Bank of Montreal Europe plc

Annual Report

For the year ended 31 October 2025

Directors' Report and Financial Statements

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Directors and Other Information

Board of Directors

Independent Non-Executive Directors

David Duffy (Chair) (appointed 25 September 2025)
Brian Hayes (Chair) (resigned 25 September 2025)
Gerardine Jones
Lorraine O'Leary (appointed 10 December 2024)

Non-Executive Directors

Joseph Leary (appointed 26 June 2025)
William Smith (until 28 October 2025)
Summer Lang (resigned 21 March 2025)

Executive Directors

Jane Anne Negi
Noel Reynolds

Secretary

Karl Soden

Registered Office Secretary

6th Floor
2 Harbourmaster Place, IFSC
Dublin 1
D01 X5P3
Ireland

BMO Group Head Office

129 Rue St Jacques
Montreal
Quebec
H2Y 1L6
Canada

Audit & Compliance Committee

Gerardine Jones (Chair)
Summer Lang (resigned 21 March 2025)
Lorraine O'Leary (appointed 10 December 2024)
William Smith (appointed 21 March 2025, until 28 October 2025)
Joseph Leary (appointed 10 December 2025)

Risk and Capital Committee

Lorraine O'Leary (Chair appointed 10 December 2024)
Brian Hayes (resigned 25 September 2025)
Gerardine Jones
Summer Lang (resigned 21 March 2025)
David Duffy (appointed 25 September 2025)

Nomination Committee

William Smith (Chair appointed 19 March 2024, until 28 October 2025)
Brian Hayes (resigned 25 September 2025)
Gerardine Jones (Chair appointed 22 January 2026)
Lorraine O'Leary (appointed 10 December 2024)
David Duffy (appointed 25 September 2025)

Registered Number

255687

Auditors

KPMG
Chartered Accountants & Statutory Audit Firm
1 Harbourmaster Place, IFSC
Dublin 1
D01 F6F5
Ireland

Solicitors

Matheson
70 Sir John Rogerson's Quay
Dublin 2
D02 R296
Ireland

Directors' Report

The Directors of Bank of Montreal Europe plc (the Company) with its head office in Dublin Ireland and an authorised branch in Paris, France present their report and the audited Financial Statements for the financial year ended 31 October 2025.

Accounting Records

The Directors have taken appropriate measures to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act, 2014 with regard to the keeping of adequate accounting records. The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records include the use of appropriate systems, procedures and the employment of competent persons. The accounting records are kept at 6th Floor, 2 Harbourmaster Place, IFSC, Dublin 1, D01 X5P3, Ireland.

Ownership

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).

Relevant Audit Information

The Directors confirm, in so far as they are aware, that all relevant audit information has been made available to the Company's statutory auditors and that they have taken all steps they ought to have taken in order to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information.

Principal Activities

The Company is engaged in the business of banking, including the provision of financial services, is regulated by the Central Bank of Ireland (CBI) and has a full banking licence.

As the BMO Group's only fully licenced bank in Europe, the Company 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 business model and asset profile of the Company are designed to support BMO CM activities while maintaining a prudent risk profile. The Company's assets are predominantly highly liquid or short-term in nature, supporting flexibility in balance sheet management and funding activities.

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

The Company transacts on its own account, and within its own risk appetite, on a wide range of Global Markets and Corporate Banking products.

Global Markets
The Global Markets business is aligned to the BMO CM lines of business conducting capital markets related activities with institutional and regulated counterparties including credit institutions, financial institutions, public sector entities and corporate clients. The activities include securities financing, fixed income, foreign exchange and derivatives transactions undertaken for client facilitation and risk management purposes and are carried out within the Company's approved risk appetite and governance framework.

Corporate Banking
The Corporate Banking business provides bilateral and syndicated lending facilities to BMO Group clients and their European subsidiaries. The clients are predominantly global borrowers domiciled within the EEA and are sourced both directly by the Company and through existing BMO Group relationships.

Review of business

Business environment
The Company's Global Markets and Corporate Banking activities deliver client and product coverage primarily across Europe, with equity clients also in Asia and North America, and are closely tied to the overall market opportunities and challenges of the European banking market as a whole rather than any specifics associated with Ireland. The nature of the Company's business model means that the external environment and competitive landscape is influenced by pan-European financial industry factors rather than any forces specific to Ireland.

The global outlook is currently characterised by deep uncertainty, the economic risks are significant and the level of uncertainty is intense. Fiscal 2025 continued to be a challenging year with continuing geopolitical tensions creating an uncertain volatile business environment.

Notwithstanding this, the impact of the business environment for the Company has been modest, given its current low levels of market risk, the quality and tenor of its bond portfolios and its small Corporate Banking loan portfolio that is not materially exposed to first order US tariff impacts. As a result the Company continued to successfully expand its business model in pursuit of its strategic priorities.

Results

Profit for the financial year is set out in the Statement of Comprehensive Income on page 15.

The Company contributed US$94.3 million in operating income in fiscal year 2025, up from US$93.7 million in fiscal year 2024, a 1% year on year (YoY) increase.
Drivers of operating performance in fiscal year 2025 included stronger underlying performance in Global Market activities including debt securities, underwriting in both Debt and Equity Capital Markets and Corporate Banking offset somewhat by weaker net revenues from equities and funding activities. Reductions in US base interest rates impacted operating performance driven by lower impacts from the utilisation of the Company's interest free capital base. Fee & Commission Expense in fiscal year 2025 was US$16.5 million down from US$18.4 million in fiscal year 2024, a (11)% YoY decrease primarily driven by reduced costs for services received from other BMO Group entities.
Operating costs in fiscal year 2025 were US$37.6 million, up from US$35.8 million in fiscal year 2024, with higher personnel expenses, higher information technology costs and higher brokerage costs offset by a reduction in regulatory levies.
Income tax expense in fiscal 2025 was US$12.5 million, up from US$1.2 million in fiscal 2024 driven by lower income not subject to tax and adjustments in respect of prior years.
Overall, the profit for the financial year decreased (22)% YoY, to US$44.2 million, primarily due to the increase in income tax expense, representing a 4.4% Return on Total Equity compared to a 6.0% Return on Total Equity for the previous financial year.

The Statement of Financial Position on page 16 shows a 20.1% YoY increase in total assets to US$13,610 million from US$11,333 million primarily reflecting increases in debt securities of US$884 million, cash and cash equivalents of US$2585 million offset by decrease in securities borrowed or purchased under resale agreements of US$687 million.

Regulatory Capital Requirements - Overview of Pillar 1, Pillar 2 and Regulatory Capital Ratios

Regulatory capital and capital adequacy ratios are produced in accordance with 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) and Capital Requirements Directive 2024/1619/EU (CRD VI), 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 Capital Requirements Regulation No 2024/1623 (CRR III), and associated European Banking Authority (EBA) Delegated Acts and Guidelines collectively referred to as “CRR and CRD”.

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

Under Pillar 2, the Company operates an ICAAP to determine additional capital required for risks not captured under Pillar 1 (P1). These internal capital buffers apply to own funds and supplement Pillar 1 requirements.

The CBI, following its 2024 Supervisory Review & Evaluation Process (SREP), reduced the Company’s additional capital requirements, effective 8 November 2024.

There were no breaches by the Company of the capital ratios during the financial year ended 31 October 2025 nor in the financial year ended 31 October 2024.

The reconciliation of IFRS shareholders’ equity to regulatory own funds is set out in the table below:

As at 31 October (US$ in thousands)	**2025**	2024
IFRS shareholders' equity	**995,535**	948,312
Prudential valuation adjustment	**(4,163)**	(3,112)
Total own funds	**991,372**	945,200

The prudential valuation adjustment (PVA) 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.

Total own funds include the audited “profit for the financial year” as per the Statement of Comprehensive Income.

The 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)	**2025**	2024
Capital requirement - Pillar 1	**116,794**	116,043
Capital requirement - Pillar 2	**113,144**	165,364
Capital buffer (1)	**110,901**	124,904
Total capital requirement	**340,839**	406,311
Total own finds	**991,372**	945,200
Surplus of own funds	**650,533**	538,889

(1) Capital buffer comprises the capital conservation buffer, the countercyclical capital buffer and the additional CBI imposed supervisory Pillar 2 (P2G).

The Company's regulatory capital and capital ratios are as follows:

As at 31 October (US$ in thousands)		**2025**		2024
	$	**Ratio (%)**	**$**	**Ratio (%)**
Common Equity (CET1), Tier 1 and Total Capital	**991,372**	**67.91 %**	945,200	65.16 %

As at 31 October 2025, the Company was required to maintain a own funds in excess of requirements, a Pillar 2 Risk (P2R) capital requirement, of 7.75% of P1 RWA's (31 October 2024: 11.4%) and a Pillar 2 Guidance (P2G), a P2G capital requirement, of 4.0% of P1 RWA's (31 October 2024: 5.0%). These additional capital requirements are only applicable to own funds.

The Company must also maintain a Capital Conservation Buffer (CCB) comprising CET 1 capital eligible instruments of 2.5% of RWA's and also an institution-specific Countercyclical Buffer (CCyB) calculated as RWAs multiplied by a weighted average of CCyB rates determined by the geographic distribution of the Company's exposures. As at 31 October 2025 the CCyB stood at 1.0963% (31 October 2024: 1.1108%).

At 31 October 2025 the Company with a CET1 capital ratio, a Tier 1 capital ratio and a Total capital ratio of 67.91% exceeded the minimum required ratios imposed by the CBI; a Total SREP Capital Requirement (TSCR) ratio of 15.75% and an Overall Capital Requirement (OCR) ratio of 23.35% including the CCB requirement of 2.5%, the CCyB requirement of 1.0963% and the P2G requirement of 4.0% (19.35% excluding P2G).

Comparative figures as at 31 October 2024 had the Company with a CET1 capital ratio, a Tier 1 capital ratio and a Total capital ratio of 65.16% which exceeded the minimum required ratios imposed by the CBI; a TSCR ratio of 19.4% and minimum OCR ratio of 27.72% including the CCB requirement of 2.5%, the CCyB requirement of 1.1108% and the P2G requirement of 5.0% (23.01% excluding P2G).

Future Developments

The Company's value proposition to BMO CM is its pan European licence. The Company is the only BMO Group entity with access to all European wholesale clients and all European financial services infrastructure.

The Company's strategic priorities remain threefold:

- Diversify the business model - continuing to develop and build financial resilience in the platform to manage through unfavourable market conditions;
- Bring the BMO Group to Europe and Europe to the BMO Group - target revenue contribution from select capabilities leveraging the BMO Group's core areas of strength or offering specific products to clients; and
- Develop capabilities - develop the Company's expertise in European markets to service new-to-the BMO Group European clients and further strengthen both the BMO Group and the Company franchise in Europe.

The Company's strategic objectives and priorities are aligned with the BMO CM Ambitions 2030.

The Company's business strategy for fiscal years 2026-2028 including the business plan and funding strategy was approved at the 16 December 2025 Board meeting.

The Company's pan European licence is particularly important to the BMO Group in the context of CRD VI Article 21c, which will necessitate a reshaping of how the BMO Group conducts banking business with EU clients. The Company will see a growth in its lending portfolio (both Capital Markets and Commercial Banking clients) and a new business line in Trade Finance, all of which will require a corresponding increase in resources (financial and human).

The Company is going to see its risk profile change. As the Company's loan portfolio grows, it will inevitably move down the credit curve and along with Global Markets business increasing their risk taking capabilities and ambitions. This will be undertaken in the context of a strong risk culture and a robust Risk Management Framework and will lead to more efficient use of capital and greater revenue generating opportunities.

Dividends

The Directors do not propose the payment of a dividend in respect of the financial year ended 31 October 2025 (2024: US$nil).

Risk Management – Principal Risks and Uncertainties

The principal risks and uncertainties affecting the Company are already addressed earlier in this report, namely the challenging business environment. Notwithstanding the current volatility in the economic environment including interest rates, inflation and political tensions, the Company's Statement of Financial Position is low risk in terms of credit risk, market risk and liquidity risk. This is reflected in the Company's risk appetite and managed through its Risk Management Framework. Information regarding these principal risks and uncertainties facing the Company is set out in Note 28 to the Financial Statements.

Climate Change Risk

Climate Change Risk reflects the financial implications of the transition to a low-carbon economy. In line with the ECB framework, this comprises:

- Physical Risk – impacts arising from climate change and environmental degradation, including extreme weather, pollution, water stress and biodiversity loss.
- Transition Risk – financial impacts resulting from the move toward a lower-carbon and more sustainable economy.

The Company's exposure to physical risk remains low, reflecting the location of its offices and the composition of its Corporate Banking loan book. The Company has no material exposure to sectors with elevated physical risk such as residential mortgages or commercial real estate and the majority of credit exposures lie within the Financial and Service sectors.

The Company continues to implement its Board-approved Climate Plan, aligned to BMO CM, which sets out clear actions and milestones across Governance, Risk Management, Scenario Analysis, Strategy & Business Model and Disclosures. During the year, the Plan was expanded to incorporate the new EBA ESG Guidelines that come into force in 2026.

The Plan supports the systematic identification and assessment of Transition Risks across Credit, Market, Liquidity and Operational Non-Financial Risks.

Corporate Governance

The Company is subject to the Central Bank of Ireland's Corporate Governance Requirements for Credit Institutions 2015 (the Requirements) but is not subject to the additional obligations on high impact designated credit institutions as set out in Appendix 1 of the Requirements. The Directors have satisfied themselves that the Company is in material compliance with the Requirements.

Directors

It is with great sadness that the Board acknowledges the passing of its esteemed Board member, William (Bill) Smith. Bill passed away on 28 October 2025 after a short illness.

The names of the Directors in office at the date of signing of the Financial Statements for the financial year ended 31 October 2025 are David Duffy, Gerardine Jones, Joseph Leary, Jane Anne Negi, Lorraine O'Leary and Noel Reynolds. Any changes to the Board of Directors during the financial year and up to the date of signing of the Financial Statements are also included on page 3.

Directors' Compliance Statement

Pursuant to Section 225 of the Companies Act 2014, the Directors acknowledge their responsibility for securing the Company's compliance with its relevant obligations.

The Directors also confirm the following:

a. The Company has in place a compliance policy statement setting out the Company's policies (that, in their opinion, are appropriate to the Company) concerning compliance by the Company with its relevant obligations.
b. There are appropriate arrangements and structures in place that are, in their opinion, designed to secure material compliance with the Company's relevant obligations, on the basis that they provide a reasonable assurance of compliance in all material respects with the obligations.
c. A review has been conducted, during the financial year, of the arrangements and structures referred to in paragraph (b).

Directors' and Secretary's Interest in the Share Capital of the Company or of BMO Group Companies

In accordance with Section 260(f)(i) of the Companies Act 2014, there were no disclosable interests of the Directors' and the Company Secretary's interest in shares of the Company or BMO Group Companies at 31 October 2025.

Political Donations

The Electoral Act, 2012 requires Companies to disclose all political donations over €200 in aggregate made during the financial year. The Directors, on enquiry, have satisfied themselves that no such donations have been made by the Company during the financial year.

Post Financial Year End Events

On 18 December 2025, the CAD 8 billion debt securities notes issued under the CAD 8 billion programme outlined in Note 25 Debt securities in issue were early redeemed and were replaced with CAD 6 billion debt securities notes with revised terms to improve the liquidity and funding efficiency and flexibility for the Company. The new debt securities notes which include minimum put notice periods of 35 and 185 days are for a period of 10 years with a final maturity date of 18 December 2035. The debt securities in issue from the programme are listed on the TISE.

There were no other significant post financial year end events that would require disclosure to the Company's Financial Statements as at 31 October 2025.

Audit Committee

In accordance with Section 325(2) of the Companies Act 2014, the Directors confirm that an Audit Committee is established. This committee is referred to as the Audit and Compliance Committee.

Auditors

KPMG, Chartered Accountants, were appointed statutory auditor on 8 February 2021. They have been re-appointed annually since that date and will continue in office in accordance with Section 383(2) of the Companies Act, 2014.

On behalf of the Board

Gerardine Jones	David Duffy	Noel Reynolds	Karl Soden
Director	Director	Director	Company Secretary

29 January 2026

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Company financial statements for each financial year. Under that law they have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Under company law the Directors must not approve the Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of the Company's profit or loss for that year. In preparing the Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements comply with the provision of the Companies Act 2014 and with the requirements of the European Union (Credit Institutions: Financial Statements) Regulations 2015. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Company comply with the provisions of the Companies Act 2014 and with the requirements of the European Union (Credit Institutions: Financial Statements) Regulations 2015.

They are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the Board

Gerardine Jones
Director

David Duffy
Director

Noel Reynolds
Director

Karl Soden
Company Secretary

29 January 2026

KPMG

Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

Independent Auditor’s Report to the Members of Bank of Montreal Europe plc

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bank of Montreal Europe plc (‘the Company’) for the year ended 31 October 2025 set out on pages 15 to 59, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Shareholders’ Equity, Statement of Cash Flows and related notes, including the material accounting policies set out in note 3.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 October 2025 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with our report to the Audit and Compliance committee.

We were appointed as auditor by the shareholders on 8 February 2021. The period of total uninterrupted engagement is the five years ended 31 October 2025. We have fulfilled our ethical responsibilities under, and we remained independent of the Company in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to public interest entities. No non-audit services prohibited by that standard were provided.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the entity’s ability to continue to adopt the going concern basis of accounting included:

We used our knowledge of the Company, the financial services industry, and the general economic environment to identify the inherent risks to the business model and analysed how those risks might affect the Company’s financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company’s available financial resources over this period were:

- the impact on regulatory capital requirements in the event of an economic slowdown or recession leading to significant credit deterioration; and

- significant changes in the economic environment in which the Company operates.

In response to the above risks, we performed the following procedures;

- Inspected the management-prepared going concern assessment and evaluated the validity of the underlying assumptions which included growth strategy, capital and liquidity analysis to support its business strategy;

- Inspected the board minutes and inquired with the management regarding business performance and future prospects; and

- Inspected the Company’s going concern disclosures included in the financial statements in order to assess their appropriateness and conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company’s ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the Company's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.

- Inquiring of directors, the Audit and Compliance Committee, and internal audit and compliance and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Inquiring of directors, the Audit and Compliance Committee, and internal audit regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.

- Inspecting the Company's regulatory and legal correspondence.

- Reading Board, and Audit and Compliance Committee meeting minutes.

- Considering remuneration incentive schemes and performance targets for management and directors.

- Performing planning analytical procedures to identify any unusual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation where necessary.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected material non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We identified a fraud risk in relation to overlays raised by management as part of the accuracy of expected credit losses on loans and advances to customers.

