BMO Financial Group employee Geeta Mathew-Peterson volunteers her time to the Toronto Kiwanis Boys and Girls Clubs. For story, see inside cover.
Our Corporate Social Responsibility Report, including our 2004 Public Accountability Statement (PAS), is produced with all our stakeholders in mind – communities, customers, employees and shareholders. Our PAS contains a full reporting of factual information as required under Section 459.3(1) of the Bank Act, including taxes paid, number of employees and small business financing. Additionally, this report highlights our ongoing commitment to responsible and ethical corporate behaviour and to active and involved support of our communities.

Published by Bank of Montreal for the fiscal year November 1, 2003 to October 31, 2004, our PAS includes information respecting Bank of Montreal’s wholly owned Canadian affiliates and prescribed affiliates, as described on page 34 of this document. We have also included some examples of our contributions to communities outside Canada.

Bank of Montreal has taken a unified branding approach under the name BMO Financial Group. The terms “BMO Financial Group” and “BMO®” as used in this document refer to Bank of Montreal and its affiliates. The terms “BMO Bank of Montreal” and “the Bank” as used in this document refer to the Canadian retail banking division of Bank of Montreal.

Corporate Profile
Established in 1817 as Bank of Montreal, BMO Financial Group (TSX, NYSE: BMO) is a highly diversified financial services organization. With total assets of $265 billion at October 31, 2004 and more than 34,000 employees, BMO provides a broad range of retail banking, wealth management and investment banking products and solutions.

We serve clients in Canada through BMO Bank of Montreal, our personal and commercial banking business, and BMO Nesbitt Burns®, one of Canada’s leading full-service investment and wealth management firms. In the United States, clients are served through Harris, a major U.S. Midwest financial services organization with a network of community banks in the Chicago area and wealth management offices across the United States, and through Harris Nesbitt®, a leading mid-market investment and corporate bank.

Our Vision
To be the top-performing Canada-U.S. financial services company.

Our Values
We care about our customers, shareholders, communities and each other.

We draw our strength from the diversity of our people and our businesses.

We insist upon respect for everyone and encourage all to have a voice.

We keep our promises and stand accountable for our every action.

We share information, learn and innovate to create consistently superior customer experiences.

COVER PHOTO
Through our Volunteer Grants Program, BMO supports employee volunteers such as Geeta Mathew-Peterson. For many years Mathew-Peterson, Senior Technical Analyst, has volunteered her services to the Toronto Kiwanis Boys and Girls Clubs. The Clubs’ main focus is to help working families help themselves. Last year, along with a Volunteer Grant from BMO, Mathew-Peterson raised $5,000 to fund a food and Christmas toy drive to buy gifts for children who might not otherwise have found a present under their tree.
A Way of Life and Business

At BMO, doing what’s right has been a way of life and business since we first opened our doors in 1817. Throughout our 187 years, we have been there in good times and times of need for our country and our customers. We have led the way in corporate governance and gained recognition as an employer of choice. And always, we have been active and involved supporters of our communities.
President and Chief Executive Officer’s Message

Doing What’s Right in 2004

You cannot be around this organization very long without coming to understand and appreciate the breadth, depth and bedrock importance of the relationships between BMO people and the multiplicity of communities we serve. Or without discovering just how energizing this corporate value can be.

With this publication, we get a revealing glimpse of both the relationships and the diverse actions that BMO has taken to keep these relationships strong and successful over the past 12 months.

This report highlights and reaffirms our role as a full-spectrum contributor to thousands of individual charities and causes, with support for education emerging once again as a BMO stock-in-trade. Certainly, there is almost nothing in the vital area of post-secondary education that escapes our interests, from individual chairs, scholarships, bursaries and internship programs to a state-of-the-science library at Ontario’s newest university.

But we did not become the #1 bank on the list of Best 50 Corporate Citizens compiled by Corporate Knights magazine of Canada through financial donations and sponsorships alone. Much of what makes us what we are is etched in the way we respond in a crisis – as evidenced by our commitment of $250,000 in support of the tsunami disaster relief efforts. It’s a quality also evidenced by the way we put together a BSE Disaster Assistance Program for our clients in the beef industry, where we are a major lender, doing our part to get them through the BSE or “mad cow” crisis.

And then, as this year’s report illustrates so beautifully, there is the personal impact of thousands of BMO colleagues making community needs and humane causes their own. Such people and their good works turn up throughout the report – reaching out and getting involved and showing the world the kind of people we are at BMO Financial Group; and how, above all else, we strive to do What’s Right.

TONY COMPER
President and Chief Executive Officer
January 2005
Historic Timeline

What’s Right: A Tradition

Doing what’s right is an honoured tradition throughout our enterprise. Since our founding 187 years ago, BMO has played a leading role in the economic, social and cultural evolution of Canada. The following are some of our contributions.

- Issued first Canadian banknotes, making domestic trade easier and more efficient.
- Provided loans to business and government to develop infrastructure projects such as Montreal’s Lachine Canal.
- Contributed $2,000 to aid the living and bury the dead from the SS. Titanic, which sank in the North Atlantic.
- Pledged $2,000 to Montreal General Hospital, the first recorded charitable donation by Bank of Montreal.
- Helped finance the first telegraph service linking Upper and Lower Canada.
- Financed the Churchill Falls hydroelectric facility in Labrador, among many other mining and energy mega-projects. Above, Newfoundland.
- Established President’s Task Force on the Advancement of Women to increase the number of women in senior management.
- Issued first Canadian banknotes, making domestic trade easier and more efficient.
- Donated £100 to Montreal General Hospital, the first recorded charitable donation by Bank of Montreal.
- Helped finance the first telegraph service linking Upper and Lower Canada.
- Became banker to the new Canadian government until the Bank of Canada was opened in 1935.
- Provided financial backing for the Canadian Pacific Railway, the country’s first transcontinental railway. Above, Donald A. Smith, Vice-President, Bank of Montreal, drives in the last spike in 1885.
- Pledged $250,000 to McGill University, one of many contributions BMO has made to institutions of higher learning throughout our history.
- Contributed $2,000 to aid the living and bury the dead from the SS. Titanic, which sank in the North Atlantic.
- Initiated the creation of the $9 million Bank of Montreal National Scholarship program at the University of Toronto.
- Provided loans to business and government to develop infrastructure projects such as Montreal’s Lachine Canal.
- Opened our Institute for Learning, a tangible symbol of our commitment to employee training and development.
- Launched BMO Fountain of Hope®, our employees’ charitable foundation. In 2004, it raised $7.2 million.
- Along with other founding partners, we created the Eliaor and Lou Siminovitch Prize in Theatre. The $100,000 annual prize is the largest in Canadian theatre.
- Pledged $2 million to create the BMO Financial Group Chair in Health Professions Education Research at University Health Network in Toronto.
As a leading financial services institution, one of the most important ways BMO Financial Group contributes to Canadian society is through wealth creation.

Paying Taxes
As a major Canadian taxpayer, we help all levels of government provide the programs and services that Canadians need and deserve. In fiscal 2004, BMO Financial Group’s overall tax contribution was $1,394 million. This amount represented 47% of Canadian net income before government taxes. It included:

- $1,005 million in income taxes
- $91 million in provincial capital taxes
- $144 million in GST and sales taxes
- $118 million in payroll taxes (employer portion)
- $30 million in property taxes
- $6 million in business taxes

We have long been committed to doing what’s right for Canada. For 187 years, BMO has been a key participant in our country’s economic development. We remain committed to that partnership and to helping Canada remain vibrant and strong.

As a leading financial services institution, one of the most important ways BMO Financial Group contributes to Canadian society is through wealth creation.

Where Canadian Revenues Go

36% Employees
19% Suppliers
45% Net income before government taxes
47% Government
53% Dividends to shareholders
Reinvestment in BMO

Note: Employees represents employee compensation. Suppliers represents total expenses less employee expenses and government-related expenses. Government represents income taxes and other government levies.
Shareholder Return
We have provided our shareholders with an excellent return on investment. Our total shareholder return (TSR) for 2004 was 20%, and over the past 20 years, our average annual TSR was 17.5%. After paying government taxes, $1,556 million was available to pay dividends to our shareholders or reinvest in our company.

Expenditures in Canada
We also generate wealth by purchasing goods and services from suppliers, large and small, across Canada. In fiscal 2004, our purchases from Canadian suppliers totalled $1.3 billion.

Creating Jobs
Job creation, of course, is vital to the success of any society. With more than 30,000 full-time and part-time employees, BMO is one of Canada’s largest employers. In fiscal 2004, our employee compensation in Canada totalled more than $2.5 billion.

Community Contribution
Across three centuries, BMO has partnered with the communities where we do business. Our commitment and goodwill remain steadfast. In 2004, BMO Financial Group contributed more than $37 million in corporate donations, sponsorships and events, supporting communities, charities and not-for-profit organizations in Canada and the United States. Of this amount, $29 million was contributed in Canada, including $12.8 million in charitable donations, which includes $2.2 million in community sponsorships.

At BMO, we understand that by creating wealth and employment, and by helping to build and sustain vital communities, we serve our shareholders and do what’s right for Canada and Canadians. 
In the fall of 2004, BMO Financial Group and University Health Network, made up of three Toronto teaching hospitals, announced that Dr. Lorelei Lingard would become the first recipient of the newly created BMO Financial Group Chair in Health Professions Education Research. Made possible by a $2 million donation by BMO, the Chair is meant to improve and strengthen leadership in the area of health professions education. Says Dr. Lingard, who earned a PhD in English at Simon Fraser University and has spent the past seven years at the University of Toronto researching and teaching health care communication: “In particular, the Chair will enable us to explore the ways in which team communication and collaborative actions contribute to improve patient outcomes.”
At BMO Financial Group, we take pride in our centuries-old tradition of doing what’s right for our communities. By encouraging learning, celebrating artists and promoting civility and well-being, we make our communities healthier and happier.

At BMO, we have long believed that the strength of our business reflects the strength of our communities. That is why, over many years, we have been actively and generously involved in the places where we do business. It is also why we have always encouraged our employees to help make a difference in their communities.

