

2014
Environmental, Social and
Governance Report
and Public Accountability
Statement

About this Report

This annual report on our sustainability performance covers our 2014 fiscal year (November 1, 2013 to October 31, 2014) for our operations in Canada and the United States (U.S.), which we refer to as our North American operations unless otherwise noted in the Glossary of Terms on pages 47–49. Information is dated as at October 31, 2014 and all dollar amounts are in Canadian funds, unless otherwise noted.

For a complete picture, this report should be read in combination with the following publications (available on our website):

- Annual Report
- Annual Information Form
- Corporate Responsibility Report
- Employment Equity Narrative Report
- Management Proxy Circular

Public Accountability Statement

This report includes the Public Accountability Statements (PAS) for Bank of Montreal, Bank of Montreal Mortgage Corporation and BMO Trust Company and outlines certain aspects of Bank of Montreal's contributions, and the contributions of our affiliates with operations in Canada, to the Canadian economy and society. It fulfills the requirements of the Canadian federal government's Public Accountability Statement regulations (section 459.3(1) of the *Bank Act* (Canada) and section 444.2(1) of the *Trust and Loan Companies Act*). Refer to pages 50–63.

Reporting Guidelines

This report has been prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines' Core option and the GRI Financial Services sector supplement. By following the fourth generation sustainability reporting guidelines a year ahead of the prescribed transition date we are focusing on the issues most important to us and our stakeholders.

We have followed the G4 materiality process of Identification, Prioritization, Validation and Review. Our materiality process is outlined on pages 7–9 of this report. Our GRI Index begins on page 34.

External Assurance

This report has been independently assured by KPMG, which performed a limited assurance engagement on a selected number of performance indicators in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000). In this document, the symbol ▲ indicates assured information. KPMG's assurance statement on selected performance indicators is on pages 50–51 of this report.

KPMG is independent of BMO within the meaning of the Rules of Professional Conduct and Codes of Ethics of various Canadian provincial professional accounting bodies and under U.S. securities laws, including Regulation S-X: Qualifications and Reports of Accountants.

Message from the Chair, BMO Sustainability Council

I'm often asked what sustainability means to a banker. At BMO, it means instilling trust and confidence in our customers, operating our business responsibly, and considering the social and environmental consequences of everything we do.



As you look through our 2014 report, you will see we took a different approach to how we detail our sustainability performance by structuring the information around the issues that have the most impact on our stakeholders and on the long-term viability of our business.

As a bank, we understand that lending and investment activities can have unforeseen environmental and social impacts. We are keeping that in check by aligning ourselves with credible external guidelines, principles and frameworks, such as Equator Principles and the Principles for Responsible Investing.

Our success and our growth as a company both depend on being seen as an employer of choice and continuing to attract, develop and retain exceptionally talented people. In 2014, BMO was named a Universum Top 100 Ideal Employer in Canada, and for the ninth consecutive year, was also named one of Greater Toronto's Top Employers by Mediacorp Canada Inc. In the U.S., BMO Harris was recognized by the Human Rights Campaign Foundation as one of 2014's Best Places to Work.

We remain committed to being a leader in diversity – from our employees to our Board of Directors, where we continue to meet our goal that each gender is to be represented in at least one-third of the independent directors. Take a look at our ESG Scorecard on page 5 to see the progress we've made toward our employee diversity goals.

BMO received many honours over the past year for our achievements in business, diversity, environment and as an employer, which we've listed on page 46 of this report. We are also proud to be named on several sustainability indices and rankings within North America and globally.

"We're here to help" became our new tagline in the fall of 2014. At the centre of it all is restating our promise to our customers that we're people first, bankers second.

Every relationship we have with a customer is unique and personal, and so is the commitment every one of us has made to build stronger and healthier communities wherever we are in the world.

As always, we would be glad to hear your comments on anything in this report, and we invite you to send your feedback to sustainability@bmo.com.



Simon Fish
General Counsel and Chair, BMO Sustainability Council

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ESG Scorecard

Indicator definitions are listed in the Glossary of Terms on pages 47–49.

	Target	2014 ¹	2013 ¹	2012 ¹
Environmental				
Renewable Energy Financing				
Involvement in equity and debt financings (\$ billions)		2.8	1.8 ²	3.6 ²
Lending commitments (\$ billions)		2.3	1.7 ²	1.6 ²
Operational Footprint				
Renewable energy purchases (MWh)	New 3-year commitment	115,186 ³	115,197	115,213
Scope 1 emissions (tCO ₂ e)	10% reduction by 2017 ⁴	TBD ⁵	24,227	20,933
Scope 2 emissions (tCO ₂ e)	10% reduction by 2017 ⁴	TBD ⁵	86,321	86,853
Scope 3 emissions (tCO ₂ e)	10% reduction by 2017 ⁴	TBD ⁵	112,225	112,641
Social				
Employees				
Diversity and inclusion				
Women in senior leader roles–Canada and United States (%)▲	40% by 2016	36 ⁶	30	33
Visible minority employees–Canada (% in senior roles)▲	25% by 2016 in North	23	22	21
People of colour–United States (% in senior roles)▲	America	9.8	7	7
Persons with disabilities–Canada (% of total workforce)▲	3.8% by 2016	3.4	2.8	2.5
Aboriginal employees–Canada (% of total workforce)▲	1.5% by 2016	1.3	1.3	1.4
Employee Engagement Index (EEI) (%)▲	86% by 2016	80	78 ⁷	75
Turnover Rate				
Canada (%)▲		9.35	10.5	9.8
United States (%)▲		13.64	12.9	11.8
Community Investment				
Donations (\$ millions)▲		57.7	56.0	55.7
Community Development Loans–United States (US\$ millions)		701.6	536.7	*
Community Development Investments–United States (US\$ millions)		177.6	178.9	139.8
Governance				
Board Diversity				
Women on Board of Directors (%)	No less than 1/3 ⁸	33	33	33
Business Conduct				
Ethics training (% completion)▲		99.2	98.9	98.8
Significant fines or monetary sanctions▲	None	0	0	0
Customer Feedback				
Retail Banking reviews completed by the Ombudsman's Office▲		204	*	*

Legend

1. Fiscal year (November 1 to October 31)
2. Calendar year (January 1 to December 31)
3. Part of a three - year contract beginning 2014
4. Baseline year 2012
5. Available online in June 2015 at: Environmental Performance
6. Scope of this metric is broader than in previous years (see Diversity definition in Glossary of Terms)

7. New provider and new survey in 2013
8. Of independent directors

▲2014 data externally assured (KPMG's Assurance Statement is on pages 50-51)
*Not publicly disclosed

Who We Are

Established in 1817 as Bank of Montreal, BMO Financial Group (Toronto Stock Exchange (TSX), New York Stock Exchange (NYSE): BMO) is a highly diversified financial services provider based in North America.

With total assets of \$589 billion and more than 46,000 employees, BMO provides a broad range of retail banking, wealth management and investment banking products and services to more than 12 million customers.

We serve more than seven million customers across Canada through our Canadian retail arm, BMO Bank of Montreal. We also serve customers through our wealth management businesses: BMO Nesbitt Burns, BMO InvestorLine, BMO Private Banking, BMO Global Asset Management and BMO Insurance. BMO Capital Markets, our investment and corporate banking and trading products division, provides a full suite of financial products and services to North American and international clients.

In the United States, BMO serves customers through BMO Harris Bank, based in the U.S. Midwest, with more than two million retail, small business and commercial customers.

BMO Financial Group conducts business through three operating groups: Personal and Commercial Banking, Wealth Management and BMO Capital Markets.

Our Vision

To be the bank that defines great customer experience.

Our Guiding Principle

We aim to deliver top-tier total shareholder return and balance our commitments to financial performance, our customers, our employees, the environment and the communities where we live and work.

Our Strategic Priorities

1. Achieve industry-leading customer loyalty by delivering on our brand promise.
2. Enhance productivity to drive performance and shareholder value.
3. Leverage our consolidated North American platform to deliver quality earnings growth.
4. Expand strategically in select global markets to create future growth.
5. Ensure our strength in risk management underpins everything we do for our customers.

Further Information

www.bmo.com/home/about/banking/investor-relations/who-we-are

Materiality and Stakeholder Engagement

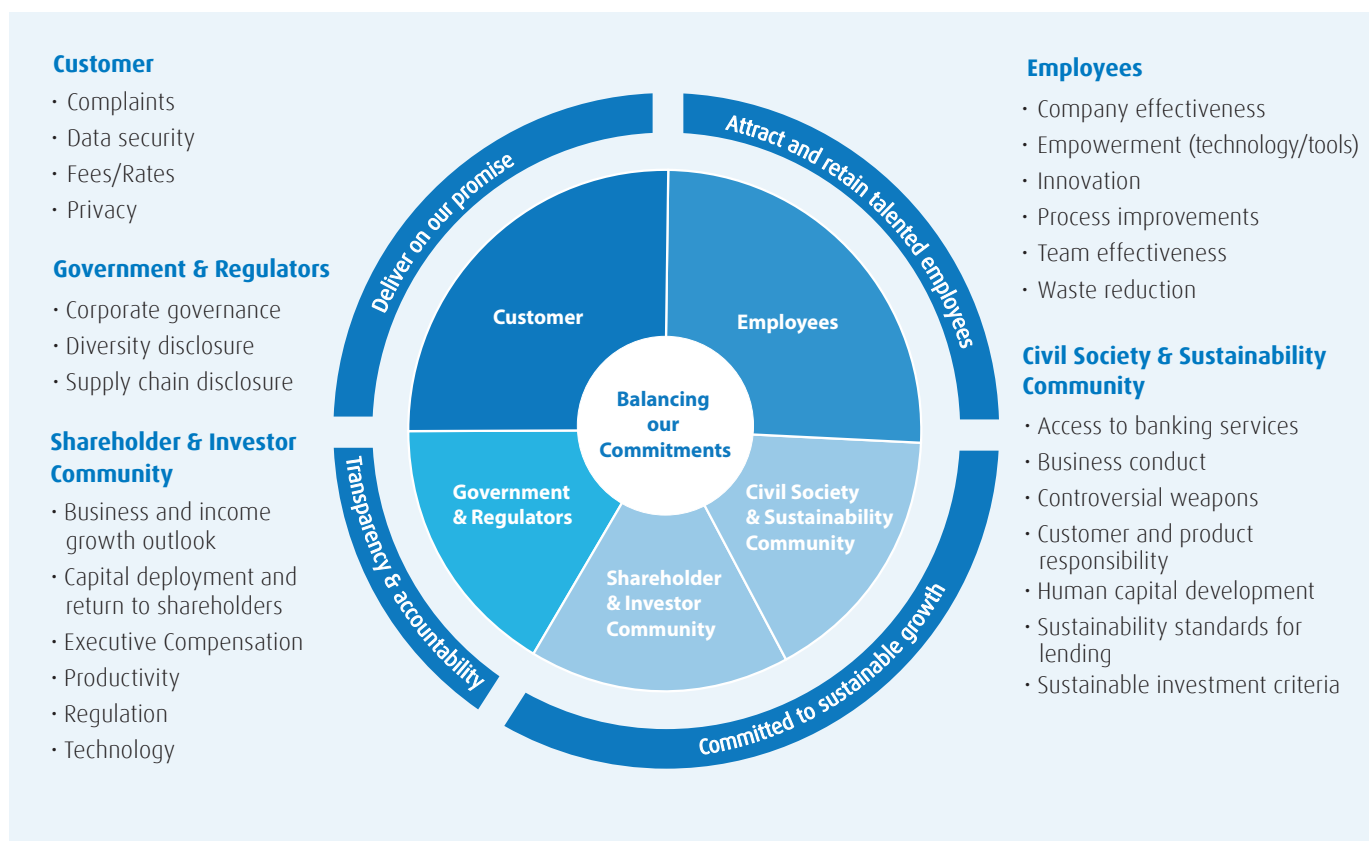
What does materiality mean in this context? For this report, material issues are those that reflect the organization’s most significant environmental, social and governance (ESG) impacts, or those that influence the assessments and decisions of our stakeholders.

About the Process

BMO followed the GRI G4 four-step materiality process in preparing this report. Details on each step are provided below.

STEP 1: Identification

To identify the issues most important to our stakeholders, we referred to existing ongoing engagement mechanisms, as well as stakeholder engagement initiatives undertaken specifically to define the report content. To compile a list of possible topics, BMO’s Environmental, Social and Governance (ESG) Group consulted with key departments across the organization that are responsible for engagement activities, and asked them to list the most important issues from the stakeholder’s perspective. The results of this exercise appear below.



STEP 2: Prioritization

To prioritize the full list of issues, the ESG Group reached out to the same departments that participated in Step 1 (Identification) to score the list of issues (from the stakeholder's perspective) on a five-point scale.

The following issues were prioritized:

- Access to banking
- Business conduct
- Contributing to our communities
- Corporate tax strategy
- Cost of banking services
- Customer feedback
- Diversity and inclusion
- Employee engagement
- Employee health and safety
- Employee training
- Executive compensation
- Human rights
- Political contributions
- Reducing our environmental footprint
- Responsible banking
- Supply chain
- Talent retention

STEP 3: Validation

The results from Step 2 (Prioritization) were sent to BMO's Sustainability Council for validation. The Sustainability Council is a management level body that provides insight and guidance on sustainability issues to the organization. In addition to approving our transition to the GRI G4 Guidelines, the Sustainability Council approved our approach to the identification and prioritization of the material issues for this report.

Further details for each of the listed material issues are provided on the following pages.

BMO's most important issues, the associated metrics and the boundary impacts (internal impact and/or external impact) are listed on the following page in alphabetical order.

BOUNDARY IMPACT

MATERIAL ISSUE	ASSOCIATED METRICS	INTERNAL	EXTERNAL
Access to banking	Business with Aboriginal customers		X
	Aboriginal communities participating in BMO's on-reserve housing loan program		X
Business conduct	Ethics training (% completion)*	X	X
	Significant fines and sanctions*	X	
Contributing to our communities	Donations*		X
Cost of banking services	Free or discounted banking for seniors and students		X
Customer feedback	Retail Banking reviews completed by the Ombudsman's Office*		X
Data security	Number of customer privacy complaints validated by the Canadian Privacy regulator	X	X
Diversity and inclusion	Women in senior leader roles*	X	X
	Visible minority employees in senior roles (Canada)*	X	X
	People of colour in senior roles (U.S.)*	X	X
	Persons with disabilities (Canada)*	X	X
	Aboriginal employees (Canada)*	X	X
Employee engagement	Employee Engagement Index (EEI) score*	X	X
	Annual employee survey participation rate	X	
Employee training	Average training hours per FTE employee	X	X
	Investment in training (\$)	X	X
Reducing our environmental footprint	Renewable energy purchases*	X	X
	Emissions data (scope 1, 2 and 3)*	X	X
Responsible banking	Equator Principles reporting	X	X
	Renewable energy financing*	X	X
Talent retention	Voluntary turnover rate*	X	X

*See ESG Scorecard on page 5 for metrics.

Step 4: Review

Throughout the report development process, the ESG Group evaluated both the process and its outcomes. In addition, BMO's Sustainability Council conducted a formal review of the identified topics to ensure they are relevant and align with our strategic priorities.

Beyond the four-step process, the Disclosure Committee and the Audit and Conduct Review Committee of the Board of Directors also had an opportunity to review the report.

We benchmarked, and we have also engaged external consultants with the goal of improving our stakeholder engagement process for 2015.

Access to Banking

Why Access to Banking Matters: We are committed to supporting the success of our customers and the communities where we operate, particularly in underserved communities. As one of the largest financial institutions in North America, we have the ability to make a positive difference by making our products and services accessible and by reinvesting in our communities.

