

2024 ANNUAL ACTIVITY REPORT

THE MONTREAL GROUP

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INTRODUCTION

A MESSAGE FROM OUR CO-CHAIRS

It has been a privilege to act as co-chair of this international forum for a 3rd consecutive year, helping us all advance our strategic objectives.

I extend my heartfelt appreciation and gratitude to each one of you. Sharing this third year the co-chair responsibility with Jean-Pierre Di Bartolomeo from Wallonie Entreprendre has been an unforgettable journey. As the world continues to evolve, public development banks must quickly adapt to ensure we continue supporting our SME clients as they face new opportunities and challenges.

Now more than ever, The Montreal Group stands as a vital forum for sharing knowledge, fostering innovation, and, most importantly, responding promptly to the evolving needs of SMEs.

On behalf of my colleagues on the Board of Directors, I extend my congratulations to The Montreal Group for another successful year. We commend the current Secretariat for their exceptional work throughout 2024.

Serving as Co-chair of The Montreal Group for the past three years has been an honor. 2024 was filled with insightful discussions among members both virtually and in-person, giving the opportunity to all of us to share, exchange and grow together for the benefit of our SME clients.

As I conclude my final year as co-chair, I want to recognize the valuable time spent with my fellow Board Directors and Executive Committee colleagues. I am grateful for having had the privilege to work with Isabelle Bébéar and I wish all the success to my successor. I am confident that the new TMG leadership will do a wonderful job in 2025 and beyond.

Finally, I would like to express a token of gratitude to members, partners and allies who continue to come together for one common objective: Ensuring that SMEs keep thriving in an ever-changing world.

ISABELLE BÉBÉAR

Co-Chair of The Montreal Group
Director of International and European Affairs, Bpifrance

JEAN-PIERRE DI BARTOLOMEO

Co-Chair of The Montreal Group
Executive Committee Member, Wallonie Entreprendre

A MESSAGE FROM OUR SECRETARY GENERAL

2024 has been a year of execution and innovation for the Secretariat.

As I look back and reflect on my second year as Secretary General of The Montreal Group, I am proud with the strides we have made. We have positioned The Montreal Group and our members on the international scene, and as the voice of SME-focused public development banks. We have collaborated with partners and conducted research of value to the TMG community.

Our Chief Economists and Sustainability Experts Key Topic groups have continued to foster deeper exchanges, giving us the opportunity to launch a 3rd Key Topic Group: Innovative Solutions. The intense activity in our Key Topic Groups is a testament to the productive year we had in 2024.

We have also been enhancing our online presence and have continued expanding our online repository for members to access recent discussions, as well as a catalogue of innovative solutions to aid in their own solution development efforts.

As we transition into 2025, it is critical that we continue collaborating to help each other address current challenges, drive innovation, and ultimately, amplify our impact on SMEs.

KAREN KASTNER

Secretary General of The Montreal Group

ABOUT US

WE ARE A GLOBAL PLATFORM FOR COLLABORATION AND MUTUAL LEARNING AMONG MSME-FOCUSED PUBLIC DEVELOPMENT BANKS

WHAT WE OFFER

Knowledge sharing through insightful peer group exchanges.

Online repository of best practices and innovative solutions for key issues faced by MSME-focused banks.

The establishment of authentic, meaningful relationships that enable deep bilateral exchange between members.

In-person gatherings, research and access to experts on key strategic topics to enhance the capabilities of our organizations.