The range of our commitment continues to be broad. We welcome the opportunity to contribute to large and small organizations across a range of areas including education, health, arts and culture, community development, and sports and athletics.

Focus on Learning
While we welcome opportunities to contribute to a variety of organizations, BMO remains particularly focused on supporting programs that promote learning. Whether it takes place in a child’s classroom, university lab, community centre or workplace, learning gives Canadians the knowledge and understanding we need to evolve as individuals and as a people.

EDUCATION
Given our focus, financial support for education remains, of course, a priority.

We donated $1 million to both the University of Ontario Institute of Technology, Ontario’s newest university, and Durham College in Oshawa to help fund first-class library facilities. Says Terry Slobodian, Vice-President, Advancement at the university and President of Durham College: “In making this tremendous donation, BMO Financial Group is truly investing in our collective future, and is clearly demonstrating its passion for learning and knowledge.”

What’s Right

BMO employee Mary Andrews (far left) with Entrepreneurial Adventurers from Milne Valley Middle School in Toronto.

Adventures in Learning
Last June, The Learning Partnership (TLP), a national organization that promotes partnerships between business, education and government in order to support lifelong learning, hosted the fifth annual Entrepreneurial Adventure Showcase in Toronto. The annual event is an opportunity for friends, family and visitors to see and appreciate the efforts of some of the 2,500 children, teachers and BMO volunteer “business partners” who participate in TLP’s Entrepreneurial Adventure, a program supported by BMO Financial Group that encourages elementary school students to develop creativity, leadership and entrepreneurship.

The 2004 BMO Financial Group National Student Innovation Awards were presented at the event. Among the recipients were students from Milne Valley Middle School in Toronto, who organized a multicultural evening of food, entertainment, costumes and the sale of their own cookbook. Says Mary Andrews, BMO employee and “business partner” to the Milne Valley students: “The Entrepreneurial Adventure gives young people an opportunity to explore their individual learning styles. As the project moves forward, children discover unknown talents and develop new skills. A wonderful sense of accomplishment develops. It’s great to see.”

2004 HIGHLIGHTS

$29 million
Contributed $29 million in corporate donations, sponsorships and events, supporting communities, charities and not-for-profit organizations in Canada.

$2 million
Pledged $2 million to create the BMO Financial Group Chair in Health Professions Education Research at University Health Network in Toronto.

$6.7 million
Committed $6.7 million in new funding over the next 10 years to 14 universities and colleges across Canada.
We continue to support exceptional young people at universities and colleges across the country. We committed $5.4 million to scholarships, bursaries and internship programs in 2004, bringing our total contribution over the next decade to $16.7 million.

For example, BMO donated $150,000 to create an endowed fund that will provide the first scholarships to students in the Financial Services degree program at Mount Royal College in Calgary. The program prepares students for careers in the financial services industry.

Matching Gift Program
We additionally support learning through BMO Financial Group’s Matching Gift Program for higher education. Through this program, BMO matches the donations its employees make to their favourite universities and degree-granting institutions, as well as to community colleges across the country. In 2004, we contributed $104,000, bringing our support of the Matching Gift Program over the past five years to $517,000.

HEALTH
A commitment to physical and emotional well-being must be a priority for every civil society. Certainly, health and wellness remain a focus for BMO. In 2004, we committed $4.6 million to hospitals, national and local organizations, charities and groups supporting health and medical research across the country.

Healthy Communities
St. Joseph’s Health Centre serves more than 500,000 patients a year in southwest Toronto and strives to be the best community teaching hospital in Canada. For many years, BMO has provided financial support as well as the expertise of our employee volunteers. Most recently, we contributed $600,000 toward the development of the hospital’s new BMO Financial Group Ambulatory Care Centre. In its first year of operation, the bright and welcoming centre housed 20 clinics and provided services to more than 30,000 outpatients.

Walking for a Cure for Juvenile Diabetes
In the summer of 2004, more than 1,100 of our employees joined the Walk to Cure Juvenile Diabetes, raising a total of more
than $695,000 for the Juvenile Diabetes Research Foundation.

**Tour for Kids**

BMO provided funding for the first annual *Tour for Kids*, launched to raise money for Camp Oochigeas, Camp Quality and Camp Trillium, three summer camps for children with cancer. More than 140 cyclists participated in the four-day, 800-kilometre bike trip to support the camps, which provide children who are receiving cancer treatment or are in remission with the opportunity to be active, make new friends and simply have fun.

**Fighting Cancer in Seattle**

For the second year in a row, Harrisdirect sponsored the Harrisdirect Seattle Marathon. A tradition in the Seattle, Washington area for 35 years, the race attracts thousands of athletes and tens of thousands of cheering fans. Ranked by *Runner’s World* magazine as one of the top 20 marathons in the United States, and an economic boon to the city of Seattle, the marathon also benefits charitable causes. Last year, the event raised US$40,000 for the Candlelighters Childhood Cancer Foundation of Puget Sound, of which Harrisdirect contributed US$10,000.

**STARS for Health**

In 1985, an Alberta study revealed a trauma-related death rate in the province that was 50% higher than for similar regions elsewhere in Canada. Members of
Nicole Ménard, Vice-President, South-Eastern Quebec District at BMO Bank of Montreal (above), is a volunteer extraordinaire. A longtime contributor to community organizations and the founder of BMO Fountain of Hope, our national employee charitable organization, Ménard turned her fundraising talents to raising money for the Fondation de l’Hôpital Maisonneuve-Rosemont in Montreal. A member of the Fondation’s executive committee, Ménard made it a personal goal to raise $1 million as part of a new $15 million development campaign.

To achieve that goal Ménard became an impresario, developing Health through Humour, a spectacle of laughter and song featuring more than a dozen Quebec comedians including Michel Barrette, Maxim Martin and singer Luc De Larochellière. Presented at the Bell Centre in 2001 and again in 2004, the sold-out events raised $500,000. Through Christmas tree sales and raffles Ménard has raised another $500,000, in addition to BMO’s $500,000 commitment. “I am so lucky to have the life and health I have,” she says. “It’s important to express my thanks by trying to help those less fortunate.”
the local medical community took action and developed the Alberta Shock Trauma Air Rescue Society (STARS). Today, STARS is recognized in international air rescue circles as a leader in medical air transportation and emergency services. To ensure STARS keeps saving lives, BMO has pledged $150,000 toward the organization’s Vision Critical campaign, launched to purchase additional helicopters and establish a new STARS Centre for Education and Research.

ARTS AND CULTURE

At BMO, we are committed to encouraging and celebrating the great diversity and wealth of talent that exists across Canada. In 2004, we contributed a total of $1.6 million to support the arts.

Visionary, Innovative Artist
The 2004 Elinore and Lou Siminovitch Prize in Theatre was awarded to Newfoundland director Jillian Keiley. Sponsored by BMO, the $100,000 prize – the largest in Canadian theatre – is awarded in a three-year cycle to a director, playwright or designer who has made a significant contribution to theatre in Canada.

In choosing Keiley from among 59 directors nominated from every region of Canada, the Siminovitch Prize jury noted that the founding artistic director of Artistic Fraud of Newfoundland is a “visionary, innovative artist whose experiments with form and content have magical results for audiences and performers alike.”

Ms. Keiley was awarded a cheque for $75,000 and her protégé, fellow Newfoundland director Danielle Irvine, received $25,000. The prize founders have structured the Siminovitch Prize in this way to underscore the importance of mentorship in Canadian theatre.

To further encourage mentorship, we also helped fund the first all-expenses-paid Master Class workshop. The event, which took place in October, brought 12 Canadian directors together with the winner of the first Siminovitch Prize, director Daniel Brooks.

Artistic Impression
BMO Financial Group’s 1st Art! Invitational Student Art Competition celebrates the creativity and promise of graduating art students from post-secondary institutions across Canada. The work of University of Victoria graduate and 2004 1st Art! national winner, Matt Shane, together with that of 12 regional winners, will join our permanent corporate art collection.

Supporting Our Cultural Icons
At BMO, we have enjoyed long and rewarding relationships with many of the country’s cherished cultural institutions. We have, for instance, been a sponsor of the Stratford Festival since its opening day more than 50 years ago. And since 1988 we have been the principal corporate sponsor of the Governor General’s Literary Awards. The most comprehensive and widely known literary awards in Canada, the “GGs” encourage and support the talented people who have given Canada a voice and identity recognized around the world.
Learning and the Arts

In keeping with our focus on learning, a number of BMO’s art donations involve education. We continue to support the training activities of Toronto’s Soulpepper Theatre Company. This past summer, as part of the 2004 Integration Project, a troupe of Soulpepper artists took a production of Hamlet to Manitoulin Island. There, the company took part in an artistic residency with members of the De-ba-jeh-mu-jig Theatre Group, based in the Wikwemikong Unceded Indian Reserve.

Funding from BMO also enabled Toronto-based Tapestry New Opera Works to launch its new Inside Opera program. Designed to inspire understanding and love of the operatic art form, the program enabled students and teachers from seven schools in southern and central Ontario to work with Tapestry artists to create unique operatic productions.

BMO also continues to support the Canadian Opera Company’s BMO Financial Group Student Dress Rehearsal program, which brings opera to young people and other new audiences.

Meanwhile, BMO Financial Group Pre-Performance Opera Chats provide a musical, historical and social perspective on each opera performed.

As well, we remain committed to our partnership with the Toronto Symphony Orchestra. Last year, BMO continued to support Mornings with the Symphony, an educational outreach program for high school students.

Community Development

At BMO Financial Group, we believe successful communities are the foundation of individual and societal well-being. In 2004, we contributed $1.5 million to organizations and programs that support community development.

For the Good of All

BMO continues to be one of the largest corporate contributors to the United Way and Centraide across Canada.

In Toronto alone, our contribution to the United Way was $3 million. Of this sum, $2 million was raised by BMO Nesbitt Burns and BMO Private Client Group employees. In keeping with tradition, employees kicked off a three-week campaign with a celebrity pancake breakfast. Throughout the year BMO Nesbitt Burns and BMO Private Client Group employees also participated in other United Way fundraising events, including the Scotiabank Bay Street Rat Race and the Enbridge CN Tower Stair Climb.

