

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.

Disclosures related to the EDTF recommendations are detailed below.

General

- 1 Present all risk-related information in the Annual Report, Supplementary Financial Information and Supplementary Regulatory Capital Disclosure, and provide an index for easy navigation.**

2019 Annual Report: Risk-related information is presented in the Enterprise-Wide Risk Management section on pages 68 to 106.

Q1 2020 Report to Shareholders: An index for Management's Discussion & Analysis (MD&A) is provided on page 3.

Q1 2020 Supplementary Financial Information: A general index is provided in our Supplementary Financial Information.

Q1 2020 Regulatory Supplementary Capital Information: A general index is provided in our Supplementary Capital Information.
 - 2 Define the bank's risk terminology and risk measures and present key parameters used.**

2019 Annual Report: Specific risk definitions and key parameters underpinning BMO's risk reporting are provided on pages 78 to 106.

A glossary of financial terms (including risk terminology) can be found on pages 208 to 209.

Q1 2020 Report to Shareholders: An update is provided on page 25.
 - 3 Discuss top and emerging risks for the bank.**

2019 Annual Report: BMO's top and emerging risks are discussed on pages 68 to 71.

Q1 2020 Report to Shareholders: An update is provided on pages 4 and 25.
 - 4 Outline plans to meet new key regulatory ratios once the applicable rules are finalized.**

2019 Annual Report: We outline BMO's plans to meet new regulatory ratios on pages 61 and 97.

Q1 2020 Report to Shareholders: An update is provided on pages 11 and 30.
- ### Risk Governance
- 5 Summarize the bank's risk management organization, processes, and key functions.**

2019 Annual Report: BMO's risk management organization, processes and key functions are summarized on pages 72 to 77.

Q1 2020 Report to Shareholders: An update is provided on page 25.
 - 6 Describe the bank's risk culture and procedures applied to support the culture.**

2019 Annual Report: BMO's risk culture is described on page 75.
 - 7 Describe key risks that arise from the bank's business model and activities.**

2019 Annual Report: Descriptions of key risks arising from the bank's business models and activities are provided on pages 73 and 76.
 - 8 Describe the use of stress testing within the bank's risk governance and capital frameworks.**

2019 Annual Report: BMO's stress testing process is described on page 77.

Capital Adequacy and Risk-Weighted Assets (RWA)

9 Provide minimum Pillar 1 capital requirements.

2019 Annual Report: Pillar 1 capital requirements are described on pages 59 to 63.

Q1 2020 Regulatory Supplementary Capital Information: Regulatory capital is disclosed on pages 3 to 4 and 10.

10 Summarize information contained in the composition of capital templates and reconciliation of the accounting balance sheet to the regulatory balance sheet.

Q1 2020 Report to Shareholders: An abridged version of the regulatory capital template is provided on page 12.

Q1 2020 Regulatory Supplementary Capital Information: Pillar 3 disclosures and reconciliations are provided on pages 3 to 5. 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.

Q1 2020 Regulatory Supplementary Capital Information: Flow Statement of Basel III Regulatory Capital is provided on page 6.

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

2019 Annual Report: BMO's capital planning process is discussed under Capital Management Framework on page 59.

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

2019 Annual Report: A diagram of BMO's risk exposure, including RWA by operating group, is provided on page 64.

Q1 2020 Regulatory Supplementary Capital Information: RWA by operating group is provided on page 11.

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

2019 Annual Report: Regulatory capital requirement, as a percentage of RWA, is outlined on pages 60 to 61 and 63.

Information about significant models used to determine RWA is provided on pages 78 to 81.

Q1 2020 Regulatory Supplementary Capital Information: A table showing RWA by model approach and by risk type is provided on page 11.

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

Q1 2020 Regulatory Supplementary Capital Information: Information on retail and wholesale credit risk in the banking book are provided on pages 17 to 30 and 33 to 35.

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

Q1 2020 Regulatory Supplementary Capital Information: RWA flow statements are provided on pages 32 and 58.

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

2019 Annual Report: BMO's Basel validation and back-testing process for credit and market risk is described on page 102.

Q1 2020 Regulatory Supplementary Capital Information: Estimated and actual loss parameter information is provided on page 59.

Liquidity

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

2019 Annual Report: BMO's potential liquidity needs, and the liquidity reserve held to meet those needs are described on pages 91 to 97.

Q1 2020 Report to Shareholders: BMO's potential liquidity needs, and the liquidity reserve held to meet those needs are described on pages 27 to 30.

