

Bank of Montreal

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# 2025 Annual Meeting of Shareholders

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Address delivered by

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Chief Executive Officer, BMO Financial Group

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CHECK AGAINST DELIVERY



April 11, 2025 | Toronto, Ontario

Thank you, Chairman, et bonjour à tous.

It's a pleasure to welcome you all to BMO Academy, our new flagship learning and event centre in the heart of downtown Toronto. It's just one investment of many made last year to deepen our winning culture, and we're very proud to host you here today.

Of course, investment in our bank reached far beyond these four walls in 2024 – our 207<sup>th</sup> year of serving customers.

As North America's eighth largest bank, we're leveraging the strength of our \$1.5 trillion balance sheet, the reach of our diversified banking franchises, and the extraordinary talent of our team members – all to help our growing base of customers and the communities we serve make real financial progress.

## Year in review

I will address the current environment shortly. First, let's take a moment to review fiscal 2024.

The resilience of our platform was put to the test by continued global economic challenges. Restrictive interest rates, higher costs of living, geopolitical tensions, and even extreme weather, impacted markets, communities, and the people and businesses at their heart.

We took action to dynamically manage our business and support customers.

This resulted in record adjusted pre-provision pre-tax earnings of \$13.4 billion, with growth across all operating groups.

We delivered on our commitment to positive operating leverage, as we did in 5 of the last 6 years.

We improved our efficiency ratio by almost 100 basis points to 58.6% with good revenue growth and sustained cost discipline.

We accelerated growth in our customer base across our businesses, including meaningfully growing customer deposits – solid indicators of the strength and health of our franchise.

We increased our dividends by 6% – a proud continuation of our 196-year record of uninterrupted dividend payments, the longest of any company in Canada.

BMO has a long track record of strong risk management, and we continue to prudently manage our businesses for emerging risks.

We have outlined a clear path to rebuilding our return on equity and have seen good progress in the first quarter of 2025. We're focused on maintaining our momentum with positive operating leverage and allocating capital with discipline to fuel profitable growth.

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## Our strategy

With our diverse offering of financial products, services and advice, Team BMO is well-positioned to help our customers make *Real Financial Progress*. And during periods of uncertainty – especially now, with recent tariff announcements and rising trade conflict between the United States and its global trading partners – helping our clients make progress has become even more valuable.

This work is underpinned by our values and our Purpose – to Boldly Grow the Good *in business and life*.

We're committed to driving progress for a thriving economy, a sustainable future, and an inclusive society where everyone has access to opportunities. It's who we are as bankers.

Today, upon that foundation, we're building a digitally enabled, future-ready bank with leading efficiency, profitability, and loyalty.

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## Team BMO

Of course, that isn’t possible without the extraordinary people of “Team BMO”.

This team – your team – is a competitive advantage for the bank, and we’re proud of our winning culture, which continues to be recognized as one of the Most Admired Corporate Cultures in Canada by Waterstone Human Capital.

We’re also committed to ethical business practices, leading by example to ensure our teams understand that the way we achieve our goals is just as important as the outcome.

It’s a point of pride for all of us at BMO – and a key driver of our commitment to transparency, good governance and integrity.

For eight years running, we’ve been named as one of the World’s Most Ethical Companies by Ethisphere. This is hard-earned recognition, and I’m proud to add that we were the only bank in Canada, and one of just four worldwide, to be recognized.

This combination of performance and ethical leadership is essential to our success – and it’s reflected in our Digital First approach to innovation.

## Digital First strategy

“Digital First” is critical to how we operate. It empowers our teams to harness technology that helps us do what we do best: give expert advice.

With our award-winning digital capabilities and a holistic vision of client service, we innovate to build loyalty and accelerate our growth.

This includes leveraging machine learning, natural language processing and Gen AI to turn data into actionable insights so we can better serve our customers and drive value.

One practical example is our cutting-edge *One Client Relationship Network Platform*. This tool uses advanced AI systems to analyze Commercial Bank client data and behaviour, and map the trajectory of their businesses. This equips our bankers with insights to help our clients see around corners, to tailor product offerings for them, and proactively reach out with solutions.

So, whether you’re looking to expand to international markets, searching for private equity investment, or preparing for an IPO, our teams are leveraging AI to anticipate your next move and proactively help to make your goals a reality.

On the retail side, AI is also driving tangible value for our customers. Last year, BMO Assist, our 24/7 customer support chatbot, engaged in 3 million customer interactions. Our AI-powered BMO Insights tool also helped customers better manage their finances, serving more than 200 million insights through our award-winning mobile app.

This entrepreneurial spirit extends to integrating emerging applications powered by quantum computing. Recently, BMO became the first Canadian bank to join the IBM Quantum Network, helping us keep an eye beyond tomorrow as we make progress today.

We do this work in alignment with our values. Our Responsible Artificial Intelligence risk framework ensures the use of AI is fair, accountable, transparent, trusted and secure. We expect our vendors and partners to uphold these standards.

Our innovation has been consistently recognized. In the past year alone, BMO was named one of the World’s Most Innovative Companies by *Fast Company*, earned five Global Retail Banking Innovation Awards from The Digital Banker, and ranked number 1 in satisfaction in the *J.D. Power 2024 Canada Wealth Management Digital Experience Study*.