Continued on page 15
For a number of years, the leaders of a group of organizations serving abused women and children in Winnipeg had sought a solution to a pressing problem. “When women and children flee a violent situation, they often do so with nothing more than the clothes on their backs,” says Lucille Bruce, Executive Director of the city’s Native Women’s Transition Centre. “This presents a real difficulty as families try to re-enter society and begin anew.” To address the issue, Bruce and her colleagues envisioned a warehouse facility that would serve as a depot for donated household goods and furniture where women who were re-entering the community could choose what they needed. It adopted the name Oyate Tipi Cumini Yape, a Dakota phrase meaning “where the community lives – sharing and recycling.”

Oyate Tipi became a reality when BMO donated a former branch to the organization. “Thanks to BMO’s donation, we were able to raise additional start-up funding and begin accepting donations.”

Since opening its doors in the fall of 2003, Oyate Tipi has helped more than 300 families begin again. Says Annetta Armstrong (above), Manager of Oyate Tipi: “Often when women walk through our doors, they will not make eye contact. Many of them have nothing and they feel beaten down and ashamed. But when they leave with beds for their kids, pots and dishes to cook with, and tables, chairs and a sofa, it’s a different story. You can see hope in their eyes.”
In 1989 BMO was a founding sponsor of Kids Help Phone®2, Canada’s only 24-hour, toll-free, anonymous bilingual helpline for children and youth. Fifteen years later our commitment to the organization, which responds to the needs of thousands of young people in nearly 3,000 Canadian communities, remains strong. As well as supporting events across the country, we are the principal sponsor of the Kids Help Phone Student and Community Ambassador programs. Ambassadors are high school and post-secondary students, as well as adults, who work within their own schools and communities to raise awareness and funds for Kids Help Phone.

Among them is Myuri Manogaran (above), a second-year human biology student at the University of Toronto, who has volunteered as a Student Ambassador since she was in Grade 9. “Kids Help Phone provides a safe haven for thousands of young Canadians to express their concerns and worries about everything from sexual abuse to drugs to peer pressure. It’s meeting a real need.”

“Kids Help Phone provides a safe haven for thousands of young Canadians to express their concerns and worries.”
A Pillar of the Community

Contributing to the United Way is also a long tradition at Harris. In June 2004, the United Way of Metropolitan Chicago recognized Harris with a Community Pillar Award in the area of Leadership Giving. Harris, which is one of the social agency’s largest corporate benefactors, and its employees raised a total of US$1.6 million for it last year.

SPORTS AND ATHLETICS

Whatever the form – a skate with a friend at the local ice rink or elite athletes training to represent their country – there is no question that sports and athletics contribute to the overall well-being and joy of all who participate. In 2004, BMO contributed $41.1 million in donations and sponsorships to numerous sports and athletics organizations.

For the Love of Skating

Cynthia Phaneuf, the 17-year-old from Quebec who captured a gold medal at Skate Canada last fall, recalls the importance of Skate Canada’s national Learn to Skate program to her skating career: “The first time I stepped on the ice, I didn’t like it as the ice was too cold. But after a few weeks in the CanSkate® program, I loved it and begged my parents to enrol me for private lessons.”

BMO has been a proud sponsor of Skate Canada since 1996, and last year renewed our partnership for an additional six years. We are particularly proud to be the presenting sponsor of the CanSkate Learn to Skate program, delivered through 1,475 clubs across Canada and taught by professional coaches. Close to 700,000 young skaters have participated in the CanSkate program since it began.

On the Links

We continued to help improve the skills of the next generation of Canadian golfers through our sponsorship of the BMO Financial Group Future Links® program, designed to provide golf instruction, clinics, camps, support materials and special programs. Last year, more than 74,000 girls and boys across the country participated in Future Links, which is conducted by the Royal Canadian Golf Association in partnership with the Canadian Professional Golfers’ Association.

Spruce Meadows

BMO is the founding sponsor of Spruce Meadows®, one of the world’s best equestrian facilities. Located near Calgary in the foothills of the Rocky Mountains, Spruce Meadows attracts hundreds of thousands of fans each year who come to learn about show jumping and cheer on their favourite riders from around the world. Among them is Ian Millar of the Canadian Show Jumping Team and BMO’s equestrian advisor. “Spruce Meadows is an extraordinary Camelot for our sport,” says Millar: “This facility provides Canadian equestrians with a place to hone their skills and hosts the best athletes in the sport from around the world.”

Our Heroes

Through our BMO Hero of the Game program, customers and employees have an opportunity to recognize and reward individual volunteers who are making a difference in their communities. Selected nominees receive a pair of tickets to a Toronto Raptors or Toronto Maple Leafs home game.

Among last year’s heroes was Dr. Tak Mak. A world-renowned medical researcher who is director of the Institute for Breast Cancer Research at Princess Margaret Hospital in Toronto, Dr. Mak has made a great professional and medical contribution to cancer research.
Longtime Alberta cattle rancher Lorne Syverson is used to dealing with tough times. However, the crisis that occurred when an Alberta-born cow tested positive for Bovine Spongiform Encephalopathy (BSE) proved more challenging than most. “Over the last two years, we’ve lost about $100,000 in income,” says Syverson, who with his wife Glenda operates a ranch in Foremost, Alberta. To help deal with the financial downturn, Syverson took advantage of BMO Bank of Montreal’s BSE Disaster Assistance Program, which allows him to defer principal payments on his agricultural loan. “It’s helping us cope till things get better,” he says.
Whatever the dream – a young family buying their first home, a small business client focused on expansion, empty-nesters planning retirement – at BMO we are committed to doing what’s right by providing our customers with the customized service and innovative products they need to realize their financial goals.

OUR PERSONAL BANKING CUSTOMERS

Whether the need is simple or complex, and regardless of economic circumstance, BMO is committed to helping all our customers achieve their financial objectives.

Free of Charge
By reaching out to young customers as they become financially independent, we lay the groundwork for a relationship we hope will last a lifetime. Currently, BMO Bank of Montreal provides free banking services to 392,000 customers who are either under the age of 21 or post-secondary students under the age of 26. In recognition of the unique needs of older Canadians, we also provide free banking services to individuals aged 60 and above. Currently, we provide these services to 841,000 customers.

Accessible Banking
At BMO, we are committed to ensuring that all our customers have access to our products and services. Part of achieving that goal is providing barrier-free access at our branches across Canada. Today, more than 86% of our Canadian branches provide level or ramped entries to accommodate customers with disabilities. Many of our branches also offer wheelchair-height seating arrangements at service counters as well as lower automated banking machines.

Investment in Technology
One of the most effective ways to serve our customers is to provide superior products and services, supported by industry-leading technology.

In 2004, BMO Bank of Montreal redesigned our online banking web site, making banking online simpler, easier and faster for all our customers. The new site allows customers to locate financial transactions and information on products, services and rates, all from one convenient menu. Other enhancements include easily accessible and secure request forms for mortgage, loan and credit card applications; integration of investment information; and better links between customers’ bank cards and their accounts.

We also introduced new technology to help our employees in branches, instores and other locations across Canada to better serve our customers. Improvements in technology include the first release of BMO Connect, a multi-year program that will enhance our sales and service capabilities.

In September 2004, BMO announced our intention to build a new state-of-the-art data centre in Barrie, Ontario. The 200,000-square-foot facility, which will employ between 250 and 300 people, is scheduled to be fully operational by 2008.

Personal Banking Customers

► Provided free banking services to 392,000 students under the age of 26 and to 841,000 customers aged 60 and above.

► Introduced Homeowner ReadiLine™, a mortgage and line of credit rolled into one.

► Were recognized as a leader in Aboriginal relations by the Canadian Council for Aboriginal Business under their Progressive Aboriginal Relations program.

Small Business Clients

► Extended BSE Disaster Assistance Program until May 2005.

► Launched BMO Bank of Montreal Professionals Program to provide professional customers with the personal and business products they need at every stage of life.

► Introduced BMO Bank of Montreal Self-Employed Homeowner Mortgage program for our self-employed customers.
Home Ownership Made Easier
BMO continually introduces new products and services designed to meet the diverse individual needs of our customers. In 2004, we introduced a number of innovative mortgage-related products. Our Homeowner ReadiLine™, for instance, combines a mortgage with a line of credit (see page 19). Meanwhile, the BMO Zero Down Mortgage enables qualified individuals to buy their own homes without having to save for a down payment. Generally, the Zero Down Mortgage is appropriate for someone with a solid credit history and sufficient income to support his or her mortgage payments.

Peace of Mind
In 2004, we began to offer customers who obtain a new or refinanced mortgage a Home Warranty program. The new program protects homebuyers against the unexpected costs of non-structural repairs, including heating, emergency plumbing and appliances such as stoves, refrigerators, washers and dryers. These items often cost thousands of dollars in repair or replacement bills at a time when homeowners are the least financially flexible – the first few months or years after the purchase of a home.

Our Asian Customers
We are continuing our efforts to service customers who are new to Canada. In particular, we remain focused on reaching out to new immigrants from Asia. According to Statistics Canada, 58% of all new immigrants to Canada who arrived between 1991 and 2001 were born in Asia.

We were one of the first Canadian banks to provide a Chinese-language option on our ABMs and to offer a Chinese-language web site. More recently, we added a simplified Chinese-character option to our web site to assist customers who have come from Mainland China. As well, we added both Chinese-language and Korean-language glossaries to our online banking service.

We continue to make changes to our products and services to meet the needs of our Asian clients. In 2004, for instance, we increased the number of Mandarin- and Korean-speaking frontline staff in branches located in the major urban centres where so many Asian newcomers have chosen to live. We have key product literature in select Asian languages. As well, we enhanced our new immigrant credit policies to enable more people to qualify for loans and mortgages.

Our Aboriginal Customers
At a gala dinner last February, the Canadian Council for Aboriginal Business (CCAB) honoured BMO Financial Group with a gold-level Progressive Aboriginal Relations (PAR) award for initiating Aboriginal community economic development. CCAB President and CEO Jocelyne

Continued on page 20
Two years ago, Barbara and John Catauro contacted a BMO Bank of Montreal branch in Windsor, Ontario, to set up a line of credit to finance possible investment opportunities. Remo DiPaolo, manager of the branch, suggested that the couple consider participating in a pilot program for a new product. “After assessing our circumstances and plans, Remo asked if we might want to consider a product combining a mortgage with a line of credit,” recalls Barbara Catauro. “It seemed like a great option, so we said yes.”

