

Anti-Money Laundering & Anti-Terrorist Financing Questionnaire

Name of Financial Institution		Bank of Montreal (BMO)		
Jurisdiction of Organization or Establishment:		Canada		
Principal Location Address:		100 King Street West Toronto, Ontario, Canada M5X 1A1		
Registered Trading Address		129 Rue St-Jacques Montréal, Québec, Canada H2Y 1L6		
Date:				
			Yes	No
Does your country adhere to the 40 anti-money laundering recommendations and nine special terrorist financing recommendations developed by the Financial Action Task Force (FATF)?			✓	
If your country is not a member of the FATF, please provide the name of the comparable organization to which your country belongs:				
Purpose	1	What is the purpose of the account(s) that you hold with BMO Financial Group (Bank of Montreal): N/A		
Nature of business	2	List nature of business of your bank (e.g. retail banking, wholesale banking etc.): Retail Banking (Personal & Commercial Banking), Investment & Corporate Banking, Trading Products, Asset Management and Wealth Management		
	3	Does your institution currently operate as an offshore financial entity ¹ ? If the answer is "yes", please confirm the following: a) The type of activity that you are permitted to undertake (including any documentation which supports this): b) The number and type of clients that you currently maintain on your books: c) The locations of the clients currently on your books: <small>¹ An offshore financial entity is defined as a bank that is located outside the country of residence of its depositors, typically in a low tax jurisdiction, and whose primary or sole offering is/are financial services to non-resident depositors.</small>		✓
Board of Directors and Senior Management team	4	List names and titles of your bank's Board of Directors and Senior Management Team: For information on BMO's Board of Directors and Senior Management Team, please refer to the following links: http://www.bmo.com/home/about/banking/corporate-governance/board-of-directors http://www.bmo.com/home/about/banking/corporate-information/executive-bios		
Politically exposed persons	5	Do any of your controlling owners or senior management team currently hold, or have held, important public positions (often referred to as "politically exposed persons" ¹)? If "yes", describe:		✓

		<p>Kevin G. Lynch is Vice-Chair, BMO Financial Group. Prior to joining BMO in 2010, Mr. Lynch worked for the Government of Canada where he served the Government of Canada as Clerk of the Privy Council, Secretary to the Cabinet and Head of the Public Service of Canada.</p> <p>http://www.bmo.com/home/about/banking/corporate-information/executive-bios/kevin-lynch?q sr=ExecutiveBiosTheHonourableKevinGLynch q=kevin+lynch</p> <p>David Jacobson is Vice-Chair, BMO Financial Group. Prior to joining BMO, Mr. Jacobson was the United States Ambassador to Canada, and he also served as Special Assistant to the U.S. President.</p> <p>http://www.bmo.com/home/about/banking/corporate-information/executive-bios/david-jacobson?q sr=ExecutiveBiosDavidJacobson q=david+jacobson</p> <p>Brian V. Tobin is Vice Chair, Investment & Corporate Banking, BMO Capital Markets. Prior to joining BMO, Mr. Tobin served as the Federal Minister of Industry from October 2000 - January 2002, prior to which he served as the Premier of Newfoundland and Labrador from 1996 - 2000. He served as a Member of Parliament from 1980 – 1996, and as Minister of Fisheries and Oceans in the federal cabinet from 1993 - 1996.</p> <p>https://www.bmo.com/home/about/banking/corporate-information/executive-bios/brian-tobin</p> <p>¹ A politically exposed person is defined as a person who holds or has held a specific office of position in or on behalf of a state (e.g. members of government, the judiciary and the military).</p>		
			Yes	No
Payable-through accounts	6	Does your institution allow payable through accounts or the direct use of your correspondent account by your customers to transact business? If "yes", describe:		✓
	7	If "yes", does your institution have policies and procedures that require you to verify the identity of and perform on-going due diligence on such customers and their use of such accounts? N/A		
	8	Regarding the above, are you able to provide relevant customer identification data upon request? N/A		

