Chairman’s Message

Future Focused

As the bank starts its 200th year in business, it is gratifying indeed for the Board of Directors that a new high-water mark has just been attained. The bank’s financial performance over the past 12 months has been excellent – all the more so knowing the uncertain conditions under which those results were achieved. The bank delivered record revenues and earnings and made significant progress in both Canada and the United States.

Economically, 2016 was a challenging year, with sluggish growth in most developed economies. We experienced major political developments, such as the Brexit vote, that went counter to the projections of most pundits and caught many by surprise. And here in North America, as in most parts of the world, attention was riveted on political events in the United States, as one of the most hotly contested presidential campaigns in memory finally ended. We also endured the effects of devastating natural disasters, such as Hurricane Matthew and the wildfires that levelled wide swaths of Fort McMurray and surrounding areas.

Such challenges bring out the best in people, and the Board of Directors was proud to see how everyone, including the bank and our employees, pitched in to help our neighbours when the need arose.

In the course of our 200 years in business, it is that tradition of being there to help that has set us apart. By being there for our customers, we were able to reach this bicentennial milestone filled with pride, and looking forward to the future with optimism.

The record financial performance we achieved in 2016 was the direct result of continuing to put customers first, which is at the core of the business strategy led by our Chief Executive Officer, Bill Downe, and his leadership team.

On your behalf, we thank Bill and all the bank’s employees for delivering the results they promised. It requires a delicate balance to control expenses while investing heavily in the technology and programs that are going to produce future results. The management team achieved that balance impressively in 2016, with an improved efficiency ratio and major investments to position the bank for the future.

One risk attendant with attaining any goal or milestone can be complacency. Despite the excellent results in 2016, we are keenly aware that the job is not done. We are on a continuous journey of improvement and change. The investments we are making are part of a multi-year transformation to enhance our capabilities and continue to improve the banking experience we deliver. We are fortunate to have a globally respected banker leading this transformation and providing indispensable continuity as we develop the next generation of leaders. On behalf of the Board of Directors, I am proud to acknowledge Bill Downe’s unique abilities as a leader. He has strengthened the bank in every dimension and mentored the bank’s next generation in an exemplary way.

Bill and the team have a full agenda. They also have the full support of the Board of Directors. We look forward to working closely with them, as they capitalize on new opportunities and ensure the bank remains well-positioned for the future.

We all take great pride in being associated with BMO, which ranks among Canada’s most respected and long-lived institutions, and the world’s most respected banks. As we begin this bicentennial year, we thank all of our shareholders for your continuing confidence in BMO. For us, as your representatives on the board, it is a privilege to serve you.

J. Robert S. Prichard

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