Catauro is referring to the Bank’s new Homeowner ReadiLine. Launched across Canada in 2004, ReadiLine allows homeowners to access up to 75% of the value of their home to finance their personal borrowing needs. Whether customers are looking to renovate, finance a child’s education, purchase a vacation property or borrow to make an investment, this new product combines the convenience and flexibility of a line of credit with the security and interest rates of a conventional mortgage.

“ReadiLine® is a product that makes sense for many individuals,” says DiPaolo. “Certainly, it made sense for the Catauros. They owned their own home and were considering purchasing a new property that would become a retirement home six or seven years down the road. ReadiLine would allow them to access cash at an advantageous rate when they found what they were looking for.”

In fact, a year later the Catauros (shown above with DiPaolo, standing) used their ReadiLine equity to purchase an ocean-front lot in Atlantic Canada. “When we found the property, we called Remo to arrange financing,” says Catauro. “His response was, ‘How much do you need and when do you need it?’ It was all so easy!”
Soulodre said at the time: “The companies in the PAR program are making a significant contribution to the prosperity of Aboriginal Canadians. The work they are doing is helping to build a better future for all Canadians.”

BMO’s commitment to Aboriginal peoples began with the establishment of our Task Force on the Advancement of Aboriginal Employment in 1991. Following the recommendations of the task force, we have endeavoured to dismantle barriers to employment for Aboriginal peoples and to reach out to Aboriginal communities and customers.

For example, we established an Aboriginal Banking unit and began to develop unique products and services designed to meet the needs of Aboriginal communities, businesses and individuals.

Ensuring Service

Today, we serve our Aboriginal customers through 11 full-service branches, 10 of which are located on First Nations territories. The majority of these locations have been designed to respect and reflect the culture of Aboriginal customers and are largely staffed by members of the community. Additionally, BMO has four community banking outlets that provide basic banking services to remote communities. In 2004, we opened another community banking outlet, an instore branch in an IGA Extra located on Innu territory in Sept-Îles, Quebec.

Promoting Home Ownership

We continue to address the need for adequate, affordable on-reserve housing for Aboriginal communities. Sixteen communities have implemented an On-Reserve Housing Loan Program with BMO. The program provides access to housing loans for the purchase or construction of an owner-occupied, single-family residence or to complete major renovations to an existing home. BMO also offers the On-Reserve Home Renovation Loan Program, which provides personal loans of up to $25,000 for minor upgrades to existing houses. The program currently is available to members of four Aboriginal communities.

Retail Locations Opened and Closed in 2004

At BMO Financial Group, we serve our customers based on their current preferences as well as their future needs. We adjust our branch network to accommodate shifts in population, customer demand and market opportunities.

<table>
<thead>
<tr>
<th>BMO Bank of Montreal Branches and Facilities Opened in 2004*</th>
<th>City/Province</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mount Pearl Sobeys</td>
<td>Mount Pearl, NL</td>
</tr>
<tr>
<td>St. John’s Howley Estates Sobeys</td>
<td>St. John’s, NL</td>
</tr>
<tr>
<td>Ropewalk Lane Sobeys</td>
<td>St. John’s, NL</td>
</tr>
<tr>
<td>Beauport IGA Extra</td>
<td>Beauport, QC</td>
</tr>
<tr>
<td>Boisbriand IGA Extra</td>
<td>Boisbriand, QC</td>
</tr>
<tr>
<td>Lapinière IGA Extra</td>
<td>Brossard, QC</td>
</tr>
<tr>
<td>Granby IGA Extra</td>
<td>Cantons-de-l’Adirondack, QC</td>
</tr>
<tr>
<td>Dollard-des-Ormeaux IGA Extra</td>
<td>Dollard-des-Ormeaux, QC</td>
</tr>
<tr>
<td>Greenfield Park IGA Extra</td>
<td>Greenfield Park, QC</td>
</tr>
<tr>
<td>Mascouche IGA Extra</td>
<td>Mascouche, QC</td>
</tr>
<tr>
<td>St-Georges-de-Beauce IGA Extra</td>
<td>St-Georges-de-Beauce, QC</td>
</tr>
<tr>
<td>Sept-Îles IGA Extra</td>
<td>Sept-Îles, QC</td>
</tr>
<tr>
<td>Queen &amp; Chinguacousy Sobeys</td>
<td>Brampton, ON</td>
</tr>
<tr>
<td>Bur Oak &amp; McCowan Sobeys</td>
<td>Markham, ON</td>
</tr>
<tr>
<td>10th &amp; Thomas Sobeys</td>
<td>Mississauga, ON</td>
</tr>
<tr>
<td>Heartland Town Centre</td>
<td>Mississauga, ON</td>
</tr>
<tr>
<td>8th St. &amp; Preston Ave.</td>
<td>Saskatoon, SK</td>
</tr>
<tr>
<td>Sherwood Park Safeway</td>
<td>Sherwood Park, AB</td>
</tr>
<tr>
<td>Lougheed Mall Safeway</td>
<td>Burnaby, BC</td>
</tr>
<tr>
<td>Fraser Crossing Safeway</td>
<td>Langley, BC</td>
</tr>
<tr>
<td>15th Ave.</td>
<td>Prince George, BC</td>
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</table>

<table>
<thead>
<tr>
<th>BMO Bank of Montreal Branches and Facilities Closed in 2004*</th>
<th>City/Province</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zurich</td>
<td>Zurich, ON</td>
</tr>
<tr>
<td>Cumberland Square</td>
<td>Saskatoon, SK</td>
</tr>
<tr>
<td>Wetaskiwin Safeway</td>
<td>Wetaskiwin, AB</td>
</tr>
</tbody>
</table>

*Lists do not include locations that moved less than 500 metres.
### ABMs Opened and Closed in 2004

#### ABMs Opened in 2004

<table>
<thead>
<tr>
<th>Location</th>
<th>Address</th>
<th>City/Province</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conception Bay Sobeys</td>
<td>31 Conception Bay Hwy.</td>
<td>Conception Bay S., NL</td>
</tr>
<tr>
<td>Mount Pearl Sobeys</td>
<td>50 Old Placentia Rd.</td>
<td>Mount Pearl, NL</td>
</tr>
<tr>
<td>Howley Estates Sobeys</td>
<td>10 Elizabeth Ave.</td>
<td>St. John's, NL</td>
</tr>
<tr>
<td>Ropewalk Lane Sobeys</td>
<td>45 Ropewalk Lane</td>
<td>St. John's, NL</td>
</tr>
<tr>
<td>Sydney River Sobeys</td>
<td>45 Keltic Dr.</td>
<td>Sydney River, NS</td>
</tr>
<tr>
<td>Lancaster Mall</td>
<td>621 Fairville Blvd.</td>
<td>Saint John, NB</td>
</tr>
<tr>
<td>St. Stephen</td>
<td>67 Milltown Blvd.</td>
<td>St. Stephen, NB</td>
</tr>
<tr>
<td>Beaufort IGA Extra</td>
<td>969 Rue Nordique</td>
<td>Beaufort, QC</td>
</tr>
<tr>
<td>Boisbriand IGA Instore</td>
<td>25 Boul. des Entreprises</td>
<td>Boisbriand, QC</td>
</tr>
<tr>
<td>Lapinière IGA</td>
<td>3260 Boul. Lapinière</td>
<td>Brossard, QC</td>
</tr>
<tr>
<td>Granby IGA Extra</td>
<td>585 Rue St-Hubert</td>
<td>Canton-de-Granby, QC</td>
</tr>
<tr>
<td>Dollard-des-Ormeaux IGA Extra</td>
<td>11800 Boul. Salaberry</td>
<td>Dollard-des-Ormeaux, QC</td>
</tr>
<tr>
<td>Greenfield Park IGA Extra</td>
<td>300 Rue Auguste</td>
<td>Greenfield Park, QC</td>
</tr>
<tr>
<td>Pharmacie Jean Coutu</td>
<td>1819 Ave. Dollard</td>
<td>La Salle, QC</td>
</tr>
<tr>
<td>Mascouche IGA Extra</td>
<td>65 Montée Masson</td>
<td>Mascouche, QC</td>
</tr>
<tr>
<td>Chris. Colomb &amp; Mont Royal</td>
<td>1101 Mont Royal</td>
<td>Montréal, QC</td>
</tr>
<tr>
<td>Nettoyeur Teinturerie Fra</td>
<td>1190 Ave. Cartier</td>
<td>Québec, QC</td>
</tr>
<tr>
<td>Sept-Illes IGA Extra</td>
<td>1010 Boul. Laure</td>
<td>Sept-Illes, QC</td>
</tr>
<tr>
<td>St-Georges-de-Beauce</td>
<td>8980 Boul. Lacroix</td>
<td>St-Georges-de-Beauce, QC</td>
</tr>
<tr>
<td>Chinguacousy Sobeys</td>
<td>8975 Chinguacousy Rd.</td>
<td>Brampton, ON</td>
</tr>
<tr>
<td>Pitt St. &amp; 14th St.</td>
<td>1328 Pitt St.</td>
<td>Cornwall, ON</td>
</tr>
<tr>
<td>Hensall</td>
<td>99 King St.</td>
<td>Hensall, ON</td>
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<tr>
<td>Oakridge</td>
<td>1182 Oxford St. W.</td>
<td>London, ON</td>
</tr>
<tr>
<td>Dundas &amp; Beatrice</td>
<td>1820 Dundas St. E.</td>
<td>London, ON</td>
</tr>
<tr>
<td>Bur Oak &amp; McCowan Sobeys</td>
<td>9580 McCowan Rd.</td>
<td>Markham, ON</td>
</tr>
<tr>
<td>Square One Shopping Ctr.</td>
<td>100 City Centre Dr.</td>
<td>Mississauga, ON</td>
</tr>
<tr>
<td>10th &amp; Thomas Sobeys</td>
<td>5602 – 10th Line W.</td>
<td>Mississauga, ON</td>
</tr>
<tr>
<td>Heartland Town Centre (3 ABMs)</td>
<td>5800 Mavis Rd.</td>
<td>Mississauga, ON</td>
</tr>
<tr>
<td>Meadowvale Village</td>
<td>735 Twin Ave.</td>
<td>Mississauga, ON</td>
</tr>
<tr>
<td>Oakville Place (2 ABMs)</td>
<td>183 – 240 Leighland Ave.</td>
<td>Oakville, ON</td>
</tr>
<tr>
<td>Sheraton Centre (2 ABMs)</td>
<td>123 Queen St. W.</td>
<td>Toronto, ON</td>
</tr>
<tr>
<td>Outlook</td>
<td>202 Franklin St. S.</td>
<td>Outlook, SK</td>
</tr>
<tr>
<td>8th &amp; Preston</td>
<td>2122 – 8th St. E.</td>
<td>Saskatoon, SK</td>
</tr>
<tr>
<td>Canmore Safeway</td>
<td>1200 Railway Ave.</td>
<td>Canmore, AB</td>
</tr>
<tr>
<td>Sherwood Park Safeway</td>
<td>2020 Sherwood Dr.</td>
<td>Sherwood Park, AB</td>
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<tr>
<td>Loughheed Mall Safeway</td>
<td>9855 Austin Rd.</td>
<td>Burnaby, BC</td>
</tr>
<tr>
<td>Fraser Crossing Safeway</td>
<td>20871 Fraser Hwy.</td>
<td>Langley, BC</td>
</tr>
<tr>
<td>15th Avenue (2 ABMs)</td>
<td>4166 – 15th Ave.</td>
<td>Prince George, BC</td>
</tr>
<tr>
<td>Trail</td>
<td>1498 Bay Ave.</td>
<td>Trail, BC</td>
</tr>
<tr>
<td>Davie Street Safeway</td>
<td>1641 Davie St.</td>
<td>Vancouver, BC</td>
</tr>
<tr>
<td>4th &amp; Vine Safeway</td>
<td>2315 West 4th Ave.</td>
<td>Vancouver, BC</td>
</tr>
</tbody>
</table>

