DEPOSITORY AGREEMENT

We hereby offer to pay interest on the deposits of the City of Chicago and the Chicago Board of Education in Fiscal Year 2022 in accordance with the following schedules:

INTEREST-BEARING DEPOSITS

We hereby offer to pay interest on deposit accounts of the City of Chicago and Chicago Board of Education at the following minimum rate(s):

Type of Account	Rate	Minimum Deposit Requirement (if any)
Corp MMDA – Public Fund Account Rate	**0.18% (Fixed)**	**No minimum balance**
Corp NOW – Public Fund Account Rate	**0.19% (Fixed)**	**No minimum balance**

As your Financial Partner and advisor, we have been pleased to be able to assist the City in maximizing the value of City balances through the use of our Earnings Credit Rate (ECR). We proactively presented the City with a Earnings Credit rate and encouraged the City to raise its balance cap to fully benefit from this attractive rate.

As the interest rate environment changes, we will stay in close communication with the City to make sure you are aware of available investment options to ensure that you continue to maximize the value of your balances. All product and service features including rate are subject to change any time without notice.

TIME DEPOSITS OR CERTIFICATES OF DEPOSIT

We hereby offer to pay interest on single maturity time deposits or certificates of deposit of $100,000 or more at the then current market rate being paid by our institution on similar principal amounts and for similar maturity terms; <u>or</u> at the following other rates:

> *(Please describe in detail your proposed rate schedule <u>if</u> your institution is offering to pay <u>other than</u> the current market rate. Attach sheets if necessary.)*

CD Rates change daily and current rate is available upon request.

The City shall reject the Proposal of any institution that does not offer rates on certificates of deposit or time deposits as prescribed above.

We understand that:

$ Interest on all certificates of deposit shall be computed on a 360-day basis rounded to 3 decimals.

$ Interest shall be paid to the City on the date of maturity.

Furthermore, we understand that any costs incurred in administering the City's account, including any costs incurred in collateralizing and safekeeping the City's investments, will be borne by our institution.

We understand the City's objective to invest its monies with financial institutions that demonstrate a commitment to benefit Chicago's communities and, in accordance with Chapter 2-32-440 of the

Municipal Code of Chicago, have provided supplemental information to demonstrate our commitment. It is further understood that all information included in, attached to, or required by this Depository Agreement and related documents responding to the City's Request for Proposal shall become public record upon delivery to the City.
We certify that we have read the terms and conditions of this Request for Proposal and fully understand its intent. We also certify that we have adequate personnel, equipment and facilities to fulfill all requirements and to qualify as a municipal depository. Upon execution by the City below, it is our understanding that the Depository Agreement, along with all the requirements, provisions and stipulations as contained in the Request for Proposal, which is incorporated herein by reference, constitute the agreement between our institution and the City.

Submitted by:

John Mattern

Title: **Managing Director**

Date: 11/8/2021

Authorized Signature: John M. Matt

Name of Institution: BMO Harris Bank N.A.

Location of Principal Place of Business: Chicago, IL

If known, please indicate which City Ward the Principal Place of Business is located 42nd

How many facilities are located within the City of Chicago? 30

Is your bank a Regularly Organized State Bank, National Bank, or Federal Bank? (Please indicate State, National or Federal) National Bank

Is your bank Federally Insured? Yes Type of Insurance? FDIC 1657

Is your bank Minority Owned? (as defined by the Federal Reserve Board) NO

What is the Bank's Aggregate Amount of Capital Stock as of 12/31/2020? $20,028 Canadian Surplus as of 12/31/2020? $302 Canadian Total Assets as of 12/31/2020? $949,261 Canadian 10/31/2020 Closing Date

Name of Person Preparing the Proposal: Mark Mitrovich

Work: 312-461-6538 Phone: 312-497-6504 Fax: 312-293-5811 Email: Mark.Mitrovich@bmo.com

Executed for the City of Chicago:

By: ______________________________

Title: ______________________________

Date: ______________________________

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Bank of Montreal

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant

OR

2. [X] a legal entity currently holding, or anticipated to hold within six months after City action on the contract, transaction or other undertaking to which this EDS pertains (referred to below as the "Matter"), a direct or indirect interest in excess of 7.5% in the Applicant. State the Applicant's legal name: BMO Harris Bank NA

OR

3. [ ] a legal entity with a direct or indirect right of control of the Applicant (see Section II(B)(1)) State the legal name of the entity in which the Disclosing Party holds a right of control:

____

B. Business address of the Disclosing Party: First Canadian Place, 21st Floor, 100 King St. West
Toronto, Ontario M5X1A1

C. Telephone: 312-461-6538 Fax: 312-293-5811 Email: mark.mitrovich@bmo.com

D. Name of contact person: Mark Mitrovich

E. Federal Employer Identification No. (if you have one): 13-4941092

F. Brief description of the Matter to which this EDS pertains. (Include project number and location of property, if applicable):

Designation as a 2022 Municipal Depository for City of Chicago

G. Which City agency or department is requesting this EDS? Finance

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # ______________ and Contract # ______________

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[X] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Canada

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] Organized in Illinois

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles, if applicable, of: (i) all executive officers and all directors of the entity; (ii) **for not-for-profit corporations**, all members, if any, which are legal entities (if there are no such members, write "no members which are legal entities"); (iii) **for trusts, estates or other similar entities**, the trustee, executor, administrator, or similarly situated party; (iv) **for general or limited partnerships, limited liability companies, limited liability partnerships or joint ventures**, each general partner, managing member, manager or any other person or legal entity that directly or indirectly controls the day-to-day management of the Applicant.

NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
See the attached list of Officers and Directors	

2. Please provide the following information concerning each person or legal entity having a direct or indirect, current or prospective (i.e. within 6 months after City action) beneficial interest (including ownership) in excess of 7.5% of the Applicant. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a

limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None."

NOTE: Each legal entity listed below may be required to submit an EDS on its own behalf.

Name	Business Address	Percentage Interest in the Applicant
None		

SECTION III -- INCOME OR COMPENSATION TO, OR OWNERSHIP BY, CITY ELECTED OFFICIALS

Has the Disclosing Party provided any income or compensation to any City elected official during the 12-month period preceding the date of this EDS? [ ] Yes [x] No

Does the Disclosing Party reasonably expect to provide any income or compensation to any City elected official during the 12-month period following the date of this EDS? [ ] Yes [x] No

If "yes" to either of the above, please identify below the name(s) of such City elected official(s) and describe such income or compensation:

Does any City elected official or, to the best of the Disclosing Party's knowledge after reasonable inquiry, any City elected official's spouse or domestic partner, have a financial interest (as defined in Chapter 2-156 of the Municipal Code of Chicago ("MCC")) in the Disclosing Party?
[ ] Yes [x] No

If "yes," please identify below the name(s) of such City elected official(s) and/or spouse(s)/domestic partner(s) and describe the financial interest(s).

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist (as defined in MCC Chapter 2-156), accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll. If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d" is not an acceptable response.

(Add sheets if necessary)

[x] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under MCC Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. [This paragraph 1 applies only if the Matter is a contract being handled by the City's Department of Procurement Services.] In the 5-year period preceding the date of this EDS, neither the Disclosing Party nor any Affiliated Entity [see definition in (5) below] has engaged, in connection with the performance of any public contract, the services of an integrity monitor, independent private sector inspector general, or integrity compliance consultant (i.e., an individual or entity with legal, auditing, investigative, or other similar skills, designated by a public agency to help the agency monitor the activity of specified agency vendors as well as help the vendors reform their business practices so they can be considered for agency contracts in the future, or continue with a contract in progress).

2. The Disclosing Party and its Affiliated Entities are not delinquent in the payment of any fine, fee, tax or other source of indebtedness owed to the City of Chicago, including, but not limited to, water and sewer charges, license fees, parking tickets, property taxes and sales taxes, nor is the Disclosing Party delinquent in the payment of any tax administered by the Illinois Department of Revenue.

3. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II(B)(1) of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, during the 5 years before the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in subparagraph (b) above;

d. have not, during the 5 years before the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, during the 5 years before the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

4. The Disclosing Party understands and shall comply with the applicable requirements of MCC Chapters 2-56 (Inspector General) and 2-156 (Governmental Ethics).

5. Certifications (5), (6) and (7) concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity). Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity. With respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor, nor any Agents have, during the 5 years before the date of this EDS, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the 5 years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in subparagraph (a) or (b) above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions referenced in MCC Subsection 2-92-320(a)(4)(Contracts Requiring a Base Wage); (a)(5)(Debarment Regulations); or (a)(6)(Minimum Wage Ordinance).

6. Neither the Disclosing Party, nor any Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

7. Neither the Disclosing Party nor any Affiliated Entity is listed on a Sanctions List maintained by the United States Department of Commerce, State, or Treasury, or any successor federal agency.

8. [FOR APPLICANT ONLY] (i) Neither the Applicant nor any "controlling person" [see MCC Chapter 1-23, Article I for applicability and defined terms] of the Applicant is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any "sister agency"; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If MCC Chapter 1-23, Article I applies to the Applicant, that Article's permanent compliance timeframe supersedes 5-year compliance timeframes in this Section V.

9. [FOR APPLICANT ONLY] The Applicant and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed as having an active exclusion by the U.S. EPA on the federal System for Award Management ("SAM").

10. [FOR APPLICANT ONLY] The Applicant will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Certifications (2) and (9) above and will not, without the prior written consent of the City, use any such

contractor/subcontractor that does not provide such certifications or that the Applicant has reason to believe has not provided or cannot provide truthful certifications.

11. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:
See attached BMO's Supplemental Information

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

12. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").
N/A

13. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $25 per recipient, or (iii) a political contribution otherwise duly reported as required by law (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.
N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)
[X] is [ ] is not

a "financial institution" as defined in MCC Section 2-32-455(b).

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in MCC Chapter 2-32. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in MCC Chapter 2-32. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in MCC Section 2-32-455(b)) is a predatory lender within the meaning of MCC Chapter 2-32, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING FINANCIAL INTEREST IN CITY BUSINESS

Any words or terms defined in MCC Chapter 2-156 have the same meanings if used in this Part D.

1. In accordance with MCC Section 2-156-110: To the best of the Disclosing Party's knowledge after reasonable inquiry, does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D(1), proceed to Items D(2) and D(3). If you checked "No" to Item D(1), skip Items D(2) and D(3) and proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D(1), provide the names and business addresses of the City officials or employees having such financial interest and identify the nature of the financial interest:

Name	Business Address	Nature of Financial Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either (1) or (2) below. If the Disclosing Party checks (2), the Disclosing Party must disclose below or in an attachment to this EDS all information required by (2). Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step (1) above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

____

____

____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995, as amended, who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

____

____

____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995, as amended, have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in paragraph A(1) above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee

of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A(1) and A(2) above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities," as that term is defined in the Lobbying Disclosure Act of 1995, as amended.

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A(1) through A(4) above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?
[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No [ ] Reports not required

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question (1) or (2) above, please provide an explanation:

____

____

SECTION VII -- FURTHER ACKNOWLEDGMENTS AND CERTIFICATION

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics Ordinance, MCC Chapter 2-156, imposes certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of this ordinance and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with this ordinance.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other City transactions. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided in, and appended to, this EDS may be made publicly available on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to MCC Chapter 1-23, Article I (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by MCC Chapter 1-23 and Section 2-154-020.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and all applicable Appendices, on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and all applicable Appendices, are true, accurate and complete as of the date furnished to the City.

Bank of Montreal
(Print or type exact legal name of Disclosing Party)

By:____________________
(Sign here)

David R. Casper
(Print or type name of person signing)

EVP and Group Head, Commercial Banking
(Print or type title of person signing)

Signed and sworn to before me on (date) November 4, 2021,

at Cook County, Illinois (state).

Jordan C. Ruiz
Notary Public

Commission expires: 05/05/2025

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5%. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under MCC Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5% ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No, to the best of the Disclosing Party's Knowledge

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

____
____
____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX B

BUILDING CODE SCOFFLAW/PROBLEM LANDLORD CERTIFICATION

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5% (an "Owner"). It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

1. Pursuant to MCC Section 2-154-010, is the Applicant or any Owner identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

[ ] Yes [X] No

2. If the Applicant is a legal entity publicly traded on any exchange, is any officer or director of the Applicant identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

[ ] Yes [X] No [ ] The Applicant is not publicly traded on any exchange.

3. If yes to (1) or (2) above, please identify below the name of each person or legal entity identified as a building code scofflaw or problem landlord and the address of each building or buildings to which the pertinent code violations apply.

____
____
____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX C

PROHIBITION ON WAGE & SALARY HISTORY SCREENING - CERTIFICATION

This Appendix is to be completed only by an Applicant that is completing this EDS as a "contractor" as defined in MCC Section 2-92-385. That section, which should be consulted (www.amlegal.com), generally covers a party to any agreement pursuant to which they: (i) receive City of Chicago funds in consideration for services, work or goods provided (including for legal or other professional services), or (ii) pay the City money for a license, grant or concession allowing them to conduct a business on City premises.

On behalf of an Applicant that is a contractor pursuant to MCC Section 2-92-385, I hereby certify that the Applicant is in compliance with MCC Section 2-92-385(b)(1) and (2), which prohibit: (i) screening job applicants based on their wage or salary history, or (ii) seeking job applicants' wage or salary history from current or former employers. I also certify that the Applicant has adopted a policy that includes those prohibitions.

[X] Yes

[ ] No

[ ] N/A – I am not an Applicant that is a "contractor" as defined in MCC Section 2-92-385.

This certification shall serve as the affidavit required by MCC Section 2-92-385(c)(1).

If you checked "no" to the above, please explain.

____

____

____

Exhibit A

With respect to Section II(B)(2): We note that the stock of Bank of Montreal is traded publicly on the New York and Toronto stock exchanges. Its owners thus fluctuate daily in accordance with market trading activity.

With respect to Section III: The Disclosing Party and its affiliates are a commercial and corporate bank and from time to time offer and provide services to the City of Chicago's elected officials and employees and their spouses/domestic partners. In those instances, the Disclosing Party and its affiliates charge normal and customary fees. The Disclosing Party and its affiliates also from time to time contract with companies or firms associated with City officials and employees and their spouses/domestic partners. Such contracts are entered into on an arm's length basis.

With respect to Section V(A): To the best of the Disclosing Party's knowledge.

With respect to Section V(B)(2): The Disclosing Party, to the best of its knowledge, certifies the statements contained in Section V(B)(2) that (i) it is not delinquent in the payment of any material tax administered by the Illinois Department of Revenue and (ii) neither the Disclosing Party nor its affiliates are delinquent in paying any material fine, fee, tax or other charge owed to the City of Chicago except for possible delinquencies in paying a fine, fee, tax or other charge related to (i) property mortgaged to the Disclosing Party or its affiliates, (ii) property owned by the Disclosing Party or its affiliates and leased to others, (iii) foreclosed property now owned by the Disclosing Party or its affiliates, (iv) property owned or held by the Disclosing Party or its affiliates as a fiduciary or nominee and (v) fines, fees, taxes or other charges that are being contested in good faith by the Disclosing Party or its affiliates by appropriate legal proceeding.

With respect to Section V(B)(3): The Disclosing Party certifies the accuracy of the statements contained in Section V, paragraph B(3)(a) through and including B(3)(e) only as to itself. The Disclosing Party certifies that to the best of the Disclosing Party's knowledge such statements are accurate with respect to the executive officers and directors of the Disclosing Party. With respect to Section V(B)(3)(b) and V(B)(3)(e), the Disclosing Party may have been adjudged guilty, had a civil judgment rendered against it or found liable in a civil proceeding or civil action within the five years preceding the date of this EDS. The Disclosing Party certifies that none of these judgments, individually or in the aggregate, would have a material adverse effect on its or the Applicant's financial condition or the ability of the Applicant to perform under its contract with the City. In addition, to the best of the Disclosing Party's knowledge, the Disclosing Party has not, in the past five years, been found after a judicial or administrative hearing to be in violation of any environmental law or regulation, except for possible violations related to (i) property mortgaged to the Disclosing Party, (ii) property owned by the Disclosing Party and leased to others, (iii) foreclosed property now owned by the Disclosing Party and (iv) property owned or held by the Disclosing Party as a fiduciary or nominee. The Disclosing Party's operations are conducted at numerous owned and leased locations throughout the world. From time to time, the Disclosing Party is cited for not being in compliance with an environmental law or regulation. These matters are generally routine and are promptly addressed by the Disclosing Party.

With respect to Section V(B)(5): The Disclosing Party certifies the accuracy of the statements contained in Section V(B)(5)(a) through and including (d) only as to itself. The Disclosing Party also certifies that, to the best of the Disclosing Party's knowledge, such statements are accurate with respect to any (i) Contractor hired by the Disclosing Party specifically for the Matter, (ii) Affiliated Entity of the Disclosing Party or any such Contractor or (iii) Agent directly involved in the Matter.

With respect to Section V(B)(6): The Disclosing Party certifies the accuracy of the statements contained in Section V(B)(6) only as to itself. The Disclosing Party also certifies that, to the best of the Disclosing Party's knowledge, such statements are accurate with respect to (i) any Affiliated Entity, (ii) any Contractor hired by the Disclosing Party specifically for the Matter, or (iii) any employee, official, agent
or partner (in each case who is directly involved in the Matter) of the Disclosing Party, any such Affiliated Entity or any such Contractor.

With respect to Section V(B)(8): The Applicant certifies the accuracy of the statements contained in Section V(B)(8) only as to itself, its directors, the other individuals listed in Section II(B)(1) of this EDS, and each person that controls, directly or indirectly through one or more intermediate ownership entities, the day-to-day management of any business entity.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

As to the disclosure set forth in Section V, paragraph D.4., the Disclosing Party cannot (and does not) make the certification required because the Disclosing Party does not and will not have control over all means of acquiring a financial interest in the Matter.

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX B

With respect to 2: To the best of the Disclosing Party's knowledge.

List of BMO Executives
September 30, 2021

First Name	Middle Name	Last name	BMO Harris Bank N A		BMO Financial Corp.		Bank of Montreal	
			Director	Executive Officer	Director	Executive Officer	Director	Executive Officer
Janice	May	Babiak					√	
Daniel	David	Barclay						√
Carolyn	Andrea	Booth		√		√		
Sophie		Brochu					√	
Craig	Wyeth	Broderick					√	
David	Robert	Casper	√	√	√	√		√
Adela	Margarita	Cepeda	√		√			
Kevin	Michael	Connelly			√			
Diane	Louise	Cooper	√		√			
George	Alexander	Cope			√		√	
Patrick	Paul Frederick	Cronin						√
Stephen	John	Dent					√	
Christine	Annette	Edwards	√		√		√	
Martin	Stewart	Eichenbaum					√	
Donald	Barry	Erickson		√		√		
Cameron	McAskile	Fowler			√			√
Darrel	Harris	Hackett	√	√		√		
David	Edwin	Harquail					√	
Sharon	Marie	Haward-Laird						√

List of BMO Executives
September 30, 2021

			BMO Harris Bank NA		BMO Financial Corp.		Bank of Montreal	
First Name	Middle Name	Last name	Director	Executive Officer	Director	Executive Officer	Director	Executive Officer
Linda	Susan	Huber					√	
Erminia		Johannson		√		√		√
Eric	Richer	La Flèche					√	
Mona	Elizabeth	Malone						√
Daniel	John	Marszalek		√		√		
Charles	Raymond	Matthews	√		√			
Lorraine		Mitchelmore					√	
Tracie	D.	Morris		√		√		
Donna	L.	Parish		√		√		
Madhu		Ranganathan					√	
John	E.	Rau			√			
Brad	Anders	Rothbaum				√		
John	Stephen	Shiely	√		√			
Alan		Tannenbaum				√		
Stephen	Richard	Taylor		√		√		

List of BMO Executives
September 30, 2021

First Name	Middle Name	Last name	BMO Harris Bank NA		BMO Financial Corp.		Bank of Montreal	
			Director	Executive Officer	Director	Executive Officer	Director	Executive Officer
Steve	**Loyd**	**Tennyson**						√
Victor	**Yat Wai**	**Tung**		√		√		
Tayfun		**Tuzun**						√
Michael	**Joseph**	**Van Handel**	√		√			
George	**Frederick**	**Walz**		√		√		
Raymond	**Clark**	**Whitacre**		√		√		
William	**Darryl**	**White**			√		√	√
Ann Marie		**Wright**		√		√		

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BMO Harris Bank NA

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [x] the Applicant
   OR
2. [ ] a legal entity currently holding, or anticipated to hold within six months after City action on the contract, transaction or other undertaking to which this EDS pertains (referred to below as the "Matter"), a direct or indirect interest in excess of 7.5% in the Applicant. State the Applicant's legal name: ____________________
   OR
3. [ ] a legal entity with a direct or indirect right of control of the Applicant (see Section II(B)(1)) State the legal name of the entity in which the Disclosing Party holds a right of control:

____

B. Business address of the Disclosing Party: 111 W. Monroe St.
Chicago, IL 60603

C. Telephone: 312-461-6538 Fax: 312-293-5811 Email: mark.mitrovich@bmo.com

D. Name of contact person: Mark Mitrovich

E. Federal Employer Identification No. (if you have one): 36-2085229

F. Brief description of the Matter to which this EDS pertains. (Include project number and location of property, if applicable):

Designation as a 2022 Municipal Depository for City of Chicago

G. Which City agency or department is requesting this EDS? Finance

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # ____________________ and Contract # ____________________

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[x] Other (please specify)
National Association

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

United States

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [x] No [ ] Organized in Illinois

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles, if applicable, of: (i) all executive officers and all directors of the entity; (ii) **for not-for-profit corporations**, all members, if any, which are legal entities (if there are no such members, write "no members which are legal entities"); (iii) **for trusts, estates or other similar entities**, the trustee, executor, administrator, or similarly situated party; (iv) **for general or limited partnerships, limited liability companies, limited liability partnerships or joint ventures**, each general partner, managing member, manager or any other person or legal entity that directly or indirectly controls the day-to-day management of the Applicant.

NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name Title

See the attached list of Officers and Directors

2. Please provide the following information concerning each person or legal entity having a direct or indirect, current or prospective (i.e. within 6 months after City action) beneficial interest (including ownership) in excess of 7.5% of the Applicant. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture, interest of a member or manager in a

limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None."

NOTE: Each legal entity listed below may be required to submit an EDS on its own behalf.

Name	Business Address	Percentage Interest in the Applicant
BMO Financial Corp	111 W. Monroe St.	100%
	Chicago, IL 60603	

SECTION III -- INCOME OR COMPENSATION TO, OR OWNERSHIP BY, CITY ELECTED OFFICIALS

Has the Disclosing Party provided any income or compensation to any City elected official during the 12-month period preceding the date of this EDS? [ ] Yes [x] No

Does the Disclosing Party reasonably expect to provide any income or compensation to any City elected official during the 12-month period following the date of this EDS? [ ] Yes [x] No

If "yes" to either of the above, please identify below the name(s) of such City elected official(s) and describe such income or compensation:

____

____

Does any City elected official or, to the best of the Disclosing Party's knowledge after reasonable inquiry, any City elected official's spouse or domestic partner, have a financial interest (as defined in Chapter 2-156 of the Municipal Code of Chicago ("MCC")) in the Disclosing Party?
[ ] Yes [x] No

If "yes," please identify below the name(s) of such City elected official(s) and/or spouse(s)/domestic partner(s) and describe the financial interest(s).

____

____

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist (as defined in MCC Chapter 2-156), accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll. If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d" is not an acceptable response.

(Add sheets if necessary)

[x] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under MCC Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [x] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. [This paragraph 1 applies only if the Matter is a contract being handled by the City's Department of Procurement Services.] In the 5-year period preceding the date of this EDS, neither the Disclosing Party nor any Affiliated Entity [see definition in (5) below] has engaged, in connection with the performance of any public contract, the services of an integrity monitor, independent private sector inspector general, or integrity compliance consultant (i.e., an individual or entity with legal, auditing, investigative, or other similar skills, designated by a public agency to help the agency monitor the activity of specified agency vendors as well as help the vendors reform their business practices so they can be considered for agency contracts in the future, or continue with a contract in progress).

2. The Disclosing Party and its Affiliated Entities are not delinquent in the payment of any fine, fee, tax or other source of indebtedness owed to the City of Chicago, including, but not limited to, water and sewer charges, license fees, parking tickets, property taxes and sales taxes, nor is the Disclosing Party delinquent in the payment of any tax administered by the Illinois Department of Revenue.

3. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II(B)(1) of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, during the 5 years before the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in subparagraph (b) above;

d. have not, during the 5 years before the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, during the 5 years before the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

4. The Disclosing Party understands and shall comply with the applicable requirements of MCC Chapters 2-56 (Inspector General) and 2-156 (Governmental Ethics).

5. Certifications (5), (6) and (7) concern:

- the Disclosing Party;
- any “Contractor” (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, “Disclosure of Subcontractors and Other Retained Parties”);
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity). Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity. With respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor, nor any Agents have, during the 5 years before the date of this EDS, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the 5 years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in subparagraph (a) or (b) above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions referenced in MCC Subsection 2-92-320(a)(4)(Contracts Requiring a Base Wage); (a)(5)(Debarment Regulations); or (a)(6)(Minimum Wage Ordinance).

6. Neither the Disclosing Party, nor any Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

7. Neither the Disclosing Party nor any Affiliated Entity is listed on a Sanctions List maintained by the United States Department of Commerce, State, or Treasury, or any successor federal agency.

8. [FOR APPLICANT ONLY] (i) Neither the Applicant nor any "controlling person" [see MCC Chapter 1-23, Article I for applicability and defined terms] of the Applicant is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any "sister agency"; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If MCC Chapter 1-23, Article I applies to the Applicant, that Article's permanent compliance timeframe supersedes 5-year compliance timeframes in this Section V.

9. [FOR APPLICANT ONLY] The Applicant and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed as having an active exclusion by the U.S. EPA on the federal System for Award Management ("SAM").

10. [FOR APPLICANT ONLY] The Applicant will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Certifications (2) and (9) above and will not, without the prior written consent of the City, use any such

contractor/subcontractor that does not provide such certifications or that the Applicant has reason to believe has not provided or cannot provide truthful certifications.

11. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:
See attached BMO's Supplemental Information

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

12. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").
N/A

13. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $25 per recipient, or (iii) a political contribution otherwise duly reported as required by law (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.
N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)
[X] is [ ] is not

a "financial institution" as defined in MCC Section 2-32-455(b).

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in MCC Chapter 2-32. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in MCC Chapter 2-32. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in MCC Section 2-32-455(b)) is a predatory lender within the meaning of MCC Chapter 2-32, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING FINANCIAL INTEREST IN CITY BUSINESS

Any words or terms defined in MCC Chapter 2-156 have the same meanings if used in this Part D.

1. In accordance with MCC Section 2-156-110: To the best of the Disclosing Party's knowledge after reasonable inquiry, does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D(1), proceed to Items D(2) and D(3). If you checked "No" to Item D(1), skip Items D(2) and D(3) and proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D(1), provide the names and business addresses of the City officials or employees having such financial interest and identify the nature of the financial interest:

Name	Business Address	Nature of Financial Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either (1) or (2) below. If the Disclosing Party checks (2), the Disclosing Party must disclose below or in an attachment to this EDS all information required by (2). Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step (1) above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

____

____

____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995, as amended, who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

____

____

____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995, as amended, have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in paragraph A(1) above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee

of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A(1) and A(2) above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities," as that term is defined in the Lobbying Disclosure Act of 1995, as amended.

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A(1) through A(4) above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?
[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No [ ] Reports not required

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question (1) or (2) above, please provide an explanation:

____

____

SECTION VII -- FURTHER ACKNOWLEDGMENTS AND CERTIFICATION

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics Ordinance, MCC Chapter 2-156, imposes certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of this ordinance and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with this ordinance.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other City transactions. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided in, and appended to, this EDS may be made publicly available on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to MCC Chapter 1-23, Article I (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by MCC Chapter 1-23 and Section 2-154-020.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS, and all applicable Appendices, on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS, and all applicable Appendices, are true, accurate and complete as of the date furnished to the City.

BMO Harris Bank NA
____
(Print or type exact legal name of Disclosing Party)

By:__________________________________
(Sign here)

David R. Casper
(Print or type name of person signing)

Chair and CEO
(Print or type title of person signing)

Signed and sworn to before me on (date) November 4, 2021,
at Cook County, Illinois (state).

Jordan C. Ruiz
Notary Public

Commission expires: 05/05/2025

JORDAN C RUIZ
Official Seal
Notary Public - State of Illinois
My Commission Expires May 5, 2025

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5%. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under MCC Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5% ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No, to the best of the Disclosing Party's Knowledge

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

____

____

____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX B

BUILDING CODE SCOFFLAW/PROBLEM LANDLORD CERTIFICATION

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5% (an "Owner"). It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

1. Pursuant to MCC Section 2-154-010, is the Applicant or any Owner identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

[ ] Yes [X] No

2. If the Applicant is a legal entity publicly traded on any exchange, is any officer or director of the Applicant identified as a building code scofflaw or problem landlord pursuant to MCC Section 2-92-416?

[ ] Yes [X] No [ ] The Applicant is not publicly traded on any exchange.

3. If yes to (1) or (2) above, please identify below the name of each person or legal entity identified as a building code scofflaw or problem landlord and the address of each building or buildings to which the pertinent code violations apply.

____
____
____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX C

PROHIBITION ON WAGE & SALARY HISTORY SCREENING - CERTIFICATION

This Appendix is to be completed only by an Applicant that is completing this EDS as a "contractor" as defined in MCC Section 2-92-385. That section, which should be consulted (www.amlegal.com), generally covers a party to any agreement pursuant to which they: (i) receive City of Chicago funds in consideration for services, work or goods provided (including for legal or other professional services), or (ii) pay the City money for a license, grant or concession allowing them to conduct a business on City premises.

On behalf of an Applicant that is a contractor pursuant to MCC Section 2-92-385, I hereby certify that the Applicant is in compliance with MCC Section 2-92-385(b)(1) and (2), which prohibit: (i) screening job applicants based on their wage or salary history, or (ii) seeking job applicants' wage or salary history from current or former employers. I also certify that the Applicant has adopted a policy that includes those prohibitions.

[X] Yes

[ ] No

[ ] N/A – I am not an Applicant that is a "contractor" as defined in MCC Section 2-92-385.

This certification shall serve as the affidavit required by MCC Section 2-92-385(c)(1).

If you checked "no" to the above, please explain.

____

____

____

Exhibit A

With respect to Section II(B)(2): We note that the stock of Bank of Montreal is traded publicly on the New York and Toronto stock exchanges. Its owners thus fluctuate daily in accordance with market trading activity.

With respect to Section III: The Disclosing Party and its affiliates are a commercial and corporate bank and from time to time offer and provide services to the City of Chicago's elected officials and employees and their spouses/domestic partners. In those instances, the Disclosing Party and its affiliates charge normal and customary fees. The Disclosing Party and its affiliates also from time to time contract with companies or firms associated with City officials and employees and their spouses/domestic partners. Such contracts are entered into on an arm's length basis.

With respect to Section V(A): To the best of the Disclosing Party's knowledge.

With respect to Section V(B)(2): The Disclosing Party, to the best of its knowledge, certifies the statements contained in Section V(B)(2) that (i) it is not delinquent in the payment of any material tax administered by the Illinois Department of Revenue and (ii) neither the Disclosing Party nor its affiliates are delinquent in paying any material fine, fee, tax or other charge owed to the City of Chicago except for possible delinquencies in paying a fine, fee, tax or other charge related to (i) property mortgaged to the Disclosing Party or its affiliates, (ii) property owned by the Disclosing Party or its affiliates and leased to others, (iii) foreclosed property now owned by the Disclosing Party or its affiliates, (iv) property owned or held by the Disclosing Party or its affiliates as a fiduciary or nominee and (v) fines, fees, taxes or other charges that are being contested in good faith by the Disclosing Party or its affiliates by appropriate legal proceeding.

With respect to Section V(B)(3): The Disclosing Party certifies the accuracy of the statements contained in Section V, paragraph B(3)(a) through and including B(3)(e) only as to itself. The Disclosing Party certifies that to the best of the Disclosing Party's knowledge such statements are accurate with respect to the executive officers and directors of the Disclosing Party. With respect to Section V(B)(3)(b) and V(B)(3)(e), the Disclosing Party may have been adjudged guilty, had a civil judgment rendered against it or found liable in a civil proceeding or civil action within the five years preceding the date of this EDS. The Disclosing Party certifies that none of these judgments, individually or in the aggregate, would have a material adverse effect on its or the Applicant's financial condition or the ability of the Applicant to perform under its contract with the City. In addition, to the best of the Disclosing Party's knowledge, the Disclosing Party has not, in the past five years, been found after a judicial or administrative hearing to be in violation of any environmental law or regulation, except for possible violations related to (i) property mortgaged to the Disclosing Party, (ii) property owned by the Disclosing Party and leased to others, (iii) foreclosed property now owned by the Disclosing Party and (iv) property owned or held by the Disclosing Party as a fiduciary or nominee. The Disclosing Party's operations are conducted at numerous owned and leased locations throughout the world. From time to time, the Disclosing Party is cited for not being in compliance with an environmental law or regulation. These matters are generally routine and are promptly addressed by the Disclosing Party.

With respect to Section V(B)(5): The Disclosing Party certifies the accuracy of the statements contained in Section V(B)(5)(a) through and including (d) only as to itself. The Disclosing Party also certifies that, to the best of the Disclosing Party's knowledge, such statements are accurate with respect to any (i) Contractor hired by the Disclosing Party specifically for the Matter, (ii) Affiliated Entity of the Disclosing Party or any such Contractor or (iii) Agent directly involved in the Matter.

With respect to Section V(B)(6): The Disclosing Party certifies the accuracy of the statements contained in Section V(B)(6) only as to itself. The Disclosing Party also certifies that, to the best of the Disclosing Party's knowledge, such statements are accurate with respect to (i) any Affiliated Entity, (ii) any Contractor hired by the Disclosing Party specifically for the Matter, or (iii) any employee, official, agent
or partner (in each case who is directly involved in the Matter) of the Disclosing Party, any such Affiliated Entity or any such Contractor.

With respect to Section V(B)(8): The Applicant certifies the accuracy of the statements contained in Section V(B)(8) only as to itself, its directors, the other individuals listed in Section II(B)(1) of this EDS, and each person that controls, directly or indirectly through one or more intermediate ownership entities, the day-to-day management of any business entity.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

As to the disclosure set forth in Section V, paragraph D.4., the Disclosing Party cannot (and does not) make the certification required because the Disclosing Party does not and will not have control over all means of acquiring a financial interest in the Matter.

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX B

With respect to 2: To the best of the Disclosing Party's knowledge.

List of BMO Executives
September 30, 2021

First Name	Middle Name	Last name	BMO Harris Bank N A		BMO Financial Corp.		Bank of Montreal	
			Director	Executive Officer	Director	Executive Officer	Director	Executive Officer
Janice	May	Babiak					√	
Daniel	David	Barclay						√
Carolyn	Andrea	Booth		√		√		
Sophie		Brochu					√	
Craig	Wyeth	Broderick					√	
David	Robert	Casper	√	√	√	√		√
Adela	Margarita	Cepeda	√		√			
Kevin	Michael	Connelly			√			
Diane	Louise	Cooper	√		√			
George	Alexander	Cope			√		√	
Patrick	Paul Frederick	Cronin						√
Stephen	John	Dent					√	
Christine	Annette	Edwards	√		√		√	
Martin	Stewart	Eichenbaum					√	
Donald	Barry	Erickson		√		√		
Cameron	McAskile	Fowler			√			√
Darrel	Harris	Hackett	√	√		√		
David	Edwin	Harquail					√	
Sharon	Marie	Haward-Laird						√

List of BMO Executives
September 30, 2021

			BMO Harris Bank NA		BMO Financial Corp.		Bank of Montreal	
First Name	Middle Name	Last name	Director	Executive Officer	Director	Executive Officer	Director	Executive Officer
Linda	Susan	Huber					√	
Erminia		Johannson		√		√		√
Eric	Richer	La Flèche					√	
Mona	Elizabeth	Malone						√
Daniel	John	Marszalek		√		√		
Charles	Raymond	Matthews	√		√			
Lorraine		Mitchelmore					√	
Tracie	D.	Morris		√		√		
Donna	L.	Parish		√		√		
Madhu		Ranganathan					√	
John	E.	Rau			√			
Brad	Anders	Rothbaum				√		
John	Stephen	Shiely	√		√			
Alan		Tannenbaum				√		
Stephen	Richard	Taylor		√		√		

List of BMO Executives
September 30, 2021

			BMO Harris Bank NA		BMO Financial Corp.		Bank of Montreal	
First Name	Middle Name	Last name	**Director**	Executive Officer	Director	Executive Officer	Director	Executive Officer
Steve	Loyd	Tennyson						√
Victor	Yat Wai	Tung		√		√		
Tayfun		Tuzun						√
Michael	Joseph	Van Handel	√		√			
George	Frederick	Walz		√		√		
Raymond	Clark	Whitacre		√		√		
William	Darryl	White			√		√	√
Ann Marie		Wright		√		√		

Anti-Predatory Lending Pledge*
for Municipal Depositories

We pledge that we are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code of Chicago. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code of Chicago. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of our designation as a municipal depository.

BMO Harris Bank N.A.
Name of Financial Institution

[signature]
Signature of Authorized Officer

Chair and CEO
Title

David R. Casper
Name of Authorized Officer (Print or Type)

312-461-3292
Business Telephone Number

Subscribed and sworn to before me this 4th day of November, 2021

Jordan C. Ruiz
Notary Public

JORDAN C RUIZ
Official Seal
Notary Public - State of Illinois
My Commission Expires May 5, 2025

Date: 11/04/2021

Name of transaction for which this certificate is submitted: Designation as a 2022 Municipal Depository for the City of Chicago

Contact Person: Mark Mitrovich
Address: 111 W. Monroe Street, 5E
Chicago, IL 60603

Telephone: 312-461-6538

*The definitions of certain terms set forth in Chapter 2-32 of the Municipal Code of Chicago and used in the Anti-Predatory Lending Pledge are reproduced on the attached pages.

Loan Policy Pledge and Consumer Protection Statement for Municipal Depositories

We pledge not to arbitrarily reject mortgage loans for residential properties within a specific geographic area in Chicago because of the location and/or age of the property, or in the case of proposed borrower to arbitrarily vary the terms of those loans or the application procedures for those loans on the basis of race, color, religion, national origin, age, sex, gender identity, marital status, ancestry, sexual orientation, parental status, source of income, disability or military status. In addition, we pledge to make loans available to low- and moderate-income residential property in the neighborhoods of the City of Chicago within the limits of our legal restriction and prudent financial practices.

We understand that arbitrarily rejecting or varying the terms and/or application procedures of mortgage loans on the basis of the factors listed above may result in the loss of our designation as a municipal depository.

We certify on information and belief that we are in substantial compliance with consumer financial protection laws, subject to any previous disclosures made by us or by regulatory agencies.

Name of Financial Institution BMO Harris Bank N.A.

Signature of Authorized Officer [signature] Title Chair and CEO

Name of Authorized Officer (Print or Type) David R. Casper

Subscribed and sworn to before me this 4th day of November, 2021.

Notary Public Jordan C. Ruiz {stamp/SEAL}

JORDAN C RUIZ
Official Seal
Notary Public - State of Illinois
My Commission Expires May 5, 2025

Name of transaction for which this certificate is submitted: Designation as a Municipal Depository for 2022.

Compliance with Vacant Buildings Code Pledge
For Municipal Depositories

We are in compliance with the reporting requirements in regard to vacant property as defined in Section 13-12-125 of the Municipal Code of Chicago. We further pledge we will maintain vacant properties in compliance with the Chicago Building Code as defined in Section 13-12-135 of the Municipal Code of Chicago. We understand that failing to adhere to these requirements or becoming an affiliate of an offender of these requirements may result in the loss of our designation as a municipal depository.

BMO Harris Bank N.A.
Name of Financial Institution

Signature of Authorized Official

Chair and CEO
Title

David R. Casper
Name of Authorized Officer
(Print or Type)

312-461-3292
Business Telephone Number

Subscribed and sworn to before me this 4th day of November, 2021

JORDAN C RUIZ
Official Seal
Notary Public - State of Illinois
My Commission Expires May 5, 2025

Jordan C. Ruiz
Notary Public

11/04/2021
Date

Contact Person: Mark Mitrovich
Address: 111 W. Monroe Street, 5E
Chicago, IL 60603

Telephone: 312-461-6538

QUESTIONNAIRE

To facilitate the City's analysis of the data that you have provided on Disclosure Forms A(1) - G, please provide the information requested below:

1. List all credit instruments or types of credit that you have included within or under the following lending categories:

<u>Consumer Lending:</u>

Consumer-Auto New
Consumer-Auto Used
Consumer-Other Titled Collateral
Consumer-CD Credit Builder
Consumer-Sec Installment Loan
Consumer-Recreational Boat
Consumer-Recreational Vehicle
Consumer-PB IA Secured LOC WSJ
Consumer-DL Secured CD
Consumer-DR Secured CD
Consumer-Ind First Auto Loan
Consumer-Ind First Rec Boat
Consumer-Ind First Rec Vehicle
Consumer-Ind First Other Titled Coll
Consumer-PB IA Secured LOC Libor
Consumer-Personal Unsecured Loan
Consumer-Overdraft Protection
Consumer-Personal Unsec LOC
Consumer-PB Unsecured LOC
Consumer-Government Emp LAP
Consumer-DR Unsec Installment
Consumer-DL Unsec Installment
Consumer-Gateway ODP LOC
Consumer-GELAP Unsecured Install
Consumer-Aspirus HLP Unsec Install
Consumer-Ind First Personal Unsec
Consumer-Ind First Unsec LOC

<u>Commercial Lending:</u>

Corporate Card
DEMAND LOAN NON-REVOLVER
DEMAND LOAN REVOLVER
DIRECT PAY LETTER OF CREDIT (DPLOC)
Documentary Credit
EFC Interim Financing
EFC Lease
MORTGAGE
NON-REVOLVING FAC.
OPERATING LINE
REVOLVING COMMITTED
REVOLVING REDUCING
REVOLVING UNCOMMITTED
TERM LOAN
TF Master PLF Term
TF Term Loan
TFL Capital Lease
TFL Operating Lease

2. List all types of accounts that you have included as:

Savings Accounts:

1 Month CD - Business
1 Month CD - Consumer
1 Year Add-On CD-Business
1 Year Add-On CD-Consumer
1 Year CD - Business
1 Year CD - Consumer
1 Year IRA CD - Consumer
11 Month CD - Business
11 Month CD - Consumer
11 Month IRA CD - Consumer
13-Month CD Special-B
13-Month CD Special-C
13-Month IRA CD Special-C
15 Month CD - Consumer
18 Month CD - Business
18 Month CD - Consumer
18 Month Fixed IRA CD-Consumer
19-Month CD Special-C
2 1/2 Year CD - Business
2 Year Add-On CD-Business
2 Year Add-On CD-Consumer
2 Year CD - Business
2 Year CD - Consumer
2 Year CD - Public Funds
2 Year IRA CD - Consumer
25 Month CD - Business
25 Month CD - Consumer
25 Month IRA CD - Consumer
3 Mo IRA CD - Consumer
3 Month CD - Fixed - Business
3 Month CD - Fixed - Consumer
3 Year Add-On CD-Business
3 Year Add-On CD-Consumer
3 Year Bump Rate CD-Consumer
3 Year CD - Business
3 Year CD - Consumer
3 Year IRA CD - Consumer
3 Year IRA Step Rate CD-Consum
3 Year Step Rate CD-Consumer
30 Month CD - Consumer
30 Month IRA CD - Consumer
35 Month CD - Business
35 Month CD - Consumer
35 Month IRA CD - Consumer
4 Year Bump Rate CD-Consumer
4 Year CD - Business
4 Year CD - Consumer
4 Year IRA Bump Rate CD-Consum
4 Year IRA CD - Consumer
5 Year CD - Business
5 Year CD - Consumer
5 Year IRA CD - Consumer
5 Year IRA Step RateÂ CD-Consu
5 year Step Rate CD-Business
5 year Step Rate CD-Consumer
55 Month CD - Consumer
55 Month IRA CD - Consumer
6 Month CD - Business
6 Month CD - Consumer
6 Month IRA CD - Consumer
6 Year IRA Step Rate CD-Consum
6 Year Step Rate CD-Consumer
7-Month CD Special-C
7-Month IRA CD Special-C
9 Month CD - Business
9 Month CD - Consumer
9 Month CD - Public Funds
9 Month IRA CD - Consumer
Bus Prime Money Market
Business Prime MM
Business Savings
CD Rollover 6M-Commercial
HCMA Sweep Money Market
Harris Relationship Money Mkt
Long Term CD Special-613
Long Term IRA CD Special-221
Money Market Savings - XST
Personal Money Market - XI
Platinum Money Market
Preferred Money Market
Premium Savers IRA-202
Real Estate Escrow Savings
Select MM
Short Term CD Special-612
Statement Savings
Variable Rate and Term CD LT-B
Wealth Money Market

Checking Accounts:

BMO Elite Business Checking
BMO Premium Business Checking
Business Checking
Business Checking Corporate
Business Chking Non-Analyzed
Business Interest Checking
Business Tiered Checking
Civic Checking
Corporate NOW
Corporate NOW - Public Funds
Customer Segregated Fund
Due To Non Affiliates Regular
Escrow Concentration
Federated Government Fund 05
Fidelity MA AMT Tax-Free MMF
Harris Everyday Checking
Harris Premier Checking
Harris Select Checking
Health Savings Acct
IOLTA Checking
Interest Corp Checking
Interest Gold Checking
Interest Reservable Acct
Muni Civic Checking
Non Profit Checking
Non Profit Interest Checking
Non-Profit Checking Low Volume
Platinum Checking
Premier Account
Public Funds Checking
Public Funds Interest Checking
Regular Checking - Public Fund
Regular Checking ZBA
Reserve Liq Perform MMF Cls 15
Senior Checking
Small Business Checking
Small Business Interest Checki
Smart Advantage Account
Smart Money Account
Smart Sweep Checking
Smart Sweep Checking (CMF)
Value Checking
Wealth Checking
ZBA Checking

AFFIDAVIT OF COMMITMENT TO COMMUNITY REINVESTMENT, RESPONSIBILITY AND TRANSPARENCY
CITY OF CHICAGO OFFICE OF THE COMPTROLLER

I, David R. Casper a duly authorized representative of BMO Harris Bank N.A. represent and say as follows:

That for the purpose of becoming an eligible depository for active deposits of the City of Chicago, the undersigned Affiant states that it will use reasonable efforts to provide lending, financing, and banking opportunities as a commitment of community reinvestment to Chicago's low and moderate income (LMI) communities; Affiant states that such reasonable efforts shall include, but are not limited to:

A. Assignment of identifiable personnel to answer and respond to questions, concerns and inquiries by the citizens of Chicago, City Treasurer, City Comptroller, and the City Council regarding financial services, investment and lending products, services and related issues, including the Community Reinvestment Act (CRA) of 1977;

B. Cooperate with and support non-profit neighborhood development/redevelopment organizations in the implementation of "neighborhood economic development" strategies that focus on revitalization of communities that are more locally focused where an institution has a branch or market presence;

C. Commit to affirmatively market and make available banking services throughout Chicago's low and moderate income communities, by not meeting this commitment only through the installation of ATM distribution centers, but also by opening and/or maintaining branch locations within those communities;

D. Prepare an annual report of CRA activities, presented to the Comptroller, the Treasurer, and the City Council, that is made publicly available, demonstrating investment in all Chicago Communities, as well as reinvestment in LMI communities of Chicago, by community area that includes the number of loans and amount of loans in the following (6) categories:

   1. Home Purchase within LMI communities;
   2. Refinancing within LMI communities;
   3. Home Improvement;
   4. Small Business Loans (to companies with revenues under $1 Million);
   5. Community Development Loans including multi-family lending; and
   6. Community Development Investments to eligible Community Development Financial Institutions (CDFI) and other community intermediaries to further the goals of an institution to meet its obligations to the Community Reinvestment Act of 1977 and this Affidavit.

   Such a Municipal Depository annual CRA report will include, by community area, the number of mortgage loans originated and other strategies to minimize the impact of foreclosure and neighborhood instability.

E. An institution acknowledges that failure to comply with this Affidavit may result in discontinued status as a municipal depository.

Signed: [signature] Dated: 11/04/2021

Print Name: David R. Casper

Title: Chair and CEO

DEMOGRAPHICS AFFIDAVIT

Name of Applicant firm: **BMO Harris Bank N.A.**

Description of Matter: **Designation as a 2022 Municipal Depository for City of Chicago and Chicago Board of Education Funds**

Role of Applicant: **Municipal Depository**

Fill out below (and attach additional sheets using the same format, if necessary), the following information for each person in the Applicant's firm who will directly provide professional services to the City in connection with the Matter described above: the individual's position in the Applicant's firm and their role in the Matter, gender, and race or ethnicity. Individuals' names need not be disclosed.

Count	Position and Role	Gender	Race/Ethnicity
1	SVP – Director	M	White
2	SVP – Director	M	African American
3	TPS Sales Professional	F	White
4	Senior Sales Associate	F	African American
5	Senior Client Service Advisor	M	Asian
6	Financial Service Associate	F	Africa American

(If needed, please use additional sheets to identify additional personnel.)

By signing below, I represent under penalty of perjury that: (1) I am authorized to act on behalf of the Applicant; (2) the information in this Affidavit (and associated attachment, if applicable) are true, complete, and correct; and (3) failure to accurately and completely provide the information requested herein may result in a declaration of ineligibility to participate in future Matters for the City of Chicago.

Printed Name: John M. Mattern

Signature: John M. Matt

Title: Managing Director

Date: 11/15/2021

BMO Harris Bank

BYLAW CERTIFICATION

Section 9.2. Execution of Instruments. (a) All agreements, contracts, indentures, loans, mortgages, deeds, conveyances, transfers, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, proxies and other instruments or documents may be signed, executed, acknowledged, verified, delivered or accepted on behalf of the association by the Chair of the board, Vice Chair of the board, Chief Executive Officer, or the President, or any Executive Vice President, Senior Vice President, Managing Director, Vice President, Director, Authorized Signatory (as confirmed by the Human Resources Department) or the Secretary, Assistant Secretary ,or, if in connection with the exercise of fiduciary powers of the association (including, but not limited to, the acceptance of trusts and the execution of trust agreements), by any of those officers or by the senior fiduciary officer or any trust officer. Any such instruments may also be executed, acknowledged, verified, delivered or accepted on behalf of the association in such other manner and by such other officers as the board of directors may from time to time direct. In addition to the signing authorities granted by or pursuant to the foregoing provisions of this Article IX, the Chair of the board, a Vice Chair of the board, the President, any Executive Vice President, Managing Director or Senior Vice President within the area of his or her assigned duties or responsibilities, may designate from time to time in writing any officer or employee, either by name or by title, to sign or execute any documents, instruments or contracts to which the association is a party. The provisions of this Section 9.2 are supplementary to any other provision of these Bylaws.

Any account, deposit or otherwise, may be opened at the direction of any Executive Vice President or above. Any institution or entity opening any such account may rely on this authority in good faith and open such account without any further action on the part of the association. This authorization in no way limits or impairs the ability of any other authorized officer to open accounts of the association.

The undersigned, Cindy Salazar a duly authorized and acting Assistant Secretary of BMO Harris Bank N.A., certifies that the foregoing is a true, current and complete copy of Article IX, Section 9.2 (a) of the Bylaws of this corporation.

DATED this 28th day of October 2021.

Cindy Salazar
Assistant Secretary

BMO Harris Bank

CERTIFICATE OF INCUMBENCY

I, Cindy Salazar, Assistant Secretary of BMO Harris Bank N.A., certify that John Mattern whose signature appears below, is an Authorized Signatory for BMO Harris Bank N.A.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of October 2021.

John M. Matt

John Mattern

Cindy Salazar

Cindy Salazar
Assistant Secretary

FIRMWIDE
PLEASE POPULATE THE HIGHLIGHTED PORTIONS ONLY

Native Hawaiian not accounted for see supplement.

Firm Name:	BMO Financial Corp
Primary Representative:	
Primary Representative Email and Telephone:	
Headquarters Address:	111 W Monroe St, Chicago, IL 60603
Chicago Public Finance Office Address:	
Total Number of Employees:	12,498
Number of Employees in Illinois:	
Number of Employees in Chicago:	3,701
Capital Position:	
Minority Designation:	

		5,545						6,928					
		Male						Female					
Job Categories	Overall Totals	White (Not Hispanic)	Black (Not Hispanic)	Hispanic	Asian	Native American	Two or More Races	White (Not Hispanic)	Black (Not Hispanic)	Hispanic	Asian	Native American	Two or More Races
Officials and Managers	2,566	1,087	58	103	134	1	21	848	84	117	97	2	14
Professionals	7,978	2,477	226	311	365	6	59	2,805	639	605	388	11	86
Technicians	0												
Sales Workers	1,536	423	46	116	46	4	11	550	83	174	65	3	15
Office and Clerical	393	30	6	7	7	0	1	203	73	47	13	0	6
Craft Workers (Skilled)	0												
Operatives (Semi-Skilled)	0												
Laborers	0												
Service Workers	0												
Total	12,473	4,017	336	537	552	11	92	4,406	879	943	563	16	121

Job Categories	Overall Totals	White (Not Hispanic)	Black (Not Hispanic)	Hispanic	Asian	Native American	Two or More Races
Officials and Managers	21%	16%	1%	2%	2%	0%	0%
Professionals	64%	42%	7%	7%	6%	0%	1%
Technicians	0%	0%	0%	0%	0%	0%	0%
Sales Workers	12%	8%	1%	2%	1%	0%	0%
Office and Clerical	3%	2%	1%	0%	0%	0%	0%
Craft Workers (Skilled)	0%	0%	0%	0%	0%	0%	0%
Operatives (Semi-Skilled)	0%	0%	0%	0%	0%	0%	0%
Laborers	0%	0%	0%	0%	0%	0%	0%
Service Workers	0%	0%	0%	0%	0%	0%	0%
Total	100%	68%	10%	12%	9%	0%	2%

Male	Female	Total
44%	56%	100%

FIRMWIDE
PLEASE POPULATE THE HIGHLIGHTED PORTIONS ONLY

Native Hawaiian not accounted for see supplement.

Firm Name:	BMO Financial Corp
Primary Representative:	
Primary Representative Email and Telephone:	
Headquarters Address:	111 W Monroe St, Chicago, IL 60603
Chicago Public Finance Office Address:	
Total Number of Employees:	12,498
Number of Employees in Illinois:	
Number of Employees in Chicago:	3,701
Capital Position:	
Minority Designation:	

		1,930						1,765					
		Male						Female					
Job Categories	Overall Totals	White (Not Hispanic)	Black (Not Hispanic)	Hispanic	Asian	Native American	Two or More Races	White (Not Hispanic)	Black (Not Hispanic)	Hispanic	Asian	Native American	Two or More Races
Officials and Managers	888	391	28	35	59	0	7	254	37	33	39	0	5
Professionals	2,454	903	95	107	162	1	20	603	249	159	132	4	19
Technicians	0												
Sales Workers	193	56	14	19	7	1	1	35	26	27	5	0	2
Office and Clerical	160	7	4	6	7	0	0	58	51	20	6	0	1
Craft Workers (Skilled)	0												
Operatives (Semi-Skilled)	0												
Laborers	0												
Service Workers	0												
Total	3,695	1,357	141	167	235	2	28	950	363	239	182	4	27

Job Categories	Overall Totals	White (Not Hispanic)	Black (Not Hispanic)	Hispanic	Asian	Native American	Two or More Races
Officials and Managers	24%	17%	2%	2%	3%	0%	0%
Professionals	66%	41%	9%	7%	8%	0%	1%
Technicians	0%	0%	0%	0%	0%	0%	0%
Sales Workers	5%	2%	1%	1%	0%	0%	0%
Office and Clerical	4%	2%	1%	1%	0%	0%	0%
Craft Workers (Skilled)	0%	0%	0%	0%	0%	0%	0%
Operatives (Semi-Skilled)	0%	0%	0%	0%	0%	0%	0%
Laborers	0%	0%	0%	0%	0%	0%	0%
Service Workers	0%	0%	0%	0%	0%	0%	0%
Total	100%	62%	14%	11%	11%	0%	1%

Male	Female	Total
52%	48%	100%

	Chicago	Male	Female	Firmwide	Male	Female
Job Categories	**Overall Totals**	**Hawaiian or Other PI**	**Hawaiian or Other PI**	**Overall Totals**	**Hawaiian or Other PI**	**Hawaiian or Other PI**
Officials and Managers	0	0	0	2	1	1
Professionals	6	4	2	19	10	9
Sales Workers	0	0	0	2	1	1
Office and Clerical	0	0	0	2	0	2
Total	**6**	4	2	**25**	12	13

BMO Harris Bank

Institutional Markets
111 West Monroe Street
5th Floor East
Chicago, IL 60603

November 15, 2021

Mr. Steve Sakai
Department of Finance
121 North LaSalle, 7th floor
Chicago, Illinois 60602
steven.sakai@cityofchicago.org

Mr. Mauricio Banuelos
Office of the City Treasurer
121 North LaSalle, Room 106
Chicago, Illinois 60602
mauricio.banuelos@cityofchicago.org

RE: BMO Harris Bank response to the City of Chicago RFP – Designation as a 2022 Municipal Depository for City of Chicago and Chicago Board of Education Funds

Thank you for the opportunity to respond to the requested proposal for the 2022 Municipal Depository RFP. BMO is very interested in maintaining our Municipal Depository relationship with the City. The Bank has been an excellent business partner with the City due to many key attributes including, but not limited to, the following:

- The willingness to make a significant commitment of our balance sheet
- Very strong ratings which indicate stability
- The Bank's continued commitment to the Government sector
- The Bank's strong community involvement
- A complete suite of Treasury products

Please find enclosed all completed documents, plus attachments. The Bank would also like to acknowledge that Addendum #1 on October 8, 2021, Addendum #2 on October 15, 2021 and Addendum #3 October 26, 2021 were received and reviewed.

If you have any questions or concerns, please feel free to contact me directly at 312-461-6538 or Ronald Redd at 312-461-2178. Once again, thank you for the opportunity and we look forward to working with the City.

Sincerely,

Mark Mitrovich

Mark Mitrovich
Director/SVP

Executive Summary

The enclosed response provides details on the BMO team's approach to meet the needs of the City of Chicago's RFP for Designation as a 2022 Municipal Depository for City of Chicago and Chicago Board of Education Funds. As a current banking partner to the City, our team understands your banking goals and objectives. As long-standing community partners, we share the philosophy of working together in the common interest of Chicago and we welcome the opportunity to continue serving Chicago as a qualified depository institution.

We're here to help.

Your dedicated BMO Harris Relationship Management team is uniquely positioned to serve the City of Chicago based on a range of competitive advantages, to include:

- Full service, robust banking institution with continuing investment in technology, service, and human capital
- Broad, public-based background of your BMO relationship team
- Highly specialized client service team
- Accuracy and timeliness in transaction processing
- 97% client retention rate
- Unique and long-standing relationship with the City, fostering a deep understanding of your systems and needs
- Current services with the City and other municipal relationships
- Local branches in Chicago – BMO Harris ranks #2 in Chicago's depository market share
- Forbes named BMO among World's Best Banks 2020
- Full access to the BMO team, to include the BMO executive team
- Commitment to true partnership with Chicago

Commitment to Execution

Our commitment in delivering an integrated range of services increases the overall efficiency and effectiveness of your banking and treasury management operations. We rely on a **dedicated local relationship team approach** along with a wide network of internal experts to design and implement integrated solutions that will provide real and sustainable value for the City. Specialists in other areas of BMO may supplement this core relationship team as dictated by the City's evolving needs.

Overall, your assigned relationship team of career professionals has combined industry experience of more than 100 years. For the City of Chicago this means that your primary Relationship Manager (Mark Mitrovich) is responsible for your overall relationship, and your Treasury & Payment Solutions Sales Manager (Gina La Reau), Sales Associate (Stacey Craig) and Senior Client Service Advisor (Jin Ko) will provide consultative assistance to the City of Chicago during our relationship. When we work with clients that have unique and complex requirements such as the City, we will often employ an advisory team consisting of your relationship team, product management, and technical specialists. We have these professionals already engaged on this proposal and overall relationship with the City of Chicago.

We understand the importance of this initiative to the City as well as the need to collaborate with a bank that is committed to delivering its complete attention and resources to the success of this project. BMO Harris is well positioned to meet your current banking requirements and accommodate your future needs.

The following pages contain our responses to your questionnaire, the required completed forms, and supporting BMO exhibits.

Our team looks forward to further discussions with you and welcomes the opportunity to provide you with depository services for a long and mutually rewarding relationship.

Our Purpose at BMO

BMO's Purpose is to *boldly grow the good in business and life*. BMO's Purpose attaches intention to our priorities and gives direction to our growth. It informs all of our efforts to accelerate positive change. And it reinforces the unique strengths we bring to creating shared value. We're constantly finding new ways to put our Purpose into action – and we're amplifying our impact where we already lead by example through Bold Commitments in three key areas:

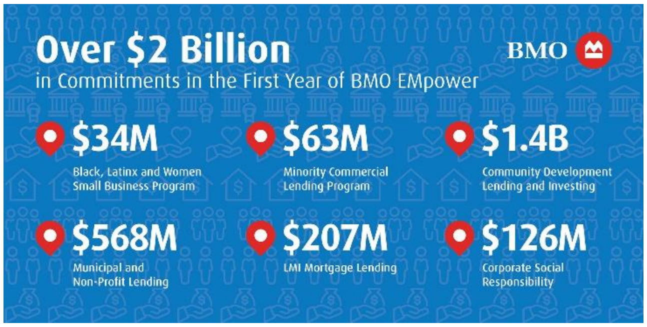
- For a sustainable future – by mobilizing sustainable finance and working with our clients toward a net zero world
- For a thriving economy – by doubling out support for small businesses and women entrepreneurs
- For an inclusive society – by committing to zero barriers to inclusion

We are committed to building a more just society – especially for groups facing systemic barriers, including our Black, Latino and Indigenous colleagues, customers and communities. BMO's Zero Barriers to Inclusion 2025 is a multi-year strategy that supports equity, equality and inclusion. We're focused on providing access to opportunities and enabling growth for our colleagues, our customers and the community we serve:

- Colleagues - We will ensure an equitable employee experience for all, supporting inclusion, wellness and improving access to development and career advancement for colleagues facing systemic barriers.
- Customers – We're expanding financial inclusion for diverse customers through inclusive banking products, services and resources. And we're meeting customers' needs by addressing their unique expectations and experiences.
- Communities - We will be leaders in increasing inclusion in our communities, building strong relationships to foster inclusion and racial justice, and promote inclusive local economic opportunities.

BMO EMpower

Last year, we launched BMO EMpower, our $5 billion, five year commitment to increasing access to capital and advancing an inclusive economic recovery. Nov. 10 marked the one year anniversary of that launch, and we were pleased to share that we've exceeded our early targets, with over $2 billion in commitments during the first year of the program.



Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency

Federal Financial Institutions Examination Council

Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031

Institution Name	**BMO HARRIS BANK NATIONAL ASSOCIATION**
City	**CHICAGO**
State	**IL**
Zip Code	**60603**
Call Report Report Date	**6/30/2021**
Report Type	**031**
RSSD-ID	**75633**
FDIC Certificate Number	**16571**
OCC Charter Number	**14583**
ABA Routing Number	**71000288**
Last updated on	**7/29/2021**

Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031

Report at the close of business June 30, 2021

(20210630)
(RCON 9999)

This report is required by law: 12 U.S.C. §324 (State member banks); 12 U.S.C. §1817 (State non member banks); 12 U.S.C. §161 (National banks); and 12 U.S.C. §1464 (Savings associations).

Unless the context indicates otherwise, the term "bank" in this report form refers to both banks and savings associations.

This report form is to be filed by (1) banks with branches and consolidated subsidiaries in U.S. territories and possessions, Edge or Agreement subsidiaries, foreign branches, consolidated foreign subsidiaries, or International Banking Facilities, (2) banks with domestic offices only and total consolidated assets of $100 billion or more, and (3) banks that are advanced approaches institutions for regulatory capital purposes.

NOTE: Each bank's board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the Reports of Condition and Income. The Reports of Condition and Income are to be prepared in accordance with federal regulatory authority instructions. The Reports of Condition and Income must be signed by the Chief Financial Officer (CFO) of the reporting bank (or by the individual performing an equivalent function) and attested to by not less than two directors (trustees) for state non member banks and three directors for state member banks, national banks, and savings associations.

I, the undersigned CFO (or equivalent) of the named bank, attest that the Reports of Condition and Income (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct to the best of my knowledge and belief.

We, the undersigned directors (trustees), attest to the correctness of the Reports of Condition and Income (including the supporting schedules) for this report date and declare that the Reports of Condition and Income have been examined by us and to the best of our knowledge and belief have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct.

Signature of Chief Financial Officer (or Equivalent)

Date of Signature

Director (Trustee)

Director (Trustee)

Director (Trustee)

Submission of Reports

Each bank must file its Reports of Condition and Income (Call Report) data by either:

(a) Using computer software to prepare its Call Report and then submitting the report data directly to the FFIEC's Central Data Repository (CDR), an Internet-based system for datacollection (https://cdr.ffiec.gov/cdr/), or

(b) Completing its Call Report in paper form and arranging with a software vendor or another party to convert the data in to the electronic format that can be processed by the CDR. The software vendor or other party then must electronically submit the bank's data file to the CDR.

For technical assistance with submissions to the CDR, please contact the CDR Help Desk by telephone at (888) CDR-3111, by fax at (703) 774-3946, or by e-mail at CDR.Help@cdr.ffiec.gov.

FDIC Certificate Number **16571** (RSSD 9050)

To fulfill the signature and attestation requirement for the Reports of Condition and Income for this report date, attach your bank's completed signature page (or a photocopy or a computer generated version of this page) to the hard-copy record of the data file submitted to the CDR that your bank must place in its files.

The appearance of your bank's hard-copy record of the submitted data file need not match exactly the appearance of the FFIEC's sample report forms, but should show at least the caption of each Call Report item and the reported amount.

BMO HARRIS BANK NATIONAL ASSOCIATION
Legal Title of Bank (RSSD 9017)

CHICAGO
City (RSSD 9130)

IL — State Abbreviation (RSSD 9200)
60603 — Zip Code (RSSD 9220)

Legal Entity Identifier (LEI)
3Y4U8VZURTYWI1W2K376 (RCON 9224)

Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031

Table of Contents

For information or assistance, national banks, state nonmember banks, and savings associations should contact the FDIC's Data Collection and Analysis Section, 550 17th Street, NW, Washington, DC 20429, toll free on (800) 688-FDIC(3342), Monday through Friday between 8:00 a.m. and 5:00 p.m., Eastern Time. State member banks should contact their Federal Reserve District Bank.

Contact Information for the Reports of Condition and Income

To facilitate communication between the Agencies and the bank concerning the Reports of Condition and Income, please provide contact information for (1) the Chief Financial Officer (or equivalent) of the bank signing the reports for this quarter, and (2) the person at the bank—other than the Chief Financial Officer (or equivalent)—to whom questions about the reports should be directed. If the Chief Financial Officer (or equivalent) is the primary contact for questions about the reports, please provide contact information for another person at the bank who will serve as a secondary contact for communications between the Agencies and the bank concerning the Reports of Condition and Income. Enter "none" for the contact's e-mail address or fax number if not available. Contact information for the Reports of Condition and Income is for the confidential use of the Agencies and will not be released to the public.

Chief Financial Officer (or Equivalent) Signing the Reports

CONF
Name (TEXT C490)

CONF
Title (TEXT C491)

CONF
E-mail Address (TEXT C492)

CONF
Area Code / Phone Number / Extension (TEXT C493)

CONF
Area Code / FAX Number (TEXT C494)

Other Person to Whom Questions about the Reports Should be Directed

CONF
Name (TEXT C495)

CONF
Title (TEXT C496)

CONF
E-mail Address (TEXT 4086)

CONF
Area Code / Phone Number / Extension (TEXT 8902)

CONF
Area Code / FAX Number (TEXT 9116)

Emergency Contact Information

This information is being requested so the Agencies can distribute critical, time-sensitive information to emergency contacts at banks. Please provide primary contact information for a senior official of the bank who has decision-making authority. Also provide information for a secondary contact if available. Enter "none" for the contact's e-mail address or fax number if not available. Emergency contact information is for the confidential use of the Agencies and will not be released to the public.

Primary Contact

CONF
Name (TEXT C366)

CONF
Title (TEXT C367)

CONF
E-mail Address (TEXT C368)

CONF
Area Code / Phone Number / Extension (TEXT C369)

CONF
Area Code / FAX Number (TEXT C370)

Secondary Contact

CONF
Name (TEXT C371)

CONF
Title (TEXT C372)

CONF
E-mail Address (TEXT C373)

CONF
Area Code / Phone Number / Extension (TEXT C374)

CONF
Area Code / FAX Number (TEXT C375)

USA PATRIOT Act Section 314(a) Anti-Money Laundering

Contact Information

This information is being requested to identify points-of-contact who are in charge of your bank's USA PATRIOT Act Section 314(a) information requests. Bank personnel listed could be contacted by law enforcement officers or the Financial Crimes Enforcement Network (FinCEN) for additional information related to specific Section 314(a) search requests or other anti-terrorist financing and anti- money laundering matters. Communications sent by FinCEN to the bank for purposes other than Section 314(a) notifications will state the intended purpose and should be directed to the appropriate bank personnel for review. Any disclosure of customer records to law enforcement officers or FinCEN must be done in compliance with applicable law, including the Right to Financial Privacy Act (12 U.S.C. 3401 et seq.).

Please provide information for a primary and secondary contact. Information for a third and fourth contact may be provided at the bank's option. Enter "none" for the contact's e-mail address if not available. This contact information is for the confidential use of the Agencies, FinCEN, and law enforcement officers and will not be released to the public.

Primary Contact

CONF
Name (TEXT C437)

CONF
Title (TEXT C438)

CONF
E-mail Address (TEXT C439)

CONF
Area Code / Phone Number / Extension (TEXT C440)

Secondary Contact

CONF
Name (TEXT C442)

CONF
Title (TEXT C443)

CONF
E-mail Address (TEXT C444)

CONF
Area Code / Phone Number / Extension (TEXT 8902)

Third Contact

CONF
Name (TEXT C870)

CONF
Title (TEXT C871)

CONF
E-mail Address (TEXT C368)

CONF
Area Code / Phone Number / Extension (TEXT C873)

Fourth Contact

CONF
Name (TEXT C875)

CONF
Title (TEXT C876)

CONF
E-mail Address (TEXT C877)

CONF
Area Code / Phone Number / Extension (TEXT C878)

Bank Demographic Information(Form Type - 031)

Dollar amounts in thousands			
1. Reporting date	RCON9999	20210630	1.
2. FDIC certificate number	RSSD9050	16571	2.
3. Legal title of bank	RSSD9017	Click here for value	3.
4. City	RSSD9130	Chicago	4.
5. State abbreviation	RSSD9200	IL	5.
6. Zip code	RSSD9220	60603	6.
7. Legal Entity Identifier (LEI) (Report only if your institution already has an LEI.)	RCON9224	Click here for value	7.

(RCON9224) 3Y4U8VZURTYWI1W2K376

(RSSD9017) BMO Harris Bank, N.A.

Contact Information(Form Type - 031)

Dollar amounts in thousands			
1. Contact Information for the Reports of Condition and Income			1.
a. Chief Financial Officer (or Equivalent) Signing the Reports			1.a.
1. Name	TEXTC490	CONF	1.a.1.
2. Title	TEXTC491	CONF	1.a.2.
3. E-mail Address	TEXTC492	CONF	1.a.3.
4. Telephone	TEXTC493	CONF	1.a.4.
5. FAX	TEXTC494	CONF	1.a.5.
b. Other Person to Whom Questions about the Reports Should be Directed			1.b.
1. Name	TEXTC495	CONF	1.b.1.
2. Title	TEXTC496	CONF	1.b.2.
3. E-mail Address	TEXT4086	CONF	1.b.3.
4. Telephone	TEXT8902	CONF	1.b.4.
5. FAX	TEXT9116	CONF	1.b.5.
2. Person to whom questions about Schedule RC-T - Fiduciary and Related Services should be directed			2.
a. Name and Title	TEXTB962	CONF	2.a.
b. E-mail Address	TEXTB926	CONF	2.b.
c. Telephone	TEXTB963	CONF	2.c.
d. FAX	TEXTB964	CONF	2.d.
3. Emergency Contact Information			3.
a. Primary Contact			3.a.
1. Name	TEXTC366	CONF	3.a.1.
2. Title	TEXTC367	CONF	3.a.2.
3. E-mail Address	TEXTC368	CONF	3.a.3.
4. Telephone	TEXTC369	CONF	3.a.4.
5. FAX	TEXTC370	CONF	3.a.5.
b. Secondary Contact			3.b.
1. Name	TEXTC371	CONF	3.b.1.
2. Title	TEXTC372	CONF	3.b.2.
3. E-mail Address	TEXTC373	CONF	3.b.3.
4. Telephone	TEXTC374	CONF	3.b.4.
5. FAX	TEXTC375	CONF	3.b.5.
4. USA PATRIOT Act Section 314(a) Anti-Money Laundering Contact Information			4.
a. Primary Contact			4.a.

Dollar amounts in thousands			
1. Name	TEXTC437	CONF	4.a.1.
2. Title	TEXTC438	CONF	4.a.2.
3. E-mail Address	TEXTC439	CONF	4.a.3.
4. Telephone	TEXTC440	CONF	4.a.4.
b. Secondary Contact			4.b.
1. Name	TEXTC442	CONF	4.b.1.
2. Title	TEXTC443	CONF	4.b.2.
3. E-mail Address	TEXTC444	CONF	4.b.3.
4. Telephone	TEXTC445	CONF	4.b.4.
c. Third Contact			4.c.
1. Name	TEXTC870	CONF	4.c.1.
2. Title	TEXTC871	CONF	4.c.2.
3. E-mail Address	TEXTC872	CONF	4.c.3.
4. Telephone	TEXTC873	CONF	4.c.4.
d. Fourth Contact			4.d.
1. Name	TEXTC875	CONF	4.d.1.
2. Title	TEXTC876	CONF	4.d.2.
3. E-mail Address	TEXTC877	CONF	4.d.3.
4. Telephone	TEXTC878	CONF	4.d.4.
5. Chief Executive Officer Contact Information			5.
a. Chief Executive Officer			5.a.
1. Name	TEXTFT42	CONF	5.a.1.
2. E-mail Address	TEXTFT44	CONF	5.a.2.
3. Telephone	TEXTFT43	CONF	5.a.3.
4. FAX	TEXTFT45	CONF	5.a.4.

Schedule RI - Income Statement(Form Type - 031)

All Report of Income schedules are to be reported on a calendar year-to-date basis in thousands of dollars.

Dollar amounts in thousands			
1. Interest income:			1.
a. Interest and fee income on loans:			1.a.
1. In domestic offices:			1.a.1.
a. Loans secured by real estate:			1.a.1.a.
1. Loans secured by 1-4 family residential properties	RIAD4435	150,173	1.a.1.a.1.
2. All other loans secured by real estate	RIAD4436	201,931	1.a.1.a.2.
b. Loans to finance agricultural production and other loans to farmers	RIAD4024	8,050	1.a.1.b.
c. Commercial and industrial loans	RIAD4012	829,795	1.a.1.c.
d. Loans to individuals for household, family, and other personal expenditures:			1.a.1.d.
1. Credit cards	RIADB485	16,248	1.a.1.d.1.
2. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	RIADB486	126,489	1.a.1.d.2.
e. Loans to foreign governments and official institutions	RIAD4056	0	1.a.1.e.
f. All other loans in domestic offices	RIADB487	289,393	1.a.1.f.
2. In foreign offices, Edge and Agreement subsidiaries, and IBFs	RIAD4059	NR	1.a.2.
3. Total interest and fee income on loans (sum of items 1.a.(1)(a) through 1.a.(2))	RIAD4010	1,622,079	1.a.3.
b. Income from lease financing receivables	RIAD4065	512	1.b.
c. Interest income on balances due from depository institutions[1]	RIAD4115	12,245	1.c.
d. Interest and dividend income on securities:			1.d.
1. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)	RIADB488	38,033	1.d.1.
2. Mortgage-backed securities	RIADB489	162,449	1.d.2.
3. All other securities (includes securities issued by states and political subdivisions in the U.S.)	RIAD4060	32,006	1.d.3.
e. Interest income from trading assets	RIAD4069	6,466	1.e.
f. Interest income on federal funds sold and securities purchased under agreements to resell	RIAD4020	1,937	1.f.
g. Other interest income	RIAD4518	2,839	1.g.
h. Total interest income (sum of items 1.a.(3) through 1.g)	RIAD4107	1,878,566	1.h.
2. Interest expense:			2.
a. Interest on deposits:			2.a.
1. Interest on deposits in domestic offices:			2.a.1.
a. Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	RIAD4508	5,455	2.a.1.a.
b. Nontransaction accounts:			2.a.1.b.
1. Savings deposits (includes MMDAs)	RIAD0093	44,594	2.a.1.b.1.
2. Time deposits of $250,000 or less	RIADHK03	40,022	2.a.1.b.2.
3. Time deposits of more than $250,000	RIADHK04	40,463	2.a.1.b.3.
2. Interest on deposits in foreign offices, Edge and Agreement subsidiaries, and IBFs	RIAD4172	NR	2.a.2.
b. Expense of federal funds purchased and securities sold under agreements to repurchase	RIAD4180	89	2.b.
c. Interest on trading liabilities and other borrowed money	RIAD4185	48,619	2.c.
d. Interest on subordinated notes and debentures	RIAD4200	4,370	2.d.
e. Total interest expense (sum of items 2.a through 2.d)	RIAD4073	183,612	2.e.
3. Net interest income (item 1.h minus 2.e)	RIAD4074	1,694,954	3.
4. Provision for loan and lease losses[1]	RIADJJ33	-193,644	4.
5. Noninterest income:			5.
a. Income from fiduciary activities[2]	RIAD4070	128,088	5.a.
b. Service charges on deposit accounts in domestic offices	RIAD4080	165,115	5.b.

1. Includes interest income on time certificates of deposit not held for trading.
1. Institutions that have adopted ASU 2016-13 should report in item 4, the provisions for credit losses for all financial assets and off-balance-sheet credit exposures that fall within the scope of the standard.
2. For banks required to complete Schedule RC-T, items 14 through 22, income from fiduciary activities reported in Schedule RI, item 5.a, must equal the amount reported in Schedule RC-T, item 22.

Dollar amounts in thousands			
c. Trading revenue[3]	RIADA220	-4,819	5.c.
d. Income from securities-related and insurance activities:			5.d.
1. Fees and commissions from securities brokerage	RIADC886	1,677	5.d.1.
2. Investment banking, advisory, and underwriting fees and commissions	RIADC888	9,147	5.d.2.
3. Fees and commissions from annuity sales	RIADC887	861	5.d.3.
4. Underwriting income from insurance and reinsurance activities	RIADC386	0	5.d.4.
5. Income from other insurance activities	RIADC387	0	5.d.5.
e. Venture capital revenue	RIADB491	0	5.e.
f. Net servicing fees	RIADB492	4,589	5.f.
g. Net securitization income	RIADB493	0	5.g.
h. Not applicable			5.h.
i. Net gains (losses) on sales of loans and leases	RIAD5416	25,149	5.i.
j. Net gains (losses) on sales of other real estate owned	RIAD5415	558	5.j.
k. Net gains (losses) on sales of other assets[4]	RIADB496	-726	5.k.
l. Other noninterest income*	RIADB497	244,180	5.l.
m. Total noninterest income (sum of items 5.a through 5.l)	RIAD4079	573,819	5.m.
6. Not available			6.
a. Realized gains (losses) on held-to-maturity securities	RIAD3521	0	6.a.
b. Realized gains (losses) on available-for-sale debt securities	RIAD3196	1,463	6.b.
7. Noninterest expense:			7.
a. Salaries and employee benefits	RIAD4135	685,552	7.a.
b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)	RIAD4217	176,926	7.b.
c. Not available			7.c.
1. Goodwill impairment losses	RIADC216	0	7.c.1.
2. Amortization expense and impairment losses for other intangible assets	RIADC232	15,439	7.c.2.
d. Other noninterest expense*	RIAD4092	379,601	7.d.
e. Total noninterest expense (sum of items 7.a through 7.d)	RIAD4093	1,257,518	7.e.
8. Not available			8.
a. Income (loss) before change in net unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations (item 3 plus or minus items 4, 5.m, 6.a, 6.b, and 7.e)	RIADHT69	1,206,362	8.a.
b. Change in net unrealized holding gains (losses) on equity securities not held for trading[5]	RIADHT70	64,461	8.b.
c. Income (loss) before applicable income taxes and discontinued operations (sum of items 8.a and 8.b)	RIAD4301	1,270,823	8.c.
9. Applicable income taxes (on item 8.c)	RIAD4302	313,903	9.
10. Income (loss) before discontinued operations (item 8.c minus item 9)	RIAD4300	956,920	10.
11. Discontinued operations, net of applicable income taxes (Describe on Schedule RI-E - Explanations)*	RIADFT28	0	11.
12. Net income (loss) attributable to bank and noncontrolling (minority) interests (sum of items 10 and 11)	RIADG104	956,920	12.
13. LESS: Net income (loss) attributable to noncontrolling (minority) interests (if net income, report as a positive value; if net loss, report as a negative value)	RIADG103	0	13.
14. Net income (loss) attributable to bank (item 12 minus item 13)	RIAD4340	956,920	14.
1. Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes	RIAD4513	2,250	M.1.
Memorandum item 2 is to be completed by banks with $1 billion or more in total assets 2. Income from the sale and servicing of mutual funds and annuities in domestic offices (included in Schedule RI, item 8)	RIAD8431	2,538	M.2.
3. Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule RI, items 1.a and 1.b)	RIAD4313	15,380	M.3.
4. Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule RI, item 1.d.(3))	RIAD4507	23,413	M.4.
5. Number of full-time equivalent employees at end of current period (round to nearest whole number)	RIAD4150	10357	M.5.
6. Not applicable			M.6.

3. For banks required to complete Schedule RI, Memorandum item 8, trading revenue reported in Schedule RI, item 5.c, must equal the sum of Memorandum items 8.a through 8.e.
4. Exclude net gains (losses) on sales of trading assets and held-to-maturity and available-for-sale debt securities.
*. Describe on Schedule RI-E—Explanations.
5. Item 8.b is to be completed by all institutions. See the instructions this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.

Dollar amounts in thousands			
7. If the reporting institution has applied pushdown accounting this calendar year, report the date of the institution's acquisition (see instructions)[2]	RIAD9106	00000000	M.7.
8. Trading revenue (from cash instruments and derivative instruments) (sum of Memorandum items 8.a through 8.e must equal Schedule RI, item 5.c):			M.8.
Memorandum items 8.a through 8.e are to be completed by banks that reported average trading assets (Schedule RC-K, item 7) of $2 million or more for any quarter of the preceding calendar year. a. Interest rate exposures	RIAD8757	-11,274	M.8.a.
b. Foreign exchange exposures	RIAD8758	22	M.8.b.
c. Equity security and index exposures	RIAD8759	8,729	M.8.c.
d. Commodity and other exposures	RIAD8760	0	M.8.d.
e. Credit exposures	RIADF186	-2,297	M.8.e.
Memorandum items 8.f through 8.h are to be completed by banks with $100 billion or more in total assets that are required to complete Schedule RI, Memorandum items 8.a through 8.e, above. f. Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets (year-to-date changes) (included in Memorandum items 8.a through 8.e above):			M.8.f.
1. Gross credit valuation adjustment (CVA)	RIADFT36	296	M.8.f.1.
2. CVA hedge	RIADFT37	0	M.8.f.2.
g. Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities (year-to-date changes) (included in Memorandum items 8.a through 8.e above):			M.8.g.
1. Gross debit valuation adjustment (DVA)	RIADFT38	0	M.8.g.1.
2. DVA hedge	RIADFT39	0	M.8.g.2.
h. Gross trading revenue, before including positive or negative net CVA and net DVA	RIADFT40	-5,624	M.8.h.
9. Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:			M.9.
a. Net gains (losses) on credit derivatives held for trading	RIADC889	-2,297	M.9.a.
b. Net gains (losses) on credit derivatives held for purposes other than trading	RIADC890	0	M.9.b.
10. Credit losses on derivatives (see instructions)	RIADA251	0	M.10.
11. Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?	RIADA530	No	M.11.
Memorandum item 12 is to be completed by banks that are required to complete Schedule RC-C, Part I, Memorandum items 8.b and 8.c and is to be completed semiannually in the June and December reports only. 12. Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (included in Schedule RI, item 1.a.(1)(a)(1))	RIADF228	NR	M.12.
Memorandum item 13 is to be completed by banks that have elected to account for assets and liabilities under a fair value option. 13. Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:			M.13.
a. Net gains (losses) on assets	RIADF551	0	M.13.a.
1. Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk	RIADF552	0	M.13.a.1.
b. Net gains (losses) on liabilities	RIADF553	-12,163	M.13.b.
1. Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk	RIADF554	0	M.13.b.1.
14. Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities[2]	RIADJ321	0	M.14.
Memorandum item 15 is to be completed by institutions with $1 billion or more in total assets that answered "Yes" to Schedule RC-E, Part I, Memorandum item 5. 15. Components of service charges on deposit accounts in domestic offices (sum of Memorandum items 15.a through 15.d must equal Schedule RI, item 5.b):			M.15.
a. Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use	RIADH032	8,091	M.15.a.
b. Consumer account periodic maintenance charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use	RIADH033	5,321	M.15.b.
c. Consumer customer automated teller machine (ATM) fees levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use	RIADH034	5,713	M.15.c.
d. All other service charges on deposit accounts	RIADH035	145,991	M.15.d.

2. Report the date in YYYYMMDD format. For example, a bank acquired on March 1, 2019, would report 20190301.
2. Memorandum item 14 is to be completed only by institutions that have not adopted ASU 2016-13.

Schedule RI-A - Changes in Bank Equity Capital(Form Type - 031)

Dollar amounts in thousands			
1. Total bank equity capital most recently reported for the December 31, 2020, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	RIAD3217	18,116,555	1.
2. Cumulative effect of changes in accounting principles and corrections of material accounting errors*	RIADB507	0	2.
3. Balance end of previous calendar year as restated (sum of items 1 and 2)	RIADB508	18,116,555	3.
4. Net income (loss) attributable to bank (must equal Schedule RI, item 14)	RIAD4340	956,920	4.
5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions)	RIADB509	323	5.
6. Treasury stock transactions, net	RIADB510	0	6.
7. Changes incident to business combinations, net	RIAD4356	0	7.
8. LESS: Cash dividends declared on preferred stock	RIAD4470	0	8.
9. LESS: Cash dividends declared on common stock	RIAD4460	211,900	9.
10. Other comprehensive income[1]	RIADB511	-393,432	10.
11. Other transactions with stockholders (including a parent holding company) (not included in items 5, 6, 8, or 9 above)*	RIAD4415	0	11.
12. Total bank equity capital end of current period (sum of items 3 through 11) (must equal Schedule RC, item 27.a)	RIAD3210	18,468,466	12.

*. Describe on Schedule RI-E—Explanations

1. Includes, but is not limited to, changes in net unrealized holding gains (losses) on available-for-sale debt securities, changes in accumulated net gains (losses) on cash flow hedges, foreign currency translation adjustments, and pension and other postretirement plan-related changes other than net periodic benefit cost.

Schedule RI-B Part I - Charge-offs and Recoveries on Loans and Leases(Form Type - 031)

Part I includes charge-offs and recoveries through the allocated transfer risk reserve.

Dollar amounts in thousands	(Column A) Charge-offs Calendar year-to-date		(Column B) Recoveries Calendar year-to-date		
1. Loans secured by real estate:					1.
a. Construction, land development, and other land loans in domestic offices:					1.a.
1. 1-4 family residential construction loans	RIADC891	0	RIADC892	371	1.a.1.
2. Other construction loans and all land development and other land loans	RIADC893	191	RIADC894	936	1.a.2.
b. Secured by farmland in domestic offices	RIAD3584	587	RIAD3585	20	1.b.
c. Secured by 1-4 family residential properties in domestic offices:					1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RIAD5411	2,737	RIAD5412	7,005	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:					1.c.2.
a. Secured by first liens	RIADC234	2,420	RIADC217	5,046	1.c.2.a.
b. Secured by junior liens	RIADC235	1,101	RIADC218	4,248	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties in domestic offices	RIAD3588	0	RIAD3589	10	1.d.
e. Secured by nonfarm nonresidential properties in domestic offices:					1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RIADC895	321	RIADC896	232	1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RIADC897	0	RIADC898	166	1.e.2.
f. In foreign offices	RIADB512	NR	RIADB513	NR	1.f.
2. Not applicable					2.
3. Loans to finance agricultural production and other loans to farmers	RIAD4655	0	RIAD4665	511	3.
4. Commercial and industrial loans:					4.
a. To U.S. addressees (domicile)	RIAD4645	71,293	RIAD4617	9,186	4.a.
b. To non-U.S. addressees (domicile)	RIAD4646	0	RIAD4618	0	4.b.
5. Loans to individuals for household, family, and other personal expenditures:					5.
a. Credit cards	RIADB514	9,404	RIADB515	1,916	5.a.
b. Automobile loans	RIADK129	10,919	RIADK133	10,321	5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RIADK205	4,792	RIADK206	1,084	5.c.
6. Loans to foreign governments and official institutions	RIAD4643	0	RIAD4627	0	6.
7. All other loans	RIAD4644	387	RIAD4628	2,767	7.
8. Lease financing receivables:					8.
a. Leases to individuals for household, family, and other personal expenditures	RIADF185	0	RIADF187	0	8.a.
b. All other leases	RIADC880	359	RIADF188	437	8.b.
9. Total (sum of items 1 through 8)	RIAD4635	104,511	RIAD4605	44,256	9.
1. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RI-B, part I, items 4 and 7, above	RIAD5409	0	RIAD5410	0	M.1.
2. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 1, above)	RIAD4652	0	RIAD4662	0	M.2.
3. Not applicable					M.3.

Dollar amounts in thousands			
Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes. 4. Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses)[2]	RIADC388	NR	M.4.

2. Institutions that have adopted ASU 2016-13 should report in Memorandum item 4 uncollectible retail credit card fees and finance charges reversed against income (i.e. not included in charge-offs against the allowance for credit losses on loans and leases).

Schedule RI-B Part II - Changes in Allowances for Credit Losses(Form Type - 031)

Dollar amounts in thousands	(Column A) Loans and Leases Held for Investment		(Column B) Held-to-maturity Debt Securities		(Column C) Available-for-sale Debt Securities		
1. Balance most recently reported for the December 31, 2020, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)........	RIADB522	1,188,203	RIADJH88	NR	RIADJH94	NR	1.
2. Recoveries (column A must equal Part I, item 9, column B, above)............	RIAD4605	44,256	RIADJH89	NR	RIADJH95	NR	2.
3. LESS: Charge-offs (column A must equal Part I, item 9, column A, above less Schedule RI-B, Part II, item 4, column A)........	RIADC079	104,511	RIADJH92	NR	RIADJH98	NR	3.
4. LESS: Write-downs arising from transfers of financial assets[3]........	RIAD5523	0	RIADJJ00	NR	RIADJJ01	NR	4.
5. Provisions for credit losses[4]........	RIAD4230	-193,644	RIADJH90	NR	RIADJH96	NR	5.
6. Adjustments* (see instructions for this schedule)[*]........	RIADC233	0	RIADJH91	NR	RIADJH97	NR	6.
7. Balance end of current period (sum of items 1, 2, 5, and 6, less items 3 and 4) (column A must equal Schedule RC, item 4.c)........	RIAD3123	934,304	RIADJH93	NR	RIADJH99	NR	7.

Dollar amounts in thousands			
1. Allocated transfer risk reserve included in Schedule RI-B, Part II, item 7, column A, above........	RIADC435	0	M.1.
Memorandum items 2 and 3 are to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes. 2. Separate valuation allowance for uncollectible retail credit card fees and finance charges........	RIADC389	NR	M.2.
3. Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges[1]........	RIADC390	NR	M.3.
4. Amount of allowance for post-acquisition credit losses on purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (included in Schedule RI-B, Part II, item 7, column A, above)[2]........	RIADC781	35,006	M.4.
5. Provisions for credit losses on other financial assets measured at amortized cost (not included in item 5, above)[3]...	RIADJJ02	NR	M.5.
6. Allowance for credit losses on other financial assets measured at amortized cost (not included in item 7, above)[3]...	RCFDJJ03	NR	M.6.
7. Provisions for credit losses on off-balance-sheet credit exposures[3]........	RIADMG93	NR	M.7.
8. Estimated amount of expected recoveries of amounts previously written off included within the allowance for credit losses on loans and leases held for investment (included in item 7, column A, "Balance end of current period," above)[3]........	RIADMG94	NR	M.8.

3. Institutions that have not yet adopted ASU 2016-13 should report write-downs arising from transfers of loans to a held-for-sale account in item 4, column A.
4. Institutions that have not yet adopted ASU 2016-13 should report the provision for loan and lease losses in item 5, column A and the amount reported must equal Schedule RI, item 4.
*. Describe on Schedule RI-E - Explanations.
1. Institutions that have adopted ASU 2016-13 should report in Memorandum item 3 the amount of allowance for credit losses on loans and leases attributable to retail credit card fees and finance charges.
2. Memorandum item 4 is to be completed only by institutions that have not yet adopted ASU 2016-13.
3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.
3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.
3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.
3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.

Schedule RI-C Part I - Disaggregated Data on the Allowance for Loan and Lease Losses(Form Type - 031)

Schedule RI-C is to be completed by institutions with $1 billion or more in total assets.

Dollar amounts in thousands	(Column A) Recorded Investment: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)	(Column B) Allowance Balance: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)	(Column C) Recorded Investment: Collectively Evaluated for Impairment (ASC 450-20)	(Column D) Allowance Balance: Collectively Evaluated for Impairment (ASC 450-20)	(Column E) Recorded Investment: Purchased Credit-Impaired Loans (ASC 310-30)	(Column F) Allowance Balance: Purchased Credit-Impaired Loans (ASC 310-30)	
1. Real estate loans:							1.
a. Construction loans	RCFDM708 10,240	RCFDM709 2,541	RCFDM710 3,326,360	RCFDM711 76,470	RCFDM712 1,321	RCFDM713 0	1.a.
b. Commercial real estate loans	RCFDM714 172,014	RCFDM715 17,757	RCFDM716 8,328,365	RCFDM717 135,236	RCFDM719 38,150	RCFDM720 21,770	1.b.
c. Residential real estate loans	RCFDM721 216,558	RCFDM722 26,723	RCFDM723 8,507,581	RCFDM724 23,633	RCFDM725 4,947	RCFDM726 167	1.c.
2. Commercial loans[3]	RCFDM727 352,726	RCFDM728 71,784	RCFDM729 54,010,239	RCFDM730 497,443	RCFDM731 22,776	RCFDM732 12,552	2.
3. Credit cards	RCFDM733 0	RCFDM734 0	RCFDM735 372,524	RCFDM736 18,061	RCFDM737 0	RCFDM738 0	3.
4. Other consumer loans	RCFDM739 21,593	RCFDM740 1,071	RCFDM741 7,789,784	RCFDM742 28,579	RCFDM743 517	RCFDM744 517	4.
5. Unallocated, if any				RCFDM745 0			5.
6. Total (for each column, sum of items 1.a through 5)[4]	RCFDM746 773,131	RCFDM747 119,876	RCFDM748 82,334,853	RCFDM749 779,422	RCFDM750 67,711	RCFDM751 35,006	6.

3. Include all loans and leases not reported as real estate loans, credit cards, or other consumer loans in items 1, 3, or 4 of Schedule RI-C.
4. The sum of item 6, columns B, D, and F, must equal Schedule RC, item 4.c. Item 6, column E, must equal Schedule RC-C, Part I, Memorandum item 7.b. Item 6, column F, must equal Schedule RI-B, Part II, Memorandum item 4.

Schedule RI-C Part II - Disaggregated Data on the Allowances for Credit Losses(Form Type - 031)

Dollar amounts in thousands	(Column A) Amortized Cost		(Column B) Allowance Balance		
1. Real estate loans:					1.
a. Construction loans	RCFDJJ04	NR	RCFDJJ12	NR	1.a.
b. Commercial real estate loans	RCFDJJ05	NR	RCFDJJ13	NR	1.b.
c. Residential real estate loans	RCFDJJ06	NR	RCFDJJ14	NR	1.c.
2. Commercial loans[3]	RCFDJJ07	NR	RCFDJJ15	NR	2.
3. Credit cards	RCFDJJ08	NR	RCFDJJ16	NR	3.
4. Other consumer loans	RCFDJJ09	NR	RCFDJJ17	NR	4.
5. Unallocated, if any			RCFDJJ18	NR	5.
6. Total (sum of items 1.a. through 5)[4]	RCFDJJ11	NR	RCFDJJ19	NR	6.

Dollar amounts in thousands			
7. Securities issued by states and political subdivisions in the U.S.	RCFDJJ20	NR	7.
8. Mortgage-backed securities (MBS) (including CMOs, REMICs, and stripped MBS)	RCFDJJ21	NR	8.
9. Asset-backed securities and structured financial products	RCFDJJ23	NR	9.
10. Other debt securities	RCFDJJ24	NR	10.
11. Total (sum of items 7 through 10)[5]	RCFDJJ25	NR	11.

Schedule RI-D - Income from Foreign Offices(Form Type - 031)

For all banks with foreign offices (including Edge or Agreement subsidiaries and IBFs) and total foreign office assets of $10 billion or more where foreign office revenues, assets, or net income exceed 10 percent of consolidated total revenues, total assets, or net income.

Dollar amounts in thousands			
1. Total interest income in foreign offices	RIADC899	NR	1.
2. Total interest expense in foreign offices	RIADC900	NR	2.
3. Provision for loan and lease losses in foreign offices[1]	RIADKW02	NR	3.
4. Noninterest income in foreign offices:			4.
a. Trading revenue	RIADC902	NR	4.a.
b. Investment banking, advisory, brokerage, and underwriting fees and commissions	RIADC903	NR	4.b.
c. Net securitization income	RIADC904	NR	4.c.
d. Other noninterest income	RIADC905	NR	4.d.
5. Realized gains (losses) on held-to-maturity and available-for-sale debt securities and change in net unrealized holding gains (losses) on equity securities not held for trading in foreign offices	RIADJA28	NR	5.
6. Total noninterest expense in foreign offices	RIADC907	NR	6.
7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs	RIADC908	NR	7.
8. Applicable income taxes (on items 1 through 7)	RIADC909	NR	8.
9. Discontinued operations, net of applicable income taxes, in foreign offices	RIADGW64	NR	9.
10. Net income attributable to foreign offices before internal allocations of income and expense (item 1 plus or minus items 2 through 9)	RIADC911	NR	10.
11. Not applicable			11.
12. Eliminations arising from the consolidation of foreign offices with domestic offices	RIADC913	NR	12.
13. Consolidated net income attributable to foreign offices (sum of items 10 and 12)	RIADC914	NR	13.

3. Include all loans and leases not reported as real estate loans, credit cards, or other consumer loans in item 1, 3, or 4 of Schedule RI-C, Part II.
4. Item 6, column B must equal schedule RC, item 4.c.
5. Item 11 must equal Schedule RI-B, Part II, item 7, column B.
1. Institutions that have adopted ASU 2016-13 should report the provisions for credit losses in foreign offices for all financial assets and off-balance-sheet credit exposures that fall within the scope of the standard in item 3.

Schedule RI-E - Explanations (Form Type - 031)

Schedule RI-E is to be completed each quarter on a calendar year-to-date basis.

Detail all adjustments in Schedule RI-A and RI-B, all extraordinary items and other adjustments in Schedule RI, and all significant items of other noninterest income and other noninterest expense in Schedule RI. (See instructions for details.)

Dollar amounts in thousands			
1. Other noninterest income (from Schedule RI, item 5.l) Itemize and describe amounts greater than $100,000 that exceed 7 percent of Schedule RI, item 5.l:			1.
a. Income and fees from the printing and sale of checks	RIADC013	0	1.a.
b. Earnings on/increase in value of cash surrender value of life insurance	RIADC014	36,665	1.b.
c. Income and fees from automated teller machines (ATMs)	RIADC016	0	1.c.
d. Rent and other income from other real estate owned	RIAD4042	0	1.d.
e. Safe deposit box rent	RIADC015	0	1.e.
f. Bank card and credit card interchange fees	RIADF555	61,799	1.f.
g. Income and fees from wire transfers	RIADT047	0	1.g.
h. Disclose component and the dollar amount of that component:			1.h.
1. Describe component	TEXT4461	NR	1.h.1.
2. Amount of component	RIAD4461	0	1.h.2.
i. Disclose component and the dollar amount of that component:			1.i.
1. Describe component	TEXT4462	Click here for value	1.i.1.
2. Amount of component	RIAD4462	72,316	1.i.2.
j. Disclose component and the dollar amount of that component:			1.j.
1. Describe component	TEXT4463	Click here for value	1.j.1.
2. Amount of component	RIAD4463	37,732	1.j.2.
2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than $100,000 that exceed 7 percent of Schedule RI, item 7.d:			2.
a. Data processing expenses	RIADC017	62,790	2.a.
b. Advertising and marketing expenses	RIAD0497	43,377	2.b.
c. Directors' fees	RIAD4136	0	2.c.
d. Printing, stationery, and supplies	RIADC018	0	2.d.
e. Postage	RIAD8403	0	2.e.
f. Legal fees and expenses	RIAD4141	0	2.f.
g. FDIC deposit insurance assessments	RIAD4146	CONF	2.g.
h. Accounting and auditing expenses	RIADF556	0	2.h.
i. Consulting and advisory expenses	RIADF557	0	2.i.
j. Automated teller machine (ATM) and interchange expenses	RIADF558	0	2.j.
k. Telecommunications expenses	RIADF559	30,625	2.k.
l. Other real estate owned expenses	RIADY923	0	2.l.
m. Insurance expenses (not included in employee expenses, premises and fixed asset expenses, and other real estate owned expenses)	RIADY924	0	2.m.
n. Disclose component and the dollar amount of that component:			2.n.
1. Describe component	TEXT4464	Click here for value	2.n.1.
2. Amount of component	RIAD4464	53,906	2.n.2.
o. Disclose component and the dollar amount of that component:			2.o.
1. Describe component	TEXT4467	Click here for value	2.o.1.
2. Amount of component	RIAD4467	46,633	2.o.2.
p. Disclose component and the dollar amount of that component:			2.p.
1. Describe component	TEXT4468	Click here for value	2.p.1.
2. Amount of component	RIAD4468	48,779	2.p.2.
3. Discontinued operations and applicable income tax effect (from Schedule RI, item 11) (itemize and describe each discontinued operation):			3.
a. Disclose component, the gross dollar amount of that component, and its related income tax:			3.a.
1. Describe component	TEXTFT29	NR	3.a.1.
2. Amount of component	RIADFT29	0	3.a.2.

Dollar amounts in thousands			
3. Applicable income tax effect	RIADFT30	0	3.a.3.
b. Disclose component, the gross dollar amount of that component, and its related income tax:			3.b.
1. Describe component	TEXTFT31	NR	3.b.1.
2. Amount of component	RIADFT31	0	3.b.2.
3. Applicable income tax effect	RIADFT32	0	3.b.3.
4. Cumulative effect of changes in accounting principles and corrections of material accounting errors (from Schedule RI-A, item 2) (itemize and describe all such effects):			4.
a. Effect of adoption of Current Expected Credit Losses Methodology - ASU 2016-13[1]	RIADJJ26	NR	4.a.
b. Effect of adoption of lease accounting standard - ASC Topic 842	RIADKW17	NR	4.b.
c. Disclose component and the dollar amount of that component:			4.c.
1. Describe component	TEXTB526	NR	4.c.1.
2. Amount of component	RIADB526	0	4.c.2.
d. Disclose component and the dollar amount of that component:			4.d.
1. Describe component	TEXTB527	NR	4.d.1.
2. Amount of component	RIADB527	0	4.d.2.
5. Other transactions with stockholders (including a parent holding company) (from Schedule RI-A, item 11) (itemize and describe all such transactions):			5.
a. Disclose component and the dollar amount of that component:			5.a.
1. Describe component	TEXT4498	NR	5.a.1.
2. Amount of component	RIAD4498	0	5.a.2.
b. Disclose component and the dollar amount of that component:			5.b.
1. Describe component	TEXT4499	NR	5.b.1.
2. Amount of component	RIAD4499	0	5.b.2.
6. Adjustments to allowances for credit losses (from Schedule RI-B, part II, item 6) (itemize and describe all adjustments):[3]			6.
a. Initial allowances for credit losses recognized upon the acquisition of purchased credit-deteriorated assets on or after the effective date of ASU 2016-13[1]	RIADJJ27	NR	6.a.
b. Effect of adoption of current expected credit losses methodology on allowances for credit losses[1]	RIADJJ28	NR	6.b.
c. Disclose component and the dollar amount of that component:			6.c.
1. Describe component	TEXT4521	NR	6.c.1.
2. Amount of component	RIAD4521	0	6.c.2.
d. Disclose component and the dollar amount of that component:			6.d.
1. Describe component	TEXT4522	NR	6.d.1.
2. Amount of component	RIAD4522	0	6.d.2.
7. Other explanations (the space below is provided for the bank to briefly describe, at its option, any other significant items affecting the Report of Income):			7.
a. Comments?	RIAD4769	Yes	7.a.
b. Other explanations	TEXT4769	Click here for value	7.b.

(TEXT4462) Rent on Operating Leases to others

(TEXT4463) Syndication Underwriting fee income

(TEXT4464) Depreciation&Maintenance on Equip leased to others

(TEXT4467) Software Amortization

(TEXT4468) Contract programming and contract services

1. Only institutions that have adopted ASU 2016-13 should report amounts in items 4.a, 6.a and 6.b, if applicable.
3. Institutions that have not adopted ASU 2016-13 should report the allowance for loan and lease losses in item 6, where applicable.
1. Only institutions that have adopted ASU 2016-13 should report amounts in items 4.a, 6.a and 6.b, if applicable.
1. Only institutions that have adopted ASU 2016-13 should report amounts in items 4.a, 6.a and 6.b, if applicable.

(TEXT4769) RI E, Line 1, Letter of credit fees $17,103

Schedule RC - Balance Sheet(Form Type - 031)

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Dollar amounts in thousands			
1. Cash and balances due from depository institutions (from Schedule RC-A):			1.
a. Noninterest-bearing balances and currency and coin[1]	RCFD0081	1,209,632	1.a.
b. Interest-bearing balances[2]	RCFD0071	27,828,600	1.b.
2. Securities:			2.
a. Held-to-maturity securities (from Schedule RC-B, column A)[3]	RCFDJJ34	3,334,014	2.a.
b. Available-for-sale debt securities (from Schedule RC-B, column D)	RCFD1773	34,489,937	2.b.
c. Equity securities with readily determinable fair values not held for trading[4]	RCFDJA22	0	2.c.
3. Federal funds sold and securities purchased under agreements to resell:			3.
a. Federal funds sold in domestic offices	RCONB987	0	3.a.
b. Securities purchased under agreements to resell[5]	RCFDB989	209,815	3.b.
4. Loans and lease financing receivables (from Schedule RC-C):			4.
a. Loans and leases held for sale	RCFD5369	24,730	4.a.
b. Loans and leases held for investment	RCFDB528	83,175,695	4.b.
c. LESS: Allowance for loan and lease losses[7]	RCFD3123	934,304	4.c.
d. Loans and leases held for investment, net of allowance (item 4.b minus 4.c)	RCFDB529	82,241,391	4.d.
5. Trading assets (from Schedule RC-D)	RCFD3545	438,732	5.
6. Premises and fixed assets (including capitalized leases)	RCFD2145	1,031,835	6.
7. Other real estate owned (from Schedule RC-M)	RCFD2150	3,182	7.
8. Investments in unconsolidated subsidiaries and associated companies	RCFD2130	8,347	8.
9. Direct and indirect investments in real estate ventures	RCFD3656	0	9.
10. Intangible assets (from Schedule RC-M)	RCFD2143	3,160,800	10.
11. Other assets (from Schedule RC-F)[6]	RCFD2160	5,857,630	11.
12. Total assets (sum of items 1 through 11)	RCFD2170	159,838,645	12.
13. Deposits:			13.
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)	RCON2200	134,298,392	13.a.
1. Noninterest-bearing[8]	RCON6631	40,129,961	13.a.1.
2. Interest-bearing	RCON6636	94,168,431	13.a.2.
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)	RCFN2200	NR	13.b.
1. Noninterest-bearing	RCFN6631	NR	13.b.1.
2. Interest-bearing	RCFN6636	NR	13.b.2.
14. Federal funds purchased and securities sold under agreements to repurchase:			14.
a. Federal funds purchased in domestic offices[9]	RCONB993	83,609	14.a.
b. Securities sold under agreements to repurchase[10]	RCFDB995	235,153	14.b.
15. Trading liabilities (from Schedule RC-D)	RCFD3548	22,949	15.
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)	RCFD3190	4,278,989	16.
17. Not applicable			17.
18. Not applicable			18.
19. Subordinated notes and debentures[1]	RCFD3200	500,000	19.

1. Includes cash items in process of collection and unposted debits.
2. Includes time certificates of deposit not held for trading.
3. Institutions that have adopted ASU 2016-13 should report in item 2.a, amounts net of any applicable allowance for credit losses, and should equal to Schedule RC-B, item 8, column A less Schedule RI-B, Part II, item 7, column B.
4. Item 2.c is to be completed by all institutions. See the instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.
5. Includes all securities resale agreements, regardless of maturity.
7. Institutions that have adopted ASU 2016-13 should report in item 4.c the allowance for credit losses on loans and leases.
6. Institutions that have adopted ASU 2016-13 should report in items 3.b and 11 amounts net of any applicable allowance for credit losses.
8. Includes noninterest-bearing demand, time, and savings deposits.
9. Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "Other borrowed money."
10. Includes all securities repurchase agreements, regardless of maturity.
1. Includes limited-life preferred stock and related surplus.

Dollar amounts in thousands			
20. Other liabilities (from Schedule RC-G)	RCFD2930	1,951,087	20.
21. Total liabilities (sum of items 13 through 20)	RCFD2948	141,370,179	21.
22. Not applicable			22.
23. Perpetual preferred stock and related surplus	RCFD3838	0	23.
24. Common stock	RCFD3230	510,185	24.
25. Surplus (exclude all surplus related to preferred stock)	RCFD3839	11,523,897	25.
26. Not available			26.
a. Retained earnings	RCFD3632	6,025,272	26.a.
b. Accumulated other comprehensive income[2]	RCFDB530	409,112	26.b.
c. Other equity capital components[3]	RCFDA130	0	26.c.
27. Not available			27.
a. Total bank equity capital (sum of items 23 through 26.c)	RCFD3210	18,468,466	27.a.
b. Noncontrolling (minority) interests in consolidated subsidiaries	RCFD3000	0	27.b.
28. Total equity capital (sum of items 27.a and 27.b)	RCFDG105	18,468,466	28.
29. Total liabilities and equity capital (sum of items 21 and 28)	RCFD3300	159,838,645	29.
1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2020	RCFD6724	NR	M.1.
2. Bank's fiscal year-end date (report the date in MMDD format)	RCON8678	NR	M.2.

Schedule RC-A - Cash and Balances Due From Depository Institutions(Form Type - 031)

Exclude assets held for trading.

Dollar amounts in thousands	(Column A) Consolidated Bank		(Column B) Domestic Offices		
1. Cash items in process of collection, unposted debits, and currency and coin	RCFD0022	1,176,109			1.
a. Cash items in process of collection and unposted debits			RCON0020	773,092	1.a.
b. Currency and coin			RCON0080	403,017	1.b.
2. Balances due from depository institutions in the U.S.	RCFD0082	42,060	RCON0082	42,060	2.
3. Balances due from banks in foreign countries and foreign central banks	RCFD0070	1,872,216	RCON0070	1,872,216	3.
4. Balances due from Federal Reserve Banks	RCFD0090	25,947,847	RCON0090	25,947,847	4.
5. Total	RCFD0010	29,038,232	RCON0010	29,038,232	5.

2. Includes, but is not limited to, net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and accumulated defined benefit pension and other postretirement plan adjustments.
3. Includes treasury stock and unearned Employee Stock Ownership Plan shares.

Schedule RC-B - Securities(Form Type - 031)

Exclude assets held for trading.

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost		(Column B) Held-to-maturity Fair Value		(Column C) Available-for-sale Amortized Cost		(Column D) Available-for-sale Fair Value		
1. U.S. Treasury securities	RCFD0211	0	RCFD0213	0	RCFD1286	5,992,910	RCFD1287	6,114,739	1.
2. U.S. Government agency and sponsored agency obligations (exclude mortgage-backed securities)[1]	RCFDHT50	0	RCFDHT51	0	RCFDHT52	868,820	RCFDHT53	889,209	2.
3. Securities issued by states and political subdivisions in the U.S.	RCFD8496	0	RCFD8497	0	RCFD8498	2,662,919	RCFD8499	2,730,407	3.
4. Mortgage-backed securities (MBS):									4.
a. Residential mortgage pass-through securities:									4.a.
1. Guaranteed by GNMA	RCFDG300	174,609	RCFDG301	180,881	RCFDG302	203,507	RCFDG303	210,860	4.a.1.
2. Issued by FNMA and FHLMC	RCFDG304	1,212,521	RCFDG305	1,268,465	RCFDG306	3,103,322	RCFDG307	3,141,895	4.a.2.
3. Other pass-through securities	RCFDG308	0	RCFDG309	0	RCFDG310	0	RCFDG311	0	4.a.3.
b. Other residential mortgage-backed securities (include CMOs, REMICs, and stripped MBS):									4.b.
1. Issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCFDG312	821,936	RCFDG313	869,631	RCFDG314	17,571,039	RCFDG315	17,580,663	4.b.1.
2. Collateralized by MBS issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCFDG316	0	RCFDG317	0	RCFDG318	0	RCFDG319	0	4.b.2.
3. All other residential MBS	RCFDG320	5,626	RCFDG321	5,574	RCFDG322	0	RCFDG323	0	4.b.3.
c. Commercial MBS:									4.c.
1. Commercial mortgage pass-through securities:									4.c.1.
a. Issued or guaranteed by FNMA, FHLMC, or GNMA	RCFDK142	1,119,322	RCFDK143	1,179,510	RCFDK144	2,979,291	RCFDK145	3,024,131	4.c.1.a.
b. Other pass-through securities	RCFDK146	0	RCFDK147	0	RCFDK148	0	RCFDK149	0	4.c.1.b.
2. Other commercial MBS:									4.c.2.
a. Issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCFDK150	0	RCFDK151	0	RCFDK152	797,483	RCFDK153	793,874	4.c.2.a.
b. All other commercial MBS	RCFDK154	0	RCFDK155	0	RCFDK156	0	RCFDK157	0	4.c.2.b.
5. Asset-backed securities and structured financial products:									5.
a. Asset-backed securities (ABS)	RCFDC026	0	RCFDC988	0	RCFDC989	0	RCFDC027	0	5.a.
b. Structured financial products	RCFDHT58	0	RCFDHT59	0	RCFDHT60	0	RCFDHT61	0	5.b.
6. Other debt securities:									6.
a. Other domestic debt securities	RCFD1737	0	RCFD1738	0	RCFD1739	0	RCFD1741	0	6.a.
b. Other foreign debt securities	RCFD1742	0	RCFD1743	0	RCFD1744	4,100	RCFD1746	4,159	6.b.
7. Not applicable.									7.
8. Total (sum of items 1 through 6.b)[2]	RCFD1754	3,334,014	RCFD1771	3,504,061	RCFD1772	34,183,391	RCFD1773	34,489,937	8.

Dollar amounts in thousands			
1. Pledged securities[1]	RCFD0416	3,201,601	M.1.
2. Maturity and repricing data for debt securities (excluding those in nonaccrual status):[1]			M.2.
a. Securities issued by the U.S. Treasury, U.S. Government agencies, and states and political subdivisions in the U.S.; other non-mortgage debt securities; and mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of:[2]			M.2.a.
1. Three months or less	RCFDA549	2,043,777	M.2.a.1.
2. Over three months through 12 months	RCFDA550	663,884	M.2.a.2.
3. Over one year through three years	RCFDA551	1,755,150	M.2.a.3.
4. Over three years through five years	RCFDA552	3,399,401	M.2.a.4.
5. Over five years through 15 years	RCFDA553	6,013,078	M.2.a.5.
6. Over 15 years	RCFDA554	6,677	M.2.a.6.
b. Mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of:[2]			M.2.b.
1. Three months or less	RCFDA555	95,172	M.2.b.1.
2. Over three months through 12 months	RCFDA556	1,611	M.2.b.2.
3. Over one year through three years	RCFDA557	979	M.2.b.3.
4. Over three years through five years	RCFDA558	12,294	M.2.b.4.
5. Over five years through 15 years	RCFDA559	4,596,013	M.2.b.5.
6. Over 15 years	RCFDA560	33,816	M.2.b.6.
c. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS; exclude mortgage pass-through securities) with an expected average life of:[5]			M.2.c.
1. Three years or less	RCFDA561	3,063,085	M.2.c.1.
2. Over three years	RCFDA562	16,139,014	M.2.c.2.
d. Debt securities with a REMAINING MATURITY of one year or less (included in Memorandum items 2.a through 2.c above)	RCFDA248	1,179,493	M.2.d.
Memorandum item 3 is to be completed semiannually in the June and December reports only. 3. Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date (report the amortized cost at date of sale or transfer)	RCFD1778	0	M.3.
4. Structured notes (included in the held-to-maturity and available-for-sale accounts in Schedule RC-B, items 2, 3, 5, and 6):			M.4.
a. Amortized cost	RCFD8782	0	M.4.a.
b. Fair value	RCFD8783	0	M.4.b.

1. Includes Small Business Administration "Guaranteed Loan Pool Certificates"; U.S. Maritime Administration obligations; Export-Import Bank participation certificates; and obligations (other than mortgage-backed securities) issued by the Farm Credit System, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Financing Corporation, Resolution Funding Corporation, the Student Loan Marketing Association, and the Tennessee Valley Authority.
1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).
1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).
2. For institutions that have adopted ASU 2016-13, the total reported in column A must equal Schedule RC, item 2.a, plus Schedule RI-B, Part II, item 7, column B. For institutions that have not adopted ASU 2016-13, the total reported in column A must equal Schedule RC, item 2.a. For all institutions, the total reported in column D must equal Schedule RC, item 2.b.

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost		(Column B) Held-to-maturity Fair Value		(Column C) Available-for-sale Amortized Cost		(Column D) Available-for-sale Fair Value		
Memorandum items 5.a through 5.f and 6.a through 6.g are to be completed by banks with $10 billion or more in total assets. 5. Asset-backed securities (ABS) (for each column, sum of Memorandum items 5.a through 5.f must equal Schedule RC-B, item 5.a):[1]									M.5.
a. Credit card receivables	RCFDB838	0	RCFDB839	0	RCFDB840	0	RCFDB841	0	M.5.a.
b. Home equity lines	RCFDB842	0	RCFDB843	0	RCFDB844	0	RCFDB845	0	M.5.b.
c. Automobile loans	RCFDB846	0	RCFDB847	0	RCFDB848	0	RCFDB849	0	M.5.c.
d. Other consumer loans	RCFDB850	0	RCFDB851	0	RCFDB852	0	RCFDB853	0	M.5.d.
e. Commercial and industrial loans	RCFDB854	0	RCFDB855	0	RCFDB856	0	RCFDB857	0	M.5.e.
f. Other	RCFDB858	0	RCFDB859	0	RCFDB860	0	RCFDB861	0	M.5.f.
6. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 6.a through 6.g must equal Schedule RC-B item 5.b):									M.6.
a. Trust preferred securities issued by financial institutions	RCFDG348	0	RCFDG349	0	RCFDG350	0	RCFDG351	0	M.6.a.
b. Trust preferred securities issued by real estate investment trusts	RCFDG352	0	RCFDG353	0	RCFDG354	0	RCFDG355	0	M.6.b.
c. Corporate and similar loans	RCFDG356	0	RCFDG357	0	RCFDG358	0	RCFDG359	0	M.6.c.
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs)	RCFDG360	0	RCFDG361	0	RCFDG362	0	RCFDG363	0	M.6.d.
e. 1-4 family residential MBS not issued or guaranteed by GSEs	RCFDG364	0	RCFDG365	0	RCFDG366	0	RCFDG367	0	M.6.e.
f. Diversified (mixed) pools of structured financial products	RCFDG368	0	RCFDG369	0	RCFDG370	0	RCFDG371	0	M.6.f.
g. Other collateral or reference assets	RCFDG372	0	RCFDG373	0	RCFDG374	0	RCFDG375	0	M.6.g.

1. Includes held-to-maturity securities at amortized cost, available-for-sale debt securities at fair value, and equity securities with readily determinable fair values not held for trading (reported in Schedule RC, item 2.c) at fair value.
1. Includes held-to-maturity securities at amortized cost, available-for-sale debt securities at fair value, and equity securities with readily determinable fair values not held for trading (reported in Schedule RC, item 2.c) at fair value.
2. Report fixed-rate debt securities by remaining maturity and floating-rate debt securities by next repricing date.
2. Report fixed-rate debt securities by remaining maturity and floating-rate debt securities by next repricing date.
5. Sum of Memorandum items 2.c.(1) and 2.c.(2) plus any nonaccrual “Other mortgage-backed securities” included in Schedule RC-N, item 10, column C, must equal Schedule RC-B, sum of items 4.b and 4.c.(2), columns A and D.
1. The $10 billion asset size test is based on the total assets reported on the June 30, 2018, Report of Condition.

Schedule RC-C Part I - Loans and Leases(Form Type - 031)

Do not deduct the allowance for loan and lease losses or the allocated transfer risk reserve from amounts reported in this schedule. Report (1) loans and leases held for sale at the lower of cost or fair value, (2) loans and leases held for investment, net of unearned income, and (3) loans and leases accounted for at fair value under a fair value option. Exclude assets held for trading and commercial paper.

Dollar amounts in thousands	(Column A) Consolidated Bank		(Column B) Domestic Offices		
1. Loans secured by real estate[2]	RCFD1410	NR			1.
a. Construction, land development, and other land loans:					1.a.
1. 1-4 family residential construction loans	RCFDF158	73,878	RCONF158	73,878	1.a.1.
2. Other construction loans and all land development and other land loans	RCFDF159	3,264,044	RCONF159	3,264,044	1.a.2.
b. Secured by farmland (including farm residential and other improvements)	RCFD1420	464,928	RCON1420	464,928	1.b.
c. Secured by 1-4 family residential properties:					1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCFD1797	1,875,041	RCON1797	1,875,041	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:					1.c.2.
a. Secured by first liens	RCFD5367	6,674,667	RCON5367	6,674,667	1.c.2.a.
b. Secured by junior liens	RCFD5368	204,107	RCON5368	204,107	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties	RCFD1460	822,737	RCON1460	822,737	1.d.
e. Secured by nonfarm nonresidential properties:					1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCFDF160	3,243,894	RCONF160	3,243,894	1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RCFDF161	4,006,969	RCONF161	4,006,969	1.e.2.
2. Loans to depository institutions and acceptances of other banks:					2.
a. To commercial banks in the U.S.			RCONB531	157,426	2.a.
1. To U.S. branches and agencies of foreign banks	RCFDB532	338			2.a.1.
2. To other commercial banks in the U.S.	RCFDB533	157,088			2.a.2.
b. To other depository institutions in the U.S.	RCFDB534	16	RCONB534	16	2.b.
c. To banks in foreign countries			RCONB535	4,892	2.c.
1. To foreign branches of other U.S. banks	RCFDB536	0			2.c.1.
2. To other banks in foreign countries	RCFDB537	4,892			2.c.2.
3. Loans to finance agricultural production and other loans to farmers	RCFD1590	464,502	RCON1590	464,502	3.
4. Commercial and industrial loans:					4.
a. To U.S. addressees (domicile)	RCFD1763	32,777,772	RCON1763	32,777,772	4.a.
b. To non-U.S. addressees (domicile)	RCFD1764	125,887	RCON1764	125,887	4.b.
5. Not applicable					5.
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					6.
a. Credit cards	RCFDB538	372,524	RCONB538	372,524	6.a.
b. Other revolving credit plans	RCFDB539	483,002	RCONB539	483,002	6.b.
c. Automobile loans	RCFDK137	5,435,946	RCONK137	5,435,946	6.c.
d. Other consumer loans (includes single payment and installment loans other than automobile loans, and all student loans)	RCFDK207	1,892,946	RCONK207	1,892,946	6.d.
7. Loans to foreign governments and official institutions (including foreign central banks)	RCFD2081	2,255	RCON2081	2,255	7.
8. Obligations (other than securities and leases) of states and political subdivisions in the U.S.	RCFD2107	2,395,678	RCON2107	2,395,678	8.
9. Loans to nondepository financial institutions and other loans	RCFD1563	17,975,706			9.
a. Loans to nondepository financial institutions			RCONJ454	15,019,872	9.a.
b. Other loans:					9.b.
1. Loans for purchasing or carrying securities (secured and unsecured)			RCON1545	1,112,246	9.b.1.
2. All other loans (exclude consumer loans)			RCONJ451	1,843,588	9.b.2.
10. Lease financing receivables (net of unearned income)			RCON2165	481,608	10.
a. Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases)	RCFDF162	0			10.a.
b. All other leases	RCFDF163	481,608			10.b.
11. LESS: Any unearned income on loans reflected in items 1-9 above	RCFD2123	0	RCON2123	0	11.
12. Total loans and leases held for investment and held for sale (item 12, column A must equal Schedule RC, sum of items 4.a and 4.b)	RCFD2122	83,200,425	RCON2122	83,200,425	12.

2. When reporting “Loans secured by real estate,” “large institutions” and “highly complex institutions,” as defined for deposit insurance assessment purposes in FDIC regulations, should complete items 1.a.(1) through 1.e.(2) in columns A and B (but not item 1 in column A); all other institutions should complete item 1 in column A and items 1.a.(1) through 1.e.(2) in column B (but not items 1.a.(1) through 1.e.(2) in column A).

Dollar amounts in thousands			
1. Loans restructured in troubled debt restructurings that are in compliance with their modified terms (included in Schedule RC-C, part 1, and not reported as past due or nonaccrual in Schedule RC-N, Memorandum item 1):			M.1.
a. Construction, land development, and other land loans in domestic offices:			M.1.a.
1. 1-4 family residential construction loans	RCONK158	16	M.1.a.1.
2. Other construction loans and all land development and other land loans	RCONK159	12,379	M.1.a.2.
b. Loans secured by 1-4 family residential properties in domestic offices	RCONF576	182,620	M.1.b.
c. Secured by multifamily (5 or more) residential properties in domestic offices	RCONK160	125	M.1.c.
d. Secured by nonfarm nonresidential properties in domestic offices:			M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK161	6,757	M.1.d.1.
2. Loans secured by other nonfarm nonresidential properties	RCONK162	956	M.1.d.2.
e. Commercial and industrial loans:			M.1.e.
1. To U.S. addressees (domicile)	RCFDK163	26,370	M.1.e.1.
2. To non-U.S. addressees (domicile)	RCFDK164	0	M.1.e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures)	RCFDK165	20,193	M.1.f.
Itemize loan categories included in Memorandum item 1.f, above that exceed 10 percent of total loans restructured in troubled debt restructurings that are in compliance with their modified terms (sum of Memorandum items 1.a through 1.f): 1. Loans secured by farmland in domestic offices	RCONK166	0	M.1.f.1.
2. Not applicable			M.1.f.2.
3. Loans to finance agricultural production and other loans to farmers	RCFDK168	0	M.1.f.3.
4. Loans to individuals for household, family, and other personal expenditures:			M.1.f.4.
a. Credit cards	RCFDK098	0	M.1.f.4.a.
b. Automobile loans	RCFDK203	0	M.1.f.4.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCFDK204	0	M.1.f.4.c.
g. Total loans restructured in troubled debt restructurings that are in compliance with their modified terms (sum of Memorandum items 1.a.(1) through 1.f)	RCFDHK25	249,416	M.1.g.
2. Maturity and repricing data for loans and leases (excluding those in nonaccrual status):			M.2.
a. Closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B) with a remaining maturity or next repricing date of:			M.2.a.
1. Three months or less	RCONA564	618,007	M.2.a.1.
2. Over three months through 12 months	RCONA565	513,168	M.2.a.2.
3. Over one year through three years	RCONA566	344,866	M.2.a.3.
4. Over three years through five years	RCONA567	500,385	M.2.a.4.
5. Over five years through 15 years	RCONA568	1,562,783	M.2.a.5.
6. Over 15 years	RCONA569	2,980,085	M.2.a.6.
b. All loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column A) EXCLUDING closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B) with a remaining maturity or next repricing date of:			M.2.b.
1. Three months or less	RCFDA570	51,667,063	M.2.b.1.
2. Over three months through 12 months	RCFDA571	2,192,642	M.2.b.2.
3. Over one year through three years	RCFDA572	4,652,842	M.2.b.3.
4. Over three years through five years	RCFDA573	9,159,134	M.2.b.4.
5. Over five years through 15 years	RCFDA574	8,100,694	M.2.b.5.
6. Over 15 years	RCFDA575	135,625	M.2.b.6.
c. Loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column A) with a REMAINING MATURITY of one year or less (excluding those in nonaccrual status)	RCFDA247	14,941,571	M.2.c.
3. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-C, part I, items 4 and 9, column A[4]	RCFD2746	3,688,921	M.3.
4. Adjustable rate closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (included in Schedule RC-C, part I, item 1.c.(2)(a), column B)	RCON5370	2,949,557	M.4.
5. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-C, Part I, item 1, column A, or Schedule RC-C, Part I, items 1.a.(1) through 1.e.(2), column A, as appropriate)	RCFDB837	320,395	M.5.
Memorandum item 6 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes. 6. Outstanding credit card fees and finance charges included in Schedule RC-C, part I, item 6.a, column A	RCFDC391	NR	M.6.

4. Exclude loans secured by real estate that are included in Schedule RC-C, Part I, item 1, column A.

Dollar amounts in thousands			
Memorandum items 7.a and 7.b are to be completed by all banks semiannually in the June and December reports only. 7. Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (exclude loans held for sale):[5]			M.7.
a. Outstanding balance	RCFDC779	**63,660**	M.7.a.
b. Amount included in Schedule RC-C, part I, items 1 through 9	RCFDC780	**67,711**	M.7.b.
Memorandum items 8.a, 8.b, and 8.c are to be completed semiannually in the June and December reports only. 8. Closed-end loans with negative amortization features secured by 1-4 family residential properties in domestic offices:			M.8.
a. Total amount of closed-end loans with negative amortization features secured by 1-4 family residential properties (included in Schedule RC-C, part I, items 1.c.(2)(a) and 1.c.(2)(b))	RCONF230	**0**	M.8.a.
Memorandum items 8.b and 8.c are to be completed semiannually in the June and December reports only by banks that had closed-end loans with negative amortization features secured by 1–4 family residential properties (as reported in Schedule RC-C, Part I, Memorandum item 8.a) as of December 31, 2019, that exceeded the lesser of $100 million or 5 percent of total loans and leases held for investment and held for sale in domestic offices (as reported in Schedule RC-C, Part I, item 12, column B). b. Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1-4 family residential properties	RCONF231	**NR**	M.8.b.
c. Total amount of negative amortization on closed-end loans secured by 1-4 family residential properties included in the amount reported in Memorandum item 8.a above	RCONF232	**NR**	M.8.c.

5. Memorandum item 7 is to be completed only by institutions that have not yet adopted ASU 2016-13.

Dollar amounts in thousands			
9. Loans secured by 1-4 family residential properties in domestic offices in process of foreclosure (included in Schedule RC-C, part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b))	RCONF577	55,729	M.9.

Dollar amounts in thousands			
10. Not applicable			M.10.
11. Not applicable			M.11.

Dollar amounts in thousands	(Column A) Fair value of acquired loans and leases at acquisition date		(Column B) Gross contractual amounts receivable at acquisition date		(Column C) Best estimate at acquisition date of contractual cash flows not expected to be collected		
Memorandum items 12.a, 12.b, 12.c, and 12.d are to be completed semiannually in the June and December reports only. 12. Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year:[1]							M.12.
a. Loans secured by real estate	RCFDG091	0	RCFDG092	0	RCFDG093	0	M.12.a.
b. Commercial and industrial loans	RCFDG094	0	RCFDG095	0	RCFDG096	0	M.12.b.
c. Loans to individuals for household, family, and other personal expenditures	RCFDG097	0	RCFDG098	0	RCFDG099	0	M.12.c.
d. All other loans and all leases	RCFDG100	0	RCFDG101	0	RCFDG102	0	M.12.d.

Dollar amounts in thousands			
Memoranda item 13 is to be completed by banks that had construction, land development, and other land loans in domestic offices (as reported in Schedule RC-C, Part I, item 1.a., column B) that exceeded 100 percent of the sum of tier 1 capital (as reported in Schedule RC-R, Part I, item 26) plus the allowance for loan and lease losses or the allowance for credit losses on loans and leases, as applicable (as reported in Schedule RC, item 4.c) as of December 31, 2020. 13. Construction, land development, and other land loans in domestic offices with interest reserves:			M.13.
a. Amount of loans that provide for the use of interest reserves (included in Schedule RC-C, part I, item 1.a, column B)	RCONG376	NR	M.13.a.
b. Amount of interest capitalized from interest reserves on construction, land development, and other land loans that is included in interest and fee income on loans during the quarter (included in Schedule RI, item 1.a.(1)(a)(2)).	RIADG377	NR	M.13.b.
Memorandum item 14 is to be completed by all banks. 14. Pledged loans and leases	RCFDG378	35,327,958	M.14.
Memorandum item 15 is to be completed for the December report only. 15. Reverse mortgages in domestic offices:			M.15.
a. Reverse mortgages outstanding that are held for investment (included in Schedule RC-C, item 1.c, above):			M.15.a.
1. Home Equity Conversion Mortgage (HECM) reverse mortgages	RCONJ466	NR	M.15.a.1.
2. Proprietary reverse mortgages	RCONJ467	NR	M.15.a.2.
b. Estimated number of reverse mortgage loan referrals to other lenders during the year from whom compensation has been received for services performed in connection with the origination of the reverse mortgages:			M.15.b.
1. Home Equity Conversion Mortgage (HECM) reverse mortgages	RCONJ468	NR	M.15.b.1.
2. Proprietary reverse mortgages	RCONJ469	NR	M.15.b.2.
c. Principal amount of reverse mortgage originations that have been sold during the year:			M.15.c.
1. Home Equity Conversion Mortgage (HECM) reverse mortgages	RCONJ470	NR	M.15.c.1.
2. Proprietary reverse mortgages	RCONJ471	NR	M.15.c.2.
Memorandum item 16 is to be completed by all banks. 16. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit in domestic offices that have converted to non-revolving closed-end status (included in item 1.c.(1) above)	RCONLE75	144,075	M.16.
Amounts reported in Memorandum items 17.a and 17.b will not be made available to the public on an individual institution basis. 17. Eligible loan modifications under Section 4013, Temporary Relief from Troubled Debt Restructurings, of the 2020 Coronavirus Aid, Relief, and Economic Security Act:			M.17.
a. Number of Section 4013 loans outstanding	RCONLG24	CONF	M.17.a.
b. Outstanding balance of Section 4013 loans	RCONLG25	CONF	M.17.b.

1. Institutions that have adopted ASU 2016-13 should report only loans held for investment not considered purchased credit-deteriorated in Memorandum item 12.

Schedule RC-C Part II - Loans to Small Businesses and Small Farms(Form Type - 031)

Report the number and amount currently outstanding as of the report date of business loans with "original amounts" of $1,000,000 or less and farm loans with "original amounts" of $500,000 or less. The following guidelines should be used to determine the "original amount" of a loan:
(1) For loans drawn down under lines of credit or loan commitments, the "original amount" of the loan is the size of the line of credit or loan commitment when the line of credit or loan commitment was most recently approved, extended, or renewed prior to the report date. However, if the amount currently outstanding as of the report date exceeds this size, the "original amount" is the amount currently outstanding on the report date. (2) For loan participations and syndications, the "original amount" of the loan participation or syndication is the entire amount of the credit originated by the lead lender. (3) For all other loans, the "original amount" is the total amount of the loan at origination or the amount currently outstanding as of the report date, whichever is larger.

Dollar amounts in thousands			
1. Not applicable			1.
2. Not applicable			2.

Dollar amounts in thousands	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
3. Number and amount currently outstanding of "Loans secured by nonfarm nonresidential properties" in domestic offices reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2), column B:					3.
a. With original amounts of $100,000 or less	RCON5564	729	RCON5565	12,115	3.a.
b. With original amounts of more than $100,000 through $250,000	RCON5566	974	RCON5567	83,744	3.b.
c. With original amounts of more than $250,000 through $1,000,000	RCON5568	1552	RCON5569	476,402	3.c.
4. Number and amount currently outstanding of "Commercial and industrial loans to U.S. addressees" in domestic offices reported in Schedule RC-C, part I, item 4.a, column B:					4.
a. With original amounts of $100,000 or less	RCON5570	74852	RCON5571	1,789,915	4.a.
b. With original amounts of more than $100,000 through $250,000	RCON5572	32087	RCON5573	3,190,696	4.b.
c. With original amounts of more than $250,000 through $1,000,000	RCON5574	9454	RCON5575	2,721,860	4.c.

Dollar amounts in thousands			
5. Not applicable			5.
6. Not applicable			6.

Dollar amounts in thousands	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
7. Number and amount currently outstanding of "Loans secured by farmland (including farm residential and other improvements)" in domestic offices reported in Schedule RC-C, part I, item 1.b, column B:					7.
a. With original amounts of $100,000 or less	RCON5578	148	RCON5579	3,619	7.a.
b. With original amounts of more than $100,000 through $250,000	RCON5580	147	RCON5581	14,407	7.b.
c. With original amounts of more than $250,000 through $500,000	RCON5582	124	RCON5583	31,366	7.c.
8. Number and amount currently outstanding of "Loans to finance agricultural production and other loans to farmers" in domestic offices reported in Schedule RC-C, part I, item 3, column B:					8.
a. With original amounts of $100,000 or less	RCON5584	1268	RCON5585	24,223	8.a.
b. With original amounts of more than $100,000 through $250,000	RCON5586	237	RCON5587	21,426	8.b.
c. With original amounts of more than $250,000 through $500,000	RCON5588	101	RCON5589	21,578	8.c.

Schedule RC-D - Trading Assets and Liabilities(Form Type - 031)

Schedule RC-D is to be completed by banks that reported total trading assets of $10 million or more in any of the four preceding calendar quarters, and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.

Dollar amounts in thousands	Consolidated Bank		
1. U.S. Treasury securities	RCFD3531	**0**	1.
2. U.S. Government agency obligations (exclude mortgage-backed securities)	RCFD3532	**0**	2.
3. Securities issued by states and political subdivisions in the U.S.	RCFD3533	**347,674**	3.
4. Mortgage-backed securities (MBS):			4.
a. Residential mortgage pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA	RCFDG379	**0**	4.a.
b. Other residential MBS issued or guaranteed by U.S. Government agencies or sponsored agencies (include CMOs, REMICs, and stripped MBS)[1]	RCFDG380	**0**	4.b.
c. All other residential MBS	RCFDG381	**0**	4.c.
d. Commercial MBS issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCFDK197	**0**	4.d.
e. All other commercial MBS	RCFDK198	**0**	4.e.
5. Other debt securities:			5.
a. Structured financial products	RCFDHT62	**0**	5.a.
b. All other debt securities	RCFDG386	**0**	5.b.
6. Loans:			6.
a. Loans secured by real estate			6.a.
1. Loans secured by 1-4 family residential properties	RCFDHT63	**0**	6.a.1.
2. All other loans secured by real estate	RCFDHT64	**0**	6.a.2.
b. Commercial and industrial loans	RCFDF614	**0**	6.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	RCFDHT65	**0**	6.c.
d. Other loans	RCFDF618	**0**	6.d.
7. Not appliable			7.
8. Not applicable			8.
9. Other trading assets	RCFD3541	**2,889**	9.
10. Not applicable			10.
11. Derivatives with a positive fair value	RCFD3543	**88,169**	11.
12. Total trading assets (sum of items 1 through 11) (total of column A must equal Schedule RC, item 5)	RCFD3545	**438,732**	12.
13. Not available			13.
a. Liability for short positions	RCFD3546	**0**	13.a.
b. Other trading liabilities	RCFDF624	**0**	13.b.
14. Derivatives with a negative fair value	RCFD3547	**22,949**	14.
15. Total trading liabilities (sum of items 13.a through 14) (total of column A must equal Schedule RC, item 15)	RCFD3548	**22,949**	15.
1. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-D, items 6.a through 6.d):			M.1.
a. Loans secured by real estate			M.1.a.
1. Loans secured by 1-4 family residential properties	RCFDHT66	**0**	M.1.a.1.
2. All other loans secured by real estate	RCFDHT67	**0**	M.1.a.2.
b. Commercial and industrial loans	RCFDF632	**0**	M.1.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	RCFDHT68	**0**	M.1.c.
d. Other loans	RCFDF636	**0**	M.1.d.
Memorandum items 2 through 10 are to be completed by banks with $10 billion or more in total trading assets. 2. Loans measured at fair value that are past due 90 days or more:[1]			M.2.
a. Fair value	RCFDF639	**NR**	M.2.a.
b. Unpaid principal balance	RCFDF640	**NR**	M.2.b.

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).
1. The $10 billion trading asset-size test is based on total trading assets reported on the June 30, 2018, Report of Condition.

Dollar amounts in thousands	Consolidated Bank		
Memorandum items 3 through 10 are to be completed by banks with $10 billion or more in total trading assets. 3. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 3.a through 3.g must equal Schedule RC-D, sum of items 5.a.(1) through (3)):			M.3.
a. Trust preferred securities issued by financial institutions	RCFDG299	NR	M.3.a.
b. Trust preferred securities issued by real estate investment trusts	RCFDG332	NR	M.3.b.
c. Corporate and similar loans	RCFDG333	NR	M.3.c.
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs)	RCFDG334	NR	M.3.d.
e. 1-4 family residential MBS not issued or guaranteed by GSEs	RCFDG335	NR	M.3.e.
f. Diversified (mixed) pools of structured financial products	RCFDG651	NR	M.3.f.
g. Other collateral or reference assets	RCFDG652	NR	M.3.g.
4. Pledged trading assets:			M.4.
a. Pledged securities	RCFDG387	NR	M.4.a.
b. Pledged loans	RCFDG388	NR	M.4.b.

Dollar amounts in thousands			
5. Asset-backed securities:			M.5.
a. Credit card receivables	RCFDF643	NR	M.5.a.
b. Home equity lines	RCFDF644	NR	M.5.b.
c. Automobile loans	RCFDF645	NR	M.5.c.
d. Other consumer loans	RCFDF646	NR	M.5.d.
e. Commercial and industrial loans	RCFDF647	NR	M.5.e.
f. Other	RCFDF648	NR	M.5.f.
6. Retained beneficial interests in securitizations (first-loss or equity tranches)			M.6.
7. Equity securities (included in Schedule RC-D, item 9, above):			M.7.
a. Readily determinable fair values	RCFDF652	NR	M.7.a.
b. Other	RCFDF653	NR	M.7.b.
8. Loans pending securitization	RCFDF654	NR	M.8.
9. Other trading assets (itemize and describe amounts included in Schedule RC-D, item 9, that are greater than $1,000,000 and exceed 25% of the item):[1]			M.9.
a. Disclose component and the dollar amount of that component:			M.9.a.
1. Describe component	TEXTF655	NR	M.9.a.1.
2. Amount of component	RCFDF655	0	M.9.a.2.
b. Disclose component and the dollar amount of that component:			M.9.b.
(TEXTF656) NR	RCFDF656	0	M.9.b.1.
c. Disclose component and the dollar amount of that component:			M.9.c.
(TEXTF657) NR	RCFDF657	0	M.9.c.1.
10. Other trading liabilities (itemize and describe amounts included in Schedule RC-D, item 13.b, that are greater than $1,000,000 and exceed 25% of the item):			M.10.
a. Disclose component and the dollar amount of that component:			M.10.a.
1. Describe component	TEXTF658	NR	M.10.a.1.
2. Amount of component	RCFDF658	0	M.10.a.2.
b. Disclose component and the dollar amount of that component:			M.10.b.
(TEXTF659) NR	RCFDF659	0	M.10.b.1.
c. Disclose component and the dollar amount of that component:			M.10.c.
(TEXTF660) NR	RCFDF660	0	M.10.c.1.

1. Exclude equity securities.

Schedule RC-E Part I - Deposits in Domestic Offices(Form Type - 031)

Dollar amounts in thousands	(Column A) Transaction Accounts Total Transaction accounts (including total demand deposits)		(Column B) Transaction Accounts Memo: Total demand deposits (included in column A)		(Column C) Nontransaction Accounts Total nontransaction accounts (including MMDAs)		
Deposits of:							
1. Individuals, partnerships, and corporations (include all certified and official checks)	RCONB549	15,680,507			RCONB550	111,721,509	1.
2. U.S. Government	RCON2202	0			RCON2520	0	2.
3. States and political subdivisions in the U.S.	RCON2203	291,432			RCON2530	4,139,096	3.
4. Commercial banks and other depository institutions in the U.S.	RCONB551	992,370			RCONB552	0	4.
5. Banks in foreign countries	RCON2213	261,528			RCON2236	1,211,950	5.
6. Foreign governments and official institutions (including foreign central banks)	RCON2216	0			RCON2377	0	6.
7. Total (sum of items 1 through 6) (sum of columns A and C must equal Schedule RC, item 13.a)	RCON2215	17,225,837	RCON2210	15,840,201	RCON2385	117,072,555	7.

Dollar amounts in thousands			
1. Selected components of total deposits (i.e., sum of item 7, columns A and C):			M.1.
a. Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts	RCON6835	1,617,270	M.1.a.
b. Total brokered deposits	RCON2365	1,339,407	M.1.b.
c. Brokered deposits of $250,000 or less (fully insured brokered deposits)[2]	RCONHK05	1,339,407	M.1.c.
d. Maturity data for brokered deposits:			M.1.d.
1. Brokered deposits of $250,000 or less with a remaining maturity of one year or less (included in Memorandum item 1.c above)	RCONHK06	89,172	M.1.d.1.
2. Not applicable			M.1.d.2.
3. Brokered deposits of more than $250,000 with a remaining maturity of one year or less (included in Memorandum item 1.b above)	RCONK220	0	M.1.d.3.
e. Preferred deposits (uninsured deposits of states and political subdivisions in the U.S. reported in item 3 above which are secured or collateralized as required under state law) (to be completed for the December report only).	RCON5590	NR	M.1.e.
f. Estimated amount of deposits obtained through the use of deposit listing services that are not brokered deposits	RCONK223	188,843	M.1.f.
g. Total reciprocal deposits (as of the report date)	RCONJH83	0	M.1.g.
2. Components of total nontransaction accounts (sum of Memorandum items 2.a through 2.d must equal item 7, column C above):			M.2.
a. Savings deposits:			M.2.a.
1. Money market deposit accounts (MMDAs)	RCON6810	101,539,130	M.2.a.1.
2. Other savings deposits (excludes MMDAs)	RCON0352	4,834,794	M.2.a.2.
b. Total time deposits of less than $100,000	RCON6648	4,926,098	M.2.b.
c. Total time deposits of $100,000 through $250,000	RCONJ473	2,622,413	M.2.c.
d. Total time deposits of more than $250,000	RCONJ474	3,150,120	M.2.d.
e. Individual Retirement Accounts (IRAs) and Keogh Plan accounts of $100,000 or more included in Memorandum items 2.c and 2.d above	RCONF233	458,961	M.2.e.
3. Maturity and repricing data for time deposits of $250,000 or less:			M.3.
a. Time deposits of $250,000 or less with a remaining maturity or next repricing date of:			M.3.a.
1. Three months or less	RCONHK07	2,105,409	M.3.a.1.
2. Over three months through 12 months	RCONHK08	3,414,669	M.3.a.2.
3. Over one year through three years	RCONHK09	1,262,634	M.3.a.3.
4. Over three years	RCONHK10	765,800	M.3.a.4.
b. Time deposits of $250,000 or less with a REMAINING MATURITY of one year or less (included in Memorandum items 3.a.(1) and 3.a.(2) above)[3]	RCONHK11	5,002,346	M.3.b.
4. Maturity and repricing data for time deposits of more than $250,000:			M.4.
a. Time deposits of more than $250,000 with a remaining maturity or next repricing date of:			M.4.a.
1. Three months or less	RCONHK12	557,719	M.4.a.1.
2. Over three months through 12 months	RCONHK13	1,887,328	M.4.a.2.
3. Over one year through three years	RCONHK14	691,856	M.4.a.3.
4. Over three years	RCONHK15	13,215	M.4.a.4.
b. Time deposits of more than $250,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.(1) and 4.a.(2) above)[3]	RCONK222	1,673,953	M.4.b.
5. Does your institution offer one or more consumer deposit account products, i.e., transaction account or nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use?	RCONP752	Yes	M.5.
Memorandum items 6 and 7 are to be completed by institutions with $1 billion or more in total assets that answered "Yes" to Memorandum item 5 above. 6. Components of total transaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 6.a and 6.b must be less than or equal to item 1, column A, above):[5]			M.6.
a. Total deposits in those noninterest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	RCONP753	436,878	M.6.a.
b. Total deposits in those interest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	RCONP754	0	M.6.b.
7. Components of total nontransaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1), 7.a.(2), 7.b.(1), and 7.b.(2) plus all time deposits of individuals, partnerships, and corporations must equal item 1, column C, above):			M.7.

2. The dollar amount used as the basis for reporting in Memorandum item 1.c reflects the deposit insurance limit in effect on the report date.
3. Report both fixed- and floating-rate time deposits by remaining maturity. Exclude floating rate time deposits with a next repricing date of one year or less that have a remaining maturity of over one year.
5. The $1 billion asset size test is based on the total assets reported on the June 30, 2018, Report of Condition.

Dollar amounts in thousands			
a. Money market deposit accounts (MMDAs) of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1) and 7.a.(2) must be less than or equal to Memorandum item 2.a.(1) above):			M.7.a.
1. Total deposits in those MMDA deposit products intended primarily for individuals for personal, household, or family use	RCONP756	34,441,347	M.7.a.1.
2. Deposits in all other MMDAs of individuals, partnerships, and corporations	RCONP757	63,412,085	M.7.a.2.
b. Other savings deposit accounts of individuals, partnerships, and corporations (sum of Memorandum items 7.b.(1) and 7.b.(2) must be less than or equal to Memorandum item 2.a.(2) above):			M.7.b.
1. Total deposits in those other savings deposit account deposit products intended primarily for individuals for personal, household, or family use	RCONP758	4,522,380	M.7.b.1.
2. Deposits in all other savings deposit accounts of individuals, partnerships, and corporations	RCONP759	309,817	M.7.b.2.

Schedule RC-E Part II - Deposits in Foreign Offices including Edge and Agreement subsidiaries and IBFs(Form Type - 031)

Dollar amounts in thousands			
Deposits of:			
1. Individuals, partnerships, and corporations (include all certified and official checks)	RCFNB553	0	1.
2. U.S. banks (including IBFs and foreign branches of U.S. banks) and other U.S. depository institutions	RCFNB554	0	2.
3. Foreign banks (including U.S. branches and agencies of foreign banks, including their IBFs)	RCFN2625	0	3.
4. Foreign governments and official institutions (including foreign central banks)	RCFN2650	0	4.
5. U.S. Government and states and political subdivisions in the U.S.	RCFNB555	0	5.
6. Total	RCFN2200	NR	6.
1. Time deposits with a remaining maturity of one year or less (included in Schedule RC, item 13.b)	RCFNA245	NR	M.1.

Schedule RC-F - Other Assets(Form Type - 031)

Dollar amounts in thousands			
1. Accrued interest receivable[2]	RCFDB556	307,259	1.
2. Net deferred tax assets[3]	RCFD2148	256,051	2.
3. Interest-only strips receivable (not in the form of a security)[4]	RCFDHT80	234	3.
4. Equity investments without readily determinable fair values[5]	RCFD1752	949,207	4.
5. Life insurance assets:			5.
a. General account life insurance assets	RCFDK201	1,263,882	5.a.
b. Separate account life insurance assets	RCFDK202	1,815,512	5.b.
c. Hybrid account life insurance assets	RCFDK270	112,241	5.c.
6. All other assets (itemize and describe amounts greater than $100,000 that exceed 25% of this item)	RCFD2168	1,153,244	6.
a. Prepaid expenses	RCFD2166	0	6.a.
b. Repossessed personal property (including vehicles)	RCFD1578	0	6.b.
c. Derivatives with a positive fair value held for purposes other than trading	RCFDC010	0	6.c.
d. FDIC loss-sharing indemnification assets	RCFDJ448	0	6.d.
e. Computer software	RCFDFT33	294,940	6.e.
f. Accounts receivable	RCFDFT34	0	6.f.
g. Receivables from foreclosed government-guaranteed mortgage loans	RCFDFT35	0	6.g.
h. Disclose component and the dollar amount of that component:			6.h.
1. Describe component	TEXT3549	Click here for value	6.h.1.
2. Amount of component	RCFD3549	334,877	6.h.2.
i. Disclose component and the dollar amount of that component:			6.i.
1. Describe component	TEXT3550	NR	6.i.1.
2. Amount of component	RCFD3550	0	6.i.2.
j. Disclose component and the dollar amount of that component:			6.j.
1. Describe component	TEXT3551	NR	6.j.1.
2. Amount of component	RCFD3551	0	6.j.2.
7. Total (sum of items 1 through 6) (must equal Schedule RC, item 11)	RCFD2160	5,857,630	7.

(TEXT3549) Operating Leases to Others

2. Include accrued interest receivable on loans, leases, debt securities, and other interest-bearing assets. Exclude accrued interest receivables on financial assets that are reported elsewhere on the balance sheet.
3. See discussion of deferred income taxes in Glossary entry on "income taxes."
4. Report interest-only strips receivable in the form of a security as available-for-sale securities in Schedule RC, item 2.b, or as trading assets in Schedule RC, item 5, as appropriate.
5. Include Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.

Schedule RC-G - Other Liabilities(Form Type - 031)

Dollar amounts in thousands			
1. Not available			1.
a. Interest accrued and unpaid on deposits in domestic offices[6]	RCON3645	18,673	1.a.
b. Other expenses accrued and unpaid (includes accrued income taxes payable)	RCFD3646	653,821	1.b.
2. Net deferred tax liabilities[2]	RCFD3049	0	2.
3. Allowance for credit losses on off-balance sheet credit exposures[7]	RCFDB557	151,008	3.
4. All other liabilities (itemize and describe amounts greater than $100,000 that exceed 25 percent of this item)	RCFD2938	1,127,585	4.
a. Accounts payable	RCFD3066	314,457	4.a.
b. Deferred compensation liabilities	RCFDC011	0	4.b.
c. Dividends declared but not yet payable	RCFD2932	0	4.c.
d. Derivatives with a negative fair value held for purposes other than trading	RCFDC012	0	4.d.
e. Operating lease liabilities	RCFDLB56	644,308	4.e.
f. Disclose component and the dollar amount of that component:			4.f.
1. Describe component	TEXT3552	NR	4.f.1.
2. Amount of component	RCFD3552	0	4.f.2.
g. Disclose component and the dollar amount of that component:			4.g.
1. Describe component	TEXT3553	NR	4.g.1.
2. Amount of component	RCFD3553	0	4.g.2.
h. Disclose component and the dollar amount of that component:			4.h.
1. Describe component	TEXT3554	NR	4.h.1.
2. Amount of component	RCFD3554	0	4.h.2.
5. Total	RCFD2930	1,951,087	5.

6. For savings banks, include "dividends" accrued and unpaid on deposits.
2. See discussion of deferred income taxes in Glossary entry on "income taxes."
7. Institutions that have adopted ASU 2016-13 should report in Schedule RC-G, item 3 the allowance for credit losses on those off-balance sheet credit exposures that are not unconditionally cancelable.

Schedule RC-H - Selected Balance Sheet Items for Domestic Offices(Form Type - 031)

To be completed only by banks with foreign offices.

Dollar amounts in thousands			
1. Not applicable			1.
2. Not applicable			2.
3. Securities purchased under agreements to resell	RCONB989	NR	3.
4. Securities sold under agreements to repurchase	RCONB995	NR	4.
5. Other borrowed money	RCON3190	NR	5.
EITHER 6. Net due from own foreign offices, Edge and Agreement subsidiaries, and IBFs	RCON2163	NR	6.
OR 7. Net due to own foreign offices, Edge and Agreement subsidiaries, and IBFs	RCON2941	NR	7.
8. Total assets (excludes net due from foreign offices, Edge and Agreement subsidiaries, and IBFs)	RCON2192	NR	8.
9. Total liabilities (excludes net due to foreign offices, Edge and Agreement subsidiaries, and IBFs)	RCON3129	NR	9.

Dollar amounts in thousands	(Column A) Amortized Cost of Held-to-Maturity Securities		(Column B) Fair Value of Available-for-Sale Securities		
10. U.S. Treasury securities	RCON0211	NR	RCON1287	NR	10.
11. U.S. Government agency obligations (exclude mortgage-backed securities)	RCON8492	NR	RCON8495	NR	11.
12. Securities issued by states and political subdivisions in the U.S.	RCON8496	NR	RCON8499	NR	12.
13. Mortgage-backed securities (MBS):					13.
a. Mortgage pass-through securities:					13.a.
1. Issued or guaranteed by FNMA, FHLMC, or GNMA	RCONG389	NR	RCONG390	NR	13.a.1.
2. Other mortgage pass-through securities	RCON1709	NR	RCON1713	NR	13.a.2.
b. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS):					13.b.
1. Issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCONG393	NR	RCONG394	NR	13.b.1.
2. All other mortgage-backed securities	RCON1733	NR	RCON1736	NR	13.b.2.
14. Other domestic debt securities (include domestic structured financial products and domestic asset-backed securities)	RCONG397	NR	RCONG398	NR	14.
15. Other foreign debt securities (include foreign structured financial products and foreign asset-backed securities)	RCONG399	NR	RCONG400	NR	15.
16. Not applicable.					16.
17. Total held-to-maturity and available-for-sale debt securities (sum of items 10 through 15)	RCON1754	NR	RCON1773	NR	17.

Dollar amounts in thousands			
18. Equity investments not held for trading:			18.
a. Equity securities with readily determinable fair values[4]	RCONJA22	NR	18.a.
b. Equity investments without readily determinable fair values	RCON1752	NR	18.b.
Items 19, 20 and 21 are to be completed by banks that reported total trading assets of $10 million or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes. 19. Total trading assets	RCON3545	NR	19.
20. Total trading liabilities	RCON3548	NR	20.
21. Total loans held for trading	RCONHT71	NR	21.
tem 22 is to be completed by banks that: (1) have elected to report financial instruments or servicing assets and liabilities at fair value under a fair value option with changes in fair value recognized in earnings, or (2) are required to complete Schedule RC-D, Trading Assets and Liabilities. 22. Total amount of fair value option loans held for investment and held for sale	RCONJF75	NR	22.

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).
4. Item 18.a is to be completed by all institutions. See the instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.

Schedule RC-I - Assets and Liabilities of IBFs(Form Type - 031)

To be completed only by banks with IBFs and other "foreign" offices.

Dollar amounts in thousands			
1. Total IBF assets of the consolidated bank (component of Schedule RC, item 12)	RCFN2133	NR	1.
2. Total IBF liabilities (component of Schedule RC, item 21)	RCFN2898	NR	2.

Schedule RC-K - Quarterly Averages(Form Type - 031)

Dollar amounts in thousands			
1. Interest-bearing balances due from depository institutions	RCFD3381	30,129,340	1.
2. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)[2]	RCFDB558	4,345,782	2.
3. Mortgage-backed securities[2]	RCFDB559	28,066,170	3.
4. All other debt securities and equity securities with readily determinable fair values not held for trading[2]	RCFDB560	2,732,628	4.
5. Federal funds sold and securities purchased under agreements to resell	RCFD3365	761,383	5.
6. Loans:			6.
a. Loans in domestic offices:			6.a.
1. Total loans	RCON3360	84,126,996	6.a.1.
2. Loans secured by real estate:			6.a.2.
a. Loans secured by 1-4 family residential properties	RCON3465	8,792,518	6.a.2.a.
b. All other loans secured by real estate	RCON3466	11,962,660	6.a.2.b.
3. Loans to finance agricultural production and other loans to farmers	RCON3386	508,565	6.a.3.
4. Commercial and industrial loans	RCON3387	34,727,781	6.a.4.
5. Loans to individuals for household, family, and other personal expenditures:			6.a.5.
a. Credit cards	RCONB561	361,229	6.a.5.a.
b. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	RCONB562	7,453,366	6.a.5.b.
b. Total loans in foreign offices, Edge and Agreement subsidiaries, and IBFs	RCFN3360	NR	6.b.
Item 7 is to be completed by banks with total trading assets of $10 million or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes. 7. Trading assets	RCFD3401	363,932	7.
8. Lease financing receivables (net of unearned income)	RCFD3484	482,629	8.
9. Total assets[4]	RCFD3368	161,515,897	9.
10. Interest-bearing transaction accounts in domestic offices (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	RCON3485	7,619,682	10.
11. Nontransaction accounts in domestic offices:			11.
a. Savings deposits (includes MMDAs)	RCONB563	107,821,465	11.a.
b. Time deposits of $250,000 or less	RCONHK16	8,336,773	11.b.
c. Time deposits of more than $250,000	RCONHK17	3,857,241	11.c.
12. Interest-bearing deposits in foreign offices, EDGE and Agreement subsidiaries, and IBFs	RCFN3404	NR	12.
13. Federal funds purchased and securities sold under agreements to repurchase	RCFD3353	301,470	13.
14. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	RCFD3355	4,058,387	14.

2. Quarterly averages for all debt securities should be based on amortized cost.
2. Quarterly averages for all debt securities should be based on amortized cost.
4. The quarterly average for total assets should reflect securities not held for trading as follows: a) Debt securities at amortized cost, b) Equity securities with readily determinable fair values at fair value, c) Equity investments without readily determinable fair values, their balance sheet carrying values (i.e., fair value or, if elected, cost minus impairment, if any, plus or minus changes resulting from observable price changes).

Schedule RC-L - Derivatives and Off-Balance Sheet Items(Form Type - 031)

Please read carefully the instructions for the preparation of Schedule RC-L. Some of the amounts reported in Schedule RC-L are regarded as volume indicators and not necessarily as measures of risk.

Dollar amounts in thousands			
1. Unused commitments:			1.
a. Revolving, open-end lines secured by 1-4 family residential properties, i.e., home equity lines	RCFD3814	4,652,166	1.a.
Item 1.a.(1) is to be completed for the December report only. 1. Unused commitments for reverse mortgages outstanding that are held for investment in domestic offices	RCONHT72	NR	1.a.1.
b. Credit card lines (Sum of items 1.b.(1) and 1.b.(2) must equal item 1.b)	RCFD3815	3,960,022	1.b.
Items 1.b.(1) and 1.b.(2) are to be completed by banks with either $300 million or more in total assets or $300 million or more in credit card lines. (Sum of items 1.b.(1) and 1.b.(2) must equal item 1.b) Items 1.b.(1) and 1.b.(2) are to be completed semiannually in the June and December reports only. 1. Unused consumer credit card lines	RCFDJ455	2,651,974	1.b.1.
2. Other unused credit card lines	RCFDJ456	1,308,048	1.b.2.
c. Commitments to fund commercial real estate, construction, and land development loans:			1.c.
1. Secured by real estate:			1.c.1.
a. 1-4 family residential construction loan commitments	RCFDF164	67,833	1.c.1.a.
b. Commercial real estate, other construction loan, and land development loan commitments	RCFDF165	2,664,480	1.c.1.b.
2. Not secured by real estate	RCFD6550	0	1.c.2.
d. Securities underwriting	RCFD3817	0	1.d.
e. Other unused commitments:			1.e.
1. Commercial and industrial loans	RCFDJ457	33,564,283	1.e.1.
2. Loans to financial institutions	RCFDJ458	20,460,158	1.e.2.
3. All other unused commitments	RCFDJ459	13,172,976	1.e.3.
2. Financial standby letters of credit and foreign office guarantees	RCFD3819	2,826,255	2.
Item 2.a is to be completed by banks with $1 billion or more in total assets. a. Amount of financial standby letters of credit conveyed to others[1]	RCFD3820	470,965	2.a.
3. Performance standby letters of credit and foreign office guarantees	RCFD3821	423,363	3.
Item 3.a is to be completed by banks with $1 billion or more in total assets. a. Amount of performance standby letters of credit conveyed to others[1]	RCFD3822	90,862	3.a.
4. Commercial and similar letters of credit	RCFD3411	214,355	4.
5. Not applicable			5.
6. Securities lent and borrowed:			6.
a. Securities lent (including customers' securities lent where the customer is indemnified against loss by the reporting bank)	RCFD3433	3,177,513	6.a.
b. Securities borrowed	RCFD3432	0	6.b.

Dollar amounts in thousands	(Column A) Sold Protection		(Column B) Purchased Protection		
7. Credit derivatives:					7.
a. Notional amounts:					7.a.
1. Credit default swaps	RCFDC968	0	RCFDC969	0	7.a.1.
2. Total return swaps	RCFDC970	0	RCFDC971	75,000	7.a.2.
3. Credit options	RCFDC972	0	RCFDC973	0	7.a.3.
4. Other credit derivatives	RCFDC974	0	RCFDC975	0	7.a.4.
b. Gross fair values:					7.b.
1. Gross positive fair value	RCFDC219	0	RCFDC221	0	7.b.1.
2. Gross negative fair value	RCFDC220	0	RCFDC222	1,736	7.b.2.

Dollar amounts in thousands			
c. Notional amounts by regulatory capital treatment:[1]			7.c.
1. Positions covered under the Market Risk Rule:			7.c.1.
a. Sold protection	RCFDG401	0	7.c.1.a.
b. Purchased protection	RCFDG402	75,000	7.c.1.b.
2. All other positions:			7.c.2.
a. Sold protection	RCFDG403	0	7.c.2.a.
b. Purchased protection that is recognized as a guarantee for regulatory capital purposes	RCFDG404	0	7.c.2.b.
c. Purchased protection that is not recognized as a guarantee for regulatory capital purposes	RCFDG405	0	7.c.2.c.

Dollar amounts in thousands	(Column A) Remaining Maturity of One Year or Less		(Column B) Remaining Maturity of Over One Year Through Five Years		(Column C) Remaining Maturity of Over Five Years		
d. Notional amounts by remaining maturity:							7.d.
1. Sold credit protection:[2]							7.d.1.
a. Investment grade	RCFDG406	0	RCFDG407	0	RCFDG408	0	7.d.1.a.
b. Subinvestment grade	RCFDG409	0	RCFDG410	0	RCFDG411	0	7.d.1.b.
2. Purchased credit protection:[3]							7.d.2.
a. Investment grade	RCFDG412	0	RCFDG413	0	RCFDG414	75,000	7.d.2.a.
b. Subinvestment grade	RCFDG415	0	RCFDG416	0	RCFDG417	0	7.d.2.b.

1. The asset-size tests and the $300 million credit card lines test are based on the total assets and credit card lines reported in the June 30, 2018, Report of Condition.
1. The asset-size tests and the $300 million credit card lines test are based on the total assets and credit card lines reported in the June 30, 2018, Report of Condition.

Dollar amounts in thousands			
8. Spot foreign exchange contracts	RCFD8765	654,117	8.
9. All other off-balance sheet liabilities (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")	RCFD3430	0	9.
a. Not applicable			9.a.
b. Commitments to purchase when-issued securities	RCFD3434	0	9.b.
c. Standby letters of credit issued by another party (e.g., a Federal Home Loan Bank) on the bank's behalf	RCFDC978	0	9.c.
d. Disclose component and the dollar amount of that component:			9.d.
1. Describe component	TEXT3555	NR	9.d.1.
2. Amount of component	RCFD3555	0	9.d.2.
e. Disclose component and the dollar amount of that component:			9.e.
1. Describe component	TEXT3556	NR	9.e.1.
2. Amount of component	RCFD3556	0	9.e.2.
f. Disclose component and the dollar amount of that component:			9.f.
(TEXT3557) NR	RCFD3557	0	9.f.1.
10. All other off-balance sheet assets (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")	RCFD5591	0	10.
a. Commitments to sell when-issued securities	RCFD3435	0	10.a.
b. Disclose component and the dollar amount of that component:			10.b.
1. Describe component	TEXT5592	NR	10.b.1.
2. Amount of component	RCFD5592	0	10.b.2.
c. Disclose component and the dollar amount of that component:			10.c.
1. Describe component	TEXT5593	NR	10.c.1.
2. Amount of component	RCFD5593	0	10.c.2.
d. Disclose component and the dollar amount of that component:			10.d.
1. Describe component	TEXT5594	NR	10.d.1.
2. Amount of component	RCFD5594	0	10.d.2.
e. Disclose component and the dollar amount of that component:			10.e.
1. Describe component	TEXT5595	NR	10.e.1.
2. Amount of component	RCFD5595	0	10.e.2.
Items 11.a and 11.b are to be completed semiannually in the June and December reports only. 11. Year-to-date merchant credit card sales volume:			11.
a. Sales for which the reporting bank is the acquiring bank	RCFDC223	0	11.a.
b. Sales for which the reporting bank is the agent bank with risk	RCFDC224	0	11.b.

1. Sum of items 7.c.(1)(a) and 7.c.(2)(a), must equal sum of items 7.a.(1) through (4), column A. Sum of items 7.c.(1)(b), 7.c.(2)(b), and 7.c.(2)(c) must equal sum of items 7.a.(1) through (4), column B.
2. Sum of items 7.d.(1)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column A.
3. Sum of items 7.d.(2)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column B.

Dollar amounts in thousands	(Column A) Interest Rate Contracts		(Column B) Foreign Exchange Contracts		(Column C) Equity Derivative Contracts		(Column D) Commodity and Other Contracts		
12. Gross amounts (e.g., notional amounts):									12.
a. Futures contracts	RCFD8693	0	RCFD8694	0	RCFD8695	0	RCFD8696	0	12.a.
b. Forward contracts	RCFD8697	111,949	RCFD8698	2,983,888	RCFD8699	0	RCFD8700	0	12.b.
c. Exchange-traded option contracts:									12.c.
1. Written options	RCFD8701	0	RCFD8702	0	RCFD8703	0	RCFD8704	0	12.c.1.
2. Purchased options	RCFD8705	0	RCFD8706	0	RCFD8707	0	RCFD8708	0	12.c.2.
d. Over-the-counter option contracts:									12.d.
1. Written options	RCFD8709	552,359	RCFD8710	0	RCFD8711	0	RCFD8712	0	12.d.1.
2. Purchased options	RCFD8713	440,084	RCFD8714	0	RCFD8715	0	RCFD8716	0	12.d.2.
e. Swaps	RCFD3450	28,731,644	RCFD3826	0	RCFD8719	723,131	RCFD8720	0	12.e.
13. Total gross notional amount of derivative contracts held for trading	RCFDA126	6,665,266	RCFDA127	2,983,888	RCFD8723	723,131	RCFD8724	0	13.
14. Total gross notional amount of derivative contracts held for purposes other than trading	RCFD8725	23,170,770	RCFD8726	0	RCFD8727	0	RCFD8728	0	14.
a. Interest rate swaps where the bank has agreed to pay a fixed rate	RCFDA589	5,557,046							14.a.
15. Gross fair values of derivative contracts:									15.
a. Contracts held for trading:									15.a.
1. Gross positive fair value	RCFD8733	68,827	RCFD8734	39,380	RCFD8735	12,988	RCFD8736	0	15.a.1.
2. Gross negative fair value	RCFD8737	33,879	RCFD8738	41,280	RCFD8739	8,809	RCFD8740	0	15.a.2.
b. Contracts held for purposes other than trading:									15.b.
1. Gross positive fair value	RCFD8741	272,495	RCFD8742	0	RCFD8743	0	RCFD8744	0	15.b.1.
2. Gross negative fair value	RCFD8745	32,964	RCFD8746	0	RCFD8747	0	RCFD8748	0	15.b.2.

Dollar amounts in thousands	(Column A) Banks and Securities Firms	(Column B)	(Column C) Hedge Funds	(Column D) Sovereign Governments	(Column E) Corporations and All Other Counterparties	
Item 16 is to be completed only by banks with total assets of $10 billion or more. 16. Over-the counter derivatives:[1]						16.
a. Net current credit exposure	RCFDG418 224,126		RCFDG420 0	RCFDG421 0	RCFDG422 76,949	16.a.
b. Fair value of collateral:						16.b.
1. Cash - U.S. dollar	RCFDG423 211,080		RCFDG425 0	RCFDG426 0	RCFDG427 100	16.b.1.
2. Cash - Other currencies	RCFDG428 0		RCFDG430 0	RCFDG431 0	RCFDG432 0	16.b.2.
3. U.S. Treasury securities	RCFDG433 0		RCFDG435 0	RCFDG436 0	RCFDG437 0	16.b.3.
4. U.S. Government agency and U.S. Government-sponsored agency debt securities	RCFDG438 0		RCFDG440 0	RCFDG441 0	RCFDG442 0	16.b.4.
5. Corporate bonds	RCFDG443 0		RCFDG445 0	RCFDG446 0	RCFDG447 0	16.b.5.
6. Equity securities	RCFDG448 0		RCFDG450 0	RCFDG451 0	RCFDG452 0	16.b.6.
7. All other collateral	RCFDG453 0		RCFDG455 0	RCFDG456 0	RCFDG457 0	16.b.7.
8. Total fair value of collateral (sum of items 16.b.(1) through (7))	RCFDG458 211,080		RCFDG460 0	RCFDG461 0	RCFDG462 100	16.b.8.

1. The $10 billion asset-size test is based on the total assets reported on the June 30, 2018, Report of Condition.

Schedule RC-M - Memoranda(Form Type - 031)

Dollar amounts in thousands			
1. Extensions of credit by the reporting bank to its executive officers, directors, principal shareholders, and their related interests as of the report date:			1.
a. Aggregate amount of all extensions of credit to all executive officers, directors, principal shareholders, and their related interests	RCFD6164	1,512	1.a.
b. Number of executive officers, directors, and principal shareholders to whom the amount of all extensions of credit by the reporting bank (including extensions of credit to related interests) equals or exceeds the lesser of $500,000 or 5 percent of total capital as defined for this purpose in agency regulations	RCFD6165	0	1.b.
2. Intangible assets:			2.
a. Mortgage servicing assets	RCFD3164	23,080	2.a.
1. Estimated fair value of mortgage servicing assets	RCFDA590	24,768	2.a.1.
b. Goodwill	RCFD3163	3,097,352	2.b.
c. All other intangible assets	RCFDJF76	40,368	2.c.
d. Total (sum of items 2.a, 2.b, and 2.c) (must equal Schedule RC, item 10)	RCFD2143	3,160,800	2.d.
3. Other real estate owned:			3.
a. Construction, land development, and other land in domestic offices	RCON5508	248	3.a.
b. Farmland in domestic offices	RCON5509	0	3.b.
c. 1-4 family residential properties in domestic offices	RCON5510	1,591	3.c.
d. Multifamily (5 or more) residential properties in domestic offices	RCON5511	1,343	3.d.
e. Nonfarm nonresidential properties in domestic offices	RCON5512	0	3.e.
f. In foreign offices	RCFN5513	NR	3.f.
g. Total (sum of items 3.a through 3.g) (must equal Schedule RC, item 7)	RCFD2150	3,182	3.g.
4. Cost of equity securities with readily determinable fair values not held for trading (the fair value of which is reported in Schedule RC, item 2.c)[1]	RCFDJA29	NR	4.
5. Other borrowed money:			5.
a. Federal Home Loan Bank advances:			5.a.
1. Advances with a remaining maturity or next repricing date of:[1]			5.a.1.
a. One year or less	RCFDF055	0	5.a.1.a.
b. Over one year through three years	RCFDF056	0	5.a.1.b.
c. Over three years through five years	RCFDF057	0	5.a.1.c.
d. Over five years	RCFDF058	0	5.a.1.d.
2. Advances with a remaining maturity of one year or less (included in item 5.a.(1)(a) above)[2]	RCFD2651	0	5.a.2.
3. Structured advances (included in items 5.a.(1)(a) - (d) above)	RCFDF059	0	5.a.3.
b. Other borrowings:			5.b.
1. Other borrowings with a remaining maturity or next repricing date of:[3]			5.b.1.
a. One year or less	RCFDF060	1,714,035	5.b.1.a.
b. Over one year through three years	RCFDF061	213,790	5.b.1.b.
c. Over three years through five years	RCFDF062	10,664	5.b.1.c.
d. Over five years	RCFDF063	2,340,500	5.b.1.d.
2. Other borrowings with a remaining maturity of one year or less (included in item 5.b.(1)(a) above)[4]	RCFDB571	1,314,035	5.b.2.
c. Total (sum of items 5.a.(1)(a)-(d) and items 5.b.(1)(a)-(d)) (must equal Schedule RC, item 16)	RCFD3190	4,278,989	5.c.
6. Does the reporting bank sell private label or third party mutual funds and annuities?	RCFDB569	Yes	6.
7. Assets under the reporting bank's management in proprietary mutual funds and annuities	RCFDB570	0	7.
8. Internet Web site addresses and physical office trade names:			8.
a. Uniform Resource Locator (URL) of the reporting institution's primary Internet Web site (home page), if any (Example: www.examplebank.com):	TEXT4087	Click here for value	8.a.

1. Item 4 is to be completed only by insured state banks that have been approved by the FDIC to hold grandfathered equity investments. See instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.
1. Report fixed-rate advances by remaining maturity and floating-rate advances by next repricing date.
2. Report both fixed- and floating-rate advances by remaining maturity. Exclude floating-rate advances with a next repricing date of one year or less that have a remaining maturity of over one year.
3. Report fixed-rate other borrowings by remaining maturity and floating-rate other borrowings by next repricing date.
4. Report both fixed- and floating-rate other borrowings by remaining maturity. Exclude floating rate other borrowings with a next repricing date of one year or less that have a remaining maturity of over one year.

Dollar amounts in thousands			
b. URLs of all other public-facing Internet Web sites that the reporting institution uses to accept or solicit deposits from the public, if any (Example: www.examplebank.biz):[1]			8.b.
1. URL 1	TE01N528	NR	8.b.1.
2. URL 2	TE02N528	NR	8.b.2.
3. URL 3	TE03N528	NR	8.b.3.
4. URL 4	TE04N528	NR	8.b.4.
5. URL 5	TE05N528	NR	8.b.5.
6. URL 6	TE06N528	NR	8.b.6.
7. URL 7	TE07N528	NR	8.b.7.
8. URL 8	TE08N528	NR	8.b.8.
9. URL 9	TE09N528	NR	8.b.9.
10. URL 10	TE10N528	NR	8.b.10.
c. Trade names other than the reporting institution's legal title used to identify one or more of the institution's physical offices at which deposits are accepted or solicited from the public, if any:			8.c.
1. Trade name 1	TE01N529	BMO Harris	8.c.1.
2. Trade name 2	TE02N529	Click here for value	8.c.2.
3. Trade name 3	TE03N529	NR	8.c.3.
4. Trade name 4	TE04N529	NR	8.c.4.
5. Trade name 5	TE05N529	NR	8.c.5.
6. Trade name 6	TE06N529	NR	8.c.6.
Item 9 is to be completed annually in the December report only. 9. Do any of the bank's Internet Web sites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the Web site?	RCFD4088	NR	9.
10. Secured liabilities:			10.
a. Amount of "Federal funds purchased in domestic offices" that are secured (included in Schedule RC, item 14.a)	RCONF064	0	10.a.
b. Amount of "Other borrowings" that are secured (included in Schedule RC-M, items 5.b.(1)(a) - (d))	RCFDF065	245,161	10.b.
11. Does the bank act as trustee or custodian for Individual Retirement Accounts, Health Savings Accounts, and other similar accounts?	RCONG463	Yes	11.
12. Does the bank provide custody, safekeeping, or other services involving the acceptance of orders for the sale or purchase of securities?	RCONG464	No	12.
13. Assets covered by loss-sharing agreements with the FDIC:			13.
a. Loans and leases (included in Schedule RC, items 4.a and 4.b):			13.a.
1. Loans secured by real estate in domestic offices:			13.a.1.
a. Construction, land development, and other land loans:			13.a.1.a.
1. 1-4 family residential construction loans	RCONK169	0	13.a.1.a.1.
2. Other construction loans and all land development and other land loans	RCONK170	0	13.a.1.a.2.
b. Secured by farmland	RCONK171	0	13.a.1.b.
c. Secured by 1-4 family residential properties:			13.a.1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONK172	0	13.a.1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:			13.a.1.c.2.
a. Secured by first liens	RCONK173	0	13.a.1.c.2.a.
b. Secured by junior liens	RCONK174	0	13.a.1.c.2.b.
d. Secured by multifamily (5 or more) residential properties	RCONK175	0	13.a.1.d.
e. Secured by nonfarm nonresidential properties:			13.a.1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK176	0	13.a.1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RCONK177	0	13.a.1.e.2.
2. Not applicable			13.a.2.
3. Not applicable			13.a.3.
4. Not applicable			13.a.4.
5. All other loans and all leases	RCFDK183	0	13.a.5.

1. Report only highest level URLs (for example, report www.examplebank.biz, but do not also report www.examplebank.biz/checking). Report each top level domain name used (for example, report both www.examplebank.biz and www.examplebank.net).

Dollar amounts in thousands			
b. Other real estate owned (included in Schedule RC, item 7):			13.b.
1. Construction, land development, and other land in domestic offices	RCONK187	0	13.b.1.
2. Farmland in domestic offices	RCONK188	0	13.b.2.
3. 1-4 family residential properties in domestic offices	RCONK189	0	13.b.3.
4. Multifamily (5 or more) residential properties in domestic offices	RCONK190	0	13.b.4.
5. Nonfarm nonresidential properties in domestic offices	RCONK191	0	13.b.5.
6. In foreign offices	RCFNK260	NR	13.b.6.
7. Portion of covered other real estate owned included in items 13.b.(1) through (6) above that is protected by FDIC loss-sharing agreements	RCFDK192	0	13.b.7.
c. Debt securities (included in Schedule RC, items 2.a and 2.b)	RCFDJ461	0	13.c.
d. Other assets (exclude FDIC loss-sharing indemnification assets)	RCFDJ462	0	13.d.
Items 14.a and 14.b are to be completed annually in the December report only. 14. Captive insurance and reinsurance subsidiaries:			14.
a. Total assets of captive insurance subsidiaries[2]	RCFDK193	NR	14.a.
b. Total assets of captive reinsurance subsidiaries[2]	RCFDK194	NR	14.b.
Item 15 is to be completed by institutions that are required or have elected to be treated as a Qualified Thrift Lender. 15. Qualified Thrift Lender (QTL) test:			15.
a. Does the institution use the Home Owners' Loan Act (HOLA) QTL test or the Internal Revenue Service Domestic Building and Loan Association (IRS DBLA) test to determine its QTL compliance? (for the HOLA QTL test, enter 1; for the IRS DBLA test, enter 2)	RCONL133	NR	15.a.
b. Has the institution been in compliance with the HOLA QTL test as of each month end during the quarter or the IRS DBLA test for its most recent taxable year, as applicable?	RCONL135	NR	15.b.
Item 16.a and, if appropriate, items 16.b.(1) through 16.b.(3) are to be completed annually in the December report only. 16. International remittance transfers offered to consumers:[1]			16.
a. Estimated number of international remittance transfers provided by your institution during the calendar year ending on the report date	RCONN523	NR	16.a.
Items 16.b.(1) through 16.b.(3) are to be completed by institutions that reported 501 or more international remittance transfers in item 16.a in either or both of the current report or the most recent prior report in which item 16.a was required to be completed. b. Estimated dollar value of remittance transfers provided by your institution and usage of regulatory exceptions during the calendar year ending on the report date:			16.b.
1. Estimated dollar value of international remittance transfers	RCONN524	NR	16.b.1.
2. Estimated number of international remittance transfers for which your institution applied the permanent exchange rate exception	RCONMM07	NR	16.b.2.
3. Estimated number of international remittance transfers for which your institution applied the permanent covered third-party fee exception	RCONMQ52	NR	16.b.3.
17. U.S. Small Business Administration Paycheck Protection Program (PPP) loans and the Federal Reserve PPP Liquidity Facility (PPPLF):[3]			17.
a. Number of PPP loans outstanding	RCONLG26	19239	17.a.
b. Outstanding balance of PPP loans	RCONLG27	2,463,852	17.b.
c. Outstanding balance of PPP loans pledged to the PPPLF	RCONLG28	0	17.c.
d. Outstanding balance of borrowings from Federal Reserve Banks under the PPPLF with a remaining maturity of:			17.d.
1. One year or less	RCONLL59	0	17.d.1.
2. More than one year	RCONLL60	0	17.d.2.
e. Quarterly average amount of PPP loans pledged to the PPPLF and excluded from "Total assets for the leverage ratio" reported in Schedule RC-R, Part I, item 30	RCONLL57	0	17.e.
18. Money Market Mutual Fund Liquidity Facility (MMLF):			18.
a. Outstanding balance of assets purchased under the MMLF	RCONLL61	0	18.a.
b. Quarterly average amount of assets purchased under the MMLF and excluded from "Total assets for the leverage ratio" reported in Schedule RC-R, Part I, item 30	RCONLL58	0	18.b.

(TE02N529) BMO Harris Bank

2. Report total assets before eliminating intercompany transactions between the consolidated insurance or reinsurance subsidiary and other offices or consolidated subsidiaries of the reporting bank.

1. Report information about international electronic transfers of funds offered to consumers in the United States that: (a) are "remittance transfers" as defined by subpart B of Regulation E (12 CFR § 1005.30(e)), or (b) would qualify as "remittance transfers" under subpart B of Regulation E (12 CFR § 1005.30(e)) but are excluded from that definition only because the provider is not providing those transfers in the normal course of its business. See 12 CFR § 1005.30(f). For purposes of this item 16, such trans

3. Paycheck Protection Program (PPP) covered loans as defined in sections 7(a)(36) and 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(36) and (37)). The PPP was established by Section 1102 of the 2020 Coronavirus Aid, Relief, and Economic Security Act.

(TEXT4087) http://www.bmoharris.com

Schedule RC-N - Past Due and Nonaccrual Loans Leases and Other Assets(Form Type - 031)

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
1. Loans secured by real estate:							1.
a. Construction, land development, and other land loans in domestic offices:							1.a.
1. 1-4 family residential construction loans	RCONF172	0	RCONF174	0	RCONF176	250	1.a.1.
2. Other construction loans and all land development and other land loans	RCONF173	1,285	RCONF175	0	RCONF177	9,990	1.a.2.
b. Secured by farmland in domestic offices	RCON3493	71	RCON3494	352	RCON3495	85,217	1.b.
c. Secured by 1-4 family residential properties in domestic offices:							1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCON5398	4,420	RCON5399	2,266	RCON5400	24,892	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:							1.c.2.
a. Secured by first liens	RCONC236	46,425	RCONC237	4,402	RCONC229	155,373	1.c.2.a.
b. Secured by junior liens	RCONC238	1,118	RCONC239	1,314	RCONC230	36,293	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties in domestic offices	RCON3499	225	RCON3500	0	RCON3501	9,469	1.d.
e. Secured by nonfarm nonresidential properties in domestic offices:							1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONF178	5,912	RCONF180	5,654	RCONF182	45,519	1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RCONF179	45,168	RCONF181	8,334	RCONF183	31,808	1.e.2.
f. In foreign offices	RCFNB572	NR	RCFNB573	NR	RCFNB574	NR	1.f.
2. Loans to depository institutions and acceptances of other banks:							2.
a. To U.S. banks and other U.S. depository institutions	RCFD5377	0	RCFD5378	0	RCFD5379	0	2.a.
b. To foreign banks	RCFD5380	0	RCFD5381	0	RCFD5382	0	2.b.
3. Loans to finance agricultural production and other loans to farmers	RCFD1594	1,446	RCFD1597	7	RCFD1583	42,618	3.
4. Commercial and industrial loans:							4.
a. To U.S. addressees (domicile)	RCFD1251	27,885	RCFD1252	8,957	RCFD1253	289,322	4.a.
b. To non-U.S. addressees (domicile)	RCFD1254	0	RCFD1255	0	RCFD1256	0	4.b.
5. Loans to individuals for household, family, and other personal expenditures:							5.
a. Credit cards	RCFDB575	2,939	RCFDB576	3,537	RCFDB577	0	5.a.
b. Automobile loans	RCFDK213	21,360	RCFDK214	0	RCFDK215	17,714	5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCFDK216	15,450	RCFDK217	3,979	RCFDK218	3,879	5.c.
6. Loans to foreign governments and official institutions	RCFD5389	0	RCFD5390	0	RCFD5391	0	6.
7. All other loans	RCFD5459	27,426	RCFD5460	0	RCFD5461	6,738	7.
8. Lease financing receivables:							8.
a. Leases to individuals for household, family, and other personal expenditures	RCFDF166	0	RCFDF167	0	RCFDF168	0	8.a.
b. All other leases	RCFDF169	87	RCFDF170	0	RCFDF171	14,048	8.b.
9. Total loans and leases (sum of items 1 through 8.b)	RCFD1406	201,217	RCFD1407	38,802	RCFD1403	773,130	9.
10. Debt securities and other assets (exclude other real estate owned and other repossessed assets)	RCFD3505	2,237	RCFD3506	518	RCFD3507	0	10.
11. Loans and leases reported in items 1 through 8 above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC:	RCFDK036	333	RCFDK037	346	RCFDK038	27,145	11.
a. Guaranteed portion of loans and leases included in item 11 above, excluding rebooked "GNMA loans"	RCFDK039	333	RCFDK040	346	RCFDK041	24,023	11.a.
b. Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item 11 above	RCFDK042	0	RCFDK043	0	RCFDK044	0	11.b.
12. Loans and leases reported in items 1 through 8 above that are covered by loss-sharing agreements with the FDIC:							12.
a. Loans secured by real estate in domestic offices:							12.a.
1. Construction, land development, and other land loans:							12.a.1.
a. 1-4 family residential construction loans	RCONK045	0	RCONK046	0	RCONK047	0	12.a.1.a.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
b. Other construction loans and all land development and other land loans	RCONK048	0	RCONK049	0	RCONK050	0	12a1b
2. Secured by farmland	RCONK051	0	RCONK052	0	RCONK053	0	12.a.2.
3. Secured by 1-4 family residential properties:							12.a.3.
a. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONK054	0	RCONK055	0	RCONK056	0	12a3a
b. Closed-end loans secured by 1-4 family residential properties:							12a3b
1. Secured by first liens	RCONK057	0	RCONK058	0	RCONK059	0	12a3b1
2. Secured by junior liens	RCONK060	0	RCONK061	0	RCONK062	0	12a3b2
4. Secured by multifamily (5 or more) residential properties	RCONK063	0	RCONK064	0	RCONK065	0	12.a.4.
5. Secured by nonfarm nonresidential properties:							12.a.5.
a. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK066	0	RCONK067	0	RCONK068	0	12a5a
b. Loans secured by other nonfarm nonresidential properties	RCONK069	0	RCONK070	0	RCONK071	0	12a5b
b. Not applicable							12.b.
c. Not applicable							12.c.
d. Not applicable							12.d.
e. All other loans and all leases	RCFDK087	0	RCFDK088	0	RCFDK089	0	12.e.
f. Portion of covered loans and leases included in items 12.a through 12.e above that is protected by FDIC loss-sharing agreements	RCFDK102	0	RCFDK103	0	RCFDK104	0	12.f.
1. Loans restructured in troubled debt restructurings included in Schedule RC-N, items 1 through 7, above (and not reported in Schedule RC-C, Part 1, Memorandum item 1):							M.1.
a. Construction, land development, and other land loans in domestic offices:							M.1.a.
1. 1-4 family residential construction loans	RCONK105	0	RCONK106	0	RCONK107	64	M1a1
2. Other construction loans and all land development and other land loans	RCONK108	0	RCONK109	0	RCONK110	387	M1a2
b. Loans secured by 1-4 family residential properties in domestic offices	RCONF661	2,275	RCONF662	177	RCONF663	121,991	M.1.b.
c. Secured by multifamily (5 or more) residential properties in domestic offices	RCONK111	0	RCONK112	0	RCONK113	146	M.1.c.
d. Secured by nonfarm nonresidential properties in domestic offices:							M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK114	218	RCONK115	0	RCONK116	16,428	M1d1
2. Loans secured by other nonfarm nonresidential properties	RCONK117	0	RCONK118	0	RCONK119	1,306	M1d2
e. Commercial and industrial loans:							M.1.e.
1. To U.S. addressees (domicile)	RCFDK120	478	RCFDK121	0	RCFDK122	55,042	M1e1
2. To non-U.S. addressees (domicile)	RCFDK123	0	RCFDK124	0	RCFDK125	0	M1e2
f. All other loans (include loans to individuals for household, family, and other personal expenditures)	RCFDK126	820	RCFDK127	0	RCFDK128	82,030	M.1.f.
Itemize loan categories included in Memorandum item 1.f, above that exceed 10 percent of total loans restructured in troubled debt restructurings that are past due 30 days or more or in nonaccrual status (sum of Memorandum items 1.a through 1.f, columns A through C): 1. Loans secured by farmland in domestic offices	RCONK130	0	RCONK131	0	RCONK132	49,096	M1f1
2. Not applicable							M1f2
3. Loans to finance agricultural production and other loans to farmers	RCFDK138	233	RCFDK139	0	RCFDK140	29,661	M1f3
4. Loans to individuals for household, family, and other personal expenditures:							M1f4
a. Credit cards	RCFDK274	0	RCFDK275	0	RCFDK276	0	M1f4a
b. Automobile loans	RCFDK277	587	RCFDK278	0	RCFDK279	2,650	M1f4b
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCFDK280	0	RCFDK281	0	RCFDK282	502	M1f4c
g. Total loans restructured in troubled debt restructurings included in Schedule RC-N, items 1 through 7, above and not reported in Schedule RC-C, Part I, Memorandum item 1 (sum of items Memorandum item 1.a.(1) through Memorandum item 1.f)[1]	RCFDHK26	3,791	RCFDHK27	177	RCFDHK28	277,394	M.1.g.

1. Exclude amounts reported in Memorandum items 1.f.(1) through 1.f.(4) when calculating the total in Memorandum item 1.g.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
2. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-N, items 4 and 7, above	RCFD6558	**0**	RCFD6559	**0**	RCFD6560	**3,102**	M.2.
3. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-N, item 1, above)	RCFD1248	**478**	RCFD1249	**0**	RCFD1250	**2,813**	M.3.
4. Not applicable							M.4.
5. Loans and leases held for sale (included in Schedule RC-N, items 1 through 8, above)	RCFDC240	**0**	RCFDC241	**0**	RCFDC226	**0**	M.5.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days		(Column B) Past due 90 days or more		
6. Derivative contracts: Fair value of amounts carried as assets	RCFD3529	**0**	RCFD3530	**0**	M.6.

Dollar amounts in thousands			
Memorandum items 7, 8, 9.a, and 9.b are to be completed semiannually in the June and December reports only. 7. Additions to nonaccrual assets during the previous six months	RCFDC410	**101,570**	M.7.
8. Nonaccrual assets sold during the previous six months	RCFDC411	**4,417**	M.8.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
9. Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Stament of Position 03-3):[2]							M.9.
a. Outstanding balance	RCFDL183	**261**	RCFDL184	**9,610**	RCFDL185	**0**	M.9.a.
b. Amount included in Schedule RC-N, items 1 through 7, above	RCFDL186	**49**	RCFDL187	**14,993**	RCFDL188	**0**	M.9.b.

2. Memorandum items 9.a and 9.b should be completed only by institutions that have not yet adopted ASU 2016-13.

Schedule RC-O - Other Data for Deposit Insurance and FICO Assessments(Form Type - 031)

All FDIC-insured depository institutions must complete items 1 through 9, 10, and 11, Memorandum item 1, and, if applicable, item 9.a, Memorandum items 2, 3, and 6 through 18 each quarter. Unless otherwise indicated, complete items 1 through 11 and Memorandum items 1 through 3 on an "unconsolidated single FDIC certificate number basis" (see instructions) and complete Memorandum items 6 through 18 on a fully consolidated basis.

Dollar amounts in thousands			
1. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations	RCFDF236	137,346,041	1.
2. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits)	RCFDF237	0	2.
3. Total foreign deposits, including interest accrued and unpaid thereon (included in item 2 above)	RCFNF234	0	3.
4. Average consolidated total assets for the calendar quarter	RCFDK652	161,515,897	4.
a. Averaging method used (for daily averaging, enter 1; for weekly averaging, enter 2)	RCFDK653	1	4.a.
5. Average tangible equity for the calendar quarter[1]	RCFDK654	14,874,412	5.
6. Holdings of long-term unsecured debt issued by other FDIC-insured depository institutions	RCFDK655	0	6.
7. Unsecured "Other borrowings" with a remaining maturity of (sum of items 7.a through 7.d must be less than or equal to Schedule RC-M, items 5.b.(1)(a)-(d) minus item 10.b):			7.
a. One year or less	RCFDG465	1,308,494	7.a.
b. Over one year through three years	RCFDG466	0	7.b.
c. Over three years through five years	RCFDG467	0	7.c.
d. Over five years	RCFDG468	2,725,334	7.d.
8. Subordinated notes and debentures with a remaining maturity of (sum of items 8.a through 8.d must equal Schedule RC, item 19):			8.
a. One year or less	RCFDG469	0	8.a.
b. Over one year through three years	RCFDG470	0	8.b.
c. Over three years through five years	RCFDG471	0	8.c.
d. Over five years	RCFDG472	500,000	8.d.
9. Brokered reciprocal deposits (included in Schedule RC-E, Part I, Memorandum item 1.b)	RCONG803	0	9.
Item 9.a is to be completed on a fully consolidated basis by all institutions that own another insured depository institution. a. Fully consolidated brokered reciprocal deposits	RCONL190	NR	9.a.
10. Banker's bank certification: Does the reporting institution meet both the statutory definition of a banker's bank and the business conduct test set forth in FDIC regulations? If the answer to item 10 is "YES," complete items 10.a and 10.b	RCFDK656	No	10.
If the answer to item 10 is "YES," complete items 10.a and 10.b. a. Banker's bank deduction	RCFDK657	NR	10.a.
b. Banker's bank deduction limit	RCFDK658	NR	10.b.
11. Custodial bank certification: Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations? If the answer to item 11 is "YES," complete items 11.a and 11.b	RCFDK659	Yes	11.
If the answer to item 11 is "YES," complete items 11.a and 11.b. a. Custodial bank deduction	RCFDK660	54,998,231	11.a.
b. Custodial bank deduction limit	RCFDK661	5,234,431	11.b.
1. Total deposit liabilities of the bank (including related interest accrued and unpaid) less allowable exclusions (including related interest accrued and unpaid) (sum of Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1) must equal Schedule RC-O, item 1 less item 2):			M.1.
a. Deposit accounts (excluding retirement accounts) of $250,000 or less:[1]			M.1.a.
1. Amount of deposit accounts (excluding retirement accounts) of $250,000 or less	RCONF049	37,645,616	M.1.a.1.
2. Number of deposit accounts (excluding retirement accounts) of $250,000 or less	RCONF050	2212437	M.1.a.2.
b. Deposit accounts (excluding retirement accounts) of more than $250,000:[1]			M.1.b.
1. Amount of deposit accounts (excluding retirement accounts) of more than $250,000	RCONF051	98,080,193	M.1.b.1.
2. Number of deposit accounts (excluding retirement accounts) of more than $250,000	RCONF052	42325	M.1.b.2.
c. Retirement deposit accounts of $250,000 or less:[1]			M.1.c.
1. Amount of retirement deposit accounts of $250,000 or less	RCONF045	1,468,647	M.1.c.1.
2. Number of retirement deposit accounts of $250,000 or less	RCONF046	98052	M.1.c.2.
d. Retirement deposit accounts of more than $250,000:[1]			M.1.d.

1. See instructions for averaging methods. For deposit insurance assessment purposes, tangible equity is defined as Tier 1 capital as set forth in the banking agencies' regulatory capital standards and reported in Schedule RC-R, Part I, item 26, except as described in the instructions.
1. The dollar amounts used as the basis for reporting in Memorandum items 1.a through 1.d reflect the deposit insurance limits in effect on the report date.

Dollar amounts in thousands			
1. Amount of retirement deposit accounts of more than $250,000	RCONF047	151,585	M.1.d.1.
2. Number of retirement deposit accounts of more than $250,000	RCONF048	400	M.1.d.2.
Memorandum item 2 is to be completed by banks with $1 billion or more in total assets. 2. Estimated amount of uninsured deposits in domestic offices of the bank and in insured branches in Puerto Rico and U.S. territories and possessions, including related interest accrued and unpaid (see instructions)[3]	RCON5597	87,451,802	M.2.
3. Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent savings association's Call Report? If so, report the legal title and FDIC Certificate Number of the parent bank or parent savings association:			M.3.
a. Legal title	TEXTA545	NR	M.3.a.
b. FDIC Certificate Number	RCONA545	0	M.3.b.
4. Dually payable deposits in the reporting institution's foreign branches	RCFNGW43	NR	M.4.
Memorandum items 5 through 12 are to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations. 5. Applicable portion of the CECL transitional amount or modified CECL transitional amount that has been added to retained earnings for regulatory capital purposes as of the current report date and is attributable to loans and leases held for investment	RCFDMW53	NR	M.5.
6. Criticized and classified items:			M.6.
a. Special mention	RCFDK663	CONF	M.6.a.
b. Substandard	RCFDK664	CONF	M.6.b.
c. Doubtful	RCFDK665	CONF	M.6.c.
d. Loss	RCFDK666	CONF	M.6.d.
7. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations:			M.7.
a. Nontraditional 1-4 family residential mortgage loans	RCFDN025	CONF	M.7.a.
b. Securitizations of nontraditional 1-4 family residential mortgage loans	RCFDN026	CONF	M.7.b.
8. "Higher-risk consumer loans" as defined for assessment purposes only in FDIC regulations:			M.8.
a. Higher-risk consumer loans	RCFDN027	CONF	M.8.a.
b. Securitizations of higher-risk consumer loans	RCFDN028	CONF	M.8.b.
9. "Higher-risk commercial and industrial loans and securities" as defined for assessment purposes only in FDIC regulations:			M.9.
a. Higher-risk commercial and industrial loans and securities	RCFDN029	CONF	M.9.a.
b. Securitizations of higher-risk commercial and industrial loans and securities	RCFDN030	CONF	M.9.b.
10. Commitments to fund construction, land development, and other land loans secured by real estate for the consolidated bank:			M.10.
a. Total unfunded commitments	RCFDK676	1,829,723	M.10.a.
b. Portion of unfunded commitments guaranteed or insured by the U.S. government (including the FDIC)	RCFDK677	0	M.10.b.
11. Amount of other real estate owned recoverable from the U.S. government under guarantee or insurance provisions (excluding FDIC loss-sharing agreements)	RCFDK669	0	M.11.
12. Nonbrokered time deposits of more than $250,000 in domestic offices (included in Schedule RC-E, Memorandum item 2.d)	RCONK678	3,150,120	M.12.
Memorandum item 13.a is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations. Memorandum items 13.b through 13.h are to be completed by "large institutions" only. 13. Portion of funded loans and securities in domestic and foreign offices guaranteed or insured by the U.S. government (including FDIC loss-sharing agreements):			M.13.
a. Construction, land development, and other land loans secured by real estate	RCFDN177	0	M.13.a.
b. Loans secured by multifamily residential and nonfarm nonresidential properties	RCFDN178	14,391	M.13.b.
c. Closed-end loans secured by first liens on 1-4 family residential properties	RCFDN179	6,289	M.13.c.
d. Closed-end loans secured by junior liens on 1-4 family residential properties and revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCFDN180	1,320	M.13.d.
e. Commercial and industrial loans	RCFDN181	2,271,419	M.13.e.
f. Credit card loans to individuals for household, family, and other personal expenditures	RCFDN182	0	M.13.f.
g. All other loans to individuals for household, family, and other personal expenditures	RCFDN183	0	M.13.g.
h. Non-agency residential mortgage-backed securities	RCFDM963	0	M.13.h.
Memorandum items 14 and 15 are to be completed by "highly complex institutions" as defined in FDIC regulations. 14. Amount of the institution's largest counterparty exposure	RCFDK673	CONF	M.14.
15. Total amount of the institution's 20 largest counterparty exposures	RCFDK674	CONF	M.15.

3. Uninsured deposits should be estimated based on the deposit insurance limits set forth in Memorandum items 1.a through 1.d.