Our Management Approach

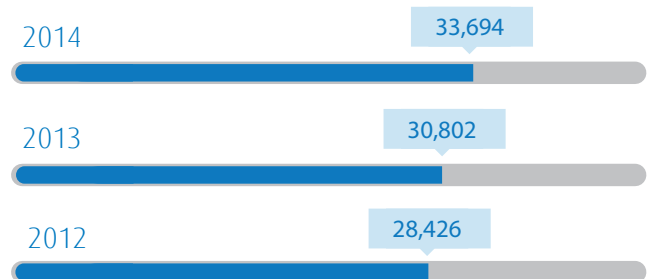
We provide products and services that are tailored to meet the needs of underserved communities. We do this by partnering with communities and not-for-profit organizations that can help us design the right products and services. We also participate in programs to generate greater awareness of the benefits of certain products, for example, the Registered Education Savings Plan (RESP), Canada Learning Bond and Registered Disability Savings Plan (RDSP).

In the U.S., we reinvest in the communities where we operate by following the guidance and objectives outlined in the Community Reinvestment Act. We are a valued community connector, bringing together the public, private and not-for-profit sectors in support of affordable housing, revitalization, and economic development and community projects with local not-for-profit partners. We accomplish this through our investments, lending, financial literacy empowerment and service programs.

Across Canada we contribute to the economic self-sufficiency of Aboriginal communities, businesses and individuals. We operate 14 BMO branches located on Aboriginal reserve lands in Canada, working in a spirit of cooperation and partnership with Aboriginal communities and businesses

to improve access to financial services and products. In addition to BMO’s On-Reserve Housing Loan Program, we are a participating lender in the First Nations Market Housing Fund, established by the Government of Canada to give First Nations members greater access to housing loans on-reserve and on settlement lands.

Number of RDSP Accounts at BMO



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Engaging with Aboriginal businesses and individuals is extremely important in building an understanding of the needs of Aboriginal communities. BMO’s new cheque scanning solution for businesses is a perfect example of how our products and services can make a positive difference in remote communities, as cheques can be deposited online 24/7, helping to save travel, time and money.

– Stephen Fay,
Head, Aboriginal Banking, BMO Financial Group

Access to Banking Initiatives

To date, BMO Harris Bank provided US\$701.6 million in community development loans to support economic development, community service and affordable housing in the communities where we operate in the U.S.

BMO Harris Bank has also provided new investment commitments totalling US\$177.6 million, allowing us to allocate more resources to existing relationships while also funding new and unique programs such as low-income housing tax credits, private equity/small business investment corporations and community development financial institutions.

In Canada, BMO's On-Reserve Housing Loan Program provides access to housing loans that help finance the construction or purchase of owner-occupied single, family dwellings or major renovations to existing homes.

In 2014, BMO joined forces with the Planned Lifetime Advocacy Network to help educate Canadians about the benefits of the RDSP.

\$1.6 billion[^]

Business with
Aboriginal Customers

Stó:lō Community Futures

BMO has partnered with Stó:lō Community Futures, a not-for-profit organization, to create a micro-lending program for small businesses in the Stó:lō Tribal Council communities.

These loans support small businesses that provide goods and services within their communities, including handmade goods, local berries, vegetables and fireworks.

This program met a need in communities where access to credit can be difficult for small business owners with limited employment history and a lack of collateral. Loan recipients are also provided with assistance in building their business plans and regular business coaching.

BMO also partnered with SmartSAVER.org to help families across Canada establish RESPs and take advantage of the Canada Learning Bond. See page 54 of this report for further information.

For further information on how BMO is helping to improve access to banking products and services for financially vulnerable groups, see pages 16-17 of this report.

AWARD

First Canadian bank to be awarded Gold Level for Progressive Aboriginal Relations by the Canadian Council for Aboriginal Business

74[^]

Communities participate in BMO's On-Reserve Housing Loan Program

Further Information

BMO RDSP website

www.bmo.com/home/personal/banking/investments/disability-savings/registered-dsp

BMO RESP website

www.bmo.com/home/personal/banking/investments/education-savings/registered-esp

Aboriginal Banking

www.bmo.com/aboriginal/en/

BMO Harris Community Development

www.bmoharris.com/us/about/building-strong-communities/community-development

Business Conduct

Why Business Conduct Matters: Banking depends on trust. That simple assertion touches on everything BMO does, and it explains why business conduct is so important. At BMO, trust is central to the promise that defines our brand.

We tell customers “We’re here to help” – with their finances, with their future and with many of their most important life decisions. But for that promise to be meaningful, we have to inspire trust – so that customers believe we will act in their best interests.

Today, all banks operate in an atmosphere of heightened ethical awareness. We understand this. We also know that the only way to secure both our customers’ trust and our long-term success is through our business conduct – through by what we do, not what we say. We have to make sure, across BMO, that our employees are guided by ethical principles, that they act in accordance with our values, and that they do what is right for our customers.

Our Management Approach

BMO operates many businesses in many countries, and employs people from different cultures and backgrounds. This diversity is a source of strength, but to leverage that strength, we need to make sure that expectations about conduct – what we expect from employees, how we expect them to do what is right for our customers and what they can expect from us – are part of our shared corporate culture and are understood across BMO.

BMO’s Code of Business Conduct and Ethics is at the foundation of all the policies and guidelines that define how we are expected to conduct our business and how our employees are expected to conduct themselves. The principles of this Code are an expression of BMO’s corporate values.

BMO’s Chief Ethics Officer is responsible for promoting awareness of ethical business principles across the organization. Critical to this work is making sure employees know that they are supported and that they can raise concerns confidentially and without fear of retaliation.

The Ethics Office works with internal partners, including Legal and Compliance, Anti-Corruption, Employee Relations and Investigative and Security Services, building on their front-line perspective and sharing insights about how to most effectively generate greater awareness around evolving ethical issues.

The Compliance Group, under the direction of the Chief Compliance Officer, ensures adherence to a clearly defined set of standards, activities and responsibilities involved in complying with regulatory requirements, and also manages compliance-related risk.

The Audit and Conduct Review Committee of the Board of Directors receives regular reports from both the Chief Ethics and Chief Compliance Officers on conduct matters.

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We strive for a culture in which people are comfortable raising concerns, knowing that retaliation is not tolerated.

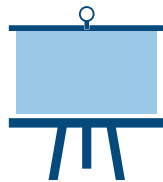
– Ula Ubani
Chief Ethics Officer, BMO Financial Group

The Compliance Group is responsible for administering the mandatory Ethics and Legal Compliance Training (ELCT) program. On an annual basis, employees must confirm that they have read, understood, complied with and will continue to comply with our Code of Business Conduct and Ethics. The online training consists of the following courses:

- Code of Business Conduct and Ethics
- Information Security and Privacy Matters
- Anti-Corruption
- Anti-Money Laundering and Anti-Terrorist Financing
- Health and Safety
- Accessibility and our Customers

99.2%[^]

Percentage of employees who completed ethics training in 2014



Global Rollout of Enhanced Compliance Program

As part of our commitment to meeting the highest standards for risk management, BMO recently introduced an innovative compliance risk management solution in all the countries where we operate. The Compliance Oversight and Reporting Engine (CORE) is the single book of record for all compliance matters at BMO, and it is now accessible to all internal stakeholders.

CORE provides an enterprise-wide framework for risk assessment, monitoring, testing and management. Automatic updates on regulatory changes speed information flow across the organization and allow us to react promptly to changes in the regulatory environment.

2012-2014

No significant fines or monetary sanctions

AWARD

2014 Innovation Award: Best Practice in Compliance Systems (Large Department)

Getting Everyone on the Same Page

With any acquisition, the process of integrating the newly acquired business is the first step. We analyze the policies, procedures and programs of every acquired business to identify any gaps and determine how best to ensure that BMO's standards will be applied.

Getting everyone on the same page means we must also ensure that employees new to BMO are aware of and understand what's expected of them. Ideally, employees are expected to complete the ELCT program early in the integration. Depending on the business we've acquired and the jurisdiction in which it operates, specialized training (e.g., anti-corruption) may also be necessary.

Ensuring everyone is on the same page means that we can continue to meet regulatory expectations where we operate and allows us to operate as a single integrated financial institution, providing our customers with seamless service.

Further Information

BMO website – Code of Conduct

www.bmo.com/home/about/banking/corporate-governance/about-us/code-of-conduct

Contributing to our Communities

Why Contributing to our Communities Matters: Supporting communities has been a part of BMO's culture since its founding nearly 200 years ago. BMO proudly supports charitable initiatives across Canada and in the U.S.

We believe that supporting the community is a sound long-term investment that ultimately adds up to economic prosperity, sustainable growth and a better quality of life for everyone.

This deeply rooted commitment began with BMO's first recorded charitable donation of £100 to the Montreal General Hospital in 1835.

Since then, BMO has been here to help: from a \$10,000 donation to McGill University in Montreal in 1911, to the \$1.2 million donation to Mount Royal University to establish the BMO Financial Group Aboriginal Student Fund; from a \$2,000 donation in 1891 to victims of the mine fire in Springhill, Nova Scotia, to the hundreds of thousands of dollars donated to the Canadian Red Cross for various natural disasters affecting our customers and employees.

These are just a few examples of BMO's leadership as a prominent corporate citizen.

Our Management Approach

BMO focuses its community giving on various initiatives and programs that enable communities to become sustainable, healthy and thriving. We support registered charities and non-profit organizations in the following categories:

- Education
- Hospitals, health and research
- Civic, social services and federated appeals
- Arts and culture
- Economic Development/Affordable Housing

Executive-level Corporate Donations Committees in both countries review all major donation requests and provide direction for the bank's overall philanthropic activities.

Contributing to our Communities Initiatives

BMO Harris Bank's corporate donations to United Way of Greater Milwaukee have totalled close to \$2 million over six years. In 2012, BMO Harris Bank pledged \$750,000 through 2014 to launch United Way's Healthy Birth Outcomes Initiative. These funds went toward raising awareness about the

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Supporting the communities where we live and work has been an intrinsic part of who we are.

– Nada Ristich
Director, Corporate Donations, BMO Financial Group

issue by revealing how racial and ethnic birth outcome disparities affect all sectors of society, identifying and funding evidence-based programming, and measuring the collective impact of funded programs. BMO Harris' support of the Initiative helped position United Way as a community convener for this issue. In 2014, BMO Harris Bank pledged an additional \$750,000 for the coming three years to extend the program's reach.

As BMO continues to invest in cross-border business opportunities, it also recognizes the importance of investing equally in both Canadian and American communities. BMO has made a \$1 million donation to the YMCA of Greater Toronto, and another \$1 million donation to the YMCA of Metro Chicago. The funds are helping these organizations provide every individual in their community with opportunities for personal growth, community involvement and leadership. The gift in Toronto will help fund five Child Minding Centres, while in Chicago, the gift will help fund the YMCA's new Learning Institute.

Mount Royal University received a \$1.25 million donation from BMO through the BMO Financial Group Aboriginal Student Fund to establish 20 new scholarships and bursaries over the next seven years. The Fund has made

possible a first-of-its-kind awards program at Mount Royal that is providing comprehensive financial and cultural support to Aboriginal students at every stage along their educational journey. BMO's donation will also support the work of Iniskim Centre - Mount Royal's academic and cultural support centre for Aboriginal students - with a peer mentorship program. Supporting Aboriginal student success at Mount Royal University is a natural extension of BMO's ongoing commitment to building strong relationships with Aboriginal communities and businesses across Canada.



Equity Through Education

This year marked the 10th annual trading day for the Equity Through Education (ETE) program, and \$1.6 million was raised. The amount of the donation is equal to the total commissions earned by BMO through institutional equity trading activities in one day. This year's trading day on September 24, 2014, generated the largest amount since the program's inception, and brought the program's cumulative total to \$15 million over 10 years.

Beneficiary charities include:

Loran Scholars Foundation

Indspire

Lime Connect

Financial Women's Association of New York

Jackie Robinson Foundation

Knowledge is Power Program

Women in Capital Markets

Two United Kingdom-based charities to be announced

To date, ETE has helped 3,000 students through scholarships, bursaries, mentorship programs and development opportunities. BMO Capital Markets is also dedicating one summer intern position in both Canada and the U.S. to a qualified ETE scholar.

Further information: www.bmocm.com/aboutus/community/equitythrougheducation/

Further Information

BMO website – Donations

www.bmo.com/home/about/banking/corporate-responsibility/community/donations-sponsorships

BMO website – Corporate Responsibility Report

www.bmo.com/home/about/banking/corporate-responsibility/our-approach/reporting

Cost of Banking Services

Why the Cost of Banking Services Matters: We're here to help. We keep that promise in many ways, including helping customers gain the knowledge, skills and confidence to help them make responsible financial decisions at a fair, affordable price.

North Americans have more choices over the fees they pay than ever before. There are a variety of account options available, so customers can select a cost-effective option that is in line with the way they use their account.

Even with these various products, some financially vulnerable populations may find it difficult to meet their financial services needs, including students and seniors. We work with multiple stakeholders to address this issue. They help us identify opportunities for building long-term, mutually beneficial relationships with customers who may be vulnerable by offering our services on a complimentary basis or at a reduced rate.

Our Management Approach

We constantly monitor prevailing market rates to ensure that our fees are fair and appropriate. At the same time, we must ensure they are profitable. We keep an eye on the costs of our products and services, so that we'll know if, and when, adjustments need to be made.

Before we consider changing the cost of a service, we must be confident that the change is in line with our

principles, and any regulatory requirements, codes of conduct and voluntary commitments. We also make sure the costs of our services reflect our strategic goals and our brand promise.

We are committed to providing education on the fundamentals of money management and to building the financial capabilities of our customers - and this which ultimately makes communities stronger. We want to be known as the bank that makes our customers feel confident about their finances.

Cost of Banking Service Initiatives

BMO helps financially vulnerable groups, as well as community-based and non-profit organizations, by making a wide range of banking services available at a reduced cost. BMO consistently works with various stakeholders to meet our commitments in this area. This year, we made commitments to offer certain low-cost or no-cost banking services and to provide more information about joint accounts and powers of attorney, to help customers make better, more informed decisions.

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We operate in an increasingly competitive industry, where relationships and trust will dictate our continued success. We need to ensure that we can meet the needs of all our customers by offering unsurpassed service at a reasonable price.

– Christine Canning
Head, Everyday Banking Products, BMO Financial Group

In 2014, we provided free or discounted banking accounts to 1,025,947 Canadian seniors. We also provided similar services to more than 400,000 young people and post-secondary students in both Canada (352,835) and the U.S. (62,066).

BMO offers community accounts to 58,662 local and non-profit organizations across Canada, including societies, lodges, church groups, sports and business clubs, and local chapters of national non-profit organizations (compared to 64,136 in 2013). These deposit accounts provide lower-cost banking for local non-profit organizations, offering 20 transactions per month and other competitive features at a low monthly fee.

In the U.S., we provided chequing accounts with no monthly maintenance fee to 20,285 local and not-for-profit organizations in 2014 (compared to 19,876 in 2013).

Free/Discounted Services for Seniors and Students

	2014	2013	2012
Seniors (Canada)	1,025,947	1,019,970	1,007,666
Students (Canada) (university and high school)*	352,835	470,349	399,798
Students (U.S.)** (college students)	62,066	50,966	-

* Students (19 years of age and older) and teens (between 13 and 18 years of age)

**College students are provided with a fee waiver that is good for four years. Normally the monthly account maintenance fee would be \$10 and the non-BMO Harris ATM transaction fee would be \$2.50.

In Canada, we've designed the NewStart™ Program, a banking package available to all newcomers, including landed immigrants and foreign workers, who have arrived in Canada within the past five years. The package includes a free banking plan for one year, a specially designed mortgage, a bonus interest rate on a BMO Guaranteed Investment Certificate and a free safety deposit box for one year.

We supported Talk With Our Kids About Money Day, a program developed by the Canadian Foundation for Economic Education. See the Financial Literacy section on page 54 for further information.



BMO's Commitment to Free and Discounted Banking Services

In the October 2013 Speech from the Throne, the Government of Canada encouraged the adoption of a variety of sustainable business practices, including a long-term commitment from Canadian banks to offer no-cost and low-cost banking accounts to several financially vulnerable populations – Registered Disability Savings Plan beneficiaries, young people and post-secondary students, and senior citizens.

BMO has offered free and discounted banking options to potentially financially vulnerable populations for many years, so it is not surprising that BMO was the first major Canadian bank to formalize this practice in June 2014.

