

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 2014 Annual Report contains many of the disclosures required by the EDTF. We have included disclosures in the Q2 2015 Interim Report to Shareholders and Q2 2015 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>2014 Annual Report: Risk-related information is presented in the Enterprise-Wide Risk Management section on pages 77 to 105.</p> <p>Q2 2015 Interim Report to Shareholders: An index is provided on page 3.</p> <p>Q2 2015 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>2014 Annual Report: Specific risk definitions and key parameters underpinning BMO's risk reporting are provided on pages 84 to 105.</p> <p>A glossary of financial terms (including risk terminology) can be found on pages 190 to 191.</p> <p>Q2 2015 Interim Report to Shareholders: An update is provided on page 25.</p>
3	<p>Discuss top and emerging risks for the bank.</p> <p>2014 Annual Report: BMO's top and emerging risks are discussed on page 78.</p> <p>Q2 2015 Interim Report to Shareholders: An update is provided on pages 6 and 25 to 30.</p>
4	<p>Outline plans to meet new key regulatory ratios once the applicable rules are finalized.</p> <p>2014 Annual Report: We outline BMO's plans to meet new regulatory ratios on pages 65 to 66 (Leverage Ratio) and 99 to 100 (Net Stable Funding Ratio).</p> <p>Q2 2015 Interim Report to Shareholders: An update is provided on pages 11 and 28.</p>
Risk Governance	
5	<p>Summarize the bank's risk management organization, processes, and key functions.</p> <p>2014 Annual Report: BMO's risk management organization, processes and key functions are summarized on pages 80 to 84.</p> <p>Q2 2015 Interim Report to Shareholders: An update is provided on page 25.</p>
6	<p>Describe the bank's risk culture.</p> <p>2014 Annual Report: BMO's risk culture is described on page 81.</p>
7	<p>Describe key risks that arise from the bank's business model and activities.</p> <p>2014 Annual Report: A diagram of BMO's risk exposure by operating segment is provided on page 68.</p>
8	<p>Describe the use of stress testing within the bank's risk governance and capital frameworks.</p> <p>2014 Annual Report: BMO's stress testing process is described on page 84.</p>

Capital Adequacy and Risk-Weighted Assets (RWA)

9 Provide minimum Pillar 1 capital requirements.

2014 Annual Report: Basel III Pillar 1 capital requirements are described on pages 64 to 66.

Q2 2015 Supplementary Financial Information: Basel III regulatory capital is disclosed on page 34.

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

Q2 2015 Interim Report to Shareholders: An abridged version of the Basel III Regulatory Capital template is provided on page 12.

Q2 2015 Supplementary Financial Information: Basel III Pillar 3 disclosure is provided on pages 34, 35 and 38. 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.

Q2 2015 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.

2014 Annual Report: BMO's capital planning process is discussed under Capital Management Framework on page 64.

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

2014 Annual Report: A diagram of BMO's risk exposure, including RWA by operating group, is provided on page 68.

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

2014 Annual Report: Regulatory capital requirement, as a percentage of RWA, is outlined on page 65.

Information about significant models used to determine RWA is provided on pages 85 to 86.

Q2 2015 Supplementary Financial Information: A table showing RWA by model approaches and by risk type is provided on page 38.

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

Q2 2015 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.

Q2 2015 Supplementary Financial Information: RWA flow statements are provided on page 40, with a reconciliation on page 37.

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

2014 Annual Report: BMO's Basel validation and back-testing process is described on page 104 for credit and market risk.

Q2 2015 Supplementary Financial Information: A table showing Exposure at Default and RWA by model approaches and asset class is provided on page 38. 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.

2014 Annual Report: BMO's potential liquidity needs and the liquidity reserve held to meet those needs are described on page 96.

Q2 2015 Interim Report to Shareholders: BMO's potential liquidity needs and the liquidity reserve held to meet those needs are described on pages 27 to 29.

Funding

- 19 Summarize encumbered and unencumbered assets in a table by balance sheet category.**
- Q2 2015 Interim Report to Shareholders:** An Asset Encumbrance table is provided on page 28.
- Q2 2015 Supplementary Financial Information:** The Asset Encumbrance table by currency is provided on page 33.
-
- 20 Tabulate consolidated total assets, liabilities and off-balance sheet commitments by remaining contractual maturity.**
- Q2 2015 Interim Report to Shareholders:** A Contractual Maturity table is presented in Note 17 on pages 52 to 55 of the interim financial statements.
-
- 21 Discuss the bank's sources of funding and describe the bank's funding strategy.**
- 2014 Annual Report:** BMO's sources of funding and funding strategy are described on pages 98 to 99.
- Q2 2015 Interim Report to Shareholders:** An update is provided on pages 29 to 30.

Market Risk

- 22 Provide a breakdown of balance sheet positions into trading and non-trading market risk measures.**
- Q2 2015 Interim Report to Shareholders:** A table linking balance sheet items to market risk measures is provided on page 25.
-
- 23 Provide qualitative and quantitative breakdowns of significant trading and non-trading market risk factors.**
- 2014 Annual Report:** Trading market risk exposures are described and quantified on pages 91 to 93. Non-trading (structural) market risk exposures are described and quantified on pages 94 to 95.
- Q2 2015 Interim Report to Shareholders:** An update is provided on pages 25 to 26.
-
- 24 Describe significant market risk measurement model validation procedures and back-testing and how these are used to enhance the parameters of the model.**
- 2014 Annual Report:** Market risk measurement model validation procedures and back-testing are described on page 104 for trading market risk for non-trading (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.**
- 2014 Annual Report:** The use of stress testing, scenario analysis and stressed VaR for market risk management is described on pages 91 to 95.
- Q2 2015 Interim Report to Shareholders:** An update to trading VaR and SVar is provided on page 26.

Credit Risk

- 26 Provide information about the bank's credit risk profile.**
- Q2 2015 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 38 to 40 of the interim financial statements.
- Q2 2015 Supplementary Financial Information:** Tables detailing credit risk information is provided on pages 20 to 29 and 42 to 49.
-
- 27 Describe the bank's policies related to impaired loans and renegotiated loans.**
- 2014 Annual Report:** Impaired and renegotiated loan policies are described in Note 4 on pages 136 and 138 of the financial statements.
- Q2 2015 Interim Report to Shareholders:** An update on renegotiated loans is provided in Note 3 to the interim financial statements on page 39.

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

Q2 2015 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.

2014 Annual Report: Qualitative disclosures on collateralization agreements for over-the-counter (OTC) derivatives are provided on page 85 and qualitative disclosures are provided on page 90.

Q2 2015 Supplementary Financial Information: An update on quantitative disclosures for OTC derivatives is provided on page 32.

30 Provide a discussion of credit risk mitigation.

2014 Annual Report: A discussion of BMO's collateral management is provided on pages 84 to 85.

Other Risks

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

2014 Annual Report: A diagram illustrating the risk governance process that supports BMO's risk culture is provided on page 80.

Other risks are discussed on pages 101 to 105.

Q2 2015 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.

2014 Annual Report: Other risks are discussed on pages 101 to 105.