Dollar amounts in thousands			
Memorandum item 16 is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations. 16. Portion of loans restructured in troubled debt restructurings that are in compliance with their modified terms and are guaranteed or insured by the U.S. government (including the FDIC) (included in Schedule RC-C, part I, Memorandum item 1)......	RCFDL189	**192**	M.16.
Memorandum item 17 is to be completed on a fully consolidated basis by those "large institutions" and "highly complex institutions" as defined in FDIC regulations that own another insured depository institution. 17. Selected fully consolidated data for deposit insurance assessment purposes:			M.17.
a. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations......	RCFDL194	**NR**	M.17.a.
b. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits)......	RCFDL195	**NR**	M.17.b.
c. Unsecured "Other borrowings" with a remaining maturity of one year or less......	RCFDL196	**NR**	M.17.c.
d. Estimated amount of uninsured deposits in domestic offices of the institution and in insured branches in Puerto Rico and U.S. territories and possessions, including related interest accrued and unpaid......	RCONL197	**NR**	M.17.d.

Dollar amounts in thousands	(Column A) Two-Year Probability of Default (PD) <= 1%	(Column B) Two-Year Probability of Default (PD) 1.01–4%	(Column C) Two-Year Probability of Default (PD) 4.01–7%	(Column D) Two-Year Probability of Default (PD) 7.01–10%	(Column E) Two-Year Probability of Default (PD) 10.01–14%	(Column F) Two-Year Probability of Default (PD) 14.01–16%	(Column G) Two-Year Probability of Default (PD) 16.01–18%	(Column H) Two-Year Probability of Default (PD) 18.01–20%	(Column I) Two-Year Probability of Default (PD) 20.01–22%	(Column J) Two-Year Probability of Default (PD) 22.01–26%	(Column K) Two-Year Probability of Default (PD) 26.01–30%	(Column L) Two-Year Probability of Default (PD) > 30%	(Column M) Two-Year Probability of Default (PD) Unscoreable	(Column N) Two-Year Probability of Default (PD) Total	(Column O) PDs Were Derived Using	
18. Outstanding balance of 1-4 family residential mortgage loans, consumer loans, and consumer leases by two-year probability of default:																M18.
a. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations	RCFDM964 CONF	RCFDM965 CONF	RCFDM966 CONF	RCFDM967 CONF	RCFDM968 CONF	RCFDM969 CONF	RCFDM970 CONF	RCFDM971 CONF	RCFDM972 CONF	RCFDM973 CONF	RCFDM974 CONF	RCFDM975 CONF	RCFDM976 CONF	RCFDM977 CONF	RCFDM978 CONF	M18.a.
b. Closed-end loans secured by first liens on 1-4 family residential properties	RCFDM979 CONF	RCFDM980 CONF	RCFDM981 CONF	RCFDM982 CONF	RCFDM983 CONF	RCFDM984 CONF	RCFDM985 CONF	RCFDM986 CONF	RCFDM987 CONF	RCFDM988 CONF	RCFDM989 CONF	RCFDM990 CONF	RCFDM991 CONF	RCFDM992 CONF	RCFDM993 CONF	M18.b.
c. Closed-end loans secured by junior liens on 1-4 family residential properties	RCFDM994 CONF	RCFDM995 CONF	RCFDM996 CONF	RCFDM997 CONF	RCFDM998 CONF	RCFDM999 CONF	RCFDN001 CONF	RCFDN002 CONF	RCFDN003 CONF	RCFDN004 CONF	RCFDN005 CONF	RCFDN006 CONF	RCFDN007 CONF	RCFDN008 CONF	RCFDN009 CONF	M18.c.
d. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCFDN010 CONF	RCFDN011 CONF	RCFDN012 CONF	RCFDN013 CONF	RCFDN014 CONF	RCFDN015 CONF	RCFDN016 CONF	RCFDN017 CONF	RCFDN018 CONF	RCFDN019 CONF	RCFDN020 CONF	RCFDN021 CONF	RCFDN022 CONF	RCFDN023 CONF	RCFDN024 CONF	M18.d.
e. Credit cards	RCFDN040 CONF	RCFDN041 CONF	RCFDN042 CONF	RCFDN043 CONF	RCFDN044 CONF	RCFDN045 CONF	RCFDN046 CONF	RCFDN047 CONF	RCFDN048 CONF	RCFDN049 CONF	RCFDN050 CONF	RCFDN051 CONF	RCFDN052 CONF	RCFDN053 CONF	RCFDN054 CONF	M18.e.
f. Automobile loans	RCFDN055 CONF	RCFDN056 CONF	RCFDN057 CONF	RCFDN058 CONF	RCFDN059 CONF	RCFDN060 CONF	RCFDN061 CONF	RCFDN062 CONF	RCFDN063 CONF	RCFDN064 CONF	RCFDN065 CONF	RCFDN066 CONF	RCFDN067 CONF	RCFDN068 CONF	RCFDN069 CONF	M18.f.
g. Student loans	RCFDN070 CONF	RCFDN071 CONF	RCFDN072 CONF	RCFDN073 CONF	RCFDN074 CONF	RCFDN075 CONF	RCFDN076 CONF	RCFDN077 CONF	RCFDN078 CONF	RCFDN079 CONF	RCFDN080 CONF	RCFDN081 CONF	RCFDN082 CONF	RCFDN083 CONF	RCFDN084 CONF	M18.g.
h. Other consumer loans and revolving credit plans other than credit cards	RCFDN085 CONF	RCFDN086 CONF	RCFDN087 CONF	RCFDN088 CONF	RCFDN089 CONF	RCFDN090 CONF	RCFDN091 CONF	RCFDN092 CONF	RCFDN093 CONF	RCFDN094 CONF	RCFDN095 CONF	RCFDN096 CONF	RCFDN097 CONF	RCFDN098 CONF	RCFDN099 CONF	M18.h.
i. Consumer leases	RCFDN100 CONF	RCFDN101 CONF	RCFDN102 CONF	RCFDN103 CONF	RCFDN104 CONF	RCFDN105 CONF	RCFDN106 CONF	RCFDN107 CONF	RCFDN108 CONF	RCFDN109 CONF	RCFDN110 CONF	RCFDN111 CONF	RCFDN112 CONF	RCFDN113 CONF	RCFDN114 CONF	M18.i.
j. Total	RCFDN115 CONF	RCFDN116 CONF	RCFDN117 CONF	RCFDN118 CONF	RCFDN119 CONF	RCFDN120 CONF	RCFDN121 CONF	RCFDN122 CONF	RCFDN123 CONF	RCFDN124 CONF	RCFDN125 CONF	RCFDN126 CONF	RCFDN127 CONF	RCFDN128 CONF		M18.j.

Schedule RC-P - 1-4 Family Residential Mortgage Banking Activities in Domestic Offices(Form Type - 031)

Schedule RC-P is to be completed by banks at which either 1-4 family residential mortgage loan originations and purchases for resale from all sources, loan sales, or quarter-end loans held for sale or trading in domestic offices exceed $10 million for two consecutive quarters.

Dollar amounts in thousands			
1. Retail originations during the quarter of 1-4 family residential mortgage loans for sale[1]	RCONHT81	138,953	1.
2. Wholesale originations and purchases during the quarter of 1-4 family residential mortgage loans for sale[2]	RCONHT82	0	2.
3. 1-4 family residential mortgage loans sold during the quarter	RCONFT04	154,845	3.
4. 1-4 family residential mortgage loans held for sale or trading at quarter-end (included in Schedule RC, items 4.a and 5)	RCONFT05	24,730	4.
5. Noninterest income for the quarter from the sale, securitization, and servicing of 1-4 family residential mortgage loans (included in Schedule RI, items 5.c, 5.f, 5.g, and 5.i)	RIADHT85	9,411	5.
6. Repurchases and indemnifications of 1-4 family residential mortgage loans during the quarter	RCONHT86	663	6.
7. Representation and warranty reserves for 1-4 family residential mortgage loans sold:			7.
a. For representations and warranties made to U.S. government agencies and government-sponsored agencies	RCONL191	CONF	7.a.
b. For representations and warranties made to other parties	RCONL192	CONF	7.b.
c. Total representation and warranty reserves (sum of items 7.a and 7.b)	RCONM288	4,130	7.c.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis(Form Type - 031)

Schedule RC-Q is to be completed by banks that:

(1) Have elected to report financial instruments or servicing assets and liabilities at fair value under a fair value option with changes in fair value recognized in earnings, or (2) Are required to complete Schedule RC-D, Trading Assets and Liabilities.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
1. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading[1]	RCFDJA36 34,489,937	RCFDG474 0	RCFDG475 2,625,761	RCFDG476 31,863,606	RCFDG477 570	1.
2. Federal funds sold and securities purchased under agreements to resell	RCFDG478 0	RCFDG479 0	RCFDG480 0	RCFDG481 0	RCFDG482 0	2.
3. Loans and leases held for sale	RCFDG483 0	RCFDG484 0	RCFDG485 0	RCFDG486 0	RCFDG487 0	3.
4. Loans and leases held for investment	RCFDG488 0	RCFDG489 0	RCFDG490 0	RCFDG491 0	RCFDG492 0	4.
5. Trading assets:						5.
a. Derivative assets	RCFD3543 88,169	RCFDG493 35,561	RCFDG494 0	RCFDG495 123,730	RCFDG496 0	5.a.
b. Other trading assets	RCFDG497 350,563	RCFDG498 0	RCFDG499 2,889	RCFDG500 347,674	RCFDG501 0	5.b.
1. Nontrading securities at fair value with changes in fair value reported in current earnings (included in Schedule RC-Q, item 5.b, above)	RCFDF240 0	RCFDF684 0	RCFDF692 0	RCFDF241 0	RCFDF242 0	5.b.1.
6. All other assets	RCFDG391 356,736	RCFDG392 -83,927	RCFDG395 0	RCFDG396 271,624	RCFDG804 1,185	6.
7. Total assets measured at fair value on a recurring basis (sum of items 1 through 5.b plus item 6)	RCFDG502 35,285,405	RCFDG503 -48,366	RCFDG504 2,628,650	RCFDG505 32,606,634	RCFDG506 1,755	7.
8. Deposits	RCFDF252 1,322,040	RCFDF686 0	RCFDF694 0	RCFDF253 1,322,040	RCFDF254 0	8.
9. Federal funds purchased and securities sold under agreements to repurchase	RCFDG507 0	RCFDG508 0	RCFDG509 0	RCFDG510 0	RCFDG511 0	9.
10. Trading liabilities:						10.
a. Derivative liabilities	RCFD3547 22,949	RCFDG512 64,755	RCFDG513 0	RCFDG514 87,704	RCFDG515 0	10.a.
b. Other trading liabilities	RCFDG516 0	RCFDG517 0	RCFDG518 0	RCFDG519 0	RCFDG520 0	10.b.

1. Exclude originations and purchases of 1–4 family residential mortgage loans that are held for investment.
1. The amount reported in item 1, column A, must equal the sum of Schedule RC, items 2.b and 2.c.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
11. Other borrowed money	RCFDG521 0	RCFDG522 0	RCFDG523 0	RCFDG524 0	RCFDG525 0	11.
12. Subordinated notes and debentures	RCFDG526 0	RCFDG527 0	RCFDG528 0	RCFDG529 0	RCFDG530 0	12.
13. All other liabilities	RCFDG805 5,514	RCFDG806 27,450	RCFDG807 0	RCFDG808 32,838	RCFDG809 126	13.
14. Total liabilities measured at fair value on a recurring basis (sum of items 8 through 13)	RCFDG531 1,350,503	RCFDG532 92,205	RCFDG533 0	RCFDG534 1,442,582	RCFDG535 126	14.
1. All other assets (itemize and describe amounts included in Schedule RC-Q, item 6, that are greater than $100,000 and exceed 25% of item 6):						M.1.
a. Mortgage servicing assets	RCFDG536 0	RCFDG537 0	RCFDG538 0	RCFDG539 0	RCFDG540 0	M.1.a.
b. Nontrading derivative assets	RCFDG541 0	RCFDG542 0	RCFDG543 0	RCFDG544 0	RCFDG545 0	M.1.b.

Dollar amounts in thousands			
c. Disclose component and the dollar amount of that component:			M.1.c.
1. Describe component	TEXTG546	Click here for value	M.1.c.1.

(TEXTG546) CRA LP Investment

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG546 348,907	RCFDG547 -348,907	RCFDG548 0	RCFDG549 0	RCFDG550 0	M.1.c.2.

Dollar amounts in thousands			
d. Disclose component and the dollar amount of that component:			M.1.d.
1. Describe component	TEXTG551	NR	M.1.d.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG551 0	RCFDG552 0	RCFDG553 0	RCFDG554 0	RCFDG555 0	M.1.d2.

Dollar amounts in thousands			
e. Disclose component and the dollar amount of that component:			M.1.e.
1. Describe component	TEXTG556	NR	M.1.e.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG556 0	RCFDG557 0	RCFDG558 0	RCFDG559 0	RCFDG560 0	M.1.e2.

Dollar amounts in thousands			
f. Disclose component and the dollar amount of that component:			M.1.f.
1. Describe component	TEXTG561	NR	M.1.f.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG561 0	RCFDG562 0	RCFDG563 0	RCFDG564 0	RCFDG565 0	M.1.f.2.
2. All other liabilities (itemize and describe amounts included in Schedule RC-Q, item 13, that are greater than $100,000 and exceed 25% of item 13):						M.2.
a. Loan commitments (not accounted for as derivatives)	RCFDF261 0	RCFDF689 0	RCFDF697 0	RCFDF262 0	RCFDF263 0	M.2.a.
b. Nontrading derivative liabilities	RCFDG566 5,514	RCFDG567 27,450	RCFDG568 0	RCFDG569 32,838	RCFDG570 126	M.2.b.

Dollar amounts in thousands			
c. Disclose component and the dollar amount of that component:			M.2.c.
1. Describe component	TEXTG571	NR	M.2.c.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG571 0	RCFDG572 0	RCFDG573 0	RCFDG574 0	RCFDG575 0	M.2.c.2.

Dollar amounts in thousands			
d. Disclose component and the dollar amount of that component:			M.2.d.
1. Describe component	TEXTG576	NR	M.2.d.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG576 0	RCFDG577 0	RCFDG578 0	RCFDG579 0	RCFDG580 0	M.2.d.2.

Dollar amounts in thousands			
e. Disclose component and the dollar amount of that component:			M.2.e.
1. Describe component	TEXTG581	NR	M.2.e.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG581 0	RCFDG582 0	RCFDG583 0	RCFDG584 0	RCFDG585 0	M.2.e.2.

Dollar amounts in thousands			
f. Disclose component and the dollar amount of that component:			M.2.f.
1. Describe component (TEXTG586) NR			M.2.f.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG586 0	RCFDG587 0	RCFDG588 0	RCFDG589 0	RCFDG590 0	M.2.f.2.

Dollar amounts in thousands	Consolidated Bank		
3. Loans measured at fair value (included in Schedule RC-C, Part I, items 1 through 9):			M.3.
a. Loans secured by real estate:			M.3.a.
1. Secured by 1-4 family residential properties	RCFDHT87	0	M.3.a.1.
2. All other loans secured by real estate	RCFDHT88	0	M.3.a.2.
b. Commercial and industrial loans	RCFDF585	0	M.3.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	RCFDHT89	0	M.3.c.
d. Other loans	RCFDF589	0	M.3.d.
4. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-Q, Memorandum item 3):			M.4.
a. Loans secured by real estate:			M.4.a.
1. Secured by 1-4 family residential properties	RCFDHT91	0	M.4.a.1.
2. All other loans secured by real estate	RCFDHT92	0	M.4.a.2.
b. Commercial and industrial loans	RCFDF597	0	M.4.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	RCFDHT93	0	M.4.c.
d. Other loans	RCFDF601	0	M.4.d.

Schedule RC-R Part I - Regulatory Capital Components and Ratios(Form Type - 031)

Part I is to be completed on a consolidated basis.

Dollar amounts in thousands			
1. Common stock plus related surplus, net of treasury stock and unearned employee stock ownership plan (ESOP) shares	RCFAP742	12,034,082	1.
2. Retained earnings[1]	RCFAKW00	6,025,273	2.
To be completed only by institutions that have adopted ASU 2016-13: a. Does your institution have a CECL transition election in effect as of the quarter-end report date? (enter "0" for No; enter "1" for Yes with a 3-year CECL transition election; enter "2" for Yes with a 5-year 2020 CECL transition election.)	RCOAJJ29	NR	2.a.
3. Accumulated other comprehensive income (AOCI)	RCFAB530	409,112	3.
a. AOCI opt-out election (enter "1" for Yes; enter "0" for No.) (Advanced approaches institutions must enter "0" for No.)	RCOAP838	1	3.a.
4. Common equity tier 1 minority interest includable in common equity tier 1 capital	RCFAP839	0	4.
5. Common equity tier 1 capital before adjustments and deductions (sum of items 1 through 4)	RCFAP840	18,468,467	5.
6. LESS: Goodwill net of associated deferred tax liabilities (DTLs)	RCFAP841	2,990,267	6.
7. LESS: Intangible assets (other than goodwill and mortgage servicing assets (MSAs)), net of associated DTLs	RCFAP842	35,155	7.
8. LESS: Deferred tax assets (DTAs) that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances and net of DTLs	RCFAP843	4,417	8.
9. AOCI-related adjustments (items 9.a through 9.e are effective January 1, 2015) (if entered "1" for Yes in item 3.a, complete only items 9.a through 9.e; if entered "0" for No in item 3.a, complete only item 9.f):			9.
a. LESS: Net unrealized gains (losses) on available-for-sale debt securities (if a gain, report as a positive value; if a loss, report as a negative value)	RCFAP844	104,462	9.a.
b. Not applicable.			9.b.
c. LESS: Accumulated net gains (losses) on cash flow hedges (if a gain, report as a positive value; if a loss, report as a negative value)	RCFAP846	319,705	9.c.
d. LESS: Amounts recorded in AOCI attributed to defined benefit postretirement plans resulting from the initial and subsequent application of the relevant GAAP standards that pertain to such plans (if a gain, report as a positive value; if a loss, report as a negative value)	RCFAP847	-3,106	9.d.
e. LESS: Net unrealized gains (losses) on held-to-maturity securities that are included in AOCI (if a gain, report as a positive value; if a loss, report as a negative value)	RCFAP848	0	9.e.
f. LESS: Accumulated net gain (loss) on cash flow hedges included in AOCI, net of applicable income taxes, that relate to the hedging of items that are not recognized at fair value on the balance sheet (if a gain, report as a positive value; if a loss, report as a negative value) (To be completed only by institutions that entered "0" for No in item 3.a)	RCFAP849	NR	9.f.
10. Other deductions from (additions to) common equity tier 1 capital before threshold-based deductions:			10.
a. LESS: Unrealized net gain (loss) related to changes in the fair value of liabilities that are due to changes in own credit risk (if a gain, report as a positive value; if a loss, report as a negative value)	RCFAQ258	-11,950	10.a.
b. LESS: All other deductions from (additions to) common equity tier 1 capital before threshold-based deductions.	RCFAP850	0	10.b.

Dollar amounts in thousands	(Column A) Non-advanced Approaches Institutions		(Column B) Advanced Approaches Institutions		
11. LESS: Non-significant investments in the capital of unconsolidated financial institutions in the form of common stock that exceed the 10 percent threshold for non-significant investments			RCFWP851	NR	11.
12. Subtotal (for column A, item 5 minus items 6 through 10.b; for column B, item 5 minus items 6 through 11)	RCFAP852	15,029,517	RCFWP852	NR	12.
13. Not available					13.
a. LESS: Investments in the capital of unconsolidated financial institutions, net of associated DTLs, that exceed 25 percent of item 12	RCFALB58	0			13.a.
b. LESS: Significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold			RCFWP853	NR	13.b.
14. Not available					14.
a. LESS: MSAs, net of associated DTLs, that exceed 25 percent of item 12	RCFALB59	0			14.a.
b. LESS: MSAs, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold			RCFWP854	NR	14.b.
15. Not available					15.
a. LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed 25 percent of item 12	RCFALB60	0			15.a.
b. LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold			RCFWP855	NR	15.b.
16. LESS: Amount of significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs; MSAs, net of associated DTLs; and DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs; that exceeds the 15 percent common equity tier 1 capital deduction threshold			RCFWP856	NR	16.
17. LESS: Deductions applied to common equity tier 1 capital due to insufficient amounts of additional tier 1 capital and tier 2 capital to cover deductions	RCFAP857	0	RCFWP857	NR	17.
18. Total adjustments and deductions for common equity tier 1 capital[3]	RCFAP858	0	RCFWP858	NR	18.
19. Common equity tier 1 capital (item 12 minus item 18)	RCFAP859	15,029,517	RCFWP859	NR	19.

Dollar amounts in thousands			
20. Additional tier 1 capital instruments plus related surplus	RCFAP860	0	20.
21. Non-qualifying capital instruments subject to phase out from additional tier 1 capital	RCFAP861	0	21.
22. Tier 1 minority interest not included in common equity tier 1 capital	RCFAP862	0	22.
23. Additional tier 1 capital before deductions (sum of items 20, 21, and 22)	RCFAP863	0	23.
24. LESS: Additional tier 1 capital deductions	RCFAP864	0	24.
25. Additional tier 1 capital (greater of item 23 minus item 24, or zero)	RCFAP865	0	25.
26. Tier 1 capital[1]	RCFA8274	15,029,517	26.
27. Average total consolidated assets[2]	RCFAKW03	161,515,897	27.
28. LESS: Deductions from common equity tier 1 capital and additional tier 1 capital (sum of items 6, 7, 8, 10.b, 13 through 15, 17, and certain elements of item 24 - see instructions)[3]	RCFAP875	3,029,838	28.
29. LESS: Other deductions from (additions to) assets for leverage ratio purposes	RCFAB596	0	29.
30. Total assets for the leverage ratio (item 27 minus items 28 and 29)	RCFAA224	158,486,059	30.
31. Leverage ratio (item 26 divided by 30)	RCFA7204	9.4832%	31.
a. Does your institution have a community bank leverage ratio (CBLR) framework election in effect as of the quarter-end report date? (enter "1" for Yes; enter "0" for No)	RCOALE74	0	31.a.

1. Institutions that have adopted ASU 2016-13 and have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in this item.

Dollar amounts in thousands	(Column A) Amount		(Column B) Percentage		
32. Total assets*	RCFA2170	NR			32.
33. Trading assets and trading liabilities (Schedule RC, sum of items 5 and 15). Report as a dollar amount in Column A and as a percentage of total assets (5% limit) in Column B	RCFAKX77	NR	RCFAKX78	NR	33.
34. Off-balance sheet exposures:					34.
a. Unused portion of conditionally cancellable commitments	RCFAKX79	NR			34.a.
b. Securities lent and borrowed (Schedule RC-L, sum of items 6.a and 6.b)	RCFAKX80	NR			34.b.
c. Other off-balance sheet exposures	RCFAKX81	NR			34.c.
d. Total off-balance sheet exposures (sum of items 34.a through 34.c). Report as a dollar amount in Column A and as a percentage of total assets (25% limit) in Column B	RCFAKX82	NR	RCFAKX83	NR	34.d.

Dollar amounts in thousands			
35. Unconditionally cancellable commitments	RCFAS540	NR	35.
36. Investments in the tier 2 capital of unconsolidated financial institutions	RCFALB61	NR	36.
37. Allocated transfer risk reserve	RCFA3128	NR	37.
38. Amount of allowances for credit losses on purchased credit-deteriorated assets:			38.
a. Loans and leases held for investment	RCFAJJ30	NR	38.a.
b. Held-to-maturity debt securities	RCFAJJ31	NR	38.b.
c. Other financial assets measured at amortized cost	RCFAJJ32	NR	38.c.
39. Tier 2 capital instruments plus related surplus	RCFAP866	500,000	39.
40. Non-qualifying capital instruments subject to phase-out from tier 2 capital	RCFAP867	0	40.
41. Total capital minority interest that is not included in tier 1 capital	RCFAP868	0	41.
42. Allowance for loan and lease losses and eligible credit reserves includable in tier 2 capital			42.
a. Allowance for loan and lease losses includable in tier 2 capital[1]	RCFA5310	1,085,311	42.a.
b. (Advanced approaches institutions that exit parallel run only): Eligible credit reserves includable in tier 2 capital.	RCFW5310	NR	42.b.
43. Not applicable.			43.
44. Tier 2 capital before deductions			44.
a. Tier 2 capital before deductions (sum of items 39 through 42)	RCFAP870	1,585,311	44.a.
b. (Advanced approaches institutions that exit parallel run only): Tier 2 capital before deductions (sum of items 39 through 41, plus item 42.b)	RCFWP870	NR	44.b.
45. LESS: Tier 2 capital deductions	RCFAP872	0	45.
46. Tier 2 capital			46.
a. Tier 2 capital (greater of item 44.a minus item 45, or zero)	RCFA5311	1,585,311	46.a.
b. (Advanced approaches institutions that exit parallel run only): Tier 2 capital (greater of item 44.b minus item 45, or zero)	RCFW5311	NR	46.b.
47. Total capital			47.
a. Total capital (sum of items 26 and 46.a)	RCFA3792	16,614,828	47.a.
b. (Advanced approaches institutions that exit parallel run only): Total capital (sum of items 26 and 46.b)	RCFW3792	NR	47.b.
48. Total risk-weighted assets			48.
a. Total risk-weighted assets (from Schedule RC-R, Part II, item 31)	RCFAA223	111,949,904	48.a.
b. (Advanced approaches institutions that exit parallel run only): Total risk-weighted assets using advanced approaches rule (from FFIEC 101 Schedule A, item 60)	RCFWA223	NR	48.b.

3. Beginning with the June 30, 2020, report date, all non-advanced approaches institutions should report in item 18, column A, the sum of items 13.a, 14.a, 15.a, and 17, column A; all advanced approaches institutions should report in item 18, column B, the sum of items 13.b, 14.b, 15.b, 16, and 17, column B.

1. Beginning with the June 30, 2020, report date, all non-advanced approaches institutions should report the sum of item 19, column A, and item 25 in item 26; all advanced approaches institutions should report the sum of item 19, column B, and item 25 in item 26.

2. Institutions that have adopted ASU 2016-13 and have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in item 27.

3. Beginning with the June 30, 2020, report date, all non-advanced approaches institutions should report in item 28 the sum of items 6, 7, 8, 10.b, 13.a, 14.a, 15.a, 17 (column A), and certain elements of item 24 - see instructions; all advanced approaches institutions should report in item 28, the sum of items 6, 7, 8, 10.b, 11, 13.b, 14.b, 15.b, 16, 17 (column B), and certain elements of item 24 - see instructions.

Dollar amounts in thousands	(Column A) Percentage		(Column B) Percentage		
49. Common equity tier 1 capital ratio (Column A: item 19, column A or B, as applicable, divided by item 48.a) (Advanced approaches institutions that exit parallel run only: Column B: item 19, column B, divided by item 48.b)	RCFAP793	**13.4252%**	RCFWP793	**NR**	49.
50. Tier 1 capital ratio (Column A: item 26 divided by item 48.a) (Advanced approaches institutions that exit parallel run only: Column B: item 26 divided by item 48.b)	RCFA7206	**13.4252%**	RCFW7206	**NR**	50.
51. Total capital ratio (Column A: item 47.a divided by item 48.a) (Advanced approaches institutions that exit parallel run only: Column B: item 47.b divided by item 48.b)	RCFA7205	**14.8413%**	RCFW7205	**NR**	51.

Dollar amounts in thousands			
52. Institution-specific capital buffer necessary to avoid limitations on distributions and discretionary bonus payments:			52.
a. Capital conservation buffer	RCFAH311	**6.8413%**	52.a.
b. Advanced approaches institutions and institutions subject to Category III capital standards only: Total applicable capital buffer	RCFWH312	**NR**	52.b.
53. Eligible retained income[1]	RCFAH313	**NR**	53.
54. Distributions and discretionary bonus payments during the quarter[2]	RCFAH314	**NR**	54.
55. Advanced approaches institutions and institutions subject to Category III capital standards only: Supplementary leverage ratio information:			55.
a. Total leverage exposure[3]	RCFAH015	**NR**	55.a.
b. Supplementary leverage ratio	RCFAH036	**NR**	55.b.

*. For report dates through December 31, 2021, report the lesser of total assets reported in Schedule RC, item 12, as of December 31, 2019, or the current report date, which must be less than $10 billion.

1. Institutions that have adopted ASU 2016-13 should report the adjusted allowances for credit losses (AACL), as defined in the regulatory capital rule, in item 30.a.

1. Institutions must complete item 53 only if the amount reported in item 52.a above is less than or equal to 2.5000 percent (plus any other applicable buffer if the institution is an advanced approaches institution or a Category III institution).

2. Institutions must complete item 54 only if the amount reported in Schedule RC-R, Part I, item 46.a, in the Call Report for the December 31, 2019, report date was less than or equal to 2.5000 percent (plus any other applicable buffer if the institution is an advanced approaches institution or a Category III institution).

3. Institutions that have adopted ASU 2016-13 and have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in item 55.a.

Schedule RC-R Part II - Risk-Weighted Assets(Form Type - 031)

Institutions are required to assign a 100 percent risk weight to all assets not specifically assigned a risk weight under Subpart D of the federal banking agencies' regulatory capital rules and not deducted from tier 1 or tier 2 capital.

Dollar amounts in thousands	(Column A) Totals from Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
1. Cash and balances due from depository institutions...........	RCFDD957 29,038,232	RCFDS396 0	RCFDD958 26,352,671				RCFDD959 2,569,938	RCFDS397 67,975	RCFDD960 34,489	RCFDS398 13,159	1.
2. Securities:											2.
a. Held-to-maturity securities[3]..	RCFDD961 3,334,014	RCFDS399 0	RCFDD962 670,763	RCFDHJ74 0	RCFDHJ75 0		RCFDD963 2,657,625	RCFDD964 0	RCFDD965 5,626	RCFDS400 0	2.a.
b. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading...	RCFDJA21 34,489,937	RCFDS402 306,547	RCFDD967 14,975,708	RCFDHJ76 0	RCFDHJ77 0		RCFDD968 18,873,167	RCFDD969 334,515	RCFDD970 0	RCFDS403 0	2.b.
3. Federal funds sold and securities purchased under agreements to resell:											3.
a. Federal funds sold in domestic offices........................	RCOND971 0		RCOND972 0				RCOND973 0	RCONS410 0	RCOND974 0	RCONS411 0	3.a.
b. Securities purchased under agreements to resell........	RCFDH171 209,815	RCFDH172 209,815									3.b.
4. Loans and leases held for sale:											4.
a. Residential mortgage exposures................................	RCFDS413 24,730	RCFDS414 0	RCFDH173 0				RCFDS415 0	RCFDS416 20,173	RCFDS417 4,557		4.a.
b. High volatility commercial real estate exposures.........	RCFDS419 0	RCFDS420 0	RCFDH174 0				RCFDH175 0	RCFDH176 0	RCFDH177 0	RCFDS421 0	4.b.
c. Exposures past due 90 days or more or on nonaccrual[3]..	RCFDS423 0	RCFDS424 0	RCFDS425 0	RCFDHJ78 0	RCFDHJ79 0		RCFDS426 0	RCFDS427 0	RCFDS428 0	RCFDS429 0	4.c.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
1. Cash and balances due from depository institutions										1.
2. Securities:										2.
a. Held-to-maturity securities										2.a.
b. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading................	RCFDH270 NR	RCFDS405 0		RCFDS406 0				RCFDH271 0	RCFDH272 0	2.b.
3. Federal funds sold and securities purchased under agreements to resell:										3.
a. Federal funds sold in domestic offices										3.a.

3. Institutions that have adopted ASU 2016-13 should report as a negative number allowances eligible for inclusion in tier 2 capital in Column B, which excludes PCD allowances.
3. For loans and leases held for sale, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
b. Securities purchased under agreements to resell										3.b.
4. Loans and leases held for sale:										4.
a. Residential mortgage exposures..								RCFDH273 0	RCFDH274 0	4.a.
b. High volatility commercial real estate exposures................								RCFDH275 0	RCFDH276 0	4.b.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
c. Exposures past due 90 days or more or on nonaccrual[6].....								RCFDH277 0	RCFDH278 0	4.c.

Dollar amounts in thousands	(Column A) Totals from Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
4. Loans and leases held for sale (continued):											4.
d. All other exposures...	RCFDS431 0	RCFDS432 0	RCFDS433 0	RCFDHJ80 0	RCFDHJ81 0		RCFDS434 0	RCFDS435 0	RCFDS436 0	RCFDS437 0	4.d.
5. Loans and leases held for investment:											5.
a. Residential mortgage exposures................................	RCFDS439 8,729,086	RCFDS440 0	RCFDH178 0				RCFDS441 7,609	RCFDS442 7,409,571	RCFDS443 1,311,906		5.a.
b. High volatility commercial real estate exposures.........	RCFDS445 61,282	RCFDS446 0	RCFDH179 0				RCFDH180 0	RCFDH181 0	RCFDH182 0	RCFDS447 61,282	5.b.
c. Exposures past due 90 days or more or on nonaccrual[7]..	RCFDS449 587,393	RCFDS450 0	RCFDS451 0	RCFDHJ82 0	RCFDHJ83 0		RCFDS452 9,101	RCFDS453 0	RCFDS454 0	RCFDS455 578,292	5.c.
d. All other exposures...	RCFDS457 73,797,934	RCFDS458 0	RCFDS459 2,463,852	RCFDHJ84 0	RCFDHJ85 0		RCFDS460 312,176	RCFDS461 139,043	RCFDS462 69,991,565	RCFDS463 0	5.d.
6. LESS: Allowance for loan and lease losses.......................	RCFD3123 934,304	RCFD3123 934,304									6.
7. Trading assets..	RCFDD976 438,732	RCFDS466 435,843	RCFDD977 0	RCFDHJ86 0	RCFDHJ87 0		RCFDD978 0	RCFDD979 0	RCFDD980 2,889	RCFDS467 0	7.
8. All other assets[8]..	RCFDD981 10,061,794	RCFDS469 3,034,608	RCFDD982 361,018	RCFDHJ88 0	RCFDHJ89 0		RCFDD983 5,000	RCFDD984 17,721	RCFDD985 4,440,921	RCFDH185 0	8.
a. Separate account bank-owned life insurance											8.a.
b. Default fund contributions to central counterparties											8.b.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
4. Loans and leases held for sale (continued):										4.
d. All other exposures								RCFDH279 0	RCFDH280 0	4.d.
5. Loans and leases held for investment:										5.
a. Residential mortgage exposures								RCFDH281 0	RCFDH282 0	5.a.
b. High volatility commercial real estate exposures								RCFDH283 0	RCFDH284 0	5.b.
c. Exposures past due 90 days or more or on nonaccrual[11]								RCFDH285 0	RCFDH286 0	5.c.
d. All other exposures								RCFDH287 891,298	RCFDH288 821,742	5.d.
6. LESS: Allowance for loan and lease losses										6.
7. Trading assets	RCFDH289 NR	RCFDH186 0	RCFDH290 0	RCFDH187 0				RCFDH291 0	RCFDH292 0	7.
8. All other assets[12]	RCFDH293 387,013	RCFDH188 0	RCFDS470 0	RCFDS471 0				RCFDH294 0	RCFDH295 0	8.
a. Separate account bank-owned life insurance								RCFDH296 1,815,513	RCFDH297 392,883	8.a.
b. Default fund contributions to central counterparties								RCFDH298 0	RCFDH299 0	8.b.

6. For loans and leases held for sale, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.
7. For loans and leases, net of unearned income, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.
8. Includes premises and fixed assets; other real estate owned; investments in unconsolidated subsidiaries and associated companies; direct and indirect investments in real estate ventures; intangible assets; and other assets.
11. For loans and leases, net of unearned income, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.
12. Includes premises and fixed assets; other real estate owned; investments in unconsolidated subsidiaries and associated companies; direct and indirect investments in real estate ventures; intangible assets; and other assets.

Dollar amounts in thousands	(Column A) Totals	(Column B) Adjustments to Totals Reported in Column A	(Column Q) Exposure Amount 1,250%	(Column T) Total Risk-Weighted Asset Amount by Calculation Methodology SSFA	(Column U) Total Risk-Weighted Asset Amount by Calculation Methodology Gross-Up	
9. On-balance sheet securitization exposures:						9.
a. Held-to-maturity securities	RCFDS475 0	RCFDS476 0	RCFDS477 0	RCFDS478 0	RCFDS479 0	9.a.
b. Available-for-sale securities	RCFDS480 0	RCFDS481 0	RCFDS482 0	RCFDS483 0	RCFDS484 0	9.b.
c. Trading assets	RCFDS485 0	RCFDS486 0	RCFDS487 0	RCFDS488 0	RCFDS489 0	9.c.
d. All other on-balance sheet securitization exposures	RCFDS490 0	RCFDS491 0	RCFDS492 0	RCFDS493 0	RCFDS494 0	9.d.
10. Off-balance sheet securitization exposures	RCFDS495 0	RCFDS496 0	RCFDS497 0	RCFDS498 0	RCFDS499 0	10.

Dollar amounts in thousands	(Column A) Totals From Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
11. Total balance sheet assets[14]	RCFD2170 159,838,645	RCFDS500 3,052,509	RCFDD987 44,824,012	RCFDHJ90 0	RCFDHJ91 0		RCFDD988 24,434,616	RCFDD989 7,988,998	RCFDD990 75,791,953	RCFDS503 652,733	11.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	
11. Total balance sheet assets[14]	RCFDS504 387,013	RCFDS505 0	RCFDS506 0	RCFDS507 0			RCFDS510 0	RCFDH300 2,706,811	11.

Dollar amounts in thousands	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
12. Financial standby letters of credit	RCFDD991 2,826,255	RCFDD992 2,826,255	RCFDD993 0	RCFDHJ92 0	RCFDHJ93 0		RCFDD994 466,231	RCFDD995 0	RCFDD996 2,360,024	RCFDS511 0	12.
13. Performance standby letters of credit and transaction-related contingent items	RCFDD997 423,363	RCFDD998 211,682	RCFDD999 0				RCFDG603 44,056	RCFDG604 0	RCFDG605 167,626	RCFDS512 0	13.
14. Commercial and similar letters of credit with an original maturity of one year or less	RCFDG606 168,900	RCFDG607 33,780	RCFDG608 0	RCFDHJ94 0	RCFDHJ95 0		RCFDG609 13,382	RCFDG610 0	RCFDG611 20,398	RCFDS513 0	14.
15. Retained recourse on small business obligations sold with recourse	RCFDG612 0	RCFDG613 0	RCFDG614 0				RCFDG615 0	RCFDG616 0	RCFDG617 0	RCFDS514 0	15.

Dollar amounts in thousands	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
16. Repo-style transactions[21]	RCFDS515 3,187,712	RCFDS516 3,187,712	RCFDS517 3,177,514	RCFDS518 0	RCFDS519 0		RCFDS520 0	RCFDS521 0	RCFDS522 10,198	RCFDS523 0	16.
17. All other off-balance sheet liabilities	RCFDG618 449,122	RCFDG619 449,122	RCFDG620 0				RCFDG621 0	RCFDG622 13,776	RCFDG623 435,346	RCFDS524 0	17.
18. Unused commitments:[*]											18.
a. Original maturity of one year or less	RCFDS525 10,441,300	RCFDS526 2,088,260	RCFDS527 0	RCFDHJ96 0	RCFDHJ97 0		RCFDS528 0	RCFDS529 0	RCFDS530 2,084,713	RCFDS531 3,547	18.a.

14. For each of columns A through R of item 11, report the sum of items 1 through 9. For item 11, the sum of columns B through R must equal column A. Item 11, column A, must equal Schedule RC, item 12.
21. Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.
*. Excludes unused commitments to asset-backed commercial paper conduits.

Dollar amounts in thousands	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
b. Original maturity exceeding one year	RCFDG624 41,201,153	RCFDG625 20,600,577	RCFDG626 0	RCFDHJ98 0	RCFDHJ99 0		RCFDG627 2,366,344	RCFDG628 56,785	RCFDG629 18,144,251	RCFDS539 33,197	18.b.
19. Unconditionally cancelable commitments	RCFDS540 26,071,798	RCFDS541 0									19.
20. Over-the-counter derivatives		RCFDS542 465,359	RCFDS543 351,630	RCFDHK00 0	RCFDHK01 0	RCFDS544 0	RCFDS545 190	RCFDS546 0	RCFDS547 113,539	RCFDS548 0	20.
21. Centrally cleared derivatives		RCFDS549 0	RCFDS550 0	RCFDS551 0	RCFDS552 0		RCFDS554 0	RCFDS555 0	RCFDS556 0	RCFDS557 0	21.
22. Unsettled transactions (failed trades)[22]	RCFDH191 0		RCFDH193 0				RCFDH194 0	RCFDH195 0	RCFDH196 0	RCFDH197 0	22.

22. For item 22, the sum of columns C through Q must equal column A.

Dollar amounts in thousands	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Credit Equivalent Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
16. Repo-style transactions[24]				RCFDH301 0	RCFDH302 0	16.
17. All other off-balance sheet liabilities						17.
18. Unused commitments:[*]						18.
a. Original maturity of one year or less				RCFDH303 0	RCFDH304 0	18.a.
b. Original maturity exceeding one year				RCFDH307 0	RCFDH308 0	18.b.
19. Unconditionally cancelable commitments						19.
20. Over-the-counter derivatives				RCFDH309 0	RCFDH310 0	20.
21. Centrally cleared derivatives						21.
22. Unsettled transactions (failed trades)[25]	RCFDH198 0	RCFDH199 0	RCFDH200 0			22.

24. Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.
*. Excludes unused commitments to asset-backed commercial paper conduits.
25. For item 22, the sum of columns C through Q must equal column A.

Dollar amounts in thousands	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
23. Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk-weight category (for each of columns C through P, sum of items 11 through 22; for column Q, sum of items 10 through 22)........	RCFDG630 48,353,156	RCFDS558 0	RCFDS559 0	RCFDS560 0	RCFDG631 27,324,819	RCFDG632 8,059,559	RCFDG633 99,128,048	RCFDS561 689,477	23.
24. Risk weight factor									24.
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24)........	RCFDG634 0	RCFDS569 0	RCFDS570 0	RCFDS571 0	RCFDG635 5,464,964	RCFDG636 4,029,780	RCFDG637 99,128,048	RCFDS572 1,034,216	25.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	
23. Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk-weight category (for each of columns C through P, sum of items 11 through 22; for column Q, sum of items 10 through 22).........	RCFDS562 387,013	RCFDS563 0	RCFDS564 0	RCFDS565 0	RCFDS566 0	RCFDS567 0	RCFDS568 0	23.
24. Risk weight factor								24.
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24)........	RCFDS573 967,533	RCFDS574 0	RCFDS575 0	RCFDS576 0	RCFDS577 0	RCFDS578 0	RCFDS579 0	25.

Dollar amounts in thousands			
26. Risk-weighted assets base for purposes of calculating the allowance for loan and lease losses 1.25 percent threshold	RCFDS580	111,839,163	26.
27. Standardized market-risk weighted assets (applicable only to banks that are covered by the market risk capital rule)	RCFDS581	110,738	27.
28. Risk-weighted assets before deductions for excess allowance of loan and lease losses and allocated risk transfer risk reserve[27]	RCFDB704	111,949,904	28.
29. LESS: Excess allowance for loan and lease losses	RCFDA222	0	29.
30. LESS: Allocated transfer risk reserve	RCFD3128	0	30.
31. Total risk-weighted assets (item 28 minus items 29 and 30)	RCFDG641	111,949,904	31.
1. Current credit exposure across all derivative contracts covered by the regulatory capital rules	RCFDG642	292,894	M.1.

Dollar amounts in thousands	(Column A) With a remaining maturity of One year or less		(Column B) With a remaining maturity of Over one year through five years		(Column C) With a remaining maturity of Over five years		
2. Notional principal amounts of over-the-counter derivative contracts:							M.2.
a. Interest rate	RCFDS582	5,406,806	RCFDS583	15,172,273	RCFDS584	895,633	M.2.a.
b. Foreign exchange rate and gold	RCFDS585	3,160,369	RCFDS586	427,290	RCFDS587	50,346	M.2.b.
c. Credit (investment grade reference asset)	RCFDS588	0	RCFDS589	0	RCFDS590	75,000	M.2.c.
d. Credit (non-investment grade reference asset)	RCFDS591	0	RCFDS592	0	RCFDS593	0	M.2.d.
e. Equity	RCFDS594	273,689	RCFDS595	154,278	RCFDS596	295,164	M.2.e.
f. Precious metals (except gold)	RCFDS597	0	RCFDS598	0	RCFDS599	0	M.2.f.
g. Other	RCFDS600	0	RCFDS601	0	RCFDS602	0	M.2.g.
3. Notional principal amounts of centrally cleared derivative contracts:							M.3.
a. Interest rate	RCFDS603	7,808,965	RCFDS604	0	RCFDS605	0	M.3.a.
b. Foreign exchange rate and gold	RCFDS606	0	RCFDS607	0	RCFDS608	0	M.3.b.
c. Credit (investment grade reference asset)	RCFDS609	0	RCFDS610	0	RCFDS611	0	M.3.c.
d. Credit (non-investment grade reference asset)	RCFDS612	0	RCFDS613	0	RCFDS614	0	M.3.d.
e. Equity	RCFDS615	0	RCFDS616	0	RCFDS617	0	M.3.e.
f. Precious metals (except gold)	RCFDS618	0	RCFDS619	0	RCFDS620	0	M.3.f.
g. Other	RCFDS621	0	RCFDS622	0	RCFDS623	0	M.3.g.

Dollar amounts in thousands			
4. Amount of allowances for credit losses on purchased credit-deteriorated assets:[1]			M.4.
a. Loans and leases held for investment	RCFDJJ30	NR	M.4.a.
b. Held-to-maturity debt securities	RCFDJJ31	NR	M.4.b.
c. Other financial assets measured at amortized cost	RCFDJJ32	NR	M.4.c.

27. Sum of items 2.b through 20, column S; items 9.a, 9.b, 9.c, 9.d, and 10, columns T and U; item 25, columns C through Q; and item 27 (if applicable).
1. Memorandum items 4.a through 4.c should be completed only by institutions that have adopted ASU 2016-13.

Schedule RC-S - Servicing Securitization and Asset Sale Activities(Form Type - 031)

Dollar amounts in thousands	(Column A) 1-4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases, and All Other Assets	
1. Outstanding principal balance of assets sold and securitized by the reporting bank with servicing retained or with recourse or other seller-provided credit enhancements	RCFDB705 0	RCFDB706 0	RCFDB707 0	RCFDB708 0	RCFDB709 0	RCFDB710 0	RCFDB711 0	1.
2. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to structures reported in item 1	RCFDHU09 0	RCFDHU10 0	RCFDHU11 0	RCFDHU12 0	RCFDHU13 0	RCFDHU14 0	RCFDHU15 0	2.
Item 3 is to be completed by banks with $100 billion or more in total assets. 3. Reporting bank's unused commitments to provide liquidity to structures reported in item 1[1]	RCFDB726 0	RCFDB727 0	RCFDB728 0	RCFDB729 0	RCFDB730 0	RCFDB731 0	RCFDB732 0	3.
4. Past due loan amounts included in item 1:								4.
a. 30-89 days past due	RCFDB733 0	RCFDB734 0	RCFDB735 0	RCFDB736 0	RCFDB737 0	RCFDB738 0	RCFDB739 0	4.a.
b. 90 days or more past due	RCFDB740 0	RCFDB741 0	RCFDB742 0	RCFDB743 0	RCFDB744 0	RCFDB745 0	RCFDB746 0	4.b.
5. Charge-offs and recoveries on assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements (calendar year-to-date):								5.
a. Charge-offs	RIADB747 0	RIADB748 0	RIADB749 0	RIADB750 0	RIADB751 0	RIADB752 0	RIADB753 0	5.a.
b. Recoveries	RIADB754 0	RIADB755 0	RIADB756 0	RIADB757 0	RIADB758 0	RIADB759 0	RIADB760 0	5.b.
Item 6 is to be completed by banks with $10 billion or more in total assets. 6. Total amount of ownership (or seller's) interest carried as securities or loans[1]		RCFDHU16 0	RCFDHU17 0			RCFDHU18 0		6.
7. Not applicable								7.
8. Not applicable								8.
9. Maximum amount of credit exposure arising from credit enhancements provided by the reporting bank to other institutions' securitization structures in the form of standby letters of credit, purchased subordinated securities, and other enhancements	RCFDB776 0			RCFDB779 0	RCFDB780 0	RCFDB781 0	RCFDB782 0	9.
Item 10 is to be completed by banks with $10 billion or more in total assets. 10. Reporting bank's unused commitments to provide liquidity to other institutions' securitization structures[1]	RCFDB783 0			RCFDB786 0	RCFDB787 0	RCFDB788 0	RCFDB789 0	10.
11. Assets sold with recourse or other seller-provided credit enhancements and not securitized by the reporting bank	RCFDB790 37,474						RCFDB796 46,600	11.
12. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to assets reported in item 11	RCFDB797 34,775						RCFDB803 46,600	12.

1. The $100 billion asset-size test is based on the total assets reported on the June 30, 2018, Report of Condition.
1. The $10 billion asset-size test is based on the total assets reported on the June 30, 2018, Report of Condition.
1. The $10 billion asset-size test is based on the total assets reported on the June 30, 2018, Report of Condition.

Dollar amounts in thousands			
1. Not applicable			M.1.
2. Outstanding principal balance of assets serviced for others (includes participations serviced for others):			M.2.
a. Closed-end 1-4 family residential mortgages serviced with recourse or other servicer-provided credit enhancements	RCFDB804	37,474	M.2.a.
b. Closed-end 1-4 family residential mortgages serviced with no recourse or other servicer-provided credit enhancements	RCFDB805	3,668,181	M.2.b.
c. Other financial assets (includes home equity lines)[1]	RCFDA591	518,683	M.2.c.
d. 1-4 family residential mortgages serviced for others that are in process of foreclosure at quarter-end (includes closed-end and open-end loans)	RCFDF699	6,782	M.2.d.
Memorandum item 3 is to be completed by banks with $10 billion or more in total assets. 3. Asset-backed commercial paper conduits: [2]			M.3.
a. Maximum amount of credit exposure arising from credit enhancements provided to conduit structures in the form of standby letters of credit, subordinated securities, and other enhancements:			M.3.a.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	RCFDB806	0	M.3.a.1.
2. Conduits sponsored by other unrelated institutions	RCFDB807	0	M.3.a.2.
b. Unused commitments to provide liquidity to conduit structures:			M.3.b.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	RCFDB808	0	M.3.b.1.
2. Conduits sponsored by other unrelated institutions	RCFDB809	0	M.3.b.2.
4. Outstanding credit card fees and finance charges included in Schedule RC-S, item 1, column C[2]	RCFDC407	0	M.4.

Schedule RC-T - Fiduciary and Related Services(Form Type - 031)

Dollar amounts in thousands			
1. Does the institution have fiduciary powers? (If "NO," do not complete Schedule RC-T.)	RCFDA345	Yes	1.
2. Does the institution exercise the fiduciary powers it has been granted?	RCFDA346	Yes	2.
3. Does the institution have any fiduciary or related activity (in the form of assets or accounts) to report in this schedule? (If "NO," do not complete the rest of Schedule RC-T.)	RCFDB867	Yes	3.

Dollar amounts in thousands	(Column A) Managed Assets		(Column B) Non-Managed Assets		(Column C) Number of Managed Accounts		(Column D) Number of Non-Managed Accounts		
4. Personal trust and agency accounts	RCFDB868	8,318,581	RCFDB869	73,340,424	RCFDB870	3764	RCFDB871	52	4.
5. Employee benefit and retirement-related trust and agency accounts:									5.
a. Employee benefit - defined contribution	RCFDB872	117,650	RCFDB873	24,043,270	RCFDB874	8	RCFDB875	398	5.a.
b. Employee benefit - defined benefit	RCFDB876	90,002	RCFDB877	36,690,707	RCFDB878	13	RCFDB879	159	5.b.
c. Other employee benefit and retirement-related accounts	RCFDB880	4,843,994	RCFDB881	509,912	RCFDB882	4812	RCFDB883	87	5.c.
6. Corporate trust and agency accounts	RCFDB884	0	RCFDB885	0	RCFDC001	0	RCFDC002	0	6.
7. Investment management and investment advisory agency accounts	RCFDB886	21,788,932	RCFDJ253	0	RCFDB888	7646	RCFDJ254	0	7.
8. Foundation and endowment trust and agency accounts	RCFDJ255	1,224,248	RCFDJ256	100,709	RCFDJ257	258	RCFDJ258	22	8.
9. Other fiduciary accounts	RCFDB890	18,799	RCFDB891	1,037,506	RCFDB892	7	RCFDB893	19	9.
10. Total fiduciary accounts (sum of items 4 through 9)	RCFDB894	36,402,206	RCFDB895	135,722,528	RCFDB896	16508	RCFDB897	737	10.
11. Custody and safekeeping accounts			RCFDB898	56,601,276			RCFDB899	2979	11.
12. Fiduciary accounts held in foreign offices (included in items 10 and 11)	RCFNB900	0	RCFNB901	0	RCFNB902	0	RCFNB903	0	12.
13. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts (included in items 5.c and 11)	RCFDJ259	4,746,780	RCFDJ260	144,952	RCFDJ261	4803	RCFDJ262	38	13.

1. Memorandum item 2.c is to be completed if the principal balance of other financial assets serviced for others is more than $10 million.
2. The $10 billion asset-size test is based on the total assets reported on the June 30, 2018, Report of Condition.
2. Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

Dollar amounts in thousands			
14. Personal trust and agency accounts	RIADB904	31,208	14.
15. Employee benefit and retirement-related trust and agency accounts:			15.
a. Employee benefit - defined contribution	RIADB905	5,867	15.a.
b. Employee benefit - defined benefit	RIADB906	3,364	15.b.
c. Other employee benefit and retirement-related accounts	RIADB907	18,194	15.c.
16. Corporate trust and agency accounts	RIADA479	0	16.
17. Investment management and investment advisory agency accounts	RIADJ315	60,478	17.
18. Foundation and endowment trust and agency accounts	RIADJ316	3,518	18.
19. Other fiduciary accounts	RIADA480	22	19.
20. Custody and safekeeping accounts	RIADB909	5,347	20.
21. Other fiduciary and related services income	RIADB910	90	21.
22. Total gross fiduciary and related services income (sum of items 14 through 21) (must equal Schedule RI, item 5.a)	RIAD4070	128,088	22.
a. Fiduciary and related services income - foreign offices (included in item 22)	RIADB912	0	22.a.
23. Less: Expenses	RIADC058	NR	23.
24. Less: Net losses from fiduciary and related services	RIADA488	NR	24.
25. Plus: Intracompany income credits for fiduciary and related services	RIADB911	NR	25.
26. Net fiduciary and related services income	RIADA491	NR	26.

Dollar amounts in thousands	(Column A) Personal Trust and Agency and Investment Management Agency Accounts		(Column B) Employee Benefit and Retirement-Related Trust and Agency Accounts		(Column C) All Other Accounts		
1. Managed assets held in fiduciary accounts:							M.1.
a. Noninterest-bearing deposits	RCFDJ263	NR	RCFDJ264	NR	RCFDJ265	NR	M.1.a.
b. Interest-bearing deposits	RCFDJ266	NR	RCFDJ267	NR	RCFDJ268	NR	M.1.b.
c. U.S. Treasury and U.S. Government agency obligations	RCFDJ269	NR	RCFDJ270	NR	RCFDJ271	NR	M.1.c.
d. State, county, and municipal obligations	RCFDJ272	NR	RCFDJ273	NR	RCFDJ274	NR	M.1.d.
e. Money market mutual funds	RCFDJ275	NR	RCFDJ276	NR	RCFDJ277	NR	M.1.e.
f. Equity mutual funds	RCFDJ278	NR	RCFDJ279	NR	RCFDJ280	NR	M.1.f.
g. Other mutual funds	RCFDJ281	NR	RCFDJ282	NR	RCFDJ283	NR	M.1.g.
h. Common trust funds and collective investment funds	RCFDJ284	NR	RCFDJ285	NR	RCFDJ286	NR	M.1.h.
i. Other short-term obligations	RCFDJ287	NR	RCFDJ288	NR	RCFDJ289	NR	M.1.i.
j. Other notes and bonds	RCFDJ290	NR	RCFDJ291	NR	RCFDJ292	NR	M.1.j.
k. Investments in unregistered funds and private equity investments	RCFDJ293	NR	RCFDJ294	NR	RCFDJ295	NR	M.1.k.
l. Other common and preferred stocks	RCFDJ296	NR	RCFDJ297	NR	RCFDJ298	NR	M.1.l.
m. Real estate mortgages	RCFDJ299	NR	RCFDJ300	NR	RCFDJ301	NR	M.1.m.
n. Real estate	RCFDJ302	NR	RCFDJ303	NR	RCFDJ304	NR	M.1.n.
o. Miscellaneous assets	RCFDJ305	NR	RCFDJ306	NR	RCFDJ307	NR	M.1.o.
p. Total managed assets held in fiduciary accounts (for each column, sum of Memorandum items 1.a through 1.o)	RCFDJ308	NR	RCFDJ309	NR	RCFDJ310	NR	M.1.p.

Dollar amounts in thousands	(Column A) Managed Assets		(Column B) Number of Managed Accounts		
q. Investments of managed fiduciary accounts in advised or sponsored mutual funds	RCFDJ311	NR	RCFDJ312	NR	M.1.q.

Dollar amounts in thousands	(Column A) Number of Issues		(Column B) Principal Amount Outstanding		
2. Corporate trust and agency accounts:					M.2.
a. Corporate and municipal trusteeships	RCFDB927	NR	RCFDB928	NR	M.2.a.
1. Issues reported in Memorandum item 2.a that are in default	RCFDJ313	NR	RCFDJ314	NR	M.2.a.1.
b. Transfer agent, registrar, paying agent, and other corporate agency	RCFDB929	NR			M.2.b.

Dollar amounts in thousands	(Column A) Number of Funds		(Column B) Market Value of Fund Assets		
Memoranda items 3.a through 3.g are to be completed by banks with collective investment funds and common trust funds with a total market value of $1 billion or more as of the preceding December 31. 3. Collective investment funds and common trust funds:					M.3.
a. Domestic equity	RCFDB931	1	RCFDB932	363,394	M.3.a.
b. International/Global equity	RCFDB933	0	RCFDB934	0	M.3.b.
c. Stock/Bond blend	RCFDB935	6	RCFDB936	1,956,208	M.3.c.
d. Taxable bond	RCFDB937	0	RCFDB938	0	M.3.d.
e. Municipal bond	RCFDB939	0	RCFDB940	0	M.3.e.
f. Short term investments/Money market	RCFDB941	0	RCFDB942	0	M.3.f.
g. Specialty/Other	RCFDB943	2	RCFDB944	808,365	M.3.g.
h. Total collective investment funds (sum of Memorandum items 3.a through 3.g)	RCFDB945	9	RCFDB946	3,127,967	M.3.h.

Dollar amounts in thousands	(Column A) Gross Losses Managed Accounts		(Column B) Gross Losses Non-Managed Accounts		(Column C) Recoveries		
4. Fiduciary settlements, surcharges, and other losses:							M.4.
a. Personal trust and agency accounts	RIADB947	NR	RIADB948	NR	RIADB949	NR	M.4.a.
b. Employee benefit and retirement-related trust and agency accounts	RIADB950	NR	RIADB951	NR	RIADB952	NR	M.4.b.
c. Investment management agency accounts	RIADB953	NR	RIADB954	NR	RIADB955	NR	M.4.c.
d. Other fiduciary accounts and related services	RIADB956	NR	RIADB957	NR	RIADB958	NR	M.4.d.
e. Total fiduciary settlements, surcharges, and other losses (sum of Memorandum items 4.a through 4.d) (sum of columns A and B minus column C must equal Schedule RC-T, item 24)	RIADB959	NR	RIADB960	NR	RIADB961	NR	M.4.e.

Schedule RC-V - Variable Interest Entities(Form Type - 031)

Dollar amounts in thousands	(Column A) Securitization Vehicles		(Column B) Other VIEs		
1. Assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of the consolidated VIEs:					1.
a. Cash and balances due from depository institutions	RCFDJ981	0	RCFDJF84	0	1.a.
b. Securities not held for trading	RCFDHU20	0	RCFDHU21	0	1.b.
c. Loans and leases held for investment, net of allowance, and held for sale	RCFDHU22	0	RCFDHU23	0	1.c.
d. Other real estate owned	RCFDK009	0	RCFDJF89	0	1.d.
e. Other assets	RCFDJF91	0	RCFDJF90	0	1.e.
2. Liabilities of consolidated VIEs for which creditors do not have recourse to the general credit of the reporting bank:					2.
a. Other borrowed money	RCFDJF92	0	RCFDJF85	0	2.a.
b. Other liabilities	RCFDJF93	0	RCFDJF86	0	2.b.
3. All other assets of consolidated VIEs (not included in items 1.a. through 1.e above)	RCFDK030	0	RCFDJF87	0	3.
4. All other liabilities of consolidated VIEs (not included in items 2.a through 2.b above)	RCFDK033	0	RCFDJF88	0	4.

Dollar amounts in thousands			
5. Total assets of asset-backed commercial paper (ABCP) conduit VIEs	RCFDJF77	0	5.
6. Total liabilities of ABCP conduit VIEs	RCFDJF78	0	6.

Optional Narrative Statement Concerning the Amounts Reported in the Consolidated Reports of Condition and Income(Form Type - 031)

Dollar amounts in thousands			
1. Comments?	RCON6979	No	1.
2. Bank Management Statement	TEXT6980	NR	2.

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency

Federal Financial Institutions Examination Council

Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031

Institution Name	**BMO HARRIS BANK NATIONAL ASSOCIATION**
City	**CHICAGO**
State	**IL**
Zip Code	**60603**
Call Report Report Date	**3/31/2021**
Report Type	**031**
RSSD-ID	**75633**
FDIC Certificate Number	**16571**
OCC Charter Number	**14583**
ABA Routing Number	**71000288**
Last updated on	**4/30/2021**

Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031

Report at the close of business March 31, 2021

(20210331)
(RCON 9999)

This report is required by law: 12 U.S.C. §324 (State member banks); 12 U.S.C. §1817 (State non member banks); 12 U.S.C. §161 (National banks); and 12 U.S.C. §1464 (Savings associations).

Unless the context indicates otherwise, the term "bank" in this report form refers to both banks and savings associations.

This report form is to be filed by (1) banks with branches and consolidated subsidiaries in U.S. territories and possessions, Edge or Agreement subsidiaries, foreign branches, consolidated foreign subsidiaries, or International Banking Facilities, (2) banks with domestic offices only and total consolidated assets of $100 billion or more, and (3) banks that are advanced approaches institutions for regulatory capital purposes.

NOTE: Each bank's board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the Reports of Condition and Income. The Reports of Condition and Income are to be prepared in accordance with federal regulatory authority instructions. The Reports of Condition and Income must be signed by the Chief Financial Officer (CFO) of the reporting bank (or by the individual performing an equivalent function) and attested to by not less than two directors (trustees) for state non member banks and three directors for state member banks, national banks, and savings associations.

I, the undersigned CFO (or equivalent) of the named bank, attest that the Reports of Condition and Income (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct to the best of my knowledge and belief.

We, the undersigned directors (trustees), attest to the correctness of the Reports of Condition and Income (including the supporting schedules) for this report date and declare that the Reports of Condition and Income have been examined by us and to the best of our knowledge and belief have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct.

Signature of Chief Financial Officer (or Equivalent)

Date of Signature

Director (Trustee)

Director (Trustee)

Director (Trustee)

Submission of Reports

Each bank must file its Reports of Condition and Income (Call Report) data by either:

(a) Using computer software to prepare its Call Report and then submitting the report data directly to the FFIEC's Central Data Repository (CDR), an Internet-based system for datacollection (https://cdr.ffiec.gov/cdr/), or

(b) Completing its Call Report in paper form and arranging with a software vendor or another party to convert the data in to the electronic format that can be processed by the CDR. The software vendor or other party then must electronically submit the bank's data file to the CDR.

For technical assistance with submissions to the CDR, please contact the CDR Help Desk by telephone at (888) CDR-3111, by fax at (703) 774-3946, or by e-mail at CDR.Help@cdr.ffiec.gov.

FDIC Certificate Number **16571** (RSSD 9050)

To fulfill the signature and attestation requirement for the Reports of Condition and Income for this report date, attach your bank's completed signature page (or a photocopy or a computer generated version of this page) to the hard-copy record of the data file submitted to the CDR that your bank must place in its files.

The appearance of your bank's hard-copy record of the submitted data file need not match exactly the appearance of the FFIEC's sample report forms, but should show at least the caption of each Call Report item and the reported amount.

BMO HARRIS BANK NATIONAL ASSOCIATION
Legal Title of Bank (RSSD 9017)

CHICAGO
City (RSSD 9130)

IL — **60603**
State Abbreviation (RSSD 9200) — Zip Code (RSSD 9220)

Legal Entity Identifier (LEI)
3Y4U8VZURTYWI1W2K376 (RCON 9224)

The estimated average burden associated with this information collection is 50.4 hours per respondent and is estimated to vary from 20 to 775 hours per response, depending on individual circumstances. Burden estimates include the time for reviewing instructions, gathering and maintaining data in the required form, and completing the information collection, but exclude the time for compiling and maintaining business records in the normal course of a respondent's activities. A Federal agency may not conduct or sponsor, and an organization (or a person) is not required to respond to a collection of information, unless it displays a currently valid OMB control number. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503, and to one of the following: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551; Legislative and Regulatory Analysis Division, Office of the Comptroller of the Currency, Washington, DC 20219; Assistant Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429.

Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices - FFIEC 031

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For information or assistance, national banks, state nonmember banks, and savings associations should contact the FDIC's Data Collection and Analysis Section, 550 17th Street, NW, Washington, DC 20429, toll free on (800) 688-FDIC(3342), Monday through Friday between 8:00 a.m. and 5:00 p.m., Eastern Time. State member banks should contact their Federal Reserve District Bank.

For information or assistance, national banks, state nonmember banks, and savings associations should contact the FDIC's Data Collection and Analysis Section, 550 17th Street, NW, Washington, DC 20429, toll free on (800) 688-FDIC(3342), Monday through Friday between 8:00 a.m. and 5:00 p.m., Eastern Time. State member banks should contact their Federal Reserve District Bank.

Contact Information for the Reports of Condition and Income

To facilitate communication between the Agencies and the bank concerning the Reports of Condition and Income, please provide contact information for (1) the Chief Financial Officer (or equivalent) of the bank signing the reports for this quarter, and (2) the person at the bank—other than the Chief Financial Officer (or equivalent)—to whom questions about the reports should be directed. If the Chief Financial Officer (or equivalent) is the primary contact for questions about the reports, please provide contact information for another person at the bank who will serve as a secondary contact for communications between the Agencies and the bank concerning the Reports of Condition and Income. Enter "none" for the contact's e-mail address or fax number if not available. Contact information for the Reports of Condition and Income is for the confidential use of the Agencies and will not be released to the public.

Chief Financial Officer (or Equivalent) Signing the Reports

CONF
Name (TEXT C490)

CONF
Title (TEXT C491)

CONF
E-mail Address (TEXT C492)

CONF
Area Code / Phone Number / Extension (TEXT C493)

CONF
Area Code / FAX Number (TEXT C494)

Other Person to Whom Questions about the Reports Should be Directed

CONF
Name (TEXT C495)

CONF
Title (TEXT C496)

CONF
E-mail Address (TEXT 4086)

CONF
Area Code / Phone Number / Extension (TEXT 8902)

CONF
Area Code / FAX Number (TEXT 9116)

Emergency Contact Information

This information is being requested so the Agencies can distribute critical, time-sensitive information to emergency contacts at banks. Please provide primary contact information for a senior official of the bank who has decision-making authority. Also provide information for a secondary contact if available. Enter "none" for the contact's e-mail address or fax number if not available. Emergency contact information is for the confidential use of the Agencies and will not be released to the public.

Primary Contact

CONF
Name (TEXT C366)

CONF
Title (TEXT C367)

CONF
E-mail Address (TEXT C368)

CONF
Area Code / Phone Number / Extension (TEXT C369)

CONF
Area Code / FAX Number (TEXT C370)

Secondary Contact

CONF
Name (TEXT C371)

CONF
Title (TEXT C372)

CONF
E-mail Address (TEXT C373)

CONF
Area Code / Phone Number / Extension (TEXT C374)

CONF
Area Code / FAX Number (TEXT C375)

USA PATRIOT Act Section 314(a) Anti-Money Laundering

Contact Information

This information is being requested to identify points-of-contact who are in charge of your bank's USA PATRIOT Act Section 314(a) information requests. Bank personnel listed could be contacted by law enforcement officers or the Financial Crimes Enforcement Network (FinCEN) for additional information related to specific Section 314(a) search requests or other anti-terrorist financing and anti- money laundering matters. Communications sent by FinCEN to the bank for purposes other than Section 314(a) notifications will state the intended purpose and should be directed to the appropriate bank personnel for review. Any disclosure of customer records to law enforcement officers or FinCEN must be done in compliance with applicable law, including the Right to Financial Privacy Act (12 U.S.C. 3401 et seq.).

Please provide information for a primary and secondary contact. Information for a third and fourth contact may be provided at the bank's option. Enter "none" for the contact's e-mail address if not available. This contact information is for the confidential use of the Agencies, FinCEN, and law enforcement officers and will not be released to the public.

Primary Contact

CONF
Name (TEXT C437)

CONF
Title (TEXT C438)

CONF
E-mail Address (TEXT C439)

CONF
Area Code / Phone Number / Extension (TEXT C440)

Secondary Contact

CONF
Name (TEXT C442)

CONF
Title (TEXT C443)

CONF
E-mail Address (TEXT C444)

CONF
Area Code / Phone Number / Extension (TEXT 8902)

Third Contact

CONF
Name (TEXT C870)

CONF
Title (TEXT C871)

CONF
E-mail Address (TEXT C368)

CONF
Area Code / Phone Number / Extension (TEXT C873)

Fourth Contact

CONF
Name (TEXT C875)

CONF
Title (TEXT C876)

CONF
E-mail Address (TEXT C877)

CONF
Area Code / Phone Number / Extension (TEXT C878)

Bank Demographic Information(Form Type - 031)

Dollar amounts in thousands

1. Reporting date	RCON9999	20210331	1.
2. FDIC certificate number	RSSD9050	16571	2.
3. Legal title of bank	RSSD9017	Click here for value	3.
4. City	RSSD9130	Chicago	4.
5. State abbreviation	RSSD9200	IL	5.
6. Zip code	RSSD9220	60603	6.
7. Legal Entity Identifier (LEI) (Report only if your institution already has an LEI.)	RCON9224	Click here for value	7.

(RCON9224) 3Y4U8VZURTYWI1W2K376

(RSSD9017) BMO Harris Bank, N.A.

Contact Information(Form Type - 031)

Dollar amounts in thousands

1. Contact Information for the Reports of Condition and Income			1.
a. Chief Financial Officer (or Equivalent) Signing the Reports			1.a.
1. Name	TEXTC490	CONF	1.a.1.
2. Title	TEXTC491	CONF	1.a.2.
3. E-mail Address	TEXTC492	CONF	1.a.3.
4. Telephone	TEXTC493	CONF	1.a.4.
5. FAX	TEXTC494	CONF	1.a.5.
b. Other Person to Whom Questions about the Reports Should be Directed			1.b.
1. Name	TEXTC495	CONF	1.b.1.
2. Title	TEXTC496	CONF	1.b.2.
3. E-mail Address	TEXT4086	CONF	1.b.3.
4. Telephone	TEXT8902	CONF	1.b.4.
5. FAX	TEXT9116	CONF	1.b.5.
2. Person to whom questions about Schedule RC-T - Fiduciary and Related Services should be directed			2.
a. Name and Title	TEXTB962	CONF	2.a.
b. E-mail Address	TEXTB926	CONF	2.b.
c. Telephone	TEXTB963	CONF	2.c.
d. FAX	TEXTB964	CONF	2.d.
3. Emergency Contact Information			3.
a. Primary Contact			3.a.
1. Name	TEXTC366	CONF	3.a.1.
2. Title	TEXTC367	CONF	3.a.2.
3. E-mail Address	TEXTC368	CONF	3.a.3.
4. Telephone	TEXTC369	CONF	3.a.4.
5. FAX	TEXTC370	CONF	3.a.5.
b. Secondary Contact			3.b.
1. Name	TEXTC371	CONF	3.b.1.
2. Title	TEXTC372	CONF	3.b.2.
3. E-mail Address	TEXTC373	CONF	3.b.3.
4. Telephone	TEXTC374	CONF	3.b.4.
5. FAX	TEXTC375	CONF	3.b.5.
4. USA PATRIOT Act Section 314(a) Anti-Money Laundering Contact Information			4.
a. Primary Contact			4.a.

Dollar amounts in thousands			
1. Name	TEXTC437	CONF	4.a.1.
2. Title	TEXTC438	CONF	4.a.2.
3. E-mail Address	TEXTC439	CONF	4.a.3.
4. Telephone	TEXTC440	CONF	4.a.4.
b. Secondary Contact			4.b.
1. Name	TEXTC442	CONF	4.b.1.
2. Title	TEXTC443	CONF	4.b.2.
3. E-mail Address	TEXTC444	CONF	4.b.3.
4. Telephone	TEXTC445	CONF	4.b.4.
c. Third Contact			4.c.
1. Name	TEXTC870	CONF	4.c.1.
2. Title	TEXTC871	CONF	4.c.2.
3. E-mail Address	TEXTC872	CONF	4.c.3.
4. Telephone	TEXTC873	CONF	4.c.4.
d. Fourth Contact			4.d.
1. Name	TEXTC875	CONF	4.d.1.
2. Title	TEXTC876	CONF	4.d.2.
3. E-mail Address	TEXTC877	CONF	4.d.3.
4. Telephone	TEXTC878	CONF	4.d.4.
5. Chief Executive Officer Contact Information			5.
a. Chief Executive Officer			5.a.
1. Name	TEXTFT42	CONF	5.a.1.
2. E-mail Address	TEXTFT44	CONF	5.a.2.
3. Telephone	TEXTFT43	CONF	5.a.3.
4. FAX	TEXTFT45	CONF	5.a.4.

Schedule RI - Income Statement(Form Type - 031)

All Report of Income schedules are to be reported on a calendar year-to-date basis in thousands of dollars.

Dollar amounts in thousands			
1. Interest income:			1.
a. Interest and fee income on loans:			1.a.
1. In domestic offices:			1.a.1.
a. Loans secured by real estate:			1.a.1.a.
1. Loans secured by 1-4 family residential properties	RIAD4435	75,203	1.a.1.a.1.
2. All other loans secured by real estate	RIAD4436	101,055	1.a.1.a.2.
b. Loans to finance agricultural production and other loans to farmers	RIAD4024	3,916	1.a.1.b.
c. Commercial and industrial loans	RIAD4012	421,009	1.a.1.c.
d. Loans to individuals for household, family, and other personal expenditures:			1.a.1.d.
1. Credit cards	RIADB485	8,345	1.a.1.d.1.
2. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	RIADB486	61,919	1.a.1.d.2.
e. Loans to foreign governments and official institutions	RIAD4056	0	1.a.1.e.
f. All other loans in domestic offices	RIADB487	144,680	1.a.1.f.
2. In foreign offices, Edge and Agreement subsidiaries, and IBFs	RIAD4059	NR	1.a.2.
3. Total interest and fee income on loans (sum of items 1.a.(1)(a) through 1.a.(2))	RIAD4010	816,127	1.a.3.
b. Income from lease financing receivables	RIAD4065	359	1.b.
c. Interest income on balances due from depository institutions[1]	RIAD4115	4,367	1.c.
d. Interest and dividend income on securities:			1.d.
1. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)	RIADB488	17,591	1.d.1.
2. Mortgage-backed securities	RIADB489	83,559	1.d.2.
3. All other securities (includes securities issued by states and political subdivisions in the U.S.)	RIAD4060	16,475	1.d.3.
e. Interest income from trading assets	RIAD4069	3,487	1.e.
f. Interest income on federal funds sold and securities purchased under agreements to resell	RIAD4020	1,728	1.f.
g. Other interest income	RIAD4518	433	1.g.
h. Total interest income (sum of items 1.a.(3) through 1.g)	RIAD4107	944,126	1.h.
2. Interest expense:			2.
a. Interest on deposits:			2.a.
1. Interest on deposits in domestic offices:			2.a.1.
a. Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	RIAD4508	2,671	2.a.1.a.
b. Nontransaction accounts:			2.a.1.b.
1. Savings deposits (includes MMDAs)	RIAD0093	24,075	2.a.1.b.1.
2. Time deposits of $250,000 or less	RIADHK03	23,324	2.a.1.b.2.
3. Time deposits of more than $250,000	RIADHK04	22,377	2.a.1.b.3.
2. Interest on deposits in foreign offices, Edge and Agreement subsidiaries, and IBFs	RIAD4172	NR	2.a.2.
b. Expense of federal funds purchased and securities sold under agreements to repurchase	RIAD4180	61	2.b.
c. Interest on trading liabilities and other borrowed money	RIAD4185	24,351	2.c.
d. Interest on subordinated notes and debentures	RIAD4200	3,263	2.d.
e. Total interest expense (sum of items 2.a through 2.d)	RIAD4073	100,122	2.e.
3. Net interest income (item 1.h minus 2.e)	RIAD4074	844,004	3.
4. Provision for loan and lease losses[1]	RIADJJ33	-48,671	4.
5. Noninterest income:			5.
a. Income from fiduciary activities[2]	RIAD4070	62,903	5.a.
b. Service charges on deposit accounts in domestic offices	RIAD4080	81,435	5.b.

1. Includes interest income on time certificates of deposit not held for trading.
1. Institutions that have adopted ASU 2016-13 should report in item 4, the provisions for credit losses for all financial assets and off-balance-sheet credit exposures that fall within the scope of the standard.
2. For banks required to complete Schedule RC-T, items 14 through 22, income from fiduciary activities reported in Schedule RI, item 5.a, must equal the amount reported in Schedule RC-T, item 22.

Dollar amounts in thousands			
c. Trading revenue[3]	RIADA220	-27,578	5.c.
d. Income from securities-related and insurance activities:			5.d.
1. Fees and commissions from securities brokerage	RIADC886	42	5.d.1.
2. Investment banking, advisory, and underwriting fees and commissions	RIADC888	80	5.d.2.
3. Fees and commissions from annuity sales	RIADC887	0	5.d.3.
4. Underwriting income from insurance and reinsurance activities	RIADC386	0	5.d.4.
5. Income from other insurance activities	RIADC387	0	5.d.5.
e. Venture capital revenue	RIADB491	0	5.e.
f. Net servicing fees	RIADB492	4,682	5.f.
g. Net securitization income	RIADB493	0	5.g.
h. Not applicable			5.h.
i. Net gains (losses) on sales of loans and leases	RIAD5416	17,434	5.i.
j. Net gains (losses) on sales of other real estate owned	RIAD5415	-668	5.j.
k. Net gains (losses) on sales of other assets[4]	RIADB496	2	5.k.
l. Other noninterest income*	RIADB497	145,200	5.l.
m. Total noninterest income (sum of items 5.a through 5.l)	RIAD4079	283,532	5.m.
6. Not available			6.
a. Realized gains (losses) on held-to-maturity securities	RIAD3521	0	6.a.
b. Realized gains (losses) on available-for-sale debt securities	RIAD3196	1,118	6.b.
7. Noninterest expense:			7.
a. Salaries and employee benefits	RIAD4135	342,606	7.a.
b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)	RIAD4217	84,020	7.b.
c. Not available			7.c.
1. Goodwill impairment losses	RIADC216	0	7.c.1.
2. Amortization expense and impairment losses for other intangible assets	RIADC232	7,719	7.c.2.
d. Other noninterest expense*	RIAD4092	185,768	7.d.
e. Total noninterest expense (sum of items 7.a through 7.d)	RIAD4093	620,113	7.e.
8. Not available			8.
a. Income (loss) before change in net unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations (item 3 plus or minus items 4, 5.m, 6.a, 6.b, and 7.e)	RIADHT69	557,212	8.a.
b. Change in net unrealized holding gains (losses) on equity securities not held for trading[5]	RIADHT70	4,309	8.b.
c. Income (loss) before applicable income taxes and discontinued operations (sum of items 8.a and 8.b)	RIAD4301	561,521	8.c.
9. Applicable income taxes (on item 8.c)	RIAD4302	137,679	9.
10. Income (loss) before discontinued operations (item 8.c minus item 9)	RIAD4300	423,842	10.
11. Discontinued operations, net of applicable income taxes (Describe on Schedule RI-E - Explanations)*	RIADFT28	0	11.
12. Net income (loss) attributable to bank and noncontrolling (minority) interests (sum of items 10 and 11)	RIADG104	423,842	12.
13. LESS: Net income (loss) attributable to noncontrolling (minority) interests (if net income, report as a positive value; if net loss, report as a negative value)	RIADG103	0	13.
14. Net income (loss) attributable to bank (item 12 minus item 13)	RIAD4340	423,842	14.
1. Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes	RIAD4513	1,125	M.1.
Memorandum item 2 is to be completed by banks with $1 billion or more in total assets 2. Income from the sale and servicing of mutual funds and annuities in domestic offices (included in Schedule RI, item 8)	RIAD8431	42	M.2.
3. Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule RI, items 1.a and 1.b)	RIAD4313	7,723	M.3.
4. Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule RI, item 1.d.(3))	RIAD4507	12,079	M.4.
5. Number of full-time equivalent employees at end of current period (round to nearest whole number)	RIAD4150	10436	M.5.
6. Not applicable			M.6.

3. For banks required to complete Schedule RI, Memorandum item 8, trading revenue reported in Schedule RI, item 5.c, must equal the sum of Memorandum items 8.a through 8.e.
4. Exclude net gains (losses) on sales of trading assets and held-to-maturity and available-for-sale debt securities.
*. Describe on Schedule RI-E—Explanations.
5. Item 8.b is to be completed by all institutions. See the instructions this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.

Dollar amounts in thousands			
7. If the reporting institution has applied pushdown accounting this calendar year, report the date of the institution's acquisition (see instructions)[2]	RIAD9106	00000000	M.7.
8. Trading revenue (from cash instruments and derivative instruments) (sum of Memorandum items 8.a through 8.e must equal Schedule RI, item 5.c):			M.8.
Memorandum items 8.a through 8.e are to be completed by banks that reported average trading assets (Schedule RC-K, item 7) of $2 million or more for any quarter of the preceding calendar year. a. Interest rate exposures	RIAD8757	-17,172	M.8.a.
b. Foreign exchange exposures	RIAD8758	-1	M.8.b.
c. Equity security and index exposures	RIAD8759	-9,243	M.8.c.
d. Commodity and other exposures	RIAD8760	0	M.8.d.
e. Credit exposures	RIADF186	-1,162	M.8.e.
Memorandum items 8.f through 8.h are to be completed by banks with $100 billion or more in total assets that are required to complete Schedule RI, Memorandum items 8.a through 8.e, above. f. Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets (year-to-date changes) (included in Memorandum items 8.a through 8.e above):			M.8.f.
1. Gross credit valuation adjustment (CVA)	RIADFT36	273	M.8.f.1.
2. CVA hedge	RIADFT37	0	M.8.f.2.
g. Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities (year-to-date changes) (included in Memorandum items 8.a through 8.e above):			M.8.g.
1. Gross debit valuation adjustment (DVA)	RIADFT38	1	M.8.g.1.
2. DVA hedge	RIADFT39	0	M.8.g.2.
h. Gross trading revenue, before including positive or negative net CVA and net DVA	RIADFT40	-27,040	M.8.h.
9. Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:			M.9.
a. Net gains (losses) on credit derivatives held for trading	RIADC889	-1,162	M.9.a.
b. Net gains (losses) on credit derivatives held for purposes other than trading	RIADC890	0	M.9.b.
10. Credit losses on derivatives (see instructions)	RIADA251	0	M.10.
11. Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?	RIADA530	No	M.11.
Memorandum item 12 is to be completed by banks that are required to complete Schedule RC-C, Part I, Memorandum items 8.b and 8.c and is to be completed semiannually in the June and December reports only. 12. Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (included in Schedule RI, item 1.a.(1)(a)(1))	RIADF228	NR	M.12.
Memorandum item 13 is to be completed by banks that have elected to account for assets and liabilities under a fair value option. 13. Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:			M.13.
a. Net gains (losses) on assets	RIADF551	0	M.13.a.
1. Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk	RIADF552	0	M.13.a.1.
b. Net gains (losses) on liabilities	RIADF553	20,199	M.13.b.
1. Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk	RIADF554	0	M.13.b.1.
14. Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities[2]	RIADJ321	0	M.14.
Memorandum item 15 is to be completed by institutions with $1 billion or more in total assets that answered "Yes" to Schedule RC-E, Part I, Memorandum item 5. 15. Components of service charges on deposit accounts in domestic offices (sum of Memorandum items 15.a through 15.d must equal Schedule RI, item 5.b):			M.15.
a. Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use	RIADH032	4,043	M.15.a.
b. Consumer account periodic maintenance charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use	RIADH033	2,843	M.15.b.
c. Consumer customer automated teller machine (ATM) fees levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use	RIADH034	2,613	M.15.c.
d. All other service charges on deposit accounts	RIADH035	71,936	M.15.d.

2. Report the date in YYYYMMDD format. For example, a bank acquired on March 1, 2019, would report 20190301.
2. Memorandum item 14 is to be completed only by institutions that have not adopted ASU 2016-13.

Schedule RI-A - Changes in Bank Equity Capital(Form Type - 031)

Dollar amounts in thousands			
1. Total bank equity capital most recently reported for the December 31, 2020, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)...	RIAD3217	18,116,555	1.
2. Cumulative effect of changes in accounting principles and corrections of material accounting errors*...	RIADB507	0	2.
3. Balance end of previous calendar year as restated (sum of items 1 and 2)...	RIADB508	18,116,555	3.
4. Net income (loss) attributable to bank (must equal Schedule RI, item 14)...	RIAD4340	423,842	4.
5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions)...	RIADB509	162	5.
6. Treasury stock transactions, net...	RIADB510	0	6.
7. Changes incident to business combinations, net...	RIAD4356	0	7.
8. LESS: Cash dividends declared on preferred stock...	RIAD4470	0	8.
9. LESS: Cash dividends declared on common stock...	RIAD4460	0	9.
10. Other comprehensive income[1]...	RIADB511	-399,856	10.
11. Other transactions with stockholders (including a parent holding company) (not included in items 5, 6, 8, or 9 above)*...	RIAD4415	0	11.
12. Total bank equity capital end of current period (sum of items 3 through 11) (must equal Schedule RC, item 27.a)...	RIAD3210	18,140,703	12.

*. Describe on Schedule RI-E—Explanations

1. Includes, but is not limited to, changes in net unrealized holding gains (losses) on available-for-sale debt securities, changes in accumulated net gains (losses) on cash flow hedges, foreign currency translation adjustments, and pension and other postretirement plan-related changes other than net periodic benefit cost.

Schedule RI-B Part I - Charge-offs and Recoveries on Loans and Leases(Form Type - 031)

Part I includes charge-offs and recoveries through the allocated transfer risk reserve.

Dollar amounts in thousands	(Column A) Charge-offs Calendar year-to-date		(Column B) Recoveries Calendar year-to-date		
1. Loans secured by real estate:					1.
a. Construction, land development, and other land loans in domestic offices:					1.a.
1. 1-4 family residential construction loans	RIADC891	0	RIADC892	100	1.a.1.
2. Other construction loans and all land development and other land loans	RIADC893	191	RIADC894	481	1.a.2.
b. Secured by farmland in domestic offices	RIAD3584	587	RIAD3585	10	1.b.
c. Secured by 1-4 family residential properties in domestic offices:					1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RIAD5411	2,118	RIAD5412	2,475	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:					1.c.2.
a. Secured by first liens	RIADC234	1,295	RIADC217	2,161	1.c.2.a.
b. Secured by junior liens	RIADC235	734	RIADC218	1,879	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties in domestic offices	RIAD3588	0	RIAD3589	5	1.d.
e. Secured by nonfarm nonresidential properties in domestic offices:					1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RIADC895	321	RIADC896	70	1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RIADC897	0	RIADC898	97	1.e.2.
f. In foreign offices	RIADB512	NR	RIADB513	NR	1.f.
2. Not applicable					2.
3. Loans to finance agricultural production and other loans to farmers	RIAD4655	0	RIAD4665	215	3.
4. Commercial and industrial loans:					4.
a. To U.S. addressees (domicile)	RIAD4645	11,342	RIAD4617	3,071	4.a.
b. To non-U.S. addressees (domicile)	RIAD4646	0	RIAD4618	0	4.b.
5. Loans to individuals for household, family, and other personal expenditures:					5.
a. Credit cards	RIADB514	4,663	RIADB515	1,005	5.a.
b. Automobile loans	RIADK129	6,645	RIADK133	5,114	5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RIADK205	2,488	RIADK206	479	5.c.
6. Loans to foreign governments and official institutions	RIAD4643	0	RIAD4627	0	6.
7. All other loans	RIAD4644	336	RIAD4628	748	7.
8. Lease financing receivables:					8.
a. Leases to individuals for household, family, and other personal expenditures	RIADF185	0	RIADF187	0	8.a.
b. All other leases	RIADC880	315	RIADF188	128	8.b.
9. Total (sum of items 1 through 8)	RIAD4635	31,035	RIAD4605	18,038	9.
1. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RI-B, part I, items 4 and 7, above	RIAD5409	0	RIAD5410	0	M.1.
2. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 1, above)	RIAD4652	0	RIAD4662	0	M.2.
3. Not applicable					M.3.

Dollar amounts in thousands			
Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes. 4. Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses)[2]	RIADC388	NR	M.4.

2. Institutions that have adopted ASU 2016-13 should report in Memorandum item 4 uncollectible retail credit card fees and finance charges reversed against income (i.e. not included in charge-offs against the allowance for credit losses on loans and leases).

Schedule RI-B Part II - Changes in Allowances for Credit Losses(Form Type - 031)

Dollar amounts in thousands	(Column A) Loans and Leases Held for Investment		(Column B) Held-to-maturity Debt Securities		(Column C) Available-for-sale Debt Securities		
1. Balance most recently reported for the December 31, 2020, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)......	RIADB522	1,188,203	RIADJH88	NR	RIADJH94	NR	1.
2. Recoveries (column A must equal Part I, item 9, column B, above)......	RIAD4605	18,038	RIADJH89	NR	RIADJH95	NR	2.
3. LESS: Charge-offs (column A must equal Part I, item 9, column A, above less Schedule RI-B, Part II, item 4, column A)......	RIADC079	31,035	RIADJH92	NR	RIADJH98	NR	3.
4. LESS: Write-downs arising from transfers of financial assets[3]......	RIAD5523	0	RIADJJ00	NR	RIADJJ01	NR	4.
5. Provisions for credit losses[4]......	RIAD4230	-48,671	RIADJH90	NR	RIADJH96	NR	5.
6. Adjustments* (see instructions for this schedule)[*]......	RIADC233	0	RIADJH91	NR	RIADJH97	NR	6.
7. Balance end of current period (sum of items 1, 2, 5, and 6, less items 3 and 4) (column A must equal Schedule RC, item 4.c)......	RIAD3123	1,126,535	RIADJH93	NR	RIADJH99	NR	7.

Dollar amounts in thousands			
1. Allocated transfer risk reserve included in Schedule RI-B, Part II, item 7, column A, above......	RIADC435	0	M.1.
Memorandum items 2 and 3 are to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes. 2. Separate valuation allowance for uncollectible retail credit card fees and finance charges......	RIADC389	NR	M.2.
3. Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges[1]......	RIADC390	NR	M.3.
4. Amount of allowance for post-acquisition credit losses on purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (included in Schedule RI-B, Part II, item 7, column A, above)[2]......	RIADC781	34,950	M.4.
5. Provisions for credit losses on other financial assets measured at amortized cost (not included in item 5, above)[3]...	RIADJJ02	NR	M.5.
6. Allowance for credit losses on other financial assets measured at amortized cost (not included in item 7, above)[3]...	RCFDJJ03	NR	M.6.
7. Provisions for credit losses on off-balance-sheet credit exposures[3]......	RIADMG93	NR	M.7.
8. Estimated amount of expected recoveries of amounts previously written off included within the allowance for credit losses on loans and leases held for investment (included in item 7, column A, "Balance end of current period," above)[3]......	RIADMG94	NR	M.8.

3. Institutions that have not yet adopted ASU 2016-13 should report write-downs arising from transfers of loans to a held-for-sale account in item 4, column A.
4. Institutions that have not yet adopted ASU 2016-13 should report the provision for loan and lease losses in item 5, column A and the amount reported must equal Schedule RI, item 4.
*. Describe on Schedule RI-E - Explanations.
1. Institutions that have adopted ASU 2016-13 should report in Memorandum item 3 the amount of allowance for credit losses on loans and leases attributable to retail credit card fees and finance charges.
2. Memorandum item 4 is to be completed only by institutions that have not yet adopted ASU 2016-13.
3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.
3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.
3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.
3. Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.

Schedule RI-C Part I - Disaggregated Data on the Allowance for Loan and Lease Losses(Form Type - 031)

Schedule RI-C is to be completed by institutions with $1 billion or more in total assets.

Dollar amounts in thousands	(Column A) Recorded Investment: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)	(Column B) Allowance Balance: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35)	(Column C) Recorded Investment: Collectively Evaluated for Impairment (ASC 450-20)	(Column D) Allowance Balance: Collectively Evaluated for Impairment (ASC 450-20)	(Column E) Recorded Investment: Purchased Credit-Impaired Loans (ASC 310-30)	(Column F) Allowance Balance: Purchased Credit-Impaired Loans (ASC 310-30)	
1. Real estate loans:							1.
a. Construction loans	RCFDM708 10,974	RCFDM709 2,712	RCFDM710 3,587,925	RCFDM711 68,502	RCFDM712 1,322	RCFDM713 0	1.a.
b. Commercial real estate loans	RCFDM714 215,150	RCFDM715 20,084	RCFDM716 8,140,437	RCFDM717 136,508	RCFDM719 38,107	RCFDM720 21,630	1.b.
c. Residential real estate loans	RCFDM721 241,398	RCFDM722 28,729	RCFDM723 8,606,740	RCFDM724 32,163	RCFDM725 5,568	RCFDM726 276	1.c.
2. Commercial loans[3]	RCFDM727 482,091	RCFDM728 145,770	RCFDM729 56,743,621	RCFDM730 593,328	RCFDM731 51,768	RCFDM732 12,527	2.
3. Credit cards	RCFDM733 0	RCFDM734 0	RCFDM735 356,492	RCFDM736 15,412	RCFDM737 0	RCFDM738 0	3.
4. Other consumer loans	RCFDM739 22,103	RCFDM740 1,020	RCFDM741 7,122,225	RCFDM742 47,357	RCFDM743 517	RCFDM744 517	4.
5. Unallocated, if any				RCFDM745 0			5.
6. Total (for each column, sum of items 1.a through 5)[4]	RCFDM746 971,716	RCFDM747 198,315	RCFDM748 84,557,440	RCFDM749 893,270	RCFDM750 97,282	RCFDM751 34,950	6.

3. Include all loans and leases not reported as real estate loans, credit cards, or other consumer loans in items 1, 3, or 4 of Schedule RI-C.
4. The sum of item 6, columns B, D, and F, must equal Schedule RC, item 4.c. Item 6, column E, must equal Schedule RC-C, Part I, Memorandum item 7.b. Item 6, column F, must equal Schedule RI-B, Part II, Memorandum item 4.

Schedule RI-C Part II - Disaggregated Data on the Allowances for Credit Losses(Form Type - 031)

Dollar amounts in thousands	(Column A) Amortized Cost		(Column B) Allowance Balance		
1. Real estate loans:					1.
a. Construction loans	RCFDJJ04	NR	RCFDJJ12	NR	1.a.
b. Commercial real estate loans	RCFDJJ05	NR	RCFDJJ13	NR	1.b.
c. Residential real estate loans	RCFDJJ06	NR	RCFDJJ14	NR	1.c.
2. Commercial loans[3]	RCFDJJ07	NR	RCFDJJ15	NR	2.
3. Credit cards	RCFDJJ08	NR	RCFDJJ16	NR	3.
4. Other consumer loans	RCFDJJ09	NR	RCFDJJ17	NR	4.
5. Unallocated, if any			RCFDJJ18	NR	5.
6. Total (sum of items 1.a. through 5)[4]	RCFDJJ11	NR	RCFDJJ19	NR	6.

Dollar amounts in thousands			
7. Securities issued by states and political subdivisions in the U.S.	RCFDJJ20	NR	7.
8. Mortgage-backed securities (MBS) (including CMOs, REMICs, and stripped MBS)	RCFDJJ21	NR	8.
9. Asset-backed securities and structured financial products	RCFDJJ23	NR	9.
10. Other debt securities	RCFDJJ24	NR	10.
11. Total (sum of items 7 through 10)[5]	RCFDJJ25	NR	11.

Schedule RI-D - Income from Foreign Offices(Form Type - 031)

For all banks with foreign offices (including Edge or Agreement subsidiaries and IBFs) and total foreign office assets of $10 billion or more where foreign office revenues, assets, or net income exceed 10 percent of consolidated total revenues, total assets, or net income.

Dollar amounts in thousands			
1. Total interest income in foreign offices	RIADC899	NR	1.
2. Total interest expense in foreign offices	RIADC900	NR	2.
3. Provision for loan and lease losses in foreign offices[1]	RIADKW02	NR	3.
4. Noninterest income in foreign offices:			4.
a. Trading revenue	RIADC902	NR	4.a.
b. Investment banking, advisory, brokerage, and underwriting fees and commissions	RIADC903	NR	4.b.
c. Net securitization income	RIADC904	NR	4.c.
d. Other noninterest income	RIADC905	NR	4.d.
5. Realized gains (losses) on held-to-maturity and available-for-sale debt securities and change in net unrealized holding gains (losses) on equity securities not held for trading in foreign offices	RIADJA28	NR	5.
6. Total noninterest expense in foreign offices	RIADC907	NR	6.
7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs	RIADC908	NR	7.
8. Applicable income taxes (on items 1 through 7)	RIADC909	NR	8.
9. Discontinued operations, net of applicable income taxes, in foreign offices	RIADGW64	NR	9.
10. Net income attributable to foreign offices before internal allocations of income and expense (item 1 plus or minus items 2 through 9)	RIADC911	NR	10.
11. Not applicable			11.
12. Eliminations arising from the consolidation of foreign offices with domestic offices	RIADC913	NR	12.
13. Consolidated net income attributable to foreign offices (sum of items 10 and 12)	RIADC914	NR	13.

3. Include all loans and leases not reported as real estate loans, credit cards, or other consumer loans in item 1, 3, or 4 of Schedule RI-C, Part II.
4. Item 6, column B must equal schedule RC, item 4.c.
5. Item 11 must equal Schedule RI-B, Part II, item 7, column B.
1. Institutions that have adopted ASU 2016-13 should report the provisions for credit losses in foreign offices for all financial assets and off-balance-sheet credit exposures that fall within the scope of the standard in item 3.

Schedule RI-E - Explanations (Form Type - 031)

Schedule RI-E is to be completed each quarter on a calendar year-to-date basis.

Detail all adjustments in Schedule RI-A and RI-B, all extraordinary items and other adjustments in Schedule RI, and all significant items of other noninterest income and other noninterest expense in Schedule RI. (See instructions for details.)

Dollar amounts in thousands			
1. Other noninterest income (from Schedule RI, item 5.l) Itemize and describe amounts greater than $100,000 that exceed 7 percent of Schedule RI, item 5.l:			1.
a. Income and fees from the printing and sale of checks	RIADC013	0	1.a.
b. Earnings on/increase in value of cash surrender value of life insurance	RIADC014	18,341	1.b.
c. Income and fees from automated teller machines (ATMs)	RIADC016	0	1.c.
d. Rent and other income from other real estate owned	RIAD4042	0	1.d.
e. Safe deposit box rent	RIADC015	0	1.e.
f. Bank card and credit card interchange fees	RIADF555	28,184	1.f.
g. Income and fees from wire transfers	RIADT047	0	1.g.
h. Disclose component and the dollar amount of that component:			1.h.
1. Describe component	TEXT4461	Click here for value	1.h.1.
2. Amount of component	RIAD4461	21,464	1.h.2.
i. Disclose component and the dollar amount of that component:			1.i.
1. Describe component	TEXT4462	Click here for value	1.i.1.
2. Amount of component	RIAD4462	37,866	1.i.2.
j. Disclose component and the dollar amount of that component:			1.j.
1. Describe component	TEXT4463	Click here for value	1.j.1.
2. Amount of component	RIAD4463	17,303	1.j.2.
2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than $100,000 that exceed 7 percent of Schedule RI, item 7.d:			2.
a. Data processing expenses	RIADC017	29,270	2.a.
b. Advertising and marketing expenses	RIAD0497	22,191	2.b.
c. Directors' fees	RIAD4136	0	2.c.
d. Printing, stationery, and supplies	RIADC018	0	2.d.
e. Postage	RIAD8403	0	2.e.
f. Legal fees and expenses	RIAD4141	0	2.f.
g. FDIC deposit insurance assessments	RIAD4146	CONF	2.g.
h. Accounting and auditing expenses	RIADF556	0	2.h.
i. Consulting and advisory expenses	RIADF557	0	2.i.
j. Automated teller machine (ATM) and interchange expenses	RIADF558	0	2.j.
k. Telecommunications expenses	RIADF559	14,929	2.k.
l. Other real estate owned expenses	RIADY923	0	2.l.
m. Insurance expenses (not included in employee expenses, premises and fixed asset expenses, and other real estate owned expenses)	RIADY924	0	2.m.
n. Disclose component and the dollar amount of that component:			2.n.
1. Describe component	TEXT4464	Click here for value	2.n.1.
2. Amount of component	RIAD4464	29,163	2.n.2.
o. Disclose component and the dollar amount of that component:			2.o.
1. Describe component	TEXT4467	Click here for value	2.o.1.
2. Amount of component	RIAD4467	23,161	2.o.2.
p. Disclose component and the dollar amount of that component:			2.p.
1. Describe component	TEXT4468	Click here for value	2.p.1.
2. Amount of component	RIAD4468	21,484	2.p.2.
3. Discontinued operations and applicable income tax effect (from Schedule RI, item 11) (itemize and describe each discontinued operation):			3.
a. Disclose component, the gross dollar amount of that component, and its related income tax:			3.a.
1. Describe component	TEXTFT29	NR	3.a.1.
2. Amount of component	RIADFT29	0	3.a.2.

Dollar amounts in thousands			
3. Applicable income tax effect	RIADFT30	0	3.a.3.
b. Disclose component, the gross dollar amount of that component, and its related income tax:			3.b.
1. Describe component	TEXTFT31	NR	3.b.1.
2. Amount of component	RIADFT31	0	3.b.2.
3. Applicable income tax effect	RIADFT32	0	3.b.3.
4. Cumulative effect of changes in accounting principles and corrections of material accounting errors (from Schedule RI-A, item 2) (itemize and describe all such effects):			4.
a. Effect of adoption of Current Expected Credit Losses Methodology - ASU 2016-13[1]	RIADJJ26	NR	4.a.
b. Effect of adoption of lease accounting standard - ASC Topic 842	RIADKW17	NR	4.b.
c. Disclose component and the dollar amount of that component:			4.c.
1. Describe component	TEXTB526	NR	4.c.1.
2. Amount of component	RIADB526	0	4.c.2.
d. Disclose component and the dollar amount of that component:			4.d.
1. Describe component	TEXTB527	NR	4.d.1.
2. Amount of component	RIADB527	0	4.d.2.
5. Other transactions with stockholders (including a parent holding company) (from Schedule RI-A, item 11) (itemize and describe all such transactions):			5.
a. Disclose component and the dollar amount of that component:			5.a.
1. Describe component	TEXT4498	NR	5.a.1.
2. Amount of component	RIAD4498	0	5.a.2.
b. Disclose component and the dollar amount of that component:			5.b.
1. Describe component	TEXT4499	NR	5.b.1.
2. Amount of component	RIAD4499	0	5.b.2.
6. Adjustments to allowances for credit losses (from Schedule RI-B, part II, item 6) (itemize and describe all adjustments):[3]			6.
a. Initial allowances for credit losses recognized upon the acquisition of purchased credit-deteriorated assets on or after the effective date of ASU 2016-13[1]	RIADJJ27	NR	6.a.
b. Effect of adoption of current expected credit losses methodology on allowances for credit losses[1]	RIADJJ28	NR	6.b.
c. Disclose component and the dollar amount of that component:			6.c.
1. Describe component	TEXT4521	NR	6.c.1.
2. Amount of component	RIAD4521	0	6.c.2.
d. Disclose component and the dollar amount of that component:			6.d.
1. Describe component	TEXT4522	NR	6.d.1.
2. Amount of component	RIAD4522	0	6.d.2.
7. Other explanations (the space below is provided for the bank to briefly describe, at its option, any other significant items affecting the Report of Income):			7.
a. Comments?	RIAD4769	No	7.a.
b. Other explanations	TEXT4769	NR	7.b.

(TEXT4461) Net change in FV of Fair Value Option instruments

(TEXT4462) Rent on Operating Leases to others

(TEXT4463) Syndication Underwriting fee Income

(TEXT4464) Depreciation&Maintenance on Equip leased to others

(TEXT4467) Software Amortization

1. Only institutions that have adopted ASU 2016-13 should report amounts in items 4.a, 6.a and 6.b, if applicable.
3. Institutions that have not adopted ASU 2016-13 should report the allowance for loan and lease losses in item 6, where applicable.
1. Only institutions that have adopted ASU 2016-13 should report amounts in items 4.a, 6.a and 6.b, if applicable.
1. Only institutions that have adopted ASU 2016-13 should report amounts in items 4.a, 6.a and 6.b, if applicable.

(TEXT4468) Contract programming and contract services

Schedule RC - Balance Sheet(Form Type - 031)

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Dollar amounts in thousands			
1. Cash and balances due from depository institutions (from Schedule RC-A):			1.
a. Noninterest-bearing balances and currency and coin[1]	RCFD0081	1,017,210	1.a.
b. Interest-bearing balances[2]	RCFD0071	25,877,298	1.b.
2. Securities:			2.
a. Held-to-maturity securities (from Schedule RC-B, column A)[3]	RCFDJJ34	3,587,628	2.a.
b. Available-for-sale debt securities (from Schedule RC-B, column D)	RCFD1773	31,233,719	2.b.
c. Equity securities with readily determinable fair values not held for trading[4]	RCFDJA22	0	2.c.
3. Federal funds sold and securities purchased under agreements to resell:			3.
a. Federal funds sold in domestic offices	RCONB987	110,100	3.a.
b. Securities purchased under agreements to resell[5]	RCFDB989	2,178,440	3.b.
4. Loans and lease financing receivables (from Schedule RC-C):			4.
a. Loans and leases held for sale	RCFD5369	147,266	4.a.
b. Loans and leases held for investment	RCFDB528	85,626,438	4.b.
c. LESS: Allowance for loan and lease losses[7]	RCFD3123	1,126,535	4.c.
d. Loans and leases held for investment, net of allowance (item 4.b minus 4.c)	RCFDB529	84,499,903	4.d.
5. Trading assets (from Schedule RC-D)	RCFD3545	316,326	5.
6. Premises and fixed assets (including capitalized leases)	RCFD2145	1,065,089	6.
7. Other real estate owned (from Schedule RC-M)	RCFD2150	5,650	7.
8. Investments in unconsolidated subsidiaries and associated companies	RCFD2130	6,976	8.
9. Direct and indirect investments in real estate ventures	RCFD3656	0	9.
10. Intangible assets (from Schedule RC-M)	RCFD2143	3,170,584	10.
11. Other assets (from Schedule RC-F)[6]	RCFD2160	5,992,146	11.
12. Total assets (sum of items 1 through 11)	RCFD2170	159,208,335	12.
13. Deposits:			13.
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)	RCON2200	134,020,172	13.a.
1. Noninterest-bearing[8]	RCON6631	38,309,804	13.a.1.
2. Interest-bearing	RCON6636	95,710,368	13.a.2.
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)	RCFN2200	NR	13.b.
1. Noninterest-bearing	RCFN6631	NR	13.b.1.
2. Interest-bearing	RCFN6636	NR	13.b.2.
14. Federal funds purchased and securities sold under agreements to repurchase:			14.
a. Federal funds purchased in domestic offices[9]	RCONB993	45,077	14.a.
b. Securities sold under agreements to repurchase[10]	RCFDB995	230,059	14.b.
15. Trading liabilities (from Schedule RC-D)	RCFD3548	28,258	15.
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)	RCFD3190	3,966,802	16.
17. Not applicable			17.
18. Not applicable			18.
19. Subordinated notes and debentures[1]	RCFD3200	600,000	19.

1. Includes cash items in process of collection and unposted debits.
2. Includes time certificates of deposit not held for trading.
3. Institutions that have adopted ASU 2016-13 should report in item 2.a, amounts net of any applicable allowance for credit losses, and should equal to Schedule RC-B, item 8, column A less Schedule RI-B, Part II, item 7, column B.
4. Item 2.c is to be completed by all institutions. See the instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.
5. Includes all securities resale agreements, regardless of maturity.
7. Institutions that have adopted ASU 2016-13 should report in item 4.c the allowance for credit losses on loans and leases.
6. Institutions that have adopted ASU 2016-13 should report in items 3.b and 11 amounts net of any applicable allowance for credit losses.
8. Includes noninterest-bearing demand, time, and savings deposits.
9. Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "Other borrowed money."
10. Includes all securities repurchase agreements, regardless of maturity.
1. Includes limited-life preferred stock and related surplus.

Dollar amounts in thousands			
20. Other liabilities (from Schedule RC-G)	RCFD2930	2,177,264	20.
21. Total liabilities (sum of items 13 through 20)	RCFD2948	141,067,632	21.
22. Not applicable			22.
23. Perpetual preferred stock and related surplus	RCFD3838	0	23.
24. Common stock	RCFD3230	510,185	24.
25. Surplus (exclude all surplus related to preferred stock)	RCFD3839	11,523,735	25.
26. Not available			26.
a. Retained earnings	RCFD3632	5,704,096	26.a.
b. Accumulated other comprehensive income[2]	RCFDB530	402,687	26.b.
c. Other equity capital components[3]	RCFDA130	0	26.c.
27. Not available			27.
a. Total bank equity capital (sum of items 23 through 26.c)	RCFD3210	18,140,703	27.a.
b. Noncontrolling (minority) interests in consolidated subsidiaries	RCFD3000	0	27.b.
28. Total equity capital (sum of items 27.a and 27.b)	RCFDG105	18,140,703	28.
29. Total liabilities and equity capital (sum of items 21 and 28)	RCFD3300	159,208,335	29.
1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2020	RCFD6724	1a	M.1.
2. Bank's fiscal year-end date (report the date in MMDD format)	RCON8678	1231	M.2.

Schedule RC-A - Cash and Balances Due From Depository Institutions(Form Type - 031)

Exclude assets held for trading.

Dollar amounts in thousands	(Column A) Consolidated Bank		(Column B) Domestic Offices		
1. Cash items in process of collection, unposted debits, and currency and coin	RCFD0022	978,012			1.
a. Cash items in process of collection and unposted debits			RCON0020	638,829	1.a.
b. Currency and coin			RCON0080	339,183	1.b.
2. Balances due from depository institutions in the U.S.	RCFD0082	52,975	RCON0082	52,975	2.
3. Balances due from banks in foreign countries and foreign central banks	RCFD0070	1,636,472	RCON0070	1,636,472	3.
4. Balances due from Federal Reserve Banks	RCFD0090	24,227,049	RCON0090	24,227,049	4.
5. Total	RCFD0010	26,894,508	RCON0010	26,894,508	5.

2. Includes, but is not limited to, net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and accumulated defined benefit pension and other postretirement plan adjustments.

3. Includes treasury stock and unearned Employee Stock Ownership Plan shares.

Schedule RC-B - Securities(Form Type - 031)

Exclude assets held for trading.

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost		(Column B) Held-to-maturity Fair Value		(Column C) Available-for-sale Amortized Cost		(Column D) Available-for-sale Fair Value		
1. U.S. Treasury securities	RCFD0211	**0**	RCFD0213	**0**	RCFD1286	**2,761,836**	RCFD1287	**2,887,628**	1.
2. U.S. Government agency and sponsored agency obligations (exclude mortgage-backed securities)[1]	RCFDHT50	**0**	RCFDHT51	**0**	RCFDHT52	**899,152**	RCFDHT53	**911,398**	2.
3. Securities issued by states and political subdivisions in the U.S.	RCFD8496	**0**	RCFD8497	**0**	RCFD8498	**2,819,814**	RCFD8499	**2,889,651**	3.
4. Mortgage-backed securities (MBS):									4.
a. Residential mortgage pass-through securities:									4.a.
1. Guaranteed by GNMA	RCFDG300	**192,543**	RCFDG301	**198,652**	RCFDG302	**225,319**	RCFDG303	**232,689**	4.a.1.
2. Issued by FNMA and FHLMC	RCFDG304	**1,342,727**	RCFDG305	**1,399,294**	RCFDG306	**3,355,858**	RCFDG307	**3,377,979**	4.a.2.
3. Other pass-through securities	RCFDG308	**0**	RCFDG309	**0**	RCFDG310	**0**	RCFDG311	**0**	4.a.3.
b. Other residential mortgage-backed securities (include CMOs, REMICs, and stripped MBS):									4.b.
1. Issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCFDG312	**909,907**	RCFDG313	**964,713**	RCFDG314	**17,122,056**	RCFDG315	**17,142,760**	4.b.1.
2. Collateralized by MBS issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCFDG316	**0**	RCFDG317	**0**	RCFDG318	**0**	RCFDG319	**0**	4.b.2.
3. All other residential MBS	RCFDG320	**1,872**	RCFDG321	**1,850**	RCFDG322	**0**	RCFDG323	**0**	4.b.3.
c. Commercial MBS:									4.c.
1. Commercial mortgage pass-through securities:									4.c.1.
a. Issued or guaranteed by FNMA, FHLMC, or GNMA	RCFDK142	**1,140,579**	RCFDK143	**1,202,785**	RCFDK144	**2,978,573**	RCFDK145	**2,991,546**	4.c.1.a.
b. Other pass-through securities	RCFDK146	**0**	RCFDK147	**0**	RCFDK148	**0**	RCFDK149	**0**	4.c.1.b.
2. Other commercial MBS:									4.c.2.
a. Issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCFDK150	**0**	RCFDK151	**0**	RCFDK152	**798,304**	RCFDK153	**794,380**	4.c.2.a.
b. All other commercial MBS	RCFDK154	**0**	RCFDK155	**0**	RCFDK156	**0**	RCFDK157	**0**	4.c.2.b.
5. Asset-backed securities and structured financial products:									5.
a. Asset-backed securities (ABS)	RCFDC026	**0**	RCFDC988	**0**	RCFDC989	**0**	RCFDC027	**0**	5.a.
b. Structured financial products	RCFDHT58	**0**	RCFDHT59	**0**	RCFDHT60	**0**	RCFDHT61	**0**	5.b.
6. Other debt securities:									6.
a. Other domestic debt securities	RCFD1737	**0**	RCFD1738	**0**	RCFD1739	**0**	RCFD1741	**0**	6.a.
b. Other foreign debt securities	RCFD1742	**0**	RCFD1743	**0**	RCFD1744	**5,600**	RCFD1746	**5,688**	6.b.
7. Not applicable.									7.
8. Total (sum of items 1 through 6.b)[2]	RCFD1754	**3,587,628**	RCFD1771	**3,767,294**	RCFD1772	**30,966,512**	RCFD1773	**31,233,719**	8.

Dollar amounts in thousands			
1. Pledged securities[1]	RCFD0416	2,980,393	M.1.
2. Maturity and repricing data for debt securities (excluding those in nonaccrual status):[1]			M.2.
a. Securities issued by the U.S. Treasury, U.S. Government agencies, and states and political subdivisions in the U.S.; other non-mortgage debt securities; and mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of:[2]			M.2.a.
1. Three months or less	RCFDA549	1,642,318	M.2.a.1.
2. Over three months through 12 months	RCFDA550	1,394,677	M.2.a.2.
3. Over one year through three years	RCFDA551	1,790,797	M.2.a.3.
4. Over three years through five years	RCFDA552	3,281,803	M.2.a.4.
5. Over five years through 15 years	RCFDA553	2,710,164	M.2.a.5.
6. Over 15 years	RCFDA554	6,731	M.2.a.6.
b. Mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of:[2]			M.2.b.
1. Three months or less	RCFDA555	104,442	M.2.b.1.
2. Over three months through 12 months	RCFDA556	2,481	M.2.b.2.
3. Over one year through three years	RCFDA557	1,203	M.2.b.3.
4. Over three years through five years	RCFDA558	13,759	M.2.b.4.
5. Over five years through 15 years	RCFDA559	4,936,452	M.2.b.5.
6. Over 15 years	RCFDA560	87,601	M.2.b.6.
c. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS; exclude mortgage pass-through securities) with an expected average life of:[5]			M.2.c.
1. Three years or less	RCFDA561	4,096,461	M.2.c.1.
2. Over three years	RCFDA562	14,752,458	M.2.c.2.
d. Debt securities with a REMAINING MATURITY of one year or less (included in Memorandum items 2.a through 2.c above)	RCFDA248	1,429,892	M.2.d.
Memorandum item 3 is to be completed semiannually in the June and December reports only. 3. Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date (report the amortized cost at date of sale or transfer)	RCFD1778	NR	M.3.
4. Structured notes (included in the held-to-maturity and available-for-sale accounts in Schedule RC-B, items 2, 3, 5, and 6):			M.4.
a. Amortized cost	RCFD8782	0	M.4.a.
b. Fair value	RCFD8783	0	M.4.b.

1. Includes Small Business Administration "Guaranteed Loan Pool Certificates"; U.S. Maritime Administration obligations; Export-Import Bank participation certificates; and obligations (other than mortgage-backed securities) issued by the Farm Credit System, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Financing Corporation, Resolution Funding Corporation, the Student Loan Marketing Association, and the Tennessee Valley Authority.

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

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2. For institutions that have adopted ASU 2016-13, the total reported in column A must equal Schedule RC, item 2.a, plus Schedule RI-B, Part II, item 7, column B. For institutions that have not adopted ASU 2016-13, the total reported in column A must equal Schedule RC, item 2.a. For all institutions, the total reported in column D must equal Schedule RC, item 2.b.

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost		(Column B) Held-to-maturity Fair Value		(Column C) Available-for-sale Amortized Cost		(Column D) Available-for-sale Fair Value		
Memorandum items 5.a through 5.f and 6.a through 6.g are to be completed by banks with $10 billion or more in total assets. 5. Asset-backed securities (ABS) (for each column, sum of Memorandum items 5.a through 5.f must equal Schedule RC-B, item 5.a):[1]									M.5.
a. Credit card receivables	RCFDB838	0	RCFDB839	0	RCFDB840	0	RCFDB841	0	M.5.a.
b. Home equity lines	RCFDB842	0	RCFDB843	0	RCFDB844	0	RCFDB845	0	M.5.b.
c. Automobile loans	RCFDB846	0	RCFDB847	0	RCFDB848	0	RCFDB849	0	M.5.c.
d. Other consumer loans	RCFDB850	0	RCFDB851	0	RCFDB852	0	RCFDB853	0	M.5.d.
e. Commercial and industrial loans	RCFDB854	0	RCFDB855	0	RCFDB856	0	RCFDB857	0	M.5.e.
f. Other	RCFDB858	0	RCFDB859	0	RCFDB860	0	RCFDB861	0	M.5.f.
6. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 6.a through 6.g must equal Schedule RC-B item 5.b):									M.6.
a. Trust preferred securities issued by financial institutions	RCFDG348	0	RCFDG349	0	RCFDG350	0	RCFDG351	0	M.6.a.
b. Trust preferred securities issued by real estate investment trusts	RCFDG352	0	RCFDG353	0	RCFDG354	0	RCFDG355	0	M.6.b.
c. Corporate and similar loans	RCFDG356	0	RCFDG357	0	RCFDG358	0	RCFDG359	0	M.6.c.
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs)	RCFDG360	0	RCFDG361	0	RCFDG362	0	RCFDG363	0	M.6.d.
e. 1-4 family residential MBS not issued or guaranteed by GSEs	RCFDG364	0	RCFDG365	0	RCFDG366	0	RCFDG367	0	M.6.e.
f. Diversified (mixed) pools of structured financial products	RCFDG368	0	RCFDG369	0	RCFDG370	0	RCFDG371	0	M.6.f.
g. Other collateral or reference assets	RCFDG372	0	RCFDG373	0	RCFDG374	0	RCFDG375	0	M.6.g.

1. Includes held-to-maturity securities at amortized cost, available-for-sale debt securities at fair value, and equity securities with readily determinable fair values not held for trading (reported in Schedule RC, item 2.c) at fair value.

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2. Report fixed-rate debt securities by remaining maturity and floating-rate debt securities by next repricing date.

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5. Sum of Memorandum items 2.c.(1) and 2.c.(2) plus any nonaccrual “Other mortgage-backed securities” included in Schedule RC-N, item 10, column C, must equal Schedule RC-B, sum of items 4.b and 4.c.(2), columns A and D.

1. The $10 billion asset size test is based on the total assets reported on the June 30, 2018, Report of Condition.

Schedule RC-C Part I - Loans and Leases(Form Type - 031)

Do not deduct the allowance for loan and lease losses or the allocated transfer risk reserve from amounts reported in this schedule. Report (1) loans and leases held for sale at the lower of cost or fair value, (2) loans and leases held for investment, net of unearned income, and (3) loans and leases accounted for at fair value under a fair value option. Exclude assets held for trading and commercial paper.

Dollar amounts in thousands	(Column A) Consolidated Bank		(Column B) Domestic Offices		
1. Loans secured by real estate[2]	RCFD1410	NR			1.
a. Construction, land development, and other land loans:					1.a.
1. 1-4 family residential construction loans	RCFDF158	63,324	RCONF158	63,324	1.a.1.
2. Other construction loans and all land development and other land loans	RCFDF159	3,536,897	RCONF159	3,536,897	1.a.2.
b. Secured by farmland (including farm residential and other improvements)	RCFD1420	525,246	RCON1420	525,246	1.b.
c. Secured by 1-4 family residential properties:					1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCFD1797	1,863,221	RCON1797	1,863,221	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:					1.c.2.
a. Secured by first liens	RCFD5367	6,806,912	RCON5367	6,806,912	1.c.2.a.
b. Secured by junior liens	RCFD5368	223,615	RCON5368	223,615	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties	RCFD1460	836,464	RCON1460	836,464	1.d.
e. Secured by nonfarm nonresidential properties:					1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCFDF160	3,135,131	RCONF160	3,135,131	1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RCFDF161	3,896,854	RCONF161	3,896,854	1.e.2.
2. Loans to depository institutions and acceptances of other banks:					2.
a. To commercial banks in the U.S.			RCONB531	139,614	2.a.
1. To U.S. branches and agencies of foreign banks	RCFDB532	134			2.a.1.
2. To other commercial banks in the U.S.	RCFDB533	139,480			2.a.2.
b. To other depository institutions in the U.S.	RCFDB534	55	RCONB534	55	2.b.
c. To banks in foreign countries			RCONB535	3,405	2.c.
1. To foreign branches of other U.S. banks	RCFDB536	0			2.c.1.
2. To other banks in foreign countries	RCFDB537	3,405			2.c.2.
3. Loans to finance agricultural production and other loans to farmers	RCFD1590	491,885	RCON1590	491,885	3.
4. Commercial and industrial loans:					4.
a. To U.S. addressees (domicile)	RCFD1763	35,917,431	RCON1763	35,917,431	4.a.
b. To non-U.S. addressees (domicile)	RCFD1764	105,655	RCON1764	105,655	4.b.
5. Not applicable					5.
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					6.
a. Credit cards	RCFDB538	356,492	RCONB538	356,492	6.a.
b. Other revolving credit plans	RCFDB539	412,307	RCONB539	412,307	6.b.
c. Automobile loans	RCFDK137	5,055,292	RCONK137	5,055,292	6.c.
d. Other consumer loans (includes single payment and installment loans other than automobile loans, and all student loans)	RCFDK207	1,677,246	RCONK207	1,677,246	6.d.
7. Loans to foreign governments and official institutions (including foreign central banks)	RCFD2081	1,284	RCON2081	1,284	7.
8. Obligations (other than securities and leases) of states and political subdivisions in the U.S.	RCFD2107	2,284,504	RCON2107	2,284,504	8.
9. Loans to nondepository financial institutions and other loans	RCFD1563	17,955,012			9.
a. Loans to nondepository financial institutions			RCONJ454	14,918,425	9.a.
b. Other loans:					9.b.
1. Loans for purchasing or carrying securities (secured and unsecured)			RCON1545	1,003,923	9.b.1.
2. All other loans (exclude consumer loans)			RCONJ451	2,032,664	9.b.2.
10. Lease financing receivables (net of unearned income)			RCON2165	485,858	10.
a. Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases)	RCFDF162	0			10.a.
b. All other leases	RCFDF163	485,858			10.b.
11. LESS: Any unearned income on loans reflected in items 1-9 above	RCFD2123	0	RCON2123	0	11.
12. Total loans and leases held for investment and held for sale (item 12, column A must equal Schedule RC, sum of items 4.a and 4.b)	RCFD2122	85,773,704	RCON2122	85,773,704	12.

2. When reporting “Loans secured by real estate,” “large institutions” and “highly complex institutions,” as defined for deposit insurance assessment purposes in FDIC regulations, should complete items 1.a.(1) through 1.e.(2) in columns A and B (but not item 1 in column A); all other institutions should complete item 1 in column A and items 1.a.(1) through 1.e.(2) in column B (but not items 1.a.(1) through 1.e.(2) in column A).

Dollar amounts in thousands			
1. Loans restructured in troubled debt restructurings that are in compliance with their modified terms (included in Schedule RC-C, part 1, and not reported as past due or nonaccrual in Schedule RC-N, Memorandum item 1):			M.1.
a. Construction, land development, and other land loans in domestic offices:			M.1.a.
1. 1-4 family residential construction loans	RCONK158	17	M.1.a.1.
2. Other construction loans and all land development and other land loans	RCONK159	14,336	M.1.a.2.
b. Loans secured by 1-4 family residential properties in domestic offices	RCONF576	193,160	M.1.b.
c. Secured by multifamily (5 or more) residential properties in domestic offices	RCONK160	127	M.1.c.
d. Secured by nonfarm nonresidential properties in domestic offices:			M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK161	8,228	M.1.d.1.
2. Loans secured by other nonfarm nonresidential properties	RCONK162	1,193	M.1.d.2.
e. Commercial and industrial loans:			M.1.e.
1. To U.S. addressees (domicile)	RCFDK163	14,422	M.1.e.1.
2. To non-U.S. addressees (domicile)	RCFDK164	0	M.1.e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures)	RCFDK165	29,771	M.1.f.
Itemize loan categories included in Memorandum item 1.f, above that exceed 10 percent of total loans restructured in troubled debt restructurings that are in compliance with their modified terms (sum of Memorandum items 1.a through 1.f): 1. Loans secured by farmland in domestic offices	RCONK166	20,702	M.1.f.1.
2. Not applicable			M.1.f.2.
3. Loans to finance agricultural production and other loans to farmers	RCFDK168	3,745	M.1.f.3.
4. Loans to individuals for household, family, and other personal expenditures:			M.1.f.4.
a. Credit cards	RCFDK098	0	M.1.f.4.a.
b. Automobile loans	RCFDK203	4,471	M.1.f.4.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCFDK204	289	M.1.f.4.c.
g. Total loans restructured in troubled debt restructurings that are in compliance with their modified terms (sum of Memorandum items 1.a.(1) through 1.f)	RCFDHK25	261,254	M.1.g.
2. Maturity and repricing data for loans and leases (excluding those in nonaccrual status):			M.2.
a. Closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B) with a remaining maturity or next repricing date of:			M.2.a.
1. Three months or less	RCONA564	646,330	M.2.a.1.
2. Over three months through 12 months	RCONA565	650,593	M.2.a.2.
3. Over one year through three years	RCONA566	463,735	M.2.a.3.
4. Over three years through five years	RCONA567	551,917	M.2.a.4.
5. Over five years through 15 years	RCONA568	1,788,995	M.2.a.5.
6. Over 15 years	RCONA569	2,529,846	M.2.a.6.
b. All loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column A) EXCLUDING closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B) with a remaining maturity or next repricing date of:			M.2.b.
1. Three months or less	RCFDA570	52,279,555	M.2.b.1.
2. Over three months through 12 months	RCFDA571	978,917	M.2.b.2.
3. Over one year through three years	RCFDA572	8,062,457	M.2.b.3.
4. Over three years through five years	RCFDA573	9,031,400	M.2.b.4.
5. Over five years through 15 years	RCFDA574	7,677,742	M.2.b.5.
6. Over 15 years	RCFDA575	140,501	M.2.b.6.
c. Loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column A) with a REMAINING MATURITY of one year or less (excluding those in nonaccrual status)	RCFDA247	13,321,743	M.2.c.
3. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-C, part I, items 4 and 9, column A[4]	RCFD2746	4,063,772	M.3.
4. Adjustable rate closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (included in Schedule RC-C, part I, item 1.c.(2)(a), column B)	RCON5370	3,273,542	M.4.
5. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-C, Part I, item 1, column A, or Schedule RC-C, Part I, items 1.a.(1) through 1.e.(2), column A, as appropriate)	RCFDB837	356,690	M.5.
Memorandum item 6 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes. 6. Outstanding credit card fees and finance charges included in Schedule RC-C, part I, item 6.a, column A	RCFDC391	NR	M.6.

4. Exclude loans secured by real estate that are included in Schedule RC-C, Part I, item 1, column A.

Dollar amounts in thousands			
Memorandum items 7.a and 7.b are to be completed by all banks semiannually in the June and December reports only. 7. Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (exclude loans held for sale):[5]			M.7.
a. Outstanding balance	RCFDC779	NR	M.7.a.
b. Amount included in Schedule RC-C, part I, items 1 through 9	RCFDC780	NR	M.7.b.
Memorandum items 8.a, 8.b, and 8.c are to be completed semiannually in the June and December reports only. 8. Closed-end loans with negative amortization features secured by 1-4 family residential properties in domestic offices:			M.8.
a. Total amount of closed-end loans with negative amortization features secured by 1-4 family residential properties (included in Schedule RC-C, part I, items 1.c.(2)(a) and 1.c.(2)(b))	RCONF230	NR	M.8.a.
Memorandum items 8.b and 8.c are to be completed semiannually in the June and December reports only by banks that had closed-end loans with negative amortization features secured by 1–4 family residential properties (as reported in Schedule RC-C, Part I, Memorandum item 8.a) as of December 31, 2019, that exceeded the lesser of $100 million or 5 percent of total loans and leases held for investment and held for sale in domestic offices (as reported in Schedule RC-C, Part I, item 12, column B). b. Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1-4 family residential properties	RCONF231	NR	M.8.b.
c. Total amount of negative amortization on closed-end loans secured by 1-4 family residential properties included in the amount reported in Memorandum item 8.a above	RCONF232	NR	M.8.c.

5. Memorandum item 7 is to be completed only by institutions that have not yet adopted ASU 2016-13.

Dollar amounts in thousands			
9. Loans secured by 1-4 family residential properties in domestic offices in process of foreclosure (included in Schedule RC-C, part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b))	RCONF577	**54,607**	M.9.

Dollar amounts in thousands			
10. Not applicable			M.10.
11. Not applicable			M.11.

Dollar amounts in thousands	(Column A) Fair value of acquired loans and leases at acquisition date		(Column B) Gross contractual amounts receivable at acquisition date		(Column C) Best estimate at acquisition date of contractual cash flows not expected to be collected		
Memorandum items 12.a, 12.b, 12.c, and 12.d are to be completed semiannually in the June and December reports only. 12. Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year:[1]							M.12.
a. Loans secured by real estate	RCFDG091	**NR**	RCFDG092	**NR**	RCFDG093	**NR**	M.12.a.
b. Commercial and industrial loans	RCFDG094	**NR**	RCFDG095	**NR**	RCFDG096	**NR**	M.12.b.
c. Loans to individuals for household, family, and other personal expenditures	RCFDG097	**NR**	RCFDG098	**NR**	RCFDG099	**NR**	M.12.c.
d. All other loans and all leases	RCFDG100	**NR**	RCFDG101	**NR**	RCFDG102	**NR**	M.12.d.

Dollar amounts in thousands			
Memoranda item 13 is to be completed by banks that had construction, land development, and other land loans in domestic offices (as reported in Schedule RC-C, Part I, item 1.a., column B) that exceeded 100 percent of the sum of tier 1 capital (as reported in Schedule RC-R, Part I, item 26) plus the allowance for loan and lease losses or the allowance for credit losses on loans and leases, as applicable (as reported in Schedule RC, item 4.c) as of December 31, 2020. 13. Construction, land development, and other land loans in domestic offices with interest reserves:			M.13.
a. Amount of loans that provide for the use of interest reserves (included in Schedule RC-C, part I, item 1.a, column B)	RCONG376	**NR**	M.13.a.
b. Amount of interest capitalized from interest reserves on construction, land development, and other land loans that is included in interest and fee income on loans during the quarter (included in Schedule RI, item 1.a.(1)(a)(2))	RIADG377	**NR**	M.13.b.
Memorandum item 14 is to be completed by all banks. 14. Pledged loans and leases	RCFDG378	**36,223,139**	M.14.
Memorandum item 15 is to be completed for the December report only. 15. Reverse mortgages in domestic offices:			M.15.
a. Reverse mortgages outstanding that are held for investment (included in Schedule RC-C, item 1.c, above):			M.15.a.
1. Home Equity Conversion Mortgage (HECM) reverse mortgages	RCONJ466	**NR**	M.15.a.1.
2. Proprietary reverse mortgages	RCONJ467	**NR**	M.15.a.2.
b. Estimated number of reverse mortgage loan referrals to other lenders during the year from whom compensation has been received for services performed in connection with the origination of the reverse mortgages:			M.15.b.
1. Home Equity Conversion Mortgage (HECM) reverse mortgages	RCONJ468	**NR**	M.15.b.1.
2. Proprietary reverse mortgages	RCONJ469	**NR**	M.15.b.2.
c. Principal amount of reverse mortgage originations that have been sold during the year:			M.15.c.
1. Home Equity Conversion Mortgage (HECM) reverse mortgages	RCONJ470	**NR**	M.15.c.1.
2. Proprietary reverse mortgages	RCONJ471	**NR**	M.15.c.2.
Memorandum item 16 is to be completed by all banks. 16. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit in domestic offices that have converted to non-revolving closed-end status (included in item 1.c.(1) above)	RCONLE75	**166,009**	M.16.
Amounts reported in Memorandum items 17.a and 17.b will not be made available to the public on an individual institution basis. 17. Eligible loan modifications under Section 4013, Temporary Relief from Troubled Debt Restructurings, of the 2020 Coronavirus Aid, Relief, and Economic Security Act:			M.17.
a. Number of Section 4013 loans outstanding	RCONLG24	**CONF**	M.17.a.
b. Outstanding balance of Section 4013 loans	RCONLG25	**CONF**	M.17.b.

1. Institutions that have adopted ASU 2016-13 should report only loans held for investment not considered purchased credit-deteriorated in Memorandum item 12.

Schedule RC-C Part II - Loans to Small Businesses and Small Farms(Form Type - 031)

Report the number and amount currently outstanding as of the report date of business loans with "original amounts" of $1,000,000 or less and farm loans with "original amounts" of $500,000 or less. The following guidelines should be used to determine the "original amount" of a loan:
(1) For loans drawn down under lines of credit or loan commitments, the "original amount" of the loan is the size of the line of credit or loan commitment when the line of credit or loan commitment was most recently approved, extended, or renewed prior to the report date. However, if the amount currently outstanding as of the report date exceeds this size, the "original amount" is the amount currently outstanding on the report date. (2) For loan participations and syndications, the "original amount" of the loan participation or syndication is the entire amount of the credit originated by the lead lender. (3) For all other loans, the "original amount" is the total amount of the loan at origination or the amount currently outstanding as of the report date, whichever is larger.

Dollar amounts in thousands			
1. Not applicable			1.
2. Not applicable			2.

Dollar amounts in thousands	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
3. Number and amount currently outstanding of "Loans secured by nonfarm nonresidential properties" in domestic offices reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2), column B:					3.
a. With original amounts of $100,000 or less	RCON5564	416	RCON5565	14,055	3.a.
b. With original amounts of more than $100,000 through $250,000	RCON5566	720	RCON5567	88,627	3.b.
c. With original amounts of more than $250,000 through $1,000,000	RCON5568	1149	RCON5569	485,639	3.c.
4. Number and amount currently outstanding of "Commercial and industrial loans to U.S. addressees" in domestic offices reported in Schedule RC-C, part I, item 4.a, column B:					4.
a. With original amounts of $100,000 or less	RCON5570	91179	RCON5571	2,390,456	4.a.
b. With original amounts of more than $100,000 through $250,000	RCON5572	32461	RCON5573	3,353,568	4.b.
c. With original amounts of more than $250,000 through $1,000,000	RCON5574	9418	RCON5575	3,113,855	4.c.

Dollar amounts in thousands			
5. Not applicable			5.
6. Not applicable			6.

Dollar amounts in thousands	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
7. Number and amount currently outstanding of "Loans secured by farmland (including farm residential and other improvements)" in domestic offices reported in Schedule RC-C, part I, item 1.b, column B:					7.
a. With original amounts of $100,000 or less	RCON5578	114	RCON5579	4,275	7.a.
b. With original amounts of more than $100,000 through $250,000	RCON5580	148	RCON5581	17,675	7.b.
c. With original amounts of more than $250,000 through $500,000	RCON5582	120	RCON5583	34,626	7.c.
8. Number and amount currently outstanding of "Loans to finance agricultural production and other loans to farmers" in domestic offices reported in Schedule RC-C, part I, item 3, column B:					8.
a. With original amounts of $100,000 or less	RCON5584	879	RCON5585	23,225	8.a.
b. With original amounts of more than $100,000 through $250,000	RCON5586	254	RCON5587	26,922	8.b.
c. With original amounts of more than $250,000 through $500,000	RCON5588	95	RCON5589	26,001	8.c.

Schedule RC-D - Trading Assets and Liabilities(Form Type - 031)

Schedule RC-D is to be completed by banks that reported total trading assets of $10 million or more in any of the four preceding calendar quarters, and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.

Dollar amounts in thousands	Consolidated Bank		
1. U.S. Treasury securities	RCFD3531	0	1.
2. U.S. Government agency obligations (exclude mortgage-backed securities)	RCFD3532	0	2.
3. Securities issued by states and political subdivisions in the U.S.	RCFD3533	224,203	3.
4. Mortgage-backed securities (MBS):			4.
a. Residential mortgage pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA	RCFDG379	0	4.a.
b. Other residential MBS issued or guaranteed by U.S. Government agencies or sponsored agencies (include CMOs, REMICs, and stripped MBS)[1]	RCFDG380	0	4.b.
c. All other residential MBS	RCFDG381	0	4.c.
d. Commercial MBS issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCFDK197	0	4.d.
e. All other commercial MBS	RCFDK198	0	4.e.
5. Other debt securities:			5.
a. Structured financial products	RCFDHT62	0	5.a.
b. All other debt securities	RCFDG386	0	5.b.
6. Loans:			6.
a. Loans secured by real estate			6.a.
1. Loans secured by 1-4 family residential properties	RCFDHT63	0	6.a.1.
2. All other loans secured by real estate	RCFDHT64	0	6.a.2.
b. Commercial and industrial loans	RCFDF614	0	6.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	RCFDHT65	0	6.c.
d. Other loans	RCFDF618	0	6.d.
7. Not appliable			7.
8. Not applicable			8.
9. Other trading assets	RCFD3541	2,921	9.
10. Not applicable			10.
11. Derivatives with a positive fair value	RCFD3543	89,202	11.
12. Total trading assets (sum of items 1 through 11) (total of column A must equal Schedule RC, item 5)	RCFD3545	316,326	12.
13. Not available			13.
a. Liability for short positions	RCFD3546	0	13.a.
b. Other trading liabilities	RCFDF624	0	13.b.
14. Derivatives with a negative fair value	RCFD3547	28,258	14.
15. Total trading liabilities (sum of items 13.a through 14) (total of column A must equal Schedule RC, item 15)	RCFD3548	28,258	15.
1. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-D, items 6.a through 6.d):			M.1.
a. Loans secured by real estate			M.1.a.
1. Loans secured by 1-4 family residential properties	RCFDHT66	0	M.1.a.1.
2. All other loans secured by real estate	RCFDHT67	0	M.1.a.2.
b. Commercial and industrial loans	RCFDF632	0	M.1.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	RCFDHT68	0	M.1.c.
d. Other loans	RCFDF636	0	M.1.d.
Memorandum items 2 through 10 are to be completed by banks with $10 billion or more in total trading assets. 2. Loans measured at fair value that are past due 90 days or more:[1]			M.2.
a. Fair value	RCFDF639	NR	M.2.a.
b. Unpaid principal balance	RCFDF640	NR	M.2.b.

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).
1. The $10 billion trading asset-size test is based on total trading assets reported on the June 30, 2018, Report of Condition.

Dollar amounts in thousands	Consolidated Bank		
Memorandum items 3 through 10 are to be completed by banks with $10 billion or more in total trading assets. 3. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 3.a through 3.g must equal Schedule RC-D, sum of items 5.a.(1) through (3)):			M.3.
a. Trust preferred securities issued by financial institutions	RCFDG299	NR	M.3.a.
b. Trust preferred securities issued by real estate investment trusts	RCFDG332	NR	M.3.b.
c. Corporate and similar loans	RCFDG333	NR	M.3.c.
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs)	RCFDG334	NR	M.3.d.
e. 1-4 family residential MBS not issued or guaranteed by GSEs	RCFDG335	NR	M.3.e.
f. Diversified (mixed) pools of structured financial products	RCFDG651	NR	M.3.f.
g. Other collateral or reference assets	RCFDG652	NR	M.3.g.
4. Pledged trading assets:			M.4.
a. Pledged securities	RCFDG387	NR	M.4.a.
b. Pledged loans	RCFDG388	NR	M.4.b.

Dollar amounts in thousands			
5. Asset-backed securities:			M.5.
a. Credit card receivables	RCFDF643	NR	M.5.a.
b. Home equity lines	RCFDF644	NR	M.5.b.
c. Automobile loans	RCFDF645	NR	M.5.c.
d. Other consumer loans	RCFDF646	NR	M.5.d.
e. Commercial and industrial loans	RCFDF647	NR	M.5.e.
f. Other	RCFDF648	NR	M.5.f.
6. Retained beneficial interests in securitizations (first-loss or equity tranches)			M.6.
7. Equity securities (included in Schedule RC-D, item 9, above):			M.7.
a. Readily determinable fair values	RCFDF652	NR	M.7.a.
b. Other	RCFDF653	NR	M.7.b.
8. Loans pending securitization	RCFDF654	NR	M.8.
9. Other trading assets (itemize and describe amounts included in Schedule RC-D, item 9, that are greater than $1,000,000 and exceed 25% of the item):[1]			M.9.
a. Disclose component and the dollar amount of that component:			M.9.a.
1. Describe component	TEXTF655	NR	M.9.a.1.
2. Amount of component	RCFDF655	0	M.9.a.2.
b. Disclose component and the dollar amount of that component:			M.9.b.
(TEXTF656) NR	RCFDF656	0	M.9.b.1.
c. Disclose component and the dollar amount of that component:			M.9.c.
(TEXTF657) NR	RCFDF657	0	M.9.c.1.
10. Other trading liabilities (itemize and describe amounts included in Schedule RC-D, item 13.b, that are greater than $1,000,000 and exceed 25% of the item):			M.10.
a. Disclose component and the dollar amount of that component:			M.10.a.
1. Describe component	TEXTF658	NR	M.10.a.1.
2. Amount of component	RCFDF658	0	M.10.a.2.
b. Disclose component and the dollar amount of that component:			M.10.b.
(TEXTF659) NR	RCFDF659	0	M.10.b.1.
c. Disclose component and the dollar amount of that component:			M.10.c.
(TEXTF660) NR	RCFDF660	0	M.10.c.1.

1. Exclude equity securities.

Schedule RC-E Part I - Deposits in Domestic Offices(Form Type - 031)

Dollar amounts in thousands	(Column A) Transaction Accounts Total Transaction accounts (including total demand deposits)		(Column B) Transaction Accounts Memo: Total demand deposits (included in column A)		(Column C) Nontransaction Accounts Total nontransaction accounts (including MMDAs)		
Deposits of:							
1. Individuals, partnerships, and corporations (include all certified and official checks)	RCONB549	15,658,648			RCONB550	111,488,523	1.
2. U.S. Government	RCON2202	0			RCON2520	0	2.
3. States and political subdivisions in the U.S.	RCON2203	512,623			RCON2530	3,408,776	3.
4. Commercial banks and other depository institutions in the U.S.	RCONB551	787,255			RCONB552	0	4.
5. Banks in foreign countries	RCON2213	265,692			RCON2236	1,898,655	5.
6. Foreign governments and official institutions (including foreign central banks)	RCON2216	0			RCON2377	0	6.
7. Total (sum of items 1 through 6) (sum of columns A and C must equal Schedule RC, item 13.a)	RCON2215	17,224,218	RCON2210	15,917,034	RCON2385	116,795,954	7.

Dollar amounts in thousands			
1. Selected components of total deposits (i.e., sum of item 7, columns A and C):			M.1.
a. Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts	RCON6835	1,668,207	M.1.a.
b. Total brokered deposits	RCON2365	1,784,750	M.1.b.
c. Brokered deposits of $250,000 or less (fully insured brokered deposits)[2]	RCONHK05	1,784,750	M.1.c.
d. Maturity data for brokered deposits:			M.1.d.
1. Brokered deposits of $250,000 or less with a remaining maturity of one year or less (included in Memorandum item 1.c above)	RCONHK06	392,385	M.1.d.1.
2. Not applicable			M.1.d.2.
3. Brokered deposits of more than $250,000 with a remaining maturity of one year or less (included in Memorandum item 1.b above)	RCONK220	0	M.1.d.3.
e. Preferred deposits (uninsured deposits of states and political subdivisions in the U.S. reported in item 3 above which are secured or collateralized as required under state law) (to be completed for the December report only).	RCON5590	NR	M.1.e.
f. Estimated amount of deposits obtained through the use of deposit listing services that are not brokered deposits	RCONK223	251,116	M.1.f.
g. Total reciprocal deposits (as of the report date)	RCONJH83	0	M.1.g.
2. Components of total nontransaction accounts (sum of Memorandum items 2.a through 2.d must equal item 7, column C above):			M.2.
a. Savings deposits:			M.2.a.
1. Money market deposit accounts (MMDAs)	RCON6810	98,939,672	M.2.a.1.
2. Other savings deposits (excludes MMDAs)	RCON0352	4,567,904	M.2.a.2.
b. Total time deposits of less than $100,000	RCON6648	5,771,242	M.2.b.
c. Total time deposits of $100,000 through $250,000	RCONJ473	3,139,490	M.2.c.
d. Total time deposits of more than $250,000	RCONJ474	4,377,646	M.2.d.
e. Individual Retirement Accounts (IRAs) and Keogh Plan accounts of $100,000 or more included in Memorandum items 2.c and 2.d above	RCONF233	493,166	M.2.e.
3. Maturity and repricing data for time deposits of $250,000 or less:			M.3.
a. Time deposits of $250,000 or less with a remaining maturity or next repricing date of:			M.3.a.
1. Three months or less	RCONHK07	3,151,196	M.3.a.1.
2. Over three months through 12 months	RCONHK08	3,712,130	M.3.a.2.
3. Over one year through three years	RCONHK09	1,422,439	M.3.a.3.
4. Over three years	RCONHK10	624,967	M.3.a.4.
b. Time deposits of $250,000 or less with a REMAINING MATURITY of one year or less (included in Memorandum items 3.a.(1) and 3.a.(2) above)[3]	RCONHK11	6,126,100	M.3.b.
4. Maturity and repricing data for time deposits of more than $250,000:			M.4.
a. Time deposits of more than $250,000 with a remaining maturity or next repricing date of:			M.4.a.
1. Three months or less	RCONHK12	1,700,171	M.4.a.1.
2. Over three months through 12 months	RCONHK13	1,951,597	M.4.a.2.
3. Over one year through three years	RCONHK14	705,416	M.4.a.3.
4. Over three years	RCONHK15	20,462	M.4.a.4.
b. Time deposits of more than $250,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.(1) and 4.a.(2) above)[3]	RCONK222	2,128,299	M.4.b.
5. Does your institution offer one or more consumer deposit account products, i.e., transaction account or nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use?	RCONP752	Yes	M.5.
Memorandum items 6 and 7 are to be completed by institutions with $1 billion or more in total assets that answered "Yes" to Memorandum item 5 above. 6. Components of total transaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 6.a and 6.b must be less than or equal to item 1, column A, above):[5]			M.6.
a. Total deposits in those noninterest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	RCONP753	454,988	M.6.a.
b. Total deposits in those interest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	RCONP754	0	M.6.b.
7. Components of total nontransaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1), 7.a.(2), 7.b.(1), and 7.b.(2) plus all time deposits of individuals, partnerships, and corporations must equal item 1, column C, above):			M.7.

2. The dollar amount used as the basis for reporting in Memorandum item 1.c reflects the deposit insurance limit in effect on the report date.
3. Report both fixed- and floating-rate time deposits by remaining maturity. Exclude floating rate time deposits with a next repricing date of one year or less that have a remaining maturity of over one year.
5. The $1 billion asset size test is based on the total assets reported on the June 30, 2018, Report of Condition.

Dollar amounts in thousands			
a. Money market deposit accounts (MMDAs) of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1) and 7.a.(2) must be less than or equal to Memorandum item 2.a.(1) above):			M.7.a.
1. Total deposits in those MMDA deposit products intended primarily for individuals for personal, household, or family use	RCONP756	34,633,058	M.7.a.1.
2. Deposits in all other MMDAs of individuals, partnerships, and corporations	RCONP757	61,389,362	M.7.a.2.
b. Other savings deposit accounts of individuals, partnerships, and corporations (sum of Memorandum items 7.b.(1) and 7.b.(2) must be less than or equal to Memorandum item 2.a.(2) above):			M.7.b.
1. Total deposits in those other savings deposit account deposit products intended primarily for individuals for personal, household, or family use	RCONP758	4,263,081	M.7.b.1.
2. Deposits in all other savings deposit accounts of individuals, partnerships, and corporations	RCONP759	302,098	M.7.b.2.

Schedule RC-E Part II - Deposits in Foreign Offices including Edge and Agreement subsidiaries and IBFs(Form Type - 031)

Dollar amounts in thousands			
Deposits of:			
1. Individuals, partnerships, and corporations (include all certified and official checks)	RCFNB553	0	1.
2. U.S. banks (including IBFs and foreign branches of U.S. banks) and other U.S. depository institutions	RCFNB554	0	2.
3. Foreign banks (including U.S. branches and agencies of foreign banks, including their IBFs)	RCFN2625	0	3.
4. Foreign governments and official institutions (including foreign central banks)	RCFN2650	0	4.
5. U.S. Government and states and political subdivisions in the U.S.	RCFNB555	0	5.
6. Total	RCFN2200	NR	6.
1. Time deposits with a remaining maturity of one year or less (included in Schedule RC, item 13.b)	RCFNA245	NR	M.1.

Schedule RC-F - Other Assets(Form Type - 031)

Dollar amounts in thousands			
1. Accrued interest receivable[2]	RCFDB556	318,676	1.
2. Net deferred tax assets[3]	RCFD2148	323,939	2.
3. Interest-only strips receivable (not in the form of a security)[4]	RCFDHT80	14	3.
4. Equity investments without readily determinable fair values[5]	RCFD1752	908,558	4.
5. Life insurance assets:			5.
a. General account life insurance assets	RCFDK201	1,254,801	5.a.
b. Separate account life insurance assets	RCFDK202	1,816,870	5.b.
c. Hybrid account life insurance assets	RCFDK270	111,448	5.c.
6. All other assets (itemize and describe amounts greater than $100,000 that exceed 25% of this item)	RCFD2168	1,257,840	6.
a. Prepaid expenses	RCFD2166	0	6.a.
b. Repossessed personal property (including vehicles)	RCFD1578	0	6.b.
c. Derivatives with a positive fair value held for purposes other than trading	RCFDC010	0	6.c.
d. FDIC loss-sharing indemnification assets	RCFDJ448	0	6.d.
e. Computer software	RCFDFT33	0	6.e.
f. Accounts receivable	RCFDFT34	0	6.f.
g. Receivables from foreclosed government-guaranteed mortgage loans	RCFDFT35	0	6.g.
h. Disclose component and the dollar amount of that component:			6.h.
1. Describe component	TEXT3549	Click here for value	6.h.1.
2. Amount of component	RCFD3549	372,426	6.h.2.
i. Disclose component and the dollar amount of that component:			6.i.
1. Describe component	TEXT3550	NR	6.i.1.
2. Amount of component	RCFD3550	0	6.i.2.
j. Disclose component and the dollar amount of that component:			6.j.
1. Describe component	TEXT3551	NR	6.j.1.
2. Amount of component	RCFD3551	0	6.j.2.
7. Total (sum of items 1 through 6) (must equal Schedule RC, item 11)	RCFD2160	5,992,146	7.

(TEXT3549) Operating Leases to Others

2. Include accrued interest receivable on loans, leases, debt securities, and other interest-bearing assets. Exclude accrued interest receivables on financial assets that are reported elsewhere on the balance sheet.
3. See discussion of deferred income taxes in Glossary entry on "income taxes."
4. Report interest-only strips receivable in the form of a security as available-for-sale securities in Schedule RC, item 2.b, or as trading assets in Schedule RC, item 5, as appropriate.
5. Include Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.

Schedule RC-G - Other Liabilities(Form Type - 031)

Dollar amounts in thousands			
1. Not available			1.
a. Interest accrued and unpaid on deposits in domestic offices[6]	RCON3645	**35,276**	1.a.
b. Other expenses accrued and unpaid (includes accrued income taxes payable)	RCFD3646	**695,153**	1.b.
2. Net deferred tax liabilities[2]	RCFD3049	**0**	2.
3. Allowance for credit losses on off-balance sheet credit exposures[7]	RCFDB557	**176,487**	3.
4. All other liabilities (itemize and describe amounts greater than $100,000 that exceed 25 percent of this item)	RCFD2938	**1,270,348**	4.
a. Accounts payable	RCFD3066	**486,486**	4.a.
b. Deferred compensation liabilities	RCFDC011	**0**	4.b.
c. Dividends declared but not yet payable	RCFD2932	**0**	4.c.
d. Derivatives with a negative fair value held for purposes other than trading	RCFDC012	**0**	4.d.
e. Operating lease liabilities	RCFDLB56	**672,191**	4.e.
f. Disclose component and the dollar amount of that component:			4.f.
1. Describe component	TEXT3552	**NR**	4.f.1.
2. Amount of component	RCFD3552	**0**	4.f.2.
g. Disclose component and the dollar amount of that component:			4.g.
1. Describe component	TEXT3553	**NR**	4.g.1.
2. Amount of component	RCFD3553	**0**	4.g.2.
h. Disclose component and the dollar amount of that component:			4.h.
1. Describe component	TEXT3554	**NR**	4.h.1.
2. Amount of component	RCFD3554	**0**	4.h.2.
5. Total	RCFD2930	**2,177,264**	5.

6. For savings banks, include "dividends" accrued and unpaid on deposits.
2. See discussion of deferred income taxes in Glossary entry on "income taxes."
7. Institutions that have adopted ASU 2016-13 should report in Schedule RC-G, item 3 the allowance for credit losses on those off-balance sheet credit exposures that are not unconditionally cancelable.

Schedule RC-H - Selected Balance Sheet Items for Domestic Offices(Form Type - 031)

To be completed only by banks with foreign offices.

Dollar amounts in thousands			
1. Not applicable			1.
2. Not applicable			2.
3. Securities purchased under agreements to resell	RCONB989	NR	3.
4. Securities sold under agreements to repurchase	RCONB995	NR	4.
5. Other borrowed money	RCON3190	NR	5.
EITHER 6. Net due from own foreign offices, Edge and Agreement subsidiaries, and IBFs	RCON2163	NR	6.
OR 7. Net due to own foreign offices, Edge and Agreement subsidiaries, and IBFs	RCON2941	NR	7.
8. Total assets (excludes net due from foreign offices, Edge and Agreement subsidiaries, and IBFs)	RCON2192	NR	8.
9. Total liabilities (excludes net due to foreign offices, Edge and Agreement subsidiaries, and IBFs)	RCON3129	NR	9.

Dollar amounts in thousands	(Column A) Amortized Cost of Held-to-Maturity Securities		(Column B) Fair Value of Available-for-Sale Securities		
10. U.S. Treasury securities	RCON0211	NR	RCON1287	NR	10.
11. U.S. Government agency obligations (exclude mortgage-backed securities)	RCON8492	NR	RCON8495	NR	11.
12. Securities issued by states and political subdivisions in the U.S.	RCON8496	NR	RCON8499	NR	12.
13. Mortgage-backed securities (MBS):					13.
a. Mortgage pass-through securities:					13.a.
1. Issued or guaranteed by FNMA, FHLMC, or GNMA	RCONG389	NR	RCONG390	NR	13.a.1.
2. Other mortgage pass-through securities	RCON1709	NR	RCON1713	NR	13.a.2.
b. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS):					13.b.
1. Issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCONG393	NR	RCONG394	NR	13.b.1.
2. All other mortgage-backed securities	RCON1733	NR	RCON1736	NR	13.b.2.
14. Other domestic debt securities (include domestic structured financial products and domestic asset-backed securities)	RCONG397	NR	RCONG398	NR	14.
15. Other foreign debt securities (include foreign structured financial products and foreign asset-backed securities)	RCONG399	NR	RCONG400	NR	15.
16. Not applicable.					16.
17. Total held-to-maturity and available-for-sale debt securities (sum of items 10 through 15)	RCON1754	NR	RCON1773	NR	17.

Dollar amounts in thousands			
18. Equity investments not held for trading:			18.
a. Equity securities with readily determinable fair values[4]	RCONJA22	NR	18.a.
b. Equity investments without readily determinable fair values	RCON1752	NR	18.b.
Items 19, 20 and 21 are to be completed by banks that reported total trading assets of $10 million or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes. 19. Total trading assets	RCON3545	NR	19.
20. Total trading liabilities	RCON3548	NR	20.
21. Total loans held for trading	RCONHT71	NR	21.
tem 22 is to be completed by banks that: (1) have elected to report financial instruments or servicing assets and liabilities at fair value under a fair value option with changes in fair value recognized in earnings, or (2) are required to complete Schedule RC-D, Trading Assets and Liabilities. 22. Total amount of fair value option loans held for investment and held for sale	RCONJF75	NR	22.

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).
4. Item 18.a is to be completed by all institutions. See the instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.

Schedule RC-I - Assets and Liabilities of IBFs(Form Type - 031)

To be completed only by banks with IBFs and other "foreign" offices.

Dollar amounts in thousands			
1. Total IBF assets of the consolidated bank (component of Schedule RC, item 12)	RCFN2133	NR	1.
2. Total IBF liabilities (component of Schedule RC, item 21)	RCFN2898	NR	2.

Schedule RC-K - Quarterly Averages(Form Type - 031)

Dollar amounts in thousands			
1. Interest-bearing balances due from depository institutions	RCFD3381	18,841,782	1.
2. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)[2]	RCFDB558	3,367,420	2.
3. Mortgage-backed securities[2]	RCFDB559	28,062,241	3.
4. All other debt securities and equity securities with readily determinable fair values not held for trading[2]	RCFDB560	2,855,978	4.
5. Federal funds sold and securities purchased under agreements to resell	RCFD3365	6,424,718	5.
6. Loans:			6.
a. Loans in domestic offices:			6.a.
1. Total loans	RCON3360	86,145,140	6.a.1.
2. Loans secured by real estate:			6.a.2.
a. Loans secured by 1-4 family residential properties	RCON3465	8,967,253	6.a.2.a.
b. All other loans secured by real estate	RCON3466	11,854,036	6.a.2.b.
3. Loans to finance agricultural production and other loans to farmers	RCON3386	495,740	6.a.3.
4. Commercial and industrial loans	RCON3387	36,440,599	6.a.4.
5. Loans to individuals for household, family, and other personal expenditures:			6.a.5.
a. Credit cards	RCONB561	357,993	6.a.5.a.
b. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	RCONB562	6,887,395	6.a.5.b.
b. Total loans in foreign offices, Edge and Agreement subsidiaries, and IBFs	RCFN3360	NR	6.b.
Item 7 is to be completed by banks with total trading assets of $10 million or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes. 7. Trading assets	RCFD3401	394,944	7.
8. Lease financing receivables (net of unearned income)	RCFD3484	482,958	8.
9. Total assets[4]	RCFD3368	156,950,897	9.
10. Interest-bearing transaction accounts in domestic offices (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	RCON3485	7,377,581	10.
11. Nontransaction accounts in domestic offices:			11.
a. Savings deposits (includes MMDAs)	RCONB563	102,233,354	11.a.
b. Time deposits of $250,000 or less	RCONHK16	9,745,201	11.b.
c. Time deposits of more than $250,000	RCONHK17	4,643,638	11.c.
12. Interest-bearing deposits in foreign offices, EDGE and Agreement subsidiaries, and IBFs	RCFN3404	NR	12.
13. Federal funds purchased and securities sold under agreements to repurchase	RCFD3353	306,329	13.
14. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	RCFD3355	3,836,346	14.

2. Quarterly averages for all debt securities should be based on amortized cost.
2. Quarterly averages for all debt securities should be based on amortized cost.
4. The quarterly average for total assets should reflect securities not held for trading as follows: a) Debt securities at amortized cost, b) Equity securities with readily determinable fair values at fair value, c) Equity investments without readily determinable fair values, their balance sheet carrying values (i.e., fair value or, if elected, cost minus impairment, if any, plus or minus changes resulting from observable price changes).

Schedule RC-L - Derivatives and Off-Balance Sheet Items(Form Type - 031)

Please read carefully the instructions for the preparation of Schedule RC-L. Some of the amounts reported in Schedule RC-L are regarded as volume indicators and not necessarily as measures of risk.

Dollar amounts in thousands			
1. Unused commitments:			1.
a. Revolving, open-end lines secured by 1-4 family residential properties, i.e., home equity lines	RCFD3814	4,641,728	1.a.
Item 1.a.(1) is to be completed for the December report only. 1. Unused commitments for reverse mortgages outstanding that are held for investment in domestic offices	RCONHT72	NR	1.a.1.
b. Credit card lines (Sum of items 1.b.(1) and 1.b.(2) must equal item 1.b)	RCFD3815	4,359,218	1.b.
Items 1.b.(1) and 1.b.(2) are to be completed by banks with either $300 million or more in total assets or $300 million or more in credit card lines. (Sum of items 1.b.(1) and 1.b.(2) must equal item 1.b) Items 1.b.(1) and 1.b.(2) are to be completed semiannually in the June and December reports only. 1. Unused consumer credit card lines	RCFDJ455	NR	1.b.1.
2. Other unused credit card lines	RCFDJ456	NR	1.b.2.
c. Commitments to fund commercial real estate, construction, and land development loans:			1.c.
1. Secured by real estate:			1.c.1.
a. 1-4 family residential construction loan commitments	RCFDF164	62,290	1.c.1.a.
b. Commercial real estate, other construction loan, and land development loan commitments	RCFDF165	2,233,411	1.c.1.b.
2. Not secured by real estate	RCFD6550	0	1.c.2.
d. Securities underwriting	RCFD3817	0	1.d.
e. Other unused commitments:			1.e.
1. Commercial and industrial loans	RCFDJ457	31,919,114	1.e.1.
2. Loans to financial institutions	RCFDJ458	20,403,562	1.e.2.
3. All other unused commitments	RCFDJ459	13,032,115	1.e.3.
2. Financial standby letters of credit and foreign office guarantees	RCFD3819	2,893,631	2.
Item 2.a is to be completed by banks with $1 billion or more in total assets. a. Amount of financial standby letters of credit conveyed to others[1]	RCFD3820	469,589	2.a.
3. Performance standby letters of credit and foreign office guarantees	RCFD3821	457,287	3.
Item 3.a is to be completed by banks with $1 billion or more in total assets. a. Amount of performance standby letters of credit conveyed to others[1]	RCFD3822	162,510	3.a.
4. Commercial and similar letters of credit	RCFD3411	89,897	4.
5. Not applicable			5.
6. Securities lent and borrowed:			6.
a. Securities lent (including customers' securities lent where the customer is indemnified against loss by the reporting bank)	RCFD3433	3,138,221	6.a.
b. Securities borrowed	RCFD3432	0	6.b.

Dollar amounts in thousands	(Column A) Sold Protection		(Column B) Purchased Protection		
7. Credit derivatives:					7.
a. Notional amounts:					7.a.
1. Credit default swaps	RCFDC968	0	RCFDC969	0	7.a.1.
2. Total return swaps	RCFDC970	0	RCFDC971	75,000	7.a.2.
3. Credit options	RCFDC972	0	RCFDC973	0	7.a.3.
4. Other credit derivatives	RCFDC974	0	RCFDC975	0	7.a.4.
b. Gross fair values:					7.b.
1. Gross positive fair value	RCFDC219	0	RCFDC221	0	7.b.1.
2. Gross negative fair value	RCFDC220	0	RCFDC222	600	7.b.2.

Dollar amounts in thousands			
c. Notional amounts by regulatory capital treatment:[1]			7.c.
1. Positions covered under the Market Risk Rule:			7.c.1.
a. Sold protection	RCFDG401	0	7.c.1.a.
b. Purchased protection	RCFDG402	75,000	7.c.1.b.
2. All other positions:			7.c.2.
a. Sold protection	RCFDG403	0	7.c.2.a.
b. Purchased protection that is recognized as a guarantee for regulatory capital purposes	RCFDG404	0	7.c.2.b.
c. Purchased protection that is not recognized as a guarantee for regulatory capital purposes	RCFDG405	0	7.c.2.c.

Dollar amounts in thousands	(Column A) Remaining Maturity of One Year or Less		(Column B) Remaining Maturity of Over One Year Through Five Years		(Column C) Remaining Maturity of Over Five Years		
d. Notional amounts by remaining maturity:							7.d.
1. Sold credit protection:[2]							7.d.1.
a. Investment grade	RCFDG406	0	RCFDG407	0	RCFDG408	0	7.d.1.a.
b. Subinvestment grade	RCFDG409	0	RCFDG410	0	RCFDG411	0	7.d.1.b.
2. Purchased credit protection:[3]							7.d.2.
a. Investment grade	RCFDG412	0	RCFDG413	0	RCFDG414	75,000	7.d.2.a.
b. Subinvestment grade	RCFDG415	0	RCFDG416	0	RCFDG417	0	7.d.2.b.

1. The asset-size tests and the $300 million credit card lines test are based on the total assets and credit card lines reported in the June 30, 2018, Report of Condition.
1. The asset-size tests and the $300 million credit card lines test are based on the total assets and credit card lines reported in the June 30, 2018, Report of Condition.

Dollar amounts in thousands			
8. Spot foreign exchange contracts	RCFD8765	184,215	8.
9. All other off-balance sheet liabilities (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")	RCFD3430	0	9.
a. Not applicable			9.a.
b. Commitments to purchase when-issued securities	RCFD3434	0	9.b.
c. Standby letters of credit issued by another party (e.g., a Federal Home Loan Bank) on the bank's behalf	RCFDC978	0	9.c.
d. Disclose component and the dollar amount of that component:			9.d.
1. Describe component	TEXT3555	NR	9.d.1.
2. Amount of component	RCFD3555	0	9.d.2.
e. Disclose component and the dollar amount of that component:			9.e.
1. Describe component	TEXT3556	NR	9.e.1.
2. Amount of component	RCFD3556	0	9.e.2.
f. Disclose component and the dollar amount of that component:			9.f.
(TEXT3557) NR	RCFD3557	0	9.f.1.
10. All other off-balance sheet assets (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")	RCFD5591	0	10.
a. Commitments to sell when-issued securities	RCFD3435	0	10.a.
b. Disclose component and the dollar amount of that component:			10.b.
1. Describe component	TEXT5592	NR	10.b.1.
2. Amount of component	RCFD5592	0	10.b.2.
c. Disclose component and the dollar amount of that component:			10.c.
1. Describe component	TEXT5593	NR	10.c.1.
2. Amount of component	RCFD5593	0	10.c.2.
d. Disclose component and the dollar amount of that component:			10.d.
1. Describe component	TEXT5594	NR	10.d.1.
2. Amount of component	RCFD5594	0	10.d.2.
e. Disclose component and the dollar amount of that component:			10.e.
1. Describe component	TEXT5595	NR	10.e.1.
2. Amount of component	RCFD5595	0	10.e.2.
Items 11.a and 11.b are to be completed semiannually in the June and December reports only. 11. Year-to-date merchant credit card sales volume:			11.
a. Sales for which the reporting bank is the acquiring bank	RCFDC223	NR	11.a.
b. Sales for which the reporting bank is the agent bank with risk	RCFDC224	NR	11.b.

1. Sum of items 7.c.(1)(a) and 7.c.(2)(a), must equal sum of items 7.a.(1) through (4), column A. Sum of items 7.c.(1)(b), 7.c.(2)(b), and 7.c.(2)(c) must equal sum of items 7.a.(1) through (4), column B.
2. Sum of items 7.d.(1)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column A.
3. Sum of items 7.d.(2)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column B.

Dollar amounts in thousands	(Column A) Interest Rate Contracts		(Column B) Foreign Exchange Contracts		(Column C) Equity Derivative Contracts		(Column D) Commodity and Other Contracts		
12. Gross amounts (e.g., notional amounts):									12.
a. Futures contracts	RCFD8693	0	RCFD8694	0	RCFD8695	0	RCFD8696	0	12.a.
b. Forward contracts	RCFD8697	131,541	RCFD8698	2,922,962	RCFD8699	0	RCFD8700	0	12.b.
c. Exchange-traded option contracts:									12.c.
1. Written options	RCFD8701	0	RCFD8702	0	RCFD8703	0	RCFD8704	0	12.c.1.
2. Purchased options	RCFD8705	0	RCFD8706	0	RCFD8707	0	RCFD8708	0	12.c.2.
d. Over-the-counter option contracts:									12.d.
1. Written options	RCFD8709	469,112	RCFD8710	0	RCFD8711	0	RCFD8712	0	12.d.1.
2. Purchased options	RCFD8713	350,696	RCFD8714	0	RCFD8715	0	RCFD8716	0	12.d.2.
e. Swaps	RCFD3450	26,689,427	RCFD3826	0	RCFD8719	715,850	RCFD8720	0	12.e.
13. Total gross notional amount of derivative contracts held for trading	RCFDA126	7,309,735	RCFDA127	2,922,962	RCFD8723	715,850	RCFD8724	0	13.
14. Total gross notional amount of derivative contracts held for purposes other than trading	RCFD8725	20,331,041	RCFD8726	0	RCFD8727	0	RCFD8728	0	14.
a. Interest rate swaps where the bank has agreed to pay a fixed rate	RCFDA589	2,057,585							14.a.
15. Gross fair values of derivative contracts:									15.
a. Contracts held for trading:									15.a.
1. Gross positive fair value	RCFD8733	70,725	RCFD8734	44,157	RCFD8735	19,022	RCFD8736	0	15.a.1.
2. Gross negative fair value	RCFD8737	34,496	RCFD8738	42,085	RCFD8739	5,120	RCFD8740	0	15.a.2.
b. Contracts held for purposes other than trading:									15.b.
1. Gross positive fair value	RCFD8741	300,652	RCFD8742	0	RCFD8743	0	RCFD8744	0	15.b.1.
2. Gross negative fair value	RCFD8745	43,207	RCFD8746	0	RCFD8747	0	RCFD8748	0	15.b.2.

Dollar amounts in thousands	(Column A) Banks and Securities Firms	(Column B)	(Column C) Hedge Funds	(Column D) Sovereign Governments	(Column E) Corporations and All Other Counterparties	
Item 16 is to be completed only by banks with total assets of $10 billion or more. 16. Over-the counter derivatives:[1]						16.
a. Net current credit exposure	RCFDG418 252,720		RCFDG420 0	RCFDG421 0	RCFDG422 81,390	16.a.
b. Fair value of collateral:						16.b.
1. Cash - U.S. dollar	RCFDG423 268,680		RCFDG425 0	RCFDG426 0	RCFDG427 100	16.b.1.
2. Cash - Other currencies	RCFDG428 0		RCFDG430 0	RCFDG431 0	RCFDG432 0	16.b.2.
3. U.S. Treasury securities	RCFDG433 0		RCFDG435 0	RCFDG436 0	RCFDG437 0	16.b.3.
4. U.S. Government agency and U.S. Government-sponsored agency debt securities	RCFDG438 0		RCFDG440 0	RCFDG441 0	RCFDG442 0	16.b.4.
5. Corporate bonds	RCFDG443 0		RCFDG445 0	RCFDG446 0	RCFDG447 0	16.b.5.
6. Equity securities	RCFDG448 0		RCFDG450 0	RCFDG451 0	RCFDG452 0	16.b.6.
7. All other collateral	RCFDG453 0		RCFDG455 0	RCFDG456 0	RCFDG457 0	16.b.7.
8. Total fair value of collateral (sum of items 16.b.(1) through (7))	RCFDG458 268,680		RCFDG460 0	RCFDG461 0	RCFDG462 100	16.b.8.

1. The $10 billion asset-size test is based on the total assets reported on the June 30, 2018, Report of Condition.

Schedule RC-M - Memoranda(Form Type - 031)

Dollar amounts in thousands			
1. Extensions of credit by the reporting bank to its executive officers, directors, principal shareholders, and their related interests as of the report date:			1.
a. Aggregate amount of all extensions of credit to all executive officers, directors, principal shareholders, and their related interests	RCFD6164	**1,095**	1.a.
b. Number of executive officers, directors, and principal shareholders to whom the amount of all extensions of credit by the reporting bank (including extensions of credit to related interests) equals or exceeds the lesser of $500,000 or 5 percent of total capital as defined for this purpose in agency regulations	RCFD6165	**0**	1.b.
2. Intangible assets:			2.
a. Mortgage servicing assets	RCFD3164	**25,145**	2.a.
1. Estimated fair value of mortgage servicing assets	RCFDA590	**27,705**	2.a.1.
b. Goodwill	RCFD3163	**3,097,352**	2.b.
c. All other intangible assets	RCFDJF76	**48,087**	2.c.
d. Total (sum of items 2.a, 2.b, and 2.c) (must equal Schedule RC, item 10)	RCFD2143	**3,170,584**	2.d.
3. Other real estate owned:			3.
a. Construction, land development, and other land in domestic offices	RCON5508	**200**	3.a.
b. Farmland in domestic offices	RCON5509	**0**	3.b.
c. 1-4 family residential properties in domestic offices	RCON5510	**1,844**	3.c.
d. Multifamily (5 or more) residential properties in domestic offices	RCON5511	**0**	3.d.
e. Nonfarm nonresidential properties in domestic offices	RCON5512	**3,606**	3.e.
f. In foreign offices	RCFN5513	**NR**	3.f.
g. Total (sum of items 3.a through 3.g) (must equal Schedule RC, item 7)	RCFD2150	**5,650**	3.g.
4. Cost of equity securities with readily determinable fair values not held for trading (the fair value of which is reported in Schedule RC, item 2.c)[1]	RCFDJA29	**NR**	4.
5. Other borrowed money:			5.
a. Federal Home Loan Bank advances:			5.a.
1. Advances with a remaining maturity or next repricing date of:[1]			5.a.1.
a. One year or less	RCFDF055	**0**	5.a.1.a.
b. Over one year through three years	RCFDF056	**0**	5.a.1.b.
c. Over three years through five years	RCFDF057	**0**	5.a.1.c.
d. Over five years	RCFDF058	**0**	5.a.1.d.
2. Advances with a remaining maturity of one year or less (included in item 5.a.(1)(a) above)[2]	RCFD2651	**0**	5.a.2.
3. Structured advances (included in items 5.a.(1)(a) - (d) above)	RCFDF059	**0**	5.a.3.
b. Other borrowings:			5.b.
1. Other borrowings with a remaining maturity or next repricing date of:[3]			5.b.1.
a. One year or less	RCFDF060	**1,423,468**	5.b.1.a.
b. Over one year through three years	RCFDF061	**203,101**	5.b.1.b.
c. Over three years through five years	RCFDF062	**21,326**	5.b.1.c.
d. Over five years	RCFDF063	**2,318,907**	5.b.1.d.
2. Other borrowings with a remaining maturity of one year or less (included in item 5.b.(1)(a) above)[4]	RCFDB571	**1,023,468**	5.b.2.
c. Total (sum of items 5.a.(1)(a)-(d) and items 5.b.(1)(a)-(d)) (must equal Schedule RC, item 16)	RCFD3190	**3,966,802**	5.c.
6. Does the reporting bank sell private label or third party mutual funds and annuities?	RCFDB569	**Yes**	6.
7. Assets under the reporting bank's management in proprietary mutual funds and annuities	RCFDB570	**0**	7.
8. Internet Web site addresses and physical office trade names:			8.
a. Uniform Resource Locator (URL) of the reporting institution's primary Internet Web site (home page), if any (Example: www.examplebank.com):	TEXT4087	**Click here for value**	8.a.

1. Item 4 is to be completed only by insured state banks that have been approved by the FDIC to hold grandfathered equity investments. See instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.
1. Report fixed-rate advances by remaining maturity and floating-rate advances by next repricing date.
2. Report both fixed- and floating-rate advances by remaining maturity. Exclude floating-rate advances with a next repricing date of one year or less that have a remaining maturity of over one year.
3. Report fixed-rate other borrowings by remaining maturity and floating-rate other borrowings by next repricing date.
4. Report both fixed- and floating-rate other borrowings by remaining maturity. Exclude floating rate other borrowings with a next repricing date of one year or less that have a remaining maturity of over one year.

Dollar amounts in thousands			
b. URLs of all other public-facing Internet Web sites that the reporting institution uses to accept or solicit deposits from the public, if any (Example: www.examplebank.biz):[1]			8.b.
1. URL 1	TE01N528	NR	8.b.1.
2. URL 2	TE02N528	NR	8.b.2.
3. URL 3	TE03N528	NR	8.b.3.
4. URL 4	TE04N528	NR	8.b.4.
5. URL 5	TE05N528	NR	8.b.5.
6. URL 6	TE06N528	NR	8.b.6.
7. URL 7	TE07N528	NR	8.b.7.
8. URL 8	TE08N528	NR	8.b.8.
9. URL 9	TE09N528	NR	8.b.9.
10. URL 10	TE10N528	NR	8.b.10.
c. Trade names other than the reporting institution's legal title used to identify one or more of the institution's physical offices at which deposits are accepted or solicited from the public, if any:			8.c.
1. Trade name 1	TE01N529	BMO Harris	8.c.1.
2. Trade name 2	TE02N529	Click here for value	8.c.2.
3. Trade name 3	TE03N529	NR	8.c.3.
4. Trade name 4	TE04N529	NR	8.c.4.
5. Trade name 5	TE05N529	NR	8.c.5.
6. Trade name 6	TE06N529	NR	8.c.6.
Item 9 is to be completed annually in the December report only. 9. Do any of the bank's Internet Web sites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the Web site?	RCFD4088	NR	9.
10. Secured liabilities:			10.
a. Amount of "Federal funds purchased in domestic offices" that are secured (included in Schedule RC, item 14.a)	RCONF064	0	10.a.
b. Amount of "Other borrowings" that are secured (included in Schedule RC-M, items 5.b.(1)(a) - (d))	RCFDF065	284,106	10.b.
11. Does the bank act as trustee or custodian for Individual Retirement Accounts, Health Savings Accounts, and other similar accounts?	RCONG463	Yes	11.
12. Does the bank provide custody, safekeeping, or other services involving the acceptance of orders for the sale or purchase of securities?	RCONG464	No	12.
13. Assets covered by loss-sharing agreements with the FDIC:			13.
a. Loans and leases (included in Schedule RC, items 4.a and 4.b):			13.a.
1. Loans secured by real estate in domestic offices:			13.a.1.
a. Construction, land development, and other land loans:			13.a.1.a.
1. 1-4 family residential construction loans	RCONK169	0	13.a.1.a.1.
2. Other construction loans and all land development and other land loans	RCONK170	0	13.a.1.a.2.
b. Secured by farmland	RCONK171	0	13.a.1.b.
c. Secured by 1-4 family residential properties:			13.a.1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONK172	0	13.a.1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:			13.a.1.c.2.
a. Secured by first liens	RCONK173	0	13a1c2a.
b. Secured by junior liens	RCONK174	0	13a1c2b.
d. Secured by multifamily (5 or more) residential properties	RCONK175	0	13.a.1.d.
e. Secured by nonfarm nonresidential properties:			13.a.1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK176	0	13.a.1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RCONK177	0	13.a.1.e.2.
2. Not applicable			13.a.2.
3. Not applicable			13.a.3.
4. Not applicable			13.a.4.
5. All other loans and all leases	RCFDK183	0	13.a.5.

1. Report only highest level URLs (for example, report www.examplebank.biz, but do not also report www.examplebank.biz/checking). Report each top level domain name used (for example, report both www.examplebank.biz and www.examplebank.net).

Dollar amounts in thousands			
b. Other real estate owned (included in Schedule RC, item 7):			13.b.
1. Construction, land development, and other land in domestic offices	RCONK187	0	13.b.1.
2. Farmland in domestic offices	RCONK188	0	13.b.2.
3. 1-4 family residential properties in domestic offices	RCONK189	0	13.b.3.
4. Multifamily (5 or more) residential properties in domestic offices	RCONK190	0	13.b.4.
5. Nonfarm nonresidential properties in domestic offices	RCONK191	0	13.b.5.
6. In foreign offices	RCFNK260	NR	13.b.6.
7. Portion of covered other real estate owned included in items 13.b.(1) through (6) above that is protected by FDIC loss-sharing agreements	RCFDK192	0	13.b.7.
c. Debt securities (included in Schedule RC, items 2.a and 2.b)	RCFDJ461	0	13.c.
d. Other assets (exclude FDIC loss-sharing indemnification assets)	RCFDJ462	0	13.d.
Items 14.a and 14.b are to be completed annually in the December report only. 14. Captive insurance and reinsurance subsidiaries:			14.
a. Total assets of captive insurance subsidiaries[2]	RCFDK193	NR	14.a.
b. Total assets of captive reinsurance subsidiaries[2]	RCFDK194	NR	14.b.
Item 15 is to be completed by institutions that are required or have elected to be treated as a Qualified Thrift Lender. 15. Qualified Thrift Lender (QTL) test:			15.
a. Does the institution use the Home Owners' Loan Act (HOLA) QTL test or the Internal Revenue Service Domestic Building and Loan Association (IRS DBLA) test to determine its QTL compliance? (for the HOLA QTL test, enter 1; for the IRS DBLA test, enter 2)	RCONL133	NR	15.a.
b. Has the institution been in compliance with the HOLA QTL test as of each month end during the quarter or the IRS DBLA test for its most recent taxable year, as applicable?	RCONL135	NR	15.b.
Item 16.a and, if appropriate, items 16.b.(1) through 16.b.(3) are to be completed annually in the December report only. 16. International remittance transfers offered to consumers:[1]			16.
a. Estimated number of international remittance transfers provided by your institution during the calendar year ending on the report date	RCONN523	NR	16.a.
Items 16.b.(1) through 16.b.(3) are to be completed by institutions that reported 501 or more international remittance transfers in item 16.a in either or both of the current report or the most recent prior report in which item 16.a was required to be completed. b. Estimated dollar value of remittance transfers provided by your institution and usage of regulatory exceptions during the calendar year ending on the report date and:			16.b.
1. Estimated dollar value of international remittance transfers	RCONN524	NR	16.b.1.
2. Estimated number of international remittance transfers for which your institution applied the permanent exchange rate exception	RCONMM07	NR	16.b.2.
3. Estimated number of international remittance transfers for which your institution applied the permanent covered third- party exception	RCONMQ52	NR	16.b.3.
17. U.S. Small Business Administration Paycheck Protection Program (PPP) loans and the Federal Reserve PPP Liquidity Facility (PPPLF):[3]			17.
a. Number of PPP loans outstanding	RCONLG26	30326	17.a.
b. Outstanding balance of PPP loans	RCONLG27	4,805,162	17.b.
c. Outstanding balance of PPP loans pledged to the PPPLF	RCONLG28	0	17.c.
d. Outstanding balance of borrowings from Federal Reserve Banks under the PPPLF with a remaining maturity of:			17.d.
1. One year or less	RCONLL59	0	17.d.1.
2. More than one year	RCONLL60	0	17.d.2.
e. Quarterly average amount of PPP loans pledged to the PPPLF and excluded from "Total assets for the leverage ratio" reported in Schedule RC-R, Part I, item 30	RCONLL57	0	17.e.
18. Money Market Mutual Fund Liquidity Facility (MMLF):			18.
a. Outstanding balance of assets purchased under the MMLF	RCONLL61	0	18.a.
b. Quarterly average amount of assets purchased under the MMLF and excluded from "Total assets for the leverage ratio" reported in Schedule RC-R, Part I, item 30	RCONLL58	0	18.b.

(TE02N529) BMO Harris Bank

2. Report total assets before eliminating intercompany transactions between the consolidated insurance or reinsurance subsidiary and other offices or consolidated subsidiaries of the reporting bank.

1. Report information about international electronic transfers of funds offered to consumers in the United States that: (a) are "remittance transfers" as defined by subpart B of Regulation E (12 CFR § 1005.30(e)), or (b) would qualify as "remittance transfers" under subpart B of Regulation E (12 CFR § 1005.30(e)) but are excluded from that definition only because the provider is not providing those transfers in the normal course of its business. See 12 CFR § 1005.30(f). For purposes of this item 16, such trans

3. Paycheck Protection Program (PPP) covered loans as defined in section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)). The PPP was established by Section 1102 of the 2020 Coronavirus Aid, Relief, and Economic Security Act.

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Schedule RC-N - Past Due and Nonaccrual Loans Leases and Other Assets(Form Type - 031)

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
1. Loans secured by real estate:							1.
a. Construction, land development, and other land loans in domestic offices:							1.a.
1. 1-4 family residential construction loans	RCONF172	0	RCONF174	0	RCONF176	793	1.a.1.
2. Other construction loans and all land development and other land loans	RCONF173	772	RCONF175	0	RCONF177	10,181	1.a.2.
b. Secured by farmland in domestic offices	RCON3493	5,279	RCON3494	2,060	RCON3495	109,623	1.b.
c. Secured by 1-4 family residential properties in domestic offices:							1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCON5398	5,771	RCON5399	900	RCON5400	26,975	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:							1.c.2.
a. Secured by first liens	RCONC236	59,992	RCONC237	4,722	RCONC229	175,496	1.c.2.a.
b. Secured by junior liens	RCONC238	1,121	RCONC239	660	RCONC230	38,926	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties in domestic offices	RCON3499	395	RCON3500	0	RCON3501	582	1.d.
e. Secured by nonfarm nonresidential properties in domestic offices:							1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONF178	1,825	RCONF180	4,724	RCONF182	56,350	1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RCONF179	955	RCONF181	9,073	RCONF183	48,596	1.e.2.
f. In foreign offices	RCFNB572	NR	RCFNB573	NR	RCFNB574	NR	1.f.
2. Loans to depository institutions and acceptances of other banks:							2.
a. To U.S. banks and other U.S. depository institutions	RCFD5377	0	RCFD5378	0	RCFD5379	0	2.a.
b. To foreign banks	RCFD5380	0	RCFD5381	0	RCFD5382	0	2.b.
3. Loans to finance agricultural production and other loans to farmers	RCFD1594	125	RCFD1597	7	RCFD1583	48,617	3.
4. Commercial and industrial loans:							4.
a. To U.S. addressees (domicile)	RCFD1251	59,366	RCFD1252	12,793	RCFD1253	411,669	4.a.
b. To non-U.S. addressees (domicile)	RCFD1254	0	RCFD1255	0	RCFD1256	0	4.b.
5. Loans to individuals for household, family, and other personal expenditures:							5.
a. Credit cards	RCFDB575	3,766	RCFDB576	4,872	RCFDB577	0	5.a.
b. Automobile loans	RCFDK213	18,109	RCFDK214	0	RCFDK215	19,761	5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCFDK216	7,493	RCFDK217	3,098	RCFDK218	2,342	5.c.
6. Loans to foreign governments and official institutions	RCFD5389	0	RCFD5390	0	RCFD5391	0	6.
7. All other loans	RCFD5459	68,705	RCFD5460	0	RCFD5461	9,546	7.
8. Lease financing receivables:							8.
a. Leases to individuals for household, family, and other personal expenditures	RCFDF166	0	RCFDF167	0	RCFDF168	0	8.a.
b. All other leases	RCFDF169	104	RCFDF170	0	RCFDF171	12,259	8.b.
9. Total loans and leases (sum of items 1 through 8.b)	RCFD1406	233,778	RCFD1407	42,909	RCFD1403	971,716	9.
10. Debt securities and other assets (exclude other real estate owned and other repossessed assets)	RCFD3505	2,630	RCFD3506	360	RCFD3507	0	10.
11. Loans and leases reported in items 1 through 8 above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC:	RCFDK036	151	RCFDK037	151	RCFDK038	26,345	11.
a. Guaranteed portion of loans and leases included in item 11 above, excluding rebooked "GNMA loans"	RCFDK039	151	RCFDK040	151	RCFDK041	23,074	11.a.
b. Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item 11 above	RCFDK042	0	RCFDK043	0	RCFDK044	0	11.b.
12. Loans and leases reported in items 1 through 8 above that are covered by loss-sharing agreements with the FDIC:							12.
a. Loans secured by real estate in domestic offices:							12.a.
1. Construction, land development, and other land loans:							12.a.1.
a. 1-4 family residential construction loans	RCONK045	0	RCONK046	0	RCONK047	0	12.a.1.a.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
b. Other construction loans and all land development and other land loans	RCONK048	0	RCONK049	0	RCONK050	0	12a1b
2. Secured by farmland	RCONK051	0	RCONK052	0	RCONK053	0	12.a.2.
3. Secured by 1-4 family residential properties:							12.a.3.
a. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONK054	0	RCONK055	0	RCONK056	0	12a3a
b. Closed-end loans secured by 1-4 family residential properties:							12a3b
1. Secured by first liens	RCONK057	0	RCONK058	0	RCONK059	0	12a3b1
2. Secured by junior liens	RCONK060	0	RCONK061	0	RCONK062	0	12a3b2
4. Secured by multifamily (5 or more) residential properties	RCONK063	0	RCONK064	0	RCONK065	0	12.a.4.
5. Secured by nonfarm nonresidential properties:							12.a.5.
a. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK066	0	RCONK067	0	RCONK068	0	12a5a
b. Loans secured by other nonfarm nonresidential properties	RCONK069	0	RCONK070	0	RCONK071	0	12a5b
b. Not applicable							12.b.
c. Not applicable							12.c.
d. Not applicable							12.d.
e. All other loans and all leases	RCFDK087	0	RCFDK088	0	RCFDK089	0	12.e.
f. Portion of covered loans and leases included in items 12.a through 12.e above that is protected by FDIC loss-sharing agreements	RCFDK102	0	RCFDK103	0	RCFDK104	0	12.f.
1. Loans restructured in troubled debt restructurings included in Schedule RC-N, items 1 through 7, above (and not reported in Schedule RC-C, Part 1, Memorandum item 1):							M.1.
a. Construction, land development, and other land loans in domestic offices:							M.1.a.
1. 1-4 family residential construction loans	RCONK105	0	RCONK106	0	RCONK107	64	M1a1
2. Other construction loans and all land development and other land loans	RCONK108	457	RCONK109	0	RCONK110	506	M1a2
b. Loans secured by 1-4 family residential properties in domestic offices	RCONF661	5,344	RCONF662	162	RCONF663	133,808	M.1.b.
c. Secured by multifamily (5 or more) residential properties in domestic offices	RCONK111	0	RCONK112	0	RCONK113	415	M.1.c.
d. Secured by nonfarm nonresidential properties in domestic offices:							M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK114	0	RCONK115	0	RCONK116	20,629	M1d1
2. Loans secured by other nonfarm nonresidential properties	RCONK117	0	RCONK118	0	RCONK119	1,796	M1d2
e. Commercial and industrial loans:							M.1.e.
1. To U.S. addressees (domicile)	RCFDK120	1,261	RCFDK121	3	RCFDK122	74,133	M1e1
2. To non-U.S. addressees (domicile)	RCFDK123	0	RCFDK124	0	RCFDK125	0	M1e2
f. All other loans (include loans to individuals for household, family, and other personal expenditures)	RCFDK126	603	RCFDK127	0	RCFDK128	95,133	M.1.f.
Itemize loan categories included in Memorandum item 1.f, above that exceed 10 percent of total loans restructured in troubled debt restructurings that are past due 30 days or more or in nonaccrual status (sum of Memorandum items 1.a through 1.f, columns A through C): 1. Loans secured by farmland in domestic offices	RCONK130	151	RCONK131	0	RCONK132	59,538	M.1.f.1.
2. Not applicable							M.1.f.2.
3. Loans to finance agricultural production and other loans to farmers	RCFDK138	8	RCFDK139	0	RCFDK140	31,945	M.1.f.3.
4. Loans to individuals for household, family, and other personal expenditures:							M.1.f.4.
a. Credit cards	RCFDK274	0	RCFDK275	0	RCFDK276	0	M1f4a
b. Automobile loans	RCFDK277	444	RCFDK278	0	RCFDK279	2,793	M1f4b
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCFDK280	0	RCFDK281	0	RCFDK282	521	M1f4c
g. Total loans restructured in troubled debt restructurings included in Schedule RC-N, items 1 through 7, above and not reported in Schedule RC-C, Part I, Memorandum item 1 (sum of items Memorandum item 1.a.(1) through Memorandum item 1.f)[1]	RCFDHK26	7,665	RCFDHK27	165	RCFDHK28	326,484	M.1.g.

1. Exclude amounts reported in Memorandum items 1.f.(1) through 1.f.(4) when calculating the total in Memorandum item 1.g.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
2. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-N, items 4 and 7, above	RCFD6558	**890**	RCFD6559	**0**	RCFD6560	**3,102**	M.2.
3. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-N, item 1, above)	RCFD1248	**9,503**	RCFD1249	**0**	RCFD1250	**12,402**	M.3.
4. Not applicable							M.4.
5. Loans and leases held for sale (included in Schedule RC-N, items 1 through 8, above)	RCFDC240	**0**	RCFDC241	**0**	RCFDC226	**0**	M.5.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days		(Column B) Past due 90 days or more		
6. Derivative contracts: Fair value of amounts carried as assets	RCFD3529	**0**	RCFD3530	**0**	M.6.

Dollar amounts in thousands			
Memorandum items 7, 8, 9.a, and 9.b are to be completed semiannually in the June and December reports only. 7. Additions to nonaccrual assets during the previous six months	RCFDC410	**NR**	M.7.
8. Nonaccrual assets sold during the previous six months	RCFDC411	**NR**	M.8.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
9. Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Stament of Position 03-3):[2]							M.9.
a. Outstanding balance	RCFDL183	**NR**	RCFDL184	**NR**	RCFDL185	**NR**	M.9.a.
b. Amount included in Schedule RC-N, items 1 through 7, above	RCFDL186	**NR**	RCFDL187	**NR**	RCFDL188	**NR**	M.9.b.

2. Memorandum items 9.a and 9.b should be completed only by institutions that have not yet adopted ASU 2016-13.

Schedule RC-O - Other Data for Deposit Insurance and FICO Assessments(Form Type - 031)

All FDIC-insured depository institutions must complete items 1 through 9, 10, and 11, Memorandum item 1, and, if applicable, item 9.a, Memorandum items 2, 3, and 6 through 18 each quarter. Unless otherwise indicated, complete items 1 through 11 and Memorandum items 1 through 3 on an "unconsolidated single FDIC certificate number basis" (see instructions) and complete Memorandum items 6 through 18 on a fully consolidated basis.

Dollar amounts in thousands			
1. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations	RCFDF236	137,055,489	1.
2. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits)	RCFDF237	0	2.
3. Total foreign deposits, including interest accrued and unpaid thereon (included in item 2 above)	RCFNF234	0	3.
4. Average consolidated total assets for the calendar quarter	RCFDK652	156,950,897	4.
a. Averaging method used (for daily averaging, enter 1; for weekly averaging, enter 2)	RCFDK653	1	4.a.
5. Average tangible equity for the calendar quarter[1]	RCFDK654	14,521,441	5.
6. Holdings of long-term unsecured debt issued by other FDIC-insured depository institutions	RCFDK655	0	6.
7. Unsecured "Other borrowings" with a remaining maturity of (sum of items 7.a through 7.d must be less than or equal to Schedule RC-M, items 5.b.(1)(a)-(d) minus item 10.b):			7.
a. One year or less	RCFDG465	979,004	7.a.
b. Over one year through three years	RCFDG466	0	7.b.
c. Over three years through five years	RCFDG467	0	7.c.
d. Over five years	RCFDG468	2,703,692	7.d.
8. Subordinated notes and debentures with a remaining maturity of (sum of items 8.a through 8.d must equal Schedule RC, item 19):			8.
a. One year or less	RCFDG469	0	8.a.
b. Over one year through three years	RCFDG470	0	8.b.
c. Over three years through five years	RCFDG471	0	8.c.
d. Over five years	RCFDG472	600,000	8.d.
9. Brokered reciprocal deposits (included in Schedule RC-E, Part I, Memorandum item 1.b)	RCONG803	0	9.
Item 9.a is to be completed on a fully consolidated basis by all institutions that own another insured depository institution. a. Fully consolidated brokered reciprocal deposits	RCONL190	NR	9.a.
10. Banker's bank certification: Does the reporting institution meet both the statutory definition of a banker's bank and the business conduct test set forth in FDIC regulations? If the answer to item 10 is "YES," complete items 10.a and 10.b.	RCFDK656	No	10.
If the answer to item 10 is "YES," complete items 10.a and 10.b. a. Banker's bank deduction	RCFDK657	NR	10.a.
b. Banker's bank deduction limit	RCFDK658	NR	10.b.
11. Custodial bank certification: Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations? If the answer to item 11 is "YES," complete items 11.a and 11.b.	RCFDK659	Yes	11.
If the answer to item 11 is "YES," complete items 11.a and 11.b. a. Custodial bank deduction	RCFDK660	45,274,966	11.a.
b. Custodial bank deduction limit	RCFDK661	4,931,896	11.b.
1. Total deposit liabilities of the bank (including related interest accrued and unpaid) less allowable exclusions (including related interest accrued and unpaid) (sum of Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1) must equal Schedule RC-O, item 1 less item 2):			M.1.
a. Deposit accounts (excluding retirement accounts) of $250,000 or less:[1]			M.1.a.
1. Amount of deposit accounts (excluding retirement accounts) of $250,000 or less	RCONF049	38,941,989	M.1.a.1.
2. Number of deposit accounts (excluding retirement accounts) of $250,000 or less	RCONF050	2199642	M.1.a.2.
b. Deposit accounts (excluding retirement accounts) of more than $250,000:[1]			M.1.b.
1. Amount of deposit accounts (excluding retirement accounts) of more than $250,000	RCONF051	96,441,290	M.1.b.1.
2. Number of deposit accounts (excluding retirement accounts) of more than $250,000	RCONF052	41968	M.1.b.2.
c. Retirement deposit accounts of $250,000 or less:[1]			M.1.c.
1. Amount of retirement deposit accounts of $250,000 or less	RCONF045	1,511,932	M.1.c.1.
2. Number of retirement deposit accounts of $250,000 or less	RCONF046	99104	M.1.c.2.
d. Retirement deposit accounts of more than $250,000:[1]			M.1.d.

1. See instructions for averaging methods. For deposit insurance assessment purposes, tangible equity is defined as Tier 1 capital as set forth in the banking agencies' regulatory capital standards and reported in Schedule RC-R, Part I, item 26, except as described in the instructions.

1. The dollar amounts used as the basis for reporting in Memorandum items 1.a through 1.d reflect the deposit insurance limits in effect on the report date.

Dollar amounts in thousands			
1. Amount of retirement deposit accounts of more than $250,000	RCONF047	160,278	M.1.d.1.
2. Number of retirement deposit accounts of more than $250,000	RCONF048	415	M.1.d.2.
Memorandum item 2 is to be completed by banks with $1 billion or more in total assets. 2. Estimated amount of uninsured deposits in domestic offices of the bank and in insured branches in Puerto Rico and U.S. territories and possessions, including related interest accrued and unpaid (see instructions)[3]	RCON5597	85,874,757	M.2.
3. Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent savings association's Call Report? If so, report the legal title and FDIC Certificate Number of the parent bank or parent savings association:			M.3.
a. Legal title	TEXTA545	NR	M.3.a.
b. FDIC Certificate Number	RCONA545	0	M.3.b.
4. Dually payable deposits in the reporting institution's foreign branches	RCFNGW43	NR	M.4.
5. Not applicable			M.5.
Memorandum items 6 through 12 are to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations. 6. Criticized and classified items:			M.6.
a. Special mention	RCFDK663	CONF	M.6.a.
b. Substandard	RCFDK664	CONF	M.6.b.
c. Doubtful	RCFDK665	CONF	M.6.c.
d. Loss	RCFDK666	CONF	M.6.d.
7. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations:			M.7.
a. Nontraditional 1-4 family residential mortgage loans	RCFDN025	CONF	M.7.a.
b. Securitizations of nontraditional 1-4 family residential mortgage loans	RCFDN026	CONF	M.7.b.
8. "Higher-risk consumer loans" as defined for assessment purposes only in FDIC regulations:			M.8.
a. Higher-risk consumer loans	RCFDN027	CONF	M.8.a.
b. Securitizations of higher-risk consumer loans	RCFDN028	CONF	M.8.b.
9. "Higher-risk commercial and industrial loans and securities" as defined for assessment purposes only in FDIC regulations:			M.9.
a. Higher-risk commercial and industrial loans and securities	RCFDN029	CONF	M.9.a.
b. Securitizations of higher-risk commercial and industrial loans and securities	RCFDN030	CONF	M.9.b.
10. Commitments to fund construction, land development, and other land loans secured by real estate for the consolidated bank:			M.10.
a. Total unfunded commitments	RCFDK676	1,651,647	M.10.a.
b. Portion of unfunded commitments guaranteed or insured by the U.S. government (including the FDIC)	RCFDK677	0	M.10.b.
11. Amount of other real estate owned recoverable from the U.S. government under guarantee or insurance provisions (excluding FDIC loss-sharing agreements)	RCFDK669	0	M.11.
12. Nonbrokered time deposits of more than $250,000 in domestic offices (included in Schedule RC-E, Memorandum item 2.d)	RCONK678	4,377,646	M.12.
Memorandum item 13.a is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations. Memorandum items 13.b through 13.h are to be completed by "large institutions" only. 13. Portion of funded loans and securities in domestic and foreign offices guaranteed or insured by the U.S. government (including FDIC loss-sharing agreements):			M.13.
a. Construction, land development, and other land loans secured by real estate	RCFDN177	0	M.13.a.
b. Loans secured by multifamily residential and nonfarm nonresidential properties	RCFDN178	15,134	M.13.b.
c. Closed-end loans secured by first liens on 1-4 family residential properties	RCFDN179	7,375	M.13.c.
d. Closed-end loans secured by junior liens on 1-4 family residential properties and revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCFDN180	686	M.13.d.
e. Commercial and industrial loans	RCFDN181	4,557,954	M.13.e.
f. Credit card loans to individuals for household, family, and other personal expenditures	RCFDN182	0	M.13.f.
g. All other loans to individuals for household, family, and other personal expenditures	RCFDN183	0	M.13.g.
h. Non-agency residential mortgage-backed securities	RCFDM963	0	M.13.h.
Memorandum items 14 and 15 are to be completed by "highly complex institutions" as defined in FDIC regulations. 14. Amount of the institution's largest counterparty exposure	RCFDK673	CONF	M.14.
15. Total amount of the institution's 20 largest counterparty exposures	RCFDK674	CONF	M.15.
Memorandum item 16 is to be completed by “large institutions” and “highly complex institutions” as defined in FDIC regulations. 16. Portion of loans restructured in troubled debt restructurings that are in compliance with their modified terms and are guaranteed or insured by the U.S. government (including the FDIC) (included in Schedule RC-C, part I, Memorandum item 1)	RCFDL189	220	M.16.

3. Uninsured deposits should be estimated based on the deposit insurance limits set forth in Memorandum items 1.a through 1.d.

Dollar amounts in thousands			
Memorandum item 17 is to be completed on a fully consolidated basis by those "large institutions" and "highly complex institutions" as defined in FDIC regulations that own another insured depository institution. 17. Selected fully consolidated data for deposit insurance assessment purposes:			M.17.
a. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations	RCFDL194	**NR**	M.17.a.
b. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions (including foreign deposits)	RCFDL195	**NR**	M.17.b.
c. Unsecured "Other borrowings" with a remaining maturity of one year or less	RCFDL196	**NR**	M.17.c.
d. Estimated amount of uninsured deposits in domestic offices of the institution and in insured branches in Puerto Rico and U.S. territories and possessions, including related interest accrued and unpaid	RCONL197	**NR**	M.17.d.