Further detail in respect of overlays raised by management as part of the expected credit loss on loans and advances to customers is set out in the key audit matter disclosures in this report.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries and other post closing adjustments to test based on risk criteria and comparing the identified entries to supporting documentation

- Assessing significant accounting estimates for bias

As the Company is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Company operates and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2024):

Accuracy of the expected credit loss (also referred to as 'impairment allowance' and 'allowance for credit losses') on loans and advances to customers $3,105k (2024: $2,958k)

Refer to pages 20 and 22 (accounting policy) and pages 31, 43, 44 and 46 to 48 (financial disclosures)

The key audit matter	**How the matter was addressed in our audit**
The calculation of expected credit losses ("ECL") on loans and advances to customers requires a high degree of judgement to reflect recent developments in credit quality and/or emerging macroeconomic risks. The key areas where we identified greater levels of management judgement, and therefore increased levels of audit focus, include: <u>Complexity and Accuracy of the PD model</u> The probability of default ("PD") model is a key driver of the expected credit loss calculation and impact staging. <u>Economic scenarios and MEVs</u> Significant management judgement is applied in determining the economic scenarios and macro-economic variables ("MEVs") used and the probability weightings applied to them. <u>Identification and quantification of stage 3 loans</u> There is a risk that individually assessed ECLs held against counterparties are incorrectly or	Based on evidence obtained from the procedures below, we found that no material misstatements were noted as part of our testing. Owing to the high degree of measurement uncertainty, as a result of the significant management judgement inherent in the calculation of the ECL, significant auditor judgement (including the use of specialised skills and knowledge and experience in the industry) was required to apply audit procedures and evaluate the results of those procedures. Our audit procedures included: <u>Controls testing:</u> We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL process. We tested the relevant general IT and application controls over key systems used in the ECL process. In conjunction with our own credit risk specialists, we tested the design, implementation and operating effectiveness of key controls related to the ECL process, including controls relating to: - The performance monitoring and periodic validation of the model used to derive key modelled outputs into the ECL calculation; - Management's review and challenge of macroeconomic variables and the probability weightings assigned to macroeconomic scenarios within the models; and - The methodology and assumptions used in the determination of qualitative adjustments <u>Substantive testing:</u> In conjunction with our own credit risk specialists, we inspected the IFRS 9 related policies and model documentation to evaluate the appropriateness of the impairment methodologies, including the appropriateness of the PD modelling approach. In conjunction with our own credit risk specialists, we assessed the reasonableness and appropriateness of the economic scenarios used and the probability weightings applied to them through comparison to external sources and independent economic forecasts. We assessed key economic variables used, such as economic assumptions and forecasts, and challenged the overall reasonableness of the economic assumptions and forecasts comparing management's significant assumptions to observable industry forecasts. For a selection of loans, we critically assessed and challenged the reasonableness of management's significant assumptions (including loan repayment assumptions) by reference to the underlying documentation and through inquiry of management and evaluated whether significant increase in credit risk indicators (SICR) or credit impairment indicators had been identified, and staging classification is appropriate.

inappropriately calculated by management due to a material credit exposure being allocated in stage 3. <u>Management overlays</u> Overlays are raised by management to address known model limitations as well as market uncertainty and emerging trends. For the reasons outlined above the engagement team determine this matter to be a key audit matter.	We challenged management in respect of significant assumptions underpinning the individually assessed impairment calculations for a loan in stage 3 comparing them to our assessment of available recovery strategies and their associated probabilities. We assessed the completeness and adequacy of management overlays, having regard for the risk profile and performance of the loan book emerging risks, model limitations and/or data limitations that we consider to exist in the loan portfolio. In conjunction with our own credit risk specialists, we independently assessed the management overlays by evaluating the need for the adjustment, assessing the methodology used to determine the adjustments, testing the completeness and accuracy of the underlying data used in the assessment of the overlays, and reperforming the calculations. We assessed the reasonableness of the overall ECL, through benchmarking against peer banks and challenge of management.

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at $4.9m (2024: $4.7m), determined with reference to a benchmark of Net Assets (of which it represents 0.5% (2024: 0.5%).

We consider Net Assets to be the most appropriate benchmark as it provides a more stable measure year on year of the Company's performance than profit before tax.

In applying our judgement in determining the most appropriate benchmark, the factors, which had the most significant impact were the items on which the attention of the users of the financial statements are focused and the nature of the Company.

In applying our judgement in determining the percentage to be applied to the benchmark, the following qualitative factors, which had the most significant impact were:

- The Company has a high public profile and operates in a highly regulated industry

- The stability of the business environment in which it operates.

In planning the audit, we applied materiality to assist us in determining what risks were significant risks, including those set out above, and to determine the nature, timing and extent of our audit response.

In line with our methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at $3.7m (2024: $3.5m), determined with reference to the materiality for the financial statements as a whole (of which it represents 75% (2024: 75%). In applying our judgement in determining performance materiality, we considered a number of factors including the low number and value of detected misstatements and the low number and severity of deficiencies in control activities identified in prior periods.

We reported to the Audit and Compliance Committee any corrected or uncorrected identified misstatements exceeding $0.3m (2024: $0.2m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit was undertaken to the materiality and performance materiality level specified above and was all performed by a single engagement team in Dublin, with appropriate oversight by that team of work performed by the group auditor in Canada over the central services provided by the Group to the Company.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report, directors and other information and statement of directors' responsibilities and additional disclosures - Country by Country Reporting. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

30 January 2026

for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5

Bank of Montreal Europe plc

Statement of Comprehensive Income

For the year ended 31 October (US$ in thousands)	Note	2025	2024
Interest income calculated using EIR method	4	**422,657**	507,941
Other interest income	4	**30,708**	19,867
Total interest income		**453,365**	527,808
Interest expense	4	**(375,486)**	(444,454)
Net interest income		**77,879**	83,354
Fee and commission income	5	**29,735**	23,500
Fee and commission expense	5	**(16,474)**	(18,437)
Net fee and commission revenue		**13,261**	5,063
Net trading income	6	**1,303**	4,520
Securities gains, other than trading	7	**2,024**	1,951
Charge of impairment provision	28	**(120)**	(1,230)
Operating income		**94,347**	93,658
Personnel expenses	8	**(25,101)**	(22,178)
Depreciation of property and equipment	20	**(1,009)**	(863)
Other operating expenses	9	**(11,529)**	(12,711)
Profit before income tax		**56,708**	57,906
Income tax expense	10	**(12,516)**	(1,211)
Profit for the financial year		**44,192**	56,695
Other Comprehensive Income (OCI)			
Items that will be reclassified subsequently to profit or loss:			
Movement in fair value reserve (FVOCI debt instruments):			
Debt investments at FVOCI - net change in fair value		**5,486**	(2,520)
Debt investments at FVOCI - reclassified to profit or loss		**(2,024)**	(1,951)
Related tax	10	**(433)**	559
Other comprehensive (loss)/income for the financial year, net of income tax		**3,029**	(3,912)
Total comprehensive income for the financial year		**47,221**	52,783

The accompanying notes are an integral part of these financial statements.

Bank of Montreal Europe plc

Statement of Financial Position

As at 31 October (US$ in thousands)	Note	**2025**	2024
Assets			
Cash and cash equivalents	12	**5,143,211**	2,558,422
Debt securities	17	**3,261,750**	2,377,933
Derivative assets	13	**80,562**	94,455
Trading equities	18	**265,124**	256,691
Loans and advances to banks*	14	**106,764**	41,290
Loans and advances to customers*	15	**385,389**	472,634
Securities borrowed or purchased under resale agreements*	16	**3,864,586**	4,551,302
Current tax assets	11	**8,867**	3,551
Deferred tax assets	11	**141**	161
Property and equipment	20	**3,622**	3,280
Other assets	19	**489,861**	973,272
Total Assets		**13,609,877**	11,332,991
Liabilities			
Securities sold but not yet purchased	21	**406,488**	210,934
Securities lent or sold under repurchase agreements*	16	**91,924**	102,758
Derivative liabilities	22	**149,136**	187,045
Deposits from banks*	23	**4,743,279**	1,849,852
Deposits from customers	24	**1,015,831**	1,315,091
Debt securities in issue	25	**5,723,623**	5,768,086
Current tax liabilities	11	**13,569**	1,170
Deferred tax liabilities	11	**426**	—
Other liabilities	26	**470,066**	949,743
Total Liabilities		**12,614,342**	10,384,679
Equity			
Share capital	27	**10,050**	10,048
Capital contribution		**503,994**	503,994
Retained earnings		**478,512**	434,320
Accumulated OCI		**2,979**	(50)
Total Shareholders' Equity		**995,535**	948,312
Total Liabilities and Shareholders' Equity		**13,609,877**	11,332,991
Off Balance Sheet Items			
Committed lending and undrawn facilities	29	**590,289**	606,119

The accompanying notes are an integral part of these financial statements.

*New line items were introduced for "Securities borrowed or purchased under resale agreements" within Assets and "Securities lent or sold under repurchase agreements" within Liabilities. Securities borrowed or purchased under resale agreements were previously disclosed within Loans and advances to banks and Loans and advances to customers. Securities lent or sold under repurchase agreements were previously disclosed within Deposits from banks. These new line items were introduced to better align with the presentation in the BMO Group Financial Statements and provide the reader with a better overview of material balances within the Statement of Financial Position. See notes 4, 14, 15, 16, 23, 28 and 32.

On behalf of the Board:

Gerardine Jones
Director

David Duffy
Director

Noel Reynolds
Director

Karl Soden
Company Secretary

29 January 2026

Statement of Changes in Shareholders' Equity

As at 31 October (US$ in thousands)	Share Capital	Capital Contribution	Retained Earnings	Accumulated OCI	2025 Total
31 October 2024	**10,048**	**503,994**	**434,320**	**(50)**	**948,312**
Profit for the year	**–**	**–**	**44,192**	**–**	**44,192**
Other OCI, net of tax					
OCI reserve:					
Net change in fair value	**–**	**–**	**–**	**5,053**	**5,053**
OCI reserve:					
Net amount transferred to profit and loss	**–**	**–**	**–**	**(2,024)**	**(2,024)**
Total OCI	**–**	**–**	**–**	**3,029**	**47,221**
Total comprehensive income for the year					
FX Translation	**2**	**–**	**–**	**–**	**2**
31 October 2025	**10,050**	**503,994**	**478,512**	**2,979**	**995,535**

	Share Capital	Capital Contribution	Retained Earnings	Accumulated OCI	2024 Total
01 November 2023	10,047	503,994	377,625	3,862	895,528
Profit for the year	–	–	56,695	–	56,695
Other OCI, net of tax					
OCI reserve:					
Net change in fair value	–	–	–	(1,961)	(1,961)
OCI reserve:					
Net amount transferred to profit and loss	–	–	–	(1,951)	(1,951)
Total OCI	–	–	–	(3,912)	52,783
Total comprehensive income for the year					
FX Translation	1	–	–	–	1
31 October 2024	10,048	503,994	434,320	(50)	948,312

The accompanying notes are an integral part of these financial statements.

Bank of Montreal Europe plc

Statement of Cash Flows

For the year ended 31 October (US$ in thousands, except as noted)	**2025**	2024
Cash Flows from Operating Activities		
Profit for the financial year	**44,192**	56,695
Adjusted for non-cash items included in income statement and other adjustments		
Depreciation	**1,009**	863
Gain on sale of debt securities	**(2,024)**	(1,951)
	43,177	55,607
Net increase/decrease in operating assets/liabilities		
Decrease in derivative assets	**13,893**	78,415
(Increase)/decrease in trading securities	**(174,500)**	476,196
Increase in loans and advances to banks*	**(65,474)**	(14,445)
Decrease/(increase) in loans and advances to customers*	**87,245**	(34,062)
Decrease/(increase) in Securities borrowed or purchased under resale agreements*	**686,716**	(377,752)
Increase in trading equities	**(8,433)**	(256,691)
(Increase)/decrease in current tax assets	**(5,316)**	2,882
Decrease/(increase) in other assets	**483,411**	(329,527)
(Increase)/decrease in securities sold but not yet purchased	**195,554**	(526,524)
Decrease in securities lent or sold under repurchase agreements*	**(10,834)**	(31,328)
Decrease in derivative liabilities	**(37,909)**	(42,680)
Increase/(decrease) in deposits from banks*	**2,893,427**	(326,847)
Decrease in deposits from customers	**(299,260)**	(62,311)
Decrease in debt securities in issue	**(44,463)**	(30,815)
(Decrease)/increase in other liabilities	**(479,011)**	226,980
Tax paid	**(5,741)**	(3,598)
Net Cash Inflow/(Outflow) from Operating Activities	**3,229,305**	(1,252,107)
Cash Flows from Financing Activities		
Repayment of lease liabilities (refer to Note 25)	**(666)**	(621)
Net Cash Outflow from Financing Activities	**(666)**	(621)
Cash Flows from Investing Activities		
Acquisition of debt securities**	**(2,120,637)**	(2,749,884)
Maturity and sale of debt securities	**1,413,344**	2,991,361
Additions of property and equipment	**(1,202)**	(140)
Net Cash (Outflow)/Inflow from Investing Activities	**(708,495)**	241,337
Net increase/(decrease) in cash and cash equivalents	**2,563,321**	(955,784)
Cash and cash equivalents at the beginning of the financial year	**2,558,422**	3,520,002
Effect of exchange rate fluctuations on cash and cash equivalents held**	**21,468**	(5,796)
Cash and Cash Equivalents at the End of the Financial Year	**5,143,211**	2,558.422
Supplemental Disclosure of Cash Flow Information		
Included in the cash flows from operating activities for the financial year are the following amounts:		
Interest income received	**415,728**	496,072
Interest expense paid	**(374,837)**	(458,682)

The accompanying notes are an integral part of these financial statements.

* Due to the addition of new line items in the Statement of Financial Position as already outlined, the Statement of Cash Flows was updated to include movements in operating assets/liabilities for these line items and comparative figures were also updated for these new line items with changes in comparative figures for loans and advances to banks, loans and advances to customers and deposits from banks.

**.New line item "Effect of exchange rate fluctuations on cash and cash equivalents held" to better reflect foreign exchange impacts on cash and cash equivalents held, in prior years this adjustment was reflected in line item "Acquisition of debt securities", the comparative for this line item has been restated to reflect the new line item.

Note 1: General Information

Bank of Montreal Europe plc (the Company) is a public limited company domiciled Ireland. The address of the Company's registered office is 6th Floor, 2 Harbourmaster Place, IFSC, Dublin 1, D01 X5P3, Ireland.

The Company is engaged in the business of banking, including the provision of financial services, is regulated by the Central Bank of Ireland (CBI) and has a full banking licence.

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).

As the BMO Group's only fully licenced bank in Europe, the Company 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 business model and asset profile of the Company are designed to support BMO CM activities while maintaining a prudent risk profile. The Company’s assets are predominantly highly liquid or short-term in nature, supporting flexibility in balance sheet management and funding activities.

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

The Company transacts on its own account, and within its own risk appetite, on a wide range of Global Markets and Corporate Banking products.

Note 2: Basis of Preparation

Statement of Compliance

The Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) and in accordance with the provisions of the Companies Act 2014 and the European Union (Credit Institutions: Financial Statements) Regulation 2015.

The Financial Statements were approved by the Board of Directors on 29 January 2026.

Basis of Measurement

The Financial Statements are prepared on a going concern basis and have been prepared under the historical cost convention as modified to include the following:

- Derivative financial instruments are measured at fair value;
- Financial assets measured or designated at fair value through other comprehensive income (FVOCI) are measured at fair value;
- Held for trading equities are measured at fair value; and
- Securities sold but not yet purchased are measured at fair value.

Note 3: Accounting Policies

The following accounting policies have been applied consistently to all periods presented in these Financial Statements.

Functional and Presentation Currency

These Financial Statements are presented in United States dollars (US$), which is the Company’s functional currency. Except as indicated, financial information presented in US$ has been rounded to the nearest thousand.

Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The most significant assets and liabilities for which the Company must make estimates include allowance for credit losses and financial instruments measured at fair value. If actual results differ from the estimates, the impact would be recorded in future periods.

Fiscal year 2026 looks equally as uncertain as fiscal year 2025 from a macroeconomic perspective. Geopolitical risks continue to escalate, with continued conflict in Ukraine, escalation in the Middle East situation and uncertainty around US policy. The impact on the Company's business, financial performance and condition, including the potential for credit, counterparty and mark-to-market losses, its credit rating and regulatory capital and liquidity ratios, as well as impacts to its customers and competitors, will depend on future developments, which remain uncertain. By their very nature, the judgments and estimates the Company makes for the purposes of preparing its financial statements relate to matters that are inherently uncertain. However, the Company has detailed policies and internal controls that are intended to ensure that these judgments and estimates are well controlled, independently reviewed and consistently applied from period to period. The Company believes that its estimates of the value of its assets and liabilities are appropriate.

Allowance for Credit Losses

The expected credit loss (ECL) model requires the recognition of credit losses generally based on 12 months of expected losses for performing loans and the recognition of lifetime losses on performing loans that have experienced a significant increase in credit risk since origination. 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 relative changes in probability of default since origination, and certain other criteria, such as 30-day past due and watchlist status. The assessment of a significant increase in credit risk requires experienced credit judgment. In determining whether there has been a significant increase in credit risk and in calculating the amount of expected credit losses, the Company must rely on estimates and exercise judgment regarding matters for which the ultimate outcome is unknown. These judgments include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which could require an increase or decrease in the allowance for credit losses. The calculation of expected credit losses includes the explicit incorporation of forecasts of future economic conditions. The BMO Group has developed models incorporating specific macroeconomic variables that are relevant to each portfolio. Forecasts are developed internally by the BMO Group Economics group, considering external data and its view of future economic conditions. The Company exercises experienced credit judgment to a) incorporate multiple economic forecasts which are probability-weighted in the determination of the final expected credit loss in order that the allowance is sensitive to changes in both economic forecasts and the probability weights assigned to each forecast scenario, and b) determine if any non-model adjustments are required, based on the local credit assessment process.

Additional information regarding the allowance for credit losses is included in Note 28.

Going Concern

The Company's Board of Directors have assessed its ability to continue as a going concern and in its judgement is satisfied that it has the resources to continue in business for the foreseeable future. As a core subsidiary and European hub for the BMO Group, the Company has parental support with regards to the ongoing provision of funding, largely on a rolling 3 month basis to match the asset profile of the balance sheet, and ready access to sources of contingent liquidity. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Leases

The Company enters leases as a lessee for which it recognises a lease liability and a corresponding right-of-use asset. In calculating the lease liability and corresponding right-of-use asset, the Company assesses whether a contract is a lease by determining if it has the right to control the asset based on the ability to make decisions or direct how and for what purpose the asset is used. The Company evaluates the lease term based on the terms of the lease contract, including any extension or termination options that the Company is reasonably certain to exercise based on the economic rationale underlying the decision. When the Company enters a new lease, it makes estimates in determining the incremental borrowing rate that is used to discount lease liabilities, based on its expected costs of secured borrowing for the lease term.