Further Information

BMO website – Banking Fees

www.bmo.com/main/personal/bank-accounts/edb-fees-agreements

BMO website – Voluntary Commitments and Codes of Conduct (see “Low Cost Accounts”)

www.bmo.com/home/about/banking/corporate-governance/about-us/code-of-conduct

Customer Feedback

Why Customer Feedback Matters: Our vision is to be the bank that defines great customer experience. One of the ways we'll achieve that vision is by listening to our customers and providing them with effective feedback mechanisms. We learn a lot from customer feedback; it helps us address problems and discover opportunities for product and service innovations, and it builds customer loyalty.

As we hear from our customers first-hand, by making it easy for customers to provide feedback and then taking complaints seriously so that we can resolve them quickly, we build strong customer relationships. And as satisfied customers recommend BMO to their friends and families, we improve our reputation and grow our business.

Our Management Approach

Delivering a great customer experience involves constant refinement and improvement. It requires clear communication, using any channels our customers choose, encouraging customer feedback and responding to that feedback quickly and competently. It means adapting to changing technologies, and incorporating social media and other new digital channels.

In 2014, we conducted 347,208 customer loyalty surveys in North America. Conclusions from these discussions with customers are shared with front-line personnel to reinforce the responsiveness and positive attitude that customers value in their relationship with BMO. For several of our businesses across North America, branch managers get back to dissatisfied customers who have participated in our

Customer Pulse (transaction-triggered surveys) to close the loop. This initiative can open up the conversation with our customers, providing BMO with a better understanding of customer concerns and offering an opportunity to address the concern or resolve the problem. This additional feedback can also help identify systemic issues which might otherwise not be identified.

Customer Feedback Initiatives

- Reflecting our promise, "We're here to help", we recently engaged over 6,000 employees who shared more than 1,600 ideas on how we can bring our brand to life. A number of these ideas have already been incorporated into the approach we're taking to improve the overall customer experience.
- Our U.S. Customer Contact Center team has more than 500 customer conversations every day via online chat for our Wealth Management and Retail Banking businesses. We are now working to introduce this feature in Canada, across all our lines of business.

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Listening to our customers is core to who we are at BMO. We use deep customer insights both to celebrate success and to put a laser-like focus on areas where we can improve.

– Hugh McKee
VP, Personal Customer Segment Management, BMO Financial Group.

- We are piloting a service in the U.S. that gives our customers the option of having a video chat with a representative in our Customer Contact Center through an automated teller machine (ATM).
- We integrate feedback into our development of new products and services. For example, the Retirement Market & Financial Planning Group, in conjunction with corporate research, conducts multiple focus groups and research sessions to solicit feedback regarding its public messaging and campaigns when assessing new ideas and product launches.

AWARD

BMO Harris Private Banking named Best Private Bank – Canada, 2014 (World Finance Magazine and Global Banking and Finance Review)

347,208

Customer loyalty surveys conducted in 2014

Our tagline places BMO's greatest asset – its people – at the centre of our brand.

We're here to help.

Resolving Customer Complaints

We provide opportunities for customers to share feedback and raise complaints across all of our customer-facing channels. In Canada, our complaint resolution process is outlined in the brochure "We Can Help – Resolving Customer Complaints," available online and in all branches.

As the final step in our internal dispute resolution process, BMO's Ombudsman's Office conducts a confidential and impartial review of customer complaints – grounded in fairness, integrity and respect – that considers the interests of all parties, as well as all applicable laws, policies and standard industry practices.

Customers also have the right to bring their concerns to BMO's external dispute resolution provider, the Ombudsman for Banking Services and Investments, for a further impartial, informal and confidential review.

The BMO Ombudsman's Office completed 204 Banking Reviews in 2014[▲]. The average length of time to close Early Resolution Cases was 12 days. The average length of time to close Banking Reviews was 79 days[▲], with over two thirds of Banking Reviews closed in an average of 36 days. In the opinion of BMO's Ombudsman's Office, 48% of cases reviewed were resolved to the customer's satisfaction.

Further Information

BMO website – Ombudsman's Office

www.bmo.com/home/popups/global/ombudsman/ombudsman-details

BMO brochure – We Can Help – Resolving Customer Complaints

www.bmo.com/pdf/Complaint_Resolution_2012.pdf

Data Security

Why Data Security Matters: Whether it's cash or confidential or personal information, when people entrust an asset to a bank, they expect that it will be kept safe. Our commitment to data security requires constant vigilance in the face of increasingly sophisticated threats and risks to the corporate and personal data we manage on behalf of our businesses and our customers.

The Internet and innovative devices like smartphones and tablets have opened the door to a remarkable range of new financial services and products. Unfortunately, they have also opened the door to online scams and potential data security breaches.

We must constantly be aware of external threats to the security of information entrusted to us, and we must counter those threats by applying the latest techniques and systems to protect our data, while still meeting our customers' expectations for service and convenience.

Our Management Approach

BMO has policies in place to ensure the accuracy, completeness and proper maintenance of records, data and information we own, create, collect, use, disclose and manage – in all types of media.

We have a Chief Privacy Officer who oversees privacy governance including policy, dispute resolution, education and communications activities and reporting to our Board of Directors on privacy matters.

Our Legal, Corporate and Compliance Group, together with Information Security, is responsible for establishing frameworks for managing risk related to data security, while our Criminal Risk Management Corporate Policy lays out the framework and guidelines we use to manage criminal risk. Our Chief Security Officer is responsible for leading our efforts to prevent, detect, respond to and report on criminal risk, working together with Investigative & Security Services.

Our Chief Information Security Officer is responsible for managing information risk related to information security, data management and information technology across the organization.

Data Security Initiatives

- Information Security and Privacy Matters is one of the courses in our mandatory, enterprise-wide Ethics and Legal Compliance Training program for all employees.
- To help customers guard against online fraud, we offer a free download from our website of Trusteer Rapport software, which provides endpoint protections from financial malware.

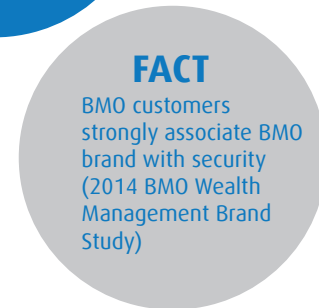
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The importance of data security continues to grow due to the expansion of online and mobile banking, investments in new technology, an increase in cyber attacks worldwide and heightened attention from regulators. We ensure that BMO is protected by continually enhancing our security capabilities and risk management practices while supporting our business partners across the enterprise.

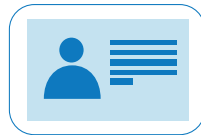
– Johnna Koso
Managing Director, Information & Technology Risk, BMO Financial Group

- In the event of a security breach, we fully reimburse customers for any losses from their personal banking accounts that result from unauthorized online banking transactions.
- During International Cyber Security Awareness Month in October, we offered customers a brochure entitled “Phishing: How to keep yourself protected”. The brochure was so well received that our branches ordered an additional 8,300 copies. We also produced a new cyber security video that features an interview with BMO’s Chief Technology & Operations Officer and an industry security expert.
- Further details on cyber security risk are disclosed in our 2014 Annual Report on page 78 of Management’s Discussion and Analysis.



Resolutions

In 2014, three of the seven BMO customer privacy complaints investigated by the Canadian Privacy regulator were found to be valid and were subsequently resolved by the regulator.



We All Play a Role in Fraud Prevention Month

BMO joined with other financial institutions, consumer groups, law enforcement agencies and the Canadian Bankers Association to promote Fraud Prevention Month in March.

- To educate staff, we hosted sessions on fraud for employees in Toronto and Chicago. We also scheduled daily huddles for Canadian retail banking employees and launched the FraudBuster Canada Program.
- For customers, our brochure about online phishing scams was distributed through our branches across Canada and also included fraud tips on customer bank statements. We posted anti-fraud messages and alerts on Twitter, Facebook and other social media channels, as well.

Further Information

BMO website – Our Privacy Code (Canada)

www.bmo.com/home/about/banking/privacy-security/our-privacy-code

BMO Harris website – Our Privacy Policy (U.S.)

www.bmoharris.com/us/about/privacy/privacy-policy

BMO Capital Markets website – Security

www.bmocm.com/security/

BMO InvestorLine website – Security Guarantee

www.bmoinvestorline.com/home/popups/online-security-guarantee

Diversity and Inclusion

Why Diversity and Inclusion Matters: Diversity is at the heart of BMO's identity and our brand promise. A diverse workforce and an inclusive workplace are vital to our ability to create great customer experiences.

At BMO, we embrace diversity as a core value. When our workforce reflects our customers and the communities where we live and work, it helps us see through their eyes.

We understand that advancing diversity and inclusion drives better performance – for our customers and our company. That's why we embed diversity in our business, hiring practices, customer service standards and the composition of our senior leadership and Board of Directors. By doing so, we can better understand the needs of our customers and find the solutions that work best for them.

Our Management Approach

Our enterprise Diversity Council (DC) drives change by creating action plans to embed diversity more deeply within our business groups. We have bold workforce goals, among them having women in 40% of senior leader roles by 2016, and raising awareness around cultural blind spots. The DC includes a strategy committee for each business group, with annual action plans.

Our leaders are accountable for advancing diversity and inclusion in their business strategies, and every business group has a diversity and inclusion steering committee that oversees the implementation of the DC's strategic agenda. We expect our leaders to be inclusive; it's a key capability that all leaders are assessed on.

Everyone has cultural blind spots and hidden biases. To raise awareness of these biases at BMO, provided individual assessments and training to more than 300 BMO senior leaders. Starting in 2015, BMO will build on this foundation by providing more cultural awareness training to senior leaders, along with more formalized accountability. We are also planning a program of mandatory awareness training for more than 7,000 people managers.

To help us stay on track, we regularly report on our progress on key diversity and inclusion metrics to our human resource business partners, business group heads, human resources leadership team, Chief Human Resources Officer and Board of Directors. These reports can be reviewed by employees on our Diversity and Inclusion website.

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More diverse and inclusive workplaces drive better performance, create more successful and engaged employees, and build competitive advantage. Collectively, we're making good progress in building a workplace where every employee can feel comfortable about standing up and standing out.

– Sonya Kunkel
Chief Diversity Officer, BMO Financial Group

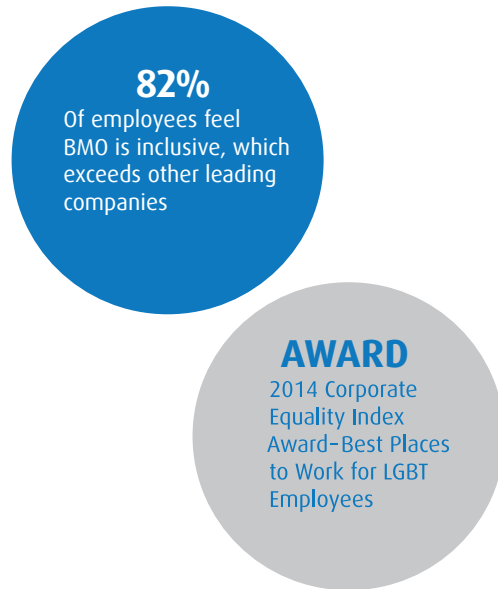
We track our Employment Equity reporting score (through Human Resources and Skills Development Canada), and we align our objectives with weighted external availability data mapped to business needs.

Diversity and Inclusion Initiatives

Since it was established in 2012, our DC, comprised of senior leaders from across the organization, has refocused efforts to increase diversity in our workforce. The DC is advancing a more inclusive workplace through action plans and diversity and inclusion programs that support women, persons with disabilities, visible minorities, Aboriginal peoples, and the LGBTQA (Lesbian, Gay, Bisexual, Transgender, Queer and Allied) community. Examples include:

- Our Inclusive Leadership strategy, which helps leaders adapt effectively to the needs of a diverse workforce
- Our Employee Resource Groups, made up of passionate employees who volunteer their time to help make diversity and inclusion a daily reality at BMO

- Count Me In campaign, which raises awareness and promotes the inclusion of persons with disabilities across North America. (see further details below)
- The BMO / Catalyst Inclusive Leadership Practice Centre, established to help current and emerging leaders build more inclusive workplaces, advance women’s careers and better manage diverse employee teams.



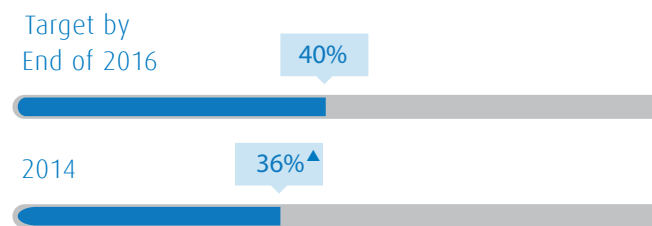
Count Me In

BMO developed the Count Me In campaign to raise awareness about persons with disabilities in the workplace, foster a culture of inclusion and encourage all employees – including those with a disability – to self-identify on our confidential Diversity Workforce Survey.

The survey helps us gauge whether our workforce reflects the communities where we live and work. We raised awareness and participation through events and an internal website offering videos, interactive learning activities and support tools for managers and employees.

The Count Me In campaign led to the largest ever year-over-year increase in workforce representation of Persons with Disabilities at BMO. That tells us our employees feel more confident about being their authentic selves at work.

Women in Senior Leader Roles*



*See Glossary of Terms on page 47 for definition.

Further Information

- BMO 2013 Employment Equity Narrative Report
www.bmo.com/home/about/banking/corporate-responsibility/our-approach/reporting
- BMO website – Diversity and Inclusion
www.bmo.com/home/about/banking/corporate-responsibility/employees/diversity-equity-inclusion
- BMO website – Board Diversity
www.bmo.com/home/about/banking/corporate-governance/board-of-directors/board-diversity

Employee Engagement

Why Employee Engagement Matters: Our tagline, “We’re here to help”, is our promise to customers. Keeping that promise is essential to our success, and we can only do that with an engaged workforce – people who want to deliver a superior customer experience. BMO fosters engagement by listening to and acting on insights from our employees. Their input helps to improve our competitiveness, strengthen our market position and offer our stakeholders more opportunities for growth.

Employee engagement helps define the culture that makes BMO different from other financial institutions, and also gives us a competitive advantage in attracting and retaining top talent.

Our Management Approach

The foundation of our management approach is simple: we support our employees so they can achieve their very best.

Our performance management program helps managers and employees set clear goals, with appropriate metrics and targets that define success. As they progress through this program, employees know where they stand because of the regular assessments, feedback and coaching.

We guide managers through the performance management process with training programs and online resources. Additionally, our leadership team is assisted, as needed, by Human Resource business partners, and dedicated employee relations consultants who can provide support in all aspects of employee engagement.

Our Employee Insights team and our annual employee survey (BMOPulse) service provider train our managers and human resource professionals in methods of reporting on,

responding to, and acting upon employee feedback. This helps managers identify opportunities for improvement, track the impact of their efforts and share progress with their teams.

Employee Engagement Goal

To provide clear direction, accountability and a specific focus on the connections between employee engagement and business outcomes, we have set the goal of achieving a leading companies’ employee engagement score of 86 by 2016, supported by a performance tracker target model that will facilitate realistic and progressive movement towards the leading companies’ target score.

Employee Engagement Initiatives

- In September 2014, we launched BMO Beam, a social media platform that celebrates employee achievements and dedication. More than 135,000 “Beams” have already been received.
- Our CEO and COO maintain internal blogs and conduct webcasts where they ask for, respond to and represent employee viewpoints.
- Employee Resource Groups hosted 280 events with over 11,000 participants to champion diversity and inclusion.