Dollar amounts in thousands	(Column A) Two-Year Probability of Default (PD) <= 1%	(Column B) Two-Year Probability of Default (PD) 1.01–4%	(Column C) Two-Year Probability of Default (PD) 4.01–7%	(Column D) Two-Year Probability of Default (PD) 7.01–10%	(Column E) Two-Year Probability of Default (PD) 10.01–14%	(Column F) Two-Year Probability of Default (PD) 14.01–16%	(Column G) Two-Year Probability of Default (PD) 16.01–18%	(Column H) Two-Year Probability of Default (PD) 18.01–20%	(Column I) Two-Year Probability of Default (PD) 20.01–22%	(Column J) Two-Year Probability of Default (PD) 22.01–26%	(Column K) Two-Year Probability of Default (PD) 26.01–30%	(Column L) Two-Year Probability of Default (PD) > 30%	(Column M) Two-Year Probability of Default (PD) Unscoreable	(Column N) Two-Year Probability of Default (PD) Total	(Column O) PDs Were Derived Using	
18. Outstanding balance of 1-4 family residential mortgage loans, consumer loans, and consumer leases by two-year probability of default:																M18.
a. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations	RCFDM964 CONF	RCFDM965 CONF	RCFDM966 CONF	RCFDM967 CONF	RCFDM968 CONF	RCFDM969 CONF	RCFDM970 CONF	RCFDM971 CONF	RCFDM972 CONF	RCFDM973 CONF	RCFDM974 CONF	RCFDM975 CONF	RCFDM976 CONF	RCFDM977 CONF	RCFDM978 CONF	M18a
b. Closed-end loans secured by first liens on 1-4 family residential properties	RCFDM979 CONF	RCFDM980 CONF	RCFDM981 CONF	RCFDM982 CONF	RCFDM983 CONF	RCFDM984 CONF	RCFDM985 CONF	RCFDM986 CONF	RCFDM987 CONF	RCFDM988 CONF	RCFDM989 CONF	RCFDM990 CONF	RCFDM991 CONF	RCFDM992 CONF	RCFDM993 CONF	M18b
c. Closed-end loans secured by junior liens on 1-4 family residential properties	RCFDM994 CONF	RCFDM995 CONF	RCFDM996 CONF	RCFDM997 CONF	RCFDM998 CONF	RCFDM999 CONF	RCFDN001 CONF	RCFDN002 CONF	RCFDN003 CONF	RCFDN004 CONF	RCFDN005 CONF	RCFDN006 CONF	RCFDN007 CONF	RCFDN008 CONF	RCFDN009 CONF	M18c
d. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCFDN010 CONF	RCFDN011 CONF	RCFDN012 CONF	RCFDN013 CONF	RCFDN014 CONF	RCFDN015 CONF	RCFDN016 CONF	RCFDN017 CONF	RCFDN018 CONF	RCFDN019 CONF	RCFDN020 CONF	RCFDN021 CONF	RCFDN022 CONF	RCFDN023 CONF	RCFDN024 CONF	M18d
e. Credit cards	RCFDN040 CONF	RCFDN041 CONF	RCFDN042 CONF	RCFDN043 CONF	RCFDN044 CONF	RCFDN045 CONF	RCFDN046 CONF	RCFDN047 CONF	RCFDN048 CONF	RCFDN049 CONF	RCFDN050 CONF	RCFDN051 CONF	RCFDN052 CONF	RCFDN053 CONF	RCFDN054 CONF	M18e
f. Automobile loans	RCFDN055 CONF	RCFDN056 CONF	RCFDN057 CONF	RCFDN058 CONF	RCFDN059 CONF	RCFDN060 CONF	RCFDN061 CONF	RCFDN062 CONF	RCFDN063 CONF	RCFDN064 CONF	RCFDN065 CONF	RCFDN066 CONF	RCFDN067 CONF	RCFDN068 CONF	RCFDN069 CONF	M18f
g. Student loans	RCFDN070 CONF	RCFDN071 CONF	RCFDN072 CONF	RCFDN073 CONF	RCFDN074 CONF	RCFDN075 CONF	RCFDN076 CONF	RCFDN077 CONF	RCFDN078 CONF	RCFDN079 CONF	RCFDN080 CONF	RCFDN081 CONF	RCFDN082 CONF	RCFDN083 CONF	RCFDN084 CONF	M18g
h. Other consumer loans and revolving credit plans other than credit cards	RCFDN085 CONF	RCFDN086 CONF	RCFDN087 CONF	RCFDN088 CONF	RCFDN089 CONF	RCFDN090 CONF	RCFDN091 CONF	RCFDN092 CONF	RCFDN093 CONF	RCFDN094 CONF	RCFDN095 CONF	RCFDN096 CONF	RCFDN097 CONF	RCFDN098 CONF	RCFDN099 CONF	M18h
i. Consumer leases	RCFDN100 CONF	RCFDN101 CONF	RCFDN102 CONF	RCFDN103 CONF	RCFDN104 CONF	RCFDN105 CONF	RCFDN106 CONF	RCFDN107 CONF	RCFDN108 CONF	RCFDN109 CONF	RCFDN110 CONF	RCFDN111 CONF	RCFDN112 CONF	RCFDN113 CONF	RCFDN114 CONF	M18i
j. Total	RCFDN115 CONF	RCFDN116 CONF	RCFDN117 CONF	RCFDN118 CONF	RCFDN119 CONF	RCFDN120 CONF	RCFDN121 CONF	RCFDN122 CONF	RCFDN123 CONF	RCFDN124 CONF	RCFDN125 CONF	RCFDN126 CONF	RCFDN127 CONF	RCFDN128 CONF		M18j

Schedule RC-P - 1-4 Family Residential Mortgage Banking Activities in Domestic Offices(Form Type - 031)

Schedule RC-P is to be completed by banks at which either 1-4 family residential mortgage loan originations and purchases for resale from all sources, loan sales, or quarter-end loans held for sale or trading in domestic offices exceed $10 million for two consecutive quarters.

Dollar amounts in thousands			
1. Retail originations during the quarter of 1-4 family residential mortgage loans for sale[1]	RCONHT81	158,446	1.
2. Wholesale originations and purchases during the quarter of 1-4 family residential mortgage loans for sale[2]	RCONHT82	0	2.
3. 1-4 family residential mortgage loans sold during the quarter	RCONFT04	145,704	3.
4. 1-4 family residential mortgage loans held for sale or trading at quarter-end (included in Schedule RC, items 4.a and 5)	RCONFT05	40,042	4.
5. Noninterest income for the quarter from the sale, securitization, and servicing of 1-4 family residential mortgage loans (included in Schedule RI, items 5.c, 5.f, 5.g, and 5.i)	RIADHT85	10,069	5.
6. Repurchases and indemnifications of 1-4 family residential mortgage loans during the quarter	RCONHT86	0	6.
7. Representation and warranty reserves for 1-4 family residential mortgage loans sold:			7.
a. For representations and warranties made to U.S. government agencies and government-sponsored agencies	RCONL191	CONF	7.a.
b. For representations and warranties made to other parties	RCONL192	CONF	7.b.
c. Total representation and warranty reserves (sum of items 7.a and 7.b)	RCONM288	4,399	7.c.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis(Form Type - 031)

Schedule RC-Q is to be completed by banks that:

(1) Have elected to report financial instruments or servicing assets and liabilities at fair value under a fair value option with changes in fair value recognized in earnings, or (2) Are required to complete Schedule RC-D, Trading Assets and Liabilities.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
1. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading[1]	RCFDJA36 31,233,719	RCFDG474 0	RCFDG475 2,898,663	RCFDG476 28,334,492	RCFDG477 564	1.
2. Federal funds sold and securities purchased under agreements to resell	RCFDG478 0	RCFDG479 0	RCFDG480 0	RCFDG481 0	RCFDG482 0	2.
3. Loans and leases held for sale	RCFDG483 0	RCFDG484 0	RCFDG485 0	RCFDG486 0	RCFDG487 0	3.
4. Loans and leases held for investment	RCFDG488 0	RCFDG489 0	RCFDG490 0	RCFDG491 0	RCFDG492 0	4.
5. Trading assets:						5.
a. Derivative assets	RCFD3543 89,202	RCFDG493 46,109	RCFDG494 0	RCFDG495 135,311	RCFDG496 0	5.a.
b. Other trading assets	RCFDG497 227,123	RCFDG498 0	RCFDG499 2,921	RCFDG500 224,202	RCFDG501 0	5.b.
1. Nontrading securities at fair value with changes in fair value reported in current earnings (included in Schedule RC-Q, item 5.b, above)	RCFDF240 0	RCFDF684 0	RCFDF692 0	RCFDF241 0	RCFDF242 0	5.b.1.
6. All other assets	RCFDG391 308,547	RCFDG392 -7,765	RCFDG395 0	RCFDG396 297,823	RCFDG804 2,959	6.
7. Total assets measured at fair value on a recurring basis (sum of items 1 through 5.b plus item 6)	RCFDG502 31,858,591	RCFDG503 38,344	RCFDG504 2,901,584	RCFDG505 28,991,828	RCFDG506 3,523	7.
8. Deposits	RCFDF252 1,487,419	RCFDF686 0	RCFDF694 0	RCFDF253 1,487,419	RCFDF254 0	8.
9. Federal funds purchased and securities sold under agreements to repurchase	RCFDG507 0	RCFDG508 0	RCFDG509 0	RCFDG510 0	RCFDG511 0	9.
10. Trading liabilities:						10.
a. Derivative liabilities	RCFD3547 28,258	RCFDG512 55,415	RCFDG513 0	RCFDG514 83,673	RCFDG515 0	10.a.
b. Other trading liabilities	RCFDG516 0	RCFDG517 0	RCFDG518 0	RCFDG519 0	RCFDG520 0	10.b.

1. Exclude originations and purchases of 1–4 family residential mortgage loans that are held for investment.
1. The amount reported in item 1, column A, must equal the sum of Schedule RC, items 2.b and 2.c.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
11. Other borrowed money	RCFDG521 0	RCFDG522 0	RCFDG523 0	RCFDG524 0	RCFDG525 0	11.
12. Subordinated notes and debentures	RCFDG526 0	RCFDG527 0	RCFDG528 0	RCFDG529 0	RCFDG530 0	12.
13. All other liabilities	RCFDG805 0	RCFDG806 43,207	RCFDG807 0	RCFDG808 43,207	RCFDG809 0	13.
14. Total liabilities measured at fair value on a recurring basis (sum of items 8 through 13)	RCFDG531 1,515,677	RCFDG532 98,622	RCFDG533 0	RCFDG534 1,614,299	RCFDG535 0	14.
1. All other assets (itemize and describe amounts included in Schedule RC-Q, item 6, that are greater than $100,000 and exceed 25% of item 6):						M.1.
a. Mortgage servicing assets	RCFDG536 0	RCFDG537 0	RCFDG538 0	RCFDG539 0	RCFDG540 0	M.1.a.
b. Nontrading derivative assets	RCFDG541 0	RCFDG542 0	RCFDG543 0	RCFDG544 0	RCFDG545 0	M.1.b.

Dollar amounts in thousands			
c. Disclose component and the dollar amount of that component:			M.1.c.
1. Describe component	TEXTG546	**Click here for value**	M.1.c.1.

(TEXTG546) CRA LP Investment

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG546 305,519	RCFDG547 -305,519	RCFDG548 0	RCFDG549 0	RCFDG550 0	M.1.c.2.

Dollar amounts in thousands			
d. Disclose component and the dollar amount of that component:			M.1.d.
1. Describe component	TEXTG551	NR	M.1.d.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG551 0	RCFDG552 0	RCFDG553 0	RCFDG554 0	RCFDG555 0	M.1.d2.

Dollar amounts in thousands			
e. Disclose component and the dollar amount of that component:			M.1.e.
1. Describe component	TEXTG556	NR	M.1.e.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG556 0	RCFDG557 0	RCFDG558 0	RCFDG559 0	RCFDG560 0	M.1.e2.

Dollar amounts in thousands			
f. Disclose component and the dollar amount of that component:			M.1.f.
1. Describe component	TEXTG561	NR	M.1.f.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG561 0	RCFDG562 0	RCFDG563 0	RCFDG564 0	RCFDG565 0	M.1.f.2.
2. All other liabilities (itemize and describe amounts included in Schedule RC-Q, item 13, that are greater than $100,000 and exceed 25% of item 13):						M.2.
a. Loan commitments (not accounted for as derivatives)	RCFDF261 0	RCFDF689 0	RCFDF697 0	RCFDF262 0	RCFDF263 0	M.2.a.
b. Nontrading derivative liabilities	RCFDG566 0	RCFDG567 0	RCFDG568 0	RCFDG569 0	RCFDG570 0	M.2.b.

Dollar amounts in thousands			
c. Disclose component and the dollar amount of that component:			M.2.c.
1. Describe component	TEXTG571	NR	M.2.c.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG571 0	RCFDG572 0	RCFDG573 0	RCFDG574 0	RCFDG575 0	M.2.c.2.

Dollar amounts in thousands			
d. Disclose component and the dollar amount of that component:			M.2.d.
1. Describe component	TEXTG576	NR	M.2.d.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG576 0	RCFDG577 0	RCFDG578 0	RCFDG579 0	RCFDG580 0	M.2.d.2.

Dollar amounts in thousands			
e. Disclose component and the dollar amount of that component:			M.2.e.
1. Describe component	TEXTG581	NR	M.2.e.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG581 0	RCFDG582 0	RCFDG583 0	RCFDG584 0	RCFDG585 0	M.2.e.2.

Dollar amounts in thousands			
f. Disclose component and the dollar amount of that component:			M.2.f.
1. Describe component (TEXTG586) NR			M.2.f.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCFDG586 0	RCFDG587 0	RCFDG588 0	RCFDG589 0	RCFDG590 0	M.2.f.2.

Dollar amounts in thousands	Consolidated Bank		
3. Loans measured at fair value (included in Schedule RC-C, Part I, items 1 through 9):			M.3.
a. Loans secured by real estate:			M.3.a.
1. Secured by 1-4 family residential properties	RCFDHT87	0	M.3.a.1.
2. All other loans secured by real estate	RCFDHT88	0	M.3.a.2.
b. Commercial and industrial loans	RCFDF585	0	M.3.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	RCFDHT89	0	M.3.c.
d. Other loans	RCFDF589	0	M.3.d.
4. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-Q, Memorandum item 3):			M.4.
a. Loans secured by real estate:			M.4.a.
1. Secured by 1-4 family residential properties	RCFDHT91	0	M.4.a.1.
2. All other loans secured by real estate	RCFDHT92	0	M.4.a.2.
b. Commercial and industrial loans	RCFDF597	0	M.4.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	RCFDHT93	0	M.4.c.
d. Other loans	RCFDF601	0	M.4.d.

Schedule RC-R Part I - Regulatory Capital Components and Ratios(Form Type - 031)

Part I is to be completed on a consolidated basis.

Dollar amounts in thousands			
1. Common stock plus related surplus, net of treasury stock and unearned employee stock ownership plan (ESOP) shares	RCFAP742	12,033,920	1.
2. Retained earnings[1]	RCFAKW00	5,704,096	2.
To be completed only by institutions that have adopted ASU 2016-13: a. Does your institution have a CECL transition election in effect as of the quarter-end report date? (enter "0" for No; enter "1" for Yes with a 3-year CECL transition election; enter "2" for Yes with a 5-year 2020 CECL transition election.)	RCOAJJ29	NR	2.a.
3. Accumulated other comprehensive income (AOCI)	RCFAB530	402,687	3.
a. AOCI opt-out election (enter "1" for Yes; enter "0" for No.) (Advanced approaches institutions must enter "0" for No.)	RCOAP838	1	3.a.
4. Common equity tier 1 minority interest includable in common equity tier 1 capital	RCFAP839	0	4.
5. Common equity tier 1 capital before adjustments and deductions (sum of items 1 through 4)	RCFAP840	18,140,703	5.
6. LESS: Goodwill net of associated deferred tax liabilities (DTLs)	RCFAP841	2,992,569	6.
7. LESS: Intangible assets (other than goodwill and mortgage servicing assets (MSAs)), net of associated DTLs	RCFAP842	41,183	7.
8. LESS: Deferred tax assets (DTAs) that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances and net of DTLs	RCFAP843	6,399	8.
9. AOCI-related adjustments (items 9.a through 9.e are effective January 1, 2015) (if entered "1" for Yes in item 3.a, complete only items 9.a through 9.e; if entered "0" for No in item 3.a, complete only item 9.f):			9.
a. LESS: Net unrealized gains (losses) on available-for-sale debt securities (if a gain, report as a positive value; if a loss, report as a negative value)	RCFAP844	74,716	9.a.
b. Not applicable.			9.b.
c. LESS: Accumulated net gains (losses) on cash flow hedges (if a gain, report as a positive value; if a loss, report as a negative value)	RCFAP846	349,676	9.c.
d. LESS: Amounts recorded in AOCI attributed to defined benefit postretirement plans resulting from the initial and subsequent application of the relevant GAAP standards that pertain to such plans (if a gain, report as a positive value; if a loss, report as a negative value)	RCFAP847	-3,106	9.d.
e. LESS: Net unrealized gains (losses) on held-to-maturity securities that are included in AOCI (if a gain, report as a positive value; if a loss, report as a negative value)	RCFAP848	0	9.e.
f. LESS: Accumulated net gain (loss) on cash flow hedges included in AOCI, net of applicable income taxes, that relate to the hedging of items that are not recognized at fair value on the balance sheet (if a gain, report as a positive value; if a loss, report as a negative value) (To be completed only by institutions that entered "0" for No in item 3.a)	RCFAP849	NR	9.f.
10. Other deductions from (additions to) common equity tier 1 capital before threshold-based deductions:			10.
a. LESS: Unrealized net gain (loss) related to changes in the fair value of liabilities that are due to changes in own credit risk (if a gain, report as a positive value; if a loss, report as a negative value)	RCFAQ258	-18,599	10.a.
b. LESS: All other deductions from (additions to) common equity tier 1 capital before threshold-based deductions.	RCFAP850	0	10.b.

Dollar amounts in thousands	(Column A) Non-advanced Approaches Institutions		(Column B) Advanced Approaches Institutions		
11. LESS: Non-significant investments in the capital of unconsolidated financial institutions in the form of common stock that exceed the 10 percent threshold for non-significant investments			RCFWP851	NR	11.
12. Subtotal (for column A, item 5 minus items 6 through 10.b; for column B, item 5 minus items 6 through 11)	RCFAP852	14,697,865	RCFWP852	NR	12.
13. Not available					13.
a. LESS: Investments in the capital of unconsolidated financial institutions, net of associated DTLs, that exceed 25 percent of item 12	RCFALB58	0			13.a.
b. LESS: Significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold			RCFWP853	NR	13.b.
14. Not available					14.
a. LESS: MSAs, net of associated DTLs, that exceed 25 percent of item 12	RCFALB59	0			14.a.
b. LESS: MSAs, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold			RCFWP854	NR	14.b.
15. Not available					15.
a. LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed 25 percent of item 12	RCFALB60	0			15.a.
b. LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold			RCFWP855	NR	15.b.
16. LESS: Amount of significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs; MSAs, net of associated DTLs; and DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs; that exceeds the 15 percent common equity tier 1 capital deduction threshold			RCFWP856	NR	16.
17. LESS: Deductions applied to common equity tier 1 capital due to insufficient amounts of additional tier 1 capital and tier 2 capital to cover deductions	RCFAP857	0	RCFWP857	NR	17.
18. Total adjustments and deductions for common equity tier 1 capital[3]	RCFAP858	0	RCFWP858	NR	18.
19. Common equity tier 1 capital (item 12 minus item 18)	RCFAP859	14,697,865	RCFWP859	NR	19.

Dollar amounts in thousands			
20. Additional tier 1 capital instruments plus related surplus	RCFAP860	0	20.
21. Non-qualifying capital instruments subject to phase out from additional tier 1 capital	RCFAP861	0	21.
22. Tier 1 minority interest not included in common equity tier 1 capital	RCFAP862	0	22.
23. Additional tier 1 capital before deductions (sum of items 20, 21, and 22)	RCFAP863	0	23.
24. LESS: Additional tier 1 capital deductions	RCFAP864	0	24.
25. Additional tier 1 capital (greater of item 23 minus item 24, or zero)	RCFAP865	0	25.
26. Tier 1 capital[1]	RCFA8274	14,697,865	26.
27. Average total consolidated assets[2]	RCFAKW03	156,950,897	27.
28. LESS: Deductions from common equity tier 1 capital and additional tier 1 capital (sum of items 6, 7, 8, 10.b, 13 through 15, 17, and certain elements of item 24 - see instructions)[3]	RCFAP875	3,040,151	28.
29. LESS: Other deductions from (additions to) assets for leverage ratio purposes	RCFAB596	0	29.
30. Total assets for the leverage ratio (item 27 minus items 28 and 29)	RCFAA224	153,910,746	30.
31. Leverage ratio (item 26 divided by 30)	RCFA7204	9.5496%	31.
a. Does your institution have a community bank leverage ratio (CBLR) framework election in effect as of the quarter-end report date? (enter "1" for Yes; enter "0" for No)	RCOALE74	0	31.a.

1. Institutions that have adopted ASU 2016-13 and have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in this item.

Dollar amounts in thousands	(Column A) Amount		(Column B) Percentage		
32. Total assets*	RCFA2170	NR			32.
33. Trading assets and trading liabilities (Schedule RC, sum of items 5 and 15). Report as a dollar amount in Column A and as a percentage of total assets (5% limit) in Column B	RCFAKX77	NR	RCFAKX78	NR	33.
34. Off-balance sheet exposures:					34.
a. Unused portion of conditionally cancellable commitments	RCFAKX79	NR			34.a.
b. Securities lent and borrowed (Schedule RC-L, sum of items 6.a and 6.b)	RCFAKX80	NR			34.b.
c. Other off-balance sheet exposures	RCFAKX81	NR			34.c.
d. Total off-balance sheet exposures (sum of items 34.a through 34.c). Report as a dollar amount in Column A and as a percentage of total assets (25% limit) in Column B	RCFAKX82	NR	RCFAKX83	NR	34.d.

Dollar amounts in thousands			
35. Unconditionally cancellable commitments	RCFAS540	NR	35.
36. Investments in the tier 2 capital of unconsolidated financial institutions	RCFALB61	NR	36.
37. Allocated transfer risk reserve	RCFA3128	NR	37.
38. Amount of allowances for credit losses on purchased credit-deteriorated assets:			38.
a. Loans and leases held for investment	RCFAJJ30	NR	38.a.
b. Held-to-maturity debt securities	RCFAJJ31	NR	38.b.
c. Other financial assets measured at amortized cost	RCFAJJ32	NR	38.c.
39. Tier 2 capital instruments plus related surplus	RCFAP866	600,000	39.
40. Non-qualifying capital instruments subject to phase-out from tier 2 capital	RCFAP867	0	40.
41. Total capital minority interest that is not included in tier 1 capital	RCFAP868	0	41.
42. Allowance for loan and lease losses and eligible credit reserves includable in tier 2 capital			42.
a. Allowance for loan and lease losses includable in tier 2 capital[1]	RCFA5310	1,303,022	42.a.
b. (Advanced approaches institutions that exit parallel run only): Eligible credit reserves includable in tier 2 capital.	RCFW5310	NR	42.b.
43. Not applicable.			43.
44. Tier 2 capital before deductions			44.
a. Tier 2 capital before deductions (sum of items 39 through 42)	RCFAP870	1,903,022	44.a.
b. (Advanced approaches institutions that exit parallel run only): Tier 2 capital before deductions (sum of items 39 through 41, plus item 42.b)	RCFWP870	NR	44.b.
45. LESS: Tier 2 capital deductions	RCFAP872	0	45.
46. Tier 2 capital			46.
a. Tier 2 capital (greater of item 44.a minus item 45, or zero)	RCFA5311	1,903,022	46.a.
b. (Advanced approaches institutions that exit parallel run only): Tier 2 capital (greater of item 44.b minus item 45, or zero)	RCFW5311	NR	46.b.
47. Total capital			47.
a. Total capital (sum of items 26 and 46.a)	RCFA3792	16,600,887	47.a.
b. (Advanced approaches institutions that exit parallel run only): Total capital (sum of items 26 and 46.b)	RCFW3792	NR	47.b.
48. Total risk-weighted assets			48.
a. Total risk-weighted assets (from Schedule RC-R, Part II, item 31)	RCFAA223	112,438,160	48.a.
b. (Advanced approaches institutions that exit parallel run only): Total risk-weighted assets using advanced approaches rule (from FFIEC 101 Schedule A, item 60)	RCFWA223	NR	48.b.

3. Beginning with the June 30, 2020, report date, all non-advanced approaches institutions should report in item 18, column A, the sum of items 13.a, 14.a, 15.a, and 17, column A; all advanced approaches institutions should report in item 18, column B, the sum of items 13.b, 14.b, 15.b, 16, and 17, column B.

1. Beginning with the June 30, 2020, report date, all non-advanced approaches institutions should report the sum of item 19, column A, and item 25 in item 26; all advanced approaches institutions should report the sum of item 19, column B, and item 25 in item 26.

2. Institutions that have adopted ASU 2016-13 and have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in item 27.

3. Beginning with the June 30, 2020, report date, all non-advanced approaches institutions should report in item 28 the sum of items 6, 7, 8, 10.b, 13.a, 14.a, 15.a, 17 (column A), and certain elements of item 24 - see instructions; all advanced approaches institutions should report in item 28, the sum of items 6, 7, 8, 10.b, 11, 13.b, 14.b, 15.b, 16, 17 (column B), and certain elements of item 24 - see instructions.

Dollar amounts in thousands	(Column A) Percentage		(Column B) Percentage		
49. Common equity tier 1 capital ratio (Column A: item 19, column A or B, as applicable, divided by item 48.a) (Advanced approaches institutions that exit parallel run only: Column B: item 19, column B, divided by item 48.b)	RCFAP793	13.0720%	RCFWP793	NR	49.
50. Tier 1 capital ratio (Column A: item 26 divided by item 48.a) (Advanced approaches institutions that exit parallel run only: Column B: item 26 divided by item 48.b)	RCFA7206	13.0720%	RCFW7206	NR	50.
51. Total capital ratio (Column A: item 47.a divided by item 48.a) (Advanced approaches institutions that exit parallel run only: Column B: item 47.b divided by item 48.b)	RCFA7205	14.7645%	RCFW7205	NR	51.

Dollar amounts in thousands			
52. Institution-specific capital buffer necessary to avoid limitations on distributions and discretionary bonus payments:			52.
a. Capital conservation buffer	RCFAH311	6.7645%	52.a.
b. Advanced approaches institutions and institutions subject to Category III capital standards only: Total applicable capital buffer	RCFWH312	NR	52.b.
53. Eligible retained income[1]	RCFAH313	NR	53.
54. Distributions and discretionary bonus payments during the quarter[2]	RCFAH314	NR	54.
55. Advanced approaches institutions and institutions subject to Category III capital standards only: Supplementary leverage ratio information:			55.
a. Total leverage exposure[3]	RCFAH015	NR	55.a.
b. Supplementary leverage ratio	RCFAH036	NR	55.b.

*. For report dates through December 31, 2021, report the lesser of total assets reported in Schedule RC, item 12, as of December 31, 2019, or the current report date, which must be less than $10 billion.

1. Institutions that have adopted ASU 2016-13 should report the adjusted allowances for credit losses (AACL), as defined in the regulatory capital rule, in item 30.a.

1. Institutions must complete item 53 only if the amount reported in item 52.a above is less than or equal to 2.5000 percent (plus any other applicable buffer if the institution is an advanced approaches institution or a Category III institution).

2. Institutions must complete item 54 only if the amount reported in Schedule RC-R, Part I, item 46.a, in the Call Report for the December 31, 2019, report date was less than or equal to 2.5000 percent (plus any other applicable buffer if the institution is an advanced approaches institution or a Category III institution).

3. Institutions that have adopted ASU 2016-13 and have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in item 55.a.

Schedule RC-R Part II - Risk-Weighted Assets(Form Type - 031)

Institutions are required to assign a 100 percent risk weight to all assets not specifically assigned a risk weight under Subpart D of the federal banking agencies' regulatory capital rules and not deducted from tier 1 or tier 2 capital.

Dollar amounts in thousands	(Column A) Totals from Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
1. Cash and balances due from depository institutions..........	RCFDD957 26,894,508	RCFDS396 0	RCFDD958 24,568,542				RCFDD959 2,286,676	RCFDS397 9,401	RCFDD960 6,407	RCFDS398 23,482	1.
2. Securities:											2.
a. Held-to-maturity securities[3].......................................	RCFDD961 3,587,628	RCFDS399 0	RCFDD962 742,930	RCFDHJ74 0	RCFDHJ75 0		RCFDD963 2,844,698	RCFDD964 0	RCFDD965 0	RCFDS400 0	2.a.
b. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading..	RCFDJA21 31,233,719	RCFDS402 267,207	RCFDD967 10,797,801	RCFDHJ76 0	RCFDHJ77 0		RCFDD968 19,843,915	RCFDD969 324,796	RCFDD970 0	RCFDS403 0	2.b.
3. Federal funds sold and securities purchased under agreements to resell:											3.
a. Federal funds sold in domestic offices........................	RCOND971 110,100		RCOND972 0				RCOND973 110,100	RCONS410 0	RCOND974 0	RCONS411 0	3.a.
b. Securities purchased under agreements to resell........	RCFDH171 2,178,440	RCFDH172 2,178,440									3.b.
4. Loans and leases held for sale:											4.
a. Residential mortgage exposures................................	RCFDS413 40,042	RCFDS414 0	RCFDH173 0				RCFDS415 0	RCFDS416 34,269	RCFDS417 5,773		4.a.
b. High volatility commercial real estate exposures.........	RCFDS419 0	RCFDS420 0	RCFDH174 0				RCFDH175 0	RCFDH176 0	RCFDH177 0	RCFDS421 0	4.b.
c. Exposures past due 90 days or more or on nonaccrual[3]..	RCFDS423 0	RCFDS424 0	RCFDS425 0	RCFDHJ78 0	RCFDHJ79 0		RCFDS426 0	RCFDS427 0	RCFDS428 0	RCFDS429 0	4.c.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
1. Cash and balances due from depository institutions										1.
2. Securities:										2.
a. Held-to-maturity securities										2.a.
b. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading................	RCFDH270 NR	RCFDS405 0		RCFDS406 0				RCFDH271 0	RCFDH272 0	2.b.
3. Federal funds sold and securities purchased under agreements to resell:										3.
a. Federal funds sold in domestic offices										3.a.

3. Institutions that have adopted ASU 2016-13 should report as a negative number allowances eligible for inclusion in tier 2 capital in Column B, which excludes PCD allowances.
3. For loans and leases held for sale, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
b. Securities purchased under agreements to resell										3.b.
4. Loans and leases held for sale:										4.
a. Residential mortgage exposures..								RCFDH273 0	RCFDH274 0	4.a.
b. High volatility commercial real estate exposures................								RCFDH275 0	RCFDH276 0	4.b.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
c. Exposures past due 90 days or more or on nonaccrual[6].....								RCFDH277 0	RCFDH278 0	4.c.

Dollar amounts in thousands	(Column A) Totals from Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
4. Loans and leases held for sale (continued):											4.
d. All other exposures...	RCFDS431 107,224	RCFDS432 0	RCFDS433 0	RCFDHJ80 0	RCFDHJ81 0		RCFDS434 0	RCFDS435 0	RCFDS436 107,224	RCFDS437 0	4.d.
5. Loans and leases held for investment:											5.
a. Residential mortgage exposures................................	RCFDS439 8,853,706	RCFDS440 0	RCFDH178 0				RCFDS441 8,061	RCFDS442 7,128,919	RCFDS443 1,716,726		5.a.
b. High volatility commercial real estate exposures.........	RCFDS445 51,698	RCFDS446 0	RCFDH179 0				RCFDH180 0	RCFDH181 0	RCFDH182 0	RCFDS447 51,698	5.b.
c. Exposures past due 90 days or more or on nonaccrual[7]..	RCFDS449 766,945	RCFDS450 0	RCFDS451 0	RCFDHJ82 0	RCFDHJ83 0		RCFDS452 8,973	RCFDS453 0	RCFDS454 0	RCFDS455 757,972	5.c.
d. All other exposures...	RCFDS457 75,954,089	RCFDS458 0	RCFDS459 4,805,162	RCFDHJ84 0	RCFDHJ85 0		RCFDS460 299,896	RCFDS461 140,248	RCFDS462 69,938,192	RCFDS463 0	5.d.
6. LESS: Allowance for loan and lease losses.......................	RCFD3123 1,126,535	RCFD3123 1,126,535									6.
7. Trading assets..	RCFDD976 316,326	RCFDS466 313,405	RCFDD977 0	RCFDHJ86 0	RCFDHJ87 0		RCFDD978 0	RCFDD979 0	RCFDD980 2,921	RCFDS467 0	7.
8. All other assets[8]...	RCFDD981 10,240,445	RCFDS469 3,076,277	RCFDD982 361,013	RCFDHJ88 0	RCFDHJ89 0		RCFDD983 5,000	RCFDD984 17,872	RCFDD985 4,509,041	RCFDH185 0	8.
a. Separate account bank-owned life insurance											8.a.
b. Default fund contributions to central counterparties											8.b.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
4. Loans and leases held for sale (continued):										4.
d. All other exposures								RCFDH279 0	RCFDH280 0	4.d.
5. Loans and leases held for investment:										5.
a. Residential mortgage exposures								RCFDH281 0	RCFDH282 0	5.a.
b. High volatility commercial real estate exposures								RCFDH283 0	RCFDH284 0	5.b.
c. Exposures past due 90 days or more or on nonaccrual[11]								RCFDH285 0	RCFDH286 0	5.c.
d. All other exposures								RCFDH287 770,591	RCFDH288 699,608	5.d.
6. LESS: Allowance for loan and lease losses										6.
7. Trading assets	RCFDH289 NR	RCFDH186 0	RCFDH290 0	RCFDH187 0				RCFDH291 0	RCFDH292 0	7.
8. All other assets[12]	RCFDH293 454,372	RCFDH188 0	RCFDS470 0	RCFDS471 0				RCFDH294 0	RCFDH295 0	8.
a. Separate account bank-owned life insurance								RCFDH296 1,816,870	RCFDH297 393,109	8.a.
b. Default fund contributions to central counterparties								RCFDH298 0	RCFDH299 0	8.b.

6. For loans and leases held for sale, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.
7. For loans and leases, net of unearned income, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.
8. Includes premises and fixed assets; other real estate owned; investments in unconsolidated subsidiaries and associated companies; direct and indirect investments in real estate ventures; intangible assets; and other assets.
11. For loans and leases, net of unearned income, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.
12. Includes premises and fixed assets; other real estate owned; investments in unconsolidated subsidiaries and associated companies; direct and indirect investments in real estate ventures; intangible assets; and other assets.

Dollar amounts in thousands	(Column A) Totals	(Column B) Adjustments to Totals Reported in Column A	(Column Q) Exposure Amount 1,250%	(Column T) Total Risk-Weighted Asset Amount by Calculation Methodology SSFA	(Column U) Total Risk-Weighted Asset Amount by Calculation Methodology Gross-Up	
9. On-balance sheet securitization exposures:						9.
a. Held-to-maturity securities	RCFDS475 0	RCFDS476 0	RCFDS477 0	RCFDS478 0	RCFDS479 0	9.a.
b. Available-for-sale securities	RCFDS480 0	RCFDS481 0	RCFDS482 0	RCFDS483 0	RCFDS484 0	9.b.
c. Trading assets	RCFDS485 0	RCFDS486 0	RCFDS487 0	RCFDS488 0	RCFDS489 0	9.c.
d. All other on-balance sheet securitization exposures	RCFDS490 0	RCFDS491 0	RCFDS492 0	RCFDS493 0	RCFDS494 0	9.d.
10. Off-balance sheet securitization exposures	RCFDS495 0	RCFDS496 0	RCFDS497 0	RCFDS498 0	RCFDS499 0	10.

Dollar amounts in thousands	(Column A) Totals From Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
11. Total balance sheet assets[14]	RCFD2170 159,208,335	RCFDS500 4,708,794	RCFDD987 41,275,448	RCFDHJ90 0	RCFDHJ91 0		RCFDD988 25,407,319	RCFDD989 7,655,505	RCFDD990 76,286,284	RCFDS503 833,152	11.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	
11. Total balance sheet assets[14]	RCFDS504 454,372	RCFDS505 0	RCFDS506 0	RCFDS507 0			RCFDS510 0	RCFDH300 2,587,461	11.

Dollar amounts in thousands	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
12. Financial standby letters of credit	RCFDD991 2,893,631	RCFDD992 2,893,631	RCFDD993 0	RCFDHJ92 0	RCFDHJ93 0		RCFDD994 466,123	RCFDD995 0	RCFDD996 2,427,508	RCFDS511 0	12.
13. Performance standby letters of credit and transaction-related contingent items	RCFDD997 457,287	RCFDD998 228,644	RCFDD999 0				RCFDG603 80,953	RCFDG604 0	RCFDG605 147,691	RCFDS512 0	13.
14. Commercial and similar letters of credit with an original maturity of one year or less	RCFDG606 45,102	RCFDG607 9,020	RCFDG608 0	RCFDHJ94 0	RCFDHJ95 0		RCFDG609 1,185	RCFDG610 0	RCFDG611 7,835	RCFDS513 0	14.
15. Retained recourse on small business obligations sold with recourse	RCFDG612 0	RCFDG613 0	RCFDG614 0				RCFDG615 0	RCFDG616 0	RCFDG617 0	RCFDS514 0	15.

Dollar amounts in thousands	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
16. Repo-style transactions[21]	RCFDS515 3,196,007	RCFDS516 3,196,007	RCFDS517 3,138,222	RCFDS518 0	RCFDS519 0		RCFDS520 0	RCFDS521 0	RCFDS522 57,785	RCFDS523 0	16.
17. All other off-balance sheet liabilities	RCFDG618 414,650	RCFDG619 414,650	RCFDG620 0				RCFDG621 0	RCFDG622 15,677	RCFDG623 398,973	RCFDS524 0	17.
18. Unused commitments:*											18.
a. Original maturity of one year or less	RCFDS525 8,148,211	RCFDS526 1,629,642	RCFDS527 0	RCFDHJ96 0	RCFDHJ97 0		RCFDS528 160	RCFDS529 5,349	RCFDS530 1,622,509	RCFDS531 1,624	18.a.

14. For each of columns A through R of item 11, report the sum of items 1 through 9. For item 11, the sum of columns B through R must equal column A. Item 11, column A, must equal Schedule RC, item 12.
21. Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.
*. Excludes unused commitments to asset-backed commercial paper conduits.

Dollar amounts in thousands	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
b. Original maturity exceeding one year..........................	RCFDG624 41,233,815	RCFDG625 20,616,908	RCFDG626 0	RCFDHJ98 0	RCFDHJ99 0		RCFDG627 2,462,122	RCFDG628 49,860	RCFDG629 18,069,025	RCFDS539 35,901	18.b.
19. Unconditionally cancelable commitments........................	RCFDS540 27,172,073	RCFDS541 0									19.
20. Over-the-counter derivatives..		RCFDS542 513,337	RCFDS543 393,878	RCFDHK00 0	RCFDHK01 0	RCFDS544 0	RCFDS545 194	RCFDS546 0	RCFDS547 119,265	RCFDS548 0	20.
21. Centrally cleared derivatives..		RCFDS549 91	RCFDS550 0	RCFDS551 91	RCFDS552 0		RCFDS554 0	RCFDS555 0	RCFDS556 0	RCFDS557 0	21.
22. Unsettled transactions (failed trades)[22]............................	RCFDH191 0		RCFDH193 0				RCFDH194 0	RCFDH195 0	RCFDH196 0	RCFDH197 0	22.

22. For item 22, the sum of columns C through Q must equal column A.

Dollar amounts in thousands	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Credit Equivalent Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
16. Repo-style transactions[24]				RCFDH301 0	RCFDH302 0	16.
17. All other off-balance sheet liabilities						17.
18. Unused commitments:[*]						18.
a. Original maturity of one year or less				RCFDH303 0	RCFDH304 0	18.a.
b. Original maturity exceeding one year				RCFDH307 0	RCFDH308 0	18.b.
19. Unconditionally cancelable commitments						19.
20. Over-the-counter derivatives				RCFDH309 0	RCFDH310 0	20.
21. Centrally cleared derivatives						21.
22. Unsettled transactions (failed trades)[25]	RCFDH198 0	RCFDH199 0	RCFDH200 0			22.

24. Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.
*. Excludes unused commitments to asset-backed commercial paper conduits.
25. For item 22, the sum of columns C through Q must equal column A.

Dollar amounts in thousands	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
23. Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk-weight category (for each of columns C through P, sum of items 11 through 22; for column Q, sum of items 10 through 22)	RCFDG630 44,807,548	RCFDS558 91	RCFDS559 0	RCFDS560 0	RCFDG631 28,418,056	RCFDG632 7,726,391	RCFDG633 99,136,875	RCFDS561 870,677	23.
24. Risk weight factor									24.
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24)	RCFDG634 0	RCFDS569 2	RCFDS570 0	RCFDS571 0	RCFDG635 5,683,611	RCFDG636 3,863,196	RCFDG637 99,136,875	RCFDS572 1,306,016	25.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	
23. Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk-weight category (for each of columns C through P, sum of items 11 through 22; for column Q, sum of items 10 through 22)	RCFDS562 454,372	RCFDS563 0	RCFDS564 0	RCFDS565 0	RCFDS566 0	RCFDS567 0	RCFDS568 0	23.
24. Risk weight factor								24.
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24)	RCFDS573 1,135,930	RCFDS574 0	RCFDS575 0	RCFDS576 0	RCFDS577 0	RCFDS578 0	RCFDS579 0	25.

Dollar amounts in thousands			
26. Risk-weighted assets base for purposes of calculating the allowance for loan and lease losses 1.25 percent threshold	RCFDS580	112,218,348	26.
27. Standardized market-risk weighted assets (applicable only to banks that are covered by the market risk capital rule)	RCFDS581	219,813	27.
28. Risk-weighted assets before deductions for excess allowance of loan and lease losses and allocated risk transfer risk reserve[27]	RCFDB704	112,438,160	28.
29. LESS: Excess allowance for loan and lease losses	RCFDA222	0	29.
30. LESS: Allocated transfer risk reserve	RCFD3128	0	30.
31. Total risk-weighted assets (item 28 minus items 29 and 30)	RCFDG641	112,438,160	31.
1. Current credit exposure across all derivative contracts covered by the regulatory capital rules	RCFDG642	324,330	M.1.

Dollar amounts in thousands	(Column A) With a remaining maturity of One year or less		(Column B) With a remaining maturity of Over one year through five years		(Column C) With a remaining maturity of Over five years		
2. Notional principal amounts of over-the-counter derivative contracts:							M.2.
a. Interest rate	RCFDS582	3,770,091	RCFDS583	16,799,209	RCFDS584	1,145,172	M.2.a.
b. Foreign exchange rate and gold	RCFDS585	2,335,179	RCFDS586	721,653	RCFDS587	50,345	M.2.b.
c. Credit (investment grade reference asset)	RCFDS588	0	RCFDS589	0	RCFDS590	75,000	M.2.c.
d. Credit (non-investment grade reference asset)	RCFDS591	0	RCFDS592	0	RCFDS593	0	M.2.d.
e. Equity	RCFDS594	247,807	RCFDS595	153,646	RCFDS596	314,397	M.2.e.
f. Precious metals (except gold)	RCFDS597	0	RCFDS598	0	RCFDS599	0	M.2.f.
g. Other	RCFDS600	0	RCFDS601	0	RCFDS602	0	M.2.g.
3. Notional principal amounts of centrally cleared derivative contracts:							M.3.
a. Interest rate	RCFDS603	5,457,192	RCFDS604	0	RCFDS605	0	M.3.a.
b. Foreign exchange rate and gold	RCFDS606	0	RCFDS607	0	RCFDS608	0	M.3.b.
c. Credit (investment grade reference asset)	RCFDS609	0	RCFDS610	0	RCFDS611	0	M.3.c.
d. Credit (non-investment grade reference asset)	RCFDS612	0	RCFDS613	0	RCFDS614	0	M.3.d.
e. Equity	RCFDS615	0	RCFDS616	0	RCFDS617	0	M.3.e.
f. Precious metals (except gold)	RCFDS618	0	RCFDS619	0	RCFDS620	0	M.3.f.
g. Other	RCFDS621	0	RCFDS622	0	RCFDS623	0	M.3.g.

Dollar amounts in thousands			
4. Amount of allowances for credit losses on purchased credit-deteriorated assets:[1]			M.4.
a. Loans and leases held for investment	RCFDJJ30	NR	M.4.a.
b. Held-to-maturity debt securities	RCFDJJ31	NR	M.4.b.
c. Other financial assets measured at amortized cost	RCFDJJ32	NR	M.4.c.

27. Sum of items 2.b through 20, column S; items 9.a, 9.b, 9.c, 9.d, and 10, columns T and U; item 25, columns C through Q; and item 27 (if applicable).
1. Memorandum items 4.a through 4.c should be completed only by institutions that have adopted ASU 2016-13.

Schedule RC-S - Servicing Securitization and Asset Sale Activities(Form Type - 031)

Dollar amounts in thousands	(Column A) 1-4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases, and All Other Assets	
1. Outstanding principal balance of assets sold and securitized by the reporting bank with servicing retained or with recourse or other seller-provided credit enhancements	RCFDB705 0	RCFDB706 0	RCFDB707 0	RCFDB708 0	RCFDB709 0	RCFDB710 0	RCFDB711 0	1.
2. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to structures reported in item 1	RCFDHU09 0	RCFDHU10 0	RCFDHU11 0	RCFDHU12 0	RCFDHU13 0	RCFDHU14 0	RCFDHU15 0	2.
Item 3 is to be completed by banks with $100 billion or more in total assets. 3. Reporting bank's unused commitments to provide liquidity to structures reported in item 1[1]	RCFDB726 0	RCFDB727 0	RCFDB728 0	RCFDB729 0	RCFDB730 0	RCFDB731 0	RCFDB732 0	3.
4. Past due loan amounts included in item 1:								4.
a. 30-89 days past due	RCFDB733 0	RCFDB734 0	RCFDB735 0	RCFDB736 0	RCFDB737 0	RCFDB738 0	RCFDB739 0	4.a.
b. 90 days or more past due	RCFDB740 0	RCFDB741 0	RCFDB742 0	RCFDB743 0	RCFDB744 0	RCFDB745 0	RCFDB746 0	4.b.
5. Charge-offs and recoveries on assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements (calendar year-to-date):								5.
a. Charge-offs	RIADB747 0	RIADB748 0	RIADB749 0	RIADB750 0	RIADB751 0	RIADB752 0	RIADB753 0	5.a.
b. Recoveries	RIADB754 0	RIADB755 0	RIADB756 0	RIADB757 0	RIADB758 0	RIADB759 0	RIADB760 0	5.b.
Item 6 is to be completed by banks with $10 billion or more in total assets. 6. Total amount of ownership (or seller's) interest carried as securities or loans[1]		RCFDHU16 0	RCFDHU17 0			RCFDHU18 0		6.
7. Not applicable								7.
8. Not applicable								8.
9. Maximum amount of credit exposure arising from credit enhancements provided by the reporting bank to other institutions' securitization structures in the form of standby letters of credit, purchased subordinated securities, and other enhancements	RCFDB776 0			RCFDB779 0	RCFDB780 0	RCFDB781 0	RCFDB782 0	9.
Item 10 is to be completed by banks with $10 billion or more in total assets. 10. Reporting bank's unused commitments to provide liquidity to other institutions' securitization structures[1]	RCFDB783 0			RCFDB786 0	RCFDB787 0	RCFDB788 0	RCFDB789 0	10.
11. Assets sold with recourse or other seller-provided credit enhancements and not securitized by the reporting bank	RCFDB790 39,331						RCFDB796 44,832	11.
12. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to assets reported in item 11	RCFDB797 36,403						RCFDB803 44,832	12.

1. The $100 billion asset-size test is based on the total assets reported on the June 30, 2018, Report of Condition.
1. The $10 billion asset-size test is based on the total assets reported on the June 30, 2018, Report of Condition.
1. The $10 billion asset-size test is based on the total assets reported on the June 30, 2018, Report of Condition.

Dollar amounts in thousands			
1. Not applicable			M.1.
2. Outstanding principal balance of assets serviced for others (includes participations serviced for others):			M.2.
a. Closed-end 1-4 family residential mortgages serviced with recourse or other servicer-provided credit enhancements	RCFDB804	39,331	M.2.a.
b. Closed-end 1-4 family residential mortgages serviced with no recourse or other servicer-provided credit enhancements	RCFDB805	3,828,268	M.2.b.
c. Other financial assets (includes home equity lines)[1]	RCFDA591	567,738	M.2.c.
d. 1-4 family residential mortgages serviced for others that are in process of foreclosure at quarter-end (includes closed-end and open-end loans)	RCFDF699	6,571	M.2.d.
Memorandum item 3 is to be completed by banks with $10 billion or more in total assets. 3. Asset-backed commercial paper conduits: [2]			M.3.
a. Maximum amount of credit exposure arising from credit enhancements provided to conduit structures in the form of standby letters of credit, subordinated securities, and other enhancements:			M.3.a.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	RCFDB806	0	M.3.a.1.
2. Conduits sponsored by other unrelated institutions	RCFDB807	0	M.3.a.2.
b. Unused commitments to provide liquidity to conduit structures:			M.3.b.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	RCFDB808	0	M.3.b.1.
2. Conduits sponsored by other unrelated institutions	RCFDB809	0	M.3.b.2.
4. Outstanding credit card fees and finance charges included in Schedule RC-S, item 1, column C[2]	RCFDC407	0	M.4.

Schedule RC-T - Fiduciary and Related Services(Form Type - 031)

Dollar amounts in thousands			
1. Does the institution have fiduciary powers? (If "NO," do not complete Schedule RC-T.)	RCFDA345	Yes	1.
2. Does the institution exercise the fiduciary powers it has been granted?	RCFDA346	Yes	2.
3. Does the institution have any fiduciary or related activity (in the form of assets or accounts) to report in this schedule? (If "NO," do not complete the rest of Schedule RC-T.)	RCFDB867	Yes	3.

Dollar amounts in thousands	(Column A) Managed Assets		(Column B) Non-Managed Assets		(Column C) Number of Managed Accounts		(Column D) Number of Non-Managed Accounts		
4. Personal trust and agency accounts	RCFDB868	8,083,443	RCFDB869	73,337,156	RCFDB870	3796	RCFDB871	50	4.
5. Employee benefit and retirement-related trust and agency accounts:									5.
a. Employee benefit - defined contribution	RCFDB872	79,213	RCFDB873	30,135,423	RCFDB874	6	RCFDB875	506	5.a.
b. Employee benefit - defined benefit	RCFDB876	94,001	RCFDB877	35,394,272	RCFDB878	13	RCFDB879	159	5.b.
c. Other employee benefit and retirement-related accounts	RCFDB880	4,582,702	RCFDB881	489,548	RCFDB882	4722	RCFDB883	88	5.c.
6. Corporate trust and agency accounts	RCFDB884	0	RCFDB885	0	RCFDC001	0	RCFDC002	0	6.
7. Investment management and investment advisory agency accounts	RCFDB886	20,650,092	RCFDJ253	0	RCFDB888	7554	RCFDJ254	0	7.
8. Foundation and endowment trust and agency accounts	RCFDJ255	1,169,862	RCFDJ256	97,712	RCFDJ257	260	RCFDJ258	22	8.
9. Other fiduciary accounts	RCFDB890	17,538	RCFDB891	1,005,821	RCFDB892	7	RCFDB893	29	9.
10. Total fiduciary accounts (sum of items 4 through 9)	RCFDB894	34,676,851	RCFDB895	140,459,932	RCFDB896	16358	RCFDB897	854	10.
11. Custody and safekeeping accounts			RCFDB898	53,348,124			RCFDB899	2939	11.
12. Fiduciary accounts held in foreign offices (included in items 10 and 11)	RCFNB900	0	RCFNB901	0	RCFNB902	0	RCFNB903	0	12.
13. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts (included in items 5.c and 11)	RCFDJ259	4,485,287	RCFDJ260	140,825	RCFDJ261	4713	RCFDJ262	38	13.

1. Memorandum item 2.c is to be completed if the principal balance of other financial assets serviced for others is more than $10 million.
2. The $10 billion asset-size test is based on the total assets reported on the June 30, 2018, Report of Condition.
2. Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

Dollar amounts in thousands			
14. Personal trust and agency accounts	RIADB904	14,664	14.
15. Employee benefit and retirement-related trust and agency accounts:			15.
a. Employee benefit - defined contribution	RIADB905	3,068	15.a.
b. Employee benefit - defined benefit	RIADB906	1,675	15.b.
c. Other employee benefit and retirement-related accounts	RIADB907	8,924	15.c.
16. Corporate trust and agency accounts	RIADA479	0	16.
17. Investment management and investment advisory agency accounts	RIADJ315	28,932	17.
18. Foundation and endowment trust and agency accounts	RIADJ316	1,731	18.
19. Other fiduciary accounts	RIADA480	10	19.
20. Custody and safekeeping accounts	RIADB909	2,759	20.
21. Other fiduciary and related services income	RIADB910	1,140	21.
22. Total gross fiduciary and related services income (sum of items 14 through 21) (must equal Schedule RI, item 5.a)	RIAD4070	62,903	22.
a. Fiduciary and related services income - foreign offices (included in item 22)	RIADB912	0	22.a.
23. Less: Expenses	RIADC058	NR	23.
24. Less: Net losses from fiduciary and related services	RIADA488	NR	24.
25. Plus: Intracompany income credits for fiduciary and related services	RIADB911	NR	25.
26. Net fiduciary and related services income	RIADA491	NR	26.

Dollar amounts in thousands	(Column A) Personal Trust and Agency and Investment Management Agency Accounts		(Column B) Employee Benefit and Retirement-Related Trust and Agency Accounts		(Column C) All Other Accounts		
1. Managed assets held in fiduciary accounts:							M.1.
a. Noninterest-bearing deposits	RCFDJ263	NR	RCFDJ264	NR	RCFDJ265	NR	M.1.a.
b. Interest-bearing deposits	RCFDJ266	NR	RCFDJ267	NR	RCFDJ268	NR	M.1.b.
c. U.S. Treasury and U.S. Government agency obligations	RCFDJ269	NR	RCFDJ270	NR	RCFDJ271	NR	M.1.c.
d. State, county, and municipal obligations	RCFDJ272	NR	RCFDJ273	NR	RCFDJ274	NR	M.1.d.
e. Money market mutual funds	RCFDJ275	NR	RCFDJ276	NR	RCFDJ277	NR	M.1.e.
f. Equity mutual funds	RCFDJ278	NR	RCFDJ279	NR	RCFDJ280	NR	M.1.f.
g. Other mutual funds	RCFDJ281	NR	RCFDJ282	NR	RCFDJ283	NR	M.1.g.
h. Common trust funds and collective investment funds	RCFDJ284	NR	RCFDJ285	NR	RCFDJ286	NR	M.1.h.
i. Other short-term obligations	RCFDJ287	NR	RCFDJ288	NR	RCFDJ289	NR	M.1.i.
j. Other notes and bonds	RCFDJ290	NR	RCFDJ291	NR	RCFDJ292	NR	M.1.j.
k. Investments in unregistered funds and private equity investments	RCFDJ293	NR	RCFDJ294	NR	RCFDJ295	NR	M.1.k.
l. Other common and preferred stocks	RCFDJ296	NR	RCFDJ297	NR	RCFDJ298	NR	M.1.l.
m. Real estate mortgages	RCFDJ299	NR	RCFDJ300	NR	RCFDJ301	NR	M.1.m.
n. Real estate	RCFDJ302	NR	RCFDJ303	NR	RCFDJ304	NR	M.1.n.
o. Miscellaneous assets	RCFDJ305	NR	RCFDJ306	NR	RCFDJ307	NR	M.1.o.
p. Total managed assets held in fiduciary accounts (for each column, sum of Memorandum items 1.a through 1.o)	RCFDJ308	NR	RCFDJ309	NR	RCFDJ310	NR	M.1.p.

Dollar amounts in thousands	(Column A) Managed Assets		(Column B) Number of Managed Accounts		
q. Investments of managed fiduciary accounts in advised or sponsored mutual funds	RCFDJ311	NR	RCFDJ312	NR	M.1.q.

Dollar amounts in thousands	(Column A) Number of Issues		(Column B) Principal Amount Outstanding		
2. Corporate trust and agency accounts:					M.2.
a. Corporate and municipal trusteeships	RCFDB927	NR	RCFDB928	NR	M.2.a.
1. Issues reported in Memorandum item 2.a that are in default	RCFDJ313	NR	RCFDJ314	NR	M.2.a.1.
b. Transfer agent, registrar, paying agent, and other corporate agency	RCFDB929	NR			M.2.b.

Dollar amounts in thousands	(Column A) Number of Funds		(Column B) Market Value of Fund Assets		
Memoranda items 3.a through 3.g are to be completed by banks with collective investment funds and common trust funds with a total market value of $1 billion or more as of the preceding December 31. 3. Collective investment funds and common trust funds:					M.3.
a. Domestic equity	RCFDB931	1	RCFDB932	338,696	M.3.a.
b. International/Global equity	RCFDB933	0	RCFDB934	0	M.3.b.
c. Stock/Bond blend	RCFDB935	6	RCFDB936	1,878,997	M.3.c.
d. Taxable bond	RCFDB937	0	RCFDB938	0	M.3.d.
e. Municipal bond	RCFDB939	0	RCFDB940	0	M.3.e.
f. Short term investments/Money market	RCFDB941	0	RCFDB942	0	M.3.f.
g. Specialty/Other	RCFDB943	2	RCFDB944	828,335	M.3.g.
h. Total collective investment funds (sum of Memorandum items 3.a through 3.g)	RCFDB945	9	RCFDB946	3,046,028	M.3.h.

Dollar amounts in thousands	(Column A) Gross Losses Managed Accounts		(Column B) Gross Losses Non-Managed Accounts		(Column C) Recoveries		
4. Fiduciary settlements, surcharges, and other losses:							M.4.
a. Personal trust and agency accounts	RIADB947	NR	RIADB948	NR	RIADB949	NR	M.4.a.
b. Employee benefit and retirement-related trust and agency accounts	RIADB950	NR	RIADB951	NR	RIADB952	NR	M.4.b.
c. Investment management agency accounts	RIADB953	NR	RIADB954	NR	RIADB955	NR	M.4.c.
d. Other fiduciary accounts and related services	RIADB956	NR	RIADB957	NR	RIADB958	NR	M.4.d.
e. Total fiduciary settlements, surcharges, and other losses (sum of Memorandum items 4.a through 4.d) (sum of columns A and B minus column C must equal Schedule RC-T, item 24)	RIADB959	NR	RIADB960	NR	RIADB961	NR	M.4.e.

Schedule RC-V - Variable Interest Entities(Form Type - 031)

Dollar amounts in thousands	(Column A) Securitization Vehicles		(Column B) Other VIEs		
1. Assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of the consolidated VIEs:					1.
a. Cash and balances due from depository institutions	RCFDJ981	0	RCFDJF84	0	1.a.
b. Securities not held for trading	RCFDHU20	0	RCFDHU21	0	1.b.
c. Loans and leases held for investment, net of allowance, and held for sale	RCFDHU22	0	RCFDHU23	0	1.c.
d. Other real estate owned	RCFDK009	0	RCFDJF89	0	1.d.
e. Other assets	RCFDJF91	0	RCFDJF90	0	1.e.
2. Liabilities of consolidated VIEs for which creditors do not have recourse to the general credit of the reporting bank:					2.
a. Other borrowed money	RCFDJF92	0	RCFDJF85	0	2.a.
b. Other liabilities	RCFDJF93	0	RCFDJF86	0	2.b.
3. All other assets of consolidated VIEs (not included in items 1.a. through 1.e above)	RCFDK030	0	RCFDJF87	0	3.
4. All other liabilities of consolidated VIEs (not included in items 2.a through 2.b above)	RCFDK033	0	RCFDJF88	0	4.

Dollar amounts in thousands			
5. Total assets of asset-backed commercial paper (ABCP) conduit VIEs	RCFDJF77	0	5.
6. Total liabilities of ABCP conduit VIEs	RCFDJF78	0	6.

Optional Narrative Statement Concerning the Amounts Reported in the Consolidated Reports of Condition and Income(Form Type - 031)

Dollar amounts in thousands			
1. Comments?	RCON6979	No	1.
2. Bank Management Statement	TEXT6980	NR	2.

Balance Administration

The Balance Administration Fee covers expenses incurred by BMO Harris Bank in managing client deposit accounts. It is assessed to recover some or all of the premiums BMO Harris pays to the FDIC for deposit insurance as well as other costs. The fee is based on the balance maintained in a client account per $1,000 average monthly ledger balance and appears in the client monthly analyzed billing statement. BMO Harris Bank's current Balance Administration Fee is $0.1333/$1,000 average monthly ledger balance. The fee is subject to change at any time without notice.

BMO Harris Bank will collateralize all deposit amounts over the first $250,000 at 100%. The first $250,000 in deposits is covered by FDIC insurance.

Liquidity and Investment Management

BMO Liquidity Portal

Our clients are facing challenges every day, such as evolving regulations, shifting global markets and the need to manage a variety of risk factors and shrinking staff sizes. The BMO Liquidity Portal can help navigate those challenges, allowing you to manage the investment and redemption of money market shares through one easy-to-use online site. The portal enables you to improve operational efficiencies, manage risk, and gain insight into your money market fund investments for enhanced liquidity management. The BMO Liquidity Portal is available from the *Foreign Exchange, Securities & Trade* tab within Online Banking for Business.

Improve Efficiency

- Intuitive design provides easy-to-use controls, trading, customizable reporting and analytics
- Experience streamlined access to many of the largest providers of money market funds
- Gain full oversight over continuous liquidity management, from trade entry through to final settlement and expedited access to proceeds

Gain Insight

- View up-to-date fund reporting and analytics to help you navigate the post U.S. regulatory reform environment
- Obtain market perspectives and insights provided by industry experts, researchers and product specialists
- Create customized, flexible, and exportable reports covering risk, compliance, performance, and accounting

Manage Risk[1]

- Visual analytics provide advanced holdings transparency and risk management
- Enhanced controls include customized user-level access, investment policy parameters for compliance, and trade entry tools to reduce potential errors on transactions
- Consultative approach to risk management helps ensure investments meet your risk profile and tolerance levels
- Review dashboard-style reporting and individual fund analytics to aid in decision-making when adding new funds
- Implement email push notifications to alert you to when fund metrics differ from user-defined levels

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1 The portfolio risk management process includes an effort to monitor and manage risk, but does not imply low risk.
INSTITUTIONAL USE ONLY

Shares of any fund are not deposits or obligations of, or guaranteed or endorsed by, BMO Harris Bank or any other insured depository institution, are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other Government Agency, and involve investment risk including potential loss of principal.

BMO Harris business checking account required. Banking deposit and loan products and services are provided by BMO Harris Bank N.A. and are subject to bank and credit approval. BMO Harris governing agreements contain the complete terms and conditions that apply to the products and services described above. All product and service features are subject to change at any time without notice. BMO Harris Bank N.A. Member FDIC.

Commercial Deposit Accounts

Choosing the right account structure for your business needs is the foundation of your treasury system. Whether you need operating accounts or special purpose accounts, BMO Harris Bank offers a full range of depository services that can help you maximize use of your funds. See the chart below to find the best account options to suit your business.

Corporate, Government and Nonprofit Deposit Accounts	Description	ECR[1]	Interest	FDIC Coverage[2]
Corporate Checking	Corporate Checking Account. Account Balances can be used to earn credit toward service fees.	✓		✓
Interest Corporate Checking	A checking account that pays interest. It can also receive earnings credit for certain balance amounts to reduce bank service fees.	✓	✓	✓
Business Access Checking	This is a non-interest bearing account that does not receive earnings credit but entitles the account holder to specific services up to a volume limit. These services are available to clients with a specified minimum balance.[3] Services not included in the package or volumes over a threshold amount will be billed separately.			✓
Multicurrency Account	These accounts are U.S. domiciled accounts and allow you to hold foreign currencies. BMO Harris offers 19 different foreign currency accounts.	✓[4]		✓
Corporate Money Market Deposit Account	Interest bearing only account with restrictions of a maximum of six convenience debits per month.[5]		✓	✓
Corporate Negotiable Order of Withdrawal (NOW) Account	Interest bearing transaction accounts for non-profit organizations.		✓	✓
Civic Checking	Interest bearing NOW account and business checking, provides earnings credit to offset fees. Available for nonprofit organizations, fiduciary accounts where all beneficiaries are eligible to maintain NOW accounts and organizations that qualify for 501(c) tax-exempt status.	✓	✓	✓

[1] Earnings credit rate

[2] Deposit accounts at BMO Harris Bank N.A. (BMO Harris), member FDIC, are protected to the maximum amount allowed by law in accordance with the FDIC's general deposit insurance rules and limits. Please refer to the FDIC's website (www.fdic.gov) for current information pertaining to deposit insurance coverage.

[3] Minimum balance (currently at $1,500, $5,000 and $10,000) depends on service package selected. Contact your Sales Manager for details.

[4] Applies to select currencies only. Contact your Sales Manager for details.

[5] TRANSACTION LIMITS ON SAVINGS AND MONEY MARKET ACCOUNTS: Additional **deposits** of any amount are allowed at any time. By federal regulation, withdrawals or transfers from Money Market Deposit and Savings accounts are unlimited when made in person at BMO Harris Bank; at an ATM; by messenger; or by a request by mail or speaking to a telephone representative to have a check payable to you and mailed to you. Transfers to repay loans at BMO Harris Bank are also unlimited. **All other convenience withdrawals or transfers**, including those made by check, POS transactions, ACH, wire, automated telephone banking, and online banking are limited to a combined total of six (6) per month or monthly statement period or cycle. Point-of-Sale debits against savings accounts are prohibited and will be declined. Transactions on savings accounts that exceed the limits will not be allowed.

BMO Harris business checking account required. Banking deposit and loan products and services are provided by BMO Harris Bank N.A. and are subject to bank and credit approval. BMO Harris governing agreements contain the complete terms and conditions that apply to the products and services described above. All product and service features are subject to change at any time without notice. BMO Harris Bank N.A. Member FDIC.

Civic Checking

The Civic Checking account offers not-for-profits and community organizations the combined features of both a traditional interest-bearing Negotiable Order of Withdrawal (NOW) account and a business-analyzed checking account.

As a single account to serve your needs, this is a combination of a NOW account and a business checking account, allowing earnings credit to offset transaction charges. In addition, earn interest on balances above the break-even point for earnings credits.

You can process an unlimited number of debit and credit transactions every month (wire, check, ACH).

You will receive monthly account and billing statements and have access to the Online Banking for Business platform to view/download balance and transaction reporting.

Fixed Income Investments

- Examples: ICD'S, REPO, TREASURY NOTES, COMMERCIAL PAPER
- Offered by BMO Capital Markets Sales - Trading & Financial Products
- Short or long term investment options

Government Certificates of Deposit

- These competitive CD products offer both collateralized and non-collateralized interest rates with guaranteed returns and minimal market risk
- Interest rates will vary based on maturity term. Higher interest rates offered with longer maturity terms. Maturity terms range from 30 days to 1,825 days maximum. Funds may not be withdrawn before maturity without penalty
- Funds are kept at the Bank

Safekeeping

An integrated, seamless solution for your critical settlement and clearing needs

Manage your safekeeping activities securely and efficiently with BMO Harris Bank's Safekeeping platform through Online Banking for Business. With more than 50 years of experience in securities safekeeping, we serve exchanges, fund managers, futures commission merchants, brokers, insurers, corporations, and financial institutions. BMO Harris Bank provides end-to-end safekeeping services that span the clearing, settlement, custody, and asset servicing value chain.

Features & Advantages

- **Streamline and simplify:**
  - Real-time online access to your safekeeping accounts
  - Enter settlement instructions online with simple, intuitive navigation, or upload trades using a simple comma separate values (CSV) file
  - Ad-hoc search capability with four years of history online; search results can be downloaded to allow you to manipulate and analyze your transactions data
  - Statements are available online for 90 days; six different types of statements are available. All statements can be exported to PDF or CSV formats
  - Connectivity to major exchanges and settlement banks in order to achieve straight-through processing of your trade orders and your post-trade processing needs
  - Real-time online access to your safekeeping accounts, trade orders and pledge positions
  - A dashboard display of upcoming activity for the next five business days and a snapshot view of the market value of your safekeeping account showing the previous business day's closing balance
  - Input transactions online or import them via a simple CSV file for bulk transaction initiation and approval
  - Create trade templates to ensure safe, secure, and accurate execution of buy, sell, free delivery, or free receive transactions. No rekeying or secondary approval is necessary
  - Flexibility to transact both DVP/RVP transactions and Free of Cash transactions
  - Extract files in PDF, Excel and comma-separated formats

- **Alerts and reports:**
  - Choose from 13 different alert options (trade pending approval, trade cancelled, etc.) that provide you with critical information and notify you when action is required
  - Scrolling broadcast messages alert you of significant activities
  - Email alerts are available to notify you when action is required
  - View trades needing approval
  - Receive corporate action notifications that advise and inform you of recent activity
  - Shows the opening balance in your Demand Deposit Account with updates in safekeeping activity throughout the business day
  - Comprehensive reporting on securities, pledge positions, principal and interest payments, transaction history and upcoming activity

- **Control and security:**
  - Real-time connectivity to the Federal Reserve Bank, Depository Trust Company (DTC), Bank of New York (BoNY) and SWIFT
  - Online self-administration to add, delete and change user profiles at your convenience without having to contact the Bank
  - Fully-redundant facilities and cross-trained staff in Chicago and Milwaukee
  - Support for all of your clearinghouse/depository securities pledging needs
  - SWIFT MT500 message series compatibility for securities instructions

How it Works

This process is reversed when the client sells a security.

- Safekeeping client purchases a security through a broker
- Client provides broker with their settlement instructions (i.e. how to deliver the security into their safekeeping account at BMO Harris Bank)
- Seller's custodian issues an 'expect to deliver' message to the depository, typically the Federal Reserve Bank or the Depository Trust Company
- enters 'expect to receive' instructions, using the Safekeeping online service or a trade file import; instructions can be inputted up to 12:45 p.m. MST (1:45 p.m. CST) for same day settlement for DTC and FRB settlements; anything thereafter is processed on a best effort basis. Trades will show as settled almost immediately if the delivering counterparty's instruction match exactly with the trade instructions input on the Safekeeping system. Times will vary if incomplete instructions are provided based on the volume of trades at that specific time due to the manual matching process.
- BMO Harris Safekeeping, via direct connectivity to depositories, searches for matching trade instructions
- Delivery order is 'matched' to the client's trade instructions and the security is delivered to BMO Harris Bank
- Safekeeping platform updates the client's position to reflect 'settlement', their ownership of the purchased security
- Safekeeping platform simultaneously withdraws funds from the client's DDA when the delivery has been confirmed

Reporting Capabilities

Our Online Safekeeping portal allows you the freedom to process transactions online rather than by phone or fax methods. You can easily conduct safekeeping functions online, and monitor your transactions in real time. Transaction information can be easily downloaded and manipulated without retyping. Flexible statement and reporting options, as well as a search engine with downloadable results, allow you to control and keep track of your cash flow quickly and easily.

Online Safekeeping provides timely, accurate, and comprehensive information about your company's account activity. Our system offers real-time information in four categories of safekeeping activity: deposits, withdrawals, interest payments, and maturities. Information can easily be viewed online or Downloadable in PDF, Excel, and comma-separated files.

Access to reporting capabilities is managed by through your Online Banking for Business and Safekeeping Administrator. will designate a primary administrator (ADMIN) to manage 's employee access to the online banking platform and Safekeeping tool. Through this, the Administrator can entitle access to Safekeeping and reporting on per user basis.

Online Statements reflecting the previous day's activity are available by 8 a.m. CT / 9 a.m. ET). The information can be viewed online or saved to your local drive in PDF or CSV format.

- **Statement of Securities Held** - detailed information about all holdings in the client's main account. Roll-up reporting lists all related sub-accounts, by account, and any related holdings. The default frequency is monthly, but it can also be configured for daily, weekly, quarterly, semi-annually, annually, and 'on activity'.
- **Advice of Posted Transactions** - lists all transactions that have been posted to the client account, both security movements and cash. The default frequency is 'on activity', but it can also be configured for daily, weekly, quarterly, semi-annually, and annually.
- **Advice of Anticipated Transactions** - lists any known transactions that will occur within three (3) business days after the statement date. This defined period is known as the look ahead period. This statement is available only when there is activity in the account.
- **Advice of Asset Maturity And Call** - lists all assets held in a client account that will mature or be called by a specified future date. This statement includes full and partial calls, pre-refunds, and buy-backs. Does not include the ABS/MBS instrument type. Available only when there is activity in the account.

Month-end reports are available the next business day at 6 a.m. CT / 7 a.m. ET. Statements are available online for 90 days and can be downloaded as PDF or CSV. The user sets the frequency (e.g., daily, weekly, monthly, or on-activity). Statements and Advices are no charge.

Sweep to Short Term Investments

Maximize the value of your excess funds while retaining liquidity with our Sweep to Investment Account services. Automatically move your excess account balances to selected money market funds after your last transaction of the day. Your excess balances earn competitive rates while providing liquidity to meet your operating demands — without any intervention on your part.

Wide selection of funds for you to choose.[1]

We offer six fund families with 13 money market portfolios from which to choose. Portfolio categories include:

U.S. Government

U.S. Treasuries

With all of our sweep options, you can invest all available funds or set a peg balance in your account. A peg balance represents a minimum balance in the account. Any excess funds above the peg balance will be invested.

Information at your fingertips.

Monitor your daily position online via Online Banking for Business or use your monthly statements to enable your business to monitor returns and make informed decisions.

Rates are subject to change weekly and rates can be provided upon request.

Note that your Treasury & Payment Solutions contacts are not licensed to provide you with a recommended fund in which to invest; however, we are happy to provide you with a Prospectus of your choice from the list below upon your request.

[1]Available fund families include proprietary funds
INSTITUTIONAL USE ONLY

All investment involve risk, including loss of principal.

BMO Asset Management Corp. is the investment adviser to the BMO Funds. BMO Investment Distributors, LLC is the distributor for the BMO Funds. Member FINRA/SIPC. BMO Asset Management Corp, BMO Investment Distributors, and BMO Harris Bank NA, are affiliated entities of BMO Financial Group.

Investments are: **NOT FDIC INSURED, NOT BANK GUARANTEE, MAY LOSE VALUE.**

BMO Harris business checking account required. Banking deposit and loan products and services are provided by BMO Harris Bank N.A. and are subject to bank and credit approval. BMO Harris governing agreements contain the complete terms and conditions that apply to the products and services described above. All product and service features are subject to change at any time without notice. BMO Harris Bank N.A. Member FDIC.

Zero Balance Accounts

Take control over corporate disbursement and collection activities. Zero Balance Accounts (ZBAs) allow you to automate the movement of funds between accounts, giving you centralized control of multiple accounts that can be designated for specific purposes including payroll, taxes, vendor payments and operating costs. ZBAs provide both flexibility and control over corporate disbursement and collection activities by allowing the automated movement of funds between accounts, giving you centralized control of multiple accounts.

Cash Concentration

The ZBA automatically transfers funds to or from your main account at the end of each business day to offset the net activity in each sub-account. Each sub-account maintains a balance of zero or a predetermined target balance. All sub-accounts are funded through your main account, reducing the chance of costly overdrafts and unauthorized transfers, and allowing you centralized control of multiple accounts. Funds will no longer sit idle in field accounts, and you will have cash on hand to meet your disbursement and investment needs.

Flexibility

ZBAs can be structured to accommodate your needs, from simple one-collection and one-disbursement account arrangements to more complicated corporate structures that allow several tiers.

Tiered ZBAs allow for each subsidiary or organizational unit of a company to have its own relationship structure for depositary and/or disbursement accounts within the holding company structure, accommodating up to nine tiers of master and sub-account relationships.

We offer these automated transfers:

- **Single Transfer.** At the end of each business day, debits and credits in each sub-account are automatically netted to one entry against the master account, which brings the sub account to zero or a predetermined target balance.
- **Dual Transfer.** This option offers a more detailed audit trail than the single transfer option. At the close of each business day, rather than netting debits and credits, the dual transfer shows a cumulative total credit and total debit amount from all of the sub-accounts against the master account in order to bring the account to zero or a predetermined target balance.
- **Multi Transfer.** At the close of business each day the multi-transfer option will process one ZBA transfer per debit or credit in the sub-account. That means each debit to the sub-account will have a funding transfer from the master account and each credit to the sub-account will be moved individually to the master account.

Save Money

All sub-accounts are funded through your master account, reducing the chance of costly overdrafts and unauthorized transfers. Funds will no longer sit idle in sub-accounts, providing you with cash on hand to meet your disbursement and investment needs.

Added Control

ZBAs enhance decentralized operations by giving the corporate cash manager overall funds control through the master account. They also provide an excellent audit trail for company disbursements and related deposits. Transfers between ZBAs and master accounts are clearly indicated on the monthly account statements, allowing you to track daily funds movement.

33. Statement of Community Involvement

Thank you for the opportunity to respond to this important question to highlight several economic development-related initiatives at BMO Harris Bank. Here are a few:

Financial Education

- Last year, we (BMO) announced the release of a new series of webinars called the **Community Impact Webinar Series**, which are being offered to support our low/mod income and minority communities and their financial needs. During these webinars, BMO partners with local realtors and non-profit/community partners to provide key information around homebuying, budgeting/savings/credit, the Child Tax Credit, refinancing for financial stability, among other topics.

- Over the last 12 months, BMO has hosted 21 webinars specifically in Chicago partnering with organizations such as West Cook Homeownership Center, Northwest Side Housing Center, The Chicago Urban League, The Resurrection Project, LUCHA and the Chicago Housing Authority, just to name a few. And, we've recently introduced offering these webinars in Spanish.

- The CRA Outreach Team has also built strong partnerships with our BMO branches in low/mod income and minority communities. Each branch attends Community Impact Day calls to receive key product and service information to share with customers such as down payment assistance/homebuyer programs offering up to $10,000 or more.

BMO EMpower

Earlier this month, we marked our one-year anniversary of BMO EMpower, our $5 billion, five-year commitment to advancing an inclusive economic recovery. I'm very pleased to share that we're well ahead of our targets, with over $2 billion in commitments over the first 12 months of the program. A very considerable amount of that funding is right here in Chicago, our U.S. headquarters.

We marked the anniversary with a community event entitled "*Accelerating Access to Capital: Building a More Inclusive Economy*". A wide variety of equity-related topics were discussed by a diverse group of community leaders, including senior representatives from Cleveland Avenue, The Chicago Community Trust, the Chicago Urban League, Chico & Nunes P.C., Loop Capital, We Rise Together, Hope Chicago, P33 and the United Way of Metropolitan Chicago, all sharing their perspectives and strategies to create a more equitable society.
Some of the highlights of the first year of BMO EMpower include:

- A $25 million investment in the Bridge Workforce & Affordable Housing Fund, which is focused on community revitalization.

- A $20 million commitment to the NEF Emerging Minority Development Fund, which will provide equity capital to minority developers of affordable housing.
- A $10 million donation to the Rush University System for Health in Chicago to create the RUSH BMO Institute for Health Equity.
- The recent expansion of the BMO for Black and Latinx Small Business program throughout the bank's U.S. footprint. Over $12 million in capital was allocated to over 300 small businesses in Illinois during the its pilot stage.
- The success of the Black and Latinx program also led to the launch of the BMO for Women initiative throughout BMO's U.S. footprint, aa loan product offering women-owned businesses expanded access to affordable business credit.

Engagement within the City of Chicago

- Supported the Black Women's Expo, sponsoring ten women owned businesses during the three-day event; for the Latina Expo our sponsorship covered half of the cost for 20+ small Latinx businesses.
- Sponsored the Illinois Hispanic Chamber of Commerce 30+1 Gala and the Chicago Urban League's Golden Fellowship Dinner celebrating 60 years.
- Conducted 3 small business roundtable discussions in English and Spanish to gather insight from business owners
- We have delivered Demystifying the Lending Process educational training and sharing the 3 pillars of the BMO for Black and Latinx and Women In Business program to several construction focused organizations such as Turner School of Construction Management, part of the 7 week training course for minority and women owned businesses in the disciplines practiced in the construction industry; Lakeside Alliance a joint venture builders of the Obama Presidential Center participate in monthly Lunch & Learn; Revolution Workshop an advocacy organization providing free construction skills training; Panelist for the Clark Construction Strategic Partnership Program, the organization invests in the growth and development of small business in eight cities including Chicago.
- Additional organizations that we have delivered training include the Chicago Supplier Minority Diversity Group, the Chicagoland Chamber of Commerce and the Chicago Regional Business Center

Overview: Treasury & Payment Solutions

Information Management

Online Banking for Business

We can demo BMO's Online Banking for Business for you.

BMO Harris' Online Banking for Business provides access to all of our online treasury management services. It provides a fully integrated and secure (HTTPS) browser-based service that makes managing your banking easier.

The system is flexible, allowing you to subscribe to the services that best meet your requirements, including:

Online Banking for Business Services	
Account Information	• Report preference settings • Transaction Search and Groups • Reports: Detail, Summary, Reconciliation, Cash Position, Sweep, and Custom • Cash Flow Forecasting Tool • Loan Balance and Transaction Reporting • Cash Concentration • Check Imaging • ERD (Electronic Report Delivery) • eStatements • File Transfer Facility (FTF)
Payments & Receivables	• Account Transfers • ACH Debit/Credit Origination • Lockbox Imaging • Recon Management • Fraud Controls • Stop Payment • Tax Payment • Wire Payment • *Zelle®*
Foreign Exchange, Securities & Trade	• Safekeeping • Foreign Exchange • Trade Finance • Liquidity Portal

Online Banking for Business Services	
Administration	• Alerts * • My Profile • Company Profile • Manage User • Manage Approvals • Mobile Approvals • Audit Reports
Help Center	• Powerful search functionality – ability to find answers fast • Services logically grouped by product, activity and search bar • Easy to follow format – bit sized step by steps and short task-focused how-to-videos • No sign in to Online Banking for Business required

* Set alerts/reminders that are delivered quickly to your email inbox (see list below)

Online Alerts

Online Banking for Business (OLBB) Subscriptions

- Alerts are sent to the email address setup in your OLBB User Profile
- Each Alert type has one centralized setup
- Incoming Wire, ACH Debits, and ACH Credits alerts reside under Account Information alerts

Activity	Threshold	Incoming	Outgoing	Pending Approval	Change	Success/Failure	Alert Set Up
Wire		●	●	●			Online Banking for Business Admin*
ACH	●	●	●	●			Online Banking for Business Admin*
ACH Fraud Filters and Exceptions		●		●	●		Bank
Online Banking for Business Administration: Users				●	●		Online Banking for Business Admin*
Account Balances	●						Online Banking for Business Admin*
Transactions	●	●	●				Online Banking for Business Admin*
File Transfer Facility Transmissions		●				●	Online Banking for Business Admin*
Positive Pay Exceptions		●					Bank
eStatements		●					Online user self-enrollment
EDI Collections		●					Bank

* These alerts can be set up by your OLBB Administrator

Your users can access Online Banking for Business 24 hours, 7 days a week from any device with an internet connection. We recommend the following browser experiences:

- Google Chrome, most recent stable version
- Microsoft Internet Explorer version 11
- Mozilla Firefox, most recent stable version
- Apple Safari versions 5.x, 6.x, and 7.x on Mac OS X

Power. Performance. Personalization.

Online Banking for Business helps manage your cash flow…easily!

Online Banking for Business offers flexibility in formatting account information based on your specific needs. Special reporting filters allow you to sort the information into subsets of BAI codes or transaction types, such as wire transactions or lockbox transactions. You can create month end reports to isolate information that is of particular importance. Verify the status of payments and receivables. Receive alerts for incoming transactions. Make electronic payments and transfer funds between accounts in seconds. Instantly move deposits from regional offices to your central account, all via the Internet. Personalize your dashboard to see the important information first. Managing cash flow has never been easier.

The **Online Help Center** provides you with easy 'on-the-spot' online help. The Help Center is a searchable support hub that makes finding answers fast and easy. Simply pick your service and choose from our list of common tasks and activities. Step-by-step instructions and how-to videos will help you complete your task quickly. For more in-depth guidance, click *"Show Me How To…"* at the top of the site for an interactive walkthrough of common tasks – such as setting up a new user or completing a transaction. All questions featured inside the Online Help Center can be shared, meaning any user can email or copy a link to a question, making it even easier to access and distribute BMO's self-help.

Customizable Report Options put the information you need at your fingertips. User-friendly search tools make it easy to identify specific transactions and information quickly. Users will have these options to customize reports prior to report generation:

- Date range and sorting by:
  - Date
  - BAI
  - Transaction Description
  - Debit or Credit
  - Bank Reference
  - Customer Reference
- Output details
- Transaction filters
- Highlighting of debits or credits with 'greater than, less than or equal to' thresholds
- Generating report templates and saving as a "Custom Report"

Daily transaction viewing and reporting functionality is available in the **Account Information** service via Online Banking for Business. will have access to 12 months of balance and transaction history with the option to upgrade to 24 months for an additional charge. Search for specific transactions, by date or by type, create groups of accounts, and access a variety of flexible report templates that you can customize to your needs. Previous day's account balances and transaction details are available as early as 6 a.m. CT. Current day account information is available in near real-time, which is refreshed every 15 minutes.

You can view images of checks deposited and checks paid by clicking on the specific item. You can select the level of detail desired by balance summary or credit and debit detail and examine individual check detail. The system can sort information according to transaction types and export in a format to assist with your reconciliation process.

Each report displays data for the accounts and dates you select. You can obtain near real-time balance and activity reports for an unlimited number of your BMO Harris accounts, automate your reporting procedures, and retrieve account history through tools that support your Account Information management.

Within the Account Information service, you will have the ability to perform **Cash Flow Forecasting**, which provides weekly forecasting capability in addition to the daily and monthly reporting views. You'll be able to:

- Filter currency, accounts and date range on the visualization graph with daily, weekly and monthly views
- Add expected transactions for future dates and include or exclude them from the forecast
- Manage expected cash flows by modifying, copying or deleting them
- Download cash flow visualizations to PDF or expected transaction details in Excel

The Account Information service includes five standard reports to help you keep track of all your accounts:

Online Banking for Business Reports	
Detail Report	All transactions cleared through an account for a specific timeframe; does not include balance information
Summary Report	Balances, summary amounts, and detailed transaction information for a specific timeframe
Reconciliation Report	All transactions cleared through an account on the specified processing or value date, including balances
Cash Position Report	A snapshot of all balance and summary information on accounts
Sweep Report	Displays balances and rates of return for sweep accounts
Custom Report	Tailors any of the above reports to suit your business needs; user can 'save as' a shared template

Users can export the account information using these standard file formats:

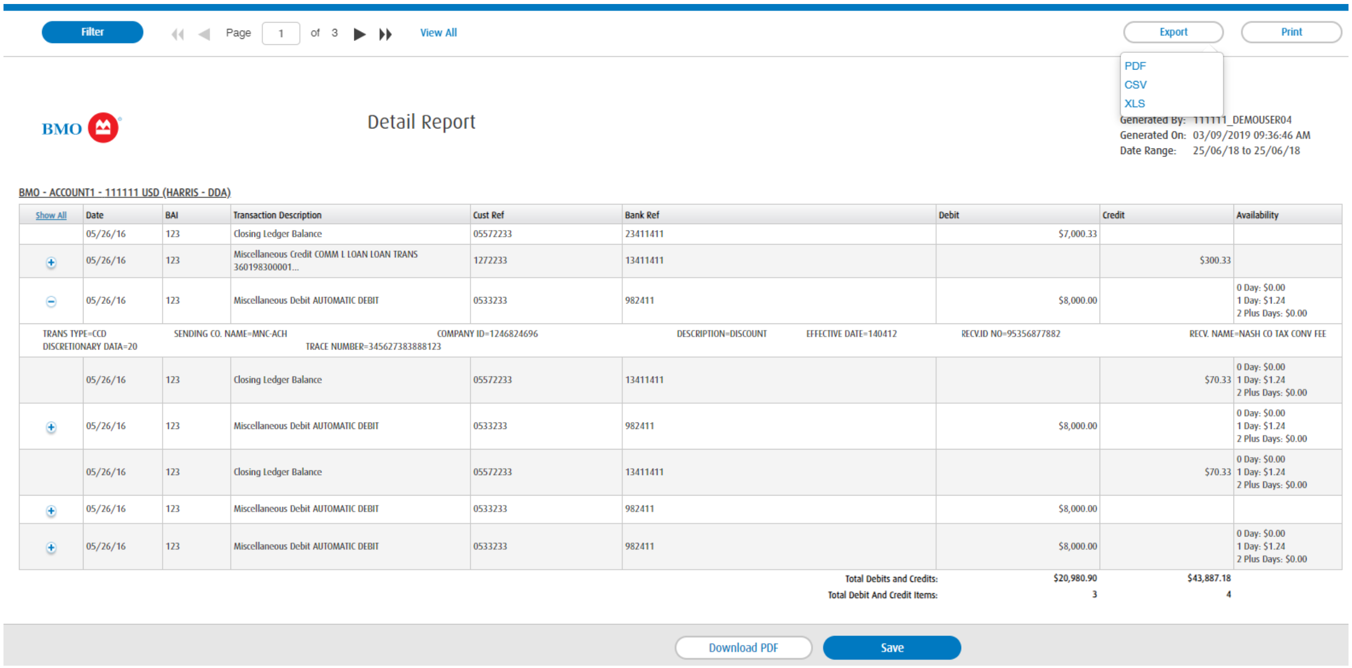
- BAI (Bank Administration Institute)

- CSV (Comma Separated Value)
- Quicken and QuickBooks
- XLS
- PDF

We offer a comprehensive suite of communication options, which will enable us to meet your specific communication requirements. We partner with OpenText to provide the communication protocols used for eCommerce technologies and B2B communications. OpenText operates a highly reliable, secure global network services platform, which enables us to provide our clients with a wide array of communication options. Our systems specialists will work closely with you to select a transmission method and file format that meets your requirements. Following is a list of some of the communications protocols provided:

- File Transfer Facility (FTF)
- HTTPS
- Secure FTP (File Transfer Protocol using SSL or SSH)
- Applicability Statement 2/3 (AS2/AS3)
- Virtual Private Network (VPN)
- FileAct (using SWIFTNet platform) for MT900, MT910, MT941, MT942, MT940, and MT950

A sample **Detail Report** is provided below.


Filter | Page 1 of 3 | View All | Export (PDF, CSV, XLS) | Print

BMO

Detail Report

Generated By: 111111_DEMOUSER04
Generated On: 03/09/2019 09:36:46 AM
Date Range: 25/06/18 to 25/06/18

BMO - ACCOUNT1 - 111111 USD (HARRIS - DDA)

Show All	Date	BAI	Transaction Description	Cust Ref	Bank Ref	Debit	Credit	Availability
	05/26/16	123	Closing Ledger Balance	05572233	23411411	$7,000.33		
+	05/26/16	123	Miscellaneous Credit COMM L LOAN LOAN TRANS 360198300001...	1272233	13411411		$300.33	
−	05/26/16	123	Miscellaneous Debit AUTOMATIC DEBIT	0533233	982411	$8,000.00		0 Day: $0.00 1 Day: $1.24 2 Plus Days: $0.00
TRANS TYPE=CCD SENDING CO. NAME=MNC-ACH COMPANY ID=1246824696 DESCRIPTION=DISCOUNT EFFECTIVE DATE=140412 RECV.ID NO=95356877882 RECV. NAME=NASH CO TAX CONV FEE DISCRETIONARY DATA=20 TRACE NUMBER=345627383888123								
	05/26/16	123	Closing Ledger Balance	05572233	13411411		$70.33	0 Day: $0.00 1 Day: $1.24 2 Plus Days: $0.00
+	05/26/16	123	Miscellaneous Debit AUTOMATIC DEBIT	0533233	982411	$8,000.00		0 Day: $0.00 1 Day: $1.24 2 Plus Days: $0.00
	05/26/16	123	Closing Ledger Balance	05572233	13411411		$70.33	0 Day: $0.00 1 Day: $1.24 2 Plus Days: $0.00
+	05/26/16	123	Miscellaneous Debit AUTOMATIC DEBIT	0533233	982411	$8,000.00		
+	05/26/16	123	Miscellaneous Debit AUTOMATIC DEBIT	0533233	982411	$8,000.00		0 Day: $0.00 1 Day: $1.24 2 Plus Days: $0.00
					Total Debits and Credits:	$20,980.90	$43,887.18	
					Total Debit And Credit Items:	3	4	

Download PDF | Save

A sample **Summary Report** is provided below.

Filter | Page 1 of 3 | View All | Export | Print

BMO

Summary Report

Generated By: 111111_DEMOUSER04
Generated On: 03/09/2019 09:46:54 AM
Date Range: 29/06/18 to 29/06/18

BMO ACCOUNT1 - 111111 USD (HARRIS - DDA)
Date: Jun 29, 2018

Balances	BAI	Totals
Opening Ledger Balance	010	$250.00
Opening Available Balance	040	$300.00
Closing Ledger Balance	015	$0.00
Closing Available Balance	045	$0.00
1 Day Float	072	$47.00
2 or More Days Float	074	$0.00

Summary Totals	BAI	Totals
Total Credits	100	$2,015,015.72 (283)
Total Other Check Deposits	170	$17,140.69 (23)
Total Miscellaneous Credits	390	$1,993,700.90 (256)
Total Debits	400	$147,880.45 (291)
Total ACH Disbursement Funding Debits	446	$31,690.62 (288)
Total Check Paid	470	$555.15 (4)
Total ZBA Debits	570	$116,189.77 (2)
Total Miscellaneous Debits	690	$0.02 (1)
Total Teller Deposit	941	$4,174.13 (4)

Date	BAI	Transaction Description	Debit	Credi	Availability	Cust Ref	Bank Ref	Transaction Details
06/29/18	690	Miscellaneous Credit PC TRANSFER CREDIT		$150	0 Day: $130.00 1 Day: $10.00 2 Plus Days: $10.00	000000171293	0000093127	PC TRANSFER CREDIT
06/29/18	690	Miscellaneous Credit PC TRANSFER CREDIT		$160	0 Day: $140.00 1 Day: $10.00 2 Plus Days: $10.00	000000171293	0000093127	PC TRANSFER CREDIT
06/29/18	690	Outgoing Money Transfer REFERENCE NUMBER=OLBB2015122932314011 TR...	$150.00			500350	0269628547	PC TRANSFER CREDIT
06/29/18	690	Coupon Collection Debit PC TRANSFER CREDIT INCOMING WIRE PAYMENT...	$87.00			00987512	35621437	PC TRANSFER CREDIT INCOMING WIRE PAYMENTCA PLASTIC MANUFACTURERS
06/29/18	690	Coupon Collection Debit PC TRANSFER CREDIT INCOMING WIRE PAYMENT...	$160.00			12547896	3256748	PC TRANSFER CREDIT INCOMING WIRE PAYMENTCA PLASTIC MANUFACTURERS
06/29/18	690	Miscellaneous Credit PC TRANSFER CREDIT		$150	0 Day: $130.00 1 Day: $10.00 2 Plus Days: $10.00	000000171293	0000093127	PC TRANSFER CREDIT
06/29/18	690	Coupon Collection Debit PC TRANSFER CREDIT INCOMING WIRE PAYMENT...	$87.00			0.00	0.00	PC TRANSFER CREDIT INCOMING WIRE PAYMENTCA PLASTIC MANUFACTURERS
06/29/18	690	Outgoing Money Transfer REFERENCE NUMBER=OLBB2015122932314011 TR...	$150.00			500350	0269628547	PC TRANSFER CREDIT
06/29/18	690	Coupon Collection Debit PC TRANSFER CREDIT INCOMING WIRE PAYMENT...	$87.00			00987512	35621437	PC TRANSFER CREDIT INCOMING WIRE PAYMENTCA PLASTIC MANUFACTURERS
06/29/18	690	Coupon Collection Debit PC TRANSFER CREDIT INCOMING WIRE PAYMENT...	$160.00			12547896	3256748	PC TRANSFER CREDIT INCOMING WIRE PAYMENTCA PLASTIC MANUFACTURERS
06/29/18	690	Miscellaneous Credit PC TRANSFER CREDIT		$150	0 Day: $130.00 1 Day: $10.00 2 Plus Days: $10.00	000000171293	0000093127	PC TRANSFER CREDIT
06/29/18	690	Coupon Collection Debit PC TRANSFER CREDIT INCOMING WIRE PAYMENT...	$87.00			0.00	0.00	PC TRANSFER CREDIT INCOMING WIRE PAYMENTCA PLASTIC MANUFACTURERS
06/29/18	690	Outgoing Money Transfer REFERENCE NUMBER=OLBB2015122932314011 TR...	$150.00			500350	0269628547	PC TRANSFER CREDIT
06/29/18	690	Coupon Collection Debit PC TRANSFER CREDIT INCOMING WIRE PAYMENT...	$87.00			00987512	35621437	PC TRANSFER CREDIT INCOMING WIRE PAYMENTCA PLASTIC MANUFACTURERS
06/29/18	690	Coupon Collection Debit PC TRANSFER CREDIT INCOMING WIRE PAYMENT...	$160.00			12547896	3256748	PC TRANSFER CREDIT INCOMING WIRE PAYMENTCA PLASTIC MANUFACTURERS
06/29/18	690	Miscellaneous Credit PC TRANSFER CREDIT		$150	0 Day: $130.00 1 Day: $10.00 2 Plus Days: $10.00	000000171293	0000093127	PC TRANSFER CREDIT
06/29/18	690	Coupon Collection Debit PC TRANSFER CREDIT INCOMING WIRE PAYMENT...	$87.00			0.00	0.00	PC TRANSFER CREDIT INCOMING WIRE PAYMENTCA PLASTIC MANUFACTURERS
06/29/18	690	Outgoing Money Transfer REFERENCE NUMBER=OLBB2015122932314011 TR...	$150.00			500350	0269628547	PC TRANSFER CREDIT
06/29/18	690	Coupon Collection Debit PC TRANSFER CREDIT INCOMING WIRE PAYMENT...	$87.00			00987512	35621437	PC TRANSFER CREDIT INCOMING WIRE PAYMENTCA PLASTIC MANUFACTURERS
06/29/18	690	Coupon Collection Debit PC TRANSFER CREDIT INCOMING WIRE PAYMENT...	$160.00			12547896	3256748	PC TRANSFER CREDIT INCOMING WIRE PAYMENTCA PLASTIC MANUFACTURERS
06/29/18	690	Miscellaneous Credit PC TRANSFER CREDIT		$150	0 Day: $130.00 1 Day: $10.00 2 Plus Days: $10.00	000000171293	0000093127	PC TRANSFER CREDIT
06/29/18	690	Coupon Collection Debit PC TRANSFER CREDIT INCOMING WIRE PAYMENT...	$87.00			0.00	0.00	PC TRANSFER CREDIT INCOMING WIRE PAYMENTCA PLASTIC MANUFACTURERS

Total Debits And Credits:	$397.00	$310.00
Total Debits And Credits:	3	2

Download PDF Save

The Online Banking for Business **Account Transfer** service makes it easy to allocate funds and strategically manage cash. You can transfer funds between domestic BMO Harris accounts or between BMO (Canada) and BMO Harris (US) cross-border accounts in near real time.

The Account Transfer service is available 24/7 and allows you to:

- Transfer funds in real-time for the same day or up to 365 days in the future
- Create and complete up to 50 transfers at once
- Individually assign the scheduled transfer time; different times can be assigned to each transfer occurring on the same day, allowing for staggered transfers to potentially prevent overdrafts

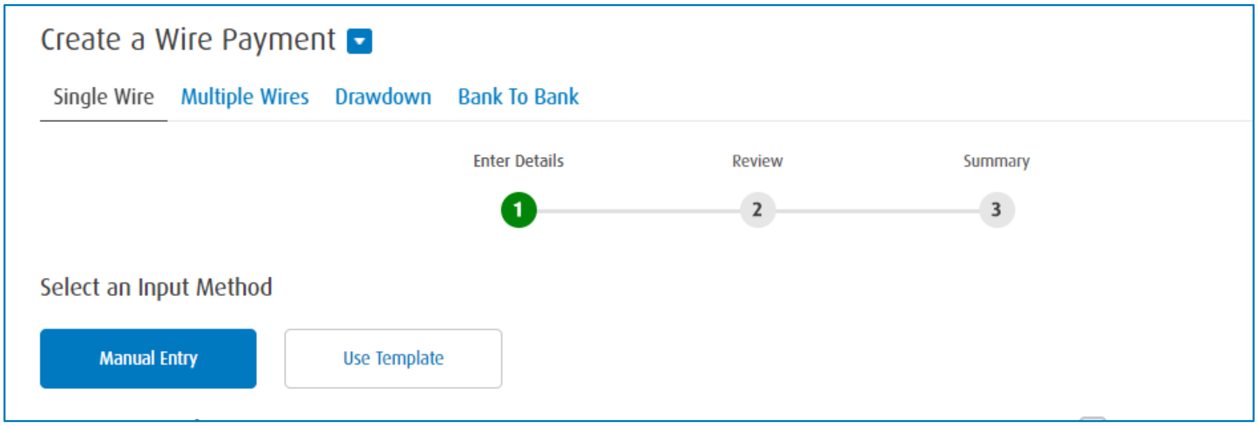
- Create templates containing one or many transfers for recurring use on a single transfer page
- Set up recurring transfers with frequencies including; daily, weekly, bi-weekly, monthly, and quarterly
- Use the bulk update feature to update more than one transfer at a time
- Modify or delete future-dated transfers
- Choose whether to add levels of approval or BiometricID or BMO Passcode authentication to be required when confirming your transfers
- Generate transfer summary reports for transfer activity, which includes transfer history for the past 12 months (two-year history available upon request for additional fee)
- Export reports into HTML, CSV, XLS, and PDF

The Online Banking for Business Wire Payments service is an intuitive, user-friendly solution with extensive, real-time editing capabilities that reduce the risk of upfront errors and repairs. The online search capabilities allow you to access the full directory of routing instructions for banks around the world.

In addition, our wire payments service is fully integrated within the Online Banking for Business service, allowing you to access your account information and reporting in real-time, rather than having to wait for periodic updates from a batch file processing system.

The ability to initiate multiple wires from templates as well as use File Imports speed the process even more and permit you to initiate several wire payments with the least amount of effort, while still providing the greatest amount of control.

The flexibility and ease of use allows for the creation and approval of wire payments through both free-form entries and/or template-based wire payments. The system allows multiple levels of approval.



Streamlined initiation and approval screens

Wire payments can be value-dated up to 365 calendar days into the future and once completely approved by your Corporate Administrator, they are stored on our wire payment system and processed on the appropriate date. Users who are entitled to create freeform wires, create templates or modify wires will automatically be able to save a list of favorite banks that they use most frequently when sending wires.

An easy-to-use administrative tool lets your Corporate Administrator set up, copy similar users, and delete users in seconds. These administrative tools also help you manage risk by controlling who has access to your account information. Create customized user profiles, assign individual access to accounts and services, and determine what levels of information users can access. Depending on the limits and controls assigned to a user, additional approval(s) may be required to complete a transaction.

Your Corporate Administrator will determine the privileges afforded to each of your on-line banking users and control the number of approvals necessary for each transaction type. If enforced, the following limit types may prompt additional approvals to complete a transaction:

- Daily cumulative initiation limit
- Daily cumulative approval limit
- Free-form transaction initiation limit
- Free-form approval limit
- Template transaction initiation limit
- Template transaction approval limit

A transaction will not be considered completed until the defined number of approvals has been obtained. A user who created or last modified a transaction generally may not be able to approve it. Segregation of duties is maintained by this requirement. Should a transaction be modified during that approval process, all approvals received to that point will be removed and the transaction will revert to the beginning of the approval process.

Once wire payment instructions have been initiated and approved, you will receive immediate confirmation, including payment details and reference numbers. To track your wire payment activity, you can access reports to review the details of historical transactions for up to 12 months with an option to save transaction details for 24 months for an additional fee.

BMO Harris is both a "sending" and "receiving" bank with Nacha - The Electronic Payments Association. We have the expertise requires to manage your **ACH processing**. We offer a comprehensive suite of ACH credit and debit services including: Preauthorized Debits, Direct Deposit Payroll, Concentration Services, Debit Block and ACH Positive Pay Services, Tax Payment Services, EDI Collection and EDI Origination services.

Through the Online Banking for Business system, we offer two options for ACH initiation:

1) Clients can import ACH file transmissions through the **Online ACH** service of Online Banking for Business. Users can initiate ACH credits or debits as needed with future dating that is allowed up to 30 days. To increase efficiencies and reduce the risk of keying errors, users can create one-time payments and schedule them to be released at regular intervals (weekly, monthly, quarterly, etc.).
2) A Nacha file can also be uploaded into Online Banking for Business through the File Transfer Facility (FTF).

Alternatively, to originate a large number of ACH payments, can perform a **Direct Send ACH file transmission** to BMO Harris. For this method of ACH, you will first need to create your own Nacha formatted file, which can be done through your accounting system or ERP software. Direct Send allows you to achieve straight through processing of your payments from initiation through settlement. Entries can be future dated up to 60 days. Your information is transmitted securely using the most up-to-date security technology available. We offer a comprehensive suite of communication options to meet your specific requirements through our partnership with OpenText, giving you flexibility in selecting the communication protocols to meet your needs when sending us ACH files. OpenText operates a highly reliable, secure global network services platform. We provide these communications protocols:

- File Transfer Facility (FTF)
- HTTPS
- Secure FTP (File Transfer Protocol using SSL or SSH)
- Applicability Statement 2/3 (AS2/AS3)
- Virtual Private Network (VPN)
- FileAct (using SWIFTNet platform)

ACH files are processed in "windows" throughout each business day (Central Standard Time). Processing windows allow time for any file exceptions/issues to be resolved (e.g., exceeded limit, bad file, missing control totals).

Please note our cutoff times below.

	Same Day via Secure Transmission (out to the Fed)	Same Day via Online Banking for Business ACH Service (out to Fed)	Same Day (on-us only)	Next Day via Secure Transmission	Next Day via Online Banking for Business ACH Service
Settlement Line Clients	2:15 p.m. CT	2 p.m. CT	7 p.m. CT	7 p.m. CT	7 p.m. CT
Prefunding Clients (funds must be available in account prior to processing)	12:30 p.m. CT	12:15 p.m. CT	(same as the next day deadlines)	3:15 p.m. CT	1:45 p.m. CT

Recommended send times for client files to reach BMO:

For Same Day ACH Settlement Line clients, send file transmissions prior to 2 p.m. CT.

For ACH Prefunding clients, send file transmissions prior to 12:15 p.m. CT (Prefunding clients must be on Wire Prefunding for Same Day processing).

BMO Online Banking for Business Mobile App and Biometric ID

Your business takes you places. Now your banking can come with you. Our new BMO Online Banking for Business app lets you check your cash flow, send or receive payments, and manage your approvals on the go.

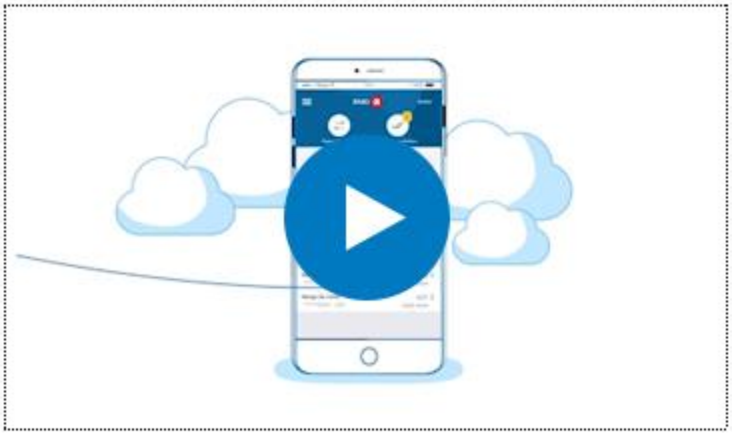
Monitor Your Cash Flow, Send & Receive Payments, Perform Mobile Approvals

- View real-time account balances and transaction history
- Push notifications and alerts
- Move money between your own accounts
- Use your templates to send domestic and international wire payments
- Initiate and approve mobile check capture

- View pending approvals for all services
- Review and approve:
  - Account transfers
  - ACH payments and templates
  - Wire templates, payments, and investigations
  - Recon Management pay/return decisions and decision approvals
  - Password resets

See our Video: Business Banking on the go | BMO Online Banking for Business

Click on the image below or copy/paste or type this link into your web browser:
https://www.youtube.com/watch?v=296D5IAWiBk&index=1&list=PLL9xirGCD0zlEYm9ZTXcuxiIYNkTNkI_S



Within the Online Banking for Business portal we recommend using the **Stop Pay/Check Inquiry** service to initiate and manage online stop payments. You will have 12 months of paid check history included. Users can search and view specific check paid activity for a single date or date range. You will have the ability to place or cancel stop payments in real time, ultimately mitigating the risk of check fraud. The 'Stop Term' is available in 12, 24, or 60 months. Stop payments are not automatically renewed; however, will be able to renew online using the manage stop report.

The **Positive Pay/Reconcilement** service in Online Banking for Business will provide the ease and flexibility to investigate and make Positive Pay payment exception decisions in an integrated image-based environment. Built-in security features ensure only authorized individuals are making critical payment decisions. Multiple authorization controls are available if you need additional security. You will have the ability to set up different approvers according to check ranges. You will also have the ability to require a second approver for Positive Pay exception items over a specific dollar threshold. Manually issued checks and voids can be inputted through the Reconcilement service.

Should use our Positive Pay service, we offer **Same Day Teller Positive Pay** at the teller window. This helps protect our business clients. Within one hour of successful check issue file uploads or manual issues and voids entered in Online Banking for Business, our teller system will quickly recognize these items. The system will verify dollar amount and serial number on all checks cashed at the teller line. With our Enhanced Payee Verification, the system also checks payee name alterations before they are cashed at the teller line.

Check Imaging gives you quick, easy, and secure access to high-quality check images that provide the information you need and fulfills your historical archive needs. The system scans, indexes, and digitally stores checks for easy retrieval. In BMO Harris Online Banking for Business, entitled users can view check images and perform individual or multiple image searches by transaction date, dollar amount, or check number. You can expect:

- Immediate access to check images
- Search and retrieve images of processed checks at your convenience
- Reduce the time staff may spend on retrieving check copies
- View exceptions when combined with positive pay services
- Images are stored in our archive repository for seven years

Three Options for Check Image Delivery

Three options for Check Image Delivery

BMO Online Banking for Business	View, search, download and print images via Online Banking for Business. Access paid, deposited, or returned deposited (chargeback) images, with a seven-year archive. Includes access to view images within account reporting too.
eDelivery with Image Viewing Software	Check image and index information is downloadable through a secure mailbox. This includes the image viewing software where you can easily search for images.
eDelivery Bulk XML file	Automatic bulk file transmission. Best option if you issue a high volume of checks. Images must be viewed on your own in-house image viewer application.

The **Lockbox Imaging** service allows you to enhance your receivables management with timely access to online images of your lockbox remittances. Make informed decisions with online access to images of your checks, stubs and other correspondence that can be scanned the same day we process your remittances. Advanced imaging solutions are available at each of our Lockbox sites, so checks and any accompanying remittance documents can be viewed online within minutes of processing. Images are stored for up to 90 days with an option of seven years. This means you can enjoy fast, convenient access to your receivables information and reduce the cost of storing and archiving paper.

BMO Harris offers the **Foreign Exchange (FX)** service within the Online Banking for Business platform. As a leading Foreign Exchange provider, we have the expertise and tools to help you stay on top of your foreign exchange transactions. Foreign Exchange will benefit your business when conducting business in non-US dollar currencies. You can manage FX securely online:

- Access spot and forward quotes in seconds
- Execute instant buy and sell trades on more than 50 currency pairs from 7 a.m. to 8 p.m. CT Monday-Thursday and 7 a.m. to 4 p.m. CT Friday (trades may only be completed on business days)
- Create and manage templates for repetitive payment instructions

- Use currency swaps to extend an existing forward to a future date
- Split an FX purchase between multiple settlements
- Review and track all past foreign exchange activities and contracts
- Customize individual user settings, including access to accounts, product availability, dollar limits, reports, and other services

In addition, international wires can be initiated online using the Foreign Exchange service of Online Banking for Business. Exchange rates are equally competitive whether transactions are initiated by phone or online. A standard wire transfer settles in two business days, however, Online Banking for Business gives you the flexibility to execute transactions on a 'spot and forward' basis. International transactions can even be executed for next day value and same day value (in some circumstances).

The following applies to SWIFT, Online Banking for Business, and Telephone initiation. We can send the following currencies from a USD account or multicurrency account (in the same currency):

- Australian Dollar (AUD)
- Canadian Dollar (CAD)
- Danish Krone (DKK)
- Euro (EUR)
- Hong Kong Dollar (HKD)
- Indian Rupee (INR)
- Japanese Yen (JPY)
- Mexican Peso (MXN)
- New Zealand Dollar (NZD)
- Norwegian Krone (NOK)
- Pound Sterling (GBP)
- Singapore Dollar (SGD)
- South African Rand (ZAR)
- Swiss Franc (CHF)

You also can send foreign currency wires in these currencies from a multi-currency account:

- Czech Koruna (CZK)
- Hungarian Forint (HUF)
- Polish Zloty (PLN)
- Turkish Lira (TRY)
- Chinese Yuan Renminbi (CNY)

Cash flow management is not just about deposit accounts. **Loan Reporting, Payments and Draws** are available in BMO Harris Bank's Online Banking for Business platform to provide you with increased flexibility. Online Banking for Business allows access to loan balances as well as the ability to pay and draw on your loan accounts, based on eligibility.

Features & Advantages

Maximize your cash management decisions

The Loan Reporting, Payments, and Draws service provides:

- An easy and efficient way to manage your BMO Harris loan accounts
- Ability to make payments to and initiate draws from your loans online
- Online visibility to view payment schedules

Access the information you need

- Access to your outstanding and available loan balances in one central location from the Online Banking for Business homepage
- Detailed loan information: projected principal, interest, escrow and late fees due
- Loan detail with transaction history can be exported into a PDF or CSV file
- 60 days of loan activity is available

How it Works

Eligible clients can initiate payments from and draws directly into their BMO Harris checking account using the loan payments and draws service. Your Corporate Administrator must provide the individual user access to the loan payments and draws service and designate the associated accounts.

Additional features include:

- The ability of submitting up to 30 pay and/ or draw transaction at the same time by using the multiple transfer screen
- Users can set up templates for repetitive pay and draw transactions

For additional security, the Administrator has the option of requiring approvals after the pay or draw has been submitted. The approval requirement can be set anywhere from one additional user to four, depending upon your preference.

Our **Electronic Report Delivery (ERD)** service available in Online Banking for Business allows you to choose to receive your ACH return and redistribution and other reports online. Your designated Primary Corporate Administrator (PCA) controls the report access assigned to each user.

Our **eStatement** service is web-based to provide you with convenient access to electronic copies of all types of statements online. Accounts and services with available eStatement delivery include:

- Checking accounts
- Money market account
- NOW accounts
- Savings accounts
- Multicurrency accounts
- Account analysis statements and notices
- Account reconciliation reports

Quick statement delivery means faster review and reconciliation, saving you time.

eStatements are available within 24 hours of issuance giving you more control over your statement data. Set up email alerts to notify you when statements are available. eStatements are archived and searchable for up to seven years, beginning on the date of your implementation. Download your statements in a protected PDF format or in CSV format for easier manipulation and investigation; you may also download multiple statements to one zip file. Share information by setting up users with eStatement access in BMO Harris Bank Online Banking for Business or by distributing the statements via your company email.

Online Banking for Business Scheduler - Streamline Your Processes with Automatic Report Generation

The Scheduler allows customers the ability of automating and scheduling the receipt of their Account Information reports in a BAI or CSV format via one of the bank secure transmission methods (FTF or an OpenText mailbox – SFTP, VPN, AS2/AS3, FileACT).

The Scheduler is an enhanced alternative to Direct Transmissions with its flexibility.

Features:

- Schedule previous day files (includes Wire and ACH details) with daily, weekly, or monthly frequencies
- Schedule same day files (includes Wire and ACH details) between 6 a.m. to 7 p.m. CT with the option of delivering a file as frequently as every hour
- Files containing both BMO Harris (US) and BMO (CAN) accounts can be generated

Benefits:

- Customize the data you want for each report. Choose from transaction, balance, and summary data
- Tailor the delivery frequency of each report to meet your needs
- Update your own internal accounting system with automated delivery of information
- Receive expanded transaction details, such as beneficiary, originator, and addenda information for wire and ACH transactions

Security Features & Controls

BMO's Online Banking for Business online portal service uses multiple levels of security to protect all your information and transactions, limit access to your accounts, and guard against unauthorized entry into BMO's system. To maintain maximum confidentiality, company profiles, user profiles, and passwords are established. Online Banking for Business users are required to use secure authentication to authorize the movement of funds. In addition, the system times out if there is no activity after 30 minutes.

Your Primary Corporate Administrator (PCA) can assign dollar limits to users and secondary approvals will be required for payment transactions. can establish dual administrators, which we recommend, where all changes must be reviewed and approved. To monitor portal usage, the PCA will have access to these audit reports:

Online Banking for Business – Audit Reports	
User Access Change Report	Shows user ID, action, section, change type, executed by, executed date, approved by, and approved date
User Detail Report	Shows user profile, user services, user accounts, and settings for all entitled services
User Activity Audit Report	Shows user ID, name, activity – login, navigation, logout, actions, details, date/time
Alert History Report	Shows history by user of their alert events for subscribed services, such as incoming transactions, outgoing ACH/wires, pending approvals, balances, etc.

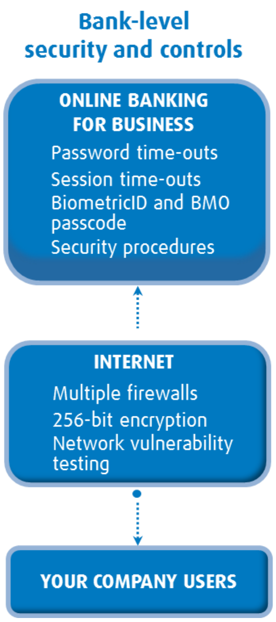
Online Banking for Business protects our clients' accounts with these security controls:

- Firewalls protect the application, servers, and client data from unauthorized use
- 256 bit encryption is used throughout each session
- Multifactor authentication is built into the online banking platform; access is controlled by two sets of IDs and a password
- Secondary authentication is required to authorize fund movement either through biometric identification or through BMO Passcode. Biometric identification requires face or voice recognition registered through a mobile device. BMO Passcode is a software-based token that generates a security code.
- Institution ID and password (assigned by BMO)
- Unique User ID and password (assigned by your corporate administrator)
- Password changes are enforced based on parameters setup by your corporate administrator
- Access is denied after more than three incorrect password attempts until reset by your corporate administrator or BMO
- Security settings managed by your corporate administrator with bank thresholds
- Preferences and security – up to three administrative approvals

Additionally, to help protect against online fraud we offer a free download of **IBM Trusteer's Rapport**[1] software. It is easy to install and works with your existing firewall and anti-virus protection to ensure access to the genuine Online Banking for Business site.

1 Downloading and Use of the IBM Trusteer Rapport software is governed by the terms of the Trusteer Rapport license agreement, which is provided with the software. BMO Harris Bank N.A. makes no representation or warranty respecting the software or the IBM Trusteer Rapport website. BMO Harris Bank N.A. is not responsible for any difficulties, consequences, costs, claims, damages or losses arising in any way whatsoever out of the downloading or Use of the software. ®* Trusteer and IBM Trusteer Rapport are trademarks or registered trademarks of Trusteer, an IBM Company. "IBM" and the IBM eight-bar logo are registered trademarks of IBM in the United States and other countries. BMO Harris business checking account required.

Security



We protect your private financial information with a comprehensive Federal Financial Institutions Examination Council (FFIEC) compliant, multi-level security framework that includes password management, system controls, multi-factor authentication, and approval for payments.

You also have added control over the "who, what, when and where" of your daily treasury management. Flexible administration tools allow your designated corporate administrator(s) to manage users, set dollar limits on payments, and define the services and accounts accessed by your employees. For additional audit controls, enable dual administration to require approvals for all administrative activity.

Bank-Level Security and Controls

System Security

- Multiple firewalls protect the application, client data and computer hardware from unauthorized access
- 256-bit SSL encryption is used throughout every session to protect data transmitted to and from the bank
- Default sessions time-out after 30 minutes of inactivity
- All movement of funds require secure authentication by the user to authorize the transaction
- Network vulnerability testing is regularly performed
- Minimum two authorized users are required to execute payments

Bank Procedures

The bank controls:

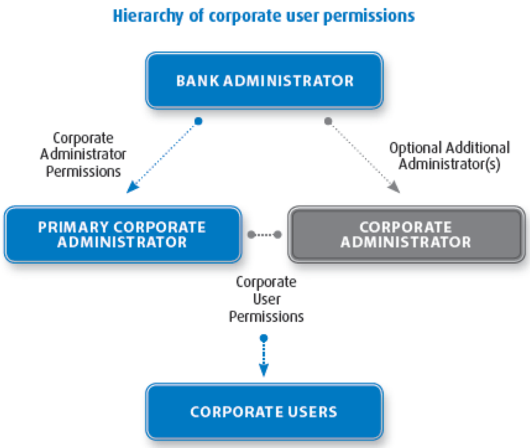
- Set up of the Primary Corporate Administrator (PCA), based on instructions from an authorized company representative authorized to sign on the account
- Assignment of services and accounts to the corporate administrator
- Password resets for the PCA

Password Management

- Access is controlled by two sets of IDs and a password:
  - Company ID (assigned by the bank)
  - Unique user ID and password (assigned by the PCA)
  - Password (self-serve)

- Access is denied after three incorrect password attempts
- Forced system password complexity requires that all passwords must have at least one case-sensitive letter, one number, and one special character (e.g., !@$%)
- Security settings such as password change frequency (e.g., every 90 days at minimum) and session timeout, are managed by your Corporate Administrator

Customer-Level Security and Controls



Your designated PCA controls the Online Banking for Business security settings and permissions.

Beyond assigning services to individual users, the PCA assigns report access, account access, dollar limits and approval settings within each service. Administrative activities/requirements vary depending on the individual service.

Client Communication Facility

Organizations rely upon the Internet for their business-to-business eCommerce transactions; therefore, it is of paramount importance to be able to connect to your bank electronically. BMO Harris Bank offers the most widely used solutions in the marketplace today, enabling you to select a communication facility option that best fits your organization's particular needs. See the chart below for more details.

Connectivity Option	Overview	Requirements for getting started
File Transfer Facility (FTF)	• FTF allows for the secure exchange of data files and reports via the internet through BMO Online Banking for Business platform • Your information is securely transmitted using the most up-to-date security technology available • Automated file transfers are not available with FTF	• Computer access (desktop, laptop) with high-speed internet connection. • Access to Online Banking for Business. • Secure authentication device is required if you need to send inbound file (i.e. ACH payment).
AutoConnect Software	• Automated file transfer is available	• Computer access (desktop, laptop) with Windows®* operating system and high- speed internet connection
HyperText Transfer Protocol Secure (HTTPS)	• HTTPS allows companies a method to exchange data files and reports over the internet • It provides confidentiality and authentication through encrypting the communications and verifying the client and server before establishing a connection • Automated file transfer is available	• File Transfer Protocol (FTP) software capable of supporting HTTPS transmission method • May require configuration changes if you have a firewall
Secure FTP (File Transfer Protocol using SSL or SSH)	• This method is designed to handle any file size and provides batch file data transfer with SSL or SSH encryption security • Automated file transfer is possible • We also offer direct 'push-to-client' or 'pull-from-client' server capabilities	• Secure FTP access to the bank is available through OpenText • OpenText certified Secure FTP software is preferred for the Secure FTP SSL option • Secure FTP SSH option requires software with SSH2 protocol support
Applicability Statement 2 / 3 (AS2 / AS3)	• Provides companies with a secure method to exchange files and reports over the internet while providing authentication, privacy and non-repudiation of document receipt	• AS2 / AS3 Drummond Group certified software • 24/7 connectivity • Business Certificate (recommended), Personal Certificate from Symantec™* or

Connectivity Option	Overview	Requirements for getting started
	• AS2 / AS3 service provides you with real-time delivery of electronic documents. AS2 files do not need to be requested or "pulled" because the service "pushes" files to your mailbox / server; AS3 requires that you "push" and "pull" your files • Automated file transfer is possible • AS2 / AS3 access to the bank is available through OpenText2	Digital Signature Trust; self-generated certificates are acceptable, but not recommended
Virtual Private Network (VPN)	• VPN encrypts communication between you and the bank over the public internet • Allows you to use existing internet software such as FTP (File Transfer Protocol) • Automated file transfer is possible • VPN access to the bank is available through OpenText2 • There are two VPN options: 1. VPN Secure Remote - we can provide Microsoft® Windows® software for your computer — the service is VPN Secure Remote (this option is only available for the Windows operating system) 2. VPN Gateway - we can establish VPN via client-owned VPN gateway to the Opentext VPN Gateway (this option supports multiple operating systems, such as Unix®, Linux®, AS/400®, Windows®, etc.)	• For PC CheckPoint VPN Secure Remote access: Windows®-based system with internet connectivity (DSL, cable, modem, etc.) • For VPN Gateway access: IPSec-compliant VPN gateway with internet connectivity; may require configuration changes if you have a firewall; this option supports either DES or 3DES encryption
FileACT	• FileACT uses the unparalleled security and reliability of the SWIFTNet platform • FileACT allows for exchanging various files with the bank (EFT, ACH, Positive Pay, BAI) not just SWIFT messages, particularly suited for large volume files • Handles files in real-time or store and forward mode	• Connection and interface to SWIFTNet • Register for the FileACT service

BMO Financial Group

Community Reinvestment Act

The most recent OCC CRA Examination Performance Evaluation is dated April 6, 2020 where the bank received an Outstanding rating.

BMO Harris Bank (BMOHB) has a strong commitment to helping our customers and our communities. It's not a task force or a project team, but a sustainable, corporate-wide commitment that is building stronger communities and a stronger BMO Harris Bank.

The bank's CRA program is embedded in each line of business with oversight from the CEO and senior management.

BMOHB has a dedicated CRA team which works closely with our lines of business to provide guidance and support as it pertains to the regulation.

The bank's commitment to the community can be seen in its community development lending and investing. From January 2020 to August 2021 in the City of Chicago, the bank provided:

- $101MM in community development loans in support of affordable housing, community service, and essential community facilities in the City of Chicago.
- $128.7M in community development investments in support of affordable housing, economic development, revitalization and community service in the City of Chicago.
- BMOHB made over $83MM loans to small businesses in the City of Chicago with $31.7MM to very small businesses and $35MM in low- and moderate-income census tracts. Additionally, the bank provided over 1,300 PPP loans totaling $139MM in support of small businesses affected by the pandemic.
- 38% of the mortgage loans made in Chicago were to low and-moderate-income individuals and census tracts.

BMOHB partners with local non-profits to provide financial education to Chicagoans. From January 2020 – August 2021 the bank reached over 3,219 people through its financial education seminars in the City of Chicago. The seminars focus on building and repairing credit, how to prepare for home ownership, as well as basic economics classes to middle school children. During this same time period bank employees donated nearly 5,000 hours in service to non-profits in Chicago.

PUBLIC DISCLOSURE

April 6, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

BMO Harris Bank N.A.
Charter Number: 14583

111 West Monroe Street
Chicago, Illinois 60603

Office of the Comptroller of the Currency

Large Bank Supervision
400 7th Street
Washington, DC 20219

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

Overall CRA Rating

Institution's CRA Rating: This institution is rated Outstanding**.**

The following table indicates the performance level of BMO Harris Bank N.A. with respect to the Lending, Investment, and Service Tests:

Performance Levels	BMO Harris Bank N.A. Performance Tests		
	Lending Test*	**Investment Test**	**Service Test**
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

*The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

The Lending Test rating is based on performance across all rating areas. The overall conclusions are a weighted average, based on deposits, of the four multi-state metropolitan statistical area (MMSA) and seven state ratings, with the Outstanding performances in the Chicago MMSA and the state of Wisconsin carrying the greatest weights.

The Investment Test rating is based on performance across all rating areas. Examiners weighted performance in the same manner as the Lending Test.

The Service Test rating is based on performance across all rating areas. Examiners weighted performance in the same manner as the Lending Test.

Lending in Assessment Areas

A high percentage of the bank's loans were in its assessment areas (AAs). Examiners considered the impact of the nationwide lending performed by the BMO Transportation Finance (BMOTF) line of business. Please refer to the Description of Institution section for additional information on BMOTF.

The bank originated and purchased 48.2 percent of its total loans inside the bank's AAs during the evaluation period. When excluding BMOTF loans, the percentage increases to 83.6 percent. This analysis was performed at the bank, rather than the AA, level. This percentage did not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans $(000s)				Total $(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		$	%	$	%	
Home Mortgage	40,190	85.7	6,732	14.3	46,922	7,369,620	64.5	4,058,119	35.5	11,427,739
Small Business	22,192	26.8	60,558	73.2	82,750	2,799,275	29.0	6,839,217	71.0	9,638,492
Small Farm	1,229	56.1	962	43.9	2,191	201,379	65.3	107,245	34.7	308,624
Total	**63,611**	**48.2**	**68,252**	**51.8**	**131,863**	**10,370,274**	**48.5**	**11,004,581**	**51.5**	**21,374,855**

Lending Inside and Outside of the Assessment Areas excluding BMOTF loans										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans $(000s)				Total $(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		$	%	$	%	
Home Mortgage	40,190	85.7	6,732	14.3	46,922	7,369,620	64.5	4,058,119	35.5	11,427,739
Small Business	10,857	76.6	3,318	23.4	14,175	1,528,724	78.4	420,825	21.6	1,949,549
Small Farm	1,138	88.1	154	11.9	1,292	193,667	85.6	32,449	14.4	226,116
Total	**52,185**	**83.6**	**10,204**	**16.4**	**62,389**	**9,092,011**	**66.8**	**4,511,393**	**33.2**	**13,603,404**

Description of Institution

BMO Harris Bank N.A. (BHB, institution, or bank), headquartered in Chicago, Illinois, is a full-service interstate bank that is a wholly-owned subsidiary of BMO Financial Corporation (BFC). BFC is a wholly-owned subsidiary of BMO Financial Group (BFG). BFG is a highly-diversified North American based financial services provider headquartered in Toronto, Canada with $880.0 billion in assets as of January 31, 2020. BHB has one banking affiliate, BMO Harris Central N.A., which is a special purpose cash management bank, offering delivery of controlled disbursement account services for corporate customers. BHB management elected not to include any activities of this affiliate in this performance evaluation (PE).

BHB had total assets of $137.6 billion as of December 31, 2019. This included total loans and leases of $87.7 billion that were comprised of $38.0 billion (43.4 percent of loans and leases) in commercial loans, $23.2 billion in real-estate related loans (26.4 percent), $19.2 billion (21.8 percent) in other loans, $6.8 billion (7.7 percent) in individual loans, and $588 million (0.7 percent) in agricultural loans. Total tier 1 capital as of December 31, 2019 was $13.3 billion.

As of December 31, 2019, BHB had a network of 570 branch office locations and 1,582 automated teller machines (ATMs) (759 deposit-taking) in nine states that included Arizona, Florida, Illinois, Indiana, Kansas, Minnesota, Missouri, Texas, and Wisconsin. This PE contains the OCC’s evaluation of BHB’s performance within 33 AAs in seven states and four MMSA rating areas.

BHB received authorization to open a full-service branch in the Dallas-Plano-Irving, TX Metropolitan Statistical Area (MSA) on May 1, 2019. While BHB received a full-service branch license, this is a commercial branch opened in the existing commercial banking office in Dallas, Texas. The branch serves as a physical location, required per state of Texas regulatory rules, for the bank to accept escrow deposits from certain business types (e.g., title insurance companies). BHB does not accept retail deposits, nor originate retail loans from this location. The OCC did not include an analysis of this MSA in this PE.

BHB closed their one branch location in the Seattle-Bellevue-Everett, WA Metropolitan Division (MD) on May 1, 2017. The OCC did not include an analysis of this MD in this PE as there was insufficient data to provide a meaningful conclusion.

BHB provides a broad range of real estate, commercial, and consumer credit products; deposit products and services; and trust, investment, and financial advisory services to personal, business, corporate, and institutional clients. The bank's personal banking products and services include checking accounts, statement savings accounts, money market accounts, and certificates of deposit; fixed and adjustable rate mortgages; credit cards; retirement accounts and investments; home equity, personal loans and lines of credit; and, auto loans. The bank's business banking products and services include business checking and savings accounts, and certificates of deposit; business loans, business real estate loans, and government loan programs; and, receivables management, payables management, payroll processing, and merchant services.

The BMOTF line of business is one of the largest commercial truck and trailer finance companies in North America. The customers served include original equipment manufacturers, dealers, for-hire and private fleets, and refuse and recycling companies throughout the nation. The equipment financed includes heavy-duty tractors and trailers, medium-duty vehicles, alternative-fuel vehicles, and waste and recycling vehicles and collection equipment. Many of these loans meet the Consolidated Report of Condition and Income (Call Report) definition of small loans to business or small loans to farms which are required to be reported under the CRA and; therefore, analyzed as such. Examiners considered the impact of this portfolio on the small loans to businesses and small loans to farms analyses in those AAs that had a significant number of these accounts.

Currently, there are no financial impediments to BHB's ability to help meet the credit needs within its communities.

The OCC assigned BHB an overall Outstanding rating in its last CRA evaluation dated April 10, 2017.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The OCC evaluated home mortgage loans; small loans to businesses and farms; Community Development (CD) loans; qualified investments; and CD and retail services from January 1, 2017 through December 31, 2019. Examiners did not consider consumer loans in this evaluation, as consumer lending did not constitute a substantial majority of the bank's business and management did not request consideration. Qualifying activities performed in response to the significant impact of the coronavirus pandemic across the United States occurred after December 31, 2019 and will be considered in the subsequent evaluation.

In most markets, BHB made few, if any, small loans to farms as farm lending is not a primary product for the bank. Some of the bank's AAs that contain more rural geographies had a sufficient quantity of small loans to farms to analyze. The OCC determined that 20 loans made within an AA was sufficient for analysis purposes. Due to the limited number of farms in low- and moderate-income geographies, small farm lending had no material impact on the Lending Test conclusion. If examiners included an analysis of these loans in a rating area, they noted it in the narrative for the applicable rating area. Tables related to small loans to farms where the bank had no lending were removed from appendix D.

MSA boundary changes introduced in 2018, effective January 1, 2019, by the Office of Management and Budget (OMB), resulted in additional analysis under the Lending Test for only two of the bank's AAs, both in the state of Wisconsin. Examiners completed two analyses of the geographic and borrower income distribution criteria for each of the affected AAs, one with 2017 and 2018 combined data and one with stand-alone 2019 data. The "Description of Institution's Operations" section in the state of Wisconsin rating section contains details on those areas affected by these changes.

For lending performance, examiners placed more emphasis on borrower and geographic distributions than on aggregate performance. Borrower and geographic comparators cover all three years of the evaluation period where aggregate comparators included only data from 2018, which was the most recent information available at the time of the evaluation.

When there were differences in performance between loan products in a specific AA, examiners determined the overall conclusion by weighting the products based on the loan mix by number of loans over the evaluation period. Weighting by number of loans gives consideration for each lending decision regardless of the loan's dollar amount. When there were performance differences between low- and moderate-income geographies, examiners placed more emphasis on the geographic category with more lending opportunities (e.g., higher percentage of businesses or owner-occupied housing units). These weightings are described within the narrative comments of each rating area.

BHB used innovative and flexible lending programs in order to serve AA credit needs. BHB participated in over 200 programs offered by local governments, non-profit organizations, and affordable housing agencies throughout its AAs. Examples included: various state housing finance agency (HFA) programs, Home Affordable Refinance Program (HARP), Freddie Mac Home Possible Program (Home Possible), Neighborhood Home Loan Product (NHLP), Federal Housing Authority (FHA) loans, and down payment and closing cost assistance from the Federal Home Loan Bank of Chicago affordable housing and down payment plus programs (DPAs). In addition, BHB established a self-funded grant program (BHB grants) that provide up to $3,000 in down payment or closing cost assistance. The grants can be combined with a wide array of affordable mortgage products or external down payment assistance programs. These products and programs complement the bank's existing suite of products and were considered in the "Product Innovation and Flexibility" section for those AAs that had significant activity in these products.

The OCC's analysis of qualified investments included the investment portfolio as well as donations and grants made during the evaluation period that had CD as its primary purpose. Qualified investments included investments that met the definition of CD and were made prior to the current evaluation period and were still outstanding or were made during the current evaluation period. Examiners considered prior-period investments at the book value of the investment at the end of the current evaluation period and current-period investments at their original investment amount. BHB received consideration for any qualified investment activity that benefited a specific AA in the applicable state or MMSA rating area. This included investments in the broader statewide or regional area that included the AA, where the entity or activity had a purpose, mandate, or function that included serving the AA. Broader statewide or regional activities that did not serve an AA were considered only if the bank had reasonably served the needs of its AAs.

To provide perspective regarding the relative level of qualified investments, examiners allocated a portion of the bank's tier 1 capital to each AA based on its pro rata share of deposits as a means of comparative analysis. The complexity and innovativeness of investments were typical for an institution of this size and capacity.

The OCC's review of services during the evaluation period included analyzing BHB's network of branches and deposit-taking ATMs for the availability and effectiveness of delivering retail banking services. Examiners gave the most weight to the geographic distribution of bank branches and changes in branch locations.

The OCC focused the analysis of retail branches on the current distribution of the bank's branches in low- and moderate-income geographies. Examiners also considered branch locations in middle- or upper-income geographies that were in close proximity to a low- or moderate-income geography. Proximity ranged from across the street to two miles away. Examiners evaluated several factors to determine that these branches served individuals in these geographies. This included the likelihood that the areas surrounding the branches offered residents and businesses of the nearby low- or moderate-income geographies additional amenities or public services, such as post offices, grocery stores, strip malls, or "big box" stores. Examiners confirmed whether the locations were along major transportation routes readily accessible by car in rural areas or public transportation in urban areas. Finally, examiners reviewed maps showing significant numbers of both retail and small business customers located in low- or moderate-income geographies with either a deposit or lending relationship at a branch in a near-by middle- or upper-income geography.

BHB offered other alternative delivery systems; however, examiners did not place significant weight on these systems, as there was no data concerning the effectiveness of these systems in targeting low- and moderate-income geographies and individuals. Examiners also considered the extent and innovativeness of BHB's CD services in meeting the credit needs within its AAs.

In February 2017, BHB launched SMARTMoney Checking. This account was in response to the Consumer Financial Protection Bureau's (CFPB) request of banks to develop an account for the un- and under-banked. This no-overdraft, low-fee account was simple, transparent, and available to those with low QualiFile scores. During the evaluation period, the bank opened over 76,000 of these accounts. Fifty-four percent were opened in branches located in, or adjacent to, low- and moderate-income geographies. BHB also established the Credit Builder loan program that helped individuals begin to establish or repair credit. This was a certificate-of-deposit account secured loan that served a dual function for savings and credit establishment. At loan maturity, the borrower was awarded the full account balance plus accrued interest in addition to establishing credit that was reported to all three credit reporting agencies. During the evaluation period, BHB opened 4,579 of these accounts totaling $6.6 million. Examiners considered these products in the Retail Banking Services section for those AAs that had a significant number of account openings.

Selection of Areas for Full-Scope Review

In each state where the bank had an office, one or more AAs within that state were selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same MSA or MMSA were combined and evaluated as a single AA. Similarly, bank delineated Non-MSA AAs within the same state were combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope.

When determining areas for full-scope reviews, examiners considered factors such as BHB's percentage of deposits within the rating area; business strategy within a particular MMSA or state; the number of branches; the volume of reportable loans originated and purchased in each state and/or MMSA; the significance of the bank to the AA based on its deposit market share and rank; comments received from the public; and, conclusions from prior CRA evaluations. Where necessary, examiners selected multiple AAs to complete sufficient full-scope analyses to support the conclusions and ratings.

Refer to the "Scope" section under each State Rating section for details regarding how full-scope AAs were selected. Refer to "Appendix A: Scope of Examination" for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is a blend of the MMSA and state ratings. The Chicago MMSA and the state of Wisconsin carried the greatest weights in the overall conclusions. These two areas represented 83.5 percent of BHB's deposits, with 62.7 percent and 20.8 percent of deposits, respectively.

Examiners based the MMSA and state ratings on performance in all the bank's AAs and were not based solely on the performance in the full-scope AAs to the exclusion of performance in the limited-scope AAs. Refer to the "Scope" section under each State and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c), in determining a national bank's CRA rating, the OCC considered evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans had been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consulted with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the CFPB, as applicable.

The OCC had not identified that this institution engaged in discriminatory or other illegal credit practices that required consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerned activities that occurred during the evaluation period addressed in this performance evaluation.

Multistate Metropolitan Statistical Area Ratings

Chicago-Naperville-Elgin, IL-IN-WI (Chicago) MMSA

CRA rating for the Chicago MMSA[1]: Outstanding
The Lending Test is rated: Outstanding
The Investment Test is rated: Outstanding
The Service Test is rated: Outstanding

The major factors that support this rating include:

- Based on the data in the tables and performance context considerations discussed below, both the overall geographic and overall borrower distributions of the bank's originations and purchases of home mortgage loans, small loans to businesses, and small loans to farms were good.

- CD loans were effective in addressing community credit needs. The institution was a leader in making CD loans, which had a positive impact on the Lending Test rating.

- Qualified investments were effective and responsive in addressing community credit needs. The bank made an excellent level of qualified investments, grants, and donations.

- The bank's branches and alternative delivery systems were readily accessible to geographies and individuals of different incomes and responsive in helping the bank provide services across the community.

- CD services were effective and responsive in addressing community needs. The bank was a leader in providing CD services, consistent with its capacity and expertise to conduct specific activities.

Description of Institution's Operations in the Chicago MMSA

The Chicago MMSA AA was comprised of four MDs. BHB delineated the entirety of the Chicago-Naperville-Arlington Heights, IL and Lake County-Kenosha County, IL-WI MDs as AAs. They also delineated as AAs the portions of the Elgin, IL and the Gary, IN MDs where BHB had branch locations. Refer to the table in appendix A for a list of counties reviewed.

Based on June 30, 2019, Federal Deposit Insurance Corporation (FDIC) summary of deposit information, BHB had almost $63.4 billion in deposits in these AAs, which represented 62.7 percent of the bank's total deposits. During the evaluation period, the bank made $4.3 billion, or 41.5 percent of its total dollar volume, of home mortgage loans, small loans to businesses, and small loans to farms in these AAs. This rating area was the bank's largest in terms of deposits held and dollar volume of loans originated or purchased.

BHB had 215 office locations and 685 ATMs, of which 366 were deposit-taking, within these AAs. The bank ranked second in deposit market share with 15.4 percent. Primary competitors included JPMorgan Chase Bank, N.A. with 342 branches and 21.3 percent market share, Bank of America, N.A. with 154

[1] This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

branches and 8.6 percent market share, and Fifth Third Bank with 229 branches and 5.8 percent market share. There were 168 additional FDIC-insured depository institutions with 1,633 offices within the bank's AAs.

The following table provides a summary of the demographics, including housing and business information for the Chicago MMSA AA.

Table A – Demographic Information of the Assessment Area Assessment Area: Chicago MMSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	2,182	14.2	23.7	29.2	31.8	1.0
Population by Geography	9,382,158	9.8	23.3	32.1	34.5	0.2
Housing Units by Geography	3,741,525	10.2	22.3	32.1	35.0	0.3
Owner-Occupied Units by Geography	2,194,473	4.5	17.6	35.5	42.3	0.1
Occupied Rental Units by Geography	1,199,360	17.3	29.5	27.5	25.1	0.6
Vacant Units by Geography	347,692	22.2	27.9	25.9	23.6	0.4
Businesses by Geography	640,937	4.9	15.3	30.2	49.1	0.4
Farms by Geography	10,799	3.3	14.0	40.3	42.4	0.1
Family Distribution by Income Level	2,238,726	23.4	16.4	18.7	41.5	0.0
Household Distribution by Income Level	3,393,833	25.3	15.3	17.0	42.4	0.0
Median Family Income MD - 16984 Chicago-Naperville-Evanston, IL		$75,024	Median Housing Value			$237,596
Median Family Income MD - 20994 Elgin, IL		$80,899	Median Gross Rent			$1,037
Median Family Income MD - 23844 Gary, IN		$64,075	Families Below Poverty Level			10.6%
Median Family Income MD - 29404 Lake County-Kenosha County, IL-WI		$87,137				

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

Information from Moody's Analytics indicated the Chicago MMSA AA had a well-diversified economy. Key sectors of the economy based on percentage of total employment included Professional and Business Services, Education and Health Services, Government, and Leisure and Hospitality Services. Major employers in the AA included Advocate Health Care System, the University of Chicago, Abbott Laboratories, JPMorgan Chase & Co., Northwestern Memorial Healthcare, and Amazon. According to the Bureau of Labor Statistics (BLS), the annual average unemployment rate in the Chicago MMSA AA was 4.8 percent in 2017, 4.0 percent in 2018, and 3.8 percent in 2019. This was consistent with the overall Illinois state unemployment rates of 4.9 percent, 4.3 percent, and 4.0 percent, respectively, but higher than the Wisconsin state unemployment rates of 3.3 percent, 3.0 percent, and 3.1 percent respectively, and Indiana state rates of 3.6 percent, 3.5 percent, and 3.3 percent, respectively.

Based on information in the above table, low-income families earned between $32,038 and $43,569 and moderate-income families earned between $51,260 and $69,710, depending on the MD. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. Depending on the MD, this calculated to a maximum monthly mortgage payment between $801 and $1,089 for low-income borrowers and between $1,282 and $1,773 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner’s insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MMSA median housing value would be $1,275. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

The region continued to be impacted by state and local budgetary pressures, along with above average crime rates, which had an impact on population growth. The area experienced an outflow of population over the evaluation period, which worsened more than expected. This also impacted job growth. Illinois continues to experience a high level of foreclosures, with the third highest level among the 50 states. Two of the top five counties for foreclosures in Illinois were in the Chicago MMSA AA. In addition, although home values had rebounded in recent years overall, many areas continued to see home values struggling to bounce back, specifically homes located in low- and moderate-income geographies. A study by a local university showed the home values in geographic areas south of downtown Chicago, which had a higher percentage of properties in low- and moderate-income geographies, were struggling the most. As a result, refinance and home equity loan opportunities were still limited for these areas where property values are still “underwater.”

Information from 11 community contact interviews; five from economic development entities, three from affordable housing organizations, and three from local government agencies, identified the following needs within the Chicago MMSA AA:

- Financing for one-to-four family home purchases and rehabilitation, multifamily buildings with tenants using Section 8 housing vouchers, and small businesses.
- Credit builder programs and emergency savings accounts.
- Investments in Community Development Financial Institutions (CDFI) loan pools that originate loans for affordable housing or micro loans to small businesses.
- Service on CDFI boards or committees.
- Down payment and closing cost assistance programs for low- and moderate-income borrowers.
- Financial counseling and education programs including first-time homebuyers’ programs.
- Foreclosure prevention programs designed to keep homeowners in their home.
- Youth employment, job training, and workforce housing programs.

The Chicago MMSA AA yielded abundant opportunities to serve the identified needs. There were numerous CD and social services organizations in the AA. Local governments had designated many areas for redevelopment and use a variety of resources to increase investments in those areas including tax increment financing (TIF) districts, empowerment zones, CD block grants, and HOME Investment Partnership Programs.

Scope of Evaluation in the Chicago MMSA

For purposes of this evaluation, examiners combined the bank’s four delineated AAs into one and aggregated the data at the MMSA level for purposes of analysis and presentation. This area received a full-scope review.

Examiners placed more emphasis on home mortgage loans versus small loans to businesses and small loans to farms in arriving at the overall conclusion. Home Mortgage Disclosure Act (HMDA) loans represented the majority of BHB’s lending in this AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CHICAGO MMSA

LENDING TEST

The bank's performance under the Lending Test in the Chicago MMSA AA is rated Outstanding.

Based on a full-scope review, the bank's performance in the Chicago MMSA AA was excellent.

Lending Activity

Lending levels reflected good responsiveness to AA credit needs.

Number of Loans					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Chicago MMSA	15,822	11,333	62	137	27,354
Total	**15,822**	**11,333**	**62**	**137**	**27,354**

Dollar Volume of Loans ($000)					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Chicago MMSA	3,027,986	1,272,180	7,447	511,213	4,818,826
Total	**3,027,986**	**1,272,180**	**7,447**	**511,213**	**4,818,826**

BHB ranked second out of 172 depository institutions (top 1.2 percent) with a deposit market share of 15.4 percent. For home mortgage loans, BHB's market share of 2.5 percent ranked sixth out of 934 lenders (top 1.0 percent). The top three lenders were JPMorgan Chase Bank, N.A. with 10.6 percent market share, Wells Fargo Bank, N.A. with 6.4 percent, and Guaranteed Rate, Inc. with 5.4 percent.

For small loans to businesses, BHB's market share of 1.9 percent ranked ninth out of 229 lenders (top 3.9 percent). The top three lenders were Chase Bank USA, N.A. with 25.8 percent market share, American Express National Bank with 16.8 percent market share, and Citibank, N.A. with 8.9 percent market share. The top seven small business loan lenders were institutions with large business credit card portfolios with average loan sizes of less than $25,000. BHB's average small business loan size was $103,000.

For small loans to farms, BHB's market share of 2.6 percent ranked 10th out of 37 lenders (top 27.0 percent). The top three lenders were Chase Bank USA, N.A. with 25.5 percent market share, First Midwest Bank with 16.4 percent market share, and John Deere Financial, F.S.B. with 12.6 percent market share.

Distribution of Loans by Income Level of the Geography

The bank exhibited a good geographic distribution of loans in its AA. Examiners generally placed more emphasis on the bank's performance in moderate-income geographies as these areas had a higher percentage of owner-occupied housing units, small businesses, and small farms.

Home Mortgage Loans

Refer to Table O in the Chicago MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans was adequate. Examiners considered the impact of heavy competition among home mortgage lenders, and higher foreclosure rates and slower recovery of home values in these areas, which impacted all home mortgage lenders. The percentage of home mortgage loans originated or purchased in both low- and moderate-income geographies was well below both the percentage of owner-occupied housing units located in those geographies and the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table Q in the Chicago MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses was excellent. The percentage of small loans to businesses originated or purchased in low-income geographies was below, and in moderate-income geographies exceeded, the percentage of businesses located in those geographies. The percentage of small loans to businesses originated or purchased in low-income geographies was near-to, and in moderate-income geographies exceeded, the aggregate percentage of all reporting lenders.

Small Loans to Farms

Refer to Table S in the Chicago MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

The geographic distribution of small loans to farms was adequate. Examiners considered the low number of farms in low- and moderate-income geographies and that small farm lending was not a primary focus for the bank. BHB did not originate or purchase any small loans to farms in low-income geographies. The percentage of small loans to farms originated or purchased in moderate-income geographies was significantly below the percentage of farms located in those geographies but exceeded the aggregate percentage of all reporting lenders.

Lending Gap Analysis

The OCC analyzed BHB's geographic lending patterns of home mortgage loans, small loans to businesses, and small loans to farms by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibited a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the Chicago MMSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases.

The distribution of home mortgage loans among individuals of different income levels was good. Examiners considered housing costs in relation to the median family incomes in the AA, which limited the affordability for low-income families. The percentage of home mortgage loans originated or purchased to low-income borrowers was well below, and to moderate-income borrowers exceeded, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased to both low- and moderate-income borrowers exceeded the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table R in the Chicago MMSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses.

The distribution of loans to businesses of different sizes was good. Examiners considered the impact of significantly higher unavailable business revenue data for BMOTF loans originated during 2017 (60.1 percent) compared to 2018 (3.1 percent) and 2019 (4.9 percent). The percentage of loans to small businesses originated or purchased was well below the percentage of small businesses in the AA but exceeded the aggregate percentage of all reporting lenders.

Small Loans to Farms

Refer to Table T in the Chicago MMSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to farms.

The distribution of loans to farms of different sizes was adequate considering that small farm lending was not a primary focus for the bank. The percentage of loans to small farms originated or purchased was well below the percentage of small farms in the AA and was near-to the aggregate percentage of all reporting lenders.

Community Development Lending

The institution was a leader in making CD loans. CD lending had a positive impact on the Lending Test conclusion.

The Lending Activity Tables, shown above, sets forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending was excellent. BHB made 137 CD loans totaling over $511.2 million, which represented 6.1 percent of allocated tier 1 capital. The bank utilized complex CD loans, often in a leadership position. CD loans were impactful as they were responsive to identified community needs. By dollar volume, 65.2 percent of these loans funded affordable housing, 16.2 percent funded economic development activities, 13.5 percent funded community services, and 5.1 percent funded revitalization and stabilization efforts. Examiners also considered the impact of strong and increasing competition for CD loans in this AA. In 2019, BHB submitted bid proposals on six CD transactions totaling $96.9 million that were lost to other lenders.

Examples of CD loans in the AA include:

- A $21.7 million loan to finance construction of an innovative project to co-locate affordable housing with library services. The building consisted of 73 mixed-income residential units above a public library branch. The project provided 66 units of affordable housing and the library offered engagement and learning opportunities that included specialized services for learning, job searches, and community building. Sources of funding for this project included low-income housing tax credits (LIHTCs), TIF funds, Chicago Housing Authority capital, and Donation Tax Credits.

- A $11.7 million loan to construct a mixed-use property in a low-income geography with high demand for affordable housing. The property consisted of retail and 70 apartment units, 55 of which were specified for low- and moderate-income individuals that partially replaced 35 units of previously demolished Section 8 housing. Funding sources included LIHTC, Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP), Housing and Urban Development (HUD), and the City of Chicago.

- A $6.0 million loan to finance construction of a greenhouse located in a moderate-income geography that distributed produce to local retailers, restaurants, farmer's markets, and community groups. This project supported efforts to revitalize a historic district by creating over 50 jobs.

Product Innovation and Flexibility

The institution made extensive use of innovative or flexible lending practices in order to serve AA credit needs. During the evaluation period, BHB made 1,340 loans totaling $96.9 million among the various flexible lending products available in the Chicago MMSA AA. This included 225 Home Possible loans totaling $30.7 million, 140 FHA loans totaling $24.3 million, 180 HFA loans totaling $20.9 million, 115 NHLP loans totaling $16.6 million, 216 DPAs totaling $1.1 million, and 447 BHB Grants totaling $626,000.

INVESTMENT TEST

The institution's performance under the Investment Test in the Chicago MMSA AA is rated Outstanding.

Based on a full-scope review, the institution's performance in the Chicago MMSA AA was excellent.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	**Prior Period***		**Current Period**		**Total**				**Unfunded Commitments****	
	#	**$(000's)**	**#**	**$(000's)**	**#**	**% of Total #**	**$(000's)**	**% of Total $**	**#**	**$(000's)**
Full Scope:										
Chicago MMSA	211	345,684	790	353,344	1,001	100.0	699,028	100.0	45	58,709
Totals	**211**	**345,684**	**790**	**353,344**	**1,001**	**100.0**	**699,028**	**100.0**	**45**	**58,709**

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The institution had an excellent level of qualified investment and grants, often in a leadership position, particularly those that were not routinely provided by private investors. The dollar volume of current- and prior-period investments represented 8.4 percent of tier 1 capital allocated to the AA. This did not include the 45 unfunded commitments totaling $58.7 million, an additional 0.7 percent of allocated capital.

The institution exhibited excellent responsiveness to credit and community economic development needs. The institution occasionally used innovative or complex investments to support CD initiatives. BHB had 143 qualified investments and grants totaling $471.6 million related to affordable housing, 52 qualified investments and grants totaling $77.1 million related to economic development, 33 qualified investments and grants totaling $20.1 million for revitalization and stabilization efforts, and 773 qualified investments and grants totaling $130.2 million to community service organizations that provided needed services to low- and moderate-income individuals.

Examples of qualified investments in the AA include:

- A $20.9 million investment in three general obligation bonds for the local housing authority. The authority's mission was to leverage the power of affordable, decent, safe, and stable housing to help communities thrive and low-income families increase their potential for long-term economic success. They operated three major categories of housing programs: conventional low-income housing, Section 8 programs, and other non-public rental housing. Bond proceeds financed the costs of modernizing and redeveloping various affordable housing facilities throughout the city of Chicago.

- A $21.6 million investment in a LIHTC fund, along with a $15.2 million CD loan, to acquire and rehabilitate a 230-unit housing complex. The property, located in a low-income geography, restricted all units to residents that made 60 percent or less of the area median family income.

- A $10.0 million investment in a CDFI loan fund that served non-profit corporations within the bank’s AA. The funds supported local area non-profits specializing in education, youth services, housing, and workforce development targeted to low- and moderate-income residents within the AA.

- A $3.8 million investment in a private equity fund that develops, and leases healthcare facilities located primarily in low- and moderate-income communities. The funds supported three clinics within the Chicago MMSA AA. Each location served over 3,500 senior individuals, the majority of them eligible for Medicaid assistance.

SERVICE TEST

The bank's performance under the Service Test in the Chicago MMSA AA is rated Outstanding.

Based on a full-scope review, the bank's performance in the Chicago MMSA AA was excellent.

Retail Banking Services

Service delivery systems were readily accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System													
Assessment Area	**Deposits**	**Branches**							**Population**				
	% of Rated Area Deposits in AA	**# of Bank Branches**	**% of Rated Area Branches in AA**	**Location of Branches by Income of Geographies (%)**					**% of Population within Each Geography**				
				Low	**Mod**	**Mid**	**Upp**	**NA**	**Low**	**Mod**	**Mid**	**Upp**	**NA**
Full Scope:													
Chicago MMSA	100.0	215	100.0	5.6	14.0	31.2	48.8	0.5	9.8	23.3	32.1	34.5	0.2
Due to rounding, totals may not equal 100.0													

The bank's distribution of branches in both low- and moderate-income geographies was below the percentage of the population living within those geographies. When considering the 48 adjacent-serving branches, 13 serving low-income geographies and 35 serving moderate-income geographies within the AA, the distribution exceeded the percentage of the population within both low- and moderate-income geographies.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. BHB had 685 ATMs in the AA, of which 366 were deposit-taking.

Distribution of Branch Openings/Closings							
Branch Openings/Closings							
Assessment Area	**# of Branch Openings**	**# of Branch Closings**	**Net change in Location of Branches (+ or -)**				
			Low	**Mod**	**Mid**	**Upp**	**NA**
Full Scope:							
Chicago MMSA	3	6	0	-1	-4	2	0

To the extent changes had been made, the institution's opening and closing of branches had not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank opened three branches, all in upper-income geographies, and closed six branches, only one of which was in a moderate-income geography.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced its AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. BHB maintained standard business hours and offered traditional banking products and services at all branch locations in the AA. Branches were open late on Fridays and the vast majority of the branches had Saturday hours. The branches closed on Saturdays were in areas with minimal retail business activity on the weekend. In addition, BHB opened 34,670 SMARTMoney checking accounts and 1,681 Credit Builder accounts in the Chicago MMSA AA.

Community Development Services

The institution was a leader in providing CD services. During the evaluation period, 117 bank employees conducted 274 financial education events totaling 1,174 hours in coordination with 50 different organizations. Approximately 10,200 participants attended these classes. These events included financial literacy for both adults and students, first-time homebuyer, foreclosure prevention, and housing fairs and seminars primarily targeted to low- and moderate-income individuals and families. In addition, 103 bank employees spent 6,072 hours serving in leadership roles by participating on boards and committees for 101 different CD organizations. Finally, 50 employees provided over 1,120 hours of technical expertise by providing tax preparation and legal assistance to low- and moderate-income individuals and families.

Examples of CD services in the AA include:

- A senior level bank officer sat on the board and was treasurer of the local chapter of a nationwide non-profit housing organization. The mission of the organization was to build strength, stability, and self-reliance in partnership with families in need of decent and affordable housing.

- A senior level bank employee sat on the board and was a member of the fund-raising committee of an organization that provided after-school and mentoring programs to high-school girls living or going to school in under-resourced communities. Over 98 percent of participants graduated high-school and were accepted into colleges.

- A senior level bank employee sat on the board and was a member of the executive, program, and operations committees of a certified CDFI. The CDFI was also a Small Business Administration (SBA) microlending intermediary and SBA Community Advantage lender. During 2018, the CDFI made 418 loans totaling over $3.6 million.

Kansas City, MO-KS (Kansas City) MMSA

CRA rating for the Kansas City MMSA[2]: Outstanding
The Lending Test is rated: Outstanding
The Investment Test is rated: Outstanding
The Service Test is rated: Outstanding

The major factors that support this rating include:

- Based on the data in the tables and performance context considerations discussed below, the overall geographic distribution of the bank's originations and purchases of home mortgage loans and small loans to businesses was excellent and overall borrower distribution was good.

- CD loans were effective in addressing community credit needs. The institution was a leader in making CD loans, which had a positive impact on the Lending Test rating.

- Qualified investments were effective and responsive in addressing community credit needs. The bank made an excellent level of qualified investments, grants, and donations.

- The bank's branches and alternative delivery systems were readily accessible to geographies and individuals of different incomes and responsive in helping the bank provide services across the community.

Description of Institution's Operations in the Kansas City MMSA

BHB delineated a portion of the Kansas City MMSA as an AA. Refer to the table in appendix A for a list of counties reviewed.

Based on June 30, 2019, FDIC summary of deposit information, BHB had just over $1.0 billion in deposits in this AA, which represented 1.0 percent of the bank's total deposits. During the evaluation period, the bank made $210.3 million or 2.0 percent of its total dollar volume of home mortgage loans, small loans to businesses, and small loans to farms in this AA.

BHB had 10 office locations and 14 ATMs, all of which were deposit-taking, within the AA. The bank ranked 11th in deposit market share with 1.8 percent. The top three competitors included UMB Bank, N.A. with 28 branches and 23.9 percent market share, Commerce Bank with 41 branches and 12.1 percent market share, and Bank of America, N.A. with 35 branches and 10.8 percent market share. There were 87 additional FDIC-insured depository institutions with 448 offices within the bank's AA.

The following table provides a summary of the demographics, including housing and business information for the Kansas City MMSA AA.

[2] This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Table A – Demographic Information of the Assessment Area Assessment Area: Kansas City MMSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	463	16.8	22.2	29.2	27.6	4.1
Population by Geography	1,732,280	10.4	21.8	33.8	33.7	0.3
Housing Units by Geography	746,566	12.2	22.9	34.4	30.0	0.5
Owner-Occupied Units by Geography	435,668	6.6	18.0	35.5	39.7	0.2
Occupied Rental Units by Geography	242,654	17.6	30.2	34.4	17.1	0.7
Vacant Units by Geography	68,244	28.7	28.5	27.1	13.7	2.0
Businesses by Geography	134,935	7.6	18.8	32.4	39.1	2.1
Farms by Geography	3,388	5.2	16.8	36.8	40.9	0.3
Family Distribution by Income Level	433,865	21.4	17.2	20.0	41.4	0.0
Household Distribution by Income Level	678,322	23.7	16.7	17.4	42.2	0.0
Median Family Income MMSA - 28140 Kansas City, MO-KS MMSA		$72,623	Median Housing Value			$164,056
			Median Gross Rent			$858
			Families Below Poverty Level			9.3%

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

Information from Moody's Analytics indicated the Kansas City MMSA AA had a well-diversified economy. Key sectors of the economy based on percentage of total employment included Professional and Business Services, Education and Health Services, Government, and Retail Trade. Major employers in the AA were Cerner Corporation, HCA Midwest Health System, The University of Kansas Hospital, Saint Luke's Health System, and Ford Motor Company. According to the BLS, the annual average unemployment rate in the Kansas City MMSA AA was 3.8 percent in 2017, 3.4 percent in 2018, and 3.3 percent in 2019. This was consistent with the overall Missouri state unemployment rates of 3.8 percent, 3.2 percent, and 3.3 percent, respectively, and Kansas state unemployment rates of 3.7 percent, 3.4 percent, and 3.3 percent, respectively.

Based on information in the above table, low-income families earned less than $36,312 and moderate-income families earned less than $58,099. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of $908 for low-income borrowers and $1,452 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MMSA median housing value would be $881.

Information from four community contact interviews; two from economic development entities, and one each from an affordable housing organization and a local government agency, identified the following needs within the Kansas City MMSA AA:

- Flexible mortgage loans for home purchase and home repair.
- Small business loans of $100,000 to $500,000, especially for start-up businesses.

- Support for job training and youth employment programs.
- Financial counseling and education programs including first-time homebuyers' programs.

The Kansas City MMSA AA offered adequate opportunities to meet the identified needs. There were a variety of CD and social service organizations. In addition, there was opportunities provided by CDFI, Small Business Investment Company (SBIC), and LIHTC funds and projects. Examiners noted seven certified CDFIs, eight HUD-approved housing counseling agencies, and three SBA Small Business Development centers serving the AA.

Scope of Evaluation in the Kansas City MMSA

Examiners conducted a full-scope review of the Kansas City MMSA AA. Examiners placed more emphasis on home mortgage loans versus small loans to businesses in arriving at the overall conclusion. HMDA loans represented the majority of BHB's lending in this AA. BHB originated too few small loans to farms in this AA to conduct a meaningful analysis.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE KANSAS CITY MMSA

LENDING TEST

The bank's performance under the Lending Test in the Kansas City MMSA AA is rated Outstanding.

Based on a full-scope review, the bank's performance in the Kansas City MMSA AA was excellent.

Lending Activity

Lending levels reflected excellent responsiveness to AA credit needs.

Number of Loans					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Kansas City MMSA	824	499	1	10	1,334
Total	**824**	**499**	**1**	**10**	**1,334**

Dollar Volume of Loans					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Kansas City MMSA	141,467	68,749	102	159,438	369,756
Total	**141,467**	**68,749**	**102**	**159,438**	**369,756**

BHB ranked 11th out of 91 insured depository institutions (top 12.1 percent) with a deposit market share of 1.8 percent. For home mortgage loans, BHB's market share of 0.5 percent ranked 44th out of 570 lenders (top 7.7 percent). The top three lenders were Wells Fargo Bank, N.A. with 8.7 percent market share, Community America with 6.7 percent market share, and U.S. Bank N.A. with 3.2 percent market share.

For small loans to businesses, BHB's market share of 0.5 percent ranked 24th out of 174 lenders (top 13.8 percent). The top three lenders were American Express National Bank with 17.8 percent market share, Chase Bank USA, N.A. with 17.1 percent market share, and U.S. Bank N.A. with 10.2 percent market share.

Distribution of Loans by Income Level of the Geography

The bank exhibited an excellent geographic distribution of loans in its AA. Examiners generally placed more emphasis on the bank's performance in moderate-income geographies as these areas had a higher percentage of owner-occupied housing units and small businesses.

Home Mortgage Loans

Refer to Table O in the Kansas City MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans was excellent. The percentage of home mortgage loans originated or purchased in both low- and moderate-income geographies exceeded both the percentage of owner-occupied housing units located in those geographies and the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table Q in the Kansas City MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses was good. The percentage of small loans to businesses originated or purchased in low-income geographies exceeded, and in moderate-income geographies was below, the percentage of businesses located in those geographies. The percentage of small loans to businesses originated or purchased in low-income geographies exceeded, and in moderate-income geographies was near-to, the aggregate percentage of all reporting lenders.

Lending Gap Analysis

The OCC analyzed BHB's geographic lending patterns of home mortgage loans, small loans to businesses, and small loans to farms by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibited a good distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the Kansas City MMSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases.

The distribution of home mortgage loans among individuals of different income levels was excellent. The percentage of home mortgage loans originated or purchased to both low- and moderate-income borrowers exceeded both the percentage of those families in the AA and the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table R in the Kansas City MMSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses.

The distribution of loans to businesses of different sizes was adequate. The percentage of loans to small businesses originated or purchased was well below the percentage of small businesses in the AA but was near-to the aggregate percentage of all reporting lenders.

Community Development Lending

The institution was a leader in making CD loans. CD lending had a positive impact on the Lending Test conclusion.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending was excellent. BHB made 10 CD loans totaling over $159.4 million, which represented 117.4 percent of allocated tier 1 capital. CD loans were impactful as they provided a significant number of affordable housing in the AA. By dollar volume, 97.6 percent of these loans funded affordable housing, 1.6 percent funded revitalization and stabilization efforts, and 0.8 percent funded economic development activities.

Examples of CD loans in the AA include:

- A $34.2 million construction loan to finance the development of a 361-unit apartment project. Of the 361 units, 215 units are "naturally-occurring" affordable housing for low- and moderate-income persons as rental rates are below the Federal Financial Institutions Examination Council (FFIEC) affordable rent rate for the Kansas City MSA AA.

- A $37.3 million loan to finance the acquisition of a 360-unit garden-style apartment complex. Of the 361 units, 328 units are "naturally-occurring" affordable housing for low- and moderate-income persons as rental rates are below the FFIEC affordable rent rate for the Kansas City MSA AA.

Product Innovation and Flexibility

The institution made extensive use of innovative or flexible lending practices in order to serve AA credit needs. During the evaluation period, BHB made 520 loans and grants totaling $30.1 million among the various flexible lending products available in the Kansas City MMSA AA. This included 212 Home Possible loans totaling $25.3 million, 21 NHLP loans totaling $2.6 million, eight FHA loans totaling $1.1 million, 189 BHB Grants totaling $264,000, and 87 DPAs totaling $435,000.

INVESTMENT TEST

The institution’s performance under the Investment Test in the Kansas City MSA is rated Outstanding.

Based on a full-scope review, the institution’s performance in the Kansas City MSA was excellent.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	**Prior Period***		**Current Period**		**Total**				**Unfunded Commitments****	
	#	**$(000's)**	**#**	**$(000's)**	**#**	**% of Total #**	**$(000’s)**	**% of Total $**	**#**	**$(000's)**
Full Scope:										
Kansas City MSA	15	5,078	46	4,496	61	100.0	9,574	100.0	3	3,169
Total	**15**	**5,078**	**46**	**4,496**	**61**	**100.0**	**9,574**	**100.0**	**3**	**3,169**

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

BHB had an excellent level of qualified investments and grants, often in a leadership position, particularly those that were not routinely provided by private investors. The dollar volume of current- and prior-period investments represented 7.1 percent of tier 1 capital allocated to the AA. This did not include three unfunded commitments which totaled almost $3.2 million and represented an additional 2.3 percent of allocated capital.

BHB exhibited excellent responsiveness to credit and community economic development needs. The institution occasionally used innovative or complex investments in LIHTC funds, SBICs, and CDFIs to support CD initiatives. BHB made nine qualified investments totaling $4.1 million for affordable housing, two investments totaling $2.9 million for economic development, four qualified investments and grants totaling $508,000 dollars in revitalization and stabilization activities, and 46 qualified investments and grants totaling $2.1 million dollars to community service organizations that provided needed services to low- and moderate-income individuals.

Examples of qualified investments in the AA include:

- A $2.9 million investment in a LIHTC fund to acquire and rehabilitate an affordable housing complex in the AA. The investment provided a new roof and doors, updated safety and security features, and converted units to Americans with Disability Act requirements. Financing also included other tax credits and bonds from the state finance authority.

- A $1.8 million investment in an SBIC fund for economic development purposes. The fund provided subordinated debt with non-control equity investments to two small businesses in the AA that allowed for expansion and job creation.

SERVICE TEST

The bank’s performance under the Service Test in the Kansas City MMSA AA is rated Outstanding.

Based on full-scope review of the bank’s performance in the Kansas City MMSA AA was excellent.

Retail Banking Services

Service delivery systems were readily accessible to geographies and individuals of different income levels in the institution's AA.

Assessment Area	Deposits	Branches							Population				
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)					% of Population within Each Geography				
				Low	Mod	Mid	Upp	NA	Low	Mod	Mid	Upp	NA
Full Scope:													
Kansas City MMSA	100.0	10	100.0	0.0	10.0	40.0	50.0	0.0	10.4	21.8	33.8	33.7	0.3
Due to rounding, totals may not equal 100.0													

The bank had no branches in low-income geographies. The percentage of branches in moderate-income geographies was well below the percentage of the population in those geographies. When considering the five adjacent-serving branches, one serving low-income geographies and four serving moderate-income geographies, the distribution exceeded the percentage of the population within those geographies.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. BHB had 14 ATMs in the AA, all of which were deposit-taking.

Distribution of Branch Openings/Closings							
Branch Openings/Closings							
Assessment Area	**# of Branch Openings**	**# of Branch Closings**	**Net change in Location of Branches (+ or -)**				
			Low	**Mod**	**Mid**	**Upp**	**NA**
Full Scope:							
Kansas City MMSA	0	1	0	0	-1	0	0

To the extent changes had been made, the institution's opening and closing of branches had not affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The only branch closing was in a middle-income geography.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced its AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. BHB maintained standard business hours and offered traditional banking products and services at all branch locations in the AA. In addition, BHB opened 658 SMARTMoney checking accounts and 75 Credit Builder accounts in the Kansas City MMSA AA.

Community Development Services

The institution provided a significant level of CD services. During the evaluation period, one bank employee conducted 12 financial education events attended by over 491 participants. The employee presented information on buying your first home and basic consumer financial education targeted to low- and moderate-income individuals and families. In addition, five bank employees spent 342 hours serving in leadership roles by participating on boards and committees for five different organizations.

Examples of CD services in the AA include:

- A bank employee served on the board of the local chapter of a community development organization. The organization invests in businesses, housing, and other community infrastructure to improve the economic, health, safety, and educational opportunities for the communities they serve, including low- and moderate-income geographies and persons.

- A bank manager served on the board of an early childhood education and counseling center. The center provided mental health services, occupational and speech therapy, meals, and transportation for children from low- and moderate-income families.

Minneapolis-St. Paul-Bloomington, MN-WI (Minneapolis) MMSA

CRA rating for the Minneapolis MMSA[3]: Outstanding
The Lending Test is rated: Outstanding
The Investment Test is rated: Outstanding
The Service Test is rated: Outstanding

The major factors that support this rating include:

- Based on the data in the tables and performance context considerations discussed below, both the overall geographic and overall borrower distributions of the bank's originations and purchases of home mortgage loans and small loans to businesses were good.

- CD loans were effective in addressing community credit needs. The institution was a leader in making CD loans, which had a positive impact on the Lending Test rating.

- Qualified investments were effective and responsive in addressing community credit needs. The bank made an excellent level of qualified investments, grants, and donations.

- The bank's branches and alternative delivery systems were readily accessible to geographies and individuals of different incomes and responsive in helping the bank provide services across the community.

- CD services were effective and responsive in addressing community needs. The bank was a leader in providing CD services, consistent with its capacity and expertise to conduct specific activities.

Description of Institution's Operations in the Minneapolis MMSA

BHB delineated a portion of the Minneapolis MMSA as an AA. Refer to the table in appendix A for a list of counties reviewed.

Based on June 30, 2019, FDIC summary of deposit information, BHB had just under $4.1 billion in deposits in the AA, which represented 4.1 percent of the bank's total deposits. During the evaluation period, the bank made $626.1 million or 6.0 percent of its total dollar volume of home mortgage loans, small loans to businesses, and small loans to farms in this AA.

BHB had 26 branch office locations and 28 ATMs, of which 24 were deposit-taking, within the AA. BHB ranked fifth in deposit market share with 2.2 percent. The top three competitors included U.S. Bank N.A. with 94 branches and 39.7 percent deposit market share, Wells Fargo Bank, N.A. with 90 branches and 34.7 percent market share, and TCF National Bank with 83 branches and 3.6 percent market share. There were 118 additional FDIC-insured depository institutions with 384 offices within the bank's AA.

The following table provides a summary of the demographics, including housing and business information for the Minneapolis MMSA AA.

[3] This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Table A – Demographic Information of the Assessment Area Assessment Area: Minneapolis MMSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	726	7.4	22.2	42.3	27.1	1.0
Population by Geography	3,079,031	6.2	19.6	43.2	30.6	0.3
Housing Units by Geography	1,257,426	5.8	20.4	44.4	29.1	0.3
Owner-Occupied Units by Geography	821,404	2.3	15.5	46.5	35.6	0.1
Occupied Rental Units by Geography	376,386	12.9	30.4	39.8	16.0	0.9
Vacant Units by Geography	59,636	9.7	23.6	42.9	22.9	0.8
Businesses by Geography	268,168	5.0	17.2	43.6	33.9	0.3
Farms by Geography	6,590	1.7	12.5	51.8	33.8	0.1
Family Distribution by Income Level	764,950	20.3	17.1	21.8	40.7	0.0
Household Distribution by Income Level	1,197,790	23.8	16.1	18.3	41.8	0.0
Median Family Income MMSA - 33460 Minneapolis-St. Paul-Bloomington, MN-WI MMSA		$84,589	Median Housing Value			$231,190
			Median Gross Rent			$962
			Families Below Poverty Level			7.0%

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

Information from Moody's Analytics indicated the Minneapolis MMSA AA had a diversified economy. Key sectors of the economy based on percentage of total employment included Education and Health Services, Professional and Business Services, Government, and Manufacturing. Major employers in the AA included Allina Health System, Target Corporation, University of Minnesota, HealthPartners, Fairview Health System, and Wells Fargo & Co. According to the BLS, the annual average unemployment rate in the Minneapolis MMSA AA was 3.1 percent in 2017, 2.7 percent in 2018, and 3.0 percent in 2019. This was slightly lower than the overall Minnesota state unemployment rates of 3.4 percent, 2.9 percent, and 3.3 percent, respectively, and Wisconsin state unemployment rates of 3.3 percent, 3.0 percent, and 3.1 percent, respectively.

Based on information in the above table, low-income families earned less than $42,299 and moderate-income families earned less than $67,679. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of $1,057 for low-income borrowers and $1,692 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MMSA median housing value would be $1,241. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

Information from four community contact interviews; two from economic development entities and two from local government agencies, identified the following needs within the Minneapolis MMSA AA:

- Financing for business start-ups and very small-scale businesses.
- Financing and investments to nonprofit builders to increase supply of affordable housing, including affordable rental units.
- Investments in CDFIs that originate loans for affordable housing or micro loans to small businesses.
- Affordable mortgage loans for both single-family and multi-family homes.

The Minneapolis MMSA AA presented abundant opportunities to serve the identified needs. There were many CD and social services organizations within the AA for institutions to partner with, as well as a number of large, philanthropic foundations, universities, research institutes, and trade associations. The OCC noted 22 certified CDFIs, 14 HUD-approved housing counseling agencies, and three SBA Small Business Development centers serving the AA.

Scope of Evaluation in the Minneapolis MMSA

Examiners conducted a full-scope review of the Minneapolis MMSA AA. Examiners placed more emphasis on home mortgage loans versus small loans to businesses in arriving at the overall conclusion. HMDA loans represented the majority of BHB's lending in this AA. BHB originated too few small loans to farms in this AA to conduct a meaningful analysis.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE MINNEAPOLIS MMSA

LENDING TEST

The bank's performance under the Lending Test in the Minneapolis MMSA AA is rated Outstanding.

Based on a full-scope review, the bank's performance in the Minneapolis MMSA AA was excellent.

Lending Activity

Lending levels reflected adequate responsiveness to AA credit needs.

Number of Loans					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Minneapolis MMSA	1,636	1,335	14	33	3,018
Statewide/Regional:					
Broader MN	0	0	0	9	9
Total	**1,636**	**1,335**	**14**	**42**	**3,027**

Dollar Volume of Loans ($000)					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Minneapolis MMSA	421,247	203,529	1,318	259,765	885,859
Statewide/Regional:					
Broader MN	0	0	0	57,025	57,025
Total	**421,247**	**203,529**	**1,318**	**316,790**	**942,884**

BHB ranked fifth out of 122 insured depository institutions (top 4.1 percent) with a deposit market share of 2.2 percent. For home mortgage loans, BHB's market share of 0.5 percent ranked 46th out of 674 lenders (top 6.8 percent). The top three lenders were U.S. Bank, N.A. with 12.0 percent market share, Wells Fargo Bank, N.A. with 10.9 percent market share, and Bell Bank with 4.7 percent market share.

For small loans to businesses, BHB's market share of 0.7 percent ranked 16th out of 149 lenders (top 10.7 percent). The top three lenders were U.S. Bank, N.A. with 21.2 percent market share, American Express National Bank with 20.0 percent market share, and Wells Fargo Bank, N.A. with 15.8 percent market share.

Distribution of Loans by Income Level of the Geography

The bank exhibited a good geographic distribution of loans in its AA. Examiners generally placed more emphasis on the bank's performance in moderate-income geographies as these areas had a higher percentage of owner-occupied housing units and small businesses.

Home Mortgage Loans

Refer to Table O in the Minneapolis MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans was good. The percentage of home mortgage loans originated or purchased in low-income geographies exceeded, and in moderate-income geographies was near-to, the percentage of owner-occupied housing units located in those geographies. The percentage of home mortgage loans originated or purchased in low-income geographies was near-to, and in moderate-income geographies was below, the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table Q in the Minneapolis MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses was good. The percentage of small loans to businesses originated or purchased in low-income geographies exceeded, and in moderate-income geographies was below, the percentage of businesses located in those geographies. The percentage of small loans to businesses originated or purchased in low-income geographies exceeded, and in moderate-income geographies was below, the aggregate percentage of all reporting lenders. When considering the impact of the BMOTF portfolio on moderate-income geographies, the bank's performance was near-to both the percentage of business in those geographies and the aggregate percentage of all reporting lenders.

Lending Gap Analysis

The OCC analyzed BHB's geographic lending patterns of home mortgage loans, small loans to businesses, and small loans to farms by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibited a good distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the Minneapolis MMSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases.

The distribution of home mortgage loans among individuals of different income levels was good. The percentage of home mortgage loans originated or purchased to low-income borrowers was well below, and to moderate-income borrowers exceeded the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased to low-income borrowers exceeded, and to moderate-income borrowers was near-to, the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table R in the Minneapolis MMSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses.

The distribution of loans to businesses of different sizes was adequate. The percentage of loans to small businesses originated or purchased was significantly below the percentage of small businesses in the AA and well below the aggregate percentage of all reporting lenders. When considering the impact of the BMOTF portfolio on the percentage of loans to small businesses, BHB's performance was below the percentage of small business but exceeded the aggregate percentage.

Community Development Lending

The institution was a leader in making CD loans. CD lending had a positive impact on the Lending Test conclusion.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending was excellent. BHB made 33 CD loans totaling almost $259.8 million, which represented 48.2 percent of allocated tier 1 capital. The bank utilized complex CD loans often in a leadership position. CD loans were impactful as they were responsive to identified community needs. By dollar volume, 82.8 percent of these loans funded affordable housing, 12.4 percent funded community services, 4.5 percent funded revitalization and stabilization efforts, and 0.4 percent funded economic development activities.

Examples of CD loans in the AA include:

- $54.8 million in loans to finance the construction of an affordable housing complex, which consisted of a 262-unit building for senior citizens and a 220-unit building for families. All units were available to residents that earned 60 percent or less than the AA average median income. The funding for this project was complex as it also included financing from LIHTCs and TIF funds.

- $34.5 million in loans to finance the construction of a homeless prevention and transition center, which included a 177-unit affordable housing complex. The funding for this project was complex as it included financing from new market tax credits (NMTCs), LIHTCs, TIF funds, and several other sources.

Product Innovation and Flexibility

The institution used innovative or flexible lending practices in order to serve AA credit needs. During the evaluation period, BHB made 188 grants and loans totaling $16.4 million between the various flexible lending products available in the Minneapolis MMSA AA. This included 41 Home Possible loans totaling $7.1 million, 11 FHA loans totaling $2.2 million, 34 NHLP loans totaling $6.1 million, and 93 BHB Grants totaling $130,200.

INVESTMENT TEST

The institution's performance under the Investment Test in the Minneapolis MMSA AA is rated Outstanding.

Based on a full-scope review, the institution's performance in the Minneapolis MMSA AA was excellent.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	**Prior Period***		**Current Period**		**Total**				**Unfunded Commitments****	
	#	**$(000's)**	**#**	**$(000's)**	**#**	**% of Total #**	**$(000's)**	**% of Total $**	**#**	**$(000's)**
Full Scope:										
Minneapolis MMSA	25	30,640	73	21,086	98	89.1	51,726	93.7	12	5,592
Statewide/Regional:										
Broader MN	1	506	11	2,984	12	10.9	3,490	6.3	1	295
Total	**26**	**31,146**	**84**	**24,070**	**110**	**100.0**	**55,216**	**100.0**	**13**	**5,887**
* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date. ** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.										

The institution had an excellent level of qualified investment and grants, often in a leadership position, particularly those that were not routinely provided by private investors. The dollar volume of current-and prior-period investments represented 9.6 percent of tier 1 capital allocated to the AA. This did not include $5.6 million BHB had in 12 unfunded commitments, an additional 1.0 percent of allocated capital.

The institution exhibited good responsiveness to credit and community economic development needs. The institution occasionally used innovative or complex investments to support CD initiatives. BHB had 25 qualified investments and grants totaling $24.4 million related to affordable housing, 23 qualified investments and grants totaling $25.0 million related to economic development, eight qualified investments and grants totaling $1.8 million for revitalization and stabilization efforts, and 42 grants and donations totaling $478,000 to community service organizations that provided needed services to low- and moderate-income individuals.

Examples of qualified investments in the AA include:

- A $5.4 million investment in a real estate equity fund that acquires and preserves existing affordable housing. The funds were to complete repairs and energy efficient updates to 529 units of affordable housing. The units were for individuals with incomes at or below 60 percent of the area median family income.

- A $1.0 million equity equivalent investment to a non-profit organization that was dedicated to empowering low-income persons to become self-reliant. The organization provided affordable housing and career-readiness services to individuals and families. Over 90 percent of their clients live below the poverty level.

Broader Statewide or Regional Area

BHB also had 12 investments totaling $3.4 million that benefited the broader statewide or regional area. Eleven related to revitalization and stabilization efforts in low- or moderate-income geographies.

SERVICE TEST

The bank’s performance under the Service Test in the Minneapolis MMSA AA is rated Outstanding.

Based on a full-scope review, the bank’s performance in the Minneapolis MMSA AA was excellent.

Retail Banking Services

Service delivery systems were readily accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System														
Assessment Area	Deposits	Branches								Population				
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)						% of Population within Each Geography				
				Low	Mod	Mid	Upp	NA		Low	Mod	Mid	Upp	NA
Full Scope:														
Minneapolis MMSA	100.0	26	100.0	3.9	7.7	50.0	38.5	0.0		6.2	19.6	43.2	30.6	0.3
Due to rounding, totals may not equal 100.0														

The bank's distribution of branches in low-income geographies was below, and in moderate-income geographies was well below, the percentage of the population living within those geographies. When considering the five adjacent-serving branches, one serving a low-income geography and four serving moderate-income geographies within the AA, the distribution exceeded the percentage of the population within both low- and moderate-income geographies.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. BHB had 28 ATMs in the AA, of which 24 were deposit-taking.

Distribution of Branch Openings/Closings							
Branch Openings/Closings							
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				
			Low	Mod	Mid	Upp	NA
Full Scope:							
Minneapolis MMSA	0	7	0	-2	-4	-1	0

To the extent changes had been made, the institution's opening and closing of branches had not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced its AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. BHB maintained standard business hours and offered traditional banking products and services at all branch locations in the AA. In addition, BHB opened 2,887 SMARTMoney checking accounts and 642 Credit Builder accounts in the Minneapolis MMSA AA.

Community Development Services

The institution was a leader in providing CD services.

During the evaluation period, bank employees conducted 43 financial education events totaling 305 hours in coordination with three different organizations. Approximately 560 participants attended these classes. These events focused on basic consumer financial education and housing seminars to low- and moderate-income individuals and families. In addition, 14 bank employees served in leadership roles for 15 different organizations by participating on boards and committees.

Examples of CD services in the AA include:

- A bank employee was a board member of a local CDFI. The organization's mission was to empower low-income entrepreneurs and community partners to transform their neighborhood economies from within. Services included training in accounting, finance, credit review processes, marketing, operations, and management. The organization also offered a variety of loans for small business entrepreneurs.

- A bank employee was a board member of an organization that provided emergency resources to the community to address suburban poverty. The organization focused on affordable housing, food insecurity, underemployment, transportation barriers, lack of access to quality early childhood education, and achievement gaps that persisted despite top-quality schools for low- and moderate-income individuals and families.

St. Louis, MO-IL (St. Louis) MMSA

CRA rating for the St. Louis MMSA[4]: Satisfactory
The Lending Test is rated: High Satisfactory
The Investment Test is rated: Outstanding
The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Based on the data in the tables and performance context considerations discussed below, both the overall geographic and overall borrower distributions of the bank's originations and purchases of home mortgage loans and small loans to businesses were adequate.

- CD loans were effective in addressing community credit needs. The institution was a leader in making CD loans, which had a positive impact on the Lending Test rating.

- Qualified investments were effective and responsive in addressing community credit needs. The bank made an excellent level of qualified investments, grants, and donations.

- The bank's branches and alternative delivery systems were accessible to geographies and individuals of different incomes and responsive in helping the bank provide services across the community.

- CD services were effective and responsive in addressing community needs. The bank provided a significant level of CD services, consistent with its capacity and expertise to conduct specific activities.

Description of Institution's Operations in the St. Louis MMSA

BHB delineated a portion of the St. Louis MMSA as an AA. Refer to the table in appendix A for a list of counties reviewed.

Based on June 30, 2019, FDIC summary of deposit information, BHB had just under $1.8 billion in deposits in this AA, which represented 1.8 percent of the bank's total deposits. During the evaluation period, the bank made $292.4 million or 2.8 percent of its total dollar volume of home mortgage loans, small loans to businesses, and small loans to farms in this AA.

BHB had 16 office locations and 20 ATMs, all of which were deposit-taking, within the AA. The bank ranked ninth in deposit market share with 2.3 percent. The top four competitors included Stifel Bank and Trust with two branches and 16.8 percent market share, Bank of America, N.A. with 45 branches and 16.2 percent market share, U.S. Bank N.A. with 92 branches and 15.11 percent market share, and Commerce Bank with 44 branches and 8.1 percent market share. There were 80 additional FDIC-insured depository institutions with 452 offices within the bank's AA.

The following table provides a summary of the demographics, including housing and business information for the St. Louis MMSA AA.

[4] This rating reflects performance within the multistate metropolitan statistical area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan statistical area.

Table A – Demographic Information of the Assessment Area Assessment Area: St. Louis MMSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	486	15.2	20.4	31.5	32.1	0.8
Population by Geography	2,182,588	10.4	19.0	34.8	35.5	0.3
Housing Units by Geography	965,904	11.9	20.2	34.8	32.8	0.3
Owner-Occupied Units by Geography	587,619	5.8	16.8	36.9	40.4	0.1
Occupied Rental Units by Geography	276,990	18.9	25.5	33.2	21.7	0.7
Vacant Units by Geography	101,295	28.5	25.5	26.5	19.1	0.3
Businesses by Geography	159,366	6.6	17.4	31.9	43.0	1.1
Farms by Geography	3,828	3.3	14.5	40.6	41.1	0.5
Family Distribution by Income Level	554,289	21.7	16.8	19.4	42.2	0.0
Household Distribution by Income Level	864,609	24.1	15.9	17.1	42.9	0.0
Median Family Income MMSA - 41180 St. Louis, MO-IL MMSA		$70,718	Median Housing Value			$171,176
			Median Gross Rent			$847
			Families Below Poverty Level			9.8%

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

Information from Moody's Analytics indicated the St. Louis MMSA AA had a well-diversified economy. Key sectors of the economy based on percentage of total employment included Education and Health Services, Professional and Business Services, Leisure and Hospitality Services, Government, and Retail Trade. Major employers in the AA included BJC Healthcare, Wal-Mart Stores Inc., SSM Health Care System, Washington University in St. Louis, and Boeing Defense, Space, and Security. According to the BLS, the annual average unemployment rate in the St. Louis MMSA AA was 3.8 percent in 2017, 3.4 percent in 2018, and 3.3 percent in 2019. This was consistent with the overall Missouri state unemployment rates of 3.8 percent, 3.2 percent, and 3.3 percent, respectively, and lower than the Illinois state unemployment rates of 4.9 percent, 4.3 percent, and 4.0 percent, respectively.

Based on information in the above table, low-income families earned less than $35,359 and moderate-income families earned less than $56,575. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of $884 for low-income borrowers and $1,414 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MMSA median housing value would be $919. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

Information from four community contact interviews; one from an economic development entity, two from affordable housing organizations, and one from a local government agency, identified the following needs within the St. Louis MMSA AA:

- Flexible home mortgage financing for first-time homebuyers.
- Funding for acquisition and rehabilitation of affordable housing.

- Funding for start-up businesses and "young" companies.
- Financial literacy education for businesses and individuals.

The St. Louis MMSA AA offered adequate opportunities to meet the identified needs. There were a variety of non-profit organizations that work with financial institutions, local government, foundations, and others to meet the CD needs of the area. The OCC noted eight certified CDFIs, 14 HUD-approved housing counseling agencies, and three SBA small business development centers serving the AA.

Scope of Evaluation in the St. Louis MMSA

Examiners conducted a full-scope review of the St. Louis MMSA AA. Examiners placed more emphasis on home mortgage loans versus small loans to businesses in arriving at the overall conclusion. HMDA loans represented the majority of BHB's lending in this AA. BHB originated too few small loans to farms in this AA to conduct a meaningful analysis.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE ST. LOUIS MMSA

LENDING TEST

The bank's performance under the Lending Test in the St. Louis MMSA AA is rated High Satisfactory.

Based on a full-scope review, the bank's performance in the St. Louis MMSA AA was good.

Lending Activity

Lending levels reflected good responsiveness to AA credit needs.

Number of Loans					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
St. Louis MMSA	751	490	1	11	1,253
Total	**751**	**490**	**1**	**11**	**1,253**

Dollar Volume of Loans ($000)					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
St. Louis MMSA	219,816	72,498	59	32,281	324,654
Total	**219,816**	**72,498**	**59**	**32,281**	**324,654**

BHB ranked ninth out of 85 insured depository institutions (top 10.6 percent) with a deposit market share of 2.3 percent. For home mortgage loans, BHB's market share of 0.3 percent ranked 72nd out of 585 lenders (top 12.3 percent). The top three lenders were Wells Fargo, N.A. with 8.5 percent market share, U.S. Bank, N.A. with 6.0 percent market share, and JPMorgan Chase Bank, N.A. with 3.6 percent market share.

For small loans to businesses, BHB's market share of 0.4 percent ranked 27th out of 153 lenders (top 17.6 percent). The top three lenders were American Express National Bank with 13.9 percent market share, JPMorgan Chase Bank, N.A. with 13.5 percent market share, and U.S. Bank, N.A. with 13.5 percent market share.

Distribution of Loans by Income Level of the Geography

The bank exhibited an adequate geographic distribution of loans in its AA. Examiners generally placed more emphasis on the bank's performance in moderate-income geographies as these areas had a higher percentage of owner-occupied housing units and small businesses.

Home Mortgage Loans

Refer to Table O in the St. Louis MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans was poor. The percentage of home mortgage loans originated or purchased in both low- and moderate-income geographies, was significantly below the percentage of owner-occupied housing units located in those geographies. The percentage of home mortgage loans originated or purchased in low-income geographies was below, and in moderate-income geographies was well below, the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table Q in the St. Louis MMSA section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses was good. The percentage of small loans to businesses originated or purchased in low-income geographies was well below, and in moderate-income geographies exceeded, both the percentage of businesses located in those geographies and the aggregate percentage of all reporting lenders, respectively.

Lending Gap Analysis

The OCC analyzed BHB's geographic lending patterns of home mortgage loans, small loans to businesses, and small loans to farms by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibited an adequate distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the St. Louis MMSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases.

The distribution of home mortgage loans among individuals of different income levels was adequate. Examiners considered housing costs in relation to the median family incomes in the AA, which limited the affordability for low-income families. The percentage of home mortgage loans originated or purchased to low-income borrowers was well below, and to moderate-income borrowers was below, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased to low-income borrowers exceeded, and in moderate-income geographies was below, the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table R in the St. Louis MMSA section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's originations and purchases of small loans to businesses.

The distribution of loans to businesses of different sizes was adequate. The percentage of loans to small businesses originated or purchased was well below the percentage of small businesses in the AA but approximated the aggregate percentage of all reporting lenders.

Community Development Lending

The institution was a leader in making CD loans. CD lending had a positive impact on the Lending Test conclusion.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending was excellent. BHB made 11 CD loans totaling over $32.2 million, which represented 13.9 percent of allocated tier 1 capital. The bank utilized complex CD loans often in a leadership position. CD loans were impactful as they were responsive to identified community needs. By dollar volume, 76.5 percent of these loans funded economic development activities, 13.5 percent funded affordable housing, and 9.9 percent funded community services.

Examples of CD loans in the AA include:

- $17.1 million in financing for the construction of a new manufacturing and distribution facility. The new facility will create 60 new jobs over a six-year period. The borrower received several incentives due to this job creation, including a tax abatement that required wages to be 90 percent of the county average.

- $4.4 million in financing for an affordable housing project located in a low-income geography, which resulted in the construction of 87 units of affordable housing. The units were reserved for individuals earning less than 60 percent of the area median family income.

Product Innovation and Flexibility

The institution made little use of innovative or flexible lending practices in order to serve AA credit needs. During the evaluation period, BHB made 46 loans and grants totaling $3.1 million in among the various flexible lending products available in the St. Louis MMSA AA.

INVESTMENT TEST

The institution's performance under the Investment Test in the St. Louis MMSA is rated Outstanding.

Based on a full-scope review, the institution's performance in the St. Louis MMSA was excellent.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	$(000's)	#	$(000's)	#	% of Total #	$(000's)	% of Total $	#	$(000's)
Full Scope:										
St. Louis MSA	23	8,075	23	13,291	46	100.0	21,366	100.0	7	1,889
Total	**23**	**8,075**	**23**	**13,291**	**46**	**100.0**	**21,366**	**100.0**	**7**	**1,889**

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The institution had an excellent level of qualified investments and grants, often in a leadership position, particularly those that were not routinely provided by private investors. The dollar volume of current- and prior-period investments represented 9.2 percent of tier 1 capital allocated to the AA. This did not include almost $1.9 million BHB had in seven unfunded commitments, an additional 0.8 percent of allocated capital.

The institution exhibited excellent responsiveness to credit and community economic development needs. The institution occasionally used innovative or complex investments in LIHTC funds, CDFIs, and SBICs to support CD initiatives. BHB had 14 qualified investments totaling $7.6 million related to affordable housing, 21 qualified investments and grants totaling $1.5 million to community service organizations that provided needed services to low- and moderate-income individuals, five qualified investments and grants totaling $12.2 million related to economic development, and six grants totaling $47,500 for revitalization and stabilization efforts.

Examples of qualified investments in the AA include:

- A $4.6 million investment in a private equity fund that acquired an apartment complex in the AA for preservation and rehabilitation of affordable housing. The property provided 240 affordable units restricted to households with incomes of less than 80 percent of the area median income.

- A $5.0 million investment in a private equity SBIC supporting economic development. The company provided subordinated debt investments with some equity in small and mid-size companies. BHB's investment was directed to small businesses in the St. Louis MMSA AA.

SERVICE TEST

The bank's performance under the Service Test in St. Louis MMSA AA is rated High Satisfactory.

Based on full-scope review the bank's performance in the St. Louis MMSA AA was good.

Retail Banking Services

Service delivery systems were accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System													
Assessment Area	Deposits	Branches							Population				
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)					% of Population within Each Geography				
				Low	Mod	Mid	Upp	NA	Low	Mod	Mid	Upp	NA
Full Scope:													
St. Louis MMSA	100.0	16	100.0	0.0	12.5	37.5	50.0	0.0	10.4	19.0	34.8	35.5	0.3
Due to rounding, totals may not equal 100.0													

The bank had no branches in low-income geographies. The percentage of branches in moderate-income geographies was below the percentage of the population in those geographies. When considering the four adjacent-serving branches, one serving low-income geographies and three serving moderate-income geographies, the distribution was below the percentage of the population in low-income geographies and exceeded the percentage of the population within moderate-income geographies.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. BHB had 20 ATMs in the AA, all of which were deposit-taking.

Distribution of Branch Openings/Closings							
Branch Openings/Closings							
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				
			Low	Mod	Mid	Upp	NA
Full Scope:							
St. Louis MMSA	0	0	0	0	0	0	0

The bank did not have any branch openings or closings during the evaluation period.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced its AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. BHB maintained standard business hours and offered traditional banking products and services at all branch locations in the AA. In addition, BHB opened 919 SMARTMoney checking accounts and 19 Credit Builder accounts in the St. Louis MMSA AA.

Community Development Services

The institution provided a significant level of CD services. During the evaluation period, two bank employees conducted 27 financial education events attended by over 760 participants. BHB employees presented information on buying your first home and basic consumer financial education targeted to low- and moderate-income individuals and families. In addition, four bank employees spent 158 hours serving in leadership roles by participating on boards and committees for five different organizations.

Examples of CD services in the AA include:

- A senior level bank employee served on the board of a local community development organization. The organization worked to revitalize communities and neighborhoods in greater St. Louis by providing housing development services, technical expertise for capacity building, and access to financing for affordable housing development.

- A bank employee served on the board of a local affordable housing development corporation. The organization purchased distressed single-family homes, renovated them, and then sold them back to low- and moderate-income buyers at below market prices. This improved neighborhoods by providing quality homes to stable, responsible home owners.

State Ratings

State of Arizona

CRA rating for the State of Arizona: Satisfactory
The Lending Test is rated: High Satisfactory
The Investment Test is rated: Outstanding
The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Based on the data in the tables and performance context considerations discussed below, both the overall geographic and overall borrower distributions of the bank's originations and purchases of home mortgage loans and small loans to businesses were adequate.

- CD loans were effective in addressing community credit needs. The institution was a leader in making CD loans, which had a positive impact on the Lending Test rating.

- Qualified investments were effective and responsive in addressing community credit needs. The bank made an excellent level of qualified investments, grants, and donations.

- The bank's branches and alternative delivery systems were accessible to geographies and individuals of different incomes and responsive in helping the bank provide services across the community.

Description of Institution's Operations in Arizona

BHB delineated three AAs in the state of Arizona. They included a portion of the Phoenix-Mesa-Scottsdale, AZ (Phoenix) MSA and the entire Prescott, AZ (Prescott) and Tucson, AZ (Tucson) MSAs. Refer to the table in appendix A for a list of counties reviewed.

Based on June 30, 2019, FDIC summary of deposit information, BHB had almost $4.1 billion in deposits in these AAs, which represented 3.2 percent of the bank's total deposits. During the evaluation period, the bank made $998.1 million or 9.6 percent of its total dollar volume of home mortgage loans, small loans to businesses, and small loans to farms in these AAs.

BHB had 50 office locations and 193 ATMs, of which 46 were deposit-taking, within these AAs. The bank ranked seventh in deposit market share with 3.2 percent. The top three competitors had 62.8 percent of the market. These competitors included JPMorgan Chase Bank, N.A. with 202 branches and 23.4 percent market share, Wells Fargo Bank, N.A. with 182 branches and 20.7 percent market share, and Bank of America, N.A. with 123 branches and 18.7 percent market share. There were 60 other FDIC-insured depository institutions with 413 offices within the bank's AAs.

<u>Phoenix MSA</u>

The following table provides a summary of the demographics, including housing and business information for the Phoenix MSA AA.

Table A – Demographic Information of the Assessment Area Assessment Area: Phoenix MSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	916	11.5	22.5	31.2	33.4	1.4
Population by Geography	4,018,143	11.1	22.9	31.3	34.4	0.3
Housing Units by Geography	1,668,555	9.8	23.4	33.3	33.4	0.1
Owner-Occupied Units by Geography	875,327	4.6	18.8	34.7	41.9	0.0
Occupied Rental Units by Geography	567,191	17.1	29.4	31.2	21.9	0.3
Vacant Units by Geography	226,037	11.8	25.6	33.2	29.3	0.2
Businesses by Geography	419,998	6.2	15.9	28.4	48.9	0.5
Farms by Geography	7,681	6.1	18.0	29.4	46.2	0.3
Family Distribution by Income Level	945,115	21.8	16.9	19.2	42.2	0.0
Household Distribution by Income Level	1,442,518	23.3	16.3	17.7	42.7	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Chandler, AZ MSA		$63,686	Median Housing Value			$203,811
			Median Gross Rent			$993
			Families Below Poverty Level			12.6%

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

The Phoenix MSA AA consisted of Maricopa County, one of the two counties that comprise the MSA. According to the FDIC's Summary of Deposits as of June 30, 2019, BHB deposits in the AA comprised 3.4 percent of total bank deposits.

BHB operated 41 branches in the AA and had a 3.2 percent deposit market share which ranked sixth among all institutions. Competition was significant with 61 other FDIC-insured depository institutions operating 719 offices in the AA. The top four competitors included JPMorgan Chase Bank, N.A. with 155 branches and 23.1 percent market share, Wells Fargo Bank, N.A. with 136 branches and 19.8 percent market share, Bank of America, N.A. with 96 branches and 19.2 percent market share, and Western Alliance Bank with seven branches and 8.0 percent market share.

