

Enhanced Disclosure Task Force

On October 29, 2012, the Enhanced Disclosure Task Force (EDTF) of the Financial Stability Board published its first report, *Enhancing the Risk Disclosures of Banks*. We support the recommendations issued by EDTF for the provision of high-quality, transparent risk disclosures. Our 2013 Annual Report contains many of the disclosures required by the EDTF. We have included disclosures in the Q3 2014 Interim Report to Shareholders and Q3 2014 Supplementary Financial Information in light of these recommendations, and we expect to make further enhancements to our disclosures in the future.

Disclosures related to EDTF recommendations are detailed below.

General	
1	<p>Present all risk-related information in the Annual Report, Supplementary Financial Information and Supplementary Regulatory Capital Disclosure, and provide an index for easy navigation.</p> <p>2013 Annual Report: Risk-related information is presented in the Enterprise-Wide Risk Management section on pages 77 to 99.</p> <p>Q3 2014 Interim Report to Shareholders: An index is provided on page 3.</p> <p>Q3 2014 Supplementary Financial Information: An index is provided in Supplementary Financial Information.</p>
2	<p>Define the bank's risk terminology and risk measures and present key parameters used.</p> <p>2013 Annual Report: Specific risk definitions and key parameters underpinning BMO's risk reporting are provided on pages 82 to 99.</p> <p>A glossary of financial terms (including risk terminology) can be found on pages 190 to 191.</p> <p>Q3 2014 Interim Report to Shareholders: An update is provided on page 26.</p>
3	<p>Discuss top and emerging risks for the bank.</p> <p>2013 Annual Report: BMO's top and emerging risks are discussed on pages 78 to 79.</p> <p>Q3 2014 Interim Report to Shareholders: An update is provided on pages 6 and 26 to 30.</p>
4	<p>Outline plans to meet new key regulatory ratios once the applicable rules are finalized.</p> <p>2013 Annual Report: We outline BMO's plans to meet new regulatory ratios on pages 63 (Leverage Ratio) and 94 (Net Stable Funding Ratio and Liquidity Coverage Ratio).</p> <p>Q3 2014 Interim Report to Shareholders: An update is provided on page 11.</p>
Risk Governance	
5	<p>Summarize the bank's risk management organization, processes, and key functions.</p> <p>2013 Annual Report: BMO's risk management organization, processes and key functions are summarized on pages 79 to 82.</p> <p>Q3 2014 Interim Report to Shareholders: An update is provided on page 26.</p>
6	<p>Describe the bank's risk culture.</p> <p>2013 Annual Report: BMO's risk culture is described on pages 80 to 81.</p>
7	<p>Describe key risks that arise from the bank's business model and activities.</p> <p>2013 Annual Report: A diagram of BMO's risk exposure by operating segment is provided on page 64.</p>
8	<p>Describe the use of stress testing within the bank's risk governance and capital frameworks.</p> <p>2013 Annual Report: BMO's stress testing process is described on page 82.</p>

Capital Adequacy and Risk-Weighted Assets (RWA)

9 Provide minimum Pillar 1 capital requirements.

2013 Annual Report: Basel III Pillar 1 capital requirements are described on page 62.

Q3 2014 Supplementary Financial Information: Basel III regulatory capital is disclosed on page 35.

10 Summarize information contained in the composition of capital templates adopted by the Basel Committee.

Q3 2014 Interim Report to Shareholders: An abridged version of the Basel III Regulatory Capital template is provided on page 12.

Q3 2014 Supplementary Financial Information: Basel III Pillar 3 disclosure is provided on pages 35 to 37. A Main Features template can be found on BMO's website at www.bmo.com under Investor Relations and Regulatory Filings.

11 Present a flow statement of movements in regulatory capital, including changes in Common Equity Tier 1, Additional Tier 1, and Tier 2 capital.

Q3 2014 Supplementary Financial Information: Regulatory capital flow statement is provided on page 39.

12 Discuss capital planning within a more general discussion of management's strategic planning.

2013 Annual Report: BMO's capital planning process is discussed under Capital Management Framework on page 61.

13 Provide granular information to explain how RWA relate to business activities.

2013 Annual Report: A diagram of BMO's risk exposure, including RWA by operating group, is provided on page 64.

14 Present a table showing the capital requirements for each method used for calculating RWA.

2013 Annual Report: Regulatory capital requirement, as a percentage of RWA, is outlined on page 62.

Information about significant models used to determine RWA is provided on pages 97 to 98.

Q3 2014 Supplementary Financial Information: A table showing RWA by model approaches and by risk type is provided on page 37.

