

BMO is mobilized for growth and moving forward. We're serving customers seamlessly across all lines of business and throughout our integrated North American footprint.

The bank's U.S. segment generated 28% of adjusted net income in 2018, and we expect it will account for a third of earnings within five years. This growth reflects the strategic investments we've made in building a diversified U.S. enterprise anchored in the heart of the Midwest.

BMO is a recognized leader in U.S. commercial banking, with a balanced mix of mid-market clients and one of the country's top transportation finance franchises. Personal and small business banking have been growing steadily as we build on our strong presence in Illinois and Wisconsin while expanding our base in neighbouring states. Our well-diversified U.S. capital markets business contributes a growing proportion of overall earnings. And our wealth management group maintains strong momentum, attracting new clients and referrals from other BMO businesses – including across the Canada-U.S. border.

Robust, sustained U.S. growth is just one dimension of BMO's evolution as a unified North American bank. Today we serve millions of customers under one respected brand banner, providing integrated suites of products and services, and delivering seamless banking experiences on a single North-South platform.

THE BANK OF GROWING

STRONGER

The Little Potato Company has reinvented this humble grocery staple, building a loyal following among restaurants and home chefs. Founded in Alberta in 1996, the innovative firm soon began selling into the United States and last year opened a large production facility in Wisconsin. "We needed support on cross-border issues," says co-founder and CEO Angela Santiago. "BMO has helped us manoeuvre around blind spots as we've expanded into a new country. They've believed in us and helped us succeed."

2018 Growth Rates – U.S. Personal and Commercial Banking*

10%

Personal Loans

10%

Commercial Loans

8%

Personal Deposits

5%

Commercial Deposits

*Growth rates determined on a U.S. dollar basis.

We've expanded, redesigned and strengthened BMO's technology foundation. Now we're leveraging that investment to further transform how customers bank with us and pursue their financial goals.

With our powerful digital capabilities, we can deliver the fast, convenient experiences customers expect. And by applying advanced analytics to our unique data assets, we can better anticipate people's needs - while intensifying cyber-security to protect their privacy.

The benefits of this transformation are everywhere: Smart Branches that blend digital and face-to-face support. BMO SmartFolio, BMO's pioneering online investment experience. Mobile features like quick bill pay and biometric authentication. Small business loans approved in minutes with BMO Business Xpress. Canada's first debt issue using blockchain technology. And open banking partnerships that allow quick launches of everything from online vehicle loans to a personal finance chatbot.

As innovations like these make customers' lives easier, they also enable us to work more efficiently. It's part of a bank-wide push to reimagine the workplace of the future. We're streamlining processes, reducing costs and finding more agile, productive ways of collaborating - assisted by automation and artificial intelligence. By unifying our efforts across borders and businesses, we're building customer loyalty and accelerating growth.

THE BANK OF WORKING

SMARTER

Mobile Banking Leadership

Recognized as a leader in mobile banking by Forrester Research, Inc.*

Award-Winning Technology

BMO was named a regional winner for the Americas in the 2018 Gartner Eye on Innovation Awards for financial services, which recognize the innovative use of digital technology-enabled capabilities, products and services to highlight best-in-class financial industry initiatives that were launched within the past 12 months.¹

Left to right: Josh Skinner, Visual Designer, Channel User Experience, BMO, and Ash Kulkarni, Digital Product Owner, Banking Accounts & Credit Cards.

*Forrester Banking Sales Wave™: Canadian Mobile Sites, Q4 2018.

¹The identification of a Gartner award winner or finalist is not an endorsement by Gartner of any company, vendor, product or service.

Fairness and equity. Transparency and sound governance. Trust reinforced by mutual respect. For a business built on loyalty, these responsibilities are non-negotiable. They're as important to our bank as they are to all of our stakeholders.

BMO's performance is driven by our people – talented individuals from diverse backgrounds who know that by managing our bank responsibly and transparently, we create value for all of our stakeholders.

To help BMO customers achieve their goals, we've built a highly collaborative culture anchored by shared values and industry-leading employee engagement. Our belief in doing what's right – always – has earned us recognition from the Ethisphere Institute as one of the 2018 World's Most Ethical Companies®. And our dedication to social responsibility has earned the approval of our customers – notably in our #2 ranking among U.S. banks in the annual *American Banker* reputation survey.

Our unique culture is also shaped by our belief that strategy must be grounded in a clear set of principles that guide BMO's judicious business conduct; our responsible banking, lending and investing practices; our promotion of diversity and inclusion; our environmental stewardship; and our commitment to building strong communities. Because we know that accelerating growth can never mean cutting corners.

Vaishakhi Purohit, Senior Manager,
Products & Partnerships, BMO

THE BANK OF

REACHING

FURTHER

Bloomberg
Gender-Equality
Index

Three consecutive years
of global recognition:
2016–2017–2018

Top 25

Included in the 2018 Thomson
Reuters Diversity & Inclusion
Index – the only Canadian
bank in the top 25.

Innovating
Together

BMO's new Innovation Fund
rewards fresh ideas from
employees across the bank
on how we can work together
more effectively to meet
customers' needs.

Helping Build
Communities

In 2017, 93% of BMO
employees donated to the
United Way and other local
charities across North America
through the BMO Employee
Giving Campaign, contributing
a total of \$22.3 million.