

2010 Corporate Responsibility Report  
and Public Accountability Statement



**The corporate responsibility report is a relatively new concept. But corporate responsibility is not. For nearly two centuries, BMO has been consulting with our customers and communities to ensure every area of our business has a positive impact. Communications have evolved, but this vital dialogue remains the same.**

**BMO Financial Group is now carbon neutral relative to energy consumption and transportation emissions – worldwide. We made this commitment two years ago and delivered on schedule. It’s a milestone for our company.**



At BMO, we know we are stewards of the principles laid down when this company was founded – principles that form the basis of a 193-year record of sustainability in North America that predates Canada itself.

Two centuries ago, we would have chosen different words to describe the right way to do business; however, satisfying customers, developing employees, economic sustainability and supporting communities were as much then as they are today intrinsic to our bank.

Our predecessors would have been astounded by the wind turbine technology you’ll find reported on these pages and awed by the challenge of global warming that led to its development - yet they would have absolutely understood why we supported it.

Whether in 1817 or in 2011 responsibility begins with the way we conduct business. It is at the core of what we do and our reputation is continuously reinforced by our actions.

### **How we do what we do**

The cornerstone of this business is still trust. How we go about doing what we do matters.

As a company, we strive to do the right thing - always. Our standards for ethics and transparency are two principles we can not and do not compromise. Our customers care deeply about these things and our reputation in the marketplace directly reflects the trust they place in us. It gives us the right to ask for their business.

Our business is banking and BMO’s commitment to delivering great customer experiences is founded on a simple idea: Helping our customers succeed. Our objective to make money make sense begins with listening. Every day, BMO works with customers to guide financial decision-making and help them control spending, grow savings, borrow smartly and invest wisely.

And as we do, the ultimate measure of corporate responsibility, for us, is the ability to say with confidence that what we do leads directly to positive outcomes for not only individual stakeholders but also society as a whole.

These positive outcomes boil down to some strikingly simple questions: Is it in the best interests of the customer? Is it socially responsible? Does it create economic value? And, is it sustainable?

### **We all benefit**

There’s a rewarding, almost unavoidable interdependency across the triple bottom line of corporate responsibility. Positive social, environmental and economic outcomes usually flow from the same investment. When we support, for example, the wind turbine technology program at Alberta’s Lethbridge College, we combine the social impact of creating green career opportunities with the environmental impact of exploring alternative energy sources. And to that we add the economic impact of helping an emerging industry gain momentum, both locally and across the continent.

BMO is now carbon neutral worldwide relative to energy consumption and transportation emissions - the energy we consume across the company for heating, cooling, electricity and transportation.

This is important to our customers, communities and shareholders, and perhaps most important to the 38,000 of us at BMO who gladly made many small changes to daily habits to help get us there.

It’s just one of the many ways we foster an environment that creates opportunities for employees and where change can be viewed positively. We’re helping employees develop in their careers and as individuals, too. Our commitment to responsibility begins with them.

For a bank, of course, social impact often has a financial dimension. If we launch services tailored to the needs of newcomers from abroad, or if BMO and its employees donate to agencies that are

improving community life in disadvantaged urban areas - as we're doing in Chicago, Toronto and every major city where we operate - we're not only helping open doors for the people who participate in these initiatives, we're broadening our talent and customer pool.

As we began preparing this year's Corporate Responsibility Report, we once again asked ourselves a fundamental question: We're working to make BMO more sustainable - are we there yet? For BMO, the pursuit of sustainability will never end. We will continue to evolve as the world evolves around us, doing our part. You'll find many more examples of this work in progress in the following pages.

Being a for-profit company should not mean we are simply here to maximize profit. Great companies care. In fact, to serve customers well, a company has to care about the same things its customers believe are important. We do. And perhaps, above all else, employees have to be proud of their company. We are.

In fact, this year 30,679 employees participated in the bank's Annual Employee Survey and 87% responded that they are proud to work for BMO.

We all expect more of businesses than ever before. And as we all set higher standards and apply closer scrutiny, what we are all really looking for comes down to one key element: Responsibility.

Social, economic and environmental responsibility is not a matter of compliance. It's what market leaders have always done - act responsibly to achieve sustainable positive results.

**For nearly 200 years, where we've been the most closely connected to the community is where we've been most successful. As we move forward, our communities - old and new - can be assured we will continue to be a strong and active presence.**

People want to see that institutions are actively striving to meet and exceed their highest expectations. We hope the pages of this report show you we are.

If you'd like to get to know us a little better, come in and speak to any one of our 38,000 employees. It would be our privilege to serve you.



**Bill Downe**  
President and Chief Executive Officer

## Who we are

Established in 1817 and headquartered in Canada, BMO Financial Group serves 11 million personal, commercial, corporate and institutional customers in North America and internationally. Our operating groups - Personal and Commercial Banking, BMO Bank of Montreal in Canada and Harris in the United States; Private Client Group, our wealth management business; and BMO Capital Markets - share one vision: to be the bank that defines great customer experience.

Bank of Montreal uses a unified branding approach that links all of the organization's member companies. Bank of Montreal, together with its subsidiaries, is known as BMO Financial Group. As such, in this document, the names BMO and BMO Financial Group mean Bank of Montreal together with its subsidiaries.

## Scope

The information in this report covers our North American activities as at October 31, 2010, unless otherwise stated.

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# Defining responsibility

BMO's approach to responsibility balances multiple goals: delivering value to customers; creating opportunities for employees; increasing rewards for shareholders; enhancing the well-being of communities where we do business; and integrating respect for the environment into our growth strategies.

Our commitment to corporate responsibility and our pursuit of sustainability are reflected in every facet of our organization: our core values, governance structure, codes of conduct, business policies and practices, community engagement and affiliations. The common foundation on which we build all responsibility initiatives is trust – the mutual trust that we work to establish with our various stakeholders and that we maintain by upholding the highest standards of ethics, transparency and good governance.

The mandate of BMO's Corporate Responsibility and Sustainability Group is to identify sustainability challenges and foster collaboration across the bank to address them. It is closely aligned with the Environmental Sustainability Group, whose role is to help reduce BMO's impact on the environment. In addition, an executive-level Sustainability Council provides a forum for discussing sustainability issues.

## Recognized for responsibility

BMO has been recognized for our corporate responsibility performance:

- Dow Jones Sustainability North America Index
- Jantzi Social Index
- FTSE4Good Series Index
- 50 Most Socially Responsible Corporations in Canada 2010 (Jantzi/Maclean's)
- Best 50 Corporate Citizens (*Corporate Knights* magazine, 2003-2010)

## Our reporting framework

As in previous years, the content of this report was developed according to the Global Reporting Initiative (GRI) 2006 Sustainability Reporting Guidelines (G3) and the GRI Financial Services Sector Supplement. We are self-declaring an Application Level B this year. The full index of GRI indicators is available on our website. We sought external feedback on our 2009 report. Among the resulting recommendations was that we provide more detail on BMO's key stakeholders and their primary areas of concern. The result is the table on stakeholder engagement that appears on page 6.

## How we report on corporate responsibility



**2010 Corporate Responsibility Report and Public Accountability Statement**

[www.bmo.com/corporateresponsibility](http://www.bmo.com/corporateresponsibility)



**Corporate Responsibility website**

[www.bmo.com/corporateresponsibility](http://www.bmo.com/corporateresponsibility)



**Annual Report 2010**

[www.bmo.com/annualreport](http://www.bmo.com/annualreport)

Our vision

**To be the bank that defines great customer experience.**

Our values

**Take Pride**

In what we do and where we work

**Keep Your Word**

Never waver from our commitments to our customers and each other

**Embrace Diversity**

Gain strength through our people and our perspectives

**Do the Right Thing**

Demonstrate respect for all and earn trust through the integrity of our actions

**Have the Courage to Win**

Focus on what makes us successful

# Governance and ethics

The cornerstone of our business is trust. We earn the confidence of BMO's stakeholders in two key ways: by applying the highest standards of corporate governance to ensure honesty, fairness and integrity; and by adhering to a strict code of business conduct and ethics that guides everything we do.

## Governance practices

- We uphold high standards of corporate governance that reflect not only applicable legal and regulatory requirements but also emerging best practices.
- Our corporate governance practices meet or exceed applicable Canadian and U.S. stock exchange and regulatory rules.
- We continue to monitor regulatory changes and best practices in corporate governance and will consider amendments to our governance practices as appropriate.

## Upholding *FirstPrinciples*

The values that provide the foundation for BMO's governance framework are outlined in our code of business conduct and ethics, *FirstPrinciples*. All of our directors, officers and employees of the bank must sign an annual declaration confirming that they understand and observe this code. Individual completion of these declarations is centrally tracked and monitored. We also share *FirstPrinciples* with our major suppliers and expect them to uphold the same high standards.

In 2010, as part of the ongoing refinement of BMO's governance practices and policies, a "plain language" version of *FirstPrinciples* was submitted to the board's Audit Committee. To further enhance internal communications around our ethical code, a dedicated website is being developed. In addition, we have policies related to corruption, conflict of interest and outside business activities, as well as personal trading in securities.



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[www.bmo.com/codeofconduct](http://www.bmo.com/codeofconduct)

## No significant breaches

In accordance with *FirstPrinciples*, all BMO employees must immediately report concerns related to potential breaches of any laws or regulations, or of our code of business conduct and ethics. No significant breaches were identified or reported during 2010. The BMO Ombudsman's Office received reports concerning managers' handling of staff, potential conflicts of interest and miscellaneous issues. There were no reports related to accounting, financial reporting or auditing. Employees who raise concerns can do so confidentially and anonymously, and are protected against retaliation.

