

2008 Corporate Responsibility Report and Public Accountability Statement

Responsibility. It Makes Sense.

BMO  Financial Group

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Responsibility.



Throughout the pages of this report, you will read about the many ways we fulfill our responsibilities at BMO. Our first responsibility is to the people all of us at BMO serve: our customers. We are committed to providing accessible, affordable banking and relevant products and services that make sense. As a responsible corporate citizen, we support financial literacy. We contribute to the economic well-being and economic growth of Canada and Canadians by creating not only employment but careers. We create a supportive workplace that welcomes individuals from diverse communities. And we promote conservation and the protection of our environment. Through our volunteering, our donations and our sponsorship programs, we invest in our neighbourhoods, towns and regions — because we are a part of them. Never content to rest on past achievements, our commitment to helping meet the needs of the many organizations and groups that make our communities strong is unwavering — regardless of the economic environment.

On our cover: Blue skies seemed an appropriate choice for the cover of our 2008 Corporate Responsibility Report and Public Accountability Statement as the focus of the environmental work we do over the next few years will connect BMO to protecting the quality of the air we breathe. We named this work: "Clear Blue Skies™."

Responsibility. It's the way we do business.



Bill Downe, President and Chief Executive Officer

What does it mean to be a responsible corporation? It starts with the setting of accountabilities toward our employees, our communities, our environment – and toward the people all of us at BMO serve: our customers.

It means creating an environment where every employee makes the right decisions and takes the right actions, every day, where expectations are set for all BMO employees and a promise is made about how everyone in this company can expect to be treated.

Most important of all, it means that the common set of values we hold at BMO allow autonomy and empower our employees to take the initiative in serving our customers and communities. No one here needs to wait for instructions when it comes to doing the right thing.

Our employees have the confidence to make decisions on behalf of the organization wherever they work. This makes our company more responsive to the many unique needs of the diverse communities we serve. It is our employees who have led the charge for BMO in promoting environmental sustainability and reducing our impact on the environment. And through volunteering, donations and sponsorship programs, we continue to invest in our neighbourhoods, towns and regions — because we are a part of them. Our commitment to helping meet the needs of the many organizations and groups that

make our communities strong is unwavering — regardless of the economic environment.

Corporate responsibility also means operating our business ethically, transparently and according to the highest principles of corporate governance. Building a culture of integrity in a world that tests businesses and their people demands the highest governance standards.

These standards make our business strong and enable us to succeed — an outcome that permits us to contribute to a vital economy and a strong resilient society.

The pages of this report show that our approach to people, to families, to our communities, to our environment — like our approach to every other part of our business — is a full-time commitment.

We have yet another responsibility. It's to keep doing better.

In 2008, we established a new Sustainability Council made up of top leaders from across our organization. They will lead the drive for sustainability throughout our organization.

We made significant strides on the environment front. We introduced a number of new initiatives, including our BMO ECO⁵ Strategy, to enable us to more systematically meet our environmental goals. We also announced our intention to achieve carbon neutrality relative to energy and transportation emissions across our enterprise — worldwide — by 2010.

We redesigned our corporate responsibility web site to make it more informative, useful and clear. And we began reporting on the progress we are making on our stated corporate responsibility priorities.

Corporate responsibility is part of everything we do. It is the way we do business. And always will be.

A handwritten signature in black ink that reads "Bill Downe".

Bill Downe
President and Chief Executive Officer
BMO Financial Group

Our Approach to Corporate Responsibility



"Corporate responsibility is about core values, transparency and strong governance. At BMO, we have always operated according to these principles."

Ula Ubani, Director, Corporate Responsibility and Sustainability, BMO Financial Group

As a responsible corporate citizen, BMO focuses on succeeding as a business, an outcome that best serves our shareholders and enables us to contribute to the well-being of our communities as well as society. At the same time, we operate our business ethically and transparently, endeavour every day to exceed our customers' expectations and strive always to be an employer of choice.

Our organizational and strategic approach to corporate responsibility and sustainability is reflected in our values, codes of conduct, governance structure, policies, engagement activities and affiliations.

Moving Forward

We continue to strengthen our corporate responsibility efforts. In 2008, we particularly focused our efforts on the environment. We introduced a number of new environmental programs. As part of our Clear Blue Skies Initiative, we introduced our BMO ECO^s Strategy, which will guide us as we move to reduce our impact on the environment. And we focused on increasing our communications and improving the quality of sustainability reporting. In support of this, we redesigned our corporate responsibility web site to make it more relevant and useful to our various

stakeholders. This year, for the first time in our corporate responsibility report, we are providing a year-over-year progress report on our priorities.

Our Reporting Framework

Our 2008 Corporate Responsibility Report and Public Accountability Statement aligns with our corporate responsibility web site, which contains additional information and is updated throughout the year (www.bmo.com/corporateresponsibility). We continue to use the Global Reporting Initiative (GRI) 2006 Sustainability Reporting Guidelines (G3) and Financial Services Sector Supplement to shape our report. An index of the GRI indicators can be found on our web site.

Examples of our corporate responsibility performance and activities can also be found in our Annual Report and Proxy Circular.

Our Corporate Responsibility Report and Public Accountability Statement has not been independently assured. However, its contents have been reviewed internally by several corporate areas including our legal and compliance departments. Unless otherwise stated, the information in this report covers the period of November 1, 2007 to October 31, 2008.

INFORMATION ONLINE

Find out more:

> www.bmo.com/corporateresponsibility

OUR VISION

To be the bank that defines great customer experience.

OUR VALUES

Take Pride

In what we do and where we work

Keep Your Word

Never waver from our commitments to our customers and each other

Embrace Diversity

Gain strength through our people and our perspectives

Do the Right Thing

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

Have the Courage to Win

Focus on what makes us successful

BMO Financial Group

A Canadian-based North American bank established in 1817, BMO Financial Group is highly diversified. We work with millions of personal, commercial, corporate and institutional customers through our operating groups: Personal and Commercial Banking Canada, Personal and Commercial Banking U.S., Private Client Group and BMO Capital Markets[®]. Our employees are dedicated to making BMO the bank that defines great customer experience. Our approach is relationship-driven. In every business, our focus is on customers – and on constantly improving our overall performance.

2008 Performance Report

The following table documents our corporate responsibility performance over the past three years. By reporting on our achievements, we inform our shareholders, customers, employees and communities about how we are fulfilling our economic, social and environmental responsibilities. We also provide our organization with the information that shows how far we have come on our corporate responsibility journey, and the inspiration to move forward.

	2008	2007	2006
Economic¹			
Net Income as Reported	\$2.0 billion	\$2.1 billion	\$2.7 billion
Taxes (Recovered) Paid	(\$466 million)	\$882 million	\$948 million
Employees	33,090	32,475	31,292
Employee Compensation	\$2.8 billion	\$2.7 billion	\$2.7 billion
Expenditures ²	\$1.8 billion	\$1.8 billion	\$1.5 billion
Social¹			
Total Donations and Sponsorships (Canada only)	\$47.7 million	\$42.6 million	\$32.1 million
New Commitments to Higher Learning ³	\$4.7 million	\$4.8 million	\$2.9 million
New Commitments to Hospitals ³	\$5.4 million	\$5.8 million	\$7.3 million
Donations to Arts and Culture	\$2.8 million	\$2.8 million	\$2.9 million
Contribution to Federated Charities	\$2.3 million	\$2.3 million	\$2.4 million
Sponsorships of Sports and Recreation ⁴	\$12.3 million	\$8.6 million	\$5.3 million
Contribution to BMO Volunteer Grants	\$532,000	\$438,000	\$460,000
Contribution to BMO Matching Gift Program for Higher Education	\$140,000	\$191,000	\$102,000
Free Banking Services (number of customers)	1.39 million	1.35 million	1.32 million
Number of BMO Bank of Montreal Branches	983	977	963
Number of Automated Banking Machines	2,026	1,978	1,936
Ensuring Access (percentage of branches accessible to individuals with disabilities)	91%	90%	88%
Locations Serving Aboriginal Communities (number of communities)	15	15	16
Business with Aboriginal Customers	\$1.4 billion	\$1.0 billion	\$1.0 billion
On-Reserve Housing Loans (number of communities)	36	33	21
Debt Financing to Business	\$142 billion	\$126 billion	\$108 billion
Annual Employee Survey (participation rate)	82%	84%	84%
Women Executives	34.5%	35.6%	35.5%
Visible Minority Employees	23.4%	23.9%	22.9%
Aboriginal Employees	1.2%	1.3%	1.3%
Employees with Disabilities	2.1%	2.3%	2.6%
Environmental¹			
Technology Disposal Program ⁵ (Canada/United States) ⁶	110 tonnes	241 tonnes	194 tonnes
Paper Shredding/Recycling ⁵ (Canada/United States)	4,090 tonnes	3,282 tonnes	3,599 tonnes
Renewable Energy Purchased (Canada – specifically Ontario and Alberta)	8,376 megawatt hours	5,000 megawatt hours	–
Percentage of Hybrid Vehicles in Service Fleet (Canada/United States)	18%	13%	–

¹ All figures are for our fiscal year ending October 31, 2008 and relate to Canada, except Net Income, which relates to BMO's consolidated results, unless specified otherwise.

² Goods and services purchased in Canada.

³ New funding committed over a 10-year period.

⁴ Increase in 2008 contribution is explained by the centralization of sponsorship investments.

⁵ Figures are for calendar year.

⁶ Figure reported for 2008 includes Canada and United States. Figures reported for 2007 and 2006 are for Canada only.

Responsibility. Contributing to a Vibrant Economy.

As one of our nation's largest businesses, one of the most important ways BMO contributes to Canada and Canadians is through wealth creation. By sharing our success with our shareholders, employees and fellow citizens, we contribute to the prosperity and well-being of our society and, in turn, create the conditions that will help sustain our company in the future. **It makes sense** to contribute to maintaining a vibrant economy. Always.

Paying Taxes

The taxes we have paid over the years help make possible many programs and services that benefit individuals and families across our country. In 2008, BMO recognized an overall tax recovery of \$466 million in Canada, comprised of an income tax recovery of \$785 million net of other government levies of \$319 million. The recovery in 2008 was largely attributable to the strengthening of the U.S. dollar and associated hedging losses. Canadian income taxes were higher in

recent years, in part due to the U.S. dollar weakening and the associated hedging gains. Over the five years prior to 2008, BMO contributed a total of \$5.75 billion in Canadian taxes and levies, an average of \$1.15 billion per year. The \$319 million of other government levies contributed in 2008 included \$32 million in provincial capital taxes, \$138 million in GST and sales tax, \$130 million in employer payroll taxes, \$14 million in property taxes and \$5 million in business taxes (see *Taxes (Recovered) Paid in Canada*, page 38).

Benefiting Shareholders

There is no question that, like the vast majority of the world's financial institutions, BMO was affected by global economic weakness and financial instability in 2008. Yet, despite unfavourable conditions, we turned in a solid financial performance. In 2008, our total revenue was \$10.2 billion, and our net income was \$2.0 billion. We have a long-standing commitment to enhancing

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shareholder value while maintaining a strong capital position that allows us to execute our growth strategies. BMO has a record of consistent dividend growth and our target payout ratio is 45% to 55% of earnings available to common shareholders, the highest ratio of Canada's major banks. Our five-year compound annual dividend growth rate stands at 15.9%.

Creating Employment

One of the most significant ways BMO contributes to the national economy is through job creation. In 2008, we employed more than 33,000 full-time and part-time workers in Canada (see *Employment*, page 38). Our employee compensation in Canada totalled \$2.8 billion.

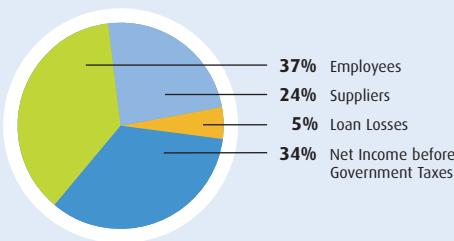
Purchasing Goods and Services

Buying goods and services from large and small companies as well as individual contractors is yet another important way we distribute the wealth we generate. We purchased a total of \$1.8 billion in goods and services in Canada in 2008.

Investing in Our Communities

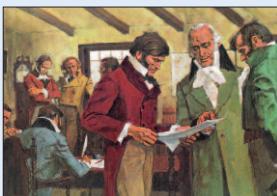
In 2008, we contributed \$55.9 million through donations, sponsorships and other contributions to support charities and not-for-profit organizations in Canada and the United States. Contributions in Canada totalled \$47.7 million, including \$23.7 million in charitable donations and \$24 million through sponsorships and events.

WHERE OUR CANADIAN REVENUES GO



BMO's success is shared across society. In 2008, our Canadian revenue was \$7,611 million. Of this amount, 37% went to employee compensation, 24% went to suppliers, 5% went to our provision for loan losses and the remainder, 34%, was returned to our shareholders or reinvested in our company.

A LEGACY OF CONTRIBUTING



From the time Bank of Montreal – Canada’s first bank – opened its doors in 1817, BMO has been a key contributor to the economic development and well-being of our society. Creating wealth that benefits our customers, shareholders and employees and investing in the communities, regions and countries where we operate is part of our legacy – and our commitment to the future.

Over the years, our contributions have included the following:



- 1817** Issues first Canadian bank notes, a boost to domestic trade.
- 1821** Funds construction of Canada’s first major canal, the Lachine Canal.
- 1832** Finances Canada’s first railway, the Champlain and St. Lawrence Railroad.
- 1835** Makes charitable donation of £100 to the Montreal General Hospital, our first recorded contribution to our communities.
- 1840** Finances development of first telegraph service between Upper and Lower Canada.
- 1859** To serve the financial needs of international trade, opens an agency in New York – the first permanent office of a Canadian bank in the United States.
- 1861** Establishes agency in Chicago to promote cross-border trade.
- 1867** Becomes central banker to Canada’s first federal government.
- 1881** Becomes major backer of the Canadian Pacific Railway.
- 1882** Harris begins selling municipal bonds to finance the building of roads, schools and waterworks.
- 1887** Expands branch network from coast to coast to meet the commercial needs of a growing nation.
- 1915** Sells Victory Bonds through our extensive branch network during both World Wars.
- 1945** Is “My Bank®” to a million Canadians at a time when Canada’s population is just over 12 million.
- 1945** Employs a high percentage of women (40% of BMO employees are women at the end of World War II).
- 1954** Becomes first chartered bank in Canada to grant mortgage loans.
- 1967** Takes a lead role in financing major infrastructure projects, including massive hydroelectric projects at Churchill Falls and James Bay.
- 1973** Brings MasterCard®¹ (then called Master Charge) to Canada.
- 1984** Purchases Harris Bank, which in 2008 employs 6,500 people and operates 281 branches in the United States.
- 1990** Establishes Task Force on the Advancement of Women, followed by task forces promoting the advancement of visible minorities, people with disabilities and Aboriginal employees.
- 1996** Begins offering full-service banking on the Internet across North America, the first Canadian bank to do so.
- 1996** Becomes first Canadian bank to receive a licence to operate a full-service branch in Beijing.
- 2000** Becomes first bank to offer a full-service online brokerage to Canadian customers.
- 2008** Contributes \$55.9 million to our communities through donations and sponsorships, including \$2 million each to four hospitals in Vancouver, Toronto and Montreal.