#### ABMs Closed in 2004

<table>
<thead>
<tr>
<th>Location</th>
<th>Address</th>
<th>City/Province</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brookfield Drugs</td>
<td>644 Topsail Rd.</td>
<td>St. John's, NL</td>
</tr>
<tr>
<td>Riverside Launderomat</td>
<td>1061 Kings Rd.</td>
<td>Sydney River, NS</td>
</tr>
<tr>
<td>Lancaster Mall</td>
<td>621 Fairville Blvd.</td>
<td>St. John, NB</td>
</tr>
<tr>
<td>De Maisonneuve &amp; Guy</td>
<td>1540 Boul. de Maisonneuve O.</td>
<td>Montreal, QC</td>
</tr>
<tr>
<td>Avenue Cartier</td>
<td>1049 Ave. Cartier</td>
<td>Quebec City, QC</td>
</tr>
<tr>
<td>Ajax-Pickinger Hospital</td>
<td>580 Harwood Ave. S.</td>
<td>Ajax, ON</td>
</tr>
<tr>
<td>Bramalea City Centre</td>
<td>25 Peel Centre Dr.</td>
<td>Bramalea, ON</td>
</tr>
<tr>
<td>Brampton Main Branch</td>
<td>56 Queen St. East</td>
<td>Brampton, ON</td>
</tr>
<tr>
<td>Keele &amp; Wilson</td>
<td>1115 Wilson Ave.</td>
<td>Downsview, ON</td>
</tr>
<tr>
<td>East York Town Centre</td>
<td>45 Overlea Blvd.</td>
<td>East York, ON</td>
</tr>
<tr>
<td>Dixon &amp; McArthur</td>
<td>222 Dixon Rd.</td>
<td>Etobicoke, ON</td>
</tr>
<tr>
<td>Islington &amp; Elmhurst</td>
<td>2428 Islington Ave.</td>
<td>Etobicoke, ON</td>
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<tr>
<td>Kingston Curling Club</td>
<td>75 Clergy St. W.</td>
<td>Kingston, ON</td>
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<tr>
<td>Square One Shopping Centre</td>
<td>100 City Centre Dr.</td>
<td>Mississauga, ON</td>
</tr>
<tr>
<td>Meadowvale Town Centre</td>
<td>6780 Meadowvale Town Centre Circle</td>
<td>Mississauga, ON</td>
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<tr>
<td>Dundas &amp; Tomken</td>
<td>985 Dundas St. E.</td>
<td>Mississauga, ON</td>
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<tr>
<td>Pearson Int'T Airport Terminal 2</td>
<td>1625 Yonge St.</td>
<td>Mississauga, ON</td>
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<tr>
<td>Quaker Hill Market Place</td>
<td>19625 Yonge St.</td>
<td>Newmarket, ON</td>
</tr>
<tr>
<td>Casino Niagara (15 ABMs)</td>
<td>5705 Falls Ave.</td>
<td>Niagara Falls, ON</td>
</tr>
<tr>
<td>York Gate Mall</td>
<td>1 York Gate Blvd.</td>
<td>North York, ON</td>
</tr>
<tr>
<td>Glen Abbey Golf Club</td>
<td>1333 Dorval Dr.</td>
<td>Oakville, ON</td>
</tr>
<tr>
<td>Oakville Place (2 ABMs)</td>
<td>240 Leighton Rd.</td>
<td>Oakville, ON</td>
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<tr>
<td>Rideauview S.C.</td>
<td>1430 Prince of Wales Dr.</td>
<td>Ottawa, ON</td>
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<tr>
<td>Place Bell Canada</td>
<td>160 Elgin St.</td>
<td>Ottawa, ON</td>
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<tr>
<td>Gloucester Montreal &amp; Ogilvie</td>
<td>1936 Montreal Rd.</td>
<td>Ottawa, ON</td>
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<tr>
<td>Signature Centre</td>
<td>100 – 499 Terry Fox Dr.</td>
<td>Ottawa, ON</td>
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<tr>
<td>Ottawa Health Sciences Centre</td>
<td>505 Smyth Rd.</td>
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<tr>
<td>Bells Corners</td>
<td>60 Northside Rd.</td>
<td>Ottawa, ON</td>
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<tr>
<td>Food Basics</td>
<td>1350 – 16th St. E.</td>
<td>Owen Sound, ON</td>
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<tr>
<td>Glendale &amp; Tremont</td>
<td>224 Glendale Ave.</td>
<td>St. Catharines, ON</td>
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<tr>
<td>Sudbury Main</td>
<td>79 Durham St.</td>
<td>Sudbury, ON</td>
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<tr>
<td>County Fair Plaza</td>
<td>1020 Dawson Rd.</td>
<td>Thunder Bay, ON</td>
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<tr>
<td>Hounslow Heath &amp; St. Clair</td>
<td>1743 St. Clair Ave. W.</td>
<td>Toronto, ON</td>
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<td>Queen &amp; Woodbine</td>
<td>1775 Queen St. E.</td>
<td>Toronto, ON</td>
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<td>King &amp; University</td>
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<td>Toronto, ON</td>
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<tr>
<td>College &amp; Beverley</td>
<td>205 College St.</td>
<td>Toronto, ON</td>
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<td>Bloor &amp; Windermere</td>
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<td>Toronto, ON</td>
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<td>St. George &amp; Bloor</td>
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<td>Toronto, ON</td>
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<td>St. Michael’s Hospital</td>
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<td>Toronto, ON</td>
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<td>Bay &amp; Bloor, 2nd Floor</td>
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<td>Toronto, ON</td>
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<tr>
<td>King &amp; Yonge</td>
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<td>Toronto, ON</td>
</tr>
<tr>
<td>Williamsburg</td>
<td>12348 Country Rd. 18 Csc.</td>
<td>Williamsburg, ON</td>
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<tr>
<td>IBM Building</td>
<td>251 Consumers Rd.</td>
<td>Willowlode, ON</td>
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<tr>
<td>Woodbridge Town Centre</td>
<td>5731 Hwy. 7 &amp; Martin Grove</td>
<td>Woodbridge, ON</td>
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<tr>
<td>The Maples</td>
<td>1285 Jefferson Ave.</td>
<td>Winnipeg, MB</td>
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<tr>
<td>Spruce Meadows (2 ABMs)</td>
<td>18011 – 1st Ave. S.W.</td>
<td>Calgary, AB</td>
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<tr>
<td>Wetaskiwin Safeway</td>
<td>3725 – 56th Street</td>
<td>Wetaskiwin, AB</td>
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<tr>
<td>Westview</td>
<td>4729 Marine Ave.</td>
<td>Powell River, BC</td>
</tr>
<tr>
<td>Mr G Gas Bar</td>
<td>3333 – 15th Ave.</td>
<td>Prince George, BC</td>
</tr>
<tr>
<td>Cook &amp; Quada</td>
<td>3481 Cook St.</td>
<td>Victoria, BC</td>
</tr>
</tbody>
</table>

2004 CORPORATE SOCIAL RESPONSIBILITY REPORT 21
In the summer of 2003, Emerald Park, Saskatchewan resident Steve Boesch (above, centre) took a leave of absence from his long-term job as a sales associate at SaskTel to explore the possibility of opening his own franchise business. After a period of research, Boesch decided to make the leap into a solo career – no small undertaking for an individual who, along with his wife and business partner Kathy (above, left), provides for a family of seven children.

Having entered into an agreement to purchase two Quiznos™ Sub franchises in Regina, the Boesches approached BMO Bank of Montreal to help them turn a great idea into reality. “Initially, we went to another bank to establish a commercial account and arrange financing for a $300,000 loan,” he recalls. “But it was a disaster. After six weeks of stress and frustration and at the suggestion of Quiznos’ head office, we switched to BMO. What a difference. The folks at BMO made it easy, and before you knew it we were in business.”

Commercial account manager Karen Welder (above, right), who works at the BMO Bank of Montreal Northgate branch in Regina, is pleased but not surprised by her client’s praise. “We want to become the premier financial institution for franchising in Canada,” she says. “We work hard to provide our franchise customers with custom-tailored solutions and to assist new and established franchisees with all financial aspects of their business.”