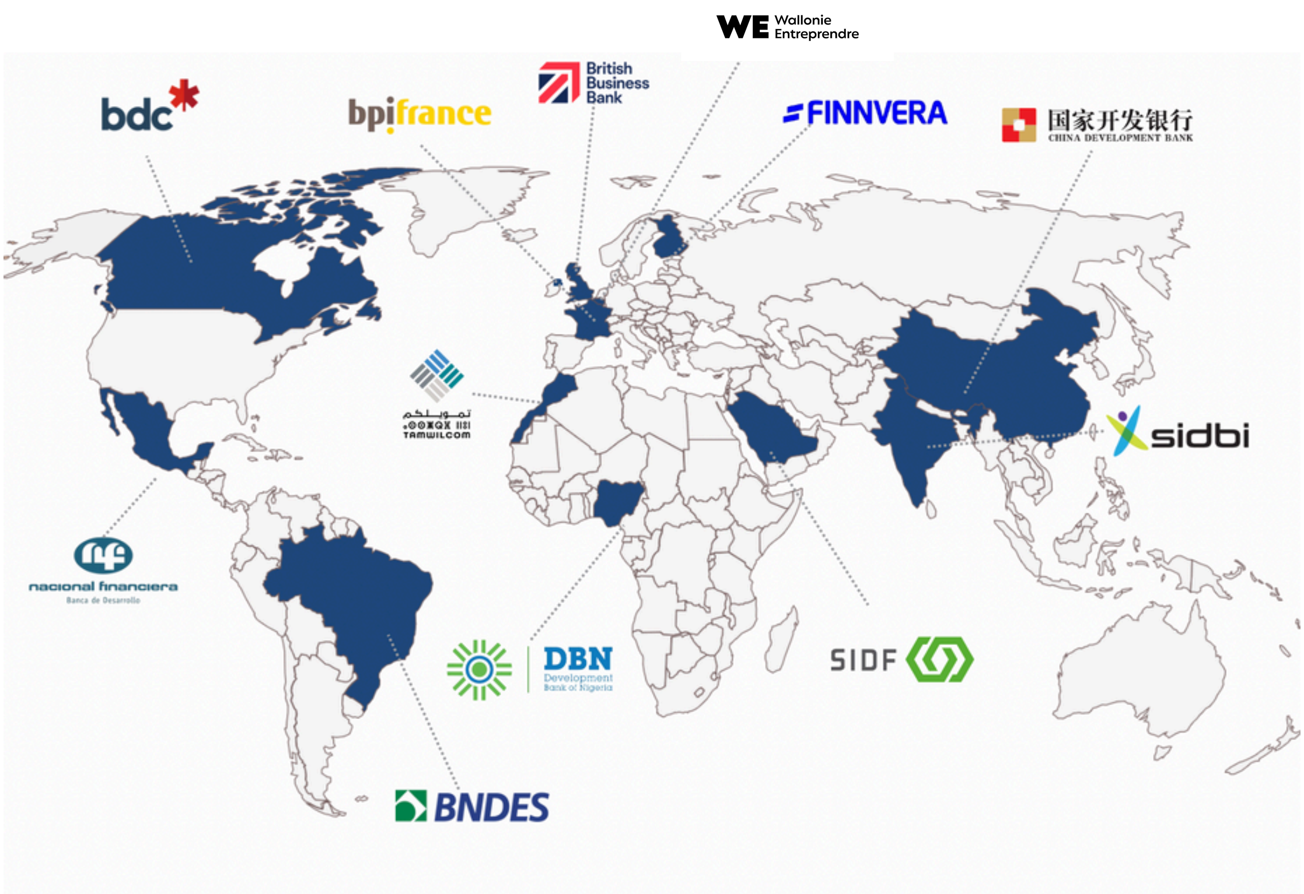
OUR MISSION

The mission of The Montreal Group is to offer a global platform for collaboration and mutual learning among MSME-focused Public Development Banks interested in identifying innovative and sustainable solutions to the opportunities and challenges encountered by MSMEs across the world.

OUR MEMBERS

TMG's current members reach a wide variety of geographies, socio-economic contexts, and ways of supporting MSMEs, which contribute to the richness of discussions that happen within the group.

As of March 2024, TMG Members are:



THE 2024 TEAM

The 2024 team was composed of four individuals: The Secretary-General, a Head of Operations, an Advisor, and a Marketing Coordinator. The Secretary-General and the Head of Operations are also employees of the BDC. The Secretariat is currently headquartered at BDC's offices, in Montreal, Canada.

