Bank of Montreal Europe plc

Pillar III Disclosures

As at 31 October 2022

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Introduction

Purpose of disclosures

Bank of Montreal Europe plc ("the Company") is incorporated in Ireland, holds a full banking licence and is regulated by the Central Bank of Ireland ("CBI"). The address of the Company is 6th Floor, 2 Harbourmaster Place, IFSC, Dublin 1, D01 X5P3, Ireland.

The purpose of these Pillar III disclosures is to meet the regulatory disclosure requirements for the Company on capital and risk management as at 31 October 2022. The Company is a wholly owned subsidiary of Bank of Montreal ("BMO"). BMO and its direct and indirect subsidiaries, including the Company, are collectively referred to herein as ("the BMO Group").

The regulatory disclosure requirements are those outlined in the European parliament's Capital Requirements Directive 2013/36/EU ("CRD IV") as amended by the European parliament's Capital Requirements Directive 2019/878/EU ("CRD V"), the European parliament's Capital Requirements Regulations No 575/2013 ("CRR") as amended by the European parliament's Capital Requirements Regulations No 2019/876 ("CRR II"), and associated European Banking Authority ("EBA") Delegated Acts and Guidelines collectively referred to as "CRR and CRD".

CRR and CRD are organised into three complementary elements, or "Pillars", and formalises the framework for prudential supervision of credit institutions and investment firms. Pillar I of CRR and CRD prescribes minimum regulatory capital standards for the material components of risk that firms face. Pillar II of CRR and CRD requires credit institutions and investment firms to carry out an internal assessment of the amount of capital they consider adequate to cover all of the risks to which they are, or likely to be, exposed. In addition, under Pillar II the relevant regulatory authority is empowered to carry out a supervisory review and evaluation process ("SREP"). Pillar III of CRR and CRD requires credit institutions and investment firms to publicly disclose key information about their underlying risk models, controls and capital positions.

Frequency

These disclosures are made on an annual basis, with the disclosures based on the financial year-end date of 31 October 2022. These disclosures (and the previous annual disclosures for 31 October 2021) are published as standalone documents on the BMO Group website at the following location https://capitalmarkets.bmo.com/en/about-us/regulatory/
Previous annual disclosures prior to 31 October 2021 were published as an appendix to the Financial Statements and lodged with the Companies Registration Office www.cro.ie

Key changes in the 2022 Pillar III disclosures

There are no material changes to the 2022 Pillar III disclosures when compared to the 2021 Pillar III disclosures.

Policy and scope of disclosures

The Company has adopted a formal policy to comply with the disclosure requirements laid out in CRR and CRD and has policies for assessing the appropriateness of the disclosures, including their verification and the frequency on which the disclosures are made.

These Pillar III disclosures are prepared on an unconsolidated / individual basis. The Company is a wholly owned subsidiary of BMO. The information provided in this document is not required to be subject to an external audit. These disclosures do not constitute any form of a Financial Statement and should not be relied upon in making any financial or investment decision.

These disclosures have been subject to review and verification in accordance with the internal Company Pillar III disclosure policy. The key elements of the disclosure policy include ownership of the policy, method and frequency of disclosure, sources of information, the approach applied in addressing each disclosure requirement, verification and approval of disclosures.

The Chief Financial Officer and Chief Risk Officer provide written confirmation to the Company's Risk and Capital Committee that the disclosures provided have been prepared in accordance with the internal control processes in the Pillar III disclosure policy.

The disclosures have been deemed adequate, both in terms of frequency and level of detail, to convey the Company's risk profile comprehensively to market participants.

The accompanying disclosures are based on Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295. The Company has included the applicable templates as per the guidelines. The templates that are not applicable are listed in the section 'Non applicable templates'.

Attestation by Board member

"I confirm that Bank of Montreal Europe plc's Pillar III disclosures based on the financial year-end date of 31 October 2022 to the best of my knowledge, comply with Part Eight of the CRR and have been prepared in accordance with the internal Company Pillar III disclosure policy".

Noel Reynolds
Executive Director & Chief Financial Officer

Template 1 below provides a mapping of the Company's Financial Statement categories with regulatory risk categories, as at 31 October 2022 and as at 31 October 2021. As the Company's scope of accounting consolidation and its scope of regulatory consolidation are the same, a reconciliation of the Company's balance sheet on an accounting basis to the Company's balance sheet under the regulatory basis is not required. The Company's financial statements and regulatory disclosures are prepared on an unconsolidated / individual basis.

31 October 2022			Carrying values of items:			
(US$ in thousands)	Carrying values as reported in published financial statements	Carrying values as reported under scope of regulatory requirements	Subject to credit risk framework	Subject to CCR framework	Subject to market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and cash equivalents	3,631,245	3,631,245	3,631,245	-	-	-
Debt securities	2,589,869	2,589,869	1,856,814	-	733,055	-
Derivative assets	282,265	282,265	-	282,265	-	-
Held for trading equities	105,256	105,256	-	-	105,256	-
Loans and advances to banks	2,450,535	2,450,535	15,744	2,434,791	-	-
Loans and advances to customers	1,790,350	1,790,350	330,947	1,459,403	-	-
Current tax assets	1,978	1,978	1,978	-	-	-
Deferred tax assets	396	396	396	-	-	-
Property and equipment	4,458	4,458	4,458	-	-	-
Other assets	216,592	216,592	216,592	-	-	-
Total Assets	**11,072,944**	**11,072,944**	**6,058,174**	**4,176,459**	**838,311**	**-**
Liabilities						
Held for trading equities	820,645	820,645	-	-	820,645	-
Derivative liabilities	297,280	297,280	-	297,280	-	-
Deposits from banks	2,572,039	2,572,039	-	-	-	2,572,039
Deposits from customers	559,041	559,041	-	-	-	559,041
Debt securities in issue	5,888,734	5,888,734	-	-	-	5,888,734
Current tax liability	879	879	-	-	-	879
Deferred tax liabilities	-	-	-	-	-	-
Other liabilities	107,230	107,230	-	-	-	107,230
Total Liabilities	**10,245,848**	**10,245,848**	**-**	**297,280**	**820,645**	**9,127,923**
Equity						
Share capital	10,044	10,044	-	-	-	10,044
Capital contribution	503,994	503,994	-	-	-	503,994
Retained earnings	315,172	315,172	-	-	-	315,172
OCI reserve	(2,114)	(2,114)	-	-	-	(2,114)
Total shareholders' equity	**827,096**	**827,096**	**-**	**-**	**-**	**827,096**
Total liabilities and shareholders' equity	**11,072,944**	**11,072,944**	**-**	**297,280**	**820,645**	**9,955,019**

31 October 2021 (US$ in thousands)	Carrying values as reported in published financial statements	Carrying values as reported under scope of regulatory requirements	Carrying values of items: Subject to credit risk framework	Subject to CCR framework	Subject to market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and cash equivalents	3,423,036	3,423,036	3,423,036	-	-	-
Debt securities	2,837,922	2,837,922	2,731,449	-	106,473	-
Derivative assets	169,884	169,884	-	169,884	-	-
Held for trading equities	354,222	354,222	-	-	354,222	-
Loans and advances to banks	2,126,285	2,126,285	14,061	2,112,224	-	-
Loans and advances to customers	1,905,816	1,905,816	297,184	1,608,632	-	-
Current tax assets	1,871	1,871	1,871	-	-	-
Deferred tax assets	72	72	72	-	-	-
Property and equipment	5,875	5,875	5,875	-	-	-
Other assets	95,461	95,461	95,461	-	-	-
Total Assets	**10,920,444**	**10,920,444**	**6,569,009**	**3,890,740**	**460,695**	**-**
Liabilities						
Held for trading equities	680,046	680,046	-	-	680,046	-
Derivative liabilities	76,359	76,359	-	76,359	-	-
Deposits from banks	2,511,170	2,511,170	-	-	-	2,511,170
Deposits from customers	219,917	219,917	-	-	-	219,917
Debt securities in issue	6,465,063	6,465,063	-	-	-	6,465,063
Current tax liability	1,589	1,589	-	-	-	1,589
Deferred tax liabilities	413	413	-	-	-	413
Other liabilities	153,205	153,205	-	-	-	153,205
Total Liabilities	**10,107,762**	**10,107,762**	**-**	**76,359**	**680,046**	**9,351,357**
Equity						
Share capital	10,050	10,050	-	-	-	10,050
Capital contribution	503,994	503,994	-	-	-	503,994
Retained earnings	295,745	295,745	-	-	-	295,745
OCI reserve	2,893	2,893	-	-	-	2,893
Total shareholders' equity	**812,682**	**812,682**	**-**	**-**	**-**	**812,682**
Total liabilities and shareholders' equity	**10,920,444**	**10,920,444**	**-**	**76,359**	**680,046**	**10,164,039**

Template 2 below outlines for the Company items subject to the credit risk, securitisation, counterparty credit risk ("CCR") and market risk frameworks along with a reconciliation of the carrying value of assets to Exposure at Default ("EAD") as at 31 October 2022 and as at 31 October 2021.

31 October 2022

	(US$ in thousands)	Total	Items subject to:			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	**Assets carrying value amount under the scope of prudential consolidation (as per template LI1)**	**11,072,944**	**6,058,174**	**-**	**4,176,459**	**838,311**
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	(1,117,925)	-	-	(297,280)	(820,645)
3	Total net amount under the scope of prudential consolidation	9,955,019	6,058,174	-	3,879,179	17,666
4	Off-balance-sheet amounts	630,273	446,986	-	183,287	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)	-	-	-	-	-
9	Differences due to credit conversion factors	(271,532)	(271,532)	-	-	-
10	Differences due to Securitisation with risk transfer	-	-	-	-	-
11	Other differences	(77,629)	-	-	(77,629)	-
12	**Exposure amounts considered for regulatory purposes**	**10,236,131**	**6,233,628**	**-**	**3,984,837**	**17,666**

31 October 2021

	(US$ in thousands)	Total	Items subject to: Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	**Assets carrying value amount under the scope of prudential consolidation (as per template LI1)**	**10,920,444**	**6,569,009**	**-**	**3,890,740**	**460,695**
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	-	-	-	-	-
3	Total net amount under the scope of prudential consolidation	10,920,444	6,569,009	-	3,890,740	460,695
4	Off-balance-sheet amounts	1,526,433	529,712	-	996,721	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)	-	-	-	-	-
9	Differences due to credit conversion factors	-	-	-	-	-
10	Differences due to Securitisation with risk transfer	-	-	-	-	-
11	Other differences	103,263	-	-	103,263	-
12	**Exposure amounts considered for regulatory purposes**	**12,550,140**	**7,098,721**	**-**	**4,990,724**	**460,695**

The differences between the carrying value of assets under the scope of regulatory consolidation and the exposure amounts considered for regulatory purposes can be explained by the inclusion of:

- The off-balance sheet exposures on corporate banking facilities and collateral swaps.
- The effects of recognition of master agreements with netting terms similar to those of ISDA master netting agreements, in the calculation of exposures amounts due to Securities Financing Transactions considered for regulatory purposes according to CRR.
- The following effects recognised in the calculation of Derivative exposure amounts under SA-CCR:
    - Inclusion of derivatives with negative fair value which have been recorded in balance sheet liabilities.
    - Recognition of ISDA netting agreements.
    - Inclusion of collateral both given and received.
    - Use of the "Alpha", under the SA-CCR methodology in computing regulatory exposure values.
    - The derivative Add on which is the amount for potential future credit exposure over the remaining life of the derivative contract, calculated by applying an Add-on factor to the notional principal amount of the derivative.

Capital adequacy

Capital management

The Company has complied with all externally imposed capital requirements throughout the period. No dividends on ordinary shares were either approved or paid out during the financial year ended 31 October 2022 to equity holders and there have been no changes in the Company's management of capital during the financial year.

The Company recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. This is achieved through the Internal Capital Adequacy Assessment Process ("ICAAP").

Minimum capital requirements (Pillar 1)

As regards regulatory capital requirements and capital adequacy, the Company is subject to the requirements of the CBI, EBA and the provisions under CRR and CRD. The Company's capital adequacy is assessed by comparing available regulatory capital resources with capital requirements expressed as a percentage of risk weighted assets or equivalent. The regulatory minimum ratios (Pillar 1) are as follows: CET 1 Capital ratio of 4.5%, Tier 1 Capital ratio of 6% and a Total Capital ratio of 8%.

Credit risk
The Company uses the Standardised Approach for calculating capital requirements for credit risk. This approach involves the application of risk weights to the Company's assets based on the deemed creditworthiness of its clients and the rules as laid out in the CRR and CRD. More detail is provided in the Credit risk section.

Market risk
The Company applies the Standardised Approach for the calculation of market risk regulatory capital. More detail is provided in the Market risk section.

Operational Non-Financial risk
The Company uses the Standardised Risk Approach for the calculation of its operational non-financial risk own funds requirements. More detail is provided in the Operational Non-Financial risk section.

ICAAP (Pillar 2)

The Company's ICAAP is an on-going assessment of the risk and capital position of the Company. An understanding of the Company's risk profile and capital needs facilitates the articulation of the Company's risk appetite and tolerances and thereby informs the Company's capital and business strategy. The intent of the ICAAP is to ensure and demonstrate that the Company is adequately capitalised to support the strategic objectives and material risks under business as usual and stressed conditions.

The guiding principles of the Company's ICAAP are:

- *Proportionality:* It is proportionate to the risk level, complexity and scale of the Company's activities.
- *Forward-Looking:* It considers not only the existing risks faced but also the potential risks and future business strategies.
- *Ongoing:* It is not a static one-time process but rather a dynamic and continuous exercise to ensure that the Company has robust risk management systems and possesses sufficient internal capital at all times under both normal and stressed conditions.
- *Evolving-nature:* It is continuously monitored for its efficacy and need to improve, especially against the backdrop of changes in the risk profile, regulation and business plans.

As part of the ICAAP processes, the Company seeks to ensure that:

- All material risks faced by the Company are identified and have sufficient risk management and controls around them.
- Regulatory Capital and Internal Capital are adequate for the material risks faced by the Company.
- All Regulatory Capital and Internal Capital demands are considered and compared to Available Capital, including under stress tests, when setting target capital ratios.
- The Company has sufficient Available Capital and identified practical management actions to assist it in withstanding severe but plausible stresses.
- The Company exceeds Regulatory Capital requirements and meets or exceeds target capital ratios.
- The outputs of the ICAAP process feed back into business strategy and capital planning and the Company's Recovery Plan.
- The ICAAP process is closely aligned to the Internal Liquidity Adequacy Assessment Process ("ILAAP").

The Company defines its internal capital requirement as the capital required to protect it against severe unexpected losses that might put the solvency of the Company at risk. In addition to Pillar 1 capital the Company holds Pillar 2 capital, as considered necessary, for those additional risks not captured in the Pillar 1 computation. The internal capital buffers calculated are only applicable to own funds and are held in addition to the capital required under Pillar 1.

The CBI also imposed Pillar 2 supervisory measures in the form of additional capital requirements on the Company in September 2021, replacing the previously imposed additional capital requirements, following the conclusion of the 2021 SREP. These additional capital requirements are also only applicable to own funds.

As at 31 October 2022 the Company was required to maintain a Pillar 2R capital requirement of 17.2% of P1 RWA (31 October 2021: 17.2%) and a Pillar 2G guidance capital requirement of 10.0% of P1 RWA (31 October 2021: 10.0%).

The CBI issued reduced additional capital requirements for the Company in October 2022, effective 2 November 2022 replacing the previously imposed additional capital requirements, following the conclusion of their latest SREP. These additional capital requirements are also only applicable to own funds. From 2 November 2022 the Company is required to maintain a Pillar 2R capital requirement of 11.4% of P1 RWA and a P2G guidance capital requirement of 5.0% of Pillar 1 RWA. The reduced capital requirements reflect the actions taken by the Company to address previous years' risk mitigation programmes leading to overall improvements in the risk profile of the Company.

In addition, the Company is required to maintain a Capital Conservation Buffer comprising CET 1 capital eligible instruments of 2.5% of risk weighted assets and also an institution-specific Countercyclical Buffer ("CCyB") of CET 1 calculated as risk weighted assets multiplied by a weighted average of CCyB rates determined by the geographic distribution of the Company's exposures. As at 31 October 2022 the CCyB stood at 0.0275% (31 October 2021: 0.1412%).

Capital requirements – overview of Pillar 1, Pillar 2 and own funds

At 31 October 2022 the Company with a CET1 Capital ratio, a Tier 1 Capital ratio and a Total Capital ratio of 71.86% exceeded the minimum required ratios imposed by the CBI; a total SREP capital requirement ("TSCR") of 25.2% and a minimum overall capital requirement ("OCR") ratio of 37.7% excluding the CCyB requirement of 0.0275%.

Comparative figures as at 31 October 2021 had the Company with a CET1 Capital ratio, a Tier 1 Capital ratio and a Total Capital ratio of 70.46% which exceeded the minimum required ratios imposed by the CBI; a TSCR ratio of 25.2% and minimum OCR ratio of 37.7% excluding the CCyB requirement of 0.1412%.

There were no breaches by the Company of the capital ratios during the financial year ended 31 October 2022 or in the financial year ended 31 October 2021.

The Company's Pillar 1 capital requirements, Pillar 2 capital requirements, own funds and surplus of own funds are set out in the table below.

	As at 31 October	
(US$ in thousands)	**2022**	2021
Capital requirement – Pillar 1	**91,577**	91,808
Capital requirement – Pillar 2	**196,891**	197,386
Capital buffer *	**143,404**	145,070
Total capital requirement	**431,872**	434,264
Total own funds	**822,605**	808,564
Surplus of own funds	**390,733**	374,300

*Capital buffer comprises of the capital conservation buffer, countercyclical capital buffer and the additional CBI imposed supervisory Pillar 2 Guidance.

Countercyclical capital buffer ("CCyB")

The Company is required to maintain an institution specific CCyB. The CCyB was introduced under CRD IV. The CCyB could require institutions to hold up to 2.5% additional CET 1 capital and was effective from 1 January 2016. National designated authorities will deploy CCyB rates when excessive credit growth is determined to be connected with a build-up of system-wide risk.

Template 3 below sets out the Company's geographical distribution of credit exposures relevant for the calculation of the CCyB as at 31 October 2022 and as at 31 October 2021.

Template 3 - EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the CCyB

31 October 2022	General Credit Exposures		Relevant Credit Exposures – Market Risk		Securitisation exposures exposure value for non-trading book	Total exposure value	Own Funds Requirements				Risk-weighted exposure amounts	Own funds requirement weights	Countercyclical capital buffer rate
(US$ in thousands)	Exposure value for SA	Exposure value IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
	010	020	030	040			070	080	090	100		110	120
Breakdown by Country													
Cayman Islands	28,347	-	-	-	-	-	2,268	-	-	2,268	28,347	-	-
France	104,210	-	-	-	-	-	8,337	-	-	8,337	104,210	-	-
Germany	55,345	-	-	-	-	-	4,428	-	-	4,428	55,345	-	-
Ireland	90,425	-	-	-	-	-	7,234	-	-	7,234	90,425	-	-
Italy	40,549	-	-	-	-	-	3,244	-	-	3,244	40,549	-	-
Luxembourg	29,467	-	-	-	-	-	2,357	-	-	2,357	29,467	-	0.5%
Netherlands	113,717	-	-	-	-	-	9,097	-	-	9,097	113,717	-	-
UK	37,544	-	-	-	-	-	3,004	-	-	3,004	37,544	-	-
USA	92,062	-	-	-	-	-	2,965	-	-	2,965	37,057	-	-
Overall total	**591,666**	**-**	**-**	**-**	-	-	**42,934**	**-**	**-**	**42,934**	**536,661**	**-**	**-**

31 October 2021	General Credit Exposures		Relevant Credit Exposures – Market Risk		Securitisation exposures exposure value for non- trading book		Own Funds Requirements						
(US$ in thousands)	Exposure value for SA	Exposure value IRB	Sum of long and short ...	Value of trading book exposure for internal models		Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own funds requirement weights	Countercyclical capital buffer rate
	010	020	030	040			070	080	090	100		110	120
Breakdown by Country													
Cayman Islands	38,722	-	-	-	-	-	4,647	-	-	4,647	58,091	-	-
France	103,439	-	-	-	-	-	8,275	-	-	8,275	172,786	-	-
Germany	22,448	-	-	-	-	-	1,796	-	-	1,796	29,483	-	-
Ireland	64,585	-	-	-	-	-	5,167	-	-	5,167	68,320	-	-
Luxembourg	47,309	-	-	-	-	-	3,785	-	-	3,785	47,908	-	0.5%
Netherlands	152,137	-	-	-	-	-	12,425	-	-	12,425	233,934	-	-
Spain	88,940	-	-	-	-	-	7,115	-	-	7,115	136,765	-	-
USA	48,847	-	-	-	-	-	782	-	-	782	9,769	-	-
Overall total	**566,427**	**-**	**-**	**-**	-	-	**43,992**	**-**	**-**	**43,992**	**757,406**	**-**	**-**

Template 4 below sets out the Company's countercyclical capital buffer as at 31 October 2022 and as at 31 October 2021.

Template 4 - EU CCyB2 - Amount of institution-specific countercyclical capital buffer

31 October (US$ in thousands)	2022	2021
Amount of institution-specific countercyclical capital buffer		
Total Risk Exposure amount	1,142,889	1,147,595
Institution specific countercyclical capital buffer	0.0275%	0.1412%
Institution specific countercyclical capital buffer requirement	314	1,621

Regulatory capital

The Company's own funds as at 31 October 2022 and as at 31 October 2021 consist solely of CET1 Capital, which comprises equity share capital, audited profit and loss and other reserves which have been externally verified by the Company's auditors.

The Company has not issued any common equity Tier 1 instruments, additional Tier 1 instruments, Tier 2 instruments and within the meaning of Article 72b CRR, eligible liabilities instruments.

Details with regard to the Company's equity share capital are provided below

	As at 31 October	
(Number)	**2022**	2021
Authorised		
Ordinary shares of €1.25 each	**30,000**	30,000
Ordinary shares of US$1 each	**50,000,000**	50,000,000
(US$ in thousands)		
Issued		
30,000 fully paid ordinary shares of €1.25 each	**37**	43
10,007,040 fully paid ordinary shares of US$1 each	**10,007**	10,007
Total share capital	**10,044**	10,050

Template 5 below outlines the composition of the Company's regulatory own funds as at 31 October 2022 and as at 31 October 2021.

Template 5 - EU CC1 - Composition of regulatory own funds

31 October Regulatory own funds disclosure. CRD IV, Annex IV - reference		2022	2021
		US$000's	US$000's
COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES			
1	Capital instruments and the related share premium accounts of which:	10,044	10,050
	Ordinary stock	10,044	10,050
	Deferred stock	-	-
	Treasury stock	-	-
	Share premium	-	-
2	Retained earnings	315,172	295,745
3	Accumulated other comprehensive income (and other reserves)	501,880	506,887
3A	Funds for general banking risk	-	-
4	Amount of qualifying items per Article 484 (3) and related share premium accounts subject to	-	-
5	Minority interest (amounts allowed in consolidated CET 1)	-	-
5A	Independently reviewed interim profits net of any foreseeable charge or dividend	-	-
6	**Common equity tier 1 (CET 1) capital before regulatory adjustments**	**827,096**	**812,682**
COMMON EQUITY TIER 1 (CET1) CAPITAL REGULATORY ADJUSTMENTS			
7	Additional value adjustments /other	(4,095)	(4,118)
8	Intangible assets (net of related tax liability)	-	-
9	Empty set in the EU	-	-
10	Deferred tax asset that rely on future profitability excluding those arising from temporary	(396)	-
11	Fair value reserves related to gains or losses on cash flow hedges	-	-
12	Negative amounts resulting from the calculation of expected loss amounts	-	-
13	Any increase in equity that results from securitised assets (negative amount)	-	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-
15	Defined-benefit pension fund assets	-	-
16	Direct and indirect holdings by an institution of own CET1 instruments	-	-
17	Direct, Indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution	-	-
18	Direct, Indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions)	-	-
19	Direct, Indirect and synthetic holdings by the institution of the CET1 Instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold and net of eligible short positions)	-	-
20	Empty set in the EU	-	-
20A	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-
20B	of which: qualifying holdings outside the financial sector	-	-
20C	of which: securitisation positions	-	-
20D	of which: free deliveries	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions of 38 (3) have been met.	-	-
22	Amount exceeding the 15% threshold	-	-
23	of which: direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-
24	Empty set in the EU	-	-
25	of which: deferred tax assets arising from temporary differences	-	-
25A	Losses for the current financial year	-	-

Regulatory own funds disclosure. CRD IV, Annex IV - reference		2022	2021
		US$000's	US$000's
25B	Foreseeable tax charges relating to CET1 items	-	-
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subjects to pre CRR-treatment	-	-
26B	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	-	-
27	Qualifying T2 deductions that exceed the T2 capital of the institution	-	-
	Adjustments under IFRS 9 Transitional arrangements	-	-
28	**Total regulatory adjustments to Common equity tier 1 (CET1)**	**(4,491)**	**(4,118)**
29	**Common equity tier 1 (CET1) capital**	**822,605**	**808,564**
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS			
30	Capital instruments and the relates share premium accounts	-	-
31	of which; classified as equity under applicable accounting standards	-	-
32	of which; classified as liabilities under applicable accounting standards	-	-
33	Amount of qualifying items referred to in Articles 484 (4) and the related share premium accounts subject to phase out of the AT1	-	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties	-	-
35	of which; instruments issued by subsidiaries subject to phase out	-	-
36	**Additional Tier 1 (AT1) Capital before regulatory adjustments**	**-**	**-**
ADDITIONAL TIER 1 (AT1) CAPITAL: REGULATORY ADJUSTMENTS		-	-
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	-
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	-	-
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold net of eligible short positions) negative (negative amount)	-	-
41	Empty set in the EU	-	-
42	Qualifying T2 deductions that exceed the T2 capital of the institution	-	-
43	**Total regulatory adjustments to Additional tier 1 (AT1) Capital**	**-**	**-**
44	**Additional tier 1(AT1) capital**	**-**	**-**
45	**Tier 1 capital (T1 = CET 1 +AT1)**	**822,605**	**808,564**
TIER 2 (T2) CAPITAL: INSTRUMENTS AND PROVISIONS			
46	Capital instruments and the related share premium accounts	-	-
47	Amount of qualifying items referred to in article 484 (5) and the related share premium accounts subject to phase out from T2	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interest and AT1 instruments not included in rows 5 or 34 issued by subsidiaries and held by third parties	-	-
49	of which; instruments issued by subsidiaries subject to phase out	-	-
50	Credit Risk adjustments	-	-
51	**Tier 2 (T2) capital before regulatory adjustments**	**-**	**-**
TIER 2 (T2) CAPITAL: REGULATORY ADJUSTMENTS			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	-
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
54	Direct and indirect holdings of the T2 instruments and subordinated loans of the financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net eligible short positions) (negative amount)	-	-
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	-	-
56	Empty set in the EU	-	-
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**	**-**

Regulatory own funds disclosure. CRD IV, Annex IV - reference		2022	2021
		US$000's	US$000's
58	**Tier 2 (T2) Capital**	**-**	**-**
59	**Total Capital (TC = T1+T2)**	**822,605**	**808,564**
60	**Total risk weighted assets**	**1,144,714**	**1,147,595**
CAPITAL RATIOS AND BUFFERS			
61	Common equity tier 1 (as a percentage of total risk exposure amount)	71.86%	70.46%
62	Tier 1 (as a percentage of total risk exposure amount)	71.86%	70.46%
63	Total capital (as a percentage of total risk exposure amount)	71.86%	70.46%
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	2.53%	2.64%
65	of which; capital conservation buffer requirement	2.50%	2.50%
66	of which; countercyclical buffer requirement	0.03%	0.14%
67	of which; systemic risk buffer requirement	0.00%	0.00%
67A	of which; Global Systemically Important institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.00%	0.00%
68	Common equity tier 1 available to meet buffers (as a percentage of risk exposure amount)	67.36%	65.96%
69	Non Relevant in EU regulation	-	-
70	Non Relevant in EU regulation	-	-
71	Non Relevant in EU regulation	-	-
AMOUNTS BELOW THE THRESHOLD FOR DEDUCTION (BEFORE RISK WEIGHTING)			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net eligible short positions).	-	-
73	Direct and indirect holdings by the institution of the CET 1 instruments of financials sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	-
74	Empty set in the EU	-	-
75	Deferred tax assets arising from temporary difference (amount below 10% threshold, net of related tax liability where the conditions on Article 38(3) are met)	-	-
APPLICABLE CAP ON THE INCLUSION OF PROVISIONS IN TIER 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-
78	Credit Risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	-
CAPITAL INSTRUMENTS SUBJECT TO PHASE-OUT ARRANGEMENTS (ONLY APPLICABLE BETWEEN 1 JAN 2014 AND 1 JAN 2022)			
80	Current Cap on CET 1 Instruments subject to phase out arrangements	-	-
81	Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	-	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84	Current cap on T2 instruments subject to phase out arrangements	-	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

The adjustment in row 7 above is the prudential valuation adjustment ("PVA") and is applied to ensure that the prudent valuation of the Company's positions achieves an appropriate degree of certainty having regard to the dynamic nature of the positions, the demands of prudential soundness and the mode of operation and purpose of capital requirement in respect of positions.