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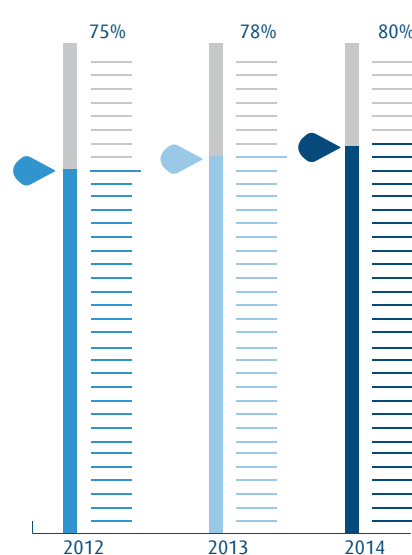


At BMO, we believe in our people and share their passion for our customers and our communities. They are our most valuable resource – that’s why we seek their perspectives, listen to their ideas, and actively invest in helping them develop and grow.

– Richard Rudderham
Chief Human Resources Officer, BMO Financial Group

- Digital communication hubs now allow employees to view and comment on news items, videos, images and online magazines; webcasts and town halls let leaders and employees interact in real time; and annual conferences bring employees together from across BMO to learn, exchange ideas and develop business strategies.
- We empower thousands of employees across North America to get involved with communities where they live and work, including volunteering in teams during regular business hours. Beyond their financial support, they proudly commit their time to helping build stronger communities. Please see more details on page 54 and 55 under Employee Giving.
- More than 2,000 employees attended virtual Career Fairs and another 2,000 attended local career events.
- BMO's Human Resource Centre, Office of the Ombudsman and Ethics Office provide employees with confidential forums in which to raise concerns.

Employee Engagement Index Scores



Taking the BMO Pulse

The BMO Pulse survey of employees shows where BMO can improve both our internal practices and the customer experience we deliver, while also benchmarking our results against other leading organizations. Compared to last year, the results of the 2014 survey reflect a 12% improvement against leading company benchmarks. There was also an increase in the participation rate: 86%[▲] (38,798 employees) took part in the 2014 survey, a 4% increase over 2013.

According to our employees, there are many areas where BMO's performance has improved, including inclusivity, opportunities for growth and occasions and channels for employee voices to be heard. In the survey, employees also identified opportunities for BMO to create an industry-leading customer experience.



Nearly 6,700 employees proudly donated 22,000 hours to their communities through bank programs

Further Information

BMO website - Employees

www.bmo.com/home/about/banking/corporate-responsibility/employees

BMO website - Stakeholder Engagement

www.bmo.com/home/about/banking/corporate-responsibility/our-approach/engaging-our-stakeholders

BMO website - BMO Employment Equity Narrative Report

www.bmo.com/home/about/banking/corporate-responsibility/our-approach/reporting

Employee Training

Why Employee Training Matters: Effective learning and development programs are essential to supporting great people. At BMO, our commitment to lifelong learning and continuing education encourages our diverse, skilled and passionately committed employees to contribute new ideas and provide exceptional service, all of which supports our growth and competitive advantage.

Our training mandate goes beyond teaching the skills required in a specific role: it extends to opening new avenues for professional and personal development. By investing in our employees' growth so they may expand their horizons and explore career opportunities, we benefit from their renewed energy and commitment - and so do our customers.

Training is also an essential tool for managing risk. Our learning programs ensure that our employees are well-prepared for their particular role and responsibilities, and have a clear understanding of BMO's policies and guidelines. Providing our people with this clear understanding of BMO's core values, regulatory and legal obligations, and how we do business reduces reputational and financial risk.

Our Management Approach

We support strategic initiatives through learning and development opportunities focused on three audiences: employees, leadership and the organization at large. Each audience plays an integral part in achieving our strategic goals.

Enterprise learning initiatives, like the orientation programs that introduce BMO's strategic priorities to new employees in an easy-to-understand and positive way, enable all employees to understand how they contribute to our overall success, whatever their role.

All employees are also required to complete our annual Ethics and Legal Compliance Training (ELCT) program, which covers topics such as anti-corruption, anti-money laundering and privacy; this learning is done in conjunction with BMO's Code of Business Conduct and Ethics training. The goal is to educate employees about situations they may experience and ensure they are equipped and prepared to act in accordance with our values and policies.

We provide quarterly reports on a set of metrics, such as training expenses and number of training days, for each of the business groups. BMO does not have an organization-wide target; however, in Quebec, businesses are required to dedicate 1% of salary dollars to training. As a result, we track training expenses on an annual basis.

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Whether focusing on leadership excellence, advancing risk management and regulatory compliance, or strengthening employee engagement and performance, our training is strategically aligned to drive success - in every business group, every location and every level of the company - by building capabilities and shifting mindsets and behaviours.

- Lily Capriotti
Chief Learning Officer, BMO Financial Group

With respect to metrics, number of training days is used as a relative measure, primarily compared to previous years or other business groups. Among our ongoing efforts to increase efficiency and productivity, shortening time to job readiness is a key priority for BMO's business groups; such efforts could, over time, lead to a decrease in the number of training days per employee.

Employee Training Initiatives

- 2014 marked the 20th anniversary of BMO's Institute for Learning (IFL), the centerpiece of our commitment to continuing education. The IFL provides world-class opportunities for our employees to acquire new knowledge and skills, embrace challenges, and grow both professionally and personally.
- BMO is a leader in talent and succession practices, offering development programs for new and first-time leaders (Leadership Development Program), seasoned leaders (Senior Leadership Development Program) and our most senior leaders, and executives (Advanced Leadership Program).
- We subsidize 100% of tuition fees for our employees up to \$2,500 per course and \$8,000 per program, and we encourage both formal and informal mentoring opportunities for everyone, from executives to students and interns.
- eLearning Select is a suite of online courses and resources offered by the IFL and available to all employees – anytime, anywhere.
- To promote employee awareness of our environmental commitments, we recently developed an Essentials of Environmental Sustainability online course. See page 28 for further details.

Delivering and Learning from Effective Performance Reviews

We are committed to supporting our employees so that they can perform at their very best and achieve their potential. To make that happen, managers need to have the right conversations with employees and be clear about what is expected of them, what success looks like at BMO, and where each employee stands. We provide managers with training and resources that help them lead the performance management process, including:

- Detailed learning programs and step-by-step guidance on our HR intranet site;
- Human Resource business partners, who can conduct training sessions and offer hands-on support;
- The Leadership Development Program and Senior Leadership Development Program, which build the confidence and capabilities necessary to succeed in leading the performance management process; and
- Dedicated Employee Relations consultants for each business group, who provide support across all aspects of performance management.



33.5 hours of training
per full-time equivalent (FTE)
employee[▲] in 2014



\$96,522,687[▲]
annual investment
in employee training:
\$2,089 per FTE employee in 2014

Further Information

BMO website – Institute for Learning

www.bmo.com/ifl/

BMO Careers website

www.bmo.com/home/about/banking/careers/career-opportunities

BMO website – BMO's Talent Strategy

www.bmo.com/home/about/banking/corporate-responsibility/employees/investing-people

Reducing our Environmental Footprint

Why Reducing Our Environmental Footprint Matters: BMO, a carbon neutral organization, is committed to the principles of sustainable development and, in particular, to the belief that the quality of our lives improves when economic growth is integrated with respect for the environment.

As a North American financial services company, we acknowledge that our actions affect the environment directly in terms of our own operations, and indirectly through our procurement practices and the products and services we provide to our customers.

Since 2008, we've taken a leadership role by setting and achieving two targets for absolute emissions reduction. A large part of our success in achieving those goals can be attributed to our internal initiatives to reduce energy consumption. We've made long-term investments in equipment and technologies that will continue to pay us back: for example, spending \$10,000 on a lighting retrofit now will help reduce our energy consumption over the next ten years.

In August 2010, BMO publicly announced that it had achieved Carbon Neutrality through a combination of consumption reduction activities, the investment in electricity from renewable sources and the purchase of high quality voluntary carbon offset credits. In 2014, we successfully maintained this ongoing goal.

Our Management Approach

We are committed to minimizing the environmental impacts of our business operations through best-practice

management of our energy use, transportation, material consumption, water use, waste, emissions and effluent. As part of this commitment, we have developed a robust Environmental Management System that describes the objectives, targets and processes in place to mitigate these impacts. We monitor our performance against our stated objectives in the ongoing pursuit of continual improvement in our environmental performance.

As objectives are met, we recalibrate and move forward to address new challenges. Currently we have two emissions reduction targets, both established in 2013:

1. Absolute emissions target – to reduce absolute enterprise carbon emissions by 10% versus fiscal 2012 baseline levels by the end of fiscal 2017.
2. Intensity-based emissions target – to reduce enterprise carbon emissions by 0.5 tonnes per employee versus fiscal 2012 baseline level of 4.76 tCO₂e/FTE, by the end of fiscal 2017.

Additionally, in 2012, we established a five-year target of a 25% reduction in enterprise paper consumption, using 2011 as the base year. >>

Note: 2014 environmental performance data will be posted on our website in June 2015. Our most recent Carbon Disclosure Project response (CDP2014) has been posted.



The onus is on us as a large North American company to do what we can to minimize our impact on the environment. By setting targets and then taking the necessary steps to work toward these goals, including raising awareness to effect positive change, we show just how important it is to all of us at BMO.

– Jim Johnston
Director, Environmental Sustainability and Compliance, BMO Financial Group

Initiatives for Reducing Our Environmental Footprint

We continued to install building automation systems technology in our Canadian retail branches, allowing us to monitor and control interior lighting, exterior signage and heating/air conditioning infrastructure remotely. In addition to the cost savings that result from reducing our energy consumption, our maintenance costs are also lowered because most service issues can be addressed remotely. We now have 94 branches using this technology in Canada, approximately 10% of the Canadian branch network.

We installed two electric vehicle (EV) charging stations in the Naperville Operations Center parking garage in Chicago, Illinois. These are the first EV charging stations to be installed in any of our U.S. facilities.

We held a number of electronics recycling events in 2014. In Buffalo Grove, Illinois, we collected and recycled 4,146 lbs. of electronics. And in downtown Toronto, we collaborated with the other large Canadian banks on a two-day electronic waste collection event during Earth Week.

We successfully achieved recertification of the BMO Toronto Tower's Environmental Management System to the internationally recognized ISO 14001 standard.

AWARD

BMO's Jim Johnston and Ula Ubani named to Canada's 2014 Clean50

INDEX

BMO listed on the Carbon Disclosure Project's 2014 Canada Leadership Index

Earth Day 2014

On Earth Day 2014, we launched Essentials of Environmental Sustainability, a new online course developed to promote employee awareness of our environmental commitments.

The course is aimed at providing a good understanding of:

- BMO's Clear Blue Skies Strategy, to be a leader in environmental sustainability
- How we're reducing the carbon footprint of our business operations through the ECO⁵ Strategy
- How we've achieved our carbon neutral status and maintained this status for four years
- The targets we've set and how we plan to achieve them
- What employees can do to help us get there!

115,186 MWh

BMO purchased 115,186 megawatt hours of 100% renewable electricity to power retail branches and offices across North America



Further Information

BMO website – Environment

www.bmo.com/home/about/banking/corporate-responsibility/environment

BMO website – Environmental Performance

www.bmo.com/home/about/banking/corporate-responsibility/environment/environmental-performance

Responsible Banking

Why Responsible Banking Matters: We recognize that our lending and investment activities can have significant environmental and social impacts, both positive and negative, so we take great care in choosing who we do business with. Our intent is to avoid borrowers with poor records for environmental and social risk management.

By aligning our operations and activities with credible external guidelines, principles and frameworks, we can have a significant positive global impact. Such guidelines can also broaden investment evaluation criteria, improve risk management practices and lead to increased transparency within our organization and across our sector.

Our Management Approach

Good products and services attract good customers. So it is in our interest to ensure that the products and services we offer comply with consumer protection laws and regulations, our Code of Business Conduct and Ethics, and all related voluntary codes of conduct.

Our policies and procedures for approving new or modified products and services are reviewed by several Corporate Support areas, including Risk Management, Finance, Legal & Compliance, Audit and Human Resources, and other senior management committees, depending on the item.

Our commercial lenders follow comprehensive guidelines to help them assess environmental and social risk related to financing activities. These guidelines identify more than 50 industries that are considered environmentally sensitive and that, consequently, require greater due diligence and a heightened level of screening.

BMO's asset management businesses are guided by our Responsible Investment Policy, which outlines the environmental, social and governance (ESG) impacts that we need to consider when making investment decisions.

BMO Capital Markets corporate banking employees receive ESG training, which is part of a larger program designed to establish a consistent, enterprise-wide understanding of environmental and social risk. The training includes identification of emerging issues, an overview of our due diligence procedures and an introduction to tools that can assist employees in identifying and managing ESG risks.

Responsible Banking Initiatives

We have been an Equator Principles (EP) signatory since 2005. When assessing applications for project financing, we apply our internal guidelines, which incorporate both EP requirements and sound environmental management practices. We also use the International Finance Corporation's environmental and social screening to categorize and assess projects based on the magnitude of their potential impacts and risks.

We are a member of the United Nations Environment Programme – Finance Initiative (UNEP FI), a partnership between UNEP and more than 200 institutions in the global financial sector. For a two-year term that ended in 2014,

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Our ESG training for BMO Capital Markets employees is part of a larger program designed to establish a consistent, enterprise-wide understanding of environmental and social risk.

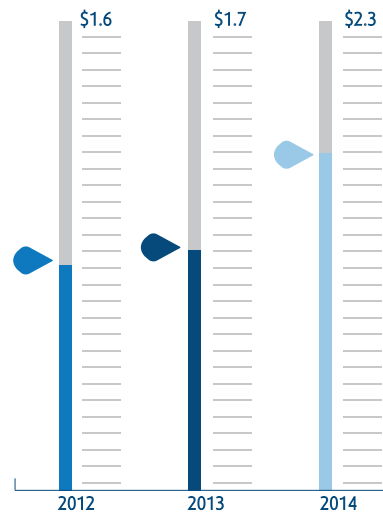
– Bindu Dhaliwal
Director, Environmental, Social and Governance, BMO Financial Group

BMO co-chaired UNEP FI's North American Task Force and also served on its Banking Commission Board, along with banks representing Norway, the United Kingdom, Ecuador, Greece, South Africa, Brazil, India, Colombia and the U.S.

BMO is a member of the Global Compact Network Canada (GCNC), the local chapter of the United Nations Global Compact. The GCNC convenes working groups to foster cross-industry and cross-sector dialogue on relevant sustainability challenges.

We were involved in raising approximately \$2.8 billion of equity and debt in the capital markets for entities active in renewable energy across North America. In addition, we had approximately \$2.3 billion of lending capital committed to the sector globally. These figures include only those transactions and lending commitments directly associated with renewable energy or entities having a substantial interest in renewable energy.

Renewable Financing Lending Commitments (\$billions)



Taking a Consistent Approach to Responsible Investing

Prior to this year, asset management businesses within BMO followed their own practices and frameworks with respect to responsible investing. For example, some companies acquired by BMO were early signatories to the United Nations Principles for Responsible Investing (UNPRI), which provides a framework for incorporating environmental, social and corporate governance issues into investment portfolios.

In 2014, BMO Global Asset Management (GAM) became a signatory to UNPRI. As a result, each of the investment teams within GAM has now committed to integrating material ESG considerations into their overall investment process. The six UN Principles for Responsible Investing guide our investment teams as they consider ESG issues with the potential to affect the performance of our portfolios. By aligning the practices of all BMO asset managers under the UNPRI framework, we have strengthened our commitment to responsible investment across the organization.

\$2.8
billion in equity
and debt renewable
energy financing

TOP 50
Socially Responsible
Corporations in
Canada as ranked by
Maclean's, L'actualité
and Sustainalytics
includes BMO

Further Information

BMO website – Corporate Responsibility
www.bmo.com/home/about/banking/corporate-responsibility/home

BMO website – Responsible Lending and Project Financing
www.bmo.com/home/about/banking/corporate-responsibility/customers/responsible-lending

Talent Retention

Why Talent Retention Matters: In a competitive environment for talent, retention is top of mind. When employees feel valued, they become engaged, they are motivated to stay and grow with BMO, and they build meaningful relationships with our customers.

Our goal is to have the best available talent in place everywhere across the organization. Retaining great talent builds the strength of our customer relationships – the core of our business.