Information from Moody's Analytics indicated the Phoenix MSA AA had a diversified economy. Key sectors of the economy based on percentage of total employment included Professional and Business Services, Education and Health Services, Government, and Retail Trade. Major employers in the AA included Banner Health System, Wal-Mart Stores Inc., Wells Fargo & Co., and Arizona State University. According to the BLS, the annual average unemployment rate in the Phoenix MSA AA was 4.3 percent in 2017 and 4.2 percent in both 2018 and 2019. This was lower than the overall Arizona state unemployment rates of 4.9 percent in 2017 and 4.7 percent in both 2108 and 2019.

Based on information in the above table, low-income families earned less than $31,834 and moderate-income families earned less than $50,949. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of $796 for low-income borrowers and $1,274 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be $1,094. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

Information from three community contact interviews; one each from an economic development entity, an affordable housing organization, and a local government agency, identified the following needs within the Phoenix MSA AA:

- Financing for affordable housing, both rental and owner-occupied.
- Workforce housing, particularly for low- and moderate-income individuals and families.
- Small business start-up loans.
- Financial education for new homebuyers and small businesses.
- Support for Individual Development Account programs.

The Phoenix MSA AA offered adequate opportunities to meet the identified needs. The OCC noted eight certified CDFIs, 12 HUD-approved housing counseling agencies, and two SBA Small Business Development centers serving the AA.

Scope of Evaluation in Arizona

The Phoenix MSA AA had the substantial majority of deposits among the three AAs with 84.0 percent. BHB was ranked sixth out of 62 depository institutions in the AA with a market share of 3.2 percent. Examiners selected this AA for analysis using full-scope procedures and weighted most heavily in the overall conclusions. Examiners analyzed the Prescott and Tucson MSA AAs using limited scope procedures. BHB did not have significant market presence in either of these MSA AAs as several large national and regional financial institutions dominate the markets. Ratings are based on the results of the area that received the full-scope review and the bank’s performance in the limited-scope areas, as applicable.

Examiners placed more emphasis on home mortgage loans versus small loans to businesses in arriving at the overall conclusion. HMDA loans represented the majority of BHB’s lending in all three AAs. BHB originated too few small loans to farms in these AAs to conduct a meaningful analysis.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARIZONA

LENDING TEST

The bank’s performance under the Lending Test in Arizona is rated High Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Phoenix MSA AA was good.

Lending Activity

Lending levels reflected excellent responsiveness to AA credit needs.

Number of Loans*					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Phoenix MSA	2,497	1,321	10	18	3,846
Limited Scope:					
Prescott MSA	208	37	0	1	246
Tucson MSA	218	154	5	5	382
Total	**2,923**	**1,512**	**15**	**24**	**4,474**
* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.					

Dollar Volume of Loans ($000)*					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Phoenix MSA	690,833	170,084	667	126,739	988,323
Limited Scope:					
Prescott MSA	48,818	4,413	0	3,010	56,241
Tucson MSA	64,132	18,123	1,069	46,174	129,498
Total	**803,783**	**192,620**	**1,736**	**175,923**	**1,174,062**
* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.					

BHB ranked sixth out of 62 insured depository institutions (top 9.7 percent) with a deposit market share of 3.2 percent. For home mortgage loans, BHB's market share of 0.6 percent ranked 40th out of 853 lenders (top 4.6 percent). The top three lenders were Wells Fargo, N.A. with 7.8 percent market share, JPMorgan Chase Bank, N.A. with 5.2 percent market share, and U.S. Bank, N.A. with 4.9 percent market share.

For small loans to businesses, BHB's market share of 0.5 percent ranked 19th out of 195 lenders (top 9.7 percent). The top three lenders were JPMorgan Chase Bank, N.A. with 20.1 percent market share, American Express National Bank with 16.8 percent market share, and Citibank, N.A. with 14.1 percent market share.

Distribution of Loans by Income Level of the Geography

The bank exhibited an adequate geographic distribution of loans in its AAs. Examiners placed more emphasis on the bank's performance in moderate-income geographies as these areas had a higher percentage of owner-occupied housing units and small businesses.

Home Mortgage Loans

Refer to Table O in the state of Arizona section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans was poor. The percentage of home mortgage loans originated or purchased in low-income geographies was significantly below, and in moderate-income geographies was well below, the percentage of owner-occupied housing units located in those geographies. The percentage of home mortgage loans originated or purchased in low-income geographies was well below, and in moderate-income geographies was below, the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table Q in the state of Arizona section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses was excellent. The percentage of small loans to businesses originated or purchased in low-income geographies exceeded, and in moderate-income geographies was near-to, the percentage of businesses located in those geographies and the aggregate percentage of all reporting lenders, respectively.

Lending Gap Analysis

The OCC analyzed BHB's geographic lending patterns of home mortgage loans, small loans to businesses, and small loans to farms by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibited an adequate distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Arizona section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans among individuals of different income levels was adequate. Examiners considered housing costs in relation to the median family incomes in the AA, which limited the affordability for low-income families. The percentage of home mortgage loans originated or purchased to low-income borrowers was well below, and to moderate-income borrowers was below, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased to low-income borrowers exceeded, and to moderate-income borrowers was near-to, the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table R in the state of Arizona section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The distribution of loans to businesses of different sizes was adequate. The percentage of loans to small businesses originated or purchased was well below the percentage of small businesses in the AA but was near-to the aggregate percentage of all reporting lenders.

Community Development Lending

The institution was a leader in making CD loans. CD lending had a positive impact on the Lending Test conclusion.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending was excellent. BHB made 18 CD loans totaling over $126.7 million, which represented 28.2 percent of allocated tier 1 capital. The bank utilized complex CD loans often in a leadership position. CD loans were impactful as they were responsive to identified community needs. By dollar volume, 50.5 percent of these loans funded affordable housing, 24.1 percent funded economic development activities, and 23.9 percent funded revitalization and stabilization efforts.

Examples of CD loans in the AA include:

- $30.2 million in financing for a 333-unit multifamily project located on a vacant site, that created affordable housing in, and revitalization/stabilization of, a moderate-income geography. Of the 333 units, 199 units will provide affordable housing for low- and moderate-income persons at rental rates below the FFIEC affordable rent rate for the area.

- $1.4 million in financing for a 50-unit apartment complex located in a low-income geography. Forty-five of the units were set aside for residents earning 60 percent or less of the area adjusted median income. There will be Section 8 project-based vouchers for 15 of the affordable units.

Product Innovation and Flexibility

The bank used innovative or flexible lending practices in order to serve AA credit needs. During the evaluation period, BHB made 103 loans and grants totaling $7.2 million in among the various flexible lending products available in the Phoenix MSA AA. This included 16 Home Possible loans totaling $2.3 million, 13 FHA loans totaling $2.8 million, eight HFA loans totaling $1.9 million, and 56 BHB Grants totaling $78,400.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in both the Prescott and Tucson MSA AAs was consistent with the bank's overall performance under the Lending Test in the full-scope area.

Refer to Tables O through T in the state of Arizona section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test in Arizona is rated Outstanding.

Conclusions for Area a Full-Scope Review

Based on a full scope review, the bank's performance in the Phoenix MSA AA was excellent.

Number and Amount of Qualified Investments

Qualified Investments*										
Assessment Area	Prior Period**		Current Period		Total				Unfunded Commitments***	
	#	$(000's)	#	$(000's)	#	% of Total #	$(000's)	% of Total $	#	$(000's)
Full Scope:										
Phoenix MSA	11	20,252	65	14,462	76	69.1	34,714	73.8	6	3,952
Limited Scope:										
Prescott MSA	0	0	5	535	5	4.5	535	1.1	0	0
Tucson MSA	4	2,210	19	178	23	20.9	2,388	5.1	1	559
Statewide/Regional:										
Broader AZ	4	9,323	2	100	6	5.5	9,423	20.0	1	576
Total	**19**	**31,785**	**91**	**15,275**	**110**	**100.0**	**47,060**	**100.0**	**8**	**5,087**

* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.
** Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
*** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

<u>Phoenix MSA</u>

BHB had an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that were not routinely provided by private investors. The dollar volume of current- and prior-period investments represented 7.7 percent of tier 1 capital allocated to the AA. This did not include six unfunded commitments which totaled almost $4.0 million and represented an additional 0.9 percent of allocated capital.

BHB exhibited excellent responsiveness to credit and community economic development needs. The institution occasionally used innovative or complex investments in LIHTC funds, SBICs, and CDFIs to support CD initiatives. BHB made 17 qualified investments and grants totaling $15.8 million for affordable housing, seven investments and grants totaling $16.8 million for economic development, four qualified investments and grants totaling $1.6 million in revitalization and stabilization activities, and 48 grants totaling $472,000 dollars to community service organizations that provided needed services to low- and moderate-income individuals.

Examples of qualified investments in the AA include:

- An investment of $3.0 million in a multi-investor LIHTC fund, which acquired interest in an affordable and public housing project in the AA that provides 228 affordable housing units and accepts Section 8 Housing Choice Vouchers.

- A $5.0 million investment in an SBIC which provided investments in companies operating in low- and moderate-income areas or that employ a majority of low- and moderate-income individuals. The SBIC's goal is to arrange impact-based investments by working with company leaders to create plans for long term sustainable improvements and job growth, focusing on creating high quality jobs.

Broader Statewide or Regional Area

BHB had over $9.4 million in six investments that benefited the broader statewide or regional area. Three of these investments were for affordable housing, two were for community services, and one was for stabilization and revitalization activities. They also had one unfunded commitment totaling $576,371 related to affordable housing.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Tucson and Prescott MSAs were weaker than the bank's overall performance in the full-scope area due to a lower volume of qualified investments. The bank's performance under the Investment Test in the limited-scope areas did not have an impact on the bank's overall Investment Test rating for the state of Arizona.

SERVICE TEST

The bank's performance under the Service Test in Arizona is rated High Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank's performance in the Phoenix MSA AA was good.

Retail Banking Services

Service delivery systems were accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System*

Assessment Area	Deposits	Branches							Population				
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)					% of Population within Each Geography				
				Low	Mod	Mid	Upp	NA	Low	Mod	Mid	Upp	NA
Full-Scope:													
Phoenix MSA	84.0	41	82.0	2.4	26.8	36.6	34.2	0.0	11.1	22.9	31.3	34.4	0.3
Limited-Scope:													
Prescott MSA	5.6	3	6.0	0.0	66.7	33.3	0.0	0.0	0.0	24.4	57.2	18.4	0.0
Tucson MSA	10.3	6	12.0	0.0	33.3	33.3	33.3	0.0	9.1	27.1	31.2	32.1	0.0

* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.
Due to rounding, totals may not equal 100.0

The bank's distribution of branches in low-income geographies was well below, and in moderate-income geographies exceeded, the percentage of the population living within those geographies. When considering the two adjacent-serving branches serving low-income geographies, the distribution was below the percentage of the population within low-income geographies. BHB also had nine adjacent-serving branches near moderate-income geographies.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. BHB had 185 ATMs in the AA, of which 38 were deposit-taking.

Distribution of Branch Openings/Closings								
Branch Openings/Closings								
Assessment Area	**# of Branch Openings**	**# of Branch Closings**	**Net change in Location of Branches (+ or -)**					
			Low	**Mod**	**Mid**	**Upp**	**NA**
Full-Scope:								
Phoenix MSA	0	0	0	0	0	0	0
Limited-Scope:								
Prescott MSA	0	0	0	0	0	0	0
Tucson MSA	0	0	0	0	0	0	0
* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.								

The bank did not open or close any branches in the Phoenix MSA AA during this evaluation period.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced its AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. BHB maintained standard business hours and offered traditional banking products and services at all branch locations in the AA. In addition, BHB opened 3,190 SMARTMoney checking accounts and 310 Credit Builder in the Phoenix MSA AA.

Community Development Services

The institution provided a significant level of CD services in this AA. During the evaluation period, seven bank employees conducted 14 financial education events totaling 71 hours in coordination with four different organizations. Approximately 1,600 participants attended these classes. These events included financial literacy for students, first-time homebuyer, and housing fairs and seminars primarily targeted to low- and moderate-income individuals and families. In addition, six bank employees spent 207 hours serving in leadership roles by participating on boards and committees for six different CD organizations.

Examples of CD services in the AA include:

- A bank employee was the chairman of the board of a non-profit organization that provided education, health and wellness, and career development programs to children, predominately those from low- and moderate-income families.

- A branch manager served on the board of a local area food bank and resource center. The center provided food, referral information, and financial assistance to individuals and families in need, including senior citizens and the homeless.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Service Test in the Prescott MSA was consistent with the bank's overall performance under the Service Test in the full-scope area. The performance in the Tucson MSA AAs was weaker than the bank's overall performance under the Service Test in the full-scope area due to poorer branch distributions. Performance in limited-scope reviews had a neutral impact on the Service Test rating for the state of Arizona.

State of Florida

CRA rating for the State of Florida: Outstanding
The Lending Test is rated: Outstanding
The Investment Test is rated: High Satisfactory
The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Based on the data in the tables and performance context considerations discussed below, both the overall geographic and overall borrower distributions of the bank's originations and purchases of home mortgage loans and small loans to businesses were good.

- CD loans were effective in addressing community credit needs. The institution was a leader in making CD loans, which had a positive impact on the Lending Test rating.

- Qualified investments were effective and responsive in addressing community credit needs. The bank made a significant level of qualified investments, grants, and donations.

- The bank's branches and alternative delivery systems were accessible to geographies and individuals of different incomes and responsive in helping the bank provide services across the community.

Description of Institution's Operations in Florida

BHB delineated six AAs in the state of Florida. They included the entire North Port-Sarasota-Bradenton, FL (Sarasota); Cape Coral-Ft. Myers, FL (Cape Coral); Naples-Immokalee-Marco Island, FL (Naples); and Punta Gorda, FL (Punta Gorda) MSAs; the entire West Palm Beach, FL (West Palm Beach) MD; and, one county in the Tampa-St. Petersburg-Clearwater, FL (Tampa) MSA. Refer to the table in appendix A for a list of counties reviewed.

Based on June 30, 2019, FDIC summary of deposit information, BHB had just under $1.2 billion in deposits in these AAs, which represented 1.2 percent of the bank's total deposits. During the evaluation period, the bank made $512.4 million or 4.9 percent of its total dollar volume of home mortgage loans, small loans to businesses, and small loans to farms in these AAs.

BHB had 18 office locations and 29 ATMs, of which 23 were deposit-taking, within these AAs. The bank ranked 25th in deposit market share with 0.8 percent. The top four competitors had 49.4 percent of the market and included Bank of America, N.A. with 160 branches and 17.8 percent market share, Wells Fargo Bank, N.A. with 164 branches and 15.5 percent market share, SunTrust Bank with 121 branches and 8.3 percent market share, and JPMorgan Chase Bank, N.A. with 131 branches with 7.8 percent market share. There were 86 additional FDIC-insured depository institutions with 762 offices within the bank's AAs.

BHB did not have any branch locations in the West Palm Beach, FL MD. There was at least one deposit-taking ATM in the MD, which required its inclusion in the analysis.

The bank's business strategy in the state of Florida was focused on wealth management and not standard retail bank operations. As a result, BHB had limited branch presence and retail product delivery in most of its Florida AAs, which examiners took into consideration when determining conclusions.

Sarasota MSA

The following table provides a summary of the demographics, including housing and business information for the Sarasota MSA AA.

Table A – Demographic Information of the Assessment Area Assessment Area: Sarasota MSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	174	2.3	24.7	45.4	26.4	1.1
Population by Geography	735,767	2.8	23.7	47.5	26.0	0.0
Housing Units by Geography	407,196	1.8	22.5	47.5	28.2	0.0
Owner-Occupied Units by Geography	221,993	1.0	18.3	50.7	29.9	0.0
Occupied Rental Units by Geography	87,917	4.5	33.8	43.7	18.1	0.0
Vacant Units by Geography	97,286	1.2	21.6	43.5	33.7	0.0
Businesses by Geography	100,923	1.3	19.3	44.8	34.6	0.0
Farms by Geography	2,970	2.1	19.4	45.1	33.4	0.0
Family Distribution by Income Level	194,874	19.4	19.1	21.0	40.5	0.0
Household Distribution by Income Level	309,910	23.1	17.1	18.1	41.7	0.0
Median Family Income MSA - 35840 North Port-Sarasota-Bradenton, FL MSA		$62,814	Median Housing Value			$210,725
			Median Gross Rent			$1,020
			Families Below Poverty Level			8.4%

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

The Sarasota MSA AA consisted of the two counties that comprise the MSA in its entirety: Manatee and Sarasota counties. According to the FDIC's Summary of Deposits as of June 30, 2019, BHB deposits in the AA comprised 0.7 percent of total bank deposits.

BHB operated 10 branches in the AA and had just under 3.3 percent deposit market share which ranked eighth among all institutions. Competition was significant with 35 other FDIC-insured depository institutions operating 255 offices in the AA. The top four competitors had over 51.7 percent of the market and included Bank of America, N.A. with 29 branches and 19.9 percent market share, Wells Fargo Bank, N.A. with 29 branches and 13.9 percent market share, SunTrust Bank with 29 branches and 10.5 percent market share, and JPMorgan Chase Bank N.A with 24 branches and 7.4 percent market share.

Information from Moody's Analytics indicated the Sarasota MSA AA had a moderately-diversified economy. Key sectors of the economy based on percentage of total employment included Education and Health Services, Professional and Business Services, Retail Trade, and Leisure and Hospitality Services. Major employers in the AA included Sarasota Memorial Health Care System, Publix Super Markets Inc., PGT Industries, and Beall's Inc. According to the BLS, the annual average unemployment rate in the Sarasota MSA AA was 4.0 percent in 2017, 3.4 percent in 2018, and 3.1 percent in 2019. This was consistent with the overall Florida state unemployment rates of 4.2 percent in 2017, 3.6 percent in 2108, and 3.1 percent in 2019.

Based on information in the above table, low-income families earned less than $31,407 and moderate-income families earned less than $50,252. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of $785 for low-income borrowers and $1,256 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be $1,131. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

Information from one community contact interview with an economic development organization identified the following needs within the Sarasota MSA AA:

- Financing for affordable housing.
- Financing for small businesses and foreclosed homes.
- Financial education.

The Sarasota MSA AA presented constrained opportunities to meet the identified needs. The OCC noted one certified CDFI, two HUD-approved housing counseling agencies, and no SBA Small Business Development centers serving the AA.

Cape Coral MSA

The following table provides a summary of the demographics, including housing and business information for the Cape Coral MSA AA.

Table A – Demographic Information of the Assessment Area Assessment Area: Cape Coral MSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	167	4.2	25.1	35.9	33.5	1.2
Population by Geography	663,675	4.7	27.1	42.3	25.9	0.0
Housing Units by Geography	374,333	3.5	21.3	40.9	34.4	0.0
Owner-Occupied Units by Geography	174,162	2.1	18.6	44.2	35.1	0.0
Occupied Rental Units by Geography	78,125	8.5	32.9	38.0	20.5	0.0
Vacant Units by Geography	122,046	2.3	17.6	38.0	42.1	0.0
Businesses by Geography	88,180	2.6	22.5	40.1	34.5	0.2
Farms by Geography	2,801	3.2	25.5	46.6	24.6	0.0
Family Distribution by Income Level	165,635	20.7	18.5	19.7	41.1	0.0
Household Distribution by Income Level	252,287	22.6	17.2	18.8	41.4	0.0
Median Family Income MSA - 15980 Cape Coral-Fort Myers, FL MSA		$57,627	Median Housing Value			$192,233
			Median Gross Rent			$970
			Families Below Poverty Level			11.1%

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

The Cape Coral MSA AA consisted of one county in its entirety: Lee County. According to the FDIC's Summary of Deposits as of June 30, 201, BHB deposits in the AA comprised less than 0.1 percent of total bank deposits.

BHB operated one branch in the AA and had less than 0.4 percent deposit market share which ranked 24th among all institutions. Competition was extensive with 31 other FDIC-insured financial institutions operating 186 offices in the AA. The top four competitors included Wells Fargo Bank, N.A. with 28 branches and 15.4 percent market share, Bank of America, N.A. with 20 branches and 14.8 percent market share, SunTrust Bank with 16 branches and 11.9 percent market share, and Fifth Third Bank with five branches and 8.1 percent market share.

Information from Moody's Analytics indicated the Cape Coral MSA AA had a modestly-diversified economy. Key sectors of the economy based on percentage of total employment included Government, Retail Trade, Leisure and Hospitality Services, and Professional and Business Services. Major employers in the AA included Lee Memorial Health System, Publix Super Markets Inc., Wal-Mart Stores Inc., and Winn Dixie Stores Inc. According to the BLS, the annual average unemployment rate in the Cape Coral MSA AA was 4.1 percent in 2017, 3.4 percent in 2018, and 3.1 percent in 2019. This was consistent with the overall Florida state unemployment rates of 4.2 percent in 2017, 3.6 percent in 2108, and 3.1 percent in 2019.

Based on information in the above table, low-income families earned less than $28,814 and moderate-income families earned less than $46,102. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of $720 for low-income borrowers and $1,153 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be $1,032. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

Information from two community contact interviews, one each from an affordable housing organization and an economic development corporation, identified the following needs within the Cape Coral MSA AA:

- Financing for affordable housing.
- Small dollar loans to small businesses.
- Age-friendly banking accounts.
- Financial literacy training/coaching.

The Cape Coral MSA AA presented constrained opportunities to meet the identified needs. The OCC noted no certified CDFIs, five HUD-approved housing counseling agencies, and one SBA Small Business Development center serving the AA.

Scope of Evaluation in Florida

Examiners completed a full-scope review for the Sarasota MSA AA as it had the largest percentage of deposits, 61.0 percent, and the largest percent of deposit market share, 3.0 percent, among the six AAs. As a result, this AA was the most heavily weighted when arriving at the overall conclusion. Examiners completed a full-scope review of the Cape Coral MSA AA, which had 5.3 percent of the deposits in the state with a deposit market share of less than 0.1 percent. Examiners completed limited-scope reviews for the Naples, Punta Gorda, and Tampa MSA AAs; and the West Palm Beach MD AA. Examiners based the ratings on the results of the areas that received the full-scope review and the bank's performance in the limited-scope areas, as applicable.

In the Sarasota, Naples, and Punta Gorda MSA AAs, examiners placed more emphasis on home mortgage loans versus small loans to businesses in arriving at the overall conclusion. HMDA loans represented the majority of BHB's lending in these AAs. In the Cape Coral and Tampa MSA, and West Palm Beach MD AAs, examiners placed more emphasis on small loans to businesses versus home mortgage loans and small loans to farms in arriving at the overall conclusion. Small loans to businesses represented the majority of BHB's lending in these AAs. Only the West Palm Beach AA had enough farm loans to conduct a meaningful analysis.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

LENDING TEST

The bank's performance under the Lending Test in Florida is rated Outstanding.

Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank's performance in the Sarasota MSA AA was excellent and good in the Cape Coral MSA AA.

Lending Activity

Lending levels reflected excellent responsiveness to AA credit needs.

Number of Loans*					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Sarasota MSA	530	263	7	6	806
Cape Coral MSA	140	190	8	2	340
Limited Scope:					
Naples MSA	170	92	9	1	272
Punta Gorda MSA	58	25	0	0	83
Tampa MSA	84	430	3	1	518
West Palm Beach MD	66	155	20	7	248
Statewide/Regional:					
Broader FL	0	0	0	11	11
Total	**1,048**	**1,155**	**47**	**28**	**2,278**
* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.					

Dollar Volume of Loans ($000) *					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Sarasota MSA	142,316	30,173	688	5,267	178,444
Cape Coral MSA	49,390	20,208	635	2,816	73,049
Limited Scope:					
Naples MSA	87,676	13,296	648	2,810	104,430
Punta Gorda MSA	9,014	3,798	0	0	12,812
Tampa MSA	16,800	50,953	136	2,500	70,389
West Palm Beach MD	67,710	17,679	1,293	3,650	90,332
Statewide/Regional:					
Broader FL	0	0	0	86,718	86,718
Total	**372,906**	**136,107**	**3,400**	**103,761**	**616,174**
* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.					

Sarasota MSA

BHB's lending activity in the Sarasota MSA AA reflected excellent responsiveness to AA credit needs. BHB ranked eighth out of 36 insured depository institutions (top 22.2 percent) with a deposit market share of 3.3 percent. For home mortgage loans, BHB's market share of 0.7 percent ranked 39th out of 807 lenders (top 4.8 percent). The top three lenders were Wells Fargo Bank, N.A. with 8.2 percent market share, Quicken Loans Inc. with 4.7 percent market share, and Bank of America, N.A. with 4.1 percent market share.

For small loans to businesses, BHB's market share of 0.4 percent ranked 23rd out of 149 lenders (top 15.4 percent). The top three lenders were American Express National Bank with 20.0 percent market share, Bank of America, N.A. with 14.1 percent market share, and Chase Bank USA, N.A. with 13.0 percent market share.

Cape Coral MSA

BHB's lending activity in the Cape Coral MSA AA reflected excellent responsiveness to AA credit needs. BHB ranked 24th out of 32 insured depository institutions (top 75.0 percent) with a deposit market share of 0.4 percent. For home mortgage loans, BHB's market share of 0.2 percent ranked 87th out of 800 lenders (top 10.8 percent). The top three lenders were Wells Fargo Bank, N.A. with 8.0 percent market share, Quicken Loans Inc. with 5.6 percent market share, and Suncoast Credit Union with 5.2 percent market share.

For small loans to businesses, BHB's market share of 0.4 percent ranked 25th out of 137 lenders (top 18.2 percent). The top three lenders were American Express National Bank with 19.3 percent market share, Bank of America, N.A. with 11.7 percent market share, and Chase Bank USA, N.A. with 10.4 percent market share.

Distribution of Loans by Income Level of the Geography

The bank exhibited a good geographic distribution of loans in its AAs. Examiners placed more emphasis on the bank's performance in moderate-income geographies as these areas had a higher percentage of owner-occupied housing units and small businesses.

Home Mortgage Loans

Refer to Table O in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Sarasota MSA

The geographic distribution of home mortgage loans was good. The percentage of home mortgage loans originated or purchased in low-income geographies was significantly below, and in moderate-income geographies exceeded, the percentage of owner-occupied housing units located in those geographies. The percentage of home mortgage loans originated or purchased in low-income geographies was well below, and in moderate-income geographies exceeded, the aggregate percentage of all reporting lenders.

Cape Coral MSA

The geographic distribution of home mortgage loans was poor. The bank made no loans in low- income geographies. The percentage of home mortgage loans originated or purchased in moderate-income geographies was significantly below both the percentage of owner-occupied housing units located in those geographies and the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table Q in the state of Florida section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Sarasota MSA

The geographic distribution of small loans to businesses was excellent. The percentage of small loans to businesses originated or purchased in both low- and moderate-income geographies exceeded both the percentage of businesses located in those geographies and the aggregate percentage of all reporting lenders.

Cape Coral MSA

The geographic distribution of small loans to businesses was good. The percentage of small loans to businesses originated or purchased in low-income geographies was significantly below, and in moderate-income geographies exceeded, the percentage of businesses located in those geographies and the aggregate percentage of all reporting lenders, respectively.

Lending Gap Analysis

The OCC analyzed BHB's geographic lending patterns of home mortgage loans, small loans to businesses, and small loans to farms by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibited a good distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Sarasota MSA

The distribution of home mortgage loans among individuals of different income levels was good. Examiners considered housing costs in relation to the median family incomes in the AA, which limited the affordability for low-income families. The percentage of home mortgage loans originated or purchased to low-income borrowers was well below, and to moderate-income borrowers exceeded, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased to both low- and moderate-income borrowers exceeded the aggregate percentage of all reporting lenders.

Cape Coral MSA

The distribution of home mortgage loans among individuals of different income levels was poor. Examiners considered housing costs in relation to the median family incomes in the AA, which limited the affordability for low-income families. The percentage of home mortgage loans originated or purchased to both low- and moderate-income borrowers was significantly below the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased to low-income borrowers was well below, and to moderate-income borrowers was significantly below, the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table R in the state of Florida section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Sarasota MSA

The distribution of loans to businesses of different sizes was good. The percentage of loans to small businesses originated or purchased was below the percentage of small businesses in the AA but exceeded the aggregate percentage of all reporting lenders.

Cape Coral MSA

The distribution of loans to businesses of different sizes was good. The percentage of loans to small businesses originated or purchased was below the percentage of small businesses in the AA but exceeded the aggregate percentage of all reporting lenders.

Community Development Lending

The institution was a leader in making CD loans. CD lending had a positive impact on the Lending Test conclusion.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Sarasota MSA

The level of CD lending was excellent. BHB made six loans totaling almost $5.3 million, which represented 5.6 percent of allocated tier 1 capital. By dollar volume, 71.5 percent of these loans funded community services and 28.5 percent funded affordable housing.

Examples of CD loans in the AA include:

- A $2.6 million loan to refinance construction costs of a medical clinic located in a moderate-income geography that specialized in care for low- and moderate-income senior citizens with chronic medical conditions.

- Two loans totaling $1.2 million for the refinancing of an 84-unit apartment complex and the renovation of 30 of the units. The complex was located in a moderate-income geography. All units were affordable with rents below the FFIEC estimated affordable rent limits for the Sarasota MSA AA.

Cape Coral MSA

The level of CD lending was excellent. BHB made two CD loans totaling over $2.8 million, which represented 34.1 percent of allocated tier 1 capital. Both loans were BHB's portions of SBA 504 loans to a local business that promoted economic development by supporting permanent job creation for low- and moderate-income individuals.

Broader Statewide or Regional Areas

BHB made 11 CD loans totaling over $86.7 million that benefited the broader statewide or regional area. Two loans provided permanent financing for 312 affordable housing units, three were for economic development, five were for providing community services to predominately low- and moderate-income individuals, and one was for revitalization and stabilization.

Product Innovation and Flexibility

The institution made little use of innovative or flexible lending practices in order to serve AA credit needs. During the evaluation period, BHB made 20 loans or grants totaling $2.2 million among the various flexible lending products available in the Sarasota MSA AA, and none in the Cape Coral MSA AA.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Naples, Punta Gorda, Tampa MSA AAs, and West Palm Beach MD AA was weaker than the bank's overall performance under the Lending Test in the full-scope areas. Weaker performance in the limited-scope AAs was due to lower percentages of small loans to businesses. Performance in limited-scope reviews had a neutral impact on the Lending Test rating for the state of Florida.

Refer to Tables O through T in the state of Florida section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The institution's performance under the Investment Test in Florida is rated High Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank's performance in the Sarasota MSA AA was excellent and poor in the Cape Coral MSA AA.

Number and Amount of Qualified Investments

Qualified Investments*										
Assessment Area	**Prior Period****		**Current Period**		**Total**				**Unfunded Commitments*****	
	#	**$(000's)**	**#**	**$(000's)**	**#**	**% of Total #**	**$(000's)**	**% of Total $**	**#**	**$(000's)**
Full Scope:										
Sarasota MSA	4	3,423	30	2,300	34	33.7	5,723	45.5	2	792
Cape Coral MSA	2	95	6	29	8	7.9	124	1.0	0	0
Limited Scope:										
Naples MSA	5	366	10	260	15	14.9	626	5.0	0	0
Punta Gorda MSA	1	74	6	28	7	6.9	102	0.8	0	0
Tampa MSA	2	1,021	7	36	9	8.9	1,057	8.4	1	10
West Palm Beach MD	3	1,004	12	110	15	14.8	1,114	8.9	1	1,559
Statewide/Regional:										
Broader FL	8	3,587	5	235	13	12.9	3,822	30.4	5	2,727
Total	**25**	**9,570**	**76**	**2,998**	**101**	**100.0**	**12,568**	**100.0**	**9**	**5,088**

* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.
** Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
*** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

<u>Sarasota MSA</u>

The institution had an excellent level of qualified investment and grants, often in a leadership position, particularly those that were not routinely provided by private investors. The dollar volume of current- and prior-period investments represented 6.1 percent of tier 1 capital allocated to the AA. This did not include two unfunded commitments totaling $792,000, an additional 0.9 percent of allocated capital.

The institution exhibited good responsiveness to credit and community economic development needs. The institution occasionally used innovative or complex investments to support CD initiatives in this AA. BHB had five qualified investments totaling $1.0 million related to affordable housing, two qualified investments totaling $3.4 million related to economic development, two grants totaling $18,333 for revitalization and stabilization efforts, and 25 qualified investments and grants totaling $1.3 million to community service organizations that provided needed services to low- and moderate-income individuals.

Examples of qualified investments in the AA include:

- A qualified investment of $1 million in a LIHTC fund. This investment provided funding for the construction of a 96-unit affordable housing development.

- A qualified investment of $1.1 million to a medical clinic located in a moderate-income geography that specializes in care for low- and moderate-income senior citizens with chronic medical conditions.

Cape Coral MSA

The institution had a poor level of qualified investments and grants, but not in a leadership position, particularly those that were not routinely provided by private investors. The dollar volume of current- and prior-period investments represented 1.5 percent of tier 1 capital allocated to the AA.

The institution exhibited adequate responsiveness to credit and community economic development needs. The institution rarely used innovative or complex investments to support CD initiatives. BHB had two qualified investments totaling $94,898 related to affordable housing and six grants totaling $29,000 to community service organizations that provided needed services to low- and moderate-income individuals.

Examples of qualified investments in the AA include:

- A qualified investment with an outstanding balance of $87,500 to an organization that provided affordable housing to low- and moderate-income families.

- Five grants totaling $26,500 to an organization that provided financial literacy and work-readiness programs to low- and moderate-income students.

Broader Statewide or Regional Area

BHB had over $3.8 million in 13 investments that benefited the broader statewide or regional area. Two related to affordable housing, four related to economic development, three related to revitalization and stabilization, and four related to community services to low- and moderate-income individuals. They also had five unfunded commitments totaling $2.7 million, two related to revitalization and stabilization and three related to economic development.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Tampa MSA and West Palm Beach, FL MD AAs was stronger than the bank's overall performance under the Investment Test in the full-scope areas due to higher levels of qualified investments in these AAs The bank's performance under the Investment Test in the Naples and Punta Gorda MSA AAs was weaker than the bank's overall performance under the Investment Test in the full-scope areas due to lower levels of qualified investments in these AAs. The Investment Test performance in the limited-scope areas had a neutral impact on the Investment Test for the state of Florida.

SERVICE TEST

The bank's performance under the Service Test in Florida is rated High Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Sarasota MSA AA was excellent and was adequate in the Cape Coral MSA AA.

Retail Banking Services

Service delivery systems were readily accessible to geographies and individuals of different income levels in the Sarasota MSA AA and accessible to geographies and individuals of different income levels in the Cape Coral MSA AA.

Distribution of Branch Delivery System*													
	Deposits	**Branches**							**Population**				
Assessment Area	**% of Rated Area Deposits in AA**	**# of Bank Branches**	**% of Rated Area Branches in AA**	**Location of Branches by Income of Geographies (%)**					**% of Population within Each Geography**				
				Low	**Mod**	**Mid**	**Upp**	**NA**	**Low**	**Mod**	**Mid**	**Upp**	**NA**
Full-Scope:													
Sarasota MSA	61.0	10	58.8	0.0	20.0	50.0	30.0	0.0	2.8	23.7	47.5	26.0	0.0
Cape Coral MSA	5.3	1	5.9	0.0	0.0	0.0	100.0	0.0	4.7	27.1	42.3	25.9	0.0
Limited-Scope:													
Naples MSA	20.7	2	11.8	0.0	0.0	0.0	100.0	0.0	7.2	23.5	38.0	31.3	0.0
Punta Gorda MSA	4.6	1	5.9	0.0	0.0	100.0	0.0	0.0	0.0	14.4	69.7	15.8	0.0
Tampa MSA	8.4	3	17.7	0.0	0.0	0.0	100.0	0.0	7.6	21.9	31.2	38.4	0.8
West Palm Beach MD	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	7.3	27.5	30.9	33.9	0.4

* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.
Due to rounding, totals may not equal 100.0

Sarasota MSA

The bank did not have any branches in low-income geographies. The distribution of branches in moderate-income geographies was near-to the percentage of the population living within those geographies. When considering the four adjacent-serving branches, one serving a low-income geography and three serving moderate-income geographies within the AA, the distribution exceeded the percentage of the population within both low- and moderate-income geographies.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. BHB had 10 ATMs in the Sarasota MSA AA, all of which were deposit-taking.

Cape Coral MSA

The bank had only one branch in this AA. It was located in a middle-income geography, but within close proximity to a moderate-income geography.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers BHB had one ATM in the Cape Coral MSA AA, which was deposit-taking.

Distribution of Branch Openings/Closings*							
Branch Openings/Closings							
Assessment Area	**# of Branch Openings**	**# of Branch Closings**	**Net change in Location of Branches (+ or -)**				
			Low	**Mod**	**Mid**	**Upp**	**NA**
Full-Scope:							
Sarasota MSA	0	0	0	0	0	0	0
Cape Coral MSA	0	0	0	0	0	0	0
Limited-Scope:							
Naples MSA	0	0	0	0	0	0	0
Punta Gorda MSA	0	0	0	0	0	0	0
Tampa MSA	0	0	0	0	0	0	0
West Palm Beach MD	0	0	0	0	0	0	0
* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.							

The bank did not open or close any branches in the Sarasota or Cape Coral MSA AAs during the evaluation period.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced its AAs, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. BHB maintained standard business hours and offered traditional banking products and services at all branch locations in both AAs. In addition, BHB opened 417 SMARTMoney checking accounts and 106 Credit Builder accounts in the Sarasota MSA AA. BHB opened no SMARTMoney checking accounts and two Credit Builder accounts in the Cape Coral MSA AA.

Community Development Services

Sarasota MSA

The institution provided an adequate level of CD services. During the evaluation period, one bank employee conducted a basic consumer financial education event attended by approximately 30 low- and moderate-income participants. In addition, four bank employees served in leadership roles for four different organizations in the Sarasota MSA AA by participating on boards and committees.

Examples of CD services in the AA include:

- A bank employee served on the board of directors of an organization that provided free, quality medical care and referral services to low-income and uninsured adults in the AA. The organization coordinated over 90 local volunteer physicians and community partners to serve residents with specialty physician referrals, pharmaceutical assistance, and breast health and wellness at no cost to recipients.

- A bank employee served on the board of directors of an organization that provides parenting education, mental health services, and an accredited preschool for low- and moderate-income families.

Cape Coral MSA

The institution provided an adequate level of CD services when considering the limited branch resources in this AA. Two bank employees conducted four basic consumer financial education events attended by 47 low- and moderate-income participants.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank’s performance under the Service Test in the Naples, Punta Gorda, Tampa MSA, and West Palm Beach MD AAs was weaker than the bank’s overall performance under the Service Test in the full-scope areas due to the limited branch presence in these areas. The Service Test performance in the limited-scope areas had a neutral impact on the Service Test for the state of Florida.

State of Illinois

CRA rating for the State of Illinois[5]: Outstanding
The Lending Test is rated: Outstanding
The Investment Test is rated: Outstanding
The Service Test is rated: Outstanding

The major factors that support this rating include:

- Based on the data in the tables and performance context considerations discussed below, the overall geographic distribution of the bank's originations and purchases of home mortgage loans and small loans to businesses was adequate and the overall borrower distribution was good.

- CD loans were effective in addressing community credit needs. The institution was a leader in making CD loans, which had a positive impact on the Lending Test rating.

- Qualified investments were effective and responsive in addressing community credit needs. The bank made an excellent level of qualified investments, grants, and donations.

- The bank's branches and alternative delivery systems were readily accessible to geographies and individuals of different incomes and responsive in helping the bank provide services across the community.

Description of Institution's Operations in Illinois

BHB delineated one AA in the state of Illinois, which was the entire Rockford, IL (Rockford) MSA. The state rating does not include the counties in the Chicago MMSA AA or St. Louis MMSA AA that were included in the respective MMSA analyses. Refer to the table in appendix A for a list of counties reviewed.

Based on June 30, 2019, FDIC summary of deposit information, BHB had just under $611.3 million in deposits in this AA, which represented 0.6 percent of the bank's total deposits. During the evaluation period, the bank made $75.3 million or 0.7 percent of its total dollar volume of home mortgage loans, small loans to businesses, and small loans to farms in this AA.

BHB had 10 office locations and 45 ATMs, of which 16 were deposit-taking, within the AA. The bank ranked fourth in deposit market share with 9.6 percent. Primary competitors included Midland States Bank with 16 branches and 15.0 percent market share, Associated Bank, N.A. with six branches and 11.7 percent market share, and JPMorgan Chase Bank, N.A. with six branches and 11.3 percent market share. There were 21 additional FDIC-insured depository institutions with 52 offices within the bank's AA.

[5] For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Rockford MSA

The following table provides a summary of the demographics, including housing and business information for the Rockford MSA AA.

Table A – Demographic Information of the Assessment Area Assessment Area: Rockford MSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	84	15.5	22.6	29.8	29.8	2.4
Population by Geography	344,290	10.8	19.6	31.3	38.1	0.3
Housing Units by Geography	145,688	11.4	20.0	30.8	37.2	0.6
Owner-Occupied Units by Geography	90,213	5.1	15.9	33.5	45.4	0.0
Occupied Rental Units by Geography	41,828	21.3	27.8	26.0	23.3	1.6
Vacant Units by Geography	13,647	22.2	23.2	27.0	26.0	1.6
Businesses by Geography	17,818	8.8	15.4	28.6	45.0	2.2
Farms by Geography	715	3.2	10.9	33.0	52.3	0.6
Family Distribution by Income Level	88,592	21.9	17.0	20.4	40.7	0.0
Household Distribution by Income Level	132,041	24.8	15.6	18.2	41.4	0.0
Median Family Income MSA - 40420 Rockford, IL MSA		$60,048	Median Housing Value			$116,330
			Median Gross Rent			$756
			Families Below Poverty Level			12.3%
Source: 2015 ACS Census and 2019 D&B Data *Due to rounding, totals may not equal 100.0* *(*) The NA category consists of geographies that have not been assigned an income classification.*						

The Rockford MSA AA consisted of two counties in their entirety: Boone and Winnebago. According to the FDIC's Summary of Deposits as of June 30, 2019, BHB deposits in the AA comprised 0.6 percent of total bank deposits.

Information from Moody's Analytics indicated the Rockford MSA AA did not have a well-diversified economy. Key sectors of the economy based on percent of total employment included Manufacturing (primarily durable goods), Education and Health Services, Government, and Retail Trade. Major employers in the AA included Fiat Chrysler Automobiles, MercyHealth, Swedish American Health System, OSF Healthcare, and United Parcel Service Inc. According to the BLS, the annual average unemployment rate in the Rockford MSA AA was 6.5 percent in 2017, 5.7 percent in 2018, and 5.8 percent in 2019. This was considerably higher than the overall Illinois state unemployment rates of 4.9 percent, 4.3 percent, and 4.0 percent, respectively.

Based on information in the above table, low-income families earned less than $33,024 and moderate-income families earned less than $48,039. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of $751 for low-income borrowers and $1,201 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be $625.

Information from three community contact interviews; one from an economic development entity and two from affordable housing organizations, identified the following needs within the Rockford MSA AA:

- Financing of home purchase, home improvement, and personal loans to low- and moderate-income individuals and neighborhoods.
- Job training and skill development for displaced workers.
- Financial education.

The Rockford MSA AA presented constrained opportunities to meet the identified needs. The OCC noted no certified CDFIs, one HUD-approved housing counseling agency, and one SBA Small Business Development center serving the AA.

Scope of Evaluation in Illinois

Examiners based the rating of the state of Illinois on the area that received a full-scope review. Examiners conducted a full-scope review of the Rockford MSA AA, which was the only AA in the state that was not part of an MMSA AA. Examiners placed more emphasis on home mortgage loans versus small loans to businesses in arriving at the overall conclusion. HMDA loans represented the majority of BHB's lending in this AA. BHB originated too few small loans to farms in this AA to conduct a meaningful analysis.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ILLINOIS

LENDING TEST

The bank's performance under the Lending Test in Illinois is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Rockford MSA AA was excellent.

Lending Activity

Lending levels reflected excellent responsiveness to AA credit needs.

Number of Loans					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Rockford MSA	596	162	19	8	785
Statewide/Regional:					
Broader IL	0	0	0	3	3
Total	**596**	**162**	**19**	**11**	**788**

Dollar Volume of Loans ($000)					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Rockford MSA	54,860	16,677	3,725	25,770	101,032
Statewide/Regional:					
Broader IL	0	0	0	5,435	5,435
Total	**54,860**	**16,677**	**3,725**	**31,205**	**106,467**

BHB ranked fourth out of 25 insured depository institutions (top 16.0 percent) with a deposit market share of 9.6 percent. For home mortgage loans, BHB's market share of 2.6 percent ranked 10th out of 294 lenders (top 3.4 percent). The top three lenders were U.S. Bank, N.A. with 12.6 percent market share, Blackhawk Bank with 8.4 percent market share, and Envoy Mortgage, LTD with 6.7 percent market share.

For small loans to businesses, BHB's market share of 1.4 percent ranked 15th out of 79 lenders (top 19.0 percent). The top three lenders were Chase Bank USA, N.A. with 17.2 percent market share, American Express National Bank with 13.4 percent market share, and U.S. Bank, N.A. with 9.3 percent market share.

Distribution of Loans by Income Level of the Geography

The bank exhibited an adequate geographic distribution of loans in its AA. Examiners placed more emphasis on the bank's performance in moderate-income geographies as these areas had a higher percentage of owner-occupied housing units and small businesses.

Home Mortgage Loans

Refer to Table O in the state of Illinois section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans was adequate. The percentage of home mortgage loans originated or purchased in low-income geographies was well below and in moderate-income geographies was below, the percentage of owner-occupied housing units located in those geographies. The percentage of home mortgage loans originated or purchased in low-income geographies exceeded, and in moderate-income geographies was near-to, the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table Q in the state of Illinois section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses was adequate. The percentage of small loans to businesses originated or purchased in low-income geographies was significantly below, and in moderate-income geographies exceeded, both the percentage of businesses located in those geographies and the aggregate percentage of all reporting lenders, respectively.

Lending Gap Analysis

The OCC analyzed BHB's geographic lending patterns of home mortgage loans, small loans to businesses, and small loans to farms by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibited a good distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Illinois section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans among individuals of different income levels was good. The percentage of home mortgage loans originated or purchased to low-income borrowers was below, and to moderate-income borrowers exceeded, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased to both low- and moderate-income borrowers exceeded the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table R in the state of Illinois section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The distribution of loans to businesses of different sizes was good. The percentage of loans to small businesses originated or purchased was below the percentage of small businesses in the AA but exceeded the aggregate percentage of all reporting lenders.

Community Development Lending

The institution was a leader in making CD loans. CD lending had a positive impact on the Lending Test conclusion.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending was excellent. BHB made eight CD loans totaling almost $25.8 million, which represented 32.1 percent of allocated tier 1 capital. CD loans were impactful as they were responsive to identified community needs. By dollar volume, 54.3 percent of these loans funded community services and 45.7 percent funded affordable housing.

Examples of CD loans in the AA include:

- A $3.6 million loan for the acquisition of a housing apartment portfolio that consisted of four buildings and 142 units. The rents for all units were significantly below the FFIEC estimated affordable rent limits for the Rockford MSA AA and were “naturally-occurring” affordable housing.

- A $6.0 million line of credit to a not-for-profit organization that offered comprehensive addiction treatment and mental health treatment for children, teens, young adults, and adults. Over 87 percent of clients qualified for governmental or state assistance.

Broader Statewide or Regional Areas

BHB made three CD loans totaling over $5.4 million that benefited the broader statewide or regional area. One loan provided permanent financing for 110 affordable housing units. The remaining two related to economic development.

Product Innovation and Flexibility

The institution used innovative or flexible lending practices in order to serve AA credit needs. During the evaluation period, BHB made 163 loans totaling $7.2 million among the various flexible lending products available in the Rockford MSA AA. This included 54 HFA loans totaling $4.3 million, 16 Home Possible loans totaling $979,027, 10 FHA loans totaling $1.3 million, 56 DPAs totaling $280,000, and 22 BHB Grants totaling $30,800.
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INVESTMENT TEST

The bank’s performance under the Investment Test in Illinois is rated Outstanding.

Conclusion for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Rockford MSA AA was excellent.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	**Prior Period***		**Current Period**		**Total**				**Unfunded Commitments****	
	#	**$(000's)**	**#**	**$(000's)**	**#**	**% of Total #**	**$(000’s)**	**% of Total $**	**#**	**$(000's)**
Full Scope:										
Rockford MSA	7	6,263	36	6,435	43	72.9	12,698	89.5	2	499
Statewide/Regional:										
Broader IL	15	915	1	568	16	27.1	1,483	10.5	1	89
Total	**22**	**7,178**	**37**	**7,003**	**59**	**100.0**	**14,181**	**100.0**	**3**	**588**

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Rockford MSA

BHB had an excellent level of qualified CD investment and grants, often in a leadership position, particularly those that were not routinely provided by private investors. The dollar volume of current- and prior-period investments represented 15.8 percent of tier 1 capital allocated to the AA. This did not include two unfunded commitments that totaled $498,610, an additional 0.6 percent of allocated capital.

BHB exhibited excellent responsiveness to credit and community economic development needs. The institution occasionally used innovative or complex investments to support CD initiatives. BHB made two qualified investments totaling almost $8.1 million for affordable housing, 38 qualified investments and grants totaling $2.7 million to community service organizations that provided needed services to low- and moderate-income individuals, two qualified investments and grants totaling $1.1 million for economic development, and one qualified investment totaling $800,000 supporting revitalization and stabilization activities.

Examples of qualified investments in the AA include:

- An investment of $4 million in an affordable housing and assisted living complex for seniors. This facility, located in a low-income geography in the AA, had 201 affordable housing units, 200 of which were Section 8 eligible.

- Five bond purchases totaling over $2.1 million in a school district with more than 58 percent of the students qualify for free or reduced lunch programs. The funds were for building improvements, reconstruction, and equipment installation to bring existing student facilities up to code.

Broader Statewide or Regional Area

BHB had almost $1.5 million in 16 investments that benefited the broader statewide or regional area. Fifteen of these investments were to organizations that provided community services to low- and moderate-income individuals and one was to an SBIC. They also had one unfunded commitment totaling $88,752 related to economic development.

SERVICE TEST

The bank’s performance under the Service Test in Illinois is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Rockford MSA AA was excellent.

Retail Banking Services

Service delivery systems were readily accessible to geographies and individuals of different income levels in the institution’s AA.

Distribution of Branch Delivery System														
Assessment Area	**Deposits**	**Branches**								**Population**				
	% of Rated Area Deposits in AA	**# of Bank Branches**	**% of Rated Area Branches in AA**	**Location of Branches by Income of Geographies (%)**						**% of Population within Each Geography**				
				Low	**Mod**	**Mid**	**Upp**	**NA**		**Low**	**Mod**	**Mid**	**Upp**	**NA**
Full Scope:														
Rockford MSA	100.0	10	100.0	20.0	0.0	20.0	40.0	20.0		10.8	19.6	31.3	38.1	0.3
Due to rounding, totals may not equal 100.0														

The bank's distribution of branches in low-income geographies exceeded the percentage of the population living within those geographies. The bank did not have any branches in moderate-income geographies. When considering the two adjacent-serving branches, both serving a moderate-income geography within the AA, the distribution exceeded the percentage of the population in moderate-income geographies.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. BHB had 45 ATMs in the AA, of which 14 were deposit-taking.

Distribution of Branch Openings/Closings							
Branch Openings/Closings							
Assessment Area	**# of Branch Openings**	**# of Branch Closings**	**Net change in Location of Branches (+ or -)**				
			Low	**Mod**	**Mid**	**Upp**	**NA**
Full Scope:							
Rockford MSA	0	1	0	0	-1	0	0

To the extent changes had been made, the institution's opening and closing of branches had not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The only branch closing was in a middle-income geography.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced its AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. BHB maintained standard business hours and offered traditional banking products and services at all branch locations in the AA. In addition, BHB opened 1,697 SMARTMoney checking accounts and 153 Credit Builder accounts in the Rockford MSA AA.

Community Development Services

The institution provided an adequate level of CD services.

During the evaluation period, two bank employees conducted 24 financial education events totaling 63 hours and attended by over 165 participants. These events focused on first-time homebuyer education, basic consumer finance, housing seminars, and foreclosure prevention education to low- and moderate-income individuals and families. In addition, two bank managers served in leadership roles for one organization by participating on the board and various committees. The organization served low- and moderate-income adults and children with intellectual and developmental disabilities and their families. Programs and services provided included skills training, money management, among others.

State of Indiana

CRA rating for the State of Indiana[6]: Outstanding
The Lending Test is rated: Outstanding
The Investment Test is rated: Outstanding
The Service Test is rated: Outstanding

The major factors that support this rating include:

- Based on the data in the tables and performance context considerations discussed below, both the overall geographic and overall borrower distributions of the bank's originations and purchases of home mortgage loans and small loans to businesses were good.
- CD loans were effective in addressing community credit needs. The institution was a leader in making CD loans, which had a positive impact on the Lending Test rating.
- Qualified investments were effective and responsive in addressing community credit needs. The bank made an excellent level of qualified investments, grants, and donations.
- The bank's branches and alternative delivery systems were readily accessible to geographies and individuals of different incomes and responsive in helping the bank provide services across the community.
- CD services were effective and responsive in addressing community needs. The bank was a leader in providing CD services, consistent with its capacity and expertise to conduct specific activities.

Description of Institution's Operations in Indiana

BHB delineated three AAs in the state of Indiana. They included portions of the Indianapolis-Carmel-Anderson, IN (Indianapolis) MSA; the entire Kokomo, IN (Kokomo) MSA; and three Non-MSA (Non-MSA IN) counties. The Non-MSA counties were combined as one AA for analysis and presentation. The state of Indiana rating does not include the Chicago MMSA AA counties that were included in the MMSA analysis. Refer to the table in appendix A for a list of counties reviewed.

Based on June 30, 2019, FDIC summary of deposit information, BHB had just under $3.8 billion in deposits in these AAs, which represented 3.7 percent of the bank's total deposits. During the evaluation period, the bank made $464.8 million or 4.5 percent of its total dollar volume of home mortgage loans, small loans to businesses, and small loans to farms in these AAs.

BHB had 43 office locations and 47 ATMs, of which 45 were deposit-taking, within these AAs. The bank ranked fourth in deposit market share with 7.0 percent. The top four competitors included JPMorgan Chase Bank, N.A. with 65 branches and 20.0 percent market share, PNC Bank, N.A. with 58 branches and 13.8 percent market share, Fifth Third Bank with 38 branches and 8.2 percent market share, and The Huntington National Bank with 41 branches and 6.7 percent market share. There were 39 additional FDIC-insured depository institutions with 264 offices within the bank's AAs.

[6] For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Indianapolis MSA

The following table provides a summary of the demographics, including housing and business information for the Indianapolis MSA AA.

Table A – Demographic Information of the Assessment Area Assessment Area: Indianapolis MSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	366	18.0	27.9	30.1	23.5	0.5
Population by Geography	1,782,244	11.7	23.5	31.1	33.3	0.3
Housing Units by Geography	759,996	13.4	25.7	30.2	30.5	0.2
Owner-Occupied Units by Geography	436,043	6.8	18.1	35.1	39.9	0.1
Occupied Rental Units by Geography	243,497	20.4	36.6	24.2	18.5	0.2
Vacant Units by Geography	80,456	28.3	33.7	21.4	16.2	0.4
Businesses by Geography	144,445	9.9	20.3	30.4	39.3	0.1
Farms by Geography	3,990	5.1	13.2	44.4	37.2	0.2
Family Distribution by Income Level	438,839	22.3	17.3	19.3	41.1	0.0
Household Distribution by Income Level	679,540	24.1	16.4	17.7	41.9	0.0
Median Family Income MSA - 26900 Indianapolis-Carmel-Anderson, IN MSA		$66,803	Median Housing Value			$143,918
			Median Gross Rent			$830
			Families Below Poverty Level			11.0%

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

The Indianapolis MSA AA consisted of seven of the 11 counties in the Indianapolis-Carmel-Anderson, IN MSA. According to the FDIC's Summary of Deposits as of June 30, 2016, BHB deposits in the AA comprised 2.9 percent of total bank deposits. Refer to the table in appendix A for a list of counties reviewed.

BHB operated 37 branches in the AA and had a 6.7 percent deposit market share which ranked fifth among all institutions. Competition was significant with 40 other FDIC-insured depository institutions operating 441 offices in the AA. The top three competitors included JPMorgan Chase Bank, N.A. with 65 branches and 20.6 percent market share, PNC Bank, N.A. with 55 branches and 13.9 percent market share, and Fifth Third Bank with 38 branches and 8.5 percent market share.

Information from Moody's Analytics indicated the Indianapolis MSA AA had a moderately-diversified economy. Key sectors of the economy based on percentage of total employment included Professional and Business Services, Education and Health Services, Government, and Leisure and Hospitality Services. Major employers in the AA included Indiana University Health, St. Vincent Hospitals and Health Services, Eli Lilly and Company, and Community Health Network. According to the BLS, the annual average unemployment rate in the Indianapolis MSA AA was 3.3 percent in 2017, 3.2 percent in 2018, and 3.1 percent in 2019. This was slightly lower than the overall Indiana state unemployment rates of 3.6 percent, 3.5 percent, and 3.3 percent, respectively.

Based on information in the above table, low-income families earned less than $34,402 and moderate-income families earned less than $53,443. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of $835 for low-income borrowers and $1,336 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be $773.

Information from one community contact interview with an economic development entity identified the following needs within the Indianapolis MSA AA:

- Affordable housing loans.
- Financing for economic development activities.
- Loans to small businesses.
- Provision of community development services.

The Indianapolis MSA AA presented ample opportunities to meet the identified needs. Numerous nonprofit organizations engage in affordable housing and economic development endeavors and provide community services targeted to low- and moderate-income persons and geographies. There were seven certified CDFIs, 10 HUD-approved housing counseling agencies, and two SBA Small Business Development centers in the AA.

Scope of Evaluation in Indiana

The Indianapolis MSA AA had the substantial majority of deposits among the three AAs with 91.9 percent. BHB was ranked fifth out of 41 depository institutions in the AA with a market share of 6.7 percent. Examiners selected this AA for analysis using full-scope procedures and weighted it most heavily in the overall conclusions. Examiners analyzes the Kokomo MSA and the Non-MSA IN AAs using limited scope procedures. Examiners based the ratings on the results of the area that received the full-scope review and the bank's performance in the limited-scope areas, as applicable.

Examiners placed more emphasis on home mortgage loans versus small loans to businesses in arriving at the overall conclusion. HMDA loans represented the majority of BHB's lending in all three AAs. BHB originated too few small loans to farms in these AAs to conduct a meaningful analysis.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN INDIANA

LENDING TEST

The bank's performance under the Lending Test in Indiana is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Indianapolis MSA AA was excellent.

Lending Activity

Lending levels reflected excellent responsiveness to AA credit needs.

Number of Loans					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Indianapolis MSA	2,182	1,125	17	34	3,358
Limited Scope:					
Kokomo MSA	281	27	0	1	309
Non-MSA IN	81	25	1	0	107
Statewide/Regional:					
Broader IN	0	0	0	5	5
Total	**2,544**	**1,177**	**18**	**40**	**3,779**
* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.					

Dollar Volume of Loans ($000) *					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Indianapolis MSA	259,624	169,210	1,087	126,218	556,139
Limited Scope:					
Kokomo MSA	22,686	4,457	0	18,294	45,437
Non-MSA IN	5,359	2,381	23	0	7,763
Statewide/Regional:					
Broader IN	0	0	0	26,532	26,532
Total	**287,669**	**176,048**	**1,110**	**171,044**	**635,871**
* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.					

BHB ranked fifth out of 41 insured depository institutions (top 12.2 percent) with a deposit market share of 6.7 percent. For home mortgage loans, BHB's market share of 1.3 percent ranked 21st out of 584 lenders (top 3.6 percent). The top three lenders were The Huntington National Bank and Caliber Home Loans, Inc. both with 5.5 percent market share, and JPMorgan Chase Bank, N.A. with 4.8 percent market share.

For small loans to businesses, BHB's market share of 1.2 percent ranked 19th out of 144 lenders (top 13.2 percent). The top three lenders were Chase Bank USA, N.A. with 22.2 percent market share, American Express National Bank with 16.0 percent market share, and PNC Bank N.A. with 9.7 percent market share.

Distribution of Loans by Income Level of the Geography

The bank exhibited a good geographic distribution of loans in its AA. Examiners placed more emphasis on the bank's performance in moderate-income geographies as these areas had a higher percentage of owner-occupied housing units and small businesses.

Home Mortgage Loans

Refer to Table O in the state of Indiana section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans was good. The percentage of home mortgage loans originated or purchased in both low- and moderate-income geographies was below the percentage of owner-occupied housing units located in those geographies. The percentage of home mortgage loans originated or purchased in low-income geographies exceeded, and in moderate-income geographies was near-to, the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table Q in the state of Indiana section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses was adequate. The percentage of small loans to businesses originated or purchased in low-income geographies was near-to, and in moderate-income geographies was well below, the percentage of businesses located in those geographies. The percentage of small loans to businesses originated or purchased in low-income geographies exceeded, and in moderate-income geographies was well below, the aggregate percentage of all reporting lenders.

Lending Gap Analysis

The OCC analyzed BHB's geographic lending patterns of home mortgage loans, small loans to businesses, and small loans to farms by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibited a good distribution of loans among individuals of different income levels and business of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Indiana section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans among individuals of different income levels was good. The percentage of home mortgage loans originated or purchased to low-income borrowers was below, and to moderate-income borrowers exceeded, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased to both low- and moderate-income borrowers exceeded the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table R in the state of Indiana section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The distribution of loans to businesses of different sizes was good. The percentage of loans to small businesses originated or purchased was below the percentage of small businesses in the AA but exceeded the aggregate percentage of all reporting lenders.

Community Development Lending

The institution was a leader in making CD loans. CD lending had a positive impact on the Lending Test conclusion.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending was excellent. BHB made 34 CD loans totaling over $126.2 million, which represented 27.8 percent of allocated tier 1 capital. The bank made use of innovative or complex CD loans and involved many complex projects where the bank often acted in a leadership role. CD loans were impactful as they were responsive to identified community needs. By dollar volume, 58.3 percent of these loans funded affordable housing, 23.1 percent funded economic development activities, 14.3 percent funded revitalization and stabilization efforts, and 4.2 percent funded community services.

Examples of CD loans in the AA include:

- Three loans totaling $28.3 million for the transformation of an old warehouse into a mixed-use property in a low-income geography. The development included 132 residential units, as well as office and retail spaces. It created 145 construction jobs and 60 long-term full-time jobs. Just over half of the residential units (68) will be set aside for residents earning 80 percent or less of the Area Median Income. Funding sources also included HTCs, TIF funds, and a grant from the City of Indianapolis.

- A $7.8 million bridge loan for the construction of a 45-unit apartment building in a low-income geography. Units will be restricted to homeless individuals and families earning up to 60 percent of the Area Median Income. Funding sources also included LIHTC, State of Indiana Housing Trust Fund, and the Indiana Housing and Community Development Authority Fund.

Broader Statewide or Regional Areas

BHB made five CD loans totaling over $26.5 million that benefited the broader statewide or regional area. Three loans provided permanent financing for 99 affordable housing units. The remaining two related to revitalization and stabilization efforts.

Product Innovation and Flexibility

The institution made extensive use of innovative or flexible lending practices in order to serve AA credit needs. During the evaluation period, BHB made 399 loans and grants totaling $23.2 million among the various flexible lending products available in the Indianapolis MSA AA. This included 93 NHLP loans totaling $11.1 million, 47 Home Possible Loans totaling $4.5 million, 37 FHA loans totaling $5.4 million, 15 HFA loans totaling $1.8 million, 51 DPAs totaling $255,000, and 155 BHB Grants totaling $217,000.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Kokomo, IN MSA and Non-MSA IN AAs was consistent with the bank's overall performance under the Lending Test in the full-scope area.

Refer to Tables O through T in the state of Indiana section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The institution's performance under the Investment Test in Indiana is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the institution's performance in the Indianapolis MSA AA was excellent.

Number and Amount of Qualified Investments

Qualified Investments*										
Assessment Area	Prior Period**		Current Period		Total				Unfunded Commitments***	
	#	$(000's)	#	$(000's)	#	% of Total #	$(000's)	% of Total $	#	$(000's)
Full Scope:										
Indianapolis MSA	30	23,805	57	8,399	87	69.6	32,204	55.0	6	1,332
Limited Scope:										
Kokomo MSA	1	426	10	948	11	8.8	1,374	2.3	1	21
Non-MSA IN	0	0	2	304	2	1.6	304	0.5	0	0
Statewide/Regional:										
Broader IN	16	21,125	9	3,581	25	20.0	24,706	42.2	5	1,590
Totals	**47**	**45,356**	**78**	**13,232**	**125**	**100.0**	**58,588**	**100.0**	**12**	**2,943**

* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.
** Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
*** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

<u>Indianapolis MSA</u>

BHB had an excellent level of qualified investments and grants. The dollar volume of current- and prior-period investments represented 7.1 percent of tier 1 capital allocated to the AA. This did not include the six unfunded commitments totaling $1.3 million, an additional 0.3 percent of allocated capital.

BHB exhibited excellent responsiveness to credit and community economic development needs. The institution occasionally used innovative or complex investments in CDFIs and LIHTC funds to support CD initiatives. BHB had 16 qualified investments and grants totaling over $24.1 million related to affordable housing, three qualified investments and grants totaling $476,696 related to economic development, two qualified investments and grants totaling $408,146 for revitalization and stabilization efforts, and 66 qualified investments and grants totaling almost $7.2 million to community service organizations that provided needed services to low- and moderate-income individuals.

Examples of qualified investments in the AA include:

- An investment of $7.5 million in a LIHTC fund that was the first of its kind comprised of housing authority sponsored LIHTC transactions. BHB's funds were allocated to two affordable housing projects for seniors, a 106-unit apartment complex in a moderate-income area and a 94-unit apartment complex in a low-income geography.

- An investment valued at $7.4 million in a mortgage-backed security for a 280-unit, multi-family apartment complex. Of these units, 226 were affordable as rents are restricted. The rent restrictions provided 84 units for tenants with income of less than 60 percent of the area median income and 142 units for tenants with income of less than 50 percent of the area median income.

Broader Statewide or Regional Area

BHB had 25 investments totaling $24.7 million that benefited the broader statewide or regional area. Nineteen investments were for community services for low- and moderate-income individuals, three for affordable housing, and three for economic development activities. There were also five unfunded commitments totaling almost $1.6 million, three related to economic development, and one related to affordable housing.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Kokomo MSA AA was consistent with the bank's overall performance in the full-scope area. In the Non-MSA IN AA, the performance was weaker than the bank's overall performance in the full-scope area due to a lower volume of qualified investments. The bank's performance under the Investment Test in the limited-scope areas did not have an impact on the bank's overall Investment Test rating for the state of Indiana.

SERVICE TEST

The bank's performance under the Service Test in Indiana is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Indianapolis MSA AA was excellent.

Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System*														
	Deposits	Branches								Population				
Assessment Area	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)						% of Population within Each Geography				
				Low	Mod	Mid	Upp	NA		Low	Mod	Mid	Upp	NA
Full-Scope:														
Indianapolis MSA	91.9	37	86.1	5.4	35.1	27.0	32.4	0.0		11.7	23.5	31.1	33.3	0.3
Limited-Scope:														
Kokomo MSA	5.5	4	9.3	25.0	25.0	50.0	0.0	0.0		8.7	16.7	46.6	28.0	0.0
Non-MSA IN	2.6	2	4.7	0.0	50.0	50.0	0.0	0.0		3.5	27.2	59.6	9.7	0.0

* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.
Due to rounding, totals may not equal 100.0

The bank's distribution of branches in low-income geographies was well below, and in moderate-income geographies exceeded, the percentage of the population living within those geographies. When considering the five adjacent-serving branches serving low- income geographies, the distribution exceeded the percentage of the population within low- income geographies. BHB also has three adjacent-serving branches near moderate-income geographies.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provide additional delivery availability and access to banking services to both retail and business customers. BHB had 38 ATMs in the AA, of which 36 were deposit-taking.

Distribution of Branch Openings/Closings*							
Branch Openings/Closings							
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				
			Low	Mod	Mid	Upp	NA
Full-Scope:							
Indianapolis MSA	0	1	0	0	0	-1	0
Limited-Scope:							
Kokomo MSA	0	0	0	0	0	0	0
Non-MSA IN	0	0	0	0	0	0	0

* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

To the extent changes had been made, the institution's opening and closing of branches had not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. BHB did not close any branches in low- or moderate-income geographies.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced its AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. BHB maintained standard business hours and offered traditional banking products and services at all branch locations in the AA. Branches were open late on Fridays and the vast majority of the branches had Saturday hours. The branches closed on Saturdays were in areas with minimal retail business activity on the weekend. In addition, BHB opened 3,777 SMARTMoney checking accounts and 353 Credit Builder accounts in the Indianapolis MSA AA.

Community Development Services

The institution was a leader in providing CD services. During the evaluation period, three bank employees conducted 29 financial education events attended by over 980 participants. BHB employees presented information on buying your first home, refinancing an existing mortgage, creating a budget, understanding and rebuilding credit, and affordable home ownership, primarily targeted to low- and moderate-income individuals and families. In addition, eight bank employees spent 584 hours serving in leadership roles by participating on boards and committees for nine different organizations.

Examples of CD services in the AA include:

- A senior bank employee served as a board member for an organization with a mission to increase affordable and sustainable housing opportunities. The organization offered affordable mortgage products, refinancing options, home repair loans and project guidance, homeownership advice and classes, and financial planning.

- A senior bank officer served as a board member for an organization that helped minorities and disadvantaged individuals achieve social and economic equality. The organization's advocacy and public policy efforts centered on education, workforce development, health and wellness, and quality of life.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Kokomo MSA and Non-MSA IN AAs was consistent with the bank's overall performance under the Service Test in the full-scope area.

State of Kansas

CRA rating for the State of Kansas[7]: Outstanding
The Lending Test is rated: Outstanding
The Investment Test is rated: Outstanding
The Service Test is rated: Outstanding

The major factors that support this rating include:

- Based on the data in the tables and performance context considerations discussed below, the overall geographic distribution of the bank's originations and purchases of home mortgage loans was excellent and the overall borrower distribution was good.

- CD loans were effective in addressing community credit needs. The institution was a leader in making CD loans, which had a positive impact on the Lending Test rating.

- Qualified investments were effective and responsive in addressing community credit needs. The bank made an excellent level of qualified investments, grants, and donations.

- The bank's branches and alternative delivery systems were readily accessible to geographies and individuals of different incomes and responsive in helping the bank provide services across the community.

Description of Institution's Operations in Kansas

BHB delineated one county in the state of Kansas (Non-MSA KS) as an AA. The state rating does not include the counties in the Kansas City MMSA AA that were included in the MMSA analysis. Refer to the table in appendix A for the county reviewed.

Based on June 30, 2019, FDIC summary of deposit information, BHB had just under $50.0 million in deposits in this AA, which represented 0.05 percent of the bank's total deposits. During the evaluation period, the bank made almost $2.2 million or 0.02 percent of its total dollar volume of home mortgage loans, small loans to businesses, and small loans to farms in this AA.

BHB had a limited presence in this AA with one office location, one stand-alone drive-up facility, and three ATMs, all of which were deposit-taking. The bank ranked fifth in deposit market share with 6.6 percent. The top four competitors included GNBank N.A. with four branches and 30.6 percent market share, Community National Bank & Trust with four branches and 16.7 percent market share, Commerce Bank with two branches and 14.6 percent market share, and Labette Bank with four branches and 12.0 percent market share. There were six additional FDIC-insured depository institutions with eight offices within the bank's AA.

[7] For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Non-MSA KS

The following table provides a summary of the demographics, including housing and business information for the Non-MSA KS AA.

Table A – Demographic Information of the Assessment Area Assessment Area: Non-MSA KS						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	11	0.0	18.2	72.7	9.1	0.0
Population by Geography	39,304	0.0	11.6	69.0	19.4	0.0
Housing Units by Geography	17,864	0.0	12.7	69.9	17.4	0.0
Owner-Occupied Units by Geography	9,203	0.0	8.8	78.8	12.4	0.0
Occupied Rental Units by Geography	5,862	0.0	16.8	57.7	25.5	0.0
Vacant Units by Geography	2,799	0.0	16.9	66.2	16.9	0.0
Businesses by Geography	2,211	0.0	24.4	59.9	15.6	0.0
Farms by Geography	168	0.0	4.8	85.7	9.5	0.0
Family Distribution by Income Level	8,729	22.2	17.3	22.9	37.6	0.0
Household Distribution by Income Level	15,065	30.7	18.9	16.2	34.3	0.0
Median Family Income Non-MSAs - KS		$57,229	Median Housing Value			$92,561
			Median Gross Rent			$656
			Families Below Poverty Level			13.0%

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

Based on data from the Pittsburg Area Chamber of Commerce, the Non-MSA KS AA had a moderately-diversified economy. Key sectors of the economy based on percent of total employment included Government, Trade, Transportation, and Utilities, Manufacturing, and Education and Health Services. Major employers in the AA included Pittsburg State University, Crossland Construction, Downstream Casino and Resort, and Via Christi Hospital. According to the BLS, the annual average unemployment rate in Crawford County was 4.2 percent in 2017 and 4.0 percent in both 2018 and 2019. This was higher than the overall Kansas state unemployment rates of 3.6 percent, 3.3 percent, and 3.2 percent. respectively.

Based on information in the above table, low-income families earned less than $28,615 and moderate-income families earned less than $45,784. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of $715 for low-income borrowers and $1,145 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be $497.

Information from one community contact interview with a local government housing and economic development agency identified the following needs within the Non-MSA KS AA:

- Affordable housing loans.
- Economic development loans.
- Community development services.
- Loans for mixed use properties (commercial on 1st floor and residential above).

The Non-MSA KS AA presented constrained opportunities to meet the identified needs. There were few non-profit organizations that work with financial institutions, local government, foundations, and others to meet the CD needs of the area. The OCC noted no certified CDFIs, no HUD-approved housing counseling agencies, and only one SBA Small Business Development center serving the AA.

Scope of Evaluation in Kansas

Examiners based the rating of the state of Kansas on the area that received a full-scope review. Examiners conducted a full-scope review of the Non-MSA KS AA, which was the only AA in the state that was not part of an MMSA.

Examiners emphasized home mortgage loans in arriving at the overall conclusion. HMDA loans represented the majority of BHB's lending in this AA. BHB did not originate enough small loans to businesses to conduct any meaningful analysis and did not originate any small loans to farms in this AA. Examiners also considered the bank's limited branch presence and staffing in this AA when reaching conclusions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KANSAS

LENDING TEST

The bank's performance under the Lending Test in Kansas is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Non-MSA KS AA was excellent.

Lending Activity

Lending levels reflected excellent responsiveness to AA credit needs.

Number of Loans					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Non-MSA KS	23	9	0	2	34
Total	**23**	**9**	**0**	**2**	**34**

Dollar Volume of Loans ($000)					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Non-MSA KS	1,841	331	0	8,640	10,812
Total	**1,841**	**331**	**0**	**8,640**	**10,812**

BHB ranked fifth out of 11 insured depository institutions (top 45.5 percent) with a deposit market share of 6.6 percent. For home mortgage loans, BHB's market share of 1.9 percent ranked 13th out of 96 lenders (top 13.5 percent). The top three lenders were Community National Bank & Trust with 11.9 percent market share, GNBank, N.A. with 10.0 percent market share, and Labette Bank with 7.7 percent market share.

Distribution of Loans by Income Level of the Geography

The bank exhibited an excellent geographic distribution of loans in its AA. Examiner conclusions were based on the bank's performance in moderate-income geographies, as there were no low-income geographies in this AA.

Home Mortgage Loans

Refer to Table O in the state of Kansas section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans was excellent. The percentage of home mortgage loans originated or purchased in moderate-income geographies exceeded both the percentage of owner-occupied housing units located in those geographies and the aggregate percentage of all reporting lenders.

Lending Gap Analysis

The OCC analyzed BHB's geographic lending patterns of home mortgage loans and small loans to businesses by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibited a good distribution of loans among individuals of different income levels, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Kansas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans among individuals of different income levels was good. The percentage of home mortgage loans originated or purchased to low-income borrowers was below, and to moderate-income borrowers exceeded, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased to both low- and moderate-income borrowers exceeded the aggregate percentage of all reporting lenders.

Community Development Lending

The institution was a leader in making CD loans. CD lending had a positive impact on the Lending Test conclusion.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The level of CD lending was excellent. BHB made two CD loans totaling over $8.6 million, which represented 131.4 percent of allocated tier 1 capital. Both loans promoted economic development by financing the expansion of a small business that included the permanent creation of 15 jobs.

Product Innovation and Flexibility

The institution made limited use of innovative or flexible lending practices in order to serve AA credit needs. During the evaluation period, BHB made three loans or grants totaling $129,596 among the various flexible lending products available in the Non-MSA KS AA.

INVESTMENT TEST

The institution's performance under the Investment Test in Kansas is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the institution's performance in the Non-MSA KS was AA excellent.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	**Prior Period***		**Current Period**		**Total**				**Unfunded Commitments****	
	#	**$(000's)**	**#**	**$(000's)**	**#**	**% of Total #**	**$(000's)**	**% of Total $**	**#**	**$(000's)**
Full Scope:										
Non-MSA KS	0	0	3	404	3	37.5	404	42.8	0	0
Statewide/Regional:										
Broader KS	4	506	1	33	5	62.5	539	57.2	1	241
Total	**4**	**506**	**4**	**437**	**8**	**100.0**	**943**	**100.0**	**1**	**241**

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

<u>Non-MSA KS</u>

The institution had an excellent level of qualified investments and grants, often in a leadership position, particularly those that were not routinely provided by private investors. The dollar volume of current- and prior-period investments represented 6.1 percent of tier 1 capital allocated to the AA.

The institution exhibited good responsiveness to credit and community economic development needs. The institution occasionally used innovative or complex investments to support CD initiatives in this AA. BHB made one qualified investment totaling $400,000 related to economic development. The investment was in a CDFI fund that provided financial assistance to small businesses. BHB also made two grants totaling $4,000 to community service organizations that provided needed services to low- and moderate-income individuals.

Broader Statewide or Regional Area

BHB had $539,634 in five investments that benefited the broader statewide or regional area. Three qualified investments were for affordable housing, one was for economic development, and one was for community services targeted to low- and moderate-income individuals. They also had one unfunded commitment totaling $241,440 related to economic development.

SERVICE TEST

The bank's performance under the Service Test in Kansas is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Non-MSA KS AA was excellent.

Retail Banking Services

Service delivery systems were readily accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System													
Assessment Area	**Deposits**	**Branches**							**Population**				
	% of Rated Area Deposits in AA	**# of Bank Branches**	**% of Rated Area Branches in AA**	**Location of Branches by Income of Geographies (%)**					**% of Population within Each Geography**				
				Low	**Mod**	**Mid**	**Upp**	**NA**	**Low**	**Mod**	**Mid**	**Upp**	**NA**
Full Scope:													
Non-MSA KS	100.0	2	100.0	0.0	100.0	0.0	0.0	0.0	0.0	11.6	69.0	19.4	0.0
Due to rounding, totals may not equal 100.0													

The bank's distribution of branches in moderate-income geographies exceeded the percentage of the population living within those geographies. There were no low-income geographies within the AA.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. BHB had three ATMs in the AA, all of which were deposit-taking.

Distribution of Branch Openings/Closings							
Branch Openings/Closings							
Assessment Area	**# of Branch Openings**	**# of Branch Closings**	**Net change in Location of Branches (+ or -)**				
			Low	**Mod**	**Mid**	**Upp**	**NA**
Full Scope:							
Non-MSA KS	0	0	0	0	0	0	0

The bank did not open or close any branches in the Non-MSA KS AA during the evaluation period.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced its AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. BHB maintained standard business hours and offered traditional banking products and services at all branch locations in the AA. In addition, BHB opened 69 SMARTMoney checking accounts in the Non-MSA KS AA.

Community Development Services

The institution provided an adequate level of CD services when considering the limited branch resources. During the evaluation period, one bank employee conducted two financial education events attended by approximately 40 participants. One event focused on basic consumer financial education and the other first-time homebuyer education to low- and moderate-income individuals and families.

State of Missouri

CRA rating for the State of Missouri[8]: Satisfactory
The Lending Test is rated: High Satisfactory
The Investment Test is rated: Outstanding
The Service Test is rated: High Satisfactory

The major factors that support this rating include:

- Based on the data in the tables and performance context considerations discussed below, the overall geographic distribution of the bank's originations and purchases of home mortgage loans was poor and the overall borrower distribution was adequate.

- CD loans were effective in addressing community credit needs. The institution was a leader in making CD loans, which had a positive impact on the Lending Test rating.

- Qualified investments were effective and responsive in addressing community credit needs. The bank made an excellent level of qualified investments, grants, and donations.

- The bank's branches and alternative delivery systems were accessible to geographies and individuals of different incomes and responsive in helping the bank provide services across the community.

Description of Institution's Operations in Missouri

BHB delineated one AA in the state of Missouri. It includes two counties in the Missouri portion of the St. Joseph, MO-KS (St. Joseph) MMSA. The state of Missouri rating does not include the counties that were in the Kansas City or St. Louis MMSA AAs as they were included in the respective MMSA analyses. Refer to the table in appendix A for a list of counties reviewed.

Based on June 30, 2019, FDIC summary of deposit information, BHB had just over $47.8 million in deposits in this AA, which represented 0.05 percent of the bank's total deposits. During the evaluation period, the bank made almost $5.0 million or 0.05 percent of its total dollar volume of home mortgage loans, small loans to businesses, and small loans to farms in this AA.

BHB had a limited presence in this AA with one office location and two ATMs, of which one was deposit-taking. The bank ranked 10th in deposit market share with 2.6 percent. The top three competitors had 58.5 percent of the market and included The Nodaway Valley Bank with five branches and 25.6 percent market share, Commerce Bank with three branches and 19.9 percent market share, and U.S. Bank N.A. with five branches and 13.0 percent market share. There were 11 additional FDIC-insured depository institutions with 20 offices within the bank's AA.

<u>St. Joseph MMSA</u>

The following table provides a summary of the demographics, including housing and business information for the St. Joseph MMSA AA.

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[8] For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Table A – Demographic Information of the Assessment Area Assessment Area: St. Joseph MMSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	29	3.4	24.1	51.7	20.7	0.0
Population by Geography	106,889	1.6	22.4	49.3	26.7	0.0
Housing Units by Geography	45,790	2.4	23.8	50.9	22.9	0.0
Owner-Occupied Units by Geography	26,424	0.7	18.2	52.7	28.4	0.0
Occupied Rental Units by Geography	13,560	4.8	27.2	50.5	17.5	0.0
Vacant Units by Geography	5,806	4.3	41.4	43.8	10.5	0.0
Businesses by Geography	5,775	6.4	15.4	45.5	32.7	0.0
Farms by Geography	325	0.6	4.3	66.2	28.9	0.0
Family Distribution by Income Level	25,752	21.0	17.6	22.8	38.5	0.0
Household Distribution by Income Level	39,984	24.8	15.8	17.3	42.1	0.0
Median Family Income MMSA - 41140 St. Joseph, MO-KS MMSA		$59,820	Median Housing Value			$117,642
			Median Gross Rent			$704
			Families Below Poverty Level			12.5%

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

Information from Moody's Analytics indicated the St. Joseph MMSA AA had a less-diversified economy. Key sectors of the economy based on percentage of total employment included Government, Manufacturing, Education and Health Services, and Retail Trade. Major employers in the AA included Mosaic Life Care, Triumph Foods Inc, 139th Airlift Wing of the MO Air National Guard, and Boehringer Ingelheim Corporation. According to the BLS, the annual average unemployment rate in the St. Joseph MMSA AA was 3.5 percent in 2017, and 3.0 percent in 2018 and 2019. This was slightly lower than the overall Missouri state unemployment rates of 3.8 percent, 3.2 percent, and 3.3 percent, respectively.

Based on information in the above table, low-income families earned less than $29,910 and moderate-income families earned less than $47,856. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of $748 for low-income borrowers and $1,196 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be $632.

Information from one community contact interview with a community services provider identified the following needs within the St. Joseph MMSA AA:

- Affordable housing loans, including affordable senior housing.
- Housing rehabilitation loans.
- Community services for low- and moderate-income individuals.
- Financial literacy and homebuyer education.

The St. Joseph MMSA AA presented constrained opportunities to meet the identified needs. The OCC noted no certified CDFIs, no HUD-approved housing counseling agencies, and only one SBA Small Business Development center serving the AA.

Scope of Evaluation in Missouri

Examiners based the rating of the state of Missouri on the area that received a full-scope review. Examiners conducted a full-scope review of the St. Joseph MMSA AA, which was the only AA in the state that was not part of another MMSA.

Examiners emphasized home mortgage loans in arriving at the overall conclusion. HMDA loans represented the majority of BHB's lending in this AA. BHB did not originate enough small loans to businesses to conduct any meaningful analyses and did not originate any small loans to farms in this AA. Examiners also considered the bank's limited branch presence and staffing in this AA when reaching conclusions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MISSOURI

LENDING TEST

The bank's performance under the Lending Test in Missouri is rated High Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the St. Joseph MMSA AA was good.

Lending Activity

Lending levels reflected excellent responsiveness to AA credit needs.

Number of Loans					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full-Scope:					
St. Joseph MMSA	34	18	0	1	53
Total	**34**	**18**	**0**	**1**	**53**

Dollar Volume of Loans					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full-Scope:					
St. Joseph MMSA	3,577	1,411	0	20,000	24,988
Total	**3,577**	**1,411**	**0**	**20,000**	**24,988**

BHB ranked 10th out of 15 insured depository institutions (top 66.7 percent) with a deposit market share of 2.6 percent. For home mortgage loans, BHB's market share of 0.5 percent ranked 39th out of 186 lenders (top 21.0 percent). The top three lenders were Fairway Independent Mortgage Company with

13.7 percent market share, Primelending with 7.1 percent market share, and Commerce Bank with 6.7 percent market share.

For small loans to businesses, BHB's market share of 0.5 percent ranked 22nd out of 55 lenders (top 40.0 percent). The top three lenders were U.S. Bank N.A. with 17.1 percent market share, American Express National Bank with 14.4 percent market share, and Commerce Bank with 12.9 percent market share.

Distribution of Loans by Income Level of the Geography

The bank exhibited a poor geographic distribution of loans in its AA. Examiners generally placed more emphasis on the bank's performance in moderate-income geographies as these areas had a higher percentage of owner-occupied housing units.

Home Mortgage Loans

Refer to Table O in the state of Missouri section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans was poor. The bank did not originate or purchase any loans in low-income geographies; however, there were less than 0.1 percent of owner-occupied housing in these geographies. The percentage of home mortgage loans originated or purchased in moderate-income geographies was significantly below the percentage of owner-occupied housing units located in those geographies and well below the aggregate percentage of all reporting lenders.

Lending Gap Analysis

The OCC analyzed BHB's geographic lending patterns of home mortgage loans, small loans to businesses, and small loans to farms by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibited an adequate distribution of loans among individuals of different income levels, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Missouri section of appendix D for the facts and data used to evaluate the borrower distribution of the institution's home mortgage loan originations and purchases.

The distribution of home mortgage loans among individuals of different income levels was adequate. The percentage of home mortgage loans originated or purchased to low-income borrowers was significantly below, and to moderate-income borrowers exceeded, the percentage of those families in the AA and aggregate percentage of all reporting lenders, respectively.

Community Development Lending

The institution was a leader in making CD loans. CD lending had a positive impact on the Lending Test conclusion.

The level of CD lending was excellent. BHB made one CD loan totaling $20.0 million, which represented 317.7 percent of allocated tier 1 capital. BHB renewed a $15.0 million line of credit with a $5.0 million increase to an animal health care product distributor and aggregator. The loan allowed the company to expand and create several new jobs in an area targeted for redevelopment by state and local governments.

Product Innovation and Flexibility

The institution made limited use of innovative or flexible lending practices in order to serve AA credit needs. During the evaluation period, BHB made five loans or grants totaling $416,835 among the various flexible lending products available in the St. Joseph MMSA AA

INVESTMENT TEST

The institution's performance under the Investment Test in Missouri is rated Outstanding.

Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the institution's performance in the St. Joseph MMSA AA was excellent.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	**Prior Period***		**Current Period**		**Total**				**Unfunded Commitments****	
	#	**$(000's)**	**#**	**$(000's)**	**#**	**% of Total #**	**$(000's)**	**% of Total $**	**#**	**$(000's)**
Full Scope:										
St. Joseph MMSA	0	0	6	1,023	6	66.7	1,023	96.5	0	0
Statewide/Regional:										
Broader MO	3	37	0	0	3	33.3	37	3.5	0	0
Totals	**3**	**37**	**6**	**1,023**	**9**	**100.0**	**1,060**	**100.0**	**0**	**0**

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

St. Joseph MMSA

The institution had an excellent level of qualified investments and grants, often in a leadership position, particularly those that were not routinely provided by private investors. The dollar volume of current- and prior-period investments represented 16.3 percent of tier 1 capital allocated to the AA.

The institution exhibited good responsiveness to credit and community economic development needs. The institution occasionally used innovative or complex investments to support CD initiatives. BHB made one qualified investment totaling $1.0 million in a LIHTC fund to construct affordable housing for low-income seniors. The property provided 38 affordable units for low-income seniors, as well as access to health services. The bank also made five grants totaling $22,500 to community service organizations that provided needed services to low- and moderate-income individuals.

Broader Statewide or Regional Areas

BHB also had $37,000 in three investments to community service organizations that continue to benefit the broader statewide or regional area.

SERVICE TEST

The bank's performance under the Service Test in Missouri is rated High Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the St. Joseph MMSA AA was good.

Retail Banking Services

Service delivery systems were accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System														
Assessment Area	Deposits	Branches								Population				
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)						% of Population within Each Geography				
				Low	Mod	Mid	Upp	NA		Low	Mod	Mid	Upp	NA
Full Scope:														
St. Joseph MMSA	100.0	1	100.0	0.0	0.0	100.0	0.0	0.0		1.7	22.4	49.3	26.7	0.00
Due to rounding, totals may not equal 100.0														

The bank had only one branch in this AA located in a middle-income geography, but within close proximity to several moderate-income geographies.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. BHB had two ATMs in the AA, one of which was deposit-taking.

Distribution of Branch Openings/Closings							
Branch Openings/Closings							
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				
			Low	Mod	Mid	Upp	NA
Full Scope:							
St. Joseph MMSA	0	0	0	0	0	0	0

The bank did not open or close any branches in the St. Joseph MMSA AA during this evaluation period.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced its AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. BHB maintained standard business hours and offered traditional banking products and services at the branch. In addition, BHB opened 34 SMARTMoney checking accounts in the St. Joseph MMSA AA.

Community Development Services

The institution provided an adequate level of CD services when considering the limited branch resources. During the evaluation period, one bank employee spent 82 hours serving in leadership roles by participating on the board and finance committee for a local social services organization that provided emergency utility assistance, affordable housing opportunities, early childhood education, nutrition, mental health, and social services to low- and moderate-income families.

State of Wisconsin

CRA rating for the State of Wisconsin[9]: Outstanding
The Lending Test is rated: Outstanding
The Investment Test is rated: Outstanding
The Service Test is rated: Outstanding

The major factors that support this rating include:

- Based on the data in the tables and performance context considerations discussed below, the overall geographic distribution of the bank's originations and purchases of home mortgage loans and small loans to businesses was adequate and the overall borrower distribution was good.

- CD loans were effective in addressing community credit needs. The institution was a leader in making CD loans, which had a positive impact on the Lending Test rating.

- Qualified investments were effective and responsive in addressing community credit needs. The bank made an excellent level of qualified investments, grants, and donations.

- The bank's branches and alternative delivery systems were readily accessible to geographies and individuals of different incomes and responsive in helping the bank provide services across the community.

- CD services were effective and responsive in addressing community needs. The bank was a leader in providing CD services, consistent with its capacity and expertise to conduct specific activities.

Description of Institution's Operations in Wisconsin

BHB delineated 14 AAs in the state of Wisconsin. They included the entirety of the Milwaukee-Waukesha-West Allis, WI (Milwaukee); Appleton, WI (Appleton); Eau Claire, WI (Eau Claire); Fond du Lac, WI (Fond du Lac); Green Bay, WI (Green Bay); Janesville-Beloit, WI (Janesville); Oshkosh-Neenah, WI (Oshkosh); Racine, WI (Racine); Sheboygan, WI (Sheboygan); and, Wausau, WI (Wausau) MSAs. The bank also delineated portions of the Duluth, MN-WI (Duluth) and La Crosse, WI-MN (La Crosse) MMSAs; and, the Madison, WI (Madison) MSA as AAs. The Non-MSA counties were combined as one AA for analysis and presentation. The state of Wisconsin rating does not include the counties in the Minneapolis and Chicago MMSA AAs that were included in the respective MMSA analyses. Refer to the table in appendix A for a list of counties reviewed.

Based on June 30, 2019, FDIC summary of deposit information, BHB had just under $21.0 billion in deposits in these AAs, which represented 20.8 percent of the bank's total deposits. During the evaluation period, the bank made almost $2.9 billion or 27.7 percent of its total dollar volume of home mortgage loans, small loans to businesses, and small loans to farms in these AAs.

BHB had 179 office locations and 488 ATMs, of which 206 were deposit-taking, within these AAs. The bank ranked second in deposit market share with 15.4 percent. Primary competitors included U.S. Bank

[9] For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

N.A. with 114 branches and 18.7 percent market share, Associated Bank, N.A. with 167 branches and 12.0 percent market share, and JPMorgan Chase Bank, N.A. with 60 branches and 6.7 percent market share. There were 189 additional FDIC-insured depository institutions with 1,072 offices within the bank's AAs.

Milwaukee MSA

The following table provides a summary of the demographics, including housing and business information for the Milwaukee MSA AA.

Table A – Demographic Information of the Assessment Area Assessment Area: Milwaukee MSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	431	23.0	15.8	32.3	28.3	0.7
Population by Geography	1,570,006	16.7	14.9	33.7	34.7	0.0
Housing Units by Geography	671,468	16.1	15.1	35.4	33.4	0.0
Owner-Occupied Units by Geography	376,569	7.3	11.9	36.2	44.5	0.0
Occupied Rental Units by Geography	247,577	25.6	20.0	36.1	18.3	0.0
Vacant Units by Geography	47,322	35.9	15.3	25.0	23.9	0.0
Businesses by Geography	92,318	10.9	11.9	35.0	42.2	0.0
Farms by Geography	2,088	5.7	7.0	38.2	49.1	0.0
Family Distribution by Income Level	388,209	23.5	16.2	19.4	40.9	0.0
Household Distribution by Income Level	624,146	25.2	15.4	17.0	42.4	0.0
Median Family Income MSA - 33340 Milwaukee-Waukesha, WI MSA		$71,764	Median Housing Value			$186,990
			Median Gross Rent			$841
			Families Below Poverty Level			11.1%

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

The Milwaukee MSA AA consisted of the four counties in the MSA in their entirety: Milwaukee, Ozaukee, Washington, and Waukesha. According to the FDIC's Summary of Deposits as of June 30, 2019, BHB deposits in the AA comprised 10.3 percent of the bank's total deposits, making this AA the bank's second largest in terms of deposits held.

BHB operated 61 branches in the AA and had a 16.4 percent deposit market share which ranked second among all institutions. Competition was significant with approximately 49 other FDIC-insured depository institutions operating 414 offices in the AA. Major competitors included U.S. Bank, N.A. with 50 branches and 34.1 percent deposit market share, JPMorgan Chase Bank, N.A. with 29 branches and 9.8 percent deposit market share, and Associated Bank, N.A. with 50 branches and 9.6 percent market share.

Information from Moody's Analytics indicated the Milwaukee MSA AA had a moderately-diversified economy. Key sectors of the economy by percentage of employment included Education and Health Services, Professional and Business Services, Manufacturing, and Government. Major employers in the

AA included Aurora Health Care Inc., Ascension Wisconsin, Froedtert Health, The Kroger Company and Quad Graphics Inc. Based on data from the BLS, the annual average unemployment rate in the Milwaukee MSA AA was 3.5 percent in 2017, 3.2 percent in 2018, and 3.3 percent in 2019. This was slightly higher than the overall Wisconsin state unemployment rates of 3.3 percent, 3.0 percent, and 3.1 percent, respectively.

Based on information in the above table, low-income families earned less than $35,882 and moderate-income families earned less than $57,412. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of $897 for low-income borrowers and $1,435 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be $1,004. Low-income borrowers would be challenged to afford a mortgage loan in this AA.

Information from eight community contact interviews; one from an economic development entity, three from affordable housing organizations, three from local government agencies, and one from a community service provider, identified the following needs within the Milwaukee MSA AA:

- Small dollar, unsecured consumer loans as an alternative to payday lenders.
- Financial education, including negotiating debt management plans.
- Flexible loan programs for home purchase and rehabilitation, including use of alternative credit data.
- Down payment and closing cost assistance for low- and moderate-income borrowers.
- Support for workforce development.
- Homebuyer counseling programs.
- Investments in CDFIs that lend to small businesses.
- Credit builder products and participation in credit enhancement programs.
- Financing for start-up businesses.

The Milwaukee MSA AA offered numerous opportunities to meet the identified needs. There were a variety of CD and social service organizations, including 11 certified CDFIs, 10 HUD-approved housing counseling agencies, and two SBA Small Business Development center serving the AA.

Green Bay MSA

The following table provides a summary of the demographics, including housing and business information for the Green Bay MSA AA.

Table A – Demographic Information of the Assessment Area Assessment Area: Green Bay MSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	70	4.3	25.7	50.0	15.7	4.3
Population by Geography	312,676	1.9	24.1	50.5	23.2	0.4
Housing Units by Geography	139,572	2.0	26.3	52.0	19.8	0.0
Owner-Occupied Units by Geography	85,931	0.9	19.8	54.7	24.6	0.0
Occupied Rental Units by Geography	38,333	4.2	38.7	42.8	14.3	0.0

Table A – Demographic Information of the Assessment Area Assessment Area: Green Bay MSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Vacant Units by Geography	15,308	2.3	31.5	59.6	6.7	0.0
Businesses by Geography	17,791	2.8	24.9	49.9	22.4	0.0
Farms by Geography	976	0.6	14.9	57.1	27.5	0.0
Family Distribution by Income Level	81,408	19.8	18.4	22.0	39.8	0.0
Household Distribution by Income Level	124,264	22.6	16.9	19.1	41.3	0.0
Median Family Income MSA - 24580 Green Bay, WI MSA		$67,666	Median Housing Value			$154,870
			Median Gross Rent			$707
			Families Below Poverty Level			8.1%

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

The Green Bay MSA AA consisted of the three counties in the MSA in their entirety: Brown, Kewaunee, and Oconto. According to the FDIC's Summary of Deposits as of June 30, 2019, BHB deposits in the AA comprised 1.1 percent of the bank's total deposits.

BHB operated 11 branches in the AA and had a 14.6 percent deposit market share which ranked third among all institutions. Competition was significant with 21 other FDIC-insured depository institutions operating 81 offices in the AA. Major competitors included Associated Bank, N.A. with 17 branches and 34.2 percent deposit market share, Nicolet National Bank with 12 branches and 15.5 percent deposit market share, and Wells Fargo Bank, N.A. with five branches and 5.2 percent market share.

Information from Moody's Analytics indicated the Green Bay MSA AA had a less-diversified economy. Key sectors of the economy based on percentage of total employment included Manufacturing, Education and Health Services, Government, and Professional and Business Services. Major employers in the AA included Humana Inc., Bellin Health, Oneida Tribe of Indians of WI, and Schneider National. Based on data from the BLS, the annual average unemployment rate in the Green Bay MSA AA was 3.0 percent in 2017, 2.8 percent in 2018, and 2.9 percent in 2019. This was slightly lower than the overall Wisconsin state unemployment rates of 3.3 percent, 3.0 percent, and 3.1 percent, respectively.

Based on information in the above table, low-income families earned less than $33,833 and moderate-income families earned less than $54,133. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of $846 for low-income borrowers and $1,353 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be $831. The majority of low-income borrowers would be challenged to afford a mortgage loan in this AA.

Information from two community contact interviews; one from an economic development entity and the other from an affordable housing organization, identified the following needs within the Green Bay MSA AA:

- Flexible mortgage loan programs for low- and moderate-income areas and individuals.
- Credit builder loan programs.
- Funding for business start-ups and expansions, including working capital loans.

The Green Bay MSA AA offered limited opportunities to meet the identified needs. There were few CD and social service organizations, including two certified CDFIs, two HUD-approved housing counseling agencies, and one SBA Small Business Development centers serving the AA.

Janesville MSA

The following table provides a summary of the demographics, including housing and business information for the Janesville MSA AA.

Table A – Demographic Information of the Assessment Area Assessment Area: Janesville MSA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	38	2.6	34.2	39.5	23.7	0.0
Population by Geography	160,727	1.7	27.6	42.8	27.9	0.0
Housing Units by Geography	68,332	1.6	27.8	43.3	27.3	0.0
Owner-Occupied Units by Geography	44,177	0.8	21.4	46.2	31.7	0.0
Occupied Rental Units by Geography	19,668	2.9	40.3	38.9	17.8	0.0
Vacant Units by Geography	4,487	4.4	36.0	34.3	25.3	0.0
Businesses by Geography	7,861	1.3	26.4	38.1	34.2	0.0
Farms by Geography	506	0.8	7.9	41.5	49.8	0.0
Family Distribution by Income Level	42,099	20.7	18.2	21.6	39.6	0.0
Household Distribution by Income Level	63,845	22.7	17.6	18.4	41.3	0.0
Median Family Income MSA - 27500 Janesville-Beloit, WI MSA		$60,820	Median Housing Value			$130,169
			Median Gross Rent			$736
			Families Below Poverty Level			11.6%

Source: 2015 ACS Census and 2019 D&B Data
Due to rounding, totals may not equal 100.0
(*) The NA category consists of geographies that have not been assigned an income classification.

The Janesville MSA AA consisted of Rock County in its entirety. According to the FDIC's Summary of Deposits as of June 30, 2019, BHB deposits in the AA comprised 0.5 percent of the bank's total deposits.

BHB operated eight branches in the AA and had an 18.5 percent deposit market share which ranked first among all institutions. Competition was significant with 16 other FDIC-insured depository institutions operating 24 offices in the AA. Major competitors included Associated Bank, N.A. with two branches and 18.0 percent deposit market share, Johnson Bank with three branches and 13.8 percent deposit market share, and The First National Bank and Trust Company with six branches and 12.7 percent market share.

Information from Moody's Analytics indicated the Janesville MSA AA had a less-diversified economy. Key sectors of the economy based on percentage of total employment included Education and Health Services, Manufacturing, Government, and Retail Trade. Major employers in the AA included Mercyhealth, Beloit Health System, Grainger Inc., and Hendricks Holdings. Based on data from the BLS, the annual average unemployment rate in the Janesville MSA AA was 3.0 percent in 2017, 2.8 percent in 2018, and 2.9 percent in 2019. This was slightly lower than the overall Wisconsin state unemployment rates of 3.3 percent, 3.0 percent, and 3.1 percent, respectively.

Based on information in the above table, low-income families earned less than $30,410 and moderate-income families earned less than $48,656. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payment of $760 for low-income borrowers and $1,216 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the MSA median housing value would be $699.

Information from two community contact interviews; one from an economic development entity and the other from a local government agency, identified the following needs within the Janesville MSA AA:

- Loans and investments in affordable single-family and multi-family housing.
- Down payment and closing cost assistance for low- and moderate-income borrowers.
- Financial education, including first-time homebuyer.
- Financing for small businesses.
- Construction loans and commercial real estate loans for small businesses.

The Janesville MSA AA presented constrained opportunities to meet the identified needs. There were few non-profit organizations that work with financial institutions, local government, foundations, and others to meet the CD needs of the area. The OCC noted no certified CDFIs or SBA Small Business Development centers, and only one HUD-approved housing counseling agency serving the AA.

Scope of Evaluation in Wisconsin

Since the state of Wisconsin was BHB's second largest market, examiners selected three AAs for full-scope reviews. Examiners completed a full-scope review for the Milwaukee MSA AA as it was the AA with the largest percentage of deposits at 49.3 percent and BHB's market share of 16.4 percent ranked them second out of 46 depository institutions. As a result, this AA was the most heavily weighted when arriving at the overall conclusion. Examiners also selected the Green Bay and Janesville MSA AAs to receive full-scope reviews. The Appleton; Duluth; Eau Claire; Fond du Lac; La Crosse; Madison; Oshkosh; Racine; Sheboygan, and Wausau MSA AAs; and, the Non-MSA WI areas received limited scope reviews. Refer to the table in appendix A for more information.

The 2019 OMB changes affected only the limited-scope areas of Wausau MSA and Non-MSA WI AAs. OMB added Lincoln county, a former Non-MSA county to the Wausau MSA. As a result, examiners included 2017 and 2018 data for Lincoln county in the Non-MSA area analysis and 2019 data in the Wausau MSA AA analysis. The different data periods were identified on the respective AA entries on Tables O through T in the state of Wisconsin section of appendix D.

Examiners based the ratings on the results of the areas that received full-scope reviews and the bank's performance in the limited-scope areas, as applicable. The Milwaukee MSA AA was the most heavily weighted when arriving at the overall conclusion for the state of Wisconsin.

Examiners placed more emphasis on home mortgage loans versus small loans to businesses and small loans to farms in arriving at the overall conclusion. HMDA loans represented the majority of BHB's lending in all 14 AAs. BHB originated too few small loans to farms in the Duluth, La Crosse, Oshkosh, Racine, Sheboygan, and the 2019 Wausau MSA AAs to conduct any meaningful analyses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WISCONSIN

LENDING TEST

The bank's performance under the Lending Test in Wisconsin is rated Outstanding.

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Milwaukee, Green Bay, and Janesville MSA AAs was excellent.

Lending Activity

Lending levels reflected good responsiveness to AA credit needs.

<table>
<tr><th colspan="6">Number of Loans*</th></tr>
<tr><th>Assessment Area</th><th>Home Mortgage</th><th>Small Business</th><th>Small Farm</th><th>Community Development</th><th>Total</th></tr>
<tr><td colspan="6">Full-Scope:</td></tr>
<tr><td>Milwaukee MSA</td><td>5,047</td><td>2,064</td><td>53</td><td>70</td><td>7,234</td></tr>
<tr><td>Green Bay MSA</td><td>1,150</td><td>376</td><td>61</td><td>16</td><td>1,603</td></tr>
<tr><td>Janesville MSA</td><td>507</td><td>134</td><td>41</td><td>6</td><td>688</td></tr>
<tr><td colspan="6">Limited-Scope:</td></tr>
<tr><td>Appleton MSA</td><td>624</td><td>227</td><td>70</td><td>14</td><td>935</td></tr>
<tr><td>Duluth MSA</td><td>58</td><td>13</td><td>0</td><td>0</td><td>71</td></tr>
<tr><td>Eau Claire MSA</td><td>198</td><td>62</td><td>48</td><td>2</td><td>310</td></tr>
<tr><td>Fond du Lac MSA</td><td>261</td><td>43</td><td>27</td><td>6</td><td>337</td></tr>
<tr><td>La Crosse MSA</td><td>132</td><td>111</td><td>10</td><td>1</td><td>254</td></tr>
<tr><td>Madison MSA</td><td>1,387</td><td>352</td><td>84</td><td>16</td><td>1,839</td></tr>
<tr><td>Oshkosh MSA</td><td>317</td><td>81</td><td>15</td><td>12</td><td>425</td></tr>
<tr><td>Racine MSA</td><td>460</td><td>142</td><td>8</td><td>7</td><td>617</td></tr>
<tr><td>Sheboygan MSA</td><td>406</td><td>56</td><td>12</td><td>2</td><td>476</td></tr>
<tr><td>Wausau MSA 17-18</td><td>197</td><td>68</td><td>32</td><td rowspan="2">3</td><td rowspan="2">515</td></tr>
<tr><td>Wausau MSA 19</td><td>169</td><td>38</td><td>8</td></tr>
<tr><td>Non-MSA WI 17-18</td><td>2,141</td><td>547</td><td>484</td><td rowspan="2">32</td><td rowspan="2">4,426</td></tr>
<tr><td>Non-MSA WI 19</td><td>935</td><td>188</td><td>99</td></tr>
<tr><td colspan="6">Statewide/Regional:</td></tr>
<tr><td>Broader WI</td><td>0</td><td>0</td><td>0</td><td>2</td><td>2</td></tr>
</table>

Number of Loans*					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Total	**13,989**	**4,502**	**1,052**	**189**	**19,732**
* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.					

Dollar Volume of Loans ($000) *					
Assessment Area	**Home Mortgage**	**Small Business**	**Small Farm**	**Community Development**	**Total**
Full Scope:					
Milwaukee MSA	845,037	318,694	7,826	304,666	1,476,223
Green Bay MSA	148,784	52,466	7,842	34,428	243,520
Janesville MSA	49,170	19,920	8,522	37,174	114,786
Limited Scope:					
Appleton MSA	90,235	43,010	12,682	20,118	166,045
Duluth MSA	4,458	1,688	0	0	6,146
Eau Claire MSA	26,470	9,775	11,027	11,446	58,718
Fond du Lac MSA	35,100	4,314	3,186	25,809	68,409
La Crosse MSA	13,152	11,685	2,476	1,250	28,563
Madison MSA	269,681	47,694	16,087	71,587	405,049
Oshkosh MSA	46,198	9,495	2,081	38,399	96,173
Racine MSA	50,431	17,690	476	10,516	79,113
Sheboygan MSA	46,493	6,649	1,740	8,925	63,807
Wausau MSA 17-18	22,437	10,823	3,598	4,059	62,714
Wausau MSA 19	14,314	6,725	758		
Non-MSA WI 17-18	269,153	77,209	84,932	74,793	649,983
Non-MSA WI 19	103,358	21,289	19,249		
Statewide/Regional:					
Broader WI	0	0	0	4,996	4,996
Total	**2,034,471**	**659,126**	**182,482**	**648,166**	**3,524,245**
* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.					

Milwaukee MSA

BHB's lending activity in the Milwaukee MSA AA reflected good responsiveness to AA credit needs. BHB ranked second out of 46 insured depository institutions (top 4.3 percent) with a deposit market share of 16.4 percent. For home mortgage loans, BHB's market share of 4.5 percent ranked fifth out of 487 lenders (top 1.0 percent). The top three lenders were Landmark Credit Union with 10.9 percent market share, Wells Fargo Bank, N.A. with 7.1 percent market share, and JPMorgan Chase Bank, N.A. with 5.1 percent market share.

For small loans to businesses, BHB's market share of 2.2 percent ranked ninth out of 111 lenders (top 8.1 percent). The top three lenders were U.S. Bank, N.A. with 20.2 percent market share, Chase Bank USA, N.A. with 17.6 percent market share, and American Express National Bank with 12.7 percent market share. The top five small business loan lenders are institutions with large business credit card portfolios with average loan sizes of less than $30,000. BHB's average small business loan size was $159,000.

For small loans to farms, BHB's market share of 9.8 percent ranked fourth out of 20 lenders (top 20.0 percent). The top three lenders were U.S. Bank, N.A. with 31.6 percent market share, John Deere Financial, FSB with 20.1 percent market share, and Chase Bank USA, N.A. with 15.5 percent market share.

Green Bay MSA

BHB's lending activity in the Green Bay MSA AA reflected excellent responsiveness to AA credit needs. BHB ranked third out of 22 insured depository institutions (top 13.6 percent) with a deposit market share of 14.6 percent. For home mortgage loans, BHB's market share of 3.9 percent ranked sixth out of 275 lenders (top 2.2 percent). The top three lenders were Associated Bank, N.A. with 9.9 percent market share, Fox Communities with 8.1 percent market share, and Nicolet National Bank with 7.5 percent market share.

For small loans to businesses, BHB's market share of 2.4 percent ranked 10th out of 72 lenders (top 13.9 percent). The top three lenders were U.S. Bank, N.A. with 16.5 percent market share, Nicolet National Bank with 15.4 percent market share, and Chase Bank USA, N.A. with 12.0 percent market share. Six of the top seven small business loan lenders are institutions with large business credit card portfolios with average loan sizes of less than $18,000. BHB's average small business loan size was $150,000.

For small loans to farms, BHB's market share of 9.8 percent ranked fourth out of 17 lenders (top 23.5 percent). The top three lenders were John Deere Financial, FSB with 24.3 percent market share, U.S. Bank, N.A. with 17.8 percent market share, and Nicolet National Bank with 13.1 percent market share.

Janesville MSA

BHB's lending activity in the Janesville MSA AA reflected good responsiveness to AA credit needs. BHB ranked first out of 17 insured depository institutions (top 5.9 percent) with a deposit market share of 18.5 percent. For home mortgage loans, BHB's market share of 3.9 percent ranked sixth out of 239 lenders (top 2.5 percent). The top three lenders were Blackhawk Community Credit Union with 14.9 percent market share, Johnson Bank with 6.9 percent market share, and Summit Credit Union with 6.8 percent market share.

For small loans to businesses, BHB's market share of 2.2 percent ranked 13th out of 59 lenders (top 22.0 percent). The top three lenders were U.S. Bank, N.A. with 17.2 percent market share, Chase Bank USA, N.A. with 15.1 percent market share, and American Express National Bank with 10.4 percent market share. Six of the top seven small business loan lenders are institutions with large business credit card portfolios with average loan sizes of less than $15,000. BHB's average small business loan size was $99,000.

For small loans to farms, BHB's market share of 10.7 percent ranked fourth out of 14 lenders (top 28.6 percent). The top three lenders were John Deere Financial, FSB with 21.5 percent market share, and State Bank of the Lakes and Town Bank both with 16.8 percent market share.

Distribution of Loans by Income Level of the Geography

The bank exhibited an adequate geographic distribution of loans in its AAs. Examiners generally placed more emphasis on the bank's performance in moderate-income geographies as these areas had a higher percentage of owner-occupied housing units, small businesses, and small farms.

Home Mortgage Loans

Refer to Table O in the state of Wisconsin section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Milwaukee MSA

The geographic distribution of home mortgage loans was adequate. The percentage of home mortgage loans originated or purchased in low-income geographies was significantly below, and in moderate-income geographies below, the percentage of owner-occupied housing units located in those geographies. The percentage of home mortgage loans originated or purchased in both low- and moderate-income geographies was near-to the aggregate percentage of all reporting lenders.

Green Bay MSA

The geographic distribution of home mortgage loans was good. The percentage of home mortgage loans originated or purchased in low-income geographies was well below, and in moderate-income geographies approximated, the percentage of owner-occupied housing units located in those geographies. The percentage of home mortgage loans originated or purchased in low-income geographies was significantly below, and in moderate-income geographies approximated, the aggregate percentage of all reporting lenders.

Janesville MSA

The geographic distribution of home mortgage loans was adequate. The percentage of home mortgage loans originated or purchased in low-income geographies exceeded, and in moderate-income geographies was below, both the percentage of owner-occupied housing units located in those geographies and the aggregate percentage of all reporting lenders, respectively.

Small Loans to Businesses

Refer to Table Q in the state of Wisconsin section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Milwaukee MSA

The geographic distribution of small loans to businesses was good. The percentage of small loans to businesses originated or purchased in low-income geographies was below, and in moderate-income geographies approximated, the percentage of businesses located in those geographies. The percentage of small loans to businesses originated or purchased in low-income geographies was near-to, and in moderate-income geographies exceeded, the aggregate percentage of all reporting lenders.

Green Bay MSA

The geographic distribution of small loans to businesses was excellent. The percentage of small loans to businesses originated or purchased in both low- and moderate-income geographies exceeded both the percentage of businesses located in those geographies and the aggregate percentage of all reporting lenders.

Janesville MSA

The geographic distribution of small loans to businesses was excellent. The percentage of small loans to businesses originated or purchased in both low- and moderate-income geographies exceeded both the percentage of businesses located in those geographies and the aggregate percentage of all reporting lenders.

Small Loans to Farms

Refer to Table S in the state of Wisconsin section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms. Examiners considered the small number of farms located in low- and moderate-income geographies and that farm lending was not a primary product for the bank.

Milwaukee MSA

The geographic distribution of small loans to farms was adequate. The percentage of small loans to farms originated or purchased in low-income geographies was well below the percentage of farms located in those geographies but exceeded the aggregate percentage of all reporting lenders. BHB did not originate or purchase any small loans to farms in moderate-income geographies.

Green Bay MSA

BHB's geographic distribution of small loans to farms was adequate. BHB did not originate or purchase any small loans to farms in either low- or moderate-income geographies.

Janesville MSA

BHB's geographic distribution of small loans to farms was adequate. BHB did not originate or purchase any small loans to farms in either low- or moderate-income geographies.

Lending Gap Analysis

The OCC analyzed BHB's geographic lending patterns of home mortgage loans, small loans to businesses, and small loans to farms by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibited a good distribution of loans among individuals of different income levels and business and farms of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

Refer to Table P in the state of Wisconsin section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Milwaukee MSA

The distribution of home mortgage loans among individuals of different income levels was good. Examiners considered housing costs in relation to the median family incomes in the AA, which limited the affordability for low-income families. The percentage of home mortgage loans originated or purchased to low-income borrowers was below, and to moderate-income borrowers exceeded, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased in both low- and moderate-income geographies exceeded the aggregate percentage of all reporting lenders.

Green Bay MSA

The distribution of home mortgage loans among individuals of different income levels was good. Examiners considered housing costs in relation to the median family incomes in the AA, which limited the affordability for the majority of low-income families. The percentage of home mortgage loans originated or purchased to low-income borrowers was below, and to moderate-income borrowers exceeded, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased in both low- and moderate-income geographies exceeded the aggregate percentage of all reporting lenders.

Janesville MSA

The distribution of home mortgage loans among individuals of different income levels was good. The percentage of home mortgage loans originated or purchased to low-income borrowers was below, and to moderate-income borrowers exceeded, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased in both low- and moderate-income geographies exceeded the aggregate percentage of all reporting lenders.

Small Loans to Businesses

Refer to Table R in the state of Wisconsin section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

Milwaukee MSA

The distribution of loans to businesses of different sizes was good. The percentage of loans to small businesses originated or purchased was below the percentage of small businesses in the AA but exceeded the aggregate percentage of all reporting lenders.

Green Bay MSA

The distribution of loans to businesses of different sizes was adequate. The percentage of loans to small businesses originated or purchased was well below the percentage of small businesses in the AA but was near-to the aggregate percentage of all reporting lenders.

Janesville MSA

The distribution of loans to businesses of different sizes was good. The percentage of loans to small businesses originated or purchased was below the percentage of small businesses in the AA but exceeded the aggregate percentage of all reporting lenders.

Small Loans to Farms

Refer to Table T in the state of Wisconsin section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses. Examiners considered that small farm lending was not a primary focus for the bank.

Milwaukee MSA

The distribution of loans to farms of different sizes was adequate. The percentage of loans to small farms originated or purchased was well below the percentage of small farms in the AA but was near-to the aggregate percentage of all reporting lenders.

Green Bay MSA

The distribution of loans to farms of different sizes was good. The percentage of loans to small farms originated or purchased was below the percentage of small farms in the AA but exceeded the aggregate percentage of all reporting lenders.

Janesville MSA

The distribution of loans to farms of different sizes was adequate. The percentage of loans to small farms originated or purchased was significantly below the percentage of small farms in the AA but was well below the aggregate percentage of all reporting lenders.

Community Development Lending

The institution was a leader in making CD loans. CD lending had a positive impact on the Lending Test conclusion for all three full-scope AAs.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

Milwaukee MSA

The level of CD lending was excellent. BHB made 70 loans totaling almost $304.7 million, which represented 22.4 percent of allocated tier 1 capital. The bank utilized complex CD loans, often in a leadership position. These loans were responsive to identified community credit needs. By dollar volume, 55.5 percent of these loans funded affordable housing, 22.6 percent funded community services, 11.4 percent funded economic development activities, and 10.6 percent funded revitalization and stabilization efforts.

Examples of CD loans in the AA include:

- A $7.4 million construction loan for the development of 40 affordable apartment units. The project included conversion of a former school building to apartments and construction of three new townhouse apartment buildings. Thirty-four units were set aside for residents earning 60 percent of area median income or lower. This project consisted of complex financing, which included LIHTCs, federal and state historic tax credits (HTCs). FHLB AHP funds, Wisconsin Housing and Economic Development Authority (WHEDA) capital management funds, and Waukesha County Development HOME funds.

- A $8.1 million construction loan to finance a medical clinic in a low-income geography. The clinic, which provided primary care, specialty care, and diagnostic services to the downtown area and surrounding neighborhoods, helped revitalize the low-income geography.

- A $3.25 million loan and renewed a $5.0 million working line of credit to a CDFI. This financing supported the CDFI's loan programs. The CDFI served Milwaukee businesses with a mission to give them the financial resources needed to grow, while facilitating business investment that will benefit Milwaukee through new employment opportunities, job retention, and neighborhood stabilization.

Green Bay MSA

The level of CD lending was excellent. BHB made 16 loans totaling over $34.4 million, which represented 22.8 percent of allocated tier 1 capital. The bank occasionally utilized complex CD loans, often in a leadership position. These loans were responsive to identified community credit needs. By dollar volume, 91.6 percent of these loans funded affordable housing, 6.8 percent funded economic development activities, and 1.6 percent funded community services.
Examples of CD loans in the AA include:

- BHB funded a $6.7 million construction loan to finance the development of 40 affordable apartment units. The project included the adaptive reuse of a vacant monastery dormitory as well as new construction. This property was in a moderate-income geography and 34 of the apartments will be LIHTC units. The remaining six units will be market rate but are also considered affordable. Additional sources of funding included a WHEDA permanent loan, federal and state HTCs, HOME City funds, and FHLB AHP funds.

- BHB provided a $2.3 million term loan to construct a new facility for a custom plastic manufacturer and fabricator. The new facility created more space for manufacturing, distribution, and operations. The company had approximately 150 employees and this new facility will create an additional 10 jobs for local residents.

Janesville MSA

The level of CD lending was excellent. BHB made six loans totaling almost $37.2 million, which represented 54.8 percent of allocated tier 1 capital. The bank utilized complex CD loans, often in a leadership position. These loans were responsive to identified community needs. By dollar volume, 58.3 percent of these loans funded revitalization and stabilization efforts, 26.9 percent funded economic development activities, and 14.6 percent funded affordable housing.

Examples of CD loans in the AA include:

- $21.2 million in funding to renovate a historical powerhouse into a multi-purpose student center in Beloit, WI. The building was in a moderate-income geography and the completed project included uses for the local college as well as public spaces available to the residents of the city. This complex project was structured with various sources of funding, which included NMTCs, HTCs, and capital campaign funds.

- $10.0 million in funding for the expansion of a metal fabrication and powder coating company. The project included an addition to the existing facility, as well as, the construction of a new building on an adjacent property. The expansion created 66 new permanent jobs over a three-year period. Additional funding sources included TIF and WHEDA refundable tax credits.

<u>Broader Statewide or Regional Areas</u>

BHB made two CD loans totaling almost $5.0 million to entities in the broader statewide or regional area. One loan provided permanent financing for 40 affordable housing units, including 10 units for veterans or individuals at risk of homelessness. The other loan related to economic development.

Product Innovation and Flexibility

<u>Milwaukee MSA</u>

The institution made extensive use of innovative or flexible lending practices in order to serve AA credit needs. During the evaluation period, BHB made 982 loans totaling $54.5 million among the various flexible lending products available in the Milwaukee MSA AA, which included 195 Home Possible loans totaling $22.8 million, 95 HFA loans totaling $11.8 million, 107 NHLP loans totaling $11.0 million, 47 FHA loans totaling $6.5 million, 222 DPA grants totaling $1.1 million, 310 BHB Grants totaling $434,000, and six HARP loans totaling $830,000.

<u>Green Bay MSA</u>

The institution used innovative or flexible lending practices in order to serve AA credit needs. During the evaluation period, BHB made 115 loans totaling $5.1 million among the various flexible lending products available in the Green Bay MSA AA, which included 22 Home Possible loan totaling $2.3 million, 12 NHLB loans totaling $1.3 million, five FHA loans totaling $909,000, and five HFA loans totaling $491,000.

<u>Janesville MSA</u>

The institution made limited use of innovative or flexible lending practices in order to serve AA credit needs. During the evaluation period, BHB made 89 loans totaling $4.7 million among the various lending products available in the Janesville MSA AA, which included 15 HFA loans totaling $1.6 million, eight FHA loans totaling $1.1 million, 10 Home Possible loans totaling $945,000, and 10 NHLP loans totaling $796,000.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Fond du Lac, Madison, Oshkosh, Racine, Sheboygan, and Wausau MSA, and the Non-MSA WI AAs was consistent with the bank's overall outstanding performance under the Lending Test in the full-scope areas. Performance in the Appleton, Duluth, Eau Claire, and La Crosse MSA AAs was weaker than the bank's performance in the full-scope areas. The weaker performance in the Duluth MSA AA was due to lack of CD lending. The weaker performance in the Eau Claire MSA AA was due to poorer geographic distribution. The weaker performance in the Appleton and La Crosse MSA AAs was due to poorer geographic and borrower distributions. The Lending Test performance in the limited-scope areas did not have an impact on the overall Lending Test rating for the state of Wisconsin.

Refer to Tables O through T in the state of Wisconsin section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The institution's performance under the Investment Test in Wisconsin is rated Outstanding.

Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope reviews, the institution's performance in the Milwaukee and Green Bay MSA AAs was excellent and good in the Janesville MSA AA.

Number and Amount of Qualified Investments

Qualified Investments*										
Assessment Area	Prior Period**		Current Period		Total				Unfunded Commitments***	
	#	$(000's)	#	$(000's)	#	% of Total #	$(000's)	% of Total $	#	$(000's)
Full Scope:										
Milwaukee MSA	35	54,267	238	65,925	273	40.6	120,192	49.0	18	6,308
Green Bay MSA	1	474	41	9,172	42	6.2	9,646	3.9	0	0
Janesville MSA	9	2,699	31	1,076	40	5.9	3,775	1.5	0	0
Limited Scope:										
Appleton MSA	7	7,514	13	1,111	20	3.0	8,625	3.5	3	169
Duluth MSA	2	231	5	1,070	7	1.0	1,301	0.5	1	7
Eau Claire MSA	0	0	28	1,810	28	4.2	1,810	0.7	0	0
Fond du Lac MSA	2	946	4	1,438	6	0.9	2,384	1.0	2	58
La Crosse MSA	1	290	14	153	15	2.2	443	0.2	0	0
Madison MSA	11	16,587	63	16,473	74	11.0	33,060	13.5	6	2,208
Oshkosh MSA	1	359	11	120	12	1.8	479	0.2	1	28
Racine MSA	4	6,096	3	4,329	7	1.0	10,425	4.3	2	738
Sheboygan MSA	1	922	12	521	13	1.9	1,443	0.6	1	330
Wausau MSA	2	1,734	18	2,009	20	3.0	3,743	1.5	2	532
Non-MSA WI	32	18,858	58	20,800	90	13.4	39,658	16.2	2	787

Qualified Investments*											
Assessment Area	Prior Period**		Current Period		Total				Unfunded Commitments***	
	#	$(000's)	#	$(000's)	#	% of Total #	$(000's)	% of Total $	#	$(000's)
Statewide/Regional:										
Broader WI	15	5,311	11	3,083	26	3.9	8,394	3.4	2	12
Totals	**123**	**116,288**	**550**	**129,090**	**673**	**100.0**	**245,378**	**100.0**	**40**	**11,177**

* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.
** Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
*** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Milwaukee MSA

The institution had an excellent level of qualified investments and grants, often in a leadership position, particularly those that were not routinely provided by private investors. The dollar volume of current- and prior-period investments represented 8.8 percent of tier 1 capital allocated to the AA. This did not include 18 unfunded commitments totaling $6.3 million, an additional 0.5 percent of allocated capital.

The institution exhibited excellent responsiveness to credit and community economic development needs. The institution occasionally used innovative or complex investments in LIHTC funds, CDFIs, and SBICs to support CD initiatives. BHB had 41 qualified investments and grants totaling $88.7 million related to affordable housing, 19 qualified investments and grants totaling $21.6 million related to economic development, 17 qualified investments and grants totaling $1.5 million for revitalization and stabilization efforts, and 196 qualified investments and grants totaling $8.3 million to community service organizations that provided needed services to low- and moderate-income individuals.

Examples of qualified investments in the AA include:

- A $10.0 million investment in a LIHTC fund that acquired a National Historic Landmark District property for rehabilitation as affordable housing. The property, located in a low-income geography, provided 101 units for low- and moderate-income veterans and their families who are homeless or at risk of becoming homeless.

- A $6.0 million investment in a private-equity company that provided economic development investments to the upper Midwest states. The company invested in micro-cap companies that are: primarily located in low- and moderate-income geographies; hire workers living in low- and moderate-income geographies; provide jobs for low- and moderate-income individuals; or, provide goods or services to low- and moderate-income communities. The company targeted BHB’s investment to micro-cap companies in the Milwaukee MSA AA.

Green Bay MSA

The institution had an excellent level of qualified investments and grants, often in a leadership position, particularly those that were not routinely provided by private investors. The dollar volume of current- and prior-period investments represented 6.4 percent of tier 1 capital allocated to the AA.

The institution exhibited excellent responsiveness to credit and community economic development needs. The institution occasionally used innovative or complex investments in LIHTC funds to support CD initiatives. BHB had six qualified investments and grants totaling almost $9.3 million related to affordable housing, 33 grants totaling $339,000 to community service organizations that provided needed services to low- and moderate-income individuals, and three grants totaling $9,000 related to economic development.

Examples of qualified investments in the AA include:

- A $6.8 million investment in a single-investor LIHTC fund that acquired a vacant monastery property for rehabilitation as affordable housing. The property, located in a moderate-income geography, provided 34 affordable units for low- and moderate-income individuals and six market rate units that are also considered affordable.

- A $2.0 million investment for the construction of a multifamily apartment complex by a local community development authority. The property provided 39 affordable housing units for low- and moderate-income residents.

Janesville MSA

The institution had a significant level of qualified investments and grants, occasionally in a leadership position, particularly those that were not routinely provided by private investors. The dollar volume of current- and prior-period investments represented 5.6 percent of tier 1 capital allocated to the AA.

The institution exhibited good responsiveness to credit and community economic development needs. The institution rarely used any innovative or complex investments to support CD initiatives in this AA. BHB had three qualified investments totaling $1.8 million related to affordable housing, 30 qualified investments and grants totaling $1.1 million to community service organizations that provided needed services to low- and moderate-income individuals, and seven qualified investments and grants totaling $949,993 for revitalization and stabilization efforts.

Examples of qualified investments in the AA include:

- A $901,000 investment in six municipal bonds for improvements to a local high school. The school was in a moderate-income geography where 64 percent of students qualify for free and reduced lunch programs.

- An investment valued at $1.4 million in a mortgage-backed security for a 52-unit, multifamily apartment complex that provided affordable housing for low- and moderate-income individuals.

Broader Statewide or Regional Areas

BHB also had $8.4 million in 26 investments that benefited the broader statewide or regional area. Investments included two related to affordable housing, five for economic development, one for revitalization and stabilization efforts, and 18 for community services benefiting low- and moderate-income individuals.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank’s performance under the Investment Test in the Appleton, Duluth, Eau Claire, Fond du Lac, Madison, Racine, and Sheboygan MSA AAs, and the Non-MSA WI

AA was consistent with the bank's overall performance under the Investment Test in the full-scope areas. The bank's performance under the Investment Test in the La Crosse, Oshkosh, and Wausau MSA AAs was weaker than the bank's overall performance under the Investment Test in the full-scope areas due to a lower volume of qualified investments. The institution's performance under the Investment Test in the limited-scope areas had a neutral impact on the overall Investment Test rating for the state of Wisconsin.

SERVICE TEST

The bank's performance under the Service Test in Wisconsin is rated Outstanding

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's performance in the Milwaukee, Green Bay, and Janesville MSA AAs was excellent.

Retail Banking Services

Service delivery systems are readily accessible to geographies and individuals of different income levels in the institution's AA.

Distribution of Branch Delivery System*

Assessment Area	Deposits	Branches							Population				
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)					% of Population within Each Geography				
				Low	Mod	Mid	Upp	NA	Low	Mod	Mid	Upp	NA
Full-Scope:													
Milwaukee MSA	49.3	61	34.1	14.8	9.8	32.8	42.6	0.0	16.7	14.9	33.7	34.7	0.0
Green Bay MSA	5.5	11	6.2	9.1	27.3	54.6	9.1	0.0	1.9	24.1	50.5	23.2	0.4
Janesville MSA	2.5	8	4.5	0.00	37.5	25.0	37.5	0.0	1.7	27.6	42.8	27.9	0.0
Limited-Scope:													
Appleton MSA	3.9	9	5.0	0.0	11.1	88.9	0.0	0.0	0.0	11.1	80.3	8.6	0.0
Duluth MSA	0.4	1	0.6	100.0	0.0	0.0	0.0	0.0	11.9	14.5	57.1	16.5	0.0
Eau Claire MSA	0.9	3	1.7	0.0	33.3	66.7	0.0	0.0	0.0	16.6	70.9	12.5	0.0
Fond du Lac MSA	0.9	2	1.1	0.0	0.0	100.0	0.0	0.0	3.6	5.7	82.0	8.6	0.0
La Crosse MSA	0.6	3	1.7	0.0	33.3	66.7	0.0	0.0	2.1	15.7	60.3	17.7	4.2
Madison MSA	15.5	22	12.3	4.6	22.7	50.0	22.7	0.0	3.6	14.1	54.2	25.0	3.1
Oshkosh MSA	0.8	3	1.7	0.0	33.3	33.3	33.3	0.0	0.0	15.4	62.3	22.3	0.0
Racine MSA	1.9	6	3.4	0.0	16.7	50.0	16.7	16.7	6.7	20.3	53.3	18.9	0.8
Sheboygan MSA	1.1	4	2.2	0.0	0.0	100.0	0.0	0.0	0.0	13.0	72.2	14.8	0.0
Wausau MSA	4.3	7	3.9	14.3	14.3	57.1	14.3	0.0	1.8	10.9	71.4	15.9	0.0
Non-MSA WI	12.4	39	21.8	0.0	28.2	66.7	5.1	0.0	0.0	8.6	76.1	14.9	0.4

* The table presents the data for all assessment areas. The narrative below addresses performance in full-scope areas only.
Due to rounding, totals may not equal 100.0

Milwaukee MSA

The bank's distribution of branches in low- income geographies was near-to, and in moderate-income geographies was below, the percentage of the population living within those geographies. When considering the seven adjacent-serving middle- and upper-income branches, two serving low-income geographies and five serving moderate-income geographies within the AA, the distribution exceeded the percentage of the population within both low- and moderate-income geographies.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. BHB had 201 ATMs in the AA, of which 74 were deposit-taking.

Green Bay MSA

The bank's distribution of branches in both low- and moderate-income geographies exceeded the percentage of the population living within those geographies. BHB also had three adjacent-serving branches near moderate-income geographies.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. BHB had 22 ATMs in the AA, of which 12 were deposit-taking.

Janesville MSA

The bank did not have any branches in low-income geographies; however, only 1.7 percent of the population lived within those geographies. The bank's distribution of branches in moderate-income geographies exceeded the percentage of the population living within those geographies. BHB also had two adjacent-serving branches near moderate-income geographies.

BHB had several alternative delivery systems including debit cards and ATMs, telephone and online banking, electronic bill pay, and mobile banking options. These systems provided additional delivery availability and access to banking services to both retail and business customers. BHB had 18 ATMs in the AA, of which eight were deposit-taking.

Distribution of Branch Openings/Closings*							
Branch Openings/Closings							
Assessment Area	**# of Branch Openings**	**# of Branch Closings**	**Net change in Location of Branches (+ or -)**				
			Low	**Mod**	**Mid**	**Upp**	**NA**
Full-Scope:							
Milwaukee MSA	0	10	-1	-2	-1	-6	0
Green Bay MSA	0	1	-1	0	0	0	0
Janesville MSA	0	0	0	0	0	0	0
Limited-Scope:							
Appleton MSA	0	1	0	-1	0	0	0
Duluth MSA	0	0	0	0	0	0	0

Distribution of Branch Openings/Closings*							
Branch Openings/Closings							
Assessment Area	**# of Branch Openings**	**# of Branch Closings**	**Net change in Location of Branches (+ or -)**				
			Low	**Mod**	**Mid**	**Upp**	**NA**
Eau Claire MSA	0	1	0	-1	0	0	0
Fond du Lac MSA	0	0	0	0	0	0	0
La Crosse MSA	0	0	0	0	0	0	0
Madison MSA	0	0	0	0	0	0	0
Oshkosh MSA	0	0	0	0	0	0	0
Racine MSA	0	0	0	0	0	0	0
Sheboygan MSA	0	1	0	0	-1	0	0
Wausau MSA	0	1	0	0	-1	0	0
Non-MSA WI	0	3	0	0	-3	0	0
* The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.							

Milwaukee MSA

To the extent changes had been made, the institution's opening and closing of branches had not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. BHB closed 10 branches, one of which was in a low-income geography and two in moderate-income geographies.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced its AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. BHB maintained standard business hours and offered traditional banking products and services at all branch locations in the AA. Branches were open late on Fridays and the vast majority of the branches had Saturday hours. The branches closed on Saturdays were in areas with minimal retail business activity on the weekend. In addition, BHB opened 10,488 SMARTMoney checking accounts and 457 Credit Builder accounts in the Milwaukee MSA AA.

Green Bay MSA

To the extent changes had been made, the institution's opening and closing of branches had not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. BHB closed one branch located in a low-income geography.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced its AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. BHB maintained standard business hours and offered traditional banking products and services at all branch locations in the AA. Branches were open late on Fridays and the vast majority of the branches had Saturday hours. The branches closed on Saturdays were in areas with minimal retail business activity on the weekend. In addition, BHB opened 978 SMARTMoney checking accounts and 18 Credit Builder accounts in the Green Bay MSA AA.

Janesville MSA

The bank did not open or close any branches within the Janesville MSA AA during the evaluation period.

Services, including where appropriate, business hours, did not vary in a way that inconvenienced its AA, particularly low- and moderate-income geographies and/or low- and moderate-income individuals. BHB maintained standard business hours and offered traditional banking products and services at all branch locations in the AA. Branches were open late on Fridays and the vast majority of the branches had Saturday hours. The branches closed on Saturdays were in areas with minimal retail business activity on the weekend. In addition, BHB opened 1,144 SMARTMoney checking accounts and 43 Credit Builder accounts in the Janesville MSA AA.

Community Development Services

Milwaukee MSA

The institution was a leader in providing CD services in this AA. During the evaluation period, 144 bank employees conducted 136 financial education events totaling 1,386 hours in coordination with 19 different organizations. Approximately 5,150 participants attended these classes. These events included financial literacy for both adults and students, first-time homebuyer, credit repair, and housing fairs and seminars primarily targeted to low- and moderate-income individuals and families. In addition, 37 bank employees spent 1,800 hours serving in leadership roles by participating on boards and committees for 41 different CD organizations.

Examples of CD services in the AA include:

- A bank employee was the chairman of the board of a non-profit organization that provided mental health services, job readiness programs, and parenting education and coaching to low- and moderate-income women who were facing addiction and homelessness. In addition, two employees provided basic financial education classes to women housed in the shelter.

- A senior level bank employee served on the board of the local chapter of a community development organization. The organization invested in businesses, housing, and other community infrastructure to improve the economic, health, safety, and educational opportunities for the communities they served, including low- and moderate-income geographies and persons.

Green Bay MSA

The institution provided a significant level of CD services in this AA. During the evaluation period, two bank employees conducted 11 financial education events totaling 85 hours in coordination with two different organizations. Approximately 180 participants attended these classes. These events included financial literacy for both adults and students and housing seminars primarily targeted to low- and moderate-income individuals and families. In addition, three bank employees spent 192 hours serving in leadership roles by participating on boards and committees for three different CD organizations.

Examples of CD services in the AA include:

- A senior level bank employee served on the local board of a nationwide non-profit organization that provided a safe and inviting place for children to learn and grow. They offered education, health, life skills, and leadership programs for all area youth, including those from low- and moderate-income families.

- A senior level bank employee served on the local board of a national organization that provided critical repairs, accessibility modifications, and energy efficient upgrades to neighbors in need at no cost to service recipients. Their goal was to revitalize and stabilize vulnerable neighborhoods and communities across the country.

Janesville MSA

The institution provided a significant level of CD services in this AA. During the evaluation period, five bank employees conducted 20 financial education events totaling 72 hours in coordination with five different organizations. Approximately 430 participants attended these classes. These events included financial literacy for students, first-time homebuyer, and housing seminars primarily targeted to low- and moderate-income individuals and families. In addition, four bank employees spent over 160 hours serving in leadership roles by participating on boards and committees for three different CD organizations.

An example of a CD service in the AA includes:

- Two senior level bank employees served on the local board and finance committee of a nationwide non-profit organization that enabled young people, especially those at risk, to reach their full potential as responsible citizens. They provided educational enhancement and career exploration, character and leadership, and health and life skills programs for all area youth. Over 78 percent of the children in the programs qualify for free or reduced lunch programs.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Appleton, Duluth, Eau Claire, Fond du Lac, La Crosse, Madison, Oshkosh, Racine, Sheboygan, and Wausau MSA AAs and Non-MSA WI AAs was consistent with the bank's overall performance under the Service Test in the full-scope areas.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and Non-MSAs that received comprehensive examination review, designated by the term "full," and those that received a less comprehensive review, designated by the term "limited."

Time Period Reviewed:	January 1, 2017 to December 31, 2019	
Bank Products Reviewed:	Home mortgage, small business, small farm, community development loans, qualified investments, community development services	
Affiliate(s):	**Affiliate Relationship**	**Products Reviewed**
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	**Type of Exam**	**Other Information**
MMSAs		
Chicago-Naperville-Elgin, IL-IN-WI MMSA	Full	IL - Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry, Will IN – Lake, Porter WI - Kenosha
Kansas City, MO–KS MMSA	Full	KS – Johnson, Wyandotte MO – Clay, Jackson, Platte
Minneapolis-St. Paul-Bloomington, MN-WI MMSA	Full	MN - Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington WI - Pierce, St. Croix
St. Louis, MO-IL MMSA	Full	IL – St. Clair MO – Jefferson, St. Charles, St. Louis, St. Louis City
States		
Arizona		
Phoenix-Mesa-Scottsdale, AZ MSA	Full	Maricopa
Prescott, AZ MSA	Limited	Yavapai
Tucson, AZ MSA	Limited	Pima
Florida		
North Port-Sarasota-Bradenton, FL MSA	Full	Manatee, Sarasota
Cape Coral-Fort Myers, FL MSA	Full	Lee
Naples-Immokalee-Marco Island, FL MSA	Limited	Collier
Punta Gorda, FL MSA	Limited	Charlotte
Tampa-St. Petersburg-Clearwater, FL MSA	Limited	Hillsborough
West Palm Beach-Boca Raton-Delray Beach, FL MD	Limited	Palm Beach
Illinois		
Rockford, IL MSA	Full	Boone, Winnebago
Indiana		
Indianapolis-Carmel-Anderson, IN MSA	Full	Boone, Hamilton, Hendricks, Johnson, Madison, Marion, Morgan
Kokomo, IN MSA	Limited	Howard
Non-MSA IN	Limited	Rush, Tipton, Wayne

Rating and Assessment Areas	Type of Exam	Other Information
Kansas		
Non-MSA KS	Full	Crawford
Missouri		
St. Joseph, MO-KS MSA	Full	MO – Andrew, Buchanan
Wisconsin		
Milwaukee-Waukesha-West Allis, WI MSA	Full	Milwaukee, Ozaukee, Washington, Waukesha
Green Bay, WI MSA	Full	Brown, Kewaunee, Oconto
Janesville-Beloit, WI MSA	Full	Rock
Appleton, WI MSA	Limited	Calumet, Outagamie
Duluth, MN-WI MSA	Limited	Douglas
Eau Claire, WI MSA	Limited	Chippewa, Eau Claire
Fond du Lac, WI MSA	Limited	Fond du Lac
La Crosse, WI MSA	Limited	La Crosse
Madison, WI MSA	Limited	Columbia, Dane, Iowa
Oshkosh-Neenah, WI MSA	Limited	Winnebago
Racine, WI MSA	Limited	Racine
Sheboygan, WI MSA	Limited	Sheboygan
Wausau, WI MSA	Limited	Marathon, Lincoln
Non-MSA WI	Limited	Adams, Ashland, Clark, Dodge, Dunn, Grant, Jefferson, Juneau, Langlade, Manitowoc, Marinette, Marquette, Oneida, Portage, Richland, Sauk, Shawano, Vernon, Vilas, Walworth, Waupaca, Waushara, Wood

Appendix B: Summary of MMSA and State Ratings

RATINGS BMO Harris Bank N.A.				
Overall Bank:	**Lending Test Rating***	**Investment Test Rating**	**Service Test Rating**	**Overall Bank/State/ MMSA Rating**
BMO Harris Bank N.A.	Outstanding	Outstanding	Outstanding	Outstanding
MMSA or State:				
Chicago MMSA	Outstanding	Outstanding	Outstanding	Outstanding
Kansas City MMSA	Outstanding	Outstanding	Outstanding	Outstanding
Minneapolis MMSA	Outstanding	Outstanding	Outstanding	Outstanding
St. Louis MMSA	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
Arizona	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
Florida	Outstanding	High Satisfactory	High Satisfactory	Outstanding
Illinois	Outstanding	Outstanding	Outstanding	Outstanding
Indiana	Outstanding	Outstanding	Outstanding	Outstanding
Kansas	Outstanding	Outstanding	Outstanding	Outstanding
Missouri	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
Wisconsin	Outstanding	Outstanding	Outstanding	Outstanding

* The Lending Test was weighted more heavily than the Investment and Service Tests in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of $1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including low- and moderate-income areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage loans, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder' and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units**.**

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of $1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in ‘loans to small farms’ as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the "bank" include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated the same as originations; and (2) "aggregate" is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table O.   Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P.   Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table Q.   Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to $1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank's assessment area.

Table R.   Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue - Compares the percentage distribution of the number of small loans (loans less than or equal to $1 million) originated and purchased by the bank to businesses with revenues of $1 million or less to: 1) the percentage distribution of businesses with revenues of greater than $1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table S.   Assessment Area Distribution of Loans to Farms by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to $500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues - Compares the percentage distribution of the number of small loans (loans less than or equal to $500 thousand) originated and purchased by the bank to farms with revenues of $1 million or less to: 1) the percentage distribution of farms with revenues of greater than $1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.

Chicago MMSA

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Full-Scope:																			
Chicago MMSA	15,822	3,027,986	100.0	271,612	4.5	2.3	3.5	17.6	10.1	15.0	35.5	33.5	35.4	42.3	53.9	45.9	0.1	0.1	0.1
Total	**15,822**	**3,027,986**	**100.0**	**271,612**	**4.5**	**2.3**	**3.5**	**17.6**	**10.1**	**15.0**	**35.5**	**33.5**	**35.4**	**42.3**	**53.9**	**45.9**	**0.1**	**0.1**	**0.1**

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Full-Scope:																			
Chicago MMSA	15,822	3,027,986	100.0	271,612	23.4	9.5	7.3	16.4	18.1	17.6	18.7	22.0	21.1	41.5	42.5	37.4	0.0	8.0	16.6
Total	**15,822**	**3,027,986**	**100.0**	**271,612**	**23.4**	**9.5**	**7.3**	**16.4**	**18.1**	**17.6**	**18.7**	**22.0**	**21.1**	**41.5**	**42.5**	**37.4**	**0.0**	**8.0**	**16.6**

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-19
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Full-Scope:																			
Chicago MMSA	11,333	1,272,180	100.0	227,975	4.9	3.3	3.9	15.3	18.0	15.9	30.2	38.3	31.8	49.1	40.3	48.2	0.4	0.1	0.2
Total	**11,333**	**1,272,180**	**100.0**	**227,975**	**4.9**	**3.3**	**3.9**	**15.3**	**18.0**	**15.9**	**30.2**	**38.3**	**31.8**	**49.1**	**40.3**	**48.2**	**0.4**	**0.1**	**0.2**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Chicago MMSA

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Full-Scope:											
Chicago MMSA	11,333	1,272,180	100.0	227,975	83.9	44.8	43.0	6.5	35.6	9.6	19.6
Total	**11,333**	**1,272,180**	**100.0**	**227,975**	**83.9**	**44.8**	**43.0**	**6.5**	**35.6**	**9.6**	**19.6**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																				2017-19
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	
Full-Scope:																				
Chicago MMSA	62	7,447	100.0	893	3.3	0.0	0.7	14.0	4.8	4.3	40.3	69.4	58.5	42.4	25.8	36.6	0.1	0.0	0.0	
Total	**62**	**7,447**	**100.0**	**893**	**3.3**	**0.0**	**0.7**	**14.0**	**4.8**	**4.3**	**40.3**	**69.4**	**58.5**	**42.4**	**25.8**	**36.6**	**0.1**	**0.0**	**0.0**	

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Full-Scope:											
Chicago MMSA	62	7,447	100.0	893	93.7	43.5	53.0	3.8	51.6	2.5	7.7
Total	**62**	**7,447**	**100.0**	**893**	**93.7**	**43.5**	**53.0**	**3.8**	**51.6**	**2.5**	**7.7**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Kansas City MMSA

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-19
	Total Home Mortgage Loans				**Low-Income Tracts**			**Moderate-Income Tracts**			**Middle-Income Tracts**			**Upper-Income Tracts**			**Not Available-Income Tracts**		
Assessment Area:	**#**	**$**	**% of Total**	**Overall Market**	**% of Owner-Occupied Housing Units**	**% Bank Loans**	**Aggregate**	**% of Owner-Occupied Housing Units**	**% Bank Loans**	**Aggregate**	**% of Owner-Occupied Housing Units**	**% Bank Loans**	**Aggregate**	**% of Owner-Occupied Housing Units**	**% Bank Loans**	**Aggregate**	**% of Owner-Occupied Housing Units**	**% Bank Loans**	**Aggregate**
Full-Scope:																			
Kansas City MMSA	824	141,467	100.0	65,538	6.6	9.7	3.2	18.0	19.1	16.1	35.5	30.1	35.7	39.7	41.0	44.8	0.2	0.1	0.2
Total	**824**	**141,467**	**100.0**	**65,538**	**6.6**	**9.7**	**3.2**	**18.0**	**19.1**	**16.1**	**35.5**	**30.1**	**35.7**	**39.7**	**41.0**	**44.8**	**0.2**	**0.1**	**0.2**
Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-19
Assessment Area:	**Total Home Mortgage Loans**				**Low-Income Borrowers**			**Moderate-Income Borrowers**			**Middle-Income Borrowers**			**Upper-Income Borrowers**			**Not Available-Income Borrowers**		
	#	**$**	**% of Total**	**Overall Market**	**% Families**	**% Bank Loans**	**Aggregate**	**% Families**	**% Bank Loans**	**Aggregate**	**% Families**	**% Bank Loans**	**Aggregate**	**% Families**	**% Bank Loans**	**Aggregate**	**% Families**	**% Bank Loans**	**Aggregate**
Full-Scope:																			
Kansas City MMA	824	141,467	100.0	65,538	21.4	24.9	8.0	17.2	21.6	19.5	20.0	17.1	21.6	41.4	29.9	35.7	0.0	6.6	15.2
Total	**824**	**141,467**	**100.0**	**65,538**	**21.4**	**24.9**	**8.0**	**17.2**	**21.6**	**19.5**	**20.0**	**17.1**	**21.6**	**41.4**	**29.9**	**35.7**	**0.0**	**6.6**	**15.2**
Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-19
	Total Loans to Small Businesses				**Low-Income Tracts**			**Moderate-Income Tracts**			**Middle-Income Tracts**			**Upper-Income Tracts**			**Not Available-Income Tracts**		
Assessment Area:	**#**	**$**	**% of Total**	**Overall Market**	**% Businesses**	**% Bank Loans**	**Aggregate**	**% Businesses**	**% Bank Loans**	**Aggregate**	**% Businesses**	**% Bank Loans**	**Aggregate**	**% Businesses**	**% Bank Loans**	**Aggregate**	**% Businesses**	**% Bank Loans**	**Aggregate**
Full-Scope:																			
Kansas City MMA	499	68,749	100.0	33,942	7.6	9.2	7.1	18.8	15.8	17.2	32.4	28.7	29.9	39.1	35.5	43.1	2.1	10.8	2.7
Total	**499**	**68,749**	**100.0**	**33,942**	**7.6**	**9.2**	**7.1**	**18.8**	**15.8**	**17.2**	**32.4**	**28.7**	**29.9**	**39.1**	**35.5**	**43.1**	**2.1**	**10.8**	**2.7**
Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0																			

Kansas City MMSA

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues — 2017-19

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Full-Scope:											
Kansas City MMSA	499	68,749	100.0	33,942	83.2	38.1	43.2	6.1	42.5	10.7	19.4
Total	**499**	**68,749**	**100.0**	**33,942**	**83.2**	**38.1**	**43.2**	**6.1**	**42.5**	**10.7**	**19.4**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography — 2017-19

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Full-Scope:																			
Kansas City MMSA	1	102	100.0	254	5.2	0.0	1.2	16.8	0.0	5.9	36.8	0.0	47.2	40.9	100.0	45.7	0.3	0.0	0.0
Total	**1**	**102**	**100.0**	**254**	**5.2**	**0.0**	**1.2**	**16.8**	**0.0**	**5.9**	**36.8**	**0.0**	**47.2**	**40.9**	**100.0**	**45.7**	**0.3**	**0.0**	**0.0**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues — 2017-19

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Full-Scope:											
Kansas City MMSA	1	102	100.0	254	95.3	0.0	46.9	2.7	100.0	2.0	0.0
Total	**1**	**102**	**100.0**	**254**	**95.3**	**0.0**	**46.9**	**2.7**	**100.0**	**2.0**	**0.0**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Minneapolis MMSA

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																		2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts	
	#	$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Full-Scope:																			
Minneapolis MMSA	1,636	421,247	100.0	126,145	2.3	2.8	3.2	15.5	14.1	17.3	46.5	38.8	47.2	35.6	44.3	32.2	0.1	0.0	0.1
Total	**1,636**	**421,247**	**100.0**	**126,145**	**2.3**	**2.8**	**3.2**	**15.5**	**14.1**	**17.3**	**46.5**	**38.8**	**47.2**	**35.6**	**44.3**	**32.2**	**0.1**	**0.0**	**0.1**

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																		2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers	
	#	$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Full-Scope:																			
Minneapolis MMSA	1,636	421,247	100.0	126,145	20.3	10.0	9.0	17.1	21.3	21.5	21.8	20.7	22.0	40.7	40.6	30.3	0.0	7.3	17.1
Total	**1,636**	**421,247**	**100.0**	**126,145**	**20.3**	**10.0**	**9.0**	**17.1**	**21.3**	**21.5**	**21.8**	**20.7**	**22.0**	**40.7**	**40.6**	**30.3**	**0.0**	**7.3**	**17.1**

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																		2017-19
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Full-Scope:																			
Minneapolis MMSA	1,335	203,529	100.0	65,300	5.0	8.0	4.4	17.2	12.1	16.3	43.6	58.0	45.4	33.9	21.9	33.7	0.3	0.0	0.2
Total	**1,335**	**203,529**	**100.0**	**65,300**	**5.0**	**8.0**	**4.4**	**17.2**	**12.1**	**16.3**	**43.6**	**58.0**	**45.4**	**33.9**	**21.9**	**33.7**	**0.3**	**0.0**	**0.2**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Minneapolis MMSA

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Full-Scope:											
Minneapolis MMSA	1,335	203,529	100.0	65,300	86.2	33.2	53.2	5.7	49.4	8.1	17.4
Total	**1,335**	**203,529**	**100.0**	**65,300**	**86.2**	**33.2**	**53.2**	**5.7**	**49.4**	**8.1**	**17.4**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																					2017-19
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate		
Full-Scope:																					
Minneapolis MMSA	14	1,318	100.0	708	1.7	0.0	0.6	12.5	14.3	6.6	51.8	35.7	62.4	33.8	50.0	30.4	0.1	0.0	0.0		
Total	**14**	**1,318**	**100.0**	**708**	**1.7**	**0.0**	**0.6**	**12.5**	**14.3**	**6.6**	**51.8**	**35.7**	**62.4**	**33.8**	**50.0**	**30.4**	**0.1**	**0.0**	**0.0**		

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Full-Scope:											
Minneapolis MMSA	14	1,318	100.0	708	95.7	27.3	50.6	2.5	57.1	1.8	50.0
Total	**14**	**1,318**	**100.0**	**708**	**95.7**	**27.3**	**50.6**	**2.5**	**57.1**	**1.8**	**50.0**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

St. Louis MMSA

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Full-Scope:																			
St. Louis MMSA	751	219,816	100.0	77,430	5.8	1.5	2.0	16.8	8.3	13.4	36.9	28.4	39.1	40.4	61.4	45.3	0.1	0.5	0.2
Total	**751**	**219,816**	**100.0**	**77,430**	**5.8**	**1.5**	**2.0**	**16.8**	**8.3**	**13.4**	**36.9**	**28.4**	**39.1**	**40.4**	**61.4**	**45.3**	**0.1**	**0.5**	**0.2**

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Full-Scope:																			
St. Louis MMSA	751	219,816	100.0	77,430	21.7	10.4	8.3	16.8	15.2	18.0	19.4	14.1	19.2	42.2	29.6	35.1	0.0	30.8	19.5
Total	**751**	**219,816**	**100.0**	**77,430**	**21.7**	**10.4**	**8.3**	**16.8**	**15.2**	**18.0**	**19.4**	**14.1**	**19.2**	**42.2**	**29.6**	**35.1**	**0.0**	**30.8**	**19.5**

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-19
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Full-Scope:																			
St. Louis MMSA	490	72,498	100.0	46,022	6.6	3.3	5.5	17.4	25.3	16.9	31.9	38.8	31.8	43.0	31.2	44.7	1.1	1.4	1.1
Total	**490**	**72,498**	**100.0**	**46,022**	**6.6**	**3.3**	**5.5**	**17.4**	**25.3**	**16.9**	**31.9**	**38.8**	**31.8**	**43.0**	**31.2**	**44.7**	**1.1**	**1.4**	**1.1**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

St. Louis MMSA

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Full-Scope:											
St. Louis MMSA	490	72,498	100.0	46,022	83.3	43.1	45.2	6.3	33.3	10.3	23.7
Total	**490**	**72,498**	**100.0**	**46,022**	**83.3**	**43.1**	**45.2**	**6.3**	**33.3**	**10.3**	**23.7**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2017-19
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Full-Scope:																			
St. Louis MMSA	1	59	100.0	335	3.3	0.0	0.6	14.5	100.0	12.8	40.6	0.0	44.8	41.1	0.0	41.2	0.5	0.0	0.6
Total	**1**	**59**	**100.0**	**335**	**3.3**	**0.0**	**0.6**	**14.5**	**100.0**	**12.8**	**40.6**	**0.0**	**44.8**	**41.1**	**0.0**	**41.2**	**0.5**	**0.0**	**0.6**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Full-Scope:											
St. Louis MMSA	1	59	100.0	335	95.3	0.0	55.8	2.8	0.0	1.9	100.0
Total	**1**	**59**	**100.0**	**335**	**95.3**	**0.0**	**55.8**	**2.8**	**0.0**	**1.9**	**100.0**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-19		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Full-Scope:																					
Phoenix MSA	2,497	690,833	85.4	190,706	4.6	2.0	4.0	18.8	11.3	15.8	34.7	27.4	35.5	41.9	59.2	44.1	0.0	0.2	0.6		
Limited-Scope:																					
Prescott MSA	208	48,818	7.1	10,742	0.0	0.0	0.0	18.7	10.6	16.9	61.2	67.8	65.3	20.1	21.6	17.9	0.0	0.0	0.0		
Tucson MSA	218	64,132	7.5	36,775	4.7	3.7	3.7	21.4	10.6	16.0	32.9	23.4	33.2	41.0	62.4	47.1	0.0	0.0	0.0		
Total	**2,923**	**803,783**	**100.0**	**238,223**	**4.3**	**2.0**	**3.8**	**19.4**	**11.2**	**15.8**	**35.8**	**29.9**	**36.5**	**40.5**	**56.8**	**43.4**	**0.0**	**0.2**	**0.5**		

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Full-Scope:																			
Phoenix MSA	2,497	690,833	85.4	190,706	21.8	7.8	5.1	16.9	15.1	15.9	19.2	16.3	20.4	42.2	51.2	40.9	0.0	9.5	17.8
Limited-Scope:																			
Prescott MSA	208	48,818	7.1	10,742	18.8	6.3	6.0	19.3	14.4	14.9	22.4	22.6	22.9	39.6	54.3	41.6	0.0	2.4	14.6
Tucson MSA	218	64,132	7.5	36,775	22.2	5.5	5.3	17.3	16.5	14.9	19.1	20.6	19.6	41.4	50.5	39.5	0.0	6.9	20.8
Total	**2,923**	**803,783**	**100.0**	**238,223**	**21.7**	**7.5**	**5.2**	**17.1**	**15.2**	**15.7**	**19.3**	**17.1**	**20.4**	**41.9**	**51.4**	**40.7**	**0.0**	**8.8**	**18.1**

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0

State of Arizona

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																					2017-19
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate		
Full-Scope:																					
Phoenix MSA	1,321	170,084	87.4	104,551	6.2	34.4	6.9	15.9	14.0	16.5	28.4	20.2	26.8	48.9	31.3	49.3	0.5	0.2	0.6		
Limited-Scope:																					
Prescott MSA	37	4,413	2.4	5,532	0.0	0.0	0.0	22.3	13.5	23.1	51.3	67.6	51.0	26.4	18.9	25.9	0.0	0.0	0.0		
Tucson MSA	154	18,123	10.2	17,564	6.3	1.9	6.3	23.3	29.2	24.1	29.6	42.9	29.2	39.8	25.3	39.4	1.0	0.6	1.0		
Total	**1,512**	**192,620**	**100.0**	**127,647**	**6.0**	**30.2**	**6.5**	**17.3**	**15.5**	**17.8**	**29.6**	**23.7**	**28.2**	**46.6**	**30.4**	**46.9**	**0.6**	**0.2**	**0.6**		

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data. Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Full-Scope:											
Phoenix MSA	1,321	170,084	87.4	104,551	89.7	40.2	46.2	3.5	43.0	6.9	16.8
Limited-Scope:											
Prescott MSA	37	4,413	2.4	5,532	90.3	59.5	51.0	2.9	32.4	6.8	13.6
Tucson MSA	154	18,123	10.2	17,564	87.6	47.4	46.2	3.7	34.4	8.7	18.2
Total	**1,512**	**192,620**	**100.0**	**127,647**	**89.4**	**41.4**	**46.4**	**3.5**	**41.9**	**7.1**	**16.7**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2017-19
Assessment Area:	**Total Loans to Farms**				**Low-Income Tracts**			**Moderate-Income Tracts**			**Middle-Income Tracts**			**Upper-Income Tracts**			**Not Available-Income Tracts**		
	#	**$**	**% of Total**	**Overall Market**	**% Farms**	**% Bank Loans**	**Aggregate**	**% Farms**	**% Bank Loans**	**Aggregate**	**% Farms**	**% Bank Loans**	**Aggregate**	**% Farms**	**% Bank Loans**	**Aggregate**	**% Farms**	**% Bank Loans**	**Aggregate**
Full-Scope:																			
Phoenix MSA	10	667	66.7	357	6.1	10.0	1.7	18.0	30.0	14.3	29.4	0.0	34.2	46.2	50.0	49.3	0.3	10.0	0.6
Limited-Scope:																			
Prescott MSA	0	0	0.0	49	0.0	0.0	0.0	19.3	0.0	20.4	54.5	0.0	46.9	26.2	0.0	32.7	0.0	0.0	0.0
Tucson MSA	5	1,069	33.3	75	4.8	0.0	1.3	22.8	0.0	13.3	34.2	100.0	41.3	37.9	0.0	44.0	0.2	0.0	0.0
Total	**15**	**1,736**	**100.0**	**481**	**5.5**	**6.7**	**1.5**	**18.9**	**20.0**	**14.8**	**31.9**	**33.3**	**36.6**	**43.4**	**33.3**	**46.8**	**0.3**	**6.7**	**0.4**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017-19
Assessment Area:	**Total Loans to Farms**				**Farms with Revenues <= 1MM**			**Farms with Revenues > 1MM**		**Farms with Revenues Not Available**	
	#	**$**	**% of Total**	**Overall Market**	**% Farms**	**% Bank Loans**	**Aggregate**	**% Farms**	**% Bank Loans**	**% Farms**	**% Bank Loans**
Full-scope:											
Phoenix MSA	10	667	66.7	357	94.8	70.0	40.1	3.2	33.3	1.9	0.0
Limited-scope:											
Prescott MSA	0	0	0.0	49	96.5	0.0	65.3	2.0	0.0	1.5	0.0
Tucson MSA	5	1,069	33.3	75	96.3	0.0	46.7	2.6	100.0	1.1	0.0
Total	**15**	**1,736**	**100.0**	**481**	**95.2**	**46.7**	**43.7**	**3.0**	**53.3**	**1.8**	**0.0**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Full-Scope:																				
Sarasota MSA	530	142,316	50.6	33,485	1.0	0.4	0.6	18.3	18.7	13.7	50.7	38.5	46.9	29.9	42.5	38.8	0.0	0.0	0.0	
Cape Coral MSA	140	49,390	13.4	30,962	2.1	0.0	1.6	18.6	3.6	20.0	44.2	31.4	45.1	35.1	65.0	33.2	0.0	0.0	0.0	
Limited-Scope:																				
Naples MSA	170	87,676	16.2	14,305	2.3	0.0	1.2	16.3	8.8	16.2	41.3	31.8	42.1	40.1	59.4	40.5	0.0	0.0	0.0	
Punta Gorda MSA	58	9,014	5.5	8,339	0.0	0.0	0.0	10.7	12.1	12.0	70.6	63.8	70.2	18.6	24.1	17.7	0.0	0.0	0.0	
Tampa MSA	84	16,800	8.0	48,687	3.3	1.2	2.5	17.8	8.3	14.7	31.8	20.2	32.5	46.9	70.2	50.2	0.2	0.0	0.1	
West Palm Beach MD	66	67,710	6.3	47,776	3.1	0.0	2.6	23.3	10.6	21.2	32.7	21.2	34.7	40.6	63.6	41.4	0.2	4.5	0.2	
Total	**1,048**	**372,906**	**100.0**	**183,554**	**2.4**	**0.3**	**1.8**	**19.3**	**13.4**	**17.1**	**40.0**	**35.3**	**40.3**	**38.2**	**50.8**	**40.7**	**0.1**	**0.3**	**0.1**	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Full-Scope:																				
Sarasota MSA	530	142,316	50.6	33,485	19.4	7.4	5.7	19.1	20.0	16.6	21.0	17.7	21.5	40.5	50.9	43.7	0.0	4.0	12.5	
Cape Coral MSA	140	49,390	13.4	30,962	20.7	2.1	4.2	18.5	3.6	15.7	19.7	13.6	21.5	41.1	73.6	42.0	0.0	7.1	16.6	
Limited-Scope:																				
Naples MSA	170	87,676	16.2	14,305	20.8	1.8	3.5	17.7	4.7	12.5	19.3	10.6	18.2	42.2	71.2	50.5	0.0	11.8	15.3	
Punta Gorda MSA	58	9,014	5.5	8,339	17.3	1.7	4.7	20.7	19.0	16.3	21.8	17.2	21.7	40.2	60.3	43.1	0.0	1.7	14.2	
Tampa MSA	84	16,800	8.0	48,687	21.9	2.4	3.6	16.8	15.5	14.5	17.7	17.9	19.7	43.6	56.0	43.7	0.0	8.3	18.5	
West Palm Beach MD	66	67,710	6.3	47,776	22.8	1.5	5.3	17.3	3.0	15.3	17.8	7.6	20.1	42.1	66.7	44.2	0.0	21.2	15.0	
Total	**1,048**	**372,906**	**100.0**	**183,554**	**21.3**	**4.7**	**4.6**	**17.8**	**13.8**	**15.2**	**18.9**	**15.4**	**20.4**	**42.0**	**59.2**	**44.0**	**0.0**	**7.0**	**15.7**	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-19
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Full-Scope:																			
Sarasota MSA	263	30,173	22.8	23,925	1.3	2.3	1.1	19.3	29.7	18.0	44.8	40.3	43.1	34.6	27.8	37.8	0.0	0.0	0.0
Cape Coral MSA	190	20,208	16.5	20,091	2.6	1.1	2.3	22.5	55.8	22.3	40.1	27.9	38.9	34.5	15.3	36.5	0.2	0.0	0.0
Limited-Scope:																			
Naples MSA	92	13,296	8.0	12,624	2.7	4.3	2.6	13.5	12.0	10.9	39.0	27.2	39.8	44.8	56.5	46.8	0.0	0.0	0.0
Punta Gorda MSA	25	3,798	2.2	4,061	0.0	0.0	0.0	15.9	4.0	16.3	66.0	76.0	65.6	18.2	20.0	18.0	0.0	0.0	0.0
Tampa MSA	430	50,953	37.2	37,768	6.6	39.8	6.9	18.9	20.9	19.9	28.1	18.8	26.4	45.8	20.5	46.2	0.7	0.0	0.5
West Palm Beach MD	155	17,679	13.4	59,241	5.2	23.2	5.4	21.0	32.3	20.3	29.5	27.7	28.9	43.6	16.8	44.8	0.7	0.0	0.6
Total	**1,155**	**136,107**	**100.0**	**157,710**	**4.2**	**19.0**	**4.3**	**19.6**	**29.1**	**19.3**	**34.8**	**28.3**	**33.6**	**40.9**	**23.6**	**42.5**	**0.4**	**0.0**	**0.4**
Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0																			

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Full-Scope:											
Sarasota MSA	263	30,173	22.8	23,925	91.2	63.1	49.2	3.2	25.9	5.6	11.0
Cape Coral MSA	190	20,208	16.5	20,091	91.1	52.2	45.4	3.1	33.7	5.8	42.5
Limited-Scope:											
Naples MSA	92	13,296	8.0	12,624	91.8	42.4	45.9	3.1	43.5	5.2	14.1
Punta Gorda MSA	25	3,798	2.2	4,061	92.3	44.0	50.3	2.4	32.0	5.3	60.0
Tampa MSA	430	50,953	37.2	37,768	89.9	28.8	45.6	3.4	36.5	6.7	34.7
West Palm Beach MD	155	17,679	13.4	59,241	91.8	31.6	46.1	3.1	17.4	5.1	51.0
Total	**1,155**	**136,107**	**100.0**	**157,710**	**91.1**	**39.9**	**46.5**	**3.2**	**31.5**	**5.7**	**28.6**
Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0											

State of Florida

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																		2017-19
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Full-Scope:																			
Sarasota MSA	7	688	14.9	103	2.1	14.3	1.0	19.4	0.0	19.4	45.1	14.3	23.3	33.4	71.4	56.3	0.0	0.0	0.0
Cape Coral MSA	8	635	17.0	87	3.2	0.0	0.0	25.5	0.0	17.2	46.6	100.0	56.3	24.6	0.0	26.4	0.0	0.0	0.0
Limited-Scope:																			
Naples MSA	9	648	19.1	62	4.9	0.0	27.4	20.3	11.1	32.3	43.4	66.7	21.0	31.3	22.2	19.4	0.0	0.0	0.0
Punta Gorda MSA	0	0	0.0	19	0.0	0.0	0.0	26.4	0.0	57.9	62.0	0.0	42.1	11.6	0.0	0.0	0.0	0.0	0.0
Tampa MSA	3	136	6.4	107	4.2	0.0	2.8	19.2	0.0	17.8	34.8	66.7	38.3	41.5	33.3	41.1	0.3	0.0	0.0
West Palm Beach MSA	20	1,293	42.5	189	5.5	10.0	2.6	21.9	10.0	10.1	32.9	40.0	36.0	39.4	40.0	51.3	0.3	0.0	0.0
Total	**47**	**3,400**	**100.0**	**567**	**3.9**	**6.4**	**4.6**	**21.5**	**6.4**	**18.3**	**39.9**	**53.2**	**35.8**	**34.4**	**34.0**	**41.3**	**0.2**	**0.0**	**0.0**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Full-Scope:											
Sarasota MSA	6	465	14.9	103	96.6	50.0	56.3	2.4	50.0	1.0	66.7
Cape Coral MSA	8	635	17.0	87	97.1	75.0	44.8	1.7	33.3	1.2	0.0
Limited-Scope:											
Naples MSA	9	648	19.1	62	95.1	77.8	56.5	3.4	22.2	1.5	0.0
Punta Gorda MSA	0	0	0.0	19	97.6	0.0	57.9	0.7	0.0	1.6	0.0
Tampa MSA	3	136	6.4	107	95.7	100.0	56.1	2.9	0.0	1.4	100.0
West Palm Beach MD	20	1,293	42.5	189	96.3	70.0	46.6	2.5	20.0	1.1	16.7
Total	**47**	**3,400**	**100.0**	**567**	**96.3**	**68.1**	**51.3**	**2.4**	**22.7**	**1.2**	**10.6**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

State of Illinois

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Full-Scope:																			
Rockford MSA	596	54,860	100.0	9,269	5.1	2.9	2.8	15.9	12.4	13.6	33.5	33.6	36.1	45.4	51.2	47.5	0.0	0.0	0.1
Total	**596**	**54,860**	**100.0**	**9,269**	**5.1**	**2.9**	**2.8**	**15.9**	**12.4**	**13.6**	**33.5**	**33.6**	**36.1**	**45.4**	**51.2**	**47.5**	**0.0**	**0.0**	**0.1**
Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Full-Scope:																			
Rockford MSA	596	54,860	100.0	9,269	21.9	11.7	9.9	17.0	26.2	19.5	20.4	22.5	21.8	40.7	36.7	26.7	0.0	2.9	22.1
Total	**596**	**54,860**	**100.0**	**9,269**	**21.9**	**11.7**	**9.9**	**17.0**	**26.2**	**19.5**	**20.4**	**22.5**	**21.8**	**40.7**	**36.7**	**26.7**	**0.0**	**2.9**	**22.1**
Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-19
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Full-Scope:																			
Rockford MSA	162	16,677	100.0	4,292	8.8	3.7	8.5	15.4	19.8	16.1	28.6	29.6	29.2	45.0	45.1	43.7	2.2	1.9	2.5
Total	**162**	**16,677**	**100.0**	**4,292**	**8.8**	**3.7**	**8.5**	**15.4**	**19.8**	**16.1**	**28.6**	**29.6**	**29.2**	**45.0**	**45.1**	**43.7**	**2.2**	**1.9**	**2.5**
Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0																			

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Full-Scope:											
Rockford MSA	162	16,677	100.0	4,292	80.0	52.5	43.5	7.2	24.1	12.8	23.5
Total	**162**	**16,677**	**100.0**	**4,292**	**80.0**	**52.5**	**43.5**	**7.2**	**24.1**	**12.8**	**23.5**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																				2017-19
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	
Full-Scope:																				
Rockford MSA	19	3,725	100.0	131	3.2	0.0	0.0	10.9	0.0	0.8	33.0	26.3	29.0	52.3	73.7	70.2	0.6	0.0	0.0	
Total	**19**	**3,725**	**100.0**	**131**	**3.2**	**0.0**	**0.0**	**10.9**	**0.0**	**0.8**	**33.0**	**26.3**	**29.0**	**52.3**	**73.7**	**70.2**	**0.6**	**0.0**	**0.0**	

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Full-Scope:											
Rockford MSA	19	3,725	100.0	131	95.5	10.0	51.9	2.9	78.9	1.5	30.0
Total	**19**	**3,725**	**100.0**	**131**	**95.5**	**10.0**	**51.9**	**2.9**	**78.9**	**1.5**	**30.0**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

State of Indiana

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			**2017-19**
	Total Home Mortgage Loans				**Low-Income Tracts**			**Moderate-Income Tracts**			**Middle-Income Tracts**			**Upper-Income Tracts**			**Not Available-Income Tracts**		
Assessment Area:	**#**	**$**	**% of Total**	**Overall Market**	**% of Owner-Occupied Housing Units**	**% Bank Loans**	**Aggregate**	**% of Owner-Occupied Housing Units**	**% Bank Loans**	**Aggregate**	**% of Owner-Occupied Housing Units**	**% Bank Loans**	**Aggregate**	**% of Owner-Occupied Housing Units**	**% Bank Loans**	**Aggregate**	**% of Owner-Occupied Housing Units**	**% Bank Loans**	**Aggregate**
Full-Scope:																			
Indianapolis MSA	2,182	259,624	85.8	70,557	6.8	4.9	4.5	18.1	15.1	15.4	35.1	30.6	34.1	39.9	49.4	46.0	0.1	0.0	0.0
Limited-Scope:																			
Kokomo MSA	281	22,686	11.0	2,628	6.3	2.5	4.8	14.2	10.7	8.8	48.7	53.4	52.2	30.8	33.5	34.2	0.0	0.0	0.0
Non-MSA IN	81	5,359	3.2	2,213	1.4	0.0	0.8	22.9	22.2	20.5	63.6	51.9	66.8	12.0	25.9	11.9	0.0	0.0	0.0
Total	**2,544**	**287,669**	**100.0**	**75,398**	**6.4**	**4.5**	**4.4**	**18.2**	**14.8**	**15.3**	**37.5**	**33.8**	**35.7**	**37.8**	**46.9**	**44.6**	**0.1**	**0.0**	**0.0**
Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			**2017-19**
	Total Home Mortgage Loans				**Low-Income Borrowers**			**Moderate-Income Borrowers**			**Middle-Income Borrowers**			**Upper-Income Borrowers**			**Not Available-Income Borrowers**		
Assessment Area:	**#**	**$**	**% of Total**	**Overall Market**	**% Families**	**% Bank Loans**	**Aggregate**	**% Families**	**% Bank Loans**	**Aggregate**	**% Families**	**% Bank Loans**	**Aggregate**	**% Families**	**% Bank Loans**	**Aggregate**	**% Families**	**% Bank Loans**	**Aggregate**
Full-Scope:																			
Indianapolis MSA	2,182	259,624	85.8	70,557	22.3	15.5	10.3	17.3	23.6	20.4	19.3	22.4	20.3	41.1	34.5	34.1	0.0	3.9	15.0
Limited-Scope																			
Kokomo MSA	281	22,686	11.0	2,628	22.2	14.6	10.7	16.6	29.5	22.6	21.1	24.2	23.7	40.0	29.5	25.5	0.0	2.1	17.5
Non-MSA IN	81	5,359	3.2	2,213	22.9	12.3	11.5	19.7	27.2	24.7	19.8	29.6	23.7	37.6	30.9	26.0	0.0	0.0	14.2
Total	**2,544**	**287,669**	**100.0**	**75,398**	**22.3**	**15.3**	**10.3**	**17.4**	**24.4**	**20.6**	**19.4**	**22.8**	**20.5**	**40.8**	**33.8**	**33.5**	**0.0**	**3.6**	**15.1**
Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-19
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Full-Scope:																			
Indianapolis MSA	1,125	169,210	95.6	31,479	9.9	8.9	8.2	20.3	11.9	17.5	30.4	37.9	30.2	39.3	41.3	43.8	0.1	0.0	0.2
Limited-Scope:																			
Kokomo MSA	27	4,457	2.3	775	11.5	14.8	11.0	18.9	7.4	18.3	45.6	44.4	45.5	23.9	33.3	25.2	0.0	0.0	0.0
Non-MSA IN	25	2,381	2.1	1,273	8.1	0.0	6.1	23.4	12.0	20.9	60.2	80.0	63.9	8.3	8.0	9.1	0.0	0.0	0.0
Total	**1,177**	**176,048**	**100.0**	**33,527**	**9.9**	**8.8**	**8.2**	**20.4**	**11.8**	**17.7**	**32.0**	**38.9**	**31.9**	**37.6**	**40.4**	**42.1**	**0.1**	**0.0**	**0.2**
Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0																			

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Full-Scope											
Indianapolis MSA	1,125	169,210	95.6	31,479	85.1	47.1	41.7	5.2	39.5	9.8	13.4
Limited-Scope:											
Kokomo MSA	27	4,457	2.3	775	80.9	51.9	48.0	4.4	40.7	14.8	12.5
Non-MSA IN	25	2,381	2.1	1,273	80.2	48.0	50.5	5.4	40.0	14.4	42.9
Total	**1,177**	**176,048**	**100.0**	**33,527**	**84.7**	**47.2**	**42.2**	**5.2**	**39.5**	**10.1**	**13.3**
Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0											

State of Indiana

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																				2017-19
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	
Full-Scope:																				
Indianapolis MSA	17	1,087	94.4	396	5.1	0.0	0.5	13.2	5.9	3.5	44.4	52.9	67.4	37.2	41.2	28.5	0.2	0.0	0.0	
Limited-Scope:																				
Kokomo MSA	0	0	0.0	122	2.4	0.0	0.0	6.0	0.0	0.0	47.2	0.0	59.8	44.4	0.0	40.2	0.0	0.0	0.0	
Non-MSA IN	1	23	5.6	442	0.1	0.0	0.2	5.8	0.0	1.1	66.9	100.0	76.7	27.2	0.0	21.9	0.0	0.0	0.0	
Total	**18**	**1,110**	**100.0**	**960**	**4.3**	**0.0**	**0.3**	**11.8**	**5.6**	**2.0**	**47.6**	**55.6**	**70.7**	**36.2**	**38.9**	**27.0**	**0.1**	**0.0**	**0.0**	
Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0																				

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Full-Scope:											
Indianapolis MSA	17	1,087	94.5	396	95.9	64.7	53.8	2.3	50.0	1.8	14.3
Limited-Scope:											
Kokomo MSA	0	0	0.0	122	98.8	0.0	61.5	0.8	0.0	0.4	0.0
Non-MSA IN	1	23	5.5	361	98.1	100.0	70.4	0.9	0.0	0.9	0.0
Total	**18**	**1,110**	**100.0**	**879**	**96.3**	**66.7**	**61.7**	**2.1**	**45.5**	**1.6**	**14.3**
Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0											

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Full-Scope:																			
Non-MSA KS	23	1,841	100.0	673	0.0	0.0	0.0	8.8	21.7	10.0	78.8	52.2	71.0	12.4	26.1	19.0	0.0	0.0	0.0
Total	**23**	**1,841**	**100.0**	**673**	**0.0**	**0.0**	**0.0**	**8.8**	**21.7**	**10.0**	**78.8**	**52.2**	**71.0**	**12.4**	**26.1**	**19.0**	**0.0**	**0.0**	**0.0**
Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Full-Scope:																			
Non-MSA KS	23	1,841	100.0	673	22.2	13.0	8.5	17.3	21.7	16.8	22.9	30.4	17.8	37.6	30.4	33.1	0.0	4.3	23.8
Total	**23**	**1,841**	**100.0**	**673**	**22.2**	**13.0**	**8.5**	**17.3**	**21.7**	**16.8**	**22.9**	**30.4**	**17.8**	**37.6**	**30.4**	**33.1**	**0.0**	**4.3**	**23.8**
Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																		2017-19
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Full-Scope:																			
Non-MSA KS	9	331	100.0	368	0.0	0.0	0.0	24.4	55.6	23.4	59.9	22.2	59.2	15.6	22.2	17.4	0.0	0.0	0.0
Total	**9**	**331**	**100.0**	**368**	**0.0**	**0.0**	**0.0**	**24.4**	**55.6**	**23.4**	**59.9**	**22.2**	**59.2**	**15.6**	**22.2**	**17.4**	**0.0**	**0.0**	**0.0**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Full-Scope:											
Non-MSA KS	9	331	100.0	368	76.3	87.5	48.4	7.6	100.0	16.2	25.0
Total	**9**	**331**	**100.0**	**368**	**76.3**	**87.5**	**48.4**	**7.6**	**100.0**	**16.2**	**25.0**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																		2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Full-Scope:																			
St. Joseph MMSA	34	3,577	100.0	2,483	0.7	0.0	0.4	18.2	8.8	15.8	52.7	50.0	51.8	28.4	41.2	31.9	0.0	0.0	0.0
Total	**34**	**3,577**	**100.0**	**2,483**	**0.7**	**0.0**	**0.4**	**18.2**	**8.8**	**15.8**	**52.7**	**50.0**	**51.8**	**28.4**	**41.2**	**31.9**	**0.0**	**0.0**	**0.0**

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0

State of Missouri

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Full-Scope:																			
St. Joseph MMSA	34	3,577	100.0	2,483	21.0	2.9	8.6	17.6	38.2	20.2	22.8	23.5	23.3	38.5	32.4	30.7	0.0	2.9	17.3
Total	**34**	**3,577**	**100.0**	**2,483**	**21.0**	**2.9**	**8.6**	**17.6**	**38.2**	**20.2**	**22.8**	**23.5**	**23.3**	**38.5**	**32.4**	**30.7**	**0.0**	**2.9**	**17.3**

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-19
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Full-Scope:																			
St. Joseph MMSA	18	1,411	100.0	1,209	6.4	5.6	5.8	15.4	16.7	14.5	45.5	44.4	45.2	32.7	33.3	34.5	0.0	0.0	0.0
Total	**18**	**1,411**	**100.0**	**1,209**	**6.4**	**5.6**	**5.8**	**15.4**	**16.7**	**14.5**	**45.5**	**44.4**	**45.2**	**32.7**	**33.3**	**34.5**	**0.0**	**0.0**	**0.0**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Full-Scope:											
St. Joseph MMSA	18	1,411	100.0	1,209	78.0	61.1	46.9	6.6	33.3	15.5	50.0
Total	**18**	**1,411**	**100.0**	**1,209**	**78.0**	**61.1**	**46.9**	**6.6**	**33.3**	**15.5**	**50.0**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

State of Wisconsin

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Full-Scope:																			
Milwaukee MSA	5,047	845,037	36.1	47,498	7.3	3.5	4.1	11.9	9.5	11.1	36.2	36.4	37.2	44.5	50.5	47.5	0.0	0.0	0.0
Green Bay MSA	1,150	148,784	8.2	10,763	0.9	0.5	1.2	19.8	19.1	19.2	54.7	53.9	50.8	24.6	26.4	28.7	0.0	0.0	0.0
Janesville MSA	507	49,170	3.6	5,806	0.8	1.6	1.0	21.4	15.0	18.5	46.2	44.8	46.3	31.7	38.7	34.2	0.0	0.0	0.0
Limited-Scope:																			
Appleton MSA	624	90,235	4.5	8,609	0.0	0.0	0.0	9.2	7.7	8.8	81.4	80.0	81.3	9.4	12.3	9.9	0.0	0.0	0.0
Duluth MSA	58	4,458	0.4	1,230	5.8	3.4	5.9	10.8	10.3	10.9	65.0	69.0	63.2	18.4	17.2	20.0	0.0	0.0	0.0
Eau Claire MSA	198	26,470	1.4	5,199	0.0	0.0	0.0	11.4	6.6	13.0	77.3	78.3	75.8	11.3	15.2	11.2	0.0	0.0	0.0
Fond du Lac MSA	261	35,100	1.9	2,605	1.2	2.3	1.7	2.5	2.3	2.9	87.1	85.1	85.8	9.2	10.3	9.6	0.0	0.0	0.0
La Crosse MSA	132	13,152	0.9	3,573	0.4	0.0	1.0	7.8	10.6	9.2	68.2	72.7	67.1	23.2	16.7	22.1	0.4	0.0	0.6
Madison MSA	1,387	269,681	9.9	24,597	0.7	0.6	0.9	11.0	9.2	10.1	60.8	53.4	59.2	27.5	36.6	29.7	0.0	0.1	0.1
Oshkosh MSA	317	46,198	2.3	5,402	0.0	0.0	0.0	9.9	11.7	11.5	62.5	54.9	60.0	27.6	33.4	28.6	0.0	0.0	0.0
Racine MSA	460	50,431	3.3	6,431	2.7	1.1	1.4	16.1	14.1	15.5	57.4	53.9	59.3	23.6	30.9	23.6	0.2	0.0	0.3
Sheboygan MSA	406	46,493	2.9	3,495	0.0	0.0	0.0	7.7	7.1	7.6	76.3	79.3	75.5	15.9	13.5	16.9	0.0	0.0	0.0
Wausau MSA 17-18	197	22,437	1.4	4,114	0.9	1.0	0.9	9.1	13.7	10.4	78.0	67.0	73.8	12.1	18.3	14.9	0.0	0.0	0.0
Wausau MSA 19	169	14,314	1.2	4,881	0.7	1.2	0.8	9.3	11.2	10.5	73.2	64.5	73.8	16.9	23.1	14.9	0.0	0.0	0.0
Non-MSA WI 17-18	2,141	269,153	15.3	31,156	0.0	0.0	0.0	8.2	13.2	8.2	77.4	73.3	76.9	14.4	13.5	14.8	0.0	0.0	0.0
Non-MSA WI 19	935	103,358	6.7	30,389	0.0	0.0	0.0	8.1	10.7	8.2	76.1	73.3	77.0	15.8	16.0	14.8	0.0	0.0	0.0
Total	**13,989**	**2,034,470**	**100.0**	**195,748**	**2.5**	**1.6**	**1.6**	**11.2**	**11.1**	**11.1**	**59.6**	**54.9**	**58.2**	**26.7**	**32.5**	**29.0**	**0.0**	**0.0**	**0.0**

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-19
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Full-Scope:																			
Milwaukee MSA	5,047	845,037	29.0	47,498	23.5	12.3	7.6	16.2	20.0	18.1	19.4	21.3	22.5	40.9	41.1	40.8	0.0	5.4	11.1
Green Bay MSA	1,150	148,784	6.6	10,763	19.8	13.6	10.3	18.4	28.5	21.4	22.0	24.0	22.8	39.8	31.2	33.6	0.0	2.7	12.0
Janesville MSA	507	49,170	2.9	5,806	20.7	10.5	9.3	18.2	24.1	19.9	21.6	28.2	25.5	39.6	32.9	32.6	0.0	4.3	12.7
Limited Scope:																			
Appleton MSA	624	90,235	4.5	8,609	18.2	10.4	9.3	18.6	22.1	23.2	24.9	22.8	24.5	38.3	39.6	32.3	0.0	5.1	10.7
Duluth MSA	58	4,458	0.4	1,230	22.5	13.8	9.2	18.8	22.4	21.5	22.6	43.1	22.0	36.1	19.0	30.6	0.0	1.7	16.7
Eau Claire MSA	198	26,470	1.4	5,199	18.6	8.6	8.5	18.5	27.8	21.8	24.2	20.7	24.4	38.7	40.4	34.3	0.0	2.5	11.0
Fond du Lac MSA	261	35,100	1.9	2,605	17.0	14.2	11.8	18.4	30.7	25.1	25.2	22.6	23.6	39.4	29.9	28.1	0.0	2.7	11.4
La Crosse MSA	132	13,152	0.9	3,573	18.3	12.9	7.8	18.9	34.1	19.7	22.1	24.2	24.1	40.6	28.0	37.3	0.0	0.8	11.2
Madison MSA	1,387	269,681	9.9	24,597	19.5	11.0	7.7	17.4	20.6	19.2	23.3	22.9	26.6	39.8	41.2	39.7	0.0	4.3	6.8
Oshkosh MSA	317	46,198	2.3	5,402	18.6	9.5	9.4	18.4	22.1	22.9	24.0	23.0	22.9	39.0	42.0	32.5	0.0	3.5	12.4
Racine MSA	460	50,431	3.3	6,431	20.0	12.4	12.5	17.8	23.9	20.6	21.9	22.0	21.8	40.3	37.6	32.0	0.0	4.1	13.0
Sheboygan MSA	406	46,493	2.9	3,495	17.7	11.1	9.0	18.4	26.8	24.2	25.6	27.6	25.5	38.3	32.8	30.6	0.0	1.7	10.7
Wausau MSA 17-18	197	22,437	1.4	4,114	18.4	16.2	10.3	18.9	24.9	21.7	23.0	23.9	22.8	39.7	32.5	32.7	0.0	2.5	12.5
Wausau MSA 19	169	14,314	1.2	4,881	18.1	15.4	9.9	18.8	22.5	21.9	23.3	26.6	23.2	39.8	33.7	32.9	0.0	1.8	12.1
Non-MSA WI 17-18	2,141	269,153	15.3	31,156	17.5	10.7	8.3	19.2	24.4	20.9	23.2	23.5	22.6	40.1	38.6	37.2	0.0	2.8	11.0
Non-MSA WI 19	935	103,358	6.7	30,389	17.5	10.1	8.3	19.3	21.2	20.8	23.1	24.9	22.5	40.1	40.7	37.3	0.0	3.1	11.0
Total	**13,989**	**2,034,470**	**100.0**	**160,478**	**20.1**	**11.7**	**8.6**	**17.8**	**22.7**	**20.1**	**22.1**	**23.1**	**23.6**	**40.0**	**38.5**	**37.0**	**0.0**	**4.0**	**10.7**
Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0																			

State of Wisconsin

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-19
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Full-Scope:																			
Milwaukee MSA	2,064	318,694	45.8	28,731	10.9	7.9	8.2	11.9	11.5	10.0	35.0	36.9	34.1	42.2	43.7	47.7	0.0	0.0	0.0
Green Bay MSA	376	52,466	8.4	5,230	2.8	2.9	2.7	24.9	48.4	24.9	49.9	33.8	47.0	22.4	14.9	25.4	0.0	0.0	0.0
Janesville MSA	134	19,920	3.0	1,659	1.3	2.2	1.4	26.4	30.6	22.4	38.1	37.3	38.9	34.2	29.9	37.3	0.0	0.0	0.0
Limited-Scope:																			
Appleton MSA	227	43,010	5.0	3,372	0.0	0.0	0.0	10.5	8.4	10.1	81.7	89.9	80.0	7.8	1.8	9.9	0.0	0.0	0.0
Duluth MSA	13	1,688	0.3	417	28.3	53.8	30.7	8.7	7.7	9.4	51.2	38.5	48.9	11.8	0.0	11.0	0.0	0.0	0.0
Eau Claire MSA	62	9,775	1.4	1,968	0.0	0.0	0.0	18.5	9.7	14.7	70.7	77.4	72.5	10.8	12.9	12.8	0.0	0.0	0.0
Fond du Lac MSA	43	4,314	1.0	1,342	9.1	0.0	6.9	5.2	2.3	3.3	78.1	95.3	80.0	7.5	2.3	9.8	0.0	0.0	0.0
La Crosse MSA	111	11,685	2.5	1,200	11.7	1.8	9.3	17.1	2.7	14.5	56.6	87.4	60.3	13.6	8.1	15.5	1.1	0.0	0.4
Madison MSA	352	47,694	7.8	9,285	2.2	1.7	1.4	15.2	15.3	14.1	50.9	49.7	51.2	29.7	32.4	31.8	2.0	0.9	1.5
Oshkosh MSA	81	9,495	1.8	2,057	0.0	0.0	0.0	18.0	21.0	17.5	57.2	54.3	54.5	24.8	24.7	28.0	0.0	0.0	0.0
Racine MSA	142	17,690	3.2	2,936	5.3	9.2	4.2	18.7	9.9	16.9	53.4	50.0	54.3	19.7	25.4	21.4	2.9	5.6	3.2
Sheboygan MSA	56	6,649	1.2	1,639	0.0	0.0	0.0	16.6	23.2	14.0	67.7	62.5	70.7	15.7	14.3	15.3	0.0	0.0	0.0
Wausau MSA 17-18	68	10,823	1.5	1,956	6.8	5.9	5.3	10.6	10.3	7.9	70.6	72.1	75.4	12.0	11.8	11.5	0.0	0.0	0.0
Wausau MSA 19	38	6,725	0.8	2,305	5.6	7.9	4.5	10.6	2.6	8.1	68.7	76.3	75.7	15.1	13.2	11.7	0.0	0.0	0.0
Non-MSA WI 17-18	547	77,209	12.2	13,330	0.0	0.0	0.0	10.1	16.1	9.7	77.2	70.2	74.7	12.5	13.7	15.5	0.1	0.0	0.1
Non-MSA WI 19	188	21,289	4.2	12,981	0.0	0.0	0.0	9.8	4.8	9.7	75.7	76.6	74.7	14.4	18.6	15.6	0.1	0.0	0.1
Total	**4,502**	**659,125**	**100.0**	**90,408**	**5.0**	**4.7**	**4.3**	**13.7**	**15.4**	**12.4**	**54.4**	**50.3**	**52.0**	**26.4**	**29.3**	**31.0**	**0.5**	**0.3**	**0.3**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

State of Wisconsin

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Full-Scope:											
Milwaukee MSA	2,064	318,694	45.8	28,731	80.7	47.1	44.9	8.3	42.5	11.0	10.3
Green Bay MSA	376	52,466	8.4	5,230	79.4	40.4	46.7	7.7	46.3	12.9	19.1
Janesville MSA	134	19,920	3.0	1,659	80.5	56.7	44.4	6.3	29.9	13.2	18.0
Limited-Scope:											
Appleton MSA	227	43,010	5.0	3,372	77.2	42.7	46.2	7.9	51.1	14.9	8.1
Duluth MSA	13	1,688	0.3	417	76.0	69.2	48.0	7.9	30.0	16.1	16.7
Eau Claire MSA	62	9,775	1.4	1,968	80.4	51.6	45.9	6.4	32.3	13.3	20.0
Fond du Lac MSA	43	4,314	1.0	1,342	78.7	67.4	51.5	7.0	25.6	14.2	10.0
La Crosse MSA	111	11,685	2.5	1,200	76.6	19.8	44.3	8.0	58.6	15.4	30.8
Madison MSA	352	47,694	7.8	9,285	82.0	59.4	48.5	6.3	33.2	11.7	7.4
Oshkosh MSA	81	9,495	1.8	2,057	78.4	58.0	44.8	7.1	37.0	14.5	6.6
Racine MSA	142	17,690	3.2	2,936	82.4	52.8	43.2	6.7	37.3	10.9	15.1
Sheboygan MSA	56	6,649	1.2	1,639	79.0	76.8	54.0	7.8	23.2	13.2	0.0
Wausau MSA 17-18	68	10,823	1.5	1,956	76.6	63.2	49.4	8.3	25.0	15.1	11.8
Wausau MSA 19	38	6,725	0.8	2,305	78.6	55.3	49.2	7.4	44.7	14.1	0.0
Non-MSA WI 17-18	547	77,209	12.2	13,330	78.4	52.7	48.5	6.9	29.1	14.7	18.3
Non-MSA WI 19	188	21,289	4.2	12,981	80.0	63.3	48.5	6.4	32.4	13.6	4.3
Total	**4,502**	**659,125**	**100.0**	**90,408**	**80.2**	**49.6**	**46.5**	**7.3**	**39.4**	**12.5**	**11.0**
Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0											

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2017-19
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Full-Scope:																			
Milwaukee MSA	53	7,826	5.0	170	5.7	1.9	1.8	7.0	0.0	1.2	38.2	60.4	49.4	49.1	37.7	47.6	0.0	0.0	0.0
Green Bay MSA	61	7,842	5.8	212	0.6	0.0	0.0	14.9	0.0	9.4	57.1	73.8	67.0	27.5	26.2	23.6	0.0	0.0	0.0
Janesville MSA	41	8,522	3.9	147	0.8	0.0	0.0	7.9	0.0	0.7	41.5	41.5	39.5	49.8	58.5	59.9	0.0	0.0	0.0
Limited-Scope:																			
Appleton MSA	70	12,682	6.7	160	0.0	0.0	0.0	8.4	5.7	5.0	84.9	90.0	91.3	6.7	4.3	3.8	0.0	0.0	0.0
Duluth MSA	0	0	0.0	9	5.1	0.0	0.0	8.5	0.0	0.0	86.4	0.0	88.9	0.0	0.0	11.1	0.0	0.0	0.0
Eau Claire MSA	48	11,027	4.6	139	0.0	0.0	0.0	13.7	10.4	18.7	78.2	83.3	71.2	8.1	6.3	10.1	0.0	0.0	0.0
Fond du Lac MSA	27	3,186	2.6	131	1.4	0.0	1.5	0.7	0.0	0.0	88.1	100.0	81.7	9.8	0.0	16.8	0.0	0.0	0.0
La Crosse MSA	10	2,476	1.0	29	1.2	10.0	3.4	4.3	0.0	3.4	76.4	90.0	79.3	17.7	0.0	13.8	0.4	0.0	0.0
Madison MSA	84	16,087	8.0	369	0.5	0.0	0.5	10.4	6.0	13.6	62.7	63.1	68.3	26.2	31.0	17.6	0.2	0.0	0.0
Oshkosh MSA	15	2,081	1.4	53	0.0	0.0	0.0	6.9	0.0	0.0	68.1	73.3	60.4	25.1	26.7	39.6	0.0	0.0	0.0
Racine MSA	8	476	0.8	68	1.5	0.0	0.0	6.8	0.0	0.0	56.7	37.5	48.5	35.0	62.5	51.5	0.0	0.0	0.0
Sheboygan MSA	12	1,740	1.1	125	0.0	0.0	0.0	2.7	0.0	0.0	74.6	100.0	72.0	22.7	0.0	28.0	0.0	0.0	0.0
Wausau MSA 17-18	32	3,598	3.0	188	0.2	0.0	0.0	1.9	0.0	2.1	93.2	100.0	97.3	4.8	0.0	0.5	0.0	0.0	0.0
Wausau MSA 19	8	758	0.8	211	0.2	0.0	0.0	2.9	0.0	1.9	85.7	100.0	91.9	11.3	0.0	6.2	0.0	0.0	0.0
Non-MSA WI 17-18	484	84,932	46.0	1,649	0.0	0.0	0.0	3.4	2.1	1.9	84.0	85.7	87.1	12.6	12.2	11.0	0.0	0.0	0.0
Non-MSA WI 19	99	19,249	9.4	1,626	0.0	0.0	0.0	3.2	1.0	1.9	82.0	89.9	85.4	14.8	9.1	12.7	0.0	0.0	0.0
Total	**1,052**	**182,482**	**100.0**	**3,449**	**1.0**	**0.2**	**0.2**	**6.5**	**2.4**	**4.1**	**69.6**	**81.4**	**78.1**	**22.9**	**16.1**	**17.5**	**0.0**	**0.0**	**0.0**
Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0																			

State of Wisconsin

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Full-Scope:											
Milwaukee MSA	53	7,826	5.0	170	93.6	37.7	47.1	4.4	62.3	2.1	0.0
Green Bay MSA	61	7,842	5.8	212	94.2	60.7	40.1	4.5	29.5	1.3	15.0
Janesville MSA	41	8,522	3.9	147	96.4	29.3	54.4	2.4	56.1	1.2	16.7
Limited-Scope:											
Appleton MSA	70	12,682	6.7	160	95.2	54.3	36.3	3.2	35.7	1.5	12.3
Duluth MSA	0	0	0.0	9	96.6	0.0	77.8	1.7	0.0	1.7	0.0
Eau Claire MSA	48	11,027	4.6	139	96.9	39.6	33.8	2.4	60.4	0.7	0.0
Fond du Lac MSA	27	3,186	2.6	131	95.1	59.3	46.6	4.5	37.0	0.5	11.1
La Crosse MSA	10	2,476	1.0	29	95.3	0.0	34.5	2.4	100.0	2.4	0.0
Madison MSA	84	16,087	8.0	369	96.0	35.7	45.3	2.2	59.5	1.8	6.2
Oshkosh MSA	15	2,081	1.4	53	97.1	86.7	30.2	2.4	25.0	0.5	12.5
Racine MSA	8	476	0.8	68	94.9	75.0	55.9	3.4	0.0	1.7	28.6
Sheboygan MSA	12	1,740	1.1	125	92.7	100.0	39.2	6.0	0.0	1.2	0.0
Wausau MSA 17-18	32	3,598	3.0	188	97.3	81.3	44.1	2.1	9.4	0.7	9.4
Wausau MSA 19	8	758	0.8	211	97.0	87.5	45.0	2.4	12.5	0.6	0.0
Non-MSA WI 17-18	484	84,932	46.0	1,649	95.3	44.4	35.3	3.2	49.2	1.5	6.4
Non-MSA WI 19	99	19,249	9.4	1,626	95.5	44.4	35.1	3.1	55.6	1.3	0.0
Total	**1,052**	**182,482**	**100.0**	**3,449**	**95.3**	**47.1**	**39.5**	**3.2**	**47.1**	**1.4**	**5.8**

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, Due to rounding, totals may not equal 100.0

2020

203rd Annual Report to Shareholders

BMO Financial Group

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< On the cover: Daphne Jones, President of Glorious Malone's Fine Sausage, Inc., a family business in Milwaukee, WI. Malone's has been a BMO customer for 12 years.

About BMO: Purpose-Driven and Future-Focused

BMO is a diversified North American financial services provider with a clear strategy for driving long-term growth. Anchored by superior risk management and powered by industry-leading customer loyalty, we create sustainable value for our shareholders through three operating groups: Personal and Commercial Banking, BMO Capital Markets and BMO Wealth Management. We're a digitally driven bank, supporting individuals, families, businesses, institutional clients and communities with the tools and advice they need to move ahead – delivered in a way that's distinctly BMO.