Template 6 below sets out the reconciliation of the Company's regulatory own funds to balance sheet in the audited Financial Statements as at 31 October 2022 and as at 31 October 2021 and provides the references to Template 5 - EU CC1.

Template 6 - EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

31 October 2022 (US$ in thousands)		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference EU CC1
Assets – Breakdown by asset classes according to the balance sheet in the published financial statements				
1	Cash and cash equivalents	3,631,245	3,631,245	
2	Debt securities	2,589,869	2,589,869	
3	Derivative assets	282,265	282,265	
4	Held for Trading Equities	105,256	105,256	
5	Loans and advances to banks	2,450,535	2,450,535	
6	Loans and advances to customers	1,790,350	1,790,350	
7	Current tax assets	1,978	1,978	
8	Deferred Tax assets	396	396	
9	Property and equipment	4,458	4,458	
10	Other assets	216,592	216,592	
	Total Assets	**11,072,944**	**11,072,944**	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements				
1	Trading Liabilities	820,645	820,645	
2	Derivative liabilities	297,280	297,280	
3	Deposits from banks	2,572,039	2,572,039	
4	Deposits from customers	559,041	559,041	
5	Debt securities issued	5,888,734	5,888,734	
6	Current tax liabilities	879	879	
7	Deferred Tax liabilities	-	-	
8	Other liabilities	107,230	107,230	
	Total liabilities	**10,245,848**	**10,245,848**	
Shareholder's Equity				
1	Share capital	10,044	10,044	1
2	Contributed surplus	503,994	503,994	3
3	Retained earnings	315,172	315,172	2
4	Accumulated OCI	(2,114)	(2,114)	3
	Total shareholders' equity	**827,096**	**827,096**	

31 October 2021 (US$ in thousands)		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference EU CC1
Assets – Breakdown by asset classes according to the balance sheet in the published financial statements				
1	Cash and cash equivalents	3,423,036	3,423,036	
2	Debt securities	2,837,922	2,837,922	
3	Derivative assets	169,884	169,884	
4	Held for Trading Equities	354,222	354,222	
5	Loans and advances to banks	2,126,285	2,126,285	
6	Loans and advances to customers	1,905,816	1,905,816	
7	Current tax assets	1,871	1,871	
8	Deferred Tax assets	72	72	
9	Property and equipment	5,875	5,875	
10	Other assets	95,461	95,461	
	Total Assets	**10,920,444**	**10,920,444**	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements				
1	Trading Liabilities	680,046	680,046	
2	Derivative liabilities	76,359	76,359	
3	Deposits from banks	2,511,170	2,511,170	
4	Deposits from customers	219,917	219,917	
5	Debt securities issued	6,465,063	6,465,063	
6	Current tax liabilities	1,589	1,589	
7	Deferred Tax liabilities	413	413	
8	Other liabilities	153,205	153,205	
	Total liabilities	**10,107,762**	**10,107,762**	
Shareholder’s Equity				
1	Share capital	10,050	10,050	1
2	Contributed surplus	503,994	503,994	3
3	Retained earnings	295,745	295,745	2
4	Accumulated OCI	2,893	2,893	3
	Total shareholders' equity	**812,682**	**812,682**	

Capital requirements – overview of RWA's

Template 7 below sets out the risk weighted exposure amounts for the Company as at 31 October 2022 and as at 31 October 2021 along with the own funds requirements as at 31 October 2022.

Template 7 - EU OV1 – Overview of risk weighted exposure amounts

31 October (US$ in thousands)		Total risk exposure amounts (TREA) 2022	2021	Total own funds requirements (8%) 2022
1	**Credit risk (excluding CCR)**	**599,167**	**627,321**	**47,933**
2	of which the standardised approach	599,167	627,321	47,933
3	of which the foundation IRB (f-IRB) approach	-	-	-
4	of which slotting approach	-	-	-
EU 4A	of which equities under the simple risk-weighted approach	-	-	-
5	of which the advanced IRB (a-IRB) approach	-	-	-
6	**Counterparty credit risk - CCR**	**358,364**	**371,741**	**28,669**
7	of which the standardised approach	252,625	270,706	20,210
8	of which internal model method (IMM)	-	-	-
EU 8A	of which exposures to a CCP	416	-	33
EU 8B	of which credit valuation adjustment - CVA	105,323	101,035	8,426
9	of which other CCR	-	-	-
15	**Settlement risk**	-	-	-
20	**Position, foreign exchange and commodities risks (market risk)**	**66,663**	**36,588**	**5,333**
21	of which the standardised approach	66,663	36,588	5,333
22	of which IMA	-	-	-
EU 22A	**Large exposures**	-	-	-
23	**Operational risk**	**120,520**	**111,945**	**9,642**
EU 23A	of which basic indicator approach	-	-	-
EU 23B	of which standardised approach	120,520	111,945	9,642
EU 23C	of which advanced measurement approach	-	-	-
24	amounts below the thresholds for deduction (subject to 250 % risk weight)	-	-	-
29	**Total**	**1,144,714**	**1,147,595**	**91,577**

Key Metrics

Template 8 below sets out the Company's key metrics as at 31 October 2022 and as at 31 October 2021.

Template 8 - EU KM1 - Key metrics template

	31 October (US$ in thousands)	2022	2021
	Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	822,605	808,564
2	Tier 1 capital	822,605	808,564
3	Total capital	822,605	808,564
	Risk-weighted exposure amounts		
4	Total risk exposure amount	1,144,714	1,147,595
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	71.86%	70.46%
6	Tier 1 ratio (%)	71.86%	70.46%
7	Total capital ratio (%)	71.86%	70.46%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
EU 7A	Additional own funds requirements to address risks other than the risk of excessive leverage (%)		
EU 7B	of which: to be made up of CET1 capital (percentage points)	21.70%	21.70%
EU 7C	of which: to be made up of Tier 1 capital (percentage points)	23.20%	23.20%
EU 7D	Total SREP own funds requirements (%)	25.20%	25.20%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.50%	2.50%
EU 8A	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)		
9	Institution specific countercyclical capital buffer (%)	0.03%	0.14%
EU 9A	Systemic risk buffer (%)	-	-
10	Global Systemically Important Institution buffer (%)	-	-
EU 10A	Other Systemically Important Institution buffer (%)	-	-
11	Combined buffer requirement (%)	2.53%	2.64%
EU 11A	Overall capital requirements (%)	27.73%	27.84%
12	CET1 available after meeting the total SREP own funds requirements (%)	46.66%	45.26%
	Leverage ratio		
13	Total exposure measure	11,426,475	12,440,129
14	Leverage ratio (%)	7.20%	6.50%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)		
EU 14A	Additional own funds requirements to address the risk of excessive leverage (%)	-	-
EU 14B	Of which: to be made up of CET1 capital (percentage points)	-	-
EU 14C	Total SREP leverage ratio requirements (%)	3%	3%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)		
EU 14D	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU 14E	Overall leverage ratio requirement (%)	3.00%	3.00%
	Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	5,574,723	5,198,658
EU 16A	Cash outflows - Total weighted value	3,751,248	3,640,082
EU 16B	Cash inflows - Total weighted value	1,007,491	850,082
16	Total net cash outflows (adjusted value)	2,743,757	2,790,000
17	Liquidity coverage ratio (%)	203%	186%
	Net Stable Funding Ratio		
18	Total available stable funding	1,257,509	1,181,414
19	Total required stable funding	693,151	852,515
20	NSFR ratio (%)	181%	139%

Leverage

Leverage Risk refers to risks resulting from the Company's vulnerability due to leverage that may require corrective measures which could impact earnings. The Company monitors this risk using the regulatory leverage ratio.

The CRR and CRD requires credit institutions to calculate report and monitor their leverage ratios. The leverage ratio is a supplementary non-risk based measure to contain the build-up of leverage (i.e. create a backstop on the degree to which a banking firm can leverage its capital base). It is calculated as a percentage of Tier 1 Capital versus the total on and off-balance sheet exposure (not risk weighted). A risk appetite target for the Leverage Ratio is approved each year by the Board. The actual leverage ratio is reported quarterly to the Risk and Capital Committee so that they can monitor actuals to the risk appetite and take any necessary actions. The Leverage ratio as at 31 October 2022 is 7.01% compared to 6.50% as at 31 October 2021. Fluctuations in the leverage ratio in the period were driven by variations in the exposure to central banks, securities financing transactions and derivatives, which increased the "total exposure measure".

Template 9 below provides a summary reconciliation of the Company's accounting assets and leverage ratio exposures as at 31 October 2022 and as at 31 October 2021.

Template 9 - EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

31 October (US$ in thousands)		2022	2021
	Reconciliation accounting values to leverage ratio exposures		
1	Total assets as per published financial statements	11,072,944	10,920,444
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustment for eligible cash pooling transactions	-	-
8	Adjustment for derivative financial instruments	(47,325)	253,248
9	Adjustment for securities financing transactions (SFTs)	229,892	1,038,007
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	175,455	232,548
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	(4,491)	(4,118)
EU-11A	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-11B	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-	-
12	Other adjustments	-	-
13	**Total exposure measure**	11,426,475	12,440,129

Template 10 below provides the leverage ratio common disclosure details of the Company as at 31 October 2022 and as at 31 October 2021

Template 10 - EU LR2 - LRCom: Leverage ratio common disclosure

31 October (US$ in thousands)		**2022**	2021
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	6,948,036	7,029,708
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	(4,491)	(4,118)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**6,943,545**	**7,025,590**
	Derivative Exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	(2,171)	128,554
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	237,111	294,578
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures (sum of lines 4 to 10)**	**234,940**	**423,132**
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	4,043,531	4,717,589
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	29,004	41,270
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**4,072,535**	**4,758,859**
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	446,986	529,712
20	(Adjustments for conversion to credit equivalent amounts)	(271,531)	(297,164)
21	**Off-balance sheet exposures**	**175,455**	**232,548**
	Excluded exposures		
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	Total exempted exposures	-	-
	Capital and total exposure measure		

23	**Tier 1 capital**	**822,605**	**808,564**
24	**Total exposure measure**	**11,426,475**	**12,440,129**
	Leverage ratio		
25	Leverage ratio	7.20%	6.50%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	7.20%	6.50%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	7.20%	6.50%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU-26b	of which: to be made up of CET1 capital	0.00%	0.00%
27	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
	Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	-	-
	Disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	-	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	4,043,531	4,717,589
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7,382,944	7,722,540
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7,382,944	7,722,540
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	11.14%	10.47%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	11.14%	10.47%

Template 11 below provides the split-up of the Company's on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) as at 31 October 2022 and as at 31 October 2021.

Template 11 - EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

31 October (US$ in thousands)		**CRR Leverage Ratio Exposures**	
		2022	2021
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**6,948,036**	**7,029,708**
EU-2	Trading book exposures	838,310	460,695
EU-3	Banking book exposures, of which:	6,109,726	6,569,013
EU-4	Covered bonds	37,712	-
EU-5	Exposures treated as sovereigns	5,162,439	5,690,254
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	-	-
EU-7	Institutions	282,917	436,484
EU-8	Secured by mortgages of immovable properties		
EU-9	Retail exposures		
EU-10	Corporates	403,234	338,998
EU-11	Exposures in default	-	-
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	223,424	103,277

Return on assets

The return on assets of the Company for the financial year ended 31 October 2022 was 0.18% (31 October 2021: 0.16%).

Corporate Governance

The Corporate Governance Framework (the "Framework") sets out the leadership, direction and control of the Company. The Framework reflects best practice standards, regulatory guidelines and statutory obligations and ensures that organisation and control arrangements are appropriate for the governance of the Company's strategy, operations and the mitigation of related material risks.

The Company considers the Board of Directors (the "Board") to be the management body for the purposes of these Pillar III disclosures. The names of directors as at 31 October 2022 are listed below along with the number of non BMO Group directorships held by each of them in addition to the Company directorship at the date of this disclosure:

Brian Hayes	3
Michelle Liposky	0
John McCormick	1
Jane Anne Negi	1
Roslyn O'Shea	2
Noel Reynolds	0
William Smith	2

The Company strives to maintain appropriate levels of knowledge, expertise, skill and diversity on the Board. In reviewing the Board's composition, the Nomination Committee will consider the benefits of having a broad range of views, experiences, skills, backgrounds and values represented on the Board. To support this, the Nomination Committee will, when identifying and nominating candidates to recommend for appointment to the Board:

- consider only candidates who are highly qualified based on their experience, functional expertise, and personal skills and other qualities of Directors.
- consider diversity criteria including gender, age, nationality, ethnicity and background.
- where appropriate, in addition to its own search, engage qualified independent external advisors to conduct a search for candidates that meet the Board skills and diversity criteria to help achieve its diversity aspirations.

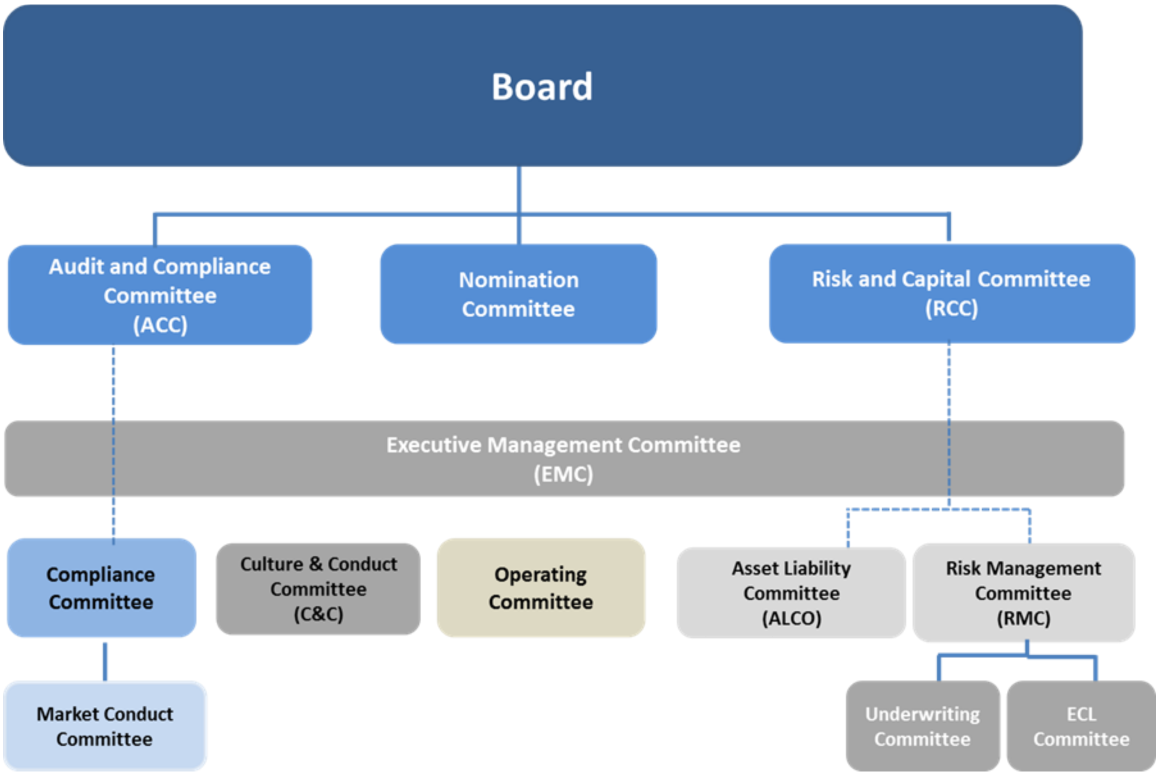
The Board Appointment Policy sets out the policy for appointments to the Board. The Board Suitability Policy ensures the suitability of all members of the Board, senior management and other "key function holders". The Board Suitability Policy is aligned with the Company's overall corporate governance framework, corporate culture and risk appetite. The Board Suitability Policy also establishes the process for the ongoing assessment of the individual and collective knowledge, skills and experience of the Board as well as the good repute, honesty and integrity, and independence of mind of its members. It also sets out the expectation that directors commit sufficient time to discharging their duties and that appropriate induction and training regimes are established to ensure the initial and ongoing suitability of Board members. All Board appointments will be made on merit, judged against a set of objective criteria with regard to the requirement for diversity on the Board.

The Board Diversity Policy applies to the recruitment of all directors of the Board. The Board believes that a board made up of highly qualified directors from diverse backgrounds who reflect the changing population demographics of the markets in which the Company operates, the talent available with the required expertise and the Company's evolving customer and employee base, promotes better corporate governance. The Board aspires to have a Board composition in which each gender comprises at least one-third. Currently 43 percent of the Board is female.

The Board is responsible for setting, approving and overseeing the Company's risk strategy and risk appetite, ensuring that it is aligned to the Company's strategic, capital and financial plans and remuneration practices. It is the responsibility of the Board to ensure that the Company's Risk Management function is properly resourced and carry out their responsibilities independently, objectively and efficiently. The Board met nine times in the 2022 financial year.

Governance and committee structure

The Governance and committee structure in place during the 2022 financial year is depicted below:



In order to ensure all material risks are being appropriately monitored and managed the Board reviews the charters and mandates for the Company's Committees on an annual basis to ensure that the Committees in place remain fit for purpose in line with business environment developments.

The Audit and Compliance Committee ("ACC") is responsible for assisting the Board in fulfilling its oversight responsibility for the integrity of the Company's financial reporting, the effectiveness of internal controls, the performance of its corporate audit and independent audit functions, the independent auditor's qualifications and independence, the Company's compliance with legal and regulatory requirements, transactions involving related parties, conflicts of interest and confidential information, and standards of business conduct and ethics. The ACC met five times in the 2022 financial year.

The Risk and Capital Committee ("RCC") is responsible for assisting the Board in fulfilling its responsibilities for oversight of the Company's risk management framework, including the policies and processes used to manage credit, market, capital management, funding and liquidity, operational non-financial and other relevant risks; and the Company's management of those risks. The RCC also advises the Board on the Company's risk appetite for future strategy (taking account of the Board's overall risk appetite), the Company's current capital position and the Company's capacity to manage and control risks within the agreed strategy. The RCC met six times in the 2022 financial year.

The RCC delegates responsibility for the monitoring and management of specific risks to management committees accountable to it. These management committees are the Risk Management Committee and the Asset and Liability Committee. The mandates for each of these management committees are reviewed regularly by the Executive Management Committee.

In the event of any perceived overlap between the ACC and the RCC, the respective committee chairs agree the most appropriate committee to consider the matter, or the chairs shall agree to hold a joint meeting of the two committees. The RCC & ACC did not meet jointly in the 2022 financial year.

The Nomination Committee is responsible for leading the process for appointments to the Board, ensuring the existence of a formal and transparent policy for the appointment of new directors and that a robust fitness and probity framework is in place. The Nomination Committee is also responsible for reviewing the current structure, size, composition and performance of the Board and each of its committees. The Nomination Committee shall, annually, perform a Board collective suitability assessment to ensure that the Board possesses adequate knowledge, skills and experience to be able to understand the Company's activities, including the main risks to its business. The Nomination Committee is also responsible for performing an annual assessment of the continued independence of the Company's Independent Non-Executive Directors ("INEDs"). The Nomination Committee met two times in the 2022 financial year.

The Executive Management Committee ("EMC") is the senior management committee, responsible for overseeing the day-to-day operations and control of the business of the Company in line with implemented policies and procedures. On a monthly basis, the EMC reviews the Company's business performance delivery against plans, new business opportunities, ensuring consistency with the Company's strategic goals, operating plans and values, and receives reports from the Company's Chief Financial Officer, Chief Risk Officer, Chief Operations Officer, Corporate Treasurer and Chief Compliance Officer.

The Risk Management Committee ("RMC") is accountable for oversight and governance of risks impacting the Company, including the major risk categories, credit, market, liquidity, operational non-financial and business risk. The RMC supports the RCC in fulfilling its responsibilities as set out in the RCC charter. The RMC accomplishes this by ensuring that material risks arising from Company's operations are appropriately identified, managed, measured, monitored and reported. The RMC meets at least ten times a year according to its mandate.

The Asset and Liability Committee ("ALCO") is responsible for assisting the EMC and RCC in fulfilling its oversight responsibilities with regard to the Company's balance sheet management including the policies and processes used to manage funding and liquidity, capital management, risks impacting those financial resources and controls to mitigate those risks. The ALCO meets monthly.

The Compliance Committee ("CC") is accountable for oversight and governance of compliance risk impacting the Company. The CC operates under delegated authority from the ACC and supports the ACC in fulfilling its responsibilities as set out in the ACC charter. The CC accomplishes this by ensuring that compliance risks arising from the Company's operations are appropriately identified, managed, measured, monitored and reported in line with the Company Compliance Framework. The CC meets monthly.

The Operating Committee ("OpCo") has been charged by the EMC to provide oversight in relation to Operations, Information Technology/Information Security, Outsourcing, Facilities and Business Continuity as well as the Company's Policy & Procedures Frameworks. The OpCo meets every two months.

The Culture & Conduct Committee ("C&C") has been charged by the EMC to provide oversight in relation to culture broadly and conduct issues specifically within the Company. The C&C meets quarterly.

There are a number of Management Committee sub-committees in the Company:

- The Market Conduct Committee reports into the CC to address any market conduct risk issues that arise within the Company.
- The Expected Credit Loss ("ECL") Committee is a committee chaired by the Chief Risk Officer, reporting to the RMC which meets at least on a quarterly basis to consider the appropriateness of the IFRS 9/ECL allowances which are included in the Company's financial reporting.
- The Frequent Borrower Underwriting Committee is chaired by the Head of Global Markets, reporting to the RMC and is mandated to consider and make final determinations with respect to all proposals for the Company to enter into bond underwriting commitments.

Biographies of Board Members

The Company recognises the importance of a Board with the appropriate balance of skills, experience and diversity, and the composition of the Board is reviewed annually by the Board Nominations Committee. The skills and experience of the directors who held office during the 2022 financial year and the relevance for the Board are detailed below.

Brian Hayes Independent Non-Executive Director
Brian Hayes joined the Board on 21 August 2015 as an Independent Non-Executive Director of the Company. Brian is the current Chair of the Board, appointed on 20 June 2019 and the former Chair of the Risk & Capital Committee. Brian is currently a member of the Risk & Capital Committee and the Nomination Committee. Brian is a former member of the Audit & Compliance Committee.

Brian has significant experience in executive and non-executive functions at senior level over his career in financial services and in business. He was formerly a Managing Director and Board Director of Citibank Europe plc, was on the executive management committee and had a range of senior leadership positions. He was also Chair of an FS Governance, Risk and Compliance Technology Centre, Chair of a University Educational Trust and Chair of a payment technology solutions company. He is an Independent Non-Executive Director on Booking Holdings Financial Services Limited, an Independent Non-Executive Director and Board Chair of Booking Holdings Financial Services International Limited and an Executive Director of RDIL Limited. He is also a mentor to companies in Ireland.

Brian has worked as a Treasury/Capital markets executive originating and distributing debt instruments including CP, MTNs and structured financial engineering/structured products while at Citi, as well as being a lending officer and working on advisory mandates with customers. He has also led a transaction services business and the set-up of an FS innovation lab and its associated governance.

Brian has an M.Sc. in Investment and Treasury (MIT) Hons, from DCU and has also lectured part-time on this program to industry practitioners for 2 years. This academic training covered inter alia Capital markets, Fixed Income and Derivatives and pricing models, Corporate Finance, Portfolio Management / Asset Management and the associated derivative products and well as Real Estate Valuation and Management.

Brian's key skills and experience include Governance, Strategy, Treasury and Capital Markets, Compliance, Funding and Liquidity Management, Risk Management, Operations and Executive Management Oversight.

Michelle Liposky Non-Executive Director
Michelle (Shelly) Liposky joined the Board on 5 April 2019 as a Non-Executive Director of the Company. Shelly is a member of the Risk & Capital Committee and the Audit & Compliance Committee.

Shelly is a Managing Director in BMO Capital Markets where she leads a global team responsible for the first line of defence including AML, Business Unit Compliance, Operational Risk, Continuity & Crisis Management and Algorithm Risk. The mandate includes preventing loss due to failure in process, people and systems and ensuring the execution of trading and investment banking businesses in compliance with applicable regulations.

In addition, she is focused on integrating data with machine learning and AI to enhance the way we work and make decisions and to focus on real versus perceived risk. She leverages similar technology applied in a different way to design process and organisational efficiencies, influencing across the organisation.

Previously, Shelly was the COO for US Trading Products where she was responsible for working across businesses and corporate areas on initiatives including the sale of GKST, US liquidity and funding reporting, funding and balance sheet management operating model, and Fed remediation.

Shelly has 25+ years of experience across industries, most recently as a COO at Barclays with global responsibility across Capital Markets and Wealth businesses. She has a unique blend of experience in sell-side M&A, corporate infrastructure, Risk and in leading large scale regulatory, business and M&A transformations, including the integration of Lehman Brothers, sale of Barclays Global Investors, and efficiency initiatives such as offshoring and vendor consolidation.

Shelly earned an MBA from Columbia Business School, an MS from Johns Hopkins University, and a BS from Penn State University. She holds FINRA Series 7 and 63 licences.

Shelly's key skills and experience includes Capital Markets, Governance, Strategy, Compliance, Risk Management, Financial Services Regulation, Operations and Executive Management Oversight.

John McCormick Independent Non-Executive Director
John McCormick joined the Board on 4 September 2019 as an Independent Non-Executive Director of the Company. John was appointed Chair of the Risk & Capital Committee on 20 November 2019. John is also a member of the Audit & Compliance Committee and the Nomination Committee.

John joined the board of the National Treasury Management Agency, Ireland in December 2022 where he is a member of the Audit and Risk Committee. Previously, John served as an Independent Non-Executive Director of National Bank of Greece where he chaired the Remuneration & Human Resources committee and was a member of the Strategy & Transformation committee and the Ethics & Culture committee. John also served as the Senior Independent Director and Chair of the Audit Committee of Lombard Risk Management plc.

John was conferred with the Certified Bank Director designation from the Institute of Banking in Ireland in 2020 and elected as a Fellow of the Institute of Banking in Ireland in 2021 in recognition of services to banking in Ireland and globally.