Responsibility. Earning Trust.



A Matter of Trust

At BMO, we are committed to exceeding customers' expectations. That means providing the products and services our customers need to make their financial lives less complex and realize their financial goals. It also means an unrelenting focus on building relationships based on mutual trust. Trust is the foundation of our business.



"FirstPrinciples, Our Code of Business Conduct and Ethics, speaks to our commitment to do what is fair, right and legal in all of our stakeholder relationships and provides every BMO director, officer and employee with clear direction on their responsibility to act with integrity."

Michael McGrann, Chief Compliance Officer, BMO Financial Group

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We work diligently every day to earn the trust of our stakeholders. We do so because **it makes sense**. By practising sound corporate governance, abiding by the principles of honesty, integrity and fairness and maintaining a system of rigorous controls that help us fulfill our responsibilities, we act in the best interests of our customers, shareholders, employees and communities.

Corporate Governance

Earning trust begins with sound corporate governance. Our Board of Directors has the prime responsibility for setting the standard and overseeing the implementation of our corporate governance program. On an ongoing basis, we review, evaluate and modify our governance practices so that they continue to reflect emerging best practices and meet the expectations of our stakeholders.

FirstPrinciples, Our Code of Business Conduct and Ethics

Everything we do and every decision we make is guided by the principles of honesty, integrity, fair dealing and respect, as articulated by *FirstPrinciples, Our Code of Business Conduct and Ethics*. *FirstPrinciples* applies to every BMO director, officer and employee. Each year, our Corporate Compliance department conducts a rigorous review of *FirstPrinciples*, benchmarking our code against best practices within the global financial industry and the regulatory environment, and presents its findings to the Board for review and approval. Every director, officer and employee has access to *FirstPrinciples* and must certify when joining BMO and annually



"Pursuing the highest standards of ethical conduct, corporate responsibility and environmental sustainability is essential to the success of our bank. Particularly, in today's challenging economic climate, we must demonstrate our shared commitment to *FirstPrinciples*, our Code of Conduct, and our core values that underpin absolutely everything we do."

Simon Fish, Executive Vice-President & General Counsel, BMO Financial Group and Chair of the BMO Sustainability Council

thereafter that he or she has read, understood and complied with its requirements. We also expect our suppliers and service providers to maintain the same high standards of business conduct and ethics to which we hold ourselves.

Protecting Whistleblowers

At BMO, we believe that by providing a forum for employees and officers to raise concerns about ethical conduct, and by then treating all complaints with the appropriate level of seriousness, we foster a culture of ethical conduct and responsibility. We encourage any employee who has concerns relating to a breach or potential breach of *FirstPrinciples*, or any law, regulation or BMO policy, to immediately report the concern, confidentially and anonymously, to any of the appropriate persons or departments listed on our *FirstPrinciples* web site.

A Culture of Compliance

Our Chief Compliance Officer independently oversees the operation of an effective compliance framework, ensuring that we have in place the policies and procedures we need to comply with regulatory requirements and respond to emerging compliance risks on a timely basis wherever we operate. Complying

<input checked="" type="checkbox"/> PROGRESS REPORT	
2007 PRIORITIES	2008 PROGRESS
Lead in corporate governance.	<ul style="list-style-type: none"> BMO has long been recognized as a leader in corporate governance. <ul style="list-style-type: none"> We ranked seventh among 180 Canadian reporting issuers in <i>The Globe and Mail's Report on Business</i> 2008 annual review of corporate governance practices.
Operate our business ethically, transparently and according to <i>FirstPrinciples, Our Code of Business Conduct and Ethics</i> .	<ul style="list-style-type: none"> Every director, officer and employee must certify when joining BMO and annually thereafter that he or she has read, understood and complied with our <i>FirstPrinciples</i>.
Respect and protect the privacy of our customers and employees.	<ul style="list-style-type: none"> We completed the second phase of an enterprise-wide employee learning program to increase awareness of the proper handling of personal and confidential information.
Encourage our employees to help realize every day our commitment to corporate responsibility.	<ul style="list-style-type: none"> We encourage employee engagement with our corporate responsibility strategy through our corporate responsibility web site, executive messages and Environmental Ambassadors.

with applicable laws, rules and regulations is a key part of doing what is right, and is intrinsic to sound corporate governance. The Audit Committee of our Board of Directors receives regular reports from the Chief Compliance Officer on issues and trends affecting our compliance framework.

Corporate Responsibility Policies

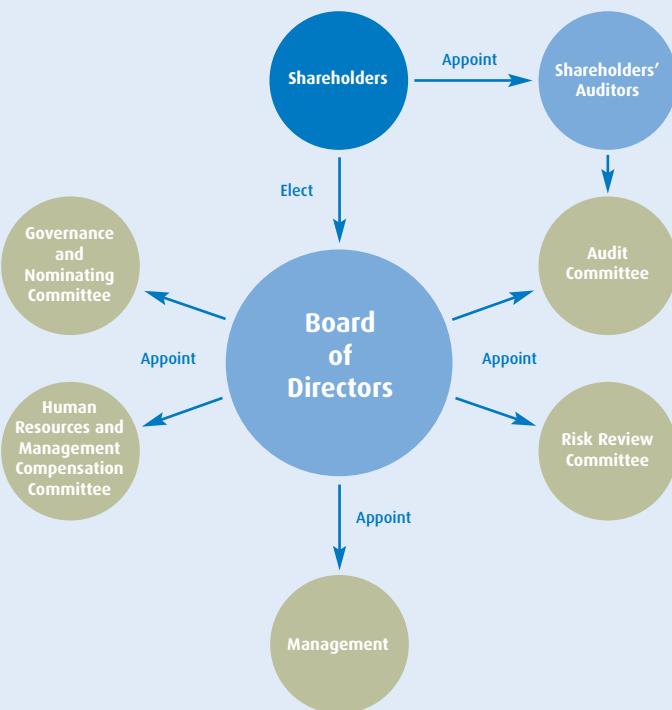
BMO has well-developed and long-standing corporate policies on social and ethical issues that are part of our framework for ethical decision-making. We insist that all our employees understand and respect these policies.

Guided by our policies, we:

- Conform to all applicable domestic laws and regulations in each jurisdiction in which we operate.
- Follow truthful and ethical practices in advertising and adhere to the Canadian Code of Advertising Standards.

- Adhere to the principles of non-discrimination and equal opportunity.
- Adhere to the principles of confidentiality and privacy in our interactions with our customers.
- Consider ethical, political, social and economic factors in addition to normal lending considerations in the development of foreign business.
- Prohibit lending to foreign customers to finance military equipment purchases that are inconsistent with Canada's national defence policy or international treaty obligations.
- Maintain strict conflict of interest rules for employees, officers and directors.
- Take reasonable precautions to ensure that we provide credit only to environmentally responsible borrowers.
- Measure success in all we do by applying the principles of excellence, accountability, transparency and integrity.

BMO CORPORATE GOVERNANCE STRUCTURE



Recognized for Corporate Governance

The Globe and Mail's Report on Business 2008 annual review of corporate governance practices ranked BMO seventh among 180 Canadian reporting issuers.



"Our commitment to respecting and protecting the personal information entrusted to us remains as strong as ever. Safeguarding the privacy of our customers and employees is a value that is embedded in the way we do business."

Johnna Koso, Chief Privacy Officer, BMO Financial Group

Human Rights

As part of our ongoing efforts to identify and report on the issues that are relevant to our company and our stakeholders, in 2008, we reviewed and benchmarked current BMO policies and processes against best practices concerning the rights of our employees, customers and communities. Our examination revealed that respect for human rights is deeply embedded in our corporate culture. BMO has employee-related policies and best practice processes related to harassment, discrimination, diversity, compensation and benefits, employee privacy, learning, work/life balance, overtime and employee grievances. At the same time, everything we do and every decision we make is guided by *FirstPrinciples, Our Code of Business Conduct and Ethics*. BMO is also a signatory to the *Equator Principles* and considers social impacts, which include human rights, in project financing. It is our intention to deepen

our understanding of our impact on human rights as we move forward on our corporate responsibility journey.

Respecting and Protecting Privacy

Respecting and protecting the privacy and confidentiality of the personal information of our customers and employees is essential to building a foundation of trust with our stakeholders. Our Chief Privacy Officer has an overall mandate to ensure the safeguarding of personal information, and is accountable for our privacy policy, privacy complaint resolution and privacy education and communication activities. The Chief Privacy Officer also manages the Privacy Office, a team of employees responsible and accountable for our organization's compliance with privacy legislation. This team is also responsible for providing advice, expertise, education, support, monitoring, and reporting to executive management and the Board of Directors.

During 2008, BMO completed several key initiatives related to privacy. The Privacy Office, together with our Information Management and Information Security departments, completed the second phase of an enterprise-wide employee learning program to increase awareness of the proper handling of personal and confidential information. BMO also worked closely with industry groups and the Canadian Radio-television and Telecommunications Commission on implementing the National Do Not Call List and telemarketing rules. This ensures that consumers have choice and control over the use of their personal information for telemarketing purposes. In addition, BMO collaborated with industry groups and the Office of the Privacy Commissioner of Canada in providing input for the review of *The Personal Information Protection and Electronic Documents Act*, designed for the protection of personal information in the private sector.

“

As impartial and independent specialists in dispute resolution, the Office of the Ombudsman offers a neutral resource to provide confidential, objective and informal assistance to facilitate the fair and equitable resolution of customer disputes. The Office also hears from employees about any concerns that may point to a breach of our Code of Conduct. We ensure all concerns and grievances raised by employees are investigated appropriately.”

John Graham, Ombudsman, BMO Financial Group

	INFORMATION ONLINE
Find out more: www.bmo.com/corporateresponsibility	



Leadership in Corporate Responsibility

For the sixth consecutive year, BMO Financial Group was recognized for leadership in corporate social responsibility in the Corporate Knights 50 Best Corporate Citizens 2008 ranking.

To help ensure that we respect and protect the personal information of all our customers and employees and maintain the trust of all our stakeholders, we monitor our practices for protecting personal information and make adjustments to existing controls as necessary. This is critical given the ever-changing technological and operational environment. We also maintain processes that help us quickly and appropriately respond to any privacy complaints or incidents to minimize the impact of these situations.

Resolving Customer Complaints

Managing customer complaints effectively is an essential component of serving our customers. BMO has in place a well-defined dispute resolution process. If a dispute cannot be resolved satisfactorily either by branch staff or through our internal escalation process, a customer may appeal to BMO Financial Group's Office of the Ombudsman. As an advocate for fairness, the Ombudsman does not take sides and addresses problems or concerns in an unbiased and impartial manner. Every member of the Ombudsman's office is dedicated solely to resolving customer concerns and is not involved in our day-to-day operations. If a customer is not satisfied with our Ombudsman's decision on a complaint, it is his or her right to contact the Ombudsman for Banking Services and Investments (OBSI) for an impartial and informal review. Services are free to consumers.

Available in all BMO Bank of Montreal branches, our brochure *We Can Help – Resolving Customer Complaints* is designed to

help our Canadian customers find the BMO team able to assist when a problem arises. It lists the complaint resolution process for all of our Canadian operating groups and includes contact information for our Ombudsman, the OBSI, regulators and provincial securities commissions. It also lists the financial services industry's Voluntary Commitments and Codes of Conduct, which BMO has agreed to follow.

Safeguarding Banking from Money Launderers and Terrorists

BMO is strongly committed to preventing the use of our financial services for money laundering and terrorist financing. BMO will not knowingly conduct business with individuals, entities or governments attempting to turn "dirty" money into "clean" money. Nor will we knowingly conduct any type of business relating to property owned by, or on behalf of, a terrorist group. In 2008, the Canadian government revised its anti-money laundering and anti-terrorist financing regulations in order to bring Canada's regulatory regime into line with new international standards. In the United States, regulatory authorities have also stepped up their oversight of anti-money laundering and anti-terrorist financing provisions. We train our employees on an ongoing basis, we make investments in our systems and we update our policies, procedures and controls, including robust customer due diligence, to ensure we properly identify our customers and protect against the illegal use of our products and services. We continue to add resources to meet the increased expectations of regulators.

Responsibility. Exceeding Customers' Expectations.



Always There to Help

"BMO liked us, believed in us and grew with us." That's how Albert Levy, co-founder, President and Chief Executive Officer of Montreal-based Clair de Lune, which designs and retails decorative candles, sums up his company's relationship with BMO. It is a partnership that began eight years ago. That's when Albert and his brother and partner, Jimmy Levy, approached BMO about helping expand their four-year-old business after being rebuffed by another bank. "At the time we had 17 stores and believed we could be much bigger," recalls Albert. "After taking the time to understand our product, BMO also shared our vision. The rest is history." Today Clair de Lune operates 83 stores across Canada and, with the help of Gordon Brothers, a major new American investor, intends to keep growing. "At different times, we've had different goals – expanding the business, investing our money, selling a share of the company," says Albert. "Throughout, BMO has always been there to help."

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At BMO, we understand that our customers want us to provide the products and services they need to help make their finances less complex and realize their financial goals. To meet these expectations, we are committed to providing understandable information, meaningful choices and clear, relevant advice from financial experts. Whether it's a student just beginning his or her adult life, a young family buying a first home or an entrepreneur intent on growing her business, we are committed to exceeding customers' expectations. **It makes sense** – for our customers and our business.

Access to Affordable Banking

Having access to a banking plan that's affordable enables individuals to attain financial self-reliance. BMO is committed to providing such access. For customers who have very straightforward banking needs, we offer our Practical Plan. It offers 10 monthly transactions for a low monthly fee of \$4.00. The fee is waived if a minimum monthly balance of \$1,500 is maintained.