Although life as a business owner involves long hours and greater responsibility, Boesch says the shift to self-employment has been good for him and his family. “The five oldest kids are working part time with us,” he says. “We’re all having fun – and we never look back!”

What’s Right
Franchising: A Family Affair

“The folks at BMO made it easy, and before you knew it we were in business.”
OUR SMALL BUSINESS CLIENTS

At BMO we understand that our business customers have highly specialized needs, and our strategy is to build relationships with our clients by making sure that business owners are offered a tailored approach to achieving their financial goals. We remain committed to being a leading commercial bank in the Canadian marketplace.

Benefits for Small Business

To achieve that goal, we continue to introduce new and innovative products and services. In 2004, BMO joined forces with two leading Canadian companies to provide exclusive commercial card programs to our business customers. The initiatives included the extension of the Mosaik WestJet benefits to small business clients and the launch of the new Canadian Tire Commercial Link™ MasterCard®. Both card programs provide business customers superior commercial card payment functions and online reporting plus exclusive benefits available from the alliance partners.

Working for Those Who Work for Themselves

Self-employed business owners now have a better way to finance their home purchases with the launch of BMO Bank of Montreal’s Self-Employed Homeowner Mortgage program. This new financing product allows self-employed and commission-based income customers to purchase a home with less emphasis on declared income or financial statements. Financing is based more on credit history, business stability and overall financial situation.

The Unique Needs of Professionals

In June 2004, we launched the first phase of our BMO Bank of Montreal Professionals Program, designed for physicians, dentists, veterinarians, chiropractors, optometrists, pharmacists and lawyers. Mindful of the unique banking challenges encountered by these busy individuals at all stages of their professional careers and life cycles, the program offers a variety of product and service solutions.

Join the Group

In 2004, BMO Bank of Montreal also introduced an enhanced Group Banking Program, which offers a competitively priced, comprehensive suite of key banking products and services to all employees of our Business Banking customers. Business owners and their employees anywhere in Canada are now able to gain access to attractively priced personal banking products without any hassle or negotiation and at no cost to employers.

Encouraging Entrepreneurship

As well as providing superior products and services, BMO is committed to encouraging a spirit of entrepreneurship wherever we do business. For the second consecutive year, we were the lead sponsor of PROFIT magazine’s Top 100 Fastest-Growing Companies in Canada Awards. As well, we continue to be the presenting sponsor of the Rotman Canadian Woman Entrepreneur of the Year Awards. A national program founded in 1992, these awards are focused on highlighting and celebrating the successes and economic contributions of female entrepreneurs from across the country.

What’s Right

Standing by Our Customers

BMO Bank of Montreal has a strong reputation for standing by our customers in difficult times. In 2004, we extended our Bovine Spongiform Encephalopathy (BSE) Disaster Assistance Program until May 2005 for customers who continue to be impacted by the ongoing crisis. First launched in November 2003, the program is designed to help not only affected beef producers but all rural businesses impacted by the border closure with their ongoing financial needs through a combination of payment deferrals, interest rate reductions and application fee waivers.

Small Business Expo

In Chicago last fall, Harris continued its series of free Small Business Resource and Lending Expos targeting individuals interested in starting a small business as well as current small business owners. Started in 2003, the initiative reflects Harris’s efforts to deliver relevant financial education to the communities it serves. The Expos offer budding entrepreneurs an opportunity to obtain a comprehensive array of information and meet with a wide range of members of the lending community.

What’s Right
| Provinces and Territories | Authorized Amount | Number of Firms | Authorized Amount | Number of Firms | Authorized Amount | Number of Firms | Authorized Amount | Number of Firms | Authorized Amount | Number of Firms | Authorized Amount | Number of Firms | Authorized Amount | Number of Firms | Authorized Amount | Number of Firms | Authorized Amount | Number of Firms | Authorized Amount | Number of Firms |
|---------------------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| New Brunswick             | Authorized Amount | 9.5             | 1,219             | 108.0           | 14,824           | 211.5           | 32,317            | 11,490          | 80.9              | 11,490          | 80.9              | 11,490          | 80.9              | 11,490          | 80.9              | 11,490          | 80.9              | 11,490          | 80.9              | 11,490          |
|                           | Number of Firms   | 766             | 303               | 1,877           | 1,842            | 1,842           | 5,400             | 4,000           | 4,000             | 4,000           | 4,000             | 4,000           | 4,000             | 4,000           | 4,000             | 4,000           | 4,000             | 4,000           | 4,000             | 4,000           |
| Nova Scotia               | Authorized Amount | 14.1            | 1,877             | 108.0           | 14,824           | 211.5           | 32,317            | 11,490          | 80.9              | 11,490          | 80.9              | 11,490          | 80.9              | 11,490          | 80.9              | 11,490          | 80.9              | 11,490          | 80.9              | 11,490          |
|                           | Number of Firms   | 766             | 303               | 1,877           | 1,842            | 1,842           | 5,400             | 4,000           | 4,000             | 4,000           | 4,000             | 4,000           | 4,000             | 4,000           | 4,000             | 4,000           | 4,000             | 4,000           | 4,000             | 4,000           |
| Total                     | Authorized Amount | 555.2           | 79,853            | 1,626.9         | 32,717           | 3,007.2         | 19,436            | 3,342.4         | 9,678             | 3,797.1         | 5,579             | 10,841.6        | 5,303             | 76,945.9        | 154,564          | 100,116.3       | 1,998            | 154,564          | 100,116.3       | 1,998            | 154,564          | 100,116.3       |

*Not available. For confidentiality reasons, this table excludes information that could identify borrowers.*
Doing what’s right for our employees means ensuring that our people have the skills and knowledge they need to succeed. It also means encouraging a work environment that is based on inclusion, fairness and respect.

Our responsibility to our employees begins with our commitment to ensuring that we embrace diversity, that our workplace is free of barriers and that every employee is guaranteed respect, fair treatment and equal opportunity.

The Office of Diversity and Workplace Equity works with the CEO’s Council on the Equitable Workplace to develop BMO’s ongoing strategy for developing a diverse workforce and an equitable, supportive workplace. The council is made up of BMO’s most senior executives and is supported through the grassroots efforts of Diversity Councils and Affinity Groups. These groups reflect the diversity of our workforce and help to increase awareness and provide counsel to senior decision-makers regarding diversity issues.

Raising awareness is also the purpose of BMO’s Affinity Groups. For example, our Aboriginal Sharing Circle brings together Aboriginal and non-Aboriginal...
employees both in person and virtually through our Intranet. The employee-driven initiative enables participants to learn from one another in a respectful environment.

**Continued Leadership**

To ensure our continued leadership in the pursuit of diversity and workplace equity, we have launched a new study called Above and Beyond with Catalyst, a leading research and advisory organization. A comprehensive analysis is currently underway identifying the gaps and successes in meeting diversity goals. This analysis will be followed by an in-depth examination of specific issues causing these gaps, and will conclude with concrete strategies that address these issues across our entire enterprise.

**Listening to Our People**

One of the most effective ways of ensuring that we remain a leader in human resource practices is to listen to our people. With this in mind, in the early 1980s we introduced our Annual Employee Survey (AES), a comprehensive employee opinion survey designed to encourage ongoing dialogue and measure the views of employees on a wide range of topics such as strategy, training and the work environment.

We are pleased to report that employee participation in our AES in 2004 was the highest in the survey’s history. And our Enterprise Engagement Index, which measures the overall relationship between employees and our organization, is the highest score since the index was introduced in 2001. Heartening, too, is that a large number of employees sees evidence that our AES results are being used to generate positive change.

**A Culture of Volunteering**

Many of our employees are active volunteers in their communities, raising funds and giving generously of their time and energy. BMO supports such activities by providing financial support to a number of employee volunteer and fundraising programs. For instance, we cover the administration costs of BMO Fountain of Hope, a national charitable foundation owned and managed by our employees and pensioners, ensuring that 100% of all funds collected are distributed directly to charities (see box).

**Our People, Our Communities**

**BMO Fountain of Hope®**

In response to ongoing studies that show skyrocketing childhood obesity rates, BMO Fountain of Hope (FoH), our employee-based charitable foundation, recently announced the launch of Kids ’n Motion Endowment Fund, a national endowment to support charities focused on recreational, health and fitness programs directed at needy kids in Canada.

That was one of the many ways FoH contributed last year. Overall, our employees raised a record $7.2 million through FoH for more than 2,300 organizations across Canada. Their efforts supported national charities such as the United Way and Centraide as well as local charities that contribute to community well-being. Specific contributions include:

- Canadian Cancer Society: $62,000
- United Way of Greater Toronto: $1,947,800
- Kids Help Phone: $298,300
- Hospital for Sick Children: $62,500
- La Fondation de l’Hôpital de Montréal pour Enfants: $108,700

“BMO Fountain of Hope is what unifies all our efforts and motivates our employees to become more involved in charitable giving and community service,” says Marc Demers, FoH National Chair.

**2004 RECOGNITION**

**Canada’s Top 100**

For the third year in a row, BMO Financial Group was named one of the Top 100 Employers in Canada by Maclean’s magazine and Mediacorp. Selected from among more than 52,000 companies and recognized for our commitment to...
Our People, Our Communities

Volunteer Grants

“It feels very good to know that my employer is helping me make a difference in my community.”

Through our Volunteer Grants Program, BMO provides funds to hundreds of organizations that our employees support with their volunteer efforts. In 2004, we contributed $446,000 to groups ranging from local children’s sports teams and arts groups to food banks and family shelters.

Among these was the Asian North American History Timeline Project, a new educational web-based project sponsored by the Vancouver Asian Heritage Month Society (VAHMS), the charity of choice for Susan Au-Young, Financial Services Manager at our Peninsula Village instore branch in Surrey, British Columbia. Au-Young (above) has been volunteering for the VAHMS and other organizations for more than a decade. “It feels very good to know that my employer is helping me make a difference in my community,” she says.
employee training, we remain the only major Canadian bank on the list.

**Training Top 100**

In 2004, we ranked 16th overall in Training magazine’s Top 100 North American corporations. For the third consecutive year, we were the top Canadian company on the list. BMO was also cited as a 2004 Best Practices Company in the area of leadership development.