KAREN KASTNER
Secretary-General

JUAN DAVILA
Program Manager and Head of Operations

JANE PRETEROTI
Advisor

SARA SHAFIEI
Marketing Coordinator

As we embark on our 2025 journey, we would like to take a moment to thank Juan Davila and Sara Shafiei, who left TMG in February 2025 to embark on new adventures. Juan contributed immensely to TMG's activities and strategy, establishing relationships with members and partners, fostering innovation and enhancing communication within the group. Sara oversaw communications and laid out an excellent workplan that heightened TMG's presence online. We wish Juan and Sara all the best in their future endeavours!

GOVERNANCE

The Montreal Group is an incorporated not-for-profit association with a governance structure that consists of a Board of Directors composed of one Board representative per member organization. The Secretary-General and Head of Operations oversee day-to-day operations.

BOARD OF DIRECTORS

This year, The Montreal Group welcomed **Diane Lafontaine,** Chief Corporate Strategy and Stakeholder Engagement Officer as the newest Board member.

EXECUTIVE COMMITTEE

The Executive Committee is composed of four Board members, who provide strategic advice to The Montreal Group Secretariat. For 2024 the Executive Committee members were: **Isabelle Bébéar** (Bpifrance), **Jean-Pierre Di Bartoloméo** (Wallonie Entreprendre), **Abdulaziz Al Zaid** (SIDF), and **Jérôme Nycz** (BDC). Jérôme left The Montreal Group Executive Committee and Board in June 2024. We thank him for his strategic advice and invaluable contribution to the group.

2024

2024 IN REVIEW
FROM TRANSITION TO EXECUTION

Deepened relationships with our partners

Partnered with the SME Finance Forum for TMG's Annual Summit in São Paulo, Brazil

Increased collaboration with the OECD including joint research and participation at OECD's Annual Conference

Continued relationship with FiCS, including participation at G20 event in Rio de Janeiro, Brazil

Unique opportunities for benchmarking and sharing

3 active Key Topic Groups

10 Key Topic Group discussions during the year

1 Sustainability Experts gathering in Paris, France

Research of value to TMG members

1 SME-sustainability related literature review with McMaster University

1 research paper on SME decarbonization solutions and impact measurement

Online Capabilities

41 unique articles published in our members-only area

ANNUAL GENERAL MEETING

TMG held its 13th Annual General Meeting on April 4th, 2024. The meeting took place online and had the following key highlights:

The Group welcomed Angelene Woodland, Chief Customer Officer from the British Business Bank and Paulo Roberto de Oliveira Araujo, Head of Investors and International Relations at BNDES, as new Board Directors for TMG, respectively for BBB, and BNDES.

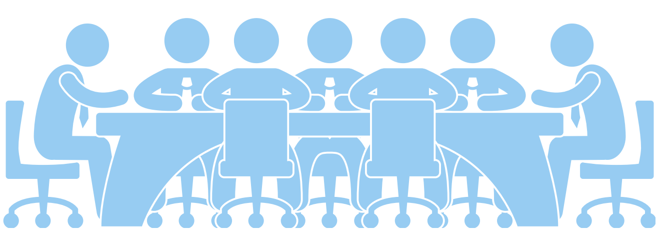
The Board heard testimonials from the following guests who shared their experience as contributors to the Chief Economist Roundtable and the Sustainability Experts Group:

- Baptiste Thornary, Head of Evaluation and Macroecnomic Research, Bpifrance
- Lolade Awogbade, Assistant Vice-President, Sustainability Specialist, DBN highlighted their experience as contributors to their respective groups, naming knowledge sharing, and benchmarking with their peers as great assets of the Key Topic Groups.

In addition, TMG launched its 3rd and newest Key Topic Group – Innovative Solutions. Through this Key Topic Group members aim to discuss different innovations and innovative features of their solutions. The topics that were identified for discussion were innovative aspects of guarantee solutions, and tech-led innovations such as AI, enabling automated lending processes.

The Secretariat also did a live demonstration of the Members' Area - the newest section of The Montreal Group website. The Members' Area section contains information such as innovative solutions one-pagers, Key Topic Group summaries and research papers of value to TMG members, among others.