We also offer our Performance Plan, which provides unlimited monthly transactions and is ideal for customers who conduct frequent transactions using more than one account. BMO is the only bank to offer banking plans that allow customers access to multiple personal accounts for one plan fee.

INFORMATION ONLINE

Find out more:

> www.bmo.com/corporateresponsibility

<input checked="" type="checkbox"/> PROGRESS REPORT	
2007 PRIORITIES	2008 PROGRESS
Provide affordable banking to Canadians of all income levels.	<ul style="list-style-type: none"> BMO continues to offer affordable banking plans.
Offer free banking to qualifying students, youths, young adults, seniors and community groups.	<ul style="list-style-type: none"> We provided a total of 1,393,000 customers (1,333,000 individuals and 60,000 community groups) with free banking services, an increase from 1,349,000 in 2007.
Work with Aboriginal peoples to increase access to financial services in Aboriginal communities.	<ul style="list-style-type: none"> The total amount of business we are doing with Aboriginal peoples, businesses and communities has grown to more than \$1.4 billion. The number of First Nations participating in our On-Reserve Housing Loan Program has grown to 36.
Provide products and services that are accessible and meet the needs of our customers from diverse communities.	<ul style="list-style-type: none"> BMO continues to improve the accessibility of our products and services in an increasingly diverse marketplace and through the different phases of the credit cycle.
Provide our customers with excellent service.	<ul style="list-style-type: none"> Helping our customers make sense of their financial affairs and realize their financial goals remains our top priority.
Develop new products and services to help our customers attain their financial goals.	<ul style="list-style-type: none"> BMO introduced new services to assist students and first-time homebuyers.
Introduce innovative products and services to meet the needs of our small and medium-sized business partners.	<ul style="list-style-type: none"> We continue to focus on providing small and medium-sized businesses with the tools and resources they need to succeed.
Respond to the needs of our business customers in times of crisis.	<ul style="list-style-type: none"> BMO consistently responded to the needs of its customers, for example: we hosted a symposium to help Toronto's Chinese business community deal with the global financial crisis.

Meeting the Needs of Seniors and Youth

Understanding that both older and younger Canadians have unique financial needs, we continue to offer free banking services to individuals in these demographic groups. In 2008, we provided these services to approximately 906,000 customers aged 60 and above and approximately 427,000 youths and young adults, a total of 1,333,000 customers.

Ensuring Accessibility

We are committed to ensuring that all our customers have access to our products and services. That begins with providing barrier-free access at our branches across the country. Today, more than 90% of our Canadian branches provide level or ramped entries to accommodate customers with disabilities. Many of our branches also offer wheelchair-height seating arrangements at service counters. All BMO ABMs conform to the Canadian Standards Association wheelchair side reach requirements. BMO has also introduced 21 new drive-through ABM facilities that allow customers to do their banking from the comfort of their cars, bringing our total drive-through locations to 120. To assist customers with vision loss, our ABMs also have screens with contrasting bright colours to make instructions easier to read, pulsing light bars that direct users to the card slot and envelope depository, and large-character keypads. BMO Bank of Montreal also offers fully personalized large-print cheques with



Not a fair-weather banker: As a snowstorm grinds traffic to a halt across Ontario, BMO business banker Natasha Sharpe heads out to meet with a prospective client.

perforated guidelines as well as statements in Braille. Our BMO Bank of Montreal Direct Banking Client Service Centre is equipped with a teletypewriter device to assist our customers who are deaf, deafened or hard of hearing.

Focus on Customer Service

We are working hard across BMO to meet every customer's expectations. To help achieve this goal, we have been adding and redeveloping branches in prime locations across Canada, where there are now more than 980 BMO Bank of Montreal branches. And to provide our customers with a more comprehensive offering, we have been placing more retail and commercial bankers, as well as wealth management professionals, in more of our locations. Similarly, at Harris we are enhancing the customer experience and improving front-line and operating efficiency. Under the Harris banner, we have grown 44% over the past three years and

now operate more than 280 branches in three states in the U.S. Midwest.

Two years ago, we introduced Net Promoter Score (NPS), which measures customer advocacy. NPS helps us gauge how we are doing with customers across our organization. In 2008, we also introduced a program that defines service fundamentals and promotes the consistent delivery of the service our customers expect.

Delivering Innovative Products and Services

In order to make the right decisions about their financial futures, our customers need relevant information, sound advice and innovative products and services that deliver what they want. BMO is committed to providing exactly that. For instance, Harris introduced an online account application that takes about eight minutes to complete. As a result, online account openings increased 160% in 2008.

Encouraging Financial Literacy

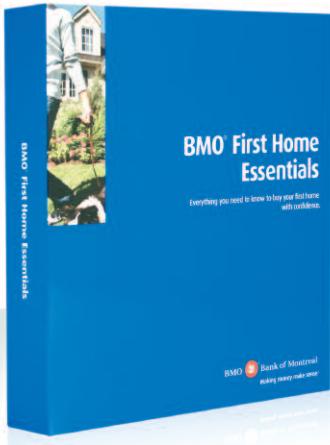
At BMO, we believe that entrepreneurship can not only be learned but also encouraged. That's why we continue to be the official sponsor of The Learning Partnership's Entrepreneurial Adventure (EA) program. An experiential learning opportunity that turns ideas into reality, EA brings students and teachers from kindergarten to grade 12 together with business partners to create ventures that benefit their local communities. Each year, BMO employees participate as business partners for this innovative program.

In addition, BMO employees from across Canada volunteer their time to participate in *YourMoney*, a program relaunched this year by the Canadian Bankers Association and the Financial Consumer Agency of Canada. This program delivers non-commercial classroom seminars on the financial information that matters to young people, including budgeting, saving and investing, credit and borrowing and keeping money safe. Our involvement helps ensure that young customers – wherever they choose to bank – have the knowledge they need to manage their money.

“

"We are passionate about assisting New Canadians. From our Newcomers to Canada web site, which provides knowledge about Canadian banking services, to our New Canadian/Multicultural Centres in Toronto and Vancouver, staffed with multilingual banking specialists with cultural understanding, we are working to meet the unique needs of New Canadians across multiple generations and at all stages of their settlement in Canada."

Doris Chang, Vice-President, National Business Development Group & New Canadian Markets,
BMO Bank of Montreal



As of October 2008, Canadian customers were also able to apply online to BMO Bank of Montreal for a personal banking account. We have also invested in an industry-leading financial planning tool that will be used by all financial planning professionals across our company. Regardless of customer location or point of contact, the financial planning software will help ensure consistency and portability in clients' plans.

In 2008, we introduced a kit to help first-time homebuyers deal with the complexities of making the biggest purchase of their lives. *BMO First Home Essentials* is a step-by-step guide for entering the real estate market. Retailing for \$24.95 and free to anyone arranging a mortgage or Homeowner ReadiLine® with BMO, the kit includes helpful tips, worksheets and access to an online planning tool. BMO also partnered with Toronto real estate expert Nick Thompson to launch the *Happy Homeowner* podcast, a 21-minute audio segment that provides expert advice on effective home renovations and tips on home staging.

Giving Our Customers a Tax Break

In the fall of 2007, the City of Toronto introduced a new land transfer tax that would come into effect February 1, 2008. To help eliminate pressure on homebuyers to purchase before the new tax came into effect, BMO paid the tax, up to 1.5% of the mortgage amount, on behalf of our customers who arranged a mortgage with us by February 29, 2008.

As part of our commitment to helping our student customers make sense of it all, BMO launched another new podcast called *BMO Head of the Class* in October. Hosted by Lesley Scorgie, author of *Rich by Thirty: A Young Adult's Guide to Financial Success* and featuring a panel of university students, the podcast covers issues that include managing money and debt and getting a head start on saving for retirement.

Aboriginal Banking

Helping address the unique challenges and providing customized financial solutions to meet the needs of the Aboriginal peoples of Canada continues to be a priority. Since the creation of our Aboriginal Banking Unit in 1992, the total amount of business we are doing with Aboriginal peoples, businesses and communities has grown from \$100,000 in the first year to more than \$1.4 billion in 2008. Working in partnership with Aboriginal communities, we are committed to designing and delivering a meaningful and comprehensive range of financial products and services to finance many significant and varied projects, such as schools, health care centres and sewer and water infrastructure. Among these is our On-Reserve Housing Loan Program, an innovative program for First Nations to help provide affordable housing for their members without government guarantees. The program offers qualified members the opportunity to own their own homes through access to

New Opportunities

In 2008, the Tsawout First Nation, located on Vancouver Island, joined 35 other communities across Canada in participating in our BMO On-Reserve Housing Loan Program. Tsawout Chief Allan Claxton was among the first to make use of the initiative. "My wife and I have used the loan program to make major renovations to the house where we raised our children," he says. "We've replaced floors and decks and repaired our kitchen and bathroom. This program presents new opportunities for us and many of our people."



Helping Chinese-Canadian Customers Deal with Uncertain Times

There was standing room only at our BMO symposium for the Chinese business community, held at our Institute for Learning in Toronto last October in partnership with three key Chinese professional and business associations. Emily Qu, one of 250 entrepreneurs and small business owners who attended the gathering, understands why. "The event provided useful information for business owners who were new to Canada or just starting out," says Qu, co-owner of Parkhaven Industries, a 22-year-old company that imports industrial equipment from China to the North American marketplace. "But it also proved to be very helpful for more experienced business people like myself, who were eager to hear what top economic experts from BMO had to say about the emerging global economic crisis." Qu, a long-time BMO customer, notes that she particularly welcomed advice from BMO Capital Markets Senior Economist Sal Guatieri. "At a time of great uncertainty, he spoke about the strength of the Canadian banking system and emphasized that despite the uncertainty BMO remained committed to helping us grow our businesses," she says. "It was good to hear."



housing loans for the construction or purchase of owner-occupied, single-family dwellings or to finance major renovations to existing homes (see adjacent sidebar).

In May 2008, BMO became the first financial institution to participate in the First Nations Market Housing Fund, a new initiative of the government of Canada. This fund expands the opportunity for First Nations families to obtain loans from financial institutions to build, buy or renovate a house on-reserve.

Serving Multicultural Canadians

According to the 2006 Census, one in five Canadian residents was born outside the country. A 2003 census report states that almost 12% of residents of the United States are foreign born. Clearly, the arrival of

newcomers continues to play a significant role in shaping North America's social, cultural and economic development. Given this continually evolving reality, it is not surprising that BMO is focused on ensuring that our products and services are accessible in an increasingly diverse marketplace.

We have particularly endeavoured to meet the needs of new Canadians from Southeast Asia. We have been assisting immigrants from mainland China and Hong Kong to gain access to financial services for more than 25 years. We are the only Canadian bank with branches in Beijing, Shanghai, Guangzhou and Hong Kong providing advisory services for new immigrants. We were one of the first Canadian banks to provide a Chinese-language option on our ABMs and for telephone banking, and to offer a Chinese-language web site. We also offer a simplified

Chinese-character option on our web site to assist recent arrivals from mainland China. Our online banking site provides traditional Chinese-character, Korean and Punjabi glossaries. Additionally, we have a Newcomers to Canada web page at bmo.com that lists banking services of interest to individuals contemplating immigrating to Canada, as well as residents who have recently arrived in our country.

Focus on Our Small and Medium-Sized Business Customers

In 2008, BMO continued to provide small and medium-sized businesses with the tools, resources and market offers they need to succeed throughout the life cycle of their companies.

“

“We have gained a reputation for working together with our customers through the different phases of the economic cycle. In today's environment, we are continuing to apply our consistent approach in order to make credit available to Canadians and their businesses. Our message to Canadians is clear: Come in to one of our branches. We'll sit down with you, listen to you and show you that helping you realize your financial goals is our top priority.”

Frank Techar, President and Chief Executive Officer, Personal and Commercial Banking Canada, BMO Financial Group

BMO provides business owners with help in growing their businesses. We launched a new global treasury management service, enabling business customers to manage their cash flow in Europe, the United States and Canada, all online.

We also offered free business tools and savings when business customers signed up for payroll services, merchant accounts, bank accounts or credit cards. These incentives were delivered on a portable USB drive and included a one-year membership to BizAssist Online, as well as a package of discount coupons, tools and templates with a value of up to \$2,100.

We continued to provide advice to business customers through regular updates to our BMO *Business Coach* podcasts and *Business Coach* brochures that provide tips on managing a business. Our *Business Coach* podcasts, which we offer in conjunction with *PROFIT* magazine, provide insight on a wide range of topics, including strategic planning, recession proofing and managing cash flow. BMO was awarded the gold medal for best use of communications tools (Internet, AV) for the *Business Coach* podcast series at the recent Canadian Public Relations Society (Toronto) Awards gala.

Succession Planning

In 2008, BMO also focused on providing support for business owners as they prepare to pass the torch to the next generation of leaders. Whether they intend to sell their business or hand it on to a family member, it's important that business owners begin

planning as early as possible. Yet, according to a Harris/Decima study commissioned by BMO Bank of Montreal, only 19% of business owners have an identified successor and just under one-third of those have a transition plan in place. To provide advice and information about best practices to those companies facing succession planning decisions, BMO developed a nationwide campaign that included free succession planning seminars in nine major centres across Canada, featuring Sean Foran, co-author of the book *Succession Stories from the Front Line: Insights and Advice for Canadian Business Owners*.

In Difficult Times

At BMO, we have a long history of being there for our customers in both good times and bad. Certainly, we remain committed to working with our business customers during these difficult economic times. Along with other Canadian banks and the federal government, we are working to ensure the orderly functioning of our financial markets.

As reported in the fourth quarter of fiscal 2008, BMO ranks second in Canadian business banking lending market share at 19.84%, an increase of 67 basis points year-over-year in business loans under \$5 million. We intend to become the bank of choice for businesses across Canada and as part of that effort we continue to make credit available to small and medium-sized business clients. In fiscal 2008, we increased our business debt financing by 13.2% year-over-year to \$142 billion. Customer advocacy scores for our commercial business were also up in 2008.

We're open for Canadian businesses.

BMO Bank of Montreal® has long been a big supporter of Canadian businesses. That continues to be true today and will be true tomorrow.

- At last count, we are lending to over 185,000 small and mid-market businesses across Canada
- That adds up to more than \$35 billion in loans
- We have a track record of sticking with businesses through all market conditions, with year after year* of loan balance growth
- We're here to help.

Come talk to us or visit bmo.com/business.

BMO  **Bank of Montreal**
Making money make sense®

Responsibility. Engaging Stakeholders.