Foreign Currency Translation

Transactions in foreign currencies are translated to the functional currency of the Company using month end exchange rates in the month the transaction occurred when it is deemed a reasonable approximation of the actual rate. Monetary assets and liabilities that are denominated in foreign currencies are translated into US$ at the exchange rate in effect at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated into US$ at the date of the transaction. Resulting exchange gains and losses are recorded in the profit or loss in the Statement of Comprehensive Income.

Functional Currency

The Company is based in Europe with a large proportion of its expense base in Euro and its primary funding structure, the 8 billion programme for the issue of unsecured notes is denominated in Canadian dollar (CAD). The Company has carried out an assessment of the functional currency being denominated as US$, this assessment took into account that the majority of the Company's day-to-day trading activity is in US$

denominated financial products driving both income statement revenue and statement of financial position balances and in the Company's judgement was the most applicable functional currency to apply.

Interest Income and Expense

Interest income and expense on non-trading assets and liabilities are recognised in the net interest income of the Statement of Comprehensive Income for all interest bearing financial instruments using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability.

The calculation of the effective interest rate includes all fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

The Company presents interest resulting from negative effective interest rates on financial liabilities as interest income. The Company presents interest resulting from negative effective interest rates on financial assets as interest expense.

Interest income and expense presented in the Statement of Comprehensive Income includes:

- Interest on financial assets and liabilities at amortised cost on an effective interest rate basis;
- Interest on FVOCI debt securities on an effective interest rate basis; and
- Interest on derivative financial instruments.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Fees and Commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on an accruals basis over the commitment period.

Net Trading Income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, dividends and foreign exchange differences. This includes ineffectiveness recorded on hedging transactions.

Dividends

Dividend income or expense is recognised when the right to receive or pay income is established. Usually this is the ex-dividend date for equity securities. Dividends are reflected as a component of net trading income based on the underlying classification of the equity instrument.

Financial Assets and Liabilities

Recognition and Initial Measurement

The Company initially recognises loans and advances, securities borrowed or purchased under resale agreements debt securities, deposits, securities lent or sold under repurchase agreements and debt securities issued on the date that they are originated. All other financial assets and liabilities are initially recognised on the settlement date at which the Company becomes a party to the contractual provisions of the instrument. Changes in fair value between the trade date and settlement date are recorded in net trading income, except for those related to debt securities measured at FVOCI, which are recorded in other comprehensive income.

Classification and Subsequent Measurement of Financial Assets

The Company classifies its financial assets, other than those designated and effective as hedging instruments, as measured at: amortised cost, FVOCI or FVTPL. The classification is determined by both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. For purposes of subsequent measurement, the Company's financial assets are classified into the following categories:

- Debt instruments at amortised cost (loans and advances and cash and cash equivalents)
- Debt instruments at FVOCI (debt securities)
- Debt instruments at FVTPL (debt securities)
- Equity instruments at FVTPL (trading equities)

Debt instruments at amortised cost

Debt instruments are measured at amortised cost if they are held within a business model whose objective is to hold assets to collect contractual cash flows and those cash flows represent solely payments of principal and interest. Gains or losses on disposal and impairment losses are recognised in profit or loss in the Statement of Comprehensive Income. These instruments are initially recorded at fair value plus transaction costs and are subsequently measured at amortized cost, using the effective interest method with interest income recognised in the Statement of Comprehensive income in line item Interest income calculated using EIR method.

Debt instruments at FVOCI

Debt instruments are measured at FVOCI if they are held within a business model whose objective is achieved by both selling the assets and collecting contractual cash flows and those cash flows represent solely payments of principal and interest. These debt securities may be sold in response to or in anticipation of changes in interest rates and resulting prepayment risk, changes in credit risk, changes in foreign currency risk, changes in funding sources or terms, or to meet liquidity needs.

Changes in fair value and associated foreign exchange gains or losses are recorded in other comprehensive income; gains or losses on disposal, interest income calculated using the effective interest method, impairment losses and foreign exchange gains and losses are recorded in profit or loss in the Statement of Comprehensive Income.

Debt instruments at FVTPL

Debt instruments are measured at FVTPL if they are principally held for the purpose of selling in the near term. They are initially recognised and subsequently measured at fair value in the Statement of Financial Position with changes in fair value recognised in net trading income in the Statement of Comprehensive Income.

Equity instruments at FVTPL

Equity instruments are measured at FVTPL unless an election is made to measure at FVOCI, in which case gains and losses are never recognised in income.

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment, in the case of financial assets. In the case of a financial asset that is credit impaired at the reporting date, interest revenue is calculated by applying the effective interest rate to the amortised cost, which is the gross carrying amount adjusted for any impairment loss allowance.

Fair value measurement

For traded securities, quoted market value is based on bid prices, where there is an active market. For all other financial instruments where market quotes are not available, fair value is determined using valuation techniques. These estimation techniques include discounted cash flows, internal models that utilise observable market data or comparisons with other securities that are substantially the same. Additional information regarding fair value measurement techniques is included in Note 31.

Identification and measurement of impairment

IFRS 9 *Financial Instruments* (IFRS 9) uses an ECL impairment model for all debt instruments measured at amortised cost or FVOCI as well as certain off-balance sheet loan commitments and guarantees. The ECL model results in an allowance for credit losses (ACL) being recorded on financial assets regardless of whether there has been an actual impairment.

The ECL model requires the recognition of credit losses based on up to 12 months of expected losses for performing loans (Stage 1) and the recognition of lifetime expected losses on performing loans that have experienced a significant increase in credit risk since origination (Stage 2). The determination of a significant increase in credit risk takes into account many different factors. 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 Watch list status. The allowance for assets in Stage 2 will be higher than for those in Stage 1 as a result of the longer time horizon associated with this stage. Stage 3, which relates to credit impaired financial instruments at the reporting date, requires the recognition of lifetime losses for all credit impaired assets.

IFRS 9 requires consideration of past events, current market conditions and reasonable supportable information about future economic conditions, in determining whether there has been a significant increase in credit risk and in calculating the amount of expected losses. The standard also requires future economic conditions to be based on an unbiased, probability-weighted assessment of possible future outcomes.

Classification and subsequent measurement of financial liabilities

The Company classifies its financial liabilities as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. As at reporting date, the Company does not have financial liabilities designated at FVTPL. Financial liabilities held for trading are represented in the Statement of Financial Position as Securities sold but not yet purchased.

Other financial liabilities
Other financial liabilities, including deposits, secured lending, repurchase agreements and debt securities in issue are subsequently measured at amortised cost using the effective interest method.
Trading assets and liabilities
Trading assets and liabilities are those assets and liabilities that the Company acquires or incurs principally for the purpose of selling or repurchasing in the near term or holds as part of a portfolio that is managed together for short-term profit or position taking.

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the Statement of Financial Position with transaction costs taken directly to profit or loss. All changes in fair value are recognised as part of net trading income/(expense) in the Statement of Comprehensive Income.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and balances with central banks and banks which can be withdrawn on demand. It also comprises balances with an original maturity of less than three months. Mandatory minimum reserve balances with the CBI are shown within Loans and advances to banks in the Statement of Financial Position. They are carried at amortised cost.

Loans and advances
Loans and advances are initially measured at fair value plus directly attributable costs and are subsequently measured at amortised cost using the effective interest method where the cash flows of those loans represent solely payments of principal and interest.
Loans and advances include securities borrowed or purchased under resale agreements which represent the amounts the Company will receive as a result of its commitment to return or resell securities that it has borrowed or purchased, back to the original lender or seller, on a specified date at a specified price. The Company account for these instruments as if they were loans.

Securities
Securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either fair value through profit or loss, or FVOCI for those instruments that are not subsequently measured at fair value through profit and loss.

Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company enters into transactions whereby it transfers assets recognised on its Statement of Financial Position but retains both risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the Statement of Financial Position. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by IFRS, or for gains and losses arising from a group of similar transactions such as in the Company’s trading activity.

Derivative Financial Instruments

Derivative financial instruments are financial contracts that derive their value from underlying changes in interest rates, foreign exchange rates or financial or commodity prices or indices.

Derivative financial instruments are either regulated exchange-traded contracts or negotiated over-the-counter contracts. Derivative financial instruments are used for trading or risk management purposes. Derivatives are measured at fair value.

Trading derivatives are entered into to generate trading income from client facilitation trading positions.

Derivatives Held for Risk Management Purposes

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities.

The Company's policy is to hedge the following banking or trading book exposures:
- interest rate risk – using interest rate swaps
- currency exposures – using forward exchange swaps or contracts
- market risk – using total return swaps or offsetting physical long/short positions

The following table provides examples of certain activities undertaken by the Company, the related risks associated with such activities and the types of derivatives in managing such risks. Such risks may also be managed by using on-balance sheet instruments as part of an integrated approach to risk management.

Activity	Risk	Economic Hedging Instruments
Funding Requirements	Receipt of funds in a certain currency and requirement to provide funding in a different currency	Foreign Exchange forwards/cross-currency swaps
Equity derivatives trading	Change in the value of the underlying asset/liability	Total Return Swap

Hedge Accounting

The Company has made the accounting policy choice allowed under IFRS 9 to continue to apply the hedge accounting requirements of IAS 39. In order to qualify as an accounting hedge, the hedging relationship must be designated and formally documented at its inception, detailing the particular risk management objective and strategy for the hedge and the specific asset being hedged, as well as how hedge effectiveness is being assessed. Changes in the fair value of the derivative must be highly effective in offsetting either changes in fair value or the amount of future cash flows. Hedge effectiveness is evaluated at the inception of the hedging relationship and on an ongoing basis, retrospectively and prospectively, primarily using quantitative statistical measures of correlation. Any ineffectiveness in the hedging relationship is recognised in the Statement of Comprehensive Income as it arises.

Fair Value Hedges

Fair value hedges modify exposure to changes in a fixed rate instrument's fair value caused by changes in interest rates. These hedges convert fixed rate assets to floating rate assets. The Company's fair value hedges include hedges of fixed FVOCI debt securities by using an interest rate swap as a hedging derivative. For fair value hedges, the hedging derivative is recorded at fair value and any fixed rate assets that are part of a hedging relationship are adjusted for the changes in value of the risks being hedged (fair value adjustment). The nature of the risks being hedged are changes in the fair value of the FVOCI debt securities caused by changes in interest rates.

Equity Reserves

The reserves recorded in equity on the Company's Statement of Financial Position include:
- FVOCI reserve, which comprises changes in fair value of FVOCI investments

Property and Equipment

All property and equipment is stated at cost less accumulated depreciation. Historical cost includes any expenditure that is directly attributable to the acquisition of the items. All repairs and maintenance costs are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation of property and equipment is provided on a straight line basis over estimated useful lives as follows:
- Computers and other equipment - 2 to 5 years
- Fixtures and fittings - Lease term to a maximum of 10 years

Leases

When the Company enters into a new arrangement as a lessee, a right-of-use asset is recognised equal to the lease liability, which is calculated based on the future lease payments discounted at our incremental borrowing rate over the lease term. The lease term is based on the non-cancellable period and includes any options to extend or terminate which the Company is reasonably certain to exercise. The right-of-use asset is depreciated on a straight-line basis, based on the shorter of the useful life of the underlying asset or the lease term, and is adjusted for impairment losses, if any. The lease liability accretes interest over the lease term, using the effective interest method, with the associated interest expense recognised in interest expense, other liabilities, in the Statement of Comprehensive Income. The lease liability is remeasured when decisions are made to exercise options under the lease arrangement or when the likelihood of exercising an option within the lease changes. Refer to Notes 4 and 26 for further information. Amounts relating to leases of low value are expensed when incurred in other operating expenses in the Statement of Comprehensive Income.

Pensions

The Company operates a defined contribution pension scheme. Under this pension scheme, the Company is responsible for contributing a predetermined amount to a participant's retirement savings, based on a percentage of that employee's salary. The costs of this scheme, recorded in personnel expenses, are equal to the Company's contributions to the scheme.

Share-based Payments

Select employees 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 which are cash settled when they vest. A minimum portion of 40% or 60% of an employee's incentive award is deferred over a period of between four and seven years. Share linked awards are granted as restricted share units (RSU). One RSU is equivalent to one common share of the BMO Group. The costs of this plan, recorded in personnel expenses, are equal to the Company's contributions to the plan. Additional disclosure can be found in Note 8.

Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. The Company reports its provision for income taxes in the Statement of Comprehensive Income based upon transactions recorded in the financial statements regardless of when they are recognised for income tax purposes.
The provision for income taxes is calculated based on the applicable tax law and the tax treatment of transactions recorded in the Statement of Comprehensive Income or Changes in Shareholders' Equity. In determining the provision for income taxes, the Company makes assumptions about the expected timing of the reversal of deferred tax assets and liabilities. If the Company's interpretations differ from those of tax authorities or if the timing of reversals is not as expected, the provision for income taxes could increase or decrease in future periods. Deferred income tax balances are the cumulative amount of tax applicable to temporary differences between the accounting and tax values of the Company's assets and liabilities.

The Company is subject to income tax in multiple jurisdictions. Tax legislation and its interpretation can be complex and subject to change. As a result, there is uncertainty regarding the tax treatment of certain transactions and positions taken in prior and current years. Management has exercised judgement in determining the recognition and measurement of uncertain tax positions. These judgements include assessing the probability that tax authorities will accept the Company's interpretation of applicable tax laws and estimating the potential outcome of ongoing audits. Uncertain tax positions are measured using the most likely amount or expected value approach, as appropriate, based on management's best estimate of the amount payable to or recoverable from tax authorities. In addition to recognised provisions, the Company has potential exposures that are not recognised because management believes it is not probable that an outflow will occur. No reliable estimate of the financial effect can be made at this time.

Deferred income tax assets and liabilities are measured at tax rates expected to apply when the differences reverse. Changes in deferred income tax assets and liabilities related to a change in tax rates are recorded in income in the year the tax rate change is substantively enacted. The Company's deferred income tax asset is expected to be realised in the normal course of operations. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Securities Lending

The Company funds client equity positions by providing cash and receiving equity collateral. These transactions are traded under industry standard Global Master Securities Lending Agreements (GMSLA). The Company account for these instruments as if they were loans and are reported in the Statement of Financial Position as securities borrowed or purchased under resale agreements. Refer to Note 16 for further breakdowns.

Reverse Repo

The Company is predominantly long cash and therefore enters reverse repos giving cash and receiving collateral. Eligible collateral includes government debt of certain countries, high quality securities, and bonds from selected supranational debt issuers. The Company account for these instruments as if they were loans and are reported in the Statement of Financial Position as securities borrowed or purchased under resale agreements. Refer to Note 16 for further breakdowns.

Changes in IFRS and Accounting Policies

IAS 12 Income Taxes

Effective 1 November 2023, the Company adopted an amendment to IAS 12 Income Taxes (IAS 12). This amendment narrows the IAS 12 exemption to exclude transactions that give rise to equal and offsetting temporary differences (e.g. leases and asset retirement obligations). Upon adoption of the amendment, the Company would record separate deferred tax assets and liabilities related to the assets and liabilities that give rise to these temporary differences. There was no impact on the Company's Statement of Financial Position.

IFRS 9 Financial Instruments

Effective 1 November 2023, the Company voluntarily changed its accounting policy to account for regular way contracts to buy or sell financial assets on trade date, instead of on settlement date. This change was applied retrospectively, as is required for changes in accounting policy, as if the Company had always recorded securities transactions on trade date. Regular way contracts are those that will be settled within a timeframe established by market convention or regulation. The change resulted in an increase in both other assets and other liabilities of US$ 451.44 million as at 31 October 2023.

Future Changes in IFRS

A number of accounting standards have been issued by the IASB, but which are not yet effective. The Company does not plan on early adoption of these standards or amendments.

Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the *Classification and Measurement of Financial Instruments* which amended IFRS 9 *Financial Instruments* (IFRS 9) and IFRS 7 *Financial Instruments: Disclosures.* These amendments clarify how to assess the contractual cash flow characteristics of financial assets that include contingent features, and the treatment of non-recourse assets and contractually linked instruments. The amendments also introduce an accounting policy choice to derecognize certain financial instruments settled using an electronic payment system before the settlement date, if certain conditions are met. The amendments will be effective for the fiscal year beginning 1 November 2026. To meet the requirements of the amendments, the BMO Group has established an enterprise-wide project and are currently evaluating the impact of adoption.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* (IFRS 18), which will replace IAS 1 *Presentation of Financial Statements*, and will be effective for our fiscal year beginning 1 November 2027. IFRS 18 requires changes to how information is grouped and presented in the financial statements, and requires that certain management performance measures be included in the financial statements. The Company is currently assessing the impact of the standard on the presentation of its financial statements.

Note 4: Net Interest Income

(US$ in thousands)	2025	2024
Interest Income using EIR method		
Securities	**152,994**	145,589
Cash and cash equivalents	**43,929**	76,207
Loans and advances to banks*	**664**	276
Loans and advances to customers*	**23,150**	33,775
Securities Borrowed or Purchased Under Resale Agreements*	**201,920**	252,094
	422,657	507,941
Other Interest Income		
Derivatives held for risk management	**30,708**	19,867
Total Interest Income	**453,365**	527,808
Interest Expense		
Debt securities in issue (Note 25)	**168,756**	285,966
Derivatives held for risk management	**91,809**	37,844
Deposits from banks*	**58,954**	50,611
Deposits from customers*	**44,997**	68,242
Securities sold but not yet purchased and securities lent or sold under repurchase agreements*	**9,977**	1,719
Lease liabilities (Note 26)	**62**	72
Other interest Expense	**931**	–
	375,486	444,454
Net interest income by product type	**77,879**	83,354

Interest Income		
BMO Group (1)	**14,337**	4,586
Non-BMO Group	**439,028**	523,222
	453,365	527,808
Interest Expense		
BMO Group	**321,971**	381,797
Non-BMO Group	**53,515**	62,657
	375,486	444,454
Net interest income by related/non-related party	**77,879**	83,354

(1) Majority of BMO Group income relates to derivative assets held for risk management including FX and interest rate swaps economically hedging underlying financial instruments.

*Due to the addition of the new line items in the Statement of Financial Position for "Securities borrowed or purchased under resale agreements" and "Securities lent or sold under repurchase agreements", there are new line items included in the note above to reflect these and comparative figures within Interest income for Loans and advances to banks and Loans and advances to customers and within Interest expense for Deposits from banks and Deposits form customers have been restated to conform with the current year's presentation.