Our Management Approach

We believe that higher levels of employee engagement lead to greater talent retention and a better customer experience. We use voluntary turnover rates as a key metric to evaluate employee retention.

On a monthly basis, turnover rates are reviewed by each line of business, along with Human Resource teams, to look for trending and identify turnover drivers in their markets.

On a quarterly basis, our CEO and senior executives evaluate business performance according to financial performance, strategic initiatives, customer segment goals and workforce health. One of the key indicators of workforce health is the voluntary turnover rate, our measure of employee retention. As part of these reviews, BMO regularly evaluates employee base pay in the context of voluntary turnover rates to ensure that our salaries are competitive.

Talent Retention Initiatives

Employees and companies both succeed when employees have meaningful work and opportunities to grow, and feel empowered to own their careers.

We encourage employees to forge a unique career path defined by their interests, capabilities and goals. There are multiple paths to success, including mastering a current role, taking on new challenges or building broad experiences. We help employees navigate their careers, with manager support, innovative tools and resources, and an annual Career Month that provides opportunities to build skills, network and attend events.

Recognition – appreciating the very best in others and celebrating individual and team achievements – lies at the heart of who we are. In 2014, we launched BMOBeam, a social recognition program with a real-time, online newsfeed. Messages are posted for others to see, so employees across BMO can share in success. We provide competitive compensation and benefits:

- We align performance and pay, and offer employees the opportunity to participate in the success of the company through incentive pay.

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Our strength comes from our people: talented and creative employees who are passionate about delivering great customer experiences. We work hard to create a workplace where everyone feels they belong, and we support employees to grow their careers - in ways that matter to them - so they can achieve their very best.

– Lynn Roger
Chief Talent Officer, BMO Financial Group

- We offer a range of benefits that can be tailored to employees’ needs. Benefits are available to full- and part-time employees (with limited benefits for temporary employees) and eligible dependents, including health and insurance coverage, income protection, retirement, savings and work/life effectiveness programs.
- More than 85% of BMO employees participate in share ownership plans by purchasing BMO common shares and/or including them in retirement savings.
- Employees receive tuition assistance, and volunteer grants and a matching gifts program – and can take time to engage in community activities – for causes most important to them. They also have access to “Best of BMO” banking services, personal use deals and corporate discounts.

In addition to these initiatives, we conduct an annual employee survey, BMOPulse, to request employee insights about what’s working at BMO, and where we need to make changes. Regularly seeking – and acting on – their feedback enhances employee engagement and their motivation to stay with the company.

Voluntary Turnover Rate in Canada



Surveying the Landscape

BMO conducts an annual survey to keep informed about the investments Canadian businesses are making in order to retain talented employees.

In August 2014, we released our fourth annual Labour Day Survey, conducted by Pollara Strategic Insights, which revealed the four most common types of programs that businesses use to retain employees:

- flexible work hours (76%)
- education, training and development (66%)
- improvements in health and dental benefits (36%)
- improvements in paid vacation time (29%).

The report also found that, beyond flexible hours, large organizations are much more likely to invest in various retention-related strategies, including opportunities for education and special training (96%), and are twice as likely as small businesses to facilitate telecommuting among their employees (50% vs. 25%, respectively).

80%
of employees report that their work gives them a feeling of personal satisfaction

AWARD
Named as one of Universum’s 2014 Top 100 Ideal Employers in Canada

Further Information

BMO website – Career Opportunities
www.bmo.com/home/about/banking/careers/career-opportunities

BMO website – BMO Employment Equity Narrative Report
www.bmo.com/home/about/banking/corporate-responsibility/our-approach/reporting

GRI Index

Legend

- AIF – Annual Information Form for the year ended October 31, 2014
- AR – BMO Financial Group’s 197th Annual Report 2014
- DMA – Disclosure on Management Approach
- ESG Report and PAS – Environmental, Social and Governance Report and Public Accountability Statement
- PC – Notice of Annual Meeting of Shareholders and Management Proxy Circular – April 1, 2015

G4 INDICATOR	G4 DESCRIPTION	COMMENTARY
Strategy and Analysis		
G4-1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization’s strategy for addressing sustainability.	See page 3 of this report: Message from the Chair, BMO Sustainability Council.
G4-2	Description of key impacts, risks and opportunities.	For ESG related risks, see the Reputation Risk and Environmental and Social Risk sections on page 105 of the AR.
Organization Profile		
G4-3	Name of the organization.	Bank of Montreal
G4-4	Primary brands, products, and/or services.	Bank of Montreal uses a unified branding approach that links the organization’s member companies under the brand “BMO Financial Group”. As such, in this report, the names BMO and BMO Financial Group mean Bank of Montreal together with its subsidiaries. Further information: AR pages 27 and 173-175
G4-5	Location of organization’s headquarters.	BMO’s head office is located at 129 rue Saint - Jacques, Montreal, Quebec, H2Y 1L6, and its executive offices are located at 100 King Street West, 1 First Canadian Place, Toronto, Ontario, M5X 1A1.
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	We operate in a number of countries, but the scope of our ESG Report, unless otherwise stated, is Canada and the United States, also referred to as BMO’s North American operations. Further information: AR pages 173-175 and 176

G4 INDICATOR	G4 DESCRIPTION	COMMENTARY
G4-7	Nature of ownership and legal form.	Bank of Montreal is a Canadian Schedule I bank and public company listed on the Toronto and New York stock exchanges. Shares are widely held by institutional and retail owners. Further information: AR page 176
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	AR pages 173-175
G4-9	Scale of the reporting organization.	See page 6 of this report: Who We Are. Further information: AR pages 27 and 173-175
G4-10	Total number of employees by employment contract and region.	See page 56 of the PAS: BMO Headcount.
G4-11	Percentage of total employees covered by collective bargaining agreements.	Currently, 0% of employees are covered by collective bargaining agreements. For BMO's position on freedom of association and collective bargaining, refer to: BMO on the issues
G4-12	Describe the organization's supply chain (in relation to the organization's primary activities, products and services).	In 2014, we purchased more than \$4.2 billion worth of goods and services from approximately 16,000 suppliers in North America. Of that amount, approximately \$3.0 billion was spent through our Canadian operations and approximately \$1.3 billion was spent through our U.S. operations. Further information: www.bmo.com/home/about/banking/corporate-information/supplier-information/current-supplier-information
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	AR pages 28-29, 35 and 153-154
G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	See page 30 of this report: Responsible Banking (Our Management Approach).
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	See page 30 of this report: Responsible Banking.

G4 INDICATOR	G4 DESCRIPTION	COMMENTARY
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Holds a position on the governance body; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; or • Views membership as strategic. 	Memberships and Associations See page 30 of this report: Responsible Banking.
Identified Material Aspects and Boundaries		
G4-17	Entities included in the organization's consolidated financial statements or equivalent documents, including those not covered by the report.	Information about the inter-corporate relationships among Bank of Montreal and its significant subsidiaries is provided on pages 173-174 of the AR. Further information: AR page 176
G4-18	Process for defining the report content and the Aspect Boundaries.	See page 7 of this report: Materiality and Stakeholder Engagement.
G4-19	Material Aspects identified in the process for defining report content.	See page 7 of this report: Materiality and Stakeholder Engagement.
G4-20	Aspect Boundary within the organization.	See page 7 of this report: Materiality and Stakeholder Engagement.
G4-21	Aspect Boundary outside the organization.	See page 7 of this report: Materiality and Stakeholder Engagement.
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	We have restated targets in our ESG Scorecard with respect to reduction targets for Scope 1, 2 and 3 emissions. See page 5 of this report. Refer to Environment Performance for details on changes to environmental data.
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	There have been no significant changes from the previous reporting period (fiscal 2013) in the scope, boundary or measurement methods applied in this report.

G4 INDICATOR	G4 DESCRIPTION	COMMENTARY
Stakeholder Engagement		
G4-24	Stakeholder groups engaged by the organization.	See page 7 of this report: Materiality and Stakeholder Engagement.
G4-25	Basis for identification and selection of stakeholders with whom to engage.	See page 7 of this report: Materiality and Stakeholder Engagement.
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	<p>The table below lists the various types of Engagement Activities.</p> <p>Further Information: www.bmo.com/home/about/banking/corporate-responsibility/our-approach/engaging-our-stakeholders</p>

Stakeholder Group	Types of Engagement Activities
Customers	<ul style="list-style-type: none"> • In-person at the branch level • Correspondence by mail and phone • Dedicated mailboxes (feedback@bmo.com, sustainability@bmo.com and Green.Room@bmo.com) • Complaints management process (including the Office of the Ombudsman) • Net Promoter Score (NPS) surveys by phone and online • Focus groups • Advisory panel
Employees	<ul style="list-style-type: none"> • Surveys • Town halls • Employee Affinity Groups • Senior leader internal blogs • Dedicated mailboxes (e.g., sustainability@bmo.com and Green.Room@bmo.com)
Shareholders and Investment Community	<ul style="list-style-type: none"> • Annual General Meeting • Investor days • Investor conferences and meetings • News releases, corporate website and industry conferences • Quarterly and annual disclosure of financial results
Government and Regulators	<ul style="list-style-type: none"> • Correspondence through comment letters • In person meetings and by phone • Industry Association meetings
Civil Society and Sustainability Community	<ul style="list-style-type: none"> • Correspondence through comment letters • In-person meetings and by phone • Questionnaires • Surveys • Interview • Research papers on key issues for our industry • Dedicated mailbox (sustainability@bmo.com)

G4 INDICATOR	G4 DESCRIPTION	COMMENTARY
G4-27	Key topics and concerns raised through stakeholder engagement.	See page 7 of this report: Materiality and Stakeholder Engagement.
Report Profile		
G4-28	Reporting period (e.g. fiscal/calendar year) for information provided.	Our AIF, AR, PC and ESG Report and PAS cover our 2014 fiscal year (November 1, 2013 to October 31, 2014).
G4-29	Date of most recent previous report.	2013 Environmental, Social and Governance Report and Public Accountability Statement
G4-30	Reporting cycle (annual, biennial, etc.).	Our reporting cycle is annual.
G4-31	Contact point for questions regarding the report or its contents.	Email address for questions about this report: sustainability@bmo.com
G4-32	<p>GRI Content Index:</p> <p>a. Report the 'in accordance' option the organization has chosen.</p> <p>b. Report the GRI Content Index for the chosen option (see tables below).</p> <p>c. Report the reference to the External Assurance Report, if the report has been externally assured.</p>	<p>a. This report has been prepared 'in accordance' with the Global Reporting Initiative' (GRI) G4 Guidelines' Core option and the GRI Financial Services sector supplement.</p> <p>b. This table</p> <p>c. For the External Assurance Statement, see pages 50-51 of this report.</p>
G4-33	Policy and current practice with regard to seeking external assurance for the report.	See page 2 of this report: About this Report (External Assurance).

G4 INDICATOR	G4 DESCRIPTION	COMMENTARY
Governance		
<p>G4-34</p>	<p>Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.</p>	<p>Our Board of Directors is responsible for enterprise-wide oversight and governance, and a number of our Board committee mandates include addressing ESG matters. For example, the Audit and Conduct Review Committee reviews reports on ESG issues, and the Human Resources Committee has oversight of retention strategies and executive compensation.</p> <p>BMO's Sustainability Council is comprised of senior leaders from across the organization and provides guidance and insight on significant sustainability matters. The council meets every quarter, and the chair reports to our CEO.</p> <p>Further information: Corporate Sustainability Governance</p>
<p>G4-37</p>	<p>Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.</p>	<p>The ESG Team is accountable for identifying and understanding current and emerging ESG issues that may have an impact on our stakeholders and in turn on our business. The ESG Team collaborates with various areas of the bank to address those issues, and is responsible for ESG training.</p>
<p>G4-38</p>	<p>Composition of the highest governance body and its committees.</p>	<p>Board of Directors: www.bmo.com/home/about/banking/corporate-governance/board-of-directors</p> <p>Board Committees: www.bmo.com/home/about/banking/corporate-governance/board-committees/audit-and-conduct-review</p>
<p>G4-39</p>	<p>Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).</p>	<p>The Chair of the Board of Directors is not an executive officer.</p>
<p>G4-40</p>	<p>Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.</p>	<p>See our Governance and Nominating Committee Charter, Director Independence Standards and Board Diversity Policy at: www.bmo.com/home/about/banking/corporate-governance/select-documents Further information: PC (Directors)</p>

G4 INDICATOR	G4 DESCRIPTION	COMMENTARY
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities.	The Executive Committee (EC), comprised of the CEO's direct reports, ensures overall sound governance and management of all aspects of BMO. The EC also oversees the effective execution of all strategies and financial business plans. The Risk Management Committee oversees risk and governance at the highest levels of management.
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	The Risk Management Committee oversees risk and governance at the highest levels of management.
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	The Audit and Conduct Review Committee reviews reports on ESG issues.
G4-49	Process for communicating critical concerns to the highest governance body.	Critical concerns are reported to the Board of Directors in the form of a report. For example, non-compliance issues would be reported quarterly to the Audit and Conduct Review Committee. Further information: Corporate Sustainability Governance
G4-51	Remuneration policies for the highest governance body and senior executives.	See the Compensation Discussion and Analysis section in the PC. As an incentive for environmental performance, we provide monetary rewards to environmental/sustainability management, the corporate real estate executive team and facility managers. Further information: BMO CDP Response

G4 INDICATOR	G4 DESCRIPTION	COMMENTARY
Material Issues		
Access To Banking		
DMA		See page 10 of this report: Access to Banking.
G4-EC7	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	See page 5 of this report: ESG Scorecard.
G4-EC8	Understanding and describing significant indirect economic impacts, including the extent of impacts.	See BMO's Corporate Responsibility Report at: Corporate Responsibility Report
FS13	Access points in low - populated or economically disadvantaged areas by type.	See page 10 of this report: Access to Banking.
Business Conduct		
G4-DMA		See page 12 of this report: Business Conduct.
G4-HR2	Ethics training hours.	Total number of training hours on BMO's Code of Conduct for fiscal 2014 was 51,891 hours.
G4-EN29	Monetary value of significant fines and total number of non - monetary sanctions for non - compliance with environmental laws and regulations.	BMO did not pay any significant fines and was not otherwise sanctioned for non - compliance with environmental laws or regulations in fiscal 2014.
G4-S08	Significant fines or monetary sanctions.	See page 5 of this report: ESG Scorecard. Refer to definition in Glossary of Terms.
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	See page 12 of this report: Business Conduct
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	www.bmo.com/home/about/banking/corporate-governance/about-us/code-of-conduct
Contributing to our Communities		
DMA		See page 14 of this report: Contributing to our Communities. Further information: Corporate Responsibility Report
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	See page 52 of this report: PAS.
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	We disclose how we manage climate change in our Carbon Disclosure Project (CDP) submission. Further information: BMO CDP Response

G4 INDICATOR	G4 DESCRIPTION	COMMENTARY
G4-EC3	Coverage of the organization's defined benefit plan obligations.	We provide a defined benefit pension program to eligible BMO employees in Canada and certain eligible BMO employees in the United States. We provide defined contribution pension and savings programs to employees in some of our subsidiaries. BMO's pension plans are managed prudently and in accordance with all applicable laws and regulations.
FS16	Initiatives to enhance financial literacy.	See page 54 of this report: Financial Literacy.
Cost of Banking Services		
DMA		See page 16 of this report: Cost of Banking Services.
FS14	Initiatives to improve access to financial services for disadvantaged people.	See page 16 of this report: Cost of Banking Services. BMO is committed to making our facilities and services accessible to people of all abilities. Further information: Accessibility at BMO
Data Security		
DMA		See page 20 of this report: Data Security.
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	See page 20 of this report: Data Security.
Diversity and Inclusion		
DMA		See page 22 of this report: Diversity and Inclusion.
G4-LA12	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	See page 5 of this report: ESG Scorecard.
Employee Training		
DMA		See page 26 of this report: Employee Training.
G4-LA9	Average training hours per FTE employee	See page 26 of this report: Employee Training. Refer to definition in Glossary of Terms.