John is the former Chairman of Royal Bank of Scotland Group (RBS) plc Asia Pacific and its former CEO of Global Banking & Markets. During a 35 year banking executive career, John led businesses across multiple global and regional banking platforms including - retail, commercial and wholesale banking; investment banking, wealth management & private banking; merchant banking; trust and leasing companies. John lived and operated in Europe, USA, Asia Pacific & Middle East. John possesses deep Asia Pacific experience in Hong Kong, Greater China, Japan, Australia, India, Singapore and Southeast Asia. John oversaw the RBS APAC retail banking business with operations in 10 countries. John developed his wealth and asset management experience when serving on the Coutts & Co Executive Committee as Treasurer of the UK domestic and international private banking.

John is a co-founder and partner at DMC Coaching LLP. John mentors and supports CEOs and board members in the UK, Ireland, USA and Middle East across a range of sectors including financial services, public sector and FMCG.

John is a lay trustee for the Congregation of Josephites, a charity based in the UK.

John's key skills and experience includes Capital Markets, Corporate Governance, Strategy development and execution, Compliance, Risk Management, Capital, Funding and Liquidity Management, Financial Services Regulation, Operations and Executive Management Performance Management and Leadership Development.

Jane Anne Negi Executive Director
Jane Anne Negi joined the Board on 24 May 2019 as an Executive Director of the Company and was appointed Chief Executive Officer of the Company on 18 September 2020 having previously been Deputy Chief Executive Officer of the Company.

Jane Anne previously worked as BMO Head of Strategic Initiatives EMEA where she was responsible for providing strategic and operational leadership on key governance and business initiatives. Jane Anne was responsible for the planning and execution of BMO's Brexit strategy.

Jane Anne has 25+ years of financial services experience, and has provided leadership and coordination for major business, legal and regulatory projects at several multinational banking institutions. She has held positions of responsibility on boards and both board and senior management committees where she has been responsible for developing and overseeing the execution of the business strategy and providing strong leadership and management.

Jane Anne is a qualified lawyer and has extensive experience of providing specialist technical advice on a variety of capital markets and banking transactions, including FICC, Equities, Structured Products and Corporate Lending and Investment Banking.

Jane Anne's key skills and experience includes Capital Markets, Governance, Strategy, Compliance, Risk Management, Financial Services Regulation, Operations and Executive Management Oversight.

Roslyn O'Shea Independent Non-Executive Director

Roslyn ("Ros") O'Shea joined the Board on 31 May 2017 as an Independent Non-Executive Director of the Company. Ros is the current Chair of the Audit & Compliance Committee, a member of the Risk & Capital Committee and also chairs the Nomination Committee.

Ros joined the Board to enhance the Company's collective cultural development, compliance and governance skills, knowledge and experience. Ros was previously Head of Compliance and Ethics at CRH plc with responsibility for all aspects of Group compliance including the design, delivery and embedding of the Group compliance programme. Ros reported to the Audit Committee Chair and was an advisor to the Board on all aspects of corporate reputation and business ethics. She implemented a change management programme across Europe, the US and Asia, incorporating Business Conduct, Anti-Corruption, Anti-Fraud and Competition Law modules with related training for over 40,000 employees worldwide.

Ros also lectures on governance and business ethics for the UCD Smurfit Graduate School of Business and the Institute of Banking. At UCD, she lectures on the Professional Diploma in Corporate Governance and in particular delivers the "Role of the Board and Culture and the Board" module. Since joining the Board Ros has been conferred with the Certified Bank Director designation from the Institute of Banking.

She is a partner in Board Excellence Ltd., a consulting firm providing governance services, including board evaluations and governance training to clients in the private, public and the not-for-profit sectors. Ros also sits on the boards of BlackRock's funds in Ireland. Previously Ros was a trustee of Pieta House where she chaired the Risk, Audit & Finance committee, a Director of the Food Safety Authority of Ireland and the Royal Eye & Ear Hospital and also chaired the PwC Ireland Alumni Association. Through her directorships, not-for-profit and consulting work, Ros has gained significant knowledge of governance best practices, the oversight of Executive Management, risk and reputation management and has developed a strong understanding of regulatory frameworks. Ros is also author of the book "Leading with Integrity – a Practical Guide to Business Ethics".

Ros's key skills and experience includes Governance, Internal Audit, Strategy, Compliance, Risk Management, Financial, Culture, Conduct and Executive Management Oversight.

Noel Reynolds Executive Director

Noel Reynolds joined the Board on 1 October 2015 as an Executive Director and Chief Financial Officer of the Company.

Before joining the Company, Noel was Chief Financial Officer and Executive Director with DEPFA BANK plc and prior to that he held a number of senior financial management positions in the DEPFA Group including Chief Operations Officer and Executive Director of DEPFA ACS BANK. He is a qualified accountant with over 20 years of banking experience at Board and senior management level. Noel is a Fellow of the Association of Chartered Certified Accountants, a member of the Institute of Banking and the Institute of Directors and is a Chartered Director since September 2014.

Noel has a comprehensive knowledge of financial reporting, management reporting, regulatory reporting, taxation and compliance. Through his positions on various boards he has a strong understanding of governance and ensuring effective frameworks for financial institutions.

As the Company's Chief Financial Officer, Noel is one of the senior executive responsible for developing the Company's strategy. He has a very good understanding of governance, strategic development and the management of financial and reputation risk.

Having also previously held the position of Chief Operating Officer for the Company, Noel has significant experience of managing operational and settlement risk within the Company. Noel also had oversight over the Company's Outsourcing Framework and has a good understanding of managing outsourcing risk. He understands the Company's operations and, through his previous role as Chief Operating Officer of DEPFA BANK, has strong operations experience.

Noel's key skills and experience includes Capital Markets, Governance, Internal Audit, Strategy, Compliance, Financial, Capital, Risk Management, Funding and Liquidity Management, Technology and Operations.

William Smith Non-Executive Director
William ("Bill") Smith joined the Board on 23 May 2011 as a Non-Executive Director of the Company and is a former Chair of the Board. Bill is also a member and former Chair of the Nomination Committee.

Bill is currently MD & Head of International BMO Capital Markets which includes the EMEA and Asia regions. He is on the BMO CM Performance Management Committee, is Chair of BMO ChinaCo and maintains governance accountability for EMEA.

In his role as Head of International, Bill is responsible for BMO Group's businesses in the EMEA and Asia regions. He has overall responsibility for the delivery of the International Capital Markets strategy and, in his role on the Board, oversight of the execution of the Company's strategy. In the delivery of the EMEA Capital Markets strategy, he has a strong understanding of the various lines of business and the strategic importance of the Company.

Bill has sat on the boards of BMO's material European subsidiaries since 2011, gaining valuable governance and strategic experience. As Head of EMEA, Bill is responsible for overseeing the European senior management. Bill is the Chief Executive Officer of BMO Capital Markets Limited (UK Broker-Dealer regulated by the FCA) and the Chair of the London Branch Executive Committee, the management committee responsible for the oversight of Bank of Montreal, London Branch (regulated by the FCA and PRA).

In his role as Head of International he is also responsible for the oversight of the Company's senior management, including the CEO.

Prior to his current appointment, Bill was Head of Investment and Corporate Banking in London where he was responsible for a wide range of transactions in the EMEA region including M&A, strategic advisory, credit, equity and debt financing. He oversaw a team of 13 professionals responsible for business origination and execution. He has a detailed knowledge of trading products, corporate lending and investment banking.

Before joining BMO Capital Markets, Bill gained 17 years of investment banking experience working in London, Toronto and Tokyo for Royal Bank of Canada and Bayerische Hypo und Vereinsbank AG. On the trading products side, this work included fixed income, derivatives, foreign exchange and credit. In relation to investment banking and corporate lending, Bill was responsible for the origination and execution of mergers & acquisitions, advisory, equity and debt finance products to corporate and government clients. During this time, he also gained an excellent understanding of financial regulation and capital, funding and liquidity management.

Through his executive roles and his knowledge of BMO's business, Bill has a significant experience of managing strategic, market, credit and reputation risk.

Bill's key skills and experience include Capital Markets, Governance, Strategy, Compliance, Financial, Capital, Funding and Liquidity Management, Financial Services Regulation and Executive Management Oversight.

Risk Governance

Overall risk profile associated with the business strategy

As the BMO Group's only fully licenced bank in Europe, the Company uniquely holds passporting rights to do business in all jurisdictions across the European Economic Area ("EEA"). As such, the Company is an integral part of the BMO Group's strategic and operating infrastructure, acting as the BMO Capital Markets ("BMO CM") European client serving platform. The Company transacts on its own account, and within its own risk appetite, with local and franchise clients and counterparties in Europe, North America and Asia on a wide range of Global Markets ("GM") and Corporate Banking ("CB") products.

As a licenced bank regulated by the CBI, the Company also has full access to the Eurosystem standing facilities and is therefore also uniquely placed within the BMO Group to perform Euro-area funding and liquidity management.

Products traded within GM include:
- Interest Rate Swaps, Interest Rate Caps, Cross Currency Swaps and Commodity Swaps
- Debt Capital Markets
- Cash Bonds
- Global FX Products
- Repo and Asset Management
- Cash Equities
- Equity Finance
- Equity Total Return Swaps
- Index Arbitrage
- Third party Deposits

CB provides lending facilities (bilateral and as part of a syndicate) to BMO Group clients and their European subsidiaries to build on client relationships and enhance local income. The Company's client-side derivative activity linked to its lending portfolio represents a development of synergies between GM and CB client coverage. CB clients tend to be global borrowers primarily domiciled within the EEA. Such clients are sourced organically by the Company as well as through existing BMO Group relationships and are primarily large corporate sector and private equity clients (or their subsidiaries/affiliates) which meet the Company's strategic and credit criteria.

The Board ensures that the Company's business strategy is supported by a sound risk strategy and an effective risk management framework that is appropriate to the nature, scale, complexity and risk profile of its activities.

The Board reviews the Company's Risk Appetite Statement ("RAS") in parallel with the annual business strategy and Risk Materiality Assessment ("RMA") updates to ensure that it is aligned to the business strategy and that all material risks were adequately represented. Both the internal economic and regulatory normative perspectives of risk capacity are considered as part of this review.

The overall low risk profile of the Company is captured through key metrics contained in the RAS which is reviewed quarterly by the Board. Red/Amber/Green thresholds are defined for each metric, in line with the Risk Appetite, to allow easy identification of elevated risk and for management actions to be implemented if required.

Key metrics in the RAS ensure that:

- The Company is well capitalised. The CET1 Capital ratio which provides a measurement of Tier 1 Capital in relation to total risk weighted assets, remains well above minimum thresholds. The 'economic capital under stress' measure, representing CET1 Capital in relation to the aggregated total risk position in times of stress, remains well above minimum thresholds.
- The Company remains well-funded. The Liquidity Coverage Ratio, representing the minimum liquidity requirements as set by the CBI, remains comfortably above minimum thresholds.
- The Company is not exposed to significant Market risk. It's Value at Risk ("VaR") measure, quantifying the loss that will not be exceeded based on a defined confidence level (99%) and a specific time period (1 day), remains low.

- The Company is not exposed to significant levels of Credit risk. Daily monitoring of exposures against approved limits, combined with daily collateral margin calls significantly mitigate counterparty credit risk. The Pillar 2 assessment of Credit risk, represented through the holding of risk capital, remains well within thresholds.
- The Company is not exposed to significant levels of Operational Non-Financial risk. Operational Non-Financial risk is measured using various inputs that include the ongoing consideration of the business environment and internal control framework, that includes examination of significant operational non-financial risk events and related root causes.

Additional quantitative and qualitative metrics set apprentice for other risks including regulatory, conduct and business / strategic risks.

Risk management

The Company's risk governance structure is set out in the Governance and Committee Structure described in the Corporate Governance section above.

The Company's Risk Management function is led by the Chief Risk Officer ("CRO") and operates under a clearly defined mandate, approved by the Board. The CRO reports directly to the Company's Chief Executive Officer and functionally to the BMO Group CRO EMEA. The CRO is accountable for the execution of the function's mandate and as such for prudent management of the Company's risks. The CRO is a member of the Company's management team and is the chair of the RMC. The CRO informs and advises the RCC and the Board periodically and as deemed necessary on risk-related topics and has direct access to the Chair of the Board.

Within the larger organisational governance framework, the RMC has a mandate to review all relevant risk related matters and decide on an appropriate course of action if required/within its remit. The Committee is chaired by the CRO or delegate and meets at least ten times annually. The RCC is the most senior decision body on risk management related matters prior to the Board and is informed by the CRO through a CRO Report, RAS Suitability Report and detailed Risk Reports covering all key risk areas. The Chair of the RCC provides updates to the Board on a quarterly basis.

Reporting to the CRO are specialist risk managers covering each major risk type – Credit, Market and Liquidity, Operational Non-Financial and Model Risk. The Risk Management function is part of a broader European Risk footprint under the leadership of the BMO Group CRO EMEA.

Risk framework and culture

The Board is responsible for setting the risk appetite for the Company and ensuring it is consistent with the business strategy and risk capacity of the Company and also consistent with that of the BMO Group. Each year an RMA is performed which informs the selection and calibration of the RAS metrics and their thresholds. Limits and Key Risk Indicators ("KRIs") are set to ensure that risks remain within the defined risk appetite tolerance and that the Board and senior management are aware of the risk profile.

Actions to be taken when stated risk limits are breached, including escalation procedures and Board notification, are codified in the Risk Appetite Framework ("RAF"). Communication and education about the risk management framework and the development of skilled, professional risk managers helps to create a strong and appropriate risk culture within the Company.

Underpinning all aspects of the Company's strategy and operations is the promotion of a culture of integrity and high ethical standards aimed at sustaining a strong self-governing culture based on the BMO Group's code of conduct and core values. The Company fosters an atmosphere where employees are comfortable with providing effective challenge and the self-identification of potential/actual issues and take proactive action to mitigate risk. The Company's RAS has overarching qualitative statements on Culture and Conduct as well as on Environmental, Social and Governance ("ESG").

In addition, remuneration systems are designed to promote strong performance, embed acceptable risk-taking behaviour and reinforce the Company's operating and risk culture. The Board has overall responsibility for governance and corporate culture.

Risk profile and business strategy

The Company's business strategy stems from the following four overarching objectives:

- Client loyalty and growth
- Winning culture
- Capability
- Superior management of risk and capital performance.

The Company's Risk Management Framework is the framework through which the Board and senior management help to guide its strategy; articulate and monitor adherence to risk appetite and risk limits; and identify, measure and manage risks. The Risk Management Framework establishes the principles and standards, control structures and processes for managing and controlling risk to the Company's earnings, capital, liquidity and reputation arising from all activities.

The Risk Management Framework sets out the Company's:

- Risk culture
- Risk governance principles
- Risk governance structure
- Three lines of defence
- Risk management processes

The RAF is a key component of aligning overall corporate strategy, capital allocation, and risk.

Risk Appetite Statement and Dashboard

The RAS is the articulation of the aggregate level and types of risk that the Company is willing to accept to achieve its business objectives. It includes key strategic goals, guiding principles, risk appetite qualitative statements as well as key risk metrics and limits (three-year horizon) reported in a Risk Appetite Dashboard. Risk appetite metrics and limits are quantitative measures expressed relative to earnings, capital, liquidity or other relevant risk measures that are established as part of the RAS.

Risk tolerance thresholds are established for key risk metrics. The Risk Appetite Dashboard provides an easily understood, consistent and efficient way of communicating, monitoring and tracking the risk profile against the approved RAS on an ongoing basis.

Establishing Risk Appetite Statements and Risk Appetite Dashboards is an iterative and evolutionary process that requires integration with, and linkage to, the Company's Risk Materiality Assessment, strategic planning, capital, liquidity and financial planning processes. The RAS is reviewed and approved at least annually by the Board.

Stress testing

The Company applies a forward-looking risk management approach utilising stress testing to identify potential vulnerabilities, thus allowing the Company to take pre-emptive steps and adjust its business strategy, risk strategy and risk appetite as necessary. The Stress Testing Programme ("STP") comprehensively describes the scope of stress testing and the associated infrastructure, processes and governance.

At the heart of the Company's STP is the Enterprise-wide Stress Test ("EWST"). This is a systemic scenario stress test conducted across risk types that examines the impact of severe (remote but plausible) scenarios on the Company's exposures and profitability. It is used in:

- Determining the stress impact on the Company's capital and liquidity.
- Identifying potential vulnerabilities and to allow for timely mitigating actions.
- Assessing if the scenarios continue to be fit for purpose in the longer term.

Results of these stress tests are reviewed quarterly by the RCC. In addition, the results of daily market and liquidity stress tests, including stressed VaR and hypothetical stress scenarios, are managed within the Company risk limit framework.

Risk systems

The Company leverages the BMO Group systems for the provision of risk metrics. All services provided by the BMO Group are managed via Service Level Agreements ("SLAs") which are monitored and assessed on an ongoing basis.

Roles & accountabilities

All employees, through their individual roles and accountabilities, contribute to maintaining an effective risk management framework and are required to be aware of and adhere to the relevant procedures and controls as set out in the Risk Management Corporate Policy.

The Company employs the three lines of defence operating model:

- The first Line of defence includes the Lines of Business who own the risks which are created in pursuit of their mandates and are responsible for ensuring these risks are within the Company's risk appetite, and for appropriately assessing and effectively managing all of these risks to ensure they comply with and operate within limits. Corporate Support Areas may, when not acting as the second line of defence, be the first line of defence for risks inherent in or generated by the pursuit of their mandate.
- The second line of defence is provided by the Company's Chief Risk Officer and the Risk Management Function along with other Corporate Support Areas. These groups provide independent oversight, effective challenge and independent assessment of risk and risk-taking activities to ensure compliance and effective risk management. They establish corporate risk management policies, infrastructure, processes and practices that address all significant risks across the Company.
- The third line of defence is Corporate Audit, which monitors the efficiency and effectiveness of the Company's internal controls, risk management systems and processes, including the first and second lines of defence, and the risk governance framework, thereby helping the Board and senior management protect the Company and its reputation.

Monitoring & reporting of risks

Risk identification, monitoring and reporting requirements are articulated within applicable corporate policies, corporate standards and operating procedures. This ensures risk transparency at multiple levels – individual, aggregate and collective risks – and reporting to multiple stakeholders including management and risk committees, in alignment with first and second line of defence requirements. The Company's monitoring and reporting activities cover all risk types (including Market, Credit, Liquidity & Funding and Operational) and include the following:

- Daily risk reporting against approved limits and approved product lists.
- Daily reporting on large exposures within regulatory guidelines.
- Monthly reporting to the RMC highlighting any material risk issues.
- Quarterly reports provided to the RCC and the Board detailing key risk updates, emerging risks and trends and key risk metrics against Board approved thresholds.
- Risk and control assessments to assess the impact of the business environment and internal control effectiveness on risk profile.
- A new product approval process which includes due diligence and sign off by all relevant functions and businesses in the first and second lines of defence.

Declaration by the management body on the adequacy of risk management arrangements

The Board is satisfied that the Company's risk management arrangements are adequate and aligned to the Company's objectives, the risk management strategy and commensurate with the Company's risk appetite and current risk profile.

Credit risk

Credit risk is the potential for loss due to the failure of a borrower, endorser, guarantor, obligor or counterparty to repay a loan or honour another pre-determined financial obligation (also known as counterparty risk). The definition also includes Credit Valuation Adjustment ("CVA") which covers losses from derivatives mark-to market. Sub-categories of Credit risk include but are not limited to Country risk, Loan Loss risk, Replacement risk and Settlement risk.

The Company's Credit Risk Management Framework operates under the three lines of defence operating model approach to manage Credit risk:

- As the first Line of Defence, Lines of Business under delegated limits, are accountable for a) recommending credit decisions based on the completion of appropriate due diligence on an entity/connection and they assume ownership of the risk and b) assessing whether credit assets are impaired or where there has been a significant increase in Credit risk.
- As the second Line of Defence, the Risk Management function under delegated limits, approves credit decisions and are a) accountable for providing independent oversight of the risks assumed by the Lines of Business and b) assessing the identification of the indicators for impairment or where there has been a significant increase in Credit risk.
- As the third Line of Defence, Corporate Audit reviews and tests management processes and controls and samples credit transactions for adherence to credit terms and conditions, as well as to governing policies, standards and procedures.

Compliance is another second Line of Defence function and part of its responsibilities is to ensure identification of and compliance with regulatory requirements.

All Credit risks to which the Company is exposed are assessed, approved, monitored, managed and reported, including resulting country risk profile (for Global Markets this is performed daily, for Corporate Banking this is performed monthly). The most significant Credit risk in the Company arises from its "on-demand" and syndicate lending activities to corporates. Credit risk is mitigated via security arrangements, loan covenants and triggers, etc associated with each lending facility. Credit risk also arises through the use of cash placements and through the Company's debt security portfolio.

The Company manages and reports its Credit risk exposures under frameworks outlined in local policies as well as in the BMO Group Corporate Policies and Corporate Standards. Policies include limits, by counterparty/connection/country, to which the relevant lines of business must adhere. Any excesses or violations of limits are dealt with in line with the local policy and may lead to disciplinary action. Exposures are monitored against limit and reported daily.

The Company takes a prudent approach in granting credit to its customers and uses an effective grading system which is a) consistently applied; b) identifies differing risk characteristics; c) quantifies credit risk issues reliably and in a timely manner and d) prompts appropriate action.

Counterparty credit risk exposure ("CCR") arises from the Company's direct activity in derivatives and securities financing transactions ("SFT"). It is calculated in both the trading and non-trading books and is the risk that the counterparty to a transaction may default before completing the satisfactory settlement of the transaction. The Company includes CCR and CVA losses in its Credit Risk Stress Testing methodology.

Capital measurement approaches and capital standards for Credit risk are stated within CRR and CRD and details two approaches for the calculation of minimum regulatory capital requirements for Credit Risk:

- Standardised approach; and
- Internal Ratings Based ("IRB") approach.

The standardised approach involves the application of prescribed regulatory risk weights to credit exposures to calculate the capital requirements. The IRB approach allows banks, subject to the approval of their regulator, to use their internal credit risk measurement models combined, where appropriate, with regulatory rules (including regulatory floors or minimum values for certain model outputs), to calculate their regulatory capital requirements.

The Company uses the standardised approach for regulatory credit risk capital calculation purposes. Under the standardised approach, risk weightings for rated counterparties are determined on the basis of the external credit rating assigned to the counterparty. For non-rated counterparties and certain other types of exposure, regulatory-determined standardised risk weightings are used.

The Company uses Basel Advanced Internal Ratings Based ("AIRB") for the calculation of internal capital for credit and counterparty credit risk capital. The approach for CVA is detailed in the XVA section.

Wrong Way Risk ("WWR")

Wrong Way Risk ("WWR") is a type of risk that occurs when exposure to a counterparty is adversely correlated with the credit quality of that counterparty. With respect to Replacement risk, wrong-way risk occurs when the market rate factors underlying the Company's exposure to the counterparty, result in an increased exposure to the counterparty at the same time the counterparty's probability of default increases. Specific WWR arises when the exposure to a particular counterparty is positively correlated with the probability of default of the counterparty, due to the nature of the transactions with the counterparty. General WWR arises where the credit quality of the counterparty may, for non-specific reasons, correlate with a macroeconomic factor which also affects the value of the Company's exposure. The Company has mitigated its exposure to WWR through collateral agreements where appropriate.

Collateral held and other credit enhancements

The Company holds collateral against certain of its credit exposures, it mitigates the credit risk of derivatives, reverse sale-and-repurchase agreements and securities lending by entering into master netting agreements and holding collateral in the form of cash and marketable securities.

Derivative transactions are transacted on exchanges, with Central Clearing Counterparties ("CCPs") or entered into under International Swaps and Derivatives Association ("ISDA") master netting agreements. In general, under these agreements, in certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement with the counterparty are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions with the counterparty. The Company executes a credit support annex in conjunction with the ISDA agreement, which requires the Company and its counterparties to post collateral to mitigate counterparty credit risk. Margin is also posted daily in respect of derivatives transacted on exchanges and with CCPs. Certain derivatives are 'settled-to-market' daily, whereby the daily variation margin is a partial settlement of the outstanding derivative positions and the fair values of the derivatives are reduced accordingly.

The Company's sale-and-repurchase, and reverse sale-and-repurchase, transactions and securities borrowing, and lending are covered by master agreements with netting terms similar to those of ISDA master netting agreements.

Allowance for Credit Losses

Allowance on performing financial assets

The approach to establishing and maintaining the allowance on performing financial assets is based on the requirements of IFRS. Under the IFRS 9 Expected Credit Loss ("ECL") methodology, an allowance is recorded for ECL on financial assets regardless of whether there has been an actual impairment. The Company recognises a loss allowance at an amount equal to 12-month ECL, if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1). The Company recognises ECL over the remaining life of performing financial assets which are considered to have experienced a significant increase in credit risk (Stage 2).

An allowance is maintained in order to cover a significant increase in credit risk and/or impairment of financial assets that have not yet been individually identified. The determination of a significant increase in credit risk takes into account many different factors and varies by product and risk segment. The main factors considered in making this determination are credit judgement, relative changes in probability-weighted probability of default since origination and certain other criteria, such as 30-day past due and watchlist status.

For each exposure, ECL is a function of the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD"), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgment to reflect factors not captured in ECL models.

PD represents the likelihood that a loan will not be repaid and will go into default in either a 12-month horizon for Stage 1 or a lifetime horizon for Stage 2. The PD for each individual instrument is modelled based on historical data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions.

EAD is modelled on historical data and represents an estimate of the outstanding amount of credit exposure at the time a default may occur. For off-balance sheet and undrawn amounts, EAD includes an estimate of any further amounts to be drawn at the time of default.

LGD is the amount that may not be recovered in the event of default and is modelled based on historical data and reasonable and supportable information about future economic conditions, where appropriate. LGD takes into consideration the amount and quality of any collateral held.

The Company considers credit judgement to include past events, current market conditions and reasonable forward-looking supportable information about future economic conditions in calculating the amount of expected losses.

In assessing information about possible future economic conditions, multiple economic scenarios are utilised including a base case, representing, in the Company's view, the most probable outcome, as well as benign and adverse forecasts, all of which are developed by the BMO Group.

The ECL methodology also requires the use of experienced credit judgment to incorporate the estimated impact of factors that are not captured in the modelled ECL results.

Allowance on impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities carried at FVOCI are credit-impaired (Stage 3). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company considers a borrower to have defaulted where either or both of the following events have taken place:

- The Company considers the borrower is unlikely to pay its credit obligations in full, without recourse by the Company to actions such as realising security, if held.
- The financial assets are generally past due over 90 days.

Evidence that a financial asset is credit-impaired includes the following:

- Significant financial difficulty of the borrower or issuer.
- A breach of contract such as a default or past due event.
- The restructuring of a loan or advance by the BMO Group on terms that the Company would not consider otherwise.
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- The disappearance of an active market for a security because of financial difficulties.
- The granting of a concession by the lender due to the economic circumstances of the borrower.
- The existence of observable data which might include, for example, indicators of profitability and debt service capacity, assessment of future prospects for the obligor and/or any guarantor, and valuation of stabilised cash flow and country significant deterioration in debt service capacity, financial performance, net worth and future prospects, prospects for support from financially responsible guarantors, country risk and value of underlying collateral.
- Material deterioration in relevant macroeconomic or industry circumstances to an extent likely to threaten credit exposure recovery.
- The borrower requests forbearance.