## Governance Practices

### 1. BOARD STRUCTURE

- Our board is designed to provide optimal breadth and diversity of experience and effective decision-making
- Responsibilities are defined by our board's mandate and our Board Approval/Oversight Guidelines
- We have adopted written position descriptions for each of the Chairman of the Board, committee chairs and directors

### 2. INDEPENDENCE

- All nominees standing for election at the Annual Meeting of Shareholders are "independent" within the meaning of the relevant CSA rules and U.S. laws and standards and are "unaffiliated" under the *Bank Act*, except William Downe, the bank's President and CEO
- The independent Chairman of the Board allows the board to operate independently of management and provides directors with an independent leadership contact

### 3. ORIENTATION AND CONTINUING EDUCATION

- One-on-one meetings with the heads of each of the bank's principal business groups enable new directors to learn about our various functions and activities
- The annual strategy session enables directors to gain a fuller appreciation of planning, priorities and progress being made in relation to the bank's strategic plans

### 4. ETHICAL BUSINESS CONDUCT

- The board believes that providing a forum for employees and officers to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct

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## Preventing money laundering and terrorism

BMO's commitment to economic responsibility includes working actively – both within the bank and in cooperation with legal and regulatory authorities around the world – to prevent the use of our enterprise for money laundering and terrorist financing activities. Beyond protecting the bank's reputation, we have a broader responsibility to society at large. Helping to protect our communities - the places we live and work - is a duty we are proud to perform. We will not knowingly conduct business with individuals, entities or governments that are attempting to use the bank's legitimate services to disguise money earned illegally. Nor will we knowingly conduct any type of business related to property owned by, or on behalf of, a terrorist group. We adhere to widely endorsed international sanctions that restrict the provision of services to certain individuals, entities and countries in accordance with government regulations.

BMO has a Chief Anti-Money Laundering Officer who oversees these efforts. We systematically monitor account activity and report to the appropriate authorities the existence of any property in the bank's control (including accounts) that we believe to be owned or controlled by terrorist groups. We also have a comprehensive, mandatory training program to assist employees in early detection and understanding the legal requirements of current anti-money laundering regulations.

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## New anti-corruption policy

BMO's new corporate anti-corruption policy provides clear guidance on avoiding corrupt practices such as improper payments and preferential treatment. The policy also outlines our full responsibilities under the law and stresses the importance of being vigilant in reporting any questionable activities. Beginning in 2011, all employees will be required to complete an anti-corruption training module as part of our Ethics and Legal Compliance Learning Program.

## Ensuring compliance

BMO maintains formal policies and processes with respect to legal and regulatory compliance in all jurisdictions where the bank or our subsidiaries or affiliates conduct business. The Chief Compliance Officer delivers regular reports to the Audit Committee of the board on issues and regulatory trends related to our compliance framework.



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## Corporate governance excellence

BMO ranked fourth overall among 187 Canadian companies in the Report on Business Board Games 2010, an annual review of corporate governance practices conducted by *The Globe and Mail*. The survey evaluates board composition, compensation, shareholder rights and disclosure practices.

### 5. DIRECTORS – NOMINATION, TENURE, ASSESSMENT AND COMPENSATION

- We have adopted a majority voting policy for director elections
- Shareholders vote for individual directors – not a slate of candidates
- Directors must tender their resignation if they fail to receive a majority of shareholder votes or fail to attend 75% of meetings
- Results used to recommend mix of directors, improvements and continuing education opportunities
- Individual directors evaluate not only the board and its committees, but also each other
- Non-executive directors are required to hold the equivalent of six times their annual retainer in either Common Shares or Deferred Share Units

#### Assessment of the board

- The Governance and Nominating Committee uses a variety of methods to assess the board and its members

### 6. COMMITTEES OF THE BOARD


- The board has four committees, consisting entirely of independent members
- The roles and responsibilities of each committee are set out in formal written charters, the full texts of which can be found on our website

### 7. COMMUNICATIONS AND SHAREHOLDER ENGAGEMENT

- Disclosure Committee is responsible for the timely public release of material information relating to the bank
- Internal controls and procedures ensure material information is effectively communicated internally
- A Shareholder Engagement Policy that promotes open dialogue and the exchange of ideas with the bank's shareholders

# Stakeholder engagement

BMO engages regularly with a wide range of stakeholders as we work to identify key issues affecting sustainability in all of its dimensions – social, environmental and economic. The valuable insights provided by these diverse groups guide us in better managing our business to meet their needs.

 <b>Our responsibilities to stakeholders</b>	
<b>Customers</b>	<ul style="list-style-type: none"> <li>• <b>Satisfaction:</b> Our vision, defining great customer experience, means we work to exceed customers' highest expectations.</li> <li>• <b>Trust:</b> Build customer relationships based on reciprocal trust, honesty, integrity, open dialogue and mutual respect.</li> <li>• <b>Access:</b> Provide convenient access to banking services wherever our customers live and regardless of differences in abilities.</li> <li>• <b>Products:</b> Provide financial products and services that address our customers' needs at every stage in their lives.</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• <b>Investment:</b> Through donations and sponsorships, seek opportunities to support initiatives that improve the quality of life in communities where we live, work and do business.</li> <li>• <b>Support:</b> Maintain our commitment to supporting BMO employees' involvement as volunteers and donors in charitable campaigns and programs.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• <b>Talent:</b> Cultivate an environment where all employees are encouraged to explore their potential and contribute to their fullest – and where strong performance is rewarded.</li> <li>• <b>Leadership:</b> Develop current and future leaders' capabilities at key stages in their careers, using a consistent leadership framework across all lines of business.</li> <li>• <b>Inclusion:</b> Promote an open and supportive workplace, and insist on diversity, equity and inclusion in every area of the organization.</li> <li>• <b>Well-being:</b> Foster an environment that creates opportunities for employees, where change can be viewed positively and feedback is frequently sought. Advocate work-life effectiveness and other approaches that provide flexibility to employees, with managers committed to providing coaching and guidance.</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• <b>Performance:</b> Maximize returns to investors with sustainable improvements in performance achieved through effective growth strategies and sound fiscal management.</li> <li>• <b>Governance:</b> Maintain responsible, rigorously ethical and fully accountable corporate governance standards and practices.</li> <li>• <b>Transparency:</b> Provide financial disclosure and environmental, social and governance information that is clear, comprehensive and meaningful to all shareholders.</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>• <b>Compliance:</b> Remain compliant with all relevant laws and government regulations in the countries where we operate.</li> </ul>
<b>Non-governmental organizations (NGOs)</b>	<ul style="list-style-type: none"> <li>• <b>Responsibility:</b> Address concerns raised by various NGOs by maintaining responsible lending practices and considering the environmental and social impacts of our business decisions.</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• <b>Fairness:</b> Strive to ensure equity in the selection and management of all vendors supplying goods and services to BMO.</li> </ul>

## 188,200

BMO conducted 188,200 customer loyalty surveys in North America in 2010.

## \$12.7 million

BMO employees raised a record \$12.7 million in 2010 for local charities and United Way.

## 96%

96% of BMO employees said they understand how their role contributes to achieving our vision of being the bank that defines great customer experience.

## 109

Individual investor meetings and 22 group meetings were conducted in 2010.

## 30,679

Employees participated in BMO's Annual Employee Survey.

*Sources of stakeholder input:* Customer insight and focus groups; employee surveys and forums; investor meetings and feedback; ongoing dialogue with community partners, government representatives, NGOs and suppliers.





# SOCIAL

**At BMO we measure the value of what we achieve beyond dollars and cents – by its impact on the people whose needs, goals and high expectations shape everything we do: our customers, our communities and our employees.**



# Satisfying customers



BMO's commitment to delivering great customer experiences is founded on a simple idea: helping our customers succeed. Exceeding customers' expectations can be challenging ... but that's why we're in business.

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## Promoting financial literacy

Our mission to make money make sense begins with listening. Every day, BMO works with customers, guiding financial decision-making and instilling confidence. We provide a wide range of complimentary tools designed to help customers get a better handle on their current finances and future planning. In 2010 we added a student component to our popular BMO SmartSteps program, which offers guidance on how to control spending, balance savings, borrow smartly and invest wisely. We also introduced BMO SmartSteps for Business and offered further support through free articles and podcasts. And we launched BMO MoneyLogic, a flexible online tool that simplifies personal financial management.

In markets in the United States, Harris Helpful Steps provides similar services, supporting customers as they try to better manage their finances today while planning for the long term – and preparing for the unexpected. Harris also promotes financial literacy through workshops on banking basics, credit counselling, seminars for first-time homebuyers, money management programs for schoolchildren and technical advice for public sector and not-for-profit organizations.

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## Products and services to meet unique needs

**Younger customers:** BMO offers a range of free and discounted services for youths and students. We are the only Canadian bank to extend this offer to recent graduates, through our Plus Plan.

**Age-neutral lending:** In assessing mortgage and loan applications, BMO applies the same criteria for all customers, regardless of age.

**Affordable banking:** Our six banking plans include the economical Practical Plan for basic everyday banking. We are the only Canadian bank that offers multiple personal accounts at no extra charge within every single-fee plan. For customers on extremely tight budgets, BMO also offers a pay-as-you-go account with no monthly fee.

## Sharing our expertise virtually everywhere

BMO customers expect to get the best possible guidance and advice, whether they live in smaller rural communities or larger urban centres. So in 2010, we launched a new program called Virtual Advisor, which uses advanced communications technology to connect financial, investment and business advisors with remote branches located far from their offices. After a successful pilot on Manitoulin Island, the program was extended to 40 branches across Canada by the end of the calendar year.

Virtual Advisor helps ensure that all BMO customers have the same access to our expertise.

# 1 million

BMO provided free banking services to nearly 1 million customers aged 60 and older in 2010.

In the United States, Harris offers the Home Affordable Refinancing Program to help customers with Fannie Mae and Freddie Mac loans avoid foreclosures, and to offer economical refinancing options for Harris first mortgages.

BMO's AgriInvest Account was launched in July 2010 with a market-leading interest rate. This account helps Canadian farmers build savings more quickly and puts them in a better position to weather the ups and downs unique to this industry.

In July 2010 BMO announced the Financial Flood Relief Program to help our Prairie customers address cash flow challenges created by flooding in Western Canada. The program allows BMO customers to apply for principal payment deferrals and waives new loan application or renewal fees. BMO was the only Canadian bank to offer a flood relief program in 2010.



#### Getting started with savings

Our Premium Rate Savings Account is a great choice for customers who want to put money away, automatically, for free. The account enables customers to set up a free recurring transfer from a BMO chequing account.