	9	List any customers or third party entities that will use your bank's account(s) with BMO Financial Group. N/A		
	10	What is your bank's "know your customer" policy with respect to such correspondents or third parties? N/A		
Nested (Downstream) Correspondent Banking/Clearing	11	Does your institution provide/offer any Nested (Downstream) Correspondent Banking/Clearing ¹ ? If "yes", please provide a list of the financial institutions to which you provide Nested (Downstream) Correspondent Banking/Clearing. BMO does not provide direct customer access to its accounts with respondent banks. ¹ Nested (or downstream) correspondent banking/clearing refers to the use of a correspondent relationship by a financial institution through its relationship with the direct respondent bank which holds the account relationship with the correspondent bank, thereby providing access to the financial services provided by the correspondent bank.		✓
	12	Does your institution conduct ongoing due diligence on the financial institutions to which you provide/offer Nested (Downstream) Correspondent Banking/Clearing? N/A		
Nesting Detection	13	Does your institution have procedures and a monitoring program in place to detect nesting activity in your correspondent accounts? If yes, please confirm that your institution is able to obtain, at minimum, the name, address, and account number of both the originator (ordering customer) and beneficiary (beneficiary customer)		✓
	14	Regarding the above, are you able to provide full information of the true originator/ordering party (full name, address, and account number) and beneficiary (full name and account number) upon request?		✓
Laws	15	Has your country established laws designed to prevent money laundering and terrorist financing, and is your institution subject to such laws? The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) http://laws-lois.justice.gc.ca/eng/acts/P-24.501/		✓
AML policies, practices, and procedures	16	Does your institution have an established audit and compliance review function to test the adequacy of anti-money laundering (AML), anti-terrorist financing (ATF) and sanctions compliance procedures and policies?		✓
	17	Does your institution have appropriate record retention policies pursuant to applicable law?		✓
	18	Does your institution have a designated Anti-Money Laundering (AML) Officer and/or Compliance Officer? Stuart Davis Chief Anti-Money Laundering Officer (CAMLO) 100 King Street West, Toronto ON M5X 1A1 T: +1.416.867.5533 E: Stuart.Davis@bmo.com		✓
	19	Does your institution have policies covering relationships with Politically Exposed		✓

		Persons (PEPs), their family and close associates?		
	20	Does your institution have written policies and procedures in place to combat money laundering, terrorist financing, and sanctions violations?	✓	
	21	Are you able to provide us with a copy? If "yes", please provide a copy. Please refer to the following link for a Summary of BMO's AML Policies: http://www.bmocom.com/about-us/regulatory/pdfs/English/AML/SummaryofAMLandATFPoliciesatBMOFG.pdf	✓	
	22	Are the anti-money laundering, anti-terrorist financing and sanctions policies applicable to your home office also applied to your foreign branches and majority owned subsidiaries? If "no", please explain:	✓	
	23	Does your institution have a risk based assessment of its customer base and their transactions?	✓	
Banking license	24	Please confirm the name of your regulator and record your institution's registration/license number where applicable. Name: Office of the Superintendent of Financial Institutions Canada (OSFI) & Federal Reserve Board U.S.A. (FRB) License No: N/A		
Compliance	25	Are you in substantial compliance with your national anti-money laundering, terrorist financing regulations and sanction measures regulations and the regulatory requirements applicable to you in all jurisdictions in which you operate?	✓	
Penalties	26	Are there any civil or criminal penalties that have been imposed on your institution in respect of AML or ATF requirements?		✓
Training	27	Does your institution have an established employee-training program to teach employees about money laundering and terrorist financing and to assist them in identifying suspicious activities?	✓	
	28	Does your institution retain records of its training sessions including attendance records and relevant training materials used?	✓	
	29	Does your institution communicate new AML related laws or changes to existing AML related policies or practices to relevant employees?	✓	
			Yes	No
Know Your Customer	30	Does your institution have a written policy to ensure that reasonable measures are taken to obtain information about the identity of customers, including ensuring that your institution does not knowingly transact business with sanctioned individuals, entities or countries with which transacting is prohibited by appropriate government agencies, law enforcement or regulators?	✓	
	31	If your institution does not have written policies at this time, do you plan to develop written policies? If "yes", please provide the date as to when your policies will be completed. N/A		
	32	List all countries in which any person or entity with material control or ownership of your institution (>25%) is resident in or organized:		✓
	33	Does your institution determine the appropriate level of enhanced due diligence necessary for those categories of customers and transactions that the institution has reason to believe pose a heightened risk of illicit activities at or through the institution?	✓	
	34	Does your institution have a requirement to collect information regarding its		