## North American platform

As we innovate across our platform, we continue to grow in key markets across Canada and the United States.

From Newfoundland to California; to British Columbia and the heart of the U.S. Midwest, our teams are well positioned with the expertise, resources and financial tools to help our clients grow and thrive

We are proud to be one of the most well-established, profitable businesses in Canadian history. We're one of the country's largest employers, and from the beginning, we've made meaningful contributions to nation-building projects, helped communities thrive, and supported entrepreneurs and business owners across the Canadian economy.

That track record of progress extends across the United States. Today, BMO's U.S. business segment is a Top 10 U.S. bank, employing more than 20,000 Americans and serving customers with a presence in key markets and through nationwide digital platforms.

As we deepen our presence in newly-expanded Western markets, we continue to strengthen our home base in the Midwest. We've also unified our brand, so that our clients can count on a consistent "BMO" experience everywhere we do business.

That BMO experience includes being there when the communities we serve need us most. From floods to fires, we've stepped up.

During the tragic Los Angeles wildfires, when our colleagues and neighbours experienced staggering loss, our rapid response included a series of employee and customer support programs, as well as community giving, including a \$3-million pledge to community organizations in L.A.

The fight against the wildfires was also notable for the remarkable partnership between frontline first responders from across the U.S. and Canada. The image of Canadian water bombers fighting fires over L.A. was a vivid expression of the common humanity and friendship between our two countries.

Canada and the U.S. have long benefited from a relationship that not only lowers prices for consumers, but supports job creation, innovation and prosperity for businesses and communities on both sides of the border.

At BMO we will do our part to support, promote, and defend that relationship.

Throughout this recent period of turbulence, we've served our clients with foreign exchange expertise, helped them optimize cash flow and liquidity, advised on investment strategies, and shared access to our exceptional experts.

As one of the five largest Commercial lenders in North America we see the challenges and opportunities that lie ahead.

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In both countries, and most acutely here in Canada, the time is now for growth-friendly policies including more competitive taxation and competitive regulation to attract investment, enable project development and to help entrepreneurs start up, and businesses to scale.

The business community can help change the growing narrative about Canada being a "difficult place to get big things done".

In Canada, investors and developers are in urgent need of greater predictability, and faster pace in regulatory approvals in regulatory approvals.

Capital craves certainty. And if investors don't have enough confidence, we won't see the job-creating and tax revenue-generating projects needed to support the high quality of life we experience today.

The order of operations is clear: creating the conditions for more private sector investment yields more tax revenue. The reverse is not true.

When it comes to interprovincial trade, achieving truly free internal trade is projected to add up to \$60 billion or 2% of GDP to our economy, helping to create Canadian jobs and boost our self-reliance as a nation.

These benefits will take time to realize, and the challenges are critical and complex.

While there have been positive signals lately on interprovincial trade barriers and reforming project approvals, we've yet to see actual change that meaningfully affects the status quo.

Breaking down those barriers will require new approaches to intergovernmental cooperation, Crown-Indigenous relations, and a collective degree of ambition and urgency not seen in generations.

Which is why we must act now.

BMO is ready to help governments, companies, small businesses and households of all sizes with creative solutions to get big things done.

One point of strength is our world-leading Global Metals and Mining investment bank.

For 34 years, BMO has convened the world's metals, mining and critical minerals leaders and investors for the industry's preeminent conference.

With critical mineral security as a strategic imperative for the world's largest countries and companies, it's just one example of a space where BMO has a unique opportunity to make an impact.

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## Opportunities ahead

Our commitment to building a digitally enabled, future-ready bank with leading efficiency, profitability, and loyalty – powered by a winning culture and driven by our Purpose – drives us forward.

On behalf of the management team and my colleagues on the Board of Directors, I'd like to recognize our teams across the bank who have been staying especially close to clients over the past few weeks and months.

With millions of customers relying on us, BMO is here to support you, just as we have for more than two centuries.

We see real opportunity ahead: to help elevate Canadian and American competitiveness and growth, to innovate with even faster pace to help our clients, and to drive the kind of progress that leads to thriving, sustainable and inclusive communities.

I'm confident we can do it in 2025 and beyond. Thank you, *et merci*.

### **Caution Regarding Forward-Looking Statements**

Today, we may make forward-looking statements within the meaning of and pursuant to the “safe harbor” provisions of, and which are intended to be forward-looking statements under, the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. These statements may involve, but are not limited to, comments with respect to Bank of Montreal’s outlook, expectations and objectives.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. Please see the Enterprise-Wide Risk Management section of our 2024 Annual MD&A and the Risk Management section of our First Quarter 2025 MD&A, which outline certain key factors and risks that may affect Bank of Montreal’s future results. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that our assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. As a result, we caution you not to place undue reliance on our forward-looking statements. Bank of Montreal does not undertake to update any forward-looking statements, except as required by law.

For more information on the various factors, risks and assumptions relating to our forward-looking statements, please see our 2024 Annual MD&A and First Quarter 2025 MD&A, which are available at [www.bmo.com/investorrelations](http://www.bmo.com/investorrelations).