Finally, the Board of Directors agreed to host the 2024 Montreal Group Summit in São Paulo, Brazil, concurrently with the SME Finance Forum – a World Bank-led initiative that gathers financial institutions, technology companies, and development finance institutions to share knowledge, spur innovation, and promote the growth of SMEs.



KEY TOPIC GROUPS

A SPACE WHERE MEMBERS CAN EXPAND THEIR KNOWLEDGE AND EXCHANGE BEST PRACTICES

For 2024, the Board of Directors agreed to work on the following three Key Topic Groups: **1) Chief Economists Roundtable**; 2**) Sustainability Experts**; **3) Innovative Solutions**. The table below outlines the different working sessions the groups had during the year.

- **January** → SDG Prospector tool results and Finnvera's SMEs ESG check tool
- **February** → Tamwilcom study on long-term effects of guarantees on SME growth
- **March** → Roundtable on sustainability into due diligence and tracking of GHG emissions
- **April** → Sharing of BBB's Small Business Finance Report
- **May** → Finnvera presentation on long-term effects of loan guarantees on SME performance by using Finnish registry data
- **June** → Panel between NAFIN, BBB and SIDBI on incorporating sustainability dimensions into due diligence practices
- **July** → Expert presentation on entrepreneurs mental health and BDC's pilot project to address this
- **August** → Roundtable on innovative guarantee schemes
- **September** → TMG Annual Summit
- **October** → Webinar on Chief Economists' latest paper: Unlocking the decarbonization of SMEs
- **October** → Deep dive on guarantee schemes of BNDES and Wallonie Entreprenre
- **November** → Sustainability Experts gathering in Paris on the margins of an OECD conference
- **December** → Roundtable on macroeconomic developments and their impact on SMEs

CHIEF ECONOMISTS ROUNDTABLE

For over 5 years, the Chief Economist Roundtable has been gathering on a bi-monthly basis, to share their views on macroeconomic and geopolitical developments impacting SMEs.

In the past two years, the group published two papers on impact measurement, with the most recent one being "Unlocking The Decarbonization of SMEs: How Public Development Banks Are Supporting SMEs and Measuring the Success of Their Solutions". More information about this paper can be found in the *"Research projects"* section.

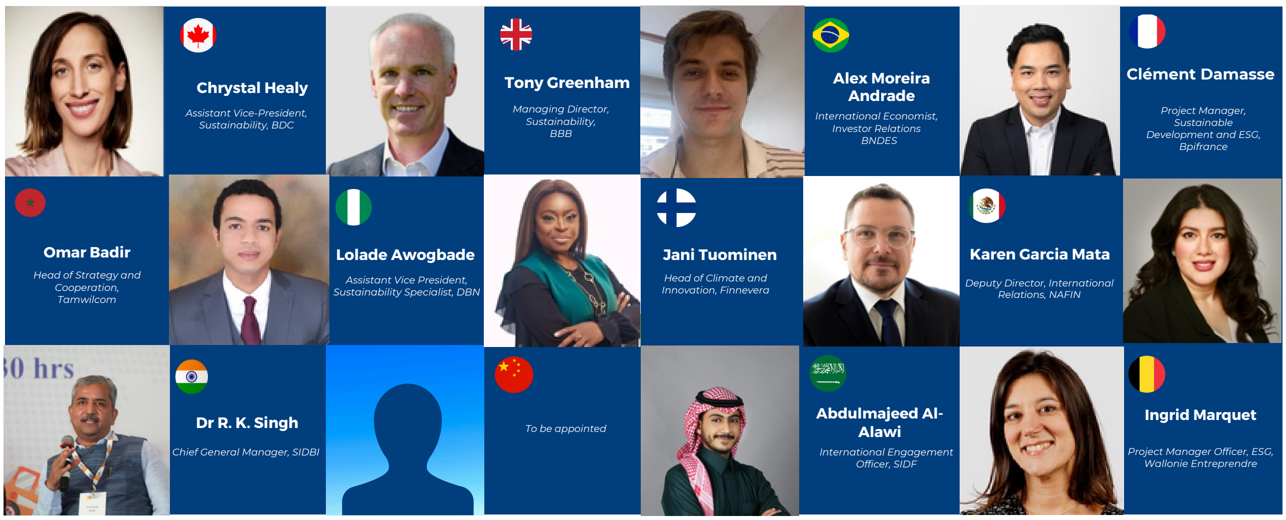
Participants in 2024-25 were:

SUSTAINABILITY EXPERTS

Sustainability remains a top priority for all The Montreal Group members. The aim of this group remains to exchange best practices and provide valuable insights on initiatives that advance sustainability within our institutions and among SMEs. This includes environment-related financial and non-financial solutions, ESG SME reporting considerations, financial inclusion, and other.