Funding

- 19 Summarize encumbered and unencumbered assets in a table by balance sheet category.**
Q1 2020 Report to Shareholders: An Asset Encumbrance table is provided on page 28.
Q1 2020 Supplementary Financial Information: The Asset Encumbrance table by currency is provided on page 32.
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- 20 Tabulate consolidated total assets, liabilities and off-balance sheet commitments by remaining contractual maturity.**
Q1 2020 Report to Shareholders: Contractual Maturities information and tables are provided on pages 31 to 32.
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- 21 Discuss the bank's sources of funding and describe the bank's funding strategy.**
2019 Annual Report: BMO's sources of funding and funding strategy are described on pages 96 to 97.
A table showing the composition and maturity of wholesale funding is provided on page 97.
Q1 2020 Report to Shareholders: An update is provided on pages 29 to 30.
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- Market Risk**
- 22 Provide a breakdown of balance sheet positions into trading and non-trading market risk measures.**
Q1 2020 Report to Shareholders: A table linking balance sheet items to market risk measures is provided on page 26.
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- 23 Provide qualitative and quantitative breakdowns of significant trading and non-trading market risk measures.**
2019 Annual Report: Trading market risk exposures are described and quantified on pages 86 to 88.
Structural (non-trading) market risk exposures are described and quantified on pages 89 to 90.
Q1 2020 Report to Shareholders: An update is provided on pages 26 to 27.
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- 24 Describe significant market risk measurement model validation procedures and back-testing and how these are used to enhance the parameters of the model.**
2019 Annual Report: Market risk measurement model validation procedures and back-testing for trading market risk and structural (non-trading) market risk are described on pages 86, 87, 89 and 102.
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- 25 Describe the primary risk management techniques employed by the bank to measure and assess the risk of loss beyond reported risk measures.**
2019 Annual Report: The use of stress testing, scenario analysis and stressed VaR for market risk management is described on pages 86 to 87.
Q1 2020 Report to Shareholders: An update to trading VaR, SVaR, structural balance sheet earnings and economic value sensitivities are provided on pages 26 to 27.
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- Credit Risk**
- 26 Provide information about the bank's credit risk profile.**
Q1 2020 Report to Shareholders: Information about BMO's credit risk profile is provided on page 9 and in Note 3 on pages 41 to 43 of the consolidated financial statements.
Q1 2020 Supplementary Financial Information: Tables detailing credit risk information are provided on pages 18 to 29.
Q1 2020 Regulatory Supplementary Capital Information: Tables detailing credit risk information are provided on pages 14 to 35 and 59.
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- 27 Describe the bank's policies related to impaired loans and renegotiated loans.**
2019 Annual Report: Impaired loan and renegotiated loan policies are described in Note 4 on pages 151 and 158, respectively of the consolidated financial statements.

28	Provide reconciliations of impaired loans and the allowance for credit losses.
	Q1 2020 Report to Shareholders: Continuity schedules for gross impaired loans acceptances, and allowance for credit losses are provided on page 9 and Note 3 on pages 41 to 42 of the consolidated financial statements, respectively.
29	Provide a quantitative and qualitative analysis of the bank's counterparty credit risk that arises from its derivative transactions.
	2019 Annual Report: Quantitative disclosures on collateralization agreements for over-the-counter (OTC) derivatives are provided on page 85 and qualitative disclosures are provided on pages 78 to 79.
	Q1 2020 Regulatory Supplementary Capital Information: Quantitative disclosures for derivative instruments are provided on pages 36 to 49.
30	Provide a discussion of credit risk mitigation.
	2019 Annual Report: A discussion of BMO's credit and counterparty risk management is provided on pages 78 to 79. Collateral management discussions are provided on pages 78 to 79 and in Note 8 on pages 163 and 168 and in Note 24 on page 199 of the consolidated financial statements.
	Q1 2020 Regulatory Supplementary Capital Information: Information on credit risk mitigation techniques are provided on pages 16, 31 and 33. Composition of collateral for counter-party credit risk is provided on page 45.
Other Risks	
31	Describe other risks and discuss how each is identified, governed, measured and managed.
	2019 Annual Report: A diagram illustrating the risk governance process that supports BMO's risk culture is provided on page 74. Other risks are discussed on pages 100 to 106.
32	Discuss publicly known risk events related to other risks, where material or potentially material loss events have occurred.
	2019 Annual Report: Other risks are discussed on pages 100 to 106.