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Embracing Diversity

Embracing diversity is a corporate value at BMO. To support inclusion in our workplace and our communities, BMO regularly consults with employees from 28 Diversity Councils and nine Affinity Groups in Canada and the United States. "Through the councils and groups, employees from diverse backgrounds help promote a culture that welcomes – and celebrates – the diversity of our fellow employees and customers," says Gavin Clark, Investment Advisor at BMO Nesbitt Burns in Toronto and Chair of BMO Pride, our affinity group for lesbian, gay, bisexual and transgendered (LGBT) employees. In 2008, BMO Pride members volunteered at the annual Pride and Remembrance Run, a five-kilometre run sponsored by BMO that raises monies for LGBT-related charities in Toronto.

By entering into dialogue with our customers, shareholders, employees and communities, we can better understand and respond to their needs and expectations – and we can more effectively convey our economic, social and environmental strategy and objectives. Whether through one-on-one conversations, focus groups and surveys or through membership in industry and community associations, engaging with our stakeholders creates opportunities for making our business better. **It makes sense.**

Our Customers

Our success is largely determined by how well we meet our customers' expectations. When our customers told us they wanted less complexity and more help in making sense of their finances and realizing their financial goals, we not only listened, we acted. Whether they are planning to purchase their first home or business or saving for their retirement or their children's education, we are helping more of them attain those goals by enhancing customer service. We are identifying and removing costly and unnecessary steps. And we are bringing a team approach to our customers, delivering integrated strategies that apply the full range of our expertise to their financial opportunities.

We continued to listen – and respond – to our customers in 2008. Based on talks with prospective and recent homebuyers, we introduced *BMO First Home Essentials*, a step-by-step guide for entering the real estate market. We



"It is especially important given the market conditions of 2008 that we engage in open and ongoing communication with our shareholders."

Viki Lazaris, Senior Vice-President, Investor Relations, BMO Financial Group

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2007 PRIORITIES	2008 PROGRESS
Seek out opportunities to engage our stakeholders, including our customers, investors, employees and communities.	<ul style="list-style-type: none"> Meaningful engagement with our many stakeholders is how we do business every day at BMO.
Partner with national and international groups committed to furthering the cause of corporate responsibility.	<ul style="list-style-type: none"> On an ongoing basis, we consult with various outside agencies, including Canadian Business for Social Responsibility.
Partner to encourage dialogue on climate change issues.	<ul style="list-style-type: none"> We work with many stakeholders to advance our environmental practices and promote sustainability. BMO is a signatory to the <i>Carbon Disclosure Project</i>, the <i>Equator Principles</i> and a partner in the <i>United Nations Environment Programme – Finance Initiative</i>. BMO is a member of the Environmental Bankers Association.

also responded to the concerns of our small and medium-sized business clients regarding global economic uncertainty with a number of initiatives. These included creating business tools, resources, market offers and educational opportunities such as the BMO symposium for the Chinese business community, held at our Institute for Learning in Toronto last October. After the results of a BMO-commissioned Harris/Decima study revealed that the majority of small and medium-sized Canadian companies lacked a succession plan, we developed a nationwide campaign of free seminars on the topic. We also conducted a survey of Canadian post-secondary students to ensure we continue to be a leader in serving student and youth customers. (For more details on these

initiatives, please see the *Exceeding Customers' Expectations* section of this report starting on page 11.)

Our Shareholders

At BMO, we believe that interaction with our shareholders, both retail and institutional, is extremely important. We foster ongoing dialogue with our investors, including meetings with our President and CEO, as well as leaders of our operating groups and senior management. We engage investors in one-on-one meetings, group meetings, investor presentations, quarterly earnings conference calls, our annual general meeting and ongoing correspondence. Regular dialogue with rating agencies and investment analysts is also critically important.

Our Employees

To attract and retain the talented, engaged and diverse workforce we need to best serve our customers and succeed as a business, we work hard to be an employer of choice. We provide a workplace in which all our people are encouraged to communicate their ideas, thoughts and concerns. Our Annual Employee Survey (AES), one of the most important ways we capture employee feedback, enables us to measure employee attitudes and opinions about workplace issues ranging from our human resources practices to our business strategy. In 2008, our AES employee engagement score remained notably high compared to other large industries surveyed, a clear affirmation that the voices of our people are being heard and welcomed.



BMO Offers Canadians the New Registered Disability Savings Plan

In December, BMO announced we would be the first major Canadian bank to offer the Registered Disability Savings Plan (RDSP), a new federal government initiative introduced to enhance the long-term financial security of people with disabilities. BMO RDSPs feature a wide range of investment solutions that are suitable for long-term investors, including guaranteed investment certificates, mutual funds and managed solutions portfolios. Pictured left, Claire Matheson high-fives Finance Minister Jim Flaherty for extending the 2008 contribution deadline for the new RDSP to March 2.

As part of our commitment to having a workforce that reflects the diversity of the communities where we work and do business, in 2008 BMO continued to actively partner with community and government agencies to recruit talented people from groups that are under-represented in our workforce. (For more details on our diversity initiatives, please see the *Championing Employees* section of this report starting on page 27.)

Our Communities

Interacting with, and investing in, our communities is a long-standing tradition at BMO. By helping to make our communities resilient, healthy and welcoming, we act in the best interests of our customers and our business. In 2008, we contributed \$55.9 million in donations, sponsorships and events to support charities and not-for-profit organizations in Canada and the United States. Our Corporate Donations Committee provides direction for our overall philanthropic activities and approves decisions about major contributions. Representatives from our regional offices also routinely engage with community members and groups, ensuring

we have the opportunity to be involved in grassroots events and organizations in their communities. A great many BMO employees are also active participants in their communities. In 2008, through the national BMO Employee Charitable Foundation, our people raised an astonishing \$8.7 million.

Advancing Corporate Responsibility

BMO publishes and makes available on our web site our annual Corporate Responsibility Report and Public Accountability Statement, which provides a detailed account of our contribution to society. In 2008, we once again solicited comments from outside organizations, including Canadian Business for Social Responsibility, in order to advance our reporting efforts. Their feedback has been incorporated into this report.

We also partner with a number of national and international groups for the purpose of advancing our corporate responsibility efforts. We provide details of our corporate responsibility activities to various rating agencies. In 2008, BMO was selected for the fourth consecutive year for inclusion in the Dow

Jones Sustainability Index – North America and the FTSE4Good Series Index.

Partnering for Climate Change

BMO seeks to understand the direct and indirect impacts of our actions on climate change, an issue that has profound implications for our customers, shareholders and communities – and our business. We listen to stakeholders, participate in industry working groups, network with our peers and work with national and global organizations. (For more details on our response to climate change, please see the *Promoting Environmental Sustainability* section of this report starting on page 32.)

INFORMATION ONLINE

Find out more:

> www.bmo.com/corporateresponsibility

Responsibility. Investing in Communities.

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Furthering Medical Research

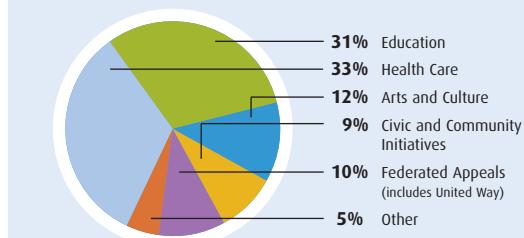
BMO is helping The Hospital for Sick Children in Toronto (SickKids) solidify its reputation as a world leader in children's cardiac medicine. Last spring, we announced a \$2 million donation to establish the BMO Financial Group Chair in Cardiology at the hospital. Head of the Division of Cardiology at SickKids and world-renowned clinician and researcher Dr. Andrew Redington (pictured above) has been named the inaugural chair holder. Under Dr. Redington's leadership, SickKids currently performs the majority of children's heart transplants in Canada and cares for 80% of children in Ontario with congenital heart defects. Says Dr. Redington, "This gift will help us to further our research and contribute to the understanding of congenital heart disease and heart function in order to provide young patients with the best possible outcomes. It will also do much to ensure that SickKids will be able to attract the next generation of leading cardiology researchers and clinicians." Pictured above, Dr. Redington and Rose Patten, Senior Executive Vice-President, BMO Financial Group and board member at SickKids, meet six-month-old cardiac patient Danville Graham and his mom Jennifer Porritt (right).

Through our corporate sponsorship and donations programs, BMO supports the neighbourhoods, towns and regions where we operate. By helping to create vital, healthy and safe communities, we best serve our customers and our business. And we help create and maintain the foundation of a prosperous and resilient society – **it makes sense.**

BMO remains one of Canada's largest corporate benefactors. In 2008, we contributed \$55.9 million in donations, sponsorships and events to support charities and not-for-profit organizations in Canada and the United States. Of this amount, \$47.7 million was contributed in Canada, including \$23.7 million in charitable donations and \$24 million in sponsorships and events.

We continued to direct our contributions to a number of specific areas, reflecting our understanding that our society is made stronger when the diversity of peoples, ideas and interests is celebrated and supported. These areas include education, health, arts and culture, community development and sports and athletics.

WHERE THE MONEY GOES



In 2008, BMO Financial Group donated \$47.7 million to charities and not-for-profit organizations across Canada. Our contributions were focused in five main areas: education, health care, arts and culture, civic and community initiatives and national federated appeals including the United Way and Centraide.

INFORMATION ONLINE

Find out more:

> www.bmo.com/community

Education

Support for learning has long been a cornerstone of our charitable giving program. Whether it happens in the elementary school classroom, university laboratory or over the Internet, learning makes our lives richer, our society more successful and our future brighter.

In 2008, we continued to support institutions of higher learning. Our contributions included \$150,000 to the University of Winnipeg Opportunity Fund. This program assists students from regions traditionally under-represented at university, including Aboriginal communities and inner-city neighbourhoods.



Enabling Education: Equity Through Education®*

Twenty-one-year-old Anastasia Sagalovitch, a Belarus-born, Brooklyn-raised fourth-year student at Baruch College in New York, wants to use her considerable skills, talent and growing experience "to do something meaningful in the world." Pursuing business administration and computer information studies, Sagalovitch is one of six Financial Women's Association BMO Capital Markets Scholarship recipients at Baruch College.

The Scholarship is one of nine North American initiatives funded by the BMO Capital Markets *Equity Through Education* program, which underscores the values of diversity and respect. The program financially supports people who have the ambition to pursue educational opportunities that may be out of reach. BMO Capital Markets *Equity Through Education Trading Day* raised \$1.7 million in 2008. Launched in 2005, the program has raised \$6.6 million to assist nearly 2,000 students through scholarships, bursaries, mentoring programs and job search strategy forums.



Health

At BMO, we are committed to supporting health care professionals who care for patients, and medical researchers who work to discover new treatments. In 2008, we announced several substantial contributions to health care organizations. Our support was focused primarily on improving the delivery of health care services in communities and regions where we operate and funding leading-edge medical research.

Supporting Community Health Care

We donated \$2 million to the BC Children's Hospital Foundation to support the construction of the new Emergency Department in

\$4.7 million

In 2008, we pledged \$4.7 million in new funding to educational institutions across Canada.

\$5.4 million

In 2008, we pledged \$5.4 million in new funding to health care institutions and medical research across Canada.

Says Sagalovitch, "Winning the scholarship has enabled me to focus on learning. As well as taking additional courses, I have written for the business section of the school newspaper, participated in the National Model United Nations Collegiate Conference and volunteered in New Orleans during winter break. I am so grateful for these opportunities."

Bilal Rajan has also been given opportunities through *Equity Through Education*. Rajan, of Richmond Hill, Ontario is remarkable. At 11, he is a published author, motivational speaker, successful fundraiser, founder of a children's school in Tanzania, UNICEF Canada's child ambassador, and founder of Hands For Help, a charitable organization. He is also one of Youth In Motion's 2008 Top 20 Under 20 bursary recipients.

Rajan's vision is to instill in children worldwide the importance of being of service to others less fortunate. "With this bursary, together we can make a difference."

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2007 PRIORITIES	2008 PROGRESS
<p>Be one of Canada's leading corporate benefactors, helping our regions, cities, towns and communities thrive by continuing to support charities and not-for-profit organizations across Canada and the United States.</p>	<ul style="list-style-type: none"> In 2008, our contribution of donations and sponsorships to support communities and charities increased to \$55.9 million.
<p>Continue to contribute in a broad range of areas.</p>	<ul style="list-style-type: none"> We provided support in areas that include education, health care, arts and culture, community development and sports and athletics.

Supporting Children in Need BC Children's Hospital

Sarah Johnston, Financial Services Manager at BMO Bank of Montreal in Kelowna, knows that medical help at a time of crisis is crucial. Three years ago Johnston's son Dallas was born prematurely and was airlifted to the BC Children's Hospital in Vancouver, where he was successfully treated for a heart condition. To ensure sick children in British Columbia continue to have access to services they need, BMO pledged \$2 million for the BC Children's Hospital in Vancouver. Our gift will support the construction of the hospital's new Emergency Department. "Caregivers from around the province rely on the Emergency Department for support and advice on a daily basis, and tens of thousands of children from across British Columbia are seen here annually," says Sue Carruthers, President and CEO, BC Children's Hospital Foundation. "Once in the Emergency Department, they have access to a greater range of pediatric expertise than exists anywhere else in British Columbia." Sarah and Dallas Johnston would agree!