G4 INDICATOR	G4 DESCRIPTION	COMMENTARY
Reducing our Environmental Footprint		
DMA		See page 28 of this report: Reducing our Environmental Footprint.
G4-EN3	Energy consumption within the organization.	Environmental Performance BMO CDP Response
G4-EN5	Energy intensity.	Environmental Performance BMO CDP Response
G4-EN6	Reduction of energy consumption.	Environmental Performance BMO CDP Response
G4-EN15	Direct greenhouse gas emissions: Scope 1.	See page 5 of this report: ESG Scorecard. Environmental Performance BMO CDP Response
G4-EN16	Indirect greenhouse gas emissions: Scope 2.	See page 5 of this report: ESG Scorecard. Environmental Performance BMO CDP Response
G4-EN18	Greenhouse gas emissions intensity.	Environmental Performance BMO CDP Response www.bmo.com/home/about/banking/corporate-responsibility/environment/carbon-neutral
G4-EN19	Reduction of greenhouse gas emissions.	BMO ECO² Strategy Environmental Performance BMO CDP Response
G4-EN20	Emissions of ozone-depleting substances (ODS).	Environmental Performance
Responsible Banking		
DMA		See page 30 of this report: Responsible Banking.
FS1	Policies with specific environmental and social components applied to business lines.	Environmental and social risks include the threat of adverse effects on the natural environment through emissions, wastes and resource depletion, as well as risks to the livelihoods, health and rights of communities and their cultural heritage arising out of a client's business operations and BMO's financing activities. The existence of environmental and social risks does not preclude BMO from providing financing to a borrower. We have internal policies applicable to our Commercial Banking and BMO Capital Markets businesses to provide guidance on how to identify, manage and mitigate environmental and social risks in financing transactions. The policies are regularly reviewed and approved by executives in the Risk Management area.

G4 INDICATOR	G4 DESCRIPTION	COMMENTARY
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Due diligence is performed by the line of business (LOB) to determine if the magnitude of the environmental and social risk is material. As part of the approval process, the transaction application will include the LOBs findings. Environmental risk is most prevalent when dealing with environmentally sensitive industries. We have identified more than 50 industries that we subject to a higher level of environmental due diligence. We evaluate social risks by assessing how well a client manages regulatory and other risks related to stakeholder engagement and issues related to Aboriginal consultation. Specific due diligence questions on both aspects are outlined in our financing policies.
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Social and environmental requirements in transaction agreements are monitored by the line of business in the same way as other transaction requirements.
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Updates to our policies are widely distributed to all affected employees, and when required, we raise additional awareness on a case-by-case or issue-by-issue basis with key decision - makers. In 2013, BMO implemented ESG training for BMO Capital Markets employees to ensure that there is consistency in the understanding of environmental and social risks across the enterprise. The training includes identification of emerging issues, an overview of BMO's due diligence procedures, and tools to assist employees in identifying and managing ESG risks.
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	We work with our clients and suppliers to understand and manage social and environmental risks, and to take advantage of opportunities. This also occurs in our Commercial Banking and BMO Capital Markets businesses where clients may need financing to take advantage of environmental opportunities.
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	The management of environmental and social risks is integrated into our enterprise - wide risk management processes. As a matter of course, our internal audit function conducts audits on all bank units periodically. This audit includes assessing compliance with relevant environmental and social risk policies.

G4 INDICATOR	G4 DESCRIPTION	COMMENTARY
FS15	Policies for the fair design and sale of financial products and services.	<p>Regulation of our retail business: In Canada, financial institutions must provide consumers with information about the cost of borrowing, complaint - handling procedures, fees, interest rates and branch closures. The Financial Consumer Agency of Canada (FCAC) supervises federally regulated financial institutions to ensure they comply with federal consumer protection laws, voluntary commitments and codes of conduct. In the U.S., the Consumer Financial Protection Bureau (CFPB) supervises federally regulated financial institutions, and is responsible for protecting consumers against unfair, deceptive or abusive acts or practices and for enforcing laws related to discrimination and other unfair treatment.</p> <p>Regulation of our Wealth Management business: Our regulators ensure that we comply with regulatory and investment industry standards of practice and business conduct, and also with investor protection guidelines and rules intended to foster market integrity. In Canada, the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association oversee provincially regulated investment firms. In the U.S., our main regulators include the Financial Industry Regulatory Authority, the Securities and Exchange Commission, the Office of the Comptroller of the Currency and the Department of Labor.</p>

Talent Retention

DMA		See page 32 of this report: Talent Retention.
G4-LA1	Turnover rate by region.	<p>See page 5 of this report: ESG Scorecard.</p> <p>Refer to definition in Glossary of Terms.</p>

Awards and Recognition[❖]

Business Awards

Best Full Service Investment Advisory in Canada, 2014 by *Global Banking and Finance Review*

Best Online Brokerage of 2014 by Morningstar (BMO InvestorLine)

Best Trade Bank in Canada by *Trade Finance* magazine

Best Wealth Management in Canada, 2014 by *Global Banking and Finance Review*

Canadian Council for Aboriginal Business, Gold certification in Progressive Aboriginal Relations

Global Custodian Magazine's Prime Broker Survey names BMO Capital Markets "Best in Class"

Innovatio Award – Best Practices in Compliance Systems (Large Department)

World Finance Magazine ranked BMO Harris Private Banking as Best Private Bank in Canada, 2014

Community Awards

Recipient of the 2014 Canadian Corporate Champion of the Arts Award by Business for the Arts

2014 Advocate for the Arts Award presented by the Grant Park Orchestral Association, Chicago

2014 Progresando Award presented by Latinos Progresando for support and commitment of the Hispanic community in Chicago

2014 Governor's Arts Award presented by the Phoenix Art Museum

2014 Epic Award presented by the United Performing Arts Fund, Milwaukee

Diversity Awards

Black EOE Journal: Best of the Best Award for Top Finance and Banking Company– BMO Harris Bank

Hispanic Network Magazine: Best of the Best Awards for Top Finance and Banking Company and Best Diversity Employer– BMO Harris Bank

Human Rights Campaign Foundation recognized BMO Harris Bank as one of its "2014 Best Places to Work" for LGBT Employees

Innovatio Award – Best Practices in Law Department Diversity (Large Department)

Professional Woman's Magazine: Best of the Best Awards for Top Finance and Banking Company and Best Diversity Employer – BMO Harris Bank

Employer Awards

Greater Toronto's Top Employers for 2014 by Mediacorp Canada Inc.

Human Rights Campaign Foundation recognized BMO Harris Bank as one of its "2014 Best Places to Work"

Recognized as one of Universum's 2014 Top 100 Ideal Employers in Canada

Environmental Awards

2014 Canada 200 Carbon Disclosure Leadership Index by Carbon Disclosure Project

2014 Environmental Protection Agency Green Power Leadership Club Membership Award

2014 *Newsweek* Green Rankings

Sustainability Indices and Rankings

Corporate Knights' list of Canada's Best 50 Corporate Citizens

Dow Jones Sustainability North America Index

FTSE4Good Series Index

Global 100: Most Sustainable Corporations in the World

Maclean's/Sustainalytics list of the Top 50 Socially Responsible Corporations in Canada

* For a complete list, refer to [Awards and Recognition](#)

Glossary of Terms

Active Employee

Includes full-time or part-time permanent employees with an “active” payroll status, but excludes term/contract employees.

Annual Employee Survey

BMO’s confidential and voluntary annual employee survey is conducted by a third party on an annual basis. The online survey is available to all active employees. Results and insights from this voluntary survey are reported at all levels of management and aggregated at an enterprise-wide level. Key metrics include Employee Engagement Index and Participation Rate.

Annual Employee Survey Participation Rate

Calculated as the number of BMO employees who completed the annual employee survey divided by the total number of active employees who were invited to participate at the time the survey was administered. The participation rate includes all BMO employees worldwide.

Average Time to Complete Banking Reviews

Average length of time taken by the Ombudsman’s Office to complete Banking Reviews (refer to definition) for Bank of Montreal customers in Canada.

Average Training Hours per FTE Employee

Average training hours per FTE employee (refer to definition) is calculated as total training hours divided by the average number of full-time equivalent employees during the reporting period.

Bank of Montreal or BMO

Bank of Montreal uses a unified branding approach that links all of the organization’s member companies under the brand “BMO Financial Group”. As such, in this document, the names BMO and BMO Financial Group mean Bank of Montreal together with its subsidiaries.

Banking Reviews

Investigations completed by the Ombudsman’s Office regarding customer complaints related to Bank of Montreal’s retail banking products in Canada (e.g. accounts, loans, credit cards). Banking reviews include Early Resolution Cases (refer to definition) and exclude investment-related complaints (e.g. complaints from customers of BMO InvestorLine, BMO Nesbitt Burns, BMO Life Insurance).

Business with Aboriginal Customers

Includes the monetary value of core commercial products (loans and deposits) held by Aboriginal customers and the total authorized value of mortgages available to Aboriginal customers at the end of the reporting period. This figure excludes all investment fund balances managed by BMO for Aboriginal communities and any retail banking products or services provided to Aboriginal customers in Canada.

Communities Participating in BMO’s On - Reserve Housing Loan Program

Refers to the number of bands in Canada that have applied and been approved for the On-Reserve Housing Loan Program. The On-Reserve Housing Loan Program helps customers living on reserves, whose land and homes cannot be used as security for a mortgage, to obtain home financing with the backing of First Nations governments, without the need for federal government guarantees. For program details, see the Aboriginal Banking link on our website.

Contingent Talent

Contingent talent includes temporary full-time and part-time workers sub-contracted through third-party suppliers as well as independent (or self-employed) contractors normally working under contract for a fixed period of time or on a specific project that has a defined end date. As such, contingent talent is not employed by BMO.

Diversity

Diversity is the mix of demographics, skills, experiences and styles of all BMO employees. Diversity categories include:

- Women in senior leader roles—Canada and the United States*
- Visible minority employees—Canada (in senior roles)
- People of colour—United States (in senior roles)
- Aboriginal employees—Canada (total workforce)
- Persons with disabilities—Canada (total workforce).

All active employees are included in the metric. Data is reported as of October 31, 2014.

* Prior to 2014, this metric included women executives only.

Donations

Includes cash-based donations and donations made as part of the Matching Gifts Program and Volunteer Grants Program. Excludes in-kind donations, sponsorships and fundraising dollars

Early Resolution Cases

Straightforward cases completed in under 30 days, including limited out of mandate reviews of process on matters that generally fall outside of the mandate of the Ombudsman's Office (e.g., account closures, credit granting decisions, matters in litigation). For further information on the Ombudsman's Office mandate please refer to: www.bmo.com/home/popups/global/ombudsman/ombudsman-details and www.bmo.com/pdf/resolving-complaint-en.pdf

Employee Engagement Index (EEI)

Refers to the degree of employee engagement as indicated by the annual employee survey. EEI is the average of the agreement scores of five survey questions that measure how employees feel overall about BMO, and their level of commitment, satisfaction and advocacy for the company. The EEI score is an aggregate of the survey results for all BMO employees worldwide.

Enterprise and Enterprise-Wide

The terms "enterprise" and "enterprise-wide" are used when referring to Bank of Montreal and all of its subsidiaries worldwide.

Environmental, Social and Governance (ESG)

ESG is the term we use to describe the three different areas of concern when looking at sustainability issues that have or may have an impact on our stakeholders or our business.

Equator Principles

A voluntary credit risk management framework for determining, assessing and managing environmental and social risk in Project Finance transactions. Project Finance is often used to fund the development and construction of major infrastructure and industrial projects. BMO has been a signatory to the Equator Principles since 2005.

Ethics Training Coverage

The percentage coverage of ethics training is calculated by dividing the number of employees who completed BMO's Code of Business Conduct and Ethics training course during the period April 1 to June 30 by the total number of employees as at June 30. Ethics training coverage includes all active BMO employees as well as contingent talent worldwide.

Ethics Training Hours

Refers to the total hours spent by all employees who have completed the ethics training course during the reporting period. "Course completed" status requires that employees: complete the training; pass an assessment with a score of 80% or better to confirm understanding of the course content; and complete the Declaration. Ethics training hours include all BMO employees worldwide.

Full - Time Equivalent (FTE)

Reflects the number of full-time equivalent employees in the organization, calculated based on a standard work week, adjusted for overtime hours and including full-time and part-time employees. This measurement is used to calculate the total workforce worldwide, broken down by region.

Investment in Training

Includes the total dollars spent on internal courses, including design and delivery and associated costs (e.g., travel and materials), administered by BMO's Institute for Learning, and cost reimbursements for external courses (e.g., tuition fees, travel and materials).

Net Promoter Score (NPS)

NPS is the net percentage of customers who would recommend BMO to a friend or colleague. Calculated by subtracting the percentage of "detractors" (defined based on a five-point scale as those indicating they "might or might not recommend", "probably would not recommend" or "definitely would not recommend") from the percentage of "promoters" (defined based on a five-point scale as those indicating they "definitely would recommend"). Reported on a 12-month rolling average basis.

Number of Locations Serving Aboriginal Communities

Number of BMO branches located on Aboriginal reserve land or Inuit territories, as defined by the Government of Canada. This number is for Canada only.

Project Finance

Project Finance is a method of funding in which the lender looks primarily to the revenues generated by a single project, both as the source of repayment and as security for the exposure. Project Finance transactions play an important role in financing development throughout the world. This type of financing is usually for large, complex and expensive installations that might include, for example, power plants, chemical processing plants, mines, and transportation, environmental and telecommunications infrastructure.

Source: Equator Principles www.equator-principles.com/index.php

Renewable Energy Purchases

Refers to total purchases in megawatt-hours (MWh) of renewable energy certificates (RECs) during the reporting period. In Canada, RECs represent power from certified wind and low-impact hydro generators and have been used in retail branches in the provinces of Ontario, British Columbia, Alberta, Nova Scotia, New Brunswick and Prince Edward Island. In the United States, RECs represent power generated from wind turbines. In both Canada and the United States, the RECs are retired after purchase through legal contract with the supplier.

Scope 1 Emissions

Refers to direct greenhouse gas emissions from sources owned and/or controlled by BMO. Total Scope 1 emissions are calculated in accordance with the ISO 14064-1 standard and include those resulting from combustion of fuels at owned facilities (e.g., natural gas, heating oil, other fuels), owned transportation assets, and some ozone - depleting substances. This definition of Scope 1 aligns with the greenhouse gas (GHG) protocol and is reported at an enterprise-wide level for the period November 1 to October 31.

Scope 2 Emissions

Refers to indirect greenhouse gas emissions associated with the generation of electricity, heating and cooling, or steam purchased for an organization's own consumption. BMO's total Scope 2 emissions represent our worldwide operations and include those resulting from the purchase of non - renewable electricity and steam for use at our owned facilities. This definition of Scope 2 aligns with the GHG protocol and is reported for the period November 1 to October 31.

Scope 3 Emissions

Refers to indirect greenhouse gas emissions associated with combustion of fuels at our leased facilities (e.g., natural gas, heating oil, other fuels), non-renewable electricity and steam purchased for use at our leased facilities, employee business travel (air/auto/rail - North America only), and landfill waste (North America only). Total Scope 3 emissions are calculated in accordance with the ISO 14064-1 standard. This definition of Scope 3 aligns with the greenhouse gas (GHG) protocol and is reported for the period November 1 to October 31.

Senior Roles

Refers to the total number of employees in senior roles (including senior manager and above).

Significant Fines/Monetary Sanctions

Refers to significant monetary fines that have been levied against BMO by a regulatory body during the reporting period. A fine is classified as "significant" if it is greater than \$500,000 in monetary value and deemed by the external regulatory body to relate to unethical business practices by BMO. Monetary sanctions refer to the prohibition of BMO to operate in certain jurisdictions or product lines.

Significant fines/monetary sanctions exclude fines or sanctions levied directly on employees by regulators for breach of trading rules, where it has been determined that BMO has adequate policies and procedures in place to prevent non - compliance. This is determined by the regulatory body, which performs an investigation of the individual and the organization to establish that the organization was not aware of and unable to prevent the individual's behaviour with better policies and procedures.