- In the case of an exposure which requires refinancing for repayment, the absence of viable refinancing options or a change in circumstances resulting in high financing risk.
- In the case of an externally rated counterparty, a change in rating to B- or lower.
- In the case of an exposure which requires collateral realisation for recovery, a material change in the value of the collateral such that it is less than the value of the exposure. In the case of a default or evidence of impairment, when multiple loans have been advanced to a counterparty all loans to that counterparty will be assessed for objective evidence of impairment.
- The purchase or origination of a financial asset at a deep discount that reflects credit losses.
- The borrower's and/or guarantor's declared financial statement is false and the true position is unsatisfactory.
- Payments are contractually overdue.
- Authorisation has been obtained by due process to proceed with legal action to recover the loan.
- Any step has been taken for the purpose of realising on security.
- When none of the foregoing criteria apply but management believes there is no longer reasonable assurance of timely collectability of principal or interest.

Template 12 below sets out the Company's preforming and non-performing exposures and related provisions as at 31 October 2022 and as at 31 October 2021. Certain changes have been made to the comparative template to better align with the current year template presentation.

Template 12 - EU CR1: Performing and non-performing exposures and related provisions

31 October 2022 (US$ in thousands)		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	**Cash balances at central banks and other demand deposits**	**3,646,989**	**3,646,989**	**-**	**-**	**-**	**-**	**17**	**17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**4,226,542**	**4,163,427**	**63,115**	**-**	**-**	**-**	**1,443**	**251**	**1,192**	**-**	**-**	**-**	**-**	**-**	**-**
020	Central banks	21,149	21,149	-	-	-	-	1	1	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-			-	-	-	-	-	-	-
040	Credit institutions	2,413,670	2,413,670	-	-	-	-	70	70	-	-	-	-	-	-	-
050	Other financial corporations	1,546,498	1,546,498	-	-	-	-	47	47	-	-	-	-	-	-	-
060	Non-financial corporations	245,225	182,110	63,115	-	-	-	1,325	133	1,192	-	-	-	-	-	-
070	Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080	Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
090	**Debt securities**	**1,856,897**	**1,856,897**	**-**	**-**	**-**	**-**	**85**	**85**	**-**						
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	1,277,970	1,277,970	-	-	-	-	42	42	-	-	-	-	-	-	-
120	Credit institutions	506,636	506,636	-	-	-	-	40	40	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	72,291	72,291	-	-	-	-	3	3	-	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**445,600**	**428,406**	**17,194**	**-**	**-**	**-**	-	-	-	-	-	-	**-**	**-**	**-**
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-	-		-	-
180	Credit institutions	50,000	50,000	-	-	-	-	-	-	-	-	-	-		-	-
190	Other financial corporations	146,806	146,806	-	-	-	-	-	-	-	-	-	-		-	-
200	Non-financial corporations	248,794	231,600	17,194	-	-	-	-	-	-	-	-	-		-	-
210	Households	-	-	-	-	-	-	-	-	-	-	-	-		-	-
220	**Total**	**10,176,028**	**10,095,719**	**80,309**	**-**	**-**	**-**	**1,545**	**353**	**1,192**	**-**	**-**	**-**	-	-	-

31 October 2021		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
(US$ in thousands)		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	**Cash balances at central banks and other demand deposits**	**3,435,066**	**3,435,066**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-
010	**Loans and advances**	**4,032,107**	**4,029,666**	**2,441**		**-**	**-**	**535**	**518**	**17**	**-**	**-**	**-**	-	-	-
020	Central banks	258,460	258,460	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	1,874,347	1,874,347	-	-	-	-	13	13	-	-	-	-	-	-	-
050	Other financial corporations	1,639,921	1,639,921	-	-	-	-	332	332	-	-	-	-	-	-	-
060	Non-financial corporations	259,379	256,938	2,441	-	-	-	190	173	17			-	-	-	-
070	Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080	Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
090	**Debt securities**	**2,731,555**	**2,731,555**	**-**	**-**	**-**							**-**	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	1,140,472	1,140,472	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	1,542,236	1,542,236	-	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	48,847	48,847	-	-	-	-	-	-	-	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**529,194**	**521,618**	**7,576**	**-**	**-**	-	-	-	-	-	-	**-**	-	-	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-	-		-	-
180	Credit institutions	50,000	50,000	-	-	-	-	-	-	-	-	-	-		-	-
190	Other financial corporations	116,419	116,419	-	-	-	-	-	-	-	-	-	-		-	-
200	Non-financial corporations	362,775	355,199	7,576	-	-	-	-	-	-	-	-	-		-	-
210	Households	-	-	-	-	-	-	-	-	-	-	-	-		-	-
220	**Total**	**10,727,922**	**10,717,905**	**10,017**	**-**	**-**	**-**	**535**	**518**	**17**	**-**	**-**	**-**	**-**	**-**	**-**

Template 13 below sets out the Company's maturity prolife of its exposures as at 31 October 2022 and as at 31 October 2021.

Template 13 - EU CR1-A: Maturity of exposures

	31 October 202	**Net Exposure Value**					
	(US$ in thousands)	**On demand**	**< = 1 year**	**> 1 year < = 5 years**	**> 5 years**	**No stated maturity**	**Total**
1	Loans and advances	-	265,746	130,590	75,723	3,753,040	4,225,099
2	Debt securities	-		1,556,867	299,945	-	1,856,812
3	**Total**	**-**	**265,746**	**1,687,457**	**375,668**	**3,753,040**	**6,081,911**

	31 October 2021	Net Exposure Value					
	(US$ in thousands)	On demand	< = 1 year	> 1 year < = 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	-	704,122	149,900	-	3,178,085	4,032,107
2	Debt securities	-	770,598	1,442,117	518,734	-	2,731,449
3	**Total**	**-**	**1,474,720**	**1,592,017**	**518,734**	**3,178,085**	**6,763,556**

Template 14 below sets out the changes in the changes in the Company's stock of non-performing loans and advances during the 2022 financial year and the 2021 financial year.

Template 14 - EU CR2: Changes in the stock of non-performing loans and advances

	Financial year (US$ in thousands)	**Gross carrying value defaulted exposures 2022**	**Gross carrying value defaulted exposures 2021**
010	Initial stock of non-performing loans and advances	-	39,889
020	Inflows to non-performing portfolios	-	-
030	Outflows from non-performing portfolios	-	-
040	Outflows due to write-offs	-	-
050	Outflow due to other situations	-	(39,889)
060	**Final stock of non-performing loans and advances**	**-**	**-**

	Financial year (US$ in thousands)	Gross carrying value defaulted exposures 2021	Gross Carrying value defaulted exposures 2020
010	Initial stock of non-performing loans and advances	39,889	47,391
020	Inflows to non-performing portfolios	-	-
030	Outflows from non-performing portfolios	-	-
040	Outflows due to write-offs	-	-
050	Outflow due to other situations	(39,889)	(7,502)
060	**Final stock of non-performing loans and advances**	**-**	**39,889**

Template 15 below sets out the credit quality of the Company's performing and non-performing loans by past due days as at 31 October 2022 and as at 31 October 2021. Certain changes have been made to the comparative template to better align with the current year template presentation.

Template 15 - EU CQ3: Credit quality of performing and non-performing exposures by past due days

31 October 2022		Gross Carrying Amount/Nominal Amount											
		Performing exposures			Non-performing exposures								
(US$ in thousands)			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	**Cash balances at central banks and other demand deposits**	**3,646,989**	**3,646,989**										
010	**Loans and advances**	**4,226,542**	**4,226,542**	-	-	-	-	-	-	-	-	-	-
020	Central banks	21,149	21,149	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	2,413,670	2,413,670	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	1,546,498	1,546,498	-	-	-	-	-	-	-	-	-	-
060	Non-financial corporations	245,225	245,225	-	-	-	-	-	-	-	-	-	-
070	Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-
080	Households	-	-	-	-	-	-	-	-	-	-	-	-
090	**Debt securities**	**1,856,897**	**1,856,897**	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	1,277,970	1,277,970	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	506,636	506,636	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	72,291	72,291	-	-	-	-	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**445,600**			-								-
160	Central banks	-			-								-
170	General governments	-			-								-
180	Credit institutions	50,000			-								-
190	Other financial corporations	146,806			-								-
200	Non-financial corporations	248,794			-								-
210	Households	-			-								-
220	**Total**	**10,176,028**	**9,730,428**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

31 October 2021		Gross Carrying Amount/Nominal Amount											
		Performing exposures			Non-performing exposures								
(US$ in thousands)			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	**Cash balances at central banks and other demand deposits**	**3,435,066**	**3,435,066**	-	-	-	-	-	-	-	-	-	-
010	**Loans and advances**	**4,032,107**	**4,032,107**	-	-	-	-	-	-	-	-	-	-
020	Central banks	258,460	258,460	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	1,874,347	1,874,347	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	1,639,921	1,639,921	-	-	-	-	-	-	-	-	-	-
060	Non-financial corporations	259,379	259,379	-	-	-	-	-	-	-	-	-	-
070	Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-
080	Households	-	-	-	-	-	-	-	-	-	-	-	-
090	**Debt securities**	**2,731,555**	**2,731,555**	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	1,140,472	1,140,472	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	1,542,236	1,542,236	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	48,847	48,847	-	-	-	-	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**529,194**			-								-
160	Central banks	-			-								-
170	General governments	-			-								-
180	Credit institutions	50,000			-								-
190	Other financial corporations	116,419			-								-
200	Non-financial corporations	362,775			-								-
210	Households	-			-								-
220	**Total**	**10,727,922**	**10,198,728**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Template 16 below sets out the credit quality of the Company's loans and advances to non-financial corporations by industry as at 31 October 2022 and as at 31 October 2021.

Template 16 - EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

31 October 2022 (US$ in thousands)		Gross Carrying Amount				Accumulated Impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing				
				Of which defaulted	Of which loans and advances subject to impairment		
10	Agriculture, forestry and fishing	-	-	-	-	-	-
20	Mining and quarrying	52,657	-	-	-	19	-
30	Manufacturing	235,889	-	-	-	935	-
40	Electricity, gas, steam and air conditioning supply	64,910	-	-	-	91	-
50	Water supply	-	-	-	-	-	-
60	Construction	-	-	-	-	-	-
70	Wholesale and retail trade	42,851	-	-	-	220	-
80	Transport and storage	-	-	-	-	-	-
90	Accommodation and food service activities	-	-	-	-	-	-
100	Information and communication	3,003	-	-	-	1	-
110	Financial and insurance activities	233,897	-	-	-	23	-
120	Real estate activities	15,790	-	-	-	2	-
130	Professional, scientific and technical activities	-	-	-	-	-	-
140	Administrative and support service activities	-	-	-	-	-	-
150	Public administration and defence, compulsory social security	-	-	-	-	-	-
160	Education	-	-	-	-	-	-
170	Human health services and social work activities	-	-	-	-	-	-
180	Arts, entertainment and recreation	-	-	-	-	-	-
190	Other services	184,198	-	-	-	37	-
200	**Total**	**833,195**	**-**	**-**	**-**	**1,328**	**-**

31 October 2021 (US$ in thousands)		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non- performing exposures
			Of which non-performing				
				Of which defaulted	Of which loans and advances subject to impairment		
10	Agriculture, forestry and fishing	152,895	-	-	-	-	-
20	Mining and quarrying	196,556	-	-	-	79	-
30	Manufacturing	3,658	-	-	-	328	-
40	Electricity, gas, steam and air conditioning supply	-	-	-	-	-	-
50	Water supply	-	-	-	-	-	-
60	Construction	-	-	-	-	-	-
70	Wholesale and retail trade	19,723	-	-	-	20	-
80	Transport and storage	-	-	-	-	-	-
90	Accommodation and food service activities	-	-	-	-	-	-
100	Information and communication	15,605	-	-	-	3	-
110	Financial and insurance activities	336,224	-	-	-	68	-
120	Real estate activities	-	-	-	-	-	-
130	Professional, scientific and technical activities	-	-	-	-	-	-
140	Administrative and support service activities	-	-	-	-	-	-
150	Public administration and defence, compulsory social security	-	-	-	-	-	-
160	Education	-	-	-	-	-	-
170	Human health services and social work activities	-	-	-	-	-	-
180	Arts, entertainment and recreation	-	-	-	-	-	-
190	Other services	110,388	-	-	-	20	-
200	**Total**	**835,049**	**-**	**-**	**-**	**518**	**-**

Credit Risk Mitigation (“CRM”) techniques

CRM techniques used by the Company are listed below:

- Risk Appetite and Policy limits restrict exposure to lower rated counterparties.
- Use of collateral and guarantees as risk mitigants (product specific).
- Extensive credit risk framework.
- Capital at Risk limits (lending portfolio).
- Stress testing and scenario analysis to aid in the assessment of applicable limits.
- Monitoring and early warning indicators.

Template 17 below sets out an overview of the Company’s CRM techniques as at 31 October 2022 and as at 31 October 2021.

Template 17 - EU CR3 – CRM techniques – Overview

31 October 2022 (US$ in thousands)		**Unsecured carrying amount**	**Secured carrying amount**	**Of which secured by collateral**	**Of which secured by financial guarantees**	**Of which secured by credit derivatives**
1	Loans and advances	398,243	3,860,333	3,279,690	-	-
2	Debt securities	1,856,814	-	-	-	-
3	**Total**	**2,255,057**	**3,860,333**	**3,279,690**	-	-
4	Of which non-performing exposures	-	-	-	-	-
EU-5	Of which defaulted	-	-	-	-	-

31 October 2021 (us$ in thousands)		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
1	Loans and advances	311,250	3,720,851	3,224,871	-	-
2	Debt securities	2,731,449	-	-	-	-
3	**Total**	**3,042,699**	**3,720,851**	**3,224,871**	-	-
4	Of which non-performing exposures	-	-	-	-	-
EU-5	Of which defaulted	-	-	-	-	-

Template 18 below sets out an overview of the Company's use of the standardised approach – Credit risk exposure and CRM effects as at 31 October 2022 and as at 31 October 2021. Certain changes have been made to the comparative template to better align with the current year template presentation.

Template 18 - EU CR4 – Standardised approach – Credit risk exposure and CRM effects

31 October 2022 (US$ in thousands)		Exposures before CCF And Before CRM		Exposures Post CCF And Post CRM		RWA's and RWA's Density	
Exposure classes		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWA's	RWA's density (%)
1	Central governments or central banks	4,402,157	167,311	4,402,157	3,180	34,248	0.78%
2	Regional government or local authorities	-	-	-	-	-	-
3	Public sector entities	380,300	-	380,300	-	-	0.00%
4	Multilateral development banks	389,901	-	389,901	-	-	0.00%
5	International organisations	-	-	-	-	-	0.00%
6	Institutions	4,287,285	65,976	1,007,092	28,129	234,262	22.63%
7	Corporates	436,226	396,986	436,226	150,455	531,675	90.62%
8	Retail	-	-	-	-	-	-
9	Secured by mortgages on immovable property	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	37,712	-	37,712	-	-	-
13	Institutions and corporates with a short-term credit assessment		-	-	-	-	-
14	Collective investment undertakings		-	-	-	-	-
15	Equity	-	-	-	-		-
16	Other items	223,424	-	223,424	-	52,023	23.28%
17	Total	**10,157,005**	**630,273**	**6,876,812**	**181,764**	**852,208**	**12.07%**

31 October 2021 (US$ in thousands)		Exposures before CCF And Before CRM		Exposures Post CCF And Post CRM		RWA's and RWA's Density	
Exposure classes		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWA's	RWA's density (%)
1	Central governments or central banks	4,070,147	630,619	3,838,998	33,165	15,281	0.39%
2	Regional government or local authorities	-	-	-	-	-	-
3	Public sector entities	709,215	-	709,215	-		0.00%
4	Multilateral development banks	1,136,227	-	1,136,227	-	3,636	0.32%
5	International organisations	20,565	-	20,565	-		0.00%
6	Institutions	4,168,244	416,102	1,174,540	33,697	303,995	25.16%
7	Corporates	310,256	409,796	310,256	200,722	471,901	92.35%
8	Retail	-	-	-	-	-	-
9	Secured by mortgages on immovable property	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-
11	Exposures associated with particularly high risk	45,080	69,916	45,080	6,826	77,859	150.00%
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	-	-	-	-		
16	Other items	103,277	-	103,277	-	25,355	24.55%
17	Total	**10,563,011**	**1,526,433**	**7,338,158**	**274,410**	**898,027**	**11.80%**

Template 19 below analyses the Company's exposures at default under the Standardised Approach by risk weight, split by exposure class, as at 31 October 2022 and as at 31 October 2021.

Template 19 - EU CR5 – Standardised approach – Exposures at default under the Standardised Approach by risk weight, split by exposure class

	31 October 2022 (US$ in thousands)	Risk weight																Total	Of which unrated
	Exposure classes	0%	2%	4%	10%	20%	35%	50%	70 %	75 %	100%	150%	250%	370%	1250%	Others	Deducted		
1	Central governments or central banks	4,371,089	-	-	-	-	-	-	-	-	34,248		-	-	-	-	-	4,405,337	3,473,459
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	380,300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	380,300	-
4	Multilateral development banks	389,901	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	389,901	-
5	International Organisation	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	57,750	20,811	-	-	814,951	-	141,710	-	-	-	-	-	-	-	-	-	1,035,222	-
7	Corporates	-	-	-	-	62,872	-	9,416	-	-	514,394	-	-	-	-	-	-	586,682	514,394
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered Bonds	-	-	-	37,712	-	-	-	-	-	-	-	-	-	-	-	-	37,712	-
13	Exposures to institutions and corporates with a short-term credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	-	-	-	-	218,965	-	-	-	-	4,458	-	-	-	-	-	-	223,424	-
17	**Total**	**5,199,040**	**20,811**	**-**	**37,712**	**1,096,788**	**-**	**151,126**	**-**	**-**	**553,100**	**-**	**-**	**-**	**-**	**-**	**-**	**7,058,577**	**3,987,853**

	31 October 2021 (US$ in thousands)	Risk weight																Total	Of which unrated
	Exposure classes	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Deducted		
1	Central governments or central banks	3,823,717	-	-	-	-	-	-	-	-	48,446		-	-	-	-	-	3,872,163	3,413,057
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	709,215	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	709,215	-
4	Multilateral development banks	1,118,048	-	-	-	18,179	-	-	-	-	-	-	-	-	-	-	-	1,136,227	-
5	International Organisation	20,565	-	-	-	-		-	-	-	-	-	-	-	-	-	-	20,565	
6	Institutions	139,588	67,053	-	-	824,690	-	144,706	-	-	32,199	-	-	-	-	-	-	1,208,236	-
7	Corporates	-	-	-	-	48,847	-	-	-	-	462,131	-	-	-	-	-	-	510,978	462,131
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	51,906	-	-	-	-	-	51,906	51,906
12	Covered Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Exposures to insti-tutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	97,402	-	-	-	-	5,875	-	-	-	-	-	-	103,277	-
16	Other items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	**Total**	**5,811,13**	**67,053**	**-**	**-**	**989,118**	**-**	**144,706**	**-**	**-**	**548,651**	**51,906**	**-**	**-**	**-**	**-**	**-**	**7,612,567**	**3,927,0944**

Use of ECAIs

Under CRR and CRD, institutions are permitted to determine the risk weight of an exposure with reference to the credit assessments of External Credit Assessment Institutions ("ECAIs").

The Company assigns borrower risk ratings to all counterparties using internal rating models reflecting the riskiness of individual entities in terms of their ability to meet their obligations. ECAI Ratings may be considered as part of that process particularly where their ratings deviate materially from the internal assessment.

The Company uses a combination of the credit weightings assigned by the ECAIs and mapping guidelines issued by the CBI to map the exposures to the appropriate credit quality assessment step for risk weights. Where there are no available credit assessments to map to a credit quality assessment step, the Company assigns risk weights to these exposures in accordance with the CRR and CRD requirements for unrated exposures.

Total exposures split by external rating and credit quality assessment step

31 October 2022 (US$ in thousands) Exposure classes	**Standard and Poor's (ECAI 1)**	**Moody's (ECAI 2)**	**Fitch (ECAI 3)**	**Credit quality assessment step**	**Total rated**	**Total unrated**	**Total**
Central governments or central banks	897,630	897,630	206,424	897,630	897,630	3,671,838	4,569,468
Public sector entities	380,300	96,304	277,815	380,300	380,300	-	380,300
Multilateral development banks	389,901	389,901	305,885	389,901	389,901	-	389,901
Institutions	2,935,328	223,107	1,596,176	2,935,328	2,935,328	1,417,932	4,353,260
Corporates	105,100	72,287	9,416	105,100	105,100	728,112	833,212
Equity	-	-	-	-	-	-	-
Other items	37,712	-	37,712	37,712	37,712	223,425	261,137
Total	**4,745,971**	**1,679,229**	**2,433,428**	**4,745,971**	**4,745,971**	**6,041,307**	**10,787,278**

31 October 2021 (US$ in thousands) Exposure classes	Standard and Poor's (ECAI 1)	Moody's (ECAI 2)	Fitch (ECAI 3)	Credit quality assessment step	Total rated	Total unrated	Total
Central governments or central banks	410,660	410,660	410,660	410,661	410,661	4,290,106	4,700,767
Public sector entities	709,215	709,215	709,215	709,215	709,215	-	709,215
Multilateral development banks	1,136,227	1,136,227	1,136,227	1,136,227	1,136,227	-	1,136,227
Institutions	3,278,402	2,004,075	2,017,072	3,278,402	3,278,402	1,305,943	4,584,345
Corporates	56,668	48,847	48,847	56,668	56,668	778,380	835,048
Equity	-	-	-	-	-	-	-
Other items	20,565	20,565	20,565	20,565.00	20,565	103,277	123,842
Total	**5,611,737**	**4,329,589**	**4,342,586**	**5,611,738**	**5,611,738**	**6,477,706**	**12,089,444**

Total exposures split by credit quality assessment step[1] – Standardised Approach

31 October 2022 **(US$ in thousands)** **Exposure classes**	**Step 1**	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**	**Total rated**	**Total unrated**	**Total**
Central governments or central banks	546,965	350,665	-	-	-	-	897,630	3,671,838	4,569,468
Public sector entities	380,300	-	-	-	-	-	380,300	-	380,300
Multilateral development banks	389,901	-	-	-	-	-	389,901	-	389,901
Institutions	936,690	1,909,544	10,677	72,640	-	-	2,935,328	1,417,932	4,353,260
Corporates	62,872	9,416	32,813	-	-	-	105,100	728,112	833,212
Equity	-	-	-	-	-	-	-	-	-
Other items	-	37,712	-	-	-	-	37,712	223,425	261,137
Total	**2,316,728**	**2,307,337**	**43,490**	**72,640**	**-**	**-**	**4,745,971**	**6,041,307**	**10,787,278**

31 October 2021 (US$ in thousands) Exposure classes	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Total rated	Total unrated	Total
Central governments or central banks	273,827	136,834	-	-	-	-	410,661	4,290,106	4,700,767
Public sector entities	709,215	-	-	-	-	-	709,215	-	709,215
Multilateral development banks	1,068,024	68,203	-	-	-	-	1,136,227	-	1,136,227
Institutions	739,793	2,403,842	48,684	-	-	-	3,278,402	1,305,943	4,584,345
Corporates	-	48,847	-	7,821	-	-	56,668	778,380	835,048
Equity	-	-	-	-	-	-	-	-	-
Other items	20,565	-	-	-	-	-	20,565	103,277	123,842
Total	**2,811,424**	**2,657,726**	**46,684**	**7,821**	**-**	**-**	**5,611,738**	**6,477,706**	**12,089,444**

[1] The following ratings apply to the credit quality assessment steps:
Credit quality assessment step 1: AAA to AA- (S&P/ Fitch / DBRS); Aaa to Aa3 (Moody's)
Credit quality assessment step 2: A+ to A- (S&P/ Fitch / DBRS); A1 to A3 (Moody's)
Credit quality assessment step 3: BBB+ to BBB- (S&P/ Fitch / DBRS); Baa1 to Baa3 (Moody's)
Credit quality assessment step 4: BB+ to BB- (S&P/ Fitch / DBRS); Ba1 to Ba3 (Moody's)
Credit quality assessment step 5: B+ to B- (S&P/ Fitch / DBRS); B1 to B3 (Moody's)
Credit quality assessment step 6: CCC+ and below (S&P/ Fitch / DBRS); Caa1 and below (Moody's)

Disclosure of exposures to counterparty credit risk ("CCR")

Template 20 below sets out the methods used by the Company to calculate CCR regulatory requirements and the resultant RWAs as at 31 October 2022 and as at 31 October 2021.

Template 20 - EU CCR1 – Analysis of CCR exposure by approach

31 October 2022 (US$ in thousands)		Replacement Cost (RC)	Potential Future Exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure Value Pre - CRM	Exposure value Post-CRM	Exposure Value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	113,806	124,692		1.4	238,4982	238,498	238,498	109,354
2	IMM (for derivatives and SFTs)			-	1.4	-	-	-	-
2A	Of which securities financing transactions netting sets			-		-	-	-	-
2B	Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
2C	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					4,043,620	586,449	586,449	144,251
5	VaR for SFTs					-	-	-	-
6	Total					**4,282,118**	**824,947**	**824,947**	**253,605**

31 October 2021 (US$ in thousands)		Replacement Cost (RC)	Potential Future Exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure Value Pre - CRM	Exposure value Post-CRM	Exposure Value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	85,952	187,195		1.4	273,147	273,147	273,147	97,687
2	IMM (for derivatives and SFTs)			-	1.4	-	-	-	-
2A	Of which securities financing transactions netting sets			-		-	-	-	-
2B	Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
2C	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					4,717,572	537,860	537,860	173,019
5	VaR for SFTs					-	-	-	-
6	Total					**4,990,719**	**811,007**	**811,007**	**270,706**

Template 21 below sets out the Company's CVA charge broken down by approach as at 31 October 2022 and as at 31 October 2021.

Template 21 - EU CCR2 – Transactions Subject to Own Funds requirements for CVA risk

	31 October (US$ in thousands)	**Exposure value 2022**	**RWA's 2022**	Exposure value 2021	RWA's 2021
1	Total portfolios subject to the advanced method	-	-	-	-
2	(i) VaR component (including the 3× multiplier)	-	-	-	-
3	(ii) SVaR component (including the 3× multiplier)	-	-	-	-
4	Transactions subject to the Standardised method	771,144	105,323	727,616	101,035
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-	-	-
5	**Total transactions subject to own Funds requirements for CVA risk**	**771,144**	**105,323**	**727,616**	**101,035**

Template 22 below sets out the Company's CCR exposures by regulatory portfolio and risk as at 31 October 2022 and as at 31 October 2021.

Template 22 - EU CCR3 – Standardised approach – CCR exposures by regulatory portfolio and risk

31 October 2022
(US$ in thousands)

		Risk Weight											
	Exposure Classes	**0%**	**2%**	**4%**	**10%**	**20 %**	**50 %**	**70 %**	**75%**	**100%**	**150%**	**Others**	**Total Exposure Value**
1	Central governments or central banks	-	-	-	-	-	-	-	-	34,248	-	-	34,248
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	20,811	-	-	610,209	126,687	-	-	-	-	-	757,707
7	Corporates	-	-	-	-	-	-	-	-	32,992	-	-	32,992
8	Retail	-	-	-	-	-	-	-	-		-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-		-	-	-
10	Other items	-	-	-	-	-	-	-	-		-	-	-
11	**Total exposure value**	**-**	**20,811**	-	-	**610,209**	**126,687**	-	-	**67,240**	**-**	**-**	**824,947**

31 October 2021
(US$ in thousands)

Risk Weight

	Exposure Classes	0%	2%	4%	10%	20 %	50 %	70 %	75%	100%	150%	Others	Total Exposure Value
1	Central governments or central banks	-	-	-	-	-	-	-	-	47,916	-	-	47,916
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	67,053	-	-	502,795	144,706	-	-	32,199	-	-	746,753
7	Corporates	-	-	-	-	-	-	-	-	16,339	-	-	16,339
8	Retail	-	-	-	-	-	-	-	-		-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-		-	-	-
10	Other items	-	-	-	-	-	-	-	-		-	-	-
11	**Total exposure value**	-	**67,053**	-	-	**502,795**	**144,706**	-	-	**96,454**			**811,008**

Template 23 below sets out the composition of collateral for the Company's CRR exposures as at 31 October 2022 and as at 31 October 2021.