Vancouver (see adjacent sidebar). To support better health care, we donated \$60,000 to help triple the size of the John McGivney Children's Centre in Windsor, Ontario, which provides rehabilitative services to more than 2,100 children and youth with disabilities and special needs. BMO also announced a \$400,000 contribution to the *It's Our Time* campaign in support of "close-to-home" health care services in Ontario's Niagara Region. The campaign will help finance new regional health care services for cancer, heart disease and mental health, and an expanded kidney disease treatment program. In southeastern Ontario, our \$100,000 commitment to the Tri-County Health Care Foundation's *Imagine* Campaign will help provide local residents with greater access to state-of-the-art diagnostic imaging equipment. BMO announced a \$100,000 donation to the new Daffodil Place facility in St. John's, Newfoundland and Labrador. More than half of cancer patients in the province must leave their families and communities to receive medical treatment in the capital. Daffodil

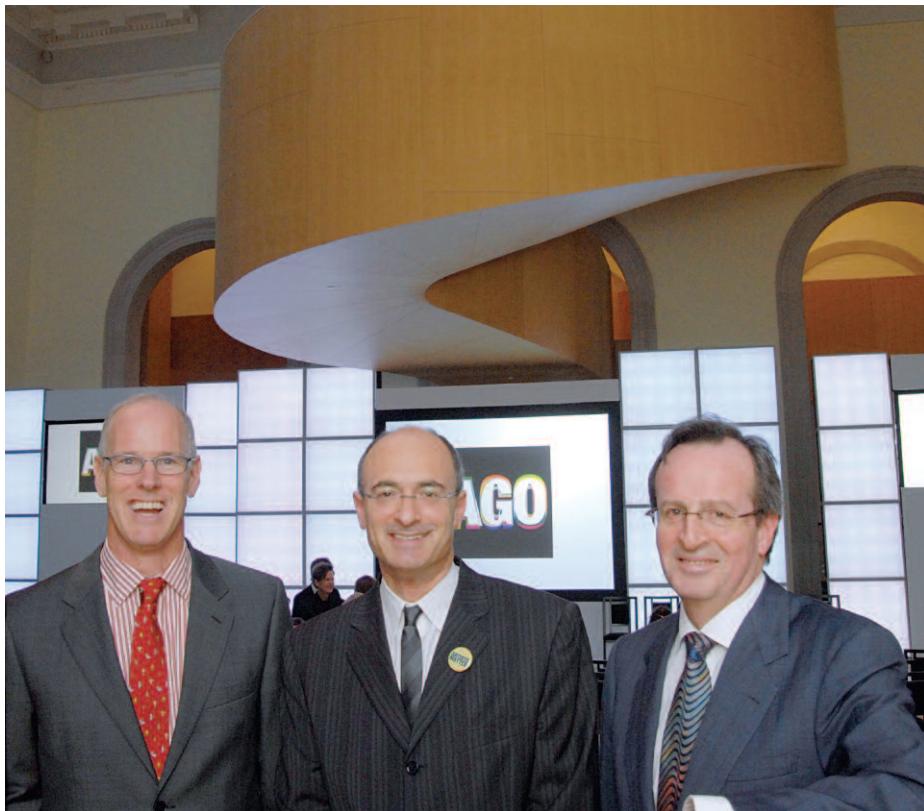
Place will provide a comfortable environment for them, with 24 rooms designed specifically for cancer patients.

Advancing Medical Research

BMO is committed to supporting Canada's medical research community. Last year, we committed \$2 million to create the BMO Vulnerable Populations Unit within the Centre for Research on Inner City Health at St. Michael's Hospital in Toronto. Researchers at this leading teaching and research hospital are pursuing projects that include developing a computer-assisted tool to help doctors detect domestic violence, and making HIV screening a part of routine medical care. In Montreal, BMO made a \$2 million commitment to the *Heart Beat for the Future* campaign for a Prevention Unit at the Montreal Heart Institute (MHI). Since 80% to 90% of cardiovascular disease could be avoided through lifestyle changes like diet, exercise and smoking cessation, MHI makes prevention a cornerstone of its mission.



Daffodil Place facility in St. John's, Newfoundland and Labrador.



Tom Milroy, CEO, BMO Capital Markets, Matthew Teitelbaum, Michael and Sonja Koerner Director and CEO of the Art Gallery of Ontario, and Gilles Ouellette, President and CEO, Private Client Group, at the announcement of the re-opening of the AGO on November 14, 2008. BMO Financial Group is the Lead Inaugural Partner at the AGO's grand opening and Signature Partner of the Canadian Collection Program.

Arts and Culture

At BMO we believe art enriches all our lives, whether it is created by cultural institutions, artists, community arts organizations or gifted amateurs. Building on our shared 30-year history, BMO announced a new three-year partnership with the Art Gallery of Ontario (AGO) in 2008. We were the lead inaugural partner at the grand reopening of the AGO, which has been transformed by celebrated Canadian-born architect Frank Gehry. We also became the gallery's signature partner for the Canadian Collection Program, which offers activities that engage visitors with Canadian art.

Sponsoring Local Festivals

In August, we again participated in the popular MusicFest Vancouver by sponsoring the *BMO Live at the Gallery* free lunchtime concerts. Held outside the Vancouver Art Gallery, the 2008 program featured jazz and

world music performances by local and international musicians. We also continued as lead sponsor of Puppets Up!, an international puppetry festival that attracts thousands of visitors to Almonte, Ontario.

BMO also committed \$200,000 to the expansion of Calgary's Heritage Park, Canada's largest "living" historical museum. The museum uses costumed interpreters, street theatre and interactive exhibits to recreate Western Canadian history. The facility attracts nearly 500,000 visitors a year.

Community Development

BMO is committed to investing in organizations that strengthen our communities. In Saskatoon, for instance, we sponsor *Season4Change*, an annual holiday season campaign that raises funds for the Saskatoon Crisis Nursery. Open 24 hours a day, the

facility makes short-term housing available for children during family crises such as a parental illness or the loss of a home.

In Quebec, BMO celebrated the 400th anniversary of Quebec City by helping fund *La Fresque BMO de la capitale nationale du Québec*, a six-storey trompe-l'œil mural depicting individuals central to the city's history.



“

“At Harris, our promise is ‘We’re Here to Help,’ and when we are active in the community, we bring that commitment to life.”

Yasmin Bates-Brown, Executive Vice-President, Community Affairs and Economic Development, Harris

Strategic Philanthropy Award

The BMO Capital Markets *Equity Through Education* initiative won *The Journal of Financial Advertising & Marketing's* inaugural Strategic Philanthropy Award for best program in financial services.

Harris Gets Involved

In the United States, we continued our history of community involvement. Harris made a US\$200,000 multi-year contribution to the Chicago Urban League (CUL) in 2008. For 92 years, CUL has supported economic, educational and social progress for African Americans. Our commitment will support the League’s Entrepreneurship Center and its mandate to strengthen and increase the number of businesses owned by African Americans. Harris also contributed US\$1 million to support Chicago’s bid to host the 2016 Summer Olympics. The city is one of four finalists for the Games.

Focus on Financial Literacy

Harris is committed to being a trusted corporate

partner and advancing financial literacy. Each April, we participate in Money Smart Week, an education campaign managed by the Federal Deposit Insurance Corporation. The campaign helps individuals outside the financial mainstream develop financial skills and positive banking relationships. Last year, Harris offered 20 workshops for first-time homebuyers.

Working in Partnership

BMO continues to be one of the largest corporate supporters of United Way and Centraide across Canada. In 2008, we contributed \$2.3 million to the federated charities, which work with community leaders, business, labour and governments to address critical social issues affecting our communities. Harris



A winning team displays their awards at the East St. Paul Summer Soccer Classic in Manitoba. BMO is the title sponsor of this six-day children’s tournament, attended by more than 10,000 people.

and BMO Capital Markets continued their relationship with the United Way of Metropolitan Chicago, contributing US\$1.7 million in partnership with our employees.

In Times of Need

Last spring, BMO and BMO Employee Charitable Foundation made a joint contribution of \$30,000 to Canadian Red Cross relief efforts for flood victims in New Brunswick. For its part, Harris donated US\$50,000 to the American Red Cross Disaster Relief Fund to help flood and tornado victims in Illinois, Indiana and Wisconsin. BMO also donated \$150,000 to the Red Cross to assist natural disaster victims in China and Myanmar. BMO and Harris matched an additional \$100,000 in employee donations.

Sports and Athletics

Our support of sports and athletics deepens our relationship with our customers and communities. Whether it involves children joining a local soccer league or elite figure skaters training for the national team, organized physical activity makes us healthier and makes our lives more enjoyable. In 2008, we expanded our support for soccer across Canada. As well as being lead sponsor of Toronto FC, naming sponsor of BMO Field in Toronto and associate sponsor of the Vancouver Whitecaps FC, we increased the number of house league teams we sponsor to 275. We are also presenting sponsor of more than 200 soccer tournaments across Canada.



Left to right: Olympic medalists and Canadian figure skating legends Victor Kraatz and Shae-Lynn Bourne, BMO's Richard Rudderham, and World silver medalists Tessa Virtue and Scott Moir stand in front of the Vancouver main branch during the 2008 BMO Canadian Figure Skating Championships.

Skating to the Top with CanSkate®

Skating is a passion for many Canadians, one that BMO shares. At the 2008 BMO Canadian Figure Skating Championships in Vancouver last January (BMO is the title sponsor), Bill Downe, our President and CEO, presented a \$100,000 donation to the Skate Canada Athlete Fund. We are also the presenting sponsor of CanSkate, Skate Canada's Learn-to-Skate program. Our partnership with CanSkate was particularly gratifying this year, when former CanSkater Jeffrey Buttle became the 2008 World Figure Skating Champion. Says Buttle, "It's hard to describe the exact path that brought me to the top of the world podium, but I do know that my first steps began at my local arena when I was enrolled in CanSkate!"

Our Giving Framework

Our Donations Policy outlines the framework and objectives related to our corporate donations in Canada. Our Corporate Donations Committee (CDC), mandated by our President and CEO and comprised of senior executives from across the organization, provides direction for our philanthropic activities and a defined governance model for the assessment, direction and management of donations in Canada. The CDC meets quarterly to review funding requests and monitor compliance with our Donations Policy.

Best in Show

Our long-standing involvement in equestrian sport proved particularly rewarding in 2008, when the Canadian show jumping team, led by equestrian star Ian Millar, won a silver medal in competition at the Beijing Olympics. BMO is the founding sponsor of the \$350,000 BMO Financial Group Nations' Cup competition, held at Spruce Meadows in Calgary each September.

Celebrating Heritage and Fun

Every July, local and international visitors celebrate Western heritage at the Calgary Stampede. We are proud to be part of the party. BMO has been an official sponsor of the event for 30 years and the Stampede's official banker since 1912. Last year, over 130 BMO employees helped serve pancake breakfasts to more than 14,000 people on BMO Kids' Day.



BMO B.C. Division employees volunteering at the 2008 BMO Vancouver Marathon.

Running with Spirit BMO Vancouver Marathon

BMO won the Corporate Award at the 2008 Spirit of Vancouver Awards for our sponsorship of the BMO Vancouver Marathon, which attracted 12,815 runners, walkers and wheelchair participants from 37 countries in 2008. Running with success, BMO announced a three-year commitment as title sponsor of the BMO Okanagan Marathon in Kelowna, which includes a family fitness and active lifestyle festival.

Responsibility. Championing Employees.

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BMO Institute for Learning

Students from the BMO Dalhousie MBA (Financial Services) Program Class of 2012 at the BMO Institute for Learning, our world-class training facility.

At BMO, we focus on the strategic development and management of our people. By offering a workplace that supports and welcomes individuals from many diverse communities and provides opportunities for career and personal fulfilment, we build a reputation as an employer of choice. At the same time, we enhance our ability to attract and retain the talented, engaged and diverse workforce we need to best serve our customers and succeed as a business – **it makes sense.**

Investing in Our People

We have made a commitment to create an organizational culture that is founded on our corporate values and supports our goal of putting our customers first. Equipping our employees with the best business knowledge and tools available plays a large part in realizing this goal. Our Institute for Learning (IFL) is the centre for all our training, education and development activities. This world-class facility, which offers classroom and online training, stands as a strong symbol of our long-term commitment to employee development.

In 2008, the IFL introduced a renewed online orientation program, a mark of our understanding that the first few weeks in a new job can provide a strong foundation for future success. The program introduces new employees to BMO using video messages from colleagues and leaders across the company and focuses on key topics that direct new employees toward the goal of defining great customer experience.

“We recognize that creating a work environment that is supportive and inclusive for people with disabilities isn’t just about corporate social responsibility or a philanthropic pursuit; there’s an entire business case for inclusion.”

April Taggart, Senior Vice-President, Talent Management and Diversity, BMO Financial Group



"I have enormous confidence in the company and that's because of the confidence I have in the individuals who work here. We work hard to make the culture at BMO one of opportunity and to make this a place where people can reach their full potential. This, I think, is one reason why the level of employee engagement at BMO is so high."

Bill Downe, President and Chief Executive Officer, BMO Financial Group

\$500 million

Over the past decade, BMO has invested more than \$500 million in training, and the average number of employee training days per year has more than doubled to six – well ahead of external benchmarks.

PROGRESS REPORT

2007 PRIORITIES	2008 PROGRESS
Provide our employees with the skills and training they need to best serve our customers and achieve their personal career goals.	<ul style="list-style-type: none"> Conducted an organization-wide assessment of how best to provide learning opportunities that will enable our employees to achieve higher performance and their own career goals. BMO employees received, on average, six training days per employee.
Place emphasis on the early identification, development and retention of emerging leaders to ensure a ready pipeline of talent for key leadership roles.	<ul style="list-style-type: none"> Drove our talent review process deeper into our organization. In partnership with the Rotman School of Management, developed a new Advanced Leadership Program integrating cutting-edge academic research with business practices.
Actively partner with community and government agencies to recruit talented people from the communities where we live, work and do business, including groups that are under-represented in our workforce.	<ul style="list-style-type: none"> Partnered with various organizations to help recruit and train talented individuals from many diverse communities. Launched the Ron Jamieson Scholarship and Internship Program for Aboriginal students. Offered pre-employment training program specifically designed for people with disabilities who have little or no work experience. <p>Learn more about scholarship and internship programs at bmo.com/careers</p>
Support each other in balancing work and life.	<ul style="list-style-type: none"> Supported our people in balancing work and life with alternate work arrangements and an extensive benefits program that includes leaves of absence.
Support our employees who are active volunteers in our communities.	<ul style="list-style-type: none"> Encouraged and supported employees who are active volunteers in our communities. For example: <ul style="list-style-type: none"> Our <i>People Care Days</i> program enabled employees to take time off for involvement with charitable organizations or humanitarian causes. Harris recognized outstanding employee volunteers at an annual volunteer recognition event.

Providing effective and innovative training for our managers and executives continues to be a priority. The IFL offers both newly appointed managers and senior managers a comprehensive training program, the Managerial Leadership Learning System, which is designed to enhance an individual's strategic capabilities and leadership skills. Since 2001, more than 1,000 BMO employees have graduated from this program. In collaboration with Dalhousie University, BMO also offers a four-year MBA in financial services to our emerging leaders. To date, more than 200 BMO employees have graduated from the program, and many have been promoted at an accelerated pace, some into the executive ranks.

Focus on Leadership

In partnership with the Rotman School of Management, BMO has recently developed the Advanced Leadership Program. Taking a fast-paced, demanding and provocative approach, the program blends front-line business practice with cutting-edge academic research and real-time issues. The program enables our senior leaders to share their perspectives on business leadership, learn about current management theories and best practices, and analyze, discuss and debate innovative approaches to real-time BMO business issues. Our goal is to offer this research-based development experience to more than 500 leaders at BMO over the next two to three years.