Note 5: Net Fee and Commission Expense

(US$ in thousands)	2025	2024
Fee and Commission Income		
Lending fees	**2,013**	3,816
Broker fees	**8,830**	7,325
Underwriting and advisory fees	**10,602**	6,919
Securities lending fees	**254**	857
Service agreements with BMO Group entities	**8,036**	4,583
	29,735	23,500
Fee and Commission Expense		
Service agreements with BMO Group entities	**16,118**	18,196
Equity related fees	**69**	71
Other	**287**	170
	16,474	18,437
Net fee and commission expense	**13,261**	5,063

Note 6: Net Trading Income

(US$ in thousands)	2025	2024
Equity / Equity swaps	**2,169**	(60,329)
Futures	**1,315**	61,065
Interest rate swaps - hedge ineffectiveness	**(279)**	265
Interest rate swaps	**(705)**	(1,113)
Held for trading debt securities	**(827)**	2,974
Foreign exchange swaps	**121**	1,571
Credit Default Swaps	**(405)**	–
Exchange differences	**(86)**	103
Net trading income	**1,303**	4,520

Note 7: Securities Gains, Other than Trading

(US$ in thousands)	2025	2024
Gains on sale of FVOCI debt securities	**2,024**	1,951
Securities gains, other than trading	**2,024**	1,951

Note 8: Personnel Expenses

(US$ in thousands, except as noted)	2025	2024
Wages, salaries and other benefits	**21,138**	18,592
Compulsory social security obligations	**2,843**	2,604
Contribution to defined contribution pension scheme	**1,120**	982
Total personnel expenses	**25,101**	22,178
Average number of employees during the year	**83**	79

All of the above are considered to be engaged in the business of banking including the provision of financial services. Pension contributions accrued but not paid at financial year end were US$ nil in 2025 (2024 US$ nil). No employee costs are capitalised, details of director remuneration are shown in Note 34.

Share Based Compensation

The Company offers incentive plans for select employees. Payment amounts are adjusted to reflect reinvested dividends and changes in the market value of the BMO Group common shares. The recipient receives a single cash payment at the end of the vesting period of the plan. As the awards are cash-settled, they are recorded as liabilities.

Amounts payable under such awards are recorded as compensation expense over the vesting period. Amounts related to RSU's granted to employees who are eligible to retire are expensed at the time of grant. Subsequent changes in the fair value of the liability are recorded in wages, salaries and other benefits expense in the period in which they arise. The amount related to share based compensation expensed in 2025 was US$2,481,235 (2024 US$1,736,870).

Note 9: Other Operating Expenses

(US$ in thousands)	2025	2024
Information technology costs	**3,527**	3,801
Legal and consulting costs	**1,969**	1,921
Auditors' remuneration (1)	**363**	327
Premises related costs	**521**	536
Regulatory fees and Levies	**1,080**	2,050
Brokerage/ Clearing fees	**1,993**	3,118
Other overhead expenses	**2,076**	958
Total other operating expenses	**11,529**	12,711

(1) Auditors' remuneration consists of the audit of the Company's financial statements. Fees paid for audit services were US$362,500 in 2025 (2024 US$265,800) excluding VAT and fees paid for other non-audit services were US$6,600 in 2025 (2024 US$33,200) excluding VAT

Note 10: Income Tax Expense

(US$ in thousands)	2025	2024
Current tax expense		
Current year	**8,725**	1,167
Adjustments for prior year	**3,778**	104
	12,503	1,271
Deferred tax benefit		
Temporary differences	**38**	(7)
Adjustments for prior year	**(25)**	(53)
	13	(60)
Total income tax expense	**12,516**	1,211

The reconciliation of statutory corporation tax to the effective rate on ordinary activities is as follows:

(US$ in thousands, except as noted)		2025		2024
Profit before tax		**56,708**		57,906
Tax using domestic corporate rate	**12.5 %**	**7,089**	12.5 %	7,238
Effect of tax rates in foreign jurisdictions	**0.1 %**	**82**	0.4 %	248
Other adjustments for tax purposes	**0.7 %**	**391**	– %	26
Income not subject to tax	**(0.9)%**	**(505)**	(11.0)%	(6,352)
Adjustments in respect of prior years	**6.6 %**	**3,753**	0.1 %	51
BEPS Pillar II top-up tax*	**3.0 %**	**1,706**	– %	–
Total income tax expense	**22.1 %**	**12,516**	2.0 %	1,211

*Global minimum tax rules become effective this fiscal year, and as a result the minimum tax rate of 15% has been applied in Ireland resulting in the new line item above.

Tax recognised in Other Comprehensive Income:

(US$ in thousands)			2025			2024
	Before tax	**Tax (expense)/benefit**	**Net of tax**	Before tax	Tax (expense)/benefit	Net of tax
Debt securities	**3,462**	**(433)**	**3,029**	(4,471)	559	(3,912)
	3,462	**(433)**	**3,029**	(4,471)	559	(3,912)

Note 11: Tax Assets and Liabilities

Recognised deferred tax assets and liabilities:

As at 31 October (US$ in thousands)			2025			2024
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
Property and equipment	**97**	**–**	**97**	105	–	105
IFRS 16 adjustments	**25**	**–**	**25**	–	–	–
Pension	**19**	**–**	**19**	–	–	–
Securities	**–**	**(426)**	**(426)**	7	–	7
	141	**(426)**	**(285)**	161	–	112

Current tax assets and liabilities:

As at 31 October (US$ in thousands)			2025			2024
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
Corporation tax preliminary payment	**8,867**	**–**	**8,867**	3,551	–	3,551
Corporation tax payable	**–**	**(13,569)**	**(13,569)**	–	(1,170)	(1,170)
	8,867	**(13,569)**	**(4,702)**	3,551	(1,170)	2,381

Note 12: Cash and Cash Equivalents

As at 31 October (US$ in thousands)	**2025**	2024
Unrestricted balances with central banks	**5,132,367**	2,543,065
Cash and balances with other banks	**10,844**	15,357
Cash and cash equivalents	**5,143,211**	2,558,422

Note 13: Derivative Assets

As at 31 October (US$ in thousands)	**2025**	2024
Interest rate swaps - fair value hedging	**5,324**	13,647
Interest rate swaps	**46,902**	54,775
FX swaps	**23,278**	18,426
Equity swaps	**3,665**	7,577
Futures	**68**	–
Futures - hedging	**–**	27
Cross currency swaps	**1,325**	3
Total derivative assets	**80,562**	94,455

Note 14: Loans and Advances to Banks

Loans and advances to bank:

As at 31 October (US$ in thousands)	2025	2024
Loans and advances to banks*	**106,764**	41,290
Of which: mandatory deposits with central banks	**23,514**	24,333
Of which: cash collateral placed with banks	**83,270**	16,974
Of which: impairment loss allowance on loans and advances to banks	**(20)**	(17)

Remaining contractual maturity:

As at 31 October (US$ in thousands)	2025	2024
1 to 3 months	**–**	24,333
Less than 1 month	**106,764**	16,957
	106,764	41,290

Geographical split:

As at 31 October (US$ in thousands)	2025	2024
Ireland	**24,894**	24,333
Europe	**81,870**	16,957
Rest of world	**106,764**	41,290

There were no assets past due but not impaired and no assets impaired in 2025 and 2024. The carrying value on these loans represents the maximum exposure to credit risk on these assets.

*Due to the addition of the new line items in the Statement of Financial Position for "Securities borrowed or purchased under resale agreements" the comparative figures have been reclassified to Note 16 to conform with the current year's presentation

Note 15: Loans and Advances to Customers

As at 31 October (US$ in thousands)	2025	2024
Loans and advances to customers at amortised cost*	**385,389**	472,634

As at 31 October (US$ in thousands)		2025				2024
	Gross amount	**Impairment allowance**	**Carrying amount**	Gross amount	Impairment allowance	Carrying amount
Corporate customers:						
Corporate banking	**388,493**	**(3,104)**	**385,389**	475,592	(2,958)	472,634
	388,493	**(3,104)**	**385,389**	475,592	(2,958)	472,634

Remaining contractual maturity:

As at 31 October (US$ in thousands)	2025	2024
1 to 5 years	**166,030**	241,776
3 months to 1 year	**–**	38,204
1 to 3 months	**150,071**	132,826
Less than 1 month	**69,288**	59,828
	385,389	472,634

Geographical split:

As at 31 October (US$ in thousands)	2025	2024
Ireland	**–**	65,403
Europe other than Ireland	**316,267**	366,939
United States	**69,122**	40,292
	385,389	472,634

The gross amount on these loans represents the maximum exposure to credit risk on these assets. Additional detail regarding the credit quality of loans and advances to customers is included in the Credit Risk section of Note 28.

*Due to the addition of the new line items in the Statement of Financial Position for "Securities borrowed or purchased under resale agreements" the comparative figures have been reclassified to Note 16 to conform with the current year's presentation

Note 16: Repurchase and reverse repurchase agreements and other similar secured borrowing & lending

As at 31 October (US$ in thousands)	2025	2024
Securities borrowed or purchased under resale agreements*	**3,864,586**	4,551,302
Of which: securities borrowing	**3,588,722**	4,223,377
Of which: reverse repo	**275,886**	327,946
Of which: impairment loss allowance on Securities Borrowed or Purchased Under Resale Agreements	**-22**	-21

As at 31 October (US$ in thousands)	2025	2024
Securities lent or sold under repurchase agreements*	**91,924**	**102,758**
Of which: securities lending	**10,253**	**–**
Of which: repo	**81,671**	**102,758**

Remaining contractual maturity:

As at 31 October (US$ in thousands)	2025	2024	2025	2024
	Securities borrowed or purchased under resale agreements		**Securities lent or sold under repurchase agreements**	
Greater than 1 year	**500,000**	–	**–**	–
3 months to 1 year	**–**	350,000	**–**	–
1 to 3 months	**1,449,669**	2,460,685	**–**	–
Less than 1 month	**1,914,917**	1,740,617	**91,924**	102,758
	3,864,586	4,551,302	**91,924**	102,758

Geographical split:

As at 31 October (US$ in thousands)	2025	2024	2025	2024
	Securities borrowed or purchased under resale agreements		**Securities lent or sold under repurchase agreements**	
Ireland	**1,800,000**	800,000	**81,671**	102,758
Europe	**1,069,949**	2,040,184	**10,253**	–
Rest of world	**994,637**	1,711,118	**–**	–
	3,864,586	4,551,302	**91,924**	102,758

*New line items were introduced for "Securities borrowed or purchased under resale agreements" and "Securities lent or sold under repurchase agreements" within the Statement of Financial Position. Securities borrowed or purchased under resale agreements were previously disclosed within Loans and advances to banks, Note 14 and Loans and advances to customers, Note 15. Securities lent or sold under repurchase agreements were previously disclosed within Deposits from banks, Note 23 and Deposits from customers, Note 24. Restated to better align with the presentation in the BMO Group Financial Statements and provide the reader with a better overview of material balances within the Statement of Financial Position. Prior year balances in Notes 14,15 and 23 have been restated to conform with the current year's presentation.

Note 17: Debt Securities

As at 31 October (US$ in thousands)	2025	2024
Debt securities, of which:		
FVOCI securities	**3,063,556**	2,354,239
FVTPL securities	**198,194**	23,694
	3,261,750	2,377,933

As at 31 October (US$ in thousands)	2025	2024
FVOCI securities:		
Government bonds	**1,187,493**	722,055
Public sector entities	**96,700**	205,451
Bonds carrying government guarantee	**938,923**	643,012
Multilateral development bank bonds	**511,386**	476,360
Bank bonds	**39,285**	46,707
CLO	**212,719**	174,662
Covered bonds	**77,050**	85,992
	3,063,556	2,354,239

Remaining contractual maturity:

As at 31 October (US$ in thousands)	2025	2024
Greater than 5 years	**1,505,817**	777,423
1 to 5 years	**1,001,653**	1,069,314
3 months to 1 year	**296,968**	378,724
1 to 3 months	**157,020**	128,778
Less than 1 month	**102,098**	–
	3,063,556	2,354,239
Securities unencumbered	**2,729,421**	1,631,630
Securities pledged as collateral	**334,135**	722,609
	3,063,556	2,354,239

As at 31 October (US$ in thousands)	2025	2024
FVTPL securities:		
Government bonds	**–**	1,055
Multilateral development bank bonds	**196,987**	22,639
Bank bonds	**1,207**	–
	198,194	23,694

Remaining contractual maturity:

As at 31 October (US$ in thousands)	2025	2024
Greater than 5 years	**50,341**	–
1 to 5 years	**145,001**	23,694
3 months to 1 year	**2,601**	–
1 to 3 months	**251**	–
	198,194	23,694
Securities unencumbered	**198,194**	–
Securities pledged as collateral	**–**	23,694
	198,194	23,694

Note 18: Trading Equities

As at 31 October (US$ in thousands)	2025	2024
Long positions held - equity	**265,124**	256,691

Note 19: Other Assets

As at 31 October (US$ in thousands)	2025	2024
Pending trades	**454,174**	943,307
Accounts prepaid	**15,053**	2,451
Securities lending fees receivable	**18,279**	20,632
Intercompany receivables	**2,242**	6,767
Loan fee receivables	**113**	115
Total other assets	**489,861**	973,272

Note 20: Property and Equipment

As at 31 October (US$ in thousands)

	Fixtures and fittings	Computers and other equipment	Right of use asset	Total
Cost				
As at 1 November 2023	1,204	3,447	5,283	9,934
Additions/lease modifications	–	140	56	196
Disposals	–	–	–	–
Exchange translation adjustment	33	83	145	261
As at 31 October 2024	1,237	3,670	5,484	10,391
Cost				
As at 1 November 2024	**1,237**	**3,670**	**5,484**	**10,391**
Additions/lease modifications	**181**	**1,021**	**2**	**1,204**
Disposals	**–**	**–**	**–**	**–**
Exchange translation adjustment	**74**	**110**	**330**	**514**
As at 31 October 2025	**1,492**	**4,801**	**5,816**	**12,109**
Accumulated depreciation				
As at 1 November 2023	964	3,079	2,044	6,087
Disposals	–	–	–	–
Charge for the financial year	92	250	521	863
Exchange translation adjustment	26	79	93	161
As at 31 October 2024	1,082	3,408	2,621	7,111
Accumulated depreciation				
As at 1 November 2024	**1,082**	**3,408**	**2,621**	**7,111**
Disposals	**–**	**–**	**–**	**–**
Charge for the financial year	**124**	**341**	**544**	**1,009**
Exchange translation adjustment	**69**	**120**	**178**	**367**
As at 31 October 2025	**1,275**	**3,869**	**3,343**	**8,487**
Net book value 31 October 2024	155	262	2,863	3,280
Net book value 31 October 2025	**217**	**932**	**2,473**	**3,622**

Note 21: Securities Sold But Not Yet Purchased

As at 31 October (US$ in thousands)	2025	2024
Short positions held - equity	**327,425**	188,620
Short positions held - debt securities	**79,063**	22,314
	406,488	210,934

Securities sold but not yet purchased represent the Company's obligations to deliver securities that the Company did not own at the time of sale. These obligations are recorded at their fair value. Adjustments to the fair value as at the reporting date and gains and losses on the settlement of these obligations are recorded in trading revenues in profit or loss of the Statement of Comprehensive Income.

Note 22: Derivative Liabilities

As at 31 October (US$ in thousands)	2025	2024
Interest rate swaps - fair value hedging	**5,354**	6,749
Interest rate swaps	**44,755**	53,646
Equity swaps	**17,140**	4,222
Cross currency swaps	**68,314**	108,235
Cross currency swaps - hedging	**–**	1,641
Foreign exchange forwards	**13,469**	12,252
Credit Default Swap	**104**	–
Futures	**–**	300
Total derivative liabilities	**149,136**	187,045

Note 23: Deposits from Banks

As at 31 October (US$ in thousands)	2025	2024
Deposits from other BMO Group Companies	**4,636,390**	1,791,479
Deposits from banks	**106,889**	58,373
Total deposits from banks*	**4,743,279**	1,849,852
of which: money market deposits	**4,736,938**	1,838,264
of which: cash collateral received	**6,341**	11,588

Remaining contractual maturity:

As at 31 October (US$ in thousands)	2025	2024
1 to 5 years	**450,056**	300,294
3 months to 1 year	**–**	250,554
Less than 1 month	**4,293,223**	1,299,004
	4,743,279	1,849,852

Geographical split:

As at 31 October (US$ in thousands)	2025	2024
Ireland	**40,222**	–
Europe other than Ireland	**4,227,414**	1,268,446
Rest of world	**475,643**	581,406
	4,743,279	1,849,852

*Due to the addition of the new line item in the Statement of Financial Position for "Securities lent or sold under repurchase agreements" the comparative figures have been reclassified to Note 16 to conform with the current year's presentation

Note 24: Deposits from Customers

As at 31 October (US$ in thousands)	**2025**	2024
Deposits from other BMO Group Companies	**215,422**	177,512
Deposits from customers	**800,409**	1,137,579
Total deposits from customers	**1,015,831**	1,315,091
of which: money market deposits	**1,015,831**	1,315,091

Remaining contractual maturity:

As at 31 October (US$ in thousands)	**2025**	2024
3 months to 1 year	**258,199**	260,562
1 to 3 months	**187,529**	343,898
Less than 1 month	**570,103**	710,631
	1,015,831	1,315,091

Geographical split:

As at 31 October (US$ in thousands)	**2025**	2024
Ireland	**660,018**	789,121
Europe other than Ireland	**351,950**	523,250
Rest of world	**3,863**	2,720
	1,015,831	1,315,091

Note 25: Debt Securities in Issue

As at 31 October (US$ in thousands)	**2025**	2024
Debt securities in issue	**5,723,623**	5,768,086

Remaining contractual maturity:

As at 31 October (US$ in thousands)	**2025**	2024
1 to 3 months	**2,858,148**	3,787,280
Less than 1 month	**2,865,475**	1,980,806
	5,723,623	5,768,086

Geographical split:

As at 31 October (US$ in thousands)	**2025**	2024
Rest of world	**5,723,623**	5,768,086
	5,723,623	5,768,086

All of the above debt securities were issued by the Company under a CAD 8 billion programme for the issue of unsecured notes. The notes are for a term of 10 years, beginning 31 March 2016. Debt securities in issue comprise eight notes in aggregate with individual interest rollover term dates which are generally under three months in duration. The debt securities in issue from the programme are listed on The International Stock Exchange (TISE). The notes have a demand or term feature that allows the issuer or noteholder to redeem the note provided 5 business days written notice in advance of a note interest roll date. This is supplemented by a grace period of 60 days should the Issuer not be able to repay the note in full on the redemption date. Neither the notice period, nor the grace period have ever been exercised. Related post financial year end event disclosed in Note 35.

