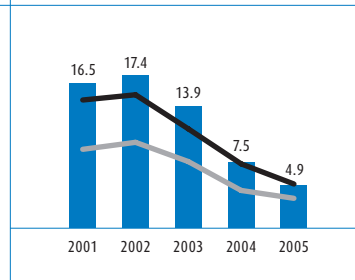
Provision for Credit Losses as a % of Average Net Loans and Acceptances

- BMO's provision for credit losses of 0.11% of average net loans and acceptances was better than the Canadian peer group average of 0.17% and the North American peer group average of 0.56%.
- BMO's credit loss experience has been better than the Canadian peer group average in 14 of the past 15 years.



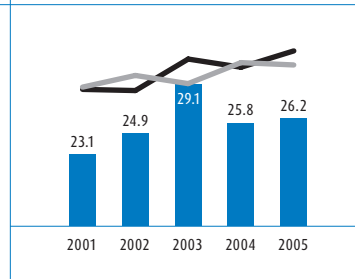
Gross Impaired Loans and Allowances as a % of Equity and Allowances for Credit Losses

- BMO's ratio of 4.9% was marginally better than the Canadian peer group average of 5.0% but worse than the North American peer group average of 3.0%.
- BMO's ratio has approximated the Canadian average but has been higher than the North American average in recent years.



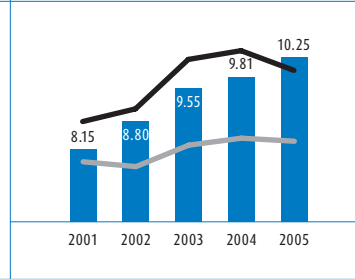
Cash and Securities as a % of Total Assets

- BMO's liquidity ratio of 26.2% was below the Canadian peer group average of 32.0% and the North American peer group average of 30.8%.
- Our liquidity ratio was higher than a year ago and remains at an acceptable level.



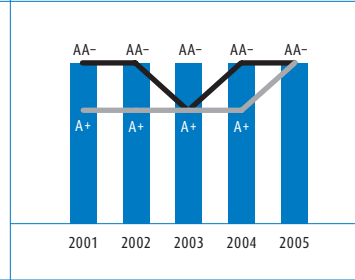
Tier 1 Capital Ratio (%)

- Our Tier 1 Capital Ratio at 10.25% was the highest in recent years and above the Canadian peer group average of 9.95%.
- On a U.S. regulatory basis, our Tier 1 Capital Ratio was 9.96% and was above the North American peer group average of 8.33%.



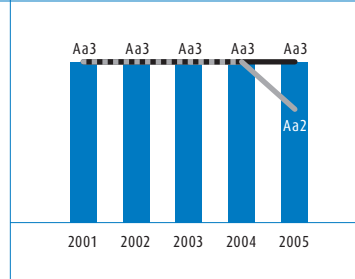
Credit Rating (Standard & Poor's)

- BMO's credit rating of AA-, as measured by S&P's senior debt ratings, was in the upper half of the Canadian peer group, with two of the banks in our peer group rated as highly as BMO and three rated lower. BMO's rating was consistent with the median rating of the North American peer group.



Credit Rating (Moody's)

- BMO's credit rating of Aa3, as measured by Moody's senior debt ratings, was comparable to the median of the Canadian peer group but slightly higher than the North American peer group median.



■ BMO Financial Group
 — Canadian peer group average
 — North American peer group average

See page 26 for further comments on peer group comparisons.
 Certain prior year data has been restated.
 See Note 1 on page 26.

Canadian and North American Peer Group Comparisons

	2005					2004 (Note 1)					Five-Year Average (Note 1)				
	BMO	Rank of six	Cdn. bank avg.	N.A. bank avg.	N.A. bank q'tile	BMO	Rank of six	Cdn. bank avg.	N.A. bank avg.	N.A. bank q'tile	BMO	Rank of six	Cdn. bank avg.	N.A. bank avg.	N.A. bank q'tile
Financial Performance Measures (%)															
Five-year total shareholder return (TSR)	13.8	4	15.4	10.1	1	18.9	4	20.1	12.0	1	13.8	4	15.4	10.1	1
Diluted earnings per share (EPS) growth	5.0	4	(8.2)	12.3	3	28.5	2	22.2	9.8	1	7.4	5	5.2	7.5	3
Return on common shareholders' equity (ROE)	18.8	3	15.8	15.6	2	19.4	2	18.3	16.2	2	16.4	4	15.0	15.3	2
Net economic profit (NEP) growth	(0.3)	4	(26.8)	16.1	3	59.6	2	55.5	12.4	1	8.0	5	4.6	4.0	3
Revenue growth	5.0	5	6.6	12.9	3	3.7	3	3.3	11.4	3	3.0	5	3.7	7.1	3
Expense-to-revenue (productivity) ratio	63.5	2	69.5	60.5	3	64.9	2	67.2	63.1	3	65.9	3	68.1	62.1	3
Provision for credit losses as a % of average net loans and acceptances	0.11	3	0.17	0.56	1	(0.07)	2	0.11	0.54	1	0.31	1	0.46	0.86	1
Financial Condition Measures (%)															
Gross impaired loans and acceptances as a % of equity and allowances for credit losses	4.9	4	5.0	3.0	4	7.5	3	7.3	4.3	4	12.0	5	10.7	6.7	4
Liquidity ratio	26.2	6	32.0	30.8	3	25.8	6	30.6	31.0	3	25.8	6	30.2	30.0	3
Tier 1 Capital Ratio	10.25	2	9.95	8.33	1	9.81	4	10.40	8.40	1	9.31	5	9.68	8.12	1
Credit rating – Standard & Poor's – Moody's	AA-	1	AA-	AA-	1	AA-	1	AA-	A+	1	AA-	1	AA-	A+	1
	Aa3	2	Aa3	Aa2	2	Aa3	2	Aa3	Aa3	2	Aa3	2	Aa3	Aa3	2