We know our own growth helps fuel a more inclusive and growing economy. That's why we work alongside BMO's diverse stakeholders to advance and accelerate positive change, united in the belief that success can and must be mutual – and confident that even when the future seems uncertain, our values will guide us. Everything we do is underpinned by our deep sense of Purpose, which we sum up in a simple statement: Boldly Grow the Good *in business and life*.

At our core, we're led by BMO's customers – all 12 million of them. Within our integrated businesses and across a fast-paced world, it's the people and organizations we work with every day who keep us agile in responding to change – and in helping to create it.

Top 10 commercial lender

in North America

3 integrated operating groups

providing personal and commercial banking, wealth management and capital markets.

Our 2020 reporting suite includes this Annual Report, which is our primary report to shareholders and other stakeholders, and our Sustainability Report and Public Accountability Statement.

2020: Responding to a Crisis

Any report on the past year is inevitably dominated by a single event: the global coronavirus pandemic, which has disrupted countless lives, strained healthcare systems to their limits and sparked the most dramatic economic downturn of our time.

When the potential impact of COVID-19 became clear, BMO moved quickly to safeguard the health of our employees, customers and communities. And then we focused on what we do best: providing support and advice to the millions of people who count on our help to achieve their financial goals and pursue their dreams for the future. At the same time, as a trusted enabler of growth and prosperity, we're contributing wherever we can to help sustain the resilience of the overall economy.

Those efforts continue as we chart a path to recovery alongside BMO's many stakeholders. Their drive and determination inspire our own, reinforcing our confidence that the world, however transformed, will ultimately regain its momentum.

"The virus, and the economic shutdowns that slowed its march, did not stop to ask if their impacts were being shared equally by everyone on the way down. We all have a responsibility to support the most affected on the way up."

Darryl White
CEO, BMO Financial Group, *Financial Post*, October 2020

Financial Snapshot

As at or for the year ended October 31 (Canadian $ in millions, except as noted)	Reported 2020	Reported 2019	Adjusted[1] 2020	Adjusted[1] 2019
Revenue, net of CCPB[2]	**23,478**	22,774	**23,478**	22,799
Provision for credit losses	**2,953**	872	**2,953**	872
Non-interest expense	**14,177**	14,630	**14,042**	14,005
Net income	**5,097**	5,758	**5,201**	6,249
Earnings per share – diluted ($)	**7.55**	8.66	**7.71**	9.43
Return on equity (%)	**10.1%**	12.6%	**10.3%**	13.7%
Operating leverage, net of CCPB (%)	**6.2%**	(2.9%)	**2.7%**	0.8%
Common Equity Tier 1 Ratio (%)	**11.9%**	11.4%	**na**	na
Net Income by Segment[3]				
Canadian P&C	**2,028**	2,624	**2,030**	2,626
U.S. P&C	**1,277**	1,611	**1,316**	1,654
BMO Wealth Management	**1,096**	1,059	**1,130**	1,121
BMO Capital Markets	**1,087**	1,091	**1,116**	1,118
Corporate Services[4]	**(391)**	(627)	**(391)**	(270)
Net income	**5,097**	5,758	**5,201**	6,249
U.S. P&C (US$ in millions)	**950**	1,212	**980**	1,244

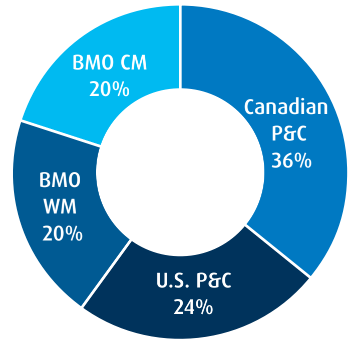
[1] Results and measures are presented on a GAAP basis. Adjusted results and measures in this table are non-GAAP amounts or non-GAAP measures and are discussed in the Non-GAAP Measures section on page 17. Management assesses performance on a reported basis and on an adjusted basis, and considers both to be useful in assessing underlying ongoing business performance. Presenting results on both bases provides readers with a better understanding of how management assesses results.
[2] Net of insurance claims, commissions and changes in policy benefit liabilities (CCPB).
[3] Refer to page 35 for an analysis of the financial results of the bank's operating groups.
[4] Corporate Services, including Technology and Operations.

Certain comparative figures have been reclassified to conform with the current year's presentation.

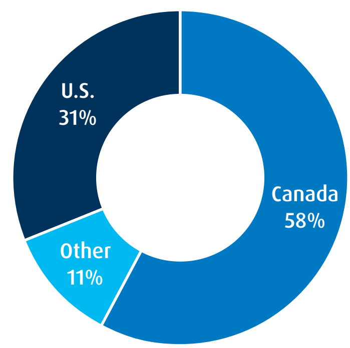
na – not applicable

Bank of Montreal brands the organization's member companies as BMO Financial Group. Note 26 on page 210 of the financial statements lists the intercorporate relationships among Bank of Montreal and its significant subsidiaries.

Adjusted Net Income by Operating Group[1,2]



Adjusted Net Income by Geography[1]



[1] Adjusted net income is a non-GAAP measure.
[2] Percentages determined excluding results in Corporate Services.

A 192-Year Dividend Record

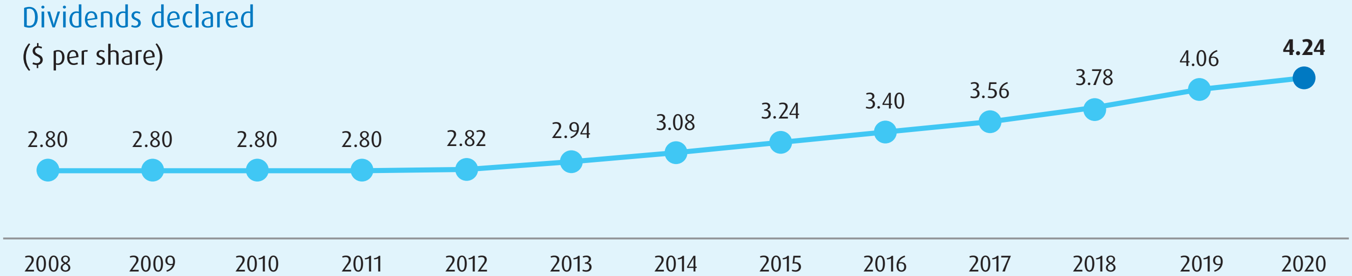
BMO Financial Group has the longest-running dividend payout record of any company in Canada, at 192 years. BMO common shares had an annual dividend yield of 5.3% at October 31, 2020.

Compound annual growth rate

5.7% BMO 15-year

5.5% BMO 5-year

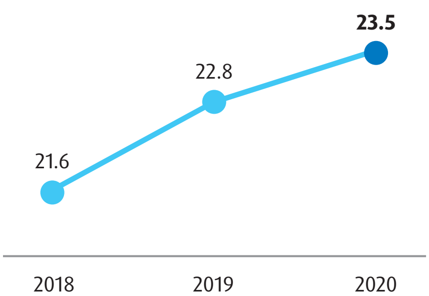
Dividends declared
($ per share)



Performance Highlights

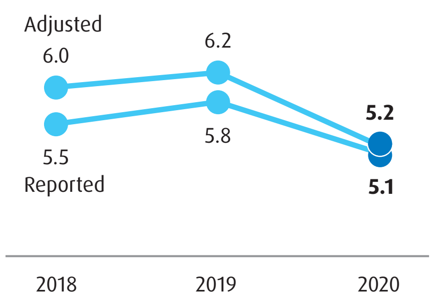
Net Revenue (C$ billions)

Reported / Adjusted



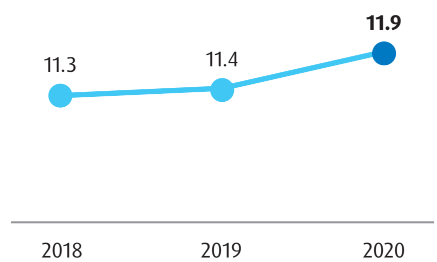
Net Income (C$ billions)

Reported & Adjusted



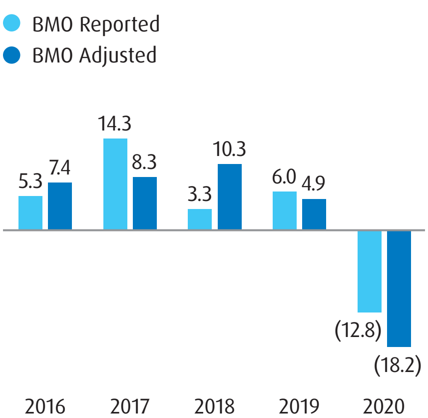
Common Equity Tier 1 Ratio (%)

Reported

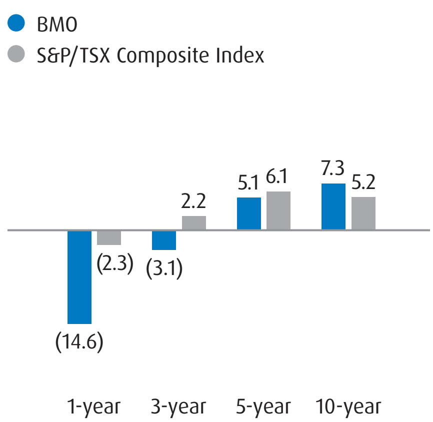


Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Earnings per share growth (%)



Total shareholder return (%)



Medium-term objectives	2020 financial performance
Adjusted EPS growth of **7%** to **10%**	(18.2%)
Adjusted ROE of **15%** or more	10.3%
Adjusted net operating leverage of **2%** or more	2.7%
Capital ratios that exceed regulatory requirements	11.9% CET1 Ratio

12 million
customers globally

8th largest
bank in North America by assets

$949 billion
in total assets

Perseverance and Resilience: An Extraordinary Year

George A. Cope
Chair of the Board

IT WAS MY GREAT HONOUR to begin serving as Chair of the Board of Directors at the conclusion of BMO's annual meeting of shareholders on March 31, 2020. It was an extraordinary meeting because of the unique circumstances under which that meeting was conducted. It was the first "virtual" annual meeting of the bank, taking place, as it did, just as the COVID-19 pandemic began to alter the landscape for all of us, in so many ways, big and small. As I write this, the pandemic is still shaping our behaviour and the environment in which we live our lives.

But the pandemic is not the first dislocation the bank has faced in its two centuries in business and, characteristically, the bank and its people responded this time, as they have before, with resolve, confidence and skill, and with the utmost flexibility. The pandemic has had a profound impact on the workplace and the way we interact with customers, but it has not changed our commitment to support our customers and help them manage their finances, nor the trust they place in us and the standards they hold us to.

Darryl White and the management team excelled in doing what our customers expected of them: helping them get through the deepest and most abrupt economic reversal we have known since the Great Depression. The Board of Directors was engaged immediately and worked closely with management throughout the year. The results reflect the careful and strategic decisions management made to deal with the pandemic and assist our customers.

Supporting our customers, always

In his message, Darryl White describes the tremendous effort of employees across BMO to support our customers and communities when they needed it most, including collaboration with governments in delivering financial relief programs. Those efforts continue as we move from crisis to recovery. The bank is strong – and, with its diversified North American footprint, it is strategically well-positioned to pursue opportunities for growth while helping to restore overall economic momentum.

As a Board of Directors, we are elected to represent all our stakeholders' interests. We have great confidence in your management team, led by Darryl. The Board of Directors is strong, too. There are 11 independent directors – five women and six men. One of them, Ron Farmer, will retire from the board at next year's annual meeting. Ron's contributions to our deliberations over the years have been exceptional. We will miss Ron, and I thank him for his 18 years of service to the bank. With Ron's scheduled retirement, Lorraine Mitchelmore was appointed to succeed Ron as chair of the Human Resources Committee. Consequently, three of the board's four standing committees are now chaired by women, with Jan Babiak and Christine Edwards continuing in their roles as chair of the Audit and Conduct Review Committee and chair of the Governance and Nominating Committee, respectively. The fourth committee is chaired by Craig Broderick, who was appointed to succeed Don Wilson III as chair of the Risk Review Committee when Don retired from the board in March. Credit goes to my predecessor, Rob Prichard, for building this great team to provide governance oversight for the bank on behalf of shareholders.

My term as chair began under unusual circumstances. Like the rest of the bank, we adapted to meet the challenge and support management. Thank you for the confidence you have shown in me and my fellow directors. As shareholders, we are fortunate. BMO's fundamental resilience, reinforced by the bank's employees and their steadfast support for its customers, has never been in question – and this gives me great confidence in the future. The sense of Purpose that drives everyone in the bank can only make it stronger.

George A. Cope

Ready for the Future

Darryl White
Chief Executive Officer

DURING THE PAST YEAR, the world has been tested by two extraordinary challenges: first, the coronavirus pandemic, whose scale and severity triggered a global health emergency; and then the resulting economic downturn, which has had a drastic impact on the lives and livelihoods of millions of people.

When the extent of the threat from COVID-19 became clear in early March, BMO took immediate action to protect the health of our employees – who in turn worked tirelessly to secure the well-being of our customers and communities. The support and advice we provided, and the relief programs we delivered on behalf of governments, underline the vital role a trusted financial institution plays in restoring stability after an economic shock. We'll continue to help lead these efforts as the world transitions from crisis to recovery.

The past year also saw dramatic social change across the U.S. and Canada, as incidents of racial injustice sparked larger conversations about the need to build a more equitable and inclusive society. Our bank is taking steps to address these issues as well – because we have a fundamental responsibility to be part of the solution.

Built for resilience

BMO had the benefit of strong operating momentum coming into this year. And as difficult as 2020 proved to be, we were well-positioned to provide a solid defence against uncertainty. Our bank is well-diversified in terms of geography, with our U.S. businesses accounting for approximately one-third of earnings. BMO also has a diverse business mix within and across personal and commercial banking, wealth management and capital markets. This strategic advantage, together with our active management of the bank's capabilities, helped sustain our fundamental resilience through the balance of 2020, as evidenced by our year-end results.

BMO delivered strong relative adjusted pre-provision, pre-tax earnings, generating $9.4 billion, up 7% over the previous year. We continued to make progress against our efficiency commitments, driving our adjusted net expense-to-revenue ratio down another 160 basis points this year and achieving above-target adjusted net operating leverage of 2.7%. This strong performance was balanced by appropriate loan loss provisioning. With $3.1 billion of allowances for possible credit losses on performing loans, we enter the current year ready for the future.

Adjusted return on equity was 10.3%, while adjusted earnings per share was $7.71.

Foundational to BMO's resilience is our capital strength. With a Common Equity Tier 1 Ratio of 11.9%, up by 50 basis points compared to last year, we have the capacity to absorb the impacts of an uncertain environment while retaining the flexibility to invest and grow in areas of strategic importance. In addition, we've maintained the annual dividend our bank has issued every year since 1829.

BMO's deep sense of purpose is propelling our business forward. We're building a high-performance, digitally enabled bank that's ready for the future.

Despite the challenging environment, we remain focused on accelerating BMO's shift to greater digitization and our ability to create industry-leading experiences for all customers, across our retail, wealth, commercial and institutional banking franchises. We're speeding up structural cost improvements and making them permanent. We're adopting hybrid work models across the bank.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

And importantly, we've continued to build stronger customer loyalty across our key businesses.

Our #1 ranking in the J.D. Power 2020 Canada Retail Banking Advice Satisfaction Study is just one among many markers of BMO's success in delivering great customer experiences. Our progress in making banking easier through digital innovation is also earning accolades – including a 2020 Artificial Intelligence Excellence Award from Business Intelligence Group for our use of AI to help customers spot and manage potential cash flow concerns.

In addition to these welcome recognitions, we're also achieving other goals. Even before COVID-19, we'd expected to face a more constrained revenue environment in 2020. This foresight proved invaluable, making BMO an industry leader in productivity gains this year. And it continues to guide us as we identify the right levers to further boost efficiency. We've done what we said we'd do – and we'll do more.

Strategically advantaged

As we publish this annual report, some uncertainty still clouds the economic outlook. When the world is grappling with the most significant crisis since the Great Depression, there are no quick fixes. But optimism is on the rise: we see it every day in the determination of our employees, our customers and our communities.

The pace of the recovery will be uneven, varying by region and sector. Some areas of the U.S. and Canadian economies may lag; others are regaining strength, and more should soon follow, reaffirming trends that were emerging before the pandemic. Here again we benefit from BMO's diversification, which ensures we're not unduly exposed in areas of greater vulnerability. Each of our businesses is backed by the resources and reach of a truly North American bank.

In commercial banking, for example, BMO is one of the continent's Top 10 lenders, combining regional and sector expertise with disciplined risk management. Our integrated Canada and U.S. teams generate about 30% of total revenues, delivering consistently strong returns. And our collaborative approach to client relationships, supported by a robust cross-border platform, extends opportunities across commercial and personal banking, wealth management and capital markets.

This integration of talent and capabilities gives us a unique competitive advantage as we help customers regain stability and move ahead. And guiding all of our decisions and actions are our strategic priorities (see box), which we've renewed in the past year to further intensify our focus on execution.

Looking ahead, we see opportunities to invest and grow – in areas of strategic importance, and in those with attractive financial prospects – as we pursue our longer-term strategic objectives.

BMO's Renewed Strategic Priorities

The fundamentals of BMO's strategy remain consistent. We have renewed the bank's priorities for 2021 to reflect our strong momentum and the changing environment.

- **World-class** client loyalty and growth
- **Winning culture** driven by alignment, empowerment and recognition
- **Digital first** for speed, efficiency and scale
- **Simplify** work and **eliminate complexity**
- **Superior management** of **risk** and **capital** performance

Driven by Purpose

Boldly Grow the Good *in business and life* – this is the Purpose that underpins everything we do at BMO. Our commitment to doing what's right, for our stakeholders and all of society, has helped us take on the pandemic's social and economic challenges. And our Purpose has only been strengthened by calls to address longstanding issues around racial inequality.

In working to advance economic recovery, we're acutely aware that progress is only sustainable if every member of society has equal access to opportunity. That's why we've launched a landmark initiative called Zero Barriers to Inclusion 2025. Building on our history of championing diversity – and inspired by frank conversations across the bank – we're taking action to advance racial equality among our key stakeholder groups.

Within BMO, we've broadened measures to attract and develop diverse talent while eliminating barriers to career advancement and setting clear targets for measuring progress. Among our customers, we're providing more capital for minority-owned businesses and opening doors to other sources of long-term financing. And in our communities, we continue to champion the kind of inclusive local economic initiatives exemplified by our multi-million-dollar investments in Chicago and Toronto.

^ Luna Guha, Senior Manager, Strategy and Business Operations, Wealth Management. We continue our disciplined focus on improving the bank's efficiency and return profile, building on efforts that began before the pandemic.

These efforts to remove the barriers that have held so many people back are framed by BMO's overall commitment to sustainability. Our bank is a leader in sustainable finance and other innovative strategies to support the global response to climate change – because we know that social well-being can't fully take root as long as the planet is under threat. It's an issue that has only grown more urgent over the past year, as many of our communities were hit hard by storms, floods, wildfires and other extreme weather events.

We were proud to have our work in this area recognized by *The Wall Street Journal,* which placed BMO first among all banks and #15 among 5,500 global companies in its 2020 rankings of the 100 Most Sustainably Managed Companies in the World. (Our 2020 Sustainability Report and 2020 Climate Report provide comprehensive updates on recent progress.)

Our bold ambition

BMO's deep sense of Purpose is propelling our business forward. Leveraging our pre-crisis strength and momentum, we're building a high-performance, digitally enabled bank that's ready for the future. In digital sales of products and services, for example, we're already top-tier among Canadian retail banks, and are always looking ahead. We're able to sustain this speed and agility because BMO's transformation is about more than channels and platforms: we're creating digital operating models that extend to every area, driving efficiency, supporting innovative ways of working and delivering the speed, simplicity and flexibility that customers expect. A case in point is our rapid response to the pandemic, which saw some 30,000 BMO employees transition almost overnight to working from home, backed by the resilience and adaptability of our technology infrastructure.

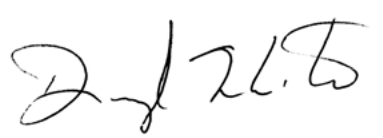
BMO's ambition is defined by strategic initiatives that will cement our leadership position among our North American peers. More fundamentally, our plan is grounded in the strength of our people – their high engagement, personal integrity, sense of responsibility and customer focus. Aligned in our values and goals, and applying the insights we've gained into what inspires customers and increases their loyalty, we're driving innovation and performance from the bottom up.

> We're being bolder about BMO's strategic agenda, focusing our resources where our businesses have competitive market share and are well-positioned to deliver strong returns – now, and in the future.

Our ability to act strategically and decisively in times of disruptive change runs deep: it's what BMO has always done. We've been nimble in how we respond and adjust to drive change, both within the bank and as we keep pace with a fast-moving world. This has fuelled our response to COVID-19, as everyone at BMO has embraced the critical front-line role that bankers play in ensuring communities' economic health. In particular, I want to take this opportunity to salute the thousands of employees who've worked with empathy, adaptability and resolve in our branches, contact centres and other areas that deliver core banking services. On behalf of your colleagues and the bank's shareholders, thank you for your dedication to supporting our customers today – and helping them prepare for a better tomorrow.

Here's what gives us confidence: BMO's proven strengths – our operating momentum, our intense customer focus, our industry-leading digital capabilities, our push for greater efficiency and higher return on equity – and as always, our strong capital position and superior management of risk. Building on these advantages, we're transforming BMO into a stronger, even more competitive bank.

While the road to recovery is still being mapped, there's no doubt as to the ultimate destination. And we know that our bank, as a catalyst and accelerator of growth, will navigate the challenges ahead, seizing opportunities to lead in the post-pandemic world. Because at our core, we're led by our customers – all 12 million of them – whose resilience reinforces our own.



Darryl White

Equity. Inclusion. Racial justice. Bold action has taken too long. The time is now.

In the past year, communities across North America experienced episodes of racial injustice that galvanized public opinion and sparked renewed calls for change. BMO has long supported efforts to strengthen diversity and inclusion – in our own organization, in our interactions with customers and in society generally. Now we've launched a major initiative to help further advance social equity and remove the barriers that prevent people from pursuing opportunity.

> Throughout 2020, BMO partnered with Chicago students and local not-for-profits to transform the plywood temporarily covering our main Chicago branch during protests into a series of murals. These powerful works of art express messages of hope and unity, representing the opportunity we all have to create a more inclusive community together.

Zero Barriers to Inclusion

Helping to create a more equitable and inclusive society is core to BMO's Purpose. As a responsible company, we've always measured our success by the success of our stakeholders – and we'll only achieve our full potential when everyone has equal access to social and economic well-being.

That's the spirit driving Zero Barriers to Inclusion 2025. Building on our legacy of embracing difference, and guided by candid conversations with groups across the bank, we're taking concrete steps to address racial inequality in three key areas:

Colleagues

We've introduced measures to recruit and develop diverse talent – with a focus on Latinx, Black and Indigenous employees, as well as new goals for People of Colour and LGBTQ2+ employees – while providing clearer paths to advancement.

Customers

We're providing more capital and support for minority-led businesses and organizations, and also helping to attract long-term investment from governments, philanthropies and the business community.

Communities

We're spearheading inclusive local economic initiatives across the U.S. and Canada, expanding on our multi-million-dollar investments in Chicago and Toronto. We've also donated $1 million to social justice organizations.

Our Purpose in Action

Our Purpose inspires us to act decisively in the face of change. It attaches intention to our strategic priorities, grounds our actions in a set of shared values and gives direction to our growth.

Supporting businesses hit hard by COVID-19

BMO customers coping with the pandemic count on us for financial support and advice, including access to government relief programs. By year-end, we'd arranged US$5.2 billion in funding for more than 22,000 businesses through the U.S. Paycheck Protection Program (PPP). In Canada, we facilitated $2.9 billion in interest-free loans through the Canada Emergency Business Account (CEBA), assisting over 72,000 small businesses and not-for-profits.

A recognized leader in sustainable finance

BMO is increasingly prominent in the world of sustainable finance – including as joint lead manager on a five-year, US$8-billion sustainable development bond issued by the World Bank. The largest such bond ever issued by a supranational, it's aimed at strengthening healthcare systems in countries challenged by COVID-19.

Digital innovation makes customers' lives easier

BMO is making digital banking simpler and safer than ever with three Canadian firsts. Using BMO QuickPay, customers can pay bills without even logging into mobile or online banking. Our digital line of credit enables secure personal lending via a mobile device. And customers can now reset their Mastercard PINs remotely, making purchases with confidence wherever they are.

Helping build healthier Indigenous communities

In partnership with the Hewitt Foundation, BMO has announced a landmark $5-million donation to Montreal Children's Hospital Foundation to support social pediatric services for several growing Indigenous communities in Northern Quebec.

Biometrics make business banking more secure

BMO is the first Canadian bank to offer comprehensive biometric security protection for commercial customers. Our business banking app allows authentication by fingerprint, retina, voice and face, ensuring safe and convenient payments from a mobile device or desktop. This helped us win a 2019 Impact Innovation Award from Aite Group, a global research and advisory firm.

Investing US$5 billion in greater economic equity

In fall 2020, we launched BMO EMpower, an initiative to help advance a more inclusive and equitable economic recovery in the U.S. We'll be directing US$5 billion over five years to support minority businesses, families and communities, addressing longstanding challenges that have only deepened during the pandemic.

BOLDLY GROW THE GOOD

IN BUSINESS AND LIFE

Our Bold Commitments

FOR A SUSTAINABLE FUTURE

By mobilizing $400 billion for sustainable finance by 2025

FOR A THRIVING ECONOMY

By doubling our support for small business and women entrepreneurs

FOR AN INCLUSIVE SOCIETY

By committing to zero barriers to inclusion

Removing barriers that have held people back

BMO's bold initiative to advance social equity, Zero Barriers to Inclusion 2025, includes concrete measures to recruit and develop employees who identify as Black, Latinx, Indigenous, People of Colour and LGBTQ2+, helping them move ahead in their careers (see page 9).

Investing in the Sustainable Development Goals

In 2019, BMO Global Asset Management launched the SDG Engagement Global Equity Fund, which is aligned with the UN's Sustainable Development Goals. As of our 2020 year-end, the innovative fund had raised over $1 billion and delivered returns 700 basis points over equity market benchmarks – rewarding BMO clients, growing our own business and, best of all, helping to build a more sustainable world.

#1 for customer satisfaction

BMO received the highest ranking among Canada's largest banks in the J.D. Power 2020 Canada Retail Banking Advice Satisfaction Study. We scored top marks for frequency, relevance, clarity and quality of advice, as well as concern for customer needs.

Top U.S. rankings for equity

In 2020, *Forbes* once again ranked BMO Harris Bank among America's Best Employers for Women, as well as Best Employers for Diversity. BMO was also included on the Bloomberg Financial Services Gender-Equality Index for the fifth year in a row.

AI innovation award

BMO was recognized with a 2020 Artificial Intelligence Excellence Award from Business Intelligence Group for our innovative solution that uses AI to monitor customers' cash flow needs, flagging potential shortfalls so they can proactively adjust their finances.

#1 sustainably managed bank

BMO was ranked first among all banks and #15 of 5,500 global enterprises in the 2020 *Wall Street Journal* survey of the 100 Most Sustainably Managed Companies in the World.

Board of Directors[1]

Janice M. Babiak, CPA (US), CA (UK), CISM, CISA
Corporate Director
Board/Committees:
Audit and Conduct Review (Chair),
Governance and Nominating
Director since: 2012

Sophie Brochu, C.M.
President and Chief Executive Officer,
Hydro-Québec
Board/Committees:
Audit and Conduct Review,
Governance and Nominating
Director since: 2011

Craig W. Broderick
Corporate Director
Board/Committees:
Governance and Nominating,
Risk Review (Chair)
Director since: 2018

George A. Cope, C.M.
Board/Committees:
Board Chair,
Governance and Nominating,
Human Resources
Director since: 2006

Christine A. Edwards
Capital Partner, Winston & Strawn LLP
Board/Committees:
Governance and Nominating (Chair),
Human Resources,
Risk Review
Director since: 2010

Dr. Martin S. Eichenbaum
Charles Moskos Professor of
Economics, Northwestern University
Board/Committees:
Audit and Conduct Review,
Risk Review
Director since: 2015

Ronald H. Farmer
Managing Director,
Mosaic Capital Partners
Board/Committees:
Human Resources,
Risk Review
Director since: 2003

David Harquail
Chair of the Board,
Franco-Nevada Corporation
Board/Committees:
Audit and Conduct Review
Director since: 2018

Linda S. Huber
Corporate Director
Board/Committees:
Audit and Conduct Review,
Risk Review
Director since: 2017

Eric R. La Flèche
President and Chief Executive Officer,
Metro Inc.
Board/Committees:
Human Resources
Director since: 2012

Lorraine Mitchelmore
Corporate Director
Board/Committees:
Governance and Nominating,
Human Resources (Chair),
Risk Review
Director since: 2015

Darryl White
Chief Executive Officer,
BMO Financial Group
Board/Committees:
Attends all committee meetings
as an invitee
Director since: 2017

1 As at November 1, 2020.

Executive Committee[2]

Darryl White
Chief Executive Officer,
BMO Financial Group

Daniel Barclay
Group Head,
BMO Capital Markets

David Casper
Chief Executive Officer,
BMO Financial Corp.
and Group Head,
North American
Commercial Banking

Patrick Cronin
Chief Risk Officer,
BMO Financial Group

Simon Fish
General Counsel,
BMO Financial Group

Thomas Flynn
Chief Financial Officer,
BMO Financial Group

Cameron Fowler
Chief,
Strategy and Operations Officer,
BMO Financial Group

Ernie (Erminia) Johannson
Group Head,
North American Personal
and Business Banking

Mona Malone
Head,
People & Culture and Chief
Human Resources Officer,
BMO Financial Group

Joanna Rotenberg
Group Head,
BMO Wealth Management

Steve Tennyson
Chief Technology
and Operations Officer,
BMO Financial Group

Tayfun Tuzun[3]
Deputy Chief Financial Officer,
BMO Financial Group

2 As at November 1, 2020.
3 As of November 16, 2020.

Management's Discussion and Analysis

BMO's Chief Executive Officer and its Chief Financial Officer have signed a statement outlining management's responsibility for financial information in the annual consolidated financial statements and Management's Discussion and Analysis (MD&A). The statement, which can be found on page 138, also explains the roles of the Audit and Conduct Review Committee and Board of Directors in respect of that financial information.

The MD&A comments on BMO's operations and financial condition for the years ended October 31, 2020 and 2019. The MD&A should be read in conjunction with the bank's consolidated financial statements for the year ended October 31, 2020. The MD&A commentary is as at December 1, 2020. Unless otherwise indicated, all amounts are stated in Canadian dollars and have been derived from consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. BMO also complies with interpretations of IFRS by its regulator, the Office of the Superintendent of Financial Institutions Canada. References to generally accepted accounting principles (GAAP) mean IFRS.

Effective the first quarter of 2020, the bank adopted IFRS 16, *Leases*, recognizing the cumulative effect of adoption in opening retained earnings with no changes to prior periods. Prior periods have been reclassified for methodology changes and transfers of certain businesses between operating groups. Refer to page 35.

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Regulatory Filings

BMO's continuous disclosure materials, including its interim consolidated financial statements and interim MD&A, audited annual consolidated financial statements and annual MD&A, Annual Information Form and Notice of Annual Meeting of Shareholders and Management Proxy Circular, are available on BMO's website at www.bmo.com/investorrelations, on the Canadian Securities Administrators' website at www.sedar.com and on the EDGAR section of the SEC's website at www.sec.gov. BMO's Chief Executive Officer and its Chief Financial Officer certify the appropriateness and fairness of BMO's annual and interim consolidated financial statements, MD&A and Annual Information Form, the effectiveness of BMO's disclosure controls and procedures and the effectiveness of, and any material weaknesses relating to, BMO's internal control over financial reporting. Information contained in or otherwise accessible through the bank's website (www.bmo.com), or any third party websites mentioned herein, does not form part of this document.

Factors That May Affect Future Results

As noted in the following Caution Regarding Forward-Looking Statements, all forward-looking statements and information, by their nature, are subject to inherent risks and uncertainties, both general and specific, which may cause actual results to differ materially from the expectations expressed in any forward-looking statement. The Enterprise-Wide Risk Management section starting on page 73 describes a number of risks, including credit and counterparty, market, insurance, liquidity and funding, operational, legal and regulatory, strategic, environmental and social, and reputation risk. Should the bank's risk management framework prove ineffective, there could be a material adverse impact on its financial position and results.

Caution Regarding Forward-Looking Statements

Bank of Montreal's public communications often include written or oral forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbor" provisions of, and are intended to be forward-looking statements under, the United States *Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. Forward-looking statements in this document may include, but are not limited to, statements with respect to the bank's objectives and priorities for fiscal 2021 and beyond, its strategies or future actions, its targets, expectations for its financial condition or share price, the regulatory environment in which it operates and the results of or outlook for its operations or for the Canadian, U.S. and international economies, its response to the COVID-19 pandemic and its expected impact on the bank's business, operations, earnings, results, and financial performance and condition, as well as its impact on the bank's customers, competitors, reputation and trading exposures, and include statements of the bank's management. Forward-looking statements are typically identified by words such as "will", "would", "should", "believe", "expect", "anticipate", "project", "intend", "estimate", "plan", "goal", "target", "may" and "could."

By their nature, forward-looking statements require the bank to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, conclusions or projections. The uncertainty created by the COVID-19 pandemic has heightened this risk given the increased challenge in making assumptions, predictions, forecasts, conclusions or projections. The bank cautions readers of this document not to place undue reliance on forward-looking statements, as a number of factors – many of which are beyond its control and the effects of which can be difficult to predict – could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

Future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: the severity, duration and spread of the COVID-19 pandemic, its impact on local, national or international economies, and its heightening of certain risks that may affect the bank's future results; the possible impact on the bank's business and operations of outbreaks of disease or illness that affect local, national or international economies; general economic and market conditions in the countries in which the bank operates; information, privacy and cyber security, including the threat of data breaches, hacking, identity theft and corporate espionage, as well as the possibility of denial of service resulting from efforts targeted at causing system failure and service disruption; changes in monetary, fiscal, or economic policy, and tax legislation and interpretation; interest rate and currency value fluctuations, as well as benchmark interest rate reforms; technological changes and technology resiliency; political conditions, including changes relating to or affecting economic or trade matters; the Canadian housing market and consumer leverage; climate change and other environmental and social risks; weak, volatile or illiquid capital or credit markets; the level of competition in the geographic and business areas in which the bank operates; changes in laws or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance, and the effect of such changes on funding costs; judicial or regulatory proceedings; the accuracy and completeness of the information the bank obtains with respect to its customers and counterparties; failure of third parties to comply with their obligations to the bank; the bank's ability to execute its strategic plans and to complete proposed acquisitions or dispositions, including obtaining regulatory approvals; critical accounting estimates and the effect of changes to accounting standards, rules and interpretations on these estimates; operational and infrastructure risks, including with respect to reliance on third parties; changes to the bank's credit ratings; global capital markets activities; the possible effects on the bank's business of war or terrorist activities; natural disasters and disruptions to public infrastructure, such as transportation, communications, power or water supply; and the bank's ability to anticipate and effectively manage risks arising from all of the foregoing factors.

The bank cautions that the foregoing list is not exhaustive of all possible factors. Other factors and risks could adversely affect the bank's results. For more information, please refer to the discussion in the Risks That May Affect Future Results section, and the sections related to credit and counterparty, market, insurance, liquidity and funding, operational, legal and regulatory, strategic, environmental and social, and reputation risk, in the Enterprise-Wide Risk Management section that starts on page 73, all of which outline certain key factors and risks that may affect the bank's future results. Investors and others should carefully consider these factors and risks, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. The bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by the organization or on its behalf, except as required by law. The forward-looking information contained in this document is presented for the purpose of assisting shareholders in understanding the bank's financial position as at and for the periods ended on the dates presented, as well as its strategic priorities and objectives, and may not be appropriate for other purposes.

Material economic assumptions underlying the forward-looking statements contained in this document are set out in the Economic Developments and Outlook section on page 18, as well as in the Allowance for Credit Losses section on page 114. Assumptions about the performance of the Canadian and U.S. economies, as well as overall market conditions and their combined effect on the bank's business, are material factors the bank considers when determining its strategic priorities, objectives and expectations for its business. In determining expectations for economic growth, the bank primarily considers historical economic data, past relationships between economic and financial variables, changes in government policies, and the risks to the domestic and global economy.

Who We Are

Established in 1817, BMO Financial Group (BMO, Bank of Montreal or the bank) is a highly diversified financial services provider based in North America. BMO has a deep sense of purpose and a clear strategy for long-term growth. It is the eighth largest bank in North America by assets, with total assets of $949 billion, and has an engaged and diverse base of employees. BMO provides a broad range of personal and commercial banking, wealth management, global markets and investment banking products and services, conducting business through three operating groups: Personal and Commercial Banking, BMO Wealth Management and BMO Capital Markets. The bank serves eight million customers across Canada through its Canadian personal and commercial banking arm, BMO Bank of Montreal. In the United States, the bank serves more than two million personal, business and commercial banking customers through BMO Harris Bank, based in the U.S. Midwest. BMO also serves customers through its wealth management businesses – BMO Private Wealth, BMO InvestorLine, BMO Wealth Management U.S., BMO Global Asset Management and BMO Insurance. BMO Capital Markets provides a full suite of financial products and services to North American and international corporate, institutional and government clients, through its Investment and Corporate Banking and Global Markets divisions.

BMO's Financial Objectives

BMO's medium-term financial objectives for certain important performance measures are set out below. These measures establish a range of performance objectives over time. The bank aims to deliver top-tier total shareholder return and achieve its financial objectives by aligning the operations with, and executing on, its strategic priorities. BMO considers top-tier returns to be top-quartile shareholder returns, relative to the Canadian and North American peer groups.

BMO's business planning process is rigorous, sets ambitious goals and considers the prevailing economic conditions, risk appetite, its customers' evolving needs and the opportunities available across the lines of business. It includes clear and direct accountability for annual performance that is measured against both internal and external benchmarks and progress toward the bank's strategic priorities.

The medium-term financial objectives on an adjusted basis are to achieve average annual earnings per share (adjusted EPS) growth of 7% to 10%, earn an average annual return on equity (adjusted ROE) of 15% or more, generate average annual net operating leverage of 2% or more and maintain capital ratios that exceed regulatory requirements. These objectives are guideposts as the bank executes against its strategic priorities. BMO recognizes, in managing its operations and risk, that current profitability and the ability to meet these objectives in a single period must be balanced with the need to invest in the businesses for future long-term health and growth prospects.

The COVID-19 pandemic has had a negative impact on the global economy and there has been a corresponding negative impact on the bank's financial results in 2020. BMO's one-year adjusted EPS of $7.71 in 2020 was down 18.2% from 2019, as the bank appropriately set aside provisions for credit losses. Adjusted net operating leverage in 2020 was positive 2.7%, reflecting the benefits of the bank's diversified business model and continued focus on disciplined expense management. Adjusted net operating leverage has been positive in each of the past five years. The one-year adjusted ROE was 10.3%, down from 13.7% in 2019, and has averaged approximately 13% over the past five years. With interest rates expected to remain low over the medium term and expectations for increased capital requirements, ROE of 15% will be challenging to meet in the near term, although BMO believes it to be an appropriate objective as the bank continues to invest in areas of strategic importance and enhance the efficiency and profitability of its business. BMO is well-capitalized with a Common Equity Tier 1 Ratio of 11.9%.

Key Performance Data

As at and for the periods ended October 31, 2020	1-year	5-year*	10-year*
Average annual total shareholder return	(14.6)	5.1	7.3
Average growth in annual EPS	(12.8)	3.2	5.2
Average growth in annual adjusted EPS	(18.2)	2.6	5.2
Average annual ROE	10.1	12.2	13.4
Average annual adjusted ROE	10.3	13.1	13.9
Compound growth in annual dividends declared per share	4.4	5.5	4.2
Dividend yield**	5.3	4.2	4.3
Price-to-earnings multiple**	10.5	11.7	11.7
Market value/book value ratio**	1.02	1.39	1.46
Common Equity Tier 1 Ratio	11.9	na	na

* 5-year and 10-year growth rates reflect growth based on Canadian GAAP in 2010 and IFRS in 2015 and 2020, respectively. As results for years prior to 2011 have not been restated, certain growth rates and compound annual growth rates (CAGR) may not be meaningful.

** 1-year measure as at October 31, 2020; 5-year and 10-year measures are the average of year-end values.

na – not applicable

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

BMO's Financial Objectives section above and the Economic Developments and Outlook and Enterprise-Wide Strategy sections that follow contain certain forward-looking statements. By their nature, forward-looking statements require the bank to make assumptions and are subject to inherent risks and uncertainties. Refer to the Caution Regarding Forward-Looking Statements on page 14 of this MD&A for a discussion of such risks and uncertainties and the material factors and assumptions related to the statements set forth in such sections.

Financial Highlights

(Canadian $ in millions, except as noted)	**2020**	2019	2018
Summary Income Statement			
Net interest income (1)	**13,971**	12,888	11,438
Non-interest revenue	**11,215**	12,595	11,467
Revenue	**25,186**	25,483	22,905
Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	**1,708**	2,709	1,352
Revenue, net of CCPB	**23,478**	22,774	21,553
Provision for (recovery of) credit losses on impaired loans	**1,522**	751	700
Provision for (recovery of) credit losses on performing loans	**1,431**	121	(38)
Total provision for credit losses	**2,953**	872	662
Non-interest expense	**14,177**	14,630	13,477
Provision for income taxes (2)	**1,251**	1,514	1,961
Net income	**5,097**	5,758	5,453
Adjusted net income	**5,201**	6,249	5,982
Common Share Data ($, except as noted)			
Earnings per share	**7.55**	8.66	8.17
Adjusted earnings per share	**7.71**	9.43	8.99
Earnings per share growth (%)	**(12.8)**	6.0	3.3
Adjusted earnings per share growth (%)	**(18.2)**	4.9	10.3
Dividends declared per share	**4.24**	4.06	3.78
Book value per share	**77.40**	71.54	64.73
Closing share price	**79.33**	97.50	98.43
Number of common shares outstanding (in millions)			
End of period	**645.9**	639.2	639.3
Average diluted	**642.1**	640.4	644.9
Total market value of common shares ($ billions)	**51.2**	62.3	62.9
Dividend yield (%)	**5.3**	4.2	3.8
Dividend payout ratio (%)	**56.1**	46.8	46.1
Adjusted dividend payout ratio (%)	**54.9**	43.0	41.9
Financial Measures and Ratios (%)			
Return on equity	**10.1**	12.6	13.3
Adjusted return on equity	**10.3**	13.7	14.6
Return on tangible common equity	**11.9**	15.1	16.2
Adjusted return on tangible common equity	**11.9**	16.1	17.5
Net income growth	**(11.5)**	5.6	2.1
Adjusted net income growth	**(16.8)**	4.5	8.8
Revenue growth	**(1.2)**	11.3	3.6
Revenue growth, net of CCPB	**3.1**	5.7	4.8
Non-interest expense growth	**(3.1)**	8.6	2.2
Adjusted non-interest expense growth	**0.3**	5.0	3.5
Efficiency ratio, net of CCPB	**60.4**	64.2	62.5
Adjusted efficiency ratio, net of CCPB	**59.8**	61.4	61.9
Operating leverage, net of CCPB	**6.2**	(2.9)	2.6
Adjusted operating leverage, net of CCPB	**2.7**	0.8	1.3
Net interest margin on average earning assets	**1.64**	1.70	1.67
Effective tax rate (2)	**19.7**	20.8	26.5
Adjusted effective tax rate	**19.8**	21.1	20.7
Total PCL-to-average net loans and acceptances (annualized)	**0.63**	0.20	0.17
PCL on impaired loans-to-average net loans and acceptances (annualized)	**0.33**	0.17	0.18
Balance Sheet (as at $ millions, except as noted)			
Assets	**949,261**	852,195	773,293
Gross loans and acceptances	**461,800**	451,537	404,215
Net loans and acceptances	**458,497**	449,687	402,576
Deposits	**659,034**	568,143	520,928
Common shareholders' equity	**49,995**	45,728	41,381
Cash and securities-to-total assets ratio (%)	**31.7**	28.9	29.9
Capital Ratios (%)			
Common Equity Tier 1 Ratio	**11.9**	11.4	11.3
Tier 1 Capital Ratio	**13.6**	13.0	12.9
Total Capital Ratio	**16.2**	15.2	15.2
Leverage Ratio	**4.8**	4.3	4.2
Foreign Exchange Rates ($)			
As at Canadian/U.S. dollar	**1.3319**	1.3165	1.3169
Average Canadian/U.S. dollar	**1.3441**	1.3290	1.2878

(1) Effective the first quarter of 2020, the bank adopted IFRS 16, *Leases* (IFRS 16), recognizing the cumulative effect of adoption in opening retained earnings with no changes to prior periods. Under IFRS 16, the bank as lessee is required to recognize a right-of-use asset and a corresponding lease liability for most leases. BMO recognized $360 million of depreciation on the right-of-use assets recorded in non-interest expense and $53 million of interest on the lease liability recorded in interest expense. Refer to the Changes in Accounting Policies in 2020 section on page 118 for further details.

(2) Fiscal 2018 reported net income included a $425 million (US$339 million) charge related to the revaluation of the bank's U.S. net deferred tax asset as a result of the enactment of the U.S. *Tax Cuts and Jobs Act*. For more information, refer to the Critical Accounting Estimates – Income Taxes and Deferred Tax Assets section on page 116.

Adjusted results in this table are non-GAAP amounts or non-GAAP measures. Please refer to the Non-GAAP Measures section on page 17.

Non-GAAP Measures

Results and measures in this document are presented on a GAAP basis. Unless otherwise indicated, all amounts are in Canadian dollars and have been derived from consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). References to GAAP mean IFRS. They are also presented on an adjusted basis that excludes the impact of certain items, as set out in the table below. Results and measures that exclude the impact of Canadian/U.S. dollar exchange rate movements on BMO's U.S. segment are non-GAAP measures. Refer to the Foreign Exchange section on page 23 for a discussion of the effects of changes in exchange rates on BMO's results. Management assesses performance on a reported basis and on an adjusted basis, and considers both to be useful in assessing underlying ongoing business performance. Presenting results on both bases provides readers with a better understanding of how management assesses results. It also permits readers to assess the impact of certain specified items on results for the periods presented, and to better assess results excluding those items that may not be reflective of ongoing results. As such, the presentation may facilitate readers' analysis of trends. Except as otherwise noted, management's discussion of changes in reported results in this document applies equally to changes in the corresponding adjusted results. Adjusted results and measures are non-GAAP and as such do not have standardized meanings under GAAP. They are unlikely to be comparable to similar measures presented by other companies and should not be viewed in isolation from, or as a substitute for, GAAP results.

(Canadian $ in millions, except as noted)	**2020**	2019	2018
Reported Results			
Revenue	**25,186**	25,483	22,905
Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	**(1,708)**	(2,709)	(1,352)
Revenue, net of CCPB	**23,478**	22,774	21,553
Provision for credit losses	**(2,953)**	(872)	(662)
Non-interest expense	**(14,177)**	(14,630)	(13,477)
Income before income taxes	**6,348**	7,272	7,414
Provision for income taxes	**(1,251)**	(1,514)	(1,961)
Net Income	**5,097**	5,758	5,453
Diluted EPS ($)	**7.55**	8.66	8.17
Adjusting Items (Pre-tax) (1)			
Acquisition integration costs (2)	**(14)**	(13)	(34)
Amortization of acquisition-related intangible assets (3)	**(121)**	(128)	(116)
Restructuring costs (4)	**–**	(484)	(260)
Reinsurance adjustment (5)	**–**	(25)	–
Benefit from the remeasurement of an employee benefit liability (6)	**–**	–	277
Adjusting items included in reported pre-tax income	**(135)**	(650)	(133)
Adjusting Items (After tax) (1)			
Acquisition integration costs (2)	**(11)**	(10)	(25)
Amortization of acquisition-related intangible assets (3)	**(93)**	(99)	(90)
Restructuring costs (4)	**–**	(357)	(192)
Reinsurance adjustment (5)	**–**	(25)	–
Benefit from the remeasurement of an employee benefit liability (6)	**–**	–	203
U.S. net deferred tax asset revaluation (7)	**–**	–	(425)
Adjusting items included in reported net income after tax	**(104)**	(491)	(529)
Impact on diluted EPS ($)	**(0.16)**	(0.77)	(0.82)
Adjusted Results			
Revenue	**25,186**	25,483	22,905
Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	**(1,708)**	(2,684)	(1,352)
Revenue, net of CCPB	**23,478**	22,799	21,553
Provision for credit losses	**(2,953)**	(872)	(662)
Non-interest expense	**(14,042)**	(14,005)	(13,344)
Income before income taxes	**6,483**	7,922	7,547
Provision for income taxes	**(1,282)**	(1,673)	(1,565)
Net Income	**5,201**	6,249	5,982
Diluted EPS ($)	**7.71**	9.43	8.99

(1) Adjusting items are generally included in Corporate Services, with the exception of the amortization of acquisition-related intangible assets and certain acquisition integration costs, which are charged to the operating groups, and the reinsurance adjustment, which is included in BMO Wealth Management.

(2) Acquisition integration costs related to the acquired BMO Transportation Finance business are charged to Corporate Services, since the acquisition impacts both Canadian and U.S. P&C businesses. KGS-Alpha and Clearpool acquisition integration costs are reported in BMO Capital Markets. Acquisition integration costs are recorded in non-interest expense.

(3) These amounts are charged to the non-interest expense of the operating groups. Before-tax and after-tax amounts for each operating group are provided on pages 35, 38, 42, 46 and 50.

(4) Fiscal 2019 reported net income included a restructuring charge of $357 million after-tax ($484 million pre-tax), related to severance and a small amount of real estate-related costs, to continue to improve efficiency, including accelerating delivery against key bank-wide initiatives focused on digitization, organizational redesign and simplification of the way BMO does business. The restructuring charges in 2018 were a result of similar bank-wide programs. Restructuring costs are included in non-interest expense in Corporate Services.

(5) Fiscal 2019 reported net income included a reinsurance adjustment of $25 million (pre-tax and after-tax) in claims, commissions and changes in policy benefit liabilities for the net impact of major reinsurance claims from Japanese typhoons incurred after the announced wind-down of the reinsurance business. This reinsurance adjustment is included in BMO Wealth Management.

(6) Fiscal 2018 reported net income included a benefit of $203 million after-tax ($277 million pre-tax) from the remeasurement of an employee benefit liability as a result of an amendment to the other employee future benefits plan for certain employees that was announced in the fourth quarter of 2018. This amount has been included in non-interest expense in Corporate Services.

(7) Fiscal 2018 reported net income included a $425 million (US$339 million) charge related to the revaluation of a U.S. net deferred tax asset as a result of the enactment of the U.S. *Tax Cuts and Jobs Act*. For more information, refer to the Critical Accounting Estimates – Income Taxes and Deferred Tax Assets section on page 116.

Certain comparative figures have been reclassified to conform with the current year's presentation.

Adjusted results in this table are non-GAAP amounts or non-GAAP measures. Please refer to the Non-GAAP Measures section on page 17.

Economic Developments and Outlook

Economic Developments in 2020 and Outlook for 2021

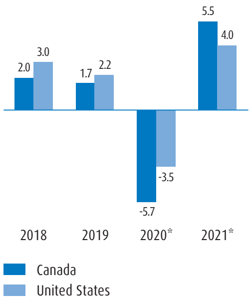
The Canadian economy experienced an historic contraction in the first half of 2020 in response to business closures and precautionary measures implemented to contain the spread of COVID-19. The subsequent reopening of certain non-essential businesses, as well as a rebound in energy and other resource prices, led to a partial recovery in economic activity that was greatly assisted by substantial government income-support measures. Consumer spending and housing markets also benefitted from very low interest rates. However, the permanent closure of some businesses, along with increased caution on the part of consumers and businesses and renewed restrictions on some activities in the face of a recent increase in virus infections, suggests the economy will not return to pre-virus levels of activity until at least the second half of 2021. Real GDP is estimated to contract 5.7% in 2020, before rebounding an expected 5.5% in 2021 if the pandemic is contained. The unemployment rate, which rose to a postwar high of 13.7% during the shutdowns, subsequently declined to 8.9% in October and is projected to average a still-elevated 7.5% in 2021. Low inflation should encourage the Bank of Canada to hold the overnight policy rate near zero for several years to support economic expansion and reduce unemployment. The Canadian dollar is projected to strengthen modestly in 2021 amid firmer resource prices and diminished safe-haven demand for U.S. dollars as the global economy recovers. Industry-wide consumer credit balances (excluding mortgages) have declined due to earlier weakness in consumer spending and significant government income-support measures. Consumer credit demand is anticipated to remain subdued in 2021 due to elevated unemployment levels and heightened economic uncertainty. Residential mortgage balances have risen in response to low mortgage rates, pent-up housing demand, and a shift toward the purchase of larger homes as a result of more remote working, but growth is expected to moderate alongside more muted housing market activity in 2021. Though moderating recently, industry-wide business credit has been supported by government assistance programs that were facilitated through banks. Demand for commercial loans is anticipated to increase further in 2021 as business confidence and spending improve.

After contracting sharply in the first half of 2020, the U.S. economy has partially recovered its losses. Consumer spending is driving the recovery amid extraordinary fiscal policy support and record-low interest rates, which have also led to a strong rebound in housing market activity. However, a recent upturn in COVID-19 cases has led to some reversal of reopening plans and slower activity in some states. The U.S. economy is estimated to contract 3.5% in 2020, but is projected to rebound 4.0% in 2021, as the pandemic is eventually brought under control. While there is considerable ongoing political uncertainty in the U.S., it appears that only moderate additional pandemic relief measures will be forthcoming. After reaching a postwar high of 14.7% in April, the unemployment rate fell to 6.9% in October and is likely to average 6.0% in 2021. The Federal Reserve is expected to keep policy rates close to zero until 2024, as it aims to lift inflation above the 2% target for some time. After slowing in 2020, industry-wide consumer credit growth is projected to improve in 2021. Growth in residential mortgages is expected to remain moderate as housing market activity stabilizes. After surging in the first half of 2020, due to the pandemic raising concerns about revenues and liquidity and with assistance from government loan programs, industry-wide commercial credit declined in the second half of 2020. It is projected to increase in 2021 as business investment improves.

The unpredictable course of the coronavirus pandemic subjects the economic outlook to a high degree of uncertainty that is likely to persist until a vaccine becomes available and is widely distributed. Specifically, the possibility of a further escalation in virus cases could lead to renewed widespread shutdowns of non-essential business activity, potentially leading to another economic contraction. Other risks to the economic outlook include strained U.S./China trade relations, reduced fiscal policy support in the face of rising budget deficits, and other possible geopolitical events.

This Economic Developments and Outlook section contains forward-looking statements. Please see the Caution Regarding Forward-Looking Statements.

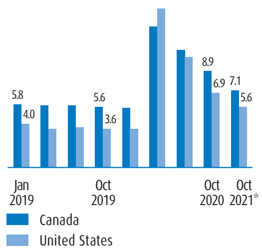
Real Growth in Gross Domestic Product (%)



*Forecast

The U.S. and Canadian economies are expected to rebound in 2021 after the historic pandemic-led downturn of 2020.

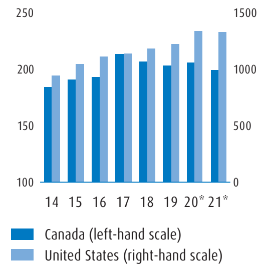
Canadian and U.S. Unemployment Rates (%)



*Forecast

Unemployment rates are projected to decline further but remain elevated in 2021.

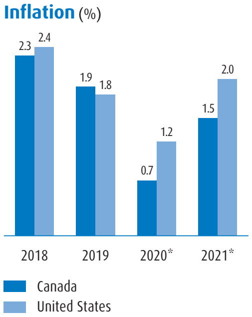
Housing Starts
(in thousands)



*Forecast

Housing market activity should stabilize at high levels in 2021.

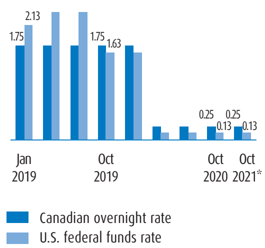
Consumer Price Index Inflation (%)



*Forecast

Inflation is expected to increase but remain constrained by high unemployment.

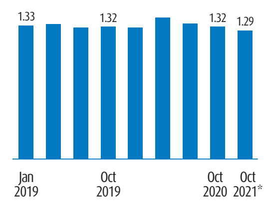
Canadian and U.S. Interest Rates (%)



*Forecast (end of period)

Central banks are expected to keep rates steady for several years.

Canadian/U.S. Dollar Exchange Rates



*Forecast

The Canadian dollar is expected to strengthen modestly in 2021 due to firmer resource prices.

Data points are averages for the month, quarter or year, as appropriate, except for interest rates, which are for the period-end. References to years are calendar years.

Enterprise-Wide Strategy

BMO's Purpose: Boldly Grow the Good *in business and life*

BMO's Strategic Priorities

- **World-class** client loyalty and growth
- **Winning culture** driven by alignment, empowerment and recognition
- **Digital first** for speed, efficiency and scale
- **Simplify** work and **eliminate complexity**
- **Superior management** of **risk** and **capital** performance

The fundamentals of BMO's strategy remain consistent, and the bank has renewed its priorities for 2021 to reflect its strong momentum and the changing environment. Group strategic priorities align with and support the enterprise-wide strategy, positioning the bank well to drive competitive performance.

Operating group strategies are outlined in the 2020 Operating Groups Performance Review, which starts on page 34.

BMO's Values

Integrity

Do what's right

Empathy

Put others first

Diversity

Learn from difference

Responsibility

Make tomorrow better

BMO's Sustainability Strategy

The bank's commitment to sustainability is fundamental to its purpose. As outlined in BMO's Sustainability Report, BMO applies industry-leading approaches to capture opportunities and manage risks in key areas such as sustainable finance, climate change, human rights, and diversity and inclusion. With a Bold Commitment to a Sustainable Future and strong principles of ethical governance, BMO builds trust with its stakeholders. The bank's sustainability strategy enables positive impacts, including:

- Delivering long-term value for shareholders by strengthening the bank's resilience against sustainability risks
- Building stronger communities through inclusive relationships with customers, suppliers and partners that address economic disparity
- Promoting zero barriers to inclusion across the organization by prioritizing diversity and inclusion for all
- Contributing to global climate goals and facilitating a just transition to a lower-carbon and resource-efficient economy that takes social and economic well-being into account

BMO is committed to driving positive change, and it is through its evolving sustainability strategy that the bank takes on tomorrow's challenges and opportunities.

Value Measures

Total Shareholder Return

The average annual total shareholder return (TSR) is a key measure of shareholder value, and over time, confirms that BMO's strategic priorities drive value creation for its shareholders. The five-year average annual TSR was positive 5.1%. The one-year and three-year average annual TSRs were negative 14.6% and negative 3.1%, respectively, and underperformed the overall market in Canada.

The table below summarizes dividends paid on BMO common shares over the past five years and the movements in BMO's share price. An investment of $1,000 in BMO common shares made at the beginning of fiscal 2016 would have been worth $1,281 as at October 31, 2020, assuming reinvestment of dividends, for a total return of 28.1%.

Dividends declared per common share in fiscal 2020 totalled $4.24, an increase of approximately 4% from the prior year. In line with the Office of the Superintendent of Financial Institutions' announcement on March 13, 2020 that it expected federally regulated financial institutions (FRFIs) to halt dividend increases for the time being, BMO did not increase the quarterly dividend declared in fiscal 2020. Dividends paid over a five-year period have increased at an average annual compound rate of approximately 6%.

The **average annual total shareholder return (TSR)** represents the average annual total return earned on an investment in BMO common shares made at the beginning of a fixed period. The return includes the change in share price and assumes dividends received were reinvested in additional common shares.

Total Shareholder Return

For the year ended October 31	**2020**	2019	2018	2017	2016	**3-year CAGR** (1)	**5-year CAGR** (1)
Closing market price per common share ($)	**79.33**	97.50	98.43	98.83	85.36	**(7.1)**	**0.9**
Dividends paid ($ per share)	**4.21**	3.99	3.72	3.52	3.36	**6.1**	**5.6**
Dividend yield (%)	**5.3**	4.2	3.8	3.6	4.0	**nm**	**nm**
Increase (decrease) in share price (%)	**(18.6)**	(0.9)	(0.4)	15.8	12.3	**nm**	**nm**
Total annual shareholder return (%) (2)	**(14.6)**	3.2	3.3	20.2	17.0	**(3.1)**	**5.1**

(1) Compound annual growth rate (CAGR) expressed as a percentage.

(2) Total annual shareholder return assumes reinvestment of quarterly dividends and therefore does not equal the sum of dividend and share price returns in the table.

nm – not meaningful

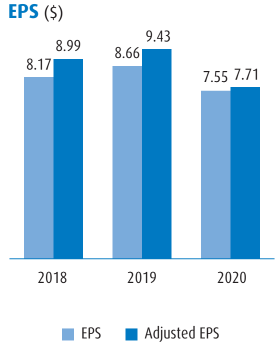
Earnings per Share Growth

The year-over-year percentage changes in earnings per share (EPS) and in adjusted EPS are the bank's key measures for analyzing earnings growth. All references to EPS are to diluted EPS, unless otherwise indicated.

EPS was $7.55, down $1.11 or 13% from $8.66 in 2019. Adjusted EPS was $7.71, down $1.72 or 18% from $9.43 in 2019. The decrease in EPS primarily reflected lower earnings. Reported net income available to common shareholders was down 13% year-over-year, while the average number of diluted common shares outstanding was relatively unchanged.

Earnings per share (EPS) is calculated by dividing net income, after deducting preferred share dividends and distributions on other equity instruments, by the average number of common shares outstanding. Diluted EPS, which is BMO's basis for measuring performance, adjusts for possible conversions of financial instruments into common shares if those conversions would reduce EPS, and is more fully explained in Note 23 on page 204 of the consolidated financial statements. Adjusted EPS is calculated in the same manner using adjusted net income.

EPS ($)

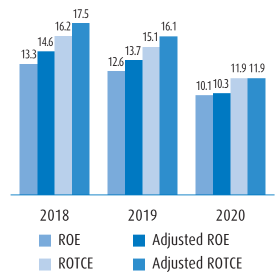


Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Return on Equity

Reported return on equity (ROE) was 10.1% in 2020 and adjusted ROE was 10.3%, compared with 12.6% and 13.7%, respectively, in 2019. Reported and adjusted ROE decreased in 2020, primarily due to lower net income and higher common equity. There was a decrease of $697 million or 13% in reported net income available to common shareholders and a decrease of $1,084 million or 18% in adjusted net income available to common shareholders in 2020. Average common shareholders' equity increased $4.1 billion or 9% from 2019, primarily due to growth in retained earnings and accumulated other comprehensive income. The reported return on tangible common equity (ROTCE) was 11.9%, compared with 15.1% in 2019, and adjusted ROTCE was 11.9%, compared with 16.1% in 2019. Book value per share increased 8% from the prior year to $77.40, largely reflecting the increase in shareholders' equity.

ROE (%)



Return on common shareholders' equity (ROE) is calculated as net income, less preferred dividends and distributions on other equity instruments as a percentage of average common shareholders' equity. Common shareholders' equity is comprised of common share capital, contributed surplus, accumulated other comprehensive income (loss) and retained earnings. Adjusted ROE is calculated using adjusted net income rather than net income.

Return on tangible common equity (ROTCE) is calculated as net income available to common shareholders adjusted for the amortization of acquisition-related intangible assets as a percentage of average tangible common equity. Tangible common equity is calculated as common shareholders' equity less goodwill and acquisition-related intangible assets, net of related deferred tax liabilities. Adjusted ROTCE is calculated using adjusted net income rather than net income. ROTCE is commonly used in the North American banking industry and is meaningful because it measures the performance of businesses consistently, whether they were acquired or developed organically.

Return on Equity and Return on Tangible Common Equity

(Canadian $ in millions, except as noted) For the year ended October 31	**2020**	2019	2018
Reported net income	**5,097**	5,758	5,453
Dividends on preferred shares and distributions on other equity instruments	**(247)**	(211)	(184)
Net income available to common shareholders (A)	**4,850**	5,547	5,269
After-tax amortization of acquisition-related intangible assets	**93**	99	90
Net income available to common shareholders after adjusting for amortization of acquisition-related intangible assets (B)	**4,943**	5,646	5,359
After-tax impact of other adjusting items (1)	**11**	392	439
Adjusted net income available to common shareholders (C)	**4,954**	6,038	5,798
Average common shareholders' equity (D)	**48,235**	44,170	39,754
Return on equity (%) (= A/D)	**10.1**	12.6	13.3
Adjusted return on equity (%) (= C/D)	**10.3**	13.7	14.6
Average tangible common equity (E)	**41,484**	37,456	33,125
Return on tangible common equity (%) (= B/E)	**11.9**	15.1	16.2
Adjusted return on tangible common equity (%) (= C/E)	**11.9**	16.1	17.5

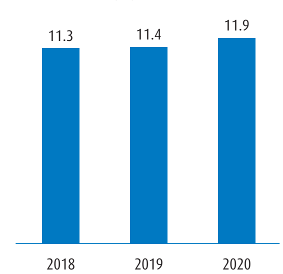
(1) Other adjusting items included the reinsurance adjustment in 2019, a charge related to the revaluation of a U.S. net deferred tax asset and a benefit from the remeasurement of an employee benefit liability in 2018. Acquisition integration costs are included in 2020, 2019 and 2018, and both 2019 and 2018 include restructuring charges.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Common Equity Tier 1 Ratio

BMO's Common Equity Tier 1 (CET1) Ratio reflects a well-capitalized position relative to the risk in its business. The bank's CET1 Ratio was 11.9% as at October 31, 2020, compared with 11.4% as at October 31, 2019. The CET1 Ratio increased from the end of fiscal 2019, as higher CET1 capital, primarily from retained earnings growth, the adjustment for transitional arrangements for expected credit loss provisioning and the elimination of the provisioning shortfall deduction, common shares issued through the Shareholder Dividend Reinvestment and Share Purchase Plan and other net positive impacts, more than offset higher risk-weighted assets, primarily due to changes in asset quality and increased asset size.

CET1 Ratio (%)



Common Equity Tier 1 (CET1) Ratio is calculated as CET1 capital, which is comprised of common shareholders' equity, net of deductions for goodwill, intangible assets, pension assets, certain deferred tax assets and other items which may include a portion of expected credit loss provisions, divided by risk-weighted assets.

2020 Financial Performance Review

This section provides a review of BMO's enterprise financial performance for 2020 that focuses on the Consolidated Statement of Income in BMO's consolidated financial statements, which start on page 145. A review of the operating groups' strategies and performance follows the enterprise review. A summary of the enterprise financial performance for 2019 starts on page 57.

Foreign Exchange

The Canadian dollar equivalents of BMO's U.S. results that are denominated in U.S. dollars increased relative to 2019 due to the stronger U.S. dollar. The table below indicates the relevant average Canadian/U.S. dollar exchange rates and the impact of changes in those rates on BMO's U.S. segment results. References in this document to the impact of the U.S. dollar do not include U.S. dollar-denominated amounts recorded outside of BMO's U.S. segment.

Changes in the exchange rate will affect future results measured in Canadian dollars, and the impact on those results is a function of the periods in which revenue, expenses, provisions for (recoveries of) credit losses and income taxes arise. If future results are consistent with results in 2020, each one cent increase (decrease) in the Canadian/U.S. dollar exchange rate, expressed in terms of how many Canadian dollars one U.S. dollar buys, would be expected to increase (decrease) the Canadian dollar equivalent of BMO's U.S. segment net income before income taxes for the year by $15 million, in the absence of hedging transactions.

Economically, the bank's U.S. dollar income stream was unhedged to changes in foreign exchange rates during 2020, 2019 and 2018. BMO regularly determines whether to enter into hedging transactions in order to mitigate the impact of foreign exchange rate movements on net income.

Refer to the Enterprise-Wide Capital Management section on page 63 for a discussion of the impact that changes in foreign exchange rates can have on the bank's capital position.

Changes in foreign exchange rates will also affect accumulated other comprehensive income, primarily as a result of the translation of investment in foreign operations and the carrying value of assets and liabilities on the balance sheet. Each one cent increase (decrease) in the Canadian/U.S. dollar exchange rate, expressed in terms of how many Canadian dollars one U.S. dollar buys, would be expected to increase (decrease) the translation of BMO's investment in foreign operations by $161 million.

Effects of Changes in Exchange Rates on BMO's U.S. Segment Reported and Adjusted Results

(Canadian $ in millions, except as noted)	**2020 vs. 2019**	2019 vs. 2018
Canadian/U.S. dollar exchange rate (average)		
2020	**1.3441**	
2019	**1.3290**	1.3290
2018		1.2878
Effects on U.S. segment reported results		
Increased (Decreased) net interest income	**68**	141
Increased (Decreased) non-interest revenue	**30**	94
Increased (Decreased) revenue	**98**	235
Decreased (Increased) provision for credit losses	**(30)**	(7)
Decreased (Increased) expenses	**(58)**	(166)
Decreased (Increased) income taxes	**(1)**	(34)
Increased (Decreased) reported net income	**9**	28
Effects on U.S. segment adjusted results		
Increased (Decreased) net interest income	**68**	141
Increased (Decreased) non-interest revenue	**30**	94
Increased (Decreased) revenue	**98**	235
Decreased (Increased) provision for credit losses	**(30)**	(7)
Decreased (Increased) expenses	**(57)**	(161)
Decreased (Increased) income taxes	**(2)**	(13)
Increased (Decreased) adjusted net income	**9**	54

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Caution
This Foreign Exchange section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Impact of COVID-19

The World Health Organization declared COVID-19 a global pandemic on March 11, 2020. The emergence and spread of the COVID-19 pandemic dealt a major shock to the North American and global economies in 2020. During the first half of the year, widespread lockdown measures resulted in the steepest and most synchronized global recession on record. Extraordinary policy support on the part of governments and central banks has helped to cushion the impact, but continuing economic impacts and rising caseloads are constraining the recovery. The impact that the pandemic will have on the economy, markets and the bank's business remains uncertain. For additional information, please refer to the Economic Developments and Outlook section on page 18 and the Risks That May Affect Future Results section on page 73.

BMO responded quickly to COVID-19 challenges, with the first priority being to ensure the safety and well-being of employees and customers. The bank is working closely with relevant public health authorities to monitor the situation and will continue to follow their guidance to make informed decisions. Health and safety measures were implemented during the year, including plexiglass shields and physical distancing markers in branches, and enhanced cleaning protocols. BMO maintained strong operational resilience throughout the COVID-19 pandemic, including access to call centres, ATMs and retail branches, and enabled remote working capabilities for its non-branch workforce. The bank launched additional innovative technology and tools across the enterprise to foster effective virtual collaboration for employees and customers. While at the onset of the pandemic branch operations were reduced, by summer almost all BMO branches in Canada and the United States were open. In March, over 90% of BMO's non-branch workforce quickly shifted to working remotely due to the pandemic. BMO applied new ways of connecting for its employees and with its customers, such as increased use of virtual communication tools, electronic signatures and digital processing capabilities. The bank is committed to fostering a supportive work environment to help employees manage increased responsibilities and multiple commitments during these unique times. To support the health and wellness of its employees, BMO launched a virtual healthcare service that enables employees to have access to physicians and nurse practitioners through text and video chat. BMO has taken steps to assess and mitigate internal control risks created by the shift in the work environment.

Given the pandemic's impact on the global economy, there has been a corresponding negative impact on the bank's financial results. Impacts on the bank's financial results include higher provisions for credit losses, lower loan growth, strong deposit growth, a negative impact on revenue from lower interest rates, a positive impact on trading revenue due to client activity and low expense growth. There was good revenue performance in market sensitive businesses in the second half of the year, following a volatile second quarter, while revenue in the Canadian and U.S. P&C businesses was impacted by the environment, including lower interest rates, reflecting the 150 basis points of interest rate cuts implemented by the Bank of Canada and the Federal Reserve during the second quarter of 2020, and lower loan growth. Loan balances were elevated in the second quarter, largely driven by increased client utilizations in wholesale portfolios, and moderated in the second half of the year. Deposit growth was strong throughout the year, in part reflecting the higher amount of liquidity retained by the bank's customers due to the impact of the pandemic. The provision for credit losses was $2,953 million in 2020, up significantly from $872 million in 2019, primarily due to COVID-19. The provision for credit losses on impaired loans was $1,522 million and the provision for credit losses on performing loans was $1,431 million. For further information, refer to Critical Accounting Estimates – Allowance for Credit Losses on page 114. The bank maintained a disciplined approach to expense management throughout the year, with adjusted expenses relatively unchanged from the prior year. During the year, the bank incurred incremental costs as a result of COVID-19, including a stipend for front-line employees, cleaning costs and personal protective equipment costs to ensure the safety of its customers and employees. Certain expenses were also lower due to the pandemic, including lower travel and business development costs.

For additional information on COVID-19 pandemic-related risks, please refer to the Risks That May Affect Future Results section on page 73.

BMO prudently managed liquidity and funding throughout the year. The bank entered the second quarter with a strong liquidity position and acted early and throughout the COVID-19 market disruption. The bank accessed the wholesale term markets in the second quarter to raise long-term funding and increased liquid assets, including central bank cash deposits and sovereign bonds, to meet potential future funding needs. BMO experienced strong customer deposit flows throughout the year while loans first increased in the second quarter before declining in the second half of the year, as customers decreased borrowing activity. In addition, given market disruption and volatility, central banks around the world announced a number of programs that were targeted to support the financial and funding markets and the provision of support to customers affected by the pandemic. BMO used these programs in the second quarter in a manner consistent with other banks, given market disruptions. The bank's borrowings under these central bank programs were largely repaid by the end of the second quarter, with the exception of certain borrowings under the Bank of Canada term repo facility that mature through the second quarter of 2021. Through the second half of the year, the bank maintained more liquidity than it would normally target to hold, in part due to strong customer deposit growth. For additional information, please refer to the Liquidity and Funding Risk section on page 97.

As part of a coordinated effort by federal agencies to address the market disruption posed by the COVID-19 pandemic, the Office of the Superintendent of Financial Institutions (OSFI) announced a suite of modifications to capital requirements, effective from the second quarter of 2020, to afford institutions further flexibility in addressing the conditions, while promoting financial resilience and stability. With the exception of the special capital treatment for loan payment deferrals, which OSFI announced in August 2020 is gradually being phased out, the modifications introduced in the second quarter remained in effect in the fourth quarter. On November 5, 2020, OSFI announced an extension from April 30, 2021 to December 31, 2021 of the temporary exclusion of leverage exposures related to central bank reserves and sovereign-issued securities that qualify as High Quality Liquid Assets under the Liquidity Adequacy Requirements Guideline. For those other modifications that are temporary in nature, OSFI has advised that it will provide guidance on the unwinding of the changes at the appropriate time. This includes the expectation, which OSFI set effective March 13, 2020, that dividend increases and share buybacks for all FRFIs should be halted for the time being. BMO's capital position reflected elevated lending utilization in the second quarter and strengthened in the second half of the year. For additional information, please refer to the Enterprise-Wide Capital Management section on page 63.

BMO continues to support its customers in this challenging environment by taking decisive steps to bring customers innovative solutions and easy access to the core financial services they depend on, and worked closely with governments and agencies to implement programs to reduce the financial hardship caused by COVID-19, including payment deferrals and lending facilities designed to help individuals and businesses to withstand stress and recover financially.

The following table shows the uptake of payment deferral programs by geography and product type. Numbers represent active deferrals outstanding at the end of the period. Since March, the bank granted payment deferrals to over 256,000 retail accounts in Canada and the United States. Requests for payment deferrals peaked in the second quarter and declined significantly thereafter. Deferrals continued to decline in the fourth quarter, with the large majority of clients resuming payments after exiting the deferral program. The maturities are being closely monitored and actively managed. As of October 31, 2020, the bank had approximately $3.8 billion of balances under payment deferral programs in Canada, and US$0.69 billion in the United States.

Payment Deferrals

	As at October 31, 2020			As at July 31, 2020			As at April 30, 2020		
Canada (1)	**Number of accounts (in thousands)** (3)	**Outstanding Balances* (Canadian $ in billions)**	**% of portfolio**	Number of accounts (in thousands) (3)	Outstanding Balances* (Canadian $ in billions)	% of portfolio	Number of accounts (in thousands) (3)	Outstanding Balances* (Canadian $ in billions)	% of portfolio
Mortgages (including amortizing HELOC)	**7.7**	**2.66**	**2%**	52.3	17.25	14%	55.0	17.16	14%
Credit Cards	**4.0**	**0.04**	**1%**	38.5	0.34	5%	37.3	0.33	5%
All other personal lending	**7.3**	**0.26**	**1%**	84.8	2.37	7%	89.1	2.43	7%
Total Retail – Canada	**19.0**	**2.96**	**2%**	175.6	19.96	12%	181.4	19.92	13%
Commercial Banking	**0.4**	**0.85**	**1%**	7.2	9.40	11%	7.4	15.08	17%
United States (2)	**(US$ in billions)**			(US$ in billions)			(US$ in billions)		
Mortgages	**0.4**	**0.11**	**1%**	1.5	0.45	8%	2.0	0.57	10%
Indirect Auto	**3.5**	**0.08**	**2%**	8.0	0.21	4%	14.2	0.32	6%
All other personal lending	**1.7**	**0.05**	**1%**	4.0	0.14	3%	5.2	0.15	3%
Total Retail – United States	**5.6**	**0.24**	**1%**	13.5	0.80	5%	21.4	1.04	6%
Commercial Banking	**0.7**	**0.45**	**1%**	1.4	0.90	1%	1.1	3.62	4%

* Outstanding balances for accounts/clients with payments deferred. Numbers are approximate.

(1) In Canada, mortgage deferrals were available for one to six months. Canadian personal mortgages exclude balances related to non-proprietary mortgages, consistent with an industry reporting definition established by the Canadian Bankers Association; there were approximately $56 million in balances outstanding related to non-proprietary mortgages in deferral as at October 31, 2020, and approximately $2 billion as at July 31, 2020 and April 30, 2020. For other retail loans and cards, the deferral offer was one to six months. Commercial deferrals were granted for three to six months.

(2) In the United States, deferrals on consumer products were available for up to six months. Commercial deferrals were granted for three months.

(3) Represents number of clients for Commercial Banking.

During 2020, the Canadian and U.S. governments offered programs in response to the COVID-19 pandemic to support businesses facing economic hardship, including the Canada Emergency Business Account (CEBA) program, the Government of Canada's Business Credit Availability Program (BCAP), which includes the Business Development Bank of Canada (BDC) Co-Lending program and the Export Development Canada (EDC) BCAP Guarantee, and the U.S. Small Business Administration (SBA) Paycheck Protection Program. Under the CEBA program BMO issues loans funded by the government. The bank assessed whether substantially all the risks and rewards of the loans under this program were transferred to the government and determined they qualify for derecognition; therefore, the bank does not record these loans on the Consolidated Balance Sheet. Under the BDC Co-Lending program, the loans are in part funded by the BDC with the remaining portion funded by BMO and recognized on the Consolidated Balance Sheet. The SBA Paycheck Protection Program was designed by the U.S. federal government to provide small businesses with a direct incentive to keep their workers on payroll, with the SBA forgiving the loans if all employee retention criteria are met and the funds are used for eligible expenses. The bank will be paid by the SBA for any portion of the loan that is forgiven.

In Canada, the bank facilitated $2.9 billion in funding for over 72,000 business banking accounts under the CEBA program. In the United States, BMO had more than US$4.7 billion in total loans outstanding to approximately 22,000 businesses under the SBA's Paycheck Protection Program. The bank has taken a personal and relationship-based approach that considers the unique needs of each customer and leverages its long history and experience through many economic cycles.

In addition to offering financial relief measures to its customers, and guided by its Purpose, to Boldly Grow the Good *in business and life*, the bank also donated to community relief efforts. In Canada, BMO donated $1 million to the United Way Community Fund to support gaps in community services due to COVID-19. In the United States, BMO donated US$500,000 to support crisis relief efforts in areas of immediate community need.

The COVID-19 pandemic has heightened exposure in the cyber threat landscape, including a significant increase in phishing campaigns, which were successfully blocked. The bank has further invested in its technological infrastructure and is enhancing processes to maintain resilience, while improving the ability to prevent, detect and recover from cyber security threats, keeping customers and employees safe. Despite concerns related to heightened cyber threats throughout the crisis, the impacts to BMO have been minimal. BMO's Financial Crimes Unit (FCU) remains fully engaged across a number of security pillars (cyber, fraud, physical security and crisis management) and has been pivotal in implementing risk mitigation strategies in response to the increase in cyber threats during the pandemic.

Caution

The extent to which the COVID-19 pandemic impacts the bank's business, results of operations, reputation and financial performance and condition, including its regulatory capital and liquidity ratios, and credit ratings, as well as its impact on the bank's customers, competitors and trading exposures, and the potential loss from higher credit, counterparty and mark-to-market losses, will depend on future developments, which are highly uncertain and cannot be predicted, including the scope, severity and duration of the pandemic and actions taken by governments and governmental and regulatory authorities, which could vary by country and region, and other third parties in response to the pandemic. The COVID-19 pandemic may also impact the bank's ability to achieve, or the timing to achieve, certain previously announced targets, goals and objectives. For additional information, please refer to the Risks That May Affect Future Results section on page 73.

This Impact of COVID-19 section contains forward-looking statements. Please see the Caution Regarding Forward-Looking Statements on page 14.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Net Income

Reported net income was $5,097 million, or 11% lower than $5,758 million in the prior year. Adjusted net income was $5,201 million, or 17% lower than $6,249 million in the prior year. Adjusted net income in the current and prior year excludes the amortization of acquisition-related intangible assets and acquisition-related costs. The prior year also excludes a restructuring charge and the net impact of major reinsurance claims incurred after the announced wind-down of the reinsurance business. For more information, refer to the Non-GAAP Measures table on page 17.

The decline in adjusted net income reflects the impact of higher provisions for credit losses, which increased $2,081 million pre-tax or $1,531 million after tax, partially offset by higher revenue. Decreases in adjusted net income were recorded in the P&C businesses, while BMO Capital Markets and BMO Wealth Management were largely unchanged from the prior year. In Corporate Services, the reported net loss decreased, while the adjusted net loss increased.

Canadian P&C reported net income was $2,028 million, or 23% lower than $2,624 million in the prior year, and adjusted net income was $2,030 million, also 23% lower from $2,626 million in the prior year, largely due to higher provisions for credit losses, with higher revenue offset by higher expenses. Adjusted net income excludes the amortization of acquisition-related intangible assets.

U.S. P&C reported net income was $1,277 million, or 21% lower than $1,611 million in the prior year, and adjusted net income was $1,316 million, or 20% lower than $1,654 million in the prior year. Adjusted net income excludes the amortization of acquisition-related intangible assets. On a U.S. dollar basis, reported net income was $950 million, or 22% lower than $1,212 million in the prior year, and adjusted net income was $980 million, or 21% lower than $1,244 million in the prior year, due to higher provisions for credit losses, partially offset by lower expenses and higher revenue.

BMO Wealth Management reported net income was $1,096 million, an increase of $37 million or 3% from the prior year, and adjusted net income was $1,130 million, an increase of $9 million or 1%. Adjusted net income excludes the net impact of major reinsurance claims incurred in the prior year after the announced wind-down of the reinsurance business and the amortization of acquisition-related intangible assets in both years. Traditional Wealth reported net income was $893 million, an increase of $32 million or 4% from the prior year, and adjusted net income was $927 million, an increase of $29 million or 3%, primarily due to higher revenue and lower expenses, including the benefits from focused expense management. Insurance net income was $203 million, an increase of $5 million on a reported basis and a decrease of $20 million on an adjusted basis from the prior year, primarily due to higher creditor insurance claims.

BMO Capital Markets reported net income was $1,087 million and adjusted net income was $1,116 million, both relatively unchanged from the prior year. Adjusted net income excludes the amortization of acquisition-related intangible assets and acquisition integration costs. Higher revenue and lower expenses were offset by higher provisions for credit losses.

Corporate Services reported and adjusted net loss was $391 million, compared with a reported net loss of $627 million and an adjusted net loss of $270 million in the prior year. Adjusted results in the prior year exclude a restructuring charge. The adjusted net loss increased, primarily due to higher expenses, lower treasury-related revenue reflecting the impact of higher levels of excess customer deposits, and higher provisions for credit losses.

Further discussion is provided in the 2020 Operating Groups Performance Review section on pages 34 to 53.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Revenue (1) (2)

Reported revenue was $25,186 million, compared with $25,483 million in the prior year. On a basis that nets insurance claims, commissions and changes in policy benefit liabilities (CCPB) against insurance revenue (net revenue), revenue was $23,478 million, an increase of $704 million or 3%. Revenue net of adjusted CCPB increased $679 million or 3% from the prior year, and excludes the net impact of major reinsurance claims incurred after the announced wind-down of the reinsurance business in 2019. The increase in revenue was largely driven by strong performance in BMO Capital Markets, primarily due to increased trading revenue, and increases in the P&C businesses and BMO Wealth Management, partially offset by a decrease in Corporate Services revenue.

BMO analyzes revenue at the consolidated level based on GAAP revenue as reported in the consolidated financial statements, and on an adjusted basis. Consistent with the Canadian peer group, the bank analyzes revenue on a taxable equivalent basis (teb) at the operating group level. The teb adjustments for 2020 totalled $335 million, an increase from $296 million in 2019.

Canadian P&C revenue increased $51 million or 1% from the prior year, due to higher average balances across most products, partially offset by lower margins reflecting the low interest rate environment, and lower non-interest revenue, largely due to lower credit card fee revenue and deposit fee revenue.

U.S. P&C revenue increased $153 million or 3% from the prior year on a Canadian dollar basis**.** On a U.S. dollar basis, revenue was $4,113 million, an increase of $65 million or 2%, primarily due to growth in average deposit and loan balances, higher loan margins, as well as higher non-interest revenue, partially offset by lower deposit product margins, reflecting the impact of lower rates.

BMO Wealth Management revenue, net of reported and adjusted CCPB, was $5,000 million, an increase of $47 million or 1% on a reported basis, and an increase of $22 million on an adjusted basis from the prior year. Revenue in Traditional Wealth was $4,593 million, an increase of $38 million, primarily due to elevated online brokerage revenue and growth in client assets, net of fee pressure, partially offset by a legal provision in the current year and lower net interest income, as the benefits from strong loan and deposit growth were more than offset by lower margins. Insurance revenue, net of reported and adjusted CCPB, was $407 million, an increase of $9 million on a reported basis, and a decrease of $16 million on an adjusted basis, primarily due to higher creditor insurance claims.

BMO Capital Markets revenue was $5,326 million, an increase of $567 million or 12% from the prior year, or 11% excluding the impact of the stronger U.S. dollar. Global Markets revenue increased, primarily due to higher interest rate trading, commodities trading and foreign exchange trading revenue, partially offset by lower equities trading revenue. Investment and Corporate Banking revenue increased, primarily due to higher corporate banking-related revenue and equity underwriting revenue, partially offset by lower net securities gains, advisory revenue and markdowns on the held-for-sale loan portfolio.

Corporate Services revenue decreased $114 million from the prior year, primarily due to lower treasury-related revenue, reflecting the impact of higher levels of excess customer deposits.

Further discussion is provided in the 2020 Operating Groups Performance Review section on pages 34 to 53.

(1) Insurance revenue can experience variability arising from fluctuations in the fair value of insurance assets, caused by movements in interest rates and equities markets. The investments which support policy benefit liabilities are predominantly fixed income assets recorded at fair value, with changes in fair value recorded in insurance revenue in the Consolidated Statement of Income. These fair value changes are largely offset by changes in the fair value of policy benefit liabilities, the impact of which is reflected in insurance claims, commissions and changes in policy benefit liabilities. The discussion of revenue on a net basis reduces this variability in results, which allows for a better discussion of operating results. For additional discussion of insurance claims, commissions and changes in policy benefit liabilities, refer to page 30.

(2) Effective the first quarter of 2020, the bank adopted IFRS 16, *Leases* (IFRS 16), recognizing the cumulative effect of adoption in opening retained earnings with no changes to prior periods. Under IFRS 16, the bank as lessee is required to recognize a right-of-use asset and a corresponding lease liability for most leases. For the twelve months ended October 31, 2020, it recognized $360 million of depreciation on the right-of-use assets recorded in non-interest expense and $53 million of interest on the lease liability recorded in interest expense.

Taxable equivalent basis (teb) Revenues of operating groups are presented in the MD&A on a taxable equivalent basis (teb). Revenue and the provision for income taxes are increased on tax-exempt securities to an equivalent before-tax basis to facilitate comparisons of income between taxable and tax-exempt sources. This adjustment is offset in Corporate Services.

Revenue

(Canadian $ in millions, except as noted) For the year ended October 31	**2020**	2019	2018	**Change from 2019 (%)**
Net interest income	**13,971**	12,888	11,438	**8**
Non-interest revenue	**11,215**	12,595	11,467	**(11)**
Total revenue	**25,186**	25,483	22,905	**(1)**
Total revenue, net of CCPB	**23,478**	22,774	21,553	**3**
Total revenue, net of adjusted CCPB	**23,478**	22,799	21,553	**3**

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Net Interest Income

Net interest income was $13,971 million, an increase of $1,083 million or 8%.

On a basis that excludes trading revenue, net interest income was $12,040 million, an increase of $375 million or 3%, largely due to higher net interest income in the P&C businesses, with higher average balances more than offsetting lower margins, and BMO Capital Markets, partially offset by decreases in Corporate Services and BMO Wealth Management.

Average earning assets were $851.7 billion, an increase of $92.9 billion or 12%, due to loan growth, higher securities, and higher cash resources.

BMO's overall net interest margin decreased 6 basis points, primarily driven by a higher volume of assets in Corporate Services and BMO Capital Markets, which have a lower spread than the bank, and also by a lower margin in Corporate Services, and lower margins in BMO Wealth Management and U.S. P&C, which were impacted by the lower interest rate environment, partially offset by significantly higher trading net interest income. On a basis that excludes trading revenue, BMO's net interest margin decreased 19 basis points, due to the drivers noted above.

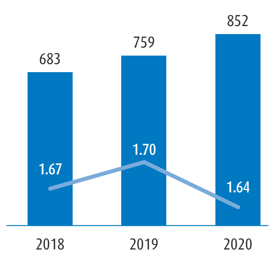
Table 3 on page 126 provides further details on net interest income and net interest margin.

Net interest income is comprised of earnings on assets, such as loans and securities, including interest and certain dividend income, less interest expense paid on liabilities, such as deposits.

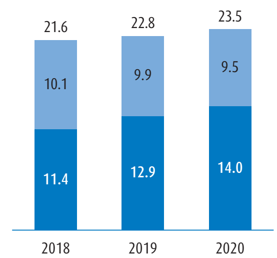
Net interest margin is the ratio of net interest income to average earning assets, expressed as a percentage or in basis points.

Net non-interest revenue is non-interest revenue, net of insurance claims, commissions and changes in policy benefit liabilities (CCPB).

Average Earning Assets and Net Interest Margin



Net Revenue*
($ billions)



*Numbers may not add due to rounding.

Change in Net Interest Income, Average Earning Assets and Net Interest Margin

(Canadian $ in millions, except as noted) For the year ended October 31	Net interest income (teb)		Change	Average earning assets		Change	Net interest margin (in basis points)		
	2020	2019	%	**2020**	2019	%	**2020**	2019	**Change**
Canadian P&C	**6,105**	5,885	**4**	**234,953**	222,260	**6**	**260**	265	**(5)**
U.S. P&C	**4,345**	4,216	**3**	**130,190**	119,640	**9**	**334**	352	**(18)**
Personal and Commercial Banking (P&C)	**10,450**	10,101	**3**	**365,143**	341,900	**7**	**286**	295	**(9)**
All other operating groups and Corporate Services	**3,521**	2,787	**26**	**486,583**	416,963	**17**	**72**	67	**5**
Total BMO reported	**13,971**	12,888	**8**	**851,726**	758,863	**12**	**164**	170	**(6)**
U.S. P&C (US$ in millions)	**3,231**	3,173	**2**	**96,810**	90,035	**8**	**334**	353	**(19)**

Certain comparative figures have been reclassified to conform with the current year's presentation.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Non-Interest Revenue

Non-interest revenue, which comprises all revenues other than net interest income, was $11,215 million, or 11% lower than $12,595 million in the prior year. Non-interest revenue, net of insurance claims, commissions and changes in policy benefit liabilities (CCPB), was $9,507 million, or 4% lower than $9,886 million in the prior year.

Non-interest revenue, net of CCPB, decreased as higher lending fee revenue, underwriting and advisory fee revenue, and investment management and custodial fee revenue were more than offset by lower trading revenue and other non-interest revenue, lower securities gains other than trading, and lower other non-interest card fee revenue. Trading revenue is discussed in the Trading-Related Revenue section that follows. On a basis that excludes trading revenue, non-interest revenue, net of CCPB, decreased $96 million or 1%.

Gross insurance revenue decreased from the prior year, primarily due to smaller increases in the fair value of investments in the current year, due to smaller decreases in long-term interest rates compared with the prior year, lower annuity sales, the impact of weaker equity markets and lower underlying business growth. Insurance revenue can experience variability arising from fluctuations in the fair value of insurance assets, caused by movements in interest rates and equity markets. The investments that support policy benefit liabilities are predominantly fixed income and equity assets recorded at fair value, with changes in fair value recorded in insurance revenue in the Consolidated Statement of Income. The impact of these fair value changes was largely offset by changes in the fair value of policy benefit liabilities, which is reflected in CCPB, as discussed on page 30.

The bank generally focuses on analyzing revenue net of CCPB, given the extent to which insurance revenue can vary and that this variability is largely offset in CCPB.

Table 3 on page 126 provides further details on revenue and revenue growth.

Non-Interest Revenue

(Canadian $ in millions) For the year ended October 31	**2020**	2019	2018	**Change from 2019 (%)**
Securities commissions and fees	**1,036**	1,023	1,025	**1**
Deposit and payment service charges	**1,221**	1,204	1,134	**1**
Trading revenue	**15**	298	705	**(95)**
Lending fees	**1,295**	1,192	997	**9**
Card fees	**358**	437	428	**(18)**
Investment management and custodial fees	**1,807**	1,747	1,749	**3**
Mutual fund revenue	**1,417**	1,419	1,473	**–**
Underwriting and advisory fees	**1,070**	975	943	**10**
Securities gains, other than trading	**124**	249	239	**(50)**
Foreign exchange, other than trading	**127**	166	182	**(24)**
Insurance revenue	**2,178**	3,183	1,879	**(32)**
Investments in associates and joint ventures	**161**	151	167	**6**
Other	**406**	551	546	**(26)**
Total reported	**11,215**	12,595	11,467	**(11)**
Reported, net of CCPB	**9,507**	9,886	10,115	**(4)**
Insurance revenue, net of CCPB	**470**	474	527	**(1)**
Insurance revenue, net of adjusted CCPB	**470**	499	527	**(6)**

Certain comparative figures have been reclassified to conform with the current year's presentation.

MD&A

Trading-Related Revenue

Trading-related revenue is dependent on, among other things, the volume of activities undertaken for clients who enter into transactions with BMO to mitigate their risks or to invest, and market conditions. BMO earns a spread or profit on the net sum of its client positions by profitably managing, within prescribed limits, the overall risk of its net positions. On a limited basis, BMO also earns revenue from principal trading positions.

Interest and non-interest trading-related revenue on a teb basis increased $474 million or 27% to $2,252 million. Trading-related revenue benefitted from higher levels of client activity given the reaction of market participants to the global pandemic. Interest rate trading-related revenue increased $499 million or 71% and foreign exchange trading-related revenue increased $73 million or 18%, both driven by increased client activity. Equities trading-related revenue decreased $252 million or 48%, as the current year included negative impacts related to equity linked notes-related businesses in the volatile second quarter of 2020. Commodities trading-related revenue increased $126 million or 87%, due to increased client hedging activity and an expansion of the business. Other trading-related revenue increased $28 million, primarily due to higher fair value gains associated with hedging exposures on the structural balance sheet in the current year.

The Market Risk section on page 92 provides more information on trading-related revenue.

Trading-related revenue includes net interest income and non-interest revenue earned from on-balance sheet and off-balance sheet positions undertaken for trading purposes. The management of these positions typically includes marking them to market on a daily basis. Trading-related revenue also includes income (expense) and gains (losses) from both on-balance sheet instruments and interest rate, foreign exchange (including spot positions), equity, commodity and credit contracts.

Interest and Non-Interest Trading-Related Revenue (1)

(Canadian $ in millions) (taxable equivalent basis) For the year ended October 31	2020	2019	2018	Change from 2019 (%)
Interest rates	**1,199**	700	437	**71**
Foreign exchange	**474**	401	377	**18**
Equities	**274**	526	709	**(48)**
Commodities	**271**	145	63	**87**
Other	**34**	6	95	**+100**
Total (teb)	**2,252**	1,778	1,681	**27**
Teb offset	**306**	257	260	**19**
Reported total	**1,946**	1,521	1,421	**28**
Reported as:				
Net interest income	**2,237**	1,480	976	**51**
Non-interest revenue – trading revenue	**15**	298	705	**(95)**
Total (teb)	**2,252**	1,778	1,681	**27**
Teb offset	**306**	257	260	**19**
Reported total, net of teb offset	**1,946**	1,521	1,421	**28**

(1) Trading-related revenue is presented on a taxable equivalent basis.

Insurance Claims, Commissions and Changes in Policy Benefit Liabilities

Reported and adjusted insurance claims, commissions and changes in policy benefit liabilities (CCPB) were $1,708 million in 2020, compared with reported $2,709 million and adjusted $2,684 million in the prior year. Adjusted CCPB excludes a $25 million net impact of major reinsurance claims from Japanese typhoons incurred after the announced wind-down of the reinsurance business in the prior year. CCPB decreased, primarily due to lower increases in the fair value of policy benefit liabilities in the current year, resulting from a smaller decrease in long-term interest rates compared with the prior year, lower annuity sales, lower underlying business growth and weaker equity markets. The decrease related to the fair value of policy benefit liabilities was largely offset in revenue, as discussed on page 29.

Provision for Credit Losses

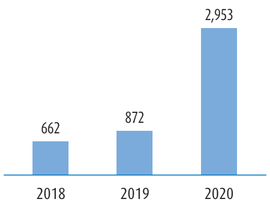
The total provision for credit losses (PCL) was $2,953 million, compared with $872 million in the prior year. Total PCL as a percentage of average net loans and acceptances was 63 basis points in 2020, compared with 20 basis points in the prior year. The PCL on impaired loans was $1,522 million, compared with $751 million in the prior year, reflecting higher provisions in all of the bank's businesses, primarily due to the economic impact of COVID-19. PCL on impaired loans as a percentage of average net loans and acceptances was 33 basis points in 2020, compared with 17 basis points in the prior year. There was a $1,431 million PCL on performing loans in the current year. In the prior year, there was a $121 million PCL on performing loans. The increase in the PCL on performing loans in the current year largely reflected the impact of COVID-19 on the macroeconomic outlook and the impact of a more difficult and uncertain environment on credit conditions, as well as a more severe adverse scenario and increased adverse scenario weight.

Total PCL in Canadian P&C was $1,410 million, an increase of $803 million from the prior year, largely due to a $560 million higher PCL on performing loans, as well as higher commercial provisions on impaired loans. Total PCL in U.S. P&C was $859 million, an increase of $662 million from the prior year, largely due to a $404 million higher PCL on performing loans, as well as higher commercial and consumer provisions on impaired loans, partially as a result of higher recoveries in the prior year. BMO Capital Markets PCL was $659 million, an increase of $579 million from the prior year, reflecting an increase in PCL on performing loans of $321 million and an increase in PCL on impaired loans of $258 million, in part reflecting higher oil and gas provisions. Total PCL in BMO Wealth Management was $22 million, compared with no provision in the prior year, reflecting a higher PCL on both performing loans and impaired loans. Corporate Services PCL was $3 million, compared with recoveries of credit losses of $12 million in the prior year.

On a geographic basis, more than half of the bank's provisions relate to the Canadian loan portfolio, reflecting the larger size of this portfolio, compared with the loan portfolios in the United States and other countries. Total PCL in Canada was $1,493 million, an increase of $929 million from the prior year, and total PCL in the United States was $1,429 million, an increase of $1,129 million from the prior year. Total PCL in other countries was $31 million, an increase of $23 million from the prior year. Note 4 on page 159 of the consolidated financial statements provides information on PCL on a geographic basis. Table 15 on page 136 provides further segmented PCL information.

For additional information, please refer to the Allowance for Credit Losses section on page 114.

Provision for Credit Losses
($ millions)



MD&A

Provision for Credit Losses by Operating Group

(Canadian $ in millions)	Canadian P&C	U.S. P&C	Total P&C	BMO Wealth Management	BMO Capital Markets	Corporate Services	Total Bank
2020							
Provision for (recovery of) credit losses on impaired loans	**787**	**418**	**1,205**	**4**	**310**	**3**	**1,522**
Provision for (recovery of) credit losses on performing loans	**623**	**441**	**1,064**	**18**	**349**	**–**	**1,431**
Total provision for (recovery of) credit losses	**1,410**	**859**	**2,269**	**22**	**659**	**3**	**2,953**
2019							
Provision for (recovery of) credit losses on impaired loans	544	160	704	2	52	(7)	751
Provision for (recovery of) credit losses on performing loans	63	37	100	(2)	28	(5)	121
Total provision for (recovery of) credit losses	607	197	804	–	80	(12)	872
2018							
Provision for (recovery of) credit losses on impaired loans	466	258	724	6	(17)	(13)	700
Provision for (recovery of) credit losses on performing loans	3	(38)	(35)	–	(1)	(2)	(38)
Total provision for (recovery of) credit losses	469	220	689	6	(18)	(15)	662

Provision for Credit Losses Performance Ratios

	2020	2019	2018
Total PCL-to-average net loans and acceptances (annualized) (%)	**0.63**	0.20	0.17
PCL on impaired loans to average net loans and acceptances (annualized) (%)	**0.33**	0.17	0.18

Non-Interest Expense (1)

Non-interest expense was $14,177 million in 2020, compared with $14,630 million in the prior year.

Adjusted non-interest expense was $14,042 million, relatively unchanged from the prior year, with benefits from a disciplined approach to expense management, including the net impact of the pandemic on expenses, and lower employee-related expenses largely offsetting higher premises and equipment costs. Reported non-interest expense was $14,177 million, compared with $14,630 million in the prior year, primarily due to a restructuring charge in the prior year.

Adjusted non-interest expense in both years excludes the amortization of acquisition-related intangible assets and acquisition integration costs. The prior year also excludes restructuring costs, primarily related to severance. The amortization of acquisition-related intangible assets was $121 million and $128 million in 2020 and 2019, respectively. Acquisition integration costs were $14 million and $13 million in 2020 and 2019, respectively.

The dollar and percentage changes in expense by category are outlined in the Non-Interest Expense and Adjusted Non-Interest Expense tables below. Table 4 on page 127 provides more detail on expenses.

Performance-based compensation on a reported and adjusted basis increased $22 million or 1%, primarily due to a pandemic-related stipend for front-line employees. On a reported basis, other employee compensation, which includes salaries, benefits and severance, decreased $501 million or 9%, reflecting restructuring costs in the prior year. On an adjusted basis, other employee compensation decreased $55 million or 1%, primarily due to higher severance expense in BMO Capital Markets in the prior year, partially offset by higher pension expense in the current year.

Premises and equipment costs on a reported basis increased $214 million or 7%, and on an adjusted basis, increased $255 million or 9%, or 8% excluding the impact of the stronger U.S. dollar, primarily due to higher real estate costs, largely due to gains on real estate in the prior year, and higher technology costs. Amortization of intangible assets on a reported basis increased $66 million or 12%, and on an adjusted basis increased $73 million or 17%, reflecting an increase in software amortization. Reported other expenses decreased $254 million or 10%, and adjusted other expenses decreased $258 million or 10%, reflecting a disciplined approach to expense management and the impact of the pandemic, including lower travel and business development costs, and lower professional fees and lower training costs.

BMO's reported efficiency ratio was 56.3%, compared with 57.4% and the adjusted efficiency ratio was 55.8% in 2020, compared with 55.0% in the prior year. On a net revenue basis (2)(3), the reported efficiency ratio improved 380 basis points to 60.4%, and the adjusted efficiency ratio improved 160 basis points to 59.8% in 2020.

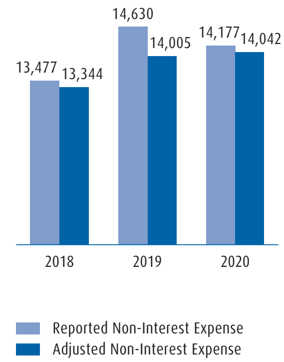
On a net revenue basis (2)(3), reported operating leverage was positive 6.2%, and adjusted operating leverage was positive 2.7%.

(1) Effective the first quarter of 2020, the bank adopted IFRS 16, *Leases* (IFRS 16), recognizing the cumulative effect of adoption in opening retained earnings with no changes to prior periods. Under IFRS 16, the bank as lessee is required to recognize a right-of-use asset and a corresponding lease liability for most leases. For the twelve months ended October 31, 2020, it recognized $360 million of depreciation on the right-of-use assets recorded in non-interest expense and $53 million of interest on the lease liability recorded in interest expense.

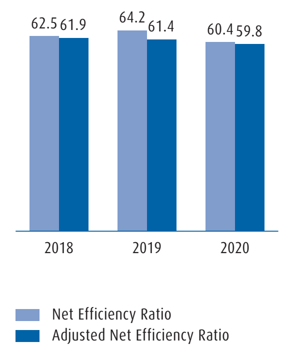
(2) This ratio is calculated excluding insurance claims, commissions and changes in policy benefit liabilities (CCPB). For more information, refer to the Insurance Claims, Commissions and Changes in Policy Benefit Liabilities section on page 30. The bank evaluates performance using adjusted revenue, net of CCPB.

(3) Management assesses performance on a reported basis and an adjusted basis, and considers both to be useful in assessing underlying business performance. Presenting non-interest expenses on an adjusted basis permits readers to better assess results excluding those items that may not be reflective of ongoing results. Refer to the Non-GAAP Measures section on page 17 for further details.

Non-Interest Expense
($ millions)



Net Efficiency Ratio (%)



The **efficiency ratio** (or **expense-to-revenue ratio**) is a measure of productivity. It is calculated as non-interest expense divided by total revenue (on a taxable equivalent basis in the operating groups), expressed as a percentage. The **adjusted efficiency ratio** is calculated in the same manner, utilizing adjusted revenue and adjusted non-interest expense.

Operating leverage is the difference between revenue and expense growth rates. **Adjusted operating leverage** is the difference between adjusted revenue and adjusted expense growth rates.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Non-Interest Expense

(Canadian $ in millions) For the year ended October 31	2020	2019	2018	Change from 2019 (%)
Performance-based compensation	**2,632**	2,610	2,510	**1**
Other employee compensation	**5,312**	5,813	4,951	**(9)**
Total employee compensation	**7,944**	8,423	7,461	**(6)**
Premises and equipment	**3,202**	2,988	2,753	**7**
Other	**2,411**	2,665	2,760	**(10)**
Amortization of intangible assets	**620**	554	503	**12**
Total non-interest expense	**14,177**	14,630	13,477	**(3)**

Adjusted Non-Interest Expense (1)

(Canadian $ in millions) For the year ended October 31	2020	2019	2018	Change from 2019 (%)
Performance-based compensation	**2,629**	2,607	2,508	**1**
Other employee compensation	**5,306**	5,361	4,996	**(1)**
Total employee compensation	**7,935**	7,968	7,504	**–**
Premises and equipment	**3,202**	2,947	2,738	**9**
Other	**2,406**	2,664	2,715	**(10)**
Amortization of intangible assets	**499**	426	387	**17**
Total adjusted non-interest expense	**14,042**	14,005	13,344	**–**

(1) Adjusted non-interest expense excludes restructuring costs, the amortization of acquisition-related intangible assets, acquisition integration costs, and a benefit from the remeasurement of an employee future benefit liability.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Provision for Income Taxes

The provision for income taxes reflected in the Consolidated Statement of Income is based upon transactions recorded in income, regardless of when such transactions are subject to taxation by tax authorities, with the exception of the repatriation of retained earnings from subsidiaries, as outlined in Note 22 on page 201 of the consolidated financial statements.

Management assesses BMO's consolidated results and associated provision for income taxes on a GAAP basis. The bank assesses the performance of the operating groups and associated income taxes on a taxable equivalent basis and reports accordingly.

The provision for income taxes was $1,251 million in 2020, compared with $1,514 million in 2019. The reported effective tax rate in 2020 was 19.7%, compared with 20.8% in 2019. The adjusted provision for income taxes (1) was $1,282 million in 2020, compared with $1,673 million in 2019. The adjusted effective tax rate in 2020 was 19.8%, compared with 21.1% in 2019. The lower reported and adjusted effective tax rates in the current year were due to earnings mix, including the lower pre-tax income.

BMO partially hedges, for accounting purposes, the foreign exchange risk arising from its foreign operations by funding the investments in the corresponding foreign currency. A gain or loss on hedging and an unrealized gain or loss on translation of foreign operations are charged or credited to other comprehensive income. For income tax purposes, a gain or loss on hedging activities results in an income tax charge or credit in the current period that is charged or credited to other comprehensive income, while the associated unrealized gain or loss on the foreign operations does not incur income taxes until the investments are liquidated. The income tax charge/benefit arising from a hedging gain/loss is a function of the fluctuations in exchange rates from period to period. Hedging of foreign operations has given rise to an income tax recovery in other comprehensive income of $35 million in the current year, compared with a recovery of $4 million in 2019. Refer to Note 22 on page 201 of the consolidated financial statements for further details.

Legislative changes and changes in tax policy, including their interpretation by tax authorities and the courts, may impact the bank's earnings. Refer to the discussion in the Critical Accounting Estimates section on page 114 for additional details.

Table 4 on page 127 details the $2,095 million of total government levies and taxes incurred by BMO in 2020. Of this amount, $1,383 million was incurred in Canada, with $767 million recorded in the provision for income taxes, while the remaining $616 million was recorded in total government levies other than income taxes. The decrease from $2,334 million in 2019 was primarily due to a lower provision for income taxes.

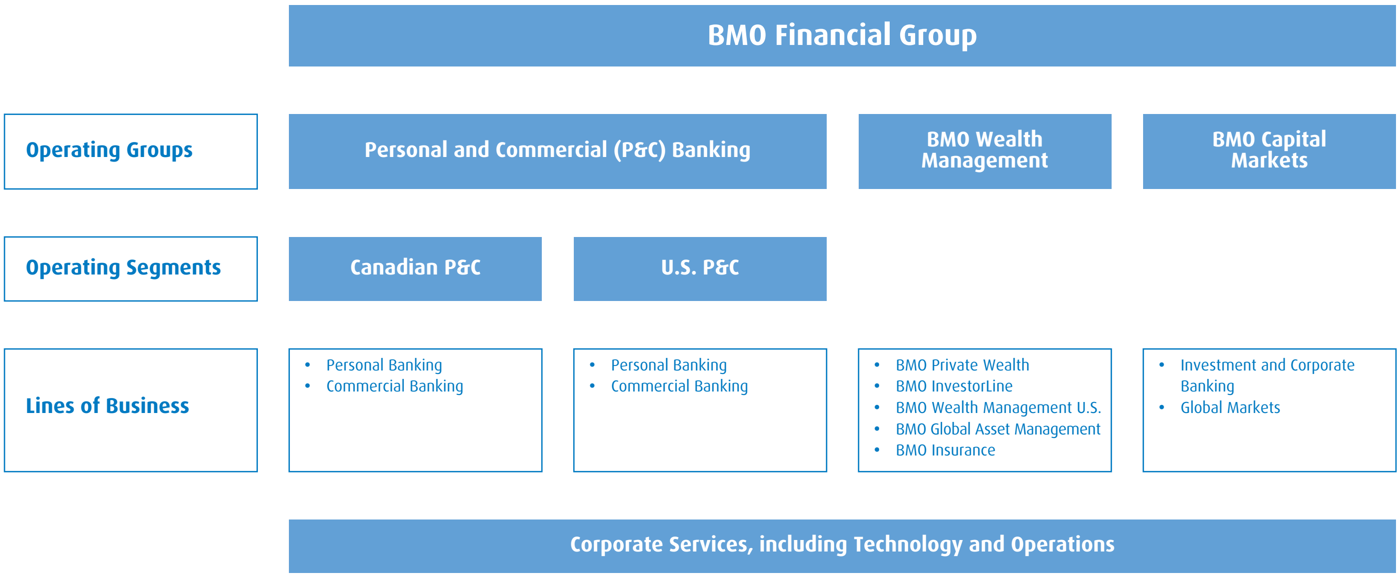
(1) The adjusted rate is computed using adjusted net income rather than reported net income in the determination of income subject to tax.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

2020 Operating Groups Performance Review

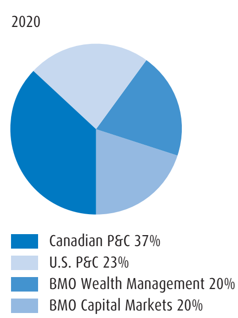
Summary

This section includes an analysis of the financial results of BMO's operating groups and descriptions of their operating segments, businesses, strategies, challenges, achievements and outlooks.

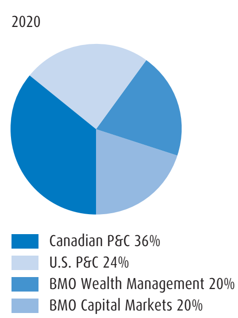


BMO's business mix is well diversified by operating segment and by geography, comprising the key geographies and customer segments that are critical to its strategic plans for sustaining growth and delivering value to its shareholders.

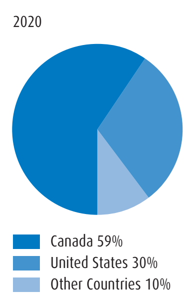
Reported Net Income by Operating Group*



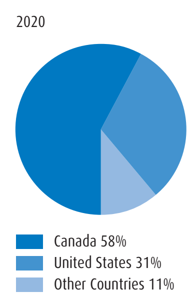
Adjusted Net Income by Operating Group*



Reported Net Income by Geography



Adjusted Net Income by Geography



Numbers may not add due to rounding.
* Percentages determined excluding results in Corporate Services.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

How BMO Reports Operating Group Results

Periodically, certain business lines and units within the business lines are transferred between client and corporate support groups to more closely align BMO's organizational structure with its strategic priorities. In addition, allocations of revenue, provisions for credit losses and expenses are updated to better align with current experience.

The bank adopted IFRS 16, *Leases* (IFRS 16), effective the first quarter of 2020, and recognized the cumulative effect of adoption in opening retained earnings with no changes to prior periods. Under IFRS 16, the bank as lessee is required to recognize a right-of-use asset and a corresponding lease liability for most leases. Depreciation on the right-of-use assets has been recorded in non-interest expense and interest on the lease liability in interest expense. Refer to the Changes in Accounting Policies in 2020 section on page 118 for further details.

BMO analyzes revenue at the consolidated level based on GAAP revenue as reported in the consolidated financial statements rather than on a taxable equivalent basis (teb), which is consistent with the Canadian peer group. Like many banks, BMO analyzes revenue on a teb basis at the operating group level. Revenue and the provision for income taxes are increased on tax-exempt securities to an equivalent before-tax basis to facilitate comparisons of income between taxable and tax-exempt sources. The offset to the group teb adjustments is reflected in Corporate Services revenue and provision for income taxes.

Personal and Commercial Banking

(Canadian $ in millions, except as noted)	Canadian P&C			U.S. P&C			Total P&C		
As at or for the year ended October 31	**2020**	2019	2018	**2020**	2019	2018	**2020**	2019	2018
Net interest income (teb)	**6,105**	5,885	5,546	**4,345**	4,216	3,844	**10,450**	10,101	9,390
Non-interest revenue	**1,930**	2,099	2,040	**1,186**	1,162	1,096	**3,116**	3,261	3,136
Total revenue (teb)	**8,035**	7,984	7,586	**5,531**	5,378	4,940	**13,566**	13,362	12,526
Provision for (recovery of) credit losses on impaired loans	**787**	544	466	**418**	160	258	**1,205**	704	724
Provision for (recovery of) credit losses on performing loans	**623**	63	3	**441**	37	(38)	**1,064**	100	(35)
Total provision for credit losses	**1,410**	607	469	**859**	197	220	**2,269**	804	689
Non-interest expense	**3,890**	3,836	3,681	**3,075**	3,136	2,964	**6,965**	6,972	6,645
Income before income taxes	**2,735**	3,541	3,436	**1,597**	2,045	1,756	**4,332**	5,586	5,192
Provision for income taxes (teb)	**707**	917	882	**320**	434	359	**1,027**	1,351	1,241
Reported net income	**2,028**	2,624	2,554	**1,277**	1,611	1,397	**3,305**	4,235	3,951
Amortization of acquisition-related intangible assets (1)	**2**	2	2	**39**	43	45	**41**	45	47
Adjusted net income	**2,030**	2,626	2,556	**1,316**	1,654	1,442	**3,346**	4,280	3,998
Key Performance Metrics and Drivers									
Net income growth (%)	**(22.7)**	2.7	1.9	**(20.7)**	15.3	37.1	**(21.9)**	7.2	12.1
Adjusted net income growth (%)	**(22.7)**	2.7	1.9	**(20.4)**	14.7	35.3	**(21.8)**	7.1	11.8
Revenue growth (%)	**0.6**	5.2	3.7	**2.8**	8.9	8.4	**1.5**	6.7	5.5
Non-interest expense growth (%)	**1.4**	4.2	5.2	**(1.9)**	5.8	2.6	**(0.1)**	4.9	4.0
Adjusted non-interest expense growth (%)	**1.4**	4.2	5.2	**(1.9)**	6.0	2.8	**–**	5.0	4.1
Return on equity (%)	**18.1**	27.3	30.6	**8.3**	11.0	10.8	**12.5**	17.5	18.6
Adjusted return on equity (%)	**18.1**	27.3	30.6	**8.5**	11.3	11.2	**12.6**	17.7	18.8
Operating leverage (teb) (%)	**(0.8)**	1.0	(1.5)	**4.7**	3.1	5.8	**1.6**	1.8	1.5
Adjusted operating leverage (teb) (%)	**(0.8)**	1.0	(1.5)	**4.7**	2.9	5.6	**1.5**	1.7	1.4
Efficiency ratio (teb) (%)	**48.4**	48.1	48.5	**55.6**	58.3	60.0	**51.3**	52.2	53.0
Adjusted efficiency ratio (teb) (%)	**48.4**	48.0	48.5	**54.6**	57.3	58.8	**50.9**	51.7	52.6
Net interest margin on average earning assets (teb) (%)	**2.60**	2.65	2.61	**3.34**	3.52	3.72	**2.86**	2.95	2.97
Average common equity	**10,963**	9,545	8,222	**14,895**	14,418	12,692	**25,858**	23,963	20,914
Average earning assets	**234,953**	222,260	212,721	**130,190**	119,640	103,393	**365,143**	341,900	316,114
Average gross loans and acceptances	**250,223**	236,889	223,292	**123,953**	113,620	98,000	**374,176**	350,509	321,292
Average net loans and acceptances	**248,972**	236,000	222,429	**123,002**	112,904	97,345	**371,974**	348,904	319,774
Average deposits	**204,942**	175,125	159,483	**132,041**	106,733	90,738	**336,983**	281,858	250,221
Full-time equivalent employees	**13,883**	14,638	14,704	**6,415**	6,828	7,219	**20,298**	21,466	21,923

(1) Total P&C before tax amounts of $55 million in 2020, $59 million in 2019 and $61 million in 2018 are included in non-interest expense.

Adjusted results in this table are non-GAAP amounts or non-GAAP measures. Please refer to the Non-GAAP Measures section on page 17.

The Personal and Commercial Banking (P&C) operating group represents the sum of the bank's two retail and commercial banking operating segments, Canadian Personal and Commercial Banking (Canadian P&C) and U.S. Personal and Commercial Banking (U.S. P&C). Given the pandemic's impact on the global economy, there has been a corresponding negative impact on the financial results in the P&C businesses, due to higher credit provisions and the lower interest rate environment, including rate cuts implemented by the Bank of Canada and the Federal Reserve during the second quarter of 2020 and lower non-interest revenue. The combined P&C banking business net income was $3,305 million, compared with $4,235 million in the prior year. Adjusted net income, which excludes the amortization of acquisition-related intangible assets, was $3,346 million, compared with $4,280 million in the prior year. Reported and adjusted net income were impacted by higher provisions for credit losses, which increased $1,465 million pre-tax, or $1,079 million after tax from the prior year, primarily due to the impact of COVID-19. These operating segments are reviewed separately in the sections that follow.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Canadian Personal and Commercial Banking

Canadian Personal and Commercial Banking provides financial products and services to eight million customers. Personal Banking helps customers make real financial progress through a network of almost 900 branches, contact centres, digital banking platforms and over 3,200 automated teller machines. Commercial Banking serves clients across Canada and commercial bankers are trusted advisors and partners to their clients, delivering sector and industry expertise, local presence and a full suite of commercial products and services.

Lines of Business

Personal Banking provides customers with a wide range of products and services, including chequing and savings accounts, credit cards, mortgages, personal loans and everyday financial and investment advice, with an overall focus on providing customers with an exceptional experience in every interaction, and helping them make real financial progress.

Commercial Banking provides clients with a comprehensive range of commercial products and services, including multiple financing options and treasury and payment solutions, as well as risk management products. Commercial bankers partner with clients, anticipating their financial needs, and sharing expertise and knowledge to help them grow and manage their businesses.

Strategy and Key Priorities

2020 Priorities and Achievements

Key Priority: In Personal Banking, deepen primary relationships, enhance digital capabilities and deliver a leading customer experience

Achievements

- Continued to strengthen customer loyalty, with an 18% increase in Net Promoter Score during the year. Ranked first in the J.D. Power 2020 Canada Retail Banking Advice Satisfaction Study, with top marks in several categories, including concern for customer needs, clarity of advice and quality of advice
- Gained market share in key focus areas, including personal loans, deposits and credit cards
- Renewed the partnership with the Canadian Forces Morale and Welfare Services (CFMWS) as their official bank, continuing to serve as the exclusive provider of banking services and financial products to members of the Canadian defence community
- Strengthened top-tier digital sales capability, resulting in digital sales growth of 9%, driven by growth across personal lending and deposit products
- Received the Gartner Eye on Innovation Award and the Banking Technology Award for BMO QuickPay, an automated bill payment solution, which is a first for a Canadian financial institution
- Recognized by Business Intelligence Group with the 2020 Artificial Intelligence Excellence Award for AI-based cash flow prediction solution for everyday banking customers, with BMO the first bank ever to receive this award
- Launched BMO Insights, a mobile tool that helps customers improve their financial lives via in-context advice and guidance

Key Priority: In Commercial Banking, focus on maintaining core strengths, target opportunities for growth and diversification across high-value sectors and businesses, invest in digital and payment capabilities, and continue to leverage cross-bank collaboration

Achievements

- Gained market share in both commercial loans and deposits, maintaining growth momentum, while managing risk effectively
- Continued to maintain best-in-class customer loyalty, as measured by Net Promoter Score
- Named the Best Commercial Bank in Canada for the sixth consecutive year by *World Finance Magazine* at its 2020 Banking Awards, in recognition of a strong regional and industry focus, as well as commitment to building customer relationships and providing innovative solutions
- Introduced a dedicated agriculture banking team that will provide customized and comprehensive banking solutions for agriculture and agribusiness clients across Canada
- Rolled out enhanced analytics for increased efficiency and effectiveness in portfolio risk monitoring and identifying emerging client needs
- Improved processes and increased efficiencies in the Business Banking Express (BBX) platform, allowing the bankers to spend more time engaging directly with customers; expanded the platform to agriculture customers, allowing them to secure loans of up to $1 million within a day
- Provided clients with faster payment options while making it easier for them to monitor payments with near real-time tracking
- Digitized and streamlined commercial account opening process through an electronic portal with e-signatures
- Continued to strengthen cross-border capabilities to improve efficiencies and customer experience through technology platform changes related to wire transfers, receivables and billing

Key Priority: Support customers, employees and the broader community to alleviate the adverse impact of the COVID-19 pandemic

Achievements

- Supported customers experiencing financial stress by implementing internal financial relief programs and partnering with the Government of Canada on various financial assistance programs:
  - For Personal Banking customers, provided financial relief to over 225,000 customers through various internal support measures, including payment deferrals and interest rate reductions; launched an inbound calling program to support BMO's customer contact centre, with more than 225 bankers fielding over 65,000 customer calls during the peak of the first wave of the pandemic; and created a direct deposit enrollment capability to allow impacted personal banking customers to seamlessly receive the Canada Emergency Response Benefit (CERB)
  - For Commercial Banking customers, proactively engaged with and guided over 70,000 clients to the appropriate BMO or government assistance programs, with over $2.5 billion in loans approved through the Canada Emergency Business Account (CEBA) program and over $15 billion in outstanding balances deferred through internal BMO programs at the peak of the first wave of the pandemic
- Implemented initiatives to support employees in promoting safe operations during the pandemic, including changes to the branch operating model, support for remote delivery of services, enhanced safety protocols, stipends for front-line employees, virtual tools and information sessions, and an Employee Assistance Program
- Created a dedicated Online Resource Hub featuring specialized content and resources to help Canadians navigate COVID-19 and better position them for long-term growth
- Released multiple straight-through, self-serve digital capabilities to aid customers, including credit card PIN reset, credit card lock and unlock, and a seamless digital enrollment experience

MD&A

2021 Focus

- Continue to improve customer loyalty by deepening primary relationships, provide necessary support to customers and employees in the new operating environment, and drive an inclusive and high-performance work culture
- Leverage the full suite of products, solutions and capabilities, and the unique cross-border advantage to offer a compelling value proposition to customers
  - In Personal Banking, drive top-tier customer acquisition, build leading share of wallet, and enhance the digital experience
  - In Commercial Banking, strengthen core market presence and continue to build share of wallet, strengthen digitization and digital capabilities, drive growth and enhance return on equity, while continuing to manage risk effectively, and leverage cross-bank collaboration
- Drive efficiencies by simplifying and streamlining operations, investing in digital capabilities and through cross-bank collaboration

Canadian P&C

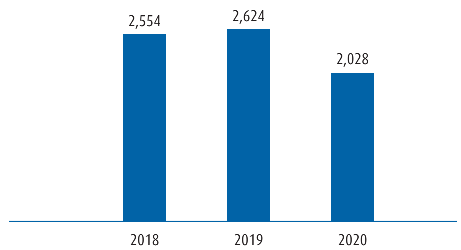
(Canadian $ in millions, except as noted) As at or for the year ended October 31	**2020**	2019	2018
Net interest income	**6,105**	5,885	5,546
Non-interest revenue	**1,930**	2,099	2,040
Total revenue (teb)	**8,035**	7,984	7,586
Provision for (recovery of) credit losses on impaired loans	**787**	544	466
Provision for (recovery of) credit losses on performing loans	**623**	63	3
Total provision for credit losses	**1,410**	607	469
Non-interest expense	**3,890**	3,836	3,681
Income before income taxes	**2,735**	3,541	3,436
Provision for income taxes	**707**	917	882
Reported net income	**2,028**	2,624	2,554
Amortization of acquisition-related intangible assets (1)	**2**	2	2
Adjusted net income	**2,030**	2,626	2,556
Key Performance Metrics and Drivers			
Personal revenue	**4,968**	4,994	4,921
Commercial revenue	**3,067**	2,990	2,665
Net income growth (%)	**(22.7)**	2.7	1.9
Revenue growth (%)	**0.6**	5.2	3.7
Non-interest expense growth (%)	**1.4**	4.2	5.2
Adjusted non-interest expense growth (%)	**1.4**	4.2	5.2
Return on equity (%)	**18.1**	27.3	30.6
Adjusted return on equity (%)	**18.1**	27.3	30.6
Operating leverage (%)	**(0.8)**	1.0	(1.5)
Adjusted operating leverage (%)	**(0.8)**	1.0	(1.5)
Efficiency ratio (%)	**48.4**	48.1	48.5
Net interest margin on average earning assets (%)	**2.60**	2.65	2.61
Average earning assets	**234,953**	222,260	212,721
Average gross loans and acceptances	**250,223**	236,889	223,292
Average net loans and acceptances	**248,972**	236,000	222,429
Average deposits	**204,942**	175,125	159,483
Full-time equivalent employees	**13,883**	14,638	14,704

(1) Before tax amounts of $2 million in each of 2020, 2019 and 2018 are included in non-interest expense.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

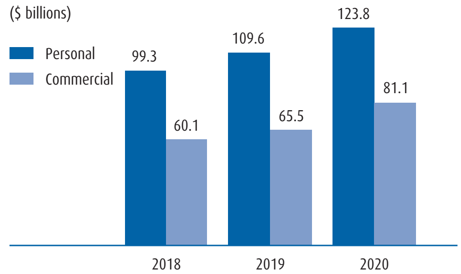
Reported Net Income

($ millions)



Average Deposits*

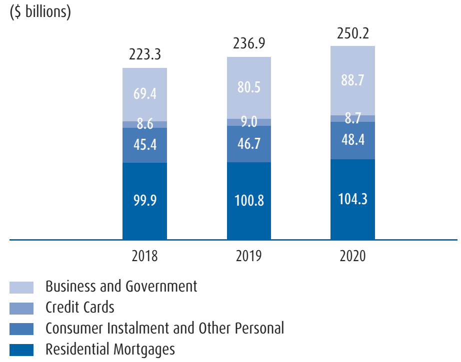
($ billions)



*Numbers may not add due to rounding.

Average Gross Loans and Acceptances*

($ billions)



*Numbers may not add due to rounding.

Financial Review

Canadian P&C reported net income was $2,028 million, or 23% lower than $2,624 million in the prior year, and adjusted net income was $2,030 million, also 23% lower than $2,626 million in the prior year. Adjusted net income excludes the amortization of acquisition-related intangible assets. The decrease largely reflects higher provisions for credit losses, with higher revenue offset by higher expenses.

Revenue was $8,035 million, an increase of $51 million or 1% from the prior year, due to higher average balances across most products, partially offset by lower margins and lower non-interest revenue. Revenue was negatively impacted by the COVID-19 pandemic with pressure on margins from the record-low interest rate environment, and lower credit card fee revenue and deposit fee revenue. Personal revenue decreased $26 million, due to lower margins and lower non-interest revenue, largely offset by higher balances across most products. Commercial revenue increased $77 million or 3%, due to higher balances across most products, partially offset by lower margins and lower non-interest revenue.

Net interest margin of 2.60% decreased 5 basis points from the prior year, driven by deposit and loan margin compression, partially offset by deposits growing faster than loans.

The total provision for credit losses was $1,410 million, an increase of $803 million from the prior year, reflecting the impact of the pandemic. The provision for credit losses on impaired loans of $787 million increased $243 million, due to higher commercial provisions in the current year. There was a $623 million provision for credit losses on performing loans in the current year, compared with a $63 million provision for credit losses on performing loans in the prior year. For additional information, please refer to the Provision for Credit Losses section on page 31.

Non-interest expense was $3,890 million, an increase of $54 million or 1% from the prior year, primarily due to higher technology and pension costs, partially offset by lower employee-related costs.

Average gross loans and acceptances increased $13.3 billion or 6% from the prior year to $250.2 billion. Personal lending balances (excluding retail cards) increased 4%, including 7% growth in proprietary mortgages and amortizing home equity line of credit loans. Commercial loan balances (excluding corporate cards) increased 10%, with growth across a number of industry sectors. Average deposits increased $29.8 billion or 17% to $204.9 billion, with 13% growth in personal balances and 24% growth in commercial balances, reflecting higher liquidity retained by customers, due to the impact of COVID-19.

Gross loans and acceptances as at October 31, 2020, increased $6.7 billion or 3% from the prior year to $253.0 billion, with growth in personal loans (excluding retail cards) of 4% and growth in commercial loans (excluding corporate cards) of 2%. Deposits as at October 31, 2020, increased $32.1 billion or 17% to $220.6 billion, with growth in personal deposit balances of 10% and in commercial deposit balances of 28%.

Business Environment, Outlook and Challenges

The COVID-19 pandemic has dealt a major shock to the economy that has added significant challenges to the personal and commercial businesses, in an already highly competitive and rapidly changing environment. Traditional competitors continue to invest in innovative technologies that allow them to serve customers in new ways and focus more effectively on the customer experience. Non-traditional competitors have continued to gain momentum and are deepening their connections with banks in order to enhance their products and build customer relationships.

The Canadian economy contracted in the first half of 2020, due to business shutdowns aimed at limiting the spread of COVID-19, resulting in a high unemployment rate, lower consumer spending and a decline in business profits and investments. The economy improved as businesses reopened, the Bank of Canada maintained record-low policy rates and the federal government continued its extraordinary fiscal policy support. The housing market remains strong, supported by the low interest rate environment and the growth of work-from-home arrangements. The economic recovery is expected to take an extended period of time, in part due to the increased restrictions on activity introduced to slow down the spread of the virus, as the employment rate gradually improves and the low interest rate environment persists, encouraging higher consumer spending and business investment.

During this unprecedented time, Canadian P&C remained dedicated to standing by its customers and collaborated with the federal government to implement financial relief measures, such as payment deferrals and lending facilities, to help individuals and businesses. The bank also worked to ensure that customers have access to government assistance programs, such as the Canada Emergency Business Account (CEBA) program and Business Credit Availability Program (BCAP).

Canadian P&C remains resilient, with a continued focus on improving customer loyalty, enhancing efficiencies and expense management, to support customers and deliver value to shareholders, notwithstanding the pressure of the low interest rate environment on revenue and a gradual economic recovery.

Personal banking continues to deepen primary customer relationships, while leveraging digital capabilities through investment in new technologies and enhanced networks. Commercial banking is committed to building its business by targeting commercial opportunities across geographic regions, market segments and industry sectors, especially in high-value sectors and businesses.

Technology will continue to play a leading role in delivering exceptional experiences for the bank's customers, while enhancing the efficiency of its operations.

The Canadian economic environment in 2020 and the outlook for 2021 are discussed in more detail in the Economic Developments and Outlook section on page 18.

Caution

This Canadian Personal and Commercial Banking section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

U.S. Personal and Commercial Banking

U.S. Personal and Commercial Banking serves more than two million customers by providing a banking experience with a human touch, while delivering a broad range of financial services. Personal Banking serves customers seamlessly across an extensive network of more than 525 branches, dedicated contact centres, digital banking platforms, and nationwide access to more than 40,000 automated teller machines. Commercial Banking serves clients across the United States and commercial bankers are trusted advisors and partners to their clients, delivering sector and industry expertise, local presence and a full suite of commercial products and services.

Lines of Business

Personal Banking offers a variety of products and services, including deposits, home lending, consumer credit, small business lending, credit cards and other banking services; with an overall focus on providing customers with an exceptional experience in every interaction and helping them make real financial progress.

Commercial Banking provides clients with a comprehensive range of commercial products and services, including multiple financing options and treasury and payment solutions, as well as risk management products. Commercial bankers partner with clients, anticipating their financial needs and sharing expertise and knowledge to help them grow and manage their businesses.

Strategy and Key Priorities

2020 Priorities and Achievements

Key Priority: Deliver a great experience for customers and employees, and continue to strengthen competitive position by investing in key capabilities, while leveraging BMO's full suite of products, solutions and capabilities, and unique cross-border advantage

Achievements

- Continued to strengthen customer loyalty in Personal Banking, as measured by Net Promoter Score, and maintained best-in-class Net Promoter Score in Commercial Banking
- Reinforced second-place ranking in deposit market share in the core Chicago and Wisconsin markets, with a top three position across the Midwest footprint
- Recognized on *Forbes Magazine*'s World's Best Banks 2020 list, based on a survey of consumers on key attributes, including trust, fees, digital services and financial advice
- Ranked third among customers on overall reputation among the 40 leading banks in the 2020 *American Banker/RepTrak* Survey of Bank Reputations, which assesses financial institutions for their products and services, innovation, leadership, performance, citizenship and governance
- Partnered with Chicago-based fintech private business incubator 1871 for a third successive year, with a dedicated focus on mentoring women-led start-ups in 2020, reflecting the bank's commitment to support the entrepreneurial and innovation ecosystem
- Named a top U.S. regional bank by *Bankrate,* recognizing product features such as fee waivers and low opening minimum balances that help customers make real financial progress
- Named one of the Best Places to Work for Disability Inclusion for the fifth consecutive year, achieving a maximum score of 100 on the Disability Equality Index (DEI)
- Recognized by *Forbes Magazine* as one of the Best Employers for Diversity for the second consecutive year, based on an independent survey of more than 50,000 U.S.-based employees
- Ranked first for Best Workplace Culture in Banking/Finance for the second consecutive year in Ranking Arizona, the largest business opinion poll in Arizona, with more than 15,000 companies participating and over one million respondents
- Rated Outstanding by the Office of the Comptroller of the Currency on *Community Reinvestment Act* performance, recognizing the commitment to help support low and moderate-income communities

Key Priority: In Personal Banking, drive strong deposit growth, new customer acquisition, and a larger share of wallet through more holistic customer conversations and digital engagement

Achievements

- Continued to enhance digital capabilities and new online banking features through the launch of Business Banking Express (BBX) in U.S. branches, significantly reducing application time
- Delivered strong deposit growth of 8%, enabled by a robust product offering and pricing optimization, while managing changes in external market conditions
- Leveraged expanded digital deposit gathering capabilities to drive digital deposits across 50 states
- One among eleven select U.S. banks chosen to offer Plex Accounts in Google Pay, mobile-first chequing accounts, launching in 2021, an acknowledgement of BMO's proven ability to deliver innovative and customer-centric digital financial services
- Introduced digital capabilities in branches to facilitate consistent customer-centric needs-based conversations and recommendations

Key Priority: In Commercial Banking, build a national presence through growth in high-potential geographies and specialty businesses, invest in digital and payment capabilities, and continue to leverage cross-bank collaboration

Achievements

- Extended geographic footprint by opening a new office in Los Angeles to grow BMO's presence in Southern California, providing businesses with access to the full array of industry expertise, financial solutions and capabilities, complemented by local market knowledge
- Broadened the national franchise with new specialty businesses, including expanded coverage of the Technology and Innovation Banking Group in the United States
- Continued to deliver peer-leading deposit growth supported by sales initiatives, external market conditions and further differentiating the product and service offering
- Provided clients with faster payment options while making it easier for them to monitor payments with near real-time tracking
- Digitized and streamlined commercial account opening process through an electronic portal with e-signatures
- Continued to strengthen cross-border capabilities to improve efficiencies and customer experience through technology platform changes related to wire transfers, receivables and billing

Key Priority: Support customers, employees and the broader community to alleviate the adverse impact of the COVID-19 pandemic

Achievements

- Supported customers experiencing financial stress by implementing internal and government relief measures, and providing hardship assistance:
  - For business customers, BMO secured more than US$5 billion in total funding for more than 20,000 businesses through the Small Business Administration's Paycheck Protection Program (PPP), with a dedicated team of 500 members working toward meeting customer needs
  - For Personal Banking customers, bankers proactively spoke to over 200,000 customers to offer a wellness check, and extended hardship relief to over 13,000 consumers
  - For Commercial Banking customers, swiftly implemented internal relief programs to address clients' liquidity concerns, and proactively engaged with clients with strategic advice and thought leadership
  - Implemented initiatives to support employees delivering essential services, including changes to the branch operating model, support for remote delivery of services, enhanced safety protocols, financial assistance in recognition of service, virtual tools and information sessions, and an Employee Assistance Program
- Contributed US$10 million in support of the Chicago Mayor's Economic Development Plan with United Way's Neighborhood Network, which primarily serves Black and Latino communities; additionally, pledged up to US$500,000 to support crisis relief efforts in areas of immediate community need
- Donated 23,000 N95 masks to hospitals and first responders in the Chicago area, an initiative led by branch staff
- Committed to Chicago homeowners by signing the Mayor's Chicago Housing Solidarity Pledge, an initiative designed to address the unprecedented housing challenge resulting from the COVID-19 pandemic through hardship relief measures for eligible mortgage borrowers
- Launched the BMORE technical hiring program in Chicago's Austin and Little Village neighbourhoods to remove barriers to banking careers for individuals who might otherwise not consider a career in financial services

2021 Focus

- Deliver a great experience for customers and employees, while adapting to the new operating environment, and continue to build a base of loyal customers and drive an inclusive and high-performance work culture
- Leverage the full suite of products, solutions and capabilities, and the unique cross-border advantage to offer a compelling value proposition to customers
  - In Personal Banking, continue to drive new customer acquisition, maintain robust deposit growth, improve profitability in consumer lending, build a flagship franchise in Small Business Banking and increase digital engagement
  - In Commercial Banking, strengthen core market presence and continue to build share of wallet, strengthen digitization and digital capabilities, drive growth and enhance return on equity, while continuing to manage risk prudently, and leverage cross-bank collaboration
- Drive efficiencies by simplifying and streamlining operations, investing in digital capabilities and through cross-bank collaboration

MD&A

U.S. P&C

(Canadian $ equivalent in millions, except as noted) As at or for the year ended October 31	2020	2019	2018
Reported net income	**1,277**	1,611	1,397
Adjusted net income	**1,316**	1,654	1,442
Net income growth (%)	**(20.7)**	15.3	37.1
Adjusted net income growth (%)	**(20.4)**	14.7	35.3

(US$ in millions, except as noted)			
Net interest income (teb)	**3,231**	3,173	2,984
Non-interest revenue	**882**	875	851
Total revenue (teb)	**4,113**	4,048	3,835
Provision for (recovery of) credit losses on impaired loans	**310**	121	201
Provision for (recovery of) credit losses on performing loans	**328**	28	(31)
Total provision for credit losses	**638**	149	170
Non-interest expense	**2,287**	2,360	2,301
Income before income taxes	**1,188**	1,539	1,364
Provision for income taxes (teb)	**238**	327	279
Reported net income	**950**	1,212	1,085
Amortization of acquisition-related intangible assets (1)	**30**	32	35
Adjusted net income	**980**	1,244	1,120

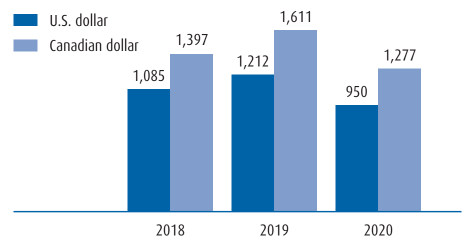
Key Performance Metrics and Drivers (US$ basis)			
Personal revenue	**1,293**	1,359	1,257
Commercial revenue	**2,820**	2,689	2,578
Net income growth (%)	**(21.6)**	11.7	38.9
Adjusted net income growth (%)	**(21.2)**	11.1	37.1
Revenue growth (%)	**1.6**	5.6	9.9
Non-interest expense growth (%)	**(3.1)**	2.6	4.0
Adjusted non-interest expense growth (%)	**(3.0)**	2.8	4.3
Return on equity (%)	**8.3**	11.0	10.8
Adjusted return on equity (%)	**8.5**	11.3	11.2
Operating leverage (teb) (%)	**4.7**	3.0	5.9
Adjusted operating leverage (teb) (%)	**4.6**	2.8	5.6
Efficiency ratio (teb) (%)	**55.6**	58.3	60.0
Adjusted efficiency ratio (teb) (%)	**54.6**	57.3	58.8
Net interest margin on average earning assets (teb) (%)	**3.34**	3.53	3.72
Average earning assets	**96,810**	90,035	80,254
Average gross loans and acceptances	**92,170**	85,505	76,066
Average net loans and acceptances	**91,462**	84,966	75,557
Average deposits	**98,203**	80,316	70,431
Full-time equivalent employees	**6,415**	6,828	7,219

(1) Before tax amounts of US$39 million in 2020, US$43 million in 2019 and US$45 million in 2018 are included in non-interest expense.

Adjusted results in this table are non-GAAP amounts or non-GAAP measures. Please refer to the Non-GAAP Measures section on page 17.

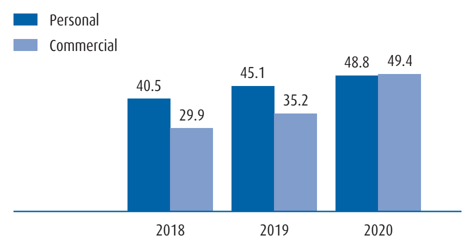
Reported Net Income

($ millions)



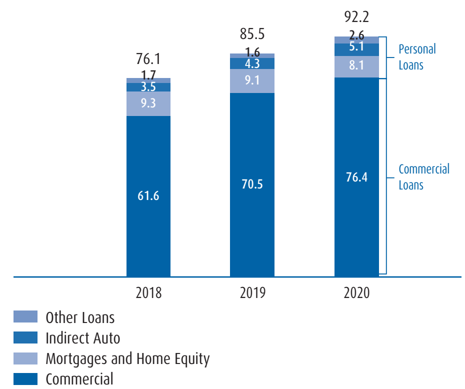
Average Deposits

(US$ billions)



Average Gross Loans and Acceptances

(US$ billions)



Financial Review

U.S. P&C reported net income was $1,277 million, or 21% lower than $1,611 million in the prior year, and adjusted net income was $1,316 million, or 20% lower than $1,654 million. Adjusted net income excludes the amortization of acquisition-related intangible assets. All amounts in the remainder of this section are on a U.S. dollar basis.

Reported net income was $950 million, or 22% lower than $1,212 million in the prior year, and adjusted net income was $980 million, or 21% lower than $1,244 million, due to higher provisions for credit losses, partially offset by lower expenses and higher revenue.

Revenue was $4,113 million, an increase of $65 million or 2%, primarily due to growth in deposits and higher average loan balances, higher loan margins, as well as higher non-interest revenue, partially offset by lower deposit product margins, reflecting the impact of lower rates. Revenue was negatively impacted by the COVID-19 pandemic, as the record-low interest rate environment led to pressure on margins. Personal revenue decreased $66 million or 5%, largely due to lower deposit revenue, partially offset by higher loan revenue. Commercial revenue increased $131 million or 5%, due to higher loan and deposit balances, increased loan margins, as well as improved non-interest revenue, partially offset by lower margins on deposits.

Net interest margin of 3.34% decreased 19 basis points from the prior year, primarily due to lower deposit product margins, partially offset by higher loan margins and deposits growing faster than loans.

The total provision for credit losses was $638 million, an increase of $489 million from the prior year, reflecting the impact of the pandemic. The provision for credit losses on impaired loans increased $189 million, largely due to higher commercial and consumer provisions in the current year, partly as a result of higher recoveries in the prior year. There was a $328 million provision for credit losses on performing loans in the current year, compared with a $28 million provision for credit losses on performing loans in the prior year. For additional information, please refer to the Provision for Credit Losses section on page 31.

Non-interest expense was $2,287 million, a decrease of $73 million or 3%, and adjusted non-interest expense was $2,248 million, a decrease of $69 million or 3%, primarily due to lower employee-related costs and other discretionary spending, including travel and business development costs, reflective of the continued focus on expense management.

Average gross loans and acceptances increased $6.7 billion or 8% from a year ago to $92.2 billion, driven by commercial loan growth of 8% and higher personal loan balances of 5%, including growth in government lending loan programs related to COVID-19. Average deposits increased $17.9 billion or 22% to $98.2 billion, with 41% growth in commercial balances and 8% growth in personal balances, reflecting the higher liquidity retained by customers due to the impact of COVID-19.

Gross loans and acceptances as at October 31, 2020, decreased $2.1 billion or 2% from the prior year to $88.7 billion, driven by a decline of 5% in personal loan balances and 2% in commercial loan balances. Deposits as at October 31, 2020, increased $18.4 billion or 21% to $104.6 billion, with growth in commercial deposit balances of 42% and in personal deposit balances of 4%.

Business Environment, Outlook and Challenges

The U.S. P&C business is primarily based in eight states (Illinois, Wisconsin, Missouri, Indiana, Minnesota, Kansas, Arizona and Florida). In addition, the commercial business provides targeted nationwide coverage for key specialty sectors and has offices in select regional markets.

The COVID-19 pandemic continues to have a series of intense impacts on the economy and society. The financial effect of the pandemic led to a severe contraction of the U.S. economy and steep job losses in the first half of 2020, in part due to decreased consumer demand and business spending. The economy is now undergoing a recovery, supported by extraordinary U.S. fiscal policy stimulus, record-low Federal Reserve policy rates and the re-opening of non-essential businesses. These efforts have lowered the unemployment rate and lifted the housing market. In 2021, uncertain U.S. fiscal policies and U.S./China trade relations are expected to impact the economy, while the still-high level of new infections in the United States will cause further uncertainty and the potential for new restrictions on activity until a vaccine becomes available and is widely distributed.

During this period of extraordinary disruption, U.S. P&C remained committed to its customers and employees, as well as the bank's shareholders, and took an active role in restoring local communities. The bank also worked closely with governments and agencies to implement the Payment Protection Program (PPP) to reduce the financial hardship caused by the COVID-19 pandemic, including payment deferrals and lending facilities designed to help individuals and businesses to withstand stress and recover financially.

U.S. P&C is currently operating in a challenging environment, with lower interest rates adding pressure on both margins and customer acquisition. The bank will continue to monitor the competitive landscape in order to effectively price its products and services, while maintaining a prudent risk profile and a disciplined approach to expense management.

The commercial banking business continues to be high-performing, providing expert-level advice that is timely, impactful and within its risk appetite. The personal banking business continues to contribute to growth by enabling frictionless digital experiences, designing valuable products and features and offering the right product at the right time.

The personal and commercial businesses have a clear focus on executing the bank's strategy and are well equipped to withstand the current economic environment and Boldly Grow the Good *in business and life*.

The U.S. economic environment in 2020 and the outlook for 2021 are discussed in more detail in the Economic Developments and Outlook section on page 18.

Caution

This U.S. Personal and Commercial Banking section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

BMO Wealth Management

BMO Wealth Management serves a full range of clients from individuals and families to business owners and institutions. It offers a wide spectrum of asset, wealth management and insurance products and services aimed at helping clients plan, grow, protect and transition their wealth. The asset management business is focused on making a positive impact and delivering innovative client solutions.

Lines of Business

BMO Private Wealth provides full-service investing and wealth advisory services to high net worth and ultra-high net worth clients, leveraging strong financial planning and advice-based solutions such as investment management, business succession planning, trust and estate services, and philanthropy.

BMO InvestorLine is a digital investing service that offers clients three ways to invest: a top-ranked self-directed online trading platform, which allows clients to take control of their investments; adviceDirect™, which combines the freedom of self-directed investing with personalized advice and support; and SmartFolio™, a digital solution that matches a portfolio to the client's goals while a professional investment team handles day-to-day investment management.

BMO Wealth Management U.S. offers financial solutions to mass affluent, high net worth and ultra-high net worth families and businesses.

BMO Global Asset Management provides investment management and trust and custody services to institutional, retail and high net worth investors around the world. BMO Mutual Funds and BMO Exchange Traded Funds offer clients innovative investment solutions across a range of channels.

BMO Insurance is a diversified insurance and wealth solutions provider and a leader in pension de-risking solutions. It manufactures individual life, critical illness and annuity products as well as segregated funds. It also offers group creditor and travel insurance to bank customers in Canada.

Strategy and Key Priorities

2020 Priorities and Achievements

Key Priority: Deliver a differentiated client experience, providing outstanding support and working together to plan, grow, protect and transition their wealth with confidence

Achievements

- Continued to support clients' evolving needs during this challenging time, including providing expert advice and help in accessing financial relief measures, extending the grace period for most insurance premiums, digitizing processes and enabling call centres to support a significant increase in online brokerage transaction volumes and new accounts. Proactive client support continues to strengthen customer loyalty, with a 22% increase in Net Promoter Score over the past three years
- Created the Wealth Insights Hub to help clients navigate the financial challenges and opportunities brought on by the COVID-19 pandemic, delivering research, information and advice to clients virtually, in one easy-to-navigate central location
- BMO Private Banking was named Best Private Bank in Canada by *World Finance* magazine for the tenth consecutive year, in recognition of its client-centric approach and ability to understand and adapt to evolving trends. In addition, U.S. Private Bank was recognized by *Global Finance Magazine* as Best Private Bank for Entrepreneurs
- Transformed the digital investing experience for clients, launching enhanced InvestorLine and adviceDirect websites that offer new features and provide a more intuitive way to invest
- Continued to expand capabilities for serving ultra-high net worth clients with bespoke Family Office offerings designed for their unique needs

Key Priority: Extend advantage as a solutions provider, delivering innovative asset management and insurance offerings that anticipate clients' evolving needs and exceed their expectations

Achievements

- Building on a leadership position in responsible investing, BMO Asset Management launched a suite of indexed Environmental, Social and Governance (ESG) exchange traded funds (ETFs) and raised over $1 billion for the Sustainable Development Goals (SDG) Engagement Global Equity Fund, supporting clients' increasing preference to align financial and social goals. BMO was also recognized by *Investment Week's* Sustainable and ESG Investment Awards, winning Best ESG Research Team for the second consecutive year and Best ESG Investment Fund for its BMO Responsible Global Equity Fund
- Selected as asset manager for the Bank of Canada's Provincial Bond Purchase Program, which aims to support the liquidity and efficiency of provincial government funding markets and will hold up to $50 billion of assets
- Maintained leadership position in Canadian ETFs, ranking #1 in net new asset growth for the tenth consecutive year and #2 in market share
- BMO Insurance continued to enhance its products to meet clients' evolving needs, including expanding its Whole Life Insurance portfolio with the introduction of a new Wealth Accelerator plan option and the launch of the North American Equity Enhanced Market Indexed Account (EMIA), a new investment option available exclusively on its Universal Life insurance policies

Key Priority: Build on a strong foundation and continue to evolve, simplify and streamline businesses to drive value, efficiency and returns

Achievements

- Accelerated digital capabilities in response to the COVID-19 pandemic, including transitioning over 90% of the global workforce to work remotely, implementing consistent team and client collaboration tools, and re-engineering relevant processes to be fully digital
- Introduced and enhanced digital solutions that make it easier for clients to do business with us, including scanning and e-signature capabilities
- Introduced new, interactive client features to BMO WealthPath, a digital, goal-based financial planning platform, enabling clients to explore different planning scenarios and navigate changes
- Enhanced the online application journey, doubling application completion rates and enabling InvestorLine to successfully navigate more than a 30% increase in new account openings
- Launched an Automated Underwriting Rules Engine, in partnership with one of North America's largest reinsurers, to enhance data analytic capabilities for predictive modelling and straight-through processing

Key Priority: Continue to strengthen collaboration across BMO Wealth Management, the enterprise and borders to bring the best of BMO to all clients

Achievements

- Continued to grow a world-class partnership for business owner clients with Business and Commercial Banking, including increased referral participation and new joint offices in Atlanta and Dallas, which has led to significant new client opportunities and deeper relationships with existing clients
- Introduced dedicated, specialized teams to support women entrepreneurs, bringing together Private Wealth, Business Banking and Financial Planning to provide a holistic support model designed for the unique needs of women business owners
- Assisted large cross-border wealth clients to secure government business relief loans, demonstrating capabilities to fully serve clients on both sides of the border

2021 Focus

- Deliver a differentiated client experience, providing outstanding support and working together to plan, grow, protect and transition their wealth with confidence
- Extend advantage as a solutions provider, delivering innovative asset management and insurance offerings that anticipate clients' evolving needs and exceed their expectations
- Build on strong foundation and continue to evolve, simplify and streamline businesses to drive value, enhance efficiency and return on equity
- Activate and drive an inclusive, high-performance culture, focused on strong collaboration and alignment across the enterprise and a commitment to building diverse and inclusive teams to bring the best of BMO to all clients

BMO Wealth Management

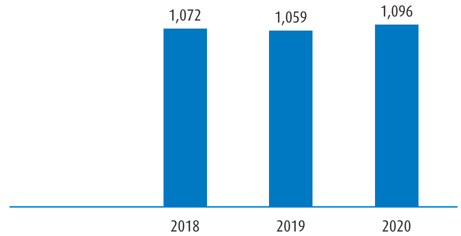
(Canadian $ in millions, except as noted) As at or for the year ended October 31	**2020**	2019	2018
Net interest income	**900**	935	826
Non-interest revenue	**5,808**	6,727	5,475
Total revenue	**6,708**	7,662	6,301
Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	**1,708**	2,709	1,352
Revenue, net of CCPB	**5,000**	4,953	4,949
Provision for (recovery of) credit losses on impaired loans	**4**	2	6
Provision for (recovery of) credit losses on performing loans	**18**	(2)	–
Total provision for credit losses	**22**	–	6
Non-interest expense	**3,519**	3,523	3,517
Income before income taxes	**1,459**	1,430	1,426
Provision for income taxes	**363**	371	354
Reported net income	**1,096**	1,059	1,072
Amortization of acquisition-related intangible assets (1)	**34**	37	41
Reinsurance adjustment (2)	**–**	25	–
Adjusted net income	**1,130**	1,121	1,113
Key Performance Metrics and Drivers			
Traditional Wealth businesses net income	**893**	861	805
Traditional Wealth businesses adjusted net income	**927**	898	846
Insurance net income	**203**	198	267
Insurance adjusted net income	**203**	223	267
Net income growth (%)	**3.5**	(1.1)	11.0
Adjusted net income growth (%)	**0.8**	0.8	8.0
Revenue growth (%)	**(12.4)**	21.6	1.3
Revenue growth, net of CCPB (%)	**1.0**	0.1	5.7
Adjusted CCPB	**1,708**	2,684	1,352
Revenue growth, net of adjusted CCPB (%)	**0.5**	0.6	5.7
Non-interest expense growth (%)	**(0.1)**	0.2	4.8
Adjusted non-interest expense growth (%)	**–**	0.3	5.8
Return on equity (%)	**17.1**	16.7	17.8
Adjusted return on equity (%)	**17.7**	17.7	18.5
Operating leverage, net of CCPB (%)	**1.1**	(0.1)	0.9
Adjusted operating leverage, net of CCPB (%)	**0.5**	0.3	(0.1)
Efficiency ratio, net of CCPB (%)	**70.4**	71.1	71.1
Adjusted efficiency ratio (%)	**51.8**	45.4	55.0
Adjusted efficiency ratio, net of CCPB (%)	**69.5**	69.8	70.0
Average common equity	**6,364**	6,321	5,989
Average assets	**45,573**	40,951	35,913
Average gross loans and acceptances	**26,585**	23,519	20,290
Average net loans and acceptances	**26,547**	23,487	20,260
Average deposits	**43,660**	36,419	34,251
Assets under administration (3)	**411,959**	393,576	382,839
Assets under management	**482,554**	471,160	438,274
Full-time equivalent employees	**6,206**	6,374	6,452
U.S. Business Select Financial Data (US$ in millions)			
Total revenue	**583**	613	600
Non-interest expense	**504**	512	532
Reported net income	**61**	77	50
Adjusted net income	**68**	85	60
Average net loans and acceptances	**4,540**	4,156	3,619
Average deposits	**6,471**	5,794	5,748

(1) Before tax amounts of $43 million in 2020, $47 million in 2019 and $52 million in 2018 are included in non-interest expense.
(2) Fiscal 2019 reported net income included a reinsurance adjustment of $25 million (pre-tax and after-tax) for the net impact of major reinsurance claims incurred after the announced wind-down of the reinsurance business. This reinsurance adjustment is included in CCPB.
(3) Certain assets under management that are also administered by the bank are included in assets under administration.

Adjusted results in this table are non-GAAP amounts or non-GAAP measures. Please refer to the Non-GAAP Measures section on page 17.

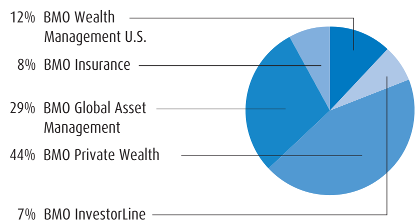
Reported Net Income

($ millions)



2020 Net Revenue by Line of Business

(%)



Financial Review

BMO Wealth Management reported net income was $1,096 million, an increase of $37 million or 3% from the prior year, and adjusted net income was $1,130 million, an increase of $9 million or 1%. Adjusted net income excludes the net impact of major reinsurance claims incurred in the prior year after the announced wind-down of the reinsurance business and the amortization of acquisition-related intangible assets in both years.

Traditional Wealth reported net income was $893 million, an increase of $32 million or 4% from the prior year, and adjusted net income was $927 million, an increase of $29 million or 3%, primarily due to higher revenue and lower expenses, including the benefits from focused expense management. Insurance net income was $203 million, an increase of $5 million on a reported basis and a decrease of $20 million on an adjusted basis from the prior year, due to higher creditor insurance claims.

Revenue was $6,708 million, compared with $7,662 million in the prior year. Revenue, net of reported and adjusted CCPB, was $5,000 million, an increase of $47 million or 1% on a reported basis from the prior year, and an increase of $22 million on an adjusted basis. Performance in the current year was negatively impacted by the COVID-19 pandemic, primarily due to lower net interest income earned on deposits, net of the benefit from higher deposit balances held by clients. Revenue in Traditional Wealth was $4,593 million, an increase of $38 million, primarily due to elevated online brokerage revenue and growth in client assets, net of fee pressure, partially offset by a legal provision in the current year and lower net interest income, as the benefits from strong loan and deposit growth were more than offset by lower margins. Insurance revenue, net of reported and adjusted CCPB, was $407 million, an increase of $9 million on a reported basis, and a decrease of $16 million on an adjusted basis, primarily due to the driver noted above.

The total provision for credit losses was $22 million, compared with no provision recorded in the prior year. The provision for credit losses on impaired loans increased $2 million, reflecting higher consumer provisions in the current year. There was an $18 million provision for credit losses on performing loans in the current year, compared with a $2 million recovery of credit losses in the prior year. For additional information, please refer to the Provision for Credit Losses section on page 31.

Non-interest expense was $3,519 million, a decrease of $4 million, and adjusted non-interest expense was $3,476 million, unchanged from the prior year, as benefits from focused expense management were offset by higher revenue-based costs and higher technology-related costs.

Assets under management increased $11.4 billion or 2% from the prior year to $482.6 billion, primarily driven by stronger global markets and favourable foreign exchange. Assets under administration increased $18.4 billion or 5% from the prior year to $412.0 billion, primarily driven by growth in client assets and stronger global markets. Average gross loans and average deposits increased 13% and 20%, respectively.

Business Environment, Outlook and Challenges

BMO Wealth Management is a global financial services provider operating in a highly competitive environment. The COVID-19 pandemic has accelerated existing industry trends, including digital adoption across customer segments, a growing need for product innovation and downward pressure on fees.

BMO Wealth Management continues to provide clients with expert advice and assist them in navigating through the challenges of market volatility and uncertainty, and to introduce new and differentiated products, as well as enhancing its digital advice capabilities, all of which has led to strong growth in net new assets, deposits, loans and online brokerage volumes.

While equity markets recovered from their 2020 lows, the outlook remains uncertain and could pivot quickly with the unknown path of the COVID-19 pandemic, U.S. congressional power, U.S./China trade relations, and future fiscal policy support in the face of rising budget deficits. Long-term interest rates in Canada and the United States are expected to rise slowly from recent historical lows, and short-term interest rates are expected to remain historically low for the foreseeable future; this will continue to exert pressure on net interest income.

Despite the uncertain market outlook, the wealth management industry remains attractive with good growth expected over the long term, as high net worth and retirement segments become increasingly significant. BMO Wealth Management will continue to deepen its existing client relationships and attract new clients with its personalized and differentiated approach to serving individuals, families and business owners. BMO Wealth Management will extend its advantage as a solutions provider, delivering innovative asset management and insurance offerings that anticipate clients' evolving needs and at the same time, maintain its disciplined expense management approach.

The Canadian and U.S. economic environment in 2020 and the outlook for 2021 are discussed in more detail in the Economic Developments and Outlook section on page 18.

Caution

This BMO Wealth Management section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

BMO Capital Markets

BMO Capital Markets is a North American-based financial services provider offering a complete range of products and services to corporate, institutional and government clients. BMO Capital Markets has approximately 2,700 professionals in 35 locations around the world, including 22 offices in North America.

Lines of Business

Investment and Corporate Banking offers debt and equity capital-raising services to clients, as well as loan origination and syndication, balance sheet management solutions and treasury management services. The division also provides strategic advice on mergers and acquisitions (M&A), restructurings and recapitalizations, as well as valuation and fairness opinions. Investment and Corporate Banking also offers trade finance and risk mitigation services to support the international business activities of clients, and provides a wide range of banking and other operating services tailored to North American and international financial institutions.

Global Markets offers research and access to financial markets for institutional, corporate and retail clients through an integrated suite of sales and trading solutions that include debt, foreign exchange, interest rate, credit, equity, securitization and commodities. New product development and origination services are also offered, as well as risk management advice and services to hedge against fluctuations in a variety of key inputs, including interest rates and commodities prices. In addition, Global Markets provides funding and liquidity management to clients.

Strategy and Key Priorities

2020 Priorities and Achievements

Key Priority: Deliver value-added solutions to meet client needs, and win opportunities through expertise, knowledge and insight

Achievements

- Continued momentum in delivering solutions to clients, including: up-tiered leadership in Leveraged Finance, with bookrunner roles up 25%; increased IPO mandates where BMO was bookrunner by 78%; monetized investments in U.S. Debt Capital Markets, driving a 77% increase in joint bookrunner roles; and upsized M&A deals with important wins in large transactions
- Supported clients with deep industry expertise and insight, and notable wins across different sectors: advised Detour Gold Corporation in its $5 billion sale to Kirkland Lake Gold Ltd. in a stock-for-stock exchange, reflecting a long-term relationship through numerous assignments, and resulting in a pro-forma entity with a combined market capitalization of $17 billion; acted as a joint bookrunner for GFL Environmental Inc. on their US$2.2 billion IPO – the largest in Canadian history – by leveraging collaboration across multiple cross-border industry and product groups in BMO Capital Markets; acted as exclusive financial advisor and left lead arranger, joint bookrunner, and administrative agent on the $450 million comprehensive refinancing for AgroFresh, Inc., which exemplifies a highly-coordinated cross-product, cross-industry effort to execute a complex and successful transaction in a difficult pandemic environment; and acted as joint lead arranger/joint bookrunner for Ryan Specialty Group, LLC's US$1.95 billion credit facility, which partially funded its acquisition of All Risks Ltd., the result of a long-standing relationship with U.S. Commercial Banking and a "One Bank" approach to supporting the client
- Maintained a long-standing global leadership position in the Metals & Mining sector, earning recognition as the Best Metals & Mining Investment Bank by *Global Finance* magazine, for the 11th consecutive year. Hosted the 29th Global Metals & Mining Conference with over 1,200 clients, creating over 6,000 touchpoints
- Named Best Bank for the Canadian Dollar by *FX Week*, for the ninth consecutive year
- Following the launch of a Sustainable Finance focus in 2019, continued to establish a strong presence in this key area by underwriting $43 billion of sustainable bonds in 2020, representing a 483% year-over-year increase in sustainable bond underwriting, and aligning with BMO's Purpose. Notable sustainable finance transactions included: acting as joint lead manager on the World Bank's US$8 billion sustainable development bond, the largest U.S.-dollar-denominated bond issued by a supranational organization, with proceeds from the bond supporting projects in developing countries, such as addressing the impacts of COVID-19, and acting as sustainability structuring agent and sole bookrunner on the $1.92 billion sustainability linked loan (SLL) to Maple Leaf Foods, Inc., a first in Canadian history
- Continued to drive strong client loyalty scores across the Corporate Banking business, with an increase over last year's score, and expanded BMO's loan book and deposits to support clients' goals

Key Priority: Work smarter, simplify and digitize

Achievements

- Invested strategically in electronic trading capabilities by successfully completing the acquisition of Clearpool Group, Inc., a state-of-the-art electronic trading platform in April 2020. The transaction enables BMO Capital Markets to provide clients with customizable algorithmic trading strategies and to compete with the top players in the North American electronic trading business
- The U.S. Rates team successfully partnered with a liquidity provider in U.S. Treasuries. This strategic partnership provides clients with better pricing and deeper liquidity, and benefits BMO by reducing balance sheet costs and minimizing its inventory of less liquid securities
- Launched a new partnership with Canadian Commercial Banking and U.S. Commercial Banking to align the respective technology lending and cash management capabilities within the Technology and Innovation Banking Group, to better serve the needs of clients in the technology sector from an enterprise perspective
- Maintained seamless support through the pandemic by connecting with clients through innovative digital strategies and tools, including successfully converting in-person roadshows, analyst marketing events and investor conferences to completely virtual events. BMO Capital Markets successfully held ten virtual conferences, including a Global Farm-to-Market Conference with overall client attendance of 1,030, representing an increase of 25% from 2019
- Demonstrated agility, with virtually 100% of BMO Capital Markets employees working productively from home during the pandemic, initiating faster technology tool roll-outs than ever
- Continued to enhance internal cost discipline and consider ways to work smarter. Initiatives included the Million Hour Challenge, in which employees were asked to improve productivity, simplify work processes and collectively save one million hours

2021 Focus

- Continue to invest where BMO Capital Markets has the strengths and capabilities to deliver value-added solutions and meet client needs
- Build on a foundation to work smarter and simplify how BMO Capital Markets does business, to enhance efficiency and return on equity with a particular focus on digitization
- Activate and drive an inclusive, high-performance culture – focused on urgency and accountability to clients, strong partnership and alignment across the enterprise, and a commitment to eliminate the barriers to diversity and inclusion
- Continue to be prudent managers of time, capital and risk for clients, employees and shareholders

MD&A

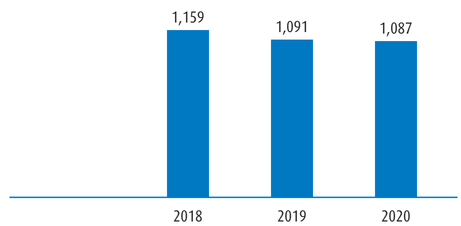
BMO Capital Markets

(Canadian $ in millions, except as noted) As at or for the year ended October 31	**2020**	2019	2018
Net interest income (teb)	**3,320**	2,390	1,780
Non-interest revenue	**2,006**	2,369	2,608
Total revenue (teb)	**5,326**	4,759	4,388
Provision for (recovery of) credit losses on impaired loans	**310**	52	(17)
Provision for (recovery of) credit losses on performing loans	**349**	28	(1)
Total provision for (recovery of) credit losses	**659**	80	(18)
Non-interest expense	**3,236**	3,279	2,879
Income before income taxes	**1,431**	1,400	1,527
Provision for income taxes (teb)	**344**	309	368
Reported net income	**1,087**	1,091	1,159
Acquisition integration costs (1)	**11**	10	11
Amortization of acquisition-related intangible assets (2)	**18**	17	2
Adjusted net income	**1,116**	1,118	1,172
Key Performance Metrics and Drivers			
Global Markets revenue	**3,222**	2,704	2,542
Investment and Corporate Banking revenue	**2,104**	2,055	1,846
Net income growth (%)	**(0.4)**	(5.9)	(9.4)
Adjusted net income growth (%)	**(0.2)**	(4.7)	(8.5)
Revenue growth (%)	**11.9**	8.5	(4.7)
Non-interest expense growth (%)	**(1.3)**	13.9	2.5
Adjusted non-interest expense growth (%)	**(1.4)**	13.4	2.0
Return on equity (%)	**9.2**	9.9	12.9
Adjusted return on equity (%)	**9.5**	10.1	13.0
Operating leverage (teb) (%)	**13.2**	(5.4)	(7.2)
Adjusted operating leverage (teb) (%)	**13.3**	(4.9)	(6.7)
Efficiency ratio (teb) (%)	**60.8**	68.9	65.6
Adjusted efficiency ratio (teb) (%)	**60.1**	68.2	65.2
Average common equity	**11,353**	10,430	8,464
Average assets	**369,518**	342,626	307,357
Average gross loans and acceptances	**67,088**	60,287	46,968
Average net loans and acceptances	**66,693**	60,199	46,902
Full-time equivalent employees	**2,686**	2,772	2,714
U.S. Business Select Financial Data (US$ in millions)			
Total revenue (teb)	**1,865**	1,609	1,252
Non-interest expense	**1,152**	1,197	987
Reported net income	**279**	292	196
Adjusted net income	**299**	312	205
Average assets	**116,307**	107,185	98,265
Average net loans and acceptances	**24,961**	21,260	15,249

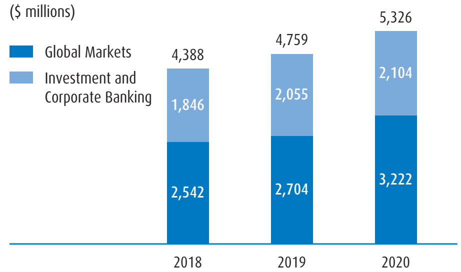
(1) KGS-Alpha and Clearpool acquisition integration costs before tax amounts of $14 million in 2020, $13 million in 2019 and $14 million in 2018 are included in non-interest expense.
(2) Before tax amounts of $23 million in 2020, $22 million in 2019 and $3 million in 2018 are included in non-interest expense.

Adjusted results in this table are non-GAAP amounts or non-GAAP measures. Please refer to the Non-GAAP Measures section on page 17.

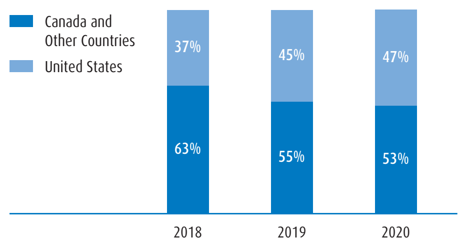
Reported Net Income
($ millions)



Revenue by Line of Business
($ millions)



Revenue by Geography
(%)



Financial Review

BMO Capital Markets reported net income was $1,087 million and adjusted net income was $1,116 million, both relatively unchanged from the prior year. Adjusted net income excludes the amortization of acquisition-related intangible assets and acquisition integration costs. Higher revenue and lower expenses were offset by higher provisions for credit losses.

Revenue was $5,326 million, an increase of $567 million or 12% from the prior year, or 11% excluding the impact of the stronger U.S. dollar. Global Markets revenue increased $518 million or 19%, primarily due to higher interest rate trading, commodities trading and foreign exchange trading revenue, partially offset by lower equities trading revenue. Trading-related revenue benefitted from higher levels of client activity, given the reaction of market participants to the COVID-19 pandemic, while experiencing negative impacts related to equity linked notes-related businesses in the volatile second quarter. Investment and Corporate Banking revenue increased $49 million or 2%, primarily due to higher corporate banking-related revenue and equity underwriting revenue, partially offset by lower net securities gains, lower advisory revenue and markdowns on the held-for-sale loan portfolio.

The total provision for credit losses was $659 million, compared with $80 million in the prior year, reflecting the impact of the pandemic and higher oil and gas provisions. The provision for credit losses on impaired loans was $310 million, compared with $52 million in the prior year. There was a $349 million provision for credit losses on performing loans in the current year, compared with $28 million in the prior year. For additional information, please refer to the Provision for Credit Losses section on page 31.

Non-interest expense was $3,236 million, a decrease of $43 million or 1%, and adjusted non-interest expense was $3,199 million, a decrease of $45 million or 1%, or 2% excluding the impact of the stronger U.S. dollar. The decrease was largely due to lower severance expense and lower travel and business development costs, reflecting the current environment, partially offset by higher performance-based compensation and technology costs.

Average assets increased $26.9 billion or 8% to $369.5 billion from the prior year, or 7% excluding the impact of the stronger U.S. dollar, primarily due to higher levels of derivatives and net loans and acceptances. Average gross loans and acceptances increased $6.8 billion or 11% from the prior year to $67.1 billion, reflecting higher lending activity and loan utilizations. Gross loans and acceptances as at October 31, 2020, increased $2.2 billion or 4% from the prior year to $62.8 billion, or 3% excluding the impact of the stronger U.S. dollar, reflecting higher lending activity.

Business Environment, Outlook and Challenges

In fiscal 2020, BMO Capital Markets entered the COVID-19 crisis from a position of strength, enabling it to navigate the market volatility and challenging market conditions that ensued. Throughout the year, BMO Capital Markets continued to execute on a strategy which leveraged its balanced, diversified and client-focused business model, while maintaining strong risk management practices.

Despite severe market dislocation and volatility caused by the pandemic, as well as a low interest rate environment, the business continued to provide liquidity to clients and experienced particularly favourable conditions for trading activity.

Looking ahead to fiscal 2021, the course of the pandemic and path to recovery remain unknown, with vaccine development progress, potential for new restrictions on activity, trade tensions, and future fiscal policy all contributing to heightened uncertainty in the macroeconomic environment. However, business investment is expected to improve and market volatility is also expected to normalize. BMO Capital Markets' strategy remains unchanged: a sharp focus on clients, aiming to be their valued financial partner – leveraging people, innovative solutions and capital to help them achieve their goals. With a leading position in Canada and strong momentum in the United States, it is expected that further investing in product offerings and capabilities to serve clients, particularly where the bank has core strengths and opportunity, and choosing where to increase or reduce focus will provide a strong foundation for profitable growth and returns. In addition, BMO Capital Markets' disciplined and integrated approach to risk management, along with continued investments in regulatory technology infrastructure, will enable the business to meet risk management requirements in the coming years. Assuming markets remain constructive and there is limited further deterioration in the macroeconomic environment, BMO Capital Markets is confident of its ability to maintain a strong market position and achieve its strategic objectives.

The Canadian and U.S. economic environment in 2020 and the outlook for 2021 are discussed in more detail in the Economic Developments and Outlook section on page 18.

Caution

This BMO Capital Markets section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Corporate Services, including Technology and Operations

Corporate Services consists of Corporate Units and Technology and Operations (T&O). Corporate Units provide enterprise-wide expertise, governance and support in a variety of areas, including strategic planning, risk management, finance, legal and regulatory compliance, human resources, communications, marketing, real estate and procurement. T&O develops, monitors, manages and maintains governance of information technology including data and analytics, and also provides cyber security and operations services.

The costs of Corporate Units and T&O services are largely transferred to the three operating groups (Personal and Commercial Banking, BMO Wealth Management and BMO Capital Markets), with any remaining amounts retained in Corporate Services' results. As such, Corporate Services results largely reflect the impact of residual treasury-related activities, the elimination of taxable equivalent adjustments, and residual unallocated expenses.

Corporate Services focuses on enterprise-wide priorities related to maintaining a sound risk and control environment and efficiency, while supporting the businesses in meeting their customer experience objectives. Notable achievements during the year included:

- Provided strong operational resilience throughout the COVID-19 pandemic, by enabling remote working capabilities for non-branch workforce and launching additional innovative technology and tools across the enterprise to foster effective virtual collaboration for employees and customers.
- Corporate Units continued to operate effectively in a volatile environment, supporting execution of business strategies and implementation and operation of hardship and government relief programs to meet customer needs, while ensuring a prudent risk management posture in response to market developments.
- Scaled and accelerated the Chief Information and Operations Officer operating model established last year, to support Business to Customer and Business to Business strategies, aligning technology and operations with business groups across the enterprise. This structure allows for end-to-end accountability to ensure integrated business technology solutions, which are facilitated by integrated teams. The operating model has been instrumental in accelerating the bank's digital agenda.
- Evolved the Financial Crimes Unit (FCU) launched last year to enhance security capabilities across the bank. The FCU represents evolving best practices globally, bringing together cyber, fraud and physical security functions, as well as subject matter experts across the lines of business and business functional groups. FCU capabilities are complemented by advanced analytics and methodologies, including artificial intelligence (AI), to enable accelerated detection, prevention, response and recovery capabilities to safeguard customer, employee and bank data. The FCU has been pivotal in implementing risk mitigation strategies in response to the increase in cyber threats during the pandemic.
- Continued to accelerate the deployment of digital technology to transform the business, including further implementation of BMO Digital Banking for the Personal and Business Banking business, BMO Wealth Management's operations digitization, expansion of BMO Capital Markets' international capabilities and digitization of Corporate and Commercial Banking operations, in line with the bank's stated priorities.
- Advanced the data and analytics platform to build out analytics and robotics capabilities, supporting business initiatives and enabling further gains in efficiency. Heightened use of AI to enable the bank in the new remote environment resulting from the pandemic. Strengthened cloud partnerships, driving innovative technology capabilities in the areas of robotics and AI, and continued to explore opportunities to leverage quantum computing through the execution of proofs of concept with third-party providers and research institutions.
- Continued to deliver a technology critical service focus across the enterprise, to ensure resilience, scale and integration capabilities to reduce risk and costs, and enhance technology-enabled experiences for customers and employees.

Corporate Services, including Technology and Operations

(Canadian $ in millions, except as noted) As at or for the year ended October 31	**2020**	2019	2018
Net interest income before group teb offset	**(364)**	(242)	(245)
Group teb offset	**(335)**	(296)	(313)
Net interest income (teb)	**(699)**	(538)	(558)
Non-interest revenue	**285**	238	248
Total revenue (teb)	**(414)**	(300)	(310)
Provision for (recovery of) credit losses on impaired loans	**3**	(7)	(13)
Provision for (recovery of) credit losses on performing loans	**–**	(5)	(2)
Total provision for (recovery of) credit losses	**3**	(12)	(15)
Non-interest expense	**457**	856	436
Income (loss) before income taxes	**(874)**	(1,144)	(731)
Recovery of income taxes (teb)	**(483)**	(517)	(2)
Reported net loss	**(391)**	(627)	(729)
Acquisition integration costs (1)	**–**	–	14
Restructuring costs (2)	**–**	357	192
U.S. net deferred tax asset revaluation (3)	**–**	–	425
Benefit from the remeasurement of an employee benefit liability (4)	**–**	–	(203)
Adjusted net loss	**(391)**	(270)	(301)
Adjusted total revenue (teb)	**(414)**	(300)	(310)
Total adjusted provision for (recovery of) credit losses	**3**	(12)	(15)
Adjusted non-interest expense	**457**	372	433
Adjusted net loss	**(391)**	(270)	(301)
Full-time equivalent employees	**14,170**	14,901	14,365
U.S. Business Select Financial Data (US$ in millions)			
Total revenue (teb)	**(116)**	(37)	(41)
Provision for (recovery of) credit losses	**3**	(4)	(12)
Non-interest expense	**97**	192	195
Provision for (recovery of) income taxes (teb)	**(89)**	(76)	263
Reported net loss	**(127)**	(149)	(487)
Adjusted total revenue (teb)	**(116)**	(37)	(41)
Adjusted provision for (recovery of) credit losses	**3**	(4)	(12)
Adjusted non-interest expense	**97**	76	140
Adjusted net loss	**(127)**	(63)	(107)

(1) Acquisition integration costs related to the acquired BMO Transportation Finance business are included in non-interest expense.
(2) Restructuring charges before tax amounts of $484 million in 2019 and $260 million in 2018. Restructuring costs are included in non-interest expense.
(3) Charge due to the revaluation of the U.S. net deferred tax asset as a result of the enactment of the U.S. *Tax Cuts and Jobs Act*. For more information, refer to the Critical Accounting Estimates – Income Taxes and Deferred Tax Assets section on page 116.
(4) A benefit of $203 million after tax ($277 million pre-tax) from the remeasurement of an employee benefit liability as a result of an amendment to the other employee future benefits plan for certain employees that was announced in the fourth quarter of 2018. This amount has been included in Corporate Services in non-interest expense.

Adjusted results in this section are non-GAAP amounts or non-GAAP measures. Please refer to the Non-GAAP Measures section on page 17.

Financial Review

Corporate Services reported and adjusted net loss was $391 million, compared with a reported net loss of $627 million and an adjusted net loss of $270 million in the prior year. Adjusted results in the prior year exclude the restructuring charge. The adjusted net loss increased, primarily due to higher employee-related costs and real estate expenses, lower treasury-related revenue reflecting the impact of higher levels of excess customer deposits, and higher provisions for credit losses.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Summary Quarterly Earnings Trends

BMO's results in the most recent three quarters of 2020 reflect the impact of the COVID-19 pandemic and the steepest and most synchronized global recession on record. Canadian and global economies experienced an historic contraction from the second to the fourth quarter of 2020, in response to business closures and precautionary measures implemented to contain the spread of COVID-19. In 2020, the bank recorded higher provisions for credit losses in all its businesses, primarily due to the impact of the pandemic. Revenue performance in the bank's market-sensitive businesses was negatively impacted by volatile market conditions in the second quarter of 2020, but improved in the second half of the year. The P&C businesses recorded good year-over-year average balance growth, but revenue growth in recent quarters was negatively impacted by COVID-19, the lower interest rate environment and changes in client activity. Prior to the pandemic, BMO's underlying results generally trended upwards.

Reported results over the past eight quarters were impacted by a restructuring charge and a reinsurance adjustment, both in the fourth quarter of 2019.

Canadian P&C delivered year-over-year loan and deposit growth, and benefitted from focused expense management. Revenue growth in the second, third and fourth quarters of 2020 was negatively impacted by COVID-19, including the impact of lower interest rates on net interest income and lower non-interest revenue. U.S. P&C net income reflects increased provisions for credit losses during 2020. Revenue growth in recent quarters was impacted by COVID-19, including the lower rate environment and changes in customer activity. Results reflect the continued focus on expense management. Traditional Wealth Management results in BMO Wealth Management have generally seen moderate increases. The current quarter results reflect the impact of improved global equity markets, while the second quarter of 2020 was impacted by weaker markets and a legal provision. Insurance results are subject to variability resulting from changes in interest rates, equity markets and reinsurance claims. BMO Capital Markets generally reflects good revenue performance, with year-over-year growth in seven of the past eight quarters, including strong U.S. segment performance and benefits from the bank's diversified businesses. The second quarter of 2020 was negatively impacted by volatile market conditions resulting from the COVID-19 pandemic. Results in the second quarter of 2019 included a severance expense. Corporate Services results can vary from quarter to quarter, in large part due to the inclusion of adjusting items, which are largely recorded in Corporate Services. There were no Corporate Services adjusting items in fiscal 2020.

BMO's total provision for credit losses measured as a percentage of net loans and acceptances ranged between 13 basis points and 31 basis points between the fourth quarter of 2018 and first quarter of 2020. The bank recognized elevated credit losses since the World Health Organization declared COVID-19 a global pandemic on March 11, 2020. The total provision for credit losses was 94 basis points in the second quarter of 2020, 89 basis points in the third quarter of 2020 and 38 basis points in the fourth quarter of 2020.

The effective tax rate has varied with legislative changes; changes in tax policy, including their interpretation by tax authorities and the courts; earnings mix, including the relative proportion of earnings attributable to the different jurisdictions in which the bank operates, the level of pre-tax income, and the level of tax-exempt income from securities.

The bank's results reflect the impact of IFRS 16, *Leases* (IFRS 16), which was adopted in the first quarter of 2020, recognizing the cumulative effect of adoption in opening retained earnings with no changes to prior periods. Under IFRS 16, the bank as lessee is required to recognize a right-of-use asset and a corresponding lease liability for most leases. Refer to the Changes in Accounting Policies in 2020 section on page 118 for further details.

Adjusted results in this Summary Quarterly Earnings Trends section are non-GAAP amounts or non-GAAP measures. Please refer to the Non-GAAP Measures section on page 17. See also the Impact of COVID-19 section on page 24 and the Enterprise-Wide Risk Management section on page 73.

Summarized Statement of Income and Quarterly Financial Measures

(Canadian $ in millions, except as noted)	**Q4-2020**	**Q3-2020**	**Q2-2020**	**Q1-2020**	Q4-2019	Q3-2019	Q2-2019	Q1-2019
Net interest income (1)	**3,530**	**3,535**	**3,518**	**3,388**	3,364	3,217	3,135	3,172
Non-interest revenue	**2,456**	**3,654**	**1,746**	**3,359**	2,723	3,449	3,078	3,345
Revenue (1)	**5,986**	**7,189**	**5,264**	**6,747**	6,087	6,666	6,213	6,517
Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	**–**	**1,189**	**(197)**	**716**	335	887	561	926
Revenue, net of CCPB (1)	**5,986**	**6,000**	**5,461**	**6,031**	5,752	5,779	5,652	5,591
Provision for (recovery of) credit losses on impaired loans	**339**	**446**	**413**	**324**	231	243	150	127
Provision for (recovery of) credit losses on performing loans	**93**	**608**	**705**	**25**	22	63	26	10
Total provision for credit losses	**432**	**1,054**	**1,118**	**349**	253	306	176	137
Non-interest expense (1)	**3,548**	**3,444**	**3,516**	**3,669**	3,987	3,491	3,595	3,557
Income before provision for income taxes	**2,006**	**1,502**	**827**	**2,013**	1,512	1,982	1,881	1,897
Provision for income taxes	**422**	**270**	**138**	**421**	318	425	384	387
Reported net income (see below)	**1,584**	**1,232**	**689**	**1,592**	1,194	1,557	1,497	1,510
Acquisition integration costs (2)	**3**	**4**	**2**	**2**	2	2	2	4
Amortization of acquisition-related intangible assets (3)	**23**	**23**	**24**	**23**	29	23	23	24
Restructuring costs (4)	**–**	**–**	**–**	**–**	357	–	–	–
Reinsurance adjustment (5)	**–**	**–**	**–**	**–**	25	–	–	–
Adjusted net income (see below)	**1,610**	**1,259**	**715**	**1,617**	1,607	1,582	1,522	1,538
Operating group reported net income								
Canadian P&C reported net income	**647**	**320**	**361**	**700**	710	650	616	648
Amortization of acquisition-related intangible assets (3)	**1**	**–**	**1**	**–**	–	1	–	1
Canadian P&C adjusted net income	**648**	**320**	**362**	**700**	710	651	616	649
U.S. P&C reported net income	**324**	**263**	**339**	**351**	393	368	406	444
Amortization of acquisition-related intangible assets (3)	**9**	**10**	**10**	**10**	11	11	11	10
U.S. P&C adjusted net income	**333**	**273**	**349**	**361**	404	379	417	454
BMO Wealth Management reported net income	**320**	**341**	**144**	**291**	266	250	305	238
Amortization of acquisition-related intangible assets (3)	**8**	**8**	**9**	**9**	9	8	10	10
Reinsurance adjustment (5)	**–**	**–**	**–**	**–**	25	–	–	–
BMO Wealth Management adjusted net income	**328**	**349**	**153**	**300**	300	258	315	248
BMO Capital Markets reported net income	**379**	**426**	**(74)**	**356**	271	314	250	256
Acquisition integration costs (2)	**3**	**4**	**2**	**2**	2	2	2	4
Amortization of acquisition-related intangible assets (3)	**5**	**5**	**4**	**4**	9	3	2	3
BMO Capital Markets adjusted net income	**387**	**435**	**(68)**	**362**	282	319	254	263
Corporate Services reported net income	**(86)**	**(118)**	**(81)**	**(106)**	(446)	(25)	(80)	(76)
Restructuring costs (4)	**–**	**–**	**–**	**–**	357	–	–	–
Corporate Services adjusted net income	**(86)**	**(118)**	**(81)**	**(106)**	(89)	(25)	(80)	(76)
Basic earnings per share ($) (6)	**2.37**	**1.81**	**1.00**	**2.38**	1.79	2.34	2.27	2.28
Diluted earnings per share ($) (6)	**2.37**	**1.81**	**1.00**	**2.37**	1.78	2.34	2.26	2.28
Adjusted diluted earnings per share ($) (6)	**2.41**	**1.85**	**1.04**	**2.41**	2.43	2.38	2.30	2.32
Net interest margin on average earning assets (%)	**1.61**	**1.59**	**1.70**	**1.68**	1.71	1.67	1.72	1.69
PCL-to-average net loans and acceptances (annualized) (%)	**0.38**	**0.89**	**0.94**	**0.31**	0.23	0.28	0.16	0.13
PCL on impaired loans to average net loans and acceptances (annualized) (%)	**0.30**	**0.38**	**0.35**	**0.29**	0.21	0.22	0.14	0.12
Effective tax rate (%)	**21.1**	**18.0**	**16.6**	**20.9**	21.0	21.5	20.4	20.4
Adjusted effective tax rate (%)	**21.1**	**18.2**	**16.7**	**21.0**	22.0	21.5	20.5	20.4
Canadian/U.S. dollar average exchange rate ($)	**1.3217**	**1.3584**	**1.3811**	**1.3161**	1.3240	1.3270	1.3299	1.3351

(1) Effective the first quarter of 2020, the bank adopted IFRS 16, *Leases* (IFRS 16), recognizing the cumulative effect of adoption in opening retained earnings with no changes to prior periods. Under IFRS 16, the bank as lessee is required to recognize a right-of-use asset and a corresponding lease liability for most leases. BMO recognized $90 million in Q4-2020, $91 million in Q3-2020, $90 million in Q2-2020 and $89 million in Q1-2020 of depreciation on the right-of-use assets recorded in non-interest expense. BMO recognized $13 million in each of Q4-2020, Q3-2020 and Q2-2020, and $14 million in Q1-2020 of interest on the lease liability recorded in interest expense. For more information, refer to the Changes in Accounting Policies in 2020 section on page 118.

(2) Acquisition integration costs before tax are included in non-interest expense. BMO Capital Markets amounts of $3 million in Q4-2020, $5 million in Q3-2020, $3 million in both Q2-2020 and Q1-2020, $2 million in Q4-2019, $3 million in Q3-2019, $2 million in Q2-2019, and $6 million in Q1-2019.

(3) Amortization of acquisition-related intangible assets before tax is charged to the non-interest expense of the operating groups. Canadian P&C amounts of $1 million in Q4-2020, $nil in Q3-2020, $1 million in Q2-2020, $nil in both Q1-2020 and Q4-2019, $1 million in Q3-2019, $nil in Q2-2019, and $1 million in Q1-2019. U.S. P&C amounts of $13 million in both Q4-2020 and Q3-2020, $14 million in Q2-2020, $13 million in Q1-2020, $15 million in Q4-2019, and $14 million in each of Q3-2019, Q2-2019 and Q1-2019. BMO Wealth Management amounts of $10 million in Q4-2020, $11 million in each of Q3-2020, Q2-2020, Q1-2020, Q4-2019, and Q3-2019, $12 million in Q2-2019, and $13 million in Q1-2019. BMO Capital Markets amounts of $6 million in Q4-2020, $8 million in Q3-2020, $4 million in Q2-2020, $5 million in Q1-2020, $12 million in Q4-2019, $3 million in Q3-2019, $4 million in Q2-2019, and $3 million in Q1-2019.

(4) Q4-2019 reported net income included a $357 million after-tax ($484 million pre-tax) restructuring charge, related to severance and a small amount of real estate-related costs, to improve efficiency, including accelerating delivery against key bank-wide initiatives focused on digitization, organizational redesign and simplification of the way the bank does business. Restructuring charges are included in non-interest expense in Corporate Services.

(5) Q4-2019 reported net income included a reinsurance adjustment of $25 million (pre-tax and after-tax) in CCPB, related to the net impact of major reinsurance claims from Japanese typhoons incurred after the announced wind-down of the reinsurance business. This reinsurance adjustment is included in CCPB in BMO Wealth Management.

(6) Earnings per share (EPS) is calculated using net income after deducting total dividends on preferred shares and distributions on other equity instruments. For more information on EPS, refer to Note 23 on page 204 of the consolidated financial statements.

Certain comparative figures have been reclassified to conform with the current period's presentation.

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Caution

In the opinion of Bank of Montreal management, information that is derived from unaudited financial information, including information as at and for the interim periods, includes all adjustments necessary for a fair presentation of such information. All such adjustments are of a normal and recurring nature. Financial ratios for interim periods are stated on an annualized basis, where appropriate, and the ratios, as well as interim operating results, are not necessarily indicative of actual results for the full fiscal year.

Review of Fourth Quarter 2020 Performance

Reported net income was $1,584 million, an increase of $390 million or 33% from the prior year, and adjusted net income was $1,610 million, an increase of $3 million. Adjusted net income excludes the amortization of acquisition-related intangible assets and acquisition integration costs in both periods. The prior year adjusted net income also excludes a $357 million restructuring charge, primarily related to severance, as well as a $25 million reinsurance adjustment for the net impact of major reinsurance claims that were incurred after the announced decision to wind down the reinsurance business. Adjusted results primarily reflect the impact of higher provisions for credit losses, which increased $179 million pre-tax or $131 million after tax, which largely offset the benefit from higher revenue, net of modestly higher expenses. Adjusted net income increased in BMO Capital Markets and BMO Wealth Management, partially offset by a decrease in the P&C businesses. Corporate Services adjusted net loss was relatively unchanged from the prior year. A full list of adjusting items is disclosed in the Non-GAAP Measures section on page 17.

Reported EPS was $2.37, an increase of $0.59 or 33% from the prior year, and adjusted EPS was $2.41, a decrease of $0.02 or 1%.

Summary income statements and data for the quarter and comparative quarters are outlined on page 55.

The combined Personal and Commercial Banking business reported net income was $971 million, compared with $1,103 million in the fourth quarter of the prior year, and adjusted net income was $981 million, compared with $1,114 million. Reported and adjusted net income were impacted by higher provisions for credit losses, which increased $155 million pre-tax, or $115 million after tax from the fourth quarter in the prior year. Canadian P&C reported net income was $647 million and adjusted net income was $648 million, or 9% lower than the reported and adjusted net income of $710 million in the prior year. Net income decreased due to lower revenue and higher provisions for credit losses, partially offset by lower expenses. On a Canadian dollar basis, U.S. P&C reported net income was $324 million, or 17% lower than $393 million in the prior year, and adjusted net income was $333 million, or 17% lower than $404 million. On a U.S. dollar basis, U.S. P&C reported net income was US$245 million, or 17% lower than US$297 million in the prior year, and adjusted net income was US$253 million, or 17% lower than US$305 million, due to higher provisions for credit losses on performing loans, with lower revenue more than offset by lower expenses. BMO Wealth Management reported net income was $320 million, an increase of $54 million or 20% from the prior year, and adjusted net income was $328 million, an increase of $28 million or 9%. Adjusted net income in the prior year excludes the net impact of major reinsurance claims. Traditional Wealth reported net income was $253 million, an increase of $17 million or 7%, and adjusted net income was $261 million, an increase of $16 million or 6%, primarily driven by higher revenue, partially offset by higher expenses. Insurance net income was $67 million, an increase of $37 million on a reported basis and $12 million on an adjusted basis, primarily reflecting unfavourable market movements in the prior year. BMO Capital Markets reported net income was $379 million, an increase of $108 million or 40% from the prior year, and adjusted net income was $387 million, an increase of $105 million or 38%. Strong revenue performance was partially offset by higher provisions for credit losses and higher expenses. Corporate Services reported and adjusted net loss for the quarter was $86 million, compared with a reported net loss of $446 million and an adjusted net loss of $89 million in the prior year. Adjusted results in the fourth quarter of the prior year exclude the restructuring charge. Adjusted results are relatively unchanged, primarily due to higher revenue and the impact of a favourable tax rate in the current quarter, offset by higher expenses.

Total revenue was $5,986 million, a decrease of $101 million or 2% from the prior year. On a basis that nets insurance claims, commissions and changes in policy benefit liabilities (CCPB) against insurance revenue (net revenue), revenue increased $234 million, or 4% from $5,752 million in the fourth quarter of the prior year. Revenue net of adjusted CCPB, which excludes the reinsurance adjustment in the prior year, increased $209 million or 4%. Canadian P&C revenue decreased 2%, primarily due to lower non-interest revenue, including lower credit card fee revenue and deposit fee revenue, with net interest income relatively unchanged, as higher balances across most products were offset by lower margins. Revenue was negatively impacted by the COVID-19 pandemic with pressure on margins from the record-low interest rate environment, and lower credit card fee revenue and deposit fee revenue. U.S. P&C revenue decreased 2% on both a Canadian dollar basis and a U.S. dollar basis, due to lower non-interest revenue across most categories with net interest income relatively unchanged, with higher deposit balances and loan margins largely offset by lower deposit product margins. Revenue was negatively impacted by the COVID-19 pandemic, as a record-low interest rate environment resulted in pressure on deposit margins. BMO Wealth Management revenue decreased 16%. Revenue, net of reported and adjusted CCPB, increased 6% on a reported basis and 4% on an adjusted basis. Revenue in Traditional Wealth increased 2%, primarily due to higher online brokerage revenues and the benefit from higher global markets, partially offset by lower net interest income, as the benefit from strong loan and deposit growth was more than offset by lower margins. Insurance revenue, net of CCPB, increased $50 million on a reported basis, and $25 million on an adjusted basis, due to unfavourable market movements in the prior year. BMO Capital Markets revenue increased 17%. Global Markets revenue increased, driven by strong client activity across interest rates, equities and commodities trading. Investment and Corporate Banking revenue increased, primarily driven by higher corporate banking-related revenue, as well as underwriting and advisory revenue. Corporate Services revenue increased $33 million, primarily due to below-trend revenue, excluding teb adjustments in the prior year.

Net interest income was $3,530 million, an increase of $166 million or 5%. On an excluding trading basis, net interest income was $3,018 million, an increase of $39 million or 1% from the prior year, largely due to higher net interest income in Corporate Services with net interest income in the businesses relatively unchanged.

Average earning assets were $873.9 billion, an increase of $95.5 billion or 12%, due to higher securities, higher cash resources, and loan growth, as well as higher securities borrowed or purchased under resale agreements. BMO's overall net interest margin decreased 10 basis points from the fourth quarter in the prior year, primarily driven by a higher volume of assets in Corporate Services as a result of high liquidity levels, which have a lower spread than the bank, and lower margins in Canadian P&C and BMO Wealth Management due to lower interest rates, partially offset by higher trading net interest income. On an excluding trading basis, net interest margin decreased 18 basis points, due to the drivers noted above.

Non-interest revenue, net of CCPB, was $2,456 million, an increase of $68 million or 3%. Non-interest revenue, net of adjusted CCPB, increased $43 million or 2%. The increase was primarily driven by higher trading, underwriting and advisory, and lending revenue and higher insurance revenue, net of adjusted CCPB, partially offset by lower other non-interest revenue, lower securities gains other than trading and lower securities commissions and fees. On an excluding trading basis, net of adjusted CCPB, non-interest revenue was $2,433 million, relatively unchanged from the prior year.

Gross insurance revenue decreased $292 million from the fourth quarter in the prior year, primarily due to a decrease in the fair value of investments in the current quarter from increases in interest rates, compared with relatively unchanged interest rates in the prior year, partially offset by higher annuity sales in the current quarter. These changes related to the fair value of investments were largely offset by changes in policy benefit liabilities, the impact of which is reflected in CCPB, as discussed below.

The total provision for credit losses was $432 million, an increase of $179 million from the fourth quarter in the prior year, primarily due to the impact of COVID-19. The total provision for credit losses ratio was 38 basis points, compared with 23 basis points in the prior year. The provision for credit losses on impaired loans was $339 million, an increase of $108 million from $231 million in the prior year, primarily due to higher provisions in the Canadian P&C and BMO Capital Markets businesses. The provision for credit losses on impaired loans ratio was 30 basis points, compared with 21 basis points in the prior year. There was a $93 million provision for credit losses on performing loans in the current quarter, compared with $22 million in the prior year. The $22 million provision for credit losses on performing loans in the prior year was largely due to portfolio growth, negative migration and scenario weight change, partially offset by changes in economic outlook, while the $93 million provision for credit losses on performing loans in the current quarter reflects a more severe adverse scenario, partially offset by an improving economic outlook and reduced balances.

Reported and adjusted CCPB were $nil in the current quarter, a decrease of $335 million on a reported basis and $310 million on an adjusted basis from the fourth quarter in the prior year. Adjusted CCPB in the prior year excludes the $25 million reinsurance adjustment. In the current quarter, the $nil CCPB reflects payments related to claims and policy benefits that fully offset changes in policyholder liabilities. Results decreased, primarily due to a decrease in the fair value of policy benefit liabilities in the current year resulting from increases in interest rates, compared with relatively unchanged interest rates in the prior year, partially offset by higher annuity sales.

Reported non-interest expense was $3,548 million, a decrease of $439 million or 11% from the fourth quarter in the prior year, and adjusted non-interest expense was $3,515 million, an increase of $52 million or 1%, or 2% excluding the impact of the weaker U.S. dollar. Adjusted non-interest expense excludes the amortization of acquisition-related intangible assets and acquisition integration costs in both periods and the restructuring charge in the prior year. The increase was largely due to higher premises and equipment costs and amortization of intangibles, partially offset by a continued focus on expense management, with lower expense across a number of categories, including lower travel and business development costs.

The provision for income taxes was $422 million, an increase of $104 million from the fourth quarter of the prior year. The effective tax rate for the current quarter was 21.1%, relatively unchanged from 21.0% in the fourth quarter of 2019. The adjusted provision for income taxes was $429 million, a decrease of $25 million from the fourth quarter of the prior year. The adjusted effective tax rate was 21.1% in the current quarter, compared with 22.0% in the fourth quarter of 2019.

Adjusted results in this Review of Fourth Quarter 2020 Performance section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

2019 Financial Performance Review

The preceding discussions in the MD&A focused on BMO's performance in fiscal 2020. This section summarizes BMO's performance in fiscal 2019, relative to fiscal 2018. As noted on page 13, certain prior-year data has been reclassified to conform with the presentation in 2020, including changes resulting from transfers between operating groups. Further information on these reclassifications is provided on page 35.