Template 23 - EU CCR5 – Composition of collateral for CCR exposures

31 October 2022		Collateral used in derivative transactions				Collateral used in SFT's			
(US$ in thousands)		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Collateral Type	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	106,088	-	21,782	-	-	-	-
2	Cash – other currencies	-	-	-	29,690	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	74,982	-	-	-	454,201	-	-
5	Government agency debt	-	-	-	-	-	36,047	-	-
6	Corporate bonds	-	132,265	-	-	-	-	-	-
7	Equity securities	-	16,723	-	-	-	2,966,420	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	Total	-	**330,058**	**-**	**51,472**	**-**	**3,456,668**	-	-

31 OCTOBER 2021		**COLLATERAL USED IN DERIVATIVE TRANSACTIONS**				**COLLATERAL USED IN SFT'S**			
(US$ IN THOUSANDS)		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	COLLATERAL TYPE	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	2,474	-	6,762	-	-	-	-
2	Cash – other currencies	-	15,614	-	25,351	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	239,939	-	52,834	-	491,662	-	-
5	Government agency debt	-	-	-	-	-	170,920	-	-
6	Corporate bonds	-	194,934	-	-	-	230,585	-	-
7	Equity securities	-	-	-	-	-	3,286,562	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	Total	-	**452,961**	-	**84,947**	-	**4,179,729**	-	-

Template 24 below sets out the Company's exposures to CCPs as at 31 October 2022 and as at 31 October 2021.

Template 24 - EU CCR8 – Exposures to CCPs

	31 October 2022 (US$ in thousands)	**Exposure Value**	**RWEA**
1	**Exposures to QCCPs (total)**		**416**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	20,811	416
3	(i) OTC derivatives	20,811	416
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**		
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

	31 October 2021 (US$ in thousands)	Exposure Value	RWEA
1	**Exposures to QCCPs (total)**		**1,341**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	67,053	1,341
3	(i) OTC derivatives	67,053	1,341
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**		
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Liquidity and funding risk

Liquidity and Funding Risk Management Framework

Liquidity and funding risk is managed as part of the management of the overall risk profile of the Company. The Company's Liquidity and Funding Risk Management Framework is defined and managed under Board-approved policies and management-approved standards. These policies and standards outline key management principles, liquidity and funding metrics and related limits and guidelines, as well as roles and responsibilities for the management of liquidity and funding risk. The Company operates a three lines of defence operating model with respect to liquidity and funding risk management. The first line of defence includes the Lines of Business and the Treasury function. The second line of defence is provided by the Company's Chief Risk Officer and the Risk Management function along with other Corporate Support Areas. The third line of defence is Corporate Audit.

The framework establishes how liquidity and funding risks are identified, measured, monitored and managed. The ultimate goal is to ensure adequate liquidity is available to support its strategic objectives through the business cycle. It is policy to ensure that sufficient high-quality liquid assets and contingent funding capacity are available to meet financial and regulatory commitments, even in times of stress. The Company is integrated into the BMO Groups limits and guidelines, which are in place to manage liquidity and funding risk.

Treasury function

The Treasury function is designated as the Company's liquidity risk management function and was established as a first line of defence function in 2019 with primary responsibility for the effective management of liquidity and funding risk. The Treasury function comprises a Corporate Treasurer, a Strategy and Policy Manager and a Funding and Execution Manager. The function is responsible for various aspects of balance sheet management including the management, monitoring and reporting of liquidity and funding positions including intraday liquidity risk and stress testing, maintaining compliance within the liquidity risk appetite boundaries and maintaining operational control and ownership of the liquidity buffer.

In addition, the Treasury function remit includes collateral risk management oversight, running the local instance of the Funds and Liquidity Transfer Pricing ("FLTP") and the central booking of funding tickets. The Treasury function is also responsible for leading the annual update of the ILAAP, the Liquidity & Funding Contingency Plan and providing liquidity and funding inputs into the ICAAP and Recovery Plan. From a balance sheet management perspective, the Treasury function has a key role advising and monitoring business activities to ensure ongoing regulatory compliance.

The Treasury function works closely with BMO Group Treasury on the various aspects of liquidity and funding risk management. Where applicable, the Company will leverage and adopt the BMO Group models and approaches in order to benefit from the wider BMO Group synergies and ensure a consistent approach across the BMO Group.

Risk Management function

The Risk Management function, as the second line of defence, provides independent oversight, risk assessment and effective challenge of liquidity and funding risk management.

In conjunction with the Corporate Treasurer, the CRO also recommends the Liquidity and Funding Risk Management Framework, risk appetite measures and related limits.

In relation to liquidity stress testing, the Risk Management function reviews and challenges the underlying stress assumptions as derived by the Treasury function to ensure they capture key vulnerabilities and remain fit for purpose.

The Risk Management function independently monitors and reports liquidity and funding positions against limits and guidelines and can direct the Treasury function or the Lines of Business as appropriate to take actions to ensure liquidity and funding risk is prudently managed. The Risk Management function is also responsible for reporting liquidity and funding metrics to the Risk Management Committee.

Risk appetite

Liquidity monitoring practices are designed to highlight the onset of liquidity stresses. The Company uses a combination of balance sheet analysis, stress testing scenarios, regulatory requirements, the Board approved risk appetite framework and key financial markets to which the Company is exposed to in order to derive a series of metrics and corresponding limits.

There is a tiered approach to risk limits with the RAS supplemented by a comprehensive suite of Early Warning Indicators ("EWI") that provide advance notice of a potential deterioration of the liquidity position or threat to a RAS limit as well as the Recovery Plan Indicators ("RPIs") which provide a lower bound layer of defence. This integrated approach is vital across the continuum of activities, periods of stress and finally recovery and includes alignment between the EWI, RAS and the Recovery Plan limits and indicators, all of which are informed by the annually run RMA.
Liquidity Risk EWIs and RPIs are further categorised into two risk levels, primary and secondary, according to their regulatory status and relevance as a leading indicator. All metrics adhere to a traffic light system where green reflects compliance, amber represents a warning level and red marks an action level.

Regulatory metrics

From a regulatory perspective there are two primary metrics which the Company must adhere; the Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR"). As per the Company's risk appetite, the capacity for liquidity risk is determined by the addition of an internal buffer above the LCR and NSFR 100% regulatory requirements.

LCR

With the Capital Requirements Regulation (EU) No 575/2013 and the Delegated Act 2015, the European Commission introduced the LCR which financial institutions were obliged to calculate, monitor and report from 2015. The LCR is designed to promote short term resilience ensuring that a financial institution has sufficient high quality liquid assets to survive a significant stress scenario over a one-month time horizon. During the 2022 and 2021 financial years the Company maintained an LCR ratio in excess of the 100% regulatory minimum. Below is a snapshot of the end of financial year positions.

(US$ equivalent 000's)	31 October	
	2022	2021
Liquidity buffer	**5,574,723**	5,198,658
Total net cash outflows	**2,743,757**	2,790,000
Liquidity Coverage Ratio (%)	**203%**	186%

To ensure continued compliance with the LCR, the Company maintains a robust liquidity buffer comprising of cash reserves placed at the CBI and highly rated bonds. The risk limit framework is also designed to ensure sufficient headroom over the regulatory binding 100% minimum with the most conservative amber EWI threshold set at 130%. The ratio is managed in excess of the 130% level. In the unlikely event that the ratio drops below this level the Company has a comprehensive suite of contingent liquidity actions that can be enacted to safeguard compliance and protect against any potential regulatory breaches.

NSFR

The NSFR was formalised through Capital Requirements Regulation (EU) 2019/876 (CRR II) which prescribed the specific set of rules to be applied and became regulatory binding from 28 June 2021. The ratio measures the amount of longer-term, stable sources of funding employed by an institution - Available Stable Funding relative to the liquidity profiles of the assets funded - Required Stable Funding. The NSFR requires a minimum amount that is expected to be stable over a one-year time horizon, based on liquidity risk factors assigned to assets and off-balance sheet liquidity exposures. The purpose of the NSFR is to incentivize structural changes in the risk profiles of institutions away from excessive reliance on short-term funding and towards more stable, longer-term funding of assets and business activities.

Since June 2021 the Company has maintained a ratio in excess of the 100% regulatory minimum. Below is a snapshot of the end of financial year positions.

(US$ equivalent 000's)	31 October	
	2022	2021
Available Stable Funding ("ASF")	**1,257,509**	1,181,414
Required Stable Funding ("RSF")	**693,151**	852,515
Net Stable Funding Ratio (%)	**181%**	139%

To manage the NSFR, the Company holds a sufficient level of ASF, which is primarily made up of the Capital base, >12 month intergroup funding and non-financial third party deposits, above the RSF requirements. The NSFR ratio is sensitive to asset side movements where Corporate Banking, non-HQLA qualifying bonds, equity finance trades, equities held on balance sheet and MtM positions constitute the key contributors to the RSF level. To manage asset side dynamics, the Company has the flexibility to scale up or down the quantum of >12 month intergroup funding.

Mitigating liquidity and funding risk

The Treasury function has a comprehensive suite of controls in place, that are summarised below, with which to manage the Company's liquidity risk position. The Company maintains a significant liquidity buffer to ensure sufficient counterbalancing capacity is available to meet all obligations even under periods of stress while also maintaining compliance with LCR requirements.
On a daily basis the Treasury function produces a wide range of liquidity and funding risk management information which is circulated to senior management. This includes both retrospective and forward based analysis to help better inform the decision-making process. Included within the management information are the EWIs which act as an early warning system for any potential liquidity stress event. Early detection allows pre-emptive corrective actions to be taken in advance of any threat to RAS, RPIs or regulatory minimums.
To effectively manage the LCR, the Treasury function calculates and distributes a 10-day forward LCR forecast across both the US dollar consolidated level and individual material currency level on a daily basis. This approach helps provide advance notice of any impending adverse future impacts and allows sufficient time for pre-emptive corrective actions to be implemented so as to avoid potential limit triggers.
Collateral oversight by the Treasury function ensures that the most efficient forms of collateral from a liquidity ratio perspective are pledged to meet any margin calls, therefore limiting the adverse impact on the ratios.

The Company maintains ready access to contingent sources of long-term funding which can be drawn upon to bolster the NSFR ratio. When the Lines of Business have any large asset transaction in the pipeline, the Treasury function will estimate its impact on the core liquidity and funding metrics in advance of trade execution. This is an effective control measure that ensures transactions are only executed on the basis of sufficient ratio headroom being in place.

In addition to the above Treasury controls, the Risk Management function provides independent oversight, risk assessment and effective challenge on the various aspects of liquidity and funding risk management.

Through an internal limit letter structure, a number of balance sheet limits pertaining to liquidity risk are allocated down from the Company's Chief Financial Officer through the Corporate Treasurer to the Lines of Business which the Risk Management function track and report on a daily basis.

The Company has established processes to monitor, and potentially mitigate, liquidity risks from its trading activities. The trading desks in the Global Markets line of business can only trade in approved financial

instruments as outlined in their respective Approved Products Lists ("APL"). The APLs ensure that trading desks can assume liquidity risks only to an extent commensurate with their business strategy.
The Risk Management function monitors trading adherence to the APL as well as several aspects of liquidity risk from trading activities on a daily basis, such as trading volume, trading venues, bid/ask spreads and concentrations in holdings.

Liquidity and funding contingency plan ("LFCP")

The Company has a Liquidity and Funding Contingency Plan ("LFCP") that will facilitate effective management of liquidity and funding risk through a disruption event. This LFCP is guided by the rules and guidance provided in the 2008 Basel Committee on Banking Supervision publication, Principles for Sound Liquidity Risk Management and Supervision, more specifically Principle 11 which focuses on contingency funding plans.
The LFCP sets out a suite of EWIs, available contingent liquidity actions as well as specific roles and responsibilities and protocols that are to be followed under liquidity stress conditions.
EWIs are designed and calibrated to provide an early indication of the onset of both market and/or idiosyncratic stress events and inform senior management of the severity and whether correcting actions need to be taken. EWIs are calibrated in consideration of the Company's RAS and available liquidity resources and typically articulate the point at which pre-emptive actions need to be taken to avoid a further deterioration in the risk position and safeguard against breaches of RAS, Recovery Plan and regulatory limits. EWIs cover a broad spectrum of funding and liquidity risks with the metrics grouped into categories including regulatory, primary sub-metrics, stress testing, funding, intraday, BMO Group risk, contingent off-balance sheet risk, macro and market.

The LFCP sets out the set of contingent liquidity actions that can be enacted to shore up the liquidity position in the event of an adverse stress event. As a subsidiary of a larger international group a cohort of these actions are reliant on BMO Group support, but the majority can be independently executed at the Company level. Action execution will be determined by the specifics of the liquidity stress event and action feasibility under such circumstances.

In response to limit triggers, the LFCP also defines two states; Heightened Monitoring Status ("HMS") and Activation. HMS places the Company under a heightened state of monitoring and awareness, with increased frequency and expanded reporting (dependent on the specifics of the liquidity event). HMS does not constitute LFCP invocation but rather represents a pre-invocation stage. For example, HMS could be triggered by macroeconomic metrics, outside the control of the Company, that have hit warning/action levels but have not yet materialised into a Company specific adverse liquidity event.
With regards to Activation, the LFCP clearly defines the triggers, roles and responsibilities and protocols to be followed.

The overarching aim of the LFCP is to outline the contingent liquidity options available in times of stress to ensure the Company can meet its financial obligations in a timely manner and ensure continued regulatory and RAS limit compliance.
It is the responsibility of the Corporate Treasurer, CFO, ALCO and the EMC to execute this plan should the need arise subject to full oversight from the Risk Management function and the Board. In line with regulatory guidelines, the LFCP is subject to an annual operational readiness fire drill test or dry run simulation as well as regular quarterly liquidity buffer monetisation testing.

Liquidity risk reporting and systems

Liquidity risk reporting is delivered to support the overall management of liquidity and funding risk. Timely and accurate reporting of key metrics allows senior management to oversee the Company's liquidity and funding risk position and take action where appropriate.
The Corporate Treasurer and the CRO are responsible for the on-going reporting of the liquidity and funding risk position to the monthly management committee meetings, the quarterly Board committee meetings and the quarterly Board meeting.
The ALCO has specific responsibility for the oversight of liquidity and funding risk management. The role of the ALCO is to advise on and where appropriate recommend to the Board:

- Liquidity and funding strategy, taking account of the Board's approved risk appetite and overall business strategy.

- Oversight of the prevailing liquidity position.
- Capacity to manage and control liquidity and funding within the agreed strategy.

On a daily basis the Treasury function distributes a liquidity risk dashboard, which covers core liquidity ratios, LCR forecasting and intraday cash utilisation and stress testing to senior management. The Treasury function also measures and monitors the full suite of EWI and RPI metrics daily. In addition, a daily balance sheet funding summary which documents the various sources of funding, and their associated cost is also circulated. These reports are supplemented with the Daily Liquidity Dashboard as produced by the Risk Management function which monitors and reports on a broader suite of liquidity metrics to support the day-to-day management of risk.

The Company's Regulatory Reporting function is responsible for the calculation and submission of the LCR and NSFR regulatory returns which are reported to the CBI. Prior to CBI submission, there is a three-way reconciliation conducted between the Regulatory Reporting, Risk Management and Treasury functions independently calculated ratios to ensure data accuracy. Any variances between the daily estimates and the regulatory returns are investigated prior to submission.

There are a number of Company developed and external systems used in the active management and reporting of the Company's liquidity and funding risk position.

ATLAS is a company developed central data repository database that uses multiple end-of-day files from numerous source systems to generate management information reports in various views which are available through a web-based interface. Liquidity and Funding risk data is reported in a specific dashboard, grouping key liquidity and funding exposures and metrics including the LCR, NSFR and liquidity stress testing.

The Wolters Kluwer Financial Services OneSumX Regulatory Reporting system is used by the Company's Regulatory Reporting function to generate and prepare the regulatory reporting submissions to the CBI.

Balance sheet funding

The Company's funding strategy is based on a number of key principles:
- Align with business strategy.
- Ensure sufficient funding durability to deliver on business strategy through a range of operating environments.
- Seek the most efficient funding sources.
- Match fund the asset maturity profile in order to minimise maturity mismatches.
- Ensure funding mix supports continued regulatory and internal limit compliance.
- Maintain flexibility to respond to the evolving political, regulatory and market landscapes and to navigate through uncertain operating environments.

The BMO Group is the predominant provider of funding to the Company, both at a point in time basis and as available counterbalancing capability. This ensures alignment with the BMO Group's global efficiency goals and funding and resolution strategies. However, continued progress has been made over the course of the 2022 financial year in diversifying the funding base and elevate the level of externally sourced funding through third party deposits and repo channels.
From a behavioural perspective, the balance sheet is short term in nature with the vast majority of asset and liability positions falling within a six-month tenor. While there is a degree of maturity dislocation the primary principle of ensuring that the asset side of the balance sheet can be wound down at a faster pace to ensure that liability repayments can be met in an orderly manner is very much adhered to. To manage balance sheet funding, the Company considers its overall asset-liability profile and seeks as much as possible to have liabilities with term greater than its assets. To this end the Company actively manages the balance sheet re-financing multiple on a behavioural basis to below 1.

Overall, the Company's funding strategy is dynamic in nature and is reactive to asset side opportunities and across multiple currencies.

Liquidity stress testing

Stress testing is an integral part of the Liquidity and Funding Risk Management Framework. The Company uses stress testing as a risk management technique to assess the adequacy of the liquidity and funding position and the Company's ability to withstand extreme but plausible liquidity and funding conditions and estimate its net liquidity position through time.

The constituent parts of the liquidity stress testing approach are set out below:

- *Stressed Net Liquidity Position ("SNLP")* – this follows the approach taken at the BMO Group level which involves modelling the ability of the Company to monetise its liquidity buffer and short dated assets to meet liability obligations under stress conditions and through a full balance sheet wind down scenario. Three pre-defined idiosyncratic, systemic and concurrent stress scenarios are used, in which the Company's funding sources are either entirely withdrawn or not renewed upon maturity. The scenarios assess three core components: funding durability, contingent liquidity flows and asset liquidity. Furthermore, the cash flows assessed do not always assume contractual outflows, with behavioural considerations also included to enhance both the plausibility and conservatism within the scenarios. The calculation is run on a daily basis and determines the stressed net liquidity position for each time band over a 12-month time horizon. Liquidity positions are tracked against approved limits and the worst-case stress result arising from the concurrent stress scenario is reported daily to senior management as part of a liquidity dashboard. The October 2022 month end calculation showed a minimum liquidity position of US$ 403MM (October 2021 month end US$ 737MM) in the 151-180 day time band.

- *Company Going Concern Stress Tool* – unlike the above SNLP, this stress tool tracks the evolution of the liquidity buffer over a 12-month period on a going concern rather than full balance sheet wind down basis. Again idiosyncratic, systemic and concurrent stresses are applied. This tool is run on a monthly basis with the results reported to the ALCO. This tool is also used to satisfy the ILAAP requirements for liquidity stress testing reporting under the normative perspective by running ratio sensitivity analysis which examines the impact of the various stresses on the full suite of EWI metrics. The results for October 2022 month end demonstrated that the Company's liquidity buffer would stand at US$ 3.4BN (October 2021 month end US$ 3.1BN) at the end of 12 months under the most severe concurrent stress.

- *Intraday Liquidity Stress* - the intraday cash positioning stress test tool generates a theoretical worst-case next day stressed cash position report by combining both contractual and non-contractual stressed outflows and is primarily gauged towards ensuring there is adequate funding/settlement capability in place to meet all payments including unforeseen stressed outflows. Stress factors include external payment failure, third party deposit outflows, CSA collateral calls and contingent outflows on the committed corporate lending facilities. The aim of the stress test is to ensure the Company maintains sufficient cash reserves to meet both intraday contractual and unforeseen potential stressed outflows. The Treasury function produces an intraday stress report on a daily basis which is distributed to a number of internal stakeholders including senior management.

- *Collateral Stress* - in order to measure and monitor the potential impact that collateral postings can have on the liquidity position, the Treasury function has designed and implemented an LCR stress and sensitivity calculation tool on both the consolidated and material currency LCR ratios. This calculation is run daily and is designed to effectively gauge the LCR impact of a deterioration in the quality of the posted collateral, and the possibility of additional collateral margin calls. The calculation takes the current respective LCR ratios and examines the impact of a 10%, 15%, and 25% change in the collateral margining position on both an inward and outward basis. This stress tool helps better inform the decision-making process and allows for appropriate actions to be taken to ensure the respective LCR ratios are safeguarded against any potential breaches stemming from market driven collateral calls. In addition, a reverse stress test benchmarked to the LCR amber and red limit thresholds that identifies the prevailing absolute collateral headroom is calculated daily.

Internal Liquidity Adequacy Assessment Process ("ILAAP")

The ILAAP comprises an ongoing assessment of the liquidity and funding position against regulatory requirements and the Company's internal limits. The intent of the ILAAP is to demonstrate that the Company is able to determine and maintain the level of liquidity required to support the strategic objectives, considering the risks it is exposed to under normal and stressed conditions. The Board has oversight of, and confidence in, the ILAAP process as a means of assessing the adequacy of and the management of liquidity.

The guiding principles of Liquidity Risk Management and by extension the Company's ILAAP are:

- *Proportionality*: It is proportionate to the risk level, complexity and scale of the Company's activities.
- *Forward-Looking*: It considers not only the existing risks faced but also the potential risks and future business strategies.
- *Ongoing*: It is not a static one-time process but rather a dynamic and continuous exercise to ensure that the Company has robust liquidity and funding risk management systems and possesses sufficient access to contingent liquidity at all times under both normal and stressed conditions.
- *Evolving-nature*: It is continuously reviewed for its efficacy and need to improve, especially against the backdrop of changes in the risk profile, regulation and business plans.

As part of the ILAAP processes, the Company seeks to ensure that:

- All material funding and liquidity risks faced by the Company are identified and have sufficient risk management and controls around them.
- The overall liquidity of the Company is adequate under stressed conditions, taking into account severe but plausible idiosyncratic and market-wide stress scenarios.
- The Board is informed about ongoing identification, assessment and management of the Company's funding and liquidity risks.
- The Company has a detailed understanding of the relevant mitigation actions and the available contingent funding sources as set out in the LFCP.
- The outputs of the ILAAP feed back into business strategy and liquidity planning.
- The ILAAP process is closely aligned to the ICAAP process.

Overall liquidity assessment

The Company operates a robust liquidity and funding risk management framework covering multiple facets including ensuring continued ratio compliance within the risk appetite boundaries, formulating an appropriate funding strategy to support business growth, ensuring the Company has sufficient counterbalancing capacity available to navigate uncertainty to ensure the ongoing adequacy of its liquidity and funding even in times of stress, having a fit for purpose LFCP, maintaining an intraday liquidity and collateral management framework, having a local funding and liquidity transfer pricing process in place and running a comprehensive liquidity stress testing approach which is dynamic in nature.

The senior management view is that the Company is deemed to have adequate liquidity to execute its strategy within its risk appetite, while complying with applicable regulatory requirements.

Declaration by the management body on the adequacy of liquidity risk management arrangements

The Board is satisfied that the Company's liquidity risk management arrangements and the Company's liquidity risk management systems are adequate and are commensurate with the Company's liquidity and funding risk profile and strategy.

Template 25 on the next page sets out quantitative information on the Company's LCR under four time periods as per the guidance on completion of the template. The financial year end of the Company is 31 October each year. The time period T is October 2022 and not the calendar quarter October 2022 to December 2022.

T October 2022 – taking a simple average of month end observations from preceding twelve months - November 2021 to October 2022.
T-1 Quarter July 2022 – September 2022 – taking a simple average of month end observations from preceding twelve months - October 2021 to September 2022.
T-2 Quarter April 2022 – June 2022 – taking a simple average of month end observations from preceding twelve months - July 2021 – June 2022.
T-3 Quarter January 2022 - March 2022 – taking a simple average of month end observations from preceding twelve months - April 2021 - March 2022.

The following paragraphs provide some qualitative information on LCR which complements Template 27 - EU LIQ1 Qualitative information of LCR.

The Company balance sheet is US dollar denominated but operates across multiple currencies which are hedged. In addition to the US dollar consolidated LCR, the Company measures and monitors the LCR at a material currency level. At present the Company operates with three material currencies being US dollar ("US$"), Canadian dollar ("CAD") and Euro ("EUR") with EWI limits set for each. As at 31 October 2022 all solo LCRs maintained sufficient headroom above the internal limits.

The HQLA portfolio is an important barometer of the Company's ability to withstand a liquidity stress event. To ensure continued compliance with LCR requirements, the Company maintains a HQLA portfolio comprising largely of central bank held cash reserves and a stock of highly rated bonds, primarily SSA. The liquidity buffer comprises of assets denominated in a number of currencies and stood at US$5.6 billion equivalent at the end of October 2022 consisting of US$3.5 billion of CBI cash reserves plus US$2.1 billion of bonds.

As at 31 October 2022 balance sheet funding was split 80%/20% between intergroup and external sources respectively. In addition to the capital base, intergroup funding consists of the US$5.9 billion equivalent from the CAD 8 billion programme for the issue of unsecured notes, funding drawn on the US$9.6 billion loan facility and intergroup deposits. External funding comprises of third-party deposits, repos and equity shorts. The funding profile has been relatively stable over the course of the 2022 financial year.

With respect to LCR volatility, the CAD 8 billion programme for the issue of unsecured notes is the key contributor as significant funding tranches move in and out of the 30 day LCR window. It will also have a significant impact on the material currency LCRs due to the impact of the underlying CAD and US$ cross currency swaps. The maturity profile of other funding sources, new asset origination and collateral margin calls constitute the other main drivers of LCR volatility.
With regards to modelling contingent collateral calls, the Company uses a Historic Look Back Approach ("HLBA") which calculates the largest collateral movement on an absolute basis over any 30 day period over the previous two years. The HLBA calculated collateral movement is included within the LCR as a static outflow. The HLBA process and corresponding LCR outflow are updated on a monthly basis.