In 2024, the group continued having bi-monthly interactions, with a mix of member spotlights, roundtables and expert speakers. The group had the opportunity to meet in-person in Paris on November 4th and 5th, 2024. More information on this meeting in the *"In-person gatherings and missions abroad"* section.

Participants in 2024-25 were:



To complement the work of the Sustainability Experts group, and continue generating value to members, the Secretariat engaged with partners on sustainability-related research. More information about these collaborations can be found in the section entitled *"Research projects"*.

INNOVATIVE SOLUTIONS

In 2024, the Board of Directors agreed to add a third Key Topic Group: Innovative Solutions.

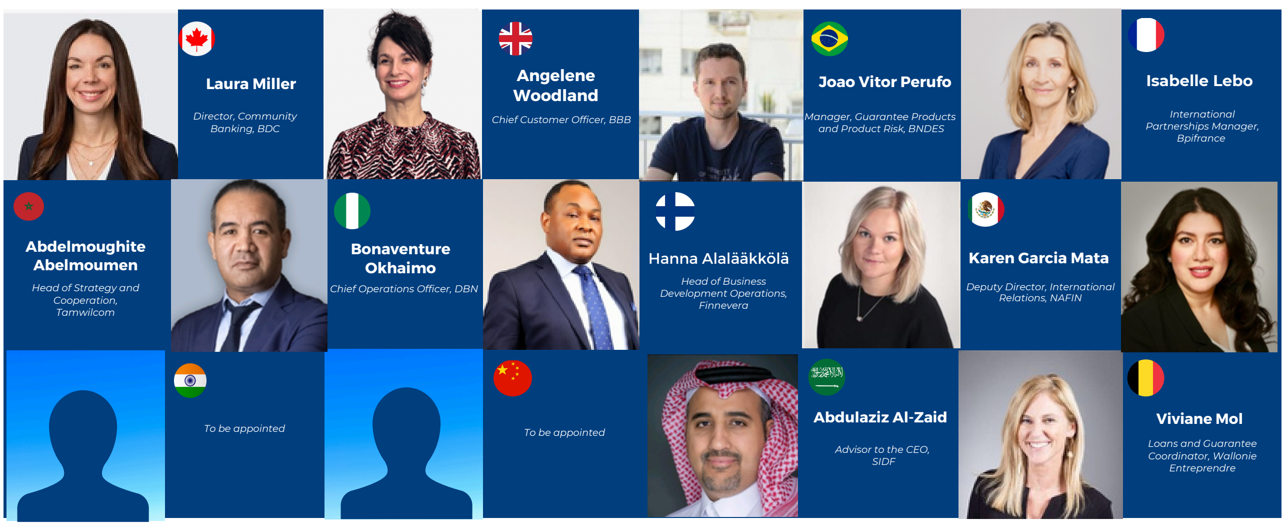
This group aims to explore different innovations that TMG members may have developed, to be able to support SMEs more efficiently, have more reach, or enable the innovation of SME clients themselves.

At the beginning of the year, TMG members agreed to prioritize the following themes:

1) Innovative features of guarantee programs; 2) Exploring how TMG members are leveraging latest technologies such as Artificial Intelligence to be able to automate their lending operations, and; 3) Discussing how TMG members are supporting SMEs as they adopt Artificial Intelligence to enable their operations.

In 2024 the group tackled the first topic, with a series of sessions that consisted of roundtables and member spotlights. In 2025, the Secretariat will be creating a space to discuss the second and third topics.