## Making accessibility a nationwide priority

BMO is committed to making our facilities and services accessible to people of all abilities. We've adopted the five universal standards of the *Accessibility for Ontarians with Disabilities Act*, landmark legislation enacted by Ontario's provincial government in 2005 and now being phased in. By January 2012 we expect to be in compliance with the initial customer service standard – not only in Ontario, but at all BMO locations across Canada.



#### Get the full story online:

[www.bmo.com/accessibility](http://www.bmo.com/accessibility)



## Customer profile: celebrating success

**Medina Mayes** of Nanaimo, B.C., has gone from being unemployed in a tough economy to launching a specialty bakeshop called A Wee Cupcakery. With a lot of hard work – and a bit of help from BMO – she's realizing her entrepreneurial dream.

**The vision:** Making cakes and pastries has been Medina's passion since childhood. She enrolled in an accredited baking program at Malaspina (now Vancouver Island) University, but after graduation found there were few local opportunities in baking and had to settle for other work. Then, finding herself laid off and unsure what to do next, she realized that what she really wanted was to open her own bakery.

Medina signed up for a federally funded program that helps Employment

Insurance recipients launch their own ventures. In a two-week "boot camp," budding entrepreneurs learn all the steps that go into creating a viable business plan.

**Getting advice:** As Medina began developing her plan, she turned to Mary Manhas, Small Business Banker, BMO. BMO has been the Mayes family's bank since the 1970s. "Mary was part of my support team," Medina recalls. "Anytime I had a question, I could call or email her and get a quick response." When the new venture was ready to roll, Mary helped Medina set up a business bank account, a card payment system and a line of credit. Two months later, Nanaimo's first cupcake shop opened its doors.

**Success:** A Wee Cupcakery was an instant hit. "Since opening day, when I took Medina flowers and bought cupcakes for the branch, business has been booming," says Mary Manhas. "I'm proud to be her



Medina Mayes behind the counter at her bakeshop, A Wee Cupcakery.

trusted advisor." But for the young entrepreneur, the support goes beyond banking: "It's pretty scary starting your own business. I trust Mary because I know she has my best interests at heart. I consider her my friend, not just my financial advisor. I've been able to turn my dream into a reality, and it's completely changed my life."

## Supporting newcomers

BMO offers special products and services to recent immigrants, recognizing the vital contribution they make to North America's economic prosperity and cultural diversity – and to our own business growth. We understand their unique challenges, such as the absence of searchable credit histories, and are constantly seeking innovative ways to help meet their financial needs.

Our Newcomers to Canada program includes a welcome package that offers free banking for a year, a complimentary safety deposit box, bonus investment interest and AIR MILES reward miles. This multi-language program is available to any customer who obtained Canadian landed immigrant status in the previous three years. Our Newcomers to Canada web page lists banking services available to both prospective and recently arrived immigrants.

This program reflects a broader commitment at BMO to engage actively with newcomers, whether we're sponsoring multicultural networking and educational events or simply working to ensure clear communications by making sure our front-line teams reflect the cultural communities they work in. We provide Chinese language options at our ABMs, in our customer contact centre and on our website (which also includes Korean and Punjabi glossaries).



**Get the full story online:**

[www.bmo.com/newcomers](http://www.bmo.com/newcomers)

## Connecting with Aboriginal customers

Last year, the volume of our annual business with Aboriginal customers grew to nearly \$1.7 billion.

A total of 50 communities participate in our BMO On-Reserve Housing Loan Program, an initiative that helps customers living on reserve lands – which cannot be used as security for mortgages – obtain home financing with the backing of First Nations governments, without the need for federal government guarantees.

BMO is a founding member of the Canadian Council for Aboriginal Business (CCAB), which works to facilitate Aboriginal peoples' participation in the Canadian economy. In 2010, we received our third CCAB gold Progressive Aboriginal Relations (PAR) award for driving community economic development. We are the only Canadian bank to have received this award. BMO is also a sponsoring member of the Aboriginal Financial Officers Association of Canada, which provides education programs for individuals in Aboriginal financial management. Our support helps Community Financial Officers develop expertise.

## Becoming leaders in customer experience

In 2010, BMO's leadership development focused on Turning Potential into Performance as we continued mapping out strategies for helping employees deliver great customer experiences.

More than 5,600 front-line employees and leaders across North America have completed Customer Conversations training focused on having holistic conversations to understand customers' underlying financial needs, and offering appropriate guidance for customers' to meet short- and long-term financial goals.



## Promoting financial literacy

Harris partners with a wide range of organizations to promote financial literacy and regularly sponsors events at its branches and in the community. In 2010, Harris hosted or participated in 490 seminars, drawing more than 18,000 attendees to sessions on everything from mortgages and foreclosure prevention to basic financial management for students, consumers and small business owners.

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## Helping Canadians manage debt

Ensuring our customers maintain manageable levels of debt is important. To protect our customers from over-indebtedness, BMO regularly monitors open revolving lines of credit, and we check the credit status of all customers on a quarterly basis. We will proactively decrease the limit on a credit card or other unsecured product if we conclude that the customer may be finding the current outstanding balance difficult to manage. For those who are unable to qualify for credit cards, we offer a prepaid MasterCard that can be used for travel and other special purposes; this product enables customers to demonstrate responsibility as they work to establish creditworthiness.

In April 2010, the Government of Canada introduced new regulations related to mortgage financing to protect homebuyers from over-indebtedness. BMO has taken these requirements a step further, reducing the maximum amortization period for our mortgages from 35 to 25 years. A shorter amortization generates more realistic monthly payments and also saves borrowers a substantial amount of interest over the long term.

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## Measuring satisfaction

To constantly evaluate where we stand in the eyes of our customers, BMO maintains a steady focus on our Net Promoter Score. This critical loyalty indicator – generated from anonymous survey responses that are compared to results for our competitors – measures the likelihood that customers would recommend their financial institution to others. The indicator is calculated for various customer segments, in Canada and the United States.

These indicators help us set quantifiable targets for evaluating and improving customer satisfaction. And there will always be areas where we can improve. Our satisfaction indicators help to pinpoint exactly where such opportunities may be – and where even a highly successful customer strategy, such as the one we introduced in 2007, can get even better.

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## Keeping information private and secure

As a bank, privacy is at the core of what we do. Our reputation is continuously reinforced by our actions. Customers care deeply about the privacy of their personal and financial information, and the strength of our reputation in the market directly reflects the trust they place in us. Respecting and protecting the privacy of our customers' information is a standard we work to constantly. Under the guidance of the Bank's Chief Privacy Officer, measures to mitigate privacy risk are integrated into the development of all new products, processes and technologies.

The Privacy Office works with BMO's Information Management and Information Security departments to deliver internal education programs on the proper handling of personal and confidential information. We have rigorous policies and processes in place to monitor the effectiveness of current practices and respond quickly to any external threats or other privacy-related incidents.

## Take charge of your retirement

BMO's Take Charge of Your Retirement program provides our customers with tools and information they need to manage retirement.



**For more information:**

[www.bmo.com/retirement](http://www.bmo.com/retirement)

## Resolving customers' concerns

In addressing customer complaints, BMO follows the voluntary commitments and codes of conduct established by members of Canada's financial services industry. If a dispute cannot be resolved either by branch staff or through escalation to the appropriate manager, a customer can appeal to the Office of the Ombudsman of BMO Financial Group, which is not involved in the day-to-day operations of the bank. A customer who is not satisfied with our Ombudsman's response can pursue the matter further by contacting the Ombudsman for Banking Services and Investments or other recognized third-party dispute resolution forms for an impartial and informal review. Any complaints regarding regulatory issues are forwarded to BMO's Compliance Group and may be referred to government regulators or securities commissions.

## 0 investigations required

No BMO customer complaint led to a full investigation and finding by the Office of the Privacy Commissioner of Canada in 2010.



# Supporting communities



BMO has a long tradition of community banking, dating back to our first hospital donation in 1835. Our communities – old and new – can be assured we will maintain a strong and active presence. It’s what our customers expect, and it’s what we expect of ourselves.

## Supporting employee activities

Employee support is the first pillar of BMO’s community commitment. We collaborate with our employees as they devote their time, energy and passion to giving back. That’s why we provide encouragement and opportunities to do charitable work during business hours. We also augment employees’ personal contributions through the Volunteer Grants Program and the Matching Gift Program for Higher Education, and we cover all of the administration costs of the BMO Employee Charitable Foundation.

Beyond the benefits to our communities, our support for employees’ efforts also has a positive impact on our organization. Through volunteer work, employees gain opportunities for personal growth, developing strength in leadership, team building and creative thinking. They can also use the skills they’ve gained at BMO to help advance the goals of charitable organizations. These positive experiences boost workplace morale, and help deepen engagement across BMO.



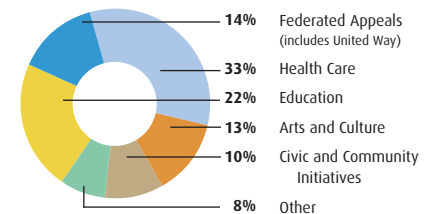
Ellen Costello, President and Chief Executive Officer, Personal and Commercial Banking U.S. and Harris Financial Corp. and a Williams Preparatory Academy Middle School student take a break from gardening at the United Way of Metropolitan Chicago’s 2010 campaign kickoff. Costello was United Way Campaign Chair in 2010.

## Corporate giving

The second pillar of BMO’s commitment to communities is our direct support for charitable initiatives through donations and sponsorship programs. BMO embraces and proudly supports the diversity of people’s social needs, ideas and interests. We therefore distribute our contributions over a broad range of initiatives, including education, health care, arts and culture, community development and sports and athletics.

In Canada, BMO donates only to non-profit organizations that are designated as registered charities by the Canada Revenue Agency. Funding requests are reviewed by our Corporate Donations Committee. In the United States, Harris has dedicated Community Affairs teams that coordinate corporate giving with local community organizations in the various geographical areas it serves. Sponsorships are selected based on community impact and social benefit.

## 2010 Corporate Donations



In 2010, BMO continued to be one of North America’s largest corporate donors, contributing a total of \$31 million to charitable and not-for-profit organizations in Canada and the United States.