Template 25 - EU LIQ1 - Quantitative information of LCR

(US$ in thousands)		Total unweighted value (average)				Total weighted value (average)			
EU 1A	**Quarter ending on 31 October 2022**	**T**	**T-1**	**T-2**	**T-3**	**T**	**T-1**	**T-2**	**T-3**
EU 1B	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	High-Quality Liquid Assets								
1	Total high-quality liquid assets (HQLA)	-	-	-	-	6,133,690	6,102,351	5,767,589	5,979,55
	Cash - Outflows								
2	*Retail deposits and deposits from small business customers, of which:*								
3	*Stable deposits*								
4	*Less stable deposits*								
5	*Unsecured wholesale funding*								
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*								
7	*Non-operational deposits (all counterparties)*	2,303,890	2,279,283	1,968,377	2,193,462	1,310,487	1,283,414	956,177	1,173,995
8	*Unsecured debt*								
9	*Secured wholesale funding*					-	-	-	-
10	Additional requirements								
11	*Outflows related to derivative exposures and other collateral requirements*	1,232,886	1,213,164	1,056,825	1,039,892	427,639	421,599	373,456	341,435
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	430,012	441,214	488,971	510,315	179,820	187,782	216,996	233,892
14	Other contractual funding obligations	4,863,994	4,879,881	4,924,212	5,008,105	2,514,146	2,530,033	2,584,853	2,659,804
15	Other contingent funding obligations								
16	**Total Cash Outflows**					4,432,092	4,422,828	4,131,482	4,409,126.00
	Cash - Inflows								
17	Secured lending (e.g. reverse repos)	389,959	370,045	398,880	484,393	341,862	310,267	284,145	335,119
18	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
19	Other cash inflows	630,287	665,485	809,422	998,669	578,115	596,594	697,532	788,855
EU-19A	*(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)*					-	-	-	-
EU-19B	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	**Total Cash Inflows**	1,020,246	1,035,530	1,208,302	1,483,062	919,978	906,860	981,677	1,123,974
EU-20A	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20B	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20C	*Inflows subject to 75% cap*	-	-	-	-	919,978	906,860	981,677	1,123,974
	Total Adjusted Value								
EU-21	**Liquidity buffer**					6,133,690	6,102,351	5,767,589	5,979,555
22	**Total net cash outflows**					3,692,202	3,696,056	3,329,892	3,465,240
23	**Liquidity coverage ratio***					197%	195%	204%	205%

* To note there is a mathematical nuance in the averaging calculation, whereby the average of the liquidity buffer and total net cash outflow constituent parts will not tie into the average of the LCR ratio. The gap is exacerbated for the T-2 and T-3 calculations due to an elevated LCR ratio within the data set.

The comparative Template 25 presented for the financial year ended 31 October 2021 is shown below. The financial year end of the Company is 31 October each year. The time period T is October 2021 and not the quarter October 2021 to December 2021.

T October 2021 – taking a simple average of month end observations from preceding twelve months - November 2020 to October 2021.
T-1 Quarter July 2021 – September 2021 – taking a simple average of month end observations from preceding twelve months - October 2020 to September 2021.
T-2 Quarter April 2021 – June 2021 – taking a simple average of month end observations from preceding twelve months - July 2020 – June 2021.
T-3 Quarter January 2021 - March 2021 – taking a simple average of month end observations from preceding twelve months - April 2020 - March 2021.

The following paragraphs provide some qualitative information on LCR which complements the comparative Template 27 - EU LIQ1 Qualitative information of LCR.

The Company balance sheet is US dollar denominated but operates across multiple currencies which are hedged. In addition to the US dollar consolidated LCR, the Company measures and monitors the LCR at a material currency level. At present the Company operates with three material currencies being US dollar ("US$"), Canadian dollar ("CAD") and Euro ("EUR") with EWI limits set for each. As at 31 October 2021 all solo LCRs maintained sufficient headroom above the internal limits.

The HQLA portfolio is an important barometer of the Company's ability to withstand a liquidity stress event. To ensure continued compliance with LCR requirements, the Company maintains a HQLA portfolio comprising largely of central bank held cash reserves and a stock of highly rated bonds, primarily SSA. The liquidity buffer comprises of assets denominated in a number of currencies and stood at US$5.2 billion equivalent at the end of October 2021 consisting of US$3.4 billion of CBI cash reserves plus US$1.8 billion of bonds.

As at 31 October 2021 balance sheet funding was split 79%/21% between intergroup and external sources respectively. In addition to the capital base, intergroup funding consists of the US$6.5 billion equivalent from the CAD8 billion programme for the issue of unsecured notes, funding drawn on the US$9.6 billion loan facility and intergroup deposits. External funding comprises of third-party deposits, repos and equity shorts. The funding profile has been relatively stable over the course of the 2021 financial year.

With respect to LCR volatility, the CAD8 billion programme for the issue of unsecured notes is the key contributor as significant funding tranches move in and out of the 30 day LCR window. It will also have a significant impact on the material currency LCRs due to the impact of the underlying CAD and US$ cross currency swaps. The maturity profile of other funding sources, new asset origination and collateral margin calls constitute the other main drivers of LCR volatility.
With regards to modelling contingent collateral calls, the Company uses a Historic Look Back Approach ("HLBA") which calculates the largest collateral movement on an absolute basis over any 30 day period over the previous two years. The HLBA calculated collateral movement is included within the LCR as a static outflow. The HLBA process and corresponding LCR outflow are updated on a monthly basis.

Comparative Template 25 - EU LIQ1 - Quantitative information of LCR

	(US$ in thousands)	Total unweighted value (average)				Total weighted value (average)			
EU 1A	**Quarter ending on 31 October 2021**	**T**	**T-1**	**T-2**	**T-3**	**T**	**T-1**	**T-2**	**T-3**
EU 1B	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	High-Quality Liquid Assets								
1	Total high-quality liquid assets (HQLA)	-	-	-	-	6,287,976	6,234,678	6,068,028	5,804,995
	Cash - Outflows								
2	*Retail deposits and deposits from small business customers, of which:*								
3	*Stable deposits*								
4	*Less stable deposits*								
5	*Unsecured wholesale funding*								
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*								
7	*Non-operational deposits (all counterparties)*	2,039,078	2,000,356	2,015,115	1,644,802	1,749,296	1,734,845	1,802,634	1,495,110
8	*Unsecured debt*								
9	*Secured wholesale funding*					5,772	5,772	5,772	5,772
10	Additional requirements								
11	*Outflows related to derivative exposures and other collateral requirements*	1,050,613	1,065,603	1,105,235	953,479	298,791	292,766	292,127	292,788
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	537,317	547,625	559,334	537,330	243,874	251,347	257,466	236,437
14	Other contractual funding obligations	4,633,590	4,536,884	4,240,682	3,889,740	2,686,285	2,589,579	2,293,377	2,184,841
15	Other contingent funding obligations								
16	**Total Cash Outflows**					4,984,018	4,874,309	4,651,375	4,214,948
	Cash - Inflows								
17	Secured lending (e.g. reverse repos)	533,728	510,403	439,474	280,432	404,915	393,272	382,433	271,928
18	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
19	Other cash inflows	960,566	973,643	1,026,334	1,029,927	1,149,859	1,142,381	1,139,902	1,069,272
EU-19A	*(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)*					-	-	-	-
EU-19B	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	**Total Cash Inflows**	1,494,294	1,484,046	1,465,808	1,310,359	1,554,774	1,535,653	1,522,335	1,341,200
EU-20A	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20B	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20C	*Inflows subject to 75% cap*	-	-	-	-	1,554,774	1,535,653	1,522,335	1,341,200
	Total Adjusted Value								
EU-21	**Liquidity buffer**					6,287,976	6,234,678	6,068,028	5,804,995
22	**Total net cash outflows**					3,818,014	3,727,426	3,517,811	3,262,518
23	**Liquidity coverage ratio***					189%	196%	315%	319%

* To note there is a mathematical nuance in the averaging calculation, whereby the average of the liquidity buffer and total net cash outflow constituent parts will not tie into the average of the LCR ratio. The gap is exacerbated for the T-2 and T-3 calculations due to an elevated LCR ratio within the data set.

Template 26 below sets out quantitative information on the Company's NSFR as at 31 October 2022 and as at 31 October 2021.

Template 26 - EU LIQ2: Net Stable Funding Ratio

31 October 2022 (US$ in thousands)		Total Unweighted Value (Average) No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
Available Stable Funding (ASF) Items						
1	Capital items and instruments					
2	Own funds	-	-	-	800,057	800,057
3	Other capital instruments		-	-	-	-
4	Retail deposits					
5	Stable deposits		-	-	-	-
6	Less stable deposits		-	-	-	-
7	Wholesale funding:					
8	Operational deposits		-	-	-	-
9	Other wholesale funding		8,489,284	25,470	349,993	457,453
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:					
12	NSFR derivative liabilities					
13	All other liabilities and capital instruments not included in the above categories		903,436	-	-	-
14	**Total available stable funding (ASF)**					1,257,510
Required stable funding (RSF) items						
15	Total high-quality liquid assets (HQLA)					
EU-15A	Assets encumbered for a residual maturity of one year or more in a cover pool					
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:					
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial insti tutions		-	-	-	-
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		42,827	2,087	149,126	149,214
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		4,032,618	51,251	57,300	294,627
25	Interdependent assets					
26	Other assets:					
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	16,168
29	NSFR derivative assets		-	-	-	-
30	NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
31	All other assets not included in the above categories		98,282	-	4,458	9,372
32	Off-balance sheet items		362,979	-	-	18,149
33	**Total RSF**					693,151
34	**Net Stable Funding Ratio (%)**					181%
		Total Unweighted Value (Average)				Weighted value

31 October 2021 (US$ in thousands)		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available Stable Funding (ASF) Items						
1	Capital items and instruments					
2	Own funds	-	-	-	790,902	790,902
3	Other capital instruments		-	-	-	-
4	Retail deposits					
5	Stable deposits		-	-	-	-
6	Less stable deposits		-	-	-	-
7	Wholesale funding:					
8	Operational deposits		-	-	-	-
9	Other wholesale funding		8,783,794	-	347,357	390,512
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:					
12	NSFR derivative liabilities					
13	All other liabilities and capital instruments not included in the above categories		790,356	-	-	-
14	**Total available stable funding (ASF)**					1,181,414
Required stable funding (RSF) items						
15	Total high-quality liquid assets (HQLA)					
EU-15A	Assets encumbered for a residual maturity of one year or more in a cover pool					
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:					
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial insti tutions		-	-	-	-
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		60,121	-	113,854	126,837
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		3,558,188	-	35,757	218,734
25	Interdependent assets					
26	Other assets:					
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	20,169
29	NSFR derivative assets		101,519	-	-	101,519
30	NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
31	All other assets not included in the above categories		48,819	-	-	18,956
32	Off-balance sheet items		500,096	-	-	25,005
33	**Total RSF**					852,515
34	**Net Stable Funding Ratio (%)**					139%

Asset encumbrance

An asset is considered encumbered if it has been pledged or it is subject to any forms of arrangement to secure collateralise or credit enhance any on or off-balance sheet transaction from which it cannot be freely withdrawn.

The Company engages in activities that result in certain assets being encumbered. The majority of encumbrance arises from assets being pledged as collateral under capital market transactions including securities borrowing/lending and Over the Counter ("OTC") derivatives.

The Company primarily collateralises based on industry standard contractual agreements including ISDA Credit Support Agreements ("CSA"), Global Master Securities Lending Agreements ("GMSLA") and Global Master Repurchase Agreements ("GMRA").

Template 27 below sets out the encumbered and unencumbered assets held by the Company as at 31 October 2022 and as at 31 October 2021.

Template 27 - EU AE1 - Encumbered and unencumbered assets

	31 October 2022	Encumbered assets				Unencumbered assets			
		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
	(US$ in thousands)		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
010	**Assets of the reporting institution**	**222,545**	**222,545**			**11,072,944**	**5,704,274**		
030	Equity instruments	-	-	-	-	105,256	14,417	105,256	14,417
040	Debt securities	222,545	222,545	222,545	222,545	2,367,324	2,232,142	2,367,324	2,232,142
050	of which: covered bonds					37,712		37,712	
060	of which: securitisations								
070	of which: issued by general governments	134,860	134,860	134,860	134,860	1,313,967	1,294,087	1,313,967	1,294,087
080	of which: issued by financial corporations	87,685	87,685	87,685	87,685	943,358	875,434	943,358	875,434
090	of which: issued by non-financial corporations	-	-	-	-	72,287	62,621	72,287	62,621
120	Other assets	-	-			8,600,364	3,457,715		

	31 October 2021	Encumbered assets				Unencumbered assets			
		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
	(US$ in thousands)		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
010	**Assets of the reporting institution**	**1,000,701**	**1,000,701**			**10,920,444**	**5,238,249**		
030	Equity instruments	-	-	-	-	354,222	-	354,222	-
040	Debt securities	1,000,701	1,000,701	1,000,701	1,000,701	1,837,221	1,837,221	1,837,221	1,837,221
050	of which: covered bonds								
060	of which: securitisations								
070	of which: issued by general governments	446,089	446,089	446,089	446,089	673,786	673,786	673,786	673,786
080	of which: issued by financial corporations	424,216	424,216	424,216	424,216	1,117,946	1,117,946	1,117,946	1,117,946
090	of which: issued by non-financial corporations	-	-			48,847	48,847	48,847	48,847
120	Other assets	-	-			8,729,001	3,401,028		

Template 28 below sets out the collateral received, or own debt securities issued by the Company as at 31 October 2022 and as at 31 October 2021.

Template 28 - EU AE2 - Collateral received and own debt securities issued

	31 October 2022	**Fair value of encumbered collateral received, or own debt securities issued**		**Unencumbered**	
				Fair value of collateral received, or own debt securities issued available for encumbrance	
	(US$ in thousands)		**of which notionally eligible EHQLA and HQLA**		**of which notionally eligible EHQLA and HQLA**
130	**Collateral received by the reporting institution**	1,062,196	**-**	**2,394,472**	**-**
140	Loans on demand				
150	Equity instruments				
160	Debt securities				
170	of which: covered bonds				
180	of which: securitisations				
190	of which: issued by general governments				
200	of which: issued by financial corporations				
210	of which: issued by non-financial corporations				
220	Loans and advances other than loans on demand	1,062,196	-	2,394,472	-
230	Other collateral received				
240	**Own debt securities issued other than own**				
241	**Own covered bonds and securitisations issued**				
251	**Total assets, collateral received and debt**	**1,062,196**	**-**		

	31 October 2021 (US$ in thousands)	Fair value of encumbered collateral received, or own debt securities issued	of which notionally eligible EHQLA and HQLA	Unencumbered Fair value of collateral received, or own debt securities issued available for encumbrance	of which notionally eligible EHQLA and HQLA
130	**Collateral received by the reporting institution**	**957,644**	**-**	**3,222,085**	**-**
140	Loans on demand				
150	Equity instruments				
160	Debt securities	-	-	-	-
170	of which: covered bonds				
180	of which: securitisations				
190	of which: issued by general governments				
200	of which: issued by financial corporations				
210	of which: issued by non-financial corporations				
220	Loans and advances other than loans on demand	957,644	-	3,222,085	-
230	Other collateral received				
240	**Own debt securities issued other than own**				
241	**Own covered bonds and securitisations issued**				
251	**Total assets, collateral received and debt**	**957,644**	**-**		

Template 29 below sets out the sources of encumbrance for the Company as at 31 October 2022 and as at 31 October 2021.

Template 29 - EU AE3 - Sources of encumbrance

	31 October 2022 **(US$ in thousands)**	**Matching liabilities, contingent liabilities, or securities lent**	**Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered**
010	**Carrying amount of selected financial liabilities**	**-**	**-**

	31 October 2021 (US$ in thousands)	Matching liabilities, contingent liabilities, or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
010	**Carrying amount of selected financial liabilities**	**-**	**-**

Market risk

Market risk is the potential for on and off-balance sheet exposures to cause losses due to adverse changes in the underlying variables of interest, foreign exchange, equity, commodity, and credit market factors.

Market risk applies mainly to risk exposures in the trading book portfolios, namely Equity risk from the Linear Equity Line of Business and interest rate risk from the Bonds Trading business. Market risk also arises in the form of residual Foreign Exchange risk from structural balance sheet positions.

- Equity risk: The Linear Equity business line makes a market in equity total return swaps where the Company pays/receives the return on a stock or basket of stocks against the payment of a fixed or floating interest rate. The Trading Desk hedges the equity risk from the equity leg of the swap tightly by taking an offsetting long or short position in the underlying equities in the basket. Residual equity risk is subject to market risk limits as outlined in the specific limit letter for this Trading Desk.
- Interest Rate risk: The interest rate leg in equity total return swap transaction combined with the funding required/received for hedging the equity leg results in interest rate risk, which is subject to market risk limits as outlined in the specific limit letter for this Trading Desk. The Bonds Trading Desk makes a market in predominantly highly rated SSA Bonds and carries an inventory in such bonds on its own book. Interest rate risk from the bond inventory is usually tightly hedged, but can leave some residual unhedged interest rate risk exposures. As for Linear Equity, market risk exposures are subject to the limit framework as outlined in the specific limit letter for this Trading Desk.
- Foreign Exchange risk: This arises largely from transactions denominated in currencies other than the entity's reporting currency, resulting in a number of net balance sheet FX positions.

Market risk is subject to local policies as well as to the BMO Group Corporate Policies and Corporate Standards. This includes the allocation of limit letters specifying primary and secondary limits for key risk metrics (e.g. Value at Risk ("VaR"), Stress Tests) to which relevant Trading Desks must adhere.

The Company applies the Standardised Approach for the calculation of market risk regulatory capital. There are two elements to the calculation of the requirements - equity positions and traded debt instruments. The basis of the calculation of the 'Market Risk – Equities Position Risk Requirement' is in accordance with CRR II Articles 341 – 344. The basis of the calculation of the 'Market Risk – Position Risk in Traded Debt Instruments' is in accordance with CRR II Articles 334 – 340.

Template 30 below sets out market risk under the standardised approach for the Company as at 31 October 2022 and as at 31 October 2021.

Template 30 - EU MR1 – Market risk under the standardised approach

		As at 31 October 2022		As at 31 October 2021	
	(US$ in thousands)	**RWAs**	**Capital requirements**	RWAs	Capital requirements
	Outright products				
1	Interest rate risk (general and specific)	60,525	4,842	36,275	2902
2	Equity risk (general and specific)	6,138	491	313	25
3	Foreign exchange risk	-	-	-	-
4	Commodity risk	-	-	-	-
	Options				
5	Simplified approach	-	-	-	-
6	Delta-plus method	-	-	-	-
7	Scenario approach	-	-	-	-
8	Securitisation (specific risk)	-	-	-	-
9	**Total**	**66,663**	**5,333**	**36,588**	**2,927**

Interest Rate Risk in the Banking Book ("IRRBB")

Interest Rate Risk in the Banking Book ("IRRBB") is defined as the current or prospective risk to both the earnings and the economic value of the Company arising from adverse movements in interest rates that affect interest rate sensitive instruments, including gap risk, credit spread risk, basis risk and option risk. IRRBB encompasses interest rate risk as well as Credit Spread Risk in the Banking Book ("CSRBB") in the Company's Banking Book operations.

IRRBB is managed under the Market Risk Framework and delegated limit controls. Limits for IRRBB are expressed in terms of Economic Value of Equity ("EVE") and Net Interest Income ("NII") sensitivities which are based on the standardised methodology as outlined in the EBA Guidelines[2], i.e. six specific interest rate scenarios for the determination of the EVE sensitivity and two parallel scenarios for the determination of the NII sensitivity. These sensitivities are determined by the Company's Market Risk function on a monthly basis. The limits are defined and detailed in the Company's Risk Appetite Statement which is reviewed and approved by the Board on an annual basis.

As at 31 October 2022, the EVE sensitivity was US$ -8,049 thousand from the 'Short down' scenario (2021: US$ -1,900 thousand from the 'Steepener' scenario). Likewise, the NII sensitivity was US$ -18,608 thousand from the 'Parallel down' scenario (2021: US$ -9,409 thousand from the 'Parallel down' scenario).

Template 31 below sets out the Interest Rate Risks of non-trading book activities for the Company as at 31 October 2022 and as at 31 October 2021.

Template 31 - EU IRRBB1 – Interest Rate Risks of non-trading book activities

		Change of the Economic Value of Equity As at 31 October		Change of the Net Interest Income As at 31 October	
	(US$ in thousands)	**2022**	2021	**2022**	2021
	Supervisory Shock Scenario				
1	Parallel up	-63	-315	10,664	8,610
2	Parallel down	-6,778	-236	-18,608	-9,409
3	Steepener	-4,909	-1,900		
4	Flattener	1,044	2,460		
5	Short rates up	750	1,757		
6	Short rates down	-8,049	-522		
	Worst Case Scenario	**-8,049**	**-1,900**	**-18,608**	**-9,409**

IRRBB results mainly from the structural balance sheet duration profile stemming from mismatches in the interest rate repricing dates of assets, liabilities and off-balance sheet items from non-trading activities. The Company's non-complex balance-sheet structure results in an IRRBB exposure which is very amenable to standardisation. The Company does not have any non-maturity deposits and does not apply any behavioural assumptions. IRRBB exposure from corporate lending is predominantly based on floating interest rates, which results in very limited prepayment risk. The lack of any material optionality features, and the short interest rate duration of the Company's banking book positions produce immaterial convexity effects. Longer-term interest rate exposures, mainly from fixed rate bonds in the FVOCI bond portfolios, are hedged with interest rate swaps under hedge accounting. As a result, interest rate exposures are predominantly concentrated at the short end of the curve.

The interest rate duration profile of the Banking Book assets and liabilities of the Company has changed somewhat over the course of the year as the duration gap between liabilities and assets has widened somewhat. This was driven by the asset side, where now more and more assets are linked to overnight rates

[2] Final Report on Guidelines on the Management of Interest Rate Risk and Credit Spread Risk arising from non-trading book activities, EBA/GL/2022/14

(e.g. SOFR, ESTR), but also by the liability side, where the Company has accumulated a significant amount in external deposits, most of which are fixed rate deposits.

Furthermore, the negative interest rate floor has curtailed the magnitude of the downward scenario shocks at the short-end of the curve in 2021, but this effect has now diminished in 2022 after global interest rates increased very sharply in a very short period of time. The negative rate floor is now for almost all major currencies' scenarios out of reach.

XVA

The Company's derivatives are subject to 'valuation adjustments' in the form of 'credit value adjustments ("CVA") and 'funding value adjustments ("FVA"), which together are typically labelled as "XVA". The P&L resulting from changes in these valuation adjustments is shown separately in a dedicated XVA portfolio. That is, the derivatives are valued as if they were traded with riskless counterparties (valuation based on risk free discount curves) in their respective portfolios, and all valuation adjustments are determined separately and then accounted for in a single XVA portfolio. Occasionally, the Company will enter into specific trades to hedge XVA risk in this book, which are known as XVA hedges.

The Company conducts specific XVA stress tests on a monthly basis. With respect to XVA Pillar 2 capital, the Company implemented an economic capital methodology which is based on these XVA stress test results. More precisely, XVA economic capital is defined as the Worst Case Loss scenario from a suite of representative stress test scenarios. The Company uses a stress testing approach to determine internal capital for XVA due to the specific risk exposure profile of XVA, which is driven by multiple risk factors simultaneously, such as exposures, which determine the development of the potential future exposure ("PFE") of a derivative, as well as risk factors, which determine the riskiness of the Company as well as of the counterparty, and also the 'price' of collateral to be paid or received.

Other risks

Credit concentration risk

Credit concentration risk is the risk from exposure(s) (on or off balance sheet) that may arise within or across different risk categories throughout the Company with the potential to produce losses in its portfolio that are: (i) large enough to threaten the Company's financial health or ability to maintain its core operations; or (ii) result in a material change in the Company's risk profile. Credit concentration risk is the risk arising from a dominant share or overexposure in an institution's risk bearing positions or exposures (assets or liabilities, on or off-balance sheet) carrying common risk characteristics and which are sensitive to the same risk drivers. Such positions or exposures, in a risk event, may lead to a material loss jeopardizing the institutions earnings, capital or liquidity position and hence putting the institution at risk.

Credit concentration risk is the Company's primary type of concentration risk. Other risks are dealt with later in this section.

Contractual netting is applied to exposures from a specified list of counterparties in respect of determining regulatory large exposure to counterparties.

Credit concentrations indicate a related sensitivity of the Company's performance to developments affecting a particular counterparty, industry or geographic location. These limits are set in the context of the Company's risk appetite and risk bearing capacity of the Company's capital structure.

Credit concentration risks can occur as traditional intra-risk concentration, e.g. within a credit risk portfolio, or inter-risk concentration, concentration risk between or across different risk types. The Company has set a broad range of limits to mitigate credit concentration risk, focusing on single name/connection, settlement, industry and geographic concentration. Adherence to limits, the composition of the portfolios and potential concentrations are reported monthly to the RMC and reported quarterly to the RCC.

Concentration risk (excluding Credit concentration risk)

Concentration risk is identified, managed, monitored and reported by the Company in accordance with its Concentration Risk Management Policy and applicable regulatory guidelines.

In addition to the assessment of credit concentration risk as described earlier, the Company produces an assessment on concentration risk in other aspects of its business as part of its annual ICAAP process. This assessment specifically considers the following areas; business strategy, collateral, market, liquidity and operations. This assessment quantifies concentration risk in each of these areas and provides an assessment on whether internal capital as a mitigant to the risk should be allocated.
To date, internal capital as a mitigant has only been recommended for Credit concentration risk. Concentration risk in all other areas was assessed as adequately managed without the need for internal capital as a mitigant.

Operational Non-Financial risk

Operational Non-Financial risk is the potential for loss resulting from inadequate or failed internal processes or systems, human errors or misconduct or external events.

A risk based methodology has been adopted by the Company to conduct its own assessment of operational non-financial risk economic capital. This methodology incorporates a purpose-built operational non-financial risk capital model that uses the seven Basel event-types for risk categorization and leverages the Company's own loss data, representative consortium data and scenario analysis.

The Company recognises the benefits of using scenario analysis to assess and manage exposure to high severity, low frequency events which could potentially arise and expose the Company to loss. Scenario analysis is incorporated into the Company's determination of appropriate capital requirements. In order to determine the appropriate level of operational non-financial risk capital to be held, the Company employs an expert panel to review and assess the Company's operational loss event history and potential exposure to relevant scenarios across the seven Basel event-type categories. The results of the expert-panel assessment of scenarios combined with historic loss frequency results, are used in the Operational non-financial risk economic capital model to calculate the internal capital requirement at a 99.95% confidence interval.

In addition to the holding of capital to mitigate the impact of operational non-financial risk issues, the Company applies a risk management framework to manage and mitigate risk, including internal controls, limits and governance processes. This framework incorporates the regular review of top and emerging risks to ensure they are managed appropriately within the Company's risk appetite. A three lines of defence approach to managing Operational non-financial risk is applied, where operational non-financial risk is managed by the Lines of Business and corporate functions as the first line of defence and overseen by the second line of defence Risk Management function. Governance comprises a robust committee structure and a comprehensive risk management framework. Key programs in the ongoing review of the Company's risk profile include the Risk & Control Self-Assessment ("RCSA"), an established process used by our business function to identify the key risks associate with their business activities and the controls required for risk mitigation. The RCSA process provides a forward-looking view on the Company's risk profile, enabling proactive prevention, mitigation and management of risk.

Template 32 below sets out the Operational non-financial risk own funds requirements and risk weighted exposure amounts for the Company as at 31 October 2022 and as at 31 October 2021. The time periods are defined as follow:

	For template as at 31 October 2022	For template as at 31 October 2021

Last year	31 October 2022	31 October 2021
Year-2	31 October 2021	31 October 2020
Year-3	31 October 2020	31 October 2019

The Company uses the Standardised Risk Approach in the calculation of its operational risk own funds requirements, as outlined in CRR Articles 317 & 318. Under this approach, the Company's activities are mapped into designated business lines as detailed in CRR Article 317 (4) Table 2. The annual own funds requirement of each business line is calculated by taking the relevant indicator mapped to the respective business line and multiplying it by the beta factor applicable to that business line. Where required, the Company will offset negative own funds requirements resulting from a negative part of the relevant indicator in any business line with a positive own funds requirement in other business lines without limit. However, where the aggregate own funds requirement across all business lines within a given year is negative, the Company shall use the value zero as the input to the numerator for that year.

This calculation is completed for all of the business line categories for that annual period and repeated for the other two annual periods in the calculation. The overall operational risk own funds requirement is obtained by taking the average over the last three years, of the sum of the annual own funds requirements across all business lines referred to in CRR Article 317 (4) Table 2. The Company uses audited financial year-end figures in producing this calculation.