“As an organization we draw our strength from the diversity of our people and businesses. Diversity is often thought of in terms of equal opportunity regardless of gender, race, age, ethnicity, ability or sexual orientation. But it is also about the strength that comes from the uniqueness of each individual – their experiences, ideas and perspectives.”

Rose Patten, Senior Executive Vice-President, Head of Human Resources and Senior Leadership Advisor, BMO Financial Group

To ensure that we continue to have the key people we need to lead our business in the future, identifying, developing and retaining talented employees is essential. Career planning and development conversations continue to be a top priority. We are also accelerating the development of our leaders through cross-business transfers and action-based development experiences, such as job rotations and stretch assignments, that increase their exposure to the organization. Over the past year, we have succeeded in identifying emerging leaders earlier in their careers as we continue to drive our talent review process deeper into the organization.

Embracing Diversity

At BMO, we understand that embracing diversity of experience and culture not only serves the communities where we work and live, but also leads to broader ideas and insights and more informed decision-making. Our commitment to diversity, equity and inclusion is built into our corporate values and embedded within our recruitment and orientation programs and our managerial leadership training.

2008 marked the second year of our partnership with JVS Toronto in delivering a six-week pre-employment training program for people

with disabilities who possess little or no work experience. This innovative program is designed to close gaps in work experience so that participants can successfully apply for entry-level roles. Nearly 40 candidates have had an opportunity to acquire new skills and experience and receive coaching that facilitated their transition into permanent employment at BMO.

In 2008, BMO also partnered with Lime, a not-for-profit organization that connects corporations with post-secondary students and graduates with disabilities, to launch the BMO Financial Group/Lime Scholarship and Internship Program. This unique initiative is designed to attract talented post-secondary students who happen to have a disability. Successful applicants receive a scholarship and can then compete for a paid summer internship that may lead to a permanent role with our company as a Financial Services Manager or Commercial Account Manager. The program includes comprehensive intake training and ongoing support and mentoring.

Focus on Aboriginal Employment

BMO has made a concerted effort to support the recruitment of talented individuals from the Aboriginal community. We offer the Ron



A Fresh Start

This past February, Sandy Gomes, Senior Manager, Strategic Planning in Personal Banking, travelled to Cambodia as part of a 25-member team of volunteers with Habitat for Humanity. Over a 10-day period, Gomes and her fellow team members constructed five new homes on the outskirts of Phnom Penh, the nation's capital. "The homes were built for families who had been living in slum-like conditions," she says. "The structures were very basic. But they enabled families to reunite and make a fresh start in life." While Gomes devoted her vacation days to volunteer efforts, she also made use of BMO's *People Care Days*. Designed to help employees balance multiple work and non-work commitments, the program enables employees to take time off for their involvement with charitable organizations or humanitarian causes.

BMO Sponsors Diversity Award

In partnership with Mediacorp Canada Inc. (publishers of Canada's Top 100 Employers), BMO became the premier sponsor of a new award for diversity practices – Canada's Best Diversity Employers.





A Passion for Giving Back

For many years, Heather Baird (pictured above), Director and Head, Business Strategy Group – Wholesale Banking Operations at BMO Financial Group in Toronto, and her young daughter Zoe van't Hof have been volunteering their time during the holiday season at a local food bank. "It's important to teach our children to give back," says Baird, who also happens to be Chair, BMO Employee Charitable Foundation – Ontario. Just as she advocates sharing at home, Baird devotes much of her own time to encouraging her colleagues to contribute both time and money through the employee foundation. Last year, as well as helping to organize charitable events such as *Concert for Caring* to raise awareness for *Shelter from the Storm*, an initiative sponsored by Canadian Women's Foundation and BMO to support emergency shelters for women seeking refuge from abuse, she met with scores of employees at all levels of the company to inspire involvement in the foundation. "It was not a hard sell," says Baird. "There are so many people at BMO who care passionately about getting involved with their communities."



Taking It to the Street

Last June, more than 750 employees of Harris and BMO Capital Markets took to the streets in an effort to make a difference at more than 30 community organizations across the United States. For example, employees spruced up the outside of a domestic violence shelter in Kokomo, Indiana, read to children at the Carole Robertson Center for Learning in Chicago and reinforced a retaining wall surrounding the COA Youth and Family Centers' Riverwest Center in Milwaukee, Wisconsin. The number of employees who volunteered for the company's second annual *Our Ambition is to Help* Volunteer Day was more than double the turnout at last year's inaugural event.

BMO Named a Top Employer

BMO Financial Group was named one of Greater Toronto's Top 75 Employers in 2008 for the fourth year in a row. Greater Toronto's Top Employers is an annual competition organized by Mediabase Canada Inc.

Jamieson Scholarship and Internship Program, which provides paid summer internships that allow students to gain valuable front-line experience. We have also partnered with the University of Calgary to launch the Aboriginal Lynx program, which connects nine universities across Western Canada through online and in-person networking opportunities. This program works with Aboriginal students throughout their academic careers to ensure a smooth transition from university to employment.

For the second time, BMO has achieved gold level recognition from the Canadian Council for Aboriginal Business through the Progressive Aboriginal Relations framework, for our commitment to increasing Aboriginal employment, assisting business development, building individual capacity and enhancing community relations.

Breaking Down Barriers

In order to assist new Canadians in breaking down barriers to employment, BMO has established a number of partnerships with key community agencies, including Accessible Community Counselling and Employment Services, Skills International and The Canadian Immigration Integration Project. In Toronto, we have partnered with St. Stephen's Community House, a social service agency that serves the residents of disadvantaged downtown neighbourhoods. In addition, BMO recently launched *Professional Communication for Employment*, a pilot program with Ryerson University in Toronto. This program provides new immigrants with opportunities to enhance their communication skills and develop cultural literacy.

“The involvement of Harris employees is irreplaceable for us. They give our homeless shelter guests a whole different concept. To have those business folks come in brings a professional sense they don’t always see on a daily basis.”

Barb Thurlby, Director of Volunteers, Hesed House, Aurora, Illinois

Supporting Work/Life Balance

BMO has long been recognized for our commitment to creating a more equitable and flexible workplace. With changing demographics and a more multi-generational workforce, flexible work arrangements and programs that assist in accommodating the needs of employees at different life stages have become essential in attracting and retaining talented employees. As an employer of choice, we offer a broad range of programs designed to help employees balance their responsibilities to work, family and community (see sidebar on page 29).

Contributing to Our Communities

Giving back to their communities is a long-standing tradition for BMO employees. Since 2000, when BMO Employee Charitable Foundation (ECF) became a national

organization, employees and pensioned employees have raised more than \$64 million to help those in need in the communities where they live and work across Canada. BMO covers administration costs of our Employee Charitable Foundation, ensuring that all money donated or raised makes its way to our employees' communities. In 2008 alone, our employees raised a total of \$8.7 million for the foundation. This included \$566,000 raised during the BMO Boo-la-thon in support of Kids Help Phone^{®3}, an annual national bowling fundraiser. Kids Help Phone is Canada's only toll-free, 24-hour, bilingual and anonymous phone and web counselling, referral and information service for children and youth. Last year, BMO became the title sponsor of the event, which was launched 17 years ago by our employees.

Volunteer Grants and Matching Gifts

To foster excellence and accessibility in post-secondary education and support the generosity of our people, BMO provides matching funding for eligible donations made by our employees, pensioners and directors through our Matching Gift Program for Higher Education. We contributed \$140,000 through our Matching Gift Program last year.

We also augment the volunteer efforts of our employees through our Volunteer Grants Program, which provides funds to organizations supported by active and pensioned BMO Financial Group employees. In 2008, BMO contributed \$532,000 to charities and non-profit organizations supported by our people.



BMO executives get into the Halloween spirit at the annual Kids Help Phone BMO Boo-la-thon fundraiser.

INFORMATION ONLINE

Find out more:

> www.bmo.com/employees



Supporting Financial Literacy

One morning every third week, Lee Kors, Branch Manager at BMO Bank of Montreal in Waterloo, Ontario, takes time from her busy schedule to teach the rudiments of financial literacy to new Canadians. A volunteer with New Canadian Program (NCP) Kors enlightens her students about subjects such as Canada's banking system, how to build a good credit rating and education savings plans. Involvement in NCP is but one way Kors gives back to her community. She also volunteers on the board of a local hospital and volunteers with the Optimist Club of Waterloo Region. "It's very rewarding to be involved with our community," she says.

\$8.7 million

Last year, BMO employees raised \$8.7 million to benefit thousands of charities across the country.

Responsibility. Promoting Environmental Sustainability.



Taking Pride in Our Community

Our people share our passion for environmental stewardship. Last spring, more than 600 BMO employees in the Greater Toronto Area participated in the 20-Minute Makeover initiative to give public spaces in their neighbourhoods a thorough spring cleaning.

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Like many of our customers, shareholders, communities and employees, BMO is concerned about the potential impact of climate change. We believe **it makes sense** to be a leader in promoting environmental sustainability and finding solutions to climate change. In 2008, we reviewed and assessed our various existing environmental programs across the organization. To strengthen our approach and ensure consistency in delivery, we grouped all of our environmental activities together under the banner of Clear Blue Skies Initiative (CBSI). This initiative represents a strong commitment to integrate environmental best practices into our daily operations and minimize our carbon footprint.

Clear Blue Skies Initiative

BMO ECO⁵ Strategy

Improving our environmental performance is key to our Clear Blue Skies Initiative (CBSI). In 2008, as part of CBSI, we introduced the BMO ECO⁵ Strategy, which is applicable to all of our operations worldwide (see page 35). Each of the five areas addressed by the strategy – energy consumption, transportation, material

BMO ECO⁵ Strategy

We introduced the BMO ECO⁵ Strategy to better measure our company-wide greenhouse gas emissions and achieve our reduction goals.

110 tonnes

BMO donated or disposed of 110 tonnes of technology equipment in 2008 in an environmentally friendly fashion.

PROGRESS REPORT

2007 PRIORITIES

Reduce our operational impact.

2008 PROGRESS

- As part of our Clear Blue Skies Initiative, introduced BMO ECO⁵ Strategy (see page 35 and learn more at bmo.com/environment).

Maintain responsible lending practices.

- Updated our lending guidelines in 2008, introducing specific due diligence questions related to climate change.

Work with stakeholders to deepen our understanding of current environmental issues.

- Engaged in dialogue with a number of stakeholders representing non-governmental organizations, industry associations and not-for-profits.
- Various stakeholder groups reviewed and commented on the drafting of our updated Environmental Policy.

Recognized as a Leader in Climate Disclosure

BMO is one of two Canadian banks included in the Carbon Disclosure Leadership Index 2008. Index members are distinguished by their leading disclosure practices and their demonstration of an awareness of the risks associated with climate change.

consumption, waste generation and procurement – is addressed by a corresponding environmental program managed, documented and periodically reviewed by our Environmental Sustainability Office. This new strategy will enable us to more systematically report on our environmental performance, measure our company-wide greenhouse gas emissions and achieve our reduction goals.

While we believe all elements of our strategy are equally important, energy consumption and transportation are responsible for most of our environmental impact, and these are the areas that we focused our efforts on during the first year of our ECO⁵ Strategy. In the upcoming year, we will expand our scope to focus more on the remaining three areas addressed by the strategy.

Environmental Management System

In December 2008, we became the first financial institution in Canada to achieve third-party certification under the internationally recognized ISO 14001 Environmental Management Systems standard. The certification was awarded for our implementation of a rigorous environmental management system at a leased 19-floor office building located at 55 Bloor Street West in downtown Toronto. In order to achieve ISO 14001 certification, we identified all activities that had the potential to impact the environment and put programs in place to reduce or eliminate these impacts. We plan to build on our success by applying what we have learned to other facilities across BMO.

Raising Environmental Awareness

Being an environmentally conscious organization is a top priority for all of us at BMO. Employees at every level of the enterprise are engaged in our efforts to reduce our environmental footprint. For example, "Environmental Ambassadors" from the various business groups volunteer to conduct environmental awareness training sessions and communicate key information to their colleagues. Employees also receive messages from our senior leaders on topics ranging from Earth Hour to best practices for saving energy in the workplace. As well, we have set up an internal Environmental Mailbox, where employees can submit tips on "going green" that can be shared with their peers.



One Million Acts of Green

Last fall, BMO accepted the One Million Acts of Green (OMAOG) challenge and encouraged other companies to do the same. OMAOG is a social networking initiative that encourages Canadians to incorporate everyday "acts of green" into their lives. The goal, to collectively reach one million acts of green, was attained in early 2009. Pictured (left to right) are BMO Financial Group's President and CEO, Bill Downe, with Ula Ubani, Director, Corporate Responsibility and Sustainability, and Jim Johnston, Director, Environmental Sustainability.



Supporting Environmental Education

BMO supports organizations that promote environmental education. In 2008, we pledged \$500,000 to Evergreen, a foundation that aims to make cities more liveable, and \$200,000 to Learning for a Sustainable Future, which works to integrate education about sustainable development into classrooms across Canada. We also donated \$25,000 toward the construction of a viewing tower at the Laurel Creek Nature Centre in Waterloo, Ontario. The tower will enable the 15,000 schoolchildren who visit the Centre each year to see the facility's new 2,200-square-foot green "living" roof. An innovative eco-learning tool, the roof incorporates grasses, plants and shrubs that will help clear the air and supply a habitat for wildlife.

INFORMATION ONLINE

Find out more:

> www.bmo.com/environment

ISO 14001 Environmental Management System

BMO achieved ISO 14001 Environmental Management Systems certification at our 55 Bloor Street West location in Toronto last December, making us the first financial institution in Canada to achieve certification for an office building under this internationally recognized standard.

Energy Reduction and Efficiency

Our Carbon Footprint

In June, we established and disclosed a comprehensive enterprise-wide carbon footprint for energy consumption and business-related transportation emissions using calendar year 2007 as the baseline. We also implemented a greenhouse gas emissions tool to capture, measure and report our progress on an ongoing basis.

Commitment to Carbon Neutrality

BMO announced our intention to achieve carbon neutrality relative to energy consumption and transportation emissions across our enterprise – worldwide – by 2010. Our strategy is to maintain the focus on consumption reduction measures, purchase renewable energy to further reduce our carbon footprint and buy high-quality carbon offsets to match the remaining emissions. We also committed to cut our greenhouse gas emissions by 5%

over this period. Thanks to our purchases of clean energy and ongoing energy saving initiatives, we are already making significant progress in achieving this objective.