Get the full story online:  
[www.bmo.com/donations](http://www.bmo.com/donations)

# 500 youth soccer teams

BMO proudly supports more than 500 soccer teams for young players across Canada as part of our commitment to “the beautiful game.” We also help elite young athletes reach BMO National Championships. And we sponsor Toronto FC and Vancouver Whitecaps FC professional teams, as well as Toronto’s premier soccer venue, BMO Field.

# \$448,996

In 2010 the Volunteer Grants Program contributed \$448,996 to charities and not-for-profit organizations supported by BMO employees. We also matched \$174,990 in donations made by employees, pensioners and directors through our Matching Gift Program for Higher Education.



Nadim Hirji, Vice President of Corporate Finance, Prairies, Robert Hayes, Senior Vice President of Prairies Division and 2010 Junior Reporter Winners, Shantal Smith and Daniel McClement.

## Addressing the challenges of poverty

Poverty is not simply an economic issue. It impacts public health, education, opportunities for youth, community stability – virtually every indicator of social well-being and prosperity. Over the past year, we’ve increased our efforts to help break the cycle of poverty, particularly in areas where the effects of the recent global downturn were felt most deeply.

In recent years, Toronto has seen its poverty gap widen more dramatically than other Canadian cities. To help reverse that trend, the United Way Toronto identified 13 neighbourhoods that lack public spaces and services for local residents – most of whom come from low-income and newcomer families. Now the agency is creating eight multi-service community hubs, one of which is funded by BMO. These facilities will improve access to social services, health care, settlement support, employment opportunities and various family services – with the overall goal of strengthening community connections by providing shared public spaces. BMO is proud to be the first corporation to support this initiative, helping to multiply the impact of public funding.

# \$76 million

As part of our commitment to the Community Reinvestment Act (CRA), Harris gave 54 community development loans in 2010, totalling over \$76 million. The CRA provides a framework for financial institutions, state and local governments, and community organizations to promote banking services to all members of a community, including residents of low- and moderate-income neighbourhoods.



## Community profile: expanding the perimeter

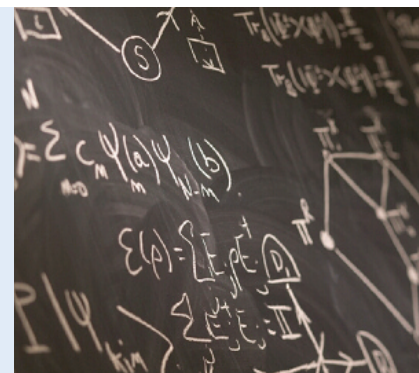
**Innovation** is a vital driver of prosperity in the global knowledge economy. BMO directs a significant portion of our annual corporate giving toward education and in 2010 we announced our largest single donation to date: \$4 million in funding for Perimeter Institute for Theoretical Physics.

**The institute:** Located in Waterloo, Ontario, Perimeter Institute was established in 2000 by Mike Lazaridis, founder and co-chief executive officer of Research in Motion. In its 10-year history, Perimeter Institute has become a highly regarded international centre of scientific inquiry. Renowned physicist Stephen Hawking holds a distinguished research

chair at the Institute and spent six weeks there in the summer of 2010.

**The donation:** BMO’s \$4 million in funding – the largest corporate donation ever received by Perimeter Institute – will be matched by \$4 million in private funds from the institute’s existing endowment, for a total of \$8 million. The funding will establish the BMO Financial Group Isaac Newton Chair in Theoretical Physics, the first of five chairs to be named for giants in physics and intended to attract some of the brightest minds in the field.

**BMO’s perspective:** “These research chairs will serve as a magnet for talent, bringing even more of the best theoretical physicists to Canada,” explained Bill Downe, BMO’s President and Chief Executive Officer. “The Institute’s thinkers can change our world by boldly pushing the boundaries of our current under-



standing of physical laws. We couldn’t be more proud of this association and hope that our unique investment will enhance innovation in Canada and encourage other private-sector donors to fund chairs at Perimeter Institute.”



# Developing employees



Our commitment to responsibility begins with employees. We create an environment where every employee is encouraged to explore their potential and contribute to the fullest – and where strong performance is rewarded. It's part of taking pride in where we work and what we do.

## Helping our people fulfill their potential

At BMO, our responsibility to our employees extends far beyond providing jobs. Our mandate is to open up new avenues in professional and personal development, helping people expand their horizons and discover exciting career possibilities. To deliver on our bold promise to customers, it's critical that we hire exceptional people, further strengthen their skills and help them achieve success today while steadily developing their future potential.

### Developing talent is a responsibility

In recent years, BMO has invested in developing our employees' career prospects more significantly and systematically than ever before. This accelerated talent development strategy is an expression of corporate responsibility: we are creating a culture in which talent is fostered and rewarded. Indeed, leaders across our organization are accountable for hiring, developing and retaining top performers who show the greatest potential for growth.

Ensuring we have the right person in every role can mean that recruitment and hiring take longer – and we believe that's an investment well worth making. Our commitment to talent development only deepens once a new hire is on board. Senior management across the organization conducts regular round-table sessions to identify talented employees. These individuals are then encouraged to develop through training programs that address specific gaps in expertise and through on-the-job opportunities that yield valuable experience. We also have an unlimited tuition reimbursement policy to support external education.

To bolster our talent strategy, BMO has introduced a number of leadership development initiatives, including:

- Leadership Programs - three programs support leaders' capabilities at key stages in their careers:
  - The Advanced Leadership Program, launched in 2008 and developed in conjunction with the Rotman School of Management at the University of Toronto, is aimed at the top 500 leaders identified in our talent assessment process.
  - The Leader Development Program, launched in 2010, focuses on core leadership and management skills for new leaders.
  - The Senior Leader Development Program, launching in 2011, focuses on the next stage of leaders' careers as they expand their management scope.



## Working in school

In Chicago's inner-city Near West Side neighbourhood, Harris employees provide tutoring and mentoring to students at George W. Tilton Elementary School in partnership with the not-for-profit organization Working in the Schools. More than 50 volunteers from Harris spend one lunch hour a week reading with young students and offering coaching to help them achieve their potential in the classroom.

**\$71.4 million**

BMO invested \$71.4 million in employee training in 2010.



- The Executive MBA Program – enabling employees who’ve been identified as future leaders to pursue an executive MBA at the university of their choice. This program is open to both Canadian and U.S. employees.
- The Career/Talent Advisory group – a new team that works with emerging leaders, providing career advice and 360° coaching feedback, as well as overseeing employees’ career development.

Moving forward, our focus will be on achieving a closer alignment between BMO’s talent management and diversity goals, as we work to eliminate any lingering barriers to advancement and ensure that all employees can develop their capabilities to the fullest.

## Committed to diversity

We work constantly to promote diversity, equity and inclusion in our organization. That long-standing commitment is embedded in our core values. It guides us as we recruit new employees, design their orientation programs and provide training and development to help them reach their full potential. Our focus is on creating a culture in which everyone has the opportunity to turn their potential into performance.

Hiring the best people from the broadest possible talent pool helps us better reflect our communities and achieve our vision to be the bank that defines great customer experience. To be bold in the marketplace, we must be distinctive in the workplace. BMO is enriched by this spectrum of cultural perspectives, reinforcing our profile as a flexible, responsive leader in an increasingly global industry.

The CEO’s Council on the Equitable Workplace, comprising senior executives from across the enterprise, reviews our progress toward achieving diversity objectives and ensures their alignment with our broader business strategies. The council is supported by diversity and affinity groups, and by the Aboriginal Networking Forum.

In the United States, affinity groups at Harris focus not only on career and professional development, but also on cultural awareness. Each of these groups runs a Heritage Month every year, hosting programs and performances to acquaint fellow employees with the sponsoring group’s culture. Affinity groups also work with Community Affairs to identify aligned organizations that members may want to support.

### Welcoming employees from abroad

For the past two years, BMO has been selected as one of the Best Employers for New Canadians. In 2010, we became the exclusive industry sponsor for ACCES Employment’s Speed Mentoring program, which helps new Canadian jobseekers develop networking skills and make connections through individual coaching sessions with senior leaders. To further assist new Canadians in breaking down barriers to employment, BMO sponsors community events and maintains relationships with several key community agencies.

At the branch level, BMO works with agencies such as the Newcomer Centre of Peel and the Centre for Information & Community Services (CICS) to conduct skill-building workshops for newcomers. We are the first bank to partner with the Chinese Professionals Association of Canada, launching an Affinity MasterCard program that gives newcomers the opportunity to establish credit so they can build a solid foundation in Canada. And our frontline managers and staff are very active in their communities - they are mentors and ambassadors for many local community associations, building relationships and providing coaching for new Canadians.

# 5.5 training days

Last year BMO employees spent an average of 5.5 days (per full-time equivalent employee) in training programs.

## Our training challenge

One of BMO’s biggest training challenges is teaching the fundamentals of management and leadership consistently across the organization when many of our businesses have different sales models and performance targets. Our leadership development programs are based on nine leadership capabilities that are BMO-specific and applied consistently across our businesses.

## Opportunities for students

BMO offers several internship programs for diverse students. For example, the BMO Financial Group/Lime Scholarship and Internship Program grants scholarships and paid summer internships to post-secondary students with disabilities. We also offer the Ron Jamieson Scholarship and Internship Program, which provides Aboriginal students with paid summer internships. Both programs help prepare students for potential future employment at BMO. We also support the University of Toronto National Scholarship Program featuring the Bank of Montreal National Scholarships, awarding 6-10 scholarships a year through the program.



**Get the full story online:**

[www.bmo.com/studentsandgraduates](http://www.bmo.com/studentsandgraduates)

### Training in ethics and compliance

In 2010, we enhanced BMO's training programs related to business ethics and legal compliance, our *FirstPrinciples* code of conduct, and our policies on money laundering, information security and privacy (see pages 4 and 5).

In 2011, the BMO *FirstPrinciples* learning program will be augmented to allow more in-depth evaluation of each employee's understanding of our ethical code. We will also be introducing enterprise-wide anti-corruption training and targeted learning modules on consumer banking regulations, authorized insurance activities and accessibility for customers.

# 100%

All BMO employees have received training in business ethics and legal compliance.