**Innovation in Diversity**

Profiles in Diversity Journal recognized BMO Financial Group with an International Innovation in Diversity Award for our commitment to workplace accessibility. The newly created award recognizes international corporations, organizations and institutions that have developed innovative solutions in the area of workforce diversity and inclusion.

**Ability Edge**

BMO was recognized by the national Career Edge organization for being the most successful Canadian corporation in employing Ability Edge interns. This is the second time that BMO has been honoured with an Ability Edge award.

**YWCA Aurora Equity**

In May 2004, Harris was presented with the YWCA’s Aurora Equity Award, which recognizes a business or organization that has significantly advanced the role of women and minorities in the workplace. Harris is the first bank to receive the award.

**Corporate Spirit**

In May 2004, MicroSkills, a community organization dedicated to assisting women, visible minorities and new immigrants, awarded BMO Financial Group its Corporate Spirit Award in recognition of our enterprise-wide human resources/people management best practices.

**Progressive Aboriginal Relations**

In February 2004, the Canadian Council for Aboriginal Business honoured BMO with a gold-level Progressive Aboriginal Relations award for initiating Aboriginal community economic development.

**Women’s Executive Network**

The Women’s Executive Network recognized five of our executives among Canada’s Top 100 Women for 2004. Since 1990, the year BMO launched the Task Force on the Advancement of Women, the percentage of women executives in our Canadian operations has more than tripled to 33.7% from 9%.

---

**Employment**

<table>
<thead>
<tr>
<th>Province or Territory</th>
<th>Full-time</th>
<th>Part-time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newfoundland and Labrador</td>
<td>209</td>
<td>76</td>
<td>285</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>46</td>
<td>14</td>
<td>60</td>
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<tr>
<td>Nova Scotia</td>
<td>426</td>
<td>137</td>
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<tr>
<td>New Brunswick</td>
<td>241</td>
<td>99</td>
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<tr>
<td>Quebec</td>
<td>3,657</td>
<td>1,192</td>
<td>4,849</td>
</tr>
<tr>
<td>Ontario</td>
<td>14,955</td>
<td>2,554</td>
<td>17,509</td>
</tr>
<tr>
<td>Manitoba</td>
<td>434</td>
<td>146</td>
<td>580</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>351</td>
<td>148</td>
<td>499</td>
</tr>
<tr>
<td>Alberta</td>
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<td>2,677</td>
</tr>
<tr>
<td>British Columbia</td>
<td>2,102</td>
<td>815</td>
<td>2,917</td>
</tr>
<tr>
<td>Nunavut</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Northwest Territories</td>
<td>19</td>
<td>3</td>
<td>22</td>
</tr>
<tr>
<td>Yukon</td>
<td>13</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24,505</strong></td>
<td><strong>5,821</strong></td>
<td><strong>30,326</strong></td>
</tr>
</tbody>
</table>

Figures include all employees of BMO Financial Group with a Canadian tax location as at October 31, 2004, including active employees, employees on paid or unpaid leave, and permanent, casual and contract employees. Figures do not include employees of Bank of Montreal Mortgage Corporation (see page 34).
In spite of having earned two professional degrees, including an MBA, in his native India, as well as considerable work experience, Sarvpreet Gandhi (above) found it hard to secure employment after he immigrated to Canada in May 2002. That’s when he turned to a work co-op program at the Mississauga-based Dufferin-Peel Adult Learning Centre. Last year, BMO contributed $5,000 to the program, which enables newcomers who are professionals in their own countries to gain Canadian experience. For a number of years, BMO has also provided placement opportunities to program participants – Gandhi among them. “After eight weeks of classroom instruction, I joined BMO for a 14-week co-op student placement,” recalls the 32-year-old. “During that time, BMO offered me a full-time job as a financial services manager.”

The rest, as they say, is history. Less than two years after joining BMO, Gandhi is now the Manager of three instore locations in Mississauga. “BMO has given me lots of support and opportunity,” he says. “If you are good at what you do, that’s all that matters.”
At BMO, we believe that caring for the physical world we live in is simply doing what’s right. We are committed to the principles of sustainable development and understand that the quality of our lives improves when economic growth is integrated with respect for the environment.

Environmental Policy
In place since 1992, BMO Financial Group’s Environmental Policy was updated in 2004. Guided by it, we work hard to ensure our commitment to the environment is a living part of our culture, and take the environmental factors into consideration in our lending practices. We also consider the impact of our business operations on resources and climate. To that end, we are committed to purchasing goods and services from and working with environmentally responsible suppliers. Just as important, we encourage a green workplace through programs that promote recycling, energy efficiency and waste minimization.

ENVIRONMENTAL PRACTICES

Technology Disposal Program
As part of our Technology Disposal Program, we first ensure that the privacy and confidentiality of our customers and employees are safeguarded. Unwanted machines, including computers, fax machines and cell phones, are disposed of using environmentally friendly methods.

Reduce and Conserve
BMO has programs in place to reduce solid waste and conserve energy. As well, our office tower locations participate in recycling programs for paper, aluminum cans and bottles. We also enhanced our printer toner program to encourage greater participation in our recycling efforts. In return for each cartridge returned to Lexmark Canada, Lexmark makes a cash donation to BMO Fountain of Hope, our employees’ charitable foundation.

An Ongoing Journey
At BMO Financial Group, we believe that our commitment to sustainable development must be ongoing. This year, we launched an initiative to develop and implement a sustainable Environmental Management System (EMS). Designed to assess the environmental impact of our operations and activities, establish baselines, set targets for performance and ensure organizational accountability, a formal EMS will ensure that environmental awareness and protection are part of our daily business.

Conservation Education
“It’s a very good way not only to demonstrate direct conservation but also to enlist people in discussions about conservation – the first step to raising awareness about environmental issues and choices.” John Nightingale, President of the Vancouver Aquarium Marine Science Centre, is referring to the Centre’s BC Hydro Salmon Stream Project in Stanley Park, funded in part by a $100,000 donation by BMO Financial Group.

A man-made nursery habitat, the stream provides young salmon with the opportunity to adjust from fresh to salt water, as well as a chance to feed on wetland invertebrates before making their open ocean journey. It also enables many of the eight million annual visitors to Stanley Park, including thousands of schoolchildren, to enjoy and learn about the salmon’s life cycle and habitat.

What’s Right
Respecting and Sustaining

Our Guiding Principles
To ensure that environmental responsibility is a living part of our cultural landscape at BMO, we pledge to:

- Promote environmental stewardship across our business
- Respect, protect and act to serve the environment around us
- Engage our employees in our environmental management programs
- Provide credit to borrowers in a manner that respects environmental management
- Take responsibility for our environmental performance
- Work with others to protect and preserve our environment
Energy Audit
In 2004, we also partnered with property managers and energy consultants to conduct audits of 10 major office towers and specialty buildings in Canada. These audits will serve to identify further opportunities for energy savings and retrofits. Processes to collect, consolidate and report energy consumption and recycling information at the unit level are also in development.

Detailed information about our other environmental practices can be found on our web site at www.bmo.com/community.

FTSE4Good
BMO Financial Group has standing on the FTSE4Good Social Responsibility Index Series. Launched by the Financial Times and the London Stock Exchange, the Index recognizes the performance of companies that meet globally recognized corporate responsibility standards on environmental sustainability, social issues, stakeholder relations and human rights.

United Nations Environmental Program
BMO Financial Group is a signatory to the United Nations’ UNEP Statement by Financial Institutions on the Environment and Sustainable Development. As a signatory, BMO acknowledges globally recognized principles of environmental protection and sustainable development.

Technology Disposal Program in Canada 2001–2004

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>Last Four Years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Donated</td>
<td>Environmentally Disposed</td>
<td>Total</td>
<td>Donated</td>
</tr>
<tr>
<td>Desktops</td>
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<td>577</td>
<td>1,103</td>
<td>18,848</td>
<td>5,108</td>
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<tr>
<td>Monitors</td>
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<td>5,137</td>
<td>3,262</td>
<td>413</td>
</tr>
<tr>
<td>Notebooks</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>413</td>
<td>117</td>
</tr>
<tr>
<td>Other</td>
<td>856</td>
<td>58</td>
<td>798</td>
<td>3,454</td>
<td>47</td>
</tr>
<tr>
<td>Total</td>
<td>1,680</td>
<td>577</td>
<td>1,103</td>
<td>18,848</td>
<td>5,108</td>
</tr>
</tbody>
</table>

Totals for fiscal 2002 and to some extent for 2003 are largely the result of implementing Pathway Connect™.

Partnering with Others
Protecting and preserving our environment is a collective effort. That is why we work with governments, the rest of the financial services industry and other organizations that share this commitment, and why we adhere to globally recognized standards of environmental protection and sustainable development.

This year, for instance, we presented a cheque to The Nature Trust of British Columbia to help fund its five-year Brant Geese Conservation Project. Each spring, thousands of Black Brant geese fly 10,000 kilometres from California to the Arctic, stopping along the way on the B.C. coast. Unfortunately, in recent years one of the birds’ favourite stops – the Parksville and Qualicum Beach shoreline – has also become a favourite spot for people and dogs, with the result that the geese are not getting the food and rest they need. Through BMO’s donation, the Nature Trust can continue a long-term conservation project designed to educate the public so the geese are not disturbed during their migration period.

Each spring, thousands of Brant geese stop along the B.C. coastline during their annual migration from California to the Arctic.
Doing what’s right begins with a commitment to sound principles of corporate governance and ethical behaviour. It means being accountable to and retaining the trust of our shareholders, customers, employees and communities.

Our commitment to sound governance and ethical behaviour arises from our understanding that everything we do affects our reputation. In financial services, reputation is everything.

Reputational Risk
At our last Annual General Meeting, BMO President and CEO Tony Comper announced the formation of a Reputation Risk Management Committee. Launched in June 2004, the committee has the power to vet and, if necessary, veto any transaction or new product it feels does not meet our ethical standards.

Corporate Governance
Over the years, BMO has received widespread recognition for its leadership in corporate governance practices, and our achievements continue to be recognized. In 2004, BMO Financial Group ranked second overall and first among the country’s banks in The Globe and Mail’s Report On Business annual review of corporate governance practices.