Net Income

Reported net income was $5,758 million in 2019, an increase of $305 million or 6% from 2018, and adjusted net income was $6,249 million, an increase of $267 million or 4% from the prior year. Adjusted net income in both periods excludes restructuring charges, amortization of acquisition-related intangible assets and acquisition-related costs. Adjusted net income in 2019 also excludes the net impact of major reinsurance claims from Japanese typhoons incurred after the announced wind-down of the reinsurance business, and adjusted net income in 2018 also excludes a one-time non-cash charge related to the revaluation of a U.S. net deferred tax asset due to U.S. tax reform and a benefit from the remeasurement of an employee benefit liability. The impact of the stronger U.S. dollar on net income was not significant. Reported and adjusted net income growth largely reflects good performance in the P&C businesses and an increase in Corporate Services, partially offset by a decrease in BMO Capital Markets. Reported net income in BMO Wealth Management decreased, while adjusted net income increased.

Return on Equity

Reported return on equity (ROE) was 12.6% and adjusted ROE was 13.7% in 2019, compared with 13.3% and 14.6%, respectively, in 2018. Reported and adjusted ROE decreased, primarily due to growth in common equity exceeding growth in net income. Reported results in both periods included restructuring charges, and reported results in 2018 also included the impact of the one-time non-cash charge related to the revaluation of a U.S. net deferred tax asset on net income and a benefit from the remeasurement of an employee future benefit liability. There was an increase of $278 million or 5% in net income available to common shareholders in 2019 and an increase of $240 million or 4% in adjusted net income available to common shareholders. Average common shareholders' equity increased $4.4 billion or 11% from 2018, primarily due to growth in retained earnings and accumulated other comprehensive income. The reported return on tangible common equity (ROTCE) in 2019 was 15.1%, compared with 16.2% in 2018, and adjusted ROTCE was 16.1% in 2019, compared with 17.5% in the prior year. Book value per share increased 11% from 2018 to $71.54, largely reflecting the increase in shareholders' equity.

Revenue

Reported revenue was $25,483 million in 2019, an increase of $2,578 million or 11% from 2018, or 10% excluding the impact of the stronger U.S. dollar. On a basis that nets insurance claims, commissions and changes in policy benefit liabilities against insurance revenue (net revenue), revenue was $22,774 million, an increase of $1,221 million or 6% from the prior year, or 5% excluding the impact of the stronger U.S. dollar, driven by good performance in the P&C businesses and BMO Capital Markets, including the impact of the acquisition of KGS-Alpha. BMO Wealth Management and Corporate Services revenue also increased.

Insurance Claims, Commissions and Changes in Policy Benefit Liabilities

Reported insurance claims, commissions and changes in policy benefit liabilities (CCPB) were $2,709 million in 2019, an increase of $1,357 million from 2018, and adjusted CCPB, which excludes the net impact of major reinsurance claims that were incurred after the bank's announced decision to wind down the reinsurance business, was $2,684 million, an increase of $1,332 million from the prior year. CCPB increased due to the impact of decreases in long-term interest rates that increased the fair value of policy benefit liabilities in 2019, compared with increases in long-term interest rates that decreased the fair value of policy benefit liabilities in 2018, underlying business growth and stronger equity markets, which increased the fair value of policy benefit liabilities. The increase in the fair value of policy benefit liabilities was largely offset in revenue.

Provision for Credit Losses

The total provision for credit losses (PCL) was $872 million in 2019, compared with $662 million in 2018. Total PCL as a percentage of average net loans and acceptances was 20 basis points in 2019, compared with 17 basis points in the prior year. The PCL on impaired loans was $751 million in 2019, compared with $700 million in 2018, reflecting higher provisions in Canadian P&C, BMO Capital Markets and Corporate Services, partially offset by lower provisions in U.S. P&C, which had higher recoveries compared with the prior year. Total PCL on impaired loans as a percentage of average net loans and acceptances was 17 basis points in 2019, compared with 18 basis points in 2018. There was a $121 million provision for credit losses on performing loans in 2019. In 2018, there was a $38 million recovery of credit losses on performing loans. A provision was recorded for performing loans in 2019, compared with a recovery in the prior year, reflecting higher loan growth in 2019, as well as higher provisions resulting from portfolio migration and changes in the economic outlook and scenario weights during 2019.

Non-Interest Expense

Non-interest expense was $14,630 million in 2019, an increase of $1,153 million or 9% from 2018, and adjusted non-interest expense was $14,005 million, an increase of $661 million or 5% from the prior year, or 4% excluding the impact of the stronger U.S. dollar.

Adjusted non-interest expense in both 2019 and 2018 excludes restructuring costs, the amortization of acquisition-related intangible assets and acquisition integration costs. The prior year also excludes a $277 million benefit from the remeasurement of an employee benefit liability. Restructuring costs were $484 million in 2019 and $260 million in 2018, related to bank-wide initiatives to improve efficiency. The amortization of acquisition-related intangible assets was $128 million and $116 million in 2019 and 2018, respectively, and acquisition integration costs were $13 million and $34 million in 2019 and 2018, respectively.

Adjusted non-interest expense increased from the prior year, largely reflecting higher employee-related costs, including severance expense in BMO Capital Markets in the second quarter of 2019 and the impact of the acquisition of KGS-Alpha, as well as higher technology costs, partially offset by lower other expenses. Reported non-interest expense was $14,630 million, an increase of $1,153 million or 9% from 2018, due to the drivers and adjusting items noted above.

Provision for Income Taxes

The provision for income taxes was $1,514 million in 2019, compared with $1,961 million in 2018. The reported effective tax rate in 2019 was 20.8%, compared with 26.5% in the prior year. The higher reported effective tax rate in 2018 was due to the $425 million charge related to the revaluation of the U.S. net deferred tax asset as a result of U.S. tax reform. The adjusted provision for income taxes was $1,673 million in 2019, compared with $1,565 million in 2018. The adjusted effective tax rate in 2019 was 21.1%, compared with 20.7% in the prior year.

Canadian P&C

Reported net income was $2,624 million in 2019 and adjusted net income was $2,626 million, an increase of $70 million or 3% from 2018 for both reported and adjusted net income, due to higher revenue, partially offset by higher expenses and higher provisions for credit losses. Adjusted net income excludes the amortization of acquisition-related intangible assets. Revenue was $7,984 million, an increase of $398 million or 5% from the prior year. In personal banking, revenue increased $73 million or 2% from 2018, due to higher balances across most products and higher margins, partially offset by lower non-interest revenue. The prior year included a $39 million gain related to the restructuring of Interac Corporation, which reduced personal banking revenue growth by 1%. In commercial banking, revenue increased $325 million or 12% from 2018, due to higher balances across most products, increased non-interest revenue and higher margins. The total provision for credit losses was $607 million, an increase of $138 million from the prior year. The provision for credit losses on impaired loans increased $78 million in 2019, due to higher consumer and commercial provisions. There was a $63 million provision for credit losses on performing loans in 2019, compared with a $3 million provision for credit losses on performing loans in 2018. Non-interest expense was $3,836 million in 2019, an increase of $155 million or 4% from the prior year, largely reflecting continued investment in the business, including higher technology and sales force investments.

U.S. P&C

Reported net income was $1,611 million in 2019, an increase of $214 million or 15% from 2018, and adjusted net income was $1,654 million, an increase of $212 million or 15% from the prior year. Adjusted net income excludes the amortization of acquisition-related intangible assets. All amounts in the remainder of this section are on a U.S. dollar basis.

Reported net income was $1,212 million in 2019, an increase of $127 million or 12% from 2018, and adjusted net income was $1,244 million, an increase of $124 million or 11% from the prior year, primarily due to good revenue performance and lower provision for credit losses, partially offset by higher expenses. Revenue was $4,048 million, an increase of $213 million or 6% from the prior year, primarily reflecting higher balances across most products and increased non-interest revenue, partially offset by a lower net interest margin. In personal banking, revenue increased $102 million or 8% from 2018, largely due to higher deposit revenue. In commercial banking, revenue increased $111 million or 4% from 2018, primarily due to higher loan balances and deposit revenue, net of loan margin compression. The total provision for credit losses was $149 million, a decrease of $21 million from the prior year. The provision for credit losses on impaired loans decreased $80 million, largely due to higher consumer and commercial recoveries in 2019. There was a $28 million provision for credit losses on performing loans in 2019, compared with a $31 million recovery of credit losses on performing loans in 2018. Non-interest expense was $2,360 million in 2019, an increase of $59 million or 3% from 2018, and adjusted non-interest expense was $2,317 million, an increase of $61 million or 3% from the prior year, primarily due to continued investment in the business, including higher technology and employee-related costs, partially offset by lower Federal Deposit Insurance Corporation insurance expense and the impact of non-recurring items in both 2019 and 2018.

BMO Wealth Management

Reported net income was $1,059 million in 2019, compared with $1,072 million in 2018. Adjusted net income was $1,121 million, an increase of $8 million or 1% from the prior year, and excludes the net impact of major reinsurance claims from Japanese typhoons that were incurred after the bank's announced decision to wind down the reinsurance business in 2019 and the amortization of acquisition-related intangible assets in both 2019 and 2018. As the performance of the reinsurance business did not meet risk and return expectations, BMO made the strategic decision to wind down the business during 2019. Traditional Wealth reported net income was $861 million in 2019, an increase of $56 million or 7% from 2018, and adjusted net income was $898 million, an increase of $52 million or 6% from the prior year, primarily driven by higher deposit and loan revenue and the impact of a legal provision in 2018, partially offset by lower fee-based revenue and higher expenses. Insurance reported net income was $198 million in 2019, compared with $267 million in 2018, and adjusted net income was $223 million, compared with $267 million in the prior year, primarily due to lower reinsurance revenue. Revenue was $7,662 million, an increase of $1,361 million or 22% from 2018. Revenue, net of reported CCPB, was $4,953 million, relatively unchanged from the prior year. Revenue, net of adjusted CCPB, was $4,978 million, an increase of $29 million or 1%. Revenue in Traditional Wealth was $4,555 million, an increase of $85 million or 2% from 2018, primarily due to higher deposit and loan revenue and the impact of a legal provision in 2018, partially offset by lower fee-based revenue, including lower performance fees from the asset management business. Insurance revenue, net of reported CCPB, was $398 million in 2019, compared with $479 million in 2018. Insurance revenue, net of adjusted CCPB, was $423 million in 2019, compared with $479 million in the prior year, primarily due to lower reinsurance revenue. There was a decrease of $6 million from 2018 in the total provision for credit losses. The provision for credit losses on impaired loans decreased $4 million, reflecting lower consumer provisions. There was a $2 million recovery of credit losses on performing loans in 2019. Non-interest expense was $3,523 million in 2019, an increase of $6 million from 2018, and adjusted non-interest expense was $3,476 million, an increase of $11 million from the prior year, mainly due to select investments in the business.

BMO Capital Markets

Reported net income was $1,091 million in 2019, compared with $1,159 million in 2018, and adjusted net income was $1,118 million, compared with $1,172 million in the prior year. Adjusted net income excludes the amortization of acquisition-related intangible assets and acquisition integration costs. Higher revenue was more than offset by higher expenses, including a severance expense of $120 million in the second quarter of 2019, and higher provisions for credit losses. Revenue was $4,759 million, an increase of $371 million or 8% from the prior year, or 7% excluding the impact of the stronger U.S. dollar. Investment and Corporate Banking revenue increased $209 million to $2,055 million or 11% from 2018, primarily due to higher corporate banking-related revenue and higher underwriting and advisory revenue. Global Markets revenue increased $162 million to $2,704 million or 6% from 2018, primarily due to higher interest rate trading revenue and higher commodities trading revenue, partially offset by lower equities trading revenue. Global Markets revenue growth in 2019 benefitted from a contribution from the acquisition of KGS-Alpha and a fair value gain. The total provision for credit losses was $80 million in 2019, compared with an $18 million recovery of credit losses in 2018. The provision for credit losses on impaired loans was $52 million, compared with a $17 million recovery on impaired loans in the prior year. There was a $28 million provision for credit losses on performing loans in 2019, compared with a $1 million recovery of credit losses on performing loans in 2018. Non-interest expense was $3,279 million in 2019, an increase of $400 million or 14% from 2018, and adjusted non-interest expense was $3,244 million, an increase of $382 million or 13% from the prior year, or 12% excluding the impact of the stronger U.S. dollar, largely due to higher employee-related costs, including the impact of a severance expense in the second quarter of 2019 and the acquisition of KGS-Alpha. The severance expense and the KGS-Alpha acquisition accounted for approximately two-thirds of the full-year increase.

Corporate Services

Reported net loss in 2019 was $627 million, compared with a reported net loss of $729 million in 2018. Adjusted net loss was $270 million, compared with an adjusted net loss of $301 million in the prior year. Adjusted results in both the current and prior year exclude restructuring charges of $357 million in 2019 and $192 million in 2018. The prior year also excludes a $425 million one-time non-cash charge due to a revaluation of the U.S. net deferred tax asset, a $203 million benefit from the remeasurement of an employee benefit liability and acquisition integration costs of $14 million. The adjusted net loss improved, primarily due to lower expenses, while revenue excluding tax equivalent basis was relatively unchanged. Reported results increased, primarily due to the impact of the adjusting items noted above.

MD&A

Adjusted results in this section are non-GAAP and are discussed in the Non-GAAP Measures section on page 17.

Financial Condition Review

Summary Balance Sheet

(Canadian $ in millions) As at October 31	**2020**	2019	2018
Assets			
Cash and interest bearing deposits with banks	**66,443**	56,790	50,447
Securities	**234,260**	189,438	180,935
Securities borrowed or purchased under resale agreements	**111,878**	104,004	85,051
Net loans	**445,004**	426,094	383,991
Derivative instruments	**36,815**	22,144	25,422
Other assets	**54,861**	53,725	47,447
Total assets	**949,261**	852,195	773,293
Liabilities and Equity			
Deposits	**659,034**	568,143	520,928
Derivative instruments	**30,375**	23,598	23,629
Securities lent or sold under repurchase agreements	**88,658**	86,656	66,684
Other liabilities	**106,185**	115,727	109,549
Subordinated debt	**8,416**	6,995	6,782
Equity	**56,593**	51,076	45,721
Total liabilities and equity	**949,261**	852,195	773,293

Overview

Total assets of $949.3 billion increased $97.1 billion from October 31, 2019. The stronger U.S. dollar increased assets by $4.8 billion, excluding the impact on derivative assets. Total liabilities of $892.7 billion increased $91.6 billion from the prior year. The stronger U.S. dollar increased liabilities by $4.3 billion, excluding the impact on derivative liabilities. Total equity of $56.6 billion increased $5.5 billion from October 31, 2019.

Cash and Interest Bearing Deposits with Banks

Cash and interest bearing deposits with banks increased $9.7 billion, or $9.0 billion, excluding the impact of the stronger U.S. dollar, due to higher balances held with central banks, primarily as a result of strong customer deposit growth in excess of loan growth.

Securities

(Canadian $ in millions) As at October 31	**2020**	2019	2018
Trading	**97,834**	85,903	99,697
Fair value through profit or loss (1)	**13,568**	13,704	11,611
Fair value through other comprehensive income – Debt and equity (2)	**73,407**	64,515	62,440
Amortized cost (3)	**48,466**	24,472	6,485
Investments in associates and joint ventures	**985**	844	702
Total securities	**234,260**	189,438	180,935

(1) Comprised of $2,420 million mandatorily measured at fair value and $11,148 million designated at fair value.
(2) Includes allowances for credit losses on fair value through other comprehensive income debt securities of $4 million as at October 31, 2020 ($2 million for both as at October 31, 2019 and October 31, 2018).
(3) Net of allowances for credit losses of $1 million ($1 million for both as at October 31, 2019 and October 31, 2018).

Securities increased $44.8 billion, or $43.6 billion excluding the impact of the stronger U.S. dollar, primarily due to strong customer deposit growth in excess of loan growth and higher client activity in BMO Capital Markets.

Securities Borrowed or Purchased Under Resale Agreements

Securities borrowed or purchased under resale agreements increased $7.9 billion, or $7.2 billion excluding the impact of the stronger U.S. dollar, driven primarily by strong customer deposit growth in excess of loan growth, partially offset by lower balances in BMO Capital Markets due to lower client activity.

Net Loans

(Canadian $ in millions) As at October 31	**2020**	2019	2018
Residential mortgages	**127,024**	123,740	119,620
Non-residential mortgages	**16,741**	15,731	14,017
Consumer instalment and other personal	**70,148**	67,736	63,225
Credit cards	**7,889**	8,859	8,329
Business and government	**226,505**	211,878	180,439
Gross loans	**448,307**	427,944	385,630
Allowance for credit losses	**(3,303)**	(1,850)	(1,639)
Total net loans	**445,004**	426,094	383,991

Commercial and BMO Capital Markets loan balances increased moderately from the prior year, as growth was affected by the impact of COVID-19. Increases in Canadian commercial and BMO Capital Markets loan balances were partially offset by lower U.S. commercial balances. Personal loans increased in Canada, primarily due to higher residential mortgage balances driven by an active housing market, while U.S. personal loans decreased.

Net loans increased $18.9 billion, or $16.9 billion or 4% excluding the impact of the stronger U.S. dollar. Business and government loans increased $13.0 billion excluding the impact of the stronger U.S. dollar, primarily due to lower levels of bankers' acceptances being issued into the market, resulting in higher loan balances with a corresponding decrease in bankers' acceptances in other assets, and also due to the impact of government assistance programs related to COVID-19 in U.S. P&C and growth in Canadian P&C, BMO Wealth Management and BMO Capital Markets. Residential mortgages increased $3.3 billion, due to growth in Canadian P&C, partially offset by lower balances in U.S. P&C. Consumer instalment and other personal loans increased $2.4 billion, due to growth in the P&C businesses and BMO Wealth Management. Non-residential mortgages increased $1.0 billion, primarily due to growth in U.S. P&C. Credit cards decreased $1.0 billion, primarily in Canadian P&C.

Table 7 on page 130 of the Supplemental Information section provides a comparative summary of loans by geographic location and product. Table 9 on page 131 provides a comparative summary of net loans in Canada by province and industry. Loan quality is discussed on page 87, and further details on loans are provided in Notes 4, 6 and 24 on pages 159, 165 and 204 of the consolidated financial statements.

Derivative Financial Assets

Derivative financial assets increased $14.7 billion, primarily driven by higher volumes of equity derivatives, lower interest rates, strengthening of the U.S. dollar, and higher client-driven commodity derivative transaction volumes**.**

Other Assets

Other assets includes customers' liability under acceptances, goodwill and intangible assets, precious metals, premises and equipment, current and deferred tax assets, accounts receivable and prepaid expenses. Other assets increased $1.1 billion, primarily due to higher precious metals balances driven by client activity in BMO Capital Markets, higher cash collateral requirements on over-the-counter derivative transactions and the adoption of IFRS 16, *Leases*, which resulted in the recording of a right-of-use asset and lease liability on the balance sheet, largely offset by lower customers' liability under acceptances, due to lower levels of acceptances being issued into the market, which was largely offset by higher loan balances.

Deposits

(Canadian $ in millions) As at October 31	**2020**	2019	2018
Banks	**38,825**	23,816	27,907
Business and government	**400,679**	343,157	312,177
Individuals	**219,530**	201,170	180,844
Total deposits	**659,034**	568,143	520,928

Deposits increased $90.9 billion, or $87.6 billion excluding the impact of the stronger U.S. dollar. The following discussion excludes the impact of changes in the U.S. dollar. Business and government deposits increased $55.3 billion, due to growth in customer balances across the operating groups, which in part reflects the higher amount of liquidity retained by the bank's customers due to the impact of COVID-19, partially offset by lower balances in Corporate Services due to lower wholesale funding requirements, as a result of strong customer deposit growth. Deposits by individuals increased $18.4 billion, due to growth in the P&C businesses and BMO Wealth Management. Deposits by banks increased $14.8 billion, primarily due to participation in the Bank of Canada's term repo facility.

Further details on the composition of deposits are provided in Note 13 on page 180 of the consolidated financial statements and in the Liquidity and Funding Risk section on page 97.

Derivative Financial Liabilities

Derivative financial liabilities increased $6.8 billion, primarily driven by higher volumes of equity derivatives, lower interest rates, and higher client-driven commodity derivative transaction volumes, partially offset by the impact of the strengthening U.S. dollar.

Securities Lent or Sold Under Repurchase Agreements

Securities lent or sold under repurchase agreements increased $2.0 billion, or $1.3 billion excluding the impact of the stronger U.S. dollar, driven by participation in the Bank of Canada's term repo facility, partially offset by lower balances in BMO Capital Markets due to lower client activity.

Other Liabilities

Other liabilities primarily include securities sold but not yet purchased, securitization and structured entities liabilities, acceptances, insurance-related liabilities and Federal Home Loan Bank (FHLB) advances. Other liabilities decreased $9.5 billion, or $9.9 billion excluding the impact of the stronger U.S. dollar, reflecting a decrease in acceptances as a result of lower levels of acceptances being issued into the market and lower secured funding, partially offset by an increase in securities sold but not yet purchased, due to higher client activity in BMO Capital Markets, the impact of the adoption of IFRS 16, *Leases*, and an increase in insurance-related liabilities, primarily due to annuity sales and the impact of lower interest rates.

Further details on the composition of other liabilities are provided in Note 14 on page 181 of the consolidated financial statements.

Subordinated Debt

Subordinated debt increased $1.4 billion from the prior year, due to a new issuance. Further details on the composition of subordinated debt are provided in Note 15 on page 183 of the consolidated financial statements.

Equity

(Canadian $ in millions) As at October 31	**2020**	2019	2018
Share capital			
Preferred shares and other equity instruments	**6,598**	5,348	4,340
Common shares	**13,430**	12,971	12,929
Contributed surplus	**302**	303	300
Retained earnings	**30,745**	28,725	25,850
Accumulated other comprehensive income	**5,518**	3,729	2,302
Total equity	**56,593**	51,076	45,721

Total equity increased $5.5 billion, due to a $2.0 billion increase in retained earnings, a $1.8 billion increase in accumulated other comprehensive income, a $1.3 billion increase in preferred shares and other equity instruments, and a $0.5 billion increase in common shares. Retained earnings increased as a result of net income earned in the year, partially offset by dividends and distributions on other equity instruments. Accumulated other comprehensive income increased, primarily due to the impact of lower interest rates on cash flow hedges and fair value through other comprehensive income debt securities, net of a decrease in accumulated other comprehensive income on pension and other employee future benefit plans, and the impact of the stronger U.S. dollar on the translation of net foreign operations. Preferred shares and other equity instruments increased, due to the issuance of Limited Recourse Capital Notes. Common shares increased, due to shares issued under the Shareholder Dividend Reinvestment and Share Purchase Plan and under the Stock Option Plan.

The Consolidated Statement of Changes in Equity on page 148 of the consolidated financial statements provides a summary of items that increase or reduce total equity, while Note 16 on page 184 of the consolidated financial statements provides details on the components of, and changes in, share capital. Details on the bank's enterprise-wide capital management practices and strategies can be found on the following page.

Enterprise-Wide Capital Management

Capital Management

Objective

BMO is committed to a disciplined approach to capital management that balances the interests and requirements of shareholders, regulators, depositors, fixed income investors and rating agencies. BMO's objective is to maintain a strong capital position in a cost-effective structure that:

- is appropriate given BMO's target regulatory capital ratios and internal assessment of required economic capital;
- underpins BMO's operating groups' business strategies;
- supports depositor, investor and regulator confidence, while building long-term shareholder value; and
- is consistent with BMO's target credit ratings.

Framework

Capital Demand
Capital required to support the risks underlying BMO's business activities

Capital adequacy assessment of capital demand and supply

Capital Supply
Capital available to support risks

The principles and key elements of BMO's capital management framework are outlined in BMO's Capital Management Corporate Policy and in the annual capital plan, which includes the results of its comprehensive Internal Capital Adequacy Assessment Process (ICAAP).

ICAAP is an integrated process that involves the application of stress testing and other tools to evaluate capital adequacy on both a regulatory and an economic capital basis. The results of this process are used in the establishment of capital targets and the implementation of capital strategies that take into consideration the strategic direction and risk appetite of the enterprise. The capital plan is developed considering the results of ICAAP and in conjunction with the annual business plan, promoting alignment between business and risk strategies, regulatory and economic capital requirements and the availability of capital. Enterprise-wide stress testing and scenario analysis are conducted in order to assess the impact of various stress conditions on BMO's risk profile and capital requirements. The capital management framework seeks to ensure that the bank is adequately capitalized given the risks it takes in the normal course of business, as well as under stress, and it supports the determination of limits, targets and performance measures that are used to manage balance sheet positions, risk levels and capital requirements at both the consolidated entity and operating group levels. BMO evaluates assessments of actual and forecast capital adequacy against the capital plan throughout the year, and updates the plan to reflect changes in business activities, risk profile, operating environment or regulatory expectations.

BMO uses regulatory and economic capital to evaluate business performance and considers capital implications in its strategic, tactical and transactional decision-making. By allocating capital to operating groups, setting and monitoring capital limits and metrics, and measuring the groups' performance against these limits and metrics, the bank seeks to optimize risk-adjusted return to shareholders, while maintaining a well-capitalized position. This approach aims to protect BMO's stakeholders from the risks inherent in its various businesses, while still allowing the flexibility to deploy resources in support of the strategic growth activities of the operating groups.

Refer to the Enterprise-Wide Risk Management section on page 73 for further discussion of the risks underlying BMO's business activities.

Governance

The Board of Directors, either directly or in conjunction with its Risk Review Committee, provides ultimate oversight and approval of capital management, including BMO's Capital Management Corporate Policy framework, capital plan and capital adequacy assessments. The Board regularly reviews BMO's capital position and key capital management activities, and the Risk Review Committee reviews the ICAAP-determined capital adequacy assessment results. The Balance Sheet and Capital Management Committee provides senior management oversight, including the review of significant capital management policies, issues and activities and, along with the Risk Management Committee, the capital required to support the execution of BMO's enterprise-wide strategy. Finance and Risk Management are responsible for the design and implementation of the corporate policies and frameworks related to capital and risk management, as well as the ICAAP. The Corporate Audit Division, as the third line of defence, verifies adherence to controls and identifies opportunities to strengthen BMO's processes.

Regulatory Capital Requirements

Regulatory capital requirements for BMO are determined in accordance with guidelines issued by the Office of the Superintendent of Financial Institutions Canada (OSFI), which are based on the Basel III framework developed by the Basel Committee on Banking Supervision (BCBS). The minimum risk-based capital ratios set out in OSFI's Capital Adequacy Requirements (CAR) Guideline are a 4.5% Common Equity Tier 1 (CET1) Ratio, 6% Tier 1 Capital Ratio and 8% Total Capital Ratio. In addition to the minimum capital requirements, OSFI also expects domestic systemically important banks (D-SIBs), including BMO, to hold Pillar 1 and Pillar 2 buffers, which are meant to be used as a normal first step in periods of stress. The Pillar 1 buffers include a Capital Conservation Buffer of 2.5%, a D-SIB Common Equity Tier 1 surcharge of 1%, and the Countercyclical Buffer (which can range from 0% to 2.5%, depending on the bank's exposure to jurisdictions that have activated the buffer). The Domestic Stability Buffer (DSB), which is a Pillar 2 buffer that can range from 0% to 2.5%, was reduced during the year and remains at 1.0% as of the fourth quarter of fiscal 2020. OSFI committed that any increases to the DSB would not take effect for at least 18 months from March 2020. The minimum leverage ratio set out in OSFI's Leverage Requirements Guideline is 3%. OSFI's capital requirements are summarized in the following table.

(% of risk-weighted assets or leverage exposures)	Minimum capital requirements	Pillar 1 Capital Buffers (1)	Domestic Stability Buffer (2)	OSFI capital requirements including capital buffers	BMO Capital and Leverage Ratios as at October 31, 2020
Common Equity Tier 1 Ratio	4.5%	3.5%	1.0%	9.0%	11.9%
Tier 1 Capital Ratio	6.0%	3.5%	1.0%	10.5%	13.6%
Total Capital Ratio	8.0%	3.5%	1.0%	12.5%	16.2%
Leverage Ratio	3.0%	na	na	3.0%	4.8%

(1) The minimum 4.5% CET1 Ratio requirement is augmented by 3.5% in Pillar 1 Capital Buffers, which can absorb losses during periods of stress. The Pillar 1 Capital Buffers include a 2.5% Capital Conservation Buffer, a 1.0% Common Equity Tier 1 Surcharge for D-SIBs and a Countercyclical Buffer, as prescribed by OSFI (immaterial for the fourth quarter of 2020). If a bank's capital ratios fall within the range of this combined buffer, restrictions on discretionary distributions of earnings (such as dividends, share repurchases and discretionary compensation) would ensue, with the degree of such restrictions varying according to the position of the bank's ratios within the buffer range.

(2) OSFI requires all D-SIBs to maintain a DSB against Pillar 2 risks associated with systemic vulnerabilities. The DSB can range from 0% to 2.5% of total RWA and is set at 1.0% at October 31, 2020. Breaches of the DSB will not result in a bank being subject to automatic constraints on capital distributions.

na – not applicable

Regulatory Capital and Total Loss Absorbing Capacity Ratios

The **Common Equity Tier 1 Ratio** reflects CET1 capital divided by Risk-Weighted Assets (RWA).

The **Tier 1 Capital Ratio** reflects Tier 1 capital divided by RWA.

The **Total Capital Ratio** reflects Total capital divided by RWA.

The **Leverage Ratio** reflects Tier 1 capital divided by leverage exposures (LE), which consist of on-balance sheet items and specified off-balance sheet items, net of specified adjustments.

The **Total Loss Absorbing Capacity (TLAC) Ratio** reflects TLAC divided by RWA.

The **TLAC Leverage Ratio** reflects TLAC divided by LE.

Refer to the Glossary of Financial Terms for definitions of ratios and their components.

Regulatory Capital and Total Loss Absorbing Capacity Elements

BMO maintains a capital structure that is diversified across instruments and tiers to ensure an appropriate mix of loss absorbency. The major components of regulatory capital and total loss absorbing capacity are summarized as follows:

CET1 Capital

- Common Shareholders' Equity
- May include portion of expected credit loss provisions
- Less regulatory deductions for items such as:
  - Goodwill
  - Intangible assets
  - Defined benefit pension assets
  - Certain deferred tax assets
  - Certain other items

Additional Tier 1 (AT1) Capital

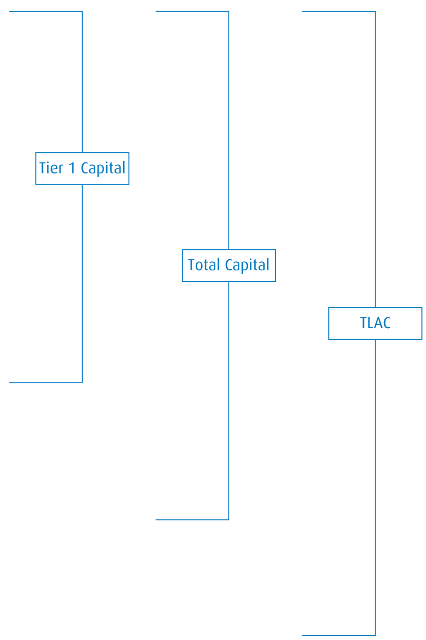
- Preferred shares
- Other AT1 capital instruments
- Less regulatory deductions

Tier 2 Capital

- Subordinated debentures
- May include portion of expected credit loss provisions
- Less regulatory deductions

Other Total Loss Absorbing Capacity (TLAC)

- Other TLAC instruments (including eligible Bail-in debt)
- Less regulatory deductions



OSFI's CAR Guideline implemented the non-viability contingent capital (NVCC) provisions set out by the BCBS, which require the conversion of certain capital instruments into a variable number of common shares in the event that OSFI announces that a bank is, or is about to become, non-viable, or if a federal or provincial government in Canada publicly announces that the bank has accepted, or agreed to accept, a capital injection, or equivalent support, to avoid non-viability.

Under OSFI's CAR Guideline, non-common share capital instruments that do not meet Basel III requirements, including NVCC requirements, will be fully phased out by 2022. The impact on the bank will be nominal.

Under Canada's Bank Recapitalization (Bail-In) Regime, eligible senior debt issued on or after September 23, 2018 is subject to statutory conversion requirements. Canada Deposit Insurance Corporation has the power to trigger the conversion of bail-in debt into common shares. This statutory conversion supplements NVCC securities, which must be converted, in full, prior to the conversion of bail-in debt. As of the fourth quarter of fiscal 2020, the prospective minimum requirements for Total Loss Absorbing Capacity (TLAC) were set at a risk-based TLAC ratio of 22.5% of RWA, including a 1.0% DSB, and a TLAC leverage ratio of 6.75%, and the bank expects to meet the minimum requirements when they come into effect on November 1, 2021. As at October 31, 2020, BMO's TLAC ratio was 23.1% and its TLAC leverage ratio was 8.2%.

Risk-Weighted Assets

Risk-Weighted Assets (RWA) measure a bank's exposures, weighted for their relative risk and calculated in accordance with OSFI's regulatory capital rules. RWA are calculated for credit, market and operational risks based on OSFI's prescribed rules.

BMO primarily uses the Advanced Internal Ratings Based (AIRB) Approach to determine credit RWA in its portfolio. The AIRB Approach utilizes sophisticated techniques to measure RWA at the exposure level based on sound risk management principles, including estimates of the probability of default, the downturn loss given default and exposure at default risk parameters, term to maturity and asset class type, as prescribed by the OSFI rules. These risk parameters are determined using historical portfolio data supplemented by benchmarking and are updated periodically. Validation procedures related to these parameters are in place and are enhanced periodically in order to quantify and differentiate risks appropriately, so that they reflect changes in economic and credit conditions. Credit RWA related to certain Canadian and U.S. portfolios are determined under the Standardized Approach using prescribed risk weights based on external ratings, counterparty type or product type.

BMO's market risk RWA are primarily determined using the more advanced Internal Models Approach, but the Standardized Approach is used for some exposures.

Beginning in fiscal 2020, OSFI required BMO, along with the other banks that have been approved to use the Advanced Measurement Approach, to change to the Basel II Standardized Approach for determining enterprise operational risk regulatory capital requirements in the interim period prior to implementation of the new Standardized Measurement Approach, as part of the final Basel III reforms. It is expected that BMO will transition to using the new Basel III Standardized Measurement Approach for regulatory capital reporting beginning in fiscal 2023.

For institutions using the advanced approach for credit risk, there is a capital floor as prescribed in OSFI's CAR Guideline. In calculating regulatory capital ratios, there is a requirement to increase RWA when an amount calculated under the Standardized Approach (covering RWA and allowances) is higher than the result of a similar calculation under the more risk-sensitive modelled approach. The capital floor was not operative for the bank in fiscal 2020.

Regulatory Capital Developments

COVID-19 Related Developments

As part of a coordinated effort by federal agencies to address the market disruption posed by the COVID-19 pandemic, OSFI announced a suite of modifications to capital requirements, effective from the second quarter of 2020, to afford institutions further flexibility in addressing the conditions, while promoting financial resilience and economic stability. The modifications are summarized below. For those that are temporary in nature, OSFI has been monitoring economic and financial conditions and providing updates on the unwinding of the changes where appropriate. OSFI will continue to closely monitor the economic and financial outlook and provide guidance accordingly.

Domestic Stability Buffer

On March 13, 2020, OSFI lowered the DSB from 2.25% to 1.0%, decreasing OSFI's minimum CET1 ratio expectation from 10.25% to 9.0%, effective immediately. The target TLAC ratio was lowered to 22.5% of RWA. The target TLAC leverage ratio remains at 6.75%. OSFI continues to expect D-SIBs to fully meet the target TLAC requirements by November 1, 2021. The DSB, which is met with CET1 capital, can be set between 0% and 2.5% of total RWA. OSFI's action was taken in order to support D-SIBs' ability to supply credit to the economy during an expected period of disruption related to COVID-19 and market conditions. OSFI expected D-SIBs to use the additional lending capacity generated to support Canadian businesses and households, and not use this measure to increase distributions to shareholders or employees, or to undertake share buybacks. Consistent with this, OSFI set the expectation for all federally regulated financial institutions (FRFIs) that dividend increases and share buybacks should be halted for the time being. OSFI committed that any increases to the DSB would not take effect for at least 18 months from March 2020.

On June 23, 2020, OSFI announced that the DSB would remain at 1.0%, unchanged from the level set on March 13, 2020. This decision reflects OSFI's assessment that the current DSB level remains effective in supporting the resilience of the Canadian banking system and the overall economy.

On July 15, 2020, OSFI affirmed its support for the statements issued by the BCBS and the Financial Stability Board reinforcing the usability of banks' capital buffers. OSFI requires banks to build up capital buffers in good times so that they are available for use during periods of stress. Capital buffers allow banks to absorb losses, while also encouraging them to continue to provide loans and financial services during times of economic stress. Using capital buffers to absorb losses and support lending is consistent with a well-functioning capital regime and with the design and intended functioning of the Basel III framework, an international agreement to strengthen the regulation, supervision and risk management of banks.

Loan Payment Deferrals

On March 27, 2020, OSFI announced that in situations where loan payment deferrals are granted by deposit-taking institutions (DTIs), the loans will continue to be treated as performing loans under the CAR Guideline. This means that these loans will not be subject to a different risk weight under the Standardized Approach (SA) to credit risk and will not be considered delinquent when determining the probability of default under the Internal Rating Based (IRB) Approach, as a result of these payment deferrals. Banks should continue to assess the credit quality of these borrowers and follow sound credit risk management practices. After the payment deferral period ends (up to a maximum of six months), the usual rules for designating a loan as non-performing would apply.

On August 31, 2020, OSFI announced it is gradually phasing out the special capital treatment for loan payment deferrals. Loans granted payment deferrals before August 31, 2020 will continue to be treated as performing loans under the CAR Guideline for the duration of the deferral, up to a maximum of six calendar months from the effective date of the deferral. Loans granted payment deferrals after August 30, 2020 and on or before September 30, 2020 will be treated as performing loans under the CAR Guideline for the duration of the deferral, up to a maximum of three calendar months from the approval date of the deferral. Loans granted payment deferrals after September 30, 2020 are not eligible for the special capital treatment.

Transitional Arrangements for Capital Treatment of Expected Loss Provisioning

On March 27, 2020, in line with other jurisdictions, OSFI introduced transitional arrangements for expected credit loss provisioning that are available under the Basel Framework.

This will result in a portion of the increase in allowances, relative to the baseline level, that would otherwise be included in Tier 2 capital, to instead be included in CET1 capital. The baseline level is the amount of Stage 1 and Stage 2 allowances as at January 31, 2020, for October year-end DTIs. This increased amount is adjusted for tax effects and subject to a scaling factor, which is set at 70% in fiscal 2020, 50% in fiscal 2021 and 25% in fiscal 2022.

For exposures treated under the SA, DTIs should compare Stage 1 and Stage 2 allowances allocated to the SA at the end of that quarter with the baseline amount and multiply the increase in allowances by 100% less the DTI's tax rate, and multiply the result by the scaling factor for the reporting period (70% in fiscal 2020). The resulting amount should be added to CET1 capital.

For exposures treated under the IRB Approach, each quarter, DTIs should compare Stage 1 and Stage 2 allowances allocated to IRB portfolios at the end of that quarter with the baseline amount. The increase should be multiplied by 100% less the DTI's tax rate and then multiplied by the applicable scaling factor for the reporting period (70% in fiscal 2020). DTIs should then take the lower of (i) this result and (ii) excess allowances eligible for inclusion in Tier 2 capital, and add this amount to CET1 capital.

Reduction of Stressed Value-at-Risk (VaR) Multipliers under Market Risk

On March 27, 2020, OSFI announced that, on a temporary basis, it had reduced the Stressed VaR (SVaR) multipliers under market risk. Institutions subject to market risk capital requirements and using internal models were allowed to reduce the SVaR multiplier they were subject to at the end of the first quarter of fiscal 2020, down from a minimum value of three to one. OSFI will continue to monitor institutions' VaR and SVaR reports and will consider removing the temporary reduction in SVaR multipliers when it deems that prevalent market conditions have returned back to normal levels and the heightened volatility present in historical minimum observation periods used for calculating regulatory VaR has subsided, which is not expected to be earlier than April 2021.

Removal of Funding Valuation Adjustment (FVA) Hedges in Market Risk

On March 27, 2020, OSFI advised institutions to remove hedges of FVA from the calculation of market risk capital to address the asymmetry in the existing rule where these hedges of FVA are included while the underlying exposures of FVA are not.

Domestic Implementation of the Basel III Reforms

Consistent with the decision of the Group of Central Bank Governors and Heads of Supervision, the Basel Committee's oversight body, on March 27, 2020, OSFI announced the delay of the domestic implementation of the remaining measures of the Basel III international capital standard to provide additional operational capacity for banks to respond to the immediate financial stability priorities resulting from COVID-19. The implementation date for the revisions to the Standardized Approach and IRB Approach to credit risk, the operational risk framework, the leverage ratio framework, as well as the introduction of a more risk sensitive capital floor, has been delayed from Q1 2022 until Q1 2023. The implementation date of the final set of revisions to the market risk framework (known as the "fundamental review of the trading book" or FRTB) published in January 2019, has been delayed from Q1 2022 until Q1 2024. OSFI's implementation date of the revised credit valuation adjustment risk framework has also been delayed from Q1 2022 until Q1 2024.

On September 28, 2020, OSFI announced its plan to restart the development of prudential policy, which had been temporarily paused to allow conditions to stabilize. The policy development will focus on elements of risk management and compliance, capital and accounting for the next few quarters. OSFI will move forward with finalizing the requirements for domestic implementation of the Basel III Reform Package, including Pillar 3 disclosure expectations. OSFI has stated that it will seek input from the sectors under its supervision in making the necessary adjustments.

Leverage Ratio

Similar to the risk-based capital ratios, DTIs are expected to hold operating buffers above the regulatory minimum leverage ratio. These buffers are held in normal times to help ensure that an institution has additional flexibility in times of stress. In its announcement on March 27, 2020, OSFI encouraged DTIs to use operating buffers that are held above the authorized leverage ratio of the institution.

On April 9, 2020, OSFI announced the temporary exclusion of certain exposures from the DTI's leverage ratio exposure measure, effective immediately until April 30, 2021. The exclusions include exposures related to central bank reserves and sovereign-issued securities that qualify as High Quality Liquid Assets under the Liquidity Adequacy Requirements Guideline. On November 5, 2020, OSFI announced an eight-month extension of this treatment which will remain in place until December 31, 2021.

Capital Floor

To support DTIs' ability to continue to provide lending in the current environment, on April 9, 2020, OSFI lowered the capital floor factor used in the capital floor calculation under the current regime, which applies to institutions using the IRB Approach to calculate credit risk, from 75% to 70%, effective immediately. The 70% floor factor will remain in place until the domestic implementation of the capital floor under the Basel III reforms in Q1 2023.

Regulatory Capital Review

BMO is well capitalized, with capital ratios that exceed OSFI's published requirements for large Canadian banks, including the 1.0% DSB. BMO's CET1 Ratio was 11.9% as at October 31, 2020, compared with 11.4% as at October 31, 2019. The CET1 Ratio increased from the end of fiscal 2019, as higher CET1 capital from retained earnings growth, the adjustment for transitional arrangements for expected credit loss provisioning and the elimination of the provisioning shortfall deduction, issuance of common shares through the Shareholder Dividend Reinvestment and Share Purchase Plan (DRIP), and other net positive impacts, more than offset higher RWA, primarily due to changes in asset quality and increased asset size.

BMO's Tier 1 Capital and Total Capital Ratios were 13.6% and 16.2%, respectively, as at October 31, 2020, compared with 13.0% and 15.2%, respectively, as at October 31, 2019. The Tier 1 Capital Ratio was higher, primarily due to the factors impacting the CET1 Ratio and the issuance of the $1,250 million Limited Recourse Capital Notes, Series 1 (LRCN), partially offset by the announced preferred share redemptions. The Total Capital Ratio was higher than the prior year, primarily due to the factors impacting the Tier 1 Ratio and the issuance of subordinated notes.

The impact of foreign exchange rate movements on capital ratios was largely offset. BMO's investments in foreign operations are primarily denominated in U.S. dollars, and the foreign exchange impact of U.S.-dollar-denominated RWA and capital deductions may result in variability in the bank's capital ratios. BMO may manage the impact of foreign exchange rate movements on its capital ratios, and did so during fiscal 2020. Any such activities could also impact the bank's book value and return on equity.

BMO's Leverage Ratio was 4.8% as at October 31, 2020, up from 4.3% as at October 31, 2019, primarily driven by higher Tier 1 capital. Leverage exposures were relatively consistent with the prior year, as increased leverage exposures were offset by the temporary exclusion of central bank reserves and sovereign-issued securities that qualify as High Quality Liquid Assets under OSFI's Liquidity Adequacy Requirements Guideline.

While the ratios discussed above reflect the bank's consolidated capital base, BMO conducts business through a variety of corporate structures, including subsidiaries. A framework is in place such that capital and funding are managed appropriately at the subsidiary level.

As a U.S. bank holding company with total consolidated assets less than US$250 billion, the bank's subsidiary BMO Financial Corp. (BFC) continues to be subject to the Federal Reserve Board's (FRB) Comprehensive Capital Analysis and Review (CCAR) and Dodd-Frank Act Stress Test (DFAST) requirements on a biennial basis, beginning with CCAR 2020. CCAR is an exercise conducted by the FRB to assess whether the largest bank holding companies and foreign banking organizations operating in the United States have sufficient capital to support their operations throughout periods of economic and financial stress and have robust, forward-looking capital planning processes that address their unique risks. DFAST is a forward-looking exercise complementary to CCAR and conducted by the FRB to assess whether the financial companies that it supervises have sufficient capital to absorb losses and support operations during adverse economic conditions.

On June 25, 2020, the FRB released its 2020 CCAR and DFAST results, and on August 10, 2020, announced individual large bank capital requirements, which will be effective October 1, 2020. BFC's CET1 capital requirement assigned by the FRB is 10.5%, including the 4.5% minimum CET1 ratio and a 6% stress capital buffer (SCB). BFC, along with several other banks, requested a reconsideration of its assigned SCB, but the FRB declined any adjustments. BFC is well capitalized, with a strong CET1 ratio of 12.4% as at September 30, 2020.

In response to the disruption caused by the COVID-19 pandemic, the FRB required all of the large banks to develop and resubmit a Capital Plan in November 2020. BFC completed its submission on November 2, 2020. Results are expected to be published by December 31, 2020.

Regulatory Capital (1)

(Canadian $ in millions) As at October 31	2020	2019
Common Equity Tier 1 capital: instruments and reserves		
Directly issued qualifying common share capital plus related stock surplus	**13,732**	13,274
Retained earnings	**30,745**	28,725
Accumulated other comprehensive income (and other reserves)	**5,518**	3,729
Goodwill and other intangibles (net of related tax liability)	**(8,402)**	(8,331)
Other common equity Tier 1 capital deductions	**(1,516)**	(1,326)
Common Equity Tier 1 capital (CET1)	**40,077**	36,071
Additional Tier 1 capital: instruments		
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	**5,558**	5,058
Directly issued capital instruments subject to phase-out from Additional Tier 1	**290**	290
Additional Tier 1 instruments (and CET1 instruments not otherwise included) issued by subsidiaries and held by third parties (amount allowed in group AT1)	**–**	–
of which: instruments issued by subsidiaries subject to phase-out	**–**	–
Total regulatory adjustments applied to Additional Tier 1 capital	**(85)**	(218)
Additional Tier 1 capital (AT1)	**5,763**	5,130
Tier 1 capital (T1 = CET1 + AT1)	**45,840**	41,201
Tier 2 capital: instruments and provisions		
Directly issued qualifying Tier 2 instruments plus related stock surplus	**8,270**	6,850
Directly issued capital instruments subject to phase-out from Tier 2 capital	**146**	145
Tier 2 instruments (and CET1 and AT1 instruments not included) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	**–**	–
of which: instruments issued by subsidiaries subject to phase-out	**–**	–
General allowance	**458**	194
Total regulatory adjustments to Tier 2 capital	**(53)**	(50)
Tier 2 capital (T2)	**8,821**	7,139
Total capital (TC = T1 + T2)	**54,661**	48,340
Risk-Weighted Assets and Leverage Ratio Exposures		
Risk-Weighted Assets	**336,607**	317,029
Leverage Ratio Exposures	**953,640**	956,493
Capital ratios (%)		
Common Equity Tier 1 Ratio	**11.9**	11.4
Tier 1 Capital	**13.6**	13.0
Total Capital Ratio	**16.2**	15.2
Leverage Ratio	**4.8**	4.3

(1) Non-qualifying Additional Tier 1 and Tier 2 capital instruments are being phased out at a rate of 10% per year from January 1, 2013 to January 1, 2022.

MD&A

BMO's CET1 capital and Tier 1 capital levels were $40.1 billion and $45.8 billion, respectively, as at October 31, 2020, up from $36.1 billion and $41.2 billion, respectively, as at October 31, 2019. CET1 capital increased, primarily driven by retained earnings growth, the adjustment for transitional arrangements for expected credit loss provisioning and the elimination of the provisioning shortfall deduction, the issuance of common shares through the DRIP, and other net positive impacts. The increase in Tier 1 capital was primarily due to the factors impacting CET1 capital and the $1,250 million LRCN issuance, partially offset by announced preferred share redemptions.

Total capital was $54.7 billion as at October 31, 2020, up from $48.3 billion as at October 31, 2019, primarily due to the factors impacting Tier 1 capital and the issuance of subordinated notes.

Risk-Weighted Assets

RWA were $336.6 billion as at October 31, 2020, up from $317.0 billion as at October 31, 2019. Credit Risk RWA were $289.0 billion as at October 31, 2020, up from $269.3 billion as at October 31, 2019, primarily due to changes in asset quality driven by negative credit migration and increased asset size. As noted above, the impact of foreign exchange rate movements is largely offset in the CET1 Ratio. Market Risk RWA were $9.3 billion as at October 31, 2020, down from $11.2 billion as at October 31, 2019, primarily attributable to the impact of OSFI's regulatory measures and portfolio positioning, both to offset the impact of higher market volatility associated with the COVID-19 pandemic. Operational Risk RWA were $38.3 billion as at October 31, 2020, up from $36.6 billion as at October 31, 2019, primarily due to growth in the bank's average gross income. There was no capital floor RWA adjustment as at October 31, 2020, and October 31, 2019.

(Canadian $ in millions) As at October 31	**2020**	2019
Credit Risk		
Wholesale		
Corporate, including specialized lending	**131,396**	127,355
Corporate small and medium-sized enterprises	**45,121**	42,981
Sovereign	**6,259**	4,552
Bank	**4,264**	3,928
Retail		
Residential mortgages, excluding home equity line of credit	**9,275**	9,512
Home equity line of credit	**5,430**	5,605
Qualifying revolving retail	**5,917**	6,482
Other retail, excluding small and medium-sized enterprises	**14,507**	14,163
Retail small and medium-sized enterprises	**9,689**	8,063
Equity	**2,773**	2,407
Trading book	**15,567**	12,410
Securitization	**5,761**	2,722
Other credit risk assets – non-counterparty managed assets	**20,050**	17,210
Scaling factor for credit risk assets under AIRB Approach (1)	**12,908**	11,891
Total Credit Risk	**288,917**	269,281
Market Risk	**9,348**	11,183
Operational Risk	**38,342**	36,565
Risk-Weighted Assets	**336,607**	317,029

(1) The scaling factor is applied to RWA amounts for credit risk under the Advanced Internal Ratings Based (AIRB) Approach.

Economic Capital

Economic capital is an expression of the enterprise's capital demand requirement relative to its view of the economic risks in its underlying business activities. It represents management's estimation of the likely magnitude of economic losses that could occur should severely adverse situations arise, and allows returns to be measured on a consistent basis across such risks. Economic loss is the loss in economic or market value incurred over a specified time horizon at a defined confidence level, relative to the expected loss over the same time horizon. Economic capital is calculated for various types of risk, including credit, market (trading and non-trading), operational, business and insurance, based on a one-year time horizon using a defined confidence level.

Economic Capital and RWA by Operating Group and Risk Type

(As at October 31, 2020)

BMO Financial Group

Operating Groups	**Personal and Commercial Banking**	**BMO Wealth Management**	**BMO Capital Markets**	**Corporate Services**
Economic Capital by Risk Type (%)				
Credit	78%	36%	58%	74%
Market	7%	23%	28%	15%
Operational/Other	15%	41%	14%	11%
RWA by Risk Type (Canadian $ in millions)				
Credit	180,626	16,938	77,233	14,120
Market	–	32	9,316	–
Operational	21,300	6,534	10,508	–

Capital Management Activities

BMO's previous normal course issuer bid (NCIB) expired on June 2, 2020. On February 25, 2020, the bank announced its intention, subject to the approval of OSFI and the Toronto Stock Exchange, to establish a new NCIB that would permit the bank to purchase for cancellation up to 12 million common shares over a 12-month period, commencing on or about June 3, 2020. As previously noted and in light of OSFI's announcement on March 13, 2020, that all share buybacks by FRFIs should be halted for the time being, the bank put the renewal process on hold. During fiscal 2020, BMO did not purchase any of its common shares under the NCIB. During fiscal 2019, BMO repurchased and cancelled 1 million of its common shares as part of the NCIB at an average cost of $90.00 per share, totalling $90 million.

During fiscal 2020, BMO issued approximately 7.3 million common shares through the exercise of stock options and the Shareholder Dividend Reinvestment and Share Purchase Plan (DRIP).

On September 16, 2020, BMO issued $1,250 million 4.3% Limited Recourse Capital Notes, Series 1 (LRCN) (NVCC), which are classified as equity and form part of the Additional Tier 1 capital. Upon the occurrence of a recourse event, the noteholders will have recourse to assets held in a consolidated trust managed by a third party trustee. The trust assets are currently comprised of $1,250 million of BMO issued Non-Cumulative 5-year Rate Reset Class B Preferred Shares, Series 48 (NVCC) (Preferred Shares Series 48) issued concurrently with the LRCN. As the Preferred Shares Series 48 eliminate on consolidation, they do not currently form part of the bank's Additional Tier 1 capital.

During fiscal 2020, BMO completed Tier 1 and Tier 2 capital instrument issuances, redemptions and resets, as outlined in the table below.

Share Issuances, Redemptions, Resets and Conversions

(in millions) As at October 31, 2020	Issuance, redemption or reset date	Number of shares	Amount
Common shares issued			
Stock options exercised		0.6	$ 40
DRIP issuance		6.7	471
Tier 1 Capital			
Rate reset of Non-Cumulative 5-Year Rate Reset Class B Preferred Shares, Series 31	November 25, 2019	12.0	$ 300
Rate reset of Non-Cumulative 5-Year Rate Reset Class B Preferred Shares, Series 33	August 25, 2020	8.0	$ 200
Issuance of 4.3% Limited Recourse Capital Notes, Series 1	September 16, 2020		$1,250
Tier 2 Capital			
Issuance of Series J Medium-Term Notes, Second Tranche	June 17, 2020		$1,250

If an NVCC trigger event were to occur, NVCC capital instruments would be converted into BMO common shares pursuant to automatic conversion formulas, with a conversion price based on the greater of: (i) a floor price of $5.00; and (ii) the current market price of BMO's common shares at the time of the trigger event (calculated using a 10-day weighted average). Based on a floor price of $5.00, these NVCC capital instruments would be converted into approximately 3.6 billion BMO common shares, assuming no accrued interest and no declared and unpaid dividends.

On November 2, 2020, BMO announced the intention to redeem all of its $1,000 million 3.34% Series H Medium-Term Notes, Second Tranche (NVCC) on December 8, 2020.

On November 25, 2020, BMO redeemed all of its 6 million issued and outstanding Non-Cumulative Perpetual Class B Preferred Shares, Series 35 (NVCC) for an aggregate total of $156 million and all of its 600,000 issued and outstanding Non-Cumulative 5-Year Rate Reset Class B Preferred Shares, Series 36 (NVCC) for an aggregate total of $600 million.

Further details on subordinated debt and share capital are provided in Notes 15 and 16, on pages 183 and 184, respectively, of the consolidated financial statements.

MD&A

Outstanding Shares and NVCC Capital Instruments

As at October 31, 2020	Number of shares or dollar amount (in millions)	Dividends declared per share 2020	2019	2018
Common shares	646	**$ 4.24**	$ 4.06	$ 3.78
Class B Preferred shares				
Series 16 (1)	–	**–**	–	$ 0.64
Series 17 (1)	–	**–**	–	$ 0.52
Series 25 (2)	$ 236	**$ 0.45**	$ 0.45	$ 0.45
Series 26 (2)	$ 54	**$ 0.52**	$ 0.70	$ 0.59
Series 27*	$ 500	**$ 0.96**	$ 0.98	$ 1.00
Series 29*	$ 400	**$ 0.91**	$ 0.96	$ 0.98
Series 31*	$ 300	**$ 0.96**	$ 0.95	$ 0.95
Series 33*	$ 200	**$ 0.90**	$ 0.95	$ 0.95
Series 35* (3)	$ 150	**$ 1.25**	$ 1.25	$ 1.25
Series 36* (3)	$ 600	**$58.50**	$58.50	$58.50
Series 38*	$ 600	**$ 1.21**	$ 1.21	$ 1.21
Series 40*	$ 500	**$ 1.13**	$ 1.13	$ 1.13
Series 42*	$ 400	**$ 1.10**	$ 1.10	$ 1.10
Series 44*	$ 400	**$ 1.21**	$ 1.44	–
Series 46*	$ 350	**$ 1.28**	$ 0.77	–
Additional Tier 1 Capital Notes*				
4.8% Additional Tier 1 Capital Notes	US$ 500	**na**	na	na
4.3% Limited Recourse Capital Notes, Series 1 (4)	$1,250	**na**	na	na
Medium-Term Notes* (5)				
Series H – Second Tranche	$1,000	**na**	na	na
Series I – First Tranche	$1,250	**na**	na	na
Series I – Second Tranche	$ 850	**na**	na	na
3.803% Subordinated Notes	US$1,250	**na**	na	na
4.338% Subordinated Notes	US$ 850	**na**	na	na
Series J – First Tranche	$1,000	**na**	na	na
Series J – Second Tranche	$1,250	**na**	na	na
Stock options				
Vested	3.6			
Non-vested	2.9			

* Convertible into common shares

(1) Redeemed in August 2018.

(2) In August 2016, approximately 2.2 million Series 25 Preferred Shares were converted into Series 26 Preferred Shares on a one-for-one basis.

(3) Redeemed in November 2020.

(4) Convertible into common shares by virtue of recourse to the Preferred Shares Series 48. Refer to Note 16 on page 184 of the consolidated financial statements for conversion details.

(5) Note 15 of the consolidated financial statements includes details on the Series H Medium-Term Notes, Second Tranche, Series I Medium-Term Notes, First Tranche and Second Tranche, USD 3.803% Subordinated Notes, USD 4.338% Subordinated Notes and Series J Medium-Term Notes, First Tranche and Second Tranche.

na – not applicable

Note 16 on page 184 of the consolidated financial statements includes details on share capital and other equity instruments.

Dividends

Dividends declared per common share in fiscal 2020 totalled $4.24, up 4% from the prior year. Annual dividends declared represented 56.1% of reported net income and 54.9% of adjusted net income available to common shareholders on a last twelve months basis.

BMO's target dividend payout range (common share dividends as a percentage of net income available to shareholders, less preferred share dividends and distributions on other equity instruments, based on earnings over the last twelve months) is 40% to 50%, providing shareholders with a competitive dividend yield. BMO's target dividend payout range seeks to provide shareholders with stable income while ensuring sufficient earnings are retained to support anticipated business growth, fund strategic investments and support capital adequacy. The dividend payout temporarily exceeded the target range in 2020, primarily reflecting the increase in loan provisions and income volatility due to the impact of COVID-19.

At year end, BMO's common shares provided a 5.3% annualized dividend yield based on the year-end closing share price. On December 1, 2020, BMO announced that the Board of Directors had declared a quarterly dividend on common shares of $1.06 per share, unchanged from the prior quarter and prior year. The dividend is payable on February 26, 2021 to shareholders of record on February 1, 2021.

Effective March 13, 2020, OSFI prohibited FRFIs from increasing their common share dividend. OSFI will advise at the appropriate time on the unwinding of this guidance.

Shareholder Dividend Reinvestment and Share Purchase Plan

Common shareholders may elect to have their cash dividends reinvested in common shares of BMO in accordance with the Shareholder Dividend Reinvestment and Share Purchase Plan (DRIP).

In the first and second quarters of fiscal 2020, common shares to supply the DRIP were purchased on the open market. In the third and fourth quarters of fiscal 2020, common shares to supply the dividend reinvestment feature of the DRIP were issued from treasury at a 2% discount from their then-current market price. On August 25, 2020, BMO announced that for the common share dividend payable in the first quarter of fiscal 2021, and subsequently until further notice, common shares to supply the DRIP will be purchased on the open market without a discount. During fiscal 2019, common shares to supply the DRIP were purchased on the open market.

Eligible Dividends Designation

For the purposes of the *Income Tax Act (Canada)* and any similar provincial and territorial legislation, BMO designates all dividends paid or deemed to be paid on both its common and preferred shares as "eligible dividends", unless indicated otherwise.

Caution

This Enterprise-Wide Capital Management section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Off-Balance Sheet Arrangements

BMO enters into a number of off-balance sheet arrangements in the normal course of operations, which include Structured Entities, Credit Instruments and Guarantees.

Structured Entities (SEs) and Securitization

BMO carries out certain business activities through arrangements involving SEs, using them to obtain sources of liquidity by securitizing certain of its financial assets, secure customer transactions, or pass its credit risk to securities holders of the vehicles. For example, the bank enters into transactions with SEs in which it transfers assets, including mortgage loans, mortgage-backed securities, credit card loans, real estate lines of credit, auto loans and equipment loans in order to obtain alternate sources of funding, or as part of the bank's trading activities. Note 6 on page 165 of the consolidated financial statements describes the loan securitization activities carried out through third-party programs such as the Canada Mortgage Bond Program. Note 7 on page 166 of the consolidated financial statements provides further details of the bank's interests in both consolidated and unconsolidated SEs. Under IFRS, BMO consolidates SEs if it controls the entity. The bank consolidates its own securitization vehicles, the U.S. customer securitization vehicle, and certain capital and funding vehicles. BMO does not consolidate Canadian customer securitization vehicles, certain capital vehicles, various BMO-managed funds or various other structured entities where investments are held. Further details on U.S. and Canadian customer securitization vehicles are provided below.

BMO-Sponsored Securitization Vehicles

BMO sponsors various vehicles that fund assets originated by either BMO (which are then securitized through a bank securitization vehicle) or its customers (which are then securitized through three Canadian customer securitization vehicles and one U.S. customer securitization vehicle). The bank earns fees for providing services related to these customer securitization vehicles, including liquidity, distribution and financial arrangement fees for supporting the ongoing operations of the vehicles. These fees totalled approximately $117 million in 2020 ($113 million in 2019).

Canadian Customer Securitization Vehicles

The customer securitization vehicles BMO sponsors in Canada provide customers with access to financing either from the bank or in the asset-backed commercial paper (ABCP) markets. Customers sell their assets either directly into these vehicles, or indirectly by selling an interest in the securitized assets into these vehicles, which then issue ABCP to either investors or BMO in order to fund the purchases. In all cases, the sellers remain responsible for servicing the transferred assets and are first to absorb any losses realized on those assets. None of the sellers are affiliated with BMO.

BMO's exposure to potential losses arises from the purchase of ABCP issued by the vehicles, any related derivative contracts entered into with the vehicles, and the liquidity support provided to the market-funded vehicles. BMO uses the credit adjudication process in deciding whether to enter into these arrangements, just as when extending credit in the form of a loan.

Two of these customer securitization vehicles are market-funded, while the third is funded directly by BMO. BMO does not control these entities and therefore they are not consolidated. Further information on the consolidation of customer securitization vehicles is provided in Note 7 on page 166 of the consolidated financial statements. No losses were recorded on any of BMO's exposures to these vehicles in 2020 and 2019.

The market-funded vehicles had a total of $4.7 billion of ABCP outstanding as at October 31, 2020 ($3.5 billion in 2019). The ABCP issued by the market-funded vehicles is rated R-1(high) by DBRS and P1 by Moody's. BMO's purchases of ABCP, as distributing agent of ABCP issued by the market-funded vehicles, totalled $75 million as at October 31, 2020 ($8 million in 2019).

BMO provides committed liquidity support facilities for the market-funded vehicles totalling $5.6 billion as at October 31, 2020 ($5.5 billion in 2019). This amount comprised part of the commitments outlined in Note 24 on page 204 of the consolidated financial statements. All of these facilities remain undrawn. The assets of each of these market-funded vehicles consist primarily of exposure to diversified pools of Canadian automobile-related receivables and Canadian insured and conventional residential mortgages. These two asset classes represent 76% (79% in 2019) of the aggregate assets of these vehicles.

U.S. Customer Securitization Vehicle

BMO sponsors one customer securitization vehicle in the U.S. that it consolidates under IFRS. Further information on the consolidation of this customer securitization vehicle is provided in Note 7 on page 166 of the consolidated financial statements. This market-funded customer securitization vehicle provides customers, the sellers of the assets, with access to financing in the U.S. ABCP markets. The sellers remain responsible for servicing the assets involved in the related financing and are first to absorb any losses realized on those assets. None of the sellers are affiliated with BMO.

BMO's exposure to potential losses arises from its purchase of ABCP issued by the vehicle, any related derivative contracts BMO has entered into with the vehicle, and the liquidity support provided to the vehicle. The bank uses the credit adjudication process in deciding whether to enter into these arrangements, just as when extending credit in the form of a loan. No losses were recorded on any of BMO's exposures to the vehicle in 2020 and 2019.

The vehicle had US$2.5 billion of ABCP outstanding as at October 31, 2020 (US$2.6 billion in 2019). The ABCP issued by the vehicle is rated A1 by S&P and P1 by Moody's. In order to comply with U.S. risk retention rules that came into effect in 2017, BMO held US$140 million of the vehicle's ABCP as at October 31, 2020 (US$145 million in 2019).

BMO provides a committed liquidity support facility to the vehicle, with the undrawn amount totalling US$5.5 billion as at October 31, 2020 (US$5.1 billion in 2019). The assets of this customer securitization vehicle consist primarily of exposure to diversified pools of U.S. automobile-related receivables and student loans. These two asset classes represent 81% (74% in 2019) of the aggregate assets of the vehicle.

Credit Instruments

In order to meet the financial needs of BMO's clients, a variety of off-balance sheet credit instruments are used. These include guarantees and standby letters of credit, which represent the bank's obligation to make payments to third parties on behalf of a customer if the customer is unable to make the required payments or meet other contractual requirements. BMO also writes documentary and commercial letters of credit, which represent agreement to honour drafts presented by a third party upon completion of specified activities. Commitments to extend credit are off-balance sheet arrangements that represent the bank's commitment to customers to grant them credit in the form of loans or other financings for specific amounts and maturities, subject to meeting certain conditions.

There are a large number of credit instruments outstanding at any time. BMO's customers are broadly diversified, and the bank does not anticipate events or conditions that would cause a significant number of customers to fail to perform in accordance with the terms of their contracts. BMO uses the credit adjudication process in deciding whether to enter into these arrangements, just as when extending credit in the form of a loan. The bank monitors off-balance sheet credit instruments in order to avoid undue concentrations in any geographic region or industry.

The maximum amount payable by BMO in relation to these credit instruments was approximately $204 billion as at October 31, 2020 ($185 billion in 2019). However, this amount is not representative of the bank's likely credit exposure or the liquidity requirements for these instruments, as it does not take into account customer behaviour, which suggests that only a portion of customers would utilize the facilities related to these instruments, nor does it take into account any amounts that could be recovered under recourse and collateral provisions.

For the credit commitments outlined in the preceding paragraphs, in the absence of an event that triggers a default, early termination by BMO may result in a breach of contract.

Further information on these instruments can be found in Note 24 on page 204 of the consolidated financial statements.

Guarantees

Guarantees include contracts under which BMO may be required to make payments to a counterparty based on changes in the value of an asset, liability or equity security that the counterparty holds. Contracts under which the bank may be required to make payments if a third party does not perform according to the terms of a contract, and contracts under which it provides indirect guarantees of indebtedness, are also considered guarantees. In the normal course of business, BMO enters into a variety of guarantees, including standby letters of credit, backstop and other liquidity facilities, and derivatives contracts or instruments (including, but not limited to, credit default swaps), as well as indemnification agreements.

The maximum amount payable by BMO in relation to these guarantees was approximately $31 billion as at October 31, 2020 ($29 billion in 2019). However, this amount is not representative of the likely exposure, as it does not take into account customer behaviour, which suggests that only a portion of the guarantees would require BMO to make any payments, nor does it take into account any amounts that could be recovered under recourse and collateral provisions.

For a more detailed discussion of these arrangements, refer to Note 24 on page 204 of the consolidated financial statements.

Caution

This Off-Balance Sheet Arrangements section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Enterprise-Wide Risk Management

As a diversified financial services company providing banking, wealth management, capital markets and insurance services, BMO is exposed to a variety of risks that are inherent in its business activities. A disciplined and integrated approach to managing risk is fundamental to the success of its operations. BMO's risk management framework provides independent risk oversight across the enterprise and is integral to building competitive advantage.

MD&A

Enterprise-Wide Risk Management outlines BMO's approach to managing the key financial risks and other related risks that it faces, as discussed in the following sections:

Text and tables presented in a blue-tinted font in the Enterprise-Wide Risk Management section of the MD&A form an integral part of the 2020 audited annual consolidated financial statements. They present required disclosures as set out by the International Accounting Standards Board in IFRS 7, *Financial Instruments – Disclosures*, which permits cross-referencing between the notes to the consolidated financial statements and the MD&A. Refer to Note 1 on page 150 and Note 5 on page 164 of the consolidated financial statements.

Risks That May Affect Future Results

Top and Emerging Risks That May Affect Future Results

BMO is exposed to a variety of evolving risks that have the potential to affect its business, the results of its operations and its financial condition. The integral tasks in the risk management process are to proactively identify, assess, monitor and manage a broad spectrum of top and emerging risks. The top and emerging risk identification process involves several forums for discussion with the Board, senior management and business thought leaders, and combines both bottom-up and top-down approaches in considering risk. The assessment of top and emerging risks informs the development of action plans and stress tests related to BMO's exposure to certain events.

Particular attention has been given to the following:

General Economic Conditions and COVID-19 Pandemic Related Risks

BMO's earnings are affected by the general economic conditions prevailing in Canada, the United States and other jurisdictions in which it conducts business. The World Health Organization declared COVID-19 a global pandemic on March 11, 2020. The pandemic has had, and will likely continue to have a negative impact on the global economy and economic outlook, including with respect to the jurisdictions in which the bank operates, resulting in lower economic output, elevated unemployment levels and sustained low interest rates. Government and regulatory measures, such as temporary closures of businesses, the institution of social distancing and other measures have been relaxed in certain of these jurisdictions. However, other jurisdictions have reinstated measures due to subsequent spikes in infections. Actions taken by governments, monetary authorities and regulators to support the economy and financial system, including fiscal and monetary measures to increase liquidity and support incomes, as well as regulatory actions in respect of financial institutions, generally remained in place, though there is uncertainty regarding how much longer these actions and measures will stay in effect.

The pandemic has had a negative impact on the bank's earnings, including increased provisions for credit loan losses on both impaired and performing loans, and impacts from market volatility in the second quarter. Lower interest rates reduced the bank's net interest margin in the current year, and if rates do not increase, will likely result in future pressure on margins as assets renew at lower yields. The pandemic has also lowered loan growth and increased deposit growth. BMO continues to monitor the impacts of the pandemic on its credit portfolio. The pandemic has resulted in negative migration across the credit portfolio, particularly in certain sectors that are considered more vulnerable to the pandemic. In order to assist clients, the bank worked with governments and agencies to implement programs to reduce the financial hardship caused by the pandemic, including offering payment deferrals and lending facilities designed to help individuals and businesses to withstand stress and recover financially. Requests for payment deferrals have declined significantly since peaking in the second quarter. Deferrals continued to decline in the fourth quarter, with the large majority of clients resuming payments after exiting the deferral program. The maturities are being closely monitored and actively managed.

If the pandemic is prolonged, the negative impact on the global economy could deepen from what is currently expected. It could continue to disrupt global supply chains, lower equity market valuations and interest rates, create significant volatility and disrupt financial markets, and further increase unemployment and business bankruptcies. The bank's net interest income would likely be impacted further should interest rates decrease from current low levels and the demand for products and services may be significantly reduced. The bank would expect to continue to recognize elevated credit losses in its loan portfolios, including in those industries directly impacted by the pandemic, and in retail portfolios given higher unemployment. The bank could also experience losses in its trading business for several reasons, including heightened market volatility and a deterioration in the financial condition of counterparties, and other parties relevant to its business.

As a result of changing economic and market conditions, BMO may be required to recognize impairments in future periods on the securities or other assets it holds, as well as reductions in other comprehensive income. In addition, in certain businesses, including equity linked notes-related businesses where the bank sells investment products that have returns tied to equity securities, it has exposure to the dividend policies of the companies that issue those underlying equity securities. Business operations may also be disrupted if key suppliers of goods and services are adversely impacted or a significant portion of the workforce is unable to work effectively, including because of illness, quarantines, government actions, or other restrictions in connection with the pandemic. The pandemic may also impact the bank's ability to access capital markets, its liquidity and capital position. The pandemic has resulted in an increase, and may result in further increases, in certain of the bank's risks, including its top and emerging, credit and counterparty, market, insurance, liquidity and funding, operational, including technology and cyber-related, legal and regulatory, strategic, environmental and social, and reputation risks. BMO may also face increased risk of litigation and governmental and regulatory scrutiny, as a result of the effects of the pandemic on market and economic conditions and actions, governments, and governmental and regulatory authorities take in response to those conditions.

The extent to which the pandemic continues to impact the bank's operations and financial performance and condition will depend on future developments, which are highly uncertain and cannot be predicted, including the scope, severity and duration of the pandemic and actions taken by governments, and governmental and regulatory authorities, which could vary by country, and other third parties in response to the pandemic.

Cyber Security, Information Security and Privacy Risk

The pandemic has heightened the bank's exposure in the threat landscape, including a significant increase in phishing campaigns, which to date have been successfully blocked. The new distributed work-from-home environment increases the bank's risk of data loss and potential breaches of privacy. Reliance on suppliers whose work environments have also changed, along with the increasing frequency of industry-reported data breaches and the sophisticated exploitation of zero-day and other vulnerabilities, exposes BMO to heightened risk of data loss.

Information security is integral to BMO's business activities, brand and reputation. BMO faces common banking security risks, given its ever-increasing reliance on the internet, coupled with the remote work environment and extensive dependence on advanced digital technologies to process data. These risks include the threat of potential data loss; hacking; exposure of customer or employee information; identity theft and fraud; social media, brand and reputational damage; as well as the possibility of denial of service resulting in system failure and service disruption. To meet these threats, the bank continues to evolve its capabilities and increase investment in the Financial Crimes Unit, demonstrating its commitment to bringing together cyber defences, fraud and physical security functions, as well as subject matter experts across business groups. The bank has invested in its technological infrastructure including a state-of-the-art security hub and a "follow the sun" operating model, enabling teams to work globally across North America, Europe and Asia to detect, prevent, respond to and recover from security threats. In addition, it is enhancing processes and improving the ability to prevent, detect and recover from cyber security threats, keeping customers and employees safe. BMO continues to benchmark and review best practices across peer companies and other industries, conduct third-party assessments of controls, evaluate the effectiveness of key controls, develop new controls, and invest in both technology and human resources. It also works with various security and software suppliers to bolster its internal resources and technology capabilities, in order to respond to a rapidly evolving threat landscape.

Lower or Negative Interest Rates

In light of the economic dislocations that have resulted from efforts to curb the spread of COVID-19, both the Bank of Canada and the U.S. Federal Reserve have lowered their policy interest rates effectively to zero. Both central banks have also instituted programs of quantitative easing, under which they are purchasing a variety of bonds in order to apply downward pressure across a broad spectrum of market interest rates and support the continued smooth functioning of debt capital markets and stimulate the economy. The Bank of Canada and the Federal Reserve have each indicated that they do not anticipate using negative interest rate policy to stimulate economic growth, but sustained or deepening economic weakness could potentially cause policymakers to reconsider this position. Sustained low interest rates, or negative interest rates, could expose the bank to a number of financial, operational and technology risks. The most significant financial impact would result from compression of the bank's net interest margin and likely lower its net interest income, as existing assets mature and are renewed at lower interest rates. In terms of operational and technology risks in a negative interest rate environment, the bank may need to adapt its operations to fully accommodate the assessment of negative rates on its loans and deposits.

In the event of lower or negative interest rates, the bank would look to other sources of income in order to offset the likely decrease in net interest income.

Benchmark Interest Rate Reform

Interbank offered rates (IBORs) have been the subject of numerous global regulatory proposals and reforms over the past few years. Most significantly, the U.K. Financial Conduct Authority (FCA) has announced that it will no longer compel banks to submit to the London Interbank Offered Rate (LIBOR) after 2021. As a result, the industry must transition from LIBOR and other IBORs to alternative reference rates (ARRs) in multiple jurisdictions, a shift that will impact financial market participants globally, across many products and asset classes.

Transition efforts in connection with these reforms are complex, with significant risks and challenges that could result in increased volatility, pricing changes or illiquidity in markets for instruments that currently rely on IBORs. The transition could have adverse consequences for all market participants, including BMO, as both a holder and an issuer of IBOR-based instruments, such as the potential for increased financial, operational, legal and regulatory, and reputational risks.

BMO has established an enterprise IBOR Transition Office (ITO) to coordinate and oversee the transition from IBORs to ARRs, with a focus on managing and mitigating internal risks, while ensuring a positive client experience. The ITO, sponsored and supported by senior management, is responsible for running the enterprise-wide program, covering all of BMO's lines of business and corporate function areas. The ITO has a global mandate to ensure that BMO properly anticipates the discontinuation or unavailability of LIBOR and other IBORs. As part of its mandate, the ITO continues to address BMO's industry and regulatory engagement, client and financial contract changes, internal and external communications, technology and operations modifications, introduction of new products, migration of existing clients, and program strategy and governance. In addition, the ITO continues to monitor the development and usage of ARRs across the industry, including the Secured Overnight Financing Rate (SOFR). As the market has developed, the bank has begun to add ARR-based products to its suite of offerings.

Globally, regulators and industry working groups continue to take actions to facilitate a timely transition. The U.K. government, for instance, has stated its intention to give the FCA enhanced powers to manage and conduct an orderly wind-down of LIBOR. While regulators acknowledge the challenges market participants are facing due to the pandemic, they continue to expect the industry to transition away from LIBOR and other IBORs by the end of 2021. Both the FCA and the ICE Benchmark Association have recently initiated industry consultations regarding the process and timing for the orderly wind-down of LIBOR, including the conditions under which LIBOR with respect to certain currencies and tenors may be continued beyond December 31, 2021. In light of this, industry working groups continue to publish guidance and recommended transition timelines to help the industry meet the expected deadline. BMO's ITO is incorporating the guidance and timelines into project plans and continues to monitor for changes and updates from regulators and industry working groups in order to facilitate a smooth and timely transition for BMO and its clients.

Oil and Gas Industry Outlook

Oil prices decreased significantly during the year, in part due to increases in oil supply from OPEC+ countries, followed by decreases in oil demand tied to the pandemic. Although prices did rebound moderately later in the year, they remain at low levels compared with production costs and 2019 levels. These conditions posed challenges for both exploration and development and oil and gas services companies.

The bank remains focused on taking risks in the oil and gas industry, within its approved risk appetite, while seeking appropriate returns on those risks. In the exploration and production sector, the bank is working with existing borrowers to maintain loan exposures, in line with changing estimates of oil and gas reserve values. BMO maintains an internal limit that caps its exposure to this sector. In the oil and gas services sector, BMO is focused on Canadian borrowers with a strong capital base and diversified operations that are heavily weighted to providing maintenance and servicing to large producers.

Technology Resiliency

Given the extent to which BMO's operations rely on technology and technology vendors, it is important to maintain a technology platform that provides a high level of operational reliability and resilience. Processes and initiatives are in place to ensure an appropriate level of resiliency in the technology platform, particularly with respect to critical systems.

Geopolitical Risk and Escalating Trade Disputes

Geopolitical risk remains elevated as a result of strained relations among many countries, including between the United States and China and Iran. Heightened geopolitical risk can give rise to shifts in global capital flows, which may lead to market disruptions and a decrease in investment, trade and global economic growth. BMO's core banking portfolio has limited direct exposure outside North America; however, its core customers and international strategy depend on sustained growth and trade. To mitigate the exposure to geopolitical risk, BMO maintains a diversified portfolio that is continually monitored and tested, in addition to contingency plans that it may establish to address any possible adverse developments.

Rising protectionism and anti-globalization sentiment in the United States and other countries may hinder global growth. In particular, despite the Phase One trade agreement reached between the United States and China earlier this year, trade tensions between the two countries have remained elevated, which could adversely affect business investment and could prove especially problematic for commodity-producing countries, such as Canada. Trade disputes have also arisen between Canada and China over the past year. Within North America, the Canada-United States-Mexico Agreement (CUSMA) took effect on July 1, 2020, and has reduced uncertainty about continental trading arrangements.

Although it is difficult to predict and mitigate the potential economic and financial consequences of trade-related events on the Canadian and U.S. economies, BMO actively monitors global and North American trends and continually assesses its businesses in the context of these trends. BMO stress-tests its portfolios, business plans and capital adequacy against severely adverse scenarios arising from trade-related shocks, and establishes contingency plans and mitigation strategies to address and offset the consequences of possible adverse political and economic developments.

BMO's credit exposure by geographic region is set out in Tables 7, 8 and 11 to 13 on pages 130 and 132 to 135 and in Note 4 on page 159 of the consolidated financial statements.

Material presented in a blue-tinted font above is an integral part of the 2020 audited annual consolidated financial statements (refer to page 73).

Other Factors That May Affect Future Results

Canadian Housing Market and Consumer Leverage

Restrictions on economic activity aimed at curbing the pandemic resulted in a steep decline in housing market activity in March and April of 2020. However, the housing market has since rebounded strongly, with home sales surpassing pre-pandemic levels and prices rising sharply. The lower interest rate environment should underpin strength in housing markets. However, several factors, such as high unemployment and lower immigration, could potentially weigh on sales activity and home prices in the future. In addition, the pandemic has the potential to drive permanent changes in consumer behaviours and preferences, as well as changes in how and where work is performed, including more widespread adoption of remote work. Such changes have the potential to cause structural shifts in demand for housing stock based on geographic and other characteristics, as well as affecting the viability of income-generating investment properties, in particular condos in downtown urban markets. These changes could dampen sales activity, home prices and property values within the existing portfolio.

Although household debt levels have risen only modestly this year due to weaker consumer spending and increased income support from government programs, they remain historically elevated, which could impede new mortgage borrowing. In addition, housing affordability remains weak in the Greater Toronto Area (GTA), Greater Vancouver Area (GVA), and their surrounding regions, which represents an ongoing barrier to entry for potential first-time home buyers. High levels of unemployment will also weigh on household incomes, especially if current government support programs begin to be scaled back or are eliminated, which will reduce household purchasing power. The heightened level of economic uncertainty could also cause households to continue to focus on deleveraging.

Potential reductions in home sales activity, particularly in the GTA and GVA, would impact mortgage origination volumes and, if property values were to decline, reduce the value of collateral backing of loans and could result in higher provisions for credit losses. It is not possible to accurately predict the full impact of recent economic and policy changes or any potential future changes, but BMO's prudent lending practices, which include the application of additional underwriting scrutiny on higher-value and higher loan-to-value transactions and the setting and close monitoring of regional, property type and customer segment concentration limits, support the soundness of the bank's Canadian real estate lending portfolio. Further, stress test analysis suggests that even significant price declines and extremely challenging economic conditions would result in manageable losses, mainly due to insurance coverage and the significant level of equity built up in seasoned loans.

Fiscal and Monetary Policies and Other Economic Conditions in the Countries in which BMO Conducts Business

BMO's earnings are affected by the fiscal and monetary policies and other economic conditions prevailing in Canada, the United States and other jurisdictions in which it conducts business. These policies and conditions may have the effect of reducing profitability and certainty in some specific businesses and markets, which may affect customers and counterparties, potentially contributing to a greater risk of default. Changes in fiscal and monetary policies are difficult to anticipate. Higher levels of government debt resulting from the pandemic have the potential to create future vulnerabilities that could impact the bank's business and markets. Fluctuations in interest rates can have an impact on earnings, the value of investments, the credit quality of lending to customers and counterparty exposure, and the capital markets that BMO accesses.

Changes in the value of the Canadian dollar relative to the U.S. dollar have affected, and could in future continue to affect, the results of clients with significant foreign earnings or input costs. BMO's investments in foreign operations are primarily denominated in U.S. dollars, and the foreign exchange impact of U.S.-dollar-denominated risk-weighted assets and capital deductions may result in variability in the bank's capital ratios. BMO may take actions to manage the impact of foreign exchange rate movements on its capital ratios, and did so during 2020. Refer to the Enterprise-Wide Capital Management section on page 63. The value of the Canadian dollar relative to the U.S. dollar will also affect the contribution of U.S. operations to the bank's Canadian-dollar profitability.

Hedging positions may be taken to manage interest rate exposures and partially offset the effects of Canadian dollar/U.S. dollar exchange rate fluctuations on the bank's financial results. Refer to the Foreign Exchange section on page 23 and the Market Risk section on page 92 for a more complete discussion of foreign exchange and interest rate risk exposures.

Climate Change and Other Environmental and Social Risks

BMO faces risks arising from environmental events, such as drought, floods, wildfires, earthquakes, and hurricanes and other storms. These events could potentially disrupt the bank's operations, impact customers and counterparties, and result in lower earnings and higher losses. Factors contributing to heightened environmental risks include the impacts of climate change and the continued intensification of development in areas of greater environmental sensitivity. BMO's business continuity management preparations provide it with the capability to restore, maintain and manage critical operations and processes in the event of a business disruption.

BMO also faces risks in relation to borrowers that experience losses or increases in their operating costs as a result of climate-related policies, such as carbon emissions pricing, or that experience lower revenue as new and emerging technologies displace or disrupt demand for certain commodities, products and services.

Legal and regulatory, business or reputation risks could arise from BMO's actual or perceived actions, or inaction, in relation to climate change and other environmental and social risk issues, or its disclosures on these matters. Legal and regulatory or reputation risks related to such matters could also impact customers, suppliers or other stakeholders, giving rise to business or reputation risks. BMO monitors developments in these areas on an ongoing basis as part of its overall assessment of operational, business and reputation risks.

BMO supports the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), and employs the TCFD framework to enhance its understanding and disclosure of the evolving impact of risks associated with climate change, together with possible mitigation strategies. BMO continues to build its internal capacity to conduct climate change scenario analysis, in line with the TCFD recommendations, and is expanding this program to evaluate both physical and transition risks across a selection of climate-sensitive portfolios. These efforts will help the bank identify potential material financial risks and will inform its business strategy in relation to climate change going forward.

Refer to the Environmental and Social Risk section on page 112 for further discussion of these risks.

Regulatory Requirements
The financial services industry is highly regulated, and BMO has experienced changes and increasing complexity in regulatory requirements, as governments and regulators around the world continue to pursue major reforms intended to strengthen the stability of the financial system and protect key markets and participants. As a result, there is the potential for higher capital requirements and additional regulatory compliance costs, which could lower returns and affect growth. These reforms could also affect the cost and availability of funding and the extent of the bank's market-making activities. Regulatory reforms may also impact fees and other revenues for certain operating groups. In addition, differences in laws and regulations enacted by various national regulatory authorities may provide advantages to international competitors that could affect BMO's ability to compete, and lead to loss of market share. BMO monitors such developments, and other potential changes, so that it is well-positioned to respond and implement any necessary changes.

Failure to comply with applicable legal and regulatory requirements could result in legal proceedings, financial losses, regulatory sanctions, enforcement actions, an inability to execute business strategies, a decline in investor and customer confidence, and damage to the bank's reputation. Refer to the Legal and Regulatory Risk and Enterprise-Wide Capital Management sections on pages 110 and 63, respectively, for a more complete discussion of BMO's exposure to legal and regulatory risk.

Tax Legislation and Interpretations
Legislative changes and changes in tax policy, including their interpretation by tax authorities and the courts, may impact BMO's earnings. Tax laws, as well as interpretations of tax laws and policy by tax authorities, may change as a result of efforts by the G20 and the Organisation for Economic Co-operation and Development to broaden the tax base globally and improve tax-related reporting. Refer to the Critical Accounting Estimates section on page 114 for further discussion of income taxes and deferred taxes.

Changes to Business Portfolio
The bank may, from time to time, acquire companies, businesses and assets as part of its overall business strategy. The bank will conduct thorough due diligence before completing such acquisitions. However, some of the acquisitions may not perform in line with the bank's financial or strategic objectives or expectations. The bank's ability to successfully complete an acquisition may be subject to regulatory and shareholder approvals, and it may not be able to determine when, if or on what terms the necessary approvals will be granted. Changes in the competitive and economic environment, as well as other factors, may result in reductions in revenue or profitability, while higher than anticipated integration costs and failure to realize expected cost savings after an acquisition could also adversely affect the bank's earnings. Integration costs may increase as a result of regulatory costs related to an acquisition, other unanticipated costs that were not identified in the due diligence process or demands on management time that are more significant than anticipated, as well as unexpected delays in implementing certain plans that in turn lead to delays in achieving full integration. Successful post-acquisition performance depends on retaining the clients and key employees of acquired companies and businesses and on integrating key systems and processes without disruption, and there can be no assurance that the bank will always succeed in doing so.

The bank also evaluates potential dispositions of assets and businesses that may no longer meet the bank's strategic objectives. When the bank sells assets or withdraws from a business, the bank may encounter difficulty in finding buyers or alternative exit strategies on acceptable terms or in a timely manner, which could delay the achievement of its strategic objectives. The bank may also dispose of assets or a business on terms that are less desirable than anticipated or result in adverse operational or financial impacts, experience greater dis-synergies than expected, and the impact of the divestiture on revenue growth may be larger than projected. Dispositions may be subject to satisfaction of conditions and required governmental approvals on acceptable terms, which, if not satisfied or obtained, may prevent the bank from completing the dispositions as intended, or at all.

Critical Accounting Estimates and Accounting Standards
BMO prepares its consolidated financial statements in accordance with IFRS. Changes that the International Accounting Standards Board makes from time to time to these standards can be difficult to anticipate and may materially affect how BMO records and reports its financial results. Significant accounting policies and future changes in accounting policies are discussed on pages 118 and 119, as well as in Note 1 on page 150 of the consolidated financial statements.

The application of IFRS requires management to make significant judgments and estimates that affect the carrying amounts of certain assets and liabilities, certain amounts reported in net income, and other related disclosures. In making these judgments and estimates, BMO relies on the best information available at the time. However, it is possible that circumstances may change, that new information may become available or that the bank's models may prove to be imprecise.

BMO's financial results could be affected for the period during which any such new information or change in circumstances becomes apparent, and the extent of the impact could be significant. More information is included in the Critical Accounting Estimates section on page 114.

Caution
The Risks That May Affect Future Results section and the remainder of this Enterprise-Wide Risk Management section contain forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Other factors beyond BMO's control that may affect its future results are noted in the Caution Regarding Forward-Looking Statements on page 14. BMO cautions that the preceding discussion of risks that may affect future results is not exhaustive.

Risk Management Overview

BMO believes that risk management is every employee's responsibility and is guided by five key principles on risk that drive its approach to managing risk across the enterprise and comprise its Risk Appetite Statement.

Understand and Manage

- The bank will only take those risks that are transparent and understood, and can be measured, monitored and managed, supported by effective information systems, processes, governance and controls
- The bank will embrace a culture of constructive challenge, personal accountability, and timely and transparent information-sharing at all levels of the enterprise, with rapid escalation of threats and concerns
- The bank will incorporate risk measures into its performance management system and compensation decisions will include performance assessment against risk appetite
- The bank will protect customer and enterprise assets, including data and systems, and manage any exposures by maintaining an effective system of limits and controls to manage all risks

Protect BMO's Reputation

- Everything the bank does will be guided by principles of honesty, integrity, respect and high ethical standards in alignment with its Code of Conduct
- The bank will protect its reputation, and strive to adhere to all regulatory and legal obligations, by maintaining effective policies, procedures, guidelines, compliance standards and controls, and by providing training and management to guide business practices and risk-taking activities of all employees
- The bank will identify, assess and manage the potential loss or damage resulting from environmental and social issues, including climate change

Diversify. Limit Tail Risk.

- The bank will target a business mix that limits earnings volatility to acceptable levels throughout the business cycle, and limits exposure to low-probability, high-impact events that could jeopardize its debt rating, capital position or reputation
- The bank will use risk measurement and stress testing methodologies in the assessment of risk, risk-taking capacity and sustainable risk-adjusted returns to guide management action and to prepare for extreme events

Maintain Strong Capital and Liquidity

- The bank will maintain a strong capital position and sound liquidity and funding position which meet, or exceed, regulatory requirements and the expectations of the market (rating agencies, investors, and depositors)
- The bank will maintain an investment grade debt rating at a level that allows competitive access to funding
- The bank will maintain a robust recovery and resolution framework that enables an effective and efficient response in an extreme crisis

Optimize Risk Return

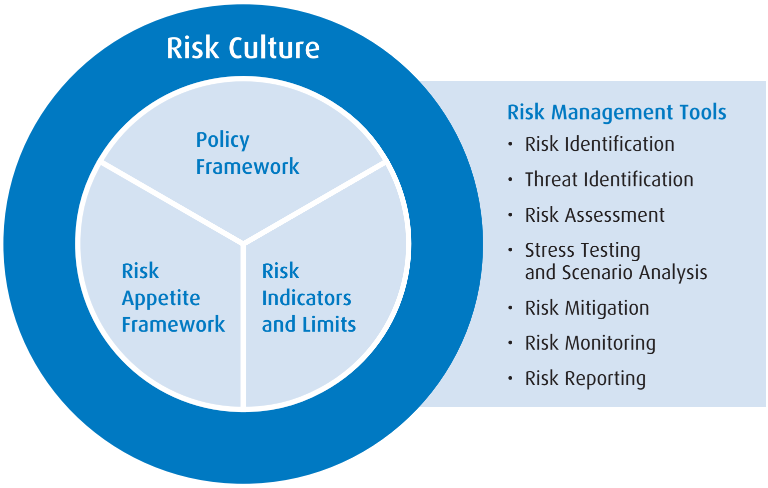
- The bank will set capital limits and manage its exposures based on risk appetite and strategy and require its businesses to optimize risk-adjusted returns
- The bank will target new products, initiatives and acquisition opportunities that provide a good strategic and cultural fit, and a high likelihood of creating value for its shareholders

BMO's integrated and disciplined approach to risk management is fundamental to the success of its business. All elements of the risk management framework function together in support of prudent and measured risk-taking, while striking an appropriate balance between risk and return. BMO's Enterprise Risk and Portfolio Management (ERPM) group oversees the implementation and operation of risk appetite, risk policies and limits, and provides independent review and oversight across the enterprise on risk-related issues, in order to achieve prudent and measured risk-taking that is integrated with its business strategy.

Framework and Risks

Enterprise-Wide Risk Management Framework

BMO's Risk Management Framework (RMF) guides its risk-taking activities in order to align them with its risk appetite, client needs, shareholder expectations and regulatory requirements. The RMF provides for the direct management of each individual risk type, as well as the management of risks on an integrated basis, with three lines of defence in the management of risk.



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Risk Culture

Risk culture is the set of shared norms, attitudes and behaviours related to risk awareness, risk-taking and risk management at BMO. Sound risk culture consistently supports appropriate risk behaviours and judgments about risk-taking and promotes effective risk management and alignment of risk-taking activities with the bank's Risk Appetite. BMO's risk culture informs and supports its overall culture. BMO has a long tradition of commitment to high ethical standards, grounded in values of integrity, empathy, diversity and responsibility. BMO's Purpose – to Boldly Grow the Good *in business and life* – is underpinned by its values. The Purpose defines BMO as an organization and is the foundation of how the bank works. ERPM is responsible for the development and promotion of a healthy, strong risk culture across the enterprise. In pursuing this mandate, ERPM works closely with Legal & Regulatory Compliance's Ethics & Conduct Office, and People & Culture.

BMO's risk culture is founded on four guiding principles that together reinforce its effectiveness across the bank: Tone from the Top, Accountability, Effective Communication and Challenge, and Incentives:

- **Tone from the Top:** BMO's risk culture is grounded in an approach to risk management that encourages openness, constructive challenge and personal accountability. Each member of senior management plays a critical role in fostering this strong risk culture among all employees, by effectively communicating this responsibility and by the example of their own actions. The Board of Directors oversees the bank's corporate objectives, and seeks to ensure they are supported by a sound risk strategy and an effective RMF that is appropriate to the nature, scale, complexity and risk profile of the bank's activities. The Board also has overall responsibility for the bank's governance framework and corporate culture, and approves its Risk Appetite Statement and Risk Appetite Framework.
- **Accountability:** BMO's RMF is anchored in the three-lines-of-defence approach to managing risk. The bank's risk culture also encourages the escalation of concerns associated with potential or emerging risks to senior management, so that they can be evaluated and appropriately addressed. The bank prides itself on providing an environment where concerns can be raised without retaliation.
- **Effective Communication and Challenge:** Timely and transparent sharing of information is integral to engaging stakeholders in key decisions and strategy discussions, bringing added rigour and discipline to BMO's decision-making. This not only leads to the timely identification, escalation and resolution of issues, but also encourages open communication, independent challenge and an understanding of the key risks faced by the organization, so that employees are equipped and empowered to make decisions and take action in a coordinated and consistent manner, supported by a strong monitoring and control framework.
- **Incentives:** Compensation is aligned with prudent risk-taking, so that compensation and other incentives reward the appropriate use of capital and respect for the rules and principles of the RMF and do not encourage excessive risk-taking. Risk managers have input into the design of incentive programs that may have an effect on risk-taking. The bank also maintains training programs that are designed to foster a deep understanding of BMO's capital and risk management frameworks across the enterprise, providing employees and management with the tools and awareness they need to fulfill their responsibilities for independent oversight, regardless of their role in the organization.

Risk Appetite Framework

BMO's Risk Appetite Framework consists of its Risk Appetite Statement and key risk metrics, and is supported by corporate policies, standards and guidelines, including the related limits, concentration levels and controls defined therein. Risk appetite defines the amount of risk that the bank is willing to assume given its guiding principles and capital capacity, thereby supporting sound business initiatives, appropriate returns and targeted growth. The risk appetite is integrated into the strategic and capital planning processes and performance management system. On an annual basis, the Risk Management Committee (RMC) submits the Risk Appetite Statement and key risk metrics to the Risk Review Committee of the Board of Directors (RRC), which in turn reviews and recommends it to the Board of Directors for approval. The Risk Appetite Statement is articulated and applied consistently across the enterprise, with key businesses and entities developing their own respective risk appetite statements within this framework.

Risk Governance

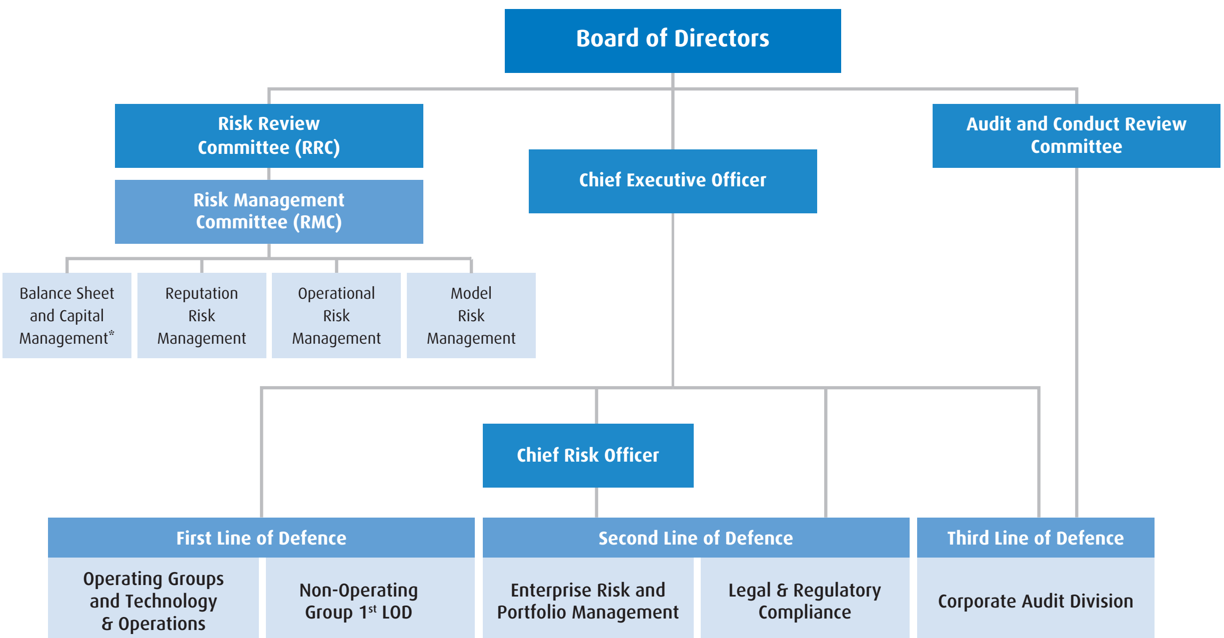
BMO's enterprise-wide RMF is founded on a governance approach that includes a robust committee structure and a comprehensive set of corporate policies and limits, each of which is approved by the Board of Directors or its committees, as well as specific corporate standards approved by senior management. The bank's corporate policies outline frameworks and objectives for each significant risk type, so that risks to which the enterprise is exposed are appropriately identified, measured, managed, monitored, mitigated and reported. A Risk Taxonomy is maintained to comprehensively identify and manage key risks. The Risk Taxonomy reflects the bank's Tier 1 risks, as set out in the diagram below.

Specific Board-approved policies govern BMO's approach to key risks, such as credit and counterparty, market, liquidity and funding, and operational risks. This enterprise-wide RMF is overseen at all levels through a hierarchy of committees and individual responsibilities, as outlined in the following diagram. The Board seeks to ensure that the bank's corporate objectives are supported by a sound risk strategy and an effective RMF that is appropriate to the nature, scale, complexity and risk profile of the bank's activities. The Board also has overall responsibility for the bank's governance framework and corporate culture.

BMO's RMF is reviewed on a regular basis by the RRC, in order to provide oversight and guide its risk-taking activities. In each of the operating groups, management, as the first line of defence, is responsible for governance activities and controls, and the implementation and operation of risk management processes and procedures that provide effective risk management. ERPM, as the primary second line of defence, oversees the implementation and operation of risk management processes and procedures, and aligns, monitors and tests risk outcomes against risk appetite and management expectations, ensuring that risk outcomes are consistent with return expectations. Individual governance committees establish and monitor further risk limits, consistent with Board-approved limits.

The diagram below outlines BMO's risk governance framework, including both the direct and administrative reporting lines.

Risk Governance Framework



* With respect to Structural Market Risk, Liquidity Risk, and Internal Capital Adequacy Assessment Process (ICAAP) related matters, Balance Sheet and Capital Management Committee (BSCMC) reports into Risk Management Committee (RMC).

In addition to the enterprise-level risk governance framework, appropriate risk governance frameworks, supported by the three lines of defence, are in place in all material businesses and entities.

Board of Directors is responsible for supervising the management of the business and affairs of BMO. The Board, either directly or through its committees, is responsible for oversight in the following areas: strategic planning; defining risk appetite; the identification and management of risk; capital management; fostering a culture of integrity; internal controls; succession planning and evaluation of senior management; communication; public disclosure; and corporate governance.

Risk Review Committee of the Board of Directors (RRC) assists the Board in fulfilling its risk management oversight responsibilities. This includes overseeing the identification and management of BMO's risks, leading its risk culture; adherence by operating groups to risk management corporate policies and standards; compliance with risk-related regulatory requirements; and evaluating the Chief Risk Officer (CRO), including input into succession planning for the CRO. RMF is reviewed on a regular basis by the RRC in order to provide guidance for the governance of risk-taking activities.

Audit and Conduct Review Committee of the Board of Directors assists the Board in fulfilling its oversight responsibilities for the integrity of BMO's financial reporting; the effectiveness of BMO's internal controls; the independent auditors' qualifications, independence and performance; BMO's compliance with laws and regulations; transactions involving related parties; conflicts of interest and confidential information; and standards of business conduct and ethics.

Chief Executive Officer (CEO) is directly accountable to the Board for all of BMO's risk-taking activities. The CEO is supported by the CRO and the ERPM group.

Chief Risk Officer (CRO) reports directly to the CEO and is head of ERPM and chair of RMC. The CRO is responsible for providing independent review and oversight of enterprise-wide risks and leadership on risk issues, developing and maintaining the RMF and fostering a strong risk culture across the enterprise.

Risk Management Committee (RMC) is BMO management's senior risk committee. RMC reviews and discusses significant risk issues and action plans that arise in executing the enterprise-wide strategy. RMC provides risk oversight and governance at the highest levels of management. This committee is chaired by the CRO and its members include the heads of operating groups, the CEO and the Chief Financial Officer (CFO).

RMC Sub-Committees have oversight responsibility for the risk implications and balance sheet impacts of management strategies, governance practices, risk measurement, model risk management and contingency planning. RMC and its sub-committees provide oversight of the risks taken across the enterprise and the process through which such risks are identified, measured, managed, monitored, mitigated and reported in accordance with policies, and are held within limits and risk tolerances.

Enterprise Risk and Portfolio Management (ERPM), as the risk management second line of defence, provides comprehensive risk management oversight, effective challenge and independent assessment of risk and risk-taking activities. ERPM supports a disciplined approach to risk-taking in fulfilling its responsibilities for independent transactional approval and portfolio management, policy formulation, risk reporting, stress testing, modelling and risk education. This approach promotes consistency in risk management practices and standards across the enterprise, and verifies that any accepted risks are consistent with BMO's risk appetite.

Operating Groups are responsible for effectively managing risks by identifying, measuring, managing, monitoring, mitigating and reporting risk within their respective lines of business in accordance with risk appetite. They exercise business judgment and seek to ensure that effective policies, processes and internal controls are in place and that significant risk issues are reviewed with ERPM. Individual governance committees and ERPM establish and monitor further risk limits that are consistent with and subordinate to the Board-approved limits.

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Three-Lines-of-Defence Operating Model

BMO's RMF is anchored in the three-lines-of-defence approach to managing risk, as described below:

- Operating groups are the bank's **first line of defence**. They are accountable for the risks arising from their businesses, activities and exposures. They are expected to pursue business opportunities within the established risk appetite and to identify, measure, manage, monitor, mitigate and report all risks in or arising from their businesses, activities and exposures. The first line discharges its responsibilities by using risk management and reporting methodologies and processes developed by the business, ERPM, and other areas, and may call on these resources to help discharge these responsibilities. Businesses are responsible for establishing appropriate internal controls in accordance with the RMF and for monitoring the effectiveness of such controls. These processes and controls help ensure businesses act within their delegated risk-taking authority and risk limits as set out in corporate policies and the Risk Appetite Framework.
- The **second line of defence** is comprised of ERPM and Legal & Regulatory Compliance. The second line provides independent oversight, effective challenge and independent assessment of risks and risk management practices, including transaction, product and portfolio risk management decisions, processes and controls in the first line of defence. The second line establishes enterprise-wide risk management policies, infrastructure, processes, methodologies and practices that the first and second lines use to identify, assess, manage, monitor, mitigate and report risks across the enterprise.
- Corporate Audit Division is the **third line of defence**. It provides an independent assessment of the effectiveness of internal controls across the enterprise, including controls that support the risk management and governance processes.

Enterprise Culture and Conduct Framework

The Enterprise Culture and Conduct Framework sets out BMO's approach to managing and mitigating potential misconduct. Misconduct is behaviour that falls short of legal, professional, internal conduct and ethical standards. Similar to BMO's approach to other non-financial risks, this framework is supported by the enterprise-wide RMF and a focus on maintaining a strong risk culture. BMO reports on various metrics related to culture and conduct, and engages with other control frameworks across the enterprise and in all of the jurisdictions in which it operates.

Risk Limits

The bank sets risk limits so that risk-taking activities remain within the risk appetite, and these limits inform business strategies and decisions. In particular, BMO considers risk diversification, exposure to loss and risk-adjusted returns when setting limits. These limits are reviewed and approved by the Board of Directors or management committees, as appropriate, based on the level and granularity of the limits, and include:

- Credit and Counterparty Risk – limits on group and single-name exposures and material country, industry and portfolio/product segments
- Market Risk – limits on economic value and earnings exposures to stress scenarios and significant movements, as well as limits on value at risk and stress related to trading and underwriting activities
- Insurance Risk – limits on policy exposures and reinsurance arrangements
- Liquidity and Funding Risk – minimum limits on governing internal liquidity stress testing scenario, minimum regulatory liquidity ratio requirements, and maximum levels of asset pledging and wholesale funding, as well as limits related to liability diversification and credit and liquidity facility exposures
- Operational Risk – limits on specific operational risks and key risk metrics for measuring operational risks

The Board of Directors, after considering recommendations from the RRC and the RMC, annually reviews and approves key risk limits and then delegates overall authority for these limits to the CEO. The CEO in turn delegates more specific authorities to the senior executives of the operating groups (first line of defence), who are responsible for the management of risk in their respective areas, and to the CRO (second line of defence). These delegated authorities allow risk officers to set risk tolerances, approve geographic and industry sector exposure limits within defined parameters, and establish underwriting and inventory limits for trading and investment banking activities. The criteria under which more specific authorities may be delegated across the organization, as well as the requirements relating to documentation, communication and monitoring of those specific delegated authorities, are set out in corporate policies and standards.

Risk Identification, Review and Approval

Risk identification is an integral step in recognizing the key inherent risks that BMO faces, understanding the potential for loss and then acting to mitigate this potential. As noted above, a Risk Taxonomy is maintained to comprehensively identify and manage key risks, supporting the implementation of the bank's Risk Appetite Framework and assisting in identifying the primary risk categories for which stress capital consumption is estimated. The enterprise-wide and targeted (industry/portfolio-specific or ad hoc) stress testing processes have been developed to assist in identifying and evaluating these risks. Risk review and approval processes are established based on the nature, size and complexity of the risks involved. Generally, this involves a formal review and approval by either an individual or a committee that is independent of the originator. Delegated authorities and approvals by category are outlined below.

- **Portfolio transactions** – transactions are approved through risk assessment processes for all types of transactions at all levels of the enterprise, and include operating group recommendations and ERPM approval of credit risk, and transactional and position limits for market risk.

- **Structured transactions** – new structured products and transactions with significant legal and regulatory, accounting, or tax implications are reviewed by the Global Markets Risk Committee, as appropriate, and are also reviewed through the operational risk management process if they involve structural or operational complexity that may give rise to operational risk. Transactions that may give rise to reputation risk are reviewed by the Reputation Risk Management Committee.

- **Investment initiatives** – documentation of risk assessments is formalized through the investment spending approval process, and is reviewed and approved by Corporate Services based on the initiative's investment spend and inherent risk.

- **New products and services** – policies and procedures for the approval of new or modified products and services offered to customers are the responsibility of the first line of defence, including appropriate senior business leaders, and are reviewed and approved by subject matter experts and senior managers in Corporate Services, as well as by other senior management committees.

Risk Monitoring

Enterprise-level risk transparency and monitoring and associated reporting are critical components of BMO's RMF and corporate culture that allow senior management, committees and the Board of Directors to exercise their business management, risk management and oversight responsibilities at the enterprise, operating group and key legal entity levels. Internal reporting includes a synthesis of the key risks that the enterprise currently faces, along with associated metrics. BMO's reporting highlights the most significant risks, including assessments of top and emerging risks, to provide the Board of Directors, its committees and any other appropriate executive and senior management committees with timely, actionable and forward-looking risk reporting. This reporting includes supporting metrics and materials to facilitate assessment of these risks relative to risk appetite and the relevant limits established within the Risk Appetite Framework.

Risk-Based Capital Assessment

Two measures of risk-based capital are used by BMO: economic capital and advanced-approach regulatory capital. Both are aggregate measures of the risk that the bank takes on in pursuit of its financial objectives, and they enable the evaluation of returns on a risk-adjusted basis. BMO's operating model provides for the direct management of each type of risk, as well as the management of all material risks on an integrated basis. Measuring the economic profitability of transactions or portfolios involves a combination of both expected and unexpected losses to assess the extent and correlation of risk before authorizing new exposures. Both expected and unexpected loss measures for a transaction or a portfolio reflect current market conditions, the inherent risk in the position and, as appropriate, its credit quality. Risk-based capital methods and material models are reviewed at least annually and, if appropriate, are recalibrated or revalidated. The risk-based capital models provide a forward-looking estimate of the difference between the maximum potential loss in economic (or market) value and expected loss, measured over a specified time interval and using a defined confidence level.

Stress Testing

Stress testing is a key element of BMO's risk and capital management frameworks. It is integrated into the bank's enterprise and group risk appetite statements and embedded in its management processes. To evaluate risks, BMO regularly tests a range of scenarios, which vary in frequency, severity and complexity, in portfolios and businesses and across the enterprise. In addition, BMO participates in regulatory stress tests in multiple jurisdictions. Governance of the stress testing framework resides with senior management, including the Enterprise Stress Testing Committee. This committee is comprised of business, risk and finance executives, and is accountable for reviewing and challenging enterprise-wide scenarios and stress test results. Stress testing and enterprise-wide scenarios associated with the Internal Capital Adequacy Assessment Process (ICAAP), including recommendations for actions that the enterprise could take in order to manage the impact of a stress event, are established by senior management and presented to the Board of Directors. Stress testing associated with the Comprehensive Capital Analysis and Review (CCAR), which is a U.S. regulatory requirement for BMO's subsidiary BMO Financial Corp. (BFC), is similarly governed at the BFC level. Refer to the Regulatory Capital Review under Enterprise-Wide Capital Management on page 63 for a discussion of CCAR and Dodd-Frank Act Stress Test and the CET 1 capital requirement assigned to BFC by the Federal Reserve Board.

Quantitative models and qualitative approaches are utilized to assess the impact of changes in the macroeconomic environment on the income statement and balance sheet and the resilience of the bank's capital over a forecast horizon. Models utilized for stress testing are approved and governed under the Model Risk Management Framework, and are used to establish a better understanding of BMO's risks and to test its capital adequacy.

Enterprise Stress Testing

Enterprise stress testing supports BMO's ICAAP and target-setting through analysis of the potential effects of low-frequency, high-severity events on the balance sheet, earnings, and liquidity and capital positions. Scenario selection is a multi-step process that considers the enterprise's material and idiosyncratic risks and the potential impact of new or emerging risks on BMO's risk profile, as well as the macroeconomic environment. Scenarios may be defined by senior management or regulators. The economic impacts are determined by the Economics group. The Economics group does this by translating the scenarios into macroeconomic and market variables that include, but are not limited to, GDP growth, yield curve estimates, unemployment rates, real estate prices, stock index growth and changes in corporate profits. These macroeconomic variables drive stress loss models and the qualitative assessments that determine estimated stress impacts. The scenarios are used by BMO's operating, risk and finance groups to assess a broad range of financial impacts that could arise under a specific stress and the ordinary course and extraordinary actions that would be anticipated in response to that stress.

Stress test results, including mitigating actions, are benchmarked and challenged by relevant business units and senior management, including the Enterprise Stress Testing Committee.

Since the onset of the COVID-19 pandemic and the resulting uncertainty regarding the future economic outlook, BMO expanded scenario analysis to support timely evaluation of the capital forecasts generated under a range of possible pandemic scenarios of varying severity and duration in order to understand the range of potential impacts.

Targeted Portfolio and Ad Hoc Stress Testing

BMO's stress testing framework integrates stress testing at the line of business, portfolio, industry, geographic and product level and embeds it in strategy, business planning and decision-making. Targeted portfolio, industry and geographic analysis is conducted by risk management and by the lines of business to test risk appetite, limits, concentration and strategy. Ad hoc stress testing is conducted in response to changing economic or market conditions and to assess business strategies, and this year has included pandemic-related portfolio stress tests.

Climate-Related Scenario Analysis

The bank has established a climate change scenario analysis program in line with the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations. In the past year, BMO has applied scenario analysis to parts of its portfolios to study the potential impacts of physical and transition risks. BMO is also participating in Phase II of the United Nations Environment Programme Finance Initiative (UNEP-FI) to evaluate and test climate scenario analysis methodologies.

Credit and Counterparty Risk

Credit and counterparty risk is the potential for loss due to the failure of a borrower, endorser, guarantor or counterparty to repay a loan or honour another predetermined financial obligation.

Credit and counterparty risk underlies every lending activity that BMO enters into, and also arises in the holding of investment securities, transactions related to trading and other capital markets products and activities related to securitization. Credit risk is the most significant measurable risk BMO faces. Proper management of credit risk is integral to BMO's success, since failure to effectively manage credit risk could have an immediate and significant impact on earnings, financial condition and reputation.

Credit and Counterparty Risk Governance

The objective of the Credit Risk Management Framework is to ensure that all material credit risks to which the enterprise is exposed are identified, measured, managed, monitored and reported. The Risk Review Committee (RRC) has oversight of the management of all material risks that BMO faces, including the Credit Risk Management Framework. The Credit Risk Management Framework incorporates governing principles that are defined in a series of corporate policies and standards and are applied to specific operating procedures. These policies and standards are reviewed on a regular basis and modified when necessary to keep them current and consistent with BMO's risk appetite. The structure, limits (both notional and capital-based), collateral requirements, monitoring, reporting and ongoing management of credit exposures are all governed by these credit risk management principles.

Lending officers in the operating groups are responsible for recommending credit decisions based on the completion of appropriate due diligence, and they assume accountability for the related risks. With limited exceptions, credit officers in Enterprise Risk Portfolio Management (ERPM) approve all credit transactions and are accountable for providing an objective independent assessment of the lending recommendations and risks assumed by the lending officers. All of these skilled and experienced individuals in the first and second lines of defence are subject to a rigorous lending qualification process and operate in a disciplined environment with clear delegation of decision-making authority, including individually delegated lending limits, which are reviewed annually, or more frequently as needed. The Board annually reviews the Credit Risk Management Policy and delegates to the CEO discretionary lending limits for further specific delegation to senior officers. Credit decision-making is conducted at the management level appropriate to the size and risk of each transaction, in accordance with comprehensive corporate policies, standards and procedures governing the conduct of activities in which credit risk arises. Corporate Audit Division reviews and tests management processes and controls and samples credit transactions in order to assess adherence to acceptable lending standards as set out in the bank's risk appetite, as well as compliance with all applicable governing policies, standards and procedures.

For corporate and commercial obligors presenting a higher than normal risk of default, BMO has in place formal policies that outline the framework for managing such accounts and the specialized groups that manage them. BMO strives to identify borrowers in financial difficulty early, and every effort is made to bring such accounts back to an acceptable level of risk through the exercise of good business judgment and the implementation of sound and constructive workout solutions. Obligors are managed on a case-by-case basis, which involves the use of judgment by the specialized groups.

All credit risk exposures are subject to regular monitoring. Performing corporate and commercial accounts are reviewed on a regular basis, no less frequently than annually, with most subject to a set of internal monitoring triggers that, if breached, results in an interim review. The frequency of review increases in accordance with the likelihood and size of potential credit losses and deteriorating higher-risk situations are referred to specialized account management groups for closer attention, when appropriate. In addition, regular portfolio and sector reviews are carried out, including stress testing and scenario analysis based on current, emerging or prospective risks, such as the COVID-19 pandemic. Reporting is provided at least quarterly, and more frequently where appropriate, to RRC and senior management committees in order to keep them informed of credit risk developments in the bank's portfolios, including changes in credit risk concentrations, watchlist accounts, impaired loans, provisions for credit losses, negative credit migration and significant emerging credit risk issues. This supports RRC and senior management committees in giving effect to any measures they may decide to take.

Counterparty Credit Risk (CCR) creates a bilateral risk of loss because the market value of a transaction can be positive or negative for either counterparty. CCR exposures are subject to the credit oversight, limit framework and approval process outlined above. However, given the nature of the risk, CCR exposures are monitored under the market risk framework. In order to reduce BMO's exposure to CCR, exposures are often collateralized, and trades may be cleared through a regulated central counterparty (CCP), which reduces overall systemic risk by standing between counterparties, maximizing netting across trades and insulating counterparties from each other's defaults. CCPs mitigate default risk of any member through the use of margin requirements (both initial and variation) and a default management process, including a default fund and other resources. BMO's exposures to CCPs are subject to the same credit risk governance, monitoring and rating framework it applies to all other corporate accounts.

Credit and Counterparty Risk Management

Collateral Management

Collateral is used for credit risk mitigation purposes to minimize 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. For corporate and commercial borrowers, collateral can take the form of pledges of the assets of a business, such as accounts receivable, inventory, machinery or real estate, or personal assets pledged in support of guarantees. For trading counterparties, BMO may enter into legally enforceable netting agreements for on-balance sheet credit exposures, when possible. In the securities financing transaction business (including repurchase agreements and securities lending), the bank takes eligible financial collateral that it controls and can readily liquidate.

Collateral for BMO's derivatives trading counterparty exposures is primarily comprised of cash and eligible liquid securities that are monitored and revalued on a daily basis. Collateral is obtained under the contractual terms of standardized industry documentation. With limited exceptions, the bank utilizes the International Swaps and Derivatives Association Inc. Master Agreement, frequently with a Credit Support Annex, to document its collateralized trading relationships with counterparties for over-the-counter (OTC) derivatives that are not centrally cleared.

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Credit Support Annexes entitle a party to demand a transfer of collateral (or other credit support) when its OTC derivatives exposure to the other party exceeds an agreed threshold. Collateral transferred can include variation margin or initial and variation margin. Credit Support Annexes contain, among other measures, provisions setting out acceptable types of collateral and a method for their valuation (discounts are often applied to the market values), as well as thresholds, whether or not the collateral can be re-pledged by the recipient and how interest is to be calculated.

Many G20 jurisdictions continue to implement new regulations that require certain counterparties with significant OTC derivatives exposures to post or collect prescribed types and amounts of collateral for uncleared OTC derivatives transactions. For additional discussion, refer to Derivatives Reform on page 111.

To document the bank's contractual securities financing relationships with its counterparties, BMO utilizes master repurchase agreements for repurchase transactions, and master securities lending agreements for securities lending transactions.

On a periodic basis, collateral is subject to revaluation specific to asset type. For loans, the value of collateral is initially established at the time of origination, and the frequency of revaluation is dependent on the type of collateral. For commercial real estate collateral, a full external appraisal of the property is typically obtained at the time of loan origination, unless the exposure is below a specified threshold amount, in which case an internal evaluation and a site inspection are conducted. Internal evaluations may consider property tax assessments, purchase prices, real estate listings or realtor opinions. The case for an updated appraisal is reviewed annually, with consideration given to the borrower risk rating, existing tenants and lease contracts, as well as current market conditions.

In the event a loan is classified as impaired, and depending on its size, a current external appraisal, evaluation or restricted use appraisal is obtained and updated every twelve months while the loan is classified as impaired. In Canada, for residential real estate that has a loan-to-value (LTV) ratio of less than 80%, an external property appraisal is routinely obtained at the time of loan origination. BMO may use an external service provided by Canada Mortgage and Housing Corporation or an automated valuation model provided by a third-party appraisal management company to assist with determining either the current value of a property or the need for a full property appraisal.

For insured mortgages in Canada with a high LTV ratio (greater than 80%), the default insurer is responsible for confirming the lending value.

Portfolio Management and Concentrations of Credit and Counterparty Risk

BMO's credit risk governance policies require an acceptable level of diversification to help ensure it avoids undue concentrations of credit risk. Concentrations of credit risk may exist if a number of clients are engaged in similar activities, are located in the same geographic region or have similar economic characteristics such that their ability to meet contractual obligations could be similarly affected by changes in economic, political or other conditions. Limits may be specified for several portfolio dimensions, including industry, specialty segment (e.g., hedge funds and leveraged lending), country, product and single-name concentrations. The diversification of the bank's credit exposure may be supplemented by the purchase or sale of credit protection through guarantees, insurance or credit default swaps.

BMO's credit assets consist of a well-diversified portfolio representing millions of clients, the majority of them individual consumers and small to medium-sized businesses. From an industry viewpoint, on a drawn loans and commitments basis, the bank's most significant exposure as at October 31, 2020, was to individual consumers, comprising $259,289 million ($249,731 million in 2019).

Wrong-Way Risk

Wrong-way risk occurs when BMO's exposure to a counterparty or the magnitude of its potential loss is highly correlated with the counterparty's probability of default. Specific wrong-way risk arises when the credit quality of the counterparty and the market risk factors affecting collateral or other risk mitigants display a high correlation, and general wrong-way risk arises when the credit quality of the counterparty, for non-specific reasons, is highly correlated with macroeconomic or other factors that affect the value of the risk mitigant. BMO's procedures require that specific wrong-way risk be identified in transactions and accounted for in the assessment of risk, including any elevated measure of exposure.

Credit and Counterparty Risk Measurement

BMO quantifies credit risk at both the individual borrower or counterparty level and the portfolio level. In order to limit earnings volatility, manage expected credit losses and minimize unexpected losses, credit risk is assessed and measured using the following risk-based parameters:

- **Exposure at Default (EAD)** represents an estimate of the outstanding amount of a credit exposure at the time a default may occur.
- **Loss Given Default (LGD)** is a measure of BMO's economic loss, such as the amount that may not be recovered in the event of a default, presented as a proportion of the exposure at default.
- **Probability of Default (PD)** represents the likelihood that a borrower or counterparty will go into default over a one-year time horizon.
- **Expected Loss (EL)** is a measure representing the loss that is expected to occur in the normal course of business in a given period of time. EL is calculated as a function of EAD, LGD and PD.

Under Basel III, OSFI permits three approaches for the measurement of credit risk: Standardized, Foundation Internal Ratings Based and Advanced Internal Ratings Based (AIRB). BMO primarily uses the AIRB Approach to determine credit RWA in its portfolios, including portfolios of the bank's subsidiary BMO Financial Corp. Exposures under AIRB capital treatment account for 94% of total EAD of its Wholesale and Retail portfolios, and the remaining exposures are under the Standardized Approach. Waivers and exemptions to existing AIRB models are subject to OSFI's approval. The Standardized Approach is currently being used for regulatory capital calculations related to the acquired Marshall & Isley Corporation and BMO Transportation Finance portfolios, and for certain other exposures that are considered to be immaterial. BMO continues to transition all material exposures in these portfolios to the AIRB Approach. For securitization exposures, the bank applies the Basel hierarchy of approaches, including the Securitization Internal Ratings-based Approach and the External Ratings-based Approach, as well as the Standardized Approach.

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BMO's regulatory capital and economic capital frameworks both use EAD to assess credit and counterparty risk. Exposures are classified as follows:

- Drawn exposures include loans, acceptances, deposits with regulated financial institutions, and certain securities. For off-balance sheet amounts and undrawn amounts, EAD includes an estimate of any further amounts that may be drawn at the time of default.
- Undrawn commitments cover all unutilized authorizations associated with the drawn loans noted above, including those which are unconditionally cancellable. EAD for undrawn commitments is model-generated, based on internal empirical data.
- OTC derivatives are those in proprietary accounts that attract credit risk in addition to market risk. EAD for OTC derivatives is calculated inclusive of collateral.
- Other off-balance sheet exposures include items such as guarantees, standby letters of credit and documentary credits. EAD for other off-balance sheet items is based on management's best estimate.
- Repo-style transactions include repos, reverse repos and securities lending transactions, which represent both asset and liability exposures. EAD for repo-style transactions is the calculated exposure, net of collateral.
- Capital is calculated based on exposures that, where applicable, have been redistributed to a more favourable PD band or LGD measure, or a different Basel asset class, as a result of the application of credit risk mitigation and a consideration of credit risk mitigants, including collateral and netting.

Total credit exposures at default by industry sector, as at October 31, 2020 and 2019, based on the Basel III classifications, are as follows:

(Canadian $ in millions)	Drawn (3)		Commitments (undrawn) (3)		OTC derivatives (4)		Other off-balance sheet items (3)		Repo-style transactions (4)(5)		Total (1)	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Financial institutions	**142,254**	117,959	**24,302**	24,010	**19,611**	14,849	**6,520**	6,400	**22,866**	17,486	**215,553**	180,704
Governments	**78,506**	58,050	**1,579**	1,665	**4,892**	4,357	**590**	894	**2,624**	1,254	**88,191**	66,220
Manufacturing	**27,789**	26,265	**16,696**	16,581	**1,741**	1,340	**1,714**	1,494	**–**	–	**47,940**	45,680
Real estate	**40,202**	37,146	**9,735**	8,948	**1,383**	845	**973**	861	**–**	–	**52,293**	47,800
Retail trade	**19,835**	22,529	**4,809**	3,974	**487**	239	**604**	601	**–**	–	**25,735**	27,343
Service industries	**47,468**	46,610	**15,443**	13,304	**2,033**	1,252	**3,116**	2,996	**–**	–	**68,060**	64,162
Wholesale trade	**15,295**	16,822	**5,455**	5,273	**423**	281	**600**	564	**–**	–	**21,773**	22,940
Oil and gas	**12,990**	13,406	**11,675**	11,302	**6,099**	3,637	**1,900**	1,802	**–**	–	**32,664**	30,147
Individual	**206,370**	198,205	**52,829**	51,432	**–**	–	**90**	94	**–**	–	**259,289**	249,731
Others (2)	**41,984**	40,551	**22,216**	19,814	**1,914**	1,335	**7,992**	6,866	**–**	–	**74,106**	68,566
Total exposure at default	**632,693**	577,543	**164,739**	156,303	**38,583**	28,135	**24,099**	22,572	**25,490**	18,740	**885,604**	803,293

(1) Credit exposure excluding equity, securitization and other assets such as non-significant investments, goodwill, deferred tax asset and intangibles.
(2) Includes industries having a total exposure of less than 2%.
(3) Represents gross credit exposures without taking into account any collateral.
(4) Credit exposure at default is inclusive of collateral.
(5) Impact of collateral on the credit exposure for repo-style transactions is $205,212 million ($192,796 million in 2019).

Certain comparative figures have been reclassified to conform with the current year's presentation.

Risk Rating Systems

BMO's risk rating systems are designed to assess and measure the risk of any exposure.

Credit risk-based parameters are reviewed, validated and monitored regularly. The monitoring is on a quarterly basis for both the wholesale and retail models. Refer to page 109 for a discussion of model risk mitigation processes.

Retail (Consumer and Small Business)

The retail portfolios are comprised of a diversified group of individual customer accounts and include residential mortgages, personal loans, credit cards, auto loans and small business loans. These loans are managed in pools of homogeneous risk exposures for risk rating purposes. Decision support systems are developed using established statistical techniques and expert systems for underwriting and monitoring purposes. Adjudication models, behavioural scorecards, decision trees and expert knowledge are combined to generate optimal credit decisions in a centralized and automated environment.

The retail risk rating system assesses risk based on individual loan characteristics. BMO has a range of internally developed PD, LGD and EAD models for each of the major retail portfolios. The major product lines within each of the retail risk areas are modelled separately, so that the risk-based parameters capture the distinct nature of each product. The models, in general, are designed based on internal data recorded over a period of more than seven years, and adjustments are made at the parameter level to account for any uncertainty. The retail parameters are tested and calibrated on an annual basis, if required, to incorporate additional data points in the parameter estimation process, ensuring that the most recent experience is incorporated. BMO's largest retail portfolios are the Canadian mortgage, Canadian home equity line of credit and Canadian retail credit card portfolios.

A PD estimate is assigned to each homogeneous pool to reflect the long-run average of one-year default rates over the economic cycle.

An LGD estimate is calculated by discounting future recovery payments to the time of default, including collection costs.

An EAD estimate is calculated as the balance at default divided by the credit limit at the beginning of the year. For non-revolving products, such as mortgages, EAD is equal to 100% of the current outstanding balance and has no undrawn component.

For capital purposes, the LGD and EAD estimates are calibrated to reflect a downturn scenario. The PD, LGD and EAD estimates are updated annually and recalibrated as required, by comparing the estimates to observed historical experience.

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Retail Credit Probability of Default Bands by Risk Rating

Risk profile	Probability of default band
Exceptionally low	≤ 0.05%
Very low	> 0.05% to 0.20%
Low	> 0.20% to 0.75%
Medium	> 0.75% to 7.00%
High	> 7.00% to 99.99%
Default	100%

Wholesale (Corporate, Commercial, Bank and Sovereign)

Within BMO's wholesale portfolios, an enterprise-wide risk rating framework is utilized that is applied to all sovereign, bank, corporate and commercial counterparties. One key element of this framework is the assignment of appropriate borrower or counterparty risk ratings (BRRs). BMO has a range of internally designed general and sector-specific BRR models, as well as portfolio-level LGD and EAD models for each of the corporate, commercial, bank and sovereign portfolios.

The BRR models capture the key financial and non-financial characteristics of the borrowers and generate a borrower-level rating that reflects the rank ordering of the default risk. The models are primarily designed by using internal data, supplemented with judgment as necessary, for low default portfolios.

BRRs are assessed and assigned at the time of loan origination, and reassessed when borrowers request changes to credit facilities or when 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. The bank also performed proactive rating reviews to assess the impact of the COVID-19 pandemic on identified risk sectors and its borrowers. The assigned ratings are mapped to a PD over a one-year time horizon. As a borrower migrates between risk ratings, the PD associated with the borrower changes.

BMO employs a master scale with 14 BRRs above default, and PDs are assigned to each rating within an asset class to reflect the long-run average of one-year default rates over the economic cycle, supplemented by external benchmarking, as necessary.

An LGD estimate captures the priority of claim, collateral, product and sector characteristics of the credit facility extended to a borrower. LGD estimates are at the facility level.

An EAD estimate captures the facility type, sector and facility utilization rate characteristics of the credit facility extended to a borrower. EAD estimates are at the facility level. The EAD credit conversion factor is calculated for eligible facilities by comparing usage amounts at the time of default and one year prior to default. The authorization and the drawn amount, one year prior to default, are used to split each facility into its respective drawn and undrawn portion, where applicable.

LGD and EAD models have been developed for each asset class using internal data recorded over a period of more than seven years, which includes at least one full economic cycle, and results are benchmarked using external data, when necessary. For capital purposes, the parameters are calibrated to reflect a downturn scenario. The PD, LGD and EAD estimates are updated annually and recalibrated as required, by comparing the estimates to observed historical experience.

As demonstrated in the table below, BMO's internal risk rating system corresponds in a logical manner to those of external rating agencies.

Wholesale Borrower Risk Rating Scale

BMO rating	Moody's Investors Service implied equivalent	Standard & Poor's implied equivalent
Acceptable		
I-1 to I-7	Aaa to Baa3	AAA to BBB-
S-1 to S-4	Ba1 to B1	BB+ to B+
Watchlist		
P-1 to P-3	B2 to Ca	B to CC
Default / Impaired		
T1, D-1 to D-4	C	C to D

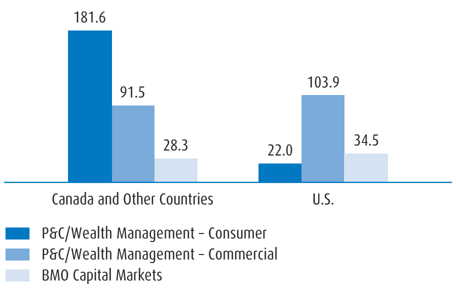
Credit Quality Information

Portfolio Review

Total enterprise-wide outstanding credit risk exposures were $885.6 billion as at October 31, 2020, comprised of $474.3 billion in Canada, $354.2 billion in the United States and $57.1 billion in other jurisdictions. This represents an increase of $82.3 billion or 10% from the prior year (1).

BMO's loan book continues to be well-diversified by industry and geographic region. Gross loans and acceptances increased $10.3 billion or 2% from the prior year to $461.8 billion as at October 31, 2020. The geographic mix of BMO's Canadian and U.S. portfolios represented 62.9% and 34.7% of total loans, respectively, compared with 62.4% and 35.2% in 2019. The loan portfolio is well-diversified, with the consumer loan portfolio representing 44.4% of the total portfolio, the same as in 2019, and business and government loans representing 55.6% of the total portfolio, the same as in 2019.

Loans by Geography and Operating Group
($ billions)



(1) Certain comparative figures have been reclassified to conform with the current year's presentation.

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Loan Maturities and Interest Rate Sensitivity

The following table presents gross loans and acceptances by contractual maturity and by country of ultimate risk:

(Canadian $ in millions)	1 year or less		Over 1 year to 5 years		Over 5 years		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
Canada								
Consumer	**52,771**	58,580	**125,492**	113,162	**4,402**	4,432	**182,665**	176,174
Commercial and corporate (excluding real estate)	**68,130**	65,534	**18,254**	16,591	**2,306**	1,973	**88,690**	84,098
Commercial real estate	**7,397**	7,928	**10,142**	11,647	**1,275**	2,298	**18,814**	21,873
United States	**31,587**	37,867	**81,717**	87,443	**47,052**	33,423	**160,356**	158,733
Other countries	**10,264**	9,214	**631**	996	**380**	449	**11,275**	10,659
Total	**170,149**	179,123	**236,236**	229,839	**55,415**	42,575	**461,800**	451,537

The following table presents net loans and acceptances by interest rate sensitivity:

(Canadian $ in millions)	**2020**	2019
Fixed rate	**237,596**	217,002
Floating rate	**207,408**	209,092
Non-interest sensitive (1)	**13,493**	23,593
Total	**458,497**	449,687

(1) Non-interest sensitive is comprised of customers' liability under acceptances.

Further details on BMO's loan book, including detailed breakdowns by industry and geographic region, can be found in Tables 7 to 15 on pages 130 to 136. Details of the bank's credit exposures are presented in Note 4 on page 159 of the consolidated financial statements.

Impact of COVID-19 on Credit Portfolios

The COVID-19 pandemic has had a significant impact on the economy and the bank's consumer and wholesale clients, and has resulted in higher provisions for credit losses in the fiscal year. In the wholesale portfolio specifically, certain industries have been more directly impacted by the pandemic.

Throughout the year, the bank continued to support its customers through this challenging environment, working closely with governments and agencies to implement programs to reduce the financial hardship caused by the pandemic, including payment deferrals and lending facilities designed to help individuals and businesses to withstand stress and recover financially. Details on the payment deferral programs can be found on page 25.

Real Estate Secured Lending

Residential mortgage and home equity line of credit (HELOC) exposures continue to be of interest in the current environment. BMO regularly performs stress testing on its residential mortgage and HELOC portfolios to evaluate the potential effects of high-impact events. These stress tests incorporate scenarios ranging from moderately to severely adverse. The credit losses forecast in these tests vary with the severity of the scenario and are considered to be manageable.

Leveraged Finance

Leveraged finance loans are defined by BMO as loans and mezzanine financing provided to private equity-owned businesses for which its assessment indicates a higher level of credit risk. BMO has some exposure to leveraged finance loans, which represented 1.7% of total assets, with $16.4 billion outstanding as at October 31, 2020 (1.8% and $15.1 billion, respectively, in 2019). Of this amount, 26% of leveraged finance loans, with $4.3 billion outstanding as at October 31, 2020 (27% and $4.1 billion, respectively, in 2019), are well secured by high-quality assets. In addition, $786 million or 4.8% of all leveraged finance loans were classified as impaired as at October 31, 2020 ($207 million or 1.4% in 2019).

Provision for Credit Losses (PCL)

Total PCL was $2,953 million in 2020, compared with $872 million in 2019, reflecting the impact of the pandemic. Detailed discussions of PCL, including historical PCL trends, are provided on page 31, in Table 15 on page 136 and in Note 4 on page 159 of the consolidated financial statements.

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Gross Impaired Loans (GIL)

Total GIL was $3,638 million in 2020, an increase of 38% from $2,629 million in 2019. The largest increases in impaired loans were recorded in retail trade and service industries. GIL as a percentage of gross loans and acceptances was 0.79% in 2020, compared with 0.58% in the prior year.

Factors contributing to the change in GIL are outlined in the table below. Loans classified as impaired during the year increased to $4,649 million from $2,686 million in 2019, reflecting higher impaired loan formations in the retail trade, service, oil and gas and manufacturing industries. On a geographic basis, the U.S. accounted for more than half of impaired loan formations, comprising 59% of total formations in 2020, compared with 55% in 2019. Detailed breakdowns of impaired loans by geographic region and industry can be found in Table 11 on page 132 and in Note 4 on page 159 of the consolidated financial statements.

Changes in Gross Impaired Loans (1) and Acceptances

(Canadian $ in millions, except as noted) For the year ended October 31	**2020**	2019	2018
GIL, beginning of year	**2,629**	1,936	2,220
Classified as impaired during the year	**4,649**	2,686	2,078
Transferred to not impaired during the year	**(719)**	(604)	(708)
Net repayments	**(1,728)**	(800)	(1,051)
Amounts written off	**(1,047)**	(528)	(618)
Recoveries of loans and advances previously written off	**–**	–	–
Disposals of loans	**(147)**	(57)	(11)
Foreign exchange and other movements	**1**	(4)	26
GIL, end of year	**3,638**	2,629	1,936
GIL as a % of gross loans and acceptances	**0.79**	0.58	0.48

(1) GIL excludes purchased credit impaired loans.

Allowance for Credit Losses

BMO employs a disciplined approach to provisioning and loan loss evaluation across all loan portfolios, with the prompt identification of problem loans being a key risk management objective. BMO maintains both an allowance on impaired loans and an allowance on performing loans, in accordance with IFRS. An allowance on performing loans is maintained to cover impairment in the existing portfolio for loans that have not yet been individually identified as impaired. The bank's approach to establishing and maintaining the allowance on performing loans is based on the requirements of IFRS, considering the guideline issued by its regulator, OSFI. Under IFRS 9 expected credit loss (ECL) methodology, an allowance is recorded for ECL on financial assets regardless of whether there has been an actual loss event. The bank recognizes a loss allowance at an amount generally based on 12 months of ECL, if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1). BMO will record ECL over the remaining life of performing financial assets that are considered to have experienced a significant increase in credit risk (Stage 2).

ECL is calculated on a probability-weighted basis, based on three different economic scenarios, and is a function of PD, EAD and LGD. The timing of the loss is also considered, and ECL is estimated by incorporating forward-looking economic information and by using experienced credit judgment to reflect factors not captured in ECL models. An allowance on impaired loans is maintained to reduce the carrying value of individually identified impaired loans (Stage 3) to the expected recoverable amount.

BMO maintains an allowance for credit losses (ACL) at a level that it considers appropriate to absorb credit-related losses. As at October 31, 2020, the ACL was $3,814 million, an increase of $1,720 million from the prior year, reflecting higher allowances on both performing loans and impaired loans. The allowance on impaired loans was $739 million as at October 31, 2020, and the allowance on performing loans was $3,075 million. These amounts include an allowance on impaired loans of $12 million and an allowance on performing loans of $499 million related to undrawn commitments and letters of credit that are considered other credit instruments and recorded in other liabilities. The allowance on impaired loans increased $254 million from $485 million in the prior year. BMO's coverage ratio remains adequate, with ACL on impaired loans as a percentage of GIL of 20.0%, compared with 17.6% in 2019. This ratio can change quarter-over-quarter due to variability in the write-down of loans and the related allowance. The allowance on performing loans increased $1,466 million to $3,075 million from $1,609 million in the prior year, primarily driven by the impact of COVID-19 on the macroeconomic outlook, and the impact of a more difficult and uncertain environment on credit conditions, as well as a more severe adverse scenario and increased adverse scenario weight.

Further details on the continuity in ACL by each product type can be found in Tables 12 and 13 on pages 134 and 135, and in Note 4 on page 159 of the consolidated financial statements.

European Exposures

BMO's geographic exposures are subject to a country risk management framework that incorporates economic and political assessments and management of exposures within limits based on product, entity and country of ultimate risk. The bank's exposure to European countries as at October 31, 2020, including Greece, Ireland, Italy, Portugal and Spain (GIIPS), is set out in the tables that follow.

The table below outlines total net portfolio exposures for funded lending, securities (including credit default swap (CDS) activity), repo-style transactions and derivatives. Funded lending is detailed by counterparty type, as well as by total commitments compared with the funded amount, in the table on page 91.

European Exposure by Country and Counterparty (1)

(Canadian $ in millions) As at October 31, 2020	Funded lending (2)	Securities (3)(4)				Repo-style transactions and derivatives (5)(6)				Total net exposure
Country	Total	Bank	Corporate	Sovereign	Total	Bank	Corporate	Sovereign	Total	
GIIPS										
Greece	–	–	–	–	–	–	–	–	–	–
Ireland (7)	474	–	–	–	–	–	225	–	225	699
Italy	15	–	–	–	–	–	–	–	–	15
Portugal	–	–	–	–	–	–	–	–	–	–
Spain	122	53	1	–	54	8	–	3	11	187
Total – GIIPS	**611**	**53**	**1**	**–**	**54**	**8**	**225**	**3**	**236**	**901**
Eurozone (excluding GIIPS)										
France	240	21	–	500	521	20	20	5	45	806
Germany	391	433	75	326	834	75	5	–	80	1,305
Netherlands	374	490	–	–	490	13	217	–	230	1,094
Other (8)	324	–	2	212	214	3	64	5	72	610
Total – Eurozone (excluding GIIPS)	**1,329**	**944**	**77**	**1,038**	**2,059**	**111**	**306**	**10**	**427**	**3,815**
Rest of Europe										
Norway	638	142	–	–	142	–	12	12	24	804
Sweden	16	280	–	323	603	5	–	–	5	624
Switzerland	505	–	–	–	–	189	37	–	226	731
United Kingdom	1,959	85	710	6,747	7,542	566	543	46	1,155	10,656
Other (8)	67	115	–	142	257	19	1	–	20	344
Total – Rest of Europe	**3,185**	**622**	**710**	**7,212**	**8,544**	**779**	**593**	**58**	**1,430**	**13,159**
Total – All of Europe (9)	**5,125**	**1,619**	**788**	**8,250**	**10,657**	**898**	**1,124**	**71**	**2,093**	**17,875**

As at October 31, 2019	Funded lending (2)	Securities (3)				Repo-style transactions and derivatives (5)(6)				Total net exposure
Country	Total	Bank	Corporate	Sovereign	Total	Bank	Corporate	Sovereign	Total	
Total – GIIPS	499	–	–	–	–	7	240	–	247	746
Total – Eurozone (excluding GIIPS)	1,346	1,528	52	1,032	2,612	45	175	4	224	4,182
Total – Rest of Europe	2,513	671	401	7,877	8,949	147	260	35	442	11,904
Total – All of Europe (9)	4,358	2,199	453	8,909	11,561	199	675	39	913	16,832

(1) BMO has the following indirect exposures to Europe as at October 31, 2020:
- Collateral of €936 million to support trading activity in securities (€40 million from GIIPS) and €82 million of cash collateral held.
- Guarantees of $13.8 billion ($221 million to GIIPS).

(2) Funded lending includes loans.
(3) Securities include cash products, insurance investments and traded credit.
(4) BMO's total net notional CDS exposure (embedded as part of the securities exposure in this table) to Europe was $147 million, with no net single-name* CDS exposure to GIIPS countries as at October 31, 2020 (*includes a net position of $108 million (bought protection) on a CDS Index, of which 13% is comprised of GIIPS domiciled entities).
(5) Repo-style transactions are primarily with bank counterparties for which BMO holds collateral ($37.6 billion for Europe as at October 31, 2020).
(6) Derivatives amounts are marked-to-market, incorporating transaction netting where master netting agreements with counterparties have been entered into, and collateral offsets for counterparties where a Credit Support Annex is in effect.
(7) Does not include Irish subsidiary reserves the bank is required to maintain with the Irish Central Bank of $129 million as at October 31, 2020.
(8) Other Eurozone exposure includes 5 countries with less than $300 million net exposure. Other European exposure is distributed across 3 countries as at October 31, 2020.
(9) Of BMO's total net direct exposure to Europe, approximately 95% was to counterparties in countries with a rating of Aa2/AAA from at least one of Moody's or S&P.

European Lending Exposure by Country and Counterparty (9)

(Canadian $ in millions)	Lending (2)						
	Funded lending as at October 31, 2020			As at October 31, 2020		As at October 31, 2019	
Country	Bank	Corporate	Sovereign	Commitments	Funded	Commitments	Funded
GIIPS							
Greece	–	–	–	–	–	–	–
Ireland (7)	2	472	–	531	474	343	323
Italy	15	–	–	15	15	14	14
Portugal	–	–	–	–	–	–	–
Spain	122	–	–	206	122	237	162
Total – GIIPS	**139**	**472**	**–**	**752**	**611**	**594**	**499**
Eurozone (excluding GIIPS)							
France	186	54	–	386	240	376	244
Germany	176	215	–	607	391	707	515
Netherlands	88	286	–	397	374	377	354
Other (8)	106	218	–	403	324	396	233
Total – Eurozone (excluding GIIPS)	**556**	**773**	**–**	**1,793**	**1,329**	**1,856**	**1,346**
Rest of Europe							
Norway	34	604	–	1,158	638	1,100	581
Sweden	8	8	–	117	16	69	–
Switzerland	12	493	–	602	505	–	–
United Kingdom	5	1,954	–	4,809	1,959	2,671	1,677
Other (8)	–	67	–	100	67	475	255
Total – Rest of Europe	**59**	**3,126**	**–**	**6,786**	**3,185**	**4,315**	**2,513**
Total – All of Europe (9)	**754**	**4,371**	**–**	**9,331**	**5,125**	**6,765**	**4,358**

Refer to footnotes in the table on page 90.

Derivative Transactions

The following table presents the notional amounts of BMO's over-the-counter (OTC) derivative contracts, comprised of those which are centrally cleared and settled through a designated clearing house or central counterparty (CCP) and those which are non-centrally cleared.

CCPs are established under the supervision of central banks or other similar regulatory authorities and, as financial market infrastructure, must satisfy certain financial resilience requirements. Generally speaking, to centrally clear, BMO acquires a membership in the CCP and, in addition to providing collateral to protect the CCP against risk related to BMO, the bank is exposed to risk as a member for BMO's contribution to a default fund, and may be called on to make additional contributions, or to provide other support in the event another member defaults.

The notional amounts of BMO's derivatives represent the amount to which a rate or price is applied in order to calculate the amount of cash that must be exchanged under each contract. Notional amounts do not represent assets or liabilities and therefore are not recorded in the Consolidated Balance Sheet. The fair values of OTC derivative contracts are recorded in the Consolidated Balance Sheet.

Over-the-Counter Derivative Contracts (Notional amounts)

(Canadian $ in millions)	Non-centrally cleared		Centrally cleared		Total	
As at October 31	**2020**	2019	**2020**	2019	**2020**	2019
Interest Rate Contracts						
Swaps	**442,727**	467,428	**3,892,564**	3,928,844	**4,335,291**	4,396,272
Forward rate agreements	**2,890**	7,106	**514,442**	484,331	**517,332**	491,437
Purchased options	**57,833**	42,084	**–**	–	**57,833**	42,084
Written options	**64,728**	49,487	**–**	–	**64,728**	49,487
Total interest rate contracts	**568,178**	566,105	**4,407,006**	4,413,175	**4,975,184**	4,979,280
Foreign Exchange Contracts						
Cross-currency swaps	**96,813**	97,507	**–**	–	**96,813**	97,507
Cross-currency interest rate swaps	**540,688**	507,221	**–**	–	**540,688**	507,221
Forward foreign exchange contracts	**449,701**	415,367	**44,939**	38,344	**494,640**	453,711
Purchased options	**38,985**	37,306	**82**	92	**39,067**	37,398
Written options	**41,286**	42,035	**41**	39	**41,327**	42,074
Total foreign exchange contracts	**1,167,473**	1,099,436	**45,062**	38,475	**1,212,535**	1,137,911
Commodity Contracts						
Swaps	**30,613**	24,722	**–**	–	**30,613**	24,722
Purchased options	**5,728**	6,608	**–**	–	**5,728**	6,608
Written options	**3,704**	4,371	**–**	–	**3,704**	4,371
Total commodity contracts	**40,045**	35,701	**–**	–	**40,045**	35,701
Equity Contracts	**60,502**	51,226	**2**	–	**60,504**	51,226
Credit Default Swaps						
Purchased	**1,386**	973	**6,021**	4,388	**7,407**	5,361
Written	**510**	129	**1,285**	1,939	**1,795**	2,068
Total credit default swaps	**1,896**	1,102	**7,306**	6,327	**9,202**	7,429
Total	**1,838,094**	1,753,570	**4,459,376**	4,457,977	**6,297,470**	6,211,547

Market Risk

Market risk is the potential for adverse changes in the value of BMO's assets and liabilities resulting from changes in market variables such as interest rates, foreign exchange rates, equity and commodity prices and their implied volatilities, and credit spreads, and includes the risk of credit migration and default in BMO's trading book.

Market risk arises from BMO's trading and underwriting activities, as well as its structural banking activities. The magnitude and importance of these activities to the enterprise, along with the potential volatility of market variables, call for diligent governance and a robust market risk management framework that ensures effective identification, measurement, reporting and control of market risk exposures.

Trading and Underwriting Market Risk Governance

BMO's market risk-taking activities are subject to a comprehensive governance framework. The RRC provides oversight of the management of market risk on behalf of the Board of Directors and approves limits governing market risk exposures that are consistent with BMO's risk appetite. The RMC regularly reviews and discusses significant market risk exposures and positions, and provides ongoing senior management oversight of BMO's risk-taking activities. Both of these committees are kept apprised of specific market risk exposures and other factors that could expose BMO to unusual, unexpected or unquantified risks associated with market exposures, as well as other current and emerging market risks. In addition, all businesses and individuals authorized to conduct trading and underwriting activities on behalf of BMO are required to work within BMO's risk governance framework and, as part of their first-line-of-defence responsibilities, they must adhere to all relevant corporate policies, standards and procedures and maintain and manage market risk exposures within specified limits and risk tolerances. In support of BMO's risk governance framework, the market risk management framework is comprised of the processes, infrastructure and supporting documentation which, together, ensure that the bank's market risk exposures are appropriately identified, accurately measured, and independently monitored and controlled on an ongoing basis.

Trading and Underwriting Market Risk

BMO's trading and underwriting businesses give rise to market risk associated with buying and selling financial products in the course of meeting customer requirements, including market making and related financing activities, and assisting clients to raise funds by way of securities issuance.

Identification and Measurement of Trading and Underwriting Market Risk

As the first step in the management of market risk, thorough assessment processes are in place to identify market risk exposures associated with both new products and the evolving risk profile of existing products, including on- and off-balance sheet positions, trading and non-trading positions, and market risk exposures arising from the domestic and foreign operations of the operating groups.

Reflecting the multi-dimensional nature of market risk, various metrics and techniques are then employed to measure identified market risk exposures. These metrics primarily include Value at Risk, Stressed Value at Risk, and regulatory and economic capital attribution, as well as stress testing. Other techniques include the analysis of the sensitivity of the trading and underwriting portfolios to various market risk factors and the review of position concentrations, notional values and trading losses.

Value at Risk (VaR) measures the maximum loss likely to be experienced in the trading and underwriting portfolios, measured at a 99% confidence level over a one-day holding period. VaR is calculated for specific classes of risk in BMO's trading and underwriting activities related to interest rates, foreign exchange rates, credit spreads, equity and commodity prices and their implied volatilities.

Stressed Value at Risk (SVaR) measures the maximum loss likely to be experienced in the trading and underwriting portfolios, measured at a 99% confidence level over a one-day holding period, with model inputs calibrated to historical data from a period of significant financial stress. SVaR is calculated for specific classes of risk in BMO's trading and underwriting activities related to interest rates, foreign exchange rates, credit spreads, equity and commodity prices and their implied volatilities.

Incremental Risk Charge (IRC) complements the VaR and SVaR metrics and represents an estimate of the default and migration risks of non-securitization products held in the trading book with exposure to interest rate risk, measured over a one-year horizon at a 99.9% confidence level.

A consistent set of VaR and SVaR models is used for both management and regulatory purposes across all BMO Financial Group legal entities in which trading or underwriting activities are conducted.

BMO uses a variety of methods to verify the integrity of its risk models, including the application of back-testing against hypothetical losses and approval by an independent model validation team. This testing is aligned with defined regulatory expectations, and its results confirm the reliability of the models. The volatility data and correlations that underpin the models are updated frequently, so that risk metrics reflect current conditions. Selection of the period of significant financial stress for SVaR incorporates historical periods, inclusive of the 2020 COVID-19 pandemic.

Probabilistic stress testing and scenario analysis are used daily to determine the potential impact of plausible but severe market changes on the bank's portfolios. In addition, historical event stresses are tested on a weekly basis, including tests of scenarios such as the stock market crash of 1987 and the collapse of Lehman Brothers in 2008. Targeted analyses of risks and portfolios, along with other ad hoc analyses, are also conducted to determine sensitivity to hypothetical, low-frequency, high-severity scenarios. Scenarios are amended, added or removed to evolve the bank's stress testing, such as the volatility in 2020 from COVID-19, and the results are reported to the lines of business, the RMC and the RRC on a regular basis.

VaR, SVaR, IRC and stress testing should not be viewed as definitive predictors of the maximum amount of losses that could occur in any one day, as their results are based on models and estimates and are subject to confidence levels, and the estimates could be exceeded under unforeseen market conditions.

Material presented in a blue-tinted font above is an integral part of the 2020 audited annual consolidated financial statements (refer to page 73).

Back-testing assumes there are no changes in the previous day's closing positions and then isolates the effects of each day's price movements against those closing positions. The bank's VaR model is back-tested daily, and the one-day 99% confidence level VaR at the local and consolidated BMO levels is compared with the estimated daily profit and loss (P&L) that would be recorded if the portfolio composition remained unchanged. If this P&L result is negative and its absolute value is greater than the previous day's VaR, a back-testing exception occurs. Each exception is investigated, explained and documented, and the back-testing results are reviewed by senior management and reported to regulators.

Although it is a valuable indicator of risk, as with any model-driven metric, VaR has limitations, among which is the assumption that all positions can be liquidated within the assumed one-day holding period, which may not be the case under illiquid market conditions. Generally, market liquidity horizons are reviewed for suitability and updated where appropriate for relevant risk metrics. Further limitations of the VaR metric include the assumption that historical data can be used as a proxy to forecast future market events, and the fact that VaR calculations are based upon portfolio positions at the close of business and do not reflect the impact of intra-day trading activity.

Monitoring and Control of Trading and Underwriting Market Risk

A comprehensive set of limits is applied to these metrics, and these limits are subject to regular monitoring and reporting, with any breach of the limits escalated to the appropriate level of management. Risk profiles of trading and underwriting activities are maintained within the bank's risk appetite and supporting limits, and are monitored and reported to traders, management, senior executives and Board committees. Other significant controls include the independent valuation of financial assets and liabilities, as well as compliance with BMO's Model Risk Management Framework to mitigate model risk.

Trading Market Risk Measures

Trading VaR and SVaR

Average Total Trading VaR increased year-over-year, driven by sharply higher market volatility due to the COVID-19 pandemic. The impact was most pronounced on equity VaR, but there was also a significant impact on interest rate VaR and debt-specific risk. After a significant increase in the second quarter of 2020, VaR declined due to portfolio positioning and lower implied volatilities. Average Total SVaR also increased year-over-year, due to an amendment to the Total Trading VaR and SVaR calculation to no longer recognize the diversification benefits from debt-specific risk. BMO changed the period of financial stress used to compute SVaR from the 2008 financial crisis to the 2020 COVID-19 pandemic in the third quarter of 2020.

Total Trading Value at Risk (VaR) Summary (1) (2) (3)

As at or for the year ended October 31 (pre-tax Canadian $ equivalent in millions)	2020				2019			
	Year-end	**Average**	**High**	**Low**	Year-end	Average	High	Low
Commodity VaR	**5.5**	**2.5**	**5.8**	**0.6**	1.0	1.4	4.9	0.6
Equity VaR	**16.4**	**16.0**	**37.2**	**4.2**	3.0	4.6	12.6	2.5
Foreign exchange VaR	**4.2**	**3.4**	**6.8**	**0.8**	0.5	0.5	1.4	0.2
Interest rate VaR (4)	**40.7**	**23.1**	**42.0**	**5.4**	10.8	8.5	14.3	6.0
Debt-specific risk	**3.9**	**3.8**	**7.6**	**1.6**	2.4	2.0	4.2	1.2
Diversification	**(25.5)**	**(20.3)**	**nm**	**nm**	(9.1)	(8.0)	nm	nm
Total Trading VaR	**45.2**	**28.5**	**53.4**	**8.1**	8.6	9.0	17.2	5.8
Total Trading SVaR	**45.2**	**50.8**	**87.1**	**29.2**	19.2	31.7	69.6	16.5

(1) One-day measure using a 99% confidence interval. Gains are presented in brackets and losses are presented as positive numbers.
(2) Stressed VaR is produced weekly.
(3) In Q1-2020, a new measurement approach was introduced for VaR and SVaR, which separated the previously reported credit VaR into interest rate VaR for general credit spread risk and for debt-specific risk. Results in prior quarters have been provided for comparability. In addition, the Total Trading VaR and SVaR no longer recognize diversification benefits from debt-specific risk.
(4) Interest rate VaR includes general credit spread risk.
nm – not meaningful

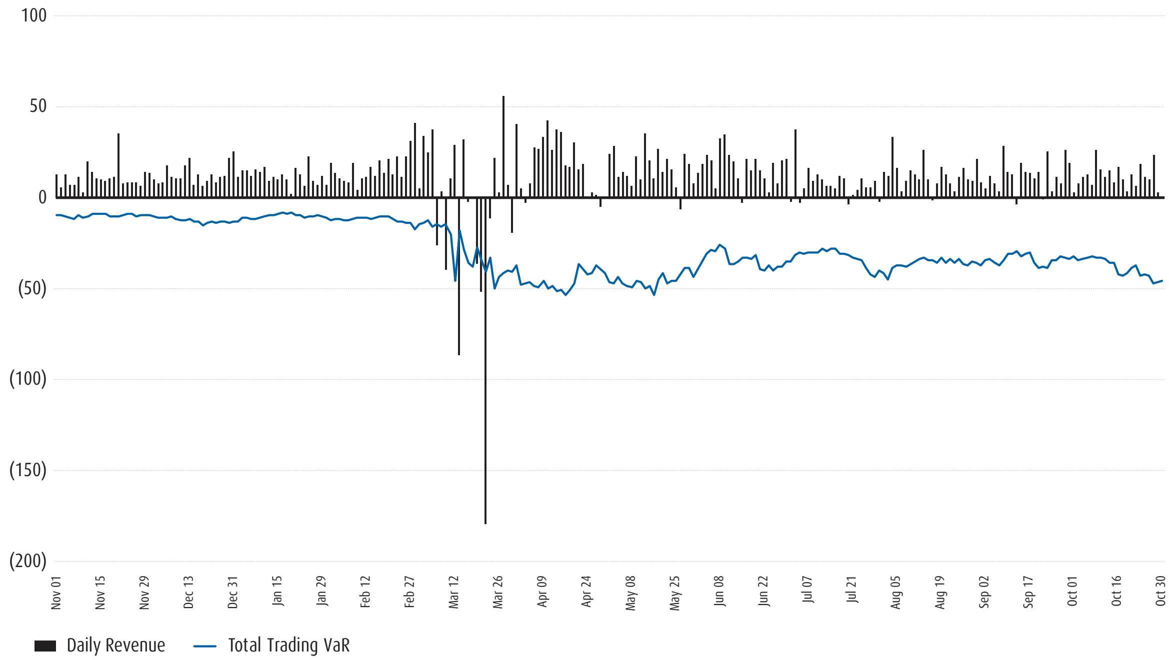
Material presented in a blue-tinted font above is an integral part of the 2020 audited annual consolidated financial statements (refer to page 73).

Trading Net Revenue

The charts below present daily net revenues plotted against Total Trading VaR, along with a representation of daily net revenue distribution. In 2020, net trading losses were incurred on 20 days. In March 2020, markets experienced unprecedented asset price declines, record volatility, extreme liquidity challenges and dislocations, and significant widening of corporate bond spreads. Given certain trading activities and positions, the bank experienced negative trading revenue during the most volatile days with the largest loss occurring on March 23, 2020.

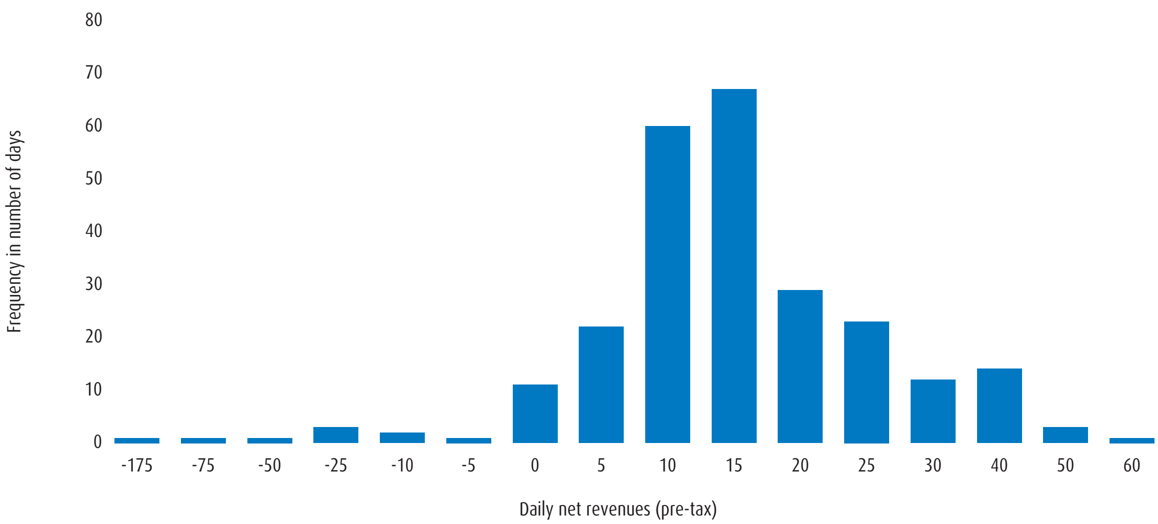
Trading Net Revenues versus Value at Risk

(pre-tax basis and in millions of Canadian dollars)
November 1, 2019 to October 31, 2020 ($ millions)



Frequency Distribution of Daily Net Revenues

November 1, 2019 to October 31, 2020 ($ millions)



Structural (Non-Trading) Market Risk

Structural market risk is comprised of interest rate risk arising from BMO's banking activities (such as loans and deposits) and foreign exchange risk arising from foreign currency operations and exposures.

Structural Market Risk Governance

BMO's Corporate Treasury group is responsible for the ongoing management of structural market risk across the enterprise, with independent oversight provided by the Market Risk group. In addition to Board-approved limits on earnings at risk and economic value sensitivities to changes in interest rates, more granular management limits are in place to guide the daily management of this risk.

The RRC has oversight of the management of structural market risk, annually approves the structural market risk plan and limits, and regularly reviews structural market risk positions. The RMC and Balance Sheet and Capital Management Committee regularly review structural market risk positions and provide senior management oversight.

Structural Market Risk Measurement

Interest Rate Risk

Structural interest rate risk arises when changes in interest rates affect the market value, cash flows and earnings of assets and liabilities related to BMO's banking activities. The objective of structural interest rate risk management is to maintain high-quality earnings and maximize sustainable product spreads, while managing the risk to the economic value of BMO's assets arising from changes in interest rates.

Structural interest rate risk is primarily comprised of interest rate mismatch risk and product embedded option risk.

Interest rate mismatch risk arises when there are differences in the scheduled maturities, repricing dates or reference rates of assets, liabilities and derivatives. The net interest rate mismatch, representing residual assets funded by common shareholders' equity, is managed to a target profile through interest rate swaps and securities.

Product embedded option risk arises when product features allow customers to alter cash flows, such as scheduled maturity or repricing dates, usually in response to changes in market conditions. Product embedded options include loan prepayments, deposit redemption privileges and committed rates on unadvanced mortgages. Product embedded options and associated customer behaviours are captured in risk modelling, and hedging programs may be used to manage this risk to low levels.

Structural interest rate risk is measured using simulations, earnings sensitivity and economic value sensitivity analysis, stress testing and gap analysis, in addition to other treasury risk metrics.

Earnings Sensitivity is a measure of the impact of potential changes in interest rates on the projected 12-month pre-tax net income of a portfolio of assets, liabilities and off-balance sheet positions in response to prescribed parallel interest rate movements, with interest rates floored at zero.

Economic Value Sensitivity is a measure of the impact of potential changes in interest rates on the market value of a portfolio of assets, liabilities and off-balance sheet positions in response to prescribed parallel interest rate movements, with interest rates floored at zero.

The models that measure structural interest rate risk incorporate projected changes in interest rates and predict how customers would likely react to these changes. For customer loans and deposits with scheduled maturity and repricing dates (such as mortgages and term deposits), the models measure the extent to which customers are likely to use embedded options to alter those scheduled terms. For customer loans and deposits without scheduled maturity and repricing dates (such as credit card loans and chequing accounts), exposure is measured using models that adjust for elasticity in product pricing and reflect historical and forecasted trends in balances. The results of these structural market risk models, by their nature, have inherent uncertainty, as they reflect potential anticipated pricing and customer behaviours, which may differ from actual experience. These models have been developed using statistical analysis and are independently validated and periodically updated through regular model performance assessment, back-testing processes and ongoing dialogue with the lines of business. Models developed to predict customer behaviour are also used to support product pricing. All models are subject to BMO's Model Risk Management Framework, which is described in more detail on page 109.

Structural interest rate earnings and economic value sensitivity to an immediate parallel increase or decrease in the yield curve are disclosed in the table below. As a result of the low interest rate environment, earnings and economic value sensitivity to declining interest rates commencing as at April 30, 2020, are measured using a 25 basis point decline, while prior periods reflected a 100 basis point decline.

There were no significant changes in the structural market risk management framework during the year.

Structural economic value exposure to rising interest rates primarily reflects a lower market value for fixed rate loans. Structural economic value sensitivity to falling interest rates primarily reflects the impact of a higher market value for fixed rate loans and minimum modelled client deposit rates. Structural economic value exposure to rising interest rates increased relative to October 31, 2019, primarily due to an increase in fixed rate assets. The structural economic value benefit to falling interest rates decreased relative to October 31, 2019, primarily due to the reduced extent interest rates can now fall following the decline in rates during the year. Structural earnings sensitivity quantifies the potential impact of interest rate changes on structural balance sheet pre-tax net income over the next 12 months. Structural earnings exposure to falling interest rates primarily reflects the risk of fixed and floating rate loans repricing at lower rates and the more limited ability to reduce deposit pricing as rates fall. The structural earnings exposure to falling interest rates decreased relative to October 31, 2019, due to the reduced extent interest rates can now fall, as noted above. The structural earnings benefit to rising interest rates primarily reflects the benefit of widening deposit margins as interest rates rise. This measure increased relative to October 31, 2019, due to the higher modelled benefit to widening deposit margins if short-term interest rates increase from current low levels.

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Structural Interest Rate Sensitivity (1)

(Pre-tax Canadian $ equivalent in millions)	As at October 31, 2020 Economic value sensitivity	As at October 31, 2020 Earnings sensitivity over the next 12 months	As at October 31, 2019 Economic value sensitivity	As at October 31, 2019 Earnings sensitivity over the next 12 months
100 basis point increase	**(1,275.1)**	**152.8**	(883.4)	46.6
25 or 100 basis point decrease (2)	**175.0**	**(62.2)**	215.6	(80.3)

(1) Losses are presented in brackets and gains are presented as positive numbers.
(2) Due to the low interest rate environment, starting April 30, 2020, economic value sensitivity and earnings sensitivity to declining interest rates are measured using a 25 basis point decline.

MD&A

Insurance Market Risk

Insurance market risk includes interest rate and equity market risk arising from BMO's insurance business activities. A 100 basis point increase in interest rates as at October 31, 2020 would result in an increase in earnings before tax of $39 million ($27 million as at October 31, 2019). A 25 basis point decrease in interest rates as at October 31, 2020 would result in a decrease in earnings before tax of $9 million ($25 million as at October 31, 2019 under a 100 basis point decrease). A 10% increase in equity market values as at October 31, 2020 would result in an increase in earnings before tax of $51 million ($54 million as at October 31, 2019). A 10% decrease in equity market values as at October 31, 2020 would result in a decrease in earnings before tax of $53 million ($57 million as at October 31, 2019). BMO may enter into hedging arrangements to offset the impact of changes in equity market values on its earnings, and did so during the 2020 fiscal year. The impact of insurance market risk on earnings is reflected in insurance claims, commissions and changes in policy benefit liabilities on the Consolidated Statement of Income, and the corresponding change in the fair value of the bank's policy benefit liabilities is reflected in other liabilities on the Consolidated Balance Sheet. The impact of insurance market risk is not reflected in the table above.

Foreign Exchange Risk

Structural foreign exchange risk arises primarily from translation risk related to the net investment in U.S. operations and from transaction risk associated with U.S.-dollar-denominated net income.

Translation risk represents the impact that changes in foreign exchange rates could have on BMO's reported shareholders' equity and capital ratios. BMO may enter into arrangements to offset the impact of foreign exchange rate movements on its capital ratios, and did so during the 2020 fiscal year. Refer to the Enterprise-Wide Capital Management section on page 63 for further discussion.

Transaction risk represents the impact that fluctuations in the Canadian/U.S. dollar exchange rate could have on the Canadian dollar equivalent of BMO's U.S.-dollar-denominated financial results. Exchange rate fluctuations will affect future results measured in Canadian dollars and the impact on those results is a function of the periods during which revenues, expenses and provisions for credit losses arise. Hedging positions may be taken to partially offset the pre-tax effects of Canadian/U.S. dollar exchange rate fluctuations on financial results, although no hedges were executed in the current or prior year. If future results are consistent with results in 2020, each one cent increase (decrease) in the Canadian/U.S. dollar exchange rate would be expected to increase (decrease) the Canadian dollar equivalent of U.S. segment net income before income taxes for the year by $15 million, in the absence of hedging transactions. Refer to the Foreign Exchange section on page 23 for a more complete discussion of the effects of changes in exchange rates on the bank's results.

Linkages between Balance Sheet Items and Market Risk Disclosures

The table below presents items reported on the Consolidated Balance Sheet that are subject to market risk, comprised of balances that are subject to either traded risk or non-traded risk measurement techniques.

	As at October 31, 2020				As at October 31, 2019				
		Subject to market risk				Subject to market risk			
(Canadian $ in millions)	Consolidated Balance Sheet	Traded risk (1)	Non-traded risk (2)	Not subject to market risk	Consolidated Balance Sheet	Traded risk (1)	Non-traded risk (2)	Not subject to market risk	Primary risk factors for non-traded risk balances
Assets Subject to Market Risk									
Cash and cash equivalents	**57,408**	**–**	**57,408**	**–**	48,803	–	48,803	–	Interest rate
Interest bearing deposits with banks	**9,035**	**217**	**8,818**	**–**	7,987	242	7,745	–	Interest rate
Securities	**234,260**	**97,723**	**136,537**	**–**	189,438	85,739	103,699	–	Interest rate, credit spread, equity
Securities borrowed or purchased under resale agreements	**111,878**	**–**	**111,878**	**–**	104,004	–	104,004	–	Interest rate
Loans (net of allowance for credit losses)	**445,004**	**–**	**445,004**	**–**	426,094	–	426,094	–	Interest rate, foreign exchange
Derivative instruments	**36,815**	**32,457**	**4,358**	**–**	22,144	19,508	2,636	–	Interest rate, foreign exchange
Customers' liability under acceptances	**13,493**	**–**	**13,493**	**–**	23,593	–	23,593	–	Interest rate
Other assets (3)	**41,368**	**7,744**	**16,223**	**17,401**	30,132	1,719	13,698	14,715	Interest rate
Total Assets	**949,261**	**138,141**	**793,719**	**17,401**	852,195	107,208	730,272	14,715	
Liabilities Subject to Market Risk									
Deposits	**659,034**	**18,073**	**640,961**	**–**	568,143	15,829	552,314	–	Interest rate, foreign exchange
Derivative instruments	**30,375**	**26,355**	**4,020**	**–**	23,598	20,094	3,504	–	Interest rate, foreign exchange
Acceptances	**13,493**	**–**	**13,493**	**–**	23,593	–	23,593	–	Interest rate
Securities sold but not yet purchased	**29,376**	**29,376**	**–**	**–**	26,253	26,253	–	–	
Securities lent or sold under repurchase agreements	**88,658**	**–**	**88,658**	**–**	86,656	–	86,656	–	Interest rate
Other liabilities (3)	**63,316**	**–**	**63,082**	**234**	65,881	–	65,766	115	Interest rate
Subordinated debt	**8,416**	**–**	**8,416**	**–**	6,995	–	6,995	–	Interest rate
Total Liabilities	**892,668**	**73,804**	**818,630**	**234**	801,119	62,176	738,828	115	

(1) Primarily comprised of balance sheet items that are subject to the trading and underwriting risk management framework and recorded at fair value through profit or loss.
(2) Primarily comprised of balance sheet items that are subject to the structural balance sheet and insurance risk management framework.
(3) Effective the first quarter of 2020, the bank adopted IFRS 16, *Leases* (IFRS 16). As at October 31, 2020, the bank recognized a total right-of-use asset in other assets of $2,217 million (net of depreciation), with a corresponding lease liability of $2,409 million in other liabilities. Refer to the Changes in Accounting Policies in 2020 section on page 118 for further details.

Certain comparative figures have been reclassified to conform with the current year's presentation.

Material presented in a blue-tinted font above is an integral part of the 2020 audited annual consolidated financial statements (refer to page 73).

Insurance Risk

Insurance risk is the potential for loss as a result of actual experience differing from that assumed when an insurance product was designed and priced. It generally entails the inherent unpredictability that can arise from assuming long-term policy liabilities or from the uncertainty of future events. Insurance provides protection against the financial consequences of insured risks by transferring those risks to the insurer (under specific terms and conditions) in exchange for premiums. Insurance risk is inherent in all of BMO's insurance products, comprised of life insurance, annuities, which includes the pension risk transfer business, accident and sickness, and creditor insurance, as well as in the reinsurance business.

Insurance risk consists of:

- Claims risk – the risk that the actual magnitude or frequency of claims will differ from those assumed in the pricing or underwriting process, including mortality risk, morbidity risk, longevity risk and catastrophe risk;
- Policyholder behaviour risk – the risk that the behaviour of policyholders in regard to premium payments, withdrawals or loans, policy lapses and surrenders, and other voluntary terminations will differ from the behaviour assumed in the pricing process; and
- Expense risk – the risk that actual expenses arising from acquiring and administering policies and processing claims will exceed the expenses assumed in the pricing process.

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BMO's risk governance practices provide effective independent oversight and control of risk within BMO Insurance. BMO Insurance's risk management framework addresses the identification, assessment, management and reporting of risks. The framework includes: the Risk Appetite Statement and key risk metrics; insurance risk policies and processes, including limits; capital requirements; stress testing; risk reports; Own Risk and Solvency Assessment; and ongoing monitoring of experience. Senior management within the various lines of business uses this framework as the first line of defence, and has the primary responsibility for managing insurance risk. Second-line-of-defence oversight is provided by the CRO, BMO Insurance, who reports to the Head of Market Risk and CRO, BMO Capital Markets. Internal risk committees, the boards of directors of the BMO Insurance subsidiaries and senior management provide senior governance and review. In particular, the Risk Committee, BMO Insurance, oversees and reports on risk management activities on a quarterly basis to the insurance companies' boards of directors. In addition, the Audit and Conduct Review Committee of the Board acts as the Audit and Conduct Review Committee for BMO Life Insurance Company.

A robust product approval process is a cornerstone of the BMO Insurance risk management framework, as it identifies, assesses and mitigates risks associated with new insurance products or changes to existing products. This process, along with guidelines and practices for underwriting and claims management, promotes the effective identification, measurement and management of insurance risk. Reinsurance transactions that transfer insurance risk from BMO Insurance to independent reinsurance companies are also used to mitigate exposure to insurance risk by diversifying risk and limiting claims. BMO Insurance has exited the Property & Casualty Reinsurance market, with the remaining treaty terminating by March 2021, which has significantly reduced exposure to catastrophic claims. However, a certain amount of exposure to catastrophic claims occurring prior to the treaties terminating remains as the portfolio runs off and until all outstanding claims that were made prior to the treaty termination dates are settled and paid.

In addition to a well-balanced portfolio of life insurance and annuities, which forms a natural hedge for insurance risk, to date, claims related to the COVID-19 pandemic have not had a material impact on BMO Insurance's financial results. As part of the overall Risk Management Framework, COVID-19 claims are tracked separately and stress tests specific to the pandemic are being performed.

Caution

This Insurance Risk section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Liquidity and Funding Risk

Liquidity and funding risk is the potential for loss if BMO is unable to meet financial commitments in a timely manner at reasonable prices as they become due. Financial commitments include liabilities to depositors and suppliers, and lending, investment and pledging commitments.

Managing liquidity and funding risk is integral to maintaining enterprise soundness and safety, depositor confidence and earnings stability. It is BMO's policy to ensure that sufficient liquid assets and funding capacity are available to meet financial commitments, even in times of stress.

Liquidity and Funding Risk Governance

The Corporate Treasury group and the operating groups, as the first line of defence, are responsible for the ongoing identification, assessment, and management of liquidity and funding risk. The Corporate Treasury group is responsible for monitoring and reporting liquidity and funding risks across the enterprise and develops and recommends for approval the Liquidity and Funding Risk Management Framework and the related risk appetite and limits, monitors compliance with the relevant corporate policies, and assesses the impact of market events on liquidity and funding requirements on an ongoing basis.

Enterprise Risk and Portfolio Management, as the second line of defence, provides oversight, independent risk assessment and effective challenge of liquidity and funding management frameworks, policies, limits, monitoring and reporting across the enterprise.

The Risk Management Committee (RMC) and Balance Sheet and Capital Management Committee (BSCMC) provide senior management oversight and also review and discuss significant liquidity and funding policies, issues and developments that arise in the pursuit of its strategic priorities. The Risk Review Committee (RRC) provides oversight of the management of liquidity and funding risk, annually approves applicable policies, limits and the contingency plan, and regularly reviews liquidity and funding positions.

Material presented in a blue-tinted font above is an integral part of the 2020 audited annual consolidated financial statements (refer to page 73).

Liquidity and Funding Risk Management

BMO's Liquidity and Funding Risk Management Framework is defined and authorized under Board-approved corporate policies and management-approved standards. These policies and standards outline key management principles, liquidity and funding metrics and related limits, as well as roles and responsibilities for the management of liquidity and funding risk across the enterprise.

BMO has a robust limit structure in place in order to manage liquidity and funding risk. Limits define the risk appetite for the key Stress Net Liquidity Position (Stress NLP) measure, regulatory liquidity ratios, secured and unsecured funding appetite (for both trading and structural activities), and enterprise collateral pledging. Limits also establish the tolerance for concentrations of maturities, requirements for counterparty liability diversification, business pledging activity, and the size and type of uncommitted and committed credit and liquidity facilities that may be outstanding.

Operating within these limits helps to confirm that liquidity and funding risk is appropriately managed. An enterprise-wide contingency plan designed to facilitate effective management in the event of a disruption is also in place. Early warning indicators identified in the contingency plan are regularly monitored in order to detect any signs of growing liquidity or funding risk in the market, or other risks specific to BMO.

BMO legal entities include regulated and foreign subsidiaries and branches, and as a result, movements of funds between entities in the corporate group are subject to, among other things, the liquidity, funding and capital adequacy requirements of these entities. As such, liquidity and funding positions are managed on both a consolidated and key legal entity basis. Liquidity and funding risk management policies and limits, which are informed by the laws and regulations that apply to each entity, are in place for key legal entities, and positions are regularly reviewed at the key legal entity level to confirm compliance with applicable laws and regulations.

BMO employs practices related to funds transfer pricing and liquidity transfer pricing in order to ensure that appropriate economic signals for the pricing of products for customers are provided to the lines of business, and to assess the performance of each business. These practices capture both the cost of funding assets and the value of deposits under normal operating conditions, as well as the cost of holding supplemental liquid assets to meet contingent liquidity requirements.

BMO prudently managed liquidity and funding throughout the year. The bank entered the second quarter with a strong liquidity position and acted early and throughout the COVID-19 market disruption. The bank accessed the wholesale term markets in the second quarter to raise long-term funding and increased liquid assets, including central bank cash deposits and sovereign bonds, to meet potential future funding needs. BMO experienced strong customer deposit flows throughout the year while loans first increased in the second quarter, before declining in the second half of the year as customers decreased borrowing activity. In addition, given market disruption and volatility, central banks around the world announced a number of programs that were targeted to support the financial and funding markets and the provision of funding to customers affected by the pandemic. BMO used these programs in the second quarter in a manner consistent with other banks, given market disruptions. The bank's borrowings under the central bank programs were largely repaid by the end of the second quarter, with the exception of certain borrowings under the Bank of Canada term repo facility that mature through to the second quarter of 2021. Through the second half of the year, the bank maintained more liquidity than it would normally target to hold. BMO's liquidity metrics, including the Liquidity Coverage Ratio (LCR), exceeded internal and regulatory requirements throughout the year.

Liquidity and Funding Risk Measurement

A key component of liquidity risk management is the measurement of liquidity risk under stress. BMO uses Stress NLP as a key measure of liquidity risk. Stress NLP represents the amount by which liquid assets exceed potential funding needs under a severe combined enterprise-specific and systemic stress scenario. Potential funding needs may arise from obligations to repay retail, commercial and wholesale deposits that are withdrawn or not renewed or to fund drawdowns on available credit and liquidity lines, obligations to pledge collateral due to ratings downgrades or market volatility, and the continuing need to fund new assets or strategic investments. Potential funding needs are quantified by applying factors to various business activities based on management's view of the relative level of liquidity risk related to each activity. These factors vary by depositor classification (e.g., retail, small business, non-financial corporate or wholesale counterparties) and deposit type (e.g., insured, uninsured, operational or non-operational deposits), as well as by commitment type (e.g., uncommitted or committed credit or liquidity facilities by counterparty type). The stress scenario also considers the time horizon over which liquid assets can be monetized and management's assessment of the liquidity value of those assets under conditions of market stress. These funding needs are assessed under severe systemic and enterprise-specific stress scenarios, and a combination thereof.

Stress testing results are evaluated against BMO's stated risk tolerance and are considered in management decisions on setting limits and internal liquidity transfer pricing, and they also help to inform and shape the design of business plans and contingency plans. The Liquidity and Funding Risk Management Framework is integrated with enterprise-wide stress testing.

In addition to Stress NLP, BMO regularly monitors positions in relation to the limits and liquidity ratios noted in the Liquidity and Funding Risk Management section above. These include regulatory metrics such as the LCR, Net Cumulative Cash Flow and Net Stable Funding Ratio (NSFR).

Material presented in a blue-tinted font above is an integral part of the 2020 audited annual consolidated financial statements (refer to page 73).

Unencumbered Liquid Assets

Unencumbered liquid assets include high-quality assets that are marketable, can be pledged as security for borrowings, and can be converted to cash in a time frame that meets liquidity and funding requirements. Liquid assets are primarily held in trading businesses, as well as in supplemental liquidity pools that are maintained for contingent liquidity risk management purposes. The liquidity value recognized for different asset classes under the bank's management framework reflects management's assessment of the liquidity value of those assets under a severe stress scenario. Liquid assets held in the trading businesses include cash on deposit with central banks, short-term deposits with other financial institutions, highly-rated debt securities, equity securities, and short-term reverse repurchase agreements. Supplemental liquidity pool assets are predominantly comprised of cash on deposit with central banks, securities, and short-term reverse repurchase agreements of highly-rated Canadian federal and provincial government debt and U.S. federal government and agency debt. Substantially all supplemental liquidity pool assets meet the definition of high-quality liquid assets under Basel III. Approximately 75% of the supplemental liquidity pool is held at the parent bank level in Canadian-dollar- and U.S.-dollar-denominated assets, with the majority of the remaining supplemental liquidity pool held at BMO Harris Bank in U.S.-dollar-denominated assets. The size of the supplemental liquidity pool is integrated with BMO's measurement of liquidity risk. To meet local regulatory requirements, certain legal entities maintain their own minimum liquidity positions.

There may be legal and regulatory restrictions on the bank's ability to use liquid assets held at one legal entity to support the liquidity requirements of another legal entity.

In the ordinary course of business, BMO may encumber a portion of cash and securities holdings as collateral in support of trading activities and participation in clearing and payment systems in Canada and abroad. In addition, BMO may receive liquid assets as collateral and may re-pledge these assets in exchange for cash or as collateral in support of trading activities. Net unencumbered liquid assets, defined as on-balance sheet assets, such as BMO-owned cash and securities and securities borrowed or purchased under resale agreements, plus other off-balance sheet eligible collateral received, less collateral encumbered, totalled $306.1 billion at October 31, 2020, compared with $249.7 billion at October 31, 2019. The increase in unencumbered liquid assets was mainly due to higher cash and securities balances as a result of net customer deposit growth and actions taken by BMO to maintain a strong liquidity position in the current market environment. Net unencumbered liquid assets are primarily held at the parent bank level, at BMO's U.S. bank entity BMO Harris Bank, and in its broker/dealer operations. In addition to liquid assets, BMO has access to the Bank of Canada's lending assistance programs, the Federal Reserve Bank discount window in the United States and European Central Bank standby liquidity facilities. BMO does not rely on central bank facilities as a source of available liquidity when assessing the soundness of BMO's liquidity position.

In addition to cash and securities holdings, BMO may also pledge other assets, including mortgages and loans, to raise long-term secured funding. As part of the Liquidity and Funding Risk Management Framework, a Pledging of Assets Corporate Policy sets out the framework and pledging limits for financial and non-financial assets.

BMO's total encumbered assets and unencumbered liquid assets are summarized in the table below. Refer to Note 24 on page 204 of the consolidated financial statements for further information on pledged assets.

Liquid Assets

(Canadian $ in millions)	As at October 31, 2020 Bank-owned assets	Other cash and securities received	Total gross assets (1)	Encumbered assets	Net unencumbered assets (2)	As at October 31, 2019 Net unencumbered assets (2)
Cash and cash equivalents	**57,408**	**–**	**57,408**	**111**	**57,297**	46,908
Deposits with other banks	**9,035**	**–**	**9,035**	**–**	**9,035**	7,987
Securities and securities borrowed or purchased under resale agreements						
Sovereigns / Central banks / Multilateral development banks	**112,174**	**98,104**	**210,278**	**104,983**	**105,295**	90,363
NHA mortgage-backed securities and U.S. agency mortgage-backed securities and collateralized mortgage obligations	**49,274**	**8,196**	**57,470**	**20,626**	**36,844**	21,406
Corporate and other debt	**23,007**	**18,175**	**41,182**	**7,197**	**33,985**	32,112
Corporate equity	**49,805**	**44,722**	**94,527**	**47,062**	**47,465**	28,436
Total securities and securities borrowed or purchased under resale agreements	**234,260**	**169,197**	**403,457**	**179,868**	**223,589**	172,317
NHA mortgage-backed securities (reported as loans at amortized cost) (3)	**22,320**	**–**	**22,320**	**6,121**	**16,199**	22,438
Total liquid assets	**323,023**	**169,197**	**492,220**	**186,100**	**306,120**	249,650
Other eligible assets at central banks (not included above) (4)	**139,102**	**–**	**139,102**	**806**	**138,296**	68,246
Total liquid assets and other sources	**462,125**	**169,197**	**631,322**	**186,906**	**444,416**	317,896

(1) Gross assets include bank-owned assets and cash and securities received from third parties.

(2) Net unencumbered liquid assets are defined as total gross assets less encumbered assets.

(3) Under IFRS, National Housing Act (NHA) mortgage-backed securities that include mortgages owned by BMO as the underlying collateral are classified as loans. Unencumbered NHA mortgage-backed securities have liquidity value and are included as liquid assets under BMO's Liquidity and Funding Management Framework. This amount is shown as a separate line item, NHA mortgage-backed securities.

(4) Represents loans currently lodged at central banks that could potentially be used to access central bank funding. Loans available for pledging as collateral do not include other sources of additional liquidity that may be realized from the bank's loan portfolio, including incremental securitization, covered bond issuances and Federal Home Loan Bank (FHLB) advances.

Material presented in a blue-tinted font above is an integral part of the 2020 audited annual consolidated financial statements (refer to page 73).

Asset Encumbrance

(Canadian $ in millions) As at October 31, 2020	Total gross assets (1)	Encumbered (2) Pledged as collateral	Encumbered (2) Other encumbered	Net unencumbered Other unencumbered (3)	Net unencumbered Available as collateral (4)
Cash and deposits with other banks	**66,443**	**–**	**111**	**–**	**66,332**
Securities (5)	**425,777**	**149,955**	**36,034**	**12,766**	**227,022**
Loans and acceptances	**422,684**	**58,168**	**806**	**225,414**	**138,296**
Other assets					
Derivative instruments	**36,815**	**–**	**–**	**36,815**	**–**
Customers' liability under acceptances	**13,493**	**–**	**–**	**13,493**	**–**
Premises and equipment	**4,183**	**–**	**–**	**4,183**	**–**
Goodwill	**6,535**	**–**	**–**	**6,535**	**–**
Intangible assets	**2,442**	**–**	**–**	**2,442**	**–**
Current tax assets	**1,260**	**–**	**–**	**1,260**	**–**
Deferred tax asset	**1,473**	**–**	**–**	**1,473**	**–**
Other assets	**25,475**	**6,344**	**–**	**19,131**	**–**
Total other assets	**91,676**	**6,344**	**–**	**85,332**	**–**
Total assets	**1,006,580**	**214,467**	**36,951**	**323,512**	**431,650**

(Canadian $ in millions) As at October 31, 2019	Total gross assets (1)	Encumbered (2) Pledged as collateral	Encumbered (2) Other encumbered	Net unencumbered Other unencumbered (3)	Net unencumbered Available as collateral (4)
Cash and deposits with other banks	56,790	–	1,895	–	54,895
Securities (5)	378,443	153,269	30,419	12,107	182,648
Loans and acceptances	399,968	73,073	765	257,884	68,246
Other assets					
Derivative instruments	22,144	–	–	22,144	–
Customers' liability under acceptances	23,593	–	–	23,593	–
Premises and equipment	2,055	–	–	2,055	–
Goodwill	6,340	–	–	6,340	–
Intangible assets	2,424	–	–	2,424	–
Current tax assets	1,165	–	–	1,165	–
Deferred tax asset	1,568	–	–	1,568	–
Other assets	16,580	3,722	–	12,858	–
Total other assets	75,869	3,722	–	72,147	–
Total assets	911,070	230,064	33,079	342,138	305,789

(1) Gross assets include on-balance sheet and off-balance sheet assets.

(2) Pledged as collateral refers to the portion of on-balance sheet assets and other cash and securities that is pledged through repurchase agreements, securities lending, derivative contracts, minimum required deposits at central banks, and requirements associated with participation in clearing houses and payment systems. Other encumbered assets include assets that are restricted for legal or other reasons, such as restricted cash and short sales.

(3) Other unencumbered assets include select liquid asset holdings that management believes are not readily available to support BMO's liquidity requirements. These include cash and securities of $12.8 billion as at October 31, 2020, which include securities held at BMO's insurance subsidiary, significant equity investments, and certain investments held at BMO's merchant banking business. Other unencumbered assets also include mortgages and loans that may be securitized to access secured funding.

(4) Loans included in available as collateral represent loans currently lodged at central banks that could potentially be used to access central bank funding. Loans available for pledging as collateral do not include other sources of additional liquidity that may be realized from the bank's loan portfolio, such as incremental securitization, covered bond issuances and FHLB advances.

(5) Includes securities, securities borrowed or purchased under resale agreements and NHA mortgage-backed securities (reported as loans at amortized cost).

Certain comparative figures have been reclassified to conform with the current year's presentation.

BMO's LCR is summarized in the following table. The average daily LCR for the quarter ended October 31, 2020 was 131%. The LCR is calculated on a daily basis as the ratio of the stock of High-Quality Liquid Assets (HQLA) held to total net stressed cash outflows over the next 30 calendar days. The average LCR was down from 138% last year. HQLA and net cash outflows both increased; however, the ratio between them changed year-over-year. While banks are required to maintain an LCR greater than 100% in normal conditions, banks are also expected to be able to utilize HQLA during a period of stress, which may result in an LCR of less than 100% during such a period. BMO's HQLA are primarily comprised of cash, highly-rated debt issued or backed by governments, highly-rated covered bonds and non-financial corporate debt, and non-financial equities that are part of a major stock index. Net cash flows include outflows from deposits, secured and unsecured wholesale funding, commitments and potential collateral requirements, offset by permitted inflows from loans, securities lending activities and other non-HQLA debt maturing over a 30-day horizon. OSFI-prescribed weights are applied to cash flows and HQLA to arrive at the weighted values and the LCR. The LCR is only one measure of a bank's liquidity position and does not fully capture all of the bank's liquid assets or the funding alternatives that may be available during a period of stress. BMO's total liquid assets are shown in the Liquid Assets table on page 99.

Liquidity Coverage Ratio

(Canadian $ in billions, except as noted)	For the quarter ended October 31, 2020 Total unweighted value (average) (1) (2)	Total weighted value (average) (2) (3)
High-Quality Liquid Assets		
Total high-quality liquid assets (HQLA)	*	**197.5**
Cash Outflows		
Retail deposits and deposits from small business customers, of which:	**220.3**	**15.7**
Stable deposits	**107.3**	**3.2**
Less stable deposits	**113.0**	**12.5**
Unsecured wholesale funding, of which:	**228.0**	**112.4**
Operational deposits (all counterparties) and deposits in networks of cooperative banks	**107.3**	**26.9**
Non-operational deposits (all counterparties)	**93.7**	**58.5**
Unsecured debt	**27.0**	**27.0**
Secured wholesale funding	*	**26.1**
Additional requirements, of which:	**170.1**	**32.7**
Outflows related to derivatives exposures and other collateral requirements	**14.1**	**4.4**
Outflows related to loss of funding on debt products	**1.9**	**1.9**
Credit and liquidity facilities	**154.1**	**26.4**
Other contractual funding obligations	**0.9**	**–**
Other contingent funding obligations	**419.8**	**8.1**
Total cash outflows	*	**195.0**
Cash Inflows		
Secured lending (e.g., reverse repos)	**144.8**	**32.7**
Inflows from fully performing exposures	**9.3**	**4.8**
Other cash inflows	**6.8**	**6.8**
Total cash inflows	**160.9**	**44.3**

	Total adjusted value (4)
Total HQLA	**197.5**
Total net cash outflows	**150.7**
Liquidity Coverage Ratio (%) (2)	**131**

For the quarter ended October 31, 2019	Total adjusted value (4)
Total HQLA	163.2
Total net cash outflows	118.1
Liquidity Coverage Ratio (%)	138

* Disclosure is not required under the LCR disclosure standard.

(1) Unweighted values are calculated at market value (for HQLA) or as outstanding balances maturing or callable within 30 days (for inflows and outflows).

(2) Values are calculated based on the simple average of the daily LCR over 62 business days in the fourth quarter of 2020.

(3) Weighted values are calculated after the application of the weightings prescribed under the OSFI Liquidity Adequacy Requirements (LAR) Guideline for HQLA and cash inflows and outflows.

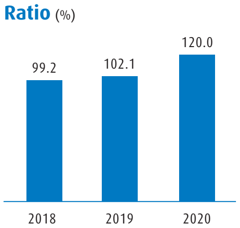
(4) Adjusted values are calculated based on total weighted values after applicable caps, as defined in the LAR Guideline.

Funding Strategy

BMO's funding strategy requires that secured and unsecured wholesale funding used to support loans and less liquid assets must have a term (typically maturing in two to ten years) that will support the effective term to maturity of these assets. Secured and unsecured wholesale funding for liquid trading assets is largely shorter term (maturing in one year or less), is aligned with the liquidity of the assets being funded, and is subject to limits on aggregate maturities that are permitted across different periods. Supplemental liquidity pools are funded largely with wholesale term funding.

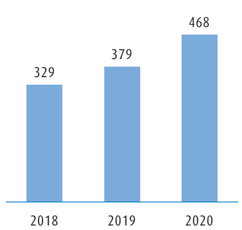
BMO maintains a large and stable base of customer deposits that, in combination with its strong capital base, is a source of strength. It supports the maintenance of a sound liquidity position and reduces reliance on wholesale funding. Customer deposits totalled $468.0 billion as at October 31, 2020, increasing from $378.8 billion in 2019. Both commercial and retail deposits grew significantly, as customers conserved liquidity to meet potential funding needs in the current economic environment. BMO also receives non-marketable deposits from corporate and institutional customers in support of certain trading activities. These deposits totalled $22.8 billion as at October 31, 2020, up from $22.1 billion as at October 31, 2019.

Customer Deposits and Capital-to-Customer Loans Ratio (%)



BMO's large customer base and strong capital position reduce the bank's reliance on wholesale funding.

Customer Deposits
($ billions)



Customer deposits provide a strong funding base.

Material presented in a blue-tinted font above is an integral part of the 2020 audited annual consolidated financial statements (refer to page 73).

MD&A

Total unsecured and secured wholesale funding outstanding, which largely consists of negotiable marketable securities, was $191.1 billion as at October 31, 2020, with $54.4 billion sourced as secured funding and $136.7 billion sourced as unsecured funding. Wholesale funding outstanding decreased from $207.6 billion as at October 31, 2019, primarily due to net wholesale funding maturities. The mix and maturities of BMO's wholesale term funding are outlined later in this section. Additional information on deposit maturities can be found on page 104. BMO maintains a sizeable portfolio of unencumbered liquid assets, totalling $306.1 billion as at October 31, 2020 and $249.7 billion as at October 31, 2019, that can be monetized to meet potential funding requirements, as described in the Unencumbered Liquid Assets section on page 99.

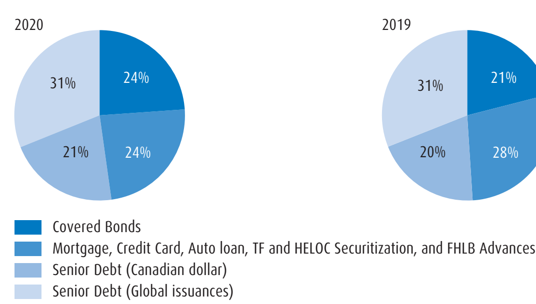
Wholesale Funding Maturities (1)

(Canadian $ in millions)	As at October 31, 2020 Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Subtotal less than 1 year	1 to 2 years	Over 2 years	Total	As at October 31, 2019 Total
Deposits from banks	**6,096**	**336**	**298**	**30**	**6,760**	**–**	**–**	**6,760**	4,312
Certificates of deposit and commercial paper	**13,238**	**15,224**	**18,703**	**12,133**	**59,298**	**–**	**–**	**59,298**	64,490
Bearer deposit notes	**1,873**	**593**	**36**	**–**	**2,502**	**–**	**–**	**2,502**	117
Asset-backed commercial paper (ABCP)	**799**	**1,075**	**1,293**	**–**	**3,167**	**–**	**–**	**3,167**	3,276
Senior unsecured medium-term notes	**–**	**693**	**6,290**	**9,164**	**16,147**	**12,631**	**27,702**	**56,480**	63,789
Senior unsecured structured notes (2)	**54**	**–**	**–**	**–**	**54**	**22**	**3,145**	**3,221**	3,807
Covered bonds and securitizations									
Mortgage and HELOC securitizations	**–**	**717**	**250**	**2,487**	**3,454**	**2,524**	**14,416**	**20,394**	19,602
Covered bonds	**–**	**–**	**2,327**	**1,998**	**4,325**	**4,661**	**15,646**	**24,632**	25,497
Other asset-backed securitizations (3)	**–**	**96**	**–**	**15**	**111**	**2,355**	**3,789**	**6,255**	7,628
Subordinated debt	**–**	**–**	**–**	**–**	**–**	**–**	**8,416**	**8,416**	7,189
Other (4)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	7,866
Total	**22,060**	**18,734**	**29,197**	**25,827**	**95,818**	**22,193**	**73,114**	**191,125**	207,573
Of which:									
Secured	**799**	**1,888**	**3,870**	**4,500**	**11,057**	**9,540**	**33,851**	**54,448**	63,869
Unsecured	**21,261**	**16,846**	**25,327**	**21,327**	**84,761**	**12,653**	**39,263**	**136,677**	143,704
Total (5)	**22,060**	**18,734**	**29,197**	**25,827**	**95,818**	**22,193**	**73,114**	**191,125**	207,573

(1) Wholesale unsecured funding primarily includes funding raised through the issuance of marketable, negotiable instruments. Wholesale funding excludes deposits and covered bonds issued to access central bank programs, repo transactions and bankers' acceptances, which are disclosed in the contractual maturity table on page 104, and also excludes ABCP issued by certain ABCP conduits that are not consolidated for financial reporting purposes.
(2) Primarily issued to institutional investors.
(3) Includes credit card, auto and transportation finance loan securitizations.
(4) Refers to FHLB advances.
(5) Total wholesale funding consists of Canadian-dollar-denominated funding totalling $52.6 billion and U.S.-dollar-denominated and other foreign-currency-denominated funding totalling $138.5 billion as at October 31, 2020.

