



David Galloway
Chairman

Chairman's Message

Our marked success in 2004 is a tribute to the leadership of Tony Comper and his management team, and to our steadfast commitment to good governance and ethical leadership.

In 2004, the Board made a decision to separate the roles of Chairman and Chief Executive Officer. I am deeply honoured by the confidence the Board has placed in me as its new Chairman. And I am greatly encouraged by how well the Board and management are working together under this new leadership structure.

BMO's Direction

This has been a remarkable year of achievements for our company. Under Tony's direction, BMO has set its course to become the top-performing North American financial services company by growing our broad-based Canadian franchise and improving and selectively expanding our U.S. franchise. It is a vision and strategy the Board fully endorses.

Corporate Governance

At BMO, leadership in governance begins with our Board of Directors. It is the responsibility of the Board to ensure that each member of senior management is held accountable for his or her actions to shareholders, customers and employees, and to the communities in which we do business.

The Board also has a responsibility to ensure its own effectiveness. To that end, we oversee annual Board governance and "peer" performance reviews. Conducted by an outside consultant, the reviews

require all directors to assess the performance of the Board as a whole and each member of the Board with respect to measures ranging from ethics to business judgment.

A Word of Thanks

I wish to assure BMO shareholders that in matters of governance – and all else – I will do my utmost to continue the outstanding leadership provided by Lead Director Blair MacAulay. After 33 years of dedicated service to BMO, Blair is retiring. His contribution has been significant, and he will be missed. I would also like to take this opportunity to recognize the sound contribution of retiring director Joseph Rotman, whose vast business experience provided valuable input to management deliberations.

I look forward to continuing to serve our shareholders, along with our dedicated Board.

A blue ink signature of David Galloway, written in a cursive style.

David Galloway
Chairman

More details on our governance policies and initiatives can be found in the Corporate Governance section beginning on page 124, as well as in our *Notice of Annual Meeting of Shareholders and Proxy Circular*, online at www.bmo.com/investorrelations.