Template 32 - EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

31 October 2022 (US$ in thousands)		**Relevant indicator**			**Own funds requirements**	**Risk exposure amount**
Banking Activities		**Year-3**	**Year-2**	**Last year**		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	41,609	62,151	62,299	9,642	120,520
3	Subject to TSA:	-	-	-	-	-
4	Subject to ASA:	-	-	-	-	-
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

31 October 2021 (US$ in thousands)		Relevant indicator			Own funds requirements	Risk exposure amount
Banking Activities		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	50,662	41,609	61,138	8,956	111,945
3	Subject to TSA:	-	-	-	-	-
4	Subject to ASA:	-	-	-	-	-
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

Currency risk

The Company does not maintain material open currency positions. The Company manages foreign currency risk through cross-currency swaps and foreign exchange forward and spot transactions along with deposits denominated in foreign currencies.

Governance risk

Governance risk is the potential for deficiency in the overall oversight and internal control mechanisms which the Company has in place to ensure that it is soundly and prudently managed, referring in particular to processes, structures and information flows which are used to allow the Board and senior management to satisfy themselves that effective internal control mechanisms are in place to protect all stakeholders.

The Board is responsible for the effective, prudent and ethical oversight of the Company. It is responsible for approving the business strategy and its implementation, within the approved risk appetite, and ensuring that the Company has an effective internal control framework. The effectiveness of the Board in carrying out its oversight function is a critical component of the Company's overall internal governance framework.

The Board annually reviews and approves the Risk Management, Compliance and Corporate Audit Frameworks. This ensures that the Company has robust second and third lines of defence. The obligation for these lines of defence to report to the Board, or one of its committees, is set out in the relevant framework.

The Company monitors Governance risk as part of its risk register, acknowledging it as a key risk.

Conduct risk

Conduct risk within the Company is defined as the risk that behavior in the Company falls short of the BMO Groups "Being BMO" values and regulatory expectations, resulting in harm to customers, the Company and/or the financial markets.

A taxonomy of applicable conduct risks has been developed and is updated at least annually. Sources of Conduct Risk within the Company include breaches of or a failure to report breaches of the Code of Conduct, breaches of relevant policies, procedures and limits, unreported conflicts of interest, internal fraud, failure to adhere to Personal Trading Account requirements, leaking of confidential information, market abuse, mis-selling products to clients outside target markets, unclear or misleading communications with clients and treating clients unfairly.

The Company manages Conduct risk through a framework that promotes sound corporate governance and appropriate employee conduct in the execution of its business strategy, the protection of its reputation and maintenance of the trust of its stakeholders and the broader market. The framework outlines the processes by which the Company identifies, assesses, and monitors conduct risk to ensure risks are appropriately managed and mitigated. The Company's approach to Conduct risk management is integrated in its Risk Management Framework and Compliance Management Framework and is consistent with its three lines of defence model. The objective of the Framework is to ensure that the Company has an effective approach to:

- Identifying and measuring conduct risk.
- Maintaining a current and accurate inventory of conduct risks inherent in the Company's business model, booking models and activities.
- Providing guidance regarding conduct-related issues consistent with internal policies, directives and procedures.
- Reinforcing adherence to the Company's values and behaviours.
- Conducting conduct risk monitoring and testing.
- Ensuring timely and effective remediation of identified issues.
- Coordinating and delivering conduct-related training.
- Developing and maintaining conduct related policies, directives and procedures.

Business & strategic risk

Business & strategic risk is the potential for loss due to fluctuations in the external business environment and/or failure to properly respond to these fluctuations due to inaction, ineffective strategies or poor implementation of strategies.

Business & strategic risk arises from two sources: external risks inherent in the business environment and the risk of potential loss if those external risks are not dealt with effectively. While external strategic risks –

including economic, political, regulatory, technological, social and competitive risks – cannot be controlled, the likelihood and magnitude of their impact can be mitigated through an effective strategic management framework.

The Company's business strategy is reviewed by the Board annually in interactive sessions designed to challenge assumptions and strategies in the context of current and potential future business environments. Performance objectives established through the strategic management process are regularly monitored and reported. The Company faces many risks that are similar to those faced by non-financial firms; principally that profitability may be eroded by changes in the business environment or by failures of strategy or execution. Sources of these risks include, but are not limited to, changing client expectations, adverse business developments and ineffective responses to industry changes.

The Company's senior management is responsible for overseeing the activities of the businesses and support functions and, in particular, the risks attributable to the implementation of strategy, conduct of business, best risk practice, law, regulation and the established policies, procedures and strategies of the BMO Group.

Reputational risk

Reputational risk is the risk of negative impacts on the Company resulting from the deterioration of the Company's or the BMO Group's reputation with key stakeholders.

The Company recognises that its reputation is one of the most valuable and fragile assets. As such reputation risk management is an extremely important process for the Company and includes the forecasting and evaluation of reputational risks across existing and new business, together with the identification of procedures to avoid or minimize their impact.

The Company's Conduct risk framework, Business Strategy planning process and Climate change risk management assist it in the effective management of reputational risk. These elements assist the Company to shape public perception of its products, services, and brand in ways that foster public and consumer trust. The Company's senior management is responsible for overseeing the day-to-day operations and control of the business in line with the implemented policies and procedures.

Climate change risk

Climate change risk relates to the impact from the structural change towards a low-carbon economy and the related impact on the financial system. The European Central Bank defines two components of Climate change risk:

- Physical risk refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation, such as air, water and land pollution, water stress, biodiversity loss and deforestation; and
- Transition risk refers to an institution's financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy.

The Company has limited exposure to physical risk given the location of its offices and the size and composition of its loan book. The Company has no material exposure to sectors such as residential mortgages or commercial real estate where physical risks are high and most of the Company's credit exposures fall into the Financial or Service Industry categories.

The Company has a Board approved Plan, aligned to that of BMO CM, that sets out a clear path to meeting both internal BMO Group and external regulatory expectations. This includes specific actions and milestones across Governance, Risk Management, Scenario Analysis, Strategy & Business Model and Disclosures.

This Plan support the identification of Transition Risks from a Credit, Market, Liquidity and Operational Non-Financial Risk perspective. Initial analysis suggests that such risks are low given the nature and diversity of the Company's exposures and counterparties. Further data driven scenario analysis is underway to continue to quantify the potential impacts and embed in business strategy and risk management is a manner that is proportionate to the size, complexity and level of risk to the Company.

Remuneration disclosures

Decision making process for remuneration policy

BMO Group remuneration is governed by the BMO Group Human Resources Committee ("HR Committee"). The HR Committee, on behalf of the BMO Group Board of Directors, is responsible for assisting the BMO Group Board in fulfilling its oversight responsibilities for the appointment, performance evaluation and compensation of the BMO Group Chief Executive Officer, as well as other Senior Executives; talent development, retention strategies and succession planning; philosophy and principles for compensation programmes; design and application of material compensation plans, benefit plans for executives and retirement and bank sponsored savings programs; share ownership guidelines; and oversight of human resources strategies relating to diversity, equity and inclusion and health and well-being. The HR Committee's oversight responsibilities include Bank of Montreal Europe plc.

The HR Committee met six times during 2022. The HR Committee's mandate is contained in the HR Committee's charter at: https://www.bmo.com/corporate-governance/files/en/hrc-charter-en.pdf

The Board is accountable for adopting a remuneration policy that is in line with Irish statutory requirements and the supervisory requirements of the CBI. The BMO Group's Overarching Compensation Framework ("Framework") describes the remuneration practices operating within the BMO Group. The Board has approved the Framework along with Company specific Implementing Procedures; these Implementing Procedures supplement the Framework in order to comply with local requirements.

Updates to the Framework and related practices set by the HR Committee are communicated to the Board by Human Resources on an annual basis. No significant policy changes were made in respect of 2022.

External consultants

The HR Committee works with an outside advisor to help it carry out its mandate. The HR Committee has retained Pay Governance LLC as its advisor on compensation issues. Pay Governance is an independent and unaffiliated executive compensation advisory firm that works exclusively under the direction of the HR Committee and does not do any work for senior management.

The BMO Group also retained Global Governance Advisors ("GGA") to complete an extensive independent review of the BMO Group's material compensation plans, which includes the Bank of Montreal Europe plc incentive plans, to ensure the soundness of the BMO Group's compensation policies and decision-making processes. The GGA review included:

- assessing compensation design.
- assessing plan changes against the Financial Stability Board's ("FSB"') Principles and the applicable regulatory requirements.
- performing stress testing and back-testing, pay out curve analysis and volatility analysis of the BMO Group corporate and business unit results.

GGA reported that the BMO Group continues to align to FSB Principles and applicable regulatory requirements.

In addition to the external consultants, the HR Committee has a formal process for overseeing risks associated with the BMO Group compensation policies and practices. Key to risk oversight is the BMO Group Compensation Oversight Committee, which is comprised of the BMO Group Chief Risk Officer, the BMO Group Chief Financial Officer, the BMO Group Chief Compliance Officer, the BMO Group General Counsel and senior leaders from the BMO Group Human Resources area, along with the BMO Group Chief Auditor as an observer. The BMO Group Compensation Oversight Committee met five times throughout 2022. At a minimum it will meet before every relevant meeting of the HR Committee, and it is actively involved in the annual compensation decision-making process and providing advice to the HR Committee on material compensation plans including plans applicable to the employees of the Company. No individual is involved in decisions relating to their own compensation.

The HR Committee fully considers the BMO Group strategic priorities in setting compensation policy and it is mindful of its duties to shareholders and other stakeholders.

The HR Committee oversees the BMO Group compensation plans making sure they align pay with performance, operate within the BMO Group risk appetite, help the BMO Group achieve its goals and are in the best interest of shareholders, while not encouraging excessive or inappropriate risk-taking.

The Board undertakes annual reviews of the implementation of their compensation policies to ensure that they comply with S.I. No. 710/2020 - European Union (Capital Requirements) (Amendment) Regulations 2020 pertaining to the CRR and CRD as amended.

The Board can propose adjustments to either current year incentive funding or request malus or clawback sanctions to be applied to historically awarded, deferred remuneration. The implementation of adjustments to remuneration would be facilitated by the BMO Group Compensation Oversight Committee and the HR Committee.

Identified Staff Criteria

The BMO Group and the Company incorporates the European Banking Authority regulatory technical standards in its identification framework to identify categories of staff whose professional activities have a material impact on the risk profile of the firm under Article 94(2) of CRD V as amended.

The identification criteria are a combination of qualitative and quantitative criteria. The qualitative criteria identify staff within the management body, senior management and other staff with key functions or managerial responsibilities over other identified staff within the Company whose impact on the Company's risk profile is material. Other criteria are based on the authority of staff to commit to credit risk exposures and market risk transactions.

In addition, a set of quantitative criteria are used, which are based on compensation ranges. Employees whose compensation falls within a certain range may also be identified as Identified Staff.

Design and structure of compensation and link to performance for Identified Staff

The BMO Group approach to compensation is based on a "pay for performance" philosophy. The practices are designed to effectively balance the core compensation principles:

- Link compensation to the BMO Group performance: Remuneration design and implementation, as implemented by the Company, aligns with BMO's strategic priorities and Purpose, and links to both the BMO Group and operating group performance.
- Attract and retain talent: Compensation helps attract and retain talented people and motivates them to excel to achieve objectives.
- Align with prudent risk-taking: Compensation structures do not encourage excessive risk- taking and rewards appropriate use of capital; Senior management and material risk taking employees' variable pay can be clawed back or forfeited and a significant portion is deferred.
- Encourage a long-term view to increase shareholder value: A significant portion of variable pay for senior management and material risk taking employees is allocated to mid and long-term incentives, which are equity-based and deferred.

The alignment of compensation with risk is an important consideration in compensation plans. For this reason, mechanisms in compensation design are included to ensure risk is appropriately considered before incentive pools are finalised. These mechanisms include:

- Using risk performance metrics when determining funding for variable compensation.
- Establishing the incentive pool based on performance against strategic objectives and annual financial goals which reflect provisions for credit, market liquidity and other risks.
- Depending on role and function, a significant portion of variable compensation is equity-based and there are share ownership requirements.

- Having leadership, management bodies and professionals in human resources, risk, compliance, and finance review variable incentive pools throughout the year and before finalising them.

Direct compensation is a combination of fixed pay elements and performance-related pay elements (short-term, mid-term and long-term incentives). The performance-related pay is designed to reward the achievement of the Company, line of business, and individual performance targets, while managing risk.

The HR Committee conducts a year-end review of the individual performance and variable pay of the senior executives and control function leaders, and the total variable pay for other top earners across the BMO Group. This includes an assessment of any risk, compliance, conduct, audit and financial factors when determining whether to exercise its discretion to modify individual variable pay awards. The Committee also reviews mid and long-term incentives before they vest and pay out and considers whether forfeitures are appropriate. Finally, the BMO Group board carries out a risk review at the end of the year (risk profiles of the BMO Group and operating groups) to identify if each operating group's risk profile is consistent with the BMO Group's risk appetite statement and the BMO Group board's risk expectations before it approves final incentive awards for the BMO Group CEO.

The BMO Group also has established policies on the use of guaranteed bonuses and severance payments. Guaranteed bonuses are only offered during the recruitment process in exceptional circumstances. Severance payments are determined in accordance with local frameworks and reflect performance achieved over time and must not reward failure or misconduct.

Identified Staff

Front Office Identified Staff

Front Office staff are eligible to participate in the BMO Group Capital Markets incentive-based compensation plan which has two components: 1) upfront compensation, and 2) deferred compensation, both equally split in cash and share-linked awards in cases where individual proportionality does not apply. The incentive plan funding is based on BMO Group Capital Markets financial and non-financial performance including risk management considerations.

Individual award allocations are based on achieving business and individual performance goals that are designed to reinforce the Company and operating group's strategic priorities and values, qualitative measures are used to assess how results were achieved, and adherence to risk management, compliance requirements and to the BMO Code of Conduct.

A minimum portion of 40% or 60% of an employee's incentive award is deferred over a period between four to seven years. Deferred share-linked awards are subject to an additional 12-month retention period upon vesting. The minimum deferral level is based on the employee's total incentive compensation. Share-linked awards are designed to promote a greater alignment of interest between employees and shareholders of the BMO Group.

Front Office Identified Staff are subject to the CRD V bonus cap, whereby variable compensation cannot exceed 200% of fixed compensation.

Control and Corporate Functions Identified Staff

Compensation for Identified Staff in control and corporate functions is tied to overall BMO Group performance and performance against individual goals. These employees do not report into the businesses they support, nor does the success or final performance of business areas they support or monitor directly impact the assessment of their performance or compensation. This independence mitigates risk and encourages these employees to maintain their focus on the BMO Group's overall success.

Identified Staff in control functions are eligible to participate in the incentive-based compensation plan which has two components: 1) upfront compensation, and 2) deferred compensation, both equally split in cash and share-linked awards. Funding of the upfront compensation incentive pool is based on the BMO Group performance against annual targets set on business measures aligned to the BMO Group strategic priorities. Funding also considers a risk review.

Individual award allocations are based on achieving individual performance goals that are designed to reinforce the BMO Group and their operating group's strategic priorities and values, qualitative measures used to assess how results were achieved, and adherence to risk management, compliance requirements and to the BMO Group Code of Conduct.

A minimum portion of 40% or 60% of an employee's incentive award is deferred over a period of between four years to seven years. Deferred share-linked awards are subject to an additional 12-month retention period upon vesting. The minimum deferral level is based on the employee's total incentive compensation. Share-linked awards are designed to promote a greater alignment of interest between employees and shareholders of the BMO Group.

Control and Corporate Functions Identified Staff are subject to the CRD V bonus cap, whereby variable compensation cannot exceed 200% of fixed compensation.

Clawback and forfeitures

Clawback and forfeiture policies have been adopted in the BMO Group compensation programs to help mitigate current and future risks.

For all Identified Staff, the HR Committee may, in its sole discretion, reduce or forfeit unvested deferred incentive awards depending on the severity of a risk event's impact to the BMO Group, the Company, operating group or line of business financial performance or reputation, and individual accountability. For all Executives, Identified Staff and BMO Capital Markets employees at the Managing Director level and above, the HR Committee further maintains the discretion to seek recoupment of awards paid over a period of three years preceding the date upon which the HR Committee makes its determination that an event of financial restatement, or misconduct or negligence in the management of risk which contributed or could have contributed to significant financial or reputational harm to the BMO Group or to the Company, has occurred.

The HR Committee evaluates risk events (such as audit findings, credit losses, financial losses and key indicators of operational, market compliance, poor conduct behaviours and reputational risk) when determining whether to use its discretion to reduce or forfeit payouts from the awarded compensation and/or clawback all or a portion of variable compensation paid.

The HR Committee may also, in their sole discretion, reduce or eliminate year-end variable compensation if such a reduction or elimination is necessary to achieve or maintain minimum regulatory capital requirements or capital levels which satisfy important market or regulatory expectations.

Other than at the discretion of the HR Committee, as outlined above, there are no additional performance conditions attached to the vesting of deferred incentive awards.

Remuneration Tables for Identified Staff

The following tables show the remuneration awards made by the Company in respect of the 2022 performance year. The disclosures are made in accordance with Article 450 of the Capital Requirements Regulation, the Basel Committee on Banking Supervision (BCBS) Pillar III disclosure requirements standard and the EBA Final report on Guidelines on sound remuneration policies under Directive 2013/36/EU (EBA/2021/04) to the extent applicable to the 2022 performance year for the Company as a business area of the Capital Markets Operating Group of the BMO Group.

The column headings are as follows:

- MB Supervisory Function - The staff member is a member of the management body in its supervisory function.
- MB Management Function - The staff member is a member of the management body in its management function.
- Other senior management - The staff member is a member of the senior management.
- Other Identified Staff - Includes all other identified staff in business areas, internal control functions and corporate functions.

Template 33 - EU REM1 - Remuneration awarded for the financial year

31 October 2022 (US$ in thousands)			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	**Fixed remuneration**	**Number of identified staff**	**5**	**2**	**9**	**14**
2		**Total fixed remuneration**	**400**	**756**	**2,321**	**1,509**
3		Of which: cash-based	400	756	2,321	1,509
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
7		Of which: other forms	-	-	-	-
9	**Variable remuneration**	**Number of identified staff**	**5**	**2**	**9**	**14**
10		**Total variable remuneration**	**207**	**462**	**1,272**	**814**
11		Of which: cash-based	115	231	636	509
12		Of which: deferred	45	93	255	122
EU-13a		Of which: shares or equivalent ownership interests	-	-	-	-
EU-14a		Of which: deferred	-	-	-	-
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	92	231	636	305
EU-14b		Of which: deferred	63	93	255	122
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms	-	-	-	-
16		Of which: deferred	-	-	-	-
17	**Total remuneration (2 + 10)**		**607**	**1,218**	**3,593**	**2,323**

31 October 2021 (US$ in thousands)			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	**Fixed remuneration**	**Number of identified staff**	**5**	**2**	**8**	**16**
2		**Total fixed remuneration**	**455**	**826**	**2,628**	**1,829**
3		Of which: cash-based	455	826	2,628	1,829
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
7		Of which: other forms	-	-	-	-
9	**Variable remuneration**	**Number of identified staff**	**5**	**2**	**8**	**16**
10		**Total variable remuneration**	**258**	**535**	**1,765**	**748**
11		Of which: cash-based	144	268	883	378
12		Of which: deferred	56	108	409	145
EU-13a		Of which: shares or equivalent ownership interests	-	-	-	-
EU-14a		Of which: deferred	-	-	-	-
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	114	268	883	114
EU-14b		Of which: deferred	114	268	883	114
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms	-	-	-	-
16		Of which: deferred	-	-	-	-
17	**Total remuneration (2 + 10)**		**713**	**1,362**	**4,393**	**2,577**

Template 34 - EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

	31 October 2022 (US$ in thousands)	MB supervisory function	MB management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - number of identified staff	-	-	-	-
2	Guaranteed variable remuneration awards -total amount	-	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - total amount	-	-	-	-
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - number of identified staff	-	-	-	-
7	Severance payments awarded during the financial year - total amount	-	-	-	-
8	Of which paid during the financial year	-	-	-	-
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
11	Of which highest payment that has been awarded to a single person	-	-	-	-

	31 October 2021 (US$ in thousands)	MB supervisory function	MB management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - number of identified staff	-	-	-	-
2	Guaranteed variable remuneration awards -total amount	-	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - total amount	-	-	-	-
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - number of identified staff	-	-	-	-
7	Severance payments awarded during the financial year - total amount	-	-	-	-
8	Of which paid during the financial year	-	-	-	-
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
11	Of which highest payment that has been awarded to a single person	-	-	-	-

Template 35 - EU REM3 - Deferred remuneration

	31 October 2022 (US$ in thousands) Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	**MB Supervisory function**								
2	Cash-based	71	10	61	-	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4	Share-linked instruments or equivalent non-cash instruments	205	35	170	-	-	-	-	15
5	Other instruments	-	-	-	-	-	-	-	-
6	Other forms	-	-	-	-	-	-	-	-
7	**MB Management function**								
8	Cash-based	146	81	65	-	-	-	-	-
9	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
10	Share-linked instruments or equivalent non-cash instruments	323	213	110	-	-	-	-	110
11	Other instruments	-	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-	-
13	**Other senior management**								
14	Cash-based	483	246	237					
15	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
16	Share-linked instruments or equivalent non-cash instruments	1,092	648	444	-	-	-	-	338
17	Other instruments	-	-	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-	-	-
19	**Other identified staff**								
20	Cash-based	118	50	68	-	-	-	-	-
21	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
22	Share-linked instruments or equivalent non-cash instruments	346	211	135	-	-	-	-	69
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	**Total amount**	**2,784**	**1,494**	**1,290**	**-**	**-**	**-**	**-**	**532**

Certain changes have been made to the comparative template to better align with the current year template presentation.

	31 October 2021 (US$ in thousands) Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	**MB Supervisory function**								
2	Cash-based	90	5	85	-	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4	Share-linked instruments or equivalent non-cash instruments	232	52	180	-	-	-	-	10
5	Other instruments	-	-	-	-	-	-	-	-
6	Other forms	-	-	-	-	-	-	-	-
7	**MB Management function**								
8	Cash-based	152	59	93	-	-	-	-	-
9	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
10	Share-linked instruments or equivalent non-cash instruments	478	319	159	-	-	-	-	98
11	Other instruments	-	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-	-
13	**Other senior management**								
14	Cash-based	437	170	267					
15	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
16	Share-linked instruments or equivalent non-cash instruments	1,344	861	483	-	-	-	-	336
17	Other instruments	-	-	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-	-	-
19	**Other identified staff**								
20	Cash-based	62	20	42	-	-	-	-	-
21	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
22	Share-linked instruments or equivalent non-cash instruments	463	270	193	-	-	-	-	46
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	**Total amount**	**3,258**	**1,756**	**1,502**	**-**	**-**	**-**	**-**	**490**

Template 36 - EU REM4 - Remuneration of 1 million EUR or more per year

	31 October 2022	**Identified staff that are high earners as set out in article 450(i) CRR**
1	1 000 000 to below 1 500 000	-
2	1 500 000 to below 2 000 000	-
3	2 000 000 to below 2 500 000	-
4	2 500 000 to below 3 000 000	-
5	3 000 000 to below 3 500 000	-
6	3 500 000 to below 4 000 000	-
7	4 000 000 to below 4 500 000	-
8	4 500 000 to below 5 000 000	-
9	5 000 000 to below 6 000 000	-
10	6 000 000 to below 7 000 000	-
11	7 000 000 to below 8 000 000	-

	31 October 2021	Identified staff that are high earners as set out in article 450(i) CRR
1	1 000 000 to below 1 500 000	-
2	1 500 000 to below 2 000 000	-
3	2 000 000 to below 2 500 000	-
4	2 500 000 to below 3 000 000	-
5	3 000 000 to below 3 500 000	-
6	3 500 000 to below 4 000 000	-
7	4 000 000 to below 4 500 000	-
8	4 500 000 to below 5 000 000	-
9	5 000 000 to below 6 000 000	-
10	6 000 000 to below 7 000 000	-
11	7 000 000 to below 8 000 000	-

Template 37 - EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

31 October 2022 (US$ in thousands)		Management body remuneration			Business areas						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										30
2	Of which: members of the MB	5	2	7							
3	Of which: other senior management				5	-	-	1	3	-	
4	Of which: other identified staff				6	-	-	3	5	-	
5	Total remuneration of identified staff	607	1,218	1,824	3,787	-	-	475	1,656	-	
6	Of which: variable remuneration	207	462	668	1,511	-	-	122	453	-	
7	Of which: fixed remuneration	400	756	1,156	2,276	-	-	353	1,203	-	

31 October 2021
(US$ in thousands)

		Management body remuneration			Business areas						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										31
2	Of which: members of the MB	5	2	7							
3	Of which: other senior management				5	-	-	1	2	-	
4	Of which: other identified staff				5	-	-	4	7	-	
5	Total remuneration of identified staff	713	1,362	2,075	4,535	-	-	512	1,923	-	
6	Of which: variable remuneration	258	536	794	1,866	-	-	133	514	-	
7	Of which: fixed remuneration	455	826	1,281	2,669	-	-	379	1,409	-	

Non applicable templates

Template name	Non applicable rationale
Template EU INS1 - Insurance participations	Not in scope as no insurance participations in place
Template EU INS2 - Financial conglomerates information on own funds and capital adequacy ratio	Not in scope as the Company is not a financial conglomerate
Template EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)	Not in scope as the Company does not prepare consolidated financial statements
Template EU PV1 - Prudent valuation adjustments (PVA)	Not in scope as the Company does not use the CORE approach to PVA
Template EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments	Not in scope as the Company has not issued any of these instruments
Template EU CQ1: Credit quality of forborne exposure	Not in scope as no forbearance granted
Template EU CQ2: Quality of forbearance	Not in scope as no forbearance granted
Template EU CQ4: Quality of non-performing exposures by geography	Not in scope as no non-performing exposures
Template EU CQ6: Collateral valuation - loans and advances	Not in scope as the Company is not a large institute
Template EU CQ7: Collateral obtained by taking possession and execution processes Template EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown	Not in scope as no collateral obtained by taking possession and for CQ8 the Company is not a large institute
Template EU CR2-A Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Not in scope as the Company is not a large institute
Template EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range Template EU CR6-A – IRB Approach - Scope of the use of IRB and SA approaches Template EU CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques Template EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach Template CR9 –IRB approach – Back-testing of PD per exposure class (fixed PD scale) A-IRB Template CR9.1 –IRB approach – Back-testing of PD per exposure class A-IRB	IRB approach not in scope as the Company utilises the standardised approach

Non applicable templates continued

Template name	Non applicable rationale
Template EU CR10 to CR 10.5 – Specialised lending and equity exposures under the simple risk weighted approach	Not in scope as no specialised lending in place
Template EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale Fixed format	IRB approach not in scope as the Company utilises the standardised approach
Template EU CCR6 – Credit derivatives exposures	Not in scope as no credit derivatives in place
Template EU CCR7 – RWEA flow statements of CCR exposures under the IMM Fixed format	Not in scope as the Company does not use the IMM to compute risk weighted exposure amounts
Template EU-SEC1 - Securitisation exposures in the non-trading book Template EU-SEC2 - Securitisation exposures in the trading book Template EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor Template EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor Template EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	Not in scope as no securitisations in place
Template EU MR2-A - Market risk under the internal Model Approach (IMA) Template EU MR2-B - RWEA flow statements of market risk exposures under the IMA Template EU MR3 - IMA values for trading portfolios Template EU MR4 - Comparison of VaR estimates with gains/losses	IMA approach not in scope as the Company utilises the standardised approach