Saving Energy

Reducing non-renewable energy consumption serves our business and the environment. Since September 2007, we have opened or renovated 55 branches in Ontario and Alberta, all powered by renewable sources of electricity such as wind and low-impact water power. In 2008, BMO contracted with Bullfrog Power for an additional 3,372 MWh of clean energy, raising our total purchase to more than 8,300 MWh per year. This makes us the leading purchaser of renewable energy among Canadian financial institutions on the bullfrogpowered^{®4} Green Index. We have also begun to offer both retail customers and BMO employees \$25 off their first residential electricity bill if they switch to Bullfrog Power. We have built three branches in Canada and two branches in the United States registered for certification under the Leadership in Energy and Environmental Design (LEED) program.



"The environment is important to our customers, our investors and our employees. And it's important to BMO. From choosing Bullfrog Power for many of our branches to using paper that contains post-consumer fibre for our publications, we are working every day to reduce our environmental footprint."

Jim Johnston, Director, Environmental Sustainability, BMO Financial Group

Energy-Saving Award

BMO received the 2008 Green Enterprise IT Award for IT Hardware Asset Utilization from the Uptime Institute for reducing energy consumption at our computer centre in the Greater Toronto Area. Through the elimination of 409 servers, 40 peripheral devices and two storage subsystems, the facility reduced its energy consumption by 526 kilowatts – equivalent to the energy 430 average-sized homes would use in a year.

CLEAR BLUE SKIES INITIATIVE – BMO ECO⁵ STRATEGY PLAN IN ACTION

Managing the Environmental Impacts of Our Operations

ACTIVITY	GOAL	ACTION PLAN
1. Energy Consumption	Realize optimal energy consumption reductions and efficiencies	BMO Energy Reduction and Efficiency Program <ul style="list-style-type: none"> • Increase purchase of renewable energy • Build branches in line with LEED standards • Achieve BOMA Go Green certification in office towers • Measure and reduce energy consumption
2. Transportation	Minimize environmental impacts of transport	BMO Sustainable Transport Program <ul style="list-style-type: none"> • Encourage employee use of public transit • Replace service vehicles with more fuel-efficient alternatives • Reduce commercial air travel for non-customer facing meetings
3. Material Consumption	Reduce unnecessary use of materials and use materials more efficiently	BMO Sustainable Material Program <ul style="list-style-type: none"> • Reduce paper use • Offer online customer statement options • Use more recycled content in building construction
4. Waste Generation	Reduce waste going to landfill and promote recycling	BMO Waste Management Program <ul style="list-style-type: none"> • Strengthen waste reduction programs already in place • Improve tracking of waste and recycling
5. Procurement	Take environmental and social considerations into account in the procurement process	BMO Sustainable Procurement Program <ul style="list-style-type: none"> • Use our new sustainable procurement questionnaire and criteria when selecting suppliers • Purchase office paper produced from responsibly managed forests • Work with key suppliers to communicate sustainability requirements

Our Environmental Sustainability Framework

Our Environmental Sustainability Office, which reports directly to the Senior Vice-President, Corporate Real Estate and Strategic Sourcing, has a mandate to understand the impact our operations have on the environment, and to design, implement and maintain a sustainable enterprise-wide Environmental Management System that reduces our environmental footprint. Our Sustainability Council, composed of senior leaders from across the enterprise, will play a key role in ensuring the policies and programs developed by our Environmental Sustainability Office are applied across BMO Financial Group. The Council's role is to monitor and approve actions, and provide guidance regarding the implementation of our Clear Blue Skies Initiative.

DOWNLOAD

BMO Environmental Policy (PDF)

> www.bmo.com/environment

BMO Sustainability Funds

In response to growing demand from customers who wish to invest in companies that demonstrate an ability to effectively address sustainability issues, BMO Mutual Funds recently launched two sustainability products. The new BMO Sustainable Climate Class provides investors with exposure to equities related to products and services that could reduce or delay the effects of climate change. Meanwhile, BMO Sustainable Opportunities Class provides exposure to equities related to a wide range of themes, including healthy living, water, alternative energy, materials and climate control.

Sustainable Transport

Greener Travel

To further reduce our impact on the environment, we are changing the way we travel. BMO encourages employees to use teleconferencing in lieu of travelling to other cities for meetings with colleagues. Use of public transit is also encouraged whenever possible. We are working to ensure we use the most fuel-efficient vehicles we can. In Chicago, our 20-vehicle fleet is made up entirely of hybrid vehicles, which emit less carbon dioxide and are more fuel-efficient and cost-effective. In Canada, we have mandated that all newly leased sedans must be hybrids. Currently there are 10 hybrids in our service vehicle fleet in Canada. We also partner with municipal transit authorities in Ontario and British Columbia to provide monthly transit pass discounts to employees using public transit. In Toronto, the largest of these programs, 4,025 employees (approximately 40% of those working in the Greater Toronto Area) are enrolled in the program.

4,090 tonnes

In the past year, we shredded and recycled more than 4,090 tonnes of paper across Canada and the United States – the equivalent of more than 76,650 trees.

Responsible Lending

In addition to the direct impact of our operations, we are conscious of the indirect environmental impact associated with our various customers. It is our intent to avoid dealing with borrowers who have a poor track record for environmental risk management. We have guidelines in place to evaluate the environmental impact of the loans we finance and the projects in which we participate. All eligible borrowers for commercial and corporate loans are subject to our environmental risk assessment process. In 2008, we updated our lending guidelines to include more detail concerning the identification and evaluation of environmental risks related to climate change and biodiversity. We apply the *Equator Principles* (EP) to all project financing. The purpose of the EP is to ensure that social and environmental impacts are considered and managed in the course of a project.

Sustainable Procurement

BMO has added environmental sustainability to our list of evaluation criteria for potential suppliers who hope to do business with us.

In This Section

→ Affiliates	37	BMO Financial Group's 2008 Corporate Responsibility Report and Public Accountability Statement provides a full reporting of factual information as required by the Canadian federal government's Public Accountability Statement regulations (Section 459.3(1) of the <i>Bank Act</i>), including taxes paid, number of employees and small business financing. Information provided pertains to our most recent fiscal year (November 1, 2007 to October 31, 2008).
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Affiliates

The following are the prescribed affiliates whose relevant activities are included in this Public Accountability Statement, as required by the *Bank Act*:

BMO Life Insurance Company, Toronto
BMO Nesbitt Burns Corporation Limited and subsidiaries, Montreal
BMO Trust Company, Toronto
BMO Mortgage Corp., Vancouver

*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 (see below).

Our 2008 Corporate Responsibility Report and Public Accountability Statement includes information respecting Bank of Montreal's wholly owned subsidiaries and prescribed affiliates, as described below.

Bank of Montreal has also included in this statement information respecting all of its wholly owned Canadian subsidiaries*, except where otherwise indicated, including the following major operating companies:

BMO Capital Corporation, Toronto
Bank of Montreal Global Capital Solutions Ltd., Calgary
BMO Investments Inc., Toronto
BMO InvestorLine Inc., Toronto
BMO Private Equity (Canada) Inc., Toronto
Guardian Group of Funds Ltd., Toronto

Bank of Montreal Mortgage Corporation 2008 Public Accountability Statement

Because of the specific nature of its activities, Bank of Montreal Mortgage Corporation (BMMC) provides the information below in response to the requirements set out in section 444.2(1) of the *Trust and Loan Companies Act* and in the applicable regulations.

BMMC, a wholly owned, fully integrated subsidiary of Bank of Montreal, raises funds for mortgage financing by issuing deposit instruments (such as GICs) through Bank of Montreal's retail branch network and other proprietary channels, where Bank of Montreal acts for BMMC, as well as through third-party channels. BMMC does not operate branches or other facilities at which deposit accounts are opened through natural persons and with customers in person, or at which deposits are accepted or cash is distributed to customers.

BMMC employs 16 full-time and four part-time employees. These employees are based in Montreal.

The income and capital taxes paid in Canada by BMO Financial Group, of which BMMC is a member, are listed on page 38 of Bank of Montreal's 2008 Corporate Responsibility Report and Public Accountability Statement.

Because of the integration of BMMC within BMO Financial Group, BMMC shares its community goals as described in Bank of Montreal's 2008 Corporate Responsibility Report and Public Accountability Statement. The community development activities of BMMC's employees are integrated with those of BMO Financial Group and its employees, as described in Bank of Montreal's 2008 Corporate Responsibility Report and Public Accountability Statement, and include, for example, participation in BMO Employee Charitable Foundation. BMO Financial Group's donations and sponsorships in Canada for the fiscal year ending October 31, 2008 totalled \$47.7 million, including \$23.7 million in charitable donations, of which \$24 million represents community sponsorships.

As detailed in Bank of Montreal's 2008 Corporate Responsibility Report and Public Accountability Statement, debt financing for small business and programs for improving access to financial services are engaged in by Bank of Montreal for BMO Financial Group. BMMC has no other affiliates in respect of which this Public Accountability Statement is published.

Employment

BMO is one of Canada's largest employers, with more than 33,000 full-time and part-time employees across the country.

Province or Territory	BMO (excluding BMO Nesbitt Burns)			BMO NESBITT BURNS			BMO FINANCIAL GROUP*		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
Newfoundland and Labrador	217	71	288	23	1	24	240	72	312
Prince Edward Island	38	18	56	14	0	14	52	18	70
Nova Scotia	376	104	480	80	2	82	456	106	562
New Brunswick	214	75	289	46	0	46	260	75	335
Quebec	3,706	1,039	4,745	378	25	403	4,084	1,064	5,148
Ontario	15,599	1,743	17,342	2,075	120	2,195	17,674	1,863	19,537
Manitoba	371	79	450	74	13	87	445	92	537
Saskatchewan	345	121	466	63	6	69	408	127	535
Alberta	1,921	475	2,396	330	16	346	2,251	491	2,742
British Columbia	2,187	768	2,955	281	38	319	2,468	806	3,274
Nunavut	0	0	0	0	0	0	0	0	0
Northwest Territories	19	1	20	0	0	0	19	1	20
Yukon	16	2	18	0	0	0	16	2	18
TOTAL	25,009	4,496	29,505	3,364	221	3,585	28,373	4,717	33,090

* Figures include all employees of BMO Financial Group with a Canadian tax location as at October 31, 2008, including active employees on paid or unpaid leave, and permanent, casual and contract employees.

Taxes (Recovered) Paid in Canada (\$ millions)

	Income taxes	Capital taxes	Other taxes
FEDERAL	(541.1)	–	182.6
PROVINCIAL AND TERRITORIAL			
Newfoundland and Labrador	(2.4)	0.4	1.6
Prince Edward Island	(0.7)	(0.2)	–
Nova Scotia	(4.7)	0.3	1.3
New Brunswick	(2.6)	0.3	0.1
Quebec	(8.0)	12.8	23.4
Ontario	(192.8)	11.3	69.2
Manitoba	(4.2)	1.3	1.3
Saskatchewan	(3.5)	0.1	0.3
Alberta	(5.8)	–	3.5
British Columbia	(18.3)	5.6	3.6
Nunavut	–	–	–
Northwest Territories	(0.1)	–	–
Yukon	(0.2)	–	–
Total Provincial and Territorial	(243.3)	31.9	104.3
Total	(784.4)	31.9	286.9
Income and Capital Taxes	(752.5)		
TOTAL TAXES	(465.6)		

BMO Financial Group is a major Canadian taxpayer. The taxes we have paid over the years help all levels of government provide the programs Canadians need and deserve. In 2008, BMO recognized an overall tax recovery of \$466 million in Canada, comprised of an income tax recovery of \$785 million net of other government levies of \$319 million. The recovery in 2008 was largely attributable to the strengthening of the U.S. dollar and associated hedging losses. Canadian income taxes were higher in recent years, in part due to the U.S. dollar weakening and the associated hedging gains. Over the five years prior to 2008, BMO contributed a total of \$5.75 billion in Canadian taxes and levies, an average of \$1.15 billion per year. The \$319 million of other government levies contributed in 2008 included \$32 million expenses in provincial capital taxes. As well, we paid \$287 million in other taxes including \$138 million in GST and sales taxes, \$130 million in payroll taxes (employer portion), \$14 million in property taxes and \$5 million in business taxes.

Branches Opened and Closed in 2008

At the end of 2008, our national branch network consisted of 983 BMO Bank of Montreal branches.