Participants in 2024-25 were:



RESEARCH PROJECTS IN 2024

Sustainability remains a top priority for TMG members. As such, in 2024 the Secretariat focused on advancing research projects related to this topic.

PAPER PRODUCED BY TMG'S CHIEF ECONOMISTS

In 2024, the Chief Economists collaborated and produced a paper entitled: **"Unlocking The Decarbonization of SMEs: How Public Development Banks Are Supporting SMEs and Measuring The Success of Their Solutions"**.

The Secretariat had the good fortune to work with four Economists who led this research project as they interviewed and gathered the findings obtained from TMG members. We extend a special thank you to **Mathieu Galliot** from BDC, **Emmanuelle Masson** from Bpifrance, **Abdelmoughite Abdelmoumen** from Tamwilcom and **Giovanni Mandras** from Cassa Depositi e Prestiti (CDP), as a guest contributor.

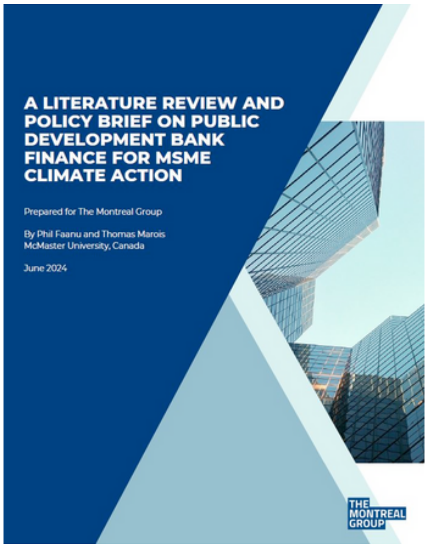
We also extend our thanks to the five external organizations who participated in this research: Japan Finance Corporation, Cassa Depositi e Prestiti, Instituto de Credito Oficial, Bancoldex, and the Industrial Bank of Korea.

The paper was presented at TMG's 2024 Annual Summit in São Paulo, Brazil by Pierre Cléroux, Chief Economist at BDC and Bapiste Thornary, Head of Evaluation and Macroecnomic Research at Bpifrance, and also at the SME Finance Forum Conference.

Finally, the TMG Secretariat hosted a webinar on October 15th to present the findings of the paper to the public.

LITERATURE REVIEW CONDUCTED BY MCMASTER UNIVERSITY

SME sustainability remains challenging due to the multiple and evolving factors to consider, the urgency that challenges like climate change pose, and the lack of research in this area. TMG partnered with Professor Thomas Marois, from McMaster University, to conduct a literature review on research related to public development banks and SME sustainability.



This literature review uncovered a few areas where TMG could focus its future research. As a result of this exercise, TMG decided to collaborate with the OECD Platform on Financing SMEs for Sustainability on a research paper entitled “Fostering convergence in SME sustainability reporting”.

JOINT RESEARCH WITH THE OECD PLATFORM ON FINANCING SMES FOR SUSTAINABILITY

The paper entitled “Fostering convergence in SME sustainability reporting” aims to: a) Identify and streamline SME reporting requirements considering SMEs’ limited resources and capacities; b) Highlight leading technologies and tools that help SMEs track their ESG impact.

The preliminary findings were shared on November 5th 2024 at the Annual Meeting of the OECD Platform. The final report was published in February 2025 and it will serve as a dialogue starter among relevant stakeholders (financial institutions, SME associations, standard setters and other) as we aim to establish foundational sustainability metrics that SMEs could and should be reporting on.

GATHERINGS AND MISSIONS ABROAD IN 2024

FICS-G20 EVENT IN RIO DE JANEIRO, BRAZIL

TMG's Head of Operations, Juan Davila, joined a FiCS-G20 event organized in collaboration with BNDES. The conference gathered select representatives from governments, public development banks and civil society organizations, to explore linkages and synergies between the FiCS agenda and the G20.

This event represented an opportunity for TMG to continue developing relationships with key partners and members, and to act as the voice of SME-focused public development banks in the G20 agenda, ensuring that recommendations stemming from the event took SMEs into account as an important stakeholder.