## Health, wellness and safety

We encourage our employees to be healthy and well, and we offer information, solutions and support to help them be productive on the job while caring for family members and meeting personal needs. LifeWorks is our comprehensive wellness program. We also offer programs in disability and finance, as well as our Employee Assistance Program and Occupational Health and Safety. Our focus on well-being and work-life effectiveness is good for employees, and it makes sound business sense. If we give employees the right support, they can focus on creating great customer experiences and driving value for shareholders.



Get the full story online:  
[www.bmo.com/wellbeing](http://www.bmo.com/wellbeing)

### Employee profile: talent on the move

**Fasih Masood** joined BMO five years ago and has advanced through two positions to his current role as Senior Strategy Consultant in our Technology and Operations group.

**Background:** In 2006 Fasih was working in Karachi, Pakistan, leading a team of 18 people in the IT division at the country's largest oil marketing company. "I was settled in my career," he recalls, "but I wanted to experience life in a developed country, and pursue higher education and an international career." He began thinking about a move to Canada. "Toronto seemed like the right place for me, because it's a financial and economic hub with cosmopolitan appeal and a great deal of cultural diversity. After speaking to relatives and friends who had emigrated, I knew that Canadians were open to internationally educated and trained individuals and had an understanding of the South Asian culture." Still, he had some concerns about his future career when he landed in Toronto in March 2006: "I had two suitcases and \$2,000 – my entire financial net worth – and a lot of dreams."

**Success:** BMO captured Fasih's interest because it provided opportunities to pursue a career in technology and broaden his business skills. After being shortlisted for a position at BMO in April 2006, he took the recruiter's helpful advice and applied for another position – and was hired in June 2006. Since then he has advanced quickly while also enriching his experience as a member of BMO's Diversity Council and a participant in two Junior Achievement programs, Diversity in Action and Economics of Staying in School. He has also given back to the community as a mentor with the Toronto Region Immigrant Employment Council and a volunteer with several groups such as the Heart & Stroke Foundation and United Way. He credits BMO with enabling him to get engaged in community development initiatives and projects.

**The future:** In 2009 Fasih completed the Managerial Leadership Learning Stream foundation level and in February 2011 he began working toward an MBA at Richard Ivey School of Business. He is also taking the Project Management Professional exam in 2011. Fasih points to BMO's emphasis on continuing education and personal development, as well as the



Fasih Masood, Senior Strategy Consultant, Technology and Operations, at his office in Toronto.

mentoring and coaching he's received from various managers and colleagues, with helping him make rapid progress along his career path: "There are opportunities here for everyone. If you have the right attitude, people are ready to help you achieve your goals."

BMO works hard to provide those opportunities. As Lynn Roger, Senior Vice-President, Talent Strategies and Executive Resourcing, Human Resources, says: "To be a true diversity leader means having an unwavering commitment to creating a workplace where every single person, regardless of their background or identity, has the opportunity to reach their full potential."



# ENVIRONMENTAL

**BMO's environmental goal is clear: to be a leader in sustainability by reducing energy consumption, cutting emissions and minimizing waste. Every success makes the world – and our business – a little better.**



# Environmental stewardship



In 2008, BMO set an ambitious goal: to achieve carbon neutrality within two years. We then stepped up our efforts to further reduce energy consumption and emissions from our buildings and business travel worldwide. And in 2010, we reached our target: BMO is now proudly carbon neutral.\*

## Working to a higher standard

When we set out to achieve carbon neutrality, we hoped to lead by example within our peer group and in the global corporate community. At the same time, we were deliberately raising the bar within our own organization, leveraging the passion and enthusiasm of our employees.

To achieve this ambitious sustainability target, we focused our efforts on initiatives that would significantly reduce our impact on the environment:

1. Reducing energy consumption from non-renewable sources within our facilities – principally electricity, as well as natural gas, heating oil and diesel.
2. Lowering carbon emissions associated with transportation – that is, all air and ground travel undertaken by employees for business purposes.

To measure BMO's progress in meeting these reduction goals, we used a greenhouse gas (GHG) inventory calculation tool that complies with recognized international standards. Using this mechanism, we regularly reviewed absolute emissions totals to evaluate progress. To ensure completeness and accuracy, an accredited third-party environmental consultant verified our emissions data.

On August 24, 2010, we announced that BMO had achieved enterprise-wide carbon neutrality through a combination of reduced energy consumption, and the purchase of renewable energy and high-quality voluntary carbon offset credits (see page 19, *Our three-point strategy for carbon neutrality*).

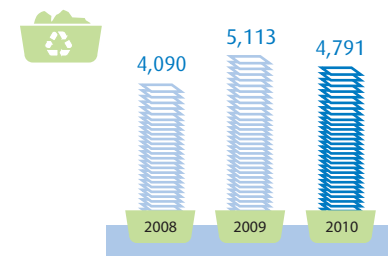
In September 2008 the bank had also committed to reducing absolute carbon emissions by 5% – in relation to the emissions baseline of the 2007 calendar year – by the end of fiscal 2010. Here, too, we've made tremendous progress. Preliminary analysis (completed as this report was being prepared for publication) indicates that we are on track to meet our target.

## Remote-controlled environments

In 2010, BMO worked with business units of United Technologies Corporation to create a system that allows cooling, heating, lighting, signage and security systems at 12 retail branches across Ontario to be remotely monitored and controlled from a central location. The innovative system is expected to yield reductions of 20% in electricity usage and 15% in natural gas consumption, as well as savings from lower operating costs and longer equipment life cycles.

## Paper shredding/recycling

(Canadian and U.S. operations, in tonnes)



\* Relative to energy consumption in our real estate facilities and travel by employees for business purposes.

## Our three-point strategy for achieving carbon neutrality

### 1. Reduce/limit emissions from transportation and energy use.

- BMO has focused on improving the energy efficiency of retail branches in Canada and the United States by conducting energy audits. Over the past two years 35% of all branch facilities (465 locations) have been reviewed and we are now in the process of implementing the recommended lighting and mechanical systems retrofits.
- We continue to build more sustainable facilities for LEED (Leadership in Energy and Environmental Design) certification. Four new branches in Canada and three in the United States have been certified or are awaiting certification under this rigorous standard.
- We've improved the fuel efficiency of BMO's service fleet: 60% of the fleet is now hybrid vehicles.

### 2. Purchase electricity from renewable energy sources.

Approximately 39% of BMO's total emissions footprint is offset by renewable energy purchases in the form of Renewable Energy Certificates.

- In Canada, we purchase nearly 24,000 MWh of energy from renewable sources annually for use in 160 facilities across the country.
- In the United States, Harris has a three-year agreement to purchase more than 91,000 MWh of energy from renewable sources – enough to power all of its facilities.

### 3. Purchase carbon credits to offset remaining emissions.

With our initial commitment of \$10 million over five years, BMO became one of the founding investors in the Greening Canada Fund, the first voluntary emissions reduction fund aimed exclusively at Canadian corporations. The fund provides direct access to high-quality carbon offset credits and helps support Canadian-based energy efficiency projects.

## How BMO achieved carbon neutrality\*

### Setting our goal

BMO announces its goal of achieving carbon neutrality relative to emissions from energy consumption and business transportation worldwide by the end of 2010.

### 1. Reduce/limit emissions from transportation and energy use.



### 2. Purchase electricity from renewable energy sources.

### 3. Purchase carbon credits to offset remaining emissions.

160,000 tCO<sub>2</sub>e\*\*

7,955 tonnes (5%)

62,845 tonnes (39%)

89,200 tonnes (56%)

0 tCO<sub>2</sub>e

\* Relative to energy consumption in our real estate facilities and travel by employees for business.

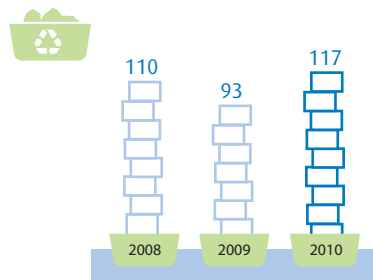
\*\* Tonnes of carbon dioxide equivalent.



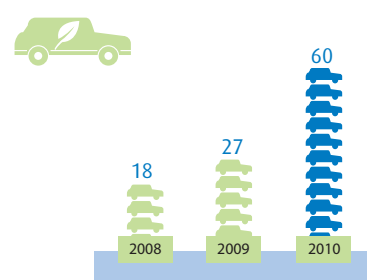
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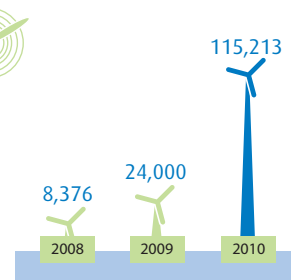
**Technology disposal program**  
(Canadian and U.S. operations, in tonnes)



**Hybrid vehicles in service fleet**  
(%, Canadian and U.S. operations)



**Renewable energy purchases**  
(Canadian and U.S. operations, in MWh)



**Sustainability profile:  
Growing green careers**

**Lethbridge College** in Alberta has partnered with BMO to establish a Green Careers Strategy within the school's recently launched Wind Energy Program. An initial investment of \$400,000 reflects our deep commitment to both education and sustainability.

**The school:** Lethbridge College has built a reputation as a centre for technological education and a leader in developing sustainable energy alternatives. Its innovations include the International Wind Energy Academy and the internationally recognized Wind Turbine Technician Training program. A related program now in development will focus on the micro-generation turbines used in residential and small business applications.

The Wind Energy Program is certified by the Education Centre for Renewable Energy (BZEE), the European organization that sets international standards for teacher training for wind power technicians. Graduates of the Lethbridge program will have the skills and accreditation they need to pursue employment prospects around the globe.



Workmen assemble the wind tower at Lethbridge College.

**Green careers:** The goal of the Green Careers Strategy is to build a future workforce for the emerging field of wind energy generation. In its initial phase, the strategy will help identify employment prospects for students in the school's current Wind Turbine Technician Training program. In the next phase, three more programs will be added: Wind Power Engineering, Wind Park Management and Leadership, and Wind Park Management and Environmental Assessment.

**The future:** In addition to preparing young people for careers in an emerging field, the Wind Energy Program will help attract and nurture new industry in southern Alberta while fostering innovation in the development of renewable energy sources. For BMO and Lethbridge College, it's a perfect opportunity to show how environmental and economic sustainability are inextricably linked.