This metric is reported for BMO's North American operations only. It excludes fines/monetary sanctions for non-compliance with environmental laws and regulations.

Sponsorships

Includes cash - based sponsorships or "rights fees" that are negotiated as a sponsorship package paid by BMO. Sponsorship is provided to both commercial and non - profit entities.

Training Hours

Refers to the total number of hours incurred by BMO employees on completed internal training courses during the reporting period.

Turnover Rate

Refers to the number of active employees who have voluntarily resigned during the reporting period as a proportion of the number of active employees at the end of the reporting period. Turnover rate excludes executives.

Women in Senior Leader Roles

Refers to the total number of female leaders (e.g., Managing Director and Vice-President). From 2014, this metric does not include Capital Markets employees.

Women on Board of Directors

The percentage of women who are independent members of BMO's Board of Directors as at the end of the reporting period.

Assurance Statement

We have been engaged by the Board of Directors of BMO Financial Group (BMO) to undertake a limited assurance engagement, in respect of the year ended October 31, 2014, on certain qualitative and quantitative performance information disclosed in BMO's 2014 Environmental, Social and Governance Report and Public Accountability Statement (the Report) as described below.

Selected Indicators

The scope for which assurance is to be expressed, as agreed with management, includes the following performance information (the Selected Indicators):

- Women in senior leader roles - Canada and US (%)
- Visible minority employees - Canada (% in senior roles)
- People of colour - US (% in senior roles)
- Persons with disabilities - Canada (% of total workforce)
- Aboriginal employees - Canada (% of total workforce)
- Employee engagement index (EEI) score (%)
- Annual employee survey participation rate (%)
- Turnover rate (%)
- Investment in training (\$)
- Average training hours per FTE employee
- Business with aboriginal customers (\$)
- Number of communities participating in BMO's on-reserve housing loan program
- Donations (\$)
- Ethics training (% completion)
- Significant fines or monetary sanctions
- Number of Banking reviews completed by the Ombudsman's Office
- Average time to complete Banking reviews (days)

The Selected Indicators, contained within the Report and denoted by the symbol ▲, have been determined by management on the basis of BMO's assessment of the material

issues contributing to BMO's sustainability performance and most relevant to their stakeholders. There are no mandatory requirements for the preparation, publication or review of sustainability performance metrics. As such BMO applies its own internal reporting guidelines and definitions for sustainability reporting which can be found in the Glossary of Terms in the Report.

Management's Responsibilities

Management is responsible for the preparation and presentation of the Report in accordance with BMO's internal reporting guidelines and definitions for sustainability reporting current as at the date of our report, for determining BMO's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our Responsibility

Our responsibility in relation to the Selected Indicators is to perform a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standards Board. ISAE 3000 requires that we comply with applicable ethical requirements, including independence requirements.

Assurance Approach

We planned and performed our work to obtain all of the evidence, information and explanations we considered

necessary in order to form our conclusion as set out below. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Selected Indicators, and applying analytical and other evidence gathering procedures to the Selected Indicators, as appropriate. Our procedures included:

- Inquiries of management to gain an understanding of BMO's processes for determining the material issues for BMO's key stakeholder groups;
- Inquiries with relevant staff at the corporate and business unit level to understand the data collection and reporting processes for the Selected Indicators;
- Where relevant, performing walkthroughs to test the design of internal controls relating to data collection and reporting of the Selected Indicators;
- Comparing the reported data for the Selected Indicators to underlying data sources;
- Inquiries of management regarding key assumptions and where relevant, the re-performance of calculations;
- Reviewing the Selected Indicators presented in the Report to determine whether they are consistent with our overall knowledge of, and experience with, the sustainability performance of BMO; and
- Reviewing the consistency of BMO's core reporting with the indicators and other information included in the report.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.

Our assurance report is provided solely to BMO in accordance with the terms of our engagement. Our work has been undertaken so that we can report to BMO on those matters we have been engaged to report upon in this assurance report, and for no other purpose. We do not accept or assume responsibility to anyone other than BMO for our work, for this assurance report, or for the conclusion we have reached.

Independence and Competence

In conducting our engagement we have complied with the independence and other ethical requirements of the IFAC Code of Ethics for Professional Accountants.

The engagement was conducted by a multidisciplinary team which included professionals with suitable skills and experience in both assurance and in the applicable subject matter including environmental, social, governance and financial aspects.

Our Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that for the year ended October 31, 2014, the Selected Indicators, as described above and disclosed in the Report, have not been prepared and presented, in all material respects, in accordance with BMO's internal reporting guidelines and definitions for sustainability reporting as at the date of our report.



Chartered Professional Accountants, Licensed Public Accountants

March 2, 2015

Toronto, Canada

Bank of Montreal Public Accountability Statement

The Public Accountability Statement outlines certain aspects 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* (Canada)).

Affiliates

The following are the prescribed affiliates whose activities are included in this Public Accountability Statement. These affiliates are subsidiaries of Bank of Montreal with less than \$1 billion in equity, except for our securities broker, BMO Nesbitt Burns Inc., which has equity exceeding \$1 billion.

BMO Asset Management Inc.

BMO Harris Investment Management Inc.

BMO Investments Inc.

BMO InvestorLine Inc.

BMO Life Assurance Company

BMO Life Insurance Company

BMO Mortgage Corp.

BMO Nesbitt Burns Inc.

BMO Private Equity (Canada) Inc.

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Giving back to our Communities

Giving back to our Communities through:

- Charitable Donations
- Disaster Relief
- Financial Literacy
- Employee Giving
- Sponsorships

Charitable Donations

In 2014, we contributed more than \$57.7 million▲ to non-profit organizations across North America. In addition to the initiatives listed on pages 14 and 15, we have highlighted a few below:

BMO and the Calgary Stampede Foundation announced plans to build the BMO Youth Campus Amphitheatre as part of the Youth Campus at Stampede Park, with the support of a \$2.5 million gift from BMO. The new facility will serve as a much-needed space for youth to perform, learn and enjoy the arts. Set to open its doors in 2016, the BMO Youth Campus Amphitheatre, will be a focal point of the seven-acre Youth Campus and a new hub for performing arts and youth in Calgary. It will be used by students from the Calgary Arts Academy, the Calgary Stampede Showband, the Young Canadians School of Performing Arts, Stampede School and other arts organizations requiring outdoor performance and rehearsal space.

BMO made a \$3 million donation to the Toronto General & Western Hospital – Canada’s largest hospital and a member of the University Health Network – for the establishment of the new BMO Education and Conference Centre. The Centre will serve as a hub where local and international health professionals and future leaders in the field can engage the community in health professions education and research innovation.

Supporting our Employees’ Personal Contributions

In Canada, we supported the volunteer efforts of BMO employees and pensioners by contributing more than \$414,000 to charitable and not-for-profit organizations through the Volunteer Grants Program. We also matched

almost \$245,000 in donations made by employees, pensioners and directors in North America through our Matching Gift Program.

Further Information

2014 Corporate Responsibility Report

www.bmo.com/home/about/banking/corporate-responsibility/our-approach/reporting

Donations in Canada

www.bmo.com/home/about/banking/corporate-responsibility/community/sponsorships

Donations in the U.S.

www.bmoharris.com/us/about/building-strong-communities/philanthropic-giving

Disaster Relief

Giving When the Need is Greatest

BMO provides support to the victims of natural disasters through corporate donations. We also support customer donations for disaster relief by waiving fees or charges for sending bank drafts or money orders for a specified period, and by accepting donations at all of our branches. To ensure our corporate donations will have the most impact, we support fundraising through the Red Cross, which coordinates with local, national and international responders. Here are some examples from 2014:

- BMO made a \$100,000 donation to the Red Cross for its Typhoon Haiyan Fund in the Philippines;
- BMO made a \$25,000 donation to the Canadian Red Cross to assist those affected by the flooding in locations across the southern Prairies region;

- BMO made a \$10,000 donation to the Red Cross to support its relief efforts in L'Isle-Verte following the fire that occurred in this town in the lower St. Lawrence region of Quebec.

Relief Programs for BMO Clients and Commercial Customers

We support our clients in times of need by offering relief programs that include certain deferral options for BMO clients and special accommodations for BMO commercial customers, developed on a case-by-case basis. Here are some examples:

- Tornado relief program in Dufferin County, Ontario
- Flood relief program for Alberta
- Tornado relief program in Angus, Ontario
- Flood relief program for Saskatchewan and Manitoba
- Relief programs for grain farmers in Western Canada.

Financial Literacy

BMO is involved in a number of activities and initiatives aimed at increasing financial literacy on a broad scale. We support the Annual Talk With Our Kids About Money Day, a program developed by the Canadian Foundation for Economic Education (CFEE), as a way to help young Canadians learn more about money and personal finances. Also, during Financial Literacy Month in November, we published a new financial tip every day to help individuals and families save money, develop a better understanding of personal and household financial issues, and manage their day-to-day finances more effectively.

BMO and CFEE Expand Financial Literacy Program in Canada

Talk With Our Kids About Money Day was launched last year in more than 400 schools in Toronto and Montreal. This year, the program was expanded to participating schools in Ontario, Quebec, Manitoba, Saskatchewan and Newfoundland. Parents and teachers can visit the online program hub, www.talkwithourkidsaboutmoney.com which is free for anyone to access and its regularly updated with resources and curriculum ideas.

BMO and SmartSAVER Help Families Establish Registered Education Savings Plans and Access the Canada Learning Bond

BMO partnered with Smartsaver.org to help families across Canada establish Registered Education Savings Plans (RESPs) and to access the Canada Learning Bond (CLB). The focus of this partnership is on promoting the CLB to lower income families as too few know about it and how they can take advantage of it.

The CLB is a great way for lower income families to start education savings. No family contributions are required, and the CLB government incentives can add up to \$2,000 toward a child's RESP. Access to higher education after high school is one of the key drivers in helping individuals advance.

Further Information

www.bmo.com/resp/

Employee Giving

Our Approach

We provide employees with the opportunity to participate in a wide range of community building activities that unite us across borders with a common goal: to work together to help even the odds and improve the lives of the people in our communities.

Beyond the benefits to our communities, our support for employees has a positive impact on our organization. Through their involvement, employees gain opportunities for personal growth by developing strength in leadership and team-building. These positive experiences create a sense of community in the workplace, boost morale and help deepen engagement.

Helping Others

In May 2014, thousands of BMO employees and their families and friends walked in more than 25 communities across Canada in support of Kids Help Phone's Walk so Kids Can Talk presented by BMO. BMO employees raised more than \$1 million for Kids Help Phone through the 2014 Walk. Funds raised from the Walk go towards ensuring that Kids Help Phone's professional counsellors are there by phone and online any time, day or night, 365 days a year, to help children and youth deal with concerns large or small.

Volunteering

June 4, 2014, was BMO Volunteer Day and thousands of BMO employees volunteered during business hours at local charitable agencies in communities across North America. In the fall, in conjunction with United Way's Days of Caring®, thousands more employees volunteered at United Way-funded agencies. Combined, nearly 6,700 employees gave over 22,000 hours – or the equivalent of 12 years – of their talent, energy and passion to build stronger communities.

2014 Employee Giving Campaign

Through our annual employee giving campaign, over 42,000 employees – more than 89% – participated in the 2014 campaign and donated more than \$17.9 million to local United Way organizations and other charities across North America.

Mentorship Programs

Once again, employees in BMO's Legal, Corporate & Compliance Group in Toronto and Chicago acted as mentors for students in priority neighbourhoods through the LAWS (Law in Action Within Schools) and (WITS) Working in the Schools programs.

Sponsorships

Our Approach

Sponsorships play an important role in our overall marketing strategy. They provide us with valuable opportunities to raise the profile of our brand and our image in the community. Sports sponsorships in particular allow us to connect audiences to our brand.

Here are some highlights from the past year:

BMO is proud to sponsor soccer at all levels, from professional to grassroots. Our local soccer club sponsorship program supports 20,000 kids between 7 and 12 years old, helping them have fun playing soccer at a community level. Through our partnership with the Major League Soccer (MLS) teams in Canada, we are able to share an unforgettable experience with more young soccer players. Programs like Kickin' with the 'Caps, Kickin' with TFC and Team up with Impact invite local soccer teams to participate in a special role at a professional match, including an on-field experience and interaction with MLS players.

Further Information

Canada

www.bmo.com/home/about/banking/corporate-responsibility/community/sponsorships

U.S.

www.bmoharris.com/us/about/building-strong-communities/sponsorships

Taxes Paid or Payable in Canada (\$ millions)

BMO Financial Group is a major Canadian taxpayer. In fiscal 2014, our overall tax contribution was \$1,020 million. This amount included \$554 million in income taxes and \$27 million in provincial capital taxes. As well, we paid \$439 million in other taxes, including \$265 million in Harmonized Sales Tax, GST and other sales taxes, \$157 million in payroll taxes (employer portion), \$13 million in property taxes and \$4 million in business taxes and other sundry taxes.

\$ millions

	Income Taxes	Capital Taxes	Other Taxes
Federal	325.5	-	206.0
Province or Territory			
Newfoundland and Labrador	1.5	3.2	1.4
Prince Edward Island	0.4	0.5	0.3
Nova Scotia	3.0	3.2	1.7
New Brunswick	1.3	1.8	0.6
Quebec	35.2	8.5	34.3
Ontario	140.0	-	186.9
Manitoba	2.2	5.5	1.0
Saskatchewan	2.3	4.4	0.3
Alberta	23.1	-	1.6
British Columbia	19.7	-	4.4
Nunavut	-	-	-
Northwest Territories	0.1	-	-
Yukon	0.1	-	-
Total Provincial and Territorial	228.9	27.1	232.5
Total	554.4	27.1	438.5
Income and Capital Taxes	581.5		
Total Taxes	1,020.0		

BMO Headcount

Active, paid and unpaid leave employees (permanent, casual and contract)..

As at October 31st, 2014

Province or Territory	Full Time	Part Time	Total
Alberta	2,018	442	2,460
British Columbia	2,217	710	2,927
Manitoba	365	78	443
New Brunswick	246	76	322
Newfoundland and Labrador	215	69	284
Nova Scotia	390	96	486
Northwest Territories	18	5	23
Ontario	19,332	1,756	21,088
Prince Edward Island	49	17	66
Quebec	4,218	856	5,074
Saskatchewan	359	125	484
Yukon	8	5	13
Total*	29,435	4,235	33,670
United States	13,606	1,687	15,293
International	1,329	147	1,476
Total Employees	44,370	6,069	50,439

* Includes all employees with a Canadian tax location.

Branches Opened and Closed

BMO Bank of Montreal branches opened in fiscal year 2014 (Canada)

Branch	Address	City/Province
Larry Uteck & Nine Mile Drive	620 Nine Mile Drive	Bedford, NS
Curé Labelle et 81st	1099, boulevard du Curé-Labelle	Blainville, QC
Rock Forest	4857, boulevard Bourque	Sherbrooke, QC
King City	1700 King Road	King City, ON
Bronte & Louis St. Laurent	1075 Bronte Street. S	Milton, ON
Bank St. & Marche Way – The Glebe	100 Marche Way	Ottawa, ON
Hazeldean & Huntmar	5673 Hazeldean Road	Stittsville, ON
St. Vital	1510 St. Mary's Road	Winnipeg, MB
Kingsview Market	2100 Market Street. SE	Airdrie, AB

BMO Bank of Montreal branches closed in fiscal year 2014 (Canada)

Branch	Address	City/Province
O'Brien et Poirier	1845, avenue O'Brien	Montreal, QC
Tour de la Bourse	800, rue du Square-Victoria	Montreal, QC
Duckworth & Grove	353 Duckworth Street	Barrie, ON
Church & Main	135 Main Street N	Brampton, ON
East Mall Shopping Centre	600 King Street E	Oshawa, ON
Eglinton & Hilltop	898 Eglinton Avenue W	Toronto, ON
Roselawn & Yonge	2444 Yonge Street	Toronto, ON
Cook & Quadra	3481 Cook Street	Victoria, BC

Branches Relocated

BMO branches relocated in fiscal year 2014 (Canada)

Location	Civic Address	City	Province
Springdale	184 Main Street	155 Main Street	Springdale, NL
Micmac Mall [†]	21 Micmac Boulevard	21 Micmac Boulevard	Dartmouth, NS
Centre Commerciale Ste-Julie	99 boulevard des Hauts-Bois	1750, chemin du Fer-à-Cheval	Ste-Julie, QC
Barrie Main	6 Fred Grant Street	90 Collier Street	Barrie, ON
Oshawa Gateway Centre	38 Simcoe Street S	206 Ritson Road N	Oshawa, ON
Pioneer	800 Taunton Road W	Oshawa	Oshawa, ON
Britannia Plaza	1315 Richmond Road	1465 Richmond Road	Ottawa, ON
Cedarbrae Mall	3601 Lawrence Avenue E	3495 Lawrence Avenue E	Scarborough, ON
Sheppard & Glen Watford [†]	4271 Sheppard Avenue E	4271 Sheppard Avenue E	Scarborough, ON
Bloor & Church	175 Bloor Street E	101 - 120 Bloor Street E	Toronto, ON
Dufferin Mall [†]	900 Dufferin Street	900 Dufferin Street	Toronto, ON
Guildford Town Centre	1883 Guildford Town Centre	10455 152nd Street	Surrey, BC
Fraser & 48th	8156 Main Street	6391 Fraser Street	Vancouver, BC

Notes: [†] Relocated within the same mall, therefore address did not change.