Note 26: Other Liabilities

As at 31 October (US$ in thousands)	2025	2024
Pending trades	**453,039**	935,175
Accounts payable	**12,368**	8,718
Other	**1,712**	2,532
Lease liabilities	**2,700**	3,112
Allowance for credit losses on off-balance sheet exposures	**247**	206
Total other liabilities	**470,066**	949,743

When the Company enters into leases it records lease liabilities representing the present value of future lease payments over the lease term. Interest expense on lease liabilities for the year ended 31 October 2025 was US$64,598 (31 October 2024, US$72,270). Total cash outflow for leases for the year ended 31 October 2025 was US$665,893 (31 October 2024, US$621,317). Variable lease payments (for example maintenance, utilities and property taxes) not included in the measurement of lease liabilities for the year ended 31 October 2025 was US$244,965 (31 October 2024, US$229,791).

The maturity profile for undiscounted lease liabilities for each of the next five years and thereafter are US$637,834 for 2026, US$485,796 for 2027, US$485,796 for 2028, US$485,796 for 2029, US$814,500 for 2030 and thereafter.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

As at 31 October (US$ in thousands)	2025	2024
Opening Balance	**3,112**	3,509
(Reductions)/Additions	**2**	56
Accretion of interest	**65**	72
Payments of principal and interest	**(666)**	(621)
Exchange translation adjustment	**187**	96
Closing Balance	**2,700**	3,112

Note 27: Share Capital

As at 31 October (US$ in thousands, except as noted)	2025	2024
Authorised (Number)		
Ordinary shares of €1.25 each	**30**	30
Ordinary shares of US$1 each	**50,000**	50,000
Issued		
30,000 fully paid ordinary shares of €1.25	**43**	41
10,007,040 fully paid ordinary shares of US$1 each	**10,007**	10,007
Total share capital	**10,050**	10,048

Note 28: Risk Management

The Company's Risk Management Framework defines how risks faced by the Company are managed, and where appropriate, leverages off the BMO Group's approach to the identification, measurement, monitoring and management of risks.

The Risk and Capital Committee (RCC) of the Board of Directors is responsible for assisting the Board of Directors 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, non-financial and other relevant risks, and the Company's management of these risks. The RCC also advises the Board of Directors on the Company's risk appetite for future strategy (taking account of the Company'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 Board approves the mandate of the Company's risk management function which is led by the Chief Risk Officer (CRO) of the Company.

The Risk Management Committee (RMC) is the Company's risk management committee accountable for oversight and governance of risk impacting the Company, including the major risk categories, credit, market, liquidity, operational and business risk. The CRO is a member of the Company's management team and is the chair of the RMC. 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 the Company's operations are appropriately identified, managed, measured, monitored and reported. The RMC meets at least ten times a year according to its mandate and the RCC meets on a quarterly basis. The participants of the RMC include senior management who receive regular reports from the CRO, and their risk management colleagues.

Risk Management is sufficiently independent to challenge decisions that affect the Company's exposure to risk. The CRO leads the Company's Risk Management function and reports directly to the Company's Chief Executive Officer and functionally to the BMO Group CRO International. The CRO has frequent, direct and independent access to the RCC and the Chair of the Board and is a member of or represented on all management committees.

The Company's Risk Register includes the following risk types:
- Market Risk;
- Credit Risk;
- Credit Concentration Risk;
- Liquidity and Funding Risk;
- Currency Risk;
- Non-Financial Risk (including Operational Non-Financial, Legal and Compliance Risk);
- Interest Rate Risk in the Banking Book (IRRBB) including Credit Spread Risk in the Banking Book (CSRBB); and
- Climate Change Risk

The Company has actively managed the risks associated with geopolitical and financial market developments in the financial year across all the lines of business and has experienced no loss of service to its customers. The Company has demonstrated strong operational resiliency and its Risk Management Framework and stress testing assumptions have proven to be robust and its capital and liquidity adequacy more than adequate.

The Company's risk appetite is reviewed at least annually by the RMC and submitted to the RCC who review it and recommend it for approval to the Board of Directors. This is done alongside the strategic planning process through which a three-year strategy is produced. The Company establishes its own risk appetite. The risk appetite framework consists of the Risk Appetite Statement, as well as key risk metrics, polices, limits and controls through which risk appetite is established, communicated and monitored. The Board of Directors holds the final responsibility for approval of the Risk Appetite Statement. Compliance with the Risk Appetite Statement (RAS) is monitored by regular reporting to the RMC and RCC as well as the Board.

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.

The Internal Capital Adequacy Assessment Process (ICAAP) further integrates the evaluation of the Company's capital adequacy with the associated capital targets and capital strategies, while taking into consideration strategic direction and risk appetite.

The ongoing assessment of the Company's liquidity and funding position against regulatory requirements and internal limits through the Internal Liquidity Adequacy Assessment Process (ILAAP) demonstrates that the Company is able to determine and maintain the level of liquidity required to support its strategic objectives, considering the risks it is exposed to under normal and stressed conditions.

Compliance with the Company's standards is supported by a program of periodic reviews undertaken by the Corporate Audit Division. The results of the Corporate Audit Division reviews are discussed with the Board of Directors, the Audit and Compliance Committee and with senior management in the Company and in the BMO Group.

The Board of Directors considers the risk management systems in place to be adequate in regard to the Company's risk profile, tolerances and strategy.

a) 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.

The Company incurs Market Risk in its trading activities. As part of the Company's risk management framework, the Company applies extensive governance and management processes to its market risk-taking activities. The Board sets the Company's overall Risk Appetite with respect to Market Risk in terms of acceptable levels of 'Value-at-Risk' (VaR) on the RAS. The RAS limits cascade down to individual Line of Business limits, which are authorised by the CRO.

The Company has a framework within which Market Risk is managed to ensure that all risks associated with all business activities are identified, managed, measured, monitored and reported. Market Risk within the Company is measured on a transaction, portfolio and also on a line of business basis with information provided to senior management on a daily, weekly and monthly basis. Key market risks identified for the Company include general interest rate risk, credit spread risk and traded credit risk.

The Company uses VaR and Stress Testing as the primary mechanism for monitoring market risk for trading activities that include portfolios that are marked to market daily. VaR is the potential loss in value of the Company's trading positions, which might arise due to adverse movements in markets over a defined time horizon with a certain confidence level.

VaR is measured for specific classes of risk in trading activities: interest rate, foreign exchange rate, equity, commodity and credit, whenever applicable. VaR is computed using the BMO Group Value at Risk model. The model determines a 1-day VaR based on a 99% confidence level, which is used for day-to-day market risk management, monitoring and reporting. During the financial year 2025, the minimum VaR was US$1,210,509 (Financial year 2024: US$1,133,877) and the maximum was US$5,687,941 (Financial year 2024: US$4,302,877). The VaR at 31 October 2025 was US$4,952,827 (31 October 2024: US$1,899,727).

The Company receives daily Market Risk reports detailing out the VaR and Stress testing results which are internally approved model-based results. However, the Company uses the Standardised Approach for the determination and reporting of Pillar 1 Market Risk Capital.
The following table summarises the interest rate exposure of assets and liabilities of the Company grouped into time buckets:

Interest Rate Sensitivity Gap Analysis as at 31 October 2025:

As at 31 October (US$ in thousands)	0 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	More than 5 years	No exposure to interest rate sensitivity	Carrying amount
Assets							
Cash and cash equivalents	**5,143,211**	—	—	—	—	—	**5,143,211**
Debt securities	**1,017,578**	**166,986**	**491,098**	**825,311**	**760,777**	—	**3,261,750**
Derivative assets	—	—	—	—	—	**80,562**	**80,562**
Trading equities	—	—	—	—	—	**265,124**	**265,124**
Loans and advances to banks	**106,764**	—	—	—	—	—	**106,764**
Loans and advances to customers	**385,389**	—	—	—	—	—	**385,389**
Securities borrowed or purchased under resale agreements	**3,364,586**	—	—	**500,000**	—	—	**3,864,586**
Current tax assets	—	—	—	—	—	**8,867**	**8,867**
Deferred tax	—	—	—	—	—	**141**	**141**
Property and equipment	—	—	—	—	—	**3,622**	**3,622**
Other assets	—	—	—	—	—	**489,861**	**489,861**
Total Assets	**10,017,528**	**166,986**	**491,098**	**1,325,311**	**760,777**	**848,177**	**13,609,877**
Liabilities							
Trading liabilities	—	—	—	—	—	**406,488**	**406,488**
Derivative liabilities	—	—	—	—	—	**149,136**	**149,136**
Securities lent or sold under repurchase agreements	**91,924**	—	—	—	—	—	**91,924**
Deposits from banks	**4,293,223**	—	—	**450,056**	—	—	**4,743,279**
Deposits from customers	**1,015,831**	—	—	—	—	—	**1,015,831**
Debt securities in issue	**5,723,623**	—	—	—	—	—	**5,723,623**
Current tax liabilities	—	—	—	—	—	**13,569**	**13,569**
Deferred tax liabilities	—	—	—	—	—	**426**	**426**
Other liabilities	—	—	—	—	—	**470,066**	**470,066**
Equity	—	—	—	—	—	**995,535**	**995,535**
Total Liabilities and Equity	**11,124,601**	**–**	**–**	**450,056**	**–**	**2,035,220**	**13,609,877**
Off Balance Sheet Items	**3,185,359**	**(1,169,761)**	**(353,654)**	**(1,028,102)**	**(633,842)**		
Interest Rate Sensitivity Gap	**2,078,286**	**(1,002,775)**	**137,444**	**(152,847)**	**126,935**	**(1,187,043)**	**–**
Cumulative Gap	**2,078,286**	**1,075,511**	**1,212,955**	**1,060,108**	**1,187,043**	**–**	**–**

In the table above "Off balance sheet items" consist of the notional value of hedging interest rate swaps which interest rate hedge fixed rate debt securities. Assuming the financial assets and liabilities at 31 October 2025 were to remain until maturity or settlement without any action by the Company to alter the resulting interest rate risk exposure, an immediate and sustained increase / decrease of 1% in market interest rates across all maturities would increase / decrease net income for the following year by approximately US$6.8 million (31 October 2024: US$10.7 million).

Interest Rate Sensitivity Gap Analysis as at 31 October 2024:

As at 31 October (US$ in thousands)	0 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	More than 5 years	No exposure to interest rate sensitivity	Carrying amount
Assets							
Cash and cash equivalents	2,558,422	–	–	–	–	–	2,558,422
Debt securities	710,988	571,050	94,173	1,001,722	–	–	2,377,933
Derivative assets	–	–	–	–	–	94,455	94,455
Trading equities	–	–	–	–	–	256,691	256,691
Loans and advances to banks*	41,290	–	–	–	–	–	41,290
Loans and advances to customers*	472,634	–	–	–	–	–	472,634
Securities borrowed or purchased under resale agreements*	4,451,302	100,000	–	–	–	–	4,551,302
Current tax assets	–	–	–	–	–	3,551	3,551
Deferred tax	–	–	–	–	–	161	161
Property and equipment	–	–	–	–	–	3,280	3,280
Other assets	–	–	–	–	–	973,272	973,272
Total Assets	8,234,636	671,050	94,173	1,001,722	–	1,331,410	11,332,991
Liabilities							
Trading liabilities	–	–	–	–	–	210,934	210,934
Derivative liabilities	–	–	–	–	–	187,045	187,045
Securities lent or sold under repurchase agreements*	102,758	–	–	–	–	–	102,758
Deposits from banks*	1,299,004	–	250,554	300,294	–	–	1,849,852
Deposits from customers	1,315,091	–	–	–	–	–	1,315,091
Debt securities in issue	5,768,086	–	–	–	–	–	5,768,086
Current tax liabilities	–	–	–	–	–	1,170	1,170
Deferred tax liabilities	–	–	–	–	–	–	–
Other liabilities	–	–	–	–	–	949,743	949,743
Equity	–	–	–	–	–	948,312	948,312
Total Liabilities and Equity	8,484,939	–	250,554	300,294	–	2,297,204	11,332,991
Off Balance Sheet Items	368,881	(41,701)	877,643	(1,160,545)	(44,278)		
Interest Rate Sensitivity Gap	118,578	629,349	721,262	(459,117)	(44,278)	(965,794)	–
Cumulative Gap	118,578	747,927	1,469,189	1,010,072	965,794	–	–

*Due to the addition of the new line items in the Statement of Financial Position for "Securities borrowed or purchased under resale agreements" and "Securities lent or sold under repurchase agreements" the Comparative figures have been reclassified to Note 16 to conform with the current year's presentation

b) 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 (including but not limited to principal or interest) or honour another pre-determined financial obligation (also known as counterparty risk). Sub-categories of Credit Risk include but are not limited to Country Risk, Loan Loss Risk, Replacement Risk and Settlement Risk.

The Company incurs credit risk within its Corporate Banking business via loans (including capital markets products such as derivatives and in its holding of investment securities) and within Global Markets via products including bonds, derivatives, collateralised loan obligations, repos and securities financing. Operating practices include the on-going monitoring of credit risk exposures, regular portfolio reviews and reporting to the Board of Directors and senior management committees. Credit limits are recommended and approved at least annually for each entity / connection, as part of the Credit Assessment and Lending Decision Process, and undertaken by credit qualified employees within delegated limits, in a manner that is independent and objective and with consideration for the Company's risk appetite and risk return objectives.

As is market standard for financial institutions the Company has entered into a number of collateral agreements (Credit Support Agreement (CSA)) with derivative counterparties under ISDA/CDEA documentation. The Company has also entered into a number of GMSLAs in relation to securities lending. The Company revalues all collateral, governed under a CSA, Global Master Repurchase Agreement GMRA) or GMSLA on a daily basis.

Wrong Way Risk (WWR) is a type of Credit Risk that occurs when exposure to a counterparty is positively correlated with the default probability of that counterparty. WWR 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 where the exposure to a particular counterparty is materially 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 aims to avoid taking specific WWR.

Credit Risk activities are undertaken in alignment with the Company's Risk Management Framework and operates under the three-lines-of-defence operating model. Credit Risk is managed to ensure that risks associated with its business activities are identified, managed, measured, monitored and reported. The RMC, RCC, along with the Board of Directors, provide oversight of the credit process. Credit Risk is measured on an entity/connection/portfolio and country of risk basis. Each entity/connection/country has an approved credit limit and the exposure against this limit is monitored regularly. The Company approves triggers which are monitored on an ongoing basis for credit deterioration. Credit risk is also monitored regularly under IFRS 9 for any significant increase in credit risk or impairment of credit exposures.

Credit Rating Analysis

The assets in the following tables which are subject to credit risk are broken down by credit exposure, based on Standard & Poor's rating agency credit ratings.

As at 31 October (US$ in thousands)	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	Unrated	2025 Total
Assets								
Cash and cash equivalents	–	1,980	8,860	3	1	–	5,132,367	5,143,211
Debt securities; of which:	957,859	2,139,981	99,995	63,915	–	–	–	3,261,750
Government bonds	–	*1,128,105*	*59,388*	–	–	–	–	*1,187,493*
Public Sector entities	*35,560*	*46,485*	*14,655*	–	–	–	–	*96,700*
Government guaranteed bonds	–	*938,923*	–	–	–	–	–	*938,923*
Multilateral development bank bonds	*708,373*	–	–	–	–	–	–	*708,373*
Bank bonds	*1,207*	–	*25,952*	*13,333*	–	–	–	*40,492*
Covered bonds	–	*26,468*	–	*50,582*	–	–	–	*77,050*
CLO	*212,719*	–	–	–	–	–	–	*212,719*
Loans and advances to banks*	–	52,393	19,320	–	–	–	35,051	106,764
Loans and advances to customers*	–	–	–	–	–	–	385,389	385,389
Securities borrowed or purchased under resale agreements*	–	225,464	1,572,434	41,098	–	–	2,025,590	3,864,586
Derivative assets	–	5,847	72,049	–	–	–	2,666	80,562
Total Assets Subject to Credit Risk	957,859	2,425,665	1,772,658	105,016	1	–	7,581,063	12,842,262
Committed Lending & Undrawn Facilities								
Loans and advances to banks	–	–	–	–	–	–	–	–
Loans and advances to customers	–	50,000	60,507	–	–	–	479,782	590,289
Total	–	50,000	60,507	–	–	–	479,782	590,289

As at 31 October (US$ in thousands)	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	Unrated	2024 Total
Assets								
Cash and cash equivalents	–	1,934	13,230	189	2	–	2,543,067	2,558,422
Debt securities; of which:	670,522	1,488,567	20,101	50,866	–	–	147,877	2,377,933
Government bonds	–	*723,110*	–	–	–	–	–	*723,110*
Public Sector entities	*136,601*	*68,850*	–	–	–	–	–	*205,451*
Government guaranteed bonds	–	*643,012*	–	–	–	–	–	*643,012*
Multilateral development bank bonds	*476,363*	*12,684*	–	–	–	–	*9,952*	*498,999*
Bank bonds	*20,821*	–	*20,101*	*5,785*	–	–	–	*46,707*
Covered bonds	–	*40,911*	–	*45,081*	–	–	–	*85,992*
CLO	*36,737*	–	–	–	–	–	*137,925*	*174,662*
Loans and advances to banks*	–	–	6,917	–	–	–	34,373	41,290
Loans and advances to customers*	–	–	–	–	–	–	472,634	472,634
Securities borrowed or purchased under resale agreements*	–	577,198	2,633,303	–	–	–	1,340,801	4,551,302
Derivative assets	–	–	93,425	–	–	–	1,030	94,455
Total Assets Subject to Credit Risk	670,522	2,067,699	2,766,976	51,055	2	–	4,539,782	10,096,036
Committed Lending & Undrawn Facilities								
Loans and advances to banks	–	–	–	–	–	–	–	–
Loans and advances to customers	–	50,000	–	57,075	–	–	499,044	606,119
Total	–	50,000	–	57,075	–	–	499,044	606,119

*Due to the addition of the new line items in the Statement of Financial Position for "Securities borrowed or purchased under resale agreements" and "Securities lent or sold under repurchase agreements" the Comparative figures have been reclassified to Note 16 to conform with the current year's presentation.

Externally Unrated – The Company assigns an internal Borrower Risk Rating (BRR) to all entities, including those where no external rating is available. The BRR reflects the riskiness of each entity in terms of their ability to meet their obligations and the rating is generally assigned on the basis of a distinct set of qualitative and quantitative criteria. The BRR reflects all available, relevant and material information and is assessed annually at a minimum.