Diversification of BMO's wholesale term funding sources is an important part of the bank's overall liquidity management strategy. BMO's wholesale term funding activities are well-diversified by jurisdiction, currency, investor segment, instrument type and maturity profile. BMO maintains ready access to long-term wholesale funding through various borrowing programs, including a European Note Issuance Program, Canadian, Australian and U.S. Medium-Term Note programs, Canadian and U.S. mortgage securitizations, Canadian credit card loans, auto loans and home equity line of credit (HELOC) securitizations, U.S. transportation finance (TF) loans, covered bonds, and Canadian and U.S. senior unsecured deposits.

Wholesale Capital Market Term Funding Composition (%)



BMO's wholesale term funding plan seeks to ensure sufficient funding capacity is available to execute business strategies. The funding plan considers expected maturities, as well as asset and liability growth projected for businesses in its forecasting and planning processes, and assesses funding needs in relation to the sources available. The funding plan is reviewed annually by the BSCMC and RMC and approved by the RRC, and is regularly updated to reflect actual results and incorporate updated forecast information.

In April 2018, the Government of Canada published the final regulations on Canada's Bank Recapitalization (Bail-In) Regime, which became effective on September 23, 2018. Bail-in debt includes senior unsecured debt issued directly by the bank on, or after September 23, 2018, that has an original term greater than 400 days and is marketable, subject to certain exceptions. BMO is required to meet minimum Total Loss Absorbing Capacity (TLAC) ratio requirements by November 1, 2021. The bank continues to be well-positioned to meet TLAC requirements when they come into effect. For more information on Canada's Bail-In Regime and TLAC requirements, refer to Regulatory Capital Developments under Enterprise-Wide Capital Management on page 63.

Regulatory Developments

During the current fiscal year, the Bank of Canada finalized its Standing Term Liquidity Facility (STLF). The STLF is intended to provide confidence that an eligible Canadian financial institution facing temporary liquidity stress will have access to central bank liquidity on terms that are known in advance. An institution is eligible to draw on the facility if the Bank of Canada has no concerns about its financial soundness. STLF advances are at the discretion of the Bank of Canada. BMO, along with a number of other Canadian financial institutions, took a modest advance under the program in April 2020 to demonstrate its capabilities. BMO's borrowing was repaid before the end of the second quarter of 2020.

The Net Stable Funding Ratio (NSFR) is a regulatory liquidity metric that assesses the stability of a bank's funding profile in relation to the liquidity value of a bank's assets. OSFI finalized the domestic implementation of the NSFR in the second quarter of 2019. Canadian D-SIBs, including BMO, are required to maintain a minimum NSFR of 100%, effective January 1, 2020, and to publicly disclose their NSFR, effective for the quarter ending January 31, 2021. BMO's NSFR exceeds the regulatory minimum as at October 31, 2020. In addition, in April 2019, OSFI finalized revisions to the LCR and other liquidity metrics under the Liquidity Adequacy Requirements Guideline, which came into effect on January 1, 2020. There was no material impact on the bank's liquidity and funding management approach as a result of these changes.

Credit Ratings

The credit ratings assigned to BMO's short-term and senior long-term debt securities by external rating agencies are important for the bank in raising both capital and funding to support its business operations. Maintaining strong credit ratings allows the bank to access the wholesale markets at competitive pricing levels. Should the bank's credit ratings experience a downgrade, cost of funding would likely increase and access to funding and capital through the wholesale markets could be reduced. A material downgrade of its ratings could also have other consequences, including those set out in Note 8 starting on page 168 of the consolidated financial statements.

The credit ratings assigned to BMO's senior debt by rating agencies are indicative of high-grade, high-quality issues. Moody's, Standard & Poor's (S&P) and DBRS have a stable outlook on BMO and Fitch has a negative outlook.

On January 17, 2020, Fitch upgraded BMO's legacy senior debt and long-term deposit ratings to "AA" from "AA-", recognizing BMO's build-up of TLAC to a level that is close to the bank's minimum TLAC requirement.

On April 3, 2020, Fitch revised the rating outlook on BMO and other Canadian banks to Negative from Stable due to the disruption of economic activity and financial markets caused by the COVID-19 pandemic. To reflect changes to its rating criteria, Fitch downgraded BMO's subordinated debt rating to "A" from "A+".

As at October 31, 2020

Rating agency	Short-term debt	Senior debt (1)	Long-term deposits / Legacy senior debt (2)	Subordinated debt (NVCC)	Outlook
Moody's	P-1	A2	Aa2	Baa1(hyb)	Stable
S&P	A-1	A-	A+	BBB+	Stable
Fitch	F1+	AA-	AA	A	Negative
DBRS	R-1 (high)	AA (low)	AA	A (low)	Stable

(1) Subject to conversion under the Bank Recapitalization (Bail-In) Regime.
(2) Long-term deposits / Legacy senior debt includes senior debt issued prior to September 23, 2018 and senior debt issued on or after September 23, 2018 that is excluded from the Bank Recapitalization (Bail-In) Regime.

BMO is required to deliver collateral to certain counterparties in the event of a downgrade of its current credit rating. The incremental collateral required is based on mark-to-market exposure, collateral valuations and collateral threshold arrangements, as applicable. As at October 31, 2020, the bank would be required to provide additional collateral to counterparties totalling $152 million, $423 million and $654 million as a result of a one-notch, two-notch and three-notch downgrade, respectively.

Contractual Maturities of Assets and Liabilities and Off-Balance Sheet Commitments

The tables below show the remaining contractual maturities of on-balance sheet assets and liabilities and off-balance sheet commitments. The contractual maturity of financial assets and liabilities is an input to, but is not necessarily consistent with, the expected maturity of assets and liabilities that is used in the management of liquidity and funding risk. BMO forecasts asset and liability cash flows, under both normal market conditions and a number of stress scenarios, to manage liquidity and funding risk. Stress scenarios include assumptions for loan repayments, deposit withdrawals, and credit commitment and liquidity facility drawdowns by counterparty and product type. Stress scenarios also consider the time horizon over which liquid assets can be monetized and the related haircuts and potential collateral requirements that may result from both market volatility and credit rating downgrades, among other assumptions.

(Canadian $ in millions)	0 to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No maturity	Total 2020
On-Balance Sheet Financial Instruments										
Assets										
Cash and cash equivalents	56,434	–	–	–	–	–	–	–	974	57,408
Interest bearing deposits with banks	3,901	1,673	1,266	1,204	991	–	–	–	–	9,035
Securities	4,838	5,804	7,817	6,263	4,678	15,730	54,846	85,949	48,335	234,260
Securities borrowed or purchased under resale agreements	79,354	17,030	12,111	2,172	708	503	–	–	–	111,878
Loans										
Residential mortgages	2,077	2,110	4,627	5,795	4,928	19,551	80,480	7,456	–	127,024
Consumer instalment and other personal	677	690	1,229	1,223	1,217	5,229	25,243	12,135	22,505	70,148
Credit cards	–	–	–	–	–	–	–	–	7,889	7,889
Business and government	22,883	5,170	7,409	7,166	6,795	27,816	77,917	35,824	52,266	243,246
Allowance for credit losses	–	–	–	–	–	–	–	–	(3,303)	(3,303)
Total loans, net of allowance	25,637	7,970	13,265	14,184	12,940	52,596	183,640	55,415	79,357	445,004
Other Assets										
Derivative instruments	3,400	5,472	2,111	1,140	915	4,369	9,393	10,015	–	36,815
Customers' liability under acceptances	9,609	3,633	251	–	–	–	–	–	–	13,493
Other	1,873	580	188	20	13	16	4	4,530	34,144	41,368
Total other assets	14,882	9,685	2,550	1,160	928	4,385	9,397	14,545	34,144	91,676
Total Assets	185,046	42,162	37,009	24,983	20,245	73,214	247,883	155,909	162,810	949,261

(Canadian $ in millions)	0 to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No maturity	Total 2020
Liabilities and Equity										
Deposits (1)(2)										
Banks	13,499	3,982	13,106	455	463	7	–	28	7,285	38,825
Business and government	24,056	21,813	33,713	13,862	17,567	20,070	45,287	11,129	213,182	400,679
Individuals	4,295	11,509	13,019	11,086	10,192	7,778	12,709	2,007	146,935	219,530
Total deposits	41,850	37,304	59,838	25,403	28,222	27,855	57,996	13,164	367,402	659,034
Other liabilities										
Derivative instruments	1,374	4,499	1,684	1,171	1,088	3,911	8,588	8,060	–	30,375
Acceptances	9,609	3,633	251	–	–	–	–	–	–	13,493
Securities sold but not yet purchased (3)	29,376	–	–	–	–	–	–	–	–	29,376
Securities lent or sold under repurchase agreements (3)	69,142	10,747	7,439	878	–	452	–	–	–	88,658
Securitization and structured entities' liabilities	30	1,656	334	2,810	1,169	4,946	12,577	3,367	–	26,889
Other	10,301	804	102	109	181	798	1,326	3,706	19,100	36,427
Total other liabilities	119,832	21,339	9,810	4,968	2,438	10,107	22,491	15,133	19,100	225,218
Subordinated debt	–	–	–	–	–	–	–	8,416	–	8,416
Total Equity	–	–	–	–	–	–	–	–	56,593	56,593
Total Liabilities and Equity	161,682	58,643	69,648	30,371	30,660	37,962	80,487	36,713	443,095	949,261

(1) Deposits payable on demand and payable after notice have been included under no maturity.
(2) Deposits totalling $27,353 million as at October 31, 2020 have a fixed maturity date; however, they can be early redeemed (either fully or partially) by customers without penalty. These are classified as payable on a fixed date due to their stated contractual maturity date. BMO does not expect a significant amount to be redeemed before maturity.
(3) Presented based on their earliest maturity date.

(Canadian $ in millions)	0 to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No maturity	Total 2020
Off-Balance Sheet Commitments										
Commitments to extend credit (1)	1,789	5,617	11,163	12,287	14,289	31,607	95,881	6,595	–	179,228
Backstop liquidity facilities	–	–	–	–	–	5,601	–	–	–	5,601
Leases	–	–	3	3	3	38	158	786	–	991
Securities lending	4,349	–	–	–	–	–	–	–	–	4,349
Purchase obligations	14	27	38	38	56	162	179	62	–	576

(1) Commitments to extend credit exclude personal lines of credit and credit cards that are unconditionally cancellable at BMO's discretion. A large majority of these commitments expire without being drawn upon. As a result, the total contractual amounts may not be representative of the funding likely to be required for these commitments.

Material presented in a blue-tinted font above is an integral part of the 2020 audited annual consolidated financial statements (refer to page 73).

(Canadian $ in millions)	0 to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No maturity	Total 2019
On-Balance Sheet Financial Instruments										
Assets										
Cash and cash equivalents	47,844	–	–	–	–	–	–	–	959	48,803
Interest bearing deposits with banks	4,088	1,893	1,081	714	211	–	–	–	–	7,987
Securities	2,680	3,420	2,797	3,508	4,670	15,001	46,687	66,005	44,670	189,438
Securities borrowed or purchased under resale agreements	74,972	22,091	5,254	859	518	–	310	–	–	104,004
Loans										
Residential mortgages	1,691	2,059	5,285	6,818	7,138	22,309	68,143	10,297	-	123,740
Consumer instalment and other personal	645	519	991	1,272	1,502	4,823	22,391	11,947	23,646	67,736
Credit cards	–	–	–	–	–	–	–	–	8,859	8,859
Business and government	12,490	7,072	6,168	7,760	6,547	24,687	87,486	20,331	55,068	227,609
Allowance for credit losses	–	–	–	–	–	–	–	–	(1,850)	(1,850)
Total loans, net of allowance	14,826	9,650	12,444	15,850	15,187	51,819	178,020	42,575	85,723	426,094
Other Assets										
Derivative instruments	1,209	1,867	877	830	911	2,375	5,095	8,980	–	22,144
Customers' liability under acceptances	20,694	2,562	173	159	5	–	–	–	–	23,593
Other	1,951	593	245	12	5	7	5	4,475	22,839	30,132
Total other assets	23,854	5,022	1,295	1,001	921	2,382	5,100	13,455	22,839	75,869
Total Assets	168,264	42,076	22,871	21,932	21,507	69,202	230,117	122,035	154,191	852,195

(Canadian $ in millions)	0 to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No maturity	Total 2019
Liabilities and Equity										
Deposits (1)(2)										
Banks	12,177	4,187	1,215	319	1,174	-	-	201	4,543	23,816
Business and government	21,088	28,511	21,209	22,334	18,023	22,983	49,292	11,759	147,958	343,157
Individuals	3,607	8,932	12,080	13,390	15,706	11,418	13,257	2,031	120,749	201,170
Total deposits	36,872	41,630	34,504	36,043	34,903	34,401	62,549	13,991	273,250	568,143
Other liabilities										
Derivative instruments	1,329	2,574	1,240	970	1,032	2,985	6,798	6,670	–	23,598
Acceptances	20,694	2,562	173	159	5	–	–	–	–	23,593
Securities sold but not yet purchased (3)	26,253	–	–	–	–	–	–	–	–	26,253
Securities lent or sold under repurchase agreements (3)	74,501	7,697	760	1,107	–	2,285	306	–	–	86,656
Securitization and structured entities' liabilities	1	1,655	1,340	1,033	1,038	5,350	13,779	2,963	–	27,159
Other	12,325	3,188	33	29	74	537	3,596	2,406	16,534	38,722
Total other liabilities	135,103	17,676	3,546	3,298	2,149	11,157	24,479	12,039	16,534	225,981
Subordinated debt	–	–	–	–	–	–	–	6,995	–	6,995
Total Equity	–	–	–	–	–	–	–	–	51,076	51,076
Total Liabilities and Equity	171,975	59,306	38,050	39,341	37,052	45,558	87,028	33,025	340,860	852,195

(1) Deposits payable on demand and payable after notice have been included under no maturity.
(2) Deposits totalling $30,051 million as at October 31, 2019 have a fixed maturity date; however, they can be early redeemed (either fully or partially) by customers without penalty. These are classified as payable on a fixed date due to their stated contractual maturity date. BMO does not expect a significant amount to be redeemed before maturity.
(3) Presented based on their earliest maturity date.

Certain comparative figures have been reclassified to conform with the current year's presentation.

(Canadian $ in millions)	0 to 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	No maturity	Total 2019
Off-Balance Sheet Commitments										
Commitments to extend credit (1)	1,868	3,777	5,698	8,832	12,511	21,574	102,113	5,643	–	162,016
Backstop liquidity facilities	–	–	–	–	–	–	5,550	–	–	5,550
Leases	32	66	98	97	96	361	931	2,119	–	3,800
Securities lending	4,102	–	–	–	–	–	–	–	–	4,102
Purchase obligations	53	98	138	133	137	111	187	69	–	926

(1) Commitments to extend credit exclude personal lines of credit and credit cards that are unconditionally cancellable at BMO's discretion. A large majority of these commitments expire without being drawn upon. As a result, the total contractual amounts may not be representative of the funding likely to be required for these commitments.

Caution

This Liquidity and Funding Risk section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Material presented in a blue-tinted font above is an integral part of the 2020 audited annual consolidated financial statements (refer to page 73).

Operational Risk

Operational risk is the potential for loss or harm resulting from inadequate or failed internal processes or systems, human errors or conduct or external events, but excludes business risk, credit risk, market risk, liquidity risk and other financial risk.

Operational risk is inherent in all of BMO's business and banking activities and can lead to significant impacts on its business and financial results, including financial loss, restatements and damage to BMO's reputation. Like other financial services organizations that operate in multiple jurisdictions, the bank is exposed to a variety of operational risks arising from the potential for failures of its internal processes, employees and technology systems, as well as from external threats. Potential losses may result from process and control failures, theft and fraud, unauthorized transactions by employees, regulatory non-compliance, business disruption, information security breaches, cyber security threats, exposure to risks related to third-party relationships, and damage to physical assets. Given the large volume of transactions the bank processes on a daily basis, and the complexity and speed of its business operations, there is a possibility that certain operational or human errors may be repeated or compounded before they are discovered and rectified.

Operational risk is not only inherent in the bank's business and banking activities, it is also inherent in the processes and controls used to manage the risks. There is the possibility that errors will occur, as well as the possibility of a failure in the bank's internal processes or systems, which could lead to financial loss and reputational harm. Shortcomings or failures of internal processes, employees or systems, or of services and products provided by third parties, including any of BMO's financial, accounting or other data processing systems, could lead to financial loss or restatements and damage its reputation.

The nature of the business also exposes the bank to the risk of theft and fraud when it enters into credit transactions with customers or counterparties. In extending credit, BMO relies on the accuracy and completeness of any information provided by, and any other representations made by, customers and counterparties. While the bank conducts appropriate due diligence on such customer information and, where practicable and economically feasible, engages valuation experts and other experts or sources of information to assist in assessing the value of collateral and other customer risks, its financial results may be adversely impacted if the information provided by customers or counterparties is materially misleading and this is not discovered during the due diligence process.

BMO applies various risk management frameworks to manage and mitigate all of these risks, including internal controls, limits and governance processes. However, despite the contingency plans the bank has in place to maintain the ability to serve its clients and minimize disruptions and adverse impacts, and the contingency plans its third-party service providers have in place, the ability to conduct business may be adversely affected by a disruption to the infrastructure that supports both the operations and the communities in which the bank does business, including but not limited to disruption caused by public health emergencies or terrorist acts.

BMO regularly reviews its top and emerging risks, and assesses its preparedness to proactively manage the risks that the bank faces or could face in the future. For more information on these and other factors that may affect future results, please refer to the discussion on page 73.

Consistent with the management of risk across the enterprise, BMO employs a three-lines-of-defence approach in managing operational risk. Operational risk is managed by the operating groups, including Technology & Operations, and Corporate Services as the first line of defence. These groups are accountable for the risks arising from their businesses, activities and exposures. The first line is overseen by ERPM and Legal & Regulatory Compliance as the second line of defence, which is governed by a robust committee structure and supported by a comprehensive Operational Risk Management Framework (ORMF). The Corporate Audit Division, as the third line of defence, assesses BMO's adherence to internal controls and limits, and identifies opportunities to strengthen its processes.

Operational Risk Governance

The Operational Risk Committee (ORC), a sub-committee of the RMC, is the primary governance committee exercising oversight of all operational risk management matters. As part of its governance responsibilities, the ORC provides effective challenge to the corporate policies, standards, directives, operating guidelines, methodologies and tools that comprise the governing principles of the ORMF. The documentation that gives effect to these governing principles is reviewed on a regular basis to ensure it incorporates sound practices and is consistent with BMO's risk appetite. Regular analysis and reporting of its enterprise operational risk profile to the various committees (ORC, RMC and RRC) are important elements of the bank's risk governance framework. Enterprise reporting provides an integrated view of top and emerging risks, trends in loss data, capital consumption, key risk indicators and operating group profiles. BMO continues to invest in its reporting platforms and supports timely and comprehensive reporting capabilities in order to enhance risk transparency and facilitate the proactive management of operational risk exposures.

Operational Risk Management

The operating groups, as the first line of defence, are accountable for the day-to-day management of operational risk, including the CROs of businesses, who provide governance and oversight for their respective business units, and Corporate Services, which provides additional governance and oversight in certain targeted areas. Independent risk management oversight is provided by the Operational Risk Management (ORM) team, which is responsible for operational risk strategy, tools and policies, and for second-line oversight, effective challenge and governance. ORM establishes and maintains the ORMF, which defines the processes to be used by the first line of defence to identify, measure, manage, mitigate, monitor and report on key operational risk exposures, losses and near-miss operational risk events with significant potential impact. In addition, the ORMF defines the processes by which ORM, as the second line of defence, guides, supports, monitors, assesses and communicates with the first line in its management of operational risk. Operational Risk Officers (OROs) within ORM independently assess group operational risk profiles, identify material exposures and potential weaknesses in processes and controls, and recommend appropriate mitigation strategies and actions. Executing BMO's ORMF strategy also involves continuing to strengthen its risk culture by promoting greater awareness and understanding of operational risk across all three lines of defence, learning from loss events and near-misses, and providing other training and communication, as well as day-to-day execution and oversight of the ORMF. The bank also continues to strengthen its second-line-of-defence support and oversight with an enhanced Operational Risk Operating Model that takes a differentiated approach based on the nature of the underlying risk and existing BMO structures.

The following are the key programs, methodologies and processes set out in the ORMF that assist BMO in the ongoing review of its operational risk profile:

- **Risk Control Self-Assessment (RCSA)** is an established process used by the bank's operating groups to identify the key risks associated with their businesses and the controls required for risk mitigation. The RCSA process provides a forward-looking view of the impact of the business environment and internal controls on operating group risk profiles, enabling the proactive prevention, mitigation and management of risk. The RCSA process incorporates Process Risk and Control Assessments (PRCAs), when applicable. PRCAs take a deeper view by identifying key risks and controls of critical business processes in order to enable a greater understanding of issues and risk mitigation activities, which facilitates more effective oversight and appropriate risk management.
- **ORM Reviews** take a risk-based approach, aligned with ORM strategic objectives, in selecting topics to focus on the root causes of control challenges, the applicability of remediation activities and the application of lessons learned across the organization. This approach drives action, as well as validates and effectively challenges selected events/issues, while being mindful of other risk assessments and oversight being conducted by ORM and other groups.
- **ORM** provides an independent enterprise-level view of operational risk relative to the bank's **risk appetite**, so that key risks can be appropriately identified, documented, managed and mitigated.
- BMO's **Initiative Assessment and Approval Process (IAAP)** is used to assess, document and approve qualifying initiatives when a new business, service or product is developed or existing services and products are enhanced. The process seeks to ensure that due diligence, approval, monitoring and reporting requirements are appropriately addressed at all levels of the organization.
- **Key Risk Indicators (KRIs)** provide an early indication of any adverse changes in risk exposure. Operating groups and Corporate Services identify specific metrics related to their material operational risks. KRIs are used in monitoring operational risk profiles and their overall relation to the bank's risk appetite, are subject to review and challenge by ORM, and are linked to thresholds that trigger management intervention.
- **Operational Risk Issues Management** identifies and proactively manages and mitigates issues that may prevent the bank from meeting its objectives, and is an indicator of a mature risk culture. Issue severity assessments provide management with the information necessary to prioritize resources in a risk-based manner. Issues can be identified by management, as well as by other risk frameworks, Corporate Audit or external regulators.
- **Internal loss data** serves as an important means of assessing the bank's operational risk exposure and identifying opportunities for future risk prevention. In these assessments, internal loss data is analyzed and benchmarked against available external data. Material trends are regularly reported to the ORC, RMC and RRC so that preventative or corrective action can be taken where appropriate. BMO is a member of the Operational Risk Data Exchange Association, the American Bankers Association and other national and international associations of banks that share loss data information anonymously to assist in risk identification, assessment and modelling.
- BMO's **Top and Emerging Operational Risks** program identifies the internal and external operational risks for the bank, informed by both bottom-up and top-down inputs. The program provides a baseline for discussion that complements knowledge and discussion at the senior leader level, allowing actions to be determined by an alignment of strategic direction and prioritized top and emerging risks.
- **Scenario analysis** assesses how severe negative events may impact key risks and critical business processes in order to inform risk management. Scenarios help management identify and understand the impact of large-scale events, including events that have a low frequency of occurrence but a high severity of impact, as well as environmental stresses on the business, and identify any mitigation actions or controls that will help manage tail risks.
- BMO's **operational risk management training** seeks to ensure that its employees are qualified and equipped to execute the ORMF consistently, effectively and efficiently.
- Effective **business continuity management** prepares the bank to maintain, manage and recover critical operations and processes in the event of a business disruption, thereby minimizing any adverse effects on the bank's customers and other stakeholders.
- BMO's **Corporate Risk & Insurance team** provides a second level of mitigation for certain operational risk exposures. The bank purchases insurance when required by law, regulation or contractual agreement, and when it is economically attractive and practicable to mitigate its risks, in order to provide adequate protection against unexpected material loss.

A primary objective of the ORMF, and BMO's implementation and oversight of this framework and its provisions, is to ensure that its operational risk profile is consistent with its risk appetite and supported by adequate capital, while continuing to adapt to ongoing changes by focusing on enhanced operational resilience. Operational resilience is more than recovery from a disaster, it is the ability to identify and monitor risks in order to either prevent any related incidents or minimize their impact. It involves the capability of the bank to deal with unpredictable events and adapt to changes to external circumstances. Operational resilience is not a defensive strategy, but a positive, forward-looking strategic enabler, which allows the bank to take measured risks with confidence. Robust, resilient organizations are flexible and proactive. Operational resilience is intended to "harden" the bank, so it can withstand challenges in the market arising from both expected and unexpected events, and is the increasing focus of regulatory attention.

The following are examples of operational risks which may adversely affect BMO's business and financial results. As a result of COVID-19, and the rapid migration to working-from-home for both the bank's employees and third parties, a number of risks have been amplified, such as cyber security, information security and privacy risks. For more information, refer to the Top and Emerging Risks That May Affect Future Results section on page 73.

Cyber Security Risk

Information security is integral to BMO's business activities, brand and reputation. BMO faces common banking security risks, given the ever increasing reliance on the internet, coupled with the remote work environment and extensive dependence on advanced digital technologies to process data. These include the threat of potential data loss, hacking, exposure of customer or employee information, identity theft and fraud, as well as the possibility of denial of service resulting in system failure and service disruption. The bank continues to evolve its capabilities and increase its ongoing investments in the Financial Crimes Unit, demonstrating the commitment to bringing together cyber defences, fraud and physical security functions, as well as subject matter experts across business groups. In addition, it is enhancing processes to make them more resilient, while improving the ability to prevent, detect and recover from cyber security threats, keeping the bank's customers and employees safe. BMO continues to benchmark and review best practices across peer companies and other industries, conduct third-party assessments of its controls, evaluate the effectiveness of its key controls, develop new controls, and invest in both technology and human resources. It also works with various third-party security and software suppliers to bolster internal resources and technology capabilities in order to strengthen BMO's resilience in a rapidly evolving threat landscape.

Technology Disruption and Resiliency

Technology is the backbone of BMO's operations, and the bank continues to innovate and invest in enhancing its technical capabilities in order to keep customers safe and to match and surpass their expectations, as digital banking becomes the new normal. In addition to existing technology risks, the COVID-19 pandemic has introduced unprecedented challenges and emerging risks as the bank's clients, employees and suppliers increasingly rely on technology platforms and the Internet of Things (IoT) to manage and support their personal, business and investment banking activities. Given the extent to which the bank's operations rely on technology, its objective is to maintain platforms that provide high levels of operational reliability and resilience, particularly with respect to business-critical systems. Technology innovations, such as advanced data, analytical tools and artificial intelligence are being developed and leveraged to provide insights that improve the way that BMO does business and serves its customers.

Third-Party Risk

BMO continues to strategically expand the use of third parties to gain rapid access to new technologies, increase efficiencies, and improve competitiveness and performance. This increases the reliance on the bank's third parties and sub-contractors to effectively deliver products and services to its customers, and exposes it to the risk of business disruption and financial loss stemming from the breakdown of processes and controls at its third parties and their sub-contractors. To manage this risk, BMO has an enterprise-wide risk management program that is designed to identify, assess, manage and report risks stemming from the use of third parties through all stages of the third-party life cycle. This program is underpinned by a robust Third-Party Risk Management Framework that establishes minimum requirements for management of this risk, in line with BMO's organizational strategy and risk appetite. The bank continues to enhance its third-party risk management capabilities to ensure robust risk management, operational resilience, and compliance with relevant regulatory requirements.

Anti-Money Laundering

Compliance with all Anti-Money Laundering, Anti-Terrorist Financing (AML/ATF) and Sanctions Measures is an integral part of safeguarding BMO, its customers and the communities in which the bank operates. BMO is committed to managing AML/ATF and sanctions risks prudently, and complying with all laws and regulations. Risks related to non-compliance with these requirements can include enforcement action, legal action and damage to the bank's reputation. Under the direction of the Chief Anti-Money Laundering Officer (CAMLO), BMO's AML/ATF and sanctions compliance program promotes effective governance and oversight across all BMO businesses, ensuring that appropriate policies, risk assessments and training are in place, including mandatory annual training for all employees. BMO's AML compliance program applies analytics, technology and professional expertise in order to deter, detect and report suspicious activity. The CAMLO regularly reports to the Audit and Conduct Review Committee (ACRC) of the Board and to senior management on the effectiveness of the AML compliance program. Recent amendments to Canada's AML/ATF regime that come into effect in June 2021 are intended to improve the regime's effectiveness and further align it with international standards. These amendments increase the amount of data required to be collected and expand mandatory reporting, which requires modifications to customer, transaction and record management systems and processes. BMO is committed to making the changes necessary to comply with these new laws and regulations.

Model Risk

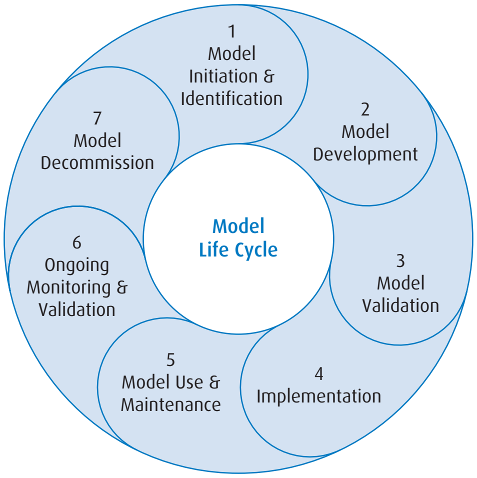
Model risk is the potential for adverse consequences following from decisions that are based on incorrect or misused model results. These adverse consequences can include financial loss, poor business decision-making or damage to reputation.

Model risk arises from the use of quantitative analytical tools that apply statistical, mathematical, economic, algorithmic or other advanced techniques such as artificial intelligence (AI) and machine learning (ML) to process input data and generate quantitative estimates. BMO uses these analytical tools ranging from very simple models that produce straightforward estimates to highly sophisticated models that value complex transactions or generate a broad range of forward-looking estimates. These tools produce results that are used to inform business, risk and capital management decision-making, and to assist in making daily lending, trading, underwriting, funding, investment and operational decisions.

These quantitative analytical tools provide important insights and are effective when used within a framework that identifies key assumptions and limitations, while controlling and mitigating model risk. In addition to applying judgment to evaluate the reliability of model results, BMO mitigates model risk by maintaining strong controls over the development, validation, implementation and use of models across all model categories. BMO also takes steps to ensure that qualitative model overlays and non-statistical approaches to evaluating risks are intuitive, experience-based, well-documented and subject to effective challenge by those with sufficient expertise and knowledge, in order to provide reasonable results.

Model Risk Management Framework

Risk is inherent in models because model results are estimates which rely on statistical, mathematical or other quantitative techniques that approximate reality to transform data into estimates or forecasts of future outcomes. Model risk also arises from the potential for misuse of models or model output. Model risk is governed at BMO by the enterprise-wide Model Risk Management Framework.



This framework sets out an end-to-end approach for model risk governance across the model life cycle and helps to ensure that model risk remains within the limits of the bank's risk appetite. The framework includes BMO's Model Risk Corporate Policy, Model Risk Guidelines and supporting operating procedures, which outline explicit principles for managing model risk, detail model risk management processes, and define the roles and responsibilities of all stakeholders across the model life cycle. Model owners, developers and users are the first line of defence, the Model Risk group is the second line of defence, and the Corporate Audit Division is the third line of defence.

The Model Risk group is responsible for the development and maintenance of a risk-based Model Risk Management Framework and for ensuring that the framework is compliant with regulatory expectations, as well as for oversight of the effectiveness of model processes, model inventory, and the overall aggregation, assessment and reporting of model risk. This framework has been updated with guidance to facilitate the management of risks related to advances in automated decision-making, such as algorithmic trading, as well as AI and ML. The Model Risk Management Committee (MRMC), a sub-committee of the RMC, is a cross-functional group representing all key stakeholders across the enterprise. The MRMC meets regularly to help direct the bank's use of models, to oversee the development, implementation and maintenance of the Model Risk Management Framework, to provide effective challenge and to discuss governance of the enterprise's models.

Outcomes Analysis and Back-Testing

Once models are validated, approved and in use, they are subject to ongoing monitoring, including outcomes analysis, at varying frequencies. As a key component of outcomes analysis, back-testing compares model results against actual observed outcomes. Variances between model forecasts and actual observed outcomes are measured against defined risk materiality thresholds. To ensure that variances remain within the defined tolerance range, actions such as model review and parameter recalibration are taken. Performance is assessed by testing and analyzing performance thresholds, including model overrides, to ensure it remains within an acceptable tolerance range. This analysis serves to confirm the validity of a model's performance over time, which helps to ensure that appropriate controls are in place in order to address identified issues and enhances a model's overall performance.

All models used within BMO are subject to validation and ongoing monitoring to ensure they are used in accordance with its framework. The framework applies to a wide variety of models, ranging from market, credit and operational risk models to stress testing, pricing and valuation, and anti-money laundering models.

Operational Risk Measurement

Beginning in fiscal 2020, OSFI permitted BMO, along with the other AMA-approved banks, to use the Basel II Standardized Approach for determining regulatory capital requirements for enterprise operational risk in the interim period prior to implementation of the new Standardized Measurement Approach, as part of the final Basel III reforms. It is expected that BMO will transition to using the new Basel III Standardized Measurement Approach for regulatory capital reporting beginning in 2023.

Caution

This Operational Risk section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Legal and Regulatory Risk

Legal and regulatory risk is the potential for loss or harm resulting from a failure to comply with laws or satisfy contractual obligations or regulatory requirements. This includes the risks of failure to: comply with the law (in letter or in spirit) or maintain standards of care; implement legislative or regulatory requirements; enforce or comply with contractual terms; assert non-contractual rights; effectively manage disputes; or act in a manner so as to maintain the bank's reputation.

The success of BMO's business relies in part on its ability to manage the exposure to legal and regulatory risk prudently. The financial services industry is highly regulated and subject to strict enforcement of legal and regulatory requirements. Banks globally continue to be subject to fines and penalties for a number of regulatory and conduct issues. As rulemaking and supervisory expectations continue to evolve, the bank monitors developments to enable BMO to respond to and implement any required changes.

Under the direction of BMO's General Counsel, its Legal & Regulatory Compliance group maintains enterprise-wide frameworks that identify, measure, manage, monitor and report on legal and regulatory issues. The bank identifies applicable laws and regulations and potential risks, recommends mitigation strategies and actions, conducts internal investigations, and oversees legal proceedings and enforcement actions. BMO is subject to legal proceedings arising in the ordinary course of business, and the unfavourable resolution of any such legal proceedings could have a material adverse effect on its financial results and damage its reputation. BMO is required to disclose material legal proceedings to which it is a party. Its disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure. In assessing the materiality of legal proceedings, factors considered include a case-by-case assessment of specific facts and circumstances, the bank's past experience and the opinions of legal experts. Another area of focus is the oversight of fiduciary risk related to any of BMO's businesses which provide products or services that give rise to fiduciary duties, as well as policies and practices that address the responsibilities of a business to a customer (including service requirements and expectations, customer suitability determinations, disclosure obligations and communications).

Safeguarding the bank's customers, employees, information and assets from exposure to criminal risk is an important priority. Criminal risk is the potential for loss or harm resulting from a failure to comply with criminal laws and includes acts by employees against BMO, acts by external parties against BMO and acts by external parties using BMO to engage in unlawful conduct, such as fraud, theft, money laundering, violence, cyber-crime, bribery and corruption.

As governments globally seek to curb corruption and counter its negative effects on political stability, sustainable economic development, international trade and investment and other areas, BMO's Anti-Corruption Office, through its global program, has articulated a set of key principles and activities necessary for the effective oversight of compliance with anti-corruption legislation in jurisdictions in which BMO operates. These include guidance on both identifying and avoiding corrupt practices and rigorously investigating allegations of corrupt activity.

Governments and regulators around the world continue to focus on anti-money laundering and related concerns, raising their expectations concerning the quality and efficacy of anti-money laundering programs and penalizing institutions that fail to meet these expectations. Under the direction of the Chief Anti-Money Laundering Officer (CAMLO), BMO's Anti-Money Laundering Office is responsible for the governance, oversight and assessment of principles and procedures designed to help ensure compliance with laws and regulations and internal risk parameters related to anti-money laundering, anti-terrorist financing and sanctions measures. For additional discussion regarding BMO's operational risk management practices with respect to anti-money laundering, refer to the Anti-Money Laundering section on page 108.

All of these frameworks reflect the three-lines-of-defence operating model described previously. The operating groups and Corporate Services manage day-to-day risks by complying with corporate policies and standards, while Legal & Regulatory Compliance units specifically aligned with each of the operating groups provide advice and independent legal and regulatory risk management oversight.

Heightened regulatory and supervisory scrutiny has a significant impact on the way BMO conducts business. Working with the operating groups and Corporate Services, Legal & Regulatory Compliance assesses and analyzes the implications of regulatory and supervisory changes. BMO devotes substantial resources to the implementation of systems and processes required to comply with new regulations, while also helping the bank meet the needs and demands of its customers. Failure to comply with applicable legal and regulatory requirements may result in legal proceedings, financial losses, regulatory sanctions, enforcement actions, an inability to execute the bank's business strategies, a decline in investor and customer confidence, and damage to its reputation.

BMO recognizes that its business is built on the reputation for good conduct. In recognition of this, it has adopted a wide range of practices beyond its Code of Conduct to support the ethical conduct of its employees. The bank strives to deliver positive outcomes for its customers and contributes to the orderly operation of financial markets, while also maintaining a diverse and inclusive environment for its employees. BMO's Enterprise Culture and Conduct Framework sets out its approach to managing and mitigating potential misconduct. Misconduct is behaviour that falls short of legal, professional, internal conduct and ethical standards. Similar to the bank's approach to other non-financial risks, this framework is supported by its enterprise-wide Risk Management Framework and its focus on maintaining a strong risk culture. The bank reports on various metrics related to culture and conduct, and it engages with other control frameworks across the organization and in all of the jurisdictions in which it operates.

The bank continues to respond to other global regulatory developments, including capital and liquidity requirements. Other global regulatory developments include over-the-counter (OTC) derivatives reform, consumer protection measures and specific financial reforms, which are discussed in further detail below. For additional discussion of the regulatory developments relating to capital management and liquidity and funding risk, refer to the Enterprise-Wide Capital Management section starting on page 63 and the Liquidity and Funding Risk section starting on page 97. For a discussion of the impact of certain other regulatory developments, refer to: Critical Accounting Estimates – Income Taxes and Deferred Tax Assets on page 116; Tax Legislation and Interpretations on page 77 and Fiscal and Monetary Policies and Other Economic Conditions in the Countries in which BMO Conducts Business on page 76 regarding certain potential changes in fiscal policy and tax legislation; and Benchmark Interest Rate Reform on page 75 regarding benchmark reform.

Bank Resolution and Bail-In – In June 2016, legislation required to implement a Bank Recapitalization (Bail-In) Regime was passed by the Canadian government in order to enhance Canada's bank resolution capabilities, in line with international efforts in this area. Final regulations implementing the Bail-In Regime took effect in September 2018. The related Total Loss-Absorbing Capacity (TLAC) requirements take effect in November 2021. For additional discussion of the Bail-In Regime and TLAC requirements, refer to the Enterprise-Wide Capital Management section starting on page 63 and the Liquidity and Funding Risk section starting on page 97.

Consumer and Investor Protection – Regulators globally continue to focus on consumer protection measures, including with respect to seniors and other vulnerable customers, interactions with consumers, and conduct standards for individuals in the financial services industry. In Canada, these measures include amending the *Bank Act* to implement the Financial Consumer Protection Framework and amending the *Financial Consumer Agency of Canada Act* to strengthen the mandate and powers of the Financial Consumer Agency of Canada. Additionally, investor protection reforms to Canadian securities regulatory requirements, including the Client Focused Reforms, are also proceeding. In the United States, Regulation Best Interest introduced a new standard of conduct for broker-dealers working with individual clients. Rules in the United Kingdom introducing greater individual accountability and enhanced conduct standards for employees in financial services under the Senior Managers and Certification Regime extended to all of BMO's U.K. operations in December 2019.

U.S. Regulatory Reform – In May 2018, the U.S. Congress passed the *Economic Growth, Regulatory Relief, and Consumer Protection Act* (EGRRCP), which made reforms to the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, including raising the threshold for heightened prudential standards. In October 2019, the U.S. federal banking agencies finalized rules pursuant to EGRRCP that modify capital and liquidity requirements, single counterparty credit limits and enhanced prudential standards for bank holding companies and foreign banking organizations, including BMO. In two separate rulemakings, in November 2019 and June 2020, the U.S. federal banking agencies finalized rules amending the restrictions on proprietary trading and the ownership and sponsorship of private investment funds by banks and their affiliates.

Other Regulatory Initiatives Impacting Financial Services in Canada – The Department of Finance Canada is undertaking a consultation process regarding the merits of open banking, which would allow Canadian consumers and small businesses to direct federally regulated financial institutions to disclose their banking information through a secure mechanism to entities that meet information security and other requirements. In December 2018, the government of Canada passed legislation enacting the *Pay Equity Act* to redress systemic gender-based discrimination by requiring federal public and private-sector employers to establish and maintain a pay equity plan within set time frames (no effective date as yet). Implementing regulations are required for other earlier amendments to the *Bank Act* to allow banks to undertake broader financial technology activities.

Privacy – There is an increasing focus on data privacy regulation related to the use and safeguarding of personal information, and the bank continues to work towards meeting these evolving global principles. In Canada, significant reform to federal privacy laws is expected, although the timing is now uncertain due to the COVID-19 pandemic. In May 2019, the Canadian government released a Digital Charter with principles for data use, along with proposed privacy law reforms to modernize the legislation and provide stronger regulatory enforcement and oversight. The Office of the Privacy Commissioner of Canada continues to request the ability to fine companies that do not comply with privacy laws. Canada's Competition Bureau has signalled its intent to regulate the digital economy and privacy policies and representations. Canadian companies now can expect to face privacy regulatory oversight from the Competition Bureau, not solely from the various privacy commissioners, who do not currently have the same ability to impose monetary penalties. Outside of Canada, large privacy breach fines and settlements have been issued, demonstrating increasing regulatory vigilance and enforcement. The *California Consumer Privacy Act* (CCPA) came into effect on January 1, 2020, and is currently the most comprehensive state privacy law in the United States. The CCPA includes new and expanded privacy rights for California residents, including access and deletion rights with respect to their personal information. The CCPA follows the General Data Protection Regulation in the EU in many aspects. Other states are expected to pass legislation similar to the CCPA, although the timing is also now uncertain. For additional discussion regarding privacy, refer to the Top and Emerging Risks That May Affect Future Results – Cyber Security, Information Security and Privacy Risk section on page 74 and the Operational Risk – Cyber Security Risk section on page 108.

Derivatives Reform – G20 jurisdictions continue to implement new regulations as part of the OTC derivatives regulatory reform program. BMO continues to monitor and prepare for the impact of OTC derivatives regulatory changes relating to margin, clearing, execution and business conduct rules, some of which have been deferred as a result of the COVID-19 pandemic.

COVID-19 Pandemic – The COVID-19 pandemic has caused unprecedented disruption to global economies. There have been wide-ranging responses to support individuals, businesses and the local and national economy through governmental and regulatory actions, emergency orders and regulatory relief. BMO is engaged with its regulators globally on the pandemic response, including through its participation in various relief programs. For additional discussion of the impact of COVID-19, including governmental and regulatory developments, refer to the Impact of COVID-19 section on page 24, the General Economic Conditions and COVID-19 Pandemic Related Risks section on page 73, and the Regulatory Capital Developments – COVID-19 Related Developments section on page 65.

The General Counsel and the Chief Compliance Officer regularly report to the Audit and Conduct Review Committee (ACRC) of the Board and senior management on the effectiveness of BMO's Enterprise Compliance Program. The program uses a risk-based approach to identify, assess and manage compliance with applicable laws and regulations. The program directs operating groups and Corporate Services to maintain policies, procedures and controls that meet these laws and regulations. Under the direction of the Chief Compliance Officer, BMO identifies and reports on gaps and deficiencies, and tracks remedial action plans. The CAMLO also regularly reports to the ACRC.

All BMO employees must regularly complete legal and regulatory training on topics such as anti-corruption, anti-money laundering and privacy policies, standards and procedures. This is done in conjunction with the bank's Code of Conduct training, which tests employees' knowledge and understanding of the behaviour required of employees of BMO.

Caution

This Legal and Regulatory Risk section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Strategic Risk

Strategic risk is the potential for loss or harm due to changes in the external business environment and failure to respond appropriately to these changes as a result of inaction, ineffective strategies or poor implementation of strategies. Strategic risk also includes business risk, which arises from the specific business activities of the enterprise, and the effects these could have on its earnings.

Strategic risk arises from external risks inherent in the business environment within which BMO operates, as well as from the potential for loss if BMO is unable to address those external risks effectively. While external strategic risks – including economic, geopolitical, regulatory, technological, social and competitive risks – cannot be controlled, the likelihood and magnitude of their impact can be limited through an effective strategic management framework, and certain of these risks, including economic, geopolitical and regulatory risks, can be assessed through stress testing.

BMO's Corporate Strategy team oversees the strategic planning process and works with the lines of business, along with ERPM, Finance and Corporate Services, to identify, monitor and mitigate strategic risk across the enterprise. This rigorous strategic management framework encourages a consistent approach to developing strategies and incorporates information related to financial commitments.

The Corporate Strategy team works with the lines of business and key corporate stakeholders during the strategy development process to promote consistency and adherence to strategic management standards, including considering the results of stress testing as an input into strategic decision-making. The potential impacts of changes in the business environment, such as broad industry trends and the actions of competitors, are considered to be part of this process and inform strategic decisions within each of the lines of business. Enterprise and group strategies are reviewed with the Executive Committee and the Board of Directors annually in interactive sessions that challenge assumptions and strategies in the context of both the current and the potential future business environment.

Business risk, as a component of strategic risk, encompasses the potential causes of earnings volatility that are distinct from credit, market or operational risk factors. BMO's profitability, and hence value, may be eroded by changes in the business environment or by failures of strategy or execution due to changing client expectations or relatively ineffective responses to industry changes. Within BMO, each operating group is responsible for controlling its respective business risk by assessing, managing and mitigating the risks arising from changes in business volumes and cost structures, among other factors.

The ability to execute on the strategic plans developed by management influences BMO's financial performance. If these strategic plans do not meet with success or if there is a change in the strategic plans, earnings could grow at a slower pace or decline. Performance objectives established through the strategic management process are monitored regularly and reported on quarterly, using both leading and lagging indicators of performance, so that strategies can be reviewed and adjusted where necessary. Regular strategic and financial updates are also monitored closely in order to identify any significant emerging risk issues.

Environmental and Social Risk

Environmental and social risk is the potential for loss or harm resulting from environmental or social impacts or concerns, including climate change, related to BMO or its customers.

Environmental and social risk involves a broad spectrum of topics and issues, such as: pollution and waste; energy, water and other resource usage; climate change; biodiversity; human rights; labour standards; community health, safety and security; land acquisition and involuntary resettlement; Indigenous peoples' rights and consultation; and cultural heritage.

Governance

BMO's Sustainability Council, chaired by BMO's General Counsel, is comprised of senior leaders from the lines of business and Corporate Services across the organization, and provides oversight and leadership for its sustainability strategy. The Sustainability team is responsible for coordinating the development and maintenance of an enterprise-wide strategy that meets BMO's overarching environmental and social responsibilities. The Sustainability team works in partnership with the lines of business and Corporate Services, including Risk, the Capital Markets Sustainable Finance team, and the BMO Global Asset Management Responsible Investment team, to manage environmental and social risk within the bank's business, and works with external stakeholders to better understand the consequences and impacts of its operations and financing decisions.

To keep informed of emerging issues, BMO participates in global forums with its peers, maintains an open dialogue with its internal and external stakeholders, and monitors and evaluates policy and legislative changes in the jurisdictions in which it operates. BMO is a member of, and actively engaged in, sustainability-focused working groups of the United Nations Environment Programme – Finance Initiative (UNEP-FI), the Equator Principles Association and the Canadian Bankers' Association.

BMO is a signatory to the United Nations Principles for Responsible Investment, a framework that encourages sustainable investing through the integration of environmental, social and governance considerations into investment decision-making and ownership practices.

Risk Management

As part of BMO's Enterprise-wide Risk Management Framework and Credit Risk Management Framework, the bank evaluates the environmental and social risks associated with credit and counterparty transactions and exposures. It has developed and implemented financing guidelines to address environmental and social risks for specific lines of business. The bank applies enhanced due diligence to transactions with clients operating in environmentally sensitive industry sectors, and it avoids doing business with borrowers that have poor track records in environmental and social risk management. Transactions with significant associated environmental or social concerns may be escalated to BMO's Reputation Risk Management Committee for consideration. BMO has been a signatory to the Equator Principles since 2005 and applies its credit risk management framework to identify, assess and manage the environmental and social risk of transactions within its scope. BMO's Sustainability team also partners with the Procurement and Corporate Real Estate groups to establish environmental management processes. These groups are responsible for establishing and maintaining an operational environmental management system that is aligned with the framework set out in ISO 14001, and for setting objectives and targets that are related to aligning the bank's operations with its Environmental Policy.

Codes of Conduct and Statement on Human Rights

BMO's Board-approved Code of Conduct reflects the commitment to manage its business responsibly. The bank expects its suppliers to be aware of, understand and respect the principles of its Supplier Code of Conduct, which outlines its standards for integrity, fair dealing and sustainability. The bank publicly reports under the United Kingdom *Modern Slavery Act 2015*, and its Supplier Code of Conduct reflects this legislation. BMO's Statement on Human Rights outlines the measures it has taken to uphold the bank's human rights commitments.

Climate Change

BMO supports the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). BMO tracks and analyzes its own Scope 1 and Scope 2 greenhouse gas (GHG) emissions, as well as Scope 3 GHG emissions associated with its waste generation and business travel.

BMO has initiated work on climate change scenario analysis, in line with the TCFD recommendations. The bank continued to expand its climate scenario analysis work, evaluating both physical and transition risks for a selection of climate-sensitive lending portfolios. It plans to continue expanding such analysis to other sectors and risk types. Further information can be found in BMO's Sustainability Report.

Beyond BMO's ongoing GHG emissions quantification and TCFD alignment efforts, the bank is actively integrating emerging methodologies for assessing and quantifying risks and opportunities. In 2020, it began to implement leading methodologies to estimate the GHG emissions associated with its supply chain and lending activity. The bank is monitoring industry developments, including the development of frameworks and consistent methodologies for such analysis. It continues to assess the credibility, reliability, comparability and decision-making usefulness of such approaches, as well as how they could be incorporated into the climate risk management program and associated disclosures.

Reporting

BMO publicly reports on its environmental and social performance and targets in its annual Sustainability Report, and on the website. Its Sustainability Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards (Core option) and the GRI Financial Services Sector Disclosure, and integrates disclosure frameworks of the TCFD and Sustainability Accounting Standards Board (SASB). The content of the Sustainability Report is shaped by the findings of a materiality assessment process, and its priority topics are aligned with specific Sustainable Development Goals (SDGs) and targets. This report includes the Public Accountability Statements for Bank of Montreal, Bank of Montreal Mortgage Corporation, BMO Life Assurance Company and BMO Life Insurance Company, outlining certain aspects of Bank of Montreal's contributions, and the contributions of its affiliates with operations in Canada, to the Canadian economy and society. These disclosures meet the requirements of the federal government's Public Accountability Statement regulations. Selected environmental and social indicators in the Sustainability Report are assured by the shareholders' auditors.

Refer to the Climate Change and Other Environmental and Social Risks section on page 76 for further discussion of these risks.

Caution

This Environmental and Social Risk section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Reputation Risk

Reputation risk is the potential for loss or harm to the BMO brand. It can arise even if other risks are managed effectively.

BMO's reputation is built on its commitment to high standards of business conduct and ethics, and is one of its most valuable assets. By protecting and maintaining its reputation, the bank safeguards its brand, increases shareholder value, reduces its cost of capital, improves employee engagement, and preserves customer loyalty and trust.

The bank manages risks to its reputation by considering the potential reputational impact of all business activities, including strategy development and implementation, transactions and initiatives, product and service offerings, and events or incidents impacting BMO, as well as day-to-day decision-making and conduct. The bank considers its reputation in everything that it does.

BMO's Code of Conduct is the foundation of its ethical culture and it provides employees with guidance on the behaviour that is expected of them, so that they can make the right choice in decisions that affect its customers and stakeholders. Continual reinforcement of the principles set out in the Code of Conduct minimizes risks to the bank's reputation that may result from poor decisions or behaviour. Recognizing that non-financial risks can negatively affect BMO as significantly as financial risks, it actively promotes a culture which encourages employees to raise concerns and supports them in doing so, with zero tolerance for retaliation.

BMO's corporate governance practices and enterprise-wide Risk Management Framework have controls in place to manage risks to its reputation. The bank seeks to identify activities or events that could impact its reputation with customers, regulators or other stakeholders. Where BMO identifies a potential risk to its reputation, it takes steps to assess and manage that risk. Instances of significant or heightened exposure to reputation risk are escalated to BMO's Reputation Risk Management Committee for review. As misconduct can impact the bank's reputation, the Chief Ethics and Conduct Officer, who is responsible for enterprise-wide reporting on corporate culture and employee conduct, escalates instances of misconduct involving significant reputation risk to BMO's Reputation Risk Management Committee, as appropriate.

Accounting Matters and Disclosure and Internal Control

Critical Accounting Estimates

The most significant assets and liabilities for which BMO must make estimates include: allowance for credit losses; financial instruments measured at fair value; pension and other employee future benefits; impairment of securities; income taxes and deferred tax assets; goodwill and intangible assets; insurance-related liabilities; and provisions, including legal provisions. BMO makes judgments in assessing whether substantially all risks and rewards have been transferred in respect of transfers of financial assets and whether it controls structured entities (SEs). These judgments are discussed in Notes 6 and 7 on pages 165 and 166, respectively, of the consolidated financial statements. Note 17 on page 186 of the consolidated financial statements provides further details on the estimates and judgments made in determining the fair value of financial instruments. If actual results were to differ from estimates, the impact would be recorded in future periods.

The full extent of the impact that COVID-19, including government and regulatory responses to the pandemic, will have on the Canadian and U.S. economies and the bank's business remains uncertain and difficult to predict at this time. By their very nature, the judgments and estimates the bank makes for the purposes of preparing financial statements relate to matters that are inherently uncertain. However, BMO has detailed policies and control procedures that are intended to ensure the judgments made in estimating these amounts are well controlled, independently reviewed and consistently applied from period to period. BMO believes that the estimates of the value of its assets and liabilities are appropriate.

For a more detailed discussion of the use of estimates, refer to Note 1 on page 150 of the consolidated financial statements.

Allowance for Credit Losses

The allowance for credit losses (ACL) consists of allowances on impaired loans, which represent estimated losses related to impaired loans in the portfolio provided for but not yet written off, and allowances on performing loans, which is the bank's best estimate of impairment in the existing portfolio for loans that have not yet been individually identified as impaired. BMO's approach to establishing and maintaining the allowance on performing loans is based on the requirements of IFRS, considering the guideline issued by the Office of the Superintendent of Financial Institutions Canada (OSFI). Under the IFRS 9 expected credit loss (ECL) methodology, an allowance is recorded for expected credit losses on financial assets regardless of whether there has been actual impairment. ECL is calculated on a probability-weighted basis, based on the economic scenarios described below, and is calculated for each exposure in the portfolio as 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. Where there has been a significant increase in credit risk, lifetime ECL is recorded; otherwise 12 months of ECL is generally recorded. Significant increase in credit risk takes into account many different factors and will vary by product and risk segment. The main factors considered in making this determination are the change in PD since origination and certain other criteria, such as 30-day past due and watchlist status. In cases where borrowers have opted to participate in payment deferral programs the bank offered in response to the COVID-19 pandemic, deferred payments are not considered to be past due and do not on their own indicate a significant increase in credit risk, consistent with OSFI guidance. BMO may apply experienced credit judgment to reflect factors not captured in the results produced by the ECL models, as it deems necessary. During fiscal 2020, the bank has applied experienced credit judgment to reflect the impact of the extraordinary and highly uncertain environment on credit conditions and the economy as a result of the COVID-19 pandemic. The bank has controls and processes in place to govern the ECL process, including judgments and assumptions used in the determination of the allowance on performing loans. These judgments and assumptions will change over time, and the impact of the change will be recorded in future periods.

In establishing the allowance on performing loans, BMO attaches probability weightings to three economic scenarios, which are representative of its view of possible forecast economic conditions – a base case scenario, which in the bank's view represents the most probable outcome, and is described below, as well as benign and adverse scenarios, all developed by the Economics group. The adverse scenario is also described below, with the focus on such a scenario, given current economic uncertainty. The allowance on performing loans is sensitive to changes in economic forecasts and the probability weight assigned to each forecast scenario. When changes in economic performance in the forecasts are measured, the bank uses real GDP as the basis, which acts as the key driver for movements in many of the other economic and market variables used, including the equity volatility index (VIX), corporate BBB credit spreads, unemployment rates, housing price indices and consumer credit. In addition, BMO also considers industry-specific variables, where applicable. Many of the variables have a high degree of interdependency and, as such, there is no one single factor to which loan impairment allowances as a whole are sensitive. Holding all else equal, as economic variables worsen, the allowance on performing loans would increase and conversely, as they improve, the allowance would decrease. In addition, assuming all variables are held constant, an increase in loan balances or a deterioration in the credit quality of the loan portfolio would both drive an increase in the allowance on performing loans.

BMO's total allowance on credit losses as at October 31, 2020 was $3,814 million ($2,094 million as at October 31, 2019), comprised of an allowance on performing loans of $3,075 million and an allowance on impaired loans of $739 million ($1,609 million and $485 million, respectively, as at October 31, 2019). The allowance on performing loans increased $1,466 million year-over-year, primarily driven by the impact of COVID-19 on the macroeconomic outlook, and the impact of a more difficult and uncertain environment on credit conditions, as well as a more severe adverse scenario and increased adverse scenario weight.

As at October 31, 2020, the base case economic forecast used to calculate the allowance depicts a contracting Canadian economy, as the real GDP growth rate in the last calendar quarter of 2020 is forecasted to decline 3.5%, compared with the fourth quarter of 2019, due to the impact of COVID-19 before rebounding 6.0% in 2021, as a result of policy stimulus. Annual real GDP is expected to average 3.0% in 2022, as the economic recovery continues and spending returns to pre-COVID-19 levels. The Canadian unemployment rate is forecasted to decline steadily, but remains elevated, averaging 8.0% in 2021 and 7.1% in 2022. The U.S economy follows a similar trajectory, with U.S. real GDP forecasted to decline 4.5% in the last calendar quarter of 2020, compared with the fourth quarter of 2019, before growing 4.0% in 2021 and 3.0% in 2022. The U.S. unemployment rate is forecasted to fall to an average of 6.8% in 2021 and 5.6% in 2022. This is in contrast to the base case economic forecast as at October 31, 2019, which depicted moderate economic growth in both Canada and the United States over the projection period. If the bank assumes a 100% base case economic forecast and includes the impact of loan migration by restaging, with other assumptions held constant, including the application of experienced credit judgment, the allowance on performing loans would be approximately $2,375 million as at October 31, 2020 ($1,325 million as at October 31, 2019), compared with the reported allowance on performing loans of $3,075 million ($1,609 million as at October 31, 2019). The increase in the 100% base case scenario year-over-year is primarily driven by changes in the macroeconomic environment, as a result of COVID-19 and the resulting impact on credit conditions.

As at October 31, 2020, BMO's adverse case economic forecast depicts a more severe contraction of the Canadian economy for the remainder of 2020, with real GDP then declining by a further 2.1% in 2021, before recovering 0.8% in 2022. In the adverse case scenario, the forecasted impact of COVID-19 is more severe and renewed restrictions on a broad range of activity lead to a sustained steep decline in consumer and business confidence in contrast to the base case forecast. The Canadian unemployment rate averages 12.8% in the fourth calendar quarter of 2020, 13.8% in 2021, and 13.9% in 2022. Real GDP in the U.S. continues to decline in 2020 with a further contraction of 2.9% in 2021, before recovering 0.8% in 2022. The U.S. unemployment rate averages 11.6% in the fourth calendar quarter of 2020, 12.6% in 2021, and 12.7% in 2022. This is in contrast to the adverse scenario forecast as at October 31, 2019, which depicted a more typical recession with the economy contracting 3% over one year, followed by a steady recovery through the end of the projection period. If the bank assumes a 100% adverse economic forecast and includes the impact of loan migration by restaging, with other assumptions held constant, including the application of experienced credit judgment, the allowance on performing loans would be approximately $4,875 million as at October 31, 2020 ($2,800 million as at October 31, 2019), compared with the reported allowance on performing loans of $3,075 million ($1,609 million as at October 31, 2019). The increase in the 100% adverse scenario year-over-year is primarily driven by a more severe downturn than was forecasted as at October 31, 2019, reflecting the potential impact of COVID-19 on the macroeconomic outlook.

Actual results in a recession will differ, as the portfolio will change through time due to migration, growth, risk mitigation actions and other factors. In addition, the allowance will reflect the three economic scenarios used in assessing the allowance, with weightings attached to adverse and benign scenarios that are often unequally weighted, and those weightings will change over time.

The following tables show 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 2020 for the base case scenario, and calendar 2021 and 2022 for all scenarios. While the values disclosed below are national variables, the bank uses regional variables in its underlying models and considers factors impacting particular industries where considered appropriate.

	As at October 31, 2020							As at October 31, 2019						
All figures are average annual values	**Benign scenario**		**Base scenario**			**Adverse scenario**		Benign scenario		Base scenario			Adverse scenario	
	2021	**2022**	**2020**	**2021**	**2022**	**2021**	**2022**	2020	2021	2019	2020	2021	2020	2021
Real GDP growth rates (1)														
Canada	**9.0%**	**4.0%**	**(5.5)%**	**6.0%**	**3.0%**	**(2.1)%**	**0.8%**	2.9%	2.5%	1.5%	1.7%	1.6%	(2.3)%	0.5%
United States	**7.0%**	**3.7%**	**(4.5)%**	**4.0%**	**3.0%**	**(2.9)%**	**0.8%**	2.4%	2.4%	2.3%	1.8%	1.9%	(2.0)%	0.6%
Corporate BBB 10-year spread														
Canada	**1.8%**	**2.0%**	**2.3%**	**2.2%**	**2.2%**	**4.5%**	**4.0%**	2.0%	2.1%	2.1%	2.3%	2.3%	4.5%	4.1%
United States	**1.6%**	**1.8%**	**2.2%**	**2.0%**	**2.1%**	**4.4%**	**3.7%**	1.8%	2.0%	1.9%	2.3%	2.4%	4.1%	3.6%
Unemployment rates														
Canada	**6.4%**	**5.9%**	**9.6%**	**8.0%**	**7.1%**	**13.8%**	**13.9%**	5.1%	5.0%	5.7%	5.7%	5.9%	8.5%	9.0%
United States	**5.2%**	**4.6%**	**8.5%**	**6.8%**	**5.6%**	**12.6%**	**12.7%**	3.3%	3.2%	3.7%	3.7%	3.8%	6.1%	6.8%
Housing price index (1)														
Canada (2)	**9.6%**	**5.4%**	**7.2%**	**4.5%**	**2.5%**	**(9.1)%**	**(4.6)%**	3.7%	3.7%	0.5%	2.0%	2.5%	(12.3)%	(4.7)%
United States (3)	**4.7%**	**4.2%**	**3.9%**	**1.4%**	**2.7%**	**(7.3)%**	**(2.2)%**	4.4%	4.2%	3.4%	3.0%	2.7%	(5.7)%	(2.2)%

(1) Real gross domestic product and housing price index are year-over-year growth rates.
(2) In Canada, BMO uses the HPI Benchmark Composite.
(3) In the United States, BMO uses the National Case-Shiller House Price Index.

Real GDP is the basis for measuring changes in BMO's economic forecasts, acting as an important determinant for many of the other key economic and market variables, although the allowance is not sensitive to this variable alone. The table below shows how BMO expects the real GDP year-over-year growth rate for the base case in Canada and the United States to trend by calendar quarter, with negative growth in the fourth calendar quarter of 2020, reflecting the continuing impact of the pandemic and a subsequent recovery. The equivalent year-over-year growth rates for Canada in the fourth quarter of 2020 in the adverse and benign scenarios are declines of 8.2% and 2.4%, respectively. In the United States, the comparable growth rates in the fourth quarter of 2020 in the adverse and benign scenarios are declines of 7.8% and 3.2%, respectively. The table also includes the real GDP level, compared with the fourth quarter of calendar 2019, expressed as a percentage.

Calendar quarter ended	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
Real GDP growth rates year-over-year								
Canada	(3.5)%	0.2%	14.7%	5.0%	4.9%	3.8%	3.1%	2.7%
United States	(4.5)%	(1.9)%	9.4%	4.5%	4.7%	3.9%	3.1%	2.6%
Real GDP level compared to calendar Q4 2019								
Canada	96.5%	98.1%	99.4%	100.3%	101.1%	101.8%	102.4%	103.0%
United States	95.5%	96.9%	98.2%	99.2%	100.0%	100.6%	101.2%	101.8%

The ECL approach requires the recognition of credit losses generally based on 12 months of expected losses for performing loans (Stage 1) and the recognition of lifetime expected losses for performing loans that have experienced a significant increase in credit risk since origination (Stage 2). Under the current probability-weighted scenarios and based on the current risk profile of loan exposures, if all performing loans were in Stage 1, the bank's models would generate an allowance on performing loans of approximately $2,300 million ($1,050 million in 2019), compared with the reported allowance on performing loans of $3,075 million ($1,609 million in 2019).

Information on the Provision for Credit Losses for the years ended October 31, 2020 and 2019 can be found on page 31 of this MD&A. Additional information on the process and methodology for determining the allowance on credit losses can be found in the discussion of Credit and Counterparty Risk on page 89, as well as in Note 4 on page 159 of the consolidated financial statements.

Financial Instruments Measured at Fair Value

BMO records assets and liabilities classified as trading, assets and liabilities designated at fair value, derivatives, certain equity and debt securities and securities sold but not yet purchased at fair value. Fair value represents an estimate of the amount it would receive, or would be required to pay in the case of a liability, in an orderly transaction between willing parties at the measurement date. BMO employs a fair value hierarchy to categorize the inputs it uses in valuation techniques to measure fair value. The extent of its use of quoted market prices (Level 1), internal models with observable market information (Level 2) and internal models without observable market information (Level 3) in the valuation of loans, securities, derivative assets and liabilities, and liabilities recorded at fair value as at October 31, 2020, as well as a sensitivity analysis of Level 3 financial instruments, is disclosed in Note 17 on page 186 of the consolidated financial statements. For instruments that are valued using models, BMO considers all reasonable available information and maximizes the use of observable market data.

Valuation Product Control (VPC), a group independent of the trading lines of business, ensures that the fair values at which financial instruments are recorded are materially accurate by:

- Developing and maintaining valuation policies, procedures and methodologies in accordance with regulatory requirements and IFRS
- Establishing official rate sources for valuation data inputs, and
- Providing independent review of portfolios for which prices supplied by traders are used for valuation

When VPC determines that adjustments to valuations are needed to better reflect fair value estimates based on data inputs from its official rate sources, the adjustments are subject to review and approval by the Valuation Steering Committee (VSC).

The VSC is BMO's senior management valuation committee. It meets at least monthly to address the more challenging valuation issues related to BMO's portfolios, approves valuation methodology changes as needed to enhance fair value estimates, and acts as a key forum for the discussion of sources of valuation uncertainty and how these have been addressed by management.

As at October 31, 2020, the total valuation adjustments were a net decrease in value of $117 million for financial instruments carried at fair value on the Consolidated Balance Sheet (a net decrease of $89 million as at October 31, 2019).

Pension and Other Employee Future Benefits

BMO's pension and other employee future benefits expense is calculated by independent actuaries using assumptions determined by management. If actual experience were to differ from the assumptions used, the difference would be recognized in other comprehensive income.

Pension and other employee future benefits expense and the related obligations are sensitive to changes in discount rates. The bank determines discount rates at each year end for all plans using high-quality corporate bonds with terms matching the plans' specific cash flows.

Additional information regarding accounting for pension and other employee future benefits, including a sensitivity analysis for key assumptions, is included in Note 21 on page 197 of the consolidated financial statements.

Impairment of Securities

BMO has investments in associates and joint ventures. The bank reviews these investments at each quarter-end reporting period to identify and evaluate those that show indications of possible impairment.

For these investments, a significant or prolonged decline in the fair value of a security to an amount below its cost is objective evidence of impairment.

Debt securities measured at amortized cost or fair value through other comprehensive income (FVOCI) are assessed for impairment using the expected credit loss model. For securities determined to have low credit risk, the allowance for credit losses is measured at a 12-month expected credit loss.

Additional information regarding accounting for debt securities measured at amortized cost or FVOCI, other securities, allowance for credit losses and the determination of fair value is included in Note 3 on page 155 and Note 17 on page 186 of the consolidated financial statements.

Income Taxes and Deferred Tax Assets

BMO's approach to tax is guided by its Statement on Tax Principles, elements of which are described below, and governed by its tax risk management framework, which is implemented through internal controls and processes. The bank operates with due regard to risks, including tax and reputational risks. It actively seeks to identify, evaluate, monitor, manage and mitigate any tax risks that may arise to ensure financial exposure is well understood and is within a range consistent with the bank's objectives for the management of tax risk, as set out in the tax risk management framework. BMO's intention is to comply fully with tax laws. The bank considers all applicable laws in connection with commercial activities, and where tax laws change in the business or for customers, it adapts and changes accordingly. BMO monitors applicable tax-related developments, including legislative proposals, case law and guidance from tax authorities. When an interpretation or application of tax laws is not clear, the bank takes well-reasoned positions based on available case law and administrative positions of tax authorities, and engages external advisors when necessary. BMO does not engage in tax planning that does not have commercial substance. The bank does not knowingly work with customers it believes use tax strategies to evade taxes. BMO is committed to maintaining productive relationships and cooperating with tax authorities on all tax matters. BMO seeks to resolve disputes in a collaborative manner; however, when the interpretation of tax law differs from that of tax authorities, it is prepared to defend its position.

The provision for income taxes is calculated based on the expected tax treatment of transactions recorded in either the Consolidated Statement of Income or the Consolidated Statement of Changes in Equity. In determining the provision for income taxes, BMO interprets tax legislation, case law and administrative positions in numerous jurisdictions and, based on its judgment, records the estimate of the amount required to settle tax obligations. The bank also makes assumptions about the expected timing of the reversal of deferred tax assets and liabilities. If the interpretations and assumptions 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. The amount of any such increase or decrease cannot be reasonably estimated.

Deferred tax assets are recognized only when it is probable that sufficient taxable profit will be available in future periods against which deductible temporary differences or unused tax losses and tax credits may be utilized. It is required to assess whether it is probable that deferred income tax assets will be realized. Factors used to assess the probability of realization are past experience of income and capital gains, forecasts of future net income before taxes, and the remaining expiration period of tax loss carryforwards and tax credits. Changes in assessment of these factors could increase or decrease the provision for income taxes in future periods.

If income tax rates increase or decrease in future periods in a jurisdiction, the provision for income taxes for future periods will increase or decrease accordingly. Furthermore, deferred tax assets and liabilities will increase or decrease as income tax rates increase or decrease, respectively, and will result in an income tax impact. For example, an increase in the U.S. federal tax rate would increase the bank's net deferred tax asset, which would result in a one-time corresponding tax benefit to its net income. In addition, an increase in the U.S federal tax rate would decrease the bank's annual net income. The size of this annual net income decrease and any impact on the net deferred tax asset is uncertain at this point and will be dependent on many factors, including the tax rate enacted and its timing, phase-in provisions and detail regarding any legislation and its interpretation. In fiscal 2018, the reduction in the U.S. federal tax rate from 35% to 21% as a result of the enactment of the U.S. *Tax Cuts and Jobs Act* resulted in a $425 million one-time non-cash tax charge to net income and a corresponding reduction in net deferred tax assets.

The Canada Revenue Agency (CRA) has reassessed BMO for additional income tax and interest in an amount of approximately $941 million, to date, in respect of certain 2011-2015 Canadian corporate dividends. In its reassessments, the CRA denied dividend deductions on the basis that the dividends were received as part of a "dividend rental arrangement". The tax rules raised by the CRA were prospectively addressed in the 2015 and 2018 Canadian federal budgets. In the future, BMO expects to be reassessed for significant additional income tax for similar activities in subsequent years. BMO remains of the view that its tax filing positions were appropriate and intends to challenge all reassessments. If the challenge is unsuccessful, the additional expense would negatively impact net income.

Additional information regarding accounting for income taxes is included in Note 22 on page 201 of the consolidated financial statements.

Goodwill and Intangible Assets

Goodwill is assessed for impairment at least annually. This assessment includes a comparison of the carrying value and the recoverable amount of each of BMO's cash-generating units (CGUs) in order to verify that the recoverable amount of the CGU is greater than its carrying value. If the carrying value were to exceed the recoverable amount of the CGU, an impairment calculation would be performed. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell was used to perform the impairment test in all periods. In determining fair value less costs to sell, BMO employs a discounted cash flow model, consistent with that used when a business is acquired. This model is dependent on assumptions related to revenue growth, discount rates, synergies achieved on acquisition and the availability of comparable acquisition data. Changes in any of these assumptions would affect the determination of fair value for each of the bank's CGUs in a different manner. Management must exercise judgment and make assumptions in determining fair value. In particular, in the current year, BMO has considered the impact of the COVID-19 pandemic by updating key assumptions accordingly, including the estimated cost of capital, discount rates and actual and future business performance of its CGUs. Differences in judgments and assumptions could affect the determination of fair value and any resulting impairment write-down. As at October 31, 2020, the estimated fair value of each CGU was greater than carrying value.

Intangible assets with definite lives are amortized to income on either a straight-line or an accelerated basis over a period not exceeding 15 years, depending on the nature of the asset. The bank tests intangible assets with definite lives for impairment when circumstances indicate that the carrying value may not be recoverable.

Intangible assets with indefinite lives are tested annually for impairment. If an intangible asset is determined to be impaired, it will be written down to its recoverable amount, the higher of value in use and fair value less costs to sell, when this is less than the carrying value.

Additional information regarding the composition of goodwill and intangible assets is included in Note 11 on page 178 of the consolidated financial statements.

Insurance-Related Liabilities

Insurance claims and policy benefit liabilities represent current claims and estimates of future insurance policy obligation liabilities. Liabilities for life insurance contracts are determined using the Canadian Asset Liability Method, which incorporates best-estimate assumptions for mortality, morbidity, policy lapses, surrenders, future investment yields, policy dividends, administration costs and margins for adverse deviation. These assumptions are reviewed at least annually and updated to reflect actual experience and market conditions. The most significant potential impact on the valuation of these liabilities would be the result of a change in the assumptions for interest rates and equity market values. If the assumed future interest rates were to increase by one percentage point, earnings before tax would increase by approximately $39 million. A reduction of one percentage point would lower earnings before tax by approximately $38 million. If the assumed equity market value increased by 10%, earnings before tax would increase by approximately $51 million. A reduction of 10% would lower earnings before tax by approximately $53 million.

Additional information on insurance-related liabilities is provided in Note 14 on page 181 of the consolidated financial statements, and information on insurance risk is provided in the Insurance Risk section on page 97.

Provisions

The bank and its subsidiaries are involved in various legal actions in the ordinary course of business.

Provisions are recorded at the best estimate of the amount required to settle any obligation related to these legal actions as at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Factors considered in making the estimate include a case-by-case assessment of specific facts and circumstances, past experience and the opinions of legal experts. Management and internal and external experts are involved in estimating any amounts that may be required. The actual costs of resolving these claims may be substantially higher or lower than the amounts of the provisions.

Additional information regarding provisions is included in the Legal and Regulatory Risk section on pages 110 to 111 and in Note 24 on page 204 of the consolidated financial statements.

Transfers of Financial Assets and Consolidation of Structured Entities

BMO sells Canadian mortgage loans to third-party Canadian securitization programs, including the Canada Mortgage Bond Program, and directly to third-party investors under the National Housing Act Mortgage-Backed Securities program. Beginning in the second quarter, the bank participated in the Insured Mortgage Purchase Program (IMPP), launched by the government of Canada as part of its response to the COVID-19 pandemic. BMO assesses whether substantially all of the risks and rewards of the loans have been transferred in order to determine if they qualify for derecognition. Since BMO continues to be exposed to substantially all of the prepayment, interest rate and/or credit risk associated with the securitized loans, they do not qualify for derecognition. The bank continues to recognize the loans, and recognizes the related cash proceeds as secured financing on its Consolidated Balance Sheet. Additional information concerning the transfer of financial assets is included on page 71, as well as in Note 6 on page 165 of the consolidated financial statements.

During 2020, the Canadian and U.S. governments offered programs in response to the COVID-19 pandemic to support businesses facing economic hardship, including the Canada Emergency Business Account (CEBA) program and the Business Development Bank of Canada (BDC) Co-Lending program.

Under the CEBA program, BMO issues loans that are funded by the government. BMO conducted an assessment and determined that substantially all of the risks and rewards of the loans were transferred to the government; therefore, the bank does not record these loans on the Consolidated Balance Sheet. In contrast, loans issued as part of the BDC Co-Lending program are funded in part by the BDC, with the remaining portion funded by BMO. BMO concluded that substantially all of the risks and rewards related to the portion funded by the BDC reside with them; therefore, the bank does not record that portion on the balance sheet. The portion funded by BMO is recorded on its Consolidated Balance Sheet.

For more detailed discussion of these government programs, refer to the Impact of COVID-19 on page 24 and Enterprise-Wide Risk Management sections starting on page 73.

In the normal course of business, the bank enters into arrangements with SEs, using them to secure customer transactions, obtain sources of liquidity by securitizing certain of the financial assets, or pass its credit risk to securities holders of the vehicles. For example, BMO enters into transactions with SEs where it transfers assets, including mortgage loans, mortgage-backed securities, credit card loans, real estate lines of credit, auto loans and equipment loans in order to obtain alternate sources of funding, or as part of the bank's trading activities. The bank is required to consolidate an SE if it determines that it controls the SE. BMO controls an SE when it has power over the entity, exposure or rights to variable returns from an investment, and the ability to exercise power to affect the amount of returns.

Additional information concerning interests in SEs is included on page 71, as well as in Note 7 on page 166 of the consolidated financial statements.

Caution

This Critical Accounting Estimates section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Changes in Accounting Policies in 2020

IFRS 16, *Leases* (IFRS 16)

Effective November 1, 2019, BMO adopted IFRS 16, *Leases* (IFRS 16), which provides guidance whereby lessees are required to recognize a liability for the present value of future lease payments and record a corresponding asset on the balance sheet for most leases. The impact on the bank's Equipment Finance and Transportation Finance businesses is minimal. The most significant impact for the bank is the recording of real estate leases on the balance sheet. Previously, most of the real estate leases were classified as operating leases, whereby BMO recorded the lease expense over the lease term with no asset or liability recorded on the balance sheet other than related leasehold improvements. On transition, it chose to recognize the cumulative effect of adoption of IFRS 16 in opening retained earnings with no changes to prior periods.

Interbank Offered Rate (IBOR) Reform — Phase 1 Amendments

Effective November 1, 2019, BMO early adopted the Phase 1 amendments to IAS 39, *Financial Instruments: Recognition and Measurement* (IAS 39) and IFRS 7, *Financial Instruments: Disclosures* (IFRS 7). The amendments provide relief from the uncertainty arising from IBOR reform during the period prior to replacement of IBORs. The amendments modify certain hedge accounting requirements, allowing the bank to assume the interest rate benchmark on which the cash flows of the hedged item and the hedging instrument are based are not altered as a result of IBOR reform, thereby allowing hedge accounting to continue. They also provide an exception from the requirement to discontinue hedge accounting if a hedging relationship does not meet the effectiveness requirements solely as a result of IBOR reform.

Application of these amendments will end at the earlier of the discontinuation of the impacted hedge relationship and when there is no longer uncertainty arising from IBOR reform over the timing and amount of IBOR-based cash flows.

IFRIC 23, *Uncertainty over income tax treatments*

Effective November 1, 2019, BMO adopted IFRS Interpretations Committee Interpretation 23, *Uncertainty over income tax treatments* (IFRIC 23), which had no impact on financial results upon adoption.

Note 1 on page 150 of the consolidated financial statements provides further details on the impact of adoption of IFRIC 23 and the other new standards, including IFRS 16 and IBOR Reform.

Future Changes in Accounting Policies

IFRS 17, *Insurance Contracts* (IFRS 17)

In June 2020, the IASB issued amendments to IFRS 17, *Insurance Contracts* (IFRS 17). The amendments include a deferral for the effective date of IFRS 17, resulting in a new adoption date for the bank of November 1, 2023, instead of November 1, 2022. It also includes amendments to simplify and revise certain requirements, as well as provide additional transition relief. BMO continues to assess the impact of the standard on its future financial results. Further information on these amendments can be found in Note 1 on page 150 of the consolidated financial statements.

IBOR Reform – Phase 2 amendments

In August 2020, the IASB published Phase 2 of its amendments to IFRS 9, *Financial Instruments* (IFRS 9), IAS 39, IFRS 7, IFRS 4, *Insurance Contracts*, as well as IFRS 16. While the Phase 1 amendments addressed the uncertainty that could arise in the period before IBOR transition, the Phase 2 amendments address issues that arise from implementation of IBOR reform, where IBOR are replaced with alternative benchmark rates.

For financial instruments at amortized cost, the amendments introduce a practical expedient such that if a change in the contractual cash flows is as a result of IBOR reform and occurs on an economically equivalent basis, the change will be accounted for by updating the effective interest rate with no immediate gain or loss recognized. The amendments also provide additional temporary relief from applying specific IAS 39 hedge accounting requirements to hedging relationships affected by IBOR reform. For example, there is an exception from the requirement to discontinue hedge accounting as a result of changes to hedge documentation required solely by IBOR reform. The amendments also require additional disclosure that allows users to understand the effect of IBOR reform on the bank's financial instruments and risk management strategy.

The Phase 2 amendments are effective for the fiscal year beginning November 1, 2021, with early adoption permitted. BMO is in the process of assessing the impact of these amendments on contracts in scope, including IBOR-based financial instruments and hedge relationships.

Caution

This Future Changes in Accounting Policies section contains forward-looking statements. Please refer to the Caution Regarding Forward-Looking Statements.

Transactions with Related Parties

In the ordinary course of business, BMO provides banking services to key management personnel on the same terms that it offers these services to preferred customers. Key management personnel are defined as those persons having authority and responsibility for planning, directing and/or controlling the activities of an entity, being the directors and the most senior executives of the bank. Banking services are provided to joint ventures and equity-accounted investees on the same terms offered to customers for these services. BMO also offers employees a subsidy on annual credit card fees.

Details of the bank's investments in joint ventures and associates and the compensation of key management personnel are disclosed in Note 27 on page 211 of the consolidated financial statements.

Shareholders' Auditors' Services and Fees

Review of Shareholders' Auditors

The Audit and Conduct Review Committee (ACRC) is responsible for the appointment, compensation and oversight of the shareholders' auditors and conducts an annual assessment of the performance and effectiveness of the shareholders' auditors, considering factors such as: the quality of the services provided by the engagement team of the shareholders' auditors during the audit period; the relevant qualifications, experience and geographical reach to serve BMO Financial Group; the quality of communications received from the shareholders' auditors; and the independence, objectivity and professional skepticism of the shareholders' auditors.

The ACRC believes that it has a robust review process in place to monitor audit quality and oversee the work of the shareholders' auditors, including the lead audit partner, which includes:

- Annually reviewing the audit plan in two separate meetings, including a consideration of the impact of business risks on the audit plan and an assessment of the reasonableness of the audit fee
- Reviewing the qualifications of the senior engagement team members
- Monitoring the execution of the audit plan of the shareholders' auditors, with emphasis on the more complex and risky areas of the audit
- Reviewing and evaluating the audit findings, including in camera sessions
- Evaluating audit quality and performance, including recent Canadian Public Accountability Board (CPAB) and Public Company Accounting Oversight Board (PCAOB) inspection reports on the shareholders' auditors and their peer firms
- At a minimum, holding quarterly meetings with the chair of the ACRC and the lead audit partner to discuss audit-related issues independently of management
- Performing a comprehensive review of the shareholders' auditors every five years, and performing an annual review between these comprehensive reviews, following the guidelines set out by the Chartered Professional Accountants of Canada (CPA of Canada) and the CPAB

The ACRC performs a comprehensive review of the shareholders' auditors every five years, with the most recent comprehensive review completed in 2020. The comprehensive review was based on the latest recommendations of CPA Canada and CPAB focusing on: (i) the independence, objectivity and professional skepticism of the shareholders' auditors; (ii) the quality of the engagement team; and (iii) the quality of communications and interactions with the shareholders' auditors. As a result of the review, the ACRC was satisfied with the performance of the shareholders' auditors.

Independence of the shareholders' auditors is overseen by the ACRC in accordance with BMO's Auditor Independence Standard. The ACRC also ensures that the lead audit partner rotates out of that role after five consecutive years and does not return to that role for a further five years.

Pre-Approval Policies and Procedures

As part of BMO Financial Group's corporate governance practices, the ACRC oversees the application of its policy limiting the services provided by the shareholders' auditors that are not related to their role as auditors. The ACRC pre-approves the types of services (permitted services) that can be provided by the shareholders' auditors, as well as the annual audit plan, which includes fees for specific types of services. For permitted services that are not included in the pre-approved annual audit plan, approval to proceed with the engagement is obtained and the services to be provided are presented to the ACRC for ratification at its next meeting. All services must comply with BMO's Auditor Independence Standard, as well as professional standards and securities regulations governing auditor independence.

Shareholders' Auditors' Fees

(Canadian $ in millions) Fees (1)	**2020**	2019
Audit fees	**21.1**	20.8
Audit-related fees (2)	**2.5**	2.8
Tax services fees (3)	**0.1**	0.1
All other fees (4)	**1.5**	0.6
Total	**25.2**	24.3

(1) The classification of fees is based on applicable Canadian securities laws and U.S. Securities and Exchange Commission definitions.
(2) Includes fees paid for accounting advice, specified procedures on BMO's Proxy Circular and other services, procedures related to IT conversion projects and French translation of financial statements, related continuous disclosures and other public documents containing financial information.
(3) Includes fees paid for tax compliance services provided to various BMO managed investment company complexes.
(4) Includes other fees paid by BMO-managed investment company complexes.

Certain comparative figures have been reclassified to conform with the current year's presentation.

Management's Annual Report on Disclosure Controls and Procedures and Internal Control over Financial Reporting

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), on a timely basis, so that appropriate decisions can be made regarding public disclosure.

As at October 31, 2020, under the supervision of the CEO and the CFO, BMO Financial Group's (BMO) management evaluated the effectiveness of the design and operation of its disclosure controls and procedures, as defined in Canada by *National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings*, and in the United States by Rule 13a-15(e) under the *Securities Exchange Act of 1934* (the Exchange Act). Based on this evaluation, the CEO and the CFO have concluded that the bank's disclosure controls and procedures were effective, as at October 31, 2020.

Internal Control over Financial Reporting

Internal control over financial reporting is a process designed under the supervision of the bank's CEO and CFO, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with IFRS and the requirements of the Securities and Exchange Commission (SEC) in the United States, as applicable. Management is responsible for establishing and maintaining adequate internal control over financial reporting for BMO.

Internal control over financial reporting at BMO includes policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of BMO
- Are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with IFRS and the requirements of the SEC in the United States, as applicable, and that receipts and expenditures of BMO are being made only in accordance with authorizations by management and directors of BMO, and
- Are designed to provide reasonable assurance that any unauthorized acquisition, use or disposition of BMO's assets which could have a material effect on the consolidated financial statements is prevented or detected in a timely manner

Because of its inherent limitations, internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the related policies and procedures may deteriorate.

BMO's management, under the supervision of the CEO and the CFO, has evaluated the effectiveness of internal control over financial reporting using the framework and criteria established in *Internal Control – Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission in May 2013 (2013 COSO Framework). Based on this evaluation, management has concluded that internal control over financial reporting was effective as at October 31, 2020.

At the request of BMO's Audit and Conduct Review Committee, KPMG LLP (the shareholders' auditors), an independent registered public accounting firm, has conducted an audit of the effectiveness of BMO's internal control over financial reporting. The audit report states in its conclusion that, in KPMG's opinion, BMO maintained, in all material respects, effective internal control over financial reporting as at October 31, 2020, in accordance with the criteria established in the 2013 COSO Framework. This audit report appears on page 144.

Changes in Internal Control over Financial Reporting

There were no changes in BMO's internal control over financial reporting during the year ended October 31, 2020 that have materially affected, or are reasonably likely to materially affect, the adequacy and effectiveness of the bank's internal control over financial reporting.

Enhanced Disclosure Task Force

On October 29, 2012, the Enhanced Disclosure Task Force (EDTF) of the Financial Stability Board published its first report, Enhancing the Risk Disclosures of Banks. BMO supports the recommendations issued by EDTF for the provision of high-quality, transparent risk disclosures.

Disclosures related to the EDTF recommendations are detailed below.

General

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

Annual Report: Risk-related information is presented in the Enterprise-Wide Risk Management section on pages 73 to 113.

Supplementary Financial Information: A general index is provided in BMO's Supplementary Financial Information.

Regulatory Supplementary Capital Information: A general index is provided in BMO's Supplementary Regulatory Capital Information.

2 Define the bank's risk terminology and risk measures and present key parameters used.

Annual Report: Specific risk definitions and key parameters underpinning BMO's risk reporting are provided on pages 84 to 113.
A glossary of financial terms (including risk terminology) can be found on pages 212 to 213.

3 Discuss top and emerging risks for the bank.

Annual Report: BMO's top and emerging risks are discussed on pages 73 to 75.

4 Outline plans to meet new key regulatory ratios once the applicable rules are finalized.

Annual Report: BMO's plans to meet new regulatory ratios are outlined on pages 64, 67 to 68 and 103.

Risk Governance

5 Summarize the bank's risk management organization, processes, and key functions.

Annual Report: BMO's risk management organization, processes and key functions are summarized on pages 78 to 83.

6 Describe the bank's risk culture and procedures applied to support the culture.

Annual Report: BMO's risk culture is described on page 79.

7 Describe key risks that arise from the bank's business model and activities.

Annual Report: Descriptions of key risks arising from the bank's business models and activities are provided on pages 80 and 82.

8 Describe the use of stress testing within the bank's risk governance and capital frameworks.

Annual Report: BMO's stress testing process is described on page 83.

Capital Adequacy and Risk-Weighted Assets (RWA)

9 Provide minimum Pillar 1 capital requirements.

Annual Report: Pillar 1 capital requirements are described on pages 63 to 66.

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

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

Annual Report: An abridged version of the regulatory capital template is provided on page 67.

Regulatory Supplementary Capital Information: Pillar 3 disclosures are provided on pages 3 to 5. A Main Features template can be found on BMO's website at www.bmo.com under Investor Relations and Regulatory Filings.

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

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

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

Annual Report: BMO's capital planning process is discussed under Capital Management Framework on page 63.

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

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

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

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

Annual Report: Information for RWA by Basel asset class is included on page 68.
Information about significant models used to determine RWA is provided on pages 85 to 87.

Regulatory Supplementary Capital Information: A table showing RWA by model approach and by risk type is provided on pages 11, 17, 18, 21 to 31 and 38 to 44.

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

Regulatory Supplementary Capital Information: Information on average probability of default (PD) and LGD, as well as exposure at defaults (EAD), total RWAs and RWA density for major Basel asset classes and portfolios is provided on pages 17 to 30 and 38 to 44.

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

Regulatory Supplementary Capital Information: RWA flow statement for credit risk is provided on page 32 and market risk RWA movement by key drivers is provided on page 58.

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

Annual Report: BMO's Basel validation and back-testing process for credit and market risk is described on page 109.

Regulatory Supplementary Capital Information: Estimated and actual loss parameter information is provided on page 59. Back-testing information is provided on pages 60 to 63.

Liquidity

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

Annual Report: BMO's potential liquidity needs and the liquidity reserve held to meet those needs are described on pages 97 to 103.

Funding

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

Annual Report: An Asset Encumbrance table is provided on page 100.

Supplementary Financial Information: The Asset Encumbrance table by currency is provided on page 33.

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

Annual Report: Contractual Maturities information and tables are provided on pages 104 to 105.

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

Annual Report: BMO's sources of funding and funding strategy are described on pages 101 to 102.

A table showing the composition and maturity of wholesale funding is provided on page 102.

Market Risk

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

Annual Report: A table linking balance sheet items to market risk measures is provided on page 96.

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

Annual Report: Trading market risk exposures are described and quantified on pages 92 to 94.

Structural (non-trading) market risk exposures are described and quantified on pages 95 to 96.

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

Annual Report: Market risk measurement model validation procedures and back-testing for trading market risk and structural (non-trading) market risk are described on pages 92, 93, 95 and 109.

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

Annual Report: The use of stress testing, scenario analysis and stressed VaR for market risk management is described on pages 92 to 93.

Credit Risk

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

Annual Report: Information about BMO's credit risk profile is provided on pages 84 to 91 and in Note 4 on pages 159 to 164 of the consolidated financial statements.

Supplementary Financial Information: Tables detailing credit risk information are provided on pages 18 to 30.

Regulatory Supplementary Capital Information: Tables detailing credit risk information are provided on pages 11 to 57.

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

Annual Report: Impaired loan and renegotiated loan policies are described in Note 4 on pages 159 and 164, respectively, of the consolidated financial statements.

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

Annual Report: Continuity schedules for gross impaired loans and acceptances, and allowance for credit losses are provided on page 89 and Note 4 on page 162 of the consolidated financial statements.

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

Annual Report: Quantitative disclosures on collateralization agreements for over-the-counter (OTC) derivatives are provided on page 91 and qualitative disclosures are provided on pages 84 to 85.

Regulatory Supplementary Capital Information: Quantitative disclosures for derivative instruments are provided on pages 36 to 49.

30 Provide a discussion of credit risk mitigation.

Annual Report: A discussion of BMO's credit and counterparty risk management is provided on pages 84 to 85. Collateral management discussions are provided on pages 84 to 85, and in Note 8 on pages 169 and 175 and in Note 24 on page 205 to 206 of the consolidated financial statements.

Regulatory Supplementary Capital Information: Information on credit risk mitigation techniques is provided on pages 16, 31 and 33. Composition of collateral for counterparty credit risk is provided on page 45.

Other Risks

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

Annual Report: A diagram illustrating the risk governance process that supports BMO's risk culture is provided on page 80. Other risks are discussed on pages 106 to 113.

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

Annual Report: Other risks are discussed on pages 106 to 113.

Supplemental Information

Certain comparative figures have been reclassified to conform with the current year's presentation and for changes in accounting policies. Refer to Note 1 of the consolidated financial statements.

Adjusted results in this section are non-GAAP measures. Refer to the Non-GAAP Measures section on page 17.

Table 1: Shareholder Value and Other Statistical Information

As at or for the year ended October 31	**2020**	2019	2018	2017	2016	2015	2014	2013	2012	2011
Market Price per Common Share ($)										
High	**104.75**	106.51	109.00	104.15	87.92	84.39	85.71	73.90	61.29	63.94
Low	**55.76**	86.25	93.60	83.58	68.65	64.01	67.04	56.74	53.15	55.02
Close	**79.33**	97.50	98.43	98.83	85.36	76.04	81.73	72.62	59.02	58.89
Common Share Dividends										
Dividends declared per share ($)	**4.24**	4.06	3.78	3.56	3.40	3.24	3.08	2.94	2.82	2.80
Dividend payout ratio (%)	**56.1**	46.8	46.1	44.9	49.0	49.2	47.8	47.5	46.0	57.1
Dividend yield (%)	**5.3**	4.2	3.8	3.6	4.0	4.3	3.8	4.0	4.8	4.8
Dividends on common shares ($ millions)	**2,723**	2,594	2,424	2,312	2,191	2,087	1,991	1,904	1,820	1,690
Total Shareholder Return (%)										
Five-year average annual return	**5.1**	7.8	10.5	15.5	12.5	9.5	15.5	17.0	4.2	1.9
Three-year average annual return	**(3.1)**	8.6	13.3	10.9	9.9	13.5	16.7	11.5	10.8	17.4
One-year return	**(14.6)**	3.2	3.3	20.2	17.0	(3.0)	17.1	28.8	5.2	2.4
Common Share Information										
Number outstanding (in thousands)										
End of year	**645,889**	639,232	639,330	647,816	645,761	642,583	649,050	644,130	650,730	639,000
Average basic	**641,424**	638,881	642,930	649,650	644,049	644,916	645,860	648,476	644,407	591,403
Average diluted	**642,128**	640,360	644,913	651,961	646,126	647,141	648,475	649,806	648,615	607,068
Book value per share ($)	**77.40**	71.54	64.73	61.91	59.57	56.31	48.18	43.22	39.41	36.76
Total market value of shares ($ billions)	**51.2**	62.3	62.9	64.0	55.1	48.9	53.0	46.8	38.4	37.6
Price-to-earnings multiple	**10.5**	11.3	12.0	12.5	12.3	11.6	12.8	11.8	9.7	12.2
Price-to-adjusted earnings multiple	**10.3**	10.3	10.9	12.1	11.4	10.9	12.4	11.7	9.9	11.5
Market-to-book value multiple	**1.02**	1.36	1.52	1.60	1.43	1.35	1.70	1.66	1.47	1.49
Balances ($ millions)										
Total assets	**949,261**	852,195	773,293	709,604	687,960	641,881	588,659	537,044	524,684	500,575
Average assets	**942,450**	833,252	754,295	722,626	707,122	664,391	593,928	555,431	543,931	469,934
Average net loans and acceptances	**465,276**	432,638	386,959	370,899	356,528	318,823	290,621	263,596	246,129	215,414
Return on Equity and Assets										
Return on equity (%)	**10.1**	12.6	13.3	13.2	12.1	12.5	14.0	14.9	15.9	15.1
Adjusted return on equity (%)	**10.3**	13.7	14.6	13.6	13.1	13.3	14.4	15.0	15.5	16.0
Return on tangible common equity (%)	**11.9**	15.1	16.2	16.3	15.3	15.8	17.3	17.9	19.4	17.6
Adjusted return on tangible common equity (%)	**11.9**	16.1	17.5	16.4	16.1	16.4	17.4	17.7	18.5	18.2
Return on average assets (%)	**0.54**	0.69	0.72	0.74	0.65	0.66	0.72	0.74	0.75	0.65
Adjusted return on average assets (%)	**0.55**	0.75	0.79	0.76	0.71	0.70	0.74	0.75	0.73	0.68
Return on average risk-weighted assets (%)	**1.51**	1.86	1.97	1.98	1.71	1.84	1.85	1.93	1.96	1.70
Adjusted return on average risk-weighted assets (%)	**1.54**	2.01	2.16	2.04	1.85	1.96	1.91	1.94	1.92	1.79
Other Statistical Information										
Employees (1)										
Canada	**29,296**	30,438	29,982	29,647	29,643	30,669	30,587	30,303	30,797	31,351
United States	**12,492**	13,487	13,943	14,071	14,147	14,316	14,845	14,694	14,963	15,184
Other	**1,572**	1,588	1,529	1,482	1,444	1,368	1,346	634	512	440
Total	**43,360**	45,513	45,454	45,200	45,234	46,353	46,778	45,631	46,272	46,975
Bank branches										
Canada	**877**	891	908	926	942	939	934	933	930	920
United States	**528**	561	571	573	576	592	615	626	638	688
Other	**4**	4	4	4	4	4	4	4	3	3
Total	**1,409**	1,456	1,483	1,503	1,522	1,535	1,553	1,563	1,571	1,611
Automated banking machines										
Canada	**3,268**	3,370	3,387	3,315	3,285	3,442	3,016	2,900	2,596	2,235
United States	**1,552**	1,597	1,441	1,416	1,314	1,319	1,322	1,325	1,375	1,366
Total	**4,820**	4,967	4,828	4,731	4,599	4,761	4,338	4,225	3,971	3,601

The adoption of new IFRS standards in 2014, 2015, 2018 and 2020 only impacted our results prospectively.

(1) Reflects full-time equivalent number of employees, comprising full-time and part-time employees and adjustments for overtime hours.

Supplemental Information

Table 2: Summary Income Statement and Growth Statistics

($ millions, except as noted) For the year ended October 31	2020	2019	2018	2017	2016	5-year CAGR	10-year CAGR
Income Statement – Reported Results							
Net interest income	**13,971**	12,888	11,438	11,275	10,945	**7.4**	**8.4**
Non-interest revenue	**11,215**	12,595	11,467	10,832	10,015	**3.2**	**4.8**
Revenue	**25,186**	25,483	22,905	22,107	20,960	**5.4**	**6.6**
Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	**1,708**	2,709	1,352	1,538	1,543	**6.4**	**5.2**
Revenue, net of CCPB	**23,478**	22,774	21,553	20,569	19,417	**5.3**	**6.7**
Provision for credit losses	**2,953**	872	662	746	771	**nm**	**nm**
Non-interest expense	**14,177**	14,630	13,477	13,192	12,916	**3.0**	**6.4**
Income before provision for income taxes	**6,348**	7,272	7,414	6,631	5,730	**3.5**	**5.9**
Provision for income taxes	**1,251**	1,514	1,961	1,292	1,100	**6.0**	**6.2**
Net income	**5,097**	5,758	5,453	5,339	4,630	**3.0**	**5.9**
Attributable to equity holders of the bank	**5,097**	5,758	5,453	5,337	4,621	**3.1**	**6.1**
Attributable to non-controlling interest in subsidiaries	**–**	–	–	2	9	**nm**	**nm**
Net income	**5,097**	5,758	5,453	5,339	4,630	**3.0**	**6.1**
Income Statement – Adjusted Results							
Net interest income	**13,971**	12,888	11,438	11,275	10,945	**7.4**	**8.4**
Non-interest revenue	**11,215**	12,595	11,467	10,832	10,099	**3.2**	**4.8**
Revenue	**25,186**	25,483	22,905	22,107	21,044	**5.4**	**6.6**
Insurance claims, commissions and changes in policy benefit liabilities (CCPB)	**1,708**	2,684	1,352	1,538	1,543	**6.4**	**5.2**
Revenue, net of CCPB	**23,478**	22,799	21,553	20,569	19,501	**5.3**	**6.7**
Provision for credit losses	**2,953**	872	662	822	771	**nm**	**nm**
Non-interest expense	**14,042**	14,005	13,344	12,897	12,463	**3.4**	**6.4**
Income before provision for income taxes	**6,483**	7,922	7,547	6,850	6,267	**2.6**	**6.0**
Provision for income taxes	**1,282**	1,673	1,565	1,353	1,248	**4.6**	**6.4**
Adjusted net income	**5,201**	6,249	5,982	5,497	5,019	**2.1**	**6.0**
Attributable to equity holders of the bank	**5,201**	6,249	5,982	5,495	5,010	**2.1**	**6.0**
Attributable to non-controlling interest in subsidiaries	**–**	–	–	2	9	**nm**	**nm**
Adjusted net income	**5,201**	6,249	5,982	5,497	5,019	**2.1**	**6.0**
Earnings per Share (EPS) ($)							
Basic	**7.56**	8.68	8.19	7.93	6.94	**2.8**	**4.7**
Diluted	**7.55**	8.66	8.17	7.90	6.92	**2.8**	**4.7**
Adjusted diluted	**7.71**	9.43	8.99	8.15	7.52	**2.0**	**4.8**
Year-over-Year Growth-Based Statistical Information (%)							
Net income growth	**(11.5)**	5.6	2.1	15.3	5.1	**na**	**na**
Adjusted net income growth	**(16.8)**	4.5	8.8	9.5	7.2	**na**	**na**
Diluted EPS growth	**(12.8)**	6.0	3.3	14.3	5.3	**na**	**na**
Adjusted diluted EPS growth	**(18.2)**	4.9	10.3	8.3	7.4	**na**	**na**

Five-year and ten-year CAGR based on CGAAP in 2010 and IFRS in 2015 and 2020.

The adoption of new IFRS standards in 2015, 2018 and 2020 only impacted our results prospectively.

nm – not meaningful

na – not applicable

Table 3: Revenue and Revenue Growth

($ millions, except as noted) For the year ended October 31	2020	2019	2018	2017	2016	5-year CAGR	10-year CAGR
Net Interest Income	**13,971**	12,888	11,438	11,275	10,945	**7.4**	**8.4**
Year-over-year growth (%)	**8.4**	12.7	1.4	3.0	11.7	**na**	**na**
Net Interest Margin (1)							
Average earning assets	**851,726**	758,863	682,945	646,799	622,732	**8.0**	**9.9**
Net interest margin (%)	**1.64**	1.70	1.67	1.74	1.76	**na**	**na**
Non-Interest Revenue							
Securities commissions and fees	**1,036**	1,023	1,025	964	921	**2.8**	**(0.4)**
Deposit and payment service charges	**1,221**	1,204	1,134	1,109	1,069	**4.0**	**4.3**
Trading revenues	**15**	298	705	84	118	**nm**	**nm**
Lending fees	**1,295**	1,192	997	917	859	**11.9**	**8.5**
Card fees	**358**	437	428	329	397	**(7.7)**	**4.4**
Investment management and custodial fees	**1,807**	1,747	1,749	1,627	1,560	**3.1**	**17.7**
Mutual fund revenues	**1,417**	1,419	1,473	1,411	1,364	**0.6**	**9.9**
Underwriting and advisory fees	**1,070**	975	943	1,044	824	**8.7**	**9.2**
Securities gains, other than trading	**124**	249	239	171	84	**(6.3)**	**(1.9)**
Foreign exchange, other than trading	**127**	166	182	191	162	**(5.9)**	**3.1**
Insurance revenue	**2,178**	3,183	1,879	2,070	2,023	**4.3**	**4.9**
Investments in associates and joint ventures	**161**	151	167	386	140	**(4.9)**	**nm**
Other revenues	**406**	551	546	529	494	**(4.7)**	**6.1**
Total Non-Interest Revenue	**11,215**	12,595	11,467	10,832	10,015	**3.2**	**4.8**
Year-over-year non-interest revenue growth (%)	**(11.0)**	9.8	5.9	8.2	4.4	**na**	**na**
Non-interest revenue as a % of total revenue	**44.5**	49.4	50.1	49.0	47.8	**na**	**na**
Adjusted Non-Interest Revenue	**11,215**	12,595	11,467	10,832	10,099	**3.2**	**4.8**
Year-over-year adjusted non-interest revenue growth (%)	**(11.0)**	9.8	5.9	7.3	5.3	**na**	**na**
Adjusted non-interest revenue as a % of total adjusted revenue	**44.5**	49.4	50.1	49.0	48.0	**na**	**na**
Total Revenue	**25,186**	25,483	22,905	22,107	20,960	**5.4**	**6.6**
Year-over-year total revenue growth (%)	**(1.2)**	11.3	3.6	5.5	8.1	**na**	**na**
Total Revenue, net of CCPB	**23,478**	22,774	21,553	20,569	19,417	**5.3**	**6.7**
Year-over-year total revenue growth, net of CCPB (%)	**3.1**	5.7	4.8	5.9	7.1	**na**	**na**
Total Adjusted Revenue	**25,186**	25,483	22,905	22,107	21,044	**5.4**	**6.6**
Year-over-year total adjusted revenue growth (%)	**(1.2)**	11.3	3.6	5.1	8.5	**na**	**na**
Total Adjusted Revenue, net of CCPB	**23,478**	22,799	21,553	20,569	19,501	**5.3**	**6.7**
Year-over-year total adjusted revenue growth, net of CCPB (%)	**3.0**	5.8	4.8	5.5	7.5	**na**	**na**

Five-year and ten-year CAGR based on CGAAP in 2010 and IFRS in 2015 and 2020.

The adoption of new IFRS standards in 2015, 2018 and 2020 only impacted our results prospectively.

(1) Net interest margin is calculated based on average earning assets.

na – not applicable

nm – not meaningful

Table 4: Non-Interest Expense, Expense-to-Revenue Ratio and Government Levies and Taxes

($ millions, except as noted) For the year ended October 31	2020	2019	2018	2017	2016	5-year CAGR	10-year CAGR
Non-Interest Expense (1)							
Employee compensation							
Salaries	**4,163**	4,762	4,176	3,996	4,084	**1.3**	**6.2**
Performance-based compensation	**2,632**	2,610	2,510	2,386	2,278	**4.6**	**6.1**
Employee benefits	**1,149**	1,051	775	1,086	1,022	**1.5**	**6.3**
Total employee compensation	**7,944**	8,423	7,461	7,468	7,384	**2.3**	**6.2**
Premises and equipment (2)							
Rental of real estate	**225**	595	526	494	486	**(13.4)**	**(3.5)**
Premises, furniture and fixtures	**771**	283	345	282	337	**21.9**	**11.1**
Property taxes	**42**	37	38	39	42	**1.9**	**4.1**
Computers and equipment	**2,164**	2,073	1,844	1,676	1,528	**9.9**	**11.5**
Total premises and equipment	**3,202**	2,988	2,753	2,491	2,393	**8.4**	**9.1**
Other expenses							
Travel and business development	**384**	545	519	540	509	**(8.7)**	**1.2**
Communications	**304**	296	282	286	294	**(0.6)**	**2.9**
Professional fees	**555**	568	572	569	528	**(1.4)**	**3.3**
Other	**1,168**	1,256	1,387	1,353	1,364	**1.1**	**4.3**
Total other expenses	**2,411**	2,665	2,760	2,748	2,695	**(1.7)**	**3.3**
Amortization of intangible assets	**620**	554	503	485	444	**8.6**	**11.8**
Total Non-Interest Expense	**14,177**	14,630	13,477	13,192	12,916	**3.0**	**6.4**
Year-over-year total non-interest expense growth (%)	**(3.1)**	8.6	2.2	2.1	5.4	**na**	**na**
Total Adjusted Non-Interest Expense	**14,042**	14,005	13,344	12,897	12,463	**3.4**	**6.4**
Year-over-year total adjusted non-interest expense growth (%)	**0.3**	5.0	3.5	3.5	4.8	**na**	**na**
Non-interest expense-to-revenue ratio (Efficiency ratio) (%)	**56.3**	57.4	58.8	59.7	61.6	**na**	**na**
Adjusted non-interest expense-to-revenue ratio (Adjusted efficiency ratio) (%)	**55.8**	55.0	58.3	58.3	59.2	**na**	**na**
Efficiency ratio, net of CCPB (%)	**60.4**	64.2	62.5	64.1	66.5	**na**	**na**
Adjusted efficiency ratio, net of CCPB (%)	**59.8**	61.4	61.9	62.7	63.9	**na**	**na**
Government Levies and Taxes (1)							
Government levies other than income taxes							
Payroll levies	**362**	354	328	322	324	**3.0**	**7.5**
Property taxes	**42**	37	38	39	42	**1.9**	**4.1**
Provincial capital taxes	**33**	35	29	29	30	**0.3**	**(3.0)**
Business taxes	**9**	9	8	8	9	**(6.3)**	**1.9**
Harmonized sales tax, GST, VAT and other sales taxes	**397**	384	350	330	318	**6.6**	**10.5**
Sundry taxes	**1**	1	1	1	3	**nm**	**nm**
Total government levies other than income taxes	**844**	820	754	729	726	**4.3**	**7.6**
Provision for income taxes	**1,251**	1,514	1,961	1,292	1,100	**6.0**	**6.2**
Total Government Levies and Taxes	**2,095**	2,334	2,715	2,021	1,826	**5.3**	**6.7**
Total government levies and taxes as a % of income before total government levies and taxes	**29.1**	28.8	33.3	27.5	28.3	**na**	**na**
Effective tax rate (%)	**19.7**	20.8	26.5	19.5	19.2	**na**	**na**
Adjusted effective tax rate (%)	**19.8**	21.1	20.7	19.8	19.9	**na**	**na**

Five-year and ten-year CAGR based on CGAAP in 2010 and IFRS in 2015 and 2020.

The adoption of new IFRS standards in 2015, 2018 and 2020 only impacted our results prospectively.

(1) Government levies are included in various non-interest expense categories.

(2) Effective 2020, the bank adopted IFRS 16. Prior periods have not been restated. Depreciation on the right-of-use asset has been recorded in premises, furniture and fixtures. Previously most of our real estate leases were classified as operating leases with rent expense recorded in rental of real estate.

na – not applicable

nm – not meaningful

Table 5: Average Assets, Liabilities and Interest Rates

($ millions, except as noted) For the year ended October 31	**2020** Average balances	Average interest rate (%)	Interest income/ expense	2019 Average balances	Average interest rate (%)	Interest income/ expense	2018 Average balances	Average interest rate (%)	Interest income/ expense
Assets									
Canadian Dollar									
Deposits with other banks and other interest bearing assets	**13,605**	**0.33**	**45**	2,972	2.03	60	2,374	1.83	43
Securities	**94,343**	**2.32**	**2,186**	83,042	2.66	2,210	79,187	2.33	1,844
Securities borrowed or purchased under resale agreements	**44,460**	**1.05**	**468**	39,074	2.10	820	36,325	1.56	566
Loans									
Residential mortgages	**114,374**	**2.88**	**3,296**	109,289	3.04	3,317	106,610	2.79	2,973
Non-residential mortgages	**5,556**	**3.38**	**188**	5,637	3.43	194	5,873	3.28	193
Personal and credit cards	**62,920**	**4.95**	**3,116**	60,680	5.49	3,333	58,612	5.15	3,021
Business and government	**73,596**	**3.79**	**2,787**	62,965	4.10	2,580	56,427	3.98	2,248
Total loans	**256,446**	**3.66**	**9,387**	238,571	3.95	9,424	227,522	3.71	8,435
Total Canadian dollar	**408,854**	**2.96**	**12,086**	363,659	3.44	12,514	345,408	3.15	10,888
U.S. Dollar and Other Currencies									
Deposits with other banks and other interest bearing assets	**61,050**	**0.62**	**376**	47,001	1.72	808	46,607	1.40	654
Securities	**124,567**	**2.24**	**2,794**	109,072	3.05	3,331	91,198	2.49	2,275
Securities borrowed or purchased under resale agreements	**66,109**	**0.85**	**560**	65,943	2.11	1,391	55,647	1.81	1,010
Loans									
Residential mortgages	**10,499**	**3.35**	**352**	11,554	3.67	424	11,218	3.60	404
Non-residential mortgages	**10,792**	**3.71**	**401**	9,356	4.75	445	6,652	4.48	298
Personal and credit cards	**13,659**	**4.37**	**597**	11,907	4.91	585	10,799	4.41	476
Business and government	**153,619**	**4.00**	**6,149**	138,660	4.80	6,654	113,772	4.42	5,030
Total loans	**188,569**	**3.98**	**7,499**	171,477	4.73	8,108	142,441	4.36	6,208
Total U.S. dollar and other currencies	**440,295**	**2.55**	**11,229**	393,493	3.47	13,638	335,893	3.02	10,147
Other non-interest bearing assets	**93,301**			76,100			72,994		
Total All Currencies									
Total assets and interest income	**942,450**	**2.47**	**23,315**	833,252	3.14	26,152	754,295	2.79	21,035
Liabilities									
Canadian Dollar									
Deposits									
Banks	**11,715**	**0.68**	**80**	4,905	1.02	50	3,607	0.59	21
Business and government	**136,976**	**1.24**	**1,704**	113,502	1.88	2,133	103,986	1.61	1,673
Individuals	**135,175**	**0.87**	**1,181**	120,852	1.05	1,269	111,081	0.80	891
Total deposits	**283,866**	**1.04**	**2,965**	239,259	1.44	3,452	218,674	1.18	2,585
Securities sold but not yet purchased and securities lent or sold under repurchase agreements (1)	**49,676**	**1.50**	**747**	44,815	2.56	1,146	40,640	2.09	849
Subordinated debt and other interest bearing liabilities	**26,387**	**2.69**	**711**	25,099	2.70	677	25,359	2.48	628
Total Canadian dollar	**359,929**	**1.23**	**4,423**	309,173	1.71	5,275	284,673	1.43	4,062
U.S. Dollar and Other Currencies									
Deposits									
Banks	**22,856**	**1.05**	**241**	24,534	2.41	592	26,282	1.93	506
Business and government	**244,449**	**0.99**	**2,424**	211,970	1.79	3,802	191,739	1.37	2,622
Individuals	**77,930**	**0.78**	**609**	71,005	1.08	770	61,651	0.59	367
Total deposits	**345,235**	**0.95**	**3,274**	307,509	1.68	5,164	279,672	1.25	3,495
Securities sold but not yet purchased and securities lent or sold under repurchase agreements (1)	**80,656**	**1.54**	**1,243**	76,889	2.91	2,235	63,940	2.60	1,661
Subordinated debt and other interest bearing liabilities	**18,207**	**2.22**	**404**	19,896	2.96	590	16,798	2.26	379
Total U.S. dollar and other currencies	**444,098**	**1.11**	**4,921**	404,294	1.98	7,989	360,410	1.54	5,535
Other non-interest bearing liabilities	**84,683**			70,916			65,223		
Total All Currencies									
Total liabilities and interest expense	**888,710**	**1.05**	**9,344**	784,383	1.69	13,264	710,306	1.35	9,597
Shareholders' equity	**53,740**			48,869			43,989		
Total Liabilities, Interest Expense and Shareholders' Equity	**942,450**	**0.99**	**9,344**	833,252	1.59	13,264	754,295	1.27	9,597
Net interest margin									
– based on earning assets		**1.64**			1.70			1.67	
– based on total assets		**1.48**			1.55			1.52	
Net interest income			**13,971**			12,888			11,438

(1) For the years ended October 31, 2020, 2019 and 2018, the maximum amount of securities lent or sold under repurchase agreements at any month end amounted to $106,695 million, $96,399 million and $85,489 million, respectively.

Supplemental Information

Table 6: Volume/Rate Analysis of Changes in Net Interest Income

($ millions) For the year ended October 31	2020/2019 Increase (decrease) due to change in Average balance	 Average rate	 Total	2019/2018 Increase (decrease) due to change in Average balance	 Average rate	 Total
Assets						
Canadian Dollar						
Deposits with other banks and other interest bearing assets	**216**	**(231)**	**(15)**	11	6	17
Securities	**301**	**(325)**	**(24)**	90	276	366
Securities borrowed or purchased under resale agreements	**113**	**(465)**	**(352)**	43	211	254
Loans						
Residential mortgages	**154**	**(175)**	**(21)**	75	269	344
Non-residential mortgages	**(3)**	**(3)**	**(6)**	(8)	9	1
Personal and credit cards	**123**	**(340)**	**(217)**	107	205	312
Business and government	**436**	**(229)**	**207**	260	72	332
Total loans	**710**	**(747)**	**(37)**	434	555	989
Change in Canadian dollar interest income	**1,340**	**(1,768)**	**(428)**	578	1,048	1,626
U.S. Dollar and Other Currencies						
Deposits with other banks and other interest bearing assets	**242**	**(674)**	**(432)**	6	148	154
Securities	**473**	**(1,010)**	**(537)**	445	611	1,056
Securities borrowed or purchased under resale agreements	**3**	**(834)**	**(831)**	186	195	381
Loans						
Residential mortgages	**(39)**	**(33)**	**(72)**	12	8	20
Non-residential mortgages	**68**	**(112)**	**(44)**	121	26	147
Personal and credit cards	**86**	**(74)**	**12**	49	60	109
Business and government	**718**	**(1,223)**	**(505)**	1,101	523	1,624
Total loans	**833**	**(1,442)**	**(609)**	1,283	617	1,900
Change in U.S. dollar and other currencies interest income	**1,551**	**(3,960)**	**(2,409)**	1,920	1,571	3,491
Total All Currencies						
Change in total interest income (a)	**2,891**	**(5,728)**	**(2,837)**	2,498	2,619	5,117
Liabilities						
Canadian Dollar						
Deposits						
Banks	**70**	**(40)**	**30**	8	21	29
Business and government	**441**	**(870)**	**(429)**	153	307	460
Individuals	**150**	**(238)**	**(88)**	78	300	378
Total deposits	**661**	**(1,148)**	**(487)**	239	628	867
Securities sold but not yet purchased and securities lent or sold under repurchase agreements	**125**	**(524)**	**(399)**	87	210	297
Subordinated debt and other interest bearing liabilities	**35**	**(1)**	**34**	(6)	55	49
Change in Canadian dollar interest expense	**821**	**(1,673)**	**(852)**	320	893	1,213
U.S. Dollar and Other Currencies						
Deposits						
Banks	**(40)**	**(311)**	**(351)**	(33)	119	86
Business and government	**582**	**(1,960)**	**(1,378)**	277	903	1,180
Individuals	**75**	**(236)**	**(161)**	55	348	403
Total deposits	**617**	**(2,507)**	**(1,890)**	299	1,370	1,669
Securities sold but not yet purchased and securities lent or sold under repurchase agreements	**109**	**(1,101)**	**(992)**	336	238	574
Subordinated debt and other interest bearing liabilities	**(50)**	**(136)**	**(186)**	70	141	211
Change in U.S. dollar and other currencies interest expense	**676**	**(3,744)**	**(3,068)**	705	1,749	2,454
Total All Currencies						
Change in total interest expense (b)	**1,497**	**(5,417)**	**(3,920)**	1,025	2,642	3,667
Change in total net interest income (a – b)	**1,394**	**(311)**	**1,083**	1,473	(23)	1,450

Table 7: Net Loans and Acceptances – Segmented Information (1) (2)

($ millions)	Canada					United States					Other countries				
As at October 31	**2020**	2019	2018	2017	2016	**2020**	2019	2018	2017	2016	**2020**	2019	2018	2017	2016
Consumer															
Residential mortgages	**117,886**	112,448	107,956	106,647	103,558	**9,122**	11,275	11,645	8,587	8,686	**–**	–	–	–	–
Credit cards	**7,391**	8,289	7,788	7,550	7,541	**498**	570	541	521	560	**–**	–	–	–	–
Consumer instalment and other personal loans	**57,288**	55,311	52,706	51,637	50,368	**12,286**	11,752	9,918	9,798	13,974	**469**	537	458	373	215
Total consumer	**182,565**	176,048	168,450	165,834	161,467	**21,906**	23,597	22,104	18,906	23,220	**469**	537	458	373	215
Total business and government	**107,301**	105,890	92,883	82,632	78,884	**138,040**	134,880	110,828	97,478	98,236	**10,792**	10,122	9,122	11,270	10,037
Total loans and acceptances, net of allowance for credit losses on impaired loans	**289,866**	281,938	261,333	248,466	240,351	**159,946**	158,477	132,932	116,384	121,456	**11,261**	10,659	9,580	11,643	10,252
Allowance for credit losses on performing loans (3)	**(1,323)**	(740)	(689)	(799)	(833)	**(1,225)**	(630)	(574)	(641)	(687)	**(28)**	(17)	(6)	–	–
Total net loans and acceptances	**288,543**	281,198	260,644	247,667	239,518	**158,721**	157,847	132,358	115,743	120,769	**11,233**	10,642	9,574	11,643	10,252

Table 8: Net Impaired Loans and Acceptances (NIL) – Segmented Information (2) (4)

($ millions, except as noted)	Canada					United States					Other countries				
As at October 31	**2020**	2019	2018	2017	2016	**2020**	2019	2018	2017	2016	**2020**	2019	2018	2017	2016
Consumer															
Residential mortgages	**225**	233	185	206	195	**168**	164	171	161	175	**–**	–	–	–	–
Consumer instalment and other personal loans	**89**	138	126	127	121	**146**	194	252	293	345	**–**	–	–	–	–
Total consumer	**314**	371	311	333	316	**314**	358	423	454	520	**–**	–	–	–	–
Business and government	**726**	336	235	248	298	**1,487**	1,101	597	762	843	**70**	–	–	30	1
Total impaired loans and acceptances, net of allowance for credit losses on impaired loans	**1,040**	707	546	581	614	**1,801**	1,459	1,020	1,216	1,363	**70**	–	–	30	1
Condition Ratios (1)															
NIL as a % of net loans and acceptances	**0.36**	0.25	0.21	0.23	0.26	**1.13**	0.92	0.77	1.05	1.13	**0.62**	–	–	0.26	0.01
NIL as a % of net loans and acceptances															
Consumer	**0.17**	0.21	0.18	0.20	0.20	**1.43**	1.52	1.91	2.40	2.24	**–**	–	–	–	–
Business and government	**0.68**	0.32	0.25	0.30	0.38	**1.08**	0.82	0.54	0.78	0.86	**0.65**	–	–	0.27	0.01

(1) Aggregate Net Loans and Acceptances balances are net of allowance for credit losses on performing loans and impaired loans (excluding those related to off-balance sheet instruments and undrawn commitments). The Consumer and Business and government Net Loans and Acceptances balances are net of allowance for credit losses on impaired loans only (excluding those related to off-balance sheet instruments and undrawn commitments).

(2) Segmented credit information by geographic area is based upon the country of ultimate risk.

(3) Prior periods have not been restated to reflect the adoption of IFRS 9 in 2018. The adoption of IFRS 9 has been applied prospectively.

(4) Net Impaired Loans and Acceptances are net of allowance for credit losses on impaired loans (excluding those related to off-balance sheet instruments and undrawn commitments).

Total				
2020	2019	2018	2017	2016
127,008	123,723	119,601	115,234	112,244
7,889	8,859	8,329	8,071	8,101
70,043	67,600	63,082	61,808	64,557
204,940	200,182	191,012	185,113	184,902
256,133	250,892	212,833	191,380	187,157
461,073	451,074	403,845	376,493	372,059
(2,576)	(1,387)	(1,269)	(1,440)	(1,520)
458,497	449,687	402,576	375,053	370,539

Total				
2020	2019	2018	2017	2016
393	397	356	367	370
235	332	378	420	466
628	729	734	787	836
2,283	1,437	832	1,040	1,142
2,911	2,166	1,566	1,827	1,978
0.63	0.48	0.39	0.49	0.53
0.31	0.36	0.38	0.43	0.45
0.89	0.57	0.39	0.54	0.61

Table 9: Net Loans and Acceptances – Segmented Information (1) (2)

($ millions) As at October 31	**2020**	2019	2018	2017	2016
Net Loans and Acceptances by Province					
Atlantic provinces	**15,105**	14,601	13,925	13,686	13,736
Quebec	**43,859**	42,985	40,177	38,802	38,263
Ontario	**124,419**	119,499	109,531	103,152	97,991
Prairie provinces	**50,634**	51,639	48,634	46,853	46,411
British Columbia and territories	**54,526**	52,474	48,377	45,174	43,117
Total net loans and acceptances in Canada	**288,543**	281,198	260,644	247,667	239,518
Net Business and Government Loans by Industry					
Commercial real estate	**39,990**	36,707	31,028	26,479	24,126
Construction (non-real estate)	**4,799**	4,943	3,916	3,916	3,563
Retail trade	**20,480**	23,085	20,403	18,496	16,430
Wholesale trade	**15,444**	16,933	14,814	11,612	12,157
Agriculture	**13,549**	13,268	12,321	11,114	10,951
Communications	**771**	840	729	625	905
Financing products	**3,927**	4,124	4,439	5,060	6,093
Manufacturing	**26,099**	26,541	22,839	19,824	18,587
Mining	**2,433**	2,474	1,916	1,344	1,867
Oil and gas	**12,644**	13,421	9,168	8,167	7,930
Transportation	**12,921**	12,390	10,973	10,496	10,695
Utilities	**5,151**	4,783	3,911	2,776	2,697
Forest products	**1,012**	1,152	840	835	889
Service industries	**47,769**	45,730	38,348	33,705	32,659
Financial	**44,968**	40,839	32,463	32,265	32,076
Government	**2,121**	1,801	1,436	1,470	1,326
Other	**2,055**	1,861	3,289	3,196	4,206
	256,133	250,892	212,833	191,380	187,157

Table 10: Net Impaired Loans and Acceptances – Segmented Information (3)

($ millions) As at October 31	**2020**	2019	2018	2017	2016
Net Impaired Business and Government Loans					
Commercial real estate	**78**	49	45	45	60
Construction (non-real estate)	**86**	21	18	39	45
Retail trade	**407**	56	50	36	13
Wholesale trade	**69**	76	42	97	51
Agriculture	**313**	291	193	238	221
Communications	**9**	6	–	–	1
Financing products	**147**	–	–	–	–
Manufacturing	**225**	191	77	70	106
Mining	**30**	–	1	1	2
Oil and gas	**366**	356	57	145	408
Transportation	**112**	119	90	156	88
Utilities	**1**	2	2	4	12
Forest products	**7**	2	–	2	7
Service industries	**387**	240	191	181	82
Financial	**41**	28	66	2	39
Government	**3**	–	–	3	6
Other	**2**	–	–	21	1
	2,283	1,437	832	1,040	1,142

(1) Aggregate Net Loans and Acceptances are net of allowance for credit losses on performing loans and impaired loans (excluding those related to off-balance sheet instruments and undrawn commitments). The Consumer and Business and government Net Loans and Acceptances balances are net of allowance for credit losses on impaired loans only (excluding those related to off-balance sheet instruments and undrawn commitments).

(2) Segmented credit information by geographic area is based upon the country of ultimate risk.

(3) Net Impaired Loans and Acceptances are net of allowance for credit losses on impaired loans (excluding those related to off-balance sheet instruments and undrawn commitments).

Table 11: Changes in Gross Impaired Loans – Segmented Information (1) (2)

($ millions, except as noted)	Canada					United States					Other countries				
As at October 31	**2020**	2019	2018	2017	2016	**2020**	2019	2018	2017	2016	**2020**	2019	2018	2017	2016
Gross impaired loans and acceptances (GIL), beginning of year															
Consumer	**497**	426	439	407	404	**385**	470	508	585	557	**–**	–	–	–	–
Business and government	**417**	309	354	380	282	**1,330**	731	869	1,009	757	**–**	–	50	2	4
Total GIL, beginning of year	**914**	735	793	787	686	**1,715**	1,201	1,377	1,594	1,314	**–**	–	50	2	4
Additions to impaired loans and acceptances															
Consumer	**723**	895	836	697	631	**165**	244	274	360	473	**–**	–	–	–	–
Business and government	**1,097**	323	321	281	453	**2,571**	1,224	647	799	953	**93**	–	–	56	2
Total additions	**1,820**	1,218	1,157	978	1,084	**2,736**	1,468	921	1,159	1,426	**93**	–	–	56	2
Reductions to impaired loans and acceptances (3)															
Consumer	**(554)**	(586)	(628)	(479)	(446)	**(136)**	(242)	(212)	(301)	(282)	**–**	–	–	–	–
Business and government	**(366)**	(171)	(282)	(259)	(251)	**(1,528)**	(466)	(573)	(692)	(456)	**(9)**	–	(49)	(7)	(4)
Total reductions due to net repayments and other	**(920)**	(757)	(910)	(738)	(697)	**(1,664)**	(708)	(785)	(993)	(738)	**(9)**	–	(49)	(7)	(4)
Write-offs (4)															
Consumer	**(252)**	(238)	(221)	(186)	(182)	**(79)**	(87)	(100)	(136)	(163)	**–**	–	–	–	–
Business and government	**(219)**	(44)	(84)	(48)	(104)	**(497)**	(159)	(212)	(247)	(245)	**–**	–	(1)	(1)	–
Total write-offs	**(471)**	(282)	(305)	(234)	(286)	**(576)**	(246)	(312)	(383)	(408)	**–**	–	(1)	(1)	–
Gross impaired loans and acceptances, end of year															
Consumer	**414**	497	426	439	407	**335**	385	470	508	585	**–**	–	–	–	–
Business and government	**929**	417	309	354	380	**1,876**	1,330	731	869	1,009	**84**	–	–	50	2
Total GIL, end of year	**1,343**	914	735	793	787	**2,211**	1,715	1,201	1,377	1,594	**84**	–	–	50	2
Condition Ratios															
GIL as a % of Gross Loans															
Consumer	**0.23**	0.28	0.25	0.26	0.25	**1.53**	1.63	2.12	2.69	2.52	**–**	–	–	–	–
Business and government	**0.86**	0.39	0.33	0.43	0.48	**1.36**	0.98	0.66	0.89	1.03	**0.78**	–	–	0.44	0.02
Total Loans and Acceptances	**0.46**	0.32	0.28	0.32	0.33	**1.38**	1.08	0.90	1.18	1.31	**0.75**	–	–	0.43	0.02

(1) GIL excludes Purchased Credit Impaired Loans.
(2) Segmented credit information by geographic area is based upon the country of ultimate risk.
(3) Includes amounts returning to performing status, sales, repayments, the impact of foreign exchange, and offsets for consumer write-offs that are not recognized as formations.
(4) Excludes certain loans that are written off directly and not classified as new formations.

Total				
2020	2019	2018	2017	2016
882	896	947	992	961
1,747	1,040	1,273	1,391	1,043
2,629	1,936	2,220	2,383	2,004
888	1,139	1,110	1,057	1,104
3,761	1,547	968	1,136	1,408
4,649	2,686	2,078	2,193	2,512
(690)	(828)	(840)	(780)	(728)
(1,903)	(637)	(904)	(958)	(711)
(2,593)	(1,465)	(1,744)	(1,738)	(1,439)
(331)	(325)	(321)	(322)	(345)
(716)	(203)	(297)	(296)	(349)
(1,047)	(528)	(618)	(618)	(694)
749	882	896	947	992
2,889	1,747	1,040	1,273	1,391
3,638	2,629	1,936	2,220	2,383
0.37	0.44	0.47	0.51	0.54
1.13	0.70	0.49	0.66	0.74
0.79	0.58	0.48	0.59	0.64

Table 12: Changes in Allowance for Credit Losses – Segmented Information (1) (2)

($ millions, except as noted)	Canada					United States					Other countries				
As at October 31	**2020**	2019	2018	2017	2016	**2020**	2019	2018	2017	2016	**2020**	2019	2018	2017	2016
Allowance for credit losses (ACL), beginning of year															
Consumer	**749**	725	705	595	614	**200**	230	301	254	393	**–**	–	–	–	–
Business and government	**303**	255	317	471	388	**821**	648	566	793	657	**21**	12	29	1	–
Total ACL, beginning of year	**1,052**	980	1,022	1,066	1,002	**1,021**	878	867	1,047	1,050	**21**	12	29	1	–
Provision for credit losses (3)															
Consumer	**801**	470	416	394	373	**86**	1	(9)	74	(33)	**–**	–	–	–	–
Business and government	**685**	93	28	37	174	**1,336**	302	243	220	257	**29**	9	(21)	21	–
Total provision for credit losses	**1,486**	563	444	431	547	**1,422**	303	234	294	224	**29**	9	(21)	21	–
Recoveries															
Consumer	**117**	120	127	134	102	**63**	104	75	81	87	**–**	–	–	–	–
Business and government	**20**	4	5	10	14	**52**	62	51	40	140	**–**	–	3	–	–
Total recoveries	**137**	124	132	144	116	**115**	166	126	121	227	**–**	–	3	–	–
Write-offs															
Consumer	**(556)**	(551)	(515)	(501)	(481)	**(108)**	(113)	(125)	(157)	(173)	**–**	–	–	–	–
Business and government	**(219)**	(44)	(84)	(48)	(104)	**(497)**	(159)	(212)	(247)	(245)	**–**	–	(1)	(1)	–
Total write-offs	**(775)**	(595)	(599)	(549)	(585)	**(605)**	(272)	(337)	(404)	(418)	**–**	–	(1)	(1)	–
Other, including foreign exchange rate changes															
Consumer	**(38)**	(15)	(8)	(10)	(13)	**(24)**	(22)	(12)	(23)	(20)	**–**	–	–	–	–
Business and government	**(7)**	(5)	(11)	(27)	(1)	**(16)**	(32)	–	(114)	(16)	**(4)**	–	2	(1)	1
Total Other, including foreign exchange rate changes	**(45)**	(20)	(19)	(37)	(14)	**(40)**	(54)	(12)	(137)	(36)	**(4)**	–	2	(1)	1
ACL, end of year															
Consumer	**1,073**	749	725	612	595	**217**	200	230	229	254	**–**	–	–	–	–
Business and government	**782**	303	255	443	471	**1,696**	821	648	692	793	**46**	21	12	20	1
Total ACL, end of year	**1,855**	1,052	980	1,055	1,066	**1,913**	1,021	878	921	1,047	**46**	21	12	20	1
Net write-offs as a % of average loans and acceptances (4)	**un**	un	un	un	un	**un**	un	un	un	un	**un**	un	un	un	un

Table 13: Allocation of Allowance for Credit Losses – Segmented Information (1) (5)

($ millions, except as noted)	Canada					United States					Other countries				
As at October 31	**2020**	2019	2018	2017	2016	**2020**	2019	2018	2017	2016	**2020**	2019	2018	2017	2016
Consumer															
Residential mortgages	**11**	10	9	12	15	**5**	7	10	12	18	**–**	–	–	–	–
Consumer instalment and other personal loans	**89**	116	106	94	76	**16**	20	37	42	47	**–**	–	–	–	–
Total consumer	**100**	126	115	106	91	**21**	27	47	54	65	**–**	–	–	–	–
Business and government	**203**	81	74	106	82	**389**	229	134	107	166	**14**	–	–	20	1
Total allowance for credit losses on impaired loans	**303**	207	189	212	173	**410**	256	181	161	231	**14**	–	–	20	1
Allowance for credit losses on performing loans (3)	**1,323**	740	689	799	833	**1,225**	630	574	641	687	**28**	17	6	–	–
Allowance for credit losses	**1,626**	947	878	1,011	1,006	**1,635**	886	755	802	918	**42**	17	6	20	1
Coverage Ratios															
Allowance for credit losses on impaired loans as a % of gross impaired loans and acceptances															
Total	**22.6**	22.6	25.7	26.7	22.0	**18.5**	14.9	15.1	11.7	14.5	**16.7**	–	–	40.0	50.0
Consumer	**24.2**	25.4	27.0	24.1	22.4	**6.3**	7.0	10.0	10.6	11.1	**–**	–	–	–	–
Business and government	**21.9**	19.4	23.9	29.9	21.6	**20.7**	17.2	18.3	12.3	16.5	**16.7**	–	–	40.0	50.0

(1) Segmented credit information by geographic area is based upon country of ultimate risk.
(2) Prior periods have not been restated to reflect the adoption of IFRS 9 in 2018. The adoption of IFRS 9 in 2018 has been applied prospectively.
(3) Excludes provision for credit losses on other assets.
(4) Aggregate Net Loans and Acceptances balances are net of allowance for credit losses on performing loans and impaired loans (excluding those related to off-balance sheet instruments).
(5) Amounts exclude allowance for credit losses included in Other Liabilities.

un – unavailable

Total				
2020	2019	2018	2017	2016
949	955	1,006	849	1,007
1,145	915	912	1,265	1,045
2,094	1,870	1,918	2,114	2,052
887	471	407	468	340
2,050	404	250	278	431
2,937	875	657	746	771
180	224	202	215	189
72	66	59	50	154
252	290	261	265	343
(664)	(664)	(640)	(658)	(654)
(716)	(203)	(297)	(296)	(349)
(1,380)	(867)	(937)	(954)	(1,003)
(62)	(37)	(20)	(33)	(33)
(27)	(37)	(9)	(142)	(16)
(89)	(74)	(29)	(175)	(49)
1,290	949	955	841	849
2,524	1,145	915	1,155	1,265
3,814	2,094	1,870	1,996	2,114
0.24	0.13	0.17	0.19	0.19

Total				
2020	2019	2018	2017	2016
16	17	19	24	33
105	136	143	136	123
121	153	162	160	156
606	310	208	233	249
727	463	370	393	405
2,576	1,387	1,269	1,440	1,520
3,303	1,850	1,639	1,833	1,925
20.0	17.6	19.1	17.7	17.0
16.2	17.3	18.1	16.9	15.7
21.0	17.7	20.0	18.3	17.9

Table 14: Allowance for Credit Losses on Impaired Loans – Segmented Information

($ millions) As at October 31	**2020**	2019	2018	2017	2016
Business and Government					
Allowance for Credit Losses on Impaired Loans by Industry					
Commercial real estate	**11**	9	8	15	13
Construction (non-real estate)	**18**	8	16	14	4
Retail trade	**53**	11	17	14	12
Wholesale trade	**35**	52	23	17	31
Agriculture	**36**	22	16	11	19
Communications	**8**	7	–	–	1
Financing products	**–**	–	–	–	–
Manufacturing	**67**	35	20	51	36
Mining	**10**	–	–	–	1
Oil and gas	**184**	48	17	42	45
Transportation	**32**	30	31	13	9
Utilities	**–**	–	–	2	3
Forest products	**5**	–	1	1	1
Service industries	**132**	79	46	51	50
Financial	**7**	3	1	2	10
Government	**1**	1	–	–	–
Other	**7**	5	12	–	14
Total business and government (1)	**606**	310	208	233	249

Table 15: Provision for Credit Losses – Segmented Information

($ millions) For the year ended October 31	**2020**	2019	2018	2017	2016
Consumer					
Residential mortgages	**17**	16	19	11	24
Cards	**261**	246	216	232	232
Consumer instalment and other personal loans	**226**	201	231	232	246
Total consumer	**504**	463	466	475	502
Business and Government					
Commercial real estate	**6**	5	(2)	(4)	(16)
Construction (non-real estate)	**70**	1	–	25	15
Retail trade	**73**	(2)	10	29	13
Wholesale trade	**22**	54	18	24	11
Agriculture	**30**	27	37	31	56
Communications	**1**	7	–	(1)	2
Financing products	**–**	–	–	–	–
Manufacturing	**128**	25	20	28	29
Mining	**10**	–	–	–	20
Oil and gas	**293**	51	(25)	9	105
Transportation	**116**	67	74	108	56
Utilities	**1**	1	(2)	–	3
Forest products	**6**	–	(1)	–	(1)
Service industries	**243**	68	87	102	21
Financial	**(6)**	(35)	(4)	(3)	(7)
Government	**–**	1	–	–	–
Other	**25**	18	22	(1)	(38)
Total business and government	**1,018**	288	234	347	269
Total provision for credit losses on impaired loans	**1,522**	751	700	822	771
Provision for credit losses on performing loans (2)	**1,431**	121	(38)	(76)	–
	2,953	872	662	746	771
Performance Ratios (%)					
PCL to average net loans and acceptances	**0.63**	0.20	0.17	0.20	0.22
PCL on impaired loans to segmented average net loans and acceptances					
Consumer	**0.25**	0.24	0.25	0.26	0.28
Business and government	**0.39**	0.12	0.12	0.18	0.15
PCL on impaired loans to average net loans and acceptances	**0.33**	0.17	0.18	0.22	0.22

(1) Amounts exclude allowance for credit losses included in Other Liabilities.
(2) Prior periods have not been restated to reflect the adoption of IFRS 9 in 2018. The adoption of IFRS 9 in 2018 has been applied prospectively.

Table 16: Average Deposits

($ millions, except as noted)	2020 Average balance	2020 Average rate paid (%)	2019 Average balance	2019 Average rate paid (%)	2018 Average balance	2018 Average rate paid (%)
Deposits Booked in Canada						
Demand deposits – interest bearing	**35,643**	**0.82**	24,211	1.18	20,874	0.86
Demand deposits – non-interest bearing	**56,936**	**–**	47,849	–	45,967	–
Payable after notice	**101,870**	**0.63**	86,531	1.24	81,941	0.84
Payable on a fixed date	**194,456**	**1.86**	173,337	2.33	150,583	1.97
Total deposits booked in Canada	**388,905**	**1.17**	331,928	1.63	299,365	1.28
Deposits Booked in the United States and Other Countries						
Banks located in the United States and other countries (1)	**20,927**	**1.07**	23,563	2.41	24,596	1.92
Governments and institutions in the United States and other countries	**8,852**	**0.91**	12,253	1.97	10,014	1.49
Other demand deposits	**16,321**	**0.27**	14,484	0.86	13,858	0.30
Other deposits payable after notice or on a fixed date	**194,096**	**0.69**	164,540	1.38	150,513	1.05
Total deposits booked in the United States and other countries	**240,196**	**0.70**	214,840	1.49	198,981	1.13
Total average deposits	**629,101**	**0.99**	546,768	1.58	498,346	1.22

As at October 31, 2020, 2019 and 2018: deposits by foreign depositors in our Canadian bank offices amounted to $52,433 million, $46,766 million and $48,592 million, respectively; total deposits payable after notice included $51,536 million, $39,382 million and $34,754 million, respectively, of chequing accounts that would have been classified as demand deposits under U.S. reporting requirements; and total deposits payable on a fixed date included $26,727 million, $25,098 million and $28,927 million, respectively, of federal funds purchased, commercial paper issued and other deposit liabilities. These amounts would have been classified as short-term borrowings for U.S. reporting purposes.

(1) Includes regulated and central banks.

Statement of Management's Responsibility for Financial Information

Management of Bank of Montreal (the bank) is responsible for the preparation and presentation of the annual consolidated financial statements, Management's Discussion and Analysis (MD&A) and all other information in the Annual Report.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and meet the applicable requirements of the Canadian Securities Administrators (CSA) and the Securities and Exchange Commission (SEC) in the United States. The financial statements also comply with the provisions of the *Bank Act (Canada)* and related regulations, including interpretations of IFRS by our regulator, the Office of the Superintendent of Financial Institutions Canada. The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 *Continuous Disclosure Obligations* of the CSA.

The consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because events and circumstances in the future may not occur as expected.

The financial information presented in the bank's Annual Report is consistent with that in the consolidated financial statements.

In meeting our responsibility for the reliability and timeliness of financial information, we maintain and rely on a comprehensive system of internal controls, including organizational and procedural controls, disclosure controls and procedures, and internal control over financial reporting. Our system of internal controls includes written communication of our policies and procedures governing corporate conduct and risk management; comprehensive business planning; effective segregation of duties; delegation of authority and personal accountability; escalation of relevant information for decisions regarding public disclosure; careful selection and training of personnel; and accounting policies that we regularly update. Our internal controls are designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained and that we are in compliance with all regulatory requirements. The system of internal controls is further supported by a compliance function, which is designed to ensure that we and our employees comply with securities legislation and conflict of interest rules, and by an internal audit staff, which conducts periodic audits of all aspects of our operations.

As of October 31, 2020, we, as the bank's Chief Executive Officer and Chief Financial Officer, have determined that the bank's internal control over financial reporting is effective. We have certified Bank of Montreal's annual filings with the CSA and with the SEC pursuant to National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings* and the *Securities Exchange Act of 1934.*

In order to provide their audit opinions on our consolidated financial statements and on the bank's internal control over financial reporting, the Shareholders' Auditors audit our system of internal controls over financial reporting and conduct work to the extent that they consider appropriate. Their audit opinion on the bank's internal control over financial reporting as of October 31, 2020 is set forth on page 144.

The Board of Directors, based on recommendations from its Audit and Conduct Review Committee, reviews and approves the financial information contained in the Annual Report, including the MD&A. The Board of Directors and its relevant committees oversee management's responsibilities for the preparation and presentation of financial information, maintenance of appropriate internal controls, compliance with legal and regulatory requirements, management and control of major risk areas, and assessment of significant and related party transactions.

The Audit and Conduct Review Committee, which is comprised entirely of independent directors, is also responsible for selecting the Shareholders' Auditors and reviewing the qualifications, independence and performance of both the Shareholders' Auditors and internal audit. The Shareholders' Auditors and the bank's Chief Auditor have full and free access to the Board of Directors, its Audit and Conduct Review Committee and other relevant committees to discuss audit, financial reporting and related matters.

The Office of the Superintendent of Financial Institutions Canada conducts examinations and inquiries into the affairs of the bank as are deemed necessary to ensure that the provisions of the *Bank Act,* with respect to the safety of the depositors, are being duly observed and that the bank is in sound financial condition.

Darryl White	**Thomas E. Flynn**	Toronto, Canada
Chief Executive Officer	Chief Financial Officer	December 1, 2020

Independent Auditors' Report

To the Shareholders of Bank of Montreal

Opinion

We have audited the consolidated financial statements of Bank of Montreal (the Bank), which comprise:

- the consolidated balance sheets as at October 31, 2020 and October 31, 2019
- the consolidated statements of income for each of the years in the three-year period ended October 31, 2020
- the consolidated statements of comprehensive income for each of the years in the three-year period ended October 31, 2020
- the consolidated statements of changes in equity for each of the years in the three-year period ended October 31, 2020
- the consolidated statements of cash flows for each of the years in the three-year period ended October 31, 2020
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the consolidated financial statements).

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as at October 31, 2020 and October 31, 2019, and its consolidated financial performance and its consolidated cash flows for each of the years in the three-year period ended October 31, 2020 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our auditors' report.

We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended October 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditors' report.

Assessment of the Allowances for Credit Losses for Loans

Refer to Notes 1 and 4 to the consolidated financial statements.

The Bank's allowance for credit losses (ACL) as at October 31, 2020 was $3,814 million. The Bank's ACL consists of allowances for impaired loans and allowances for performing loans (APL), both calculated under the IFRS 9 Financial Instruments expected credit losses framework. APL is calculated for each exposure in the loan portfolio as a function of the key modelled inputs being probability of default (PD), exposure at default (EAD) and loss given default (LGD). In establishing APL, the Bank's methodology attaches probability weightings to three economic scenarios, which represent the Bank's judgment about a range of forecast economic variables – a base case scenario being the Bank's view of the most probable outcome, as well as benign and adverse scenarios. Where there has been a significant increase in credit risk, lifetime APL is recorded; otherwise 12 months of APL is generally recorded. The Bank's methodology for determining significant increase in credit risk is based on the change in PD between the origination date and reporting date and is assessed using probability weighted scenarios as well as certain other criteria, such as a 30-day past due and watchlist status. The Bank uses experienced credit judgment (ECJ) to reflect factors not captured in the results produced by the APL models.

We identified the assessment of the ACL for loans as a key audit matter. Significant auditor judgment was required because there was a high degree of measurement uncertainty in the Bank's key modelled inputs, methodology and judgments and their resulting impact on the APL, as described above, including impacts of the COVID-19 pandemic. Assessing the APL also required significant auditor attention and complex auditor judgment to evaluate the results of audit procedures. Further, specialized skills and knowledge, including experience in the industry, were required to apply audit procedures and evaluate the results of those procedures.

The following are the primary procedures we performed to address this key audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Bank's APL process, with the involvement of credit risk, economics, and information technology professionals with specialized skills, industry knowledge and relevant experience. This included internal controls related to (1) monitoring and periodic validation of the models used to derive the key modelled inputs, (2) monitoring of the methodology for identifying significant increase in credit risk, and (3) review of the economic variables, probability weighting of scenarios and ECJ. We also tested the controls over the Bank's APL process related to loan reviews for determination of loan risk grades for wholesale loans. We involved credit risk and economics professionals with specialized skills, industry knowledge and relevant experience, who assisted in evaluating the (1) key modelled inputs and APL methodology including the determination of significant increases in credit risk by evaluating the methodology for compliance with IFRS 9 and re-calculating model monitoring tests in respect of the key modelled inputs and thresholds used for significant increases in credit risk, (2) economic variables and probability weighting of scenarios used in the models by assessing the variables and scenarios against external economic data, and (3) ECJ overlays to the APL used by the Bank by applying our knowledge of the industry and credit judgment to assess management's judgments. For a selection of wholesale loans, we developed an independent estimate of the loan risk grades using the Bank's borrower risk rating scale, and compared that to the Bank's assigned loan risk grade.

Assessment of the Measurement of the Fair Value of Certain Securities

Refer to Notes 1, 3 and 17 to the consolidated financial statements.

The Bank's securities portfolio included $184,809 million of securities as at October 31, 2020 that are measured at fair value. Included in these amounts are certain securities for which the Bank determines fair value using models and third-party net asset valuations (NAVs) that use significant unobservable market information. Unobservable inputs require the use of significant judgment. Certain of the significant unobservable inputs used in the valuation of such securities are NAVs and prepayment rates.

We identified the assessment of the measurement of the fair value of certain securities as a key audit matter. Significant auditor judgment was required because there was a high degree of measurement uncertainty in the significant unobservable inputs. Significant auditor attention and complex auditor judgment was required to evaluate the results of audit procedures. Further, specialized skills and knowledge, including experience in the industry, were required to apply audit procedures and evaluate the results of those procedures.

The following are the primary procedures we performed to address this key audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Bank's process to determine the fair value of certain securities with the involvement of valuation and information technology professionals with specialized skills, industry knowledge and relevant experience. This included controls related to (1) the assessment of rate sources used in independent price verification, and (2) segregation of duties and access controls. We also evaluated the design and tested the operating effectiveness of the controls related to the 1) review of third-party NAVs, 2) independent price verification, and 3) assessment of fair value hierarchy classification. We tested, with involvement of valuation professionals with specialized skills, industry knowledge and relevant experience, the fair value of a selection of securities, for which prepayment rates are used in valuation, by developing an independent estimate of fair value and comparing it to the fair value determined by the Bank. For a selection of securities, we compared the NAVs to external information.

Assessment of Income Tax Uncertainties

Refer to Notes 1 and 22 to the consolidated financial statements.

In determining the provision for income taxes, the Bank interprets tax legislation, case law and administrative positions, and, based on its judgment, records a provision for an estimate of the amount required to settle tax obligations.

We identified the assessment of income tax uncertainties as a key audit matter. Significant auditor judgment was required because there was a high degree of subjectivity in assessing the need to record a provision, based on interpretation of tax legislation, case law and administrative positions, for these uncertainties and estimating the amount of such provision, if necessary. This required significant auditor attention and complex auditor judgment to evaluate the results of audit procedures. Further, specialized skills and knowledge, including experience in the industry, were required to apply audit procedures and evaluate the results of those audit procedures.

The following are the primary procedures we performed to address this key audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Bank's process for evaluating income tax uncertainties with the involvement of tax professionals with specialized skills, industry knowledge and relevant experience. This included controls related to the 1) identification of tax uncertainties based on interpretation of tax legislation, case law and administrative positions, and 2) determination of the best estimate of the provision required, if any. We involved tax professionals with specialized skills, industry knowledge and relevant experience, who assisted in 1) evaluating, based on their knowledge and experience, the Bank's interpretations of tax legislation, case law and administrative positions and the assessment of certain tax uncertainties and expected outcomes, including, if applicable, the measurement thereof, 2) reading advice obtained by the Bank from external specialists and evaluating its impact on the Bank's provision, if necessary, and 3) reading correspondence with taxation authorities and evaluating its impact on the Bank's provision, if necessary.

Assessment of Insurance-related Liabilities

Refer to Notes 1 and 14 to the consolidated financial statements.

The Bank's insurance-related liabilities as at October 31, 2020 were $12,441 million. The Bank determines the liabilities for life insurance contracts by applying the Canadian Asset Liability Method for Insurance Contracts, which incorporates best-estimate assumptions. Certain significant assumptions include mortality, policy lapses and future investment yields.

We identified the assessment of insurance-related liabilities as a key audit matter. Significant auditor judgment was required because there was a high degree of measurement uncertainty in the significant assumptions. Significant and complex auditor judgment was required to evaluate the results of audit procedures. Further, specialized skills and knowledge, including experience in the industry, were required to apply audit procedures and evaluate the results of those audit procedures.

The following are the primary procedures we performed to address this key audit matter. With the assistance of actuarial professionals with specialized skills, industry knowledge and relevant experience, we evaluated the design and tested the operating effectiveness of internal control over assessment of the significant assumptions. We involved these actuarial professionals also in testing the significant assumptions by examining the Bank's internal and external experience studies for policy lapses and mortality, and examining management's calculations and comparing certain inputs into the future investment yields to externally available data.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the consolidated financial statements and the auditors' report thereon, included in a document entitled the "Annual Report".

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis and the Annual Report filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank'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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Canadian generally accepted auditing standards 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 the consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditors' report is James Edward Newton.

Toronto, Canada

December 1, 2020

Report of Independent Registered Public Accounting Firm

To the Shareholders of Bank of Montreal

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Bank of Montreal (the Bank) as at October 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended October 31, 2020, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Bank as at October 31, 2020 and 2019, and its financial performance and its cash flows for each of the years in the three-year period ended October 31, 2020, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Bank's internal control over financial reporting as of October 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated December 1, 2020 expressed an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Bank in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the Audit and Conduct Review Committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of the Allowances for Credit Losses for Loans

As discussed in Notes 1 and 4 to the consolidated financial statements, the Bank's allowance for credit losses (ACL) as at October 31, 2020 was $3,814 million. The Bank's ACL consists of allowances for impaired loans and allowances for performing loans (APL), both calculated under the IFRS 9 Financial Instruments expected credit losses framework. APL is calculated for each exposure in the loan portfolio as a function of the key modelled inputs being probability of default (PD), exposure at default (EAD) and loss given default (LGD). In establishing APL, the Bank's methodology attaches probability weightings to three economic scenarios, which represent the Bank's judgment about a range of forecast economic variables – a base case scenario being the Bank's view of the most probable outcome, as well as benign and adverse scenarios. Where there has been a significant increase in credit risk, lifetime APL is recorded; otherwise 12 months of APL is generally recorded. The Bank's methodology for determining significant increase in credit risk is based on the change in PD between the origination date and reporting date and is assessed using probability weighted scenarios as well as certain other criteria, such as 30-day past due and watchlist status. The Bank uses experienced credit judgment (ECJ) to reflect factors not captured in the results produced by the APL models.

We identified the assessment of the ACL for loans as a critical audit matter. Significant auditor judgment was required because there was a high degree of measurement uncertainty in the Bank's key modelled inputs, methodology and judgments and their resulting impact on the APL, as described above, including impacts of the COVID-19 pandemic. Assessing the APL also required significant auditor attention and complex auditor judgment to evaluate the results of audit procedures. Further, specialized skills and knowledge, including experience in the industry, were required to apply audit procedures and evaluate the results of those procedures.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Bank's APL process, with the involvement of credit risk, economics, and information technology professionals with specialized skills, industry knowledge and relevant experience. This included internal controls related to (1) monitoring and periodic validation of the models used to derive the key modelled inputs, (2) monitoring of the methodology for identifying significant increase in credit risk, and (3) review of the economic variables, probability weighting of scenarios and ECJ. We also tested the controls over the Bank's APL process related to loan reviews for determination of loan risk grades for wholesale loans. We involved credit risk and economics professionals with specialized skills, industry knowledge and relevant experience, who assisted in evaluating the (1) key modelled inputs and APL methodology including the determination of significant increases in credit risk by evaluating the methodology for compliance with IFRS 9 and re-calculating model monitoring tests in respect of the key modelled inputs and thresholds used for significant increases in credit risk, (2) economic variables and probability weighting of scenarios used in the models by assessing the variables and scenarios against external economic data, and (3) ECJ overlays to the APL used by the Bank by applying our knowledge of the industry and credit judgment to assess management's judgments. For a selection of wholesale loans, we developed an independent estimate of the loan risk grades using the Bank's borrower risk rating scale, and compared that to the Bank's assigned loan risk grade.

Assessment of the Measurement of the Fair Value of Certain Securities

As discussed in Notes 1, 3 and 17 to the consolidated financial statements, the Bank's securities portfolio included $184,809 million of securities as at October 31, 2020 that are measured at fair value. Included in these amounts are certain securities for which the Bank determines fair value using models and third-party net asset valuations (NAVs) that use significant unobservable market information. Unobservable inputs require the use of significant judgment. Certain of the significant unobservable inputs used in the valuation of such securities are NAVs and prepayment rates.

We identified the assessment of the measurement of the fair value of certain securities as a critical audit matter. Significant auditor judgment was required because there was a high degree of measurement uncertainty in the significant unobservable inputs. Significant auditor attention and complex auditor judgment was required to evaluate the results of audit procedures. Further, specialized skills and knowledge, including experience in the industry, were required to apply audit procedures and evaluate the results of those procedures.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Bank's process to determine the fair value of certain securities with the involvement of valuation and information technology professionals with specialized skills, industry knowledge and relevant experience. This included controls related to (1) the assessment of rate sources used in independent price verification, and (2) segregation of duties and access controls. We also evaluated the design and tested the operating effectiveness of the controls related to the 1) review of third-party NAVs, 2) independent price verification, and 3) assessment of fair value hierarchy classification. We tested, with involvement of valuation professionals with specialized skills, industry knowledge and relevant experience, the fair value of a selection of securities, for which prepayment rates are used in valuation, by developing an independent estimate of fair value and comparing it to the fair value determined by the Bank. For a selection of securities, we compared the NAVs to external information.

Assessment of Income Tax Uncertainties

As discussed in Notes 1 and 22 to the consolidated financial statements, in determining the provision for income taxes, the Bank interprets tax legislation, case law and administrative positions, and, based on its judgment, records a provision for an estimate of the amount required to settle tax obligations.

We identified the assessment of income tax uncertainties as a critical audit matter. Significant auditor judgment was required because there was a high degree of subjectivity in assessing the need to record a provision, based on interpretation of tax legislation, case law and administrative positions, for these uncertainties and estimating the amount of such provision, if necessary. This required significant auditor attention and complex auditor judgment to evaluate the results of audit procedures. Further, specialized skills and knowledge, including experience in the industry, were required to apply audit procedures and evaluate the results of those audit procedures.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Bank's process for evaluating income tax uncertainties with the involvement of tax professionals with specialized skills, industry knowledge and relevant experience. This included controls related to the 1) identification of tax uncertainties based on interpretation of tax legislation, case law and administrative positions, and 2) determination of the best estimate of the provision required, if any. We involved tax professionals with specialized skills, industry knowledge and relevant experience, who assisted in 1) evaluating, based on their knowledge and experience, the Bank's interpretations of tax legislation, case law and administrative positions and the assessment of certain tax uncertainties and expected outcomes, including, if applicable, the measurement thereof, 2) reading advice obtained by the Bank from external specialists and evaluating its impact on the Bank's provision, if necessary, and 3) reading correspondence with taxation authorities and evaluating its impact on the Bank's provision, if necessary.

Assessment of Insurance-related Liabilities

As discussed in Notes 1 and 14 to the consolidated financial statements, the Bank's insurance-related liabilities as at October 31, 2020 were $12,441 million. The Bank determines the liabilities for life insurance contracts by applying the Canadian Asset Liability Method for Insurance Contracts, which incorporates best-estimate assumptions. Certain significant assumptions include mortality, policy lapses and future investment yields.

We identified the assessment of insurance-related liabilities as a critical audit matter. Significant auditor judgment was required because there was a high degree of measurement uncertainty in the significant assumptions. Significant and complex auditor judgment was required to evaluate the results of audit procedures. Further, specialized skills and knowledge, including experience in the industry, were required to apply audit procedures and evaluate the results of those audit procedures.

The following are the primary procedures we performed to address this critical audit matter. With the assistance of actuarial professionals with specialized skills, industry knowledge and relevant experience, we evaluated the design and tested the operating effectiveness of internal control over assessment of the significant assumptions. We involved these actuarial professionals also in testing the significant assumptions by examining the Bank's internal and external experience studies for policy lapses and mortality, and examining management's calculations and comparing certain inputs into the future investment yields to externally available data.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

We have served as the Bank's auditor since 2004 and as joint auditor for the prior 12 years.

Toronto, Canada
December 1, 2020

Report of Independent Registered Public Accounting Firm

To the Shareholders of Bank of Montreal

Opinion on Internal Control over Financial Reporting

We have audited Bank of Montreal's internal control over financial reporting as of October 31, 2020, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, Bank of Montreal (the Bank) maintained, in all material respects, effective internal control over financial reporting as of October 31, 2020, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Bank as at October 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended October 31, 2020, and the related notes (collectively, the consolidated financial statements) and our report dated December 1, 2020 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Bank's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Disclosure Controls and Procedures and Internal Control over Financial Reporting, on page 121 of Management's Discussion and Analysis. Our responsibility is to express an opinion on the Bank's internal control over financial reporting based on our audit.

We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Bank in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada
December 1, 2020

Consolidated Statement of Income

For the Year Ended October 31 (Canadian $ in millions, except as noted)	2020	2019	2018
Interest, Dividend and Fee Income			
Loans	$ **17,945**	$ 19,824	$ 16,275
Securities (Note 3) (1)	**4,980**	5,541	4,119
Deposits with banks	**390**	787	641
	23,315	26,152	21,035
Interest Expense			
Deposits	**6,239**	8,616	6,080
Subordinated debt	**265**	279	226
Other liabilities (Note 14)	**2,840**	4,369	3,291
	9,344	13,264	9,597
Net Interest Income	**13,971**	12,888	11,438
Non-Interest Revenue			
Securities commissions and fees	**1,036**	1,023	1,025
Deposit and payment service charges	**1,221**	1,204	1,134
Trading revenues (Note 17)	**15**	298	705
Lending fees	**1,295**	1,192	997
Card fees	**358**	437	428
Investment management and custodial fees	**1,807**	1,747	1,749
Mutual fund revenues	**1,417**	1,419	1,473
Underwriting and advisory fees	**1,070**	975	943
Securities gains, other than trading (Note 3)	**124**	249	239
Foreign exchange gains, other than trading	**127**	166	182
Insurance revenue	**2,178**	3,183	1,879
Investments in associates and joint ventures	**161**	151	167
Other	**406**	551	546
	11,215	12,595	11,467
Total Revenue	**25,186**	25,483	22,905
Provision for Credit Losses (Note 4)	**2,953**	872	662
Insurance Claims, Commissions and Changes in Policy Benefit Liabilities (Note 14)	**1,708**	2,709	1,352
Non-Interest Expense			
Employee compensation (Notes 20 and 21)	**7,944**	8,423	7,461
Premises and equipment (Note 9)	**3,202**	2,988	2,753
Amortization of intangible assets (Note 11)	**620**	554	503
Travel and business development	**384**	545	519
Communications	**304**	296	282
Professional fees	**555**	568	572
Other	**1,168**	1,256	1,387
	14,177	14,630	13,477
Income Before Provision for Income Taxes	**6,348**	7,272	7,414
Provision for income taxes (Note 22)	**1,251**	1,514	1,961
Net Income	$ **5,097**	$ 5,758	$ 5,453
Earnings Per Common Share (Canadian $) (Note 23)			
Basic	$ **7.56**	$ 8.68	$ 8.19
Diluted	**7.55**	8.66	8.17
Dividends per common share	**4.24**	4.06	3.78

(1) Includes interest income on securities measured at fair value through other comprehensive income and amortized cost, calculated using the effective interest rate method, of $1,532 million for the year ended October 31, 2020 ($1,853 million for the year ended October 31, 2019 and $1,290 million for the year ended October 31, 2018).

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

Certain comparative figures have been reclassified to conform with the current year's presentation.

Darryl White
Chief Executive Officer

Jan Babiak
Chair, Audit and Conduct Review Committee

Consolidated Statement of Comprehensive Income

For the Year Ended October 31 (Canadian $ in millions)	2020	2019	2018
Net Income	**$ 5,097**	$ 5,758	$ 5,453
Other Comprehensive Income (Loss), net of taxes (Note 22)			
Items that may subsequently be reclassified to net income			
Net change in unrealized gains (losses) on fair value through OCI debt securities			
Unrealized gains (losses) on fair value through OCI debt securities arising during the year	**410**	412	(251)
Reclassification to earnings of (gains) in the year	**(81)**	(72)	(65)
	329	340	(316)
Net change in unrealized gains (losses) on cash flow hedges			
Gains (losses) on derivatives designated as cash flow hedges arising during the year	**1,513**	1,444	(1,228)
Reclassification to earnings of (gains) losses on derivatives designated as cash flow hedges	**(47)**	143	336
	1,466	1,587	(892)
Net gains (losses) on translation of net foreign operations			
Unrealized gains (losses) on translation of net foreign operations	**373**	(11)	417
Unrealized (losses) on hedges of net foreign operations	**(96)**	(13)	(155)
	277	(24)	262
Items that will not be reclassified to net income			
Gains (losses) on remeasurement of pension and other employee future benefit plans	**(255)**	(552)	261
Gains (losses) on remeasurement of own credit risk on financial liabilities designated at fair value	**(28)**	75	(24)
Unrealized gains on fair value through OCI equity securities arising during the year	**–**	1	–
	(283)	(476)	237
Other Comprehensive Income (Loss), net of taxes (Note 22)	**1,789**	1,427	(709)
Total Comprehensive Income	**$ 6,886**	$ 7,185	$ 4,744

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

Consolidated Financial Statements

Consolidated Balance Sheet

As at October 31 (Canadian $ in millions)		2020		2019
Assets				
Cash and Cash Equivalents (Note 2)	$	**57,408**	$	48,803
Interest Bearing Deposits with Banks (Note 2)		**9,035**		7,987
Securities (Note 3)				
Trading		**97,834**		85,903
Fair value through profit or loss		**13,568**		13,704
Fair value through other comprehensive income		**73,407**		64,515
Debt securities at amortized cost		**48,466**		24,472
Investments in associates and joint ventures		**985**		844
		234,260		189,438
Securities Borrowed or Purchased Under Resale Agreements (Note 4)		**111,878**		104,004
Loans (Notes 4 and 6)				
Residential mortgages		**127,024**		123,740
Consumer instalment and other personal		**70,148**		67,736
Credit cards		**7,889**		8,859
Business and government		**243,246**		227,609
		448,307		427,944
Allowance for credit losses (Note 4)		**(3,303)**		(1,850)
		445,004		426,094
Other Assets				
Derivative instruments (Note 8)		**36,815**		22,144
Customers' liability under acceptances (Note 12)		**13,493**		23,593
Premises and equipment (Notes 1 and 9)		**4,183**		2,055
Goodwill (Note 11)		**6,535**		6,340
Intangible assets (Note 11)		**2,442**		2,424
Current tax assets		**1,260**		1,165
Deferred tax assets (Note 22)		**1,473**		1,568
Other (Note 12)		**25,475**		16,580
		91,676		75,869
Total Assets	$	**949,261**	$	852,195
Liabilities and Equity				
Deposits (Note 13)	$	**659,034**	$	568,143
Other Liabilities				
Derivative instruments (Note 8)		**30,375**		23,598
Acceptances (Note 14)		**13,493**		23,593
Securities sold but not yet purchased (Note 14)		**29,376**		26,253
Securities lent or sold under repurchase agreements (Note 6)		**88,658**		86,656
Securitization and structured entities' liabilities (Notes 6 and 7)		**26,889**		27,159
Current tax liabilities		**126**		55
Deferred tax liabilities (Note 22)		**108**		60
Other (Notes 1 and 14)		**36,193**		38,607
		225,218		225,981
Subordinated Debt (Note 15)		**8,416**		6,995
Equity				
Preferred shares and other equity instruments (Note 16)		**6,598**		5,348
Common shares (Note 16)		**13,430**		12,971
Contributed surplus		**302**		303
Retained earnings (Note 1)		**30,745**		28,725
Accumulated other comprehensive income		**5,518**		3,729
Total Equity		**56,593**		51,076
Total Liabilities and Equity	$	**949,261**	$	852,195

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

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

For the Year Ended October 31 (Canadian $ in millions)	2020	2019	2018
Preferred Shares and Other Equity Instruments (Note 16)			
Balance at beginning of year	**$ 5,348**	$ 4,340	$ 4,240
Issued during the year	**1,250**	1,008	400
Redeemed during the year	**–**	–	(300)
Balance at End of Year	**6,598**	5,348	4,340
Common Shares (Note 16)			
Balance at beginning of year	**12,971**	12,929	13,032
Issued under the Shareholder Dividend Reinvestment and Share Purchase Plan	**471**	–	–
Issued under the Stock Option Plan	**40**	62	99
Repurchased for cancellation or for treasury shares	**(52)**	(20)	(202)
Balance at End of Year	**13,430**	12,971	12,929
Contributed Surplus			
Balance at beginning of year	**303**	300	307
Stock option expense, net of options exercised (Note 20)	**(1)**	–	(12)
Other	**–**	3	5
Balance at End of Year	**302**	303	300
Retained Earnings			
Balance at beginning of year	**28,725**	25,850	23,700
Impact from adopting IFRS 16 (Note 1)	**(59)**	na	na
Impact from adopting IFRS 9 (Note 1)	**na**	na	99
Net income	**5,097**	5,758	5,453
Dividends on preferred shares and distributions payable on other equity instruments (Note 16)	**(247)**	(211)	(184)
Dividends on common shares (Note 16)	**(2,723)**	(2,594)	(2,424)
Equity issue expense	**(3)**	(8)	(5)
Common shares repurchased for cancellation (Note 16)	**–**	(70)	(789)
Net discount on sale of treasury shares	**(45)**	–	–
Balance at End of Year	**30,745**	28,725	25,850
Accumulated Other Comprehensive Income (Loss) on Fair Value through OCI Securities, net of taxes (Note 22)			
Balance at beginning of year	**26**	(315)	56
Impact from adopting IFRS 9 (Note 1)	**na**	na	(55)
Unrealized gains (losses) on fair value through OCI debt securities arising during the year	**410**	412	(251)
Unrealized gains on fair value through OCI equity securities arising during the year	**–**	1	–
Reclassification to earnings of (gains) during the year	**(81)**	(72)	(65)
Balance at End of Year	**355**	26	(315)
Accumulated Other Comprehensive Income (Loss) on Cash Flow Hedges, net of taxes (Note 22)			
Balance at beginning of year	**513**	(1,074)	(182)
Gains (losses) on derivatives designated as cash flow hedges arising during the year (Note 8)	**1,513**	1,444	(1,228)
Reclassification to earnings of (gains) losses on derivatives designated as cash flow hedges in the year	**(47)**	143	336
Balance at End of Year	**1,979**	513	(1,074)
Accumulated Other Comprehensive Income on Translation of Net Foreign Operations, net of taxes (Note 22)			
Balance at beginning of year	**3,703**	3,727	3,465
Unrealized gains (losses) on translation of net foreign operations	**373**	(11)	417
Unrealized (losses) on hedges of net foreign operations	**(96)**	(13)	(155)
Balance at End of Year	**3,980**	3,703	3,727
Accumulated Other Comprehensive Income (Loss) on Pension and Other Employee Future Benefit Plans, net of taxes (Note 22)			
Balance at beginning of year	**(383)**	169	(92)
Gains (losses) on remeasurement of pension and other employee future benefit plans (Note 21)	**(255)**	(552)	261
Balance at End of Year	**(638)**	(383)	169
Accumulated Other Comprehensive (Loss) on Own Credit Risk on Financial Liabilities Designated at Fair Value, net of taxes (Note 22)			
Balance at beginning of year	**(130)**	(205)	(181)
Gains (losses) on remeasurement of own credit risk on financial liabilities designated at fair value	**(28)**	75	(24)
Balance at End of Year	**(158)**	(130)	(205)
Total Accumulated Other Comprehensive Income	**5,518**	3,729	2,302
Total Equity	**$ 56,593**	$ 51,076	$ 45,721

na – not applicable due to IFRS 9 adoption on November 1, 2017 or IFRS 16 adoption on November 1, 2019.

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

Consolidated Statement of Cash Flows

For the Year Ended October 31 (Canadian $ in millions)	2020	2019	2018
Cash Flows from Operating Activities			
Net Income	**$ 5,097**	$ 5,758	$ 5,453
Adjustments to determine net cash flows provided by (used in) operating activities			
Provision on securities, other than trading (Note 3)	**2**	1	1
Net (gain) on securities, other than trading (Note 3)	**(126)**	(250)	(240)
Net (increase) decrease in trading securities	**(10,276)**	13,816	(2,650)
Provision for credit losses (Note 4)	**2,953**	872	662
Change in derivative instruments – (Increase) decrease in derivative asset	**(12,229)**	6,902	6,069
– Increase (decrease) in derivative liability	**5,614**	(3,774)	(7,481)
Amortization of premises and equipment (Note 9)	**801**	435	400
Amortization of other assets	**197**	216	224
Amortization of intangible assets (Note 11)	**620**	554	503
Net decrease in deferred income tax asset (Note 22)	**111**	483	832
Net increase (decrease) in deferred income tax liability (Note 22)	**26**	(15)	2
Net (increase) decrease in current income tax asset	**(55)**	354	(232)
Net increase (decrease) in current income tax liability	**62**	6	(87)
Change in accrued interest – (Increase) decrease in interest receivable	**178**	(299)	(366)
– Increase (decrease) in interest payable	**(352)**	313	337
Changes in other items and accruals, net	**(6,022)**	(1,255)	2,078
Net increase in deposits	**88,341**	48,009	34,138
Net (increase) in loans	**(20,420)**	(43,381)	(23,089)
Net increase (decrease) in securities sold but not yet purchased	**2,972**	(2,524)	2,004
Net increase in securities lent or sold under repurchase agreements	**824**	20,358	452
Net (increase) in securities borrowed or purchased under resale agreements	**(7,104)**	(19,396)	(2,958)
Net increase (decrease) in securitization and structured entities' liabilities	**(378)**	2,120	1,860
Net Cash Provided by Operating Activities	**50,836**	29,303	17,912
Cash Flows from Financing Activities			
Net increase (decrease) in liabilities of subsidiaries	**(8,113)**	(1,227)	2,203
Proceeds from issuance of covered bonds (Note 13)	**4,425**	4,168	2,706
Redemption/buyback of covered bonds (Note 13)	**(6,231)**	(3,765)	(567)
Proceeds from issuance of subordinated debt (Note 15)	**1,250**	1,000	2,685
Repayment of subordinated debt (Note 15)	**–**	(1,000)	(900)
Proceeds from issuance of preferred shares and other equity instruments net of issuance cost (Note 16)	**1,247**	1,000	395
Redemption of preferred shares (Note 16)	**–**	–	(300)
Net proceeds from issuance (repurchase) of common shares and sale (purchase) of treasury shares	**(76)**	54	88
Common shares repurchased for cancellation (Note 16)	**–**	(90)	(991)
Cash dividends and distributions paid	**(2,475)**	(2,752)	(2,582)
Repayment of lease liabilities (1)	**(331)**	na	na
Net Cash Provided by (Used in) Financing Activities	**(10,304)**	(2,612)	2,737
Cash Flows from Investing Activities			
Net (increase) decrease in interest bearing deposits with banks	**(979)**	329	(1,648)
Purchases of securities, other than trading	**(86,659)**	(63,496)	(46,749)
Maturities of securities, other than trading	**19,982**	13,154	14,754
Proceeds from sales of securities, other than trading	**36,900**	31,561	23,561
Premises and equipment – net (purchases) (Note 9)	**(399)**	(478)	(330)
Purchased and developed software – net (purchases) (Note 11)	**(633)**	(650)	(556)
Acquisitions (Note 10)	**(186)**	–	(365)
Net Cash (Used in) Investing Activities	**(31,974)**	(19,580)	(11,333)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**47**	(450)	227
Net increase in Cash and Cash Equivalents	**8,605**	6,661	9,543
Cash and Cash Equivalents at Beginning of Year	**48,803**	42,142	32,599
Cash and Cash Equivalents at End of Year (Note 2)	**$ 57,408**	$ 48,803	$ 42,142
Supplemental Disclosure of Cash Flow Information			
Net cash provided by operating activities includes:			
Interest paid in the year (2)	**$ 9,679**	$ 12,956	$ 9,249
Income taxes paid in the year	**$ 1,537**	$ 1,209	$ 1,261
Interest received in the year	**$ 21,576**	$ 23,966	$ 18,867
Dividends received in the year	**$ 1,856**	$ 1,740	$ 1,736

(1) Prior to adoption of IFRS 16, repayments of lease liabilities were included in Net Cash Provided by Operating Activities.

(2) Includes dividends paid on securities sold but not yet purchased.

na – not applicable.

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

Certain comparative figures have been reclassified to conform with the current year's presentation.

Note 1: Basis of Presentation

Bank of Montreal (the bank or BMO) is a chartered bank under the *Bank Act (Canada)* and is a public company incorporated in Canada. We are a highly diversified financial services company, providing a broad range of personal and commercial banking, wealth management and investment banking products and services. The bank's head office is at 129 rue Saint-Jacques, Montreal, Quebec. Our executive offices are at 100 King Street West, 1 First Canadian Place, Toronto, Ontario. Our common shares are listed on the Toronto Stock Exchange (TSX) and the New York Stock Exchange.

We have prepared these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). We also comply with interpretations of IFRS by our regulator, the Office of the Superintendent of Financial Institutions of Canada (OSFI).

Our consolidated financial statements have been prepared on a historic cost basis, except for the revaluation of the following items: assets and liabilities held for trading; financial assets and liabilities measured or designated at fair value through profit or loss (FVTPL); financial assets measured or designated at fair value through other comprehensive income (FVOCI); financial assets and financial liabilities designated as hedged items in qualifying fair value hedge relationships; cash-settled share-based payment liabilities; defined benefit pension and other employee future benefit liabilities; and insurance-related liabilities.

These consolidated financial statements were authorized for issue by the Board of Directors on December 1, 2020.

Basis of Consolidation

These consolidated financial statements are inclusive of the financial statements of our subsidiaries as at October 31, 2020. We conduct business through a variety of corporate structures, including subsidiaries, structured entities (SEs), associates and joint ventures. Subsidiaries are those entities where we exercise control through our ownership of the majority of the voting shares. We also hold interests in SEs, which we consolidate when we control the SEs. These are more fully described in Note 7. All of the assets, liabilities, revenues and expenses of our subsidiaries and consolidated SEs are included in our consolidated financial statements. All intercompany transactions and balances are eliminated on consolidation.

We hold investments in associates, where we exert significant influence over operating and financing decisions (generally companies in which we own between 20% and 50% of the voting shares). These are accounted for using the equity method. The equity method is also applied to our investments in joint ventures, which are entities where we exercise joint control through an agreement with other shareholders. Under the equity method of accounting, investments are initially recorded at cost, and the carrying amount is increased or decreased to recognize our share of investee net income or loss, including other comprehensive income or loss. Additional information regarding accounting for investments in associates and joint ventures is included in Note 3.

Significant Accounting Policies

To facilitate a better understanding of our consolidated financial statements, we have disclosed our significant accounting policies throughout the following notes with the related financial disclosures by major caption:

Translation of Foreign Currencies

We conduct business in a variety of foreign currencies and present our consolidated financial statements in Canadian dollars, which is our functional currency. Monetary assets and liabilities, as well as non-monetary assets and liabilities measured at fair value that are denominated in foreign currencies, are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities not measured at fair value are translated into Canadian dollars at historical rates. Revenues and expenses denominated in foreign currencies are translated using the average exchange rate for the year.

Unrealized gains and losses arising from translating our net investment in foreign operations into Canadian dollars, net of related hedging activities and applicable income taxes, are included in our Consolidated Statement of Comprehensive Income within net gains (losses) on translation of net foreign operations. When we dispose of a foreign operation such that control, significant influence or joint control is lost, the cumulative amount of the translation gain (loss) and any applicable hedging activities and related income taxes is reclassified to our Consolidated Statement of Income as part of the gain or loss on disposition.

Foreign currency translation gains and losses on equity securities measured at FVOCI that are denominated in foreign currencies are included in accumulated other comprehensive income on FVOCI equity securities, net of taxes, in our Consolidated Statement of Changes in Equity. All other foreign currency translation gains and losses are included in foreign exchange gains, other than trading, in our Consolidated Statement of Income as they arise.

From time to time, we enter into foreign exchange hedge contracts to reduce our exposure to changes in the value of foreign currencies. Realized and unrealized gains and losses that arise on the mark-to-market of foreign exchange contracts related to economic hedges are included in non-interest revenue in our Consolidated Statement of Income. Changes in the fair value of derivative contracts that qualify as accounting hedges are recorded in our Consolidated Statement of Comprehensive Income within net change in unrealized gains (losses) on derivatives designated as cash flow hedges, with the spot/forward differential (the difference between the foreign currency exchange rate at the inception of the contract and the rate at the end of the contract) recorded in interest income (expense) over the term of the hedge.

Revenue

Dividend Income

Dividend income is recognized when the right to receive payment is established. This is the ex-dividend date for listed equity securities.

Fee Income

Securities commissions and fees are earned in Wealth Management and Capital Markets on brokerage transactions executed for customers, generally as a fixed fee per share traded, where the commissions and related clearing expense are recognized on trade date. There are also fees based on a percentage of the customer's portfolio holdings that entitle clients to investment advice and a certain number of trades which are recorded over the period to which they relate.

Deposit and payment service charges are primarily earned in Personal and Commercial Banking and include monthly account maintenance fees and other activity-based fees earned on deposit and cash management services. Fees are recognized over time when account maintenance and cash management services are provided, or at a point in time when an income-generating activity is performed.

Card fees arise in Personal and Commercial Banking and primarily include interchange income, late fees and annual fees. Card fees are recorded when the related services are provided, except for annual fees, which are recorded evenly throughout the year. Interchange income is calculated as a percentage of the transaction amount and/or a fixed price per transaction as established by the payment network and is recognized when the card transaction is settled. Reward costs for our cards are recorded as a reduction in card fees.

Investment management and custodial fees are earned in Wealth Management and are based primarily on the balance of assets under management or assets under administration, as at the period end, for investment management, custodial, estate and trustee services provided. Fees are recorded over the period the services are performed.

Mutual fund revenues arise in Wealth Management and are earned on fund management services which are primarily calculated and recorded based on a percentage of the fund's net asset value. The fees are recorded over the period the services are performed.

Underwriting and advisory fees are earned in Capital Markets and arise from securities offerings in which we act as an underwriter or agent, structuring and administering loan syndications, and fees earned from providing merger-and-acquisition services and structuring advice. Underwriting and advisory fees are generally recognized when the services are completed.

Leases

We are lessors in both financing leases and operating leases. Leases are classified as financing leases if they transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. Otherwise they are classified as operating leases, as we retain substantially all the risks and rewards of asset ownership.

As lessor in a financing lease, a loan is recognized equal to the investment in the lease, which is calculated as the present value of the minimum payments to be received from the lessee, discounted at the interest rate implicit in the lease, plus any unguaranteed residual value we expect to recover at the end of the lease. Finance lease income is recognized in interest, dividend and fee income, loans, in our Consolidated Statement of Income.

Assets under operating leases are recorded in other assets in our Consolidated Balance Sheet. Rental income is recognized on a straight-line basis over the term of the lease in non-interest revenue, other, in our Consolidated Statement of Income. Depreciation on these assets is recognized on a straight-line basis over the life of the lease in non-interest expense, other, in our Consolidated Statement of Income.

Refer to Note 9 for our policy on lessee accounting.

Assets Held-for-Sale

Non-current non-financial assets classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell and are presented within other assets in our Consolidated Balance Sheet. Subsequent to its initial classification, a non-current asset is no longer depreciated or amortized, and any subsequent write-down in fair value less costs to sell is recognized in non-interest revenue, other, in our Consolidated Statement of Income.

Changes in Accounting Policies

Leases

Effective November 1, 2019, we adopted IFRS 16 *Leases* (IFRS 16) whereby lessees are required to recognize a liability for the present value of future lease payments and record a corresponding asset on the balance sheet for most leases. There were minimal changes to the accounting from the lessor's perspective.

The main impact for the bank is recording leases related to real estate on the balance sheet. Previously, most of our real estate leases were classified as operating leases, whereby we recorded the lease expense over the lease term with no asset or liability recorded on the balance sheet other than related leasehold improvements.

On transition, we calculated the right-of-use asset as if we had always applied IFRS 16 for a selection of leases and for the remaining leases, we set the right-of-use asset equal to the lease liability. We will continue to record lease expense for low dollar value leases over the lease term with no corresponding right-of-use asset or lease liability. In addition, we combined lease and non-lease components (for example maintenance and utilities that have fixed payments) in the calculation of right-of-use assets and lease liabilities when applicable. We elected to exclude intangibles from the scope of lease accounting.

On transition, we recognized the cumulative effect of adopting IFRS 16 in opening retained earnings as at November 1, 2019 with no changes to prior periods. The impact to the Consolidated Balance Sheet as at November 1, 2019 was an increase in premises and equipment of $1,965 million, an increase in other liabilities of $2,024 million, and a decrease in retained earnings of $80 million ($59 million after tax).

The following table sets out a reconciliation of our operating lease commitments, as disclosed under IAS 17 *Leases* as at October 31, 2019, which were used to derive the lease liabilities as at November 1, 2019.

(Canadian $ in millions)	November 1, 2019
Operating lease commitments at October 31, 2019 as disclosed in our consolidated financial statements	3,800
Discounted using the incremental borrowing rate at November 1, 2019	(310)
Finance lease liabilities recognized as at October 31, 2019	41
Exemption for low-value asset leases	(13)
Extension and termination options reasonably certain to be exercised	37
Executory costs not included in the lease liability	(166)
Leases signed but not yet started	(1,222)
Lease liabilities recognized at November 1, 2019	2,167

When measuring lease liabilities, we discounted lease payments using our incremental borrowing rate at November 1, 2019. The weighted-average rate applied was 2.52%.

Uncertainty Over Income Tax Treatments

Effective November 1, 2019, we adopted IFRIC 23 *Uncertainty Over Income Tax Treatments*. The interpretation clarifies the recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. The interpretation had no impact on our financial results on adoption.

Interbank Offered Rate (IBOR) Reform – Phase 1 Amendments

Under IBOR reform, certain benchmark rates may be subject to discontinuance, changes in methodology, increased volatility or decreased liquidity during the transition from IBORs to alternative rates. Banks will cease rate submissions for the calculation of the London Interbank Offered Rates (LIBOR) after December 31, 2021.

Effective November 1, 2019, we early adopted the IASB's Phase 1 amendments to IAS 39 *Financial instruments: recognition and measurement (*IAS 39) and IFRS 7 *Financial instruments: disclosures* (IFRS 7), which provide hedge accounting relief from the uncertainty arising from IBOR reform during the period prior to replacement of IBORs. These amendments modify certain hedge accounting requirements, allowing us to assume the interest rate benchmark which are the basis for cash flows of the hedged item and the hedging instrument are not altered as a result of IBOR reform, thereby allowing hedge accounting to continue. They also provide an exception from the requirement to discontinue hedge accounting if a hedging relationship does not meet the effectiveness requirements solely as a result of IBOR reform.

Application of these amendments will end at the earlier of the discontinuation of the impacted hedge relationship and when there is no longer uncertainty arising from IBOR reform over the timing and amount of IBOR-based cash flows.

In order to manage the transition from IBORs to alternative rates, our enterprise-wide IBOR Transition Office is evaluating potential changes to market infrastructures on our risk framework, models, systems and processes, and reviewing legal documents to ensure the bank is prepared prior to the cessation of IBORs. We will apply judgment with respect to the need for new or revised hedging relationships; however, given market uncertainty, the assessment of the impact on the bank's hedging relationships and its mitigation plans are still in progress. The notional amount of the derivatives likely subject to IBOR reform designated as hedging instruments that mature after December 31, 2021 on adoption of the Phase 1 amendments as at November 1, 2019 was $85,727 million of USD LIBOR and $759 million of GBP LIBOR. The notional amount excludes derivatives referencing interest rate benchmarks in multi-rate jurisdictions, including the Canadian Dollar Offered Rate and Euro Interbank Offered Rate. We provide disclosure on our current hedging relationships and the notional amount of derivatives likely subject to IBOR reform in Note 8.

Revenue

Effective November 1, 2018, we adopted IFRS 15 *Revenue from Contracts with Customers* (IFRS 15). We elected to retrospectively present prior periods as if IFRS 15 had always been applied. Under IFRS 15, the primary impact is the reclassification of amounts within the Consolidated Statement of Income. As a result, loyalty rewards and cash promotion costs on cards previously recorded in non-interest expense are presented as a reduction in non-interest revenue. In addition, when customers reimburse us for certain out-of-pocket expenses incurred on their behalf, we now record the reimbursement in non-interest revenue. Previously, these reimbursements were recorded as a reduction in the related expense. There is minimal impact to net income as IFRS 15 does not require discounting of loyalty reward liabilities and we now amortize the costs to obtain card customers, which were previously expensed as incurred.

The following table summarizes the impacts of applying IFRS 15 in our 2018 Consolidated Statement of Income:

(Canadian $ in millions)	2018
Increase (decrease) in	
Non-Interest Revenue	
Securities commissions and fees	(4)
Deposit and payment service charges	(10)
Card fees	(136)
Investment management and custodial fees	7
Underwriting and advisory fees	7
Other	4
	(132)
Non-Interest Expense	
Employee compensation	2
Travel and business development	(154)
Professional fees	8
Other	8
	(136)
Provision for income taxes	1
Net Income	3

Financial Instruments
Effective November 1, 2017, we adopted IFRS 9 *Financial Instruments* (IFRS 9), which replaced IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39). IFRS 9 addresses impairment, classification and measurement, and hedge accounting. The impact to equity at November 1, 2017 was an increase of $70 million ($44 million after tax) related to the impairment requirements of the standard.

Use of Estimates and Judgments

The preparation of the consolidated financial statements requires management to use estimates and assumptions that affect the carrying amounts of certain assets and liabilities, certain amounts reported in net income and other related disclosures.

The most significant assets and liabilities for which we must make estimates and judgments include the allowance for credit losses; financial instruments measured at fair value; pension and other employee future benefits; impairment of securities; income taxes and deferred tax assets; goodwill and intangible assets; insurance-related liabilities; provisions, including legal proceedings and restructuring charges; and leases. We make judgments in assessing the business model for financial assets as well as whether substantially all risks and rewards have been transferred in respect of transfers of financial assets and whether we control SEs, as discussed in Notes 6 and 7, respectively. If actual results were to differ from the estimates, the impact would be recorded in future periods.

The full extent of the impact that COVID-19, including government and regulatory responses to the outbreak, will have on the Canadian and U.S. economies and the bank's business remains uncertain and difficult to predict at this time. By their very nature, the judgments and estimates we make for the purposes of preparing our financial statements relate to matters that are inherently uncertain. However, we have detailed policies and internal controls that are intended to ensure that these judgments and estimates are well controlled and independently reviewed, and that our policies are consistently applied from period to period. We believe that our estimates of the value of our assets and liabilities are appropriate as at October 31, 2020.

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 bank's methodology for determining significant increase in credit risk is based on the change in probability of default (PD) between origination and reporting date, assessed using probability weighted scenarios as well as 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, we 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. In cases where borrowers have opted to participate in payment deferral programs we offered in response to the COVID-19 pandemic, deferred payments are not considered to be past due and do not on their own indicate a significant increase in credit risk, consistent with OSFI guidance.

The calculation of expected credit losses includes the explicit incorporation of forecasts of future economic conditions. We have developed models incorporating specific macroeconomic variables that are relevant to each portfolio. Key economic variables for our retail portfolios include primary operating markets of Canada, the United States (U.S.) and regional markets where considered significant. Forecasts are developed internally by our Economics group, considering external data and our view of future economic conditions. We exercise experienced credit judgment to incorporate multiple economic forecasts which are probability-weighted in the determination of the final expected credit loss. The allowance is sensitive to changes in both economic forecasts and the probability weight assigned to each forecast scenario.

Additional information regarding the allowance for credit losses is included in Note 4.

Financial Instruments Measured at Fair Value
Fair value measurement techniques are used to value various financial assets and financial liabilities, and are also used in performing impairment testing on certain non-financial assets.

Additional information regarding our fair value measurement techniques is included in Note 17.

Pension and Other Employee Future Benefits
Our pension and other employee future benefit expense is calculated by our independent actuaries using assumptions determined by management. If actual experience were to differ from the assumptions used, we would recognize this difference in other comprehensive income.

Pension and other employee future benefit expense, plan assets and defined benefit obligations are also sensitive to changes in discount rates. We determine discount rates for all of our plans using high-quality AA rated corporate bond yields with terms matching the plans' specific cash flows.

Additional information regarding our accounting for pension and other employee future benefits is included in Note 21.

Impairment of Securities
We review investments in associates and joint ventures at each quarter-end reporting period to identify and evaluate investments that show indications of possible impairment. For these equity securities, a significant or prolonged decline in the fair value of a security below its cost is objective evidence of impairment.

Debt securities measured at amortized cost or FVOCI are assessed for impairment using the expected credit loss model. For securities determined to have low credit risk, the allowance for credit losses is measured at a 12-month expected credit loss.

Additional information regarding our accounting for debt securities measured at amortized cost or FVOCI and investments in associates and joint ventures, allowance for credit losses and the determination of fair value is included in Notes 3 and 17.

Income Taxes and Deferred Tax Assets
The provision for income taxes is calculated based on the expected tax treatment of transactions recorded in either our Consolidated Statement of Income or Consolidated Statement of Changes in Equity. In determining the provision for income taxes, we interpret tax legislation, case law and administrative positions in numerous jurisdictions and, based on our judgment, record our estimate of the amount required to settle tax obligations.

We also make assumptions about the expected timing of the reversal of deferred tax assets and liabilities. If our interpretations and assumptions differ from those of tax authorities or if the timing of reversals is not as expected, our provision for income taxes could increase or decrease in future periods. The amount of any such increase or decrease cannot be reasonably estimated.

Deferred tax assets are recognized only when it is probable that sufficient taxable profit will be available in future periods against which deductible temporary differences or unused tax losses and tax credits may be utilized. We are required to assess whether it is probable that our deferred income tax assets will be realized. The factors used to assess the probability of realization are our past experience of income and capital gains, our forecast of future net income before taxes, and the remaining expiration period of tax loss carryforwards and tax credits. Changes in our assessment of these factors could increase or decrease our provision for income taxes in future periods.

Additional information regarding our accounting for income taxes is included in Note 22.

Goodwill and Intangible Assets

For the purpose of impairment testing, goodwill is allocated to our groups of cash-generating units (CGUs), which represent the lowest level within the bank at which goodwill is monitored for internal management purposes. Impairment testing is performed at least annually, by comparing the carrying values and the recoverable amounts of the CGUs to which goodwill has been allocated to determine whether the recoverable amount of each group is greater than its carrying value. If the carrying value of the group were to exceed its recoverable amount, an impairment calculation would be performed. The recoverable amount of a CGU is the higher of its fair value less costs to sell and value in use.

In determining fair value less costs to sell, we employ a discounted cash flow model consistent with those used when we acquire businesses. This model is dependent on assumptions related to revenue growth, discount rates, synergies achieved on acquisition and the availability of comparable acquisition data. Changes in any of these assumptions would affect the determination of fair value for each of the business units in a different manner. Management must exercise judgment and make assumptions in determining fair value less costs to sell, and differences in judgment and assumptions could affect the determination of fair value and any resulting impairment write-down.

Intangible assets with a definite life are amortized to income on either a straight-line or an accelerated basis over a period not exceeding 15 years, depending on the nature of the asset. We test definite-life intangible assets for impairment when circumstances indicate the carrying value may not be recoverable. Indefinite-life intangible assets are tested annually for impairment. If any intangible assets are determined to be impaired, we write them down to their recoverable amount, the higher of value in use and fair value less costs to sell, when this is less than the carrying value.

Additional information regarding goodwill and intangible assets is included in Note 11.

Insurance-Related Liabilities

Insurance claims and policy benefit liabilities represent current claims and estimates of future insurance policy benefit liabilities. Liabilities for life insurance contracts are determined using the Canadian Asset Liability Method, which incorporates best-estimate assumptions for mortality, morbidity, policy lapses, surrenders, future investment yields, policy dividends, administration costs and margins for adverse deviation. These assumptions are reviewed at least annually and updated to reflect actual experience and market conditions. The most significant impact on the valuation of a liability would result from a change in the assumption for future investment yields.

Additional information regarding insurance-related liabilities is included in Note 14.

Provisions

A provision, including for legal proceedings and restructuring charges, is recognized if, as a result of a past event, the bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recorded at the best estimate of the amounts required to settle the obligation as at the balance sheet date, taking into account the risks and uncertainties associated with the obligation. Management and external experts are involved in estimating any provision, as necessary. The actual costs of settling some obligations may be substantially higher or lower than the amounts of the provisions.

Additional information regarding provisions is included in Note 24.

Transfer of Assets and Consolidation of Structured Entities

We enter into transactions in which we transfer assets, typically mortgage loans, mortgage-backed securities, and credit card loans, to a structured entity or third party to obtain alternate sources of funding or as part of our trading activities. We assess whether substantially all of the risks and rewards of or control over the assets have been transferred to determine if they qualify for derecognition. Where we continue to be exposed to substantially all of the repayment, interest rate and/or credit risk associated with the securitized assets, they do not qualify for derecognition. We continue to recognize the assets and the related cash proceeds as secured financings in our Consolidated Balance Sheet.

For securitization vehicles sponsored by the bank, the vehicles typically have limited decision-making authority. The structure of these vehicles limits the activities they can undertake, the types of assets they can hold and how activities are funded. We control and consolidate these vehicles when we have the key decision-making powers necessary to obtain the majority of the benefits of their activities.

For certain investments in limited partnerships, we exercise judgment in determining whether we control an entity. Based on an assessment of our interests and rights, we have determined that we do not control certain entities, even though we may have an ownership interest greater than 50%. This may be the case when we are not the general partner in an arrangement and the general partner's rights most significantly affect the returns of the entity. Additionally, we have determined that we control certain entities despite having an ownership interest less than 50%. This may be the case when we are the general partner in an arrangement and the general partner's rights most significantly affect the returns of the entity.

Transferred assets are discussed in greater detail in Note 6 and structured entities are discussed in greater detail in Notes 7 and 20.

Leases

We enter into leases as a lessee for which we recognize a lease liability and a corresponding right-of-use asset. In calculating our lease liability and corresponding right-of-use asset, we assess whether a contract is a lease by determining if we have the right to control the asset based on our ability to make decisions or direct how and for what purpose the asset is used. We evaluate the lease term based on the terms of the lease contract, including any extension or termination options that we are reasonably certain to exercise based on the economic rationale underlying the decision. We make estimates in determining the incremental borrowing rate that is used to discount lease liabilities, based on our expected costs of secured borrowing for the lease term.

Future Changes in IFRS

Conceptual Framework

In March 2018, the IASB issued the revised Conceptual Framework (Framework), which sets out the fundamental concepts for financial reporting to ensure consistency in standard-setting decisions and that similar transactions are treated in a similar way, so as to provide useful information to users of financial statements. The revised Framework, which is effective for our fiscal year beginning November 1, 2020, will inform future standard-setting decisions but does not impact existing IFRS. We do not expect the Framework to have a significant impact on our accounting policies.

Insurance Contracts

In June 2020, the IASB issued amendments to IFRS 17 *Insurance Contracts* (IFRS 17), which included a deferral of the effective date, resulting in a new adoption date for the bank of November 1, 2023 instead of November 1, 2022. The amendments also simplify some requirements, such as excluding certain credit cards from the scope of IFRS 17 and providing a policy choice to exclude certain loan contracts from IFRS 17, allowing us to continue accounting for them as we do today. We continue to assess the impact of the standard on our future financial results.

IBOR Reform – Phase 2 amendments

In August 2020, the IASB published Phase 2 of its amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 *Insurance Contracts* as well as IFRS 16. While the Phase 1 amendments addressed the uncertainty that could arise in the period before IBOR transition, the Phase 2 amendments address issues that arise from implementation of IBOR reform, where IBOR are replaced with alternative benchmark rates.

For financial instruments at amortized cost, the amendments introduce a practical expedient such that if a change in the contractual cash flows is as a result of IBOR reform and occurs on an economically equivalent basis, the change will be accounted for by updating the effective interest rate with no immediate gain or loss recognized. The amendments also provide additional temporary relief from applying specific IAS 39 hedge accounting requirements to hedging relationships affected by IBOR reform. For example, there is an exception from the requirement to discontinue hedge accounting as a result of changes to hedge documentation required solely by IBOR reform. The amendments also require additional disclosure that allow users to understand the effect of IBOR reform on the bank's financial instruments and risk management strategy.

The Phase 2 amendments are effective for our fiscal year beginning November 1, 2021 with early adoption permitted. We are in the process of assessing the impact of these amendments on contracts in scope, including our IBOR-based financial instruments and hedge relationships.

Note 2: Cash and Interest Bearing Deposits with Banks

Cash and Cash Equivalents

(Canadian $ in millions)	**2020**	2019
Cash and deposits with banks (1)	**55,926**	47,598
Cheques and other items in transit, net	**1,482**	1,205
Total cash and cash equivalents	**57,408**	48,803

(1) Includes deposits with the Bank of Canada, the U.S. Federal Reserve and other central banks.

Cheques and Other Items in Transit, Net

Cheques and other items in transit are recorded at cost and represent the net position of the uncleared cheques and other items in transit between us and other banks.

Cash Restrictions

Certain of our foreign operations are required to maintain reserves or minimum balances with central banks in their respective countries of operation, totalling $111 million as at October 31, 2020 ($1,895 million in 2019).

Interest Bearing Deposits with Banks

Deposits with banks are recorded at amortized cost and include acceptances we have purchased that were issued by other banks. Interest income earned on these deposits is recorded on an accrual basis.

Note 3: Securities

Securities are divided into six types, each with a different purpose and accounting treatment. The types of securities we hold are as follows:

Trading securities are securities purchased for resale over a short period of time. Trading securities are recorded at fair value through profit or loss. Transaction costs and changes in fair value are recorded in our Consolidated Statement of Income in trading revenues.

Fair value through profit or loss securities are measured at fair value, with changes in fair value and related transaction costs recorded in our Consolidated Statement of Income in securities gains, other than trading, except as noted below. This category includes the following:

Securities Designated at FVTPL

In order to qualify for this designation, the security must have reliably measurable fair values, and the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the gains and losses on a different basis. Securities must be designated on initial recognition, and the designation is irrevocable. If these securities were not designated at FVTPL, they would be accounted for at either FVOCI or amortized cost.