## Our environmental commitment

- Continue to work on initiatives under our Clear Blue Skies environmental strategy. These include: footprint reduction; responsible lending and investment; green products; donations and sponsorships; and employee engagement.
- Maintain BMO's carbon-neutral status relative to energy consumption and transportation emissions, worldwide, from fiscal 2010 onward.
- Extend the scope of our carbon neutrality statement to include emissions from the use of refrigerants at bank-owned properties and emissions generated from waste sent to landfill.
- Continue to focus on the consumption reduction component of our three-point strategy, aiming to drive lasting emissions reductions and bottom-line cost savings while reducing the absolute quantity of carbon offset purchases.
- Conduct waste audits at owned facilities to establish baselines and then begin implementing waste reduction and diversion plans at all BMO facilities.
- Use technology (e.g. video/teleconferencing) to reduce travel.
- Reduce the consumption of paper throughout the organization.
- Water use, while not explicitly included among our BMO ECO<sup>5</sup> strategy elements, is another way we affect the environment. We've begun establishing consumption baselines at all BMO facilities to better assess where we can make improvements.
- Consider the environmental impact of our customers' activities when making lending decisions.

## Environmental awards and recognition

### Global 500 Carbon Performance Leadership Index (CPLI)

In September 2010, BMO was named to the Global 500 CPLI by the Carbon Disclosure Project, a not-for-profit organization that manages the world's largest database of primary corporate climate change information. BMO is the only Canadian-headquartered company included in the index, which recognizes companies that take action to reduce global GHG emissions and mitigate the risks of climate change.

### ISO 14001 Environmental Management Systems Certification

BMO's Institute for Learning achieved certification under ISO 14001, Environmental Management Systems, in 2010. This international standard sets strict requirements for corporate policies and procedures aimed at improving environmental performance. The Institute for Learning is the second BMO facility to receive this certification.

### EPA Green Power Leadership Awards

In 2010, Harris was one of only 10 organizations recognized by the U.S. Environmental Protection Agency for their contributions to the development of a nationwide voluntary green power market. Harris purchases more than 91,000 MWh of green power annually in the form of Renewable Energy Certificates.



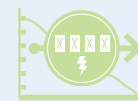
Get the full story online:  
[www.bmo.com/awards](http://www.bmo.com/awards)

# 11,097 trees saved

BMO switched to using minimum 30% recycled content fibre for all office paper purchases in September 2010. This will save 11,097 trees over the course of one year.

### BMO ECO<sup>5</sup> Strategy

Five programs address areas where BMO operations have a direct environmental impact:



Energy reduction and efficiency



Sustainable transport



Sustainable materials



Waste management



Sustainable procurement



# ECONOMIC

**As a financial institution, BMO is acutely aware that we cannot separate social and environmental impacts from economic ones. For us, sound fiscal management is the ultimate measure of responsibility.**





# Economic sustainability



As a leading North American financial institution, BMO's mandate is to finance opportunity, create wealth and maximize returns to our shareholders. At the same time, as a major business enterprise we play a vital role in sustaining overall economic prosperity for our customers, our employees and our communities.

## Sustaining well-managed performance

In 2010, BMO's financial and operating results reflected the ongoing success of our employees and their unwavering commitment to our customers. Performance in all key measures was up. Net income increased to \$2.8 billion, driven in large part by strong revenue growth of 10.4%. At the same time, return on equity (ROE) continued to improve, rising to 14.9%. And, continuing last year's momentum, one-year total shareholder return (TSR) was a robust 26.4%, well above comparable market indices in both the United States and Canada. BMO's one-year TSR has exceeded 20% in three of the past five years.

Fiscal 2010 was similarly characterized by significant achievements in each of BMO's operating groups. Their collective success resulted in pre-tax earnings before provisions for credit losses of \$4.6 billion – the highest in the bank's history. We also maintained our common share dividend, which provided a yield of 4.65%. BMO Financial Group has the longest-running dividend payout record – at 182 years – of any Canadian company.

These positive results demonstrate BMO's commitment to sound, principled management as we worked successfully to maintain financial strength and flexibility, manage impaired loans, capitalize on unique expansion opportunities and invest in future growth. Moreover, the achievements of 2010 were accomplished in a climate of dramatic change that included the introduction of additional G20 initiatives to stimulate growth; continued regulatory efforts to address systemic vulnerabilities and to develop new policies; the formulation of new Basel III regulatory capital rules; and active legislative agendas pursued by governments in both developed and emerging economies.

At BMO, we view these changes to the operating environment – and indeed all of the challenges that may lie ahead in a dynamic global economy – as further opportunities to ground our successful strategies on our fundamental commitment to managing our business responsibly.

# 13.45%

### Tier 1 Capital Ratio\*

The Tier 1 Capital Ratio increased from 12.24% in 2009, providing greater operational and strategic flexibility.

# 26.4%

### Total shareholder return (TSR)

BMO's one-year TSR in 2010 was 26.4%, providing an annual shareholder return in the top tier of our Canadian peer group – for the second consecutive year.

\* At October 31, 2010.



### Measuring our contribution

The following indicators measure additional aspects of BMO's economic contribution:

#### Taxes

**\$1,291 million**

BMO's tax payments help all levels of government in Canada provide the programs and services that benefit Canadians. In fiscal 2010, our overall tax contribution was \$1,291 million. This amount included \$948 million in income taxes, \$45 million in provincial capital taxes, \$143 million in Harmonized Sales Tax, GST and other sales taxes, \$137 million in payroll taxes (employer portion), \$14 million in property taxes and \$4 million in business and other sundry taxes (see *Taxes Paid or Payable in Canada*, page 26).

#### Employment

**38,000 employees**

BMO has 38,000 employees across the enterprise, providing millions of customers with a broad range of retail banking, wealth management and investment banking products and services.

#### Purchases

**\$2.0 billion**

In 2010, BMO spent a total of \$2.0 billion on goods and services in Canada.

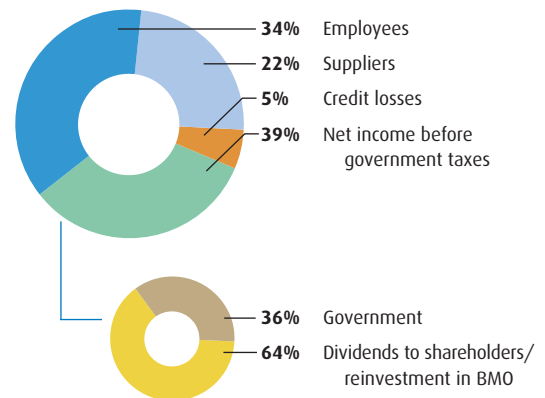
#### Donations and sponsorships

**\$54.3 million**

BMO contributed a total of \$54.3 million in donations, sponsorships and other support for charitable and not-for-profit organizations and programs in Canada and the United States.

### Distribution of revenues

The wealth created by BMO is widely shared. In 2010, our Canadian revenue was \$9,174 million. Of this amount, approximately 34% went to employee compensation, 22% went to suppliers and 5% went to our provision for credit losses. Of the remaining \$3,593 million, 36% went to governments in the form of income taxes and other levies and 64% was returned to our shareholders or reinvested in our company.



# Public accountability

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BMO Financial Group's 2010 Corporate Responsibility Report and Public Accountability Statement provides a full reporting of Bank of Montreal's contributions, and the contributions of the bank's affiliates with operations in Canada, to the Canadian economy and society. This satisfies the requirements of the Canadian federal government's Public Accountability Statement regulations (section 459.3(1) of the *Bank Act*) for Bank of Montreal. The following pages provide enterprise-wide information pertaining to our most recent fiscal year (November 1, 2009 to October 31, 2010).

## Affiliates

Bank of Montreal has included in this Public Accountability Statement the relevant activities of the following prescribed affiliates.

**BMO Capital Corporation, Toronto**

**BMO Harris Investment Management Inc., Toronto**

**BMO Investments Inc., Toronto**

**BMO InvestorLine Inc., Toronto**

**BMO Life Assurance Company, Toronto**

**BMO Life Insurance Company, Toronto**

**BMO Mortgage Corp., Kelowna**

**BMO Nesbitt Burns Inc., Toronto**

**BMO Nesbitt Burns Ltée, Montreal**

**BMO Private Equity (Canada) Inc., Toronto**

**BMO Trust Company, Toronto**

**BMO Asset Management Inc., Toronto**

## Bank of Montreal Mortgage Corporation 2010 Public Accountability Statement\*

Due to the specific nature of its activities, Bank of Montreal Mortgage Corporation (BMMC) provides the following information 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) through Bank of Montreal's retail branch network and other proprietary channels, where Bank of Montreal 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 13 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 26 of BMO Financial Group's 2010 Corporate Responsibility Report and Public Accountability Statement.

BMMC shares the community goals described in BMO Financial Group's 2010 Corporate Responsibility Report and 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 BMO Financial Group's 2010 Corporate Responsibility Report and Public Accountability Statement, and include, for example, participation in BMO Employee Charitable Foundation. BMO Financial Group's donations and sponsorships in Canada for the fiscal year ended October 31, 2010 totalled \$47.3 million, including \$24.2 million in charitable donations and \$23.1 million in community sponsorships.

As detailed in BMO Financial Group's 2010 Corporate Responsibility Report and 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.

\*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.

## Employment in Canada

Province or Territory	BMO (excluding BMO Nesbitt Burns)			BMO NESBITT BURNS			BMO FINANCIAL GROUP*		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
Newfoundland and Labrador	221	65	286	24	1	25	245	66	311
Prince Edward Island	44	14	58	12	-	12	56	14	70
Nova Scotia	358	96	454	73	2	75	431	98	529
New Brunswick	222	68	290	45	-	45	267	68	335
Quebec	3,727	949	4,676	352	24	376	4,079	973	5,052
Ontario	16,517	1,714	18,231	1,917	100	2,017	18,434	1,814	20,248
Manitoba	337	57	394	69	12	81	406	69	475
Saskatchewan	342	130	472	63	1	64	405	131	536
Alberta	1,871	406	2,277	327	18	345	2,198	424	2,622
British Columbia	2,182	661	2,843	282	33	315	2,464	694	3,158
Nunavut	-	-	-	-	-	-	-	-	-
Northwest Territories	23	1	24	-	-	-	23	1	24
Yukon	14	4	18	-	-	-	14	4	18
<b>TOTAL</b>	<b>25,858</b>	<b>4,165</b>	<b>30,023</b>	<b>3,164</b>	<b>191</b>	<b>3,355</b>	<b>29,022</b>	<b>4,356</b>	<b>33,378</b>

\* Figures include all employees of BMO Financial Group with a Canadian tax location as at October 31, 2010, including active employees on paid or unpaid leave, and permanent, casual and contract employees.