For externally unrated exposures the Company uses the BMO Group risk management internal rating framework. One key element of this framework is the assignment of appropriate borrower or counterparty risk ratings. BRRs are assessed and assigned at the time of loan origination, and reassessed when borrowers request changes to credit facilities or events trigger a review, such as an external rating change or covenant breach. BRRs are reviewed no less frequently than annually, and more frequent reviews are conducted for borrowers with less acceptable risk ratings.

As demonstrated in the table below, the internal risk rating system can be aligned with those of external rating agencies.

Internal Rating	Rating Grade	S&P Equivalent Rating
I-1 to I-7	Investment Grade	AAA to BBB-
S-1 to S-4	Sub-Investment Grade	BB+ to B+
P-1 to P-3	Watchlist	B to CC
D-1 to D-4	Default/Impaired	C to D

The below table outlines the internal ratings for unrated exposures:

As at 31 October (US$ in thousands)	**2025**	2024
Cash and Cash Equivalents		
Investment Grade	**5,132,367**	2,543,067
Sub-Investment Grade	**–**	–
Debt Securities		
Investment Grade	**–**	147,877
Loans and Advances to Banks		
Investment Grade	**35,051**	34,373
Loans and Advances to Customers		
Investment Grade	**246,766**	353,838
Sub-Investment Grade	**126,700**	106,620
Default/Impaired	**11,923**	12,176
Total Loans and Advances to Customers	**385,389**	472,634
Securities borrowed or purchased under resale agreements		
Investment Grade	**2,017,881**	1,139,802
Sub-Investment Grade	**7,709**	200,999
Total Securities borrowed or purchased under resale agreements	**2,025,590**	1,340,801
Derivative Assets	**2,666**	1,030
Total Unrated Exposures	**7,581,063**	4,539,782
Committed Lending & Undrawn Facilities		
Investment Grade	**273,336**	332,878
Sub-Investment Grade	**206,447**	166,166
Total Unrated Committed Lending & Undrawn Facilities	**479,782**	499,044

*Due to the addition of the new line items in the Statement of Financial Position for "Securities borrowed or purchased under resale agreements" and "Securities lent or sold under repurchase agreements" the Comparative figures have been reclassified to Note 16 to conform with the current year's presentation.

Unrated exposures under cash and cash equivalents and loans and advances to banks are predominantly related to European based Central Banks.

Geographic breakdown of assets:

As at 31 October (US$ in thousands)	**2025**	2024
Ireland - Central Bank of Ireland	**5,132,367**	2,567,400
Ireland	**2,328,296**	1,846,059
France	**458,455**	783,079
Germany	**187,293**	191,917
Denmark	**9**	101,730
Belgium	**1,934**	2,592
Luxembourg	**29,645**	12,176
United Kingdom	**680,339**	1,166,352
Rest of Europe	**415,887**	494,345
Singapore	**466**	350,459
USA	**2,937,940**	1,970,478
Canada	**286,027**	304,655
Supranational	**676,559**	498,996
Rest of World	**474,660**	1,042,753
	13,609,877	11,332,991

Geographic breakdown of committed lending & undrawn facilities:

As at 31 October (US$ in thousands)	2025	2024
Luxembourg	**63,151**	51,946
United Kingdom	**–**	64,287
Germany	**166,771**	102,106
France	**52,288**	137,723
Rest of Europe	**239,918**	135,785
USA	**68,161**	114,272
	590,289	606,119

Allowance for Credit Losses

The allowance for credit losses recorded in the Statement of Financial Position is maintained at a level considered adequate to absorb credit-related losses on financial assets. The allowance for credit losses amounted to US$3,634,087 as at 31 October 2025 (US$$3,356,910 as at 31 October 2024), of which US$3,387,665 (US$3,151,147 as at 31 October 2024) was recorded in financial assets and US$246,422 (US$205,763 as at 31 October 2024) was recorded in other liabilities which represents the risk of loss of value due to the failure of a borrower or counterparty to repay a loan or honour any financial obligation.

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 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.

The Provision for credit losses in the Statement of Comprehensive income includes an increase in Stage 1 and 2 ECL of US$148,592 for the financial year ended 31 October 2025 (31 October 2024 decrease US$(1,336,973)).

As at 31 October 2025 there was no credit exposure with an overdue status (31 October 2024 US$nil).

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 BMO Group (including the Company) considers an obligor to have defaulted where either or both of the following events have taken place:

- the obligor is unlikely to pay its credit obligations to the relevant BMO Group entity in full, without recourse by the BMO Group to actions such as realising security, if any held;
- the financial assets are generally past due over 90 days on any material credit obligation to any BMO Group entity with the following exceptions:
    - For credit cards, Default occurs when the entity or facility is past due more than 180 days.
    - Overdrafts will be considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than current outstanding.

Each separate legal entity to which the BMO Group is exposed shall be separately rated. In the case of default of an obligor that is part of a group of Connected clients, the BMO Group will also assess the potential unlikeliness to pay of all other entities within the Connection on a case-by-case basis.

The BMO Group (including the Company) identifies a financial asset as credit-impaired, with consideration to specific criteria relating to a) "counting of days past due" and/or b) unlikeliness to pay indicators.

Credit Quality Analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost and FVOCI debt securities along with committed lending facilities. The amounts in the table represent gross carrying amounts for financial assets and amounts committed for committed lending facilities.

As at 31 October (US$ in thousands)				**2025**
	Credit Quality	**Stage 1**	**Stage 2**	**Stage 3**
Assets				
Cash and cash equivalents	Investment grade	**5,143,213**	**–**	**–**
FVOCI debt securities	Investment grade	**3,063,556**	**–**	**–**
Loans and advances to banks	Investment grade	**106,784**	**–**	**–**
Loans and advances to customers	Investment grade	**246,887**	**–**	**–**
Loans and advances to customers	Sub-investment grade	**126,988**	**–**	**–**
Loans and advances to customers	Default	**–**	**–**	**14,619**
Securities borrowed or purchased under resale agreements	Investment grade	**3,856,900**	**–**	**–**
Securities borrowed or purchased under resale agreements	Sub Investment grade	**7,708**	**–**	**–**
		8,687,428	**–**	**14,619**
Loan Commitments				
Committed lending facilities	Investment grade	**383,842**	**–**	**–**
Committed lending facilities	Sub-investment grade	**200,447**	**6,000**	**–**
		584,289	**6,000**	–

As at 31 October (US$ in thousands)				2024
	Credit Quality	Stage 1	Stage 2	Stage 3
Assets				
Cash and cash equivalents	Investment grade	2,558,431	–	–
FVOCI debt securities	Investment grade	2,357,118	–	–
Loans and advances to banks*	Investment grade	41,339	–	–
Loans and advances to customers*	Investment grade	353,962	–	–
Loans and advances to customers*	Sub-investment grade	91,672	15,215	–
Loans and advances to customers*	Default	–	–	14,743
Securities borrowed or purchased under resale agreements*	Investment grade	4,350,291	–	–
Securities borrowed or purchased under resale agreements*	Sub Investment grade	201,000	–	–
		9,953,813	15,215	14,743
Loan Commitments				
Committed lending facilities	Investment grade	439,953	–	–
Committed lending facilities	Sub-investment grade	126,166	40,000	–
		566,119	40,000	–

*Due to the addition of the new line items in the Statement of Financial Position for "Securities borrowed or purchased under resale agreements" the Comparative figures have been reclassified to Note 16 to conform with the current year's presentation.

Loss Allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

				2025				2024
As at 31 October (US$ in thousands)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Cash and Cash Equivalents								
Balance as at beginning of year	**9**	**–**	**–**	**9**	16	–	–	16
Net remeasurement of loss allowance	**(7)**	**–**	**–**	**(7)**	(7)	–	–	(7)
Balance as at end of year	**2**	**–**	**–**	**2**	9	–	–	9
Debt Securities at FVOCI								
Balance as at beginning of year	**147**	**–**	**–**	**147**	83	–	–	83
Net remeasurement of loss allowance	**75**	**–**	**–**	**75**	64	–	–	64
New financial assets purchased	**40**	**–**	**–**	**40**	27	–	–	27
Financial assets that have been derecognised	**(23)**	**–**	**–**	**(23)**	(27)	–	–	(27)
Balance as at end of year	**239**	**–**	**–**	**239**	147	–	–	147
Loans and advances to banks								
Balance as at beginning of year	**11**	**–**	**–**	**11**	17	–	–	17
Net remeasurement of loss allowance	**9**	**–**	**–**	**9**	(4)	–	–	(4)
New financial assets purchased	**–**	**–**	**–**	**–**	–	–	–	–
Financial assets that have been derecognised	**–**	**–**	**–**	**–**	(2)	–	–	(2)
Balance as at end of year	**20**	**–**	**–**	**20**	11	–	–	11
Loans and advances to customers								
Balance as at beginning of year	**317**	**74**	**2,568**	**2,959**	748	773	–	1,521
Net remeasurement of loss allowance	**167**	**–**	**128**	**295**	(154)	(103)	1,972	1,715
New financial assets purchased	**47**	**–**	**–**	**47**	153	–	–	153
Financial assets that have been derecognised	**(122)**	**(74)**	**–**	**(196)**	(430)	–	–	(430)
Transfer to Stage 1	**–**	**–**	**–**	**–**	–	–	–	–
Transfer to Stage 3	**–**	**–**	**–**	**–**	–	(596)	596	–
Balance as at end of year	**409**	**–**	**2,696**	**3,105**	317	74	2,568	2,959
Securities borrowed or purchased under resale agreements*								
Balance as at beginning of year	**26**	**–**	**–**	**26**	11	–	–	11
Net remeasurement of loss allowance	**(4)**	**–**	**–**	**(4)**	15	–	–	15
New financial assets purchased	**1**	**–**	**–**	**1**	–	–	–	–
Financial assets that have been derecognised	**(1)**	**–**	**–**	**(1)**		–	–	–
				–		–	–	–
Balance as at end of year	**22**	**–**	**–**	**22**	26	–	–	26
Committed lending facilities								
Balance as at beginning of year	**118**	**88**	**–**	**206**	129	320	–	449
Net remeasurement of loss allowance	**6**	**1**	**–**	**7**	(52)	(232)	–	(284)
New committed lending facilities	**19**	**41**	**–**	**60**	54	–	–	54
Lending facilities that have been derecognised	**(27)**	**–**	**–**	**(27)**	(13)	–	–	(13)
Transfer to Stage 1	**87**	**(87)**	**–**	**–**	–	–	–	–
Transfer to Stage 2	**–**	**–**	**–**	**–**	–	–	–	–
Balance as at end of year	**203**	**43**	**–**	**246**	118	88	–	206
Total	**895**	**43**	**2,696**	**3,634**	$ 629	$ 162	$ 2,568	3,359

*Due to the addition of the new line items in the Statement of Financial Position for "Securities borrowed or purchased under resale agreements" the Comparative figures have been reclassified to Note 16 to conform with the current year's presentation.

The Provision for credit losses in the Statement of Comprehensive income includes Stage 3 specific impairment of US$2,695,909 for the financial year ended 31 October 2025 (31 October 2024 US$2,567,518). Net remeasurements represent the ECL impact due to transfers between stages, as well as changes in economic forecasts and credit quality. Climate risk is not specifically incorporated into the calculation of ECL, however the majority of the Company's loans and committed facilities to customers are to financial intermediaries which are assessed as having no significant physical or transition climate risk.

ECL Sensitivity and Key Economic Variables

The allowance for credit losses is sensitive to changes in both economic forecasts and the probability-weight assigned to each forecast scenario. Many of the factors have a high degree of interdependency although there is no single factor to which credit loss allowances as a whole are sensitive.

As at 31 October 2025, the base case economic forecast used to calculate the allowance assumes a de-escalation in the trade war with bilateral negotiations successful in rolling back some tariffs. It also assumes the U.S. economy will be supported by pro-growth policies and Canadian fiscal policies will support workers and industries affected by the trade war, while improving the long-run competitiveness of the economy.

Assuming a 100% base case economic forecast and including the impact of loan migration by restaging, with other assumptions held constant including the application of experienced credit judgment, the allowance for credit losses for performing loans in stages 1 and 2 would be approximately US$0.7 million as at 31 October 2025 (31 October 2024 US$0.5 million), compared to the reported allowance for performing loans of US$0.9 million (31 October 2024 US$0.8 million).

As at 31st October 2025, the downside scenario assumes a significant escalation of the trade war and in the Ukraine and Middle East conflicts that materially undermines consumer and business confidence and leads to tighter financial conditions. Assuming a 100% downside economic forecast with the other assumptions held constant including the application of experienced credit judgment, the allowance for credit losses for performing loans in stages 1 and 2 would be approximately US$1.2 million as at 31 October 2025 (31 October 2024 US1.0 million), compared to the reported allowance for performing loans of US$0.9 million (31 October 2024 US$0.8 million).

As at 31 October 2025, the severe downside economic scenario depicts a deep recession which is caused by a major escalation of the trade war and in the Ukraine and Middle East conflicts that severely undermines consumer and business confidence and leads to much tighter financial conditions. Assuming a 100% severe downside economic forecast with the other assumptions held constant including the application of experienced credit judgment, the allowance for credit losses for performing loans in stages 1 and 2 would be approximately US$1.4 million as at 31 October 2025 (31 October 2024 US$1.3 million), compared to the reported allowance for performing loans of US$0.9 million (31 October 2024 US$0.8 million).

Actual results in an economic downturn will differ as the portfolio will change over time due to migration, growth, risk mitigation actions and other factors. In addition, the allowance for credit losses will reflect the four economic scenarios used in assessing the allowance with the weightings attached to scenarios changing over time.

The following table shows the key economic variables used to estimate the allowance on performing loans during the forecast period. The values shown represent the national annual average values for calendar 2025 for the base case scenario, and 12 month forecast for calendar 2026 and remaining forecast period of two years (average of 2027 and 2028) for all scenarios.

All figures are average annual values %	As at 31 October 2025								
	Benign scenario		Base scenario			Downside scenario		Severe Downside scenario	
	2026	2027 & 2028	2025	2026	2027 & 2028	2026	2027 & 2028	2026	2027 & 2028
Real GDP									
Europe	**3.7**	**1.7**	**1.4**	**0.9**	**1.1**	**-2.5**	**0.7**	**-3.7**	**0.6**
Canada	**3.6**	**2.8**	**1.6**	**1.1**	**2.1**	**-2.7**	**1.6**	**-4.0**	**1.2**
U.S.	**4.5**	**2.4**	**2.1**	**1.7**	**1.8**	**-2.3**	**1.4**	**-3.5**	**1.3**
Corporate BBB 10-Year Spread									
Canada	**1.2**	**1.8**	**1.5**	**1.7**	**2.0**	**3.4**	**3.0**	**4.2**	**3.5**
US	**0.8**	**1.5**	**1.1**	**1.5**	**1.9**	**3.5**	**3.0**	**4.6**	**3.6**
Volatility									
VIX (US)	**12.6**	**14.9**	**19.1**	**17.8**	**17.0**	**35.0**	**20.8**	**39.5**	**23.9**
VSTOXX (Europe)	**16.3**	**19.9**	**18.8**	**21.5**	**22.0**	**39.6**	**25.3**	**51.9**	**31.0**

The values shown in the table below represent the national annual average values for calendar 2024 for the base case scenario, and 12 month forecast for calendar 2025 and remaining forecast period of two years (average of 2026 and 2027) for all scenarios.

All figures are average annual values %	As at 31 October 2024								
	Benign scenario		Base scenario			Downside scenario		Severe Downside scenario	
	2025	2026 & 2027	2024	2025	2026 & 2027	2025	2026 & 2027	2025	2026 & 2027
Real GDP									
Europe	3.9	1.9	0.9	0.3	0.9	-2.7	0.9	-3.7	1.0
Canada	4.6	2.6	0.9	1.8	1.9	-2.3	1.3	-3.6	1.2
U.S.	4.3	2.4	1.9	1.9	1.9	-2.1	1.4	-3.4	1.3
Corporate BBB 10-Year Spread									
Canada	1.3	1.8	2.2	1.9	2.0	3.6	3.0	4.2	3.5
US	0.9	1.2	1.7	1.6	2.1	3.4	3.1	4.6	3.6
Volatility									
VIX (US)	13.3	13.7	19.3	17.0	17.0	34.0	20.8	39.0	23.9
VSTOXX (Europe)	17.7	19.1	15.7	22.0	22.0	35.5	26.7	47.2	33.5

Collateral Held and Other Credit Enhancements

Collateral is used for credit risk mitigation purposes to minimise losses that would otherwise be incurred in the event of a default. Depending on the type of borrower or counterparty, the assets available and the structure and term of the credit obligations, collateral can take various forms. 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. For corporate borrowers, collateral can take the form of pledges of the assets of a business, such as accounts receivable, inventory, machinery or real estate, or guarantees.

Derivative transactions are transacted on exchanges, with central clearing counterparties (CCPs) or entered into under 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.

Additional information on collateral arrangements is included in Note 32.

c) 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 jeopardising 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.

The Company has received approval from the CBI to apply contractual netting 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.

Breakdown of loans and advances to customers and committed lending and undrawn facilities by maturity and geography are shown in Notes 15 and 28. The following table breaks these down by industrial sector:

As at 31 October (US$ in thousands)	2025	2024
Loans and Advances to Customers*		
Other financial intermediaries	**135,748**	171,773
Venture capital	**168,634**	150,723
Manufacturing	**47,337**	67,753
Oil and gas	**–**	–
Utilities	**6,948**	55,996
Information and communication	**26,722**	26,389
Distribution	**–**	–
Total loans and advances to customers by sector	**385,389**	472,634
Committed Lending and Undrawn Facilities		
Other financial intermediaries	**134,861**	106,366
Mining	**40,000**	40,000
Manufacturing	**219,819**	254,932
Information and communication	**60,506**	57,075
Distribution	**–**	–
Venture capital companies	**51,123**	65,697
Electrical	**34,575**	32,615
Utilities	**3,305**	4,119
Real estate	**–**	1,829
Professional services	**46,100**	43,486
Total committed lending and undrawn facilities by sector	**590,289**	606,119

*Due to the addition of the new line items in the Statement of Financial Position for "Securities borrowed or purchased under resale agreements" the Comparative figures have been reclassified to Note 16 to conform with the current year's presentation.

d) Liquidity and Funding Risk

Liquidity and Funding Risk is the risk that the Company is unable to meet its cash and collateral obligations as they fall due without incurring unacceptable losses or the sale of assets.