We designate certain securities held by our insurance subsidiaries that support our insurance liabilities at fair value through profit or loss, since the actuarial calculation of insurance liabilities is based on the fair value of the investments supporting them. This designation aligns the accounting result with the way the portfolio is managed on a fair value basis. The change in fair value of the securities is recorded in non-interest revenue, insurance revenue, and the change in fair value of the liabilities is recorded in insurance claims, commissions and changes in policy benefit liabilities. The fair value of these investments of $11,148 million as at October 31, 2020 ($10,805 million as at October 31, 2019) is recorded in securities in our Consolidated Balance Sheet. The impact of recording these investments at fair value through profit or loss was an increase of $281 million in non-interest revenue, insurance revenue, for the year ended October 31, 2020 (increase of $1,006 million and a decrease of $372 million for the years ended October 31, 2019 and 2018, respectively).

Securities Mandatorily Measured at FVTPL
Securities managed on a fair value basis, but not held for trading, or debt securities with cash flows that do not represent solely payments of principal and interest and equity securities not held for trading or designated at FVOCI are classified as FVTPL. The fair value of these investments of $2,420 million as at October 31, 2020 ($2,899 million as at October 31, 2019) is recorded in securities in our Consolidated Balance Sheet.

Debt securities at amortized cost are debt securities purchased with the objective of collecting contractual cash flows, and those cash flows represent solely payments of principal and interest. These securities are initially recorded at fair value plus transaction costs and are subsequently measured at amortized cost using the effective interest method. Impairment losses (recoveries) are recorded in our Consolidated Statement of Income in non-interest revenue, securities gains, other than trading. Interest income earned and amortization of premiums, discounts and transaction costs are recorded in our Consolidated Statement of Income in interest, dividend and fee income, securities.

Debt securities at FVOCI are debt securities purchased with the objective of both collecting contractual cash flows and selling the securities. The securities' cash flows represent solely payments of principal and interest. These securities may be sold in response to or in anticipation of changes in interest rates and any resulting prepayment risk, changes in credit risk, changes in foreign currency risk or changes in funding sources or terms, or in order to meet liquidity needs.

Debt securities measured at FVOCI are initially recorded at fair value plus transaction costs. They are subsequently measured at fair value, with unrealized gains and losses recorded in our Consolidated Statement of Comprehensive Income until the security is sold or impaired. Gains and losses on disposal and impairment losses (recoveries) are recorded in our Consolidated Statement of Income in non-interest revenue, securities gains, other than trading. Interest income earned is recorded in our Consolidated Statement of Income in interest, dividend and fee income, securities, using the effective interest method.

Equity securities at FVOCI are equity securities for which we have elected to record changes in the fair value of the instrument in other comprehensive income as opposed to fair value through profit or loss. Gains or losses recorded on these instruments will never be recognized in profit or loss. Equity securities measured at FVOCI are not subject to an impairment assessment.

Investments in associates and joint ventures are accounted using the equity method of accounting. Investments in associates are those where we exert significant influence over operating and financing decisions; generally companies in which we own between 20% and 50% of the voting shares. Investments in joint ventures are where we have joint control. Our share of the net income or loss, including any impairment losses, are recorded in investments in associates and joint ventures in our Consolidated Statement of Income. Any other comprehensive income amounts are reflected in the relevant sections of our Consolidated Statement of Comprehensive Income.

We account for all of our securities transactions using settlement date accounting in our Consolidated Balance Sheet. Changes in fair value between the trade date and settlement date are recorded in net income, except for those related to securities measured at FVOCI, which are recorded in other comprehensive income.

Impairment Review

Debt securities at amortized cost or FVOCI are assessed for impairment using the ECL model, with the exception of those determined to have low credit risk, where the allowance for credit losses is measured at a 12-month expected credit loss. A debt security is considered to have low credit risk if it has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Debt securities at amortized cost totalling $48,466 million as at October 31, 2020 ($24,472 million as at October 31, 2019) are net of allowances for credit losses of $1 million as at October 31, 2020 ($1 million as at October 31, 2019).

Debt securities at FVOCI totalling $73,314 million as at October 31, 2020 ($64,434 million as at October 31, 2019) are net of allowances for credit losses of $4 million as at October 31, 2020 ($2 million as at October 31, 2019).

Fair Value Measurement

For traded securities, quoted market value is considered to be fair value. Quoted market value is based on bid or ask prices, depending on which is the most appropriate to measure fair value. Where market quotes are not available, we use estimation techniques to determine fair value. Additional information regarding fair value measurement techniques is included in Note 17.

Remaining Term to Maturity of Securities

The following table shows the remaining term to maturities of securities.

(Canadian $ in millions, except as noted)	Term to maturity						2020	2019
	Within 1 year	**1 to 3 years**	**3 to 5 years**	**5 to 10 years**	**Over 10 years**	**No maturity**	**Total**	Total
Trading Securities								
Issued or guaranteed by:								
Canadian federal government	**1,658**	**2,502**	**2,727**	**2,739**	**1,274**	**–**	**10,900**	8,330
Canadian provincial and municipal governments	**1,768**	**1,063**	**678**	**1,153**	**3,673**	**–**	**8,335**	7,527
U.S. federal government	**1,403**	**2,560**	**1,981**	**2,253**	**221**	**–**	**8,418**	8,763
U.S. states, municipalities and agencies	**127**	**110**	**32**	**186**	**48**	**–**	**503**	674
Other governments	**1,156**	**500**	**481**	**246**	**133**	**–**	**2,516**	1,585
NHA MBS, U.S. agency MBS and CMO (1)	**95**	**186**	**138**	**183**	**11,695**	**–**	**12,297**	11,046
Corporate debt	**2,982**	**1,438**	**2,390**	**2,276**	**1,955**	**–**	**11,041**	7,718
Trading loans	**–**	**6**	**36**	**25**	**–**	**–**	**67**	103
Corporate equity	**–**	**–**	**–**	**–**	**–**	**43,757**	**43,757**	40,157
Total trading securities	**9,189**	**8,365**	**8,463**	**9,061**	**18,999**	**43,757**	**97,834**	85,903
FVTPL Securities								
Issued or guaranteed by:								
Canadian federal government	**438**	**30**	**3**	**10**	**120**	**–**	**601**	517
Canadian provincial and municipal governments	**10**	**58**	**11**	**62**	**1,288**	**–**	**1,429**	1,279
U.S. federal government	**44**	**–**	**–**	**–**	**–**	**–**	**44**	48
Other governments	**–**	**42**	**52**	**–**	**–**	**–**	**94**	49
NHA MBS, U.S. agency MBS and CMO (1)	**1**	**2**	**–**	**–**	**–**	**–**	**3**	5
Corporate debt	**205**	**92**	**279**	**949**	**6,372**	**–**	**7,897**	8,217
Corporate equity	**–**	**–**	**–**	**–**	**–**	**3,500**	**3,500**	3,589
Total FVTPL securities	**698**	**224**	**345**	**1,021**	**7,780**	**3,500**	**13,568**	13,704
FVOCI Securities								
Issued or guaranteed by:								
Canadian federal government								
Amortized cost	**9,002**	**6,299**	**6,481**	**458**	**–**	**–**	**22,240**	11,876
Fair value	**9,014**	**6,363**	**6,590**	**483**	**–**	**–**	**22,450**	11,944
Yield (%)	**1.20**	**1.63**	**1.54**	**1.99**	**–**	**–**	**1.44**	1.72
Canadian provincial and municipal governments								
Amortized cost	**1,723**	**1,078**	**1,298**	**529**	**–**	**–**	**4,628**	5,907
Fair value	**1,727**	**1,111**	**1,356**	**553**	**–**	**–**	**4,747**	6,012
Yield (%)	**0.43**	**2.06**	**2.14**	**1.89**	**–**	**–**	**1.46**	2.34
U.S. federal government								
Amortized cost	**908**	**3,494**	**4,644**	**7,835**	**–**	**–**	**16,881**	15,363
Fair value	**915**	**3,644**	**5,079**	**8,056**	**–**	**–**	**17,694**	15,975
Yield (%)	**1.45**	**2.18**	**2.52**	**1.09**	**–**	**–**	**1.73**	2.42
U.S. states, municipalities and agencies								
Amortized cost	**592**	**1,202**	**1,085**	**1,162**	**1,091**	**–**	**5,132**	4,091
Fair value	**597**	**1,238**	**1,128**	**1,211**	**1,102**	**–**	**5,276**	4,161
Yield (%)	**1.98**	**2.28**	**2.00**	**2.15**	**1.35**	**–**	**1.96**	2.58
Other governments								
Amortized cost	**1,997**	**3,149**	**1,714**	**362**	**–**	**–**	**7,222**	7,179
Fair value	**2,008**	**3,251**	**1,763**	**359**	**–**	**–**	**7,381**	7,335
Yield (%)	**1.20**	**2.13**	**1.28**	**1.34**	**–**	**–**	**1.63**	2.38
NHA MBS (1)								
Amortized cost	**15**	**615**	**953**	**–**	**–**	**–**	**1,583**	1,953
Fair value	**15**	**633**	**981**	**–**	**–**	**–**	**1,629**	1,970
Yield (%)	**0.54**	**2.05**	**1.64**	**–**	**–**	**–**	**1.79**	2.18
U.S. agency MBS and CMO (1)								
Amortized cost	**–**	**114**	**475**	**2,344**	**7,667**	**–**	**10,600**	11,966
Fair value	**–**	**117**	**507**	**2,440**	**7,839**	**–**	**10,903**	12,030
Yield (%)	**–**	**1.99**	**2.89**	**1.95**	**1.44**	**–**	**1.62**	2.14
Corporate debt								
Amortized cost	**743**	**1,214**	**883**	**243**	**70**	**–**	**3,153**	4,899
Fair value	**739**	**1,243**	**933**	**247**	**72**	**–**	**3,234**	5,007
Yield (%)	**1.05**	**1.65**	**2.26**	**1.81**	**2.73**	**–**	**1.72**	2.48
Corporate equity								
Cost	**–**	**–**	**–**	**–**	**–**	**90**	**90**	79
Fair value	**–**	**–**	**–**	**–**	**–**	**93**	**93**	81
Total cost or amortized cost	**14,980**	**17,165**	**17,533**	**12,933**	**8,828**	**90**	**71,529**	63,313
Total fair value	**15,015**	**17,600**	**18,337**	**13,349**	**9,013**	**93**	**73,407**	64,515
Yield (%)	**1.15**	**1.93**	**1.93**	**1.43**	**1.44**	**–**	**1.61**	2.23
Amortized Cost Securities								
Issued or guaranteed by:								
Canadian federal government								
Amortized cost	**697**	**1,158**	**3,729**	**654**	**–**	**–**	**6,238**	4,532
Fair value	**694**	**1,165**	**3,743**	**658**	**–**	**–**	**6,260**	4,534
Canadian provincial and municipal governments								
Amortized cost	**54**	**1,415**	**2,282**	**1,899**	**–**	**–**	**5,650**	3,553
Fair value	**39**	**1,434**	**2,321**	**1,912**	**–**	**–**	**5,706**	3,576
U.S. federal government								
Amortized cost	**3,270**	**1,748**	**2,079**	**1,688**	**–**	**–**	**8,785**	6,213
Fair value	**3,269**	**1,751**	**2,088**	**1,697**	**–**	**–**	**8,805**	6,214
Other governments								
Amortized cost	**133**	**769**	**498**	**80**	**–**	**–**	**1,480**	1,049
Fair value	**128**	**771**	**504**	**82**	**–**	**–**	**1,485**	1,049
NHA MBS, U.S. agency MBS and CMO (1)								
Amortized cost	**229**	**223**	**2,175**	**3,926**	**18,216**	**–**	**24,769**	8,274
Fair value	**223**	**224**	**2,220**	**4,047**	**18,484**	**–**	**25,198**	8,398
Corporate debt								
Amortized cost	**115**	**702**	**464**	**190**	**73**	**–**	**1,544**	851
Fair value	**102**	**712**	**473**	**193**	**75**	**–**	**1,555**	851
Total amortized cost	**4,498**	**6,015**	**11,227**	**8,437**	**18,289**	**–**	**48,466**	24,472
Total fair value	**4,455**	**6,057**	**11,349**	**8,589**	**18,559**	**–**	**49,009**	24,622
Investments in associates and joint ventures								
Carrying value	**–**	**–**	**–**	**–**	**–**	**985**	**985**	844
Total carrying value or amortized cost of securities	**29,365**	**31,769**	**37,568**	**31,452**	**53,896**	**48,332**	**232,382**	188,236
Total value of securities	**29,400**	**32,204**	**38,372**	**31,868**	**54,081**	**48,335**	**234,260**	189,438
Total by Currency (in Canadian $ equivalent)								
Canadian dollar	**17,347**	**14,758**	**19,506**	**9,492**	**14,578**	**24,863**	**100,544**	85,905
U.S. dollar	**9,584**	**17,300**	**18,575**	**22,214**	**39,300**	**18,822**	**125,795**	100,573
Other currencies	**2,469**	**146**	**291**	**162**	**203**	**4,650**	**7,921**	2,960
Total securities	**29,400**	**32,204**	**38,372**	**31,868**	**54,081**	**48,335**	**234,260**	189,438

(1) These amounts are supported by insured mortgages or issued by U.S. agencies and government-sponsored enterprises. NHA refers to the National Housing Act, MBS refers to mortgage-backed securities and CMO refers to collateralized mortgage obligations.

Yields in the table above are calculated using the cost of the security and the contractual interest rate associated with each security, adjusted for any amortization of premiums and discounts. Tax effects are not taken into consideration. The term to maturity included in the table above is based on the contractual maturity date of the security. Actual maturities could differ, as issuers may have the right to call or prepay obligations.

Unrealized Gains and Losses on FVOCI Securities

The following table summarizes the unrealized gains and losses:

(Canadian $ in millions)				2020				2019
	Cost or amortized cost	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**	Cost or amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Issued or guaranteed by:								
Canadian federal government	**22,240**	**211**	**1**	**22,450**	11,876	72	4	11,944
Canadian provincial and municipal governments	**4,628**	**119**	**–**	**4,747**	5,907	106	1	6,012
U.S. federal government	**16,881**	**844**	**31**	**17,694**	15,363	617	5	15,975
U.S. states, municipalities and agencies	**5,132**	**147**	**3**	**5,276**	4,091	74	4	4,161
Other governments	**7,222**	**168**	**9**	**7,381**	7,179	158	2	7,335
NHA MBS	**1,583**	**46**	**–**	**1,629**	1,953	18	1	1,970
U.S. agency MBS and CMO	**10,600**	**307**	**4**	**10,903**	11,966	106	42	12,030
Corporate debt	**3,153**	**91**	**10**	**3,234**	4,899	110	2	5,007
Corporate equity	**90**	**3**	**–**	**93**	79	2	–	81
Total	**71,529**	**1,936**	**58**	**73,407**	63,313	1,263	61	64,515

Unrealized gains (losses) may be offset by related (losses) gains on hedge contracts.

Interest, Dividend and Fee Income

Interest, dividend and fee income has been included in our Consolidated Statement of Income as follows, excluding investments in associates and joint ventures and trading securities. Related income for trading securities is included under Trading-Related Revenue in Note 17.

(Canadian $ in millions)	**2020**	2019	2018
FVTPL	**17**	34	16
FVOCI	**959**	1,585	1,118
Amortized cost	**573**	268	172
Total	**1,549**	1,887	1,306

Non-Interest Revenue

Net gains and losses from securities, excluding net realized and unrealized gains on trading securities, have been included in our Consolidated Statement of Income as follows:

(Canadian $ in millions)	**2020**	2019	2018
FVTPL securities	**30**	164	93
FVOCI securities (1)			
Gross realized gains	**109**	209	363
Gross realized (losses)	**(13)**	(123)	(216)
Impairment losses	**(2)**	(1)	(1)
Securities gains, other than trading (2)	**124**	249	239

(1) Gains (losses) are net of (losses) gains on hedge contracts.

(2) The following amounts of income related to our insurance operations were included in non-interest revenue, insurance revenue, in our Consolidated Statement of Income: Interest, dividend and fee income of $416 million, $407 million and $354 million for the years ended October 31, 2020, 2019 and 2018, respectively; securities gains, other than trading, from FVOCI securities of $19 million, $11 million and $1 million for the years ended October 31, 2020, 2019 and 2018, respectively; and securities gains, other than trading, from securities designated at FVTPL of $281 million, $1,006 million and $(372) million for the years ended October 31, 2020, 2019 and 2018, respectively.

Gains and losses on trading securities are included in trading-related revenue in Note 17.

Note 4: Loans and Allowance for Credit Losses

Loans

Loans are initially measured at fair value plus directly attributable costs, and are subsequently measured at amortized cost using the effective interest method where the cash flows of those loans represent solely payments of principal and interest, otherwise those loans are measured at FVTPL. Where the loans are held with the objective of both collecting contractual cash flows and selling the loans, and the cash flows represent solely payments of principal and interest, these loans are measured at FVOCI. The effective interest method allocates interest income over the expected term of the loan by applying the effective interest rate to the carrying amount of the loan. The effective interest rate is defined as the rate that exactly discounts estimated future cash receipts through the expected term of the loan to the net carrying amount of the loan. Under the effective interest method, the amount recognized in interest, dividend and fee income, loans, varies over the term of the loan based on the principal outstanding. The treatment of interest income for impaired loans is described below.

Securities Borrowed or Purchased Under Resale Agreements

Securities borrowed or purchased under resale agreements represent the amounts we will receive as a result of our commitment to return or resell securities that we have borrowed or purchased, back to the original lender or seller, on a specified date at a specified price. We account for these instruments as if they were loans.

Lending Fees

Lending fees primarily arise in Personal and Commercial Banking and Capital Markets. The accounting treatment for lending fees varies depending on the transaction. Some loan origination, restructuring and renegotiation fees are recorded as interest income over the term of the loan, while other lending fees are taken into income at the time of loan origination. Commitment fees are calculated as a percentage of the facility balance at the end of the period. The fees are recorded as interest income over the term of the loan, unless we believe the loan commitment will not be used. In the latter case, commitment fees are recorded as lending fees earned over the commitment period. Loan syndication fees are payable and included in lending fees at the time the syndication is completed, unless the yield on any loans we retain is less than that of other comparable lenders involved in the financing. In the latter case, an appropriate portion of the syndication fee is recorded as interest income over the term of the loan.

Impaired Loans

We classify a loan as impaired (Stage 3) when one or more loss events have occurred, such as bankruptcy, default or delinquency. Generally, consumer loans in both Canada and the U.S. are classified as impaired when payment is contractually 90 days past due, or one year past due for residential mortgages if guaranteed by the Government of Canada. Credit card loans are immediately written off when principal or interest payments are 180 days past due, and are not reported as impaired. In Canada, consumer instalment loans, other personal loans and some small business loans are normally written off when they are one year past due. In the U.S., all consumer loans are generally written off when they are 180 days past due, except for non-real estate term loans, which are generally written off when they are 120 days past due. For the purpose of measuring the amount to be written off, the determination of the recoverable amount includes an estimate of future recoveries.

Corporate and commercial loans are classified as impaired when we determine there is no longer reasonable assurance that principal or interest will be collected in their entirety on a timely basis. Generally, we consider corporate and commercial loans to be impaired when payments are 90 days past due. Corporate and commercial loans are written off following a review on an individual loan basis that confirms all recovery attempts have been exhausted.

A loan will be reclassified to performing status when we determine that there is reasonable assurance of full and timely repayment of interest and principal in accordance with the terms and conditions of the loan, and that none of the criteria for classification of the loan as impaired continues to apply.

Loans are in default when the borrower is unlikely to pay its credit obligations in full without recourse by the bank, such as realizing security, or when the borrower's payments are past due more than 90 days (180 days for credit card loans). Overdrafts are considered to be past due once the customer has breached an advised limit or has been advised of a limit smaller than currently outstanding or, in the case of retail overdrafts, has not brought the overdraft down to a $nil balance within a specified time period.

Once a loan is identified as impaired, we continue to recognize interest income based on the original effective interest rate on the loan amount net of its related allowance. In the periods following the recognition of impairment, adjustments to the allowance for these loans reflecting the time value of money are recognized as interest income. Interest income on impaired loans of $96 million was recognized for the year ended October 31, 2020 ($80 million in 2019 and $67 million in 2018).

During the year ended October 31, 2020, we recorded a net loss of $46 million before tax (gains of $11 million in 2019 and $4 million in 2018) on the sale of impaired and written off loans.

Allowance for Credit Losses (ACL)

The allowance for credit losses recorded in our Consolidated Balance Sheet is maintained at a level that we consider adequate to absorb credit-related losses on our loans and other credit instruments. The allowance for credit losses amounted to $3,814 million as at October 31, 2020 ($2,094 million in 2019), of which $3,303 million ($1,850 million in 2019) was recorded in loans and $511 million ($244 million in 2019) was recorded in other liabilities in our Consolidated Balance Sheet.

Significant changes in the gross balances, including originations, maturities and repayments in the normal course of operations, impact the allowance for credit losses.

Allowance on Performing Loans

We maintain an allowance in order to cover impairment in the existing portfolio for loans that have not yet been individually identified as impaired. Our approach to establishing and maintaining the allowance on performing loans is based on the requirements of IFRS, considering guidelines issued by OSFI.

Under the IFRS 9 ECL methodology, an allowance is recorded for expected credit losses on financial assets regardless of whether there has been an actual impairment. We recognize a loss allowance at an amount generally equal to 12-month expected credit losses, if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1). We will record expected credit losses over the remaining life of performing financial assets which are considered to have experienced a significant increase in credit risk (Stage 2).

The determination of a significant increase in credit risk takes into account many different factors and varies by product and risk segment. The bank's methodology for determining significant increase in credit risk is based on the change in probability of default (PD) between origination and reporting date, assessed using probability weighted scenarios as well as certain other criteria, such as 30-day past due and watchlist status.

For each exposure, ECL is a function of the 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 based 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.

We consider past events, current market conditions and reasonable forward-looking supportable information about future economic conditions in determining the amount of expected losses. In assessing information about possible future economic conditions, we utilize multiple economic scenarios, including our base case, which represents, in our view, the most probable outcome, as well as benign and adverse forecasts, all of which are developed by our Economics group. Key economic variables used in the determination of the allowance for credit losses reflect the geographic diversity of our portfolios, where appropriate.

In considering the lifetime of a loan, the contractual period of the loan, including prepayment, extension and other options, is generally used. For revolving instruments, such as credit cards, which may not have a defined contractual period, the lifetime is based on historical behaviour.

Our 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. We have applied experienced credit judgment to reflect the impact of the extraordinary and highly uncertain environment on credit conditions and the economy as a result of the COVID-19 pandemic.

Allowance on Impaired Loans

We maintain an allowance on individually identified impaired loans (Stage 3) of $727 million as at October 31, 2020 ($463 million as at October 31, 2019) on our gross impaired loans of $3,638 million as at October 31, 2020 ($2,629 million as at October 31, 2019), to reduce their carrying value to an expected recoverable amount of $2,911 million as at October 31, 2020 ($2,166 million as at October 31, 2019).

We review our loans on an ongoing basis to assess whether any loans should be classified as impaired and whether an allowance or write-off should be recorded (excluding credit card loans, which are classified as impaired and written off when principal or interest payments are 180 days past due). The review of individually significant problem loans is conducted at least quarterly by the account managers, each of whom assesses the ultimate collectability and estimated recoveries for a specific loan based on all events and conditions that are relevant to the loan. This assessment is then reviewed and approved by an independent credit officer.

Individually Significant Impaired Loans

To determine the amount we expect to recover from an individually significant impaired loan, we use the value of the estimated future cash flows discounted at the loan's original effective interest rate. The determination of estimated future cash flows of a collateralized impaired loan reflects the expected realization of the underlying security, net of expected costs and any amounts legally required to be paid to the borrower. Security can vary by type of loan and may include cash, securities, real estate properties, accounts receivable, guarantees, inventory or other capital assets.

Individually Insignificant Impaired Loans

Residential mortgages and consumer instalment and other personal loans are individually insignificant and may be assessed individually or collectively for losses at the time of impairment, taking into account historical loss experience and expectations of future economic conditions. Collectively assessed loans are grouped together by similar risk characteristics, such as type of instrument, geographic location, industry, type of collateral and term to maturity.

Loans: Credit Risk Exposure

The following table sets out our credit risk exposure for all loans carried at amortized cost, FVOCI or FVTPL as at October 31, 2020 and 2019. Stage 1 represents those performing loans carried with up to a 12-month expected credit loss, Stage 2 represents those performing loans carried with a lifetime expected credit loss, and Stage 3 represents those loans with a lifetime credit loss that are credit impaired.

(Canadian $ in millions)				2020				2019
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Loans: Residential mortgages								
Exceptionally low	**1**	**–**	**–**	**1**	–	–	–	–
Very low	**79,295**	**429**	**–**	**79,724**	79,011	242	–	79,253
Low	**24,490**	**2,481**	**–**	**26,971**	20,853	2,821	–	23,674
Medium	**11,560**	**6,461**	**–**	**18,021**	13,651	4,578	–	18,229
High	**172**	**446**	**–**	**618**	124	397	–	521
Not rated	**1,132**	**148**	**–**	**1,280**	1,531	118	–	1,649
Impaired	**–**	**–**	**409**	**409**	–	–	414	414
Allowance for credit losses	**51**	**75**	**16**	**142**	15	32	17	64
Carrying amount	**116,599**	**9,890**	**393**	**126,882**	115,155	8,124	397	123,676
Loans: Consumer instalment and other personal								
Exceptionally low	**1,550**	**31**	**–**	**1,581**	21,023	25	–	21,048
Very low	**26,645**	**37**	**–**	**26,682**	16,491	194	–	16,685
Low	**20,935**	**585**	**–**	**21,520**	9,894	346	–	10,240
Medium	**10,324**	**4,334**	**–**	**14,658**	10,510	4,264	–	14,774
High	**429**	**1,470**	**–**	**1,899**	397	1,423	–	1,820
Not rated	**3,372**	**96**	**–**	**3,468**	2,594	107	–	2,701
Impaired	**–**	**–**	**340**	**340**	–	–	468	468
Allowance for credit losses	**134**	**429**	**105**	**668**	82	318	136	536
Carrying amount	**63,121**	**6,124**	**235**	**69,480**	60,827	6,041	332	67,200
Loans: Credit cards (1)								
Exceptionally low	**2,252**	**–**	**–**	**2,252**	2,418	–	–	2,418
Very low	**1,106**	**15**	**–**	**1,121**	1,214	16	–	1,230
Low	**899**	**148**	**–**	**1,047**	970	158	–	1,128
Medium	**1,611**	**899**	**–**	**2,510**	2,020	876	–	2,896
High	**58**	**377**	**–**	**435**	140	440	–	580
Not rated	**524**	**–**	**–**	**524**	606	1	–	607
Impaired	**–**	**–**	**–**	**–**	–	–	–	–
Allowance for credit losses	**61**	**272**	**–**	**333**	43	193	–	236
Carrying amount	**6,389**	**1,167**	**–**	**7,556**	7,325	1,298	–	8,623
Loans: Business and government (2)								
Acceptable								
Investment grade	**127,525**	**3,242**	**–**	**130,767**	134,587	1,028	–	135,615
Sub-investment grade	**84,356**	**30,106**	**–**	**114,462**	96,731	11,553	–	108,284
Watchlist	**–**	**8,621**	**–**	**8,621**	–	5,556	–	5,556
Impaired	**–**	**–**	**2,889**	**2,889**	–	–	1,747	1,747
Allowance for credit losses	**510**	**1,044**	**606**	**2,160**	263	441	310	1,014
Carrying amount	**211,371**	**40,925**	**2,283**	**254,579**	231,055	17,696	1,437	250,188
Commitments and financial guarantee contracts								
Acceptable								
Investment grade	**138,141**	**1,628**	**–**	**139,769**	134,920	884	–	135,804
Sub-investment grade	**41,650**	**20,421**	**–**	**62,071**	45,178	6,435	–	51,613
Watchlist	**–**	**4,861**	**–**	**4,861**	–	2,133	–	2,133
Impaired	**–**	**–**	**1,261**	**1,261**	–	–	324	324
Allowance for credit losses	**211**	**288**	**12**	**511**	119	103	22	244
Carrying amount (3)(4)	**179,580**	**26,622**	**1,249**	**207,451**	179,979	9,349	302	189,630

(1) Credit card loans are immediately written off when principal or interest payments are 180 days past due, and as a result are not reported as impaired in Stage 3.
(2) Includes customers' liability under acceptances.
(3) Represents the total contractual amounts of undrawn credit facilities and other off-balance sheet exposures, excluding personal lines of credit and credit cards that are unconditionally cancellable at our discretion.
(4) Certain commercial borrower commitments are conditional and may include recourse with other parties.

Notes

The following table shows the continuity in the loss allowance, by product type, for the years ended October 31, 2020 and 2019. Transfers represent the amount of ECL that moved between stages during the year, for example, moving from a 12-month (Stage 1) to a lifetime (Stage 2) ECL measurement basis. Net remeasurements represent the ECL impact due to transfers between stages, and changes in economic forecasts and credit quality. Model changes includes new calculation models or methodologies.

(Canadian $ in millions)				**2020**				2019
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Loans: Residential mortgages								
Balance as at beginning of year	**15**	**33**	**38**	**86**	20	38	44	102
Transfer to Stage 1	**25**	**(22)**	**(3)**	**–**	27	(25)	(2)	–
Transfer to Stage 2	**(3)**	**10**	**(7)**	**–**	(2)	7	(5)	–
Transfer to Stage 3	**–**	**(5)**	**5**	**–**	–	(8)	8	–
Net remeasurement of loss allowance	**6**	**70**	**22**	**98**	(35)	26	15	6
Loan originations	**14**	**–**	**–**	**14**	7	–	–	7
Derecognitions and maturities	**(3)**	**(6)**	**–**	**(9)**	(2)	(4)	–	(6)
Model changes	**(3)**	**(5)**	**–**	**(8)**	–	–	–	–
Total Provision for Credit Losses (PCL) (1)	**36**	**42**	**17**	**95**	(5)	(4)	16	7
Write-offs (2)	**–**	**–**	**(11)**	**(11)**	–	–	(19)	(19)
Recoveries of previous write-offs	**–**	**–**	**8**	**8**	–	–	13	13
Foreign exchange and other	**–**	**–**	**(26)**	**(26)**	–	(1)	(16)	(17)
Balance as at end of year	**51**	**75**	**26**	**152**	15	33	38	86
Loans: Consumer instalment and other personal								
Balance as at beginning of year	**89**	**333**	**136**	**558**	90	326	144	560
Transfer to Stage 1	**189**	**(180)**	**(9)**	**–**	174	(161)	(13)	–
Transfer to Stage 2	**(25)**	**86**	**(61)**	**–**	(18)	85	(67)	–
Transfer to Stage 3	**(4)**	**(96)**	**100**	**–**	(5)	(109)	114	–
Net remeasurement of loss allowance	**(148)**	**315**	**196**	**363**	(183)	232	167	216
Loan originations	**49**	**–**	**–**	**49**	48	–	–	48
Derecognitions and maturities	**(18)**	**(38)**	**–**	**(56)**	(16)	(40)	–	(56)
Model changes	**16**	**33**	**–**	**49**	–	–	–	–
Total PCL (1)	**59**	**120**	**226**	**405**	–	7	201	208
Write-offs (2)	**–**	**–**	**(320)**	**(320)**	–	–	(306)	(306)
Recoveries of previous write-offs	**–**	**–**	**87**	**87**	–	–	118	118
Foreign exchange and other	**–**	**1**	**(24)**	**(23)**	(1)	–	(21)	(22)
Balance as at end of year	**148**	**454**	**105**	**707**	89	333	136	558
Loans: Credit cards								
Balance as at beginning of year	**80**	**225**	**–**	**305**	74	219	–	293
Transfer to Stage 1	**152**	**(152)**	**–**	**–**	107	(107)	–	–
Transfer to Stage 2	**(32)**	**32**	**–**	**–**	(21)	21	–	–
Transfer to Stage 3	**(1)**	**(178)**	**179**	**–**	(1)	(173)	174	–
Net remeasurement of loss allowance	**(100)**	**429**	**82**	**411**	(96)	288	72	264
Loan originations	**18**	**–**	**–**	**18**	20	–	–	20
Derecognitions and maturities	**(6)**	**(25)**	**–**	**(31)**	(4)	(24)	–	(28)
Model changes	**(1)**	**(10)**	**–**	**(11)**	–	–	–	–
Total PCL (1)	**30**	**96**	**261**	**387**	5	5	246	256
Write-offs (2)	**–**	**–**	**(333)**	**(333)**	–	–	(339)	(339)
Recoveries of previous write-offs	**–**	**–**	**85**	**85**	–	–	93	93
Foreign exchange and other	**–**	**–**	**(13)**	**(13)**	1	1	–	2
Balance as at end of year	**110**	**321**	**–**	**431**	80	225	–	305
Loans: Business and government								
Balance as at beginning of year	**338**	**496**	**311**	**1,145**	298	408	209	915
Transfer to Stage 1	**180**	**(172)**	**(8)**	**–**	201	(187)	(14)	–
Transfer to Stage 2	**(184)**	**195**	**(11)**	**–**	(50)	65	(15)	–
Transfer to Stage 3	**(8)**	**(285)**	**293**	**–**	(1)	(66)	67	–
Net remeasurement of loss allowance	**227**	**1,106**	**744**	**2,077**	(214)	353	250	389
Loan originations	**208**	**–**	**–**	**208**	199	–	–	199
Derecognitions and maturities	**(85)**	**(128)**	**–**	**(213)**	(102)	(82)	–	(184)
Model changes	**(30)**	**8**	**–**	**(22)**	–	–	–	–
Total PCL (1)	**308**	**724**	**1,018**	**2,050**	33	83	288	404
Write-offs (2)	**–**	**–**	**(716)**	**(716)**	–	–	(203)	(203)
Recoveries of previous write-offs	**–**	**–**	**72**	**72**	–	–	66	66
Foreign exchange and other	**12**	**38**	**(77)**	**(27)**	7	5	(49)	(37)
Balance as at end of year	**658**	**1,258**	**608**	**2,524**	338	496	311	1,145
Total as at end of year	**967**	**2,108**	**739**	**3,814**	522	1,087	485	2,094
Comprised of: Loans	**756**	**1,820**	**727**	**3,303**	403	984	463	1,850
Other credit instruments (3)	**211**	**288**	**12**	**511**	119	103	22	244

(1) Excludes PCL on other assets of $16 million for the year ended October 31, 2020 ($(3) million for the year ended October 31, 2019).

(2) Generally, we continue to seek recovery on amounts that were written off during the year, unless the loan is sold, we no longer have the right to collect or we have exhausted all reasonable efforts to collect.

(3) Other credit instruments, including off-balance sheet items, are recorded in other liabilities on the Consolidated Balance Sheet.

Loans and allowance for credit losses by geographic region as at October 31, 2020 and 2019 are as follows:

(Canadian $ in millions)			2020					2019
	Gross amount	**Allowance for credit losses on impaired loans (2)**	**Allowance for credit losses on performing loans (3)**	**Net amount**	Gross amount	Allowance for credit losses on impaired loans (2)	Allowance for credit losses on performing loans (3)	Net amount
By geographic region (1):								
Canada	**276,868**	**303**	**1,323**	**275,242**	258,842	207	740	257,895
United States	**160,192**	**410**	**1,225**	**158,557**	158,454	256	630	157,568
Other countries	**11,247**	**14**	**28**	**11,205**	10,648	–	17	10,631
Total	**448,307**	**727**	**2,576**	**445,004**	427,944	463	1,387	426,094

(1) Geographic region is based upon the country of ultimate risk.
(2) Excludes allowance for credit losses on impaired loans of $12 million for other credit instruments, which is included in other liabilities ($22 million in 2019).
(3) Excludes allowance for credit losses on performing loans of $499 million for other credit instruments, which is included in other liabilities ($222 million in 2019).

Impaired (Stage 3) loans, including the related allowances, as at October 31, 2020 and 2019 are as follows:

(Canadian $ in millions)		2020				2019
	Gross impaired amount (3)	**Allowance for credit losses on impaired loans (4)**	**Net impaired amount (3)**	Gross impaired amount (3)	Allowance for credit losses on impaired loans (4)	Net impaired amount (3)
Residential mortgages	**409**	**16**	**393**	414	17	397
Consumer instalment and other personal	**340**	**105**	**235**	468	136	332
Business and government (1)	**2,889**	**606**	**2,283**	1,747	310	1,437
Total	**3,638**	**727**	**2,911**	2,629	463	2,166
By geographic region (2):						
Canada	**1,343**	**303**	**1,040**	914	207	707
United States	**2,211**	**410**	**1,801**	1,715	256	1,459
Other countries	**84**	**14**	**70**	–	–	–
Total	**3,638**	**727**	**2,911**	2,629	463	2,166

(1) Includes customers' liability under acceptances.
(2) Geographic region is based upon the country of ultimate risk.
(3) Gross impaired loans and net impaired loans exclude purchased credit impaired loans.
(4) Excludes allowance for credit losses on impaired loans of $12 million for other credit instruments, which is included in other liabilities ($22 million in 2019).

Loans Past Due Not Impaired

Loans that are past due but not classified as impaired are loans where our customers have failed to make payments when contractually due but for which we expect the full amount of principal and interest payments to be collected, or loans which are held at fair value. The following table presents loans that are past due but not classified as impaired as at October 31, 2020 and 2019.

(Canadian $ in millions)			2020					2019
	1 to 29 days	**30 to 89 days**	**90 days or more**	**Total**	1 to 29 days	30 to 89 days	90 days or more	Total
Residential mortgages	**806**	**543**	**43**	**1,392**	806	465	16	1,287
Credit card, consumer instalment and other personal	**2,136**	**345**	**65**	**2,546**	1,590	426	87	2,103
Business and government	**180**	**330**	**22**	**532**	351	207	59	617
Total	**3,122**	**1,218**	**130**	**4,470**	2,747	1,098	162	4,007

Fully secured loans with amounts past due between 90 and 180 days that we have not classified as impaired totalled $53 million and $54 million as at October 31, 2020 and 2019, respectively.

ECL Sensitivity and Key Economic Variables

The allowance for performing loans 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 loan impairment allowances as a whole are sensitive.

As at October 31, 2020, the base case economic forecast used to calculate the allowance depicts a contracting Canadian economy with the U.S. economy following a similar trajectory. This is in contrast to the base case economic forecast as at October 31, 2019, which depicted moderate economic growth in Canada and the United States over the projection period. If we assumed a 100% base case economic forecast and included the impact of loan migration by restaging, with other assumptions held constant including the application of experienced credit judgment, the allowance for performing loans would be approximately $2,375 million as at October 31, 2020 ($1,325 million in 2019) compared to the reported allowance for performing loans of $3,075 million ($1,609 million in 2019).

As at October 31, 2020, the adverse case economic forecast depicts a more severe contraction of the Canadian and U.S. economy for the remainder of 2020 with a further decline in 2021 before recovering in 2022. This is in contrast to the adverse scenario forecast as at October 31, 2019, which depicted a more typical recession followed by a steady recovery through the end of the projection period. If we assumed a 100% adverse economic forecast and included the impact of loan migration by restaging, with other assumptions held constant including the application of experienced credit judgment, the allowance for performing loans would be approximately $4,875 million as at October 31, 2020 ($2,800 million in 2019) compared to the reported allowance for performing loans of $3,075 million ($1,609 million in 2019).

Actual results in a recession will differ as our portfolio will change through time due to migration, growth, risk mitigation actions and other factors. In addition, our allowance will reflect the three economic scenarios used in assessing the allowance, with weightings attached to adverse and benign scenarios often unequally weighted and the weightings will change through 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 2020 for the base case scenario, calendar 2021 and 2022 for all scenarios. While the values disclosed below are national variables, we use regional variables in our underlying models and consider factors impacting particular industries where considered appropriate.

	As at October 31, 2020							As at October 31, 2019						
All figures are average annual values	**Benign scenario**		**Base scenario**			**Adverse scenario**		Benign scenario		Base scenario			Adverse scenario	
	2021	**2022**	**2020**	**2021**	**2022**	**2021**	**2022**	2020	2021	2019	2020	2021	2020	2021
Real GDP growth rates (1)														
Canada	**9.0%**	**4.0%**	**(5.5)%**	**6.0%**	**3.0%**	**(2.1)%**	**0.8%**	2.9%	2.5%	1.5%	1.7%	1.6%	(2.3)%	0.5%
United States	**7.0%**	**3.7%**	**(4.5)%**	**4.0%**	**3.0%**	**(2.9)%**	**0.8%**	2.4%	2.4%	2.3%	1.8%	1.9%	(2.0)%	0.6%
Corporate BBB 10-year spread														
Canada	**1.8%**	**2.0%**	**2.3%**	**2.2%**	**2.2%**	**4.5%**	**4.0%**	2.0%	2.1%	2.1%	2.3%	2.3%	4.5%	4.1%
United States	**1.6%**	**1.8%**	**2.2%**	**2.0%**	**2.1%**	**4.4%**	**3.7%**	1.8%	2.0%	1.9%	2.3%	2.4%	4.1%	3.6%
Unemployment rates														
Canada	**6.4%**	**5.9%**	**9.6%**	**8.0%**	**7.1%**	**13.8%**	**13.9%**	5.1%	5.0%	5.7%	5.7%	5.9%	8.5%	9.0%
United States	**5.2%**	**4.6%**	**8.5%**	**6.8%**	**5.6%**	**12.6%**	**12.7%**	3.3%	3.2%	3.7%	3.7%	3.8%	6.1%	6.8%
Housing Price Index (1)														
Canada (2)	**9.6%**	**5.4%**	**7.2%**	**4.5%**	**2.5%**	**(9.1)%**	**(4.6)%**	3.7%	3.7%	0.5%	2.0%	2.5%	(12.3)%	(4.7)%
United States (3)	**4.7%**	**4.2%**	**3.9%**	**1.4%**	**2.7%**	**(7.3)%**	**(2.2)%**	4.4%	4.2%	3.4%	3.0%	2.7%	(5.7)%	(2.2)%

(1) Real gross domestic product (GDP) and housing price index are year-over-year growth rates.
(2) In Canada, we use the HPI Benchmark Composite.
(3) In the United States, we use the National Case-Shiller House Price Index.

The ECL approach requires the recognition of credit losses generally based on 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). Under our current probability-weighted scenarios, if all our performing loans were in Stage 1, our models would generate an allowance for performing loans of approximately $2,300 million compared to the reported allowance for performing loans of $3,075 million as at October 31, 2020 ($1,050 million compared to the reported allowance for performing loans of $1,609 million as at October 31, 2019).

Renegotiated Loans

From time to time we modify the contractual terms of a loan due to the poor financial condition of the borrower. We assess renegotiated loans for impairment consistent with our existing policies for impairment. When renegotiation leads to significant concessions being granted, and the concessions are for economic or legal reasons related to the borrower's financial difficulty that we would not otherwise consider, the loan is classified as impaired. We consider one or a combination of the following to be significant concessions: (1) a reduction of the stated interest rate, (2) an extension of the maturity date or dates at a stated interest rate lower than the current market rate for a new loan with similar terms, or (3) forgiveness of principal or accrued interest.

Renegotiated loans remain in performing status if the modifications are not considered to be significant, or are returned to performing status when none of the criteria for classification as impaired continues to apply.

The carrying value of loans with lifetime allowance for credit losses modified during the year ended October 31, 2020 was $8,649 million ($209 million in 2019), including modifications for COVID-19 payment deferrals of $8,485 million. Modified loans of $49 million ($36 million in 2019 and $53 million in 2018) were written off during the year ended October 31, 2020. As at October 31, 2020, $1,469 million ($66 million as at October 31, 2019) of loans previously modified saw their loss allowance during the year change from lifetime to 12-month expected credit loss.

Foreclosed Assets

Property or other assets that we received from borrowers to satisfy their loan commitments are classified as either held for use or held for sale according to management's intention, recorded initially at fair value for own use assets and lower of carrying value or fair value less costs to sell for any assets held for sale. Assets held for own use are subsequently accounted for in accordance with the relevant asset classification and assets held for sale are assessed for impairment.

During the year ended October 31, 2020, we foreclosed on impaired loans and received $44 million of real estate properties that we classified as held for sale ($87 million in 2019). As at October 31, 2020, real estate properties held for sale totalled $27 million ($55 million in 2019). These properties are disposed of when considered appropriate.

Collateral

Collateral is used to manage credit risk related to securities borrowed or purchased under resale agreements, residential mortgages, consumer instalment and other personal loans, and business and government loans. Additional information on our collateral requirements is included in Notes 14 and 24, as well as in the blue-tinted font in the Enterprise-Wide Risk Management section of Management's Discussion and Analysis on pages 84 to 85 of this report.

Note 5: Risk Management

We have an enterprise-wide approach to the identification, measurement, monitoring and control of risks faced across our organization. The key risks related to our financial instruments are classified as credit and counterparty, market, and liquidity and funding risk. The COVID-19 pandemic has resulted in an increase in certain risks outlined in the Enterprise Wide Risk Management section of our Management's Discussion and Analysis and where those risks are related to financial instruments, they have been included in the blue-tinted font as referenced below.

Credit and Counterparty Risk

Credit and counterparty risk is the potential for loss due to the failure of a borrower, endorser, guarantor or counterparty to repay a loan or honour another predetermined financial obligation. Credit risk arises predominantly with respect to loans, over-the-counter and centrally cleared derivatives and other credit instruments. This is the most significant measurable risk that we face.

Our risk management practices and key measures are disclosed in the blue-tinted font in the Enterprise-Wide Risk Management section of Management's Discussion and Analysis on pages 84 to 91 of this report. Additional information on credit risk related to loans and derivatives is included in Notes 4 and 8, respectively.

Market Risk

Market risk is the potential for adverse changes in the value of our assets and liabilities resulting from changes in market variables such as interest rates, foreign exchange rates, equity and commodity prices and their implied volatilities, and credit spreads, and includes the risk of credit migration and default in our trading book. We incur market risk in our trading and underwriting activities, as well as in our structural banking activities.

Our market risk management practices and key measures are disclosed in the blue-tinted font in the Enterprise-Wide Risk Management section of Management's Discussion and Analysis on pages 92 to 96 of this report.

Liquidity and Funding Risk

Liquidity and funding risk is the potential for loss if we are unable to meet our financial commitments in a timely manner at reasonable prices as they become due. It is our policy to ensure that sufficient liquid assets and funding capacity are available to meet financial commitments, including liabilities to depositors and suppliers, and lending, investment and pledging commitments, even in times of stress. Managing liquidity and funding risk is essential to maintaining enterprise soundness and safety, depositor confidence and earnings stability.

Our liquidity and funding risk management practices and key measures are disclosed in the blue-tinted font in the Enterprise-Wide Risk Management section of Management's Discussion and Analysis on pages 97 to 105 of this report.

Note 6: Transfer of Assets

Loan Securitization

We sell Canadian residential mortgages to third-party Canadian securitization programs, including the Canada Mortgage Bond program, directly to third-party investors under the National Housing Act Mortgage-Backed Securities (NHA MBS) program and under our own program. We assess whether substantially all of the risks and rewards of or control over the loans have been transferred to determine whether they qualify for derecognition.

Under these programs, we are entitled to the payment over time of the excess of the sum of interest and fees collected from customers, in connection with the mortgages that were sold, over the yield paid to investors, less credit losses and other costs. We also act as counterparty in interest rate swap agreements where we pay the interest due to Canadian Mortgage Bond holders and receive the interest on the underlying mortgages, which are converted into MBS through the NHA MBS program and sold to the Canada Housing Trust. Since we continue to be exposed to substantially all the prepayment, interest rate and credit risk associated with the securitized mortgages, they do not qualify for derecognition.
We continue to recognize the mortgages and the related cash proceeds as secured financing in our Consolidated Balance Sheet. The interest and fees collected, net of the yield paid to investors, are recorded in net interest income using the effective interest method over the term of the securitization. Credit losses associated with the mortgages are recorded in the provision for credit losses. During the year ended October 31, 2020, we sold $6,644 million of mortgages to these programs ($6,692 million in 2019).

In the second quarter, we participated in the Insured Mortgage Purchase Program (IMPP), launched by the Government of Canada as part of its response to COVID-19. Under the IMPP, we assessed whether substantially all of the risks and rewards of the loans have been transferred, in order to determine if the mortgages qualify for derecognition. These loans do not qualify for derecognition as we continue to be exposed to substantially all of the risks and rewards of ownership associated with these securitized mortgages. We continue to recognize the loans in our Consolidated Balance Sheet and the related cash proceeds are recognized as secured financing as part of securitization and structured entities' liabilities.

The following table presents the carrying amounts and fair values of transferred assets that did not qualify for derecognition and the associated liabilities:

(Canadian $ in millions)	**2020**		2019	
	Carrying amount (1)	**Fair value**	Carrying amount (1)	Fair value
Assets				
Trading securities (2)	**345**		165	
Residential mortgages	**8,453**		6,357	
Other related assets (3)	**10,363**		10,872	
Total	**19,161**	**19,357**	17,394	17,418
Associated liabilities (4)	**18,617**	**19,213**	16,993	17,202

(1) Carrying amount of loans is net of allowance, where applicable.
(2) Trading securities represent collateralized mortgage obligations issued by third party sponsored vehicles, where we do not substantially transfer all the risks and rewards of ownership to third party investors.
(3) Other related assets represent payments received on account of mortgages pledged under securitization programs that have not yet been applied against the associated liabilities. The payments received are held in permitted instruments on behalf of the investors in the securitization vehicles until principal payments are required to be made on the associated liabilities. In order to compare all assets supporting the associated liabilities, this amount is added to the carrying amount of the securitized assets in the table above.
(4) Associated liabilities are recognized in Securitization and structured entities' liabilities in our Consolidated Balance Sheet.

Certain comparative figures have been reclassified to conform with the current year's presentation.

Transferred Financial Assets

We retain the mortgage servicing rights for certain mortgage loans purchased or originated in the U.S. which are sold and derecognized. During the year ended October 31, 2020, we sold and derecognized $720 million ($460 million in 2019 and $936 million in 2018) and recognized a $33 million gain ($15 million in 2019 and $21 million in 2018) in non-interest revenue, other. We retain mortgage servicing rights for these loans, which represent our continuing involvement. As at October 31, 2020, the carrying value of the mortgage servicing right was $29 million ($43 million as at October 31, 2019) and the fair value was $30 million ($46 million as at October 31, 2019).

In addition, we hold U.S. government agency CMOs issued by third party sponsored vehicles, which we may further securitize by packaging them into new CMOs prior to selling to third party investors. Where we do not substantially transfer all the risks and rewards of ownership to third party investors, we continue to recognize these CMOs and the related cash proceeds as secured financing in our Consolidated Balance Sheet. Also, we sold CMOs that qualified for derecognition, where retained interests represent our continuing involvement and are managed as part of larger portfolios held for either trading, liquidity or hedging purposes. Where we sold these CMOs, associated gains and losses are recognized in non-interest revenue, trading revenue. As at October 31, 2020, we held $28 million of CMOs carried at fair value, classified as part of our trading securities in our Consolidated Balance Sheet ($1 million as at October 31, 2019), representing our continuing involvement. Refer to Note 3 for further information.

In the second quarter of 2020, the Canadian Government launched the Canada Emergency Business Account Program as part of its response to COVID-19, in which we issue loans that are funded by the government. We determined these loans qualify for derecognition as substantially all the risks and rewards were transferred; therefore, we do not recognize these loans in our Consolidated Balance Sheet.

Securities Lent or Sold Under Repurchase Agreements

Securities lent or sold under repurchase agreements represent short-term funding transactions in which we sell securities that we own and simultaneously commit to repurchase the same securities at a specified price on a specified date in the future. We retain substantially all the risks and rewards associated with the securities and we continue to recognize them in our Consolidated Balance Sheet, with the obligation to repurchase these securities recorded as secured borrowing transactions at the amount owing. The carrying value of these securities approximates the carrying value of the associated liabilities due to their short-term nature. As at October 31, 2020, the carrying values of securities lent and securities sold under repurchase agreements were $7,696 million and $80,962 million, respectively ($12,960 million and $73,696 million, respectively, as at October 31, 2019). The interest expense related to these liabilities is recorded on an accrual basis in interest expense, other liabilities, in our Consolidated Statement of Income.

Note 7: Structured Entities

We enter into certain transactions in the ordinary course of business which involve the establishment of SEs to facilitate or secure customer transactions and to obtain alternate sources of funding. We are required to consolidate a SE if we control the entity. We control a SE when we have power over the SE, exposure to variable returns as a result of our involvement, and the ability to exercise power to affect the amount of our returns.

In assessing whether we control a SE, we consider the entire arrangement to determine the purpose and design of the SE, the nature of any rights held through contractual arrangements, and whether we are acting as principal or agent.

We perform a reassessment of consolidation if facts and circumstances indicate that there have been changes to one or more of the elements of control over the SE. Information regarding our basis of consolidation is included in Note 1.

Consolidated Structured Entities

Bank Securitization Vehicles

We use securitization vehicles to securitize our Canadian credit card loans, Canadian real estate lines of credit, Canadian auto loans and U.S. equipment loans in order to obtain alternate sources of funding. The structure of these vehicles limits the activities they can undertake and the types of assets they can hold, and the vehicles have limited decision-making authority. The vehicles issue term asset-backed securities (ABS) to fund their activities. We control and consolidate these vehicles, as we have the key decision-making powers necessary to obtain the majority of the benefits of their activities.

The following table presents the carrying amounts and fair values of transferred assets that did not qualify for derecognition and the associated liabilities issued by our bank securitization vehicles:

(Canadian $ in millions)		**2020**		2019
	Carrying amount (1)	**Fair value**	Carrying amount (1)	Fair value
Assets				
Credit cards	**6,825**	**6,825**	7,747	7,747
Consumer instalment and other personal (2)	**6,291**	**6,312**	5,872	5,876
Business and government	**484**	**484**	716	721
Total	**13,600**	**13,621**	14,335	14,344
Associated liabilities (3)	**8,272**	**8,416**	10,166	10,209

(1) Carrying amount of loans is net of allowance.
(2) Includes real estate lines of credit and auto loans.
(3) Associated liabilities are recognized in Securitization and structured entities' liabilities in our Consolidated Balance Sheet.

U.S. Customer Securitization Vehicle

We sponsor one customer securitization vehicle (also referred to as a bank-sponsored multi-seller conduit) that provides our customers with alternate sources of funding through the securitization of their assets. This vehicle provides clients with access to financing in the asset-backed commercial paper (ABCP) markets by allowing them to either sell their assets directly into the vehicle or indirectly by selling an interest in the securitized assets into the vehicle, which then issues ABCP to investors in order to fund the purchases. We do not sell assets to the customer securitization vehicle. We earn fees for providing services related to the securitizations, including liquidity, distribution and financial arrangement fees for supporting the ongoing operations of the vehicle. We have determined that we control and therefore consolidate this vehicle, as we are exposed to its variable returns and we have the key decision-making powers necessary to affect the amount of those returns in our capacity as liquidity provider and servicing agent.

We provide committed liquidity support facilities to this vehicle, which may require that we provide additional financing to the vehicle in the event that certain events occur. The total committed undrawn amount under these facilities at October 31, 2020 was $7,340 million ($6,733 million at October 31, 2019).

Capital and Funding Vehicles

During the year, we established a Trust in connection with the issuance of $1,250 million 4.3% Limited Recourse Capital Notes Series 1 (LRCN), which holds $1,250 million of BMO issued Non-cumulative, 5-year Rate Reset Class B Preferred Shares, Series 48 (Non-Viability Contingent Capital (NVCC)), issued concurrently with the LRCN. We determined that we control and therefore consolidate this vehicle as we are exposed to its variable returns and have key decision-making powers over its activities. Refer to Note 16 for further information.

We have a funding vehicle, created under the covered bond program, that was established to guarantee payments due to bondholders on bonds issued by us. We sell assets to this funding vehicle in exchange for an intercompany loan. Refer to Note 13 for further information on our covered bond deposit liabilities.

We may also use capital vehicles to transfer our credit exposure on certain loan assets. We purchase credit protection against eligible credit events from these vehicles. The vehicles collateralize their obligation through the issuance of guarantee-linked notes. Loan assets are not sold or assigned to the vehicles and remain on our Consolidated Balance Sheet. As at October 31, 2020, $120 million of guarantee-linked notes issued by these vehicles were included in deposits in our Consolidated Balance Sheet ($325 million at October 31, 2019).

For those vehicles that purchase assets from us or are designed to pass on our credit risk, we have determined that, based on the rights of the arrangements or through our equity interest, we have significant exposure to the variable returns of the vehicles, and we control and therefore consolidate these vehicles. Additional information related to notes issued by, and assets sold to, these vehicles is provided in Notes 13 and 24, respectively.

Unconsolidated Structured Entities

The table below presents amounts related to our interests in unconsolidated SEs:

(Canadian $ in millions)			**2020**			2019
	Canadian customer securitization vehicles (1)	**Capital vehicles**	**Securitization vehicles**	Canadian customer securitization vehicles (1)	Capital vehicles	Securitization vehicles
Interests recorded on our consolidated balance sheet						
Cash and cash equivalents	**46**	**1,173**	**–**	66	547	–
Trading securities	**75**	**–**	**72**	8	–	35
FVTPL securities	**158**	**–**	**–**	567	–	–
FVOCI securities	**291**	**–**	**–**	616	–	–
Amortized cost securities	**–**	**–**	**102**	–	–	102
Derivatives	**22**	**–**	**–**	–	–	–
Other	**–**	**39**	**–**	–	15	–
	592	**1,212**	**174**	1,257	562	137
Deposits	**46**	**1,173**	**–**	66	547	–
Other	**–**	**25**	**–**	–	9	–
	46	**1,198**	**–**	66	556	–
Exposure to loss (2)	**7,015**	**1**	**174**	7,453	–	137
Total assets of the entities	**5,265**	**1,198**	**2,560**	4,854	556	875

(1) Securities held that are issued by our Canadian customer securitization vehicles are comprised of asset-backed commercial paper and are classified as trading securities, FVTPL securities and FVOCI securities. All assets held by these vehicles relate to assets in Canada.

(2) Exposure to loss represents securities held, undrawn liquidity facilities, total committed amounts of the BMO funded vehicle, derivative assets and loans.

Canadian Customer Securitization Vehicles

We sponsor customer securitization vehicles (also referred to as bank-sponsored multi-seller conduits) that provide our customers with alternate sources of funding through the securitization of their assets. These vehicles provide clients with access to financing either from BMO or in the ABCP markets by allowing them to either sell their assets directly into the vehicle or indirectly by selling an interest in the securitized assets into the vehicle, which then issues ABCP to either investors or BMO to fund the purchases. We do not sell assets to the customer securitization vehicles. We earn fees for providing services related to the securitizations, including liquidity, distribution and financial arrangement fees for supporting the ongoing operations of the vehicles. We have determined that we do not control these entities, as their key relevant activity, the servicing of program assets, does not reside with us.

We provide liquidity facilities to the market-funded vehicles, which may require that we provide additional financing to the vehicles in the event that certain events occur. The total committed and undrawn amount under these liquidity facilities and any undrawn amounts of the BMO funded vehicle as at October 31, 2020 was $6,469 million ($6,262 million as at October 31, 2019).

Capital Vehicles

We also use capital vehicles to pass our credit risk to security holders of the vehicles. In these situations, we are not exposed to significant default or credit risk. Our remaining exposure to variable returns is less than that of the note holders in these vehicles, who are exposed to our default and credit risk. We are not required to consolidate these vehicles. In 2019, one of our capital vehicles redeemed a note issued by us. Additional information is provided in Note 16.

Securitization Vehicles

Securitization vehicles include holdings in asset-backed securitizations. Where we are a sponsor of certain SEs that securitize MBS into CMOs, we may have interests through our holdings of CMOs but do not consolidate them as we do not have power to direct their relevant activities. These include government-sponsored agency securities such as U.S. government agency issuances. In determining whether we are a sponsor of a SE, we consider both qualitative and quantitative factors, including the purpose and nature of the entity, and our initial and continuing involvement. Subsequent to the securitization, we sell the CMOs to third parties. Our maximum exposure to loss is limited to our on-balance sheet investments in these entities, included in the table above.

Where the asset-backed instruments in these securitizations are transferred to third parties but do not qualify for derecognition, we continue to recognize the transferred assets. Where the Bank retains substantially all risks and rewards related to the transferred assets, we recognize the related cash proceeds as secured financing in our Consolidated Balance Sheet. As at October 31, 2020, these transferred assets were carried at fair value totalling $69 million ($35 million as at October 31, 2019) with $nil ($nil as at October 31, 2019) recognized in securitization and structured entities' liabilities, also carried at fair value.

Where the asset-backed instruments in these securitizations are transferred to third parties and qualify for derecognition, we record the related gains or losses in non-interest revenue, trading revenue. We may also retain an interest in the CMOs sold, which represents our continuing involvement. As at October 31, 2020, we held $3 million carried at fair value on our Consolidated Balance Sheet ($nil as at October 31, 2019).

During the year ended October 31, 2020, we sold $5,797 million of MBS to these sponsored securitization vehicles ($810 million in 2019), where we divested all interests in the securitized MBSs and any gains and losses were recorded in non-interest revenue, trading revenue.

BMO Managed Funds

We have established a number of funds that we also manage. We assess whether or not we control these funds based on the economic interest we have in the funds, including investments in the funds and management fees earned from the funds, and any investors' rights to remove us as investment manager. Based on our assessment, we have determined that we do not control these funds. Our total interest in unconsolidated BMO managed funds was $1,718 million at October 31, 2020 ($1,728 million in 2019), with $444 million included in FVTPL securities and $1,274 million included in trading securities as at October 31, 2020 ($469 million and $1,259 million, respectively, in 2019) in our Consolidated Balance Sheet.

Other Structured Entities

We purchase and hold investments in a variety of third-party SEs, including exchange-traded funds, mutual funds, limited partnerships investment trusts and government-sponsored ABS vehicles which are recorded in securities in our Consolidated Balance Sheet. We are considered to have an interest in these investments through our holdings and because we may act as a counterparty in certain derivatives contracts. We are not the investment manager or the sponsor of any of these investments. We are generally a passive investor and do not have power over the key decision-making activities of these investments. Our maximum exposure to loss from our investments is limited to the carrying amounts of our investments and any unutilized commitment we have provided.

Sponsored Structured Entities

We may be deemed to be the sponsor of a SE if we are involved in its design, legal set-up or marketing. We may also be deemed to be the sponsor of a SE if market participants would reasonably associate the entity with us. Any interests in securitization vehicles we have sponsored are disclosed in the interests in unconsolidated structured entities table above.

Financial Support Provided to Structured Entities

During the years ended October 31, 2020 and 2019, we did not provide any financial or non-financial support to any consolidated or unconsolidated SEs when we were not contractually obligated to do so. Furthermore, we have no intention of providing such support in the future.

Note 8: Derivative Instruments

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

Derivative instruments are either regulated exchange-traded contracts or negotiated over-the-counter contracts. We use these instruments for trading purposes, as well as to manage our exposures, mainly to foreign currency and interest rate fluctuations, as part of our asset/liability management program.

Types of Derivatives

Swaps

Swaps are contractual agreements between two parties to exchange a series of cash flows. The various swap agreements that we enter into are as follows:

- Interest rate swaps – counterparties generally exchange fixed and floating rate interest payments based on a notional value in a single currency.
- Cross-currency swaps – fixed rate interest payments and principal amounts are exchanged in different currencies.
- Cross-currency interest rate swaps – fixed and/or floating rate interest payments and principal amounts are exchanged in different currencies.
- Commodity swaps – counterparties generally exchange fixed and floating rate payments based on a notional value of a single commodity.
- Equity swaps – counterparties exchange the return on an equity security or a group of equity securities for the return based on a fixed or floating interest rate or the return on another equity security or group of equity securities.
- Credit default swaps – one counterparty pays the other a fee in exchange for that other counterparty agreeing to make a payment if a credit event occurs, such as bankruptcy or failure to pay.
- Total return swaps – one counterparty agrees to pay or receive from the other cash amounts based on changes in the value of a reference asset or group of assets, including any returns such as interest earned on these assets, in exchange for amounts that are based on prevailing market funding rates.

Forwards and Futures
Forwards and futures are contractual agreements to either buy or sell a specified amount of a currency, commodity, interest-rate-sensitive financial instrument or security at a specified price and date in the future.

Forwards are customized contracts transacted in the over-the-counter market. Futures are transacted in standardized amounts on regulated exchanges and are subject to daily cash margining.

Options
Options are contractual agreements that convey to the purchaser the right but not the obligation to either buy or sell a specified amount of a currency, commodity, interest-rate-sensitive financial instrument or security at a fixed future date or at any time within a fixed future period.

For options written by us, we receive a premium from the purchaser for accepting market risk.

For options purchased by us, we pay a premium for the right to exercise the option. Since we have no obligation to exercise the option, our primary exposure to risk is the potential credit risk if the writer of an over-the-counter contract fails to meet the terms of the contract.

Caps, collars and floors are specialized types of written and purchased options. They are contractual agreements in which the writer agrees to pay the purchaser, based on a specified notional amount, the difference between the market rate and the prescribed rate of the cap, collar or floor. The writer receives a premium for selling this instrument.

A swaption is an option granting its owner the right but not the obligation to enter into an underlying swap.

A future option is an option contract in which the underlying instrument is a single futures contract.

The main risks associated with these derivative instruments are related to exposure to movements in interest rates, foreign exchange rates, credit quality, value of the underlying financial instrument or commodity, as applicable, and the possible inability of counterparties to meet the terms of the contracts.

Embedded Derivatives

From time to time, we purchase or issue financial instruments containing embedded derivatives. The embedded derivative in a financial liability is separated from the host contract and carried at fair value if the economic characteristics of the derivative are not closely related to those of the host contract, the terms of the embedded derivative are the same as those of a stand-alone derivative, and the combined contract is not measured at fair value. To the extent that we cannot reliably identify and measure the embedded derivative, the entire contract is carried at fair value, with changes in fair value reflected in income. Embedded derivatives in certain of our equity linked notes are accounted for separately from the host instrument.

Contingent Features

Certain over-the-counter derivative instruments contain provisions that link the amount of collateral we are required to post or pay to our credit ratings as determined by the major credit rating agencies. If our credit ratings were to be downgraded, certain counterparties to these derivative instruments could demand immediate and ongoing collateralization on derivative liability positions or request immediate payment. The aggregate fair value of all derivative instruments with collateral posting requirements that were in a liability position on October 31, 2020 was $6,560 million ($5,736 million in 2019), for which we have posted collateral of $5,967 million ($5,660 million in 2019).

Risks Hedged

Interest Rate Risk
We manage interest rate risk through interest rate futures, interest rate swaps and options, which are linked to and adjust the interest rate sensitivity of a specific asset, liability, forecasted transaction or firm commitment, or a specific pool of transactions with similar risk characteristics.

Foreign Currency Risk
We manage foreign currency risk through currency futures, foreign currency options, cross-currency swaps, foreign exchange spot transactions, forward contracts and deposits denominated in foreign currencies.

Equity Price Risk
We manage equity price risk through total return swaps.

Trading Derivatives

Trading derivatives include derivatives entered into with customers to accommodate their risk management needs, market-making to facilitate customer-driven demand for derivatives, derivatives transacted on a limited basis to generate trading income from our principal trading positions, and certain derivatives that we enter into as part of our risk management strategy that do not qualify as hedges for accounting purposes ("economic hedges").

We structure and market derivative products to enable customers to transfer, modify or reduce current or expected exposure to risks.

Principal trading activities include market-making and positioning activities. Market-making involves quoting bid and offer prices to other market participants with the intention of generating revenues based on spread and volume. Positioning activities involve managing market risk positions with the expectation of profiting from favourable movements in prices, rates or indices.

Trading derivatives are recorded at fair value. Realized and unrealized gains and losses are generally recorded in non-interest revenue, trading revenues, in our Consolidated Statement of Income. Unrealized gains and losses on derivatives used to economically hedge certain exposures may be recorded in the Consolidated Statement of Income in the same line as the unrealized gains and losses arising from the exposures. Unrealized gains on trading derivatives are recorded as derivative instrument assets and unrealized losses are recorded as derivative instrument liabilities in our Consolidated Balance Sheet.

We may also economically hedge a portion of our U.S. dollar earnings through forward foreign exchange contracts and/or options to minimize fluctuations in our consolidated net income due to the translation of our U.S. dollar earnings. These contracts are recorded at fair value, with changes in fair value recorded in non-interest revenue, trading revenues, in our Consolidated Statement of Income.

Fair Value of Trading and Hedging Derivatives

Fair value represents point-in-time estimates that may change in subsequent reporting periods due to market conditions or other factors. A discussion of the fair value measurement of derivatives is included in Note 17.

Fair values of our derivative instruments are as follows:

(Canadian $ in millions)			2020			2019
	Gross assets	**Gross liabilities**	**Net**	Gross assets	Gross liabilities	Net
Trading						
Interest Rate Contracts						
Swaps	**10,510**	**(7,585)**	**2,925**	7,588	(5,834)	1,754
Forward rate agreements	**29**	**(276)**	**(247)**	44	(157)	(113)
Futures	**3**	**(18)**	**(15)**	1	(4)	(3)
Purchased options	**667**	**–**	**667**	632	–	632
Written options	**–**	**(714)**	**(714)**	–	(403)	(403)
Foreign Exchange Contracts (1)						
Cross-currency swaps	**2,080**	**(1,428)**	**652**	2,394	(1,383)	1,011
Cross-currency interest rate swaps	**4,151**	**(4,207)**	**(56)**	3,471	(4,950)	(1,479)
Forward foreign exchange contracts	**3,611**	**(2,954)**	**657**	2,796	(2,379)	417
Purchased options	**346**	**–**	**346**	188	–	188
Written options	**–**	**(312)**	**(312)**	–	(203)	(203)
Commodity Contracts						
Swaps	**2,162**	**(1,733)**	**429**	754	(1,273)	(519)
Futures	**53**	**(144)**	**(91)**	122	(40)	82
Purchased options	**373**	**–**	**373**	270	–	270
Written options	**–**	**(456)**	**(456)**	–	(367)	(367)
Equity Contracts	**8,461**	**(6,514)**	**1,947**	1,199	(2,999)	(1,800)
Credit Contracts						
Purchased	**11**	**(6)**	**5**	2	(98)	(96)
Written	**–**	**(8)**	**(8)**	47	(4)	43
Total fair value – trading derivatives	**32,457**	**(26,355)**	**6,102**	19,508	(20,094)	(586)
Hedging						
Interest Rate Contracts (2)						
Cash flow hedges – swaps	**2,602**	**(43)**	**2,559**	1,393	(121)	1,272
Fair value hedges – swaps	**1,118**	**(2,257)**	**(1,139)**	799	(1,435)	(636)
Total swaps	**3,720**	**(2,300)**	**1,420**	2,192	(1,556)	636
Foreign Exchange Contracts						
Cash flow hedges	**638**	**(1,710)**	**(1,072)**	420	(1,948)	(1,528)
Fair value hedges	**–**	**(1)**	**(1)**	–	–	–
Total foreign exchange contracts	**638**	**(1,711)**	**(1,073)**	420	(1,948)	(1,528)
Equity Contracts						
Cash flow hedges	**–**	**(9)**	**(9)**	24	–	24
Total equity contracts	**–**	**(9)**	**(9)**	24	–	24
Total fair value – hedging derivatives (3)	**4,358**	**(4,020)**	**338**	2,636	(3,504)	(868)
Total fair value – trading and hedging derivatives	**36,815**	**(30,375)**	**6,440**	22,144	(23,598)	(1,454)
Less: impact of master netting agreements	**(19,302)**	**19,302**	**–**	(13,538)	13,538	–
Total	**17,513**	**(11,073)**	**6,440**	8,606	(10,060)	(1,454)

(1) Gold contracts are included with foreign exchange contracts.
(2) The fair value of bond futures designated in fair value hedge relationships rounds down to $nil as at October 31, 2020 (we held no bond futures as at October 31, 2019).
(3) The fair values of hedging derivatives wholly or partially offset the changes in fair values of the related on-balance sheet financial instruments.

Assets are shown net of liabilities to customers where we have a legally enforceable right to offset amounts and we intend to settle contracts on a net basis.

Notes

Notional Amounts of Trading Derivatives

The notional amounts of our derivatives represent the amount to which a rate or price is applied in order to calculate the amount of cash that must be exchanged under the contract. Notional amounts do not represent assets or liabilities and therefore are not recorded in our Consolidated Balance Sheet.

(Canadian $ in millions)			2020			2019
	Exchange traded	**Over-the-counter**	**Total**	Exchange traded	Over-the-counter	Total
Interest Rate Contracts						
Swaps	**–**	**4,148,257**	**4,148,257**	–	4,209,193	4,209,193
Forward rate agreements	**–**	**517,332**	**517,332**	–	491,437	491,437
Purchased options	**24,683**	**57,833**	**82,516**	13,737	42,084	55,821
Written options	**3,796**	**64,728**	**68,524**	16,446	49,487	65,933
Futures	**297,578**	**–**	**297,578**	225,747	–	225,747
Total interest rate contracts	**326,057**	**4,788,150**	**5,114,207**	255,930	4,792,201	5,048,131
Foreign Exchange Contracts (1)						
Cross-currency swaps	**–**	**47,805**	**47,805**	–	47,977	47,977
Cross-currency interest rate swaps	**–**	**534,752**	**534,752**	–	499,571	499,571
Forward foreign exchange contracts	**–**	**494,640**	**494,640**	–	453,711	453,711
Purchased options	**1,673**	**39,067**	**40,740**	3,295	37,397	40,692
Written options	**2,346**	**41,327**	**43,673**	2,502	42,075	44,577
Futures	**1,608**	**–**	**1,608**	882	–	882
Total foreign exchange contracts	**5,627**	**1,157,591**	**1,163,218**	6,679	1,080,731	1,087,410
Commodity Contracts						
Swaps	**–**	**30,613**	**30,613**	–	24,722	24,722
Purchased options	**4,846**	**5,728**	**10,574**	3,615	6,608	10,223
Written options	**6,514**	**3,704**	**10,218**	5,230	4,371	9,601
Futures	**39,011**	**–**	**39,011**	32,422	–	32,422
Total commodity contracts	**50,371**	**40,045**	**90,416**	41,267	35,701	76,968
Equity Contracts	**110,274**	**60,202**	**170,476**	39,952	50,910	90,862
Credit Contracts						
Purchased	**–**	**7,407**	**7,407**	–	5,361	5,361
Written	**–**	**1,795**	**1,795**	–	2,068	2,068
Total	**492,329**	**6,055,190**	**6,547,519**	343,828	5,966,972	6,310,800

(1) Gold contracts are included with foreign exchange contracts.

Table excludes loan commitment derivatives with notionals of $2,603 million ($2,613 million in 2019).

Derivatives Used in Hedge Accounting

In accordance with our risk management strategy, we enter into various derivative contracts to hedge our interest rate, foreign currency and equity price exposures. In addition, we use deposits to hedge foreign currency exposure in our net investment in foreign operations. To the extent these instruments qualify for hedge accounting, we designate them in accounting hedge relationships. Our structural market risk strategies, including our approach to managing interest rate and foreign exchange risk, are included in the blue-tinted font in the Structural (Non-Trading) Market Risk section of Management's Discussion and Analysis on page 95 of this report. In addition, our exposure to foreign exchange rate risk is discussed in the Foreign Exchange Risk section of Management's Discussion and Analysis on page 96. Our exposure to equity price risk and our approach to managing it are discussed in the Other Share-Based Compensation, Mid-Term Incentive Plans section of Note 20.

By using derivatives to hedge exposures to interest rates, foreign currency exchange rates, and equity prices, we are also exposed to the credit risk of the derivative counterparty. We mitigate credit risk by entering into transactions with high-quality counterparties, requiring the counterparties to post collateral, entering into master netting agreements, or settling through centrally cleared counterparties.

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, liability or cash flow being hedged, as well as how effectiveness is to be 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. We evaluate hedge effectiveness at the inception of the hedging relationship and on an ongoing basis, retrospectively and prospectively, primarily using a quantitative statistical regression analysis. We consider 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%. The practice is different for our net investment hedge, discussed in the Net Investment Hedges section below.

Any ineffectiveness in the hedging relationship is recognized as it arises in non-interest revenue, other, in our Consolidated Statement of Income.

The following table outlines the notional amounts and average rates of derivatives and the carrying amounts of deposits designated as hedging instruments, by term to maturity, hedge type, and risk type, where applicable.

		Remaining term to maturity					2020	2019
(Canadian $ in millions, except as noted)		Within 1 year	1 to 3 years	3 to 5 years	5 to 10 years	Over 10 years	Total	Total
Cash Flow Hedges								
Interest rate risk – Interest rate swaps								
Notional amount (1)		**16,332**	**29,011**	**30,395**	**16,040**	**518**	**92,296**	93,611
Average fixed interest rate		**1.04%**	**1.60%**	**1.51%**	**1.14%**	**1.57%**	**1.39%**	2.01%
Foreign exchange risk – Cross-currency swaps and foreign exchange forwards (2)								
CAD-USD pair	Notional amount	**8,405**	**15,218**	**12,435**	**7,072**	**251**	**43,381**	40,154
	Average fixed interest rate	**1.86%**	**1.96%**	**2.10%**	**1.53%**	**3.02%**	**1.92%**	1.95%
	Average exchange rate: CAD-USD	**1.3378**	**1.3140**	**1.3076**	**1.3458**	**1.3122**	**1.3219**	1.3034
CAD-EUR pair	Notional amount	**4,621**	**10,553**	**1,924**	**–**	**201**	**17,299**	20,357
	Average fixed interest rate	**2.27%**	**2.07%**	**2.41%**	**–**	**2.97%**	**2.17%**	2.21%
	Average exchange rate: CAD-EUR	**1.4671**	**1.5088**	**1.5395**	**–**	**1.4870**	**1.5008**	1.4892
Other currency pairs (3)	Notional amount (4)	**365**	**4,426**	**2,077**	**236**	**–**	**7,104**	7,849
	Average fixed interest rate	**2.83%**	**2.80%**	**2.35%**	**1.62%**	**–**	**2.63%**	2.57%
	Average exchange rate: CAD-Non USD/EUR	**0.7725**	**1.3338**	**1.2744**	**1.4753**	**–**	**1.2923**	1.3348
Equity price risk – Total return swap								
Notional amount		**302**	**–**	**–**	**–**	**–**	**302**	316
Fair Value Hedges								
Interest rate risk – Interest rate swaps								
Notional amount (5)		**19,571**	**31,221**	**28,393**	**15,553**	**–**	**94,738**	93,467
Average fixed interest rate		**0.85%**	**1.69%**	**1.68%**	**1.40%**	**–**	**1.47%**	2.23%
Interest rate risk – Bond futures (Exchange-traded derivatives)								
Notional amount		**48**	**–**	**–**	**–**	**–**	**48**	–
Average price in dollars		**126**	**–**	**–**	**–**	**–**	**126**	–
Foreign exchange risk – Cross-currency swaps								
USD-GBP pair	Notional amount (6)	**–**	**–**	**39**	**–**	**–**	**39**	–
	Average fixed interest rate	**–**	**–**	**0.66%**	**–**	**–**	**0.66%**	–
	Average exchange rate: USD-GBP	**–**	**–**	**1.3024**	**–**	**–**	**1.3024**	–
Net Investment Hedges								
Foreign exchange risk								
USD denominated deposit – carrying amount		**8,219**	**–**	**–**	**–**	**–**	**8,219**	6,495
GBP denominated deposit – carrying amount		**892**	**–**	**–**	**–**	**–**	**892**	685

(1) The notional amount of the interest rate swaps likely subject to IBOR reform that mature after December 31, 2021 was $48,825 million of USD LIBOR as at October 31, 2020.
(2) Under certain hedge strategies using cross-currency swaps, a CAD leg is inserted to create two swaps designated as separate hedges (for example, a EURO-USD cross-currency swap split into EURO-CAD and CAD-USD cross-currency swaps). The relevant notional amount is grossed up in this table, as the cross-currency swaps are disclosed by CAD-foreign currency pair.
(3) Includes CAD-AUD, CAD-CHF, CAD-CNH, CAD-GBP or CAD-HKD cross-currency swaps where applicable.
(4) The notional amount of the cross-currency swaps likely subject to IBOR reform that mature after December 31, 2021 was $718 million of GBP LIBOR as at October 31, 2020.
(5) The notional amount of the interest rate swaps likely subject to IBOR reform that mature after December 31, 2021 was $55,130 million of USD LIBOR, and $41 million of GBP LIBOR as at October 31, 2020.
(6) The notional amount of the cross-currency swaps likely subject to IBOR reform that mature after December 31, 2021 was $39 million of USD LIBOR as at October 31, 2020.

Cash Flow Hedges

Cash flow hedges modify exposure to variability in cash flows for variable interest rate bearing instruments, foreign currency denominated assets and liabilities and certain cash-settled share-based payment grants subject to equity price risk. We use interest rate swaps with or without embedded options, cross-currency swaps, and total return swaps to hedge this variability. We hedge the full amount of foreign exchange risk, but interest rate risk is hedged only to the extent of benchmark interest rates. The benchmark interest rate is a component of interest rate risk that is observable in the relevant financial markets, for example LIBOR or Bankers' Acceptances (BA) rate.

We determine the amount of the exposure to which hedge accounting is applied by assessing the potential impact of changes in interest rates, foreign exchange rates, and equity prices on the future cash flows of floating rate loans and deposits, foreign currency denominated assets and liabilities and certain cash-settled share-based payments. This assessment is performed using analytical techniques, such as simulation, sensitivity analysis, stress testing and gap analysis.

We record interest that we pay or receive on these cash flow hedge derivatives as an adjustment to net interest income in our Consolidated Statement of Income over the life of the hedge.

To the extent that changes in the fair value of the derivative offset changes in the fair value of the hedged item for the designated hedged risk, they are recorded in other comprehensive income. Hedge ineffectiveness, the portion of the change in fair value of the derivative that does not offset changes in the fair value of the hedged item, is recorded directly in non-interest revenue, other, in our Consolidated Statement of Income as it arises.

For cash flow hedges that are discontinued before the end of the original hedge term, the cumulative unrealized gain or loss recorded in other comprehensive income is amortized to our Consolidated Statement of Income in net interest income for interest rate swaps and in employee compensation for total return swaps as the hedged item is recorded in earnings. The entire unrealized gain or loss is recognized immediately in net interest income in our Consolidated Statement of Income, if the hedged item is sold or settled. In general, we do not terminate our foreign exchange hedges before maturity.

For cash flow hedges, we use a hypothetical derivative to measure the hedged risk of floating rate loans, deposits, foreign currency denominated assets and liabilities, or share-based payment grants. This hypothetical derivative matches the critical terms of the hedged items identically, and it perfectly offsets the hedged cash flow.

In our cash flow hedge relationships, the main sources of ineffectiveness are differences in interest rate indices, tenor and reset/settlement frequencies between the hedging instrument and the hedged item.

Net Investment Hedges

Net investment hedges mitigate our exposure to foreign currency exchange rate fluctuations related to our net investment in foreign operations.

Deposits denominated in foreign currencies are designated as a hedging instrument for a portion of the net investment in foreign operations. The foreign currency translation of our net investment in foreign operations and the effective portion of the corresponding hedging instrument are recorded in unrealized gains (losses) on translation of net foreign operations in other comprehensive income.

The effectiveness of our net investment hedge is determined using the dollar offset method with spot foreign currency rates. As the notional amount of the deposits and the hedged net investment in foreign operations are the same, there is no source of ineffectiveness in these hedging relationships.

For cash flow hedges and net investment hedges, the following tables contain information related to items designated as hedging instruments, hedged items and hedge ineffectiveness for the years ended October 31, 2020 and October 31, 2019.

2020

	Carrying amount of hedging instruments (1)		**Hedge ineffectiveness**		
(Canadian $ in millions)	**Asset**	**Liability**	**Gains (losses) on hedging derivatives used to calculate hedge ineffectiveness**	**Gains (losses) on hypothetical derivatives used to calculate hedge ineffectiveness**	**Ineffectiveness recorded in non-interest revenue – other**
Cash flow hedges					
Interest rate risk – Interest rate swaps	**2,602**	**(43)**	**2,516**	**(2,520)**	**4**
Foreign exchange risk – Cross-currency swaps and foreign exchange forwards	**638**	**(1,710)**	**(315)**	**315**	**–**
Equity price risk – Total return swaps	**–**	**(9)**	**(108)**	**108**	**–**
	3,240	**(1,762)**	**2,093**	**(2,097)**	**4**
Net investment hedges					
Foreign exchange risk – Deposit liabilities	**–**	**(9,111)**	**(131)**	**131**	**–**
Total	**3,240**	**(10,873)**	**1,962**	**(1,966)**	**4**

(1) Represents the unrealized gains (losses) recorded as part of the derivative instruments in assets and liabilities, respectively, in our Consolidated Balance Sheet.

2019

	Carrying amount of hedging instruments (1)		Hedge ineffectiveness		
(Canadian $ in millions)	Asset	Liability	Gains (losses) on hedging derivatives used to calculate hedge ineffectiveness	Gains (losses) on hypothetical derivatives used to calculate hedge ineffectiveness	Ineffectiveness recorded in non-interest revenue – other
Cash flow hedges					
Interest rate risk – Interest rate swaps	1,393	(121)	3,142	(3,118)	15
Foreign exchange risk – Cross-currency swaps and foreign exchange forwards	420	(1,948)	(1,195)	1,195	–
Equity price risk – Total return swaps	24	–	15	(15)	–
	1,837	(2,069)	1,962	(1,938)	15
Net investment hedges					
Foreign exchange risk – Deposit liabilities	–	(7,180)	(17)	17	–
Total	1,837	(9,249)	1,945	(1,921)	15

(1) Represents the unrealized gains (losses) recorded as part of the derivative instruments in assets and liabilities, respectively, in our Consolidated Balance Sheet.

For cash flow hedges and net investment hedges, the following tables contain information related to impacts in our Consolidated Statement of Other Comprehensive Income, on a pre-tax basis, for the years ended October 31, 2020 and October 31, 2019.

						2020
					Balance in cash flow hedge AOCI / net foreign operations AOCI	
(Canadian $ in millions)	Balance October 31, 2019	Gains / (losses) recognized in OCI	Amount reclassified to net income as the hedged item affects net income	Balance October 31, 2020 (1)	Active hedges	Discontinued hedges
Cash flow hedges						
Interest rate risk	1,156	**2,512**	**(139)**	**3,529**	**2,359**	**1,170**
Foreign exchange risk	(444)	**(350)**	**35**	**(759)**	**(759)**	**–**
Equity price risk	17	**(108)**	**41**	**(50)**	**(50)**	**–**
	729	**2,054**	**(63)**	**2,720**	**1,550**	**1,170**
Net investment hedges						
Foreign exchange risk	(1,808)	**(131)**	**–**	**(1,939)**	**(1,939)**	**–**
Total	(1,079)	**1,923**	**(63)**	**781**	**(389)**	**1,170**

(1) Tax balance related to cash flow hedge accumulated other comprehensive income (AOCI) is $(741) million.

						2019
					Balance in cash flow hedge AOCI / net foreign operations AOCI	
(Canadian $ in millions)	Balance November 1, 2018	Gains / (losses) recognized in OCI	Amount reclassified to net income as the hedged item affects net income	Balance October 31, 2019 (1)	Active hedges	Discontinued hedges
Cash flow hedges						
Interest rate risk	(2,211)	3,127	240	1,156	1,150	6
Foreign exchange risk	751	(1,177)	(18)	(444)	(444)	–
Equity price risk	30	15	(28)	17	17	–
	(1,430)	1,965	194	729	723	6
Net investment hedges						
Foreign exchange risk	(1,791)	(17)	–	(1,808)	(1,808)	–
Total	(3,221)	1,948	194	(1,079)	(1,085)	6

(1) Tax balance related to cash flow hedge AOCI is $(216) million.

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 assets and liabilities to floating rate. We use cross currency swaps, interest rate swaps, and bond futures to hedge foreign exchange risk and interest rate risk, including benchmark interest rates, inherent in fixed rate securities, a portfolio of mortgages, deposits and subordinated debt and other liabilities.

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 non-interest revenue, other, in our Consolidated Statement of Income.

For fair value hedges that are discontinued, we cease adjusting the hedged item. The cumulative fair value adjustment of the hedged item is then amortized 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 our fair value hedge relationships, the main sources of ineffectiveness are the counterparty effect and our 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.

The amounts relating to derivatives designated as fair value hedging instruments, hedged items and hedge ineffectiveness for the years ended October 31, 2020 and 2019 are as follows:

(Canadian $ in millions) **2020**

	Carrying amount of hedging derivatives (1)		**Hedge ineffectiveness**				**Accumulated amount of fair value hedge gains (losses) on hedged items**	
	Asset	**Liability**	**Gains (losses) on hedging derivatives used to calculate hedge ineffectiveness**	**Gains (losses) on hedged item used to calculate hedge ineffectiveness**	**Ineffectiveness recorded in non-interest revenue – other**	**Carrying amount of the hedged item (2)**	**Active hedges**	**Discontinued hedges**
Fair value hedge (3)								
Interest rate swaps	**1,118**	**(2,257)**						
Cross currency swaps	**–**	**(1)**	**–**	**–**	**–**	**–**	**–**	**–**
Securities and loans	**–**	**–**	**(1,791)**	**1,794**	**3**	**58,608**	**2,762**	**25**
Deposits, subordinated debt and other liabilities	**–**	**–**	**622**	**(620)**	**2**	**(39,950)**	**(943)**	**8**
Total	**1,118**	**(2,258)**	**(1,169)**	**1,174**	**5**	**18,658**	**1,819**	**33**

(1) Represents the unrealized gains (losses) within derivative instruments in assets and liabilities, respectively, in the Consolidated Balance Sheet.
(2) Represents the carrying value in the Consolidated Balance Sheet and includes amortized cost, before allowance for credit losses, plus fair value hedge adjustments, except for FVOCI securities that are carried at fair value.
(3) For bond futures designated in fair value hedge relationships, all amounts in the table round down to $nil as at October 31, 2020 (we held no bond futures as at October 31, 2019).

(Canadian $ in millions) 2019

	Carrying amount of hedging derivatives (1)		Hedge ineffectiveness				Accumulated amount of fair value hedge gains (losses) on hedged items	
	Asset	Liability	Gains (losses) on hedging derivatives used to calculate hedge ineffectiveness	Gains (losses) on hedged item used to calculate hedge ineffectiveness	Ineffectiveness recorded in non-interest revenue – other	Carrying amount of the hedged item (2)	Active hedges	Discontinued hedges
Fair value hedge								
Interest rate swaps	799	(1,435)						
Cross currency swaps	–	–	–	–	–	–	–	–
Securities and loans	–	–	(2,072)	2,058	(14)	53,672	1,249	8
Deposits, subordinated debt and other liabilities	–	–	1,269	(1,255)	14	(41,277)	(609)	308
Total	799	(1,435)	(803)	803	–	12,395	640	316

(1) Represents the unrealized gains (losses) within derivative instruments in assets and liabilities, respectively, in the Consolidated Balance Sheet.
(2) Represents the carrying value in the Consolidated Balance Sheet and includes amortized cost, before allowance for credit losses, plus fair value hedge adjustments, except for FVOCI securities that are carried at fair value.

Derivative-Related Market Risk

Derivative instruments are subject to market risk. Market risk arises from the potential for a negative impact on the balance sheet and/or statement of income due to adverse changes in the value of derivative instruments as a result of changes in certain market variables. These variables include interest rates, foreign exchange rates, equity and commodity prices and their implied volatilities, as well as credit spreads, credit migration and default. We strive to limit market risk by employing comprehensive governance and management processes for all market risk-taking activities.

Derivative-Related Credit Risk

Derivative instruments are subject to credit risk arising from the possibility that counterparties may default on their obligations. The credit risk associated with a derivative is normally a small fraction of the notional amount of the derivative instrument. Derivative contracts generally expose us to potential credit loss if changes in market rates affect the counterparty's position unfavourably and the counterparty defaults on payment. The credit risk is represented by the positive fair value of the derivative instrument. We strive to limit credit risk by dealing with counterparties that we believe are creditworthy, and we manage our credit risk for derivatives using the same credit risk process that is applied to loans and other credit assets.

We also pursue opportunities to reduce our exposure to credit losses on derivative instruments, including through collateral and by entering into master netting agreements with counterparties. The credit risk associated with favourable contracts is mitigated by legally enforceable master netting agreements to the extent that unfavourable contracts with the same counterparty must be settled concurrently with favourable contracts.

Exchange-traded derivatives have limited potential for credit exposure, as they are settled net daily with each exchange.

Terms used in the credit risk tables below are as follows:

Replacement cost captures the loss that would occur if a counterparty were to default in the present or at a future time, assuming that the closeout and replacement of transactions occur instantaneously, assuming no recovery on the value of those transactions in bankruptcy.

Credit risk equivalent represents the total replacement cost plus an amount representing the potential future credit exposure adjusted by a multiplier 1.4, as outlined in OSFI's Capital Adequacy Guideline.

Risk-weighted assets represent the credit risk equivalent, weighted on the basis of the creditworthiness of the counterparty, and considering collateral, netting and other credit risk mitigants, as prescribed by OSFI.

(Canadian $ in millions)			2020			2019
	Replacement cost (1)	Credit risk equivalent (1)	Risk-weighted assets	Replacement cost (1)	Credit risk equivalent (1)	Risk-weighted assets
Interest Rate Contracts						
Over-the-counter						
Swaps	**5,228**	**10,713**	**3,380**	3,233	8,114	2,300
Forward rate agreements	**1,153**	**3,332**	**1,479**	102	1,162	236
Purchased options	**2**	**55**	**12**	11	62	39
Written options	**68**	**206**	**150**	38	154	98
	6,451	**14,306**	**5,021**	3,384	9,492	2,673
Exchange traded						
Futures	**22**	**83**	**2**	90	161	3
Purchased options	**45**	**66**	**1**	28	40	1
Written options	**3**	**4**	**–**	3	6	–
	70	**153**	**3**	121	207	4
Total interest rate contracts	**6,521**	**14,459**	**5,024**	3,505	9,699	2,677
Foreign Exchange Contracts (2)						
Over-the-counter						
Swaps	**872**	**5,581**	**794**	1,184	6,248	989
Forward foreign exchange contracts	**1,032**	**7,859**	**823**	1,753	7,225	1,260
Purchased options	**68**	**196**	**95**	40	167	46
Written options	**5**	**76**	**27**	10	119	29
	1,977	**13,712**	**1,739**	2,987	13,759	2,324
Exchange traded						
Futures	**1**	**2**	**–**	13	20	–
Purchased options	**12**	**17**	**–**	13	24	–
Written options	**12**	**18**	**–**	–	2	–
	25	**37**	**–**	26	46	–
Total foreign exchange contracts	**2,002**	**13,749**	**1,739**	3,013	13,805	2,324
Commodity Contracts						
Over-the-counter						
Swaps	**1,424**	**4,215**	**2,119**	213	2,154	629
Purchased options	**117**	**746**	**257**	98	472	125
Written options	**1**	**234**	**74**	116	370	204
	1,542	**5,195**	**2,450**	427	2,996	958
Exchange traded						
Futures	**635**	**1,612**	**33**	393	1,079	22
Purchased options	**373**	**562**	**11**	378	567	11
Written options	**221**	**363**	**7**	1	52	1
	1,229	**2,537**	**51**	772	1,698	34
Total commodity contracts	**2,771**	**7,732**	**2,501**	1,199	4,694	992
Equity Contracts						
Over-the-counter	**563**	**8,010**	**2,399**	197	4,572	1,246
Exchange traded	**5,958**	**10,135**	**203**	1,083	2,580	52
Total equity contracts	**6,521**	**18,145**	**2,602**	1,280	7,152	1,298
Credit Contracts	**272**	**741**	**75**	277	496	34
Total	**18,087**	**54,826**	**11,941**	9,274	35,846	7,325

(1) Replacement cost and credit risk equivalent are presented after the impact of master netting agreements and calculated using the Standardized Approach Counterparty Credit Risk (SA-CCR) in accordance with the Capital Adequacy Requirements (CAR) Guideline issued by OSFI. Table therefore excludes loan commitment derivatives.

(2) Gold contracts are included in foreign exchange contracts.

Term to Maturity

Our derivative contracts have varying maturity dates. The remaining contractual terms to maturity for the notional amounts of our derivative contracts are set out below:

(Canadian $ in millions)	Term to maturity					2020	2019
	Within 1 year	1 to 3 years	3 to 5 years	5 to 10 years	Over 10 years	Total notional amounts	Total notional amounts
Interest Rate Contracts							
Swaps	1,605,404	1,235,423	802,411	526,599	165,454	4,335,291	4,396,272
Forward rate agreements, futures and options	787,563	134,021	30,870	11,245	2,299	965,998	838,938
Total interest rate contracts	2,392,967	1,369,444	833,281	537,844	167,753	5,301,289	5,235,210
Foreign Exchange Contracts (1)							
Swaps	155,542	215,827	138,246	100,254	27,632	637,501	604,728
Forward foreign exchange contracts	480,223	11,892	2,209	289	27	494,640	453,711
Futures	1,580	28	–	–	–	1,608	882
Options	76,721	6,490	1,202	–	–	84,413	85,269
Total foreign exchange contracts	714,066	234,237	141,657	100,543	27,659	1,218,162	1,144,590
Commodity Contracts							
Swaps	9,591	18,447	2,296	279	–	30,613	24,722
Futures	15,300	20,536	2,878	297	–	39,011	32,422
Options	9,180	10,583	1,012	17	–	20,792	19,824
Total commodity contracts	34,071	49,566	6,186	593	–	90,416	76,968
Equity Contracts	118,139	38,527	11,758	2,071	283	170,778	91,178
Credit Contracts (2)	944	615	3,395	3,815	433	9,202	7,429
Total notional amount	3,260,187	1,692,389	996,277	644,866	196,128	6,789,847	6,555,375

(1) Gold contracts are included with foreign exchange contracts.
(2) Under the SA-CCR, excludes loan commitment derivatives.

Note 9: Premises and Equipment

We record all owned premises and equipment at cost less accumulated depreciation, and less any accumulated impairment, except land, which is recorded at cost. Buildings, computer equipment and operating system software, other equipment and leasehold improvements are depreciated on a straight-line basis over their estimated useful lives. When the major components of a building have different useful lives, they are accounted for separately and depreciated over each component's estimated useful life. The maximum estimated useful lives we use to depreciate our assets are as follows:

Buildings	10 to 40 years
Computer equipment and operating system software	5 to 7 years
Other equipment	10 years
Leasehold improvements	Lease term to a maximum of 10 years

Depreciation methods, useful lives and the residual values of premises and equipment are reviewed annually for any change in circumstances and are adjusted if appropriate. At each reporting period, we review whether there are any indications that premises and equipment need to be tested for impairment. If there is an indication that an asset may be impaired, we test for impairment by comparing the asset's carrying value to its recoverable amount. The recoverable amount is calculated as the higher of the value in use and the fair value less costs to sell. Value in use is the present value of the future cash flows expected to be derived from the asset. An impairment charge is recorded when the recoverable amount is less than the carrying value. There were write-downs of computer equipment of $4 million due to impairment during the year ended October 31, 2020 ($nil in 2019 and 2018). Gains and losses on disposal are included in non-interest expense, premises and equipment, in our Consolidated Statement of Income.

Leases

When we enter into a new arrangement as a lessee, a right-of-use asset is recognized 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 we are 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 recognized in interest expense, other liabilities, in our Consolidated Statement of 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 Note 14 for further information.

Amounts relating to leases of low value are expensed when incurred in non-interest expense, premises and equipment, in our Consolidated Statement of Income.

Prior to the adoption of IFRS 16, net rent expense reported in non-interest expense, premises and equipment, in our Consolidated Statement of Income for the years ended October 31, 2019 and 2018 was $600 million and $530 million, respectively.

The total cost and associated accumulated depreciation for premises and equipment owned and leased are set out below:

(Canadian $ in millions)							2020						2019
	Land	Buildings	Computer equipment	Other equipment	Leasehold improvements	Right-of-use assets (1)	Total	Land	Buildings	Computer equipment	Other equipment	Leasehold improvements	Total
Cost													
Balance at beginning of year	109	1,534	2,470	973	1,615	na	6,701	145	1,627	2,229	933	1,514	6,448
Impact from adopting IFRS 16 (1)(2)	–	(23)	(65)	–	–	2,053	1,965	na	na	na	na	na	na
Additions/lease modifications	8	53	168	41	167	559	996	10	86	343	57	124	620
Disposals (3)	(6)	(116)	(104)	(122)	(28)	(22)	(398)	(45)	(179)	(102)	(15)	(24)	(365)
Foreign exchange and other	1	6	12	12	15	(10)	36	(1)	–	–	(2)	1	(2)
Balance at end of year	112	1,454	2,481	904	1,769	2,580	9,300	109	1,534	2,470	973	1,615	6,701
Accumulated Depreciation and Impairment													
Balance at beginning of year	–	961	1,786	742	1,157	na	4,646	–	1,016	1,662	704	1,080	4,462
Impact from adopting IFRS 16 (1)	–	–	(27)	–	–	27	–	na	na	na	na	na	na
Disposals (2)	–	(93)	(100)	(120)	(25)	(22)	(360)	–	(114)	(101)	(12)	(20)	(247)
Depreciation	–	64	218	52	107	360	801	–	59	227	51	98	435
Foreign exchange and other	–	4	11	6	11	(2)	30	–	–	(2)	(1)	(1)	(4)
Balance at end of year	–	936	1,888	680	1,250	363	5,117	–	961	1,786	742	1,157	4,646
Net carrying value	112	518	593	224	519	2,217	4,183	109	573	684	231	458	2,055

(1) Effective November 1, 2019, we adopted IFRS 16 *Leases*, recognizing the cumulative effect of adoption in opening retained earnings with no changes to prior periods (Note 1).
(2) Includes net book value of buildings transferred to right-of-use assets.
(3) Includes fully depreciated assets written off.
na – not applicable due to IFRS 16 adoption.

Note 10: Acquisitions

The cost of an acquisition is measured at the fair value of the consideration transferred, including contingent consideration. Acquisition-related costs are recognized as an expense in the period in which they are incurred. The identifiable assets acquired and liabilities assumed and contingent consideration are measured at their fair values at the date of acquisition. Goodwill is measured as the excess of the aggregate of the consideration transferred over the net of the fair value of identifiable assets acquired and liabilities assumed. The results of operations of acquired businesses are included in our consolidated financial statements beginning on the date of acquisition.

Clearpool Group Inc. (Clearpool)

On April 6, 2020, we completed the acquisition of Clearpool, a New York-based provider of electronic trading solutions, operating in the United States and Canada, for cash consideration of US$139 million (CAD$196 million) plus contingent consideration of approximately US$7 million (CAD$11 million) based on meeting certain revenue targets over four years. The acquisition was accounted for as a business combination, and the acquired business and corresponding goodwill are included in our Capital Markets reporting segment.

As part of this acquisition, we acquired intangible assets of $85 million and goodwill of $132 million. The intangible assets are being amortized over three to eight years. Goodwill related to this acquisition is not deductible for tax purposes.

The fair values of the assets acquired and liabilities assumed at the date of acquisition are as follows:

(Canadian $ in millions)	Clearpool
Goodwill and intangible assets	217
Other assets	44
Total assets	261
Liabilities	54
Purchase price	207

The purchase price allocation for Clearpool has been completed.

Note 11: Goodwill and Intangible Assets

Goodwill

When we complete an acquisition, we allocate the purchase price paid to the assets acquired, including identifiable intangible assets, and the liabilities assumed. Any portion of the consideration transferred that is in excess of the fair value of those net assets is considered to be goodwill. Goodwill is not amortized and is instead tested for impairment annually.

In performing the impairment test, we utilize the fair value less costs to sell for each group of CGUs based on discounted cash flow projections. Cash flows were projected for the first 10 years based on actual operating results, expected future business performance and past experience. Beyond 10 years, cash flows were assumed to grow at perpetual annual rates of up to 2.5% (2.5% in 2019). The discount rates we applied in determining the recoverable amounts in 2020 ranged from 6.0% to 10.3% (8.0% to 11.0% in 2019), and were based on our estimate of the cost of capital for each CGU. The cost of capital for each CGU was estimated using the Capital Asset Pricing Model, based on the historical betas of publicly traded peer companies that are comparable to the CGU.

There were no write-downs of goodwill due to impairment during the years ended October 31, 2020, 2019 or 2018.

The key assumptions described above may change as market and economic conditions change. However, we estimate that reasonably possible changes in these assumptions are not expected to cause the recoverable amounts of our CGUs to decline below their carrying amounts.

A continuity of our goodwill by group of CGUs for the years ended October 31, 2020 and 2019 is as follows:

(Canadian $ in millions)	Personal and Commercial Banking			BMO Wealth Management			BMO Capital Markets	Total
	Canadian P&C	U.S. P&C	Total	Traditional Wealth Management	Insurance	Total		
Balance – October 31, 2018	97	3,797	3,894	2,129	2	2,131	348	6,373
Foreign exchange and other (1)	–	(1)	(1)	16	–	16	(48)	(33)
Balance – October 31, 2019	97	3,796	3,893	2,145	2	2,147	300	6,340
Acquisitions during the year	**–**	**–**	**–**	**–**	**–**	**–**	**132**	**132**
Foreign exchange and other (1)	**–**	**45**	**45**	**23**	**–**	**23**	**(5)**	**63**
Balance – October 31, 2020	**97** (2)	**3,841** (3)	**3,938**	**2,168** (4)	**2** (5)	**2,170**	**427** (6)	**6,535**

(1) Other changes in goodwill included the effects of translating goodwill denominated in foreign currencies into Canadian dollars and purchase accounting adjustments related to prior-year purchases.
(2) Relates primarily to bcpbank Canada, Diners Club, Aver Media LP and GE Transportation Finance.
(3) Relates primarily to First National Bank & Trust, Ozaukee Bank, Merchants and Manufacturers Bancorporation, Inc., Diners Club, AMCORE, M&I and GE Transportation Finance.
(4) Relates to BMO Nesbitt Burns Inc., Guardian Group of Funds Ltd., Pyrford International Limited, LGM Investments Limited, M&I, myCFO, Inc., Stoker Ostler Wealth Advisors, Inc., CTC Consulting LLC, AWMB and F&C Asset Management plc.
(5) Relates to AIG.
(6) Relates to Gerard Klauer Mattison, BMO Nesbitt Burns Inc., Paloma Securities L.L.C., M&I, Greene Holcomb Fisher, KGS-Alpha Capital Markets and Clearpool.

Intangible Assets

Intangible assets related to our acquisitions are initially recorded at their fair value at the acquisition date and subsequently at cost less accumulated amortization. Software is recorded at cost less accumulated amortization. Amortization expense is recorded in amortization of intangible assets in our Consolidated Statement of Income. The following table presents the changes in the balance of these intangible assets:

(Canadian $ in millions)	Customer relationships	Core deposits	Branch distribution networks	Software – amortizing	Software under development	Other	Total
Cost as at October 31, 2018	688	951	191	4,127	496	384	6,837
Additions (disposals)	–	–	–	718	(91)	30	657
Foreign exchange and other	72	–	–	(9)	(3)	33	93
Cost as at October 31, 2019	760	951	191	4,836 (1)	402	447	7,587
Additions (disposals)	**–**	**–**	**–**	**562**	**(124)**	**(17)**	**421**
Foreign exchange and other	**7**	**11**	**2**	**18**	**2**	**(2)**	**38**
Cost as at October 31, 2020	**767**	**962**	**193**	**5,416** (1)	**280**	**428**	**8,046**

(1) Includes $4,458 million of internally generated software as at October 31, 2020 ($3,969 million as at October 31, 2019).

The following table presents the accumulated amortization of our intangible assets:

(Canadian $ in millions)	Customer relationships	Core deposits	Branch distribution networks	Software – amortizing	Software under development	Other	Total
Accumulated amortization at October 31, 2018	475	830	191	2,970	–	99	4,565
Amortization	60	48	–	395	–	51	554
Disposals	–	–	–	(11)	–	–	(11)
Foreign exchange and other	16	–	–	7	–	32	55
Accumulated amortization at October 31, 2019	551	878	191	3,361 (1)	–	182	5,163
Amortization	**52**	**46**	**–**	**478**	**–**	**44**	**620**
Disposals	**–**	**–**	**–**	**(173)**	**–**	**(38)**	**(211)**
Foreign exchange and other	**13**	**9**	**2**	**15**	**–**	**(7)**	**32**
Accumulated amortization at October 31, 2020	**616**	**933**	**193**	**3,681** (1)	**–**	**181**	**5,604**
Carrying value at October 31, 2020	**151**	**29**	**–**	**1,735**	**280**	**247**	**2,442**
Carrying value at October 31, 2019	209	73	–	1,475	402	265	2,424

(1) Includes $2,909 million of internally generated software as at October 31, 2020 ($2,594 million as at October 31, 2019).

Intangible assets are amortized to income over the period during which we believe the assets will benefit us, on either a straight-line or an accelerated basis, over a period not to exceed 15 years. We have $172 million as at October 31, 2020 ($168 million as at October 31, 2019) in intangible assets with indefinite lives that relate primarily to fund management contracts.

The useful lives of intangible assets are reviewed annually for any changes in circumstances. We test definite-life intangible assets for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. Indefinite-life intangible assets are tested annually for impairment. If any intangible assets are determined to be impaired, we write them down to their recoverable amount, the higher of value in use and fair value less costs to sell.

There were write-downs of software-related intangible assets of $5 million during the year ended October 31, 2020 ($10 million in 2019 and $13 million in 2018).

Note 12: Other Assets

Customers' Liability under Acceptances

Acceptances represent a form of negotiable short-term debt issued by our customers, which we guarantee for a fee. The fees earned are recorded in non-interest revenue, lending fees in our Consolidated Statement of Income over the term of the acceptance. The amount potentially due under acceptances is recorded in other liabilities in our Consolidated Balance Sheet. We record the bank's equivalent claim against our customers in the event of a call on these commitments in other assets in our Consolidated Balance Sheet.

Other

The components of other within other assets are as follows:

(Canadian $ in millions)	**2020**	2019
Accounts receivable, prepaid expenses and other items	**2,942**	2,700
Accrued interest receivable	**1,586**	1,755
Bank owned life insurance policies	**4,352**	4,242
Leased vehicles, net of accumulated amortization	**677**	870
Cash collateral	**6,344**	3,722
Due from clients, dealers and brokers	**161**	177
Insurance-related assets	**1,507**	1,163
Other employee future benefits assets (Note 21)	**38**	46
Pension asset (Note 21)	**124**	186
Precious metals (1)	**7,744**	1,719
Total	**25,475**	16,580

(1) Precious metals are recorded at their fair value based on quoted prices in active markets.

Certain comparative figures have been reclassified to conform with the current year's presentation.

Note 13: Deposits

	Payable on demand					
(Canadian $ in millions)	**Interest bearing**	**Non-interest bearing**	**Payable after notice**	**Payable on a fixed date** (3)	**2020**	2019
Deposits by:						
Banks (1)	**3,594**	**2,460**	**1,231**	**31,540**	**38,825**	23,816
Business and government	**44,111**	**44,258**	**124,813**	**187,497**	**400,679**	343,157
Individuals	**4,661**	**30,369**	**111,905**	**72,595**	**219,530**	201,170
Total (2) (4)	**52,366**	**77,087**	**237,949**	**291,632**	**659,034**	568,143
Booked in:						
Canada	**41,855**	**67,873**	**112,543**	**185,655**	**407,926**	349,714
United States	**8,818**	**9,170**	**124,129**	**78,175**	**220,292**	189,546
Other countries	**1,693**	**44**	**1,277**	**27,802**	**30,816**	28,883
Total	**52,366**	**77,087**	**237,949**	**291,632**	**659,034**	568,143

(1) Includes regulated and central banks.
(2) Includes structured notes designated at FVTPL.
(3) Includes $25,651 million of senior unsecured debt as at October 31, 2020 subject to the Bank Recapitalization (Bail-In) regime ($16,248 million as at October 31, 2019). The Bail-In regime provides certain statutory powers to the Canada Deposit Insurance Corporation, including the ability to convert specified eligible shares and liabilities into common shares if the bank becomes non-viable.
(4) Included in deposits as at October 31, 2020 and 2019 are $322,951 million and $279,860 million, respectively, of deposits denominated in U.S. dollars, and $32,254 million and $36,680 million, respectively, of deposits denominated in other foreign currencies.

Deposits payable on demand are comprised primarily of our customers' chequing accounts, on some of which we pay interest. Our customers need not notify us prior to withdrawing money from their chequing accounts. Deposits payable after notice are comprised primarily of our customers' savings accounts, on which we pay interest. Deposits payable on a fixed date are comprised of:

- Various investment instruments purchased by our customers to earn interest over a fixed period, such as retail and small business term deposits, wholesale funding, and guaranteed investment certificates. Deposits totalling $27,353 million as at October 31, 2020 ($30,051 million as at October 31, 2019) can be early redeemed (either fully or partially) by customers without penalty. As we do not expect a significant amount to be redeemed before maturity, we have classified them based on their remaining contractual maturities.
- Commercial paper, which totalled $8,358 million as at October 31, 2020 ($9,495 million as at October 31, 2019).
- Covered bonds, which totalled $24,699 million as at October 31, 2020 ($25,465 million as at October 31, 2019).

The following table presents the maturity schedule for our deposits payable on a fixed date:

(Canadian $ in millions)	**Within 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**Over 5 years**	**Total**
As at October 31, 2020	**192,617**	**27,855**	**30,053**	**18,260**	**9,683**	**13,164**	**291,632**
As at October 31, 2019	183,952	34,401	23,855	21,735	16,959	13,991	294,893

We have unencumbered liquid assets of $306,120 million to support these and other deposit liabilities ($249,650 million in 2019).

The following table presents deposits payable on a fixed date greater than one hundred thousand dollars:

(Canadian $ in millions)	**Canada**	**United States**	**Other**	**Total**
As at October 31, 2020	**158,475**	**72,186**	**27,799**	**258,460**
As at October 31, 2019	152,499	79,682	26,681	258,862

Comparative figures have been reclassified to conform with the current period's presentation.

The following table presents the maturity schedule for deposits greater than one hundred thousand dollars booked in Canada:

(Canadian $ in millions)	Less than 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total
As at October 31, 2020	**18,081**	**29,679**	**28,109**	**82,606**	**158,475**
As at October 31, 2019	26,234	8,400	31,155	86,710	152,499

Comparative figures have been reclassified to conform with the current period's presentation.

Most of our structured note liabilities included in deposits have been designated at fair value through profit or loss, which aligns the accounting result with the way the portfolio is managed. The change in fair value of these structured notes is recorded in non-interest revenue, trading revenues with the changes in fair value due to own credit risk recognized in other comprehensive income. The impact of changes in our own credit risk is measured based on movements in our own credit spread year over year.

The following table presents fair value and changes in fair value of structured note liabilities:

(Canadian $ in millions)	Fair value	Notional amount due at contractual maturity	Change in fair value recorded in the Consolidated Statement of Income (1)	Change in fair value due to own credit risk recorded in OCI (before tax)	Cumulative change in fair value due to own credit risk recorded in AOCI (before tax)
As at October 31, 2020	**18,073**	**19,175**	**1,319**	**(26)**	**(168)**
As at October 31, 2019	15,829	15,431	(1,414)	114	(141)

(1) Change in fair value may be offset by related change in fair value on hedge contracts.

Note 14: Other Liabilities

Acceptances

Acceptances represent a form of negotiable short-term debt that is issued by our customers, which we guarantee for a fee. The fees earned are recorded in non-interest revenue, lending fees in our Consolidated Statement of Income over the term of the acceptance. The amount potentially due under acceptances is recorded in other liabilities in our Consolidated Balance Sheet. We record the bank's equivalent claim against our customers in the event of a call on these commitments in other assets in our Consolidated Balance Sheet.

Securities Lending and Borrowing

Securities lending and borrowing transactions are generally collateralized by securities or cash. Cash advanced or received as collateral is recorded in securities borrowed or purchased under resale agreements or other liabilities, securities lent or sold under repurchase agreements, respectively. Interest earned on cash collateral is recorded in interest, dividend and fee income in our Consolidated Statement of Income, and interest expense on cash collateral is recorded in interest expense, other liabilities, in our Consolidated Statement of Income. The transfer of the securities to counterparties is only reflected in our Consolidated Balance Sheet if the risks and rewards of ownership have also been transferred. Securities borrowed are not recognized in our Consolidated Balance Sheet unless they are then sold to third parties, in which case the obligation to return the securities is recorded at fair value in securities sold but not yet purchased, with any gains or losses recorded in non-interest revenue, trading revenues.

Securities Sold But Not Yet Purchased

Securities sold but not yet purchased represent our obligations to deliver securities that we did not own at the time of sale. These obligations are recorded at their fair value. Adjustments to the fair value as at the balance sheet date and gains and losses on the settlement of these obligations are recorded in trading revenues in our Consolidated Statement of Income.

Securitization and Structured Entities' Liabilities

Securitization and structured entities' liabilities include notes issued by our consolidated bank securitization vehicles and liabilities associated with the securitization of our Canadian mortgage loans as part of the Canada Mortgage Bond program, the National Housing Act Mortgage-Backed Securities program and our own programs. Additional information on our securitization programs and associated liabilities is provided in Notes 6 and 7. These liabilities are initially measured at fair value plus any directly attributable costs and are subsequently measured at amortized cost. The interest expense related to these liabilities is recorded in interest expense, other liabilities, in our Consolidated Statement of Income.

Other

The components of other within other liabilities are as follows:

(Canadian $ in millions)	2020	2019
Accounts payable, accrued expenses and other items	**8,719**	8,613
Accrued interest payable	**1,359**	1,693
Cash collateral	**6,596**	5,128
Insurance-related liabilities	**12,441**	11,581
Lease Liabilities (1)	**2,409**	na
Liabilities of subsidiaries, other than deposits	**–**	7,934
Other employee future benefits liability (Note 21)	**1,147**	1,125
Payable to brokers, dealers and clients	**2,969**	2,204
Pension liability (Note 21)	**553**	329
Total	**36,193**	38,607

(1) Effective November 1, 2019, we adopted IFRS 16 *Leases,* recognizing the cumulative effect of adoption in opening retained earnings with no changes to prior periods (Note 1).

Insurance-Related Liabilities

We are engaged in insurance businesses related to life insurance, annuities, which includes pension risk, accident and sickness, creditor insurance, and reinsurance. We designate the obligation related to certain investment contracts in our insurance business at fair value through profit or loss, which eliminates a measurement inconsistency that would otherwise arise from measuring the investment contract liabilities and offsetting changes in the fair value of the investments supporting them on a different basis. The change in fair value of these investment contract liabilities is recorded in insurance claims, commissions and changes in policy benefit liabilities with the exception of changes in our own credit risk recognized in other comprehensive income. The impact of changes in our own credit risk is measured based on movements in our own credit spread year over year. Changes in the fair value of investments backing these investment contract liabilities are recorded in non-interest revenue, insurance revenue.

The following table presents fair value and changes in fair value in our investment contract liabilities.

(Canadian $ in millions)	Fair value	Notional amount due at contractual maturity	Change in fair value recorded in the Consolidated Statement of Income	Change in fair value due to own credit risk recorded in OCI (before tax)	Cumulative change in fair value due to own credit risk recognized in AOCI (before tax)
As at October 31, 2020	**1,168**	**1,594**	**88**	**(12)**	**(46)**
As at October 31, 2019	1,043	1,529	119	(12)	(33)

Insurance claims and policy benefit liabilities represent current claims and estimates of future insurance policy benefit liabilities. Liabilities for life insurance contracts are determined using the Canadian Asset Liability Method, which incorporates best-estimate assumptions for mortality, morbidity, policy lapses, surrenders, future investment yields, policy dividends, administration costs and margins for adverse deviation. These assumptions are reviewed at least annually and updated to reflect actual experience and market conditions.

A reconciliation of the change in insurance-related liabilities is as follows:

(Canadian $ in millions)	2020	2019
Insurance-related liabilities, beginning of year	**11,581**	9,585
Increase (decrease) in life insurance policy benefit liabilities from:		
New business	**476**	706
In-force policies	**182**	906
Changes in actuarial assumptions and methodology	**(58)**	23
Net increase in life insurance policy benefit liabilities	**600**	1,635
Change in other insurance-related liabilities	**260**	361
Insurance-related liabilities, end of year	**12,441**	11,581

Reinsurance

In the ordinary course of business, our insurance subsidiaries reinsure risks to other insurance and reinsurance companies in order to provide greater diversification, limit loss exposure to large risks, and provide additional capacity for future growth. These ceding reinsurance arrangements do not relieve our insurance subsidiaries of their direct obligation to the insured parties. We evaluate the financial condition of the reinsurers and monitor their credit ratings to minimize our exposure to losses from reinsurer insolvency.

Reinsurance premiums ceded are recorded net against direct premium income and are included in non-interest revenue, insurance revenue, in our Consolidated Statement of Income for the years ended October 31, 2020, 2019 and 2018, as shown in the table below:

(Canadian $ in millions)	2020	2019	2018
Direct premium income	**1,582**	1,944	1,976
Ceded premiums	**(154)**	(158)	(148)
	1,428	1,786	1,828

Lease Liabilities

Beginning November 1, 2019, when we enter into leases we record lease liabilities representing the present value of future lease payments over the lease term. Interest expense recorded on lease liabilities for the year ended October 31, 2020 was $53 million. Total cash outflow for lease liabilities for the year ended October 31, 2020 was $384 million. Variable lease payments (for example maintenance, utilities and property taxes) not included in the measurement of lease liabilities for the year ended October 31, 2020 was $219 million. IFRS 16 was adopted on November 1, 2019, prior period amounts are not applicable.

The maturity profile of our undiscounted lease liabilities is $380 million for 2021, $332 million for 2022, $293 million for 2023, $275 million for 2024, $234 million for 2025 and $1,234 million thereafter.

Note 15: Subordinated Debt

Subordinated debt represents our direct unsecured obligations to our debt holders, in the form of notes and debentures, and forms part of our regulatory capital. Subordinated debt is recorded at amortized cost using the effective interest rate method. Where appropriate, we enter into fair value hedges to hedge the risks caused by changes in interest rates (see Note 8). The rights of the holders of our notes and debentures are subordinate to the claims of depositors and certain other creditors. We require approval from OSFI before we can redeem any part of our subordinated debt.

The face values, terms to maturity and carrying values of our subordinated debt are as follows:

(Canadian $ in millions, except as noted)	Face value	Maturity date	Interest rate (%)	Redeemable at our option	**2020 Total**	2019 Total
Debentures Series 20	150	December 2025 to 2040	8.25	Not redeemable	**146**	145
Series H Medium-Term Notes, Second Tranche (8)	1,000	December 2025	3.34	December 2020 (1)	**961**	983
Series I Medium-Term Notes, First Tranche (8)	1,250	June 2026	3.32	June 2021 (2)	**1,242**	1,230
Series I Medium-Term Notes, Second Tranche (8)	850	June 2027	2.57	June 2022 (3)	**833**	820
3.803% Subordinated Notes due 2032 (8)	US 1,250	December 2032	3.80	December 2027 (4)	**1,771**	1,646
4.338% Subordinated Notes due 2028 (8)	US 850	October 2028	4.34	October 2023 (5)	**1,219**	1,180
Series J Medium-Term Notes, First Tranche (8)	1,000	September 2029	2.88	September 2024 (6)	**996**	991
Series J Medium-Term Notes, Second Tranche (8)(9)	1,250	June 2030	2.08	June 2025 (7)	**1,248**	–
Total (10)					**8,416**	6,995

(1) Redeemable at the greater of par and the Canada Yield Price prior to December 8, 2020, and redeemable at par together with accrued and unpaid interest to, but excluding, their redemption date commencing December 8, 2020. On November 2, 2020, we announced our intention to redeem all of our $1,000 million Series H Medium-Term Notes, Second Tranche on December 8, 2020.

(2) Redeemable at the greater of par and the Canada Yield Price prior to June 1, 2021, and redeemable at par together with accrued and unpaid interest to, but excluding, their redemption date commencing June 1, 2021.

(3) Redeemable at the greater of par and the Canada Yield Price prior to June 1, 2022, and redeemable at par together with accrued and unpaid interest to, but excluding, their redemption date commencing June 1, 2022.

(4) Redeemable at par on December 15, 2027 together with accrued and unpaid interest to, but excluding, the redemption date.

(5) Redeemable at par on October 5, 2023 together with accrued and unpaid interest to, but excluding, the redemption date.

(6) Redeemable at par on September 17, 2024 together with accrued and unpaid interest to, but excluding, the redemption date.

(7) Redeemable at par on June 17, 2025 together with accrued and unpaid interest to, but excluding, the redemption date.

(8) These notes include a non-viability contingent capital provision, which is necessary for notes issued after a certain date to qualify as regulatory capital under Basel III. As such, they are convertible into a variable number of our common shares if OSFI announces that the bank is, or is about to become, non-viable or if a federal or provincial government in Canada publicly announces that the bank has accepted or agreed to accept a capital injection, or equivalent support, to avoid non-viability. In such an event, each note is convertible into common shares pursuant to an automatic conversion formula with a multiplier and a conversion price based on the greater of: (i) a floor price of $5.00 and (ii) the current market price of our common shares based on the volume weighted average trading price of our common shares on the TSX. The number of common shares issued is determined by dividing the par value of the note (including accrued and unpaid interest on such note) by the conversion price and then applying the multiplier.

(9) On June 17, 2020, we issued $1,250 million of Series J Medium–Term Notes, Second Tranche.

(10) Certain amounts of subordinated debt were issued at a premium or discount and include fair value hedge adjustments, which together increased their carrying value as at October 31, 2020 by $119 million (decreased by $20 million in 2019); see Note 8 for further details on hedge adjustments. The carrying value is also adjusted for our subordinated debt holdings, held for market-making purposes.

The aggregate remaining maturities of our subordinated debt, based on the maturity dates under the terms of issue, can be found in the blue-tinted font in the Contractual Maturities of Assets and Liabilities and Off-Balance Sheet Commitments section of Management's Discussion and Analysis on pages 104 to 105 of this report.

Notes

Note 16: Equity

Preferred and Common Shares Outstanding and Other Equity Instruments

(Canadian $ in millions, except as noted)			2020			2019
	Number of shares	**Amount**	**Dividends declared per share**	Number of shares	Amount	Dividends declared per share
Preferred Shares – Classified as Equity						
Class B – Series 25	**9,425,607**	**236**	**0.45**	9,425,607	236	0.45
Class B – Series 26	**2,174,393**	**54**	**0.52**	2,174,393	54	0.70
Class B – Series 27	**20,000,000**	**500**	**0.96**	20,000,000	500	0.98
Class B – Series 29	**16,000,000**	**400**	**0.91**	16,000,000	400	0.96
Class B – Series 31	**12,000,000**	**300**	**0.96**	12,000,000	300	0.95
Class B – Series 33	**8,000,000**	**200**	**0.90**	8,000,000	200	0.95
Class B – Series 35 (6)	**6,000,000**	**150**	**1.25**	6,000,000	150	1.25
Class B – Series 36 (6)	**600,000**	**600**	**58.50**	600,000	600	58.50
Class B – Series 38	**24,000,000**	**600**	**1.21**	24,000,000	600	1.21
Class B – Series 40	**20,000,000**	**500**	**1.13**	20,000,000	500	1.13
Class B – Series 42	**16,000,000**	**400**	**1.10**	16,000,000	400	1.10
Class B – Series 44	**16,000,000**	**400**	**1.21**	16,000,000	400	1.44
Class B – Series 46 (1)	**14,000,000**	**350**	**1.28**	14,000,000	350	0.77
Preferred Shares – Classified as Equity		**4,690**			4,690	
Other Equity Instruments						
4.8% Additional Tier 1 Capital Notes (2)		**658**			658	
4.3% Limited Recourse Capital Notes, Series 1 (3)		**1,250**			–	
Preferred Shares and Other Equity Instruments		**6,598**			5,348	
Common Shares						
Balance at beginning of year	**639,232,276**	**12,971**		639,329,625	12,929	
Issued under the Shareholder Dividend Reinvestment and Share Purchase Plan	**6,746,237**	**471**		–	–	
Issued/cancelled under the Stock Option Plan and other stock-based compensation plans (Note 20)	**563,613**	**40**		902,651	62	
Repurchased for cancellation and/or treasury shares sold/purchased (4)(5)	**(652,730)**	**(52)**		(1,000,000)	(20)	
Balance at End of Year	**645,889,396**	**13,430**	**4.24**	639,232,276	12,971	4.06

(1) On April 17, 2019, we issued 14 million Non-Cumulative 5-Year Rate Reset Class B Preferred Shares, Series 46, at a price of $25.00 cash per share for gross proceeds of $350 million.
(2) On July 30, 2019, we issued US$500 million 4.8% Additional Tier 1 Capital Notes.
(3) On September 16, 2020, we issued $1,250 million 4.3% Limited Recourse Capital Notes, Series 1.
(4) Common shares are net of 652,730 treasury shares as at October 31, 2020.
(5) During fiscal 2020, we did not purchase any of our common shares under the normal course issuer bid (NCIB). During fiscal 2019, we repurchased and cancelled 1 million of our common shares as part of the NCIB at an average cost of $90.00 per share, totalling $90 million.
(6) Series 35 and Series 36 were redeemed and final dividends were paid on November 25, 2020.

Preferred Share Rights and Privileges

(Canadian $, except as noted)

	Redemption amount	Quarterly non-cumulative dividend (1)	Reset premium	Date redeemable / convertible	Convertible to
Class B – Series 25	25.00	$0.112813 (2)	1.15%	August 25, 2021 (3)(4)	Class B – Series 26 (8)
Class B – Series 26	25.00	Floating (7)	1.15%	August 25, 2021 (3)(5)	Class B – Series 25 (8)
Class B – Series 27	25.00	$ 0.24075 (2)	2.33%	May 25, 2024 (3)(4)	Class B – Series 28 (8)(9)
Class B – Series 29	25.00	$ 0.2265 (2)	2.24%	August 25, 2024 (3)(4)	Class B – Series 30 (8)(9)
Class B – Series 31	25.00	$0.240688 (2)	2.22%	November 25, 2024 (3)(4)	Class B – Series 32 (8)(9)
Class B – Series 33	25.00	$0.190875 (2)	2.71%	August 25, 2025 (3)(4)	Class B – Series 34 (8)(9)
Class B – Series 35	25.00	$ 0.3125 (6)	Does not reset	August 25, 2020 (6)	Not convertible (6)
Class B – Series 36	1,000.00	$ 14.6250 (6)	4.97%	November 25, 2020 (6)	Class B – Series 37 (6)
Class B – Series 38	25.00	$0.303125 (2)	4.06%	February 25, 2022 (3)(4)	Class B – Series 39 (8)(9)
Class B – Series 40	25.00	$ 0.28125 (2)	3.33%	May 25, 2022 (3)(4)	Class B – Series 41 (8)(9)
Class B – Series 42	25.00	$ 0.2750 (2)	3.17%	August 25, 2022 (3)(4)	Class B – Series 43 (8)(9)
Class B – Series 44	25.00	$0.303125 (2)	2.68%	November 25, 2023 (3)(4)	Class B – Series 45 (8)(9)
Class B – Series 46	25.00	$ 0.31875 (2)	3.51%	May 25, 2024 (3)(4)	Class B – Series 47 (8)(9)

(1) Non-cumulative dividends are payable quarterly as and when declared by the Board of Directors.
(2) The dividend rate will reset on the date redeemable and every five years thereafter at a rate equal to the 5-year Government of Canada bond yield plus the reset premium noted. If converted to a floating rate series, the rate will be set as, and when declared, at the 3-month Government of Canada treasury bill yield plus the reset premium noted.
(3) Redeemable on the date noted and every five years thereafter.
(4) Convertible on the date noted and every five years thereafter if not redeemed. If converted, the shares will become floating rate preferred shares.
(5) Convertible on the date noted and every five years thereafter if not redeemed. If converted, the shares will become fixed rate preferred shares.
(6) Series 35 and Series 36 were redeemed and final dividends were paid on November 25, 2020.
(7) Floating rate will be set as, and when declared, at the 3-month Government of Canada treasury bill yield plus a reset premium.
(8) If converted, the holders have the option to convert back to the original preferred shares on subsequent redemption dates.
(9) The shares issued include a non-viability contingent capital provision, which is necessary for the shares to qualify as regulatory capital under Basel III. Refer to the Non-Viability Contingent Capital paragraph below for details.

On November 25, 2020, BMO redeemed all of its 6 million issued and outstanding Non-Cumulative Perpetual Class B Preferred Shares, Series 35 (Non-Viability Contingent Capital (NVCC)) for an aggregate total of $156 million and all of its 600,000 issued and outstanding Non-Cumulative 5-Year Rate Reset Class B Preferred Shares, Series 36 (NVCC) for an aggregate total of $600 million.

On June 29, 2020, we announced that we did not intend to exercise our right to redeem the current outstanding Non-Cumulative 5-Year Rate Reset Class B Preferred Shares, Series 33 (Preferred Shares Series 33) on August 25, 2020. As a result, subject to certain conditions, the holders of Preferred Shares Series 33 had the right, at their option, by August 10, 2020, to convert any or all of their Preferred Shares Series 33 on a one-for-one basis into Non-Cumulative Floating Rate Class B Preferred Shares, Series 34 (Preferred Shares Series 34). During the conversion period, which ran from July 27, 2020 to August 10, 2020, 118,563 Preferred Shares Series 33 were tendered for conversion into Preferred Shares Series 34, which is less than the minimum 1,000,000 required to give effect to the conversion, as described in the Preferred Shares Series 33 prospectus supplement dated May 29, 2015. As a result, no Preferred Shares Series 34 were issued and holders of Preferred Shares Series 33 retained their shares. The dividend rate for the Preferred Shares Series 33 for the five-year period commencing on August 25, 2020, and ending on August 24, 2025, is 3.054%.

Other Equity Instruments

On September 16, 2020, we issued $1,250 million 4.3% Limited Recourse Capital Notes Series 1 (LRCN) (NVCC), which are classified as equity and form part of our Additional Tier 1 non-viability contingent capital. Upon the occurrence of a recourse event, the noteholders will have recourse to assets held in a consolidated trust managed by a third party trustee. The trust assets are currently comprised of $1,250 million of BMO issued Non-Cumulative, 5-Year Rate Reset Class B Preferred Shares, Series 48 (NVCC) (Preferred Shares Series 48) issued concurrently with the LRCN. As the Preferred Shares Series 48 eliminate on consolidation, they do not currently form part of our Additional Tier 1 capital.

On July 30, 2019, we issued US$500 million 4.8% Additional Tier 1 Capital Notes (NVCC) (AT1 notes), which are also classified as equity and form part of our additional Tier 1 capital.

Both the LRCN and AT1 notes are compound financial instruments that have both equity and liability features. On the date of issuance, we assigned an insignificant value to the liability components of both types of instrument and, as a result, the full amount of proceeds have been classified as equity. Semi-annual distributions on the LRCN and AT1 notes will be recorded when payable. The LRCN and AT1 notes are subordinate to the claims of the depositors and certain other creditors in right of payment. The following table shows the details of our AT1 notes and LRCN as at October 31, 2020 and 2019.

(Canadian $, in millions, except as noted)					**2020**	2019
	Face value	Interest rate (%)	Redeemable at our option	Convertible to	**Total**	Total
4.8% Additional Tier 1 Capital Notes	US$500	4.8 (1)	August 2024 (2)	Variable number of common shares (3)	**658**	658
4.3% Limited Recourse Capital Notes	$1,250	4.3 (4)	November 2025 (2)	Variable number of common shares (4)	**1,250**	–
Total					**1,908**	658

(1) Non-cumulative interest is payable semi-annually in arrears, at the bank's discretion.

(2) The notes are redeemable at a redemption price equal to 100% of the principal amount plus any accrued and unpaid interest, in whole or in part, at our option on any interest payment date on or after the first interest reset date or following certain regulatory or tax events. The bank may, at any time, purchase the notes at any price in the open market.

(3) The notes issued include a non-viability contingent capital provision, which is necessary for the notes to qualify as regulatory capital under Basel III. Refer to the Non-Viability Contingent Capital paragraph below for details.

(4) Non-deferrable interest is payable semi-annually on these notes, at the bank's discretion. Non-payment of interest will result in a recourse event, with the noteholders' sole remedy being the holders' proportionate share of trust assets comprised of our NVCC Preferred Shares Series 48. In such an event, the delivery of the trust assets will represent the full and complete extinguishment of our obligations under the LRCN. In circumstances under which non-viability contingent capital, including the Preferred Shares Series 48, would be converted into common shares of the bank (described below), the LRCN would be redeemed, with noteholders' sole remedy being the holders' proportionate share of trust assets comprised of common shares of the bank received by the trust on conversion of the Preferred Share Series 48.

Authorized Share Capital

We classify financial instruments that we issue as financial liabilities, equity instruments or compound instruments. Financial instruments that will be settled by a variable number of our common shares upon conversion by the holders are classified as liabilities in our Consolidated Balance Sheet. Dividends and interest payments on financial liabilities are classified as interest expense in our Consolidated Statement of Income. Financial instruments are classified as equity instruments when there is no contractual obligation to transfer cash or other financial assets. Issued instruments that are not mandatorily redeemable, or that are not convertible into a variable number of our common shares at the holder's option, are classified as equity and presented in share capital. Dividend payments on equity instruments are recognized as a reduction in equity.

Common Shares

We are authorized by our shareholders to issue an unlimited number of our common shares, without par value, for unlimited consideration. Our common shares are not redeemable or convertible. Dividends are declared by our Board of Directors at their discretion. Historically, the Board of Directors has declared dividends on a quarterly basis and the amount can vary from quarter to quarter.

Preferred Shares

We are authorized by our shareholders to issue an unlimited number of Class A Preferred Shares and Class B Preferred Shares, without par value, in series, for unlimited consideration. Class B Preferred Shares may be issued in a foreign currency.

Treasury Shares

When we purchase our common shares as part of our trading business, we record the cost of those shares as a reduction in shareholders' equity. If those shares are resold at a price higher than their cost, the premium is recorded as an increase in contributed surplus. If those shares are resold at a price below their cost, the discount is recorded as a reduction first to contributed surplus and then to retained earnings for any amount in excess of the total contributed surplus related to treasury shares.

Non-Viability Contingent Capital

Class B – Series 27, Class B – Series 29, Class B – Series 31, Class B – Series 33, Class B – Series 35, Class B – Series 36, Class B – Series 38, Class B – Series 40, Class B – Series 42, Class B – Series 44 and Class B – Series 46 preferred share issues as well as the AT1 notes and by virtue of the recourse to the Preferred Shares Series 48, the LRCN include a non-viability contingent capital provision, which is necessary for them to qualify as regulatory capital under Basel III. As such, they are convertible into a variable number of our common shares if OSFI announces that the bank is, or is about to become, non-viable or if a federal or provincial government in Canada publicly announces that the bank has accepted, or agreed to accept, a capital injection, or equivalent support, to avoid non-viability. In such an event, each preferred share or other equity instrument is convertible into common shares pursuant to an automatic conversion formula and a conversion price based on the greater of: (i) a floor price of $5.00 and (ii) the current market price of our common shares based on the volume weighted average trading price of our common shares on the TSX. The number of common shares issued is determined by dividing the value of the preferred share or other equity instrument issuance, including declared and unpaid dividends on such preferred share or other equity instrument issuance, by the conversion price and then applying the multiplier.

Normal Course Issuer Bid

Our previous normal course issuer bid (NCIB) expired on June 2, 2020. Our plan, subject to the approval of OSFI and the Toronto Stock Exchange, was to establish a new NCIB permitting us to purchase for cancellation up to 12 million common shares over a 12-month period, commencing on or about June 3, 2020. The renewal process was put on hold in light of OSFI's announcement on March 13, 2020 that all share buybacks by Federally Regulated Financial Institutions should be halted for the time being.

During fiscal 2020, we did not purchase any of our common shares under the NCIB. During fiscal 2019, we repurchased and cancelled 1 million of our common shares as part of the NCIB at an average cost of $90.00 per share, totalling $90 million.

Share Redemption and Dividend Restrictions

OSFI must approve any plan to redeem any of our preferred share issues or other equity instruments for cash.

We are prohibited from declaring dividends on our preferred or common shares when we would be, as a result of paying such a dividend, in contravention of the capital adequacy, liquidity or any other regulatory directive issued under the *Bank Act (Canada)*. In addition, common share dividends cannot be paid unless all dividends declared and payable on our preferred shares have been paid or sufficient funds have been set aside to do so and, in certain circumstances Class B preferred share dividends cannot be paid unless dividends on our Preferred Shares Series 48 have been paid.

In addition, if the bank does not pay the interest in full on the Additional Tier 1 Capital Notes, the bank will not declare dividends on its common shares or preferred shares or redeem, purchase or otherwise retire such shares until the month commencing after the bank resumes full interest payments on the Additional Tier 1 Capital Notes.

Currently, these limitations do not restrict the payment of dividends on common or preferred shares.

Shareholder Dividend Reinvestment and Share Purchase Plan

We offer a Dividend Reinvestment and Share Purchase Plan (DRIP) for our shareholders. Participation in the plan is optional. Under the terms of the DRIP, cash dividends on common shares are reinvested to purchase additional common shares. Shareholders also have the opportunity to make optional cash payments to acquire additional common shares.

In the first and second quarters of fiscal 2020, common shares to supply the DRIP were purchased on the open market. In the third and fourth quarters of fiscal 2020, common shares to supply the dividend reinvestment feature of the DRIP were issued from treasury at a 2% discount from their then-current market price. During fiscal 2019, common shares to supply the DRIP were purchased on the open market.

Potential Share Issuances

As at October 31, 2020, we had reserved 33,200,910 common shares (39,947,147 in 2019) for potential issuance in respect of the DRIP. We have also reserved 6,446,110 common shares (6,108,307 in 2019) for the potential exercise of stock options, as further described in Note 20.

Note 17: Fair Value of Financial Instruments and Trading-Related Revenue

We record trading assets and liabilities, derivatives, certain equity and debt securities and securities sold but not yet purchased at fair value, and other non-trading assets and liabilities at amortized cost less allowances or write-downs for impairment. The fair values presented in this note are based upon the amounts estimated for individual assets and liabilities and do not include an estimate of the fair value of any of the legal entities or underlying operations that comprise our business. For certain portfolios of financial instruments where we manage exposures to similar and offsetting risks, fair value is determined on the basis of our net exposure to that risk.

Fair value represents the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. The fair value amounts disclosed represent point-in-time estimates that may change in subsequent reporting periods due to changes in market conditions or other factors. Some financial instruments are not typically exchangeable or exchanged and therefore it is difficult to determine their fair value. Where there is no quoted market price, we determine fair value using management's best estimates based on a range of valuation techniques and assumptions; since these involve uncertainties, the fair values may not be realized in an actual sale or immediate settlement of the asset or liability.

Governance Over the Determination of Fair Value

Senior executive oversight of our valuation processes is provided through various valuation and risk committees. In order to ensure that all financial instruments carried at fair value are reasonably measured for risk management and financial reporting purposes, we have established governance structures and controls, such as model validation and approval, independent price verification (IPV) and profit or loss attribution analysis (PAA), consistent with industry practice. These controls are applied independently of the relevant operating groups.

We establish 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. PAA is a daily process carried out by management to identify and explain changes in fair value positions across all operating lines of business within BMO Capital Markets. This process works in concert with other processes to ensure that the fair values being reported are reasonable and appropriate.

Securities

For traded securities, quoted market value is considered to be fair value. Quoted market value is based on bid or ask prices, depending on which is the most appropriate to measure fair value. Securities for which no active market exists are valued using all reasonably available market information. Our 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. The fair value of securities that are not traded in an active market is modelled using implied yields derived from the prices of similar actively traded government securities and observable spreads.

Mortgage-Backed Securities and Collateralized Mortgage Obligations
The fair value of mortgage-backed securities and collateralized mortgage obligations 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 mortgage-backed securities and collateralized mortgage obligations include discount rates, default rates, expected prepayments, credit spreads and recoveries.

Corporate Debt Securities
The fair value of corporate debt securities is determined using prices observed in the most recent transactions. When observable price quotations are not available, fair value is determined based on discounted cash flow models using discounting curves and spreads obtained from independent dealers, brokers and third party vendors.

Trading Loans
The fair value of trading loans is determined by referring to current market prices for the same or similar instruments.

Corporate Equity Securities
The fair value of corporate equity securities is based on quoted prices in active markets, where available. Where quoted prices in active markets are not readily available, fair value is determined using either quoted market prices for similar securities or using valuation techniques, which include discounted cash flow analysis and earnings multiples.

Privately Issued Securities
Privately issued debt and equity securities are valued using prices observed in recent market transactions, where available. Otherwise, fair value is derived from valuation models using a market or income approach. These models consider various factors, including projected cash flows, earnings, revenue and other third-party evidence, as available. The fair value of our privately issued securities includes net asset values published by third-party fund managers as applicable.

Prices from dealers, brokers and third party vendors are corroborated as part of our independent review process, which may include using valuation techniques or obtaining consensus or composite prices from other pricing services. We validate the estimates of fair value by independently obtaining multiple quotes for external market prices and input values. We review the approach taken by third-party vendors to ensure that vendors employ a valuation model that maximizes the use of observable inputs such as benchmark yields, bid-ask spreads, underlying collateral, weighted-average terms to maturity and prepayment rate assumptions. Fair value estimates from internal valuation techniques are verified, where possible, by reference to prices obtained from third-party vendors.

Loans

In determining the fair value of our fixed rate performing loans, other than credit card loans, we discount the remaining contractual cash flows, adjusted for estimated prepayment, at market interest rates currently offered for loans with similar terms and credit risks. For credit card performing loans, fair value is considered to be equal to carrying value, due to their short-term nature.

For floating rate performing loans, changes in interest rates have minimal impact on fair value since interest rates are repriced or reset frequently. On that basis, fair value is assumed to be equal to carrying value.

The fair value of loans is not adjusted for the value of any credit protection purchased to mitigate credit risk.

Derivative Instruments

A number of valuation techniques are employed to estimate fair value, including discounted cash flow analysis, the Black-Scholes model, Monte Carlo simulation and other accepted market models. These independently validated models incorporate current market data for interest rates, foreign currency exchange rates, equity and commodity 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.

In determining the fair value of complex and customized derivatives, we consider all reasonably available information, including dealer and broker quotations, multi-contributor pricing sources and any relevant observable market inputs. Our models calculate fair value based on inputs specific to the type of contract, which may include stock prices, correlation for multiple assets, interest rates, foreign currency exchange rates, yield curves and volatilities.

We calculate a credit valuation adjustment (CVA) to recognize the credit risk that the bank's counterparty may not ultimately be able to fulfill its derivative obligations. The CVA is derived from market-observed credit spreads or proxy credit spreads and our assessment of the net counterparty credit risk exposure, taking into account credit mitigants such as collateral, master netting agreements and novation to central counterparties. We also calculate 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 our own funding spreads.

Deposits

In determining the fair value of our deposits, we incorporate the following assumptions:

- For fixed rate, fixed maturity deposits, we discount the remaining contractual cash flows related to these deposits, adjusted for expected redemptions, at market interest rates currently offered for deposits with similar terms and risks. The fair value of our senior note liabilities and covered bonds is determined by referring to current market prices for similar instruments or using valuation techniques, such as discounted cash flow models that use market interest rate yield curves and funding spreads.
- For fixed rate deposits with no defined maturities, we consider fair value to equal carrying value, since carrying value is equivalent to the amount payable on the reporting date.
- For floating rate deposits, changes in interest rates have minimal impact on fair value, since deposits reprice to market frequently. On that basis, fair value is considered to equal carrying value.

Certain of our structured note liabilities that have coupons or repayment terms linked to the performance of interest rates, foreign currencies, commodities or equity securities have been designated at fair value through profit or loss. The fair value of these structured notes is estimated using internally validated valuation models and incorporates observable market prices for identical or comparable securities, as well as other inputs, such as interest rate yield curves, option volatilities and foreign exchange rates, where appropriate. Where observable prices or inputs are not available, management judgment is required to determine the fair value by assessing other relevant sources of information, such as historical data and proxy information from similar transactions.

Securities Sold But Not Yet Purchased

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

Securitization and Structured Entities' Liabilities

The determination of the fair value of our securitization and structured entities' liabilities is based on quoted market prices or quoted market prices for similar financial instruments, where available. Where quoted prices are not available, fair value is determined using valuation techniques, such as discounted cash flow models that maximize the use of observable inputs.

Subordinated Debt

The fair value of our subordinated debt is determined by referring to current market prices for the same or similar instruments.

Financial Instruments with a Carrying Value Approximating Fair Value

Carrying value is considered to be a reasonable estimate of fair value for our cash and cash equivalents.

The carrying value of certain financial assets and liabilities, such as interest bearing deposits with banks, securities borrowed or purchased under resale agreements, customers' liability under acceptances, other assets, acceptances, securities lent or sold under repurchase agreements and other liabilities, is a reasonable estimate of fair value due to their short-term nature or because they are frequently repriced to current market rates.

Fair Value Hierarchy

We use a fair value hierarchy to categorize financial instruments according to the inputs we use in valuation techniques to measure fair value.

Fair Value of Financial Instruments Not Carried at Fair Value on the Balance Sheet

Set out in the following tables are the fair values of financial instruments not carried at fair value in our Consolidated Balance Sheet.

(Canadian $ in millions)					2020
	Carrying value	Fair value	Valued using quoted market prices	Valued using models (with observable inputs)	Valued using models (without observable inputs)
Securities (1)					
Amortized cost	**48,466**	**49,009**	**18,831**	**30,178**	**–**
Loans (1)					
Residential mortgages	**126,882**	**128,815**	**–**	**128,815**	**–**
Consumer instalment and other personal	**69,480**	**70,192**	**–**	**70,192**	**–**
Credit cards	**7,556**	**7,556**	**–**	**7,556**	**–**
Business and government (2)	**238,239**	**239,929**	**–**	**239,929**	**–**
	442,157	**446,492**	**–**	**446,492**	**–**
Deposits (3)	**640,961**	**643,156**	**–**	**643,156**	**–**
Securitization and structured entities' liabilities	**26,889**	**27,506**	**–**	**27,506**	**–**
Subordinated debt	**8,416**	**8,727**	**–**	**8,727**	**–**

(1) Carrying value is net of allowance.
(2) Excludes $2,890 million of loans classified as FVTPL and $51 million of loans classified as FVOCI.
(3) Excludes $18,073 million of structured note liabilities designated at FVTPL.

This table excludes certain financial instruments with a carrying value approximating fair value, such as cash and cash equivalents, interest bearing deposits with banks, securities borrowed or purchased under resale agreements, customers' liability under acceptances, other assets, acceptances, securities lent or sold under repurchase agreements and other liabilities.

(Canadian $ in millions)					2019
	Carrying value	Fair value	Valued using quoted market prices	Valued using models (with observable inputs)	Valued using models (without observable inputs)
Securities (1)					
Amortized cost	24,472	24,622	13,612	11,010	–
Loans (1)					
Residential mortgages	123,676	124,093	–	124,093	–
Consumer instalment and other personal	67,200	67,516	–	67,516	–
Credit cards	8,623	8,623	–	8,623	–
Business and government (2)	224,442	225,145	–	225,145	–
	423,941	425,377	–	425,377	–
Deposits (3)	552,314	553,444	–	553,444	–
Securitization and structured entities' liabilities	27,159	27,342	–	27,342	–
Subordinated debt	6,995	7,223	–	7,223	–

(1) Carrying value is net of allowance.
(2) Excludes $2,156 million of loans classified as FVTPL and $22 million of loans classified as FVOCI.
(3) Excludes $15,829 million of structured note liabilities designated at FVTPL.

This table excludes certain financial instruments with a carrying value approximating fair value, such as cash and cash equivalents, interest bearing deposits with banks, securities borrowed or purchased under resale agreements, customers' liability under acceptances, other assets, acceptances, securities lent or sold under repurchase agreements and other liabilities.

Valuation Techniques and Significant Inputs

We determine the fair value of publicly traded fixed maturity debt and equity securities using quoted prices in active markets (Level 1) when these are available. When quoted prices in active markets are not available, we determine the fair value of financial instruments using models such as discounted cash flows, with observable market data for inputs, such as yield or broker quotes and other third-party vendor quotes (Level 2). Fair value may also be determined using models where significant market inputs are not observable due to inactive markets or minimal market activity (Level 3). We maximize the use of observable market inputs to the extent possible.

Our Level 2 trading securities are primarily valued using discounted cash flow models with observable spreads or broker quotes. The fair value of Level 2 FVOCI securities is determined using discounted cash flow models with observable spreads or third-party vendor quotes. Level 2 structured note liabilities are valued using models with observable market information. Level 2 derivative assets and liabilities are valued using industry-standard models and observable market information.

The extent of our use of actively quoted market prices (Level 1), internal models using observable market information as inputs (Level 2) and models without observable market information as inputs (Level 3) in the valuation of securities, business and government loans classified as FVTPL, fair value liabilities, derivative assets and derivative liabilities is presented in the following table:

(Canadian $ in millions)				2020				2019
	Valued using quoted market prices	**Valued using models (with observable inputs)**	**Valued using models (without observable inputs)**	**Total**	Valued using quoted market prices	Valued using models (with observable inputs)	Valued using models (without observable inputs)	Total
Trading Securities								
Issued or guaranteed by:								
Canadian federal government	**6,529**	**4,371**	**–**	**10,900**	6,959	1,371	–	8,330
Canadian provincial and municipal governments	**1,868**	**6,467**	**–**	**8,335**	3,871	3,656	–	7,527
U.S. federal government	**5,702**	**2,716**	**–**	**8,418**	8,001	762	–	8,763
U.S. states, municipalities and agencies	**16**	**487**	**–**	**503**	48	626	–	674
Other governments	**1,021**	**1,495**	**–**	**2,516**	888	697	–	1,585
NHA MBS and U.S. agency MBS and CMO	**7**	**11,487**	**803**	**12,297**	14	10,494	538	11,046
Corporate debt	**3,767**	**7,274**	**–**	**11,041**	2,620	5,091	7	7,718
Trading loans	**–**	**67**	**–**	**67**	–	103	–	103
Corporate equity	**43,757**	**–**	**–**	**43,757**	40,155	2	–	40,157
	62,667	**34,364**	**803**	**97,834**	62,556	22,802	545	85,903
FVTPL Securities								
Issued or guaranteed by:								
Canadian federal government	**452**	**149**	**–**	**601**	410	107	–	517
Canadian provincial and municipal governments	**180**	**1,249**	**–**	**1,429**	364	915	–	1,279
U.S. federal government	**–**	**44**	**–**	**44**	–	48	–	48
Other governments	**–**	**94**	**–**	**94**	–	49	–	49
NHA MBS and U.S. agency MBS and CMO	**–**	**3**	**–**	**3**	–	5	–	5
Corporate debt	**70**	**7,827**	**–**	**7,897**	146	8,071	–	8,217
Corporate equity	**1,587**	**10**	**1,903**	**3,500**	1,536	69	1,984	3,589
	2,289	**9,376**	**1,903**	**13,568**	2,456	9,264	1,984	13,704
FVOCI Securities								
Issued or guaranteed by:								
Canadian federal government	**20,765**	**1,685**	**–**	**22,450**	11,168	776	–	11,944
Canadian provincial and municipal governments	**2,604**	**2,143**	**–**	**4,747**	3,798	2,214	–	6,012
U.S. federal government	**14,852**	**2,842**	**–**	**17,694**	15,068	907	–	15,975
U.S. states, municipalities and agencies	**8**	**5,267**	**1**	**5,276**	1	4,159	1	4,161
Other governments	**3,643**	**3,738**	**–**	**7,381**	4,396	2,939	–	7,335
NHA MBS and U.S. agency MBS and CMO	**–**	**12,532**	**–**	**12,532**	–	14,000	–	14,000
Corporate debt	**792**	**2,442**	**–**	**3,234**	2,205	2,802	–	5,007
Corporate equity	**–**	**–**	**93**	**93**	–	–	81	81
	42,664	**30,649**	**94**	**73,407**	36,636	27,797	82	64,515
Business and Government Loans	**–**	**996**	**1,945**	**2,941**	–	442	1,736	2,178
Precious Metals	**7,744**	**–**	**–**	**7,744**	1,719	–	–	1,719
Fair Value Liabilities								
Securities sold but not yet purchased	**19,740**	**9,636**	**–**	**29,376**	22,393	3,860	–	26,253
Structured note liabilities	**–**	**18,073**	**–**	**18,073**	–	15,829	–	15,829
Investment contract liabilities	**–**	**1,168**	**–**	**1,168**	–	1,043	–	1,043
	19,740	**28,877**	**–**	**48,617**	22,393	20,732	–	43,125
Derivative Assets								
Interest rate contracts	**13**	**14,916**	**–**	**14,929**	14	10,443	–	10,457
Foreign exchange contracts	**1**	**10,825**	**–**	**10,826**	7	9,262	–	9,269
Commodity contracts	**123**	**2,465**	**–**	**2,588**	329	817	–	1,146
Equity contracts	**750**	**7,711**	**–**	**8,461**	226	997	–	1,223
Credit default swaps	**–**	**11**	**–**	**11**	–	49	–	49
	887	**35,928**	**–**	**36,815**	576	21,568	–	22,144
Derivative Liabilities								
Interest rate contracts	**22**	**10,871**	**–**	**10,893**	11	7,943	–	7,954
Foreign exchange contracts	**3**	**10,609**	**–**	**10,612**	20	10,843	–	10,863
Commodity contracts	**350**	**1,983**	**–**	**2,333**	218	1,462	–	1,680
Equity contracts	**456**	**6,067**	**–**	**6,523**	103	2,896	–	2,999
Credit default swaps	**–**	**10**	**4**	**14**	–	101	1	102
	831	**29,540**	**4**	**30,375**	352	23,245	1	23,598

Certain comparative figures have been reclassified to conform with the current year's presentation.

Quantitative Information about Level 3 Fair Value Measurements

The table below presents the fair values of our significant Level 3 financial instruments, the valuation techniques used to determine their fair values and the value ranges of significant unobservable inputs used in the valuations. We have not applied any other reasonably possible alternative assumption to the significant Level 3 categories of private equity investments, as the net asset values are provided by the investment or fund managers.

As at October 31, 2020 (Canadian $ in millions, except as noted)	Reporting line in fair value hierarchy table	Fair value of assets	Valuation techniques	Significant unobservable inputs	Range of input values (1)	
					Low	**High**
Private equity (2)	Corporate equity	**1,903**	Net asset value	Net asset value	**na**	**na**
			EV/EBITDA	Multiple	**5x**	**17x**
Loans (3)	Business and government loans	**1,945**	Discounted cash flows	Discount margin	**65 bps**	**141 bps**
NHA MBS and U.S. agency MBS and CMO	NHA MBS and U.S. agency MBS and CMO	**803**	Discounted cash flows	Prepayment rate	**6%**	**62%**
			Market Comparable	Comparability Adjustment (4)	**(4.93)**	**5.74**

(1) The low and high input values represent the highest and lowest actual level of inputs used to value a group of financial instruments in a particular product category. These input ranges do not reflect the level of input uncertainty but are affected by the specific underlying instruments within each product category. The input ranges will therefore vary from period to period based on the characteristics of the underlying instruments held at each balance sheet date.
(2) Included in private equity is $487 million of U.S. Federal Reserve Bank and U.S. Federal Home Loan Bank shares that we carry at cost, which approximates fair value, and hold to meet regulatory requirements.
(3) The impact of assuming a 10 basis point increase or decrease in discount margin for business and government loans is $3 million.
(4) Range of input values represents price per security adjustment.

na – not applicable

As at October 31, 2019 (Canadian $ in millions, except as noted)	Reporting line in fair value hierarchy table	Fair value of assets	Valuation techniques	Significant unobservable inputs	Range of input values (1)	
					Low	High
Private equity (2)	Corporate equity	1,984	Net asset value	Net asset value	na	na
			EV/EBITDA	Multiple	5x	16x
Loans (3)	Business and government loans	1,736	Discounted cash flows	Discount margin	70 bps	115 bps
NHA MBS and U.S. agency MBS and CMO	NHA MBS and U.S. agency MBS and CMO	538	Discounted cash flows	Prepayment rate	2%	30%
			Market Comparable	Comparability Adjustment (4)	(5.91)	8.57

(1) The low and high input values represent the highest and lowest actual level of inputs used to value a group of financial instruments in a particular product category. These input ranges do not reflect the level of input uncertainty but are affected by the specific underlying instruments within each product category. The input ranges will therefore vary from period to period based on the characteristics of the underlying instruments held at each balance sheet date.
(2) Included in private equity is $829 million of Federal Reserve Bank and U.S. Federal Home Loan Bank shares that we carry at cost, which approximates fair value, and hold to meet regulatory requirements.
(3) The impact of assuming a 10 basis point increase or decrease in discount margin for business and government loans is $3 million.
(4) Range of input values represents price per security adjustment.

na – not applicable

Significant Unobservable Inputs in Level 3 Instrument Valuations

Net Asset Value

Net asset value represents the estimated value of a security based on valuations received from the investment or fund manager. The valuation of certain private equity securities is based on the economic benefit we derive from our investment.

EV/EBITDA Multiple

The fair value of private equity and merchant banking investments is derived by calculating an enterprise value (EV) using the EV/EBITDA multiple and then proceeding through a waterfall of the company's capital structure to determine the value of the assets or securities we hold. The EV/EBITDA multiple is determined using judgment in considering factors such as multiples for comparable listed companies, recent transactions and company-specific factors, as well as liquidity discounts that account for the lack of active trading in these assets and securities.

Discount Margin

Loan and corporate debt yield is the interest rate used to discount expected future cash flows in the valuation model. The discount margin is the difference between an instrument's yield and a benchmark instrument's yield. Benchmark instruments, such as government bonds, have high credit quality ratings and similar maturities. The discount margin therefore represents a market return that accounts for uncertainty in future cash flows. Generally, a higher or lower discount margin will result in a lower or higher fair value.

Prepayment Rates

Discounted cash flow models are used to fair value our NHA MBS and U.S. agency MBS and CMOs. The cash flow model includes assumptions related to conditional prepayment rates, constant default rates and percentage loss on default. Prepayment rates impact our estimate of future cash flows. Changes in the prepayment rate tend to be negatively correlated with interest rates. In other words, an increase in the prepayment rate will result in a higher fair value when the asset interest rate is lower than the current reinvestment rate. A decrease in the prepayment rate will result in a lower fair value when the asset interest rate is higher than the current reinvestment rate.

Comparability Adjustment

Market comparable pricing is used to evaluate the fair value of NHA MBS and U.S. agency MBS and CMOs. This technique involves sourcing prices from third parties for similar instruments and applying adjustments to reflect recent transaction prices and instrument specific characteristics.

Significant Transfers

Our 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 between the various fair value hierarchy levels reflect changes in the availability of quoted market prices or observable market inputs that result from changes in market conditions. Transfers from Level 1 to Level 2 were due to reduced observability of the inputs used to value the securities. Transfers from Level 2 to Level 1 were due to increased availability of quoted prices in active markets.

The following table presents significant transfers between Level 1 and Level 2 for the years ended October 31, 2020 and October 31, 2019.

(Canadian $ in millions)	**2020**		2019	
	Level 1 to Level 2	**Level 2 to Level 1**	Level 1 to Level 2	Level 2 to Level 1
Trading Securities	**6,582**	**5,930**	5,831	7,985
FVTPL Securities	**667**	**334**	715	808
FVOCI Securities	**12,193**	**13,425**	11,014	7,309
Securities sold but not yet purchased	**7,781**	**3,871**	9,973	7,898

Changes in Level 3 Fair Value Measurements

The tables below present a reconciliation of all changes in Level 3 financial instruments during the years ended October 31, 2020 and 2019, including realized and unrealized gains (losses) included in earnings and other comprehensive income as well as transfers into and out of Level 3. Transfers from Level 2 to Level 3 were due to an increase in unobservable market inputs used in pricing the securities. Transfers out of Level 3 to Level 2 were due to an increase in observable market inputs used in pricing the securities.

		Change in fair value								
For the year ended October 31, 2020 (Canadian $ in millions)	Balance October 31, 2019	**Included in earnings**	**Included in other compre-hensive income** (1)	**Purchases/ Issuances**	**Sales** (2)	**Maturities/ Settlement**	**Transfers into Level 3**	**Transfers out of Level 3**	**Fair value as at October 31, 2020**	**Change in unrealized gains (losses) recorded in income for instruments still held** (3)
Trading Securities										
NHA MBS and U.S. agency MBS and CMO	538	**(351)**	**9**	**1,338**	**(715)**	**–**	**225**	**(241)**	**803**	**(232)**
Corporate debt	7	**10**	**(2)**	**50**	**(68)**	**–**	**3**	**–**	**–**	**(1)**
Total trading securities	545	**(341)**	**7**	**1,388**	**(783)**	**–**	**228**	**(241)**	**803**	**(233)**
FVTPL Securities										
Corporate equity	1,984	**4**	**17**	**356**	**(459)**	**–**	**1**	**–**	**1,903**	**35**
Total FVTPL securities	1,984	**4**	**17**	**356**	**(459)**	**–**	**1**	**–**	**1,903**	**35**
FVOCI Securities										
Issued or guaranteed by:										
U.S. states, municipalities and agencies	1	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1**	**na**
Corporate equity	81	**–**	**1**	**11**	**–**	**–**	**–**	**–**	**93**	**na**
Total FVOCI securities	82	**–**	**1**	**11**	**–**	**–**	**–**	**–**	**94**	**na**
Business and Government Loans	1,736	**(3)**	**156**	**1,803**	**–**	**(1,747)**	**–**	**–**	**1,945**	**–**
Fair Value Liabilities										
Securities sold but not yet purchased	–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total fair value liabilities	–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Derivative Liabilities										
Equity contracts	–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Credit default swaps	1	**–**	**–**	**–**	**–**	**–**	**4**	**(1)**	**4**	**–**
Total derivative liabilities	1	**–**	**–**	**–**	**–**	**–**	**4**	**(1)**	**4**	**–**

(1) Foreign exchange translation on trading securities held by foreign subsidiaries is included in other comprehensive income, net foreign operations.
(2) Includes proceeds received on securities sold but not yet purchased.
(3) Changes in unrealized gains (losses) on FVTPL securities still held on October 31, 2020 are included in earnings for the year.

Unrealized gains (losses) recognized on Level 3 financial instruments may be offset by (losses) gains on economic hedge contracts.
na – not applicable

For the year ended October 31, 2019 (Canadian $ in millions)	Balance October 31, 2018	Change in fair value: Included in earnings	Change in fair value: Included in other compre-hensive income (1)	Purchases/ Issuances	Sales (2)	Maturities/ Settlement	Transfers into Level 3	Transfers out of Level 3	Fair value as at October 31, 2019	Change in unrealized gains (losses) recorded in income for instruments still held (3)
Trading Securities										
NHA MBS and U.S. agency MBS and CMO	255	(46)	1	654	(399)	–	159	(86)	538	(16)
Corporate debt	7	–	–	44	(43)	–	–	(1)	7	–
Total trading securities	262	(46)	1	698	(442)	–	159	(87)	545	(16)
FVTPL Securities										
Corporate equity	1,825	21	(2)	421	(280)	(1)	–	–	1,984	58
Total FVTPL securities	1,825	21	(2)	421	(280)	(1)	–	–	1,984	58
FVOCI Securities										
Issued or guaranteed by:										
U.S. states, municipalities and agencies	1	–	–	–	–	–	–	–	1	na
Corporate equity	62	–	2	17	–	–	–	–	81	na
Total FVOCI securities	63	–	2	17	–	–	–	–	82	na
Business and Government Loans	1,450	7	8	1,410	–	(1,139)	–	–	1,736	–
Fair Value Liabilities										
Securities sold but not yet purchased	–	–	–	(7)	7	–	–	–	–	na
Total fair value liabilities	–	–	–	(7)	7	–	–	–	–	–
Derivative Liabilities										
Equity contracts	1	–	–	–	–	–	–	(1)	–	–
Credit default swaps	1	–	–	–	–	–	1	(1)	1	–
Total derivative liabilities	2	–	–	–	–	–	1	(2)	1	–

(1) Foreign exchange translation on trading securities held by foreign subsidiaries is included in other comprehensive income, net foreign operations.
(2) Includes proceeds received on securities sold but not yet purchased.
(3) Changes in unrealized gains (losses) on trading securities, derivative assets and derivative liabilities still held on October 31, 2019 are included in earnings for the year.

Unrealized gains (losses) recognized on Level 3 financial instruments may be offset by (losses) gains on economic hedge contracts.
na – not applicable

Trading-Related Revenue

Trading assets and liabilities, including derivatives, securities and financial instruments designated at fair value through profit or loss, are measured at fair value, with gains and losses recognized in trading revenues, non-interest revenue, in our Consolidated Statement of Income. Trading-related revenue includes net interest income and non-interest revenue and excludes underwriting fees and commissions on securities transactions, which are shown separately in our Consolidated Statement of Income. Net interest income arises from interest and dividends related to trading assets and liabilities and is reported net of interest expense associated with funding these assets and liabilities in the following table.

(Canadian $ in millions)	**2020**	2019	2018
Interest rates	**1,199**	700	437
Foreign exchange	**474**	401	377
Equities	**(32)**	269	449
Commodities	**271**	145	63
Other	**34**	6	95
Total trading revenue	**1,946**	1,521	1,421
Reported as:			
Net interest income	**1,931**	1,223	716
Non-interest revenue – trading revenue	**15**	298	705
Total trading revenue	**1,946**	1,521	1,421

Note 18: Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in our Consolidated Balance Sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The following table presents the amounts that have been offset in our Consolidated Balance Sheet, including securities purchased under resale agreements, securities sold under repurchase agreements and derivative instruments, generally under a market settlement mechanism (e.g. an exchange or clearing house) where simultaneous net settlement can be achieved to eliminate credit and liquidity risk between counterparties. Also presented are amounts not offset in the Consolidated Balance Sheet related to transactions where a master netting agreement or similar arrangement is in place with a right to offset the amounts only in the event of default, insolvency or bankruptcy, or where the offset criteria are otherwise not met.

(Canadian $ in millions)							2020
				Amounts not offset in the balance sheet			
	Gross amounts	**Amounts offset in the balance sheet**	**Net amounts presented in the balance sheet**	**Impact of master netting agreements**	**Securities received/pledged as collateral (1)(2)**	**Cash collateral**	**Net amount (3)**
Financial Assets							
Securities borrowed or purchased under resale agreements	**115,863**	**3,985**	**111,878**	**17,302**	**92,066**	**194**	**2,316**
Derivative instruments	**37,164**	**349**	**36,815**	**19,302**	**3,318**	**4,799**	**9,396**
	153,027	**4,334**	**148,693**	**36,604**	**95,384**	**4,993**	**11,712**
Financial Liabilities							
Derivative instruments	**30,724**	**349**	**30,375**	**19,302**	**3,011**	**3,301**	**4,761**
Securities lent or sold under repurchase agreements	**92,643**	**3,985**	**88,658**	**17,302**	**70,374**	**263**	**719**
	123,367	**4,334**	**119,033**	**36,604**	**73,385**	**3,564**	**5,480**

(Canadian $ in millions)							2019
				Amounts not offset in the balance sheet			
	Gross amounts	Amounts offset in the balance sheet	Net amounts presented in the balance sheet	Impact of master netting agreements	Securities received/pledged as collateral (1)(2)	Cash collateral	Net amount (3)
Financial Assets							
Securities borrowed or purchased under resale agreements	104,949	945	104,004	9,919	93,062	82	941
Derivative instruments	22,423	279	22,144	13,538	1,740	2,750	4,116
	127,372	1,224	126,148	23,457	94,802	2,832	5,057
Financial Liabilities							
Derivative instruments	23,877	279	23,598	13,538	1,940	2,971	5,149
Securities lent or sold under repurchase agreements	87,601	945	86,656	9,919	76,501	4	232
	111,478	1,224	110,254	23,457	78,441	2,975	5,381

(1) Financial assets received/pledged as collateral are disclosed at fair value and are limited to the net balance sheet exposure (i.e. any over-collateralization is excluded from the table).
(2) Certain amounts of collateral are restricted from being sold or repledged except in the event of default or the occurrence of other predetermined events.
(3) Not intended to represent our actual exposure to credit risk.

Note 19: Capital Management

Our objective is to maintain a strong capital position in a cost-effective structure that: is appropriate given our target regulatory capital ratios and internal assessment of required economic capital; underpins our operating groups' business strategies; supports depositor, investor and regulator confidence, while building long-term shareholder value; and is consistent with our target credit ratings.

Our approach includes establishing limits, targets and performance measures that are used to manage balance sheet positions, risk levels and capital requirements, as well as issuing and redeeming capital instruments to achieve a cost-effective capital structure.

Regulatory capital requirements for the bank are determined in accordance with OSFI's Capital Adequacy Requirements Guideline, which is based on the Basel III framework developed by the Basel Committee on Banking Supervision. To address the market disruption posed by the COVID-19 pandemic, OSFI announced a suite of modifications to capital requirements effective from the second quarter of 2020.

Common Equity Tier 1 (CET1) capital is the most permanent form of capital. It is comprised of common shareholders' equity and may include a portion of expected credit loss provisions, less deductions for goodwill, intangible assets and certain other items. Tier 1 capital is primarily comprised of CET1, preferred shares and other equity instruments, less regulatory deductions.

Tier 2 capital is primarily comprised of subordinated debentures and may include a portion of expected credit loss provisions, less regulatory deductions. Total capital includes Tier 1 and Tier 2 capital. Details of the components of our capital position are presented in Notes 11, 12, 15 and 16.

CET1 Capital Ratio, Tier 1 Capital Ratio, Total Capital Ratio and Leverage Ratio are the primary regulatory capital measures.

- The CET1 Capital Ratio is defined as CET1 capital divided by risk-weighted assets.
- The Tier 1 Capital Ratio is defined as Tier 1 capital divided by risk-weighted assets.
- The Total Capital Ratio is defined as Total capital divided by risk-weighted assets.
- The Leverage Ratio is defined as Tier 1 capital divided by leverage exposures, which consists of on-balance sheet items and specified off-balance sheet items, net of specified adjustments.

As at October 31, 2020, we met OSFI's required target capital ratios, which include a 2.5% Capital Conservation Buffer, a 1.0% Common Equity Tier 1 Surcharge for domestic systemically important banks, a Countercyclical Buffer and a 1.0% Domestic Stability Buffer.

Regulatory Capital Measures, Risk-Weighted Assets and Leverage Exposures (1)

(Canadian $ in millions, except as noted)	**2020**	2019
CET1 Capital	**40,077**	36,071
Tier 1 Capital	**45,840**	41,201
Total Capital	**54,661**	48,340
Risk-Weighted Assets	**336,607**	317,029
Leverage Exposures	**953,640**	956,493
CET1 Capital Ratio	**11.9%**	11.4%
Tier 1 Capital Ratio	**13.6%**	13.0%
Total Capital Ratio	**16.2%**	15.2%
Leverage Ratio	**4.8%**	4.3%

(1) Reflects modifications to capital requirements announced by OSFI in response to the COVID-19 pandemic in the second quarter of fiscal 2020 which remain in effect.

Note 20: Employee Compensation – Share-Based Compensation

Stock Option Plan

We maintain a Stock Option Plan for designated officers and employees. Options are granted at an exercise price equal to the closing price of our common shares on the day before the grant date. Stock options granted vest in equal tranches of 50% on the third and fourth anniversaries of their grant date. Each tranche is treated as a separate award with a different vesting period. In general, options expire 10 years from their grant date.

We determine the fair value of stock options on their grant date and record this amount as compensation expense over the period that the stock options vest, with a corresponding increase to contributed surplus. When these stock options are exercised, we issue shares and record the amount of proceeds, together with the amount recorded in contributed surplus, in share capital. The estimated grant date fair value of stock options granted to employees who are eligible to retire is expensed at the date of grant.

The following table summarizes information about our Stock Option Plan:

(Canadian $, except as noted)		**2020**		2019		2018
	Number of stock options	**Weighted-average exercise price** (1)	Number of stock options	Weighted-average exercise price (1)	Number of stock options	Weighted-average exercise price (1)
Outstanding at beginning of year	**6,108,307**	**76.59**	6,095,201	72.19	7,525,296	72.05
Granted	**976,087**	**101.47**	931,047	89.90	705,398	100.63
Exercised	**563,613**	**61.89**	902,651	60.21	1,513,307	58.40
Forfeited/cancelled	**34,052**	**97.10**	4,756	98.96	152,417	86.85
Expired	**40,619**	**82.78**	10,534	103.79	469,769	153.40
Outstanding at end of year	**6,446,110**	**81.50**	6,108,307	76.59	6,095,201	72.19
Exercisable at end of year	**3,595,744**	**69.16**	3,507,803	64.57	3,782,481	61.39
Available for grant	**13,575,259**		2,487,645		3,405,239	

(1) The weighted-average exercise prices reflect the conversion of foreign currency denominated options at the exchange rate as at October 31, 2020, October 31, 2019 and October 31, 2018, respectively. For foreign currency denominated options exercised or expired during the year, the weighted-average exercise prices are translated using the exchange rates as at the settlement date and expiry date, respectively.

Employee compensation expense related to this plan for the years ended October 31, 2020, 2019 and 2018 was $9 million, $9 million and $7 million before tax, respectively ($8 million, $8 million and $7 million after tax, respectively).

The intrinsic value of a stock option grant is the difference between the current market price of our common shares and the strike price of the option. The aggregate intrinsic value of stock options outstanding at October 31, 2020, 2019 and 2018 was $42 million, $130 million and $162 million, respectively. The aggregate intrinsic value of stock options exercisable at October 31, 2020, 2019 and 2018 was $42 million, $116 million and $140 million, respectively.

Options outstanding and exercisable at October 31, 2020 by range of exercise price were as follows:

(Canadian $, except as noted)						**2020**
			Options outstanding			**Options exercisable**
Range of exercise prices	**Number of stock options**	**Weighted-average remaining contractual life (years)**	**Weighted-average exercise price**	**Number of stock options**	**Weighted-average remaining contractual life (years)**	**Weighted-average exercise price**
$50.01 to $60.00	**866,275**	**0.9**	**56.37**	**866,275**	**0.9**	**56.37**
$60.01 to $70.00	**1,394,952**	**2.6**	**64.53**	**1,394,952**	**2.6**	**64.53**
$70.01 to $80.00	**1,009,522**	**4.7**	**77.57**	**1,009,522**	**4.7**	**77.57**
$80.01 to $90.00	**909,310**	**8.1**	**89.90**	**–**	**–**	**–**
$90.01 and over	**2,266,051**	**7.7**	**99.93**	**324,995**	**6.1**	**96.94**

Notes

The following table summarizes additional information about our Stock Option Plan:

(Canadian $ in millions, except as noted)	**2020**	2019	2018
Unrecognized compensation cost for non-vested stock option awards	**7**	6	5
Total intrinsic value of stock options exercised	**18**	36	67
Cash proceeds from stock options exercised	**35**	54	88
Weighted-average share price for stock options exercised (in dollars)	**94.44**	99.84	102.55

The fair value of options granted was estimated using a binomial option pricing model. The weighted-average fair value of options granted during the years ended October 31, 2020, 2019 and 2018 was $9.46, $10.23 and $11.30, respectively. To determine the fair value of the stock option tranches on the grant date, the following ranges of values were used for each option pricing assumption:

	2020	2019	2018
Expected dividend yield	**4.3%**	5.7%	4.1%
Expected share price volatility	**15.4%**	20.0% – 20.1%	17.0% – 17.3%
Risk-free rate of return	**1.9% – 2.0%**	2.5%	2.1%
Expected period until exercise (in years)	**6.5 – 7.0**	6.5 – 7.0	6.5 – 7.0

Changes to the input assumptions can result in different fair value estimates.

Expected dividend yield is based on market expectations of future dividends on our common shares. Expected share price volatility is determined based on the market consensus implied volatility for traded options on our common shares. The risk-free rate is based on the yields of a Canadian swap curve with maturities similar to the expected period until exercise of the options. The weighted-average exercise price on the grant date for the years ended October 31, 2020, 2019 and 2018 was $101.47, $89.90 and $100.63, respectively.

Other Share-Based Compensation

Share Purchase Plans

We offer various employee share purchase plans. The largest of these plans provides employees with the option of directing a portion of their gross salary toward the purchase of our common shares. We match 50% of employee contributions up to 6% of their individual gross salary to a maximum of $100,000. Our contributions during the first two years vest after two years of participation in the plan, with subsequent contributions vesting immediately. The shares held in the employee share purchase plan are purchased on the open market and are considered outstanding for purposes of computing earnings per share. The dividends earned on our common shares held by the plan are used to purchase additional common shares on the open market.

We account for our contributions as employee compensation expense when they are contributed to the plan.

Employee compensation expense related to these plans for the years ended October 31, 2020, 2019 and 2018 was $58 million, $54 million and $51 million, respectively. There were 19.2 million, 18.0 million and 17.8 million common shares held in these plans for the years ended October 31, 2020, 2019 and 2018, respectively.

Compensation Trusts

We sponsor various share ownership arrangements, certain of which are administered through trusts into which our matching contributions are paid. We are not required to consolidate our compensation trusts. The assets held by the trusts are not included in our consolidated financial statements.

Total assets held under our share ownership arrangements amounted to $1,523 million as at October 31, 2020 ($1,752 million in 2019).

Mid-Term Incentive Plans

We offer mid-term incentive plans for executives and certain senior employees. Payment amounts are adjusted to reflect reinvested dividends and changes in the market value of our common shares. Depending on the plan, the recipient receives either a single cash payment at the end of the three-year period of the plan, or cash payments over the three years 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 units 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 compensation expense in the period in which they arise.

Mid-term incentive plan units granted during the years ended October 31, 2020, 2019 and 2018 totalled 5.7 million, 6.3 million and 5.9 million, respectively.

The grant date fair value of these awards as at October 31, 2020, 2019 and 2018 was $568 million, $616 million and $581 million, respectively, for which we recorded employee compensation expense of $363 million, $610 million and $595 million before tax, respectively ($269 million, $448 million and $437 million after tax, respectively). We hedge the impact of the change in market value of our common shares by entering into total return swaps. We also enter into foreign currency swaps to manage the foreign exchange translation from our U.S. businesses. Gains (losses) on total return swaps and foreign currency swaps recognized for the years ended October 31, 2020, 2019 and 2018 were $(175) million, $20 million and $51 million, respectively, resulting in net employee compensation expense of $538 million, $590 million and $544 million, respectively.

A total of 17.0 million, 17.2 million and 17.1 million mid-term incentive plan units were outstanding as at October 31, 2020, 2019 and 2018, respectively, and the intrinsic value of those awards which had vested was $1,019 million, $1,251 million and $1,269 million, respectively. Cash payments made in relation to these liabilities were $635 million, $642 million and $598 million, respectively.

Deferred Incentive Plans

We offer deferred incentive plans for members of our Board of Directors, executives and key employees in BMO Capital Markets and Wealth Management. Under these plans, fees, annual incentive payments and/or commissions can be deferred as share units of our common shares. These share units are either fully vested on the grant date or vest at the end of three years. The value of these share units is adjusted to reflect reinvested dividends and changes in the market value of our common shares.

Deferred incentive plan payments are paid in cash upon the participant's departure from the bank.

Employee compensation expense for these plans is recorded in the year the fees, incentive payments and/or commissions are earned. Changes in the amount of the incentive plan payments as a result of dividends and share price movements are recorded as increases or decreases in employee compensation expense in the period of the change.

Deferred incentive plan units granted during the years ended October 31, 2020, 2019 and 2018 totalled 0.3 million, 0.3 million and 0.3 million, respectively, and the grant date fair value of these units was $23 million, $32 million and $33 million, respectively.

Liabilities related to these plans are recorded in other liabilities in our Consolidated Balance Sheet and totalled $379 million and $478 million as at October 31, 2020 and 2019, respectively. Payments made under these plans for the years ended October 31, 2020, 2019 and 2018 were $58 million, $59 million and $60 million, respectively.

Employee compensation expense related to these plans for the years ended October 31, 2020, 2019 and 2018 was $(62) million, $17 million and $27 million before tax, respectively ($(46) million, $12 million and $20 million after tax, respectively). We have entered into derivative instruments to hedge our exposure related to these plans. Changes in the fair value of these derivatives are recorded as employee compensation expense in the period in which they arise. Gains (losses) on these derivatives recognized for the years ended October 31, 2020, 2019 and 2018 were $(67) million, $4 million and $8 million before tax, respectively. These gains (losses) resulted in net employee compensation expense for the years ended October 31, 2020, 2019 and 2018 of $5 million, $13 million and $19 million before tax, respectively ($3 million, $10 million and $14 million after tax, respectively).

A total of 4.7 million, 4.8 million and 4.9 million deferred incentive plan units were outstanding as at October 31, 2020, 2019 and 2018, respectively.

Note 21: Employee Compensation – Pension and Other Employee Future Benefits

Pension and Other Employee Future Benefit Plans

We sponsor a number of arrangements globally that provide pension and other employee future benefits to our retired and current employees. The largest of these arrangements, by defined benefit obligation, are the primary defined benefit pension plans for employees in Canada and the United States and the primary other employee future benefit plan for employees in Canada.

Pension arrangements include defined benefit pension plans, as well as supplementary arrangements that provide pension benefits in excess of statutory limits. Generally, under these plans we provide retirement benefits based on an employee's years of service and average annual earnings over a period of time prior to retirement. Our pension and other employee future benefit expenses, recorded in employee compensation expense, mainly comprise the current service cost plus or minus the interest on net defined benefit assets or liabilities. In addition, we provide defined contribution pension plans to employees in some of our subsidiaries. The costs of these plans, recorded in employee compensation expense, are equal to our contributions to the plans.

During the year ended October 31, 2018, we announced changes to our other employee future benefit plan for Canadian employees that will become mandatory for new retirees beginning January 1, 2021. Plan changes include an increase in the service requirement for eligibility and flexible benefits with employer premium caps. In 2018, we recorded a $277 million benefit from the remeasurement of the benefit liability in non-interest expense, employee compensation, in our Consolidated Statement of Income.

Effective December 31, 2020, the primary defined benefit pension plan for employees in Canada will be closed to new employees hired after that date. Employees hired effective January 1, 2021 and onwards will be eligible to participate in a defined contribution pension plan after a six-month waiting period.

We also provide other employee future benefits, including health and dental care benefits and life insurance, for eligible current and retired employees.

Short-term employee benefits, such as salaries, paid absences, bonuses and other benefits, are accounted for on an accrual basis over the period in which the employees provide the related services.

Investment Policy

The defined benefit pension plans are administered under a defined governance structure, with oversight resting with the Board of Directors.

The plans are managed under a framework that considers both assets and liabilities in the development of an investment policy and in managing risk. Over the past several years, we have implemented a liability-driven investment strategy for the primary Canadian plan to enhance risk-adjusted returns while reducing the plan's surplus volatility. This strategy has reduced the impact of the plan on our regulatory capital.

The plans invest in asset classes that include equities, fixed income and alternative strategies, under established investment guidelines. Plan assets are diversified across asset classes and by geographic exposure. They are managed by asset management firms that are responsible for the selection of investment securities. Derivative instruments are permitted under policy guidelines and are generally used to hedge foreign currency exposures, manage interest rate exposures or replicate the return of an asset.

Asset Allocations

The asset allocation ranges and weighted-average actual asset allocations of our primary pension plans, based on fair market values at October 31, are as follows:

	Pension benefit plans		
	Target range 2020	**Actual 2020**	Actual 2019
Equities	**20% – 45%**	**30%**	32%
Fixed income investments	**35% – 60%**	**47%**	51%
Alternative strategies	**15% – 45%**	**23%**	17%

Our pension and other employee future benefit plan assets are measured at fair value on a recurring basis.

Notes

Risk Management

The defined benefit pension plans are exposed to various risks, including market risk (interest rate, equity and foreign currency risks), credit risk, operational risk, surplus risk and longevity risk. We follow a number of approaches to monitor and actively manage these risks, including:

- monitoring surplus-at-risk, which measures a plan's risk in an asset-liability framework;
- stress testing and scenario analyses to evaluate the volatility of the plans' financial positions and any potential impact on the bank;
- hedging of currency exposures and interest rate risk within policy limits;
- controls related to asset mix allocations, geographic allocations, portfolio duration, credit quality of debt securities, sector guidelines, issuer/counterparty limits and others; and
- ongoing monitoring of exposures, performance and risk levels.

Pension and Other Employee Future Benefit Liabilities

Our actuaries perform valuations of our defined benefit obligations for pension and other employee future benefits as at October 31 of each year using the projected unit credit method based on management's assumptions about discount rates, rates of compensation increase, retirement age, mortality and health care cost trend rates.

The discount rates for the primary Canadian and U.S. pension and other employee future benefit plans were selected based on the yields of high-quality AA rated corporate bonds with terms matching the plans' cash flows.

The fair value of plan assets is deducted from the defined benefit obligation to determine the net defined benefit asset or liability. For defined benefit pension plans that are in a net defined benefit asset position, the recognized asset is limited to the present value of economic benefits available in the form of future refunds from the plan or reductions in future contributions to the plan (the "asset ceiling"). Changes in the asset ceiling are recognized in other comprehensive income. Components of the change in our net defined benefit assets or liabilities and our pension and other employee future benefit expenses are as follows:

Current service cost represents benefits earned in the current year. The cost is determined with reference to the current workforce and the amount of benefits to which employees will be entitled upon retirement, based on the provisions of our benefit plans.

Interest on net defined benefit asset or liability represents the increase in the net defined benefit asset or liability that results from the passage of time and is determined by applying the discount rate to the net defined benefit asset or liability.

Actuarial gains and losses may arise in two ways. First, each year our actuaries recalculate the defined benefit obligations and compare them to those estimated as at the previous year end. Any differences that result from changes in demographic and economic assumptions or from plan member experience being different from management's expectations at the previous year end are considered actuarial gains or losses. Second, actuarial gains and losses arise when there are differences between the discount rate and actual returns on plan assets. Actuarial gains and losses are recognized immediately in other comprehensive income as they occur and are not subsequently reclassified to income in future periods.

Plan amendments are changes in our defined benefit obligations that result from changes to provisions of the plans. The effects of plan amendments are recognized immediately in income when a plan is amended.

Settlements occur when defined benefit obligations for plan participants are settled, usually through lump sum cash payments, and as a result we no longer have any obligation to provide such participants with benefit payments in the future.

Funding of Pension and Other Employee Future Benefit Plans

We fund our defined benefit pension plans in Canada and the United States in accordance with statutory requirements, and the assets in these plans are used to pay benefits to retirees and other employees. Some groups of employees are also eligible to make voluntary contributions in order to receive enhanced benefits. Our supplementary pension plan in Canada is funded, while the supplementary pension plan in the U.S. is unfunded.

Our other employee future benefit plans in Canada and the United States are either funded or unfunded. Benefit payments related to these plans are paid either through the respective plan or directly by us.

We measure the fair value of plan assets for our plans in Canada and the United States as at October 31. In addition to actuarial valuations for accounting purposes, we are required to prepare valuations for determining our minimum funding requirements for our pension arrangements in accordance with the relevant statutory framework (our "funding valuation"). An annual funding valuation is performed for our plans in Canada and the United States. The most recent funding valuation for our primary Canadian pension plan was performed as at October 31, 2020 and the most recent funding valuation for our primary U.S. pension plan was performed as at January 1, 2020.

A summary of plan information for the past three years is as follows:

(Canadian $ in millions)	Pension benefit plans			Other employee future benefit plans		
	2020	2019	2018	**2020**	2019	2018
Defined benefit obligation	**10,493**	9,866	8,311	**1,290**	1,254	1,113
Fair value of plan assets	**10,064**	9,723	8,719	**181**	175	153
Surplus (deficit) and net defined benefit asset (liability)	**(429)**	(143)	408	**(1,109)**	(1,079)	(960)
Surplus (deficit) is comprised of:						
Funded or partially funded plans	**(266)**	36	573	**38**	46	37
Unfunded plans	**(163)**	(179)	(165)	**(1,147)**	(1,125)	(997)
Surplus (deficit) and net defined benefit asset (liability)	**(429)**	(143)	408	**(1,109)**	(1,079)	(960)

Pension and Other Employee Future Benefit Expenses

Pension and other employee future benefit expenses are determined as follows:

(Canadian $ in millions)	Pension benefit plans			Other employee future benefit plans		
	2020	2019	2018	**2020**	2019	2018
Annual benefits expense						
Current service cost	**249**	193	210	**11**	9	26
Net interest (income) expense on net defined benefit (asset) liability	**1**	(20)	(10)	**32**	37	45
Past service cost (income)	**–**	(5)	7	**–**	–	(277)
Administrative expenses	**5**	5	5	**–**	–	–
Remeasurement of other long-term benefits	**–**	–	–	**10**	6	(10)
Benefits expense	**255**	173	212	**53**	52	(216)
Canada and Quebec pension plan expense	**87**	82	76	**–**	–	–
Defined contribution expense	**169**	170	153	**–**	–	–
Total annual pension and other employee future benefit expenses recognized in the Consolidated Statement of Income	**511**	425	441	**53**	52	(216)

Weighted-Average Assumptions

	Pension benefit plans			Other employee future benefit plans		
	2020	2019	2018	**2020**	2019	2018
Defined Benefit Expenses						
Discount rate at beginning of year (2)(3)	**3.0%**	4.0%	3.5%	**3.0%**	4.1%	3.6%
Rate of compensation increase	**2.1%**	2.4%	2.4%	**2.0%**	2.0%	2.0%
Assumed overall health care cost trend rate	**na**	na	na	**4.9%** (1)	4.9% (1)	4.9% (1)
Defined Benefit Obligation						
Discount rate at end of year	**2.7%**	3.0%	4.0%	**2.7%**	3.0%	4.1%
Rate of compensation increase	**2.1%**	2.1%	2.4%	**2.0%**	2.0%	2.0%
Assumed overall health care cost trend rate	**na**	na	na	**4.8%** (1)	4.9% (1)	4.9% (1)

(1) Trending to 4.1% in 2040 and remaining at that level thereafter.
(2) The pension benefit current service cost was calculated using a separate discount rate of 3.10%, 4.10% and 3.70% for 2020, 2019 and 2018, respectively.
(3) The other employee future benefit plans current service cost was calculated using a separate discount rate of 3.20%, 4.20% and 3.76% for 2020, 2019 and 2018, respectively.
na – not applicable

Assumptions regarding future mortality are based on published statistics and mortality tables calibrated to plan experience, when applicable. The current life expectancies underlying the amounts of the defined benefit obligations for our primary plans are as follows:

(Years)	Canada		United States	
	2020	2019	**2020**	2019
Life expectancy for those currently age 65				
Males	**23.8**	23.7	**21.7**	21.7
Females	**24.1**	24.1	**23.1**	23.0
Life expectancy at age 65 for those currently age 45				
Males	**24.7**	24.7	**22.9**	22.8
Females	**25.1**	25.0	**24.3**	24.2

Changes in the estimated financial positions of our defined benefit pension plans and other employee future benefit plans are as follows:

(Canadian $ in millions, except as noted)	Pension benefit plans		Other employee future benefit plans	
	2020	2019	**2020**	2019
Defined benefit obligation				
Defined benefit obligation at beginning of year	**9,866**	8,311	**1,254**	1,113
U.S. plan merger (1)	**–**	46	**–**	–
Current service cost	**249**	193	**11**	9
Past service (income)	**–**	(5)	**–**	–
Interest cost	**286**	324	**37**	44
Benefits paid	**(516)**	(456)	**(48)**	(53)
Employee contributions	**17**	17	**5**	5
Actuarial (gains) losses due to:				
Changes in demographic assumptions	**16**	(9)	**14**	(22)
Changes in financial assumptions	**484**	1,345	**50**	161
Plan member experience	**59**	92	**(35)**	(3)
Foreign exchange and other	**32**	8	**2**	–
Defined benefit obligation at end of year	**10,493**	9,866	**1,290**	1,254
Wholly or partially funded defined benefit obligation	**10,330**	9,687	**143**	129
Unfunded defined benefit obligation	**163**	179	**1,147**	1,125
Total defined benefit obligation	**10,493**	9,866	**1,290**	1,254
Fair value of plan assets				
Fair value of plan assets at beginning of year	**9,723**	8,719	**175**	153
U.S. plan merger (1)	**–**	43	**–**	–
Interest income	**285**	344	**5**	7
Return on plan assets (excluding interest income)	**235**	795	**6**	23
Employer contributions	**296**	256	**36**	40
Employee contributions	**17**	17	**5**	5
Benefits paid	**(516)**	(456)	**(48)**	(53)
Administrative expenses	**(5)**	(5)	**–**	–
Foreign exchange and other	**29**	10	**2**	–
Fair value of plan assets at end of year	**10,064**	9,723	**181**	175
(Deficit) and net defined benefit (liability) at end of year	**(429)**	(143)	**(1,109)**	(1,079)
Recorded in:				
Other assets	**124**	186	**38**	46
Other liabilities	**(553)**	(329)	**(1,147)**	(1,125)
(Deficit) and net defined benefit (liability) at end of year	**(429)**	(143)	**(1,109)**	(1,079)
Actuarial (losses) recognized in other comprehensive income				
Net actuarial gains on plan assets	**235**	795	**6**	23
Actuarial gains (losses) on defined benefit obligation due to:				
Changes in demographic assumptions	**(16)**	9	**(12)**	21
Changes in financial assumptions	**(484)**	(1,345)	**(45)**	(153)
Plan member experience	**(59)**	(92)	**38**	3
Foreign exchange and other	**(6)**	(9)	**–**	–
Actuarial (losses) recognized in other comprehensive income for the year	**(330)**	(642)	**(13)**	(106)

(1) In 2019, the benefit obligation and assets related to employees formerly included in a multi-employer plan, which was accounted for as a defined contribution plan, merged with the U.S. defined benefit pension plan. The impact of the merger was recognized as a remeasurement of the U.S. defined benefit pension plan.

Our pension and other employee future benefit plan assets are measured at fair value on a recurring basis. The fair values of plan assets held by our primary plans as at October 31 are as follows:

(Canadian $ in millions)		**2020**			2019	
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total
Cash and money market funds	**208**	**–**	**208**	156	6	162
Securities issued or guaranteed by:						
Canadian federal government	**17**	**54**	**71**	1	57	58
Canadian provincial and municipal governments	**308**	**404**	**712**	334	368	702
U.S. federal government	**393**	**7**	**400**	345	–	345
Pooled funds	**1,331**	**3,442**	**4,773**	1,450	3,204	4,654
Derivative instruments	**1**	**(16)**	**(15)**	–	8	8
Corporate debt	**2**	**1,363**	**1,365**	–	1,354	1,354
Corporate equity	**1,255**	**–**	**1,255**	1,219	–	1,219
	3,515	**5,254**	**8,769**	3,505	4,997	8,502

No plan assets are directly invested in the bank's or related parties' securities as at October 31, 2020 and 2019. As at October 31, 2020, our primary Canadian plan indirectly held, through pooled funds, approximately $9 million ($10 million in 2019) of our common shares and fixed income securities. The plans do not hold any property we occupy or other assets we use.

The plans paid $3 million in the year ended October 31, 2020 ($3 million in 2019) to the bank and certain of our subsidiaries for investment management, record-keeping, custodial and administrative services rendered.

Sensitivity of Assumptions

Key weighted-average assumptions used in measuring the defined benefit obligations for our primary plans are outlined in the following table. The sensitivity analysis provided in the table should be used with caution, as it is hypothetical and the impact of changes in each key assumption may not be linear. The sensitivities to changes in each key variable have been calculated independently of the impact of changes in other key variables. Actual experience may result in simultaneous changes in a number of key assumptions, which would amplify or reduce certain sensitivities.

	Defined benefit obligation	
(Canadian $ in millions, except as noted)	Pension benefit plans	Other employee future benefit plans
Discount rate (%)	2.7	2.7
Impact of: 1% increase ($)	(1,161)	(120)
1% decrease ($)	1,479	148
Rate of compensation increase (%)	2.1	2.0
Impact of: 0.25% increase ($)	55	– (1)
0.25% decrease ($)	(54)	– (1)
Mortality		
Impact of: 1 year shorter life expectancy ($)	(202)	(32)
1 year longer life expectancy ($)	199	32
Assumed overall health care cost trend rate (%)	na	4.8 (2)
Impact of: 1% increase ($)	na	53
1% decrease ($)	na	(51)

(1) The change in this assumption is immaterial.
(2) Trending to 4.1% in 2040 and remaining at that level thereafter.
na – not applicable

Maturity Profile

The duration of the defined benefit obligation for our primary plans is as follows:

(Years)	**2020**	2019
Canadian pension plans	**15.4**	15.2
U.S. pension plans	**9.9**	7.9
Canadian other employee future benefit plans	**14.3**	14.5

Cash Flows

Cash payments we made during the year in connection with our employee future benefit plans are as follows:

(Canadian $ in millions)	Pension benefit plans			Other employee future benefit plans		
	2020	2019	2018	**2020**	2019	2018
Contributions to defined benefit plans	**251**	203	154	**–**	–	–
Contributions to defined contribution plans	**169**	170	153	**–**	–	–
Benefits paid directly to pensioners	**45**	53	59	**36**	40	35
	465	426	366	**36**	40	35

Our best estimate of the contributions and benefits paid directly to pensioners we expect to make for the year ending October 31, 2021 is approximately $300 million for our defined benefit pension plans and $45 million for our other employee future benefit plans. Benefit payments for the year ending October 31, 2021 are estimated to be $550 million.

Note 22: Income Taxes

We report our provision for income taxes in our Consolidated Statement of Income based upon transactions recorded in our consolidated financial statements regardless of when they are recognized for income tax purposes, with the exception of repatriation of retained earnings from our subsidiaries, as noted below.

In addition, we record an income tax expense or benefit in other comprehensive income or directly in equity when the taxes relate to amounts recorded in other comprehensive income or equity. For example, income tax expense (recovery) on hedging gains (losses) related to our net investment in foreign operations is recorded in our Consolidated Statement of Comprehensive Income as part of net gains (losses) on translation of net foreign operations.

Current tax is the amount of income tax recoverable (payable) in respect of the taxable loss (profit) for a period. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for accounting and tax purposes. Deferred income tax assets and liabilities are measured at the tax rates expected to apply when temporary differences reverse. Changes in deferred income tax assets and liabilities related to a change in tax rates are recorded in income in the period the tax rate is substantively enacted, except to the extent that the tax arises from a transaction or event which is recognized either in other comprehensive income or directly in equity. Current and deferred taxes are offset only when they are levied by the same tax authority, on the same entity or group of entities, and when there is a legal right to offset.

Included in deferred income tax assets is $20 million ($26 million in 2019) related to Canadian tax loss carryforwards that will expire in 2037, $75 million ($289 million in 2019) related to both U.S. tax loss carryforwards and tax credits that will expire in various amounts in U.S. taxation years from 2021 through 2040 and $16 million ($19 million in 2019) related to United Kingdom (U.K.) tax loss carryforwards that are available for use indefinitely against relevant profits generated in the U.K. On the evidence available, including management projections of income, we believe that it is probable there will be sufficient taxable income generated by our business operations to support these deferred tax assets. The amount of tax on temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognized in our Consolidated Balance Sheet as at October 31, 2020 is $113 million ($127 million in 2019), of which $7 million ($3 million in 2019) is scheduled to expire within five years. Deferred tax assets have not been recognized in respect of these items because it is not probable that these assets will be realized.

Income that we earn through our foreign subsidiaries is generally taxed in the foreign country in which they operate. Income that we earn through our foreign branches is also generally taxed in the foreign country in which they operate. Canada also taxes the income we earn through foreign branches and a credit is allowed for certain foreign taxes paid on such income. Repatriation of earnings from certain foreign subsidiaries would require us to pay tax on certain of these earnings. As repatriation of such earnings is not planned in the foreseeable future, we have not recorded a related deferred income tax liability. The taxable temporary differences associated with the repatriation of earnings from investments in certain subsidiaries, branches, associates and interests in joint ventures for which deferred tax liabilities have not been recognized totalled $16 billion as at October 31, 2020 ($15 billion in 2019).

Provision for Income Taxes

(Canadian $ in millions)	**2020**	2019	2018
Consolidated Statement of Income			
Current			
Provision for income taxes for the current period	**1,154**	1,198	1,340
Adjustments for prior periods	**10**	(14)	20
Deferred			
Origination and reversal of temporary differences	**91**	327	268
Effect of changes in tax rates	**(4)**	3	425
Previously unrecognized tax loss, tax credit or temporary difference for a prior period	**–**	–	(92)
	1,251	1,514	1,961
Other Comprehensive Income and Equity			
Income tax expense (recovery) related to:			
Unrealized gains (losses) on FVOCI debt securities	**143**	140	(69)
Reclassification to earnings of (gains) on FVOCI debt securities	**(25)**	(26)	(23)
Gains (losses) on derivatives designated as cash flow hedges	**541**	521	(432)
Reclassification to earnings of (gains) losses on derivatives designated as cash flow hedges	**(16)**	51	121
Unrealized (losses) on hedges of net foreign operations	**(35)**	(4)	(56)
Gains (losses) on remeasurement of pension and other employee future benefit plans	**(88)**	(196)	111
Gains (losses) on remeasurement of own credit risk on financial liabilities designated at fair value	**(10)**	27	(6)
Unrealized gains on FVOCI equity securities	**–**	1	–
Share-based compensation	**3**	–	10
	513	514	(344)
Total provision for income taxes	**1,764**	2,028	1,617

Components of Total Provision for Income Taxes

(Canadian $ in millions)	**2020**	2019	2018
Canada: Current income taxes			
Federal	**694**	791	501
Provincial	