## Taxes Paid or Payable in Canada (\$ millions)

	Income taxes	Capital taxes	Other taxes
<b>FEDERAL</b>	<b>619.4</b>	<b>-</b>	<b>198.4</b>
<b>PROVINCIAL AND TERRITORIAL</b>			
Newfoundland and Labrador	2.3	3.9	1.4
Prince Edward Island	0.5	0.3	-
Nova Scotia	4.0	2.5	1.1
New Brunswick	2.8	1.1	0.2
Quebec	54.8	16.9	24.1
Ontario	199.7	13.5	65.7
Manitoba	2.9	2.7	1.1
Saskatchewan	2.9	1.3	0.3
Alberta	31.7	-	1.8
British Columbia	27.2	2.6	3.7
Nunavut	-	-	-
Northwest Territories	0.1	-	-
Yukon	0.1	-	-
<b>Total provincial and territorial</b>	<b>329.0</b>	<b>44.8</b>	<b>99.4</b>
<b>Total</b>	<b>948.4</b>	<b>44.8</b>	<b>297.8</b>
<b>Income and capital taxes</b>	<b>993.2</b>		
<b>TOTAL TAXES</b>	<b>1,291.0</b>		

BMO Financial Group is a major Canadian taxpayer. In fiscal 2010, our overall tax contribution was \$1,291 million. This amount included \$948 million in income taxes and \$45 million in provincial capital taxes. As well, we paid \$298 million in other taxes, including \$143 million in Harmonized Sales Tax, GST and other sales taxes, \$137 million in payroll taxes (employer portion), \$14 million in property taxes and \$4 million in business taxes and other sundry taxes.

## A note on branch closures

Outright closures of BMO retail branches are rare. The closing of a particular location is typically one step in a branch relocation process necessitated by local market conditions, changes in property lease arrangements or other factors. On those occasions when we decide that it is necessary to close a branch, we do so only after thoroughly considering the implications – for our customers, employees, shareholders and the local community – and ensuring that we are in compliance with all regulatory requirements.

## Branches Opened and Closed in Fiscal 2010

We adjust the BMO branch and ABM network on an ongoing basis to accommodate shifts in population, customer demand and market opportunities. At the end of 2010, BMO customers had access to 910 BMO Bank of Montreal branches as well as a network of 2,076 ABMs located across Canada.

### BMO Bank of Montreal Branches Opened during Fiscal 2010

Branch Name	Address	City/Province
Happy Valley-Goose Bay	215 Hamilton River Road	Happy Valley-Goose Bay, NL
Wellington & Bayview	668 Wellington Street East	Aurora, ON
City Place	26 Fort York Boulevard	Toronto, ON
Laird & Commercial	147 Laird Drive	Toronto, ON
Queen & Hambly	2072 Queen Street East	Toronto, ON
Steeles & Markham	6023 Steeles Avenue East	Toronto, ON
Rutherford & Dufferin	1621 Rutherford Road	Vaughan, ON
Belmont Town Centre	3003 - 137th Avenue NW	Edmonton, AB
Summerwood	4005 Clover Bar Road	Sherwood Park, AB
Lower Sumas Mountain	1920 North Parallel Road	Abbotsford, BC

Branch Name	Address	City/Province
Columbia Square	120 - 66 Tenth Street	New Westminster, BC
Lonsdale & Esplanade	101 - 100 East Esplanade	North Vancouver, BC
Morgan Crossing	15850 - 26th Avenue	Surrey, BC

### BMO Bank of Montreal Branches Closed or Consolidated during Fiscal 2010

Branch Name	Address	City/Province
St. Vital	850 Dakota Street	Winnipeg, MB
Aldergrove	27566 Fraser Highway	Aldergrove, BC
Atlin	3rd Street	Atlin, BC

## Automated Banking Machines Opened and Closed in Fiscal 2010

### ABMs Opened during Fiscal 2010

Location	Address	City/Province
Colemans Grocery Store	137 O'Connell Drive	Corner Brook, NL
Happy Valley-Goose Bay	215 Hamilton River Road	Happy Valley-Goose Bay, NL
Merrymeeting Road Sobeys	8 Merrymeeting Road	St. Johns, NL
University Avenue Sobeys	400 University Avenue	Charlottetown, PEI
Church Street Sobeys	151 Church Street	Antigonish, NS
Panavista Mall Sobeys	612 Highway 7 West	Dartmouth, NS
Fall River Sobeys	3290 Highway 2	Fall River, NS
CFB Greenwood Canex Supermart	14th Wing P.O. Box 1072	Greenwood, NS
DND Halifax Canex Express	2830 Admirals Way	Halifax, NS
Vaughn Harvey Boulevard Sobeys	55 Vaughn Harvey Boulevard	Moncton, NB
Riverview (2 ABMs)	418 Coverdale Road	Riverview, NB
Lachine (2 ABMs)	2650 Rue Victoria	Lachine, QC
Les Galeries Normandie	2856 Rue De Salaberry	Montreal, QC
Petro Canada Saint-Luc	235 Boulevard Saint-Luc	St-Jean-sur-Richelieu, QC
Wellington & Bayview (2 ABMs)	668 Wellington Street East	Aurora, ON
North Park Sobeys	930 North Park Drive	Bramalea, ON
CFB Kingston Canex	29 Niagara Park Road	Kingston, ON
Royal Military College	RMC Building 32 Yeo Hall	Kingston, ON
Markham & Bur Oak (2 ABMs)	9660 Markham Road	Markham, ON
Derry & McLaughlin (3 ABMs)	7050 Saint Barbara Boulevard	Mississauga, ON
Maple Grove Sobeys	511 Maple Grove Drive	Oakville, ON
Canadian Forces Support Unit	101 Colonel By Drive	Ottawa, ON
Lansdowne Place Mall (2 ABMs)	645 Lansdowne Street West	Peterborough, ON
Clark & Hilda Sobeys	441 Clark Avenue West	Thornhill, ON
Bedford & Bloor (2 ABMs)	1 Bedford Road	Toronto, ON
City Place (2 ABMs)	26 Fort York Boulevard	Toronto, ON
Denis Food Basics	853 Jane Street	Toronto, ON
Laird & Commercial (2 ABMs)	147 Laird Drive	Toronto, ON
Laird & Wicksteed Sobeys	147 Laird Drive	Toronto, ON
Queen & Hambly (2 ABMs)	2072 Queen Street East	Toronto, ON
Rosebury Square Sobeys	145 Marlee Avenue	Toronto, ON
Steeles & Markham (2 ABMs)	6023 Steeles Avenue East	Toronto, ON
Yonge & Tolman	5522 Yonge Street	Toronto, ON
Rutherford & Dufferin (2 ABMs)	1621 Rutherford Road	Vaughan, ON

Location	Address	City/Province
Aspen Landing Safeway	379 Aspen Glen Landing SW	Calgary, AB
London Place West	5249 Richmond Road SW	Calgary, AB
Stampede Park	1410 Olympic Way SE	Calgary, AB
CFB Cold Lake Express Mart	N A Building 167	Cold Lake, AB
Belmont (2 ABMs)	3003 - 137th Avenue NW	Edmonton, AB
Summerwood (2 ABMs)	4005 Clover Bar Road	Sherwood Park, AB
Abbotsford (3 ABMs)	32988 South Fraser Way	Abbotsford, BC
Lower Sumas Mountain (2 ABMs)	1920 North Parallel Road	Abbotsford, BC
Columbia Square (2 ABMs)	120 - 66 Tenth Street	New Westminster, BC
Lonsdale & Esplanade (2 ABMs)	101 - 100 East Esplanade	North Vancouver, BC
Lower Capilano	960 Marine Drive	North Vancouver, BC
Penticton Safeway	1301 Main Street	Penticton, BC
Morgan Crossing (2 ABMs)	15850 - 26th Avenue	Surrey, BC

**TOTAL ABMS INSTALLED: 68**

### ABMs Closed during Fiscal 2010

Location	Address	City/Province
Petro Canada Station	253 Commonwealth Avenue	Mount Pearl, NL
Cole Harbour Sobeys	2 Forest Hills Drive	Dartmouth, NS
Riverview (2 ABMs)	500 Coverdale Road	Riverview, NB
Lachine	998 Rue Notre Dame	Lachine, QC
Les Galeries Normandie	2680 Rue De Salaberry	Montreal, QC
St-Jean-sur-Richelieu	49 Rue Saint-Jacques	St-Jean-sur-Richelieu, QC
Heritage Plaza (2 ABMs)	5970 - 16th Avenue	Markham, ON
Meadowvale Village (2 ABMs)	735 Twain Avenue	Mississauga, ON
Lansdowne Place Mall	645 Lansdowne Street West	Peterborough, ON
Jane Park Plaza	885 Jane Street	Toronto, ON
St. George & Bloor (2 ABMs)	262 Bloor Street West	Toronto, ON
Yonge & Cummer	5925 Yonge Street	Toronto, ON
Health Sciences Centre	820 Sherbrook Street	Winnipeg, MB
Highfield District	4307 - 6th Street SE	Calgary, AB
Dickensfield Mall	9204 - 144th Avenue	Edmonton, AB
Abbotsford (2 ABMs)	33757 South Fraser Way	Abbotsford, BC
Lower Capilano	1120 Marine Drive	North Vancouver, BC

