

Note 28: Related Party Transactions

Related parties include subsidiaries, associates, joint ventures, key management personnel and employee future benefit plans. Transactions with our subsidiaries are eliminated on consolidation, and are not disclosed as related party transactions.

Key Management Personnel Compensation

Key management personnel is defined as those persons having authority and responsibility for planning, directing and/or controlling the activities of an entity, being the members of our Board of Directors ("directors") and certain senior executives.

The following table presents the compensation of key management personnel:

(Canadian \$ in millions)	2017	2016	2015
Base salary and incentives	23	22	20
Post-employment benefits	1	2	2
Share-based payments (1)	38	32	27
Total key management personnel compensation	62	56	49

(1) Amounts included in share-based payments are the fair values of awards granted in the year.

We offer senior executives preferential interest rates on credit card balances, a fee-based subsidy on annual credit card fees, and a select suite of customer loan and mortgage products at rates normally accorded to preferred customers. At October 31, 2017, loans to key management personnel totalled \$10 million (\$7 million in 2016).

Directors receive a specified amount of their annual retainers in deferred stock units. Until a director's shareholdings (including deferred stock units) are eight times greater than their annual retainer, they are required to take 100% of their annual retainer and other fees in the form of either our common shares or deferred stock units. They may elect to receive the remainder of such retainer fees and other remuneration in cash, common shares or deferred stock units.

Directors of our wholly owned subsidiary, BMO Financial Corp., are required to take a specified minimum amount of their annual retainers and other fees in the form of deferred stock units.

Joint Ventures and Associates

We provide banking services to our joint ventures and associates on the same terms offered to our customers for these services. Our investment in a joint venture of which we own 50% totalled \$182 million as at October 31, 2017 (\$187 million in 2016). Our investments in associates over which we exert significant influence totalled \$444 million as at October 31, 2017 (\$390 million in 2016).

The following table presents transactions with our joint ventures and associates:

(Canadian \$ in millions)	2017	2016
Loans	178	323
Deposits	132	205
Fees paid for services received	66	83
Fees received for services provided	3	-
Interest income, loans	4	5
Interest expense	1	3