TMG ANNUAL SUMMIT IN SÃO PAULO, BRAZIL

On September 14th and 15th, 2024, TMG hosted its Annual Summit in São Paulo, Brazil. This event took place in concurrence with the SME Finance Forum conference which explored "AI's transformative role in accelerating digital-sustainable transitions in SME finance".

This five-day event gave way to a comprehensive schedule and allowed members of TMG to network among themselves, as well as develop relationships with attendees of the SME Finance Forum.

Some highlights of the TMG Summit included:

A roundtable where members shared their most significant achievements this past year, as well as current challenges they are facing

Presentations on sustainability-related research conducted by TMG and its members. This included findings from TMG's Chief Economists-led paper

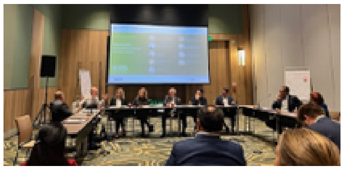
A solutions Blitz where members brainstormed on innovative solutions to the challenges shared by their peers

Two panel discussions where several fintechs and experts were invited to share their views on the use of alternative data for more impactful reach and open banking as a catalyzer for SME financing

During its Annual Summit in São Paulo, The Montreal Group also had the opportunity to actively contribute to the following sessions of the SME Finance Forum Conference:

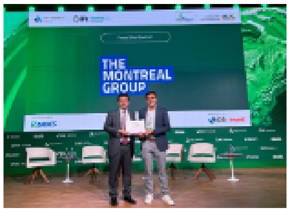
Pierre Cléroux, Chief Economist at BDC, and Giovanni Mandras, Senior Economist at CDP, presented key highlights of TMG's Chief Economists paper

Karen Kastner, Secretary General, joined a roundtable on "The Evolving Nature of Financial and Risk Mitigation Instruments for SMEs," representing TMG members' experiences.



Jean-Pierre Di Bartoloméo, Executive Committee Member at Wallonie Entreprendre, participated in a roundtable on "Measuring SME Sustainability: Challenges and Opportunities".

Other event highlights included DBN winning two awards and TMG being recognized as a key partner of the SME Finance Forum.

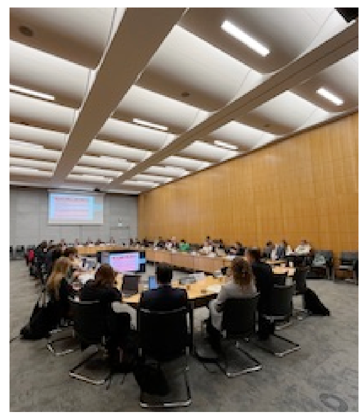


THE MONTREAL GROUP

SUSTAINABILITY EXPERTS GATHERING IN PARIS

On November 4th and 5th 2024, TMG Sustainability Experts gathered in Paris, France to deepen their exchange of best practices as they look for innovative ways of supporting SMEs in their sustainability journey.

On the first day, TMG attended the 3rd edition of the OECD Platform on Financing SMEs for Sustainability, enabling the group to be part of a global dialogue among a variety of stakeholders. The second day was dedicated to a gathering at Bpifrance, as Sustainability Experts continued sharing notes on tangible solutions for supporting SME sustainability.



Key highlights included:

A presentation by Orestis Velentzas (Climate Mitigation and Banking lead, UNEP FI) who debriefed TMG members on aligning their operations for climate mitigation and net zero.

A member roundtable where participants updated each other on recent successful sustainability-related solutions.

A discussion with two Bpifrance entrepreneurs who shared how they became more sustainable with the help of Bpifrance.

A session on gathering data from SMEs in collaboration with Miriam Koreen (Senior Counsellor on SMEs, OECD) and Marija Kuzmanovic (Policy Analyst and Project Coordinator, OECD).