15 Tabulate credit risk in the banking book for Basel asset classes.

Q3 2014 Supplementary Financial Information: Wholesale and retail credit exposures by internal rating grades are provided on page 46.

16 Present a flow statement that reconciles movements in RWA by credit risk and market risk.

Q3 2014 Supplementary Financial Information: RWA flow statements are provided on page 40.

17 Describe the bank's Basel validation and back-testing process.

Q3 2014 Supplementary Financial Information: A table showing Exposure at Default and RWA by model approaches and asset class is provided on page 37. A table showing estimated and actual loss parameters is provided on page 48.

Liquidity

18 Describe how the bank manages its potential liquidity needs and the liquidity reserve held to meet those needs.

2013 Annual Report: BMO's potential liquidity needs and the liquidity reserve held to meet those needs are described on pages 93 to 94.

Q3 2014 Interim Report to Shareholders: BMO's potential liquidity needs and the liquidity reserve held to meet those needs are described on page 29. The liquid asset table is provided on page 28.

Funding

19 Summarize encumbered and unencumbered assets in a table by balance sheet category.

Q3 2014 Interim Report to Shareholders: An Asset Encumbrance table is provided on page 29.

Q3 2014 Supplementary Financial Information: The Asset Encumbrance table by currency is provided on page 34.

20 Tabulate consolidated total assets, liabilities and off-balance sheet commitments by remaining contractual maturity.

Q3 2014 Interim Report to Shareholders: A Contractual Maturity table is presented in Note 16 on pages 57 to 60 of the interim financial statements.

21 Discuss the bank's sources of funding and describe the bank's funding strategy.

2013 Annual Report: BMO's sources of funding and funding strategy are described on pages 92 to 93.

Q3 2014 Interim Report to Shareholders: An update is provided on pages 28 to 30.

Market Risk

22 Provide a breakdown of balance sheet positions into trading and non-trading market risk measures.

Q3 2014 Interim Report to Shareholders: A table linking balance sheet items to market risk measures is provided on page 26.

23 Provide qualitative and quantitative breakdowns of significant trading and non-trading market risk factors.

2013 Annual Report: Trading market risk exposures are described and quantified on pages 87 to 90. Non-trading (structural) market risk exposures are described and quantified on page 91.

Q3 2014 Interim Report to Shareholders: An update is provided on pages 26 to 27.

24 Describe significant market risk measurement model validation procedures and back-testing and how these are used to enhance the parameters of the model.

2013 Annual Report: Market risk measurement model validation procedures and back-testing are described on page 89 for trading market risk, and page 91 for structural market risk.

25 Describe the primary risk management techniques employed by the bank to measure and assess the risk of loss beyond reported risk measures.

2013 Annual Report: The use of stress testing, scenario analysis and stressed VaR for market risk management is described on pages 87 to 91.

Q3 2014 Interim Report to Shareholders: An update to trading VaR and SVar is provided on page 27.

Credit Risk

26 Provide information about the bank's credit risk profile.

Q3 2014 Interim Report to Shareholders: Information on BMO's credit risk profile is provided on pages 9 to 10, pages 31 to 32, and Note 3 on pages 39 to 41 of the interim financial statements.

Q3 2014 Supplementary Financial Information: Tables detailing credit risk information is provided on pages 20 to 29 and 42 to 48.

27 Describe the bank's policies related to impaired loans and renegotiated loans.

2013 Annual Report: Impaired and renegotiated loan policies are described in Note 4 on pages 138 and 140 of the financial statements.

Q3 2014 Interim Report to Shareholders: An update on renegotiated loans is provided in Note 3 to the interim financial statements on page 39 to 41.

28 Provide reconciliations of impaired loans and the allowance for credit losses.

Q3 2014 Interim Report to Shareholders: Continuity schedules for gross impaired loans and allowance for credit losses are provided on pages 9 to 10 and Note 3 on page 39 of the interim financial statements.

29 Provide a quantitative and qualitative analysis of the bank's counterparty credit risk that arises from its derivative transactions.

Q3 2014 Supplementary Financial Information: Quantitative disclosures for over-the-counter (OTC) derivatives are provided on page 32.

30 Provide a discussion of credit risk mitigation.

2013 Annual Report: A discussion of BMO's collateral management is provided on page 84.

Other Risks

31 Describe other risks and discuss how each is identified, governed, measured and managed.

2013 Annual Report: A diagram illustrating the risk governance process that supports BMO's risk culture is provided on page 79.

Other risks are discussed on pages 94 to 99.

Q3 2014 Interim Report to Shareholders: An update is provided on page 30.

32 Discuss publicly known risk events related to other risks, where material or potentially material loss events have occurred.

2013 Annual Report: Other risks are discussed on pages 94 to 99.