**TOTAL ABMS REMOVED: 22**

## Branches Relocated during Fiscal 2010

Branch Name	From:	To:
Riverview	500 Coverdale Road, Riverview, NB	418 Coverdale Road, Riverview, NB
Lachine	998 Rue Notre-Dame, Lachine, QC	2659 Rue Victoria, Lachine, QC
Les Galeries Normandie	2680 Rue de Salaberry, Montreal, QC	2856 Rue de Salaberry, Montreal, QC
Heritage Plaza	5970 – 16th Avenue, Markham, ON	9660 Highway 48, Markham, ON
Meadowvale Village	735 Twain Avenue, Mississauga, ON	7050 Saint Barbara Boulevard, Mississauga, ON
Lansdowne Place Mall	645 Lansdowne Street West, Peterborough, ON	645 Lansdowne Street West, Peterborough, ON
St. George & Bloor	262 Bloor Street West, Toronto, ON	1 Bedford Road, Toronto, ON
Yonge & Cummer	5925 Yonge Street, Toronto, ON	5522 Yonge Street, Toronto, ON
Abbotsford Main Office	33757 South Fraser Way, Abbotsford, BC	32988 South Fraser Way, Abbotsford, BC

## Business Debt Financing as at October 31, 2010 (authorized amounts in \$ millions)

Provinces & Territories		\$0 – \$24,999	\$25,000 – \$99,999	\$100,000 – \$249,999	\$250,000 – \$499,999	\$500,000 – \$999,999	\$1,000,000 – \$4,999,999	\$5,000,000 & Greater	TOTAL
<b>Newfoundland and Labrador</b>	Authorized Amount	10.6	27.6	45.4	64.3	89.4	214.7	319.4	771.4
	Number of Firms	1,777	607	296	185	128	108	21	3,122
<b>Prince Edward Island</b>	Authorized Amount	3.2	10.6	21.9	34.0	57.0	137.2	*	263.9
	Number of Firms	441	222	136	98	82	69	*	1,048
<b>Nova Scotia</b>	Authorized Amount	19.8	44.3	84.0	118.1	185.0	500.4	1,197.6	2,149.2
	Number of Firms	3,052	976	520	342	267	240	56	5,453
<b>New Brunswick</b>	Authorized Amount	14.4	36.9	68.6	88.4	141.8	340.0	986.4	1,676.5
	Number of Firms	2,061	805	436	252	205	171	19	3,949
<b>Quebec</b>	Authorized Amount	168.7	263.0	399.8	994.4	736.2	2,520.4	13,065.3	18,147.8
	Number of Firms	24,393	6,027	2,589	2,716	1,087	1,186	456	38,454
<b>Ontario</b>	Authorized Amount	353.8	622.9	1,073.8	1,399.8	1,909.1	5,837.5	37,901.6	49,098.5
	Number of Firms	56,176	14,016	6,956	4,068	2,847	2,759	1,124	87,946
<b>Manitoba</b>	Authorized Amount	22.0	46.9	55.6	76.7	108.7	463.2	1,597.4	2,370.5
	Number of Firms	3,093	1,084	360	221	156	205	64	5,183
<b>Saskatchewan</b>	Authorized Amount	36.2	112.6	140.5	162.7	177.8	392.0	1,351.2	2,373.0
	Number of Firms	4,852	2,479	904	462	262	197	51	9,207
<b>Alberta</b>	Authorized Amount	139.9	227.7	302.4	414.8	635.9	2,139.8	15,534.3	19,394.8
	Number of Firms	20,823	5,425	1,950	1,208	923	1,000	459	31,788
<b>British Columbia</b>	Authorized Amount	126.5	215.3	346.7	507.2	815.9	2,773.9	6,453.6	11,239.1
	Number of Firms	18,539	4,875	2,273	1,467	1,183	1,327	371	30,035
<b>Yukon</b>	Authorized Amount	1.3	2.4	5.6	6.4	**	**	**	15.7
	Number of Firms	192	54	36	17	**	**	**	299
<b>N.W.T./Nunavut</b>	Authorized Amount	0.7	1.7	2.5	***	***	***	***	4.9
	Number of Firms	134	36	15	***	***	***	***	185
<b>Total</b>	<b>Authorized Amount</b>	<b>897.1</b>	<b>1,611.9</b>	<b>2,546.8</b>	<b>3,866.7</b>	<b>4,856.8</b>	<b>15,319.1</b>	<b>78,406.8</b>	<b>107,505.2</b>
	<b>Number of Firms</b>	<b>135,533</b>	<b>36,606</b>	<b>16,471</b>	<b>11,036</b>	<b>7,140</b>	<b>7,262</b>	<b>2,621</b>	<b>216,669</b>

\* Client counts and authorizations for PEI have been added to NS data for the same dollar band to preserve confidentiality.

\*\* Client counts and authorizations for Yukon have been added to BC data for the same dollar band to preserve confidentiality.

\*\*\* Client counts and authorizations for N.W.T./Nunavut have been added to Alberta data for the same dollar band to preserve confidentiality.

The following are trademarks of Bank of Montreal or its subsidiaries:

**BMO, BMO and the M-bar roundel symbol, BMO Field, BMO MoneyLogic, BMO SmartSteps, Clear Blue Skies, Helpful Steps, Making Money Make Sense, Take Charge of Your Retirement, Virtual Advisor**

The following are trademarks of other parties:

**AIR MILES is a registered trademark of AIR MILES International Trading B.V.**

**MasterCard is a registered trademark of MasterCard International Incorporated**

# 2010 Performance Report

BMO recognizes the importance of providing clear, meaningful information on the key indicators relevant to our business and our stakeholders. Documenting our activities and strategic outcomes provides a summary of our sustainability performance over time and helps our organization assess our progress and our challenges.

	2010	2009	2008
<b>Social<sup>1</sup></b>			
<b>Customers</b>			
Number of customers receiving free banking services	1.46 million	1.37 million	1.39 million
Number of BMO Bank of Montreal branches	910	900	983
Number of automated banking machines	2,076	2,030	2,026
Percentage of branches accessible to individuals with disabilities	90%	90%	91%
Locations serving Aboriginal communities (number of communities)	13	11	15
Business with Aboriginal customers	\$1.7 billion	\$1.6 billion*	\$1.4 billion
On-reserve housing loans (number of communities)	50	44	36
Debt financing to business	\$108 billion	\$109 billion	\$127 billion
<b>Communities</b>			
Total donations and sponsorships	\$47.3 million	\$47.2 million	\$47.7 million
Contribution to federated charities	\$3.2 million	\$2.5 million	\$2.3 million
New commitments to hospitals	\$8.4 million	\$2.3 million	\$5.4 million
New commitments to higher learning	\$5.9 million	\$3.6 million	\$4.7 million
Donations to arts and culture	\$3.1 million	\$2.8 million	\$2.8 million
Sponsorships for sports and recreation	\$12.8 million	\$12.8 million	\$12.3 million
Contribution to BMO Volunteer Grants	\$449,000	\$450,000	\$532,000
Contribution to BMO Matching Gift Program for Higher Education	\$175,000	\$157,000	\$140,000
<b>Employees</b>			
Training days per employee	5.5	4.7	6.0
Total spent on employee training	\$71.4 million	\$59.7 million	\$68.8 million
Annual employee survey participation rate	85%	82%	82%
Women executives	34.5%	34.6%	34.5%
Visible minority employees	30.3%	29.2%	23.4%
Aboriginal employees	1.4%	1.4%	1.2%
Employees with disabilities	2.5%	2.7%	2.1%
<b>Environmental<sup>2</sup></b>			
Carbon emissions – owned/leased facilities (enterprise-wide)	144,855 tCO <sub>2</sub> e <sup>3</sup>	145,938 tCO <sub>2</sub> e	144,327 tCO <sub>2</sub> e
Carbon emissions – transportation for business purposes by employees <sup>4</sup>	15,145 tCO <sub>2</sub> e	13,202 tCO <sub>2</sub> e	17,057 tCO <sub>2</sub> e
Renewable energy purchased (Canada and United States) <sup>5</sup>	115,213 MWh	24,000 MWh	8,376 MWh
Office paper usage (Canada and United States)	1,913 tonnes	2,053 tonnes	2,337 tonnes
Total waste generated <sup>6</sup>	5,535 tonnes	6,407 tonnes	4,964 tonnes
Percentage of waste recycled <sup>6</sup>	96.1%	95.7%	95.2%
<b>Economic<sup>1</sup></b>			
Net income as reported (Canada and United States)	\$2.8 billion	\$1.8 billion	\$2.0 billion
Taxes paid or payable (recovered)	\$1,291 million	\$1,322 million	(\$466 million)
Employees	33,378	32,252	33,090
Employee compensation	\$3.1 billion	\$3.1 billion	\$2.8 billion
Expenditures	\$2.0 billion	\$1.9 billion	\$1.8 billion

\* Restated at \$1.6 billion due to a new reporting system.

<sup>1</sup> All figures are for our fiscal years ended October 31, 2010, 2009 and 2008, and relate to Canada, unless specified otherwise.

<sup>2</sup> 2008 environmental data presented is based on calendar year.

<sup>3</sup> Estimated number – to be confirmed.

<sup>4</sup> Includes ground (auto, rail) and air travel by employees located in Canada and United States.

<sup>5</sup> Renewable Energy Certificates (RECs) purchased.

<sup>6</sup> Includes confidential/sensitive paper shredding program (North America), technology equipment disposal (North America) and waste from owned major office and critical facilities (Canada) where available.



# Our Community Commitment



Our employees are deeply committed to the communities where we live and work. For our 2010 annual Employee Volunteer Day, 2,000 of our U.S. employees volunteered at more than 70 organizations across the country. We worked on a range of volunteer projects, from painting and cleaning to providing financial education and restoring green spaces. We also ran worksite projects at Harris locations. These included assembling comfort kits for the Red Cross, collecting food for local food banks and providing drop-off sites for supplies for Support Our Troops. Employee Volunteer Day is a chance for us to work together and help create positive change. It's all part of our community commitment.



The Equator Principles



FTSE4Good Index Series



Dow Jones Sustainability Index - North America

This corporate responsibility report is carbon neutral. Carbon offsets provided by:



### Contact Us

BMO Financial Group's 2010 Corporate Responsibility Report and Public Accountability Statement is available for viewing or printing on our website. If you have any questions regarding our corporate responsibility activities, please contact us at: [corporate.responsibility@bmo.com](mailto:corporate.responsibility@bmo.com)



[www.bmo.com/corporateresponsibility](http://www.bmo.com/corporateresponsibility)