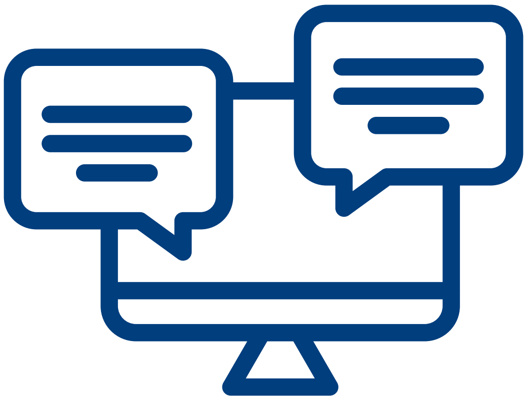
DEVELOPING OUR ONLINE CAPABILITIES

LAUNCH OF A MEMBERS AREA

In 2024, we launched the highly anticipated Member's Area on The Montreal Group's website. This section is reserved for our members and consists of a catalogue of innovative solutions launched by our members, summaries of our Key Topic Group discussions, and reports and research of value to our members.

DEPLOYMENT OF A COMMUNICATIONS STRATEGY

As part of our 2024 communication strategy, we have increased our LinkedIn presence by keeping the TMG community updated on Secretariat activities, the latest news from our members, as well as other information we may find valuable. We have also continued with our three newsletters – Members' Corner, the Secretariat Newsletter, and the CEO Newsletter.



MEMBER TESTIMONIAL

British Business Bank

THE BRITISH BUSINESS BANK (BBB) SHARES WITH TMG ITS EXPERIENCE AS THE GROUP'S NEWEST MEMBER

BBB joined TMG in March of 2023. Since then, the bank has been benefiting from TMG activities and has developed relationships with its members. We had an exchange with Angelene Woodland, BBB's Chief Customer Officer, who shared her views as the newest TMG member.

BBB is TMG's newest member. You have now been part of the group for almost two years. What have you found to be TMG's greatest value-add to BBB over this time?

Since joining The Montreal Group nearly two years ago, the British Business Bank has greatly benefited from the collective expertise and collaborative approach fostered within the network. The greatest value has been the opportunity to engage with peer institutions worldwide, gaining insights into best practices, emerging trends, and innovative approaches to SME finance. The ability to share knowledge and experiences with likeminded organisations has helped us refine our own strategies, particularly in areas such as sustainability, financial inclusion, and digital transformation.

Has TMG contributed to the realization of BBB's strategic goals and objectives?

The Montreal Group has played a significant role in supporting the British Business Bank's strategic objectives, particularly in driving sustainable economic growth and improving information on access to finance for SMEs. Through knowledge-sharing sessions, case studies, and discussions with global leaders in SME finance, we have been able to enhance our own initiatives. For example, insights gained from other members via the Members Area Innovative Solutions and Digital Library have influenced our approach to how we talk about and present our non-financial products.

What value has BBB found in participating in The Montreal Group's Key Topic Groups - The Chief Economist Roundtable and the Sustainability Experts Group?

Participation in The Montreal Group's Key Topic Groups, such as the Chief Economist Roundtable and the Sustainability Experts Group, has been particularly valuable. The Chief Economist Roundtable has provided a platform to discuss macroeconomic trends, SME lending dynamics, and policy responses with experts from across the world. These discussions have helped shape our economic analyses and forecasting capabilities. Similarly, the Sustainability Experts Group has provided invaluable perspectives on embedding sustainability into SME finance, informing our approach to green finance initiatives and ESG-focused programs.

How has the collaboration with other members of The Montreal Group influenced your approach to innovation and the development of new solutions for SMEs?

Collaboration with other members of The Montreal Group has greatly influenced our approach to innovation and solution development for SMEs. Exposure to international best practices and innovative financing models has encouraged us to explore new ways to support underserved business segments. Discussions on digital lending platforms, alternative credit assessment tools and sustainability-linked financial products has helped us refine our thinking on how we should shape our offering to meet the evolving needs of SMEs in the UK.

Overall, our engagement with The Montreal Group has been highly beneficial, reinforcing our mission to drive sustainable growth and unlock potential for UK SMEs through enhanced access to finance. We look forward to continuing our collaboration and contributing further to this dynamic global network.

ABOUT BBB

British Business Bank

Founded in **2014**

Supporting **90 201** SME clients

100% indirect intervention

Cheers to 2025