The Company has a framework within which liquidity and funding risk is managed to ensure that all risks associated with all business activities are identified, managed, measured, monitored and reported. Maturity and undiscounted cash flow analysis of interest bearing and derivative liabilities is detailed in the tables below:

As at 31 October (US$ in thousands)						**2025**
	Carrying amount	**Gross notional inflow/(outflow)**	**0 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**5 to 10 years**
Interest Bearing Non-Derivative Liabilities:						
Trading liabilities	**(406,488)**	**(406,488)**	**(406,488)**	**–**	**–**	**–**
Securities lent or sold under repurchase agreements	**(91,924)**	**(91,924)**	**(91,924)**	**–**	**–**	**–**
Deposits from banks	**(4,743,279)**	**(4,743,279)**	**(4,293,223)**	**–**	**(450,056)**	**–**
Deposits from customers	**(1,015,831)**	**(1,015,831)**	**(757,632)**	**(258,199)**	**–**	**–**
Debt securities in issue[1]	**(5,723,623)**	**(5,723,623)**	**(5,723,623)**	**–**	**–**	**–**
Other financial liabilities - lease liabilities	**(2,700)**	**(2,700)**	**(153)**	**(387)**	**(1,834)**	**(326)**
	(11,983,845)	**(11,983,845)**	**(11,273,043)**	**(258,586)**	**(451,890)**	**(326)**
Derivative Liabilities						
Derivative outflows	**(149,136)**	**(149,136)**	**(149,136)**	**–**	**–**	**–**
	(149,136)	**(149,136)**	**(149,136)**	**–**	**–**	**–**

As at 31 October (US$ in thousands)						2024
	Carrying amount	Gross notional inflow/(outflow)	0 to 3 months	3 months to 1 year	1 to 5 years	5 to 10 years
Interest Bearing Non-Derivative Liabilities:						
Trading liabilities	(210,934)	(210,934)	(210,934)	–	–	–
Securities lent or sold under repurchase agreements*	(102,758)	(102,758)	(102,758)	–	–	–
Deposits from banks*	(1,849,852)	(1,849,852)	(1,299,004)	(250,554)	(300,294)	–
Deposits from customers	(1,315,091)	(1,315,091)	(1,054,529)	(260,562)	–	–
Debt securities in issue	(5,768,086)	(5,768,086)	(5,768,086)	–	–	–
Other financial liabilities - lease liabilities	(3,112)	(3,112)	(140)	(426)	(1,792)	(754)
	(9,249,833)	(9,249,833)	(8,435,451)	(511,542)	(302,086)	(754)
Derivative Liabilities						
Derivative outflows	(187,045)	(187,045)	(187,045)	–	–	–
	(187,045)	(187,045)	(187,045)	–	–	–

*Due to the addition of the new line items in the Statement of Financial Position for "Securities lent or sold under repurchase agreements" the Comparative figures have been reclassified to Note 16 to conform with the current year's presentation.

Pledged Assets

In the normal course of business, assets are pledged as security for various liabilities that the Company incurs. The following tables summarises pledged assets and collateral, and the activities to which they relate:

As at 31 October (US$ in thousands)	**2025**	2024
Financial Assets Pledged		
Debt securities	**334,135**	746.303
	334,135	746.303
Financial Assets Pledged Related To:		
Securities lent or sold under repurchase agreements	**91,924**	102.758
	91,924	102.758

Collateral

When entering into trading activities, such as repurchase agreements, securities borrowing and lending activities or financing for certain derivative transactions, the Company requires counterparties to provide collateral that will protect from losses in the event of their default.

Collateral transactions (received or pledged) are typically conducted under terms that are standard to such trading activities. If there is no default, the securities or their equivalents must be returned to, or returned by, the counterparty at the end of the contract. The fair value of counterparty collateral that the Company is permitted to sell or repledge (in the absence of default by the owner of the collateral) was US$ $3,509 million as at 31 October 2025 (US$4,320 million as at 31 October 2024). The fair value of collateral sold or repledged was US$ nil as at 31 October 2025 (US$ nil as at 31 October 2024).

e) 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. The table below shows the

[1] The Company recognises funding from debt securities in issue as long term from a strategic perspective as the programme maturity is greater than five years, notwithstanding that debt securities in issue have a demand or term feature that allows the BMO Group to elect not to rollover at the end of term, subject to a period of 60 days which has never been exercised.

Company's transactional exposures that give rise to net currency gains and losses recognised in the Statement of Comprehensive Income. Such exposures comprise the assets and liabilities that are not denominated in the functional currency of the Company.

As at 31 October (US$ in thousands)				2025				2024
	Assets	**Liabilities**	**Notional FX/ Cross Currency Swaps**	**Net Exposure**	Assets	Liabilities	Notional FX/ Cross Currency Swaps	Net Exposure
Euro	**5,790,000**	**(5,083,000)**	**(704,000)**	**3,502**	3,072,000	(2,316,000)	(759,000)	(2,730)
Pound Sterling	**178,000**	**(88,000)**	**(89,000)**	**430**	117,000	(39,000)	(79,000)	(585)
Canadian dollar	**658,088**	**(6,078,780)**	**5,417,250**	**(3,442)**	808,939	(6,041,669)	5,238,348	5,618
Australian dollar	**196,287**	**(2)**	**(197,603)**	**(1,318)**	118,372	(1,279)	(115,400)	1,693
	6,822,375	**(11,249,782)**	**4,426,647**	**(828)**	4,116,311	(8,397,948)	4,284,948	3,996

At 31 October 2025, had the US$ strengthened by 5% in relation to all currencies, with all other variables held constant, the Statement of Comprehensive Income would have changed by the amounts shown below:

As at 31 October (US$ in thousands)	**2025**	2024
Euro	**33**	(136)
Pound Sterling	**20**	(29)
Canadian dollar	**(179)**	281
Australian dollar	**(66)**	85

f) Non-Financial Risk

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

The Company is exposed to potential losses arising from a variety of non-financial risks. Non-financial risk is inherent in all the Company’s business activities, including the processes and controls used to manage all categories of risk across the Company. While non-financial risk can never be fully eliminated, it can be effectively managed to reduce the financial and non-financial consequences.

The Company maintains a taxonomy of Non-Financial Risk types. Some of these risk types, by their nature, require specialist skills to ensure the most effective management and may be managed through outsourcing arrangements.

The Company’s objective is to manage Non-Financial Risk within its risk appetite, balancing risk and return within acceptable levels.
The primary responsibility for the development and implementation of controls to address Non-Financial Risk is assigned to senior management. This responsibility is supported by the development of the Company’s overall standards for the management of Operational Non-Financial Risk within the Company’s Risk Management Framework.

g) Interest Rate Risk in the Banking Book including Credit Spread Risk in the Banking Book

Interest Rate Risk in the Banking Book (IRRBB) is 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 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.

IRRBB and CSRBB are managed under the Market Risk Framework and delegated limit controls. Additional limits on IRRBB are expressed in terms of Economic Value of Equity (EVE) and Net Interest Income (NII) sensitivities. These Limits are defined and set in the Company’s Risk Appetite Statement which is reviewed and approved by the Board of Directors on an annual basis.

Additionally, the Company’s Banking Book is also subject to ‘Value-at-Risk’ (VaR) limits as outlined on the applicable limit letter. Interest rate risk and credit spread risk in the Banking Book are the dominant contributors to the Company’s overall VaR.

h) 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 direct exposure to physical risk given the location of its offices and the size and composition of its Corporate Banking 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 has been expanded during the year to ensure compliance with new EBA ESG Guidelines that come into force in 2026.

This Plan supports the identification of Transition Risks from a Credit, Market, Liquidity and Operational Non-Financial Risk perspective. The ongoing analysis, supported by a dashboard that maps all of the Company's main asset and external depositors to either sector heatmaps or individual scores continues to indicate that such risks are low given the nature and diversity of the Company's exposures and counterparties. Further data driven scenario analysis continues to quantify the potential impacts and embed in business strategy and risk management in a manner that is proportionate to the size, complexity and level of risk to the Company. In addition to the dashboard, equity collateral exposures are monitored for high climate risk concentration on weekly basis, with thresholds in place for escalation if required.

Note 29: Committed Lending and Undrawn Facilities

Remaining contractual maturity:

As at 31 October (US$ in thousands)	**2025**	2024
Greater than 5 years	**–**	3,117
1 to 5 years	**479,855**	340,149
3 months to 1 year	**50,000**	93,389
Less than 1 month	**60,434**	169,464
	590,289	606,119

Geographical split:

As at 31 October (US$ in thousands)	**2025**	2024
Europe other than Ireland	**522,128**	524,996
Rest of world	**68,161**	81,123
	590,289	606,119

The committed lending and undrawn facilities shown represent maximum amount payable related to various lending commitments.

Note 30: Derivatives

As at 31 October (US$ in thousands)			**2025**			2024
	Notional	**Derivative assets**	**Derivative liabilities**	Notional	Derivative assets	Derivative liabilities
Foreign exchange forwards	**2,869,961**	**23,278**	**13,469**	2,632,302	18,426	12,252
Equity derivatives	**574,785**	**3,665**	**17,140**	453,315	7,577	4,222
Interest rate swaps - hedging	**2,634,794**	**5,324**	**5,354**	1,939,755	13,647	6,749
Interest rate swaps	**94,203,518**	**46,902**	**44,755**	29,445,678	54,775	53,646
Credit Default Swaps	**162,840**	**–**	**104**	–	–	–
Cross currency swaps	**5,765,895**	**1,325**	**68,314**	5,856,713	3	108,235
Cross currency swaps - hedging	**–**	**–**	**–**	13,588	–	1,641
Futures	**4,662,573**	**68**	**–**	5,648,831	–	300
Futures - hedging	**5,400**	**–**	**–**	42,800	27	–
Total Assets	**110,879,766**	**80,562**	**149,136**	46,032,982	94,455	187,045

Remaining contractual maturity:

As at 31 October (US$ in thousands)	2025	2024
Greater than 5 years	**53,416,612**	5,416,176
1 to 5 years	**28,258,819**	15,940,121
3 months to 1 year	**7,757,661**	1,440,026
1 to 3 months	**13,210,701**	9,041,153
Less than 1 month	**8,235,973**	14,195,506
	110,879,766	46,032,982

Geographical split:

As at 31 October (US$ in thousands)	2025	2024
Europe other than Ireland	**100,125,703**	28,720,628
Rest of world	**10,754,063**	17,312,354
	110,879,766	46,032,982

Derivatives Used in Hedge Accounting

Fair Value Hedges

Fair value hedges modify exposure to changes in a fixed rate instrument's fair value caused by changes in interest rates. These hedges economically convert fixed rate debt securities to floating rate. The Company uses interest rate swaps, interest rate futures and cross currency swaps to hedge interest rate risk, including benchmark interest rates, inherent in fixed rate debt securities and deposits. Any fixed rate assets or liabilities that are part of a hedging relationship are adjusted for the change in value of the risk being hedged. To the extent that the change in the fair value of the derivative does not offset changes in the fair value of the hedged item for the risk being hedged, the net amount (hedge ineffectiveness) is recorded directly in net trading income in the Statement of Comprehensive Income.

For fair value hedges that are discontinued, the Company ceases adjusting the hedged item.
The cumulative fair value adjustment of the hedged item is then amortised to net interest income over the hedged item's remaining term to maturity. If the hedged item is sold or settled, the cumulative fair value adjustment is included in the gain or loss on sale or settlement.

In the Company's fair value hedge relationships, the main sources of ineffectiveness are the counterparty effect and the Company's own credit risk on the fair value of the swap, and the difference in terms such as fixed interest rate or reset/settlement frequency between the swap and the hedged item. In order to qualify as an accounting hedge, the hedging relationship must be designated and formally documented at its inception, detailing the particular risk management objective and strategy for the hedge and the specific asset as well as how effectiveness is being assessed. Changes in the fair value of the derivative must be highly effective in offsetting changes in the fair value or changes in the amount of future cash flows of the hedged item. The Company evaluates hedge effectiveness at the inception of the hedging relationship and on an ongoing basis, retrospectively and prospectively, primarily using a quantitative statistical regression analysis. The Company considers a hedging relationship highly effective when all of the following criteria are met: correlation between the variables in the regression is at least 0.8; the slope of the regression is within a 0.8 to 1.25 range; and the confidence level of the slope is at least 95%.

Any ineffectiveness in the hedging relationship is recognised as it arises in net trading income, in the Statement of Comprehensive Income.

The following table outlines the notional amounts and average rates of derivatives and the carrying amounts of derivatives designated as hedging instruments, by term to maturity, hedge type, and risk type, where applicable as at 31 October 2025:

As at 31 October (US$ in thousands, except as noted)		Remaining term to maturity				2025	2024
		Within 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total	Total
Fair Value Hedges							
Interest rate risk - Interest rate swaps							
Notional amount		**686,165**	**375,265**	**857,564**	**715,800**	**2,634,794**	1,939,756
Average fixed interest rate		**3.27 %**	**3.43 %**	**3.64 %**	**3.74 %**	**–**	3.86 %
Interest rate risk – Bond futures (exchange-traded derivatives)							
Notional amount		**5,400**	**–**	**–**	**–**	**5,400**	40,300
Average price in US$		**107.46**	**—**	**—**	**—**	**107.46**	105.69
Foreign exchange risk - Cross currency swaps							
US$-EUR pair	Notional amount	**–**	**–**	**–**	**–**	**–**	13,588
	Average fixed interest rate	**— %**	**— %**	**— %**	**— %**	**— %**	3.25 %
	Average exchange rate: US$-EUR	**–**	**–**	**–**	**–**	**–**	0.971

The amounts relating to derivatives designated as fair value hedging instruments, hedged items and hedge ineffectiveness for the year are as follows:

As at 31 October (US$ in thousands)								2025
	Carrying amount of hedging instruments		Hedge ineffectiveness				Accumulated amount of fair value hedge (losses) on hedged items	
	Asset	**Liability**	**(Losses)/gains on hedging derivatives used to calculate hedge ineffectiveness**	**Gains/(losses) on hedged item used to calculate hedge ineffectiveness**	**Ineffectiveness recorded in net trading income**	**Carrying amount of the hedged item**	**Active hedges**	**Discontinued hedges**
Fair Value Hedge								
Interest rate swaps	**5,324**	**5,354**						
Cross currency swaps	**–**	**–**						
Bond futures	**–**	**–**						
FVOCI debt securities			**(23,138)**	**22,845**	**(293)**	**2,174,764**	**26,276**	**1,343**
Deposits from Customers			**(253)**	**267**	**14**	**(49,969)**	**31**	**–**
Total	**5,324**	**5,354**	**(23,391)**	**23,112**	**(279)**	**2,124,795**	**26,307**	**1,343**

As at 31 October (US$ in thousands)								2024
	Carrying amount of hedging instruments		Hedge ineffectiveness				Accumulated amount of fair value hedge (losses) on hedged items	
	Asset	Liability	Gains on hedging derivatives used to calculate hedge ineffectiveness	(Losses) on hedged item used to calculate hedge ineffectiveness	Ineffectiveness recorded in net trading income	Carrying amount of the hedged item	Active hedges	Discontinued hedges
Fair Value Hedge								
Interest rate swaps	13,647	6,749						
Cross currency swaps	–	1,641						
Bond futures	27	–						
FVOCI debt securities			(24,994)	25,258	264	1,688,161	4,821	(1,166)
Deposits from Customers			238	(236)	2	(54,358)	(218)	(14)
Total	13,674	8,390	(24,756)	25,022	266	1,633,803	4,603	(1,180)

Note 31: Fair Value of Financial Instruments

The Company records securities, derivative financial instruments and financial instruments at fair value through profit or loss and other non-trading assets and liabilities at amortised cost less allowances or write-downs for impairment. Where there is no quoted market value, fair value is determined using a variety of valuation techniques and assumptions. The values are based upon the estimated amounts for individual assets and liabilities.

Fair value amounts disclosed represent point-in-time estimates that may change in subsequent reporting periods due to market conditions or other factors. Fair value represents the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Some of the financial instruments are not typically exchangeable or exchanged and therefore it is difficult to determine their fair value. In those cases, management have estimated fair value taking into account only changes in interest rates and credit risk that have occurred since the Company acquired them or entered into the underlying contracts. These calculations represent management's best estimates based on a range of methodologies and assumptions; since they involve uncertainties, the fair values may not be realised in an actual sale or immediate settlement of the instruments.

Governance Over the Determination of Fair Value

Senior management oversight of the Company’s valuation processes is provided through the RMC. In order to ensure that all financial instruments carried at fair value are reasonably measured for risk management and financial reporting purposes, the Company has established a governance structure and controls, such as model verification and approval, Independent Price Verification (IPV) and profit and loss attribution analysis (PPA), consistent with industry practice. These controls are applied independently to the relevant Lines of Business.
The Company establishes and regularly updates valuation methodologies for each financial instrument that is required to be measured at fair value. The application of valuation models for products or portfolios is subject to independent approval to ensure only validated models are used. The impact of known limitations of models and data inputs is also monitored on an ongoing basis. IPV is a process that regularly and independently verifies the accuracy and appropriateness of market prices or model inputs used in the valuation of financial instruments. This process assesses fair values using a variety of different approaches to verify and validate the valuations.

Securities

For traded securities, quoted market value is considered to be fair value. Quoted market value is based on bid prices. Securities for which no active market exists are valued using all reasonably available market information. The fair value methodologies are described below.

Government Securities

The fair value of government issued or guaranteed debt securities in active markets is determined by reference to recent transaction prices, broker quotes or third party vendor prices.

Mortgage-Backed Securities

The fair value of MBS is determined using prices obtained from independent third-party vendors, broker quotes and relevant market indices, as applicable. If such prices are not available, fair value is determined using cash flow models that make maximum use of observable market inputs or benchmark prices for similar instruments. Valuation assumptions for MBS include discount rates, default rates, expected prepayments, credit spreads and recoveries. These are represented as Bonds carrying government guarantee in Note 17.

Held for Trading Equities

The fair value of equity securities is based on quoted prices in active markets where available. Where quoted prices in active markets are not available fair value is determined based on quoted market prices for similar securities or through valuation techniques such as discounted cash flow analysis.

Loans

In determining the fair value of its fixed rate and floating rate performing loans, the Company discounts the remaining contractual cash flows, adjusted for estimated prepayment, at market interest rates currently offered for loans with similar terms. Current interest rates are taken to reflect the interest rate on the loan unless there is evidence of a material change in market pricing which is taken as a change of at least 50 basis points. The value of the Company loan balances determined using this approach is further adjusted by a credit mark that represents an estimate of the credit losses in the loan portfolio. No credit mark adjustment was required as at 31 October 2025 (31 October 2024 US$ nil). As all the loans are all short term in nature and as there is no evidence of a material change in market pricing, fair value is assumed to equal carrying value.