BMO Bank of Montreal Branches Opened during Fiscal 2008

Branch Name	Address	City/Province
Kingston Road & Salem	180 Kingston Road East	Ajax, ON
Ancaster	737 Golf Links Road	Ancaster, ON
Mapleview & Bryne	44 Mapleview Drive West	Barrie, ON
Airport & Bovaird	9990 Airport Road	Brampton, ON
Taunton & Harmony	925 Taunton Road East	Oshawa, ON
Yonge & Tower Hill	11688 Yonge Street	Richmond Hill, ON
Kingston & Lawrence	4411 Kingston Road	Scarborough, ON
Church & Alexander	492 Church Street	Toronto, ON
Eglinton & Elmsthorpe	419 Eglinton Avenue West	Toronto, ON
Ira Needles & Erb	664 Erb Street West	Waterloo, ON
Waterdown	95 Dundas Street East	Waterdown, ON
Creekside	12432 Symons Valley Road North West	Calgary, AB
Hampton Market	6220 – 199th Street North West	Edmonton, AB
Lloydminster	3812 – 50th Avenue	Lloydminster, AB
Okotoks	200 Southridge Drive	Okotoks, AB
67th Street	6130 – 67th Street	Red Deer, AB

BMO Bank of Montreal Branches Closed or Consolidated during Fiscal 2008

Branch Name	Address	City/Province
Agence Spatiale Canadienne	6767 Airport Road	St-Hubert, QC
Bovaird & McLaughlin A&P In-Store	10088 McLaughlin Road	Brampton, ON
Millcroft Ultra Food & Drug In-Store	2010 Appleby Line	Burlington, ON
Yonge & Savage In-Store	16640 Yonge Street	Newmarket, ON
Five Points Mall A&P In-Store	285C Taunton Road East	Oshawa, ON
Kennedy Commons Dominion In-Store	16 William Kitchen Road	Scarborough, ON
Shoppers World Danforth In-Store	3003 Danforth Avenue	Toronto, ON
Meadowpark Safeway In-Store	8720 – 156th Street	Edmonton, AB
Okotoks Safeway In-Store	610 Big Rock Lane	Okotoks, AB
2nd Avenue & 28th Street	2775 – 2nd Avenue West	Prince Albert, SK

Automated Banking Machines Opened and Closed in 2008

ABMs Opened during Fiscal 2008

Location	Address	City/Province
Russell Lake (3 ABMs)	254 Baker Drive	Dartmouth, NS
IGA Jonquière	2620 St-Hubert	Jonquière, QC
Alvinston	3238 River Street	Alvinston, ON
Ancaster (2 ABMs)	737 Golf Links Road	Ancaster, ON
Mapleview & Bryne (3 ABMs)	44 Mapleview Drive West	Barrie, ON
Belleville Main	201 Front Street	Belleville, ON
Airport & Bovaird (3 ABMs)	9990 Airport Road	Brampton, ON
Walkers Line and Upper (2 ABMs)	1841 Walkers Line	Burlington, ON
Chatsworth	246 Garafraxa Street	Chatsworth, ON
Huntsville (2 ABMs)	91 King William Street	Huntsville, ON
Waterdown (3 ABMs)	95 Dundas Street East	Waterdown, ON
Highgate	12 Main Street	Highgate, ON
Ottawa & Strasburg (2 ABMs)	795 Ottawa Street South	Kitchener, ON
Lansdowne	1136 Prince Street	Lansdowne, ON
Merlin	2 Erie Street South	Merlin, ON
Taunton & Harmony (3 ABMs)	925 Taunton Road East	Oshawa, ON
Constitution Square (2 ABMs)	310 Albert Street	Ottawa, ON
Yonge & Tower Hill (3 ABMs)	11680 Yonge Street	Richmond Hill, ON
Kingston & Lawrence (2 ABMs)	4411 Kingston Road	Scarborough, ON
Schreiber	320 Scotia Street	Schreiber, ON
Tara	42 Yonge Street	Tara, ON
Air Canada Centre (6 ABMs)	40 Bay Street	Toronto, ON
Church & Alexander (2 ABMs)	492 Church Street	Toronto, ON
Eglinton & Elmsthorpe (2 ABMs)	419 Eglinton Avenue West	Toronto, ON
Eglinton & Pharmacy (3 ABMs)	1900 Eglinton Avenue East	Toronto, ON
Ira Needles & Erb (2 ABMs)	664 Erb Street West	Waterloo, ON
Springfield & Henderson (2 ABMs)	1385 Henderson Highway	Winnipeg, MB
Moose Jaw Main Office (2 ABMs)	39 Manitoba Street East	Moose Jaw, SK
Prince Albert (3 ABMs)	801 – 15th Street East Unit 500	Prince Albert, SK
Creekside (3 ABMs)	12432 Symons Valley Road North West	Calgary, AB
Hampton Market (2 ABMs)	6220 – 199th Street North West	Edmonton, AB
Lloydminster (2 ABMs)	3812 – 50th Avenue	Lloydminster, AB
Okotoks (3 ABMs)	200 Southridge Drive	Okotoks, AB
67th Street (3 ABMs)	6130 – 67th Street	Red Deer, AB

TOTAL ABMS INSTALLED: 74

We adjust the BMO branch and ABM network on an ongoing basis to accommodate shifts in population, customer demand and market opportunities. At the end of 2008, our customers had access to 983 BMO Bank of Montreal branches as well as a network of 2,026 ABMs located across Canada.

ABMs Closed during Fiscal 2008

Location	Address	City/Province
Staples Plaza (2 ABMs)	114 Woodlawn Road	Dartmouth, NS
Laurier & St-Laurent	5060 Boulevard St-Laurent	Montreal, QC
Nesbitt Ancaster	469 Wilson Street East	Ancaster, ON
Bramalea City Centre	25 Peel Centre Drive	Bramalea, ON
Walkers Place (2 ABMs)	3505 Upper Middle Road	Burlington, ON
Ikea Store	1475 The Queensway	Etobicoke, ON
Brendale Square (2 ABMs)	15 Cann Street	Huntsville, ON
Laurentian Hills Shopping Centre (2 ABMs)	720 Westmount Road East	Kitchener, ON
Dixie Value Mall Branch	1260 South Service Road	Mississauga, ON
Place de Ville (3 ABMs)	112 Kent Street	Ottawa, ON
Kennedy Park Centre	662 Kennedy Road	Scarborough, ON
Zurich Tower	400 University Avenue	Toronto, ON
Health Sciences Centre	730 William Avenue	Winnipeg, MB
North Kildonan	1108 Henderson Highway	Winnipeg, MB
Moose Jaw Main Office (2 ABMs)	48 High Street West	Moose Jaw, SK
2nd Avenue & 28th Street (2 ABMs)	2775 – 2nd Avenue West	Prince Albert, SK
Prince Albert	1200 Central Avenue	Prince Albert, SK
Calgary Pockar Centre	625 – 42nd Avenue North East	Calgary, AB

TOTAL ABMS REMOVED: 26

Branches Relocated during Fiscal 2008

Branch Name	From:	To:
Staples Plaza	114 Woodlawn Road, Dartmouth, NS	254 Baker Drive, Dartmouth, NS
Bramalea City Centre	25 Peel Centre Drive, Bramalea, ON	52 Peel Centre Drive, Bramalea, ON
Walkers Place	3505 Upper Middle Road, Burlington, ON	1841 Walkers Line, Burlington, ON
Huntsville	15 Cann Street, Huntsville, ON	91 King William Street, Huntsville, ON
Laurentian Hills Shopping Centre	720 Westmount Road East, Kitchener, ON	795 Ottawa Street, Kitchener, ON
Place de Ville	112 Kent Street, Ottawa, ON	340 Albert Street, Ottawa, ON
Kennedy Park Shopping Centre	682 Kennedy Road, Scarborough, ON	1900 Eglinton Avenue East, Scarborough, ON
North Kildonan	1108 Henderson Highway, Winnipeg, MB	1385 Henderson Highway, Winnipeg, MB
Moose Jaw Main Office	48 High Street West, Moose Jaw, SK	39 Manitoba Street East, Moose Jaw, SK
Prince Albert Main Office	1200 Central Avenue, Prince Albert, SK	801 – 15th Street East, Prince Albert, SK
Caulfeild Village Shopping Centre	5377 Headland Drive, West Vancouver, BC	5303 Headland Drive, West Vancouver, BC

Business Debt Financing as at October 31, 2008 (authorized amounts in \$ millions)

BMO is committed to making debt financing available to our customers across Canada. In 2008, authorized business loans totalled approximately \$142 billion.

Provinces and Territories	in \$ millions	\$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 Number of firms	1.7 332	17.7 322	40.3 254	61.0 175	79.0 115	172.0 86	546.1 24	917.8 1,308
Prince Edward Island	Authorized amount Number of firms	3.1 397	9.4 186	24.4 152	22.3 66	44.9 65	113.0 62	* *	217.1 928
Nova Scotia	Authorized amount Number of firms	20.0 2,759	45.6 988	81.2 517	122.9 356	172.0 251	410.1 200	1,519.3 46	2,371.1 5,117
New Brunswick	Authorized amount Number of firms	13.3 1,722	35.0 741	69.5 426	88.0 252	122.4 179	272.4 138	1,520.1 20	2,120.7 3,478
Quebec	Authorized amount Number of firms	157.2 21,607	249.2 5,610	416.2 2,674	955.4 2,605	716.5 1,058	2,471.0 1,175	13,227.7 367	18,193.2 35,096
Ontario	Authorized amount Number of firms	332.4 49,476	629.1 13,664	1,161.1 7,503	1,425.8 4,146	1,837.7 2,699	5,363.4 2,595	61,127.6 1,130	71,877.1 81,213
Manitoba	Authorized amount Number of firms	22.7 2,866	44.8 1,017	62.2 398	70.0 203	103.6 154	483.5 215	2,562.0 78	3,348.8 4,931
Saskatchewan	Authorized amount Number of firms	37.3 4,598	112.6 2,436	153.8 989	157.0 448	145.8 218	347.9 169	1,600.8 55	2,555.2 8,913
Alberta	Authorized amount Number of firms	134.7 18,708	226.2 5,169	318.2 2,043	419.5 1,223	575.7 841	1,749.5 842	14,672.3 312	18,096.1 29,138
British Columbia	Authorized amount Number of firms	123.9 17,183	222.0 4,985	363.1 2,351	510.8 1,463	796.1 1,154	2,818.9 1,375	17,798.5 242	22,633.3 28,753
Yukon	Authorized amount Number of firms	1.3 180	2.4 57	7.0 45	5.8 17	** **	** **	** **	16.5 299
N.W.T./Nunavut	Authorized amount Number of firms	0.8 133	1.7 38	3.6 22	*** ***	*** ***	*** ***	*** ***	6.1 193
TOTAL	Authorized amount Number of firms	848.4 119,961	1,595.7 35,213	2,700.6 17,374	3,838.5 10,954	4,593.7 6,734	14,201.7 6,857	114,574.4 2,274	142,353.0 199,367

* Client counts and authorizations for Prince Edward Island have been added to Nova Scotia data for the same dollar band and have been included in the Nova Scotia totals to preserve confidentiality.

** Client counts and authorizations for Yukon have been added to British Columbia data for the same dollar band and have been included in the British Columbia totals to preserve confidentiality.

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

Contact Us

BMO Financial Group's 2008 Corporate Responsibility Report and Public Accountability Statement is available for viewing or printing on our web site at bmo.com/corporateresponsibility.

For a printed copy, please contact:

BMO Financial Group
Corporate Communications
302 Bay Street, 10th Floor
Toronto, Ontario M5X 1A1
Telephone: (416) 867-6404 or (416) 867-7640
Fax: (416) 867-6850
(On peut obtenir sur demande un exemplaire en français.)

If you have any questions regarding corporate responsibility at BMO, please contact:
corporate.responsibility@bmo.com

Requests for charitable donations should be submitted in writing. Guidelines are available at bmo.com/community. Applications on behalf of a national organization should be directed to:

Senior Manager, Corporate Donations
BMO Financial Group
Corporate Communications
302 Bay Street, 10th Floor
Toronto, Ontario M5X 1A1
Telephone: (416) 867-7102 or (416) 867-7101
Fax: (416) 867-6850

Requests for corporate sponsorships should be submitted in writing and directed to:

BMO Financial Group
Corporate Sponsorships
55 Bloor Street West, 4th Floor
Toronto, Ontario M4W 1A6
Telephone: (416) 927-3977
Fax: (416) 927-2325

Local and regional requests should be sent to the following addresses:

Atlantic Division

Donations Coordinator
BMO Bank of Montreal
P.O. Box 2207
5151 George Street, 15th Floor
Halifax, Nova Scotia B3J 3C4
Telephone: (902) 421-3405
Fax: (902) 421-3404

Greater Toronto Area

Communications Manager
BMO Bank of Montreal
55 Bloor Street West, 5th Floor
Toronto, Ontario M4W 3N5
Telephone: (416) 927-2558
Fax: (416) 927-2899

**Ontario Regional Division
(outside Greater Toronto Area)**

Communications Manager
BMO Bank of Montreal
Marsland Centre, 4th Floor
20 Erb Street West
Waterloo, Ontario N2L 1T2
Telephone: (519) 633-2204
Fax: (519) 633-7088

Quebec Division

Donations Coordinator
BMO Financial Group
129 rue St-Jacques, 3rd Floor
Montreal, Quebec H2Y 1L6
Telephone: (514) 877-1787
Fax: (514) 877-2150

Prairies Division

Communications Manager
BMO Bank of Montreal
350 - 7th Avenue South West, 6th Floor
Calgary, Alberta T2P 3N9
Telephone: (403) 503-7002
Fax: (403) 503-7021

British Columbia and Yukon Division

Senior Manager, Corporate Communications
BMO Bank of Montreal
595 Burrard Street, 22nd Floor
Vancouver, British Columbia V7X 1L7
Telephone: (604) 665-7596
Fax: (604) 665-2610

BMO Capital Markets

Manager, Corporate Donations and Sponsorships
BMO Capital Markets
6th Floor, 1 First Canadian Place
Toronto, Ontario M5X 1H3
Telephone: (416) 359-5851
Fax: (416) 359-6494

Institutional Investors and Research Analysts

Institutional investors or research analysts who would like to obtain financial information should write to the Senior Vice-President, Investor Relations, 18th Floor, 1 First Canadian Place, Toronto, Ontario M5X 1A1, e-mail to investor.relations@bmo.com, call (416) 867-6656 or fax (416) 867-3367. Alternatively, please visit our web site at bmo.com/investorrelations.

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®1 Registered trademark of MasterCard International Incorporated

®2 Registered trademark of Skate Canada

®3 Registered trademark of Kids Help Phone

®4 Registered trademark of Bullfrog Power Inc.

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“Pursuing the highest standards of ethical conduct, corporate responsibility and environmental sustainability is essential to the success of our bank. Particularly, in today's challenging economic climate, we must demonstrate our shared commitment to *FirstPrinciples*, our Code of Conduct, and our core values that underpin absolutely everything we do.”

Simon Fish, Executive Vice-President & General Counsel, BMO Financial Group and Chair of the BMO Sustainability Council

“

“At Harris, our promise is ‘We're Here to Help,’ and when we are active in the community, we bring that commitment to life.”

Yasmin Bates-Brown, Executive Vice-President, Community Affairs and Economic Development, Harris



The Equator Principles



FTSE4Good Index Series



Dow Jones Sustainability Indexes
Member 2008/09

Dow Jones Sustainability Index
– North America

“

“We are passionate about assisting New Canadians. From our Newcomers to Canada web site, which provides knowledge about Canadian banking services, to our New Canadian/Multicultural Centres in Toronto and Vancouver, staffed with multilingual banking specialists with cultural understanding, we are working to meet the unique needs of New Canadians across multiple generations and at all stages of their settlement in Canada.”

Doris Chang, Vice-President, National Business Development Group & New Canadian Markets, BMO Bank of Montreal

“

“The involvement of Harris employees is irreplaceable for us. They give our homeless shelter guests a whole different concept. To have those business folks come in brings a professional sense they don't always see on a daily basis.”

Barb Thurlby, Director of Volunteers, Hesed House, Aurora, Illinois

“

“The environment is important to our customers, our investors and our employees. And it's important to BMO. From choosing Bullfrog Power for many of our branches to using paper that contains post-consumer fibre for our publications, we are working every day to reduce our environmental footprint.”

Jim Johnston, Director, Environmental Sustainability, BMO Financial Group



www.bmo.com/corporateresponsibility