Appendix 1 - Disclosure Index for Part Eight of the CRR

CRR reference	High level summary	BME applicable	Template/table reference	Company reference	Page number
Return of assets					
90 (CRD)	Public disclosure of return on assets	Yes	None	Section: Return on assets	28
Disclosure requirements and policies					
431(1)	Institutions shall publish Pillar III disclosures, subject to the exceptions referred to in Article 432.	Yes	None	Section: Purpose of Disclosures	6
431(2)	Institutions that have been granted permission by the competent authorities under Part Three for the instruments and methodologies referred to in Title III shall publicly disclose the information laid down therein.	No	None	Not Applicable	
431(3)	Institutions shall have a written attestation and the key elements of the institution's formal policy to comply with disclosure requirements and have policies for assessing the appropriateness of their disclosures, including their verification and frequency.	Yes	None	Section: Policy and scope of disclosures	6
431(4)	All quantitative disclosures shall be accompanied by a qualitative narrative and any other supplementary information that may be necessary in order for the users of that information to understand the quantitative disclosures, noting in particular any significant change in any given disclosure compared to the information contained in the previous disclosures.	Yes	None	As Required.	
431(5)	Explanation of ratings decision upon request to SMEs and Corporate applicants	No	None	Not Applicable.	
Non-material, proprietary or confidential information					
432(1)	With the exception of the disclosures laid down in point (c) of Article 435(2) and in Articles 437 and 450, Institutions may omit certain disclosures provided that they are not regarded as material.	Yes	None	Reference to review and verification of disclosures is made in Policy and scope of disclosure section	7
432(2)	Institutions may omit certain disclosures that are proprietary or confidential if certain conditions are met.	Yes	None	Reference to review and verification of disclosures is made in Policy and scope of disclosure section	7
432(3)	Where 432 (2) applies this must be stated in the disclosures, and publish more general information about the subject matter of the disclosure requirement, except where that subject matter is, in itself, proprietary or confidential.	Yes	None	Reference to review and verification of disclosures is made in Policy and scope of disclosure section	7
Frequency and scope of disclosure					
433	Disclosures must be published once a year at a minimum and more frequently if necessary and Annual disclosures shall be published in conjunction with the date of publication of the financial statements.	None	Section: Frequency	None	
433a	Disclosures by large institutions	None	Not Applicable. BME is not classified as a large institution.	None	
433b	Disclosures by small and non-complex institutions	None	Not Applicable BME is not classified as a small and non-complex institution.	None	

Appendix 1 - Disclosure Index for Part Eight of the CRR

CRR reference	High level summary	BME applicable	Template/table reference	Company reference	Page number
Frequency and scope of disclosure (contd.)					
433c	Institutions that are not subject to Article 433a or 433b shall disclose the information outlined as per Article 433c on an annual basis.	Yes	None	Section: Frequency	6
Means of disclosures					
434(1)	Disclosures should be provided in an electronic format and in a single medium or location which shall be a standalone document or in a distinctive section or appended to the Financial Statements.	Yes	None	Section: Frequency	6
434(2)	Disclosures should be available on a website or in an appropriate location for accessible for a period of time that shall be no less than the storage period set by national law for information included in the institutions' financial reports.	Yes	None	Section: Frequency	6
434a	Uniform disclosure formats	Yes	None	BME uses uniform disclosure formats.	7
Disclosure of risk management objectives and policies					
435(1)(a)	The strategies and processes to manage risks.	Yes	EU OVA - Institution risk management approach	Section: Risk management	37
		Yes	EU LIQA - Liquidity risk management	Section: Liquidity and funding risk management framework	66
435(1)(b)	Structure and organisation of risk management function.	Yes	EU OVA - Institution risk management approach	Section: Risk management	37
435(1)(c)	Risk reporting and measurement systems.	Yes	EU OVA - Institution risk management approach	Section: Monitoring and reporting of Risk	39
435(1)(d)	Hedging and mitigating risk – policies and processes.	Yes	EU CRA: General qualitative information about credit risk	Section: Credit risk	40
		Yes	EU MRA: Qualitative disclosure requirements related to market risk	Section: Market risk	83
435(1)(e)	A declaration of adequacy of risk management arrangements approved by the Board.	Yes	None	Section: Declaration by the management body on the adequacy of risk management arrangements	39

Appendix 1 - Disclosure Index for Part Eight of the CRR

CRR reference	High level summary	BME applicable	Template/table reference	Company reference	Page number
Disclosure of risk management objectives and policies (cont.)					
435(1)(f)	Concise risk statement approved by the Board.	Yes	EU CRA: General qualitative information about credit risk	Section: Risk Appetite Statement	38
435(2)(a)	Number of directorships held by Board members.	Yes	EU OVB - Disclosure on governance arrangements	Section: Corporate Governance	28
435(2)(b)	Recruitment policy for selection of Board members, their actual knowledge, skills and expertise.	Yes	EU OVB - Disclosure on governance arrangements	Section: Corporate Governance	28
435(2)(c)	Policy on diversity of Board membership and results against targets.	Yes	EU OVB - Disclosure on governance arrangements	Section: Corporate Governance	28
435(2)(d)	Disclosure of whether a dedicated risk committee is in place, and number of meeting in the year.	Yes	EU OVB - Disclosure on governance arrangements	Section: Governance and committee structure	29
435(2)(e)	Description of information flow on risk to Board.	Yes	EU OVB - Disclosure on governance arrangements	Section: Governance and committee structure	29
Disclosure of the scope of application					
436(a)	Name of institution	Yes	EU LI1 – Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories	Section: Policy and scope of disclosures	8
436(b)	Reconciliation between the consolidated financial statements prepared in accordance with the applicable accounting framework and the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation.	Yes	EU LI1 – Differences between accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories	Section: Policy and scope of disclosures	8
	Scope of consolidation	No	EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)	Not Applicable. BME does not prepare consolidated accounts.	
	Scope of consolidation	No	EU LIA - Explanations of differences between accounting and regulatory exposure amounts	Not Applicable. BME does not prepare consolidated accounts.	

Appendix 1 - Disclosure Index for Part Eight of the CRR

CRR reference	High level summary	BME applicable	Template/table reference	Company reference	Page number
Disclosure of the scope of application (cont.)					
436(c)	A breakdown of assets and liabilities of the consolidated financial statements broken down by type of risks	Yes	EU LI1 - Differences between accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories	Section: Policy and scope of disclosures	7
436(d)	A reconciliation identifying the main sources of differences between the carrying value amounts and the exposure amount used for regulatory purposes	Yes	EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements	Section: Policy and scope of disclosures	10
		Yes	EU LIA - Explanations of differences between accounting and regulatory exposure amounts	Not Applicable. BME does not prepare consolidated accounts.	
436(e)	For exposures from the trading book and the non-trading book that are adjusted, a breakdown of the amounts of the constituent elements of an institution's prudent valuation adjustment, by type of risks, and the total of constituent elements separately	No	EU PV1: Prudent valuation adjustments (PVA)	Not Applicable. BME does not use core approach.	
436(f) - 436 (h)	Current or expected material practical or legal impediment to the prompt transfer of own funds or to the repayment of liabilities between the parent undertaking and its subsidiaries	No	EU LIB - Other qualitative information on the scope of application	Not Applicable. BME does not prepare consolidated accounts.	
Disclosure of own funds					
437 (a)	a full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and the filters and deductions applied to own funds with the balance sheet in the audited financial statements of the institution	Yes	EU CC1 - Composition of regulatory own funds	Section: Regulatory capital	19
		Yes	EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements	Section: Regulatory capital	22
		No	EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments	Not Applicable. BME does not have any regulatory own funds instruments and eligible liabilities instruments.	
437(1) (b) - 437 (1)(f)	Additional details on the main features of the Common equity tier 1 and Additional tier 1 instruments and Tier 2 instruments issued by the institution.	No	EU CC1 - Composition of regulatory own funds	Not Applicable. BME has not issued any Tier 1 or Tier 2 instruments.	
437a	Institutions that are subject to Article 92a or 92b shall disclose the following information regarding their own funds and eligible liabilities	No	None	Not Applicable.	

Appendix 1 - Disclosure Index for Part Eight of the CRR

CRR reference	High level summary	BME applicable	Template/table reference	Company reference	Page number
Capital requirements					
438(a)	Summary of institution's approach to assessing adequacy of capital levels.	Yes	EU OVC - ICAAP information	Section: Capital Adequacy ICAAP	13
438(b)	the amount of the additional own funds requirements based on the supervisory review process (SREP)	Yes	EU KM1 - Key metrics template	Section: Capital requirements overview of RWA's	25
438(c)	upon demand, the result of the ICAAP	Yes	EU OVC - ICAAP information	Section: Capital Adequacy ICAAP	13
438(d)	the total risk-weighted exposure amount and the corresponding total own funds requirement and, where applicable, an explanation of the effect on the calculation of own funds and risk-weighted exposure amounts that results from applying capital floors and not deducting items from own funds;	Yes	EU OV1 – Overview of risk weighted exposure amounts	Section: Capital requirements overview of RWA's	24
438(e)	the on- and off-balance-sheet exposures, the risk-weighted exposure amounts and associated expected losses	No	EU CR10 – Specialised lending and equity exposures under the simple risk weighted approach	Not Applicable. BME does not use the simple risk weighted approach.	
438(f)	Exposure value and the risk-weighted exposure amount of own funds instruments held in any insurance undertaking	No	EU INS1 - Insurance participations	Not Applicable. Relates to insurance undertakings.	
438(g)	Pertains to supplementary own funds fo financial conglomerates	No	Yes	No	
438(h)	Comparatives for previous disclosures under IRB approach	No	Yes	No	
Disclosure of exposures to counterparty credit risk					
439(a)	Description of process to assign internal capital and credit limits to CCR exposures.	Yes	EU CCRA – Qualitative disclosure related to CCR	Section: Credit risk	40
439(b)	Description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves;	Yes	EU CCRA – Qualitative disclosure related to CCR	Section: Credit risk	40
439(c)	description of policies with respect to General Wrong-Way risk and Specific Wrong-Way risk	Yes	EU CCRA – Qualitative disclosure related to CCR	Section: Wrong Way Risk ("WWR")	41
439(d)	Disclosure of collateral to be provided (outflows) in the event of a ratings downgrade.	Yes	EU CCRA – Qualitative disclosure related to CCR	Section: Collateral held and other credit enhancements	41
439(e)	Amount of segregated and unsegregated collateral received and posted per type of collateral, further broken down between collateral used for derivatives and securities financing transactions;	Yes	EU CCR5 – Composition of collateral for CCR exposures	Section: Counterparty credit risk	63
439(f)	Derivate exposure before and after CRM to be disclosed alongside RWA by method used	Yes	EU CCR1 – Analysis of CCR exposure by approach	Section: Counterparty credit risk	58

Appendix 1 - Disclosure Index for Part Eight of the CRR

CRR reference	High level summary	BME applicable	Template/table reference	Company reference	Page number
Disclosure of exposure to counterparty credit risk (cont.)					
439(g)	SFT exposure before and after CRM to be disclosed along with risk weighted assets by calculation method	Yes	EU CCR1 – Analysis of CCR exposure by approach	Section: Counterparty credit risk	58
439(h)	CVA exposure before and after CRM to be disclosed along with risk weighted assets by calculation method	Yes	EU CCR2 – Transactions subject to own funds requirements for CVA risk	Section: Counterparty credit risk	60
439(i)	(i)the exposure value to central counterparties and the associated risk exposures within the scope of Section 9 of Chapter 6 of Title II of Part Three, separately for qualifying and non-qualifying central counterparties, and broken down by types of exposures;	Yes	EU CCR8 – Exposures to CCPs	Section: Counterparty credit risk	65
439(j)	Notional amounts of credit derivative transactions.	No	EU CCR6 – Credit derivatives exposures	Not Applicable. BME does not currently undertake this activity.	
439(k)	Estimate of alpha, if applicable.	No	EU CCR1 – Analysis of CCR exposure by approach	Not Applicable. BME does not currently undertake this activity.	
439(l)	(l) separately, the disclosures included in point (e) of Article 444 and point (g) of Article 452;	Yes	EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights	Section: Counterparty credit risk	61
439(m)	for institutions using the methods set out in Sections 4 to 5 of Chapter 6 of Title II Part Three, the size of their on- and off-balance-sheet derivative business as calculated in accordance with Article 273a(1) or (2), as applicable.	No	EU CCR1	Not Applicable. BME does not currently undertake this activity.	
Capital buffers					
440(1)(a)	Geographical distribution of the exposure amounts and risk-weighted exposure amounts of its credit exposures used as a basis for the calculation of their countercyclical capital buffer;	Yes	EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	Section: Countercyclicial capital buffer	15
440(1)(b)	Amount of the institution specific countercyclical capital buffer.	Yes	EU CCyB2 - Amount of institution-specific countercyclical capital buffer	Section: Countercyclicial capital buffer	17
Indicators of global systemic importance					
441(1)	Disclosure of the indicators of global systemic importance.	No	None	Not Applicable. BME is not a global systemically important institution.	

Appendix 1 - Disclosure Index for Part Eight of the CRR

CRR reference	High level summary	BME applicable	Template/table reference	Company reference	Page number
Disclosure of exposures to credit risk and dilution risk					
442(a)	Disclosure of bank's definitions of past due and impaired.	Yes	EU CRB: Additional disclosure related to the credit quality of assets	Section: Credit risk, Allowance for Credit Losses	41
442(b)	Approaches for calculating specific and general credit risk adjustments.	Yes	EU CRB: Additional disclosure related to the credit quality of assets	Section: Credit risk, Allowance for Credit Losses	41
442(c)	Information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures.	Yes	EU CR1: Performing and non-performing exposures and related provisions	Section: Credit risk	44
442(c)		No	EU CR2 A: Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Section: Non applicable templates	103
442(c)		No	EU CQ1: Credit quality of forborne exposures	Section: Non applicable templates	103
442(c)		Yes	EU CQ2: Quality of forbearance	Section: Non applicable templates	103
442(c)		Yes	EU CQ5: Credit quality of loans and advances by industry	Section: Credit risk	49
442(c)		No	EU CQ6: Collateral valuation - loans and advances	Section: Non applicable templates	103
442(c)		Yes	EU CQ7: Collateral obtained by taking possession and execution processes	Section: Non applicable templates	103
442(c)		No	EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown	Not Applicable. No collateral obtained by taking possession.	103
442(d)	(d) an ageing analysis of accounting past due exposures;	Yes	EU CQ3: Credit quality of performing and non-performing exposures by past due days	Section: Credit risk	47
442(e)	(e) the gross carrying amounts of both defaulted and non-defaulted exposures and other information.	Yes	EU CQ4: Quality of non-performing exposures by geography	Section: Non applicable templates	104
		Yes	EU CQ5: Credit quality of loans and advances by industry	Section: Credit risk	49

Appendix 1 - Disclosure Index for Part Eight of the CRR

CRR reference	High level summary	BME applicable	Template/table reference	Company reference	Page number
Disclosure of exposures to credit risk and dilution risk (cont.)					
		Yes	EU CR2: Changes in the stock of non-performing loans and advances	Section: Credit risk	46
442(g)	(g) the breakdown of loans and debt securities by residual maturity.	Yes	EU CR1-A: Maturity of exposures	Section: Credit risk	46
Disclosure of encumbered and unencumbered assets					
443	Unencumbered assets	Yes	EU AE1 - Encumbered and unencumbered assets	Section: Asset encumbrance	79
		Yes	EU AE2 - Collateral received and own debt securities issued	Section: Asset encumbrance	80
		Yes	EU AE3 - Sources of encumbrance	Section: Asset encumbrance	81
		Yes	EU AE4 - Accompanying narrative information	Section: Asset encumbrance	79
Disclosure of the use of the Standardised Approach					
444(a) - 444(d)	Names of the ECAIs used in the calculation of Standardised approach risk-weighted assets and reasons for any changes.	Yes	EU CRD – Qualitative disclosure requirements related to standardised model	Section: Use of ECAIs	56
444(e)	Exposure value pre and post-credit risk mitigation, by CQS.	Yes	EU CR5 – standardised approach	Section: Credit risk	54
			EU CC1 - Composition of regulatory own funds	Section: Regulatory capital	19
Disclosure of exposure to market risk					
445	Disclosure of position risk, large exposures exceeding limits, FX, settlement and commodities risk.	Yes	EU MR1 - Market risk under the standardised approach	Section: Market risk	82
Disclosure of operational risk management					
446	Scope of approaches used to calculate operational risk.	Yes	EU OR1 - Qualitative information on operational risk	Section: Operational risk	86
		Yes	EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts	Section: Operational risk	86

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CRR Reference	High Level Summary	BME Applicable	Template/Table Reference	Company Reference	Page Number
Disclosure of key metrics					
447(a) – (g)	Composition of their own funds and their own funds requirements along with other key metrics	Yes	EU KM1 - Key metrics template	Section: Capital requirements overview of RWA's	25
447(h)	their own funds and eligible liabilities ratios and their components, numerator and denominator, as calculated in accordance with Articles 92a and 92b	No	None	Not Applicable. BME is not a global systemically important institution.	
Disclosure of exposures to interest rate risk on positions not held in the trading book					
448(1) (a)-(b)	institutions shall disclose the following quantitative and qualitative information on the risks arising from potential changes in interest rates that affect both the economic value of equity and the net interest income of their non-trading book activities referred to in Article 84 and Article 98(5) of Directive 2013/36/EU	Yes	EU IRRBB1 – Interest Rate Risks of non-trading book activities	Section: Interest Rate Risk in the Banking Book (IRRBB)	83
448(1) (d)	an explanation of the significance of the risk measures disclosed under points (a) and (b) of this paragraph and of any significant variations of those risk measures since the previous disclosure reference date;	No	None	Not Applicable.	
448(1) (f)	the description of the overall risk management and mitigation strategies for those risks;	No	None	Not Applicable	
448(1) (g)	average and longest repricing maturity assigned to non-maturity deposits.	No	None	Not Applicable	
448(c)	a description of key modelling and parametric assumptions, other than those referred to in points (b) and (c) of Article 98(5a) of Directive 2013/36/EU used to calculate changes in the economic value of equity and in the net interest income required under points (a) and (b) of this paragraph;	No	None	Not Applicable.	
448 (e)(i)	a description of the specific risk measures that the institutions use to evaluate changes in their economic value of equity and in their net interest income	No	None	Not Applicable.	
448 (e)(ii)	a description of the key modelling and parametric assumptions used in the institutions' internal measurement systems	No	None	Not Applicable.	
448 (e)(iii)	a description of the interest rate shock scenarios that institutions use to estimate the interest rate risk	No	None	Not Applicable.	
448 (e)(iv)	the recognition of the effect of hedges against those interest rate risks, including internal hedges that meet the requirements laid down in Article 106(3);	No	None	Not Applicable.	
448 (e)(v)	an outline of how often the evaluation of the interest rate risk occurs;	No	None	Not Applicable.	

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CRR reference	High level summary	BME applicable	Template/table reference	Company reference	Page number
Disclosure of exposures to interest rate risk on positions not held in the trading book(cont.)					
448(2)	By way of derogation from paragraph 1 of this Article, the requirements set out in points (c) and (e)(i) to (e)(iv) of paragraph 1 of this Article shall not apply to institutions that use the standardised methodology or the simplified standardised methodology referred to in Article 84(1) of Directive 2013/36/EU.	Yes	None	Section: Interest Rate Risk in the Banking Book (IRRBB)	83
Disclosure of exposures to securitisation positions					
449(a) – 449 (l)	Exposures to securitisation positions	No	EU-SECA – Qualitative disclosure requirements related to securitisation exposures	Not Applicable. BME does not undertake securitisation activity.	
449a	Disclosure of environmental, social and governance risks (ESG risks) for large institutions	No	None	Not Applicable. BME does not undertake securitisation activity.	
Disclosure of remuneration policy					
450(1)(a) – (f)	Information concerning decision making process and other information.	Yes	EU REMA – Remuneration policy	Section: Remuneration disclosures	90
450(1)(g)	aggregate quantitative information on remuneration, broken down by business area.	Yes	EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)	Section: Remuneration tables for identified staff	101
450(1)(h)	aggregate quantitative information on remuneration, broken down by material risk employees including a description of (i) the fixed components, and variable remuneration, and the number of beneficiaries (ii) components of remuneration paid upfront and deferred	Yes	EU REM1 - Remuneration awarded for the financial year	Section: Remuneration tables for identified staff	94
450(1)(h)	(iii) components of remuneration deferred from previous years and amounts due to vest in current financial year and subsequent years (iv) amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments (v) guaranteed variable remuneration awards during the financial year, and the number of beneficiaries of those awards (vi) severance payments awarded in previous periods, that have been paid out during the financial year (vii) amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and highest payment that has been awarded to a single person	Yes	EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)	Section: Remuneration tables for identified staff	96
450(1)(i)	number of individuals broken down by remuneration bands.	Yes	EU REM4 - Remuneration of 1 million EUR or more per year	Section: Remuneration tables for identified staff	100
450(1)(j)	On demand, total remuneration for each member of the management body.	No	EU REMA - Remuneration policy	Not Applicable.	

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CRR Reference	High Level Summary	BME Applicable	Template/Table Reference	Company Reference	Page Number
Disclosure of remuneration policy(cont.)					
450(1)(k)	(k) information on whether the institution benefits from a derogation laid down in Article 94(3) of Directive 2013/36/EU.	No	EU REMA - Remuneration policy	Not Applicable.	
450(1)	For the purposes of point (k) of the first subparagraph of this paragraph, institutions that benefit from such a derogation shall indicate whether they benefit from that derogation on the basis of point (a) or (b) of Article 94(3) of Directive 2013/36/EU.	No	EU REMA - Remuneration policy	Not Applicable.	
450(2)	Additional disclosure for Large Institutions	No	EU REMA - Remuneration policy	Not Applicable.	
Disclosure of the leverage ratio					
451(1)(a)	Leverage ratio, and how the institution applies Article 499(2) and (3)	Yes	EU LR2 - LRCom: Leverage ratio common disclosure	Section: Leverage	27
451(1)(b)	Leverage ratio, and breakdown of total exposure measure, including reconciliation to financial statements.	Yes	EU LR2 - LRCom: Leverage ratio common disclosure	Section: Leverage	27
		Yes	EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures	Section: Leverage	26
		Yes	EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	Section: Leverage	28
451(1)(c)	where applicable, the amount of exposures calculated in accordance with Articles 429(8) and 429a(1) and the adjusted leverage ratio calculated in accordance with Article 429a(7)	Yes	EU LR2 - LRCom: Leverage ratio common disclosure	Section: Leverage	27
451(1)(d)	Description of the processes used to manage the risk of excessive leverage.	Yes	EU LRA: Free format text boxes for disclosure on qualitative items	Section: Leverage	26
451(1)(e)	Description of the factors that had an impact on the leverage ratio during the period.	Yes	EU LRA: Free format text boxes for disclosure on qualitative items	Section: Leverage	26

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CRR Reference	High Level Summary	BME Applicable	Template/Table Reference	Company Reference	Page Number
Disclosure of the leverage ratio (cont.)					
451(2)	Public development credit institutions as defined in Article 429a(2) shall disclose the leverage ratio without the adjustment to the total exposure measure	No	EU LR2 - LRCom: Leverage ratio common disclosure	Not Applicable. BME is not a public development credit institution.	
451(3)	large institutions shall disclose the leverage ratio and the breakdown of the total exposure measure referred to in Article 429(4) based on averages calculated	No	EU LR2 - LRCom: Leverage ratio common disclosure	Not Applicable. BME is not a large institution.	
Disclosure of liquidity requirements					
451a(1)	1. Institutions that are subject to Part Six shall disclose information on their liquidity coverage ratio, net stable funding ratio and liquidity risk management in accordance with this Article.	Yes	None	Section: Liquidity and funding risk	66
451a(2)(a)	the average or averages, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter	Yes	EU LIQ1 - Quantitative information of LCR	Section: Liquidity and funding risk	74
451a(2)(b)	the average or averages, of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer, based on end-of-the-month observations over the preceding 12 months for each quarter, and a description of the composition of that liquidity buffer;	Yes	EU LIQB on qualitative information on LCR, which complements template EU LIQ1	Section: Liquidity and funding risk	74
451a(2)(c)	the averages of their liquidity outflows, inflows and net liquidity outflows, based on end-of-the-month observations over the preceding 12 months for each quarter and the description of their composition.	Yes	EU LIQB on qualitative information on LCR, which complements template EU LIQ1	Section: Liquidity and funding risk	74
451a(3)(a)	quarter-end figures of their net stable funding ratio calculated in accordance with Chapter 2 of Title IV of Part Six for each quarter of the relevant disclosure period;	Yes	EU LIQ2: Net Stable Funding Ratio	Section: Liquidity and funding risk	77
451a(3)(b)	an overview of the amount of available stable funding calculated in accordance with Chapter 3 of Title IV of Part Six;	Yes	EU LIQ2: Net Stable Funding Ratio	Section: Liquidity and funding risk	77
451a(3)(c)	an overview of the amount of required stable funding calculated in accordance with Chapter 4 of Title IV of Part Six.	Yes	EU LIQ2: Net Stable Funding Ratio	Section: Liquidity and funding risk	77
451a(4)	Institutions shall disclose the arrangements, systems, processes and strategies put in place to identify, measure, manage and monitor their liquidity risk	Yes	EU LIQA - Liquidity risk management	Section: Liquidity and funding risk	66
Use of the IRB approach to credit risk					
452(A) - (J)	Permission for use of the IRB approach from the competent authority	No	EU CRE – Qualitative disclosure requirements related to IRB approach	Not Applicable. BME does not use the IRB approach.	51

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CRR Reference	High Level Summary	BME Applicable	Template/Table Reference	Company Reference	Page Number
Disclosure of the use of credit risk mitigation techniques					
453(a) - 453(e)	Use of credit risk mitigation techniques	Yes	EU CRC – Qualitative disclosure requirements related to CRM techniques	Section: Credit risk mitigation techniques	51
453(f)	Standardised or Foundation IRB Approach, exposure value covered by eligible collateral.	Yes	EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	Section: Credit risk mitigation techniques	51
453(g), (h), (i)	Exposures covered by guarantees or credit derivatives.	Yes	EU CR4 – standardised approach – Credit risk exposure and CRM effects	Section: Credit risk mitigation techniques	52
453(j)	for institutions using the IRB Approach, the risk-weighted exposure amount before and after recognition of the credit risk mitigation impact of credit derivatives	No	EU CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques	Not Applicable. BME does not use the IRB Approach.	103
Use of the Advanced Measurement Approaches to operational risk					
454	Description of the use of insurance or other risk transfer mechanisms to mitigate operational risk.	No	EU ORA - Qualitative information on operational risk	Not Applicable. BME does not use the Advanced Measurement Approach.	
Use of Internal Market Risk Models					
455	Use of Internal models Disclosure of the characteristics of the market risk models.	No	EU MRB: Qualitative disclosure requirements for institutions using the internal Market Risk Models	Not Applicable. BME does not utilise the Internal Model Approach.	
455 (d)	the highest, the lowest and the mean value of the following over the reporting period and at the end of the reporting period: (i) the daily value-at-risk measures; (ii) the stressed value-at-risk measures; (iii) the risk numbers for incremental default and migration risk and for the specific risk of the correlation trading portfolio	No	EU MR3: IMA values for trading portfolios	Not Applicable. BME does not utilise the Internal Model Approach.	104
455 (e)	the elements of the own funds requirement as specified in Article 364;	No	EU MR2-A: Market risk under the internal Model Approach (IMA)	Not Applicable. BME does not utilise the Internal Model Approach.	104
455 (g)	a comparison of the daily end-of-day value-at-risk measures to the one-day changes of the portfolio's value by the end of the subsequent business day together with an analysis of any important overshooting during the reporting period.	No	EU MR4: Comparison of VaR estimates with gains/losses	Not Applicable. BME does not utilise the Internal Model Approach.	104