

We face this challenge from a position of real, sustainable strength. In a year that featured a succession of high-profile corporate debacles in the United States, withering the investments and trust of many Canadians and Americans and keeping the markets bouncing down and up, BMO Financial Group once again cleanly emerged as a North American leader in corporate governance. We were cited many times last year as one of the first and few companies to expense stock options, for example – and as a *world* leader in accountability and honest, transparent disclosure.

Reporting is Not Just About Complying

The *Annual Report on Annual Reports*, published by a Europe-based global tracking company, named BMO's 2001 annual report simply *the* best in the world. One of the stated reasons was that we are “one of those rare companies for which reporting is not just about complying and following the crowd or the way of the world. But also about adding value, giving insights, reviewing and highlighting and describing and explaining.”

As steward of this indeed rare company, I pledge more of the same. And I can say this with confidence because I know I speak for my fellow directors and all my colleagues across the organization who personally champion the openness and accountability that have made us worthy of recognition and trust.

This is another example of what helped this organization navigate through an especially unpleasant and frustrating year for our industry: In addition to the proven soundness of our North American strategy, and the demonstration of proven strengths from credit risk management to corporate governance, in 2002 we also had thousands of really fine people rising to the occasion. There is not, nor can there be, any substitute for that.

Finally, let me point out that this year, for the first time, I've passed on the job of providing more strategic details to the leaders who oversaw and created these details; their perspectives begin on the following page. And what they will affirm, above all else, is that BMO Financial Group now has a leadership team for its time, not merely skilfully guiding our ship, but giving it fresh momentum and purpose.



TONY COMPER

CHAIRMAN AND CHIEF EXECUTIVE OFFICER