The Canadian peer group averages are based on the performance of Canada's six largest banks: BMO Financial Group, Canadian Imperial Bank of Commerce, National Bank of Canada, RBC Financial Group, Scotiabank and TD Bank Financial Group. The North American peer group averages are based on the performance of North America's largest banks, consisting of 15 banks in North America having shareholders' equity that is at least 75% as large as BMO's. It includes the Canadian peer group, except National Bank of Canada, as well as Bank of America Corporation, Citigroup, J.P. Morgan Chase & Co., KeyCorp, National City Corporation, The PNC Financial Services Group Inc., SunTrust Banks Inc., U.S. Bancorp, Wachovia Corporation, and Wells Fargo & Company.

Results are as at or for the years ended October 31 for Canadian banks and as at or for the years ended September 30 for U.S. banks, as appropriate.

For consistency with our peer groups, the non-interest expense-to-revenue ratios include amortization of goodwill for all banks for 2001 in the calculation of the five-year average.

Note 1. Certain BMO and peer group prior year data has been restated to conform with the current year's basis of presentation.

Canadian Peer Group Comparison

BMO's performance in 2005 improved from 2004 on 5 of our 11 key financial performance and condition measures, and was unchanged on another. These measures are considered key because we monitor our performance on them relative to our peer groups. In 2004, our performance improved on 7 of the 11 measures and was unchanged on another.

Significant litigation provisions recorded by certain of our Canadian peers affected the Canadian peer group averages in 2005. Although some of our Canadian peers also recorded litigation or restructuring provisions in 2004, the impact on the average of peer group performance measures was much more pronounced in 2005.

In 2005, our performance was better than the Canadian peer group average on 5 of 7 financial performance measures, compared with above-average performance on 6 measures in 2004. Our rankings in 2005 were unchanged on 2 of the 7 financial performance measures but declined somewhat on the others. Improving productivity was again BMO's top priority for 2005. Our expense-to-revenue (productivity) ratio improved 140 bps in 2005 and remains the second best of our Canadian peer group. BMO's cash productivity ratio (see page 35) improved 120 bps to 62.6% in 2005, building on the significant improvement of the past two years, during which the cash productivity ratio improved 420 basis points. This ratio also remains the second best of Canada's major banks. In 2006, a top priority is to focus on revenue growth to achieve a further 100 to 150 basis point improvement in our cash productivity ratio.

We were better than average on 2 of the 4 financial condition measures in 2005, average on 1 and below average on 1. Our ranking improved on 1 measure, deteriorated on 1 and was unchanged on the other 2.

In our Management's Discussion and Analysis in 2004, we indicated that we expected provisions for credit losses to increase from the unusually low levels of 2004 and that as a result, certain of our performance growth measures in 2005 might be less robust than in 2004. Our provisions did increase significantly in 2005 and our rankings have declined somewhat from 2004.

Our 2005 performance was better than our five-year average performance on 7 of 11 measures and was consistent with our average on another 2. Our five-year average results were better than the comparable Canadian peer group average on 5 of 7 financial performance measures but were below average on 3 of 4 financial condition measures.

North American Peer Group Comparison

Our 2005 rankings in the North American peer group slipped from the strong rankings of a year ago. North American peer group performance in 2004 was affected by two of the largest banks recording multi-billion-dollar provisions for litigation and other settlement costs associated with certain high-profile insolvencies. This improved BMO's 2004 North American rankings and comparative performance but lowered our rankings and relative growth performance measures in 2005.

Our quartile ranking was unchanged on all 4 financial condition measures and on 5 of the 7 financial performance measures, but declined on the remaining 2. Our performance was better than average on 3 of 7 financial performance measures in 2005, compared with above-average performance on 5 measures in 2004. Our financial condition was better than average on 1 of 4 measures in 2005 and average on another.

Our five-year average performance was better than the North American peer group average on 4 of 7 financial performance measures and on 2 of 4 financial condition measures.