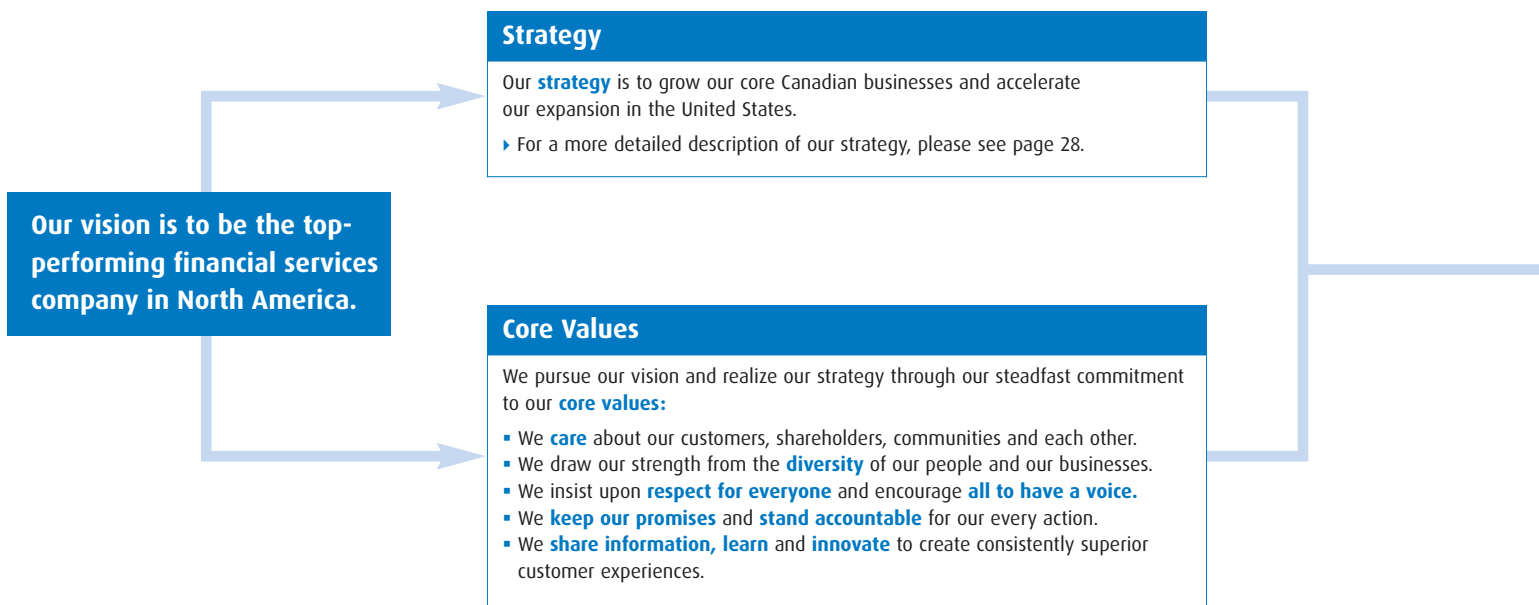


We will achieve our vision with an unwavering focus on our strategic priorities

Being the best means becoming the top-performing financial services company in North America. It's a bold vision – one we will strive to achieve by building on our enduring strengths and by advancing our growth strategy. Every day.



Our Enduring Strengths

Long-Term Shareholder Return

At the end of 2005, the five-year annual Total Shareholder Return on BMO common shares was 13.8%.

Excellence in Credit Risk Management

BMO has a proven ability to deliver strong returns at acceptable levels of risk. Our philosophy is to manage risk in a way that is disciplined and consistent – an approach that works for our business and our clients in both good times and bad.

Commercial Leadership in Canada and the United States

Our commercial business is a growth engine for BMO in both Canada and the United States. Particularly, we view our ability to serve our customers on both sides of the border as a unique advantage.

Canada's First Bank

Our core established business in Canada, focused on meeting the banking, investment and insurance needs of individual Canadians and businesses, is the financial backbone of BMO Financial Group.

Canadian Leader in U.S. Banking

Harris is one of the top three banks serving the Chicagoland area. Our strong personal and commercial presence in the U.S. Midwest continues to distinguish us as the Canadian leader in U.S. banking.

Technological Strength

BMO has a history of delivering innovative technology solutions to provide consistent, reliable and secure financial services that our customers trust. We are recognized for adopting best practices and achieving the highest standards for our products and services.

Commitment to Productivity Improvement

Productivity improvement is an important measure of BMO's long-term financial health. Our strategy is to continue making progress in containing costs while at the same time investing strategically to boost revenues.

Our People

Our people understand the importance of customer loyalty. They understand that it is their job to make BMO the only bank our customers will ever need.

Leadership in Corporate Governance

BMO continues to be a recognized leader in corporate governance. We were named Best Corporate Citizen for 2005 by *Corporate Knights* and received a #1 ranking in *Canadian Business* magazine's annual corporate governance survey.

2005 Targets	2005 Performance		Targets for 2006
3% to 8% EPS growth from a base of \$4.21 (excluding changes in the general allowance)	✓	9.0% to \$4.59 ▶ See page 33	5% to 10% EPS growth from a base of \$4.59 (excluding changes in the general allowance)
ROE of 17% to 18%	✓	18.8% ▶ See page 34	ROE of 17% to 19%
Specific provision for credit losses of \$400 million or less	✓	\$219 million ▶ See page 40	Specific provision for credit losses of \$400 million or less
Tier 1 Capital Ratio of at least 8.0%	✓	10.25% ▶ See page 59	Tier 1 Capital Ratio of at least 8.0%
Improve cash productivity ratio by 150 to 200 bps	✗	120 bps improvement ▶ See page 41	Improve cash productivity ratio by 100 to 150 bps

Strategic Priorities

Achieve financial targets with a particular focus on revenue growth to improve productivity.

▶ See pages 5, 8, 9 and 28



Drive revenue growth by providing a superior client experience, earning a larger share of customers' business.

▶ See pages 7, 8, 28 and 45



Continue to improve U.S. performance.

▶ See pages 5, 28 and 47



Accelerate growth in the United States both organically and through acquisitions.

▶ See pages 7, 28 and 47



Grow net income in Canada through operational efficiency and improved market share, accelerating our growth in commercial banking and wealth management.

▶ See pages 8, 28 and 45



Build a high-performance organization by developing our people, living our values and being an employer of choice.

▶ See pages 20 and 28



Maintain our world-class foundation of leading governance, sound risk management, productive systems and excellent after-sales service.

▶ See pages 16, 17, 28 and 67