		customers' business activities?	✓	
	35	Does your institution assess the AML/ATF policies or practices of its customers who are financial institutions or operate as financial service businesses?	✓	
	36	Does your institution, where appropriate, update high risk customer information?	✓	
Sanctions	37	<p>Does your institution, its parents or affiliates, or any of its direct or indirect subsidiaries worldwide (your "business"), have assets, interests or operations (collectively "interactions") in or with Iran, North Korea, Syria, Cuba, or the Crimea Region of Ukraine ("sanctioned jurisdiction") not permitted by law?</p> <p>If the answer is yes, please provide a detailed list of:</p> <ul style="list-style-type: none"> a) The sanctioned jurisdiction(s) with which your business interacts; b) The products your business offers in each sanctioned jurisdiction; c) Any general or specific licenses applicable to products offered in each sanctioned jurisdiction; d) For each entity within your business, the aggregate percentage of gross revenues, net income, and assets related to or derived from that entity's interaction with each sanctioned jurisdiction; and e) The controls your business has in place to prevent the use of BMO Financial Group's products and services to facilitate interactions with, for the benefit of, or at the direction of, parties in a sanctioned jurisdiction. 		✓
Reporting of suspicious activities/record keeping	38	Is there an established method at your institution for reporting suspicious activities or transactions to the appropriate authorities?	✓	
	39	<p>Describe your regulatory reporting requirements for large cash transactions and suspicious account activity:</p> <p>In accordance with the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i> (Canada), and corresponding regulations, BMO must submit the following reports to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC):</p> <ol style="list-style-type: none"> 1. <u>Large Cash Transactions Reports</u> <p>A Large Cash Transactions Report must be submitted when:</p> <ul style="list-style-type: none"> a) A single cash transaction is received by or on behalf of an individual or entity that is equal to or greater than \$10,000 CAD; or b) Two or more cash transactions are received by or on behalf of the same individual or entity over the course of a 24 hour period that combined equal or exceed \$10,000 CAD. <ol style="list-style-type: none"> 2. <u>Suspicious Transactions Reports</u> <p>A suspicious transaction report must be submitted for every financial transaction that occurs or that is attempted and in respect of which there are reasonable grounds to suspect that:</p> <ul style="list-style-type: none"> a) The transaction or attempted transaction is related to the commission or the attempted commission of a money laundering offence; or b) The transaction is related to the commission or the attempted commission of terrorist activity financing offence. 		
	40	<p>Describe the role of your compliance/risk management department in respect to anti-money laundering, anti-terrorist financing and "KYC" laws, regulations, and the development and compliance with internal policies and procedures concerning such regulation and policies:</p> <p>BMO's AML Office is responsible for overseeing the Enterprise AML/ATF program which entails, but is not limited to the following responsibilities:</p>		

		<ul style="list-style-type: none"> i) Establish and maintain enterprise AML/ATF policies, standards and procedures in accordance with applicable laws and regulations and risk tolerance; ii) Oversee programmes designed to identify and report prescribed transactions (refer to question 38) and patterns of unusual or suspicious activity; iii) Monitor and assess the performance and condition of the AML/ATF compliance program on an ongoing basis; iv) Oversee the enterprise AML/ATF training program; v) Oversee and assess AML/ATF risk assessments that are completed for new products and/or processes and for lines of business; and vi) Prepare the annual AML/ATF report for the Board of Directors. 		
	41	<p>Where applicable, describe the role of your head office in ensuring relevance of and compliance with anti-money laundering, anti-terrorist financing and know your customer policies and procedures of your bank's international branches and subsidiaries:</p> <p>BMO's AML Office works closely with all lines of business, both domestic and foreign, to ensure compliance with BMO's Enterprise AML/ATF policies, standards and procedures as well as local laws and regulations. The AML Office's role in relation to its foreign branches and subsidiaries entails, but is not limited to the following responsibilities:</p> <ul style="list-style-type: none"> i) Review and approve customized training programs; ii) Administer and assess the AML/ATF risk assessments; iii) Review and approve key AML/ATF policies and procedures and changes thereto to ensure compliance with BMO's Enterprise AML/ATF standards; and iv) Oversee risk assessments that are related to new products and processes to ensure compliance with BMO's AML/ATF policies and standards. 		
			Yes	No
Shell Banks and other	42	Does your institution maintain accounts for banks that do not have a physical presence in any country (i.e. shell banks)?		✓
	43	Does your institution have or maintain, directly or indirectly, any relationships with shell banks?		✓
	44	Does your institution have policies to reasonably ensure that it will not conduct transactions with or on behalf of shell banks through any of its accounts or products?	✓	
	45	Does your institution have policies to reasonably ensure that any correspondent banks to which it provides services possess licenses to operate in their countries of origin?	✓	
	46	Does your institution have a policy that prohibits opening or maintaining anonymous accounts?	✓	
	47	Do you maintain a place of business that is located at a fixed address in each country in which you are authorized to conduct banking activities?	✓	
	48	If you do not have a physical presence in any country, but you are an affiliate of a regulated financial group, please specify the name of the financial group and the relevant banking authority that regulates its activities: N/A		
Third parties and agents	49	Does your institution employ third parties or agents to carry out any functions in respect of which AML or ATF obligations apply?	✓	

	50	If yes, does your institution provide appropriate AML or ATF training to and oversight of such third parties or agents?	✓	
Completed by: 		<p style="text-align: center;"><i>Stuart Davis</i></p> <p> Name: Stuart Davis Title: Chief Anti-Money Laundering (CAMLO), BMO Financial Group Address: First Canadian Place 100 King Street West, Toronto, Ontario, Canada M5X 1A1 </p> <p>Date Completed: <i>August 30, 2017</i></p>		