



Canada China Business Council
Conseil commercial Canada-Chine
加中贸易理事会

Doing Business in China

Case Study: Building Relationships in China – Bank of Montreal

BMO Financial Group was the First Runner-Up in the **Outstanding Achievement** category in the 2008 *CCBC Canada China Business Excellence Awards* and was named Second Runner-Up in the **Corporate Social Responsibility** category.

The Company

Established in 1817 as Bank of Montreal, BMO Financial group is a highly diversified North American financial services organization. It provides a broad range of retail banking, wealth management and investment banking products and solutions. BMO Financial Group serves clients across Canada through its Canadian retail arm, BMO Bank of Montreal, and through its wealth management firms BMO Nesbitt Burns, BMO Investor Line and BMO Harris Private Banking.

BMO in China

In 1994, Bank of Montreal opened a representative office in Guangzhou, which in 1995 became a full-service branch. In 1996, the Bank became the first Canadian bank to receive a license for a full-service branch in Beijing. In 2002, BMO opened a representative office in Shanghai and upgraded its Shanghai Representative Office to a full Branch in 2008.

BMO is a strong supporter of industrial development in China. Since the early 1970s, Bank of Montreal began to act as a financial intermediary in China's trade with the United States, as well as a clearing bank for trade and other transactions denominated in US currency. In 1984, the bank signed an agreement with the Ministry of Metallurgical Industry, and agreed to co-operate in furthering the development of ferrous mineral, gold mining and iron-steel industries in China. The bank also sponsored a visit to Canada by Mr. Li Dongye, Minister of Metallurgical Industry, in an effort to showcase Canadian expertise in mining.

In addition, BMO also has a strong commitment to the success of China's banking and financial system. In 1963, a full correspondent banking relationship was established between Bank of Montreal and the Bank of China. The relationship includes BMO acting as the BOC's clearing bank for its Canadian subsidiary – BOC Canada. When Canada and the People's Republic of China established diplomatic relations in 1970, Bank of Montreal opened an account in China's national currency, Renminbi (RMB), with the Bank of China in Beijing. In return, the Bank of China opened a Canadian dollar account at Bank of Montreal's Head Office in 1970 and a US dollar account in 1973. BMO has a close relationship with the Industrial and Commercial Bank of China (ICBC), starting in 1992 and expanding with the signing of a memorandum of understanding in April 1997, which led to a training program being launched in 1999.

In Canada, BMO Investments Inc. launched a new mutual fund that invests primarily in companies that operate in China, Hong Kong, Taiwan, and other companies that benefit from exposure to the region. The fund became available in October 2004.

BMO's relationship with Canada China Business Council

In 1978, Bank of Montreal was one of founders of the Canada China Business Council.