Board of Directors
Our Board of Directors bears the prime ongoing responsibility for maintaining high standards and encouraging the evolution of our corporate governance program. In practice, this means that the Board operates in an effective and independent manner and ensures that BMO is accountable to all its stakeholders. Just as important, the Board serves as an example to our entire organization and ensures that the tenets of sound corporate governance – transparency, disclosure, controls and honesty – are maintained throughout our organization.

First Principles
Good governance must also be a top priority for every BMO director, officer and employee. All of our people and suppliers are therefore provided with FirstPrinciples, a framework for their work conduct and ethical decision-making. In addition, all BMO directors, officers and employees are required to complete an annual acknowledgement of their adherence to our FirstPrinciples.

FirstPrinciples states that all BMO directors, officers and employees must:

- Do what is fair and honest
- Respect the rights of others
- Work to the letter and spirit of the law
- Protect privacy and confidentiality
- Deal with conflicts of interest
- Conduct themselves appropriately at all times

FirstPrinciples guides them to ask themselves: Is it fair? Is it right? Is it legal? By keeping these questions front-of-mind in making decisions, we ensure that honesty, integrity and well-defined ethical standards are the foundation of everything we do.

Privacy: Choice and Control
In a survey conducted in September 2004 by the Ponemon Institute, Canadian consumers placed BMO among the top 10 most-trusted organizations in Canada on privacy issues.

We have worked hard to earn this trust. As a responsible company, we have long been committed to keeping all information about customers confidential. The importance of protecting personal information is reflected in our policies and practices. This is based on our belief that we have a responsibility to inform individuals and give them choices about the collection, use and disclosure of their personal information.
As documented in our Privacy Policy, BMO is committed to:

- **Respect** an individual’s personal information
- **Protect** an individual’s personal information
- **Resolve** disputes surrounding an individual’s personal information

BMO has a Chief Privacy Officer who oversees privacy concerns, including policy, dispute resolution, education and communications activities, and reports directly to our Board of Directors and senior management. It is the responsibility of our Chief Privacy Officer to make sure that our business strategy incorporates our commitment to respect and protect the privacy of our customers’ and our employees’ personal information.

**Social and Ethical Policies**

At BMO, we strive to conduct our business and operations in accordance with society’s highest ethical standards.

At BMO Financial Group, we believe that social responsibility begins with a commitment to ethical behaviour. By conducting our business and serving our customers and communities according to the principles of honesty, transparency and accountability, we earn the trust that is the foundation of our business.

Through established standards and guidelines we:

- Exercise the fundamental rule of good banking practice, “Know your customer,” in the course of all business dealings with customers and in the evaluation of prospective customers. These guidelines also apply to our relationship with suppliers.
- Will not knowingly conduct any type of business with customers whose money is derived from illegal activities. Management considers the reputation, integrity and character of a counterparty and/or its management in deciding whether to conduct business with that counterparty.
- Will not complete any transaction of any type or operate any account for customers who fail to provide evidence of their identity, source of funds, or any other information we require to establish the good faith of a customer.
- Do not provide preferential treatment when entering into banking transactions with a political party, constituency association, candidate, leadership contestant or any other public official (including any such individual’s family and/or related business enterprise).
- Adhere to the principles of confidentiality and privacy in customer relations.
- Follow applicable codes of conduct and legislation that protect and respect personal information and initiate fair and timely redress of customer complaints and concerns.
- Maintain strict conflict of interest rules for employees, officers and directors.
- Consider ethical, political, social and economic factors in addition to other more traditional lending considerations in the development of foreign business.
- Do not knowingly lend, in North America or internationally, for purposes that support the suppression of basic individual freedoms, encourage racial discrimination or national hatreds, or promote the use of violence or repression.
- Are committed to truthful and ethical practices in advertising.
- Champion principles of inclusion through our diverse workforce and supportive and equitable workplace.
- Take reasonable precautions to ensure that, as best we can, we provide credit only to environmentally responsible borrowers.
Our Affiliates

The following are the prescribed affiliates whose relevant activities are included in this Public Accountability Statement as required by the Bank Act:

**BMO Life Insurance Company, Toronto**
**BMO Nesbitt Burns Corporation Limited and subsidiaries, Montreal**
**BMO Trust Company, Toronto**

Bank of Montreal has also included in this statement information respecting its other wholly owned Canadian subsidiaries*, except where otherwise indicated, including the following major operating companies:

**BMO Capital Corporation, Toronto**
**Bank of Montreal Finance Ltd., Toronto**
**Bank of Montreal Global Capital Solutions Ltd., Calgary**
**Bank of Montreal Holding Inc., Calgary**
**Bank of Montreal Securities Canada Limited, Toronto**
**BMO Investments Inc., Toronto**
**BMO InvestorLine Inc., Toronto**
**BMO Nesbitt Burns Equity Partners Inc., Toronto**
**BMO (N.S.) Holdings Co., Halifax**
**Guardian Group of Funds Ltd., Toronto**

*As stipulated by the Trust and Loan Companies Act, Bank of Montreal Mortgage Corporation, wholly owned by Bank of Montreal, is required to publish a separate Public Accountability Statement (see box below).*

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**Bank of Montreal Mortgage Corporation**

**2004 Public Accountability Statement**

Because of the specific nature of its activities, Bank of Montreal Mortgage Corporation (BMMC) provides the information below in response to the requirements set out in section 444.2(1) of the Trust and Loan Companies Act and in the applicable regulations.

BMMC, a wholly owned, fully integrated subsidiary of Bank of Montreal, raises funds for mortgage financing by issuing deposit instruments (such as GICs, RICs and RRIFs) through the Bank’s retail branch network and other proprietary channels, where the Bank acts for BMMC, as well as through third-party channels. BMMC does not operate branches or other facilities at which deposit accounts are opened through natural persons and with customers in person, or at which deposits are accepted or cash is distributed to customers.

BMMC employs 18 full-time and five part-time employees. These employees are based in Montreal.

The income and capital taxes paid in Canada by BMO Financial Group, of which BMMC is a member, are listed on page 5 of Bank of Montreal’s 2004 Corporate Social Responsibility Report and Public Accountability Statement.

Because of the integration of BMMC within BMO Financial Group, BMMC shares its community goals as described in Bank of Montreal’s Public Accountability Statement. The community development activities of BMMC’s employees are integrated with those of BMO Financial Group and its employees, as described in Bank of Montreal’s Public Accountability Statement, and include, for example, participation in the BMO Fountain of Hope Foundation. BMO Financial Group’s donations and sponsorships for the fiscal year ending October 31, 2004 totalled $29 million, including $12.8 million in charitable donations, which includes $2.2 million in community sponsorships.

As detailed in Bank of Montreal’s Public Accountability Statement, debt financing for small business and programs for improving access to financial services are engaged in by Bank of Montreal for BMO Financial Group. BMMC has no other affiliates in respect of which this Public Accountability Statement is published.
Supporting Our Communities

As one of Canada’s largest corporate donors, BMO Financial Group is committed to improving the quality of life in the communities where we do business. Today, we fund charities and not-for-profit organizations in hundreds of towns and cities across the country. Here are some of the organizations we supported in fiscal 2004.
Contacts


For a printed copy, please contact:

BMO Financial Group
Corporate Communications
302 Bay Street, 10th Floor
Toronto, Ontario
M5X 1A1

(On peut obtenir sur demande un exemplaire en français.)

Requests for charitable donations should be submitted in writing. Guidelines are available at www.bmo.com/community.

Applications on behalf of a national organization should be directed to:

Senior Manager, Corporate Donations
BMO Financial Group
Corporate Communications
302 Bay Street, 10th Floor
Toronto, Ontario
M5X 1A1
Telephone: (416) 867-7102 or (416) 867-7101
Fax: (416) 867-6850

Local and regional requests should be sent to the following addresses:

Atlantic Division
Donations Coordinator
BMO Financial Group
P.O. Box 2207
5151 George Street, 15th Floor
Halifax, Nova Scotia
B3J 3C4
Telephone: (902) 421-3405
Fax: (902) 421-3404

Ontario Division
Community Relations & Communications Manager
BMO Financial Group
302 Bay Street,
Mezzanine Level
Toronto, Ontario
M5X 1A1
Telephone: (416) 633-2204
Fax: (416) 633-7088

Quebec Division
Donations Coordinator
BMO Financial Group
105 rue St-Jacques, 1st Floor
Montreal, Quebec
H2Y 1L6
Telephone: (514) 877-1101
Fax: (514) 877-1805

Prairies Division
Manager, Divisional Communications
BMO Financial Group
350 – 7th Avenue S.W., 6th Floor
Calgary, Alberta
T2P 3N9
Telephone: (403) 503-7002
Fax: (403) 503-7021

British Columbia and Yukon Division
Donations Committee
BMO Financial Group
595 Burrard Street, 22nd Floor
Vancouver, British Columbia
V7X 1L7
Telephone: (604) 665-7596
Fax: (604) 665-2610
“In making this tremendous donation, BMO Financial Group is truly investing in our collective future, and is clearly demonstrating its passion for learning and knowledge.”

Terry Slobodian, Vice-President, Advancement, University of Ontario Institute of Technology, and President, Durham College

“I’m hoping one spinoff (of the Siminovitch Prize) is to make Newfoundlanders and the government see the arts in Newfoundland are viable and recognized across the country, and not just good for locals.”

Jillian Keiley, Newfoundland director and 2004 winner of the Elinore and Lou Siminovitch Prize in Theatre

“The building was an important catalyst. Thanks to BMO’s donation, we were able to raise additional start-up funding and begin accepting donations.”

Lucille Bruce, Executive Director, Winnipeg Native Women’s Transition Centre

“The folks at BMO made it easy, and before you knew it we were in business.”

Steve Boesch, Quiznos Sub franchise co-owner and BMO small-business customer

“When I was young, I volunteered with the idea that I wanted to change the world. Now I’m very happy if my contribution makes a small but positive change in the life of one person.”

Stanley Julien, BMO employee and community volunteer

BMO Financial Group

www.bmo.com/community