Derivative instruments

A number of valuation techniques are employed to estimate fair value, including discounted cash flow analysis, Monte Carlo simulation and other accepted market models. These vetted models incorporate current market measures for interest rates, currency exchange rates, equity prices and indices, credit spreads, recovery rates, corresponding market volatility levels, spot prices, correlation levels and other market-based pricing factors. Option implied volatilities, an input into many valuation models, are either obtained directly from market sources or calculated from market prices. Multi-contributor pricing sources are used wherever possible. The Company calculates a CVA to recognise the risk that any given derivative counterparty may not ultimately be able to fulfil its obligations. The CVA is derived from market-observed credit spreads or proxy credit spreads and the Company's assessment of the net counterparty credit risk exposure. The Company also calculates a funding valuation adjustment (FVA) to recognize the implicit funding costs associated with over-the-counter derivative positions. The FVA is determined by reference to the Company's funding spreads.

Deposits

In determining the fair value of its deposits, the Company assumes that changes in interest rates have minimal impact on fair value since all deposits are on a floating rate which reprice to market frequently. On that basis, fair value is considered to equal carrying value.

Securities Sold but not yet Purchased

The fair value of these obligations is based on the fair value of the underlying securities, which can only include equity or debt securities. As these obligations are fully collateralised, the method used to determine fair value would be the same as that used for the relevant underlying equity or debt securities.

Financial Instruments with a Carrying Value Approximating Fair Value

Fair value is based on quoted market prices. Fair value of financial assets and financial liabilities not measured at fair value was estimated as described above and it was determined that the carrying amount is a reasonable approximation of fair value. Therefore, tables below do not include further information on fair value of financial assets and financial liabilities not measured at fair value.

The Company uses a fair value hierarchy to categorise financial instruments according to the inputs used in valuation techniques to measure fair value. The extent of the use of actively quoted market prices (Level 1), internal models using observable market information as inputs (Level 2) and internal models without observable market information as inputs (Level 3) in the valuation of securities, derivative assets and derivative liabilities was as follows:

Fair Value Hierarchy

As at 31 October (US$ in thousands)				**2025**
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
FVOCI debt securities	**–**	**3,063,556**	**–**	**3,063,556**
FVTPL debt securities	**–**	**198,194**	**–**	**198,194**
Trading equities	**265,124**	**–**	**–**	**265,124**
Foreign exchange forwards	**–**	**23,278**	**–**	**23,278**
Equity swaps	**–**	**3,665**	**–**	**3,665**
Interest rate swaps	**–**	**52,226**	**–**	**52,226**
Cross currency swaps	**–**	**1,325**	**–**	**1,325**
Futures	**68**	**–**	**–**	**68**
Total Assets	**265,192**	**3,342,244**	**–**	**3,607,436**
Liabilities				
Trading liabilities	**327,425**	**79,063**	**–**	**406,488**
Interest rate swaps	**–**	**50,109**	**–**	**50,109**
Equity swaps	**–**	**17,140**	**–**	**17,140**
Foreign exchange forwards	**–**	**13,469**	**–**	**13,469**
Cross currency swaps	**–**	**68,314**	**–**	**68,314**
Futures	**–**	**–**	**–**	**–**
Total Liabilities	**327,425**	**228,095**	**–**	**555,520**

As at 31 October (US$ in thousands)				2024
	Level 1	**Level 2**	**Level 3**	**Total**
Assets	–	2,354,239	–	2,354,239
FVOCI debt securities	–	23,694	–	23,694
FVTPL debt securities	256,691	–	–	256,691
Trading equities	–	18,426	–	18,426
Foreign exchange forwards	–	7,577	–	7,577
Equity swaps	–	68,422	–	68,422
Interest rate swaps	–	3	–	3
Cross currency swaps	27	–	–	27
Futures	256,718	2,472,361	–	2,729,079
Total Assets	256,718	2,472,361	–	2,729,079
Liabilities				
Trading liabilities	188,794	22,140	–	210,934
Interest rate swaps	–	60,395	–	60,395
Equity swaps	–	4,222	–	4,222
Foreign exchange forwards	–	12,252	–	12,252
Cross currency swaps	–	109,876	–	109,876
Futures	300	–	–	300
Total Liabilities	189,094	208,885	–	397,979

Significant Transfers

The Company's policy is to record transfers of assets and liabilities between fair value hierarchy levels at their fair values as at the end of each reporting period, consistent with the date of the determination of fair value. Transfers are made between the various fair value hierarchy levels that result from changes in the availability of quoted market prices or observable market inputs that result from changing market conditions. There were no transfers between Level 1, Level 2 and Level 3 balances for the financial year ended 31 October 2025 (31 October 2024: no transfers).

Note 32: Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Amounts not offset relate to transactions where a master netting agreement or similar agreement is in place with a right of offset only in the event of default, insolvency or bankruptcy, or where the offset criteria are otherwise not met.

The disclosures set out in the tables below include financial assets and financial liabilities that

- are offset in the Company's Statement of Financial Position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Statement of Financial Position.

The following tables set out the effect or potential effect of netting arrangements on the Company's financial position. This includes the effect or potential effect of rights of set-off associated with the Company's recognised financial assets and recognised financial liabilities that are subject to an enforceable master netting arrangement, irrespective of whether they are set off in accordance with paragraph 42 of IAS 32 *Financial Instruments: Presentation* (IAS 32).

In the tables following, the Derivative values in "Gross amount" represents the carrying value of derivatives positions on the Statement of Financial Position where the derivative is subject to an enforceable master netting agreement and where the overall net position of derivatives included in that netting agreement before collateral is considered. The "Net amount" shows the impact on the Company's Statement of Financial Position if all set-off rights were exercised. The amounts reported under "Related amounts not set off in Statement of Financial Position" represent the carrying value of non-cash collateral (in Financial instruments) and cash collateral received which are also part of these master netting agreements.

The "Securities Lending" amount represents the carrying value of amounts lent which are subject to an enforceable master netting agreement. The amounts reported under "Related amounts not set off in Statement of Financial Position" represent the carrying value of non-cash collateral (in "Financial instruments") and cash collateral received. Collateral received is not encumbered.

As at 31 October (US$ in thousands)							**2025**
				Related amounts not offset in Statement of Financial Position			
	Gross amount	**Amounts offset in Statement of Financial Position**	**Net amount in Statement of Financial Position**	**Impact of master netting**	**Financial Instruments**	**Cash collateral**	**Net amount**
Derivative Assets	**436,811**	**356,249**	**80,562**	**(125,312)**	**–**	**(6,525)**	**(51,275)**
Securities borrowed or purchased under resale agreements	**3,864,586**	**–**	**3,864,586**	**–**	**(3,850,626)**	**(695)**	**13,265**
Financial Assets	**4,301,397**	**356,249**	**3,945,148**	**(125,312)**	**(3,850,626)**	**(7,220)**	**(38,010)**
Derivative Liabilities	**477,003**	**327,867**	**149,136**	**(125,312)**	**–**	**(30,857)**	**(7,033)**
Securities lent or sold under repurchase agreements	**91,924**	**–**	**91,924**	**–**	**(90,370)**	**–**	**1,554**
Financial Liabilities	**568,927**	**327,867**	**241,060**	**(125,312)**	**(90,370)**	**(30,857)**	**(5,479)**

							2024
				Related amounts not offset in Statement of Financial Position			
	Gross amount	Amounts offset in Statement of Financial Position	Net amount in Statement of Financial Position	Impact of master netting	Financial Instruments	Cash collateral	Net amount
Derivative Assets	283,481	189,026	94,455	(120,871)	–	(13,330)	149,280
Securities borrowed or purchased under resale agreements	4,551,323	–	4,551,323	–	(4,543,428)	–	6,917
Financial Assets	4,834,804	189,026	4,645,778	(120,871)	(4,543,428)	(14,308)	156,197
Derivative Liabilities	373,305	186,260	187,045	(120,871)	–	(10,056)	242,378
Securities lent or sold under repurchase agreements	102,758	–	102,758	–	(100,585)	–	2,173
Financial Liabilities	476,063	186,260	289,803	(120,871)	(100,585)	(10,056)	244,551

Note 33: Parent Bank

The smallest and largest group into which the Financial Statements of Bank of Montreal Europe plc are consolidated is that headed by Bank of Montreal. Copies of the Group Financial Statements are available from Corporate Communications, 100 King Street West, Toronto, Ontario, Canada.

Note 34: Related Party Disclosures

Directors' and Officers' Loans

As at 31 October 2025 there were no amounts outstanding, under transactions, arrangements and agreements made by the Company from those who were Directors (including connected persons) or key management personnel of the Company (31 October 2024: no amounts outstanding).

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

As at 31 October (US$ in thousands)	**2025**	2024
Short term employment benefits	**4,276**	3,986
Termination benefits	**–**	570
Defined pension contribution scheme	**199**	170
Share based payments	**2,073**	1,427
	6,548	6,153

Director Compensation

Key management compensation includes the following Director compensation (whether executive or otherwise) of the Company.

As at 31 October (US$ in thousands)	**2025**	2024
Short term employment benefits	**1,629**	1,413
Defined pension contribution scheme	**84**	56
Share based payments	**1,032**	449
	2,745	1,918

Transactions with Related Parties

Balances outstanding from the BMO Group entities and related income and expense are disclosed in the respective notes and summarised in the table below:

As at 31 October (US$ in thousands)			**2025**			2024
	Parent	**Other Related Parties**	**Total**	Parent	Other Related Parties	Total
Assets	**142,241**	**32,512**	**174,753**	205,613	12,843	218,456
Cash and cash equivalents	**313**	**–**	**313**	1,012	–	1,012
Securities borrowed or purchased under resale agreements*	**–**	**–**	**–**	–	9,938	9,938
Derivative assets	**54,794**	**–**	**54,794**	76,445	–	76,445
Other assets	**87,134**	**32,512**	**119,646**	128,156	2,905	131,061
Liabilities	**4,849,388**	**5,971,425**	**10,820,813**	2,547,168	6,038,461	8,585,629
Debt securities in issue	**–**	**5,723,623**	**5,723,623**	–	5,768,086	5,768,086
Deposits from banks	**4,636,390**	**–**	**4,636,390**	1,777,477	–	1,777,477
Deposits from customers	**–**	**215,422**	**215,422**	–	191,514	191,514
Derivative liabilities	**76,754**	**–**	**76,754**	120,773	–	120,773
Other liabilities	**136,244**	**32,380**	**168,624**	648,918	78,861	727,779
Interest Income	**11,127**	**3,210**	**14,337**	2,925	1,661	4,586
Interest Expense	**300,349**	**21,622**	**321,971**	361,717	20,080	381,797
Fee Revenue	**7,399**	**637**	**8,036**	4,066	517	4,583
Fee Expense	**10,186**	**5,932**	**16,118**	11,724	6,472	18,196

*Due to the addition of the new line items in the Statement of Financial Position for "Securities borrowed or purchased under resale agreements" the Comparative figures have been reclassified to Note 16 to conform with the current year's presentation.

Note 35: Post Financial Year End Events

On 18 December 2025, the CAD 8 billion debt securities notes issued under the CAD 8 billion programme outlined in Note 25 Debt securities in issue were early redeemed and were replaced with CAD 6 billion debt securities notes with revised terms to improve the liquidity and funding efficiency and flexibility for the Company. The new debt securities notes which include minimum put notice periods of 35 and 185 days are for a period of 10 years with a final maturity date of 18 December 2035. The debt securities in issue from the programme are listed on the TISE.

There were no other significant post year end events that would require disclosure to the Company's Financial Statements at 31 October 2025.

Note 36: Approval of Financial Statements

The Company's Financial Statements were authorised for issue by the Board of Directors on 29 January 2026.

KPMG

Audit
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INDEPENDENT AUDITOR'S REPORT IN CONNECTION WITH THE COUNTRY BY COUNTRY REPORTING SCHEDULE FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2025

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BANK OF MONTREAL EUROPE PLC

Opinion

We have audited the accompanying Country-by-Country ("CBC") financial information of Bank of Montreal Europe plc ("the Company") for the year ended 31 October 2025 pursuant to European Union (Capital Requirements) Regulations, 2014 ("the Regulations") which is required to be audited by Regulation 77 of those Regulations. The CBC financial information set out on pages 63 to 64 in the Country By Country reporting (collectively "the CBC financial information"), has been prepared on a single entity basis more fully explained on pages 63 to 64.

In our opinion, the CBC financial information as at 31 October 2025:

- is properly prepared, in all material respects, in accordance with the special purpose basis of preparation set out on pages 63 to 64 to the CBC financial information; and
- discloses the items of CBC financial information required to be published by Regulation 77 of the European Union (Capital Requirements) Regulations, 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"), including ISA (Ireland) 800 and ISA (Ireland) 805, and the terms of our engagement letter dated 6 January 2026. Our responsibilities are described Auditor's responsibilities for the audit of the CBC financial information section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the CBC financial information in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – special purpose basis of preparation

In forming our opinion on the CBC financial information, which is unmodified, we draw your attention to the disclosure made on pages 63 to 64 concerning the basis of preparation. The CBC financial information is prepared by the Company for the purpose of meeting the requirements of Regulation 77 of the European Union (Capital Requirements) Regulations, 2014. The CBC financial information has therefore been prepared in accordance with a special purpose framework and, as a result, the CBC financial information may not be suitable for another purpose.

Conclusions relating to going concern

In auditing the CBC financial information, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the CBC financial information is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the CBC financial information is authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the CBC financial information and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the Company’s policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors, the Audit and Compliance Committee, internal audit and compliance and inspection of policy documentation as to the Company ’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company ’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors, the Audit and Compliance Committee, and internal audit regarding their assessment of the risk that the CBC financial information may be materially misstated due to irregularities, including fraud.
- Inspecting the Company ’s regulatory and legal correspondence.
- Reading Board and Audit and Compliance Committee minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Performing planning analytical procedures to identify any unusual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the Company is subject to laws and regulations that directly affect the CBC financial information including the European Union (Capital Requirements) Regulations, 2014, companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related CBC financial information items, including assessing the CBC financial information disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the CBC financial information, for instance through the imposition of fines or litigation or the loss of the Company’s licence to operate. We identified the following areas as those most likely to have such an effect: regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company ’s activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.
- Assessing significant accounting estimates for bias
- Assessing the disclosures in the CBC financial information

As the Company is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Company operates and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the CBC financial information, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the CBC financial information, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Respective responsibilities and restrictions on use

Responsibilities of directors for the CBC financial information

The directors are responsible for: the preparation of the CBC financial information in accordance with the requirements of the European Union (Capital Requirements) Regulations, 2014 relevant to preparing such CBC financial information; such internal control as they determine is necessary to enable the preparation of the CBC financial information that is free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the CBC financial information

Our objectives are to obtain reasonable assurance about whether the CBC financial information as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the CBC financial information.

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's Directors, as a body, in accordance with our engagement letter to provide a report pursuant to Regulation 77 of the European Union (Capital Requirements) Regulation, 2014. Our audit work has been undertaken so that we might state to the Company's Directors those matters we are required to state to them in an auditor's report on CBC financial information and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Directors as a body, for our audit work, for this report, or for the opinions we have formed.

James Black　　　　30 January 2026

for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
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Bank of Montreal Europe PLC - Country by Country Reporting

Introduction

In accordance with S.I. No. 158 of 2014, EUROPEAN UNION (CAPITAL REQUIREMENTS) REGULATIONS 2014, Bank of Montreal Europe plc presents the required information in respect of Country-by-country reporting.

Required Information

The reference date for this information is the year ended 31 October 2025, the date of the most recently available audited financial statements. Comparatives are for the year ended 31 October 2024.

Country - Ireland

a) Name, nature of activities and geographical location

Bank of Montreal Europe plc, is engaged in the business of banking including the provision of financial services. The Company is incorporated in the Republic of Ireland, Registered Number 255687.

As at 31 October (US$ in thousands, except as noted)		2025	2024
b)	*Turnover*	**80,593**	83,545
c)	*Number of employees on full-time equivalent basis*	**71**	71
d)	*Profit / (loss) before tax*	**55,886**	55,865
e)	*Tax on profit or loss*	**12,307**	697
f)	*Public subsidies received*	**Nil**	Nil

Country - France

a) Name, nature of activities and geographical location

Bank of Montreal Europe Paris Branch, is a Branch of Bank of Montreal Europe plc principally engages in provision of cash equities services to European clients. The Branch is incorporated in Paris, France.

As at 31 October (US$ in thousands, except as noted)		2025	2024
b)	*Turnover*	**12,935**	10,643
c)	*Number of employees on full-time equivalent basis*	**12**	8
d)	*Profit / (loss) before tax*	**779**	2,008
e)	*Tax on profit or loss*	**195**	502
f)	*Public subsidies received*	**Nil**	Nil

Country - Germany

a) Name, nature of activities and geographical location

Bank of Montreal Europe plc has a permanent establishment for tax purposes in Germany due to computer hardware sited there used for cash equity trading activities.

As at 31 October (US$ in thousands, except as noted)		2025	2024
b)	*Turnover*	**939**	700
c)	*Number of employees on full-time equivalent basis*	**0**	0
d)	*Profit / (loss) before tax*	**43**	33
e)	*Tax on profit or loss*	**14**	12
f)	*Public subsidies received*	**Nil**	Nil

Basis of Preparation

The amounts presented above have been, where relevant, extracted from the Directors' Report and Financial Statements Year Ended 31 October 2025. The Financial Statements have been prepared in accordance with special purpose basis of preparation under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) and in accordance with the provisions of the Companies Act 2014. The Company has applied definitions, as applicable, to the items of the CBC financial information which are consistent with the definitions of those items in accordance with IFRS as adopted by EU.

The below table sets out the basis on which the quantitative information above was derived:

Item	Basis of preparation
Turnover (US$ in thousands)	Turnover is derived by taking the Operating Income from the Statement of Comprehensive and deducting provision for credit losses.
Number of employees on a full time equivalent basis	Number of employees on a full time equivalent basis is based on the average number of employees in the Company and Branch during the fiscal year, this is set out in Note 8 of the Notes to the Financial Statements.
Profit/loss before tax	This is based on the Profit before income tax from the Statement of Comprehensive Income. In any given year, tax paid may not directly relate to the accounting profits earned in that year because differences can arise between accounting profit and taxable profit as a result of applying local tax legislation.
Tax on profit or loss	This is based on the Income tax expense from the Statement of Comprehensive Income.
Public subsidies received	No public subsidies have ever been received by the Company or the Branch.

Audit

The required information presented above has been audited in accordance with Directive 2006/43/EC.