ATMs Opened and Closed

ATMs opened in fiscal year 2014 (Canada)

Location	Address	City	Province
Larry Uteck & Nine Mile Drive	620 Nine Mile Drive	Bedford	NS
Lawtons	363 Main Street	Kentville	NS
Sobeys	279 Herring Cove Road	Spryfield	NS
IGA	580 Victoria Street	Edmundston	NB
Scholtens	835 Loch Lomond Road	Saint John	NB
Curé-Labelle et 81st	1099, boulevard du Curé-Labelle	Blainville	QC
IGA	1324, boulevard Talbot	Chicoutimi	QC
Shell	75, Theophile-Brassard	Coteau-du-Lac	QC
IGA	1248, boulevard La Verandrye E	Gatineau	QC
Shell	3761, boulevard du Royaume	Jonquière	QC
Shell	6680, boulevard Ste-Anne	L'ange Gardien	QC
Shell	1550, rue Sherbrooke	Magog	QC
Shell	555, Blvd. Dr Albiny Paquettemont	Mont-Laurier	QC
Shell	7575 Decarie Boulevard	Montreal	QC
IGA	254, boulevard Hotel de Ville	Rivière-du-Loup	QC
IGA	5000, rue Jean Talon E	St-Leonard	QC
Shell	200 Road 138	St-Augustin-de-Desmaures	QC
Rock Forest	4857, boulevard Bourque	Sherbrooke	QC
Shell	1315, rue Douglas	St-Jean-sur-Richelieu	QC
Shell	686, rue Principale	St-Donat	QC
Ste-Julie	1750, chemin du Fer-à-Cheval	Ste-Julie	QC
IGA	2765, Boulevard Lapiniere	Terrebonne	QC
IGA	11, Rue De L Aqueduc	Victoriaville	QC
Sobeys	161 Young Street	Alliston	ON
Sobeys	83 Sandwich Street S	Amherstburg	ON
Rexall	370 Wilson Street E	Ancaster	ON
Rexall	353 Duckworth Street	Barrie	ON
Barrie Main Office	90 Collier Street	Barrie	ON
Rexall	481 Holland Street W	Bradford	ON
Pharma Plus	499 Main Street S	Brampton	ON
Rexall	545 Steeles Avenue W	Brampton	ON
Rexall	9825 Chinguacousy Road	Brampton	ON
Sobeys	1250 Brant Street	Burlington	ON
Rexall	401 St. Clair Street	Chatham	ON
Sobeys	1012 Broad Street E	Dunnville	ON
Rexall	155 Lock Street E	Dunnville	ON
Rexall	280 The East Mall	Etobicoke	ON
Sobeys	110 Highway 20	Fonthill	ON
Sobeys	225 Edward Street	Gravenhurst	ON
Rexall	1395 Upper Ottawa Street	Hamilton	ON
Petro Canada	564 Barton Street Et	Hamilton	ON
Hazeldean & Huntmar	5673 Hazeldean Road	Stittsville	ON
King City	1700 King Road	King City	ON
Rexall	1009 Coverdale Drive	Kingston	ON
Rexall	564 Belmont Avenue W	Kitchener	ON

Location	Address	City	Province
Rexall	166 Dundas Street	London	ON
Rexall	1076 Rutherford Road	Maple	ON
Daisy Mart	100 Carlton Road	Markham	ON
Rexall	90 Copper Creek Drive	Markham	ON
Bronte & Louis St. Laurent	1075 Bronte Street S	Milton	ON
Rexall	110 Place d'Orleans	Orleans	ON
Oshawa Gateway Centre	206 Ritson Road N	Oshawa	ON
Trent University Oshawa	55 Thornton Road	Oshawa	ON
Freshco	564 King Street E	Oshawa	ON
Pioneer	800 Taunton Road W	Oshawa	ON
Bank St. & Marche Way - The Glebe	100 Marche Way	Ottawa	ON
Food Basics	1670 Heron Road	Ottawa	ON
Rexall	1980 Ogilvie Road	Ottawa	ON
Rexall	2116 Montreal Road	Ottawa	ON
Rexall	2525 Carling Avenue	Ottawa	ON
Rexall	1822 Whites Road	Pickering	ON
Rexall	13291 Yonge Street	Richmond Hill	ON
Rexall	2447 Kingston Road	Scarborough	ON
Cedarbrae Mall	3495 Lawrence Avenue E	Scarborough	ON
Rexall	228 King Street	Sturgeon Falls	ON
Bloor & Church	120 Bloor Street E	Toronto	ON
Freshco	2330 Eglinton Avenue W	Toronto	ON
Rexall	250 University Avenue	Toronto	ON
Daisy Mart	3449 Dundas Street W	Toronto	ON
Rexall	552 Church Street	Toronto	ON
Sobeys	8265 Huntington Road	Vaughan	ON
Rexall	838 Ontario Road	Welland	ON
St. Vital	1510 St. Mary's Road	Winnipeg	MB
Rexall	2271 Pembina Highway	Winnipeg	MB
Rexall	3051 Ness Avenue	Winnipeg	MB
Canada Safeway	2931 13th Avenue	Regina	SK
Kingsview Market	2100 Market Street SE	Airdrie	AB
Sobeys	2060 Symons Valley Parkway NW	Calgary	AB
Rexall	3301 17th Avenue SE	Calgary	AB
JJ Parr Sports Centre	720 Kingsway Road	Cold Lake	AB
Safeway	100 38th Avenue	Edmonton	AB
Rexall	11080 51st Avenue NW	Edmonton	AB
Rexall	11450 Groat Road NW	Edmonton	AB
Sobeys	16943 127th Street NW	Edmonton	AB
Rexall	6104 90th Avenue NW	Edmonton	AB
Rexall	9499 137th Avenue NW	Edmonton	AB
Rexall	139 5th Avenue SW	High River	AB
Canada Safeway	5211 44th Street	Lloydminster	AB
Rexall	4502 50th Street	Ponoka	AB
Simon Fraser University	8888 University Drive	Burnaby	BC
Rexall	700 6th Street	New Westminster	BC
Guildford Town Centre	10455 152nd Street	Surrey	BC
Rexall	399 Granville Street	Vancouver	BC
Fraser & 48th	6391 Fraser Street	Vancouver	BC
Rexall	6580 Fraser Street	Vancouver	BC

ATMs removed in fiscal year 2014 (Canada)

Location	Address	City	Province
Nashwaak 6-12	375 Route 8	Nashwaak	NB
Foodland	1 Main Street	Nashwaaksis	NB
Shell	6050, rue Louis H Lafontaine	Anjou	QC
Shell	109, boulevard d'Anjou	Chateauguay	QC
IGA	1225, rue des Champs Elysees	Chicoutimi	QC
IGA	30, rue Maple	Granville	QC
Shell	477, boulevard Dollard	Joliette	QC
Shell	2222 Jules Verne Avenue	Sainte-Foy	QC
Shell	1700, rue Montarville	St-Bruno-de-Montarville	QC
Centre Commerciale Ste-Julie	99, boulevard des Hauts-Bois	Ste Julie	QC
Shell	2350, Chemin Gascon	Terrebonne	QC
Balmertown Food Fair	2 Seventh Street	Balmertown	ON
Duckworth & Grove	353 Duckworth Street	Barrie	ON
Barrie Main Office	6 Fred Grant Street	Barrie	ON
Bovaird & McLaughlin	10088 McLaughlin Road	Brampton	ON
Pharma Plus	18 Kensington Road	Brampton	ON
Dixie North	860 North Park Drive	Brampton	ON
Sobeys	75 Dundas Street	Cambridge	ON
Stonegate Shopping Centre	150 Berry Road	Etobicoke	ON
Rexall	67 Kingston Street	Goderich	ON
Sobeys	700 Queenston Road	Hamilton	ON
Pharma Plus	6484 Lundys Lane	Niagara Falls	ON
Oshawa Main	38 Simcoe Street S	Oshawa	ON
East Mall Shopping Centre	600 King Street E	Oshawa	ON
Lincoln Heights	1315 Richmond Road	Ottawa	ON
Pharma Plus	900 Greenbank Road	Ottawa	ON
Sobeys	1 Highway 105 & Discovery Road	Red Lake	ON
Lawrence & Markham	3601 Lawrence Avenue E	Scarborough	ON
Sobeys	147 Laird Drive	Toronto	ON
Bloor & Church	175 Bloor Street E	Toronto	ON
Sobeys	197 Front Street E	Toronto	ON
Pharma Plus	200 Wellington Street W	Toronto	ON
Humber College	205 Humber College Boulevard	Toronto	ON
Humber College	23 Colonel Samuel Smith Parkway Drive	Toronto	ON
Eglinton & Hilltop	898 Eglinton Avenue W	Toronto	ON
Food Basics	2491 Dougall Avenue	Windsor	ON
Sobeys	7676 Tecumseh Road E	Windsor	ON
Canada Safeway	2860 Pembina Way	Winnipeg	MB
Morley & Osborne	539 Osborne Street	Winnipeg	MB
Canada Safeway	1501 8th Street E	Saskatoon	SK
Sobeys	277 Broadway Street E	Yorkton	SK
Sobeys	4820 66th Street	Camrose	AB
CFB Cold Lake	Building 167 Express Mart	Cold Lake	AB
Rainbow Esso	701 11th Avenue SE	High River	AB
Sobeys	819 Main Street	Pincher Creek	AB
Safeway	1551 Cliffe Avenue	Courtenay	BC
Safeway	7040 Barnet Street	Powell River	BC
Prince George Main Office	1310 3rd Avenue	Prince George	BC
Guildford Town Centre	1883 Guildford Town Centre	Surrey	BC
BC Hydro	333 Dunsmuir Street	Vancouver	BC
65th & Main	8156 Main Street	Vancouver	BC
Cook & Quadra	3481 Cook Street	Victoria	BC

Business Debt Financing

As at December 31, 2014 (\$ millions)

Province or Territory		\$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 and Greater	TOTAL
Newfoundland and Labrador	Authorized Amount	17	40	50	66	114	325	695	1,308
	Number of Firms	2,023	899	343	191	160	163	40	3,819
Prince Edward Island	Authorized Amount	6	12	19	37	71	203	123	470
	Number of Firms	674	264	117	103	103	96	12	1,369
Nova Scotia	Authorized Amount	27	48	65	120	213	726	2,138	3,338
	Number of Firms	3,222	1,098	431	349	304	343	103	5,850
New Brunswick	Authorized Amount	21	39	65	80	125	429	1,099	1,859
	Number of Firms	2,519	901	418	229	178	200	49	4,494
Quebec	Authorized Amount	239	317	421	654	758	2,631	16,393	21,412
	Number of Firms	28,201	7,711	2,681	1,884	1,118	1,218	567	43,380
Ontario	Authorized Amount	509	647	779	1,173	1,768	6,211	31,961	43,048
	Number of Firms	86,308	15,762	5,139	3,389	2,583	2,931	1,226	117,338
Manitoba	Authorized Amount	28	47	36	64	96	443	3,883	4,599
	Number of Firms	3,451	1,199	247	186	142	201	109	5,535
Saskatchewan	Authorized Amount	48	97	83	148	219	703	3,094	4,393
	Number of Firms	5,496	2,349	552	428	322	345	109	9,601
Alberta	Authorized Amount	194	244	214	350	551	2,126	21,080	24,760
	Number of Firms	21,935	6,242	1,426	1,008	806	1,003	514	32,934
British Columbia	Authorized Amount	187	252	262	422	755	3,178	14,017	19,073
	Number of Firms	21,592	6,243	1,744	1,205	1,092	1,449	648	33,973
Yukon	Authorized Amount	1	2	3	8	9	35	10	68
	Number of Firms	152	59	18	22	12	13	2	278
Northwest Territories/Nunavut	Authorized Amount	1	2	2	3	6	20	6	40
	Number of Firms	135	55	12	8	8	12	1	231
Total	Authorized Amount	1,279	1,748	1,999	3,124	4,686	17,030	94,502	124,367
	Number of Firms	175,708	42,782	13,128	9,002	6,828	7,974	3,380	258,802

Bank of Montreal Mortgage Corporation 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 that are open to the public or other facilities at which deposits are accepted or cash is distributed to customers. BMMC employs 15 full-time employees. These employees are based in Montreal.

As detailed in BMO Financial Group's 2014 ESG Report and Public Accountability Statement, business debt financing and programs to improve 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.

The income and capital taxes paid in Canada by BMO Financial Group, of which BMMC is a member, are listed on page 56 of BMO Financial Group's 2014 Environmental, Social and Governance (ESG) Report and Public Accountability Statement.

BMMC shares BMO's commitment to community development and philanthropic activity as described in BMO Financial Group's 2014 ESG 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 2014 ESG Report and Public Accountability Statement on pages 14-15 and 53-55.

*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.

BMO Trust Company Public Accountability Statement*

Due to the specific nature of its activities, BMO Trust Company provides the following information in response to the requirements set out in section 444.2(1) of the *Trust and Loan Companies Act* (the Act) and in the applicable regulations.

BMO Trust Company is incorporated in Canada under the Act, is registered to provide trust services throughout Canada, and is a wholly owned subsidiary of Bank of Montreal and a member of BMO Financial Group. Its primary business is to act as a trustee for clients of BMO Private Banking, to sell term guaranteed investment certificates offered through BMO Financial Group's distribution channels and selected third-party deposit brokers, and to act as trustee for registered plans and pensions of clients of BMO Financial Group.

BMO Trust Company did not have any branches that were opened or closed during this period other than the Duckworth & Grove Branch listed in BMO Financial Group's 2014 Environmental, Social and Governance (ESG) Report and Public Accountability Statement on page 57. BMO Trust Company does not operate other facilities at which deposits are accepted to cash is distributed for customers. BMO Trust Company does not have employees of its own. All of its activities are conducted by employees of Bank of Montreal.

The income and capital taxes paid in Canada by BMO Financial Group are listed on page 56 of BMO Financial Group's 2014 ESG Report and Public Accountability Statement.

BMO Trust Company shares BMO Financial Group's commitment to community development and philanthropic activity as described in BMO Financial Group's 2014 ESG Report and Public Accountability Statement. The community development activities of BMO Trust Company are integrated with those of BMO Financial Group, as described in BMO Financial Group's 2014 ESG Report and Public Accountability Statement on pages 14-15 and 53-55.

As detailed in BMO Financial Group's 2014 ESG Report and Public Accountability Statement, business debt financing and programs to improve access to financial services are engaged in by Bank of Montreal for BMO Financial Group. BMO Trust Company has no other affiliates in respect of which this Public Accountability Statement is published.

*As stipulated by the *Trust and Loan Companies Act*, BMO Trust Company, wholly owned by Bank of Montreal, is required to publish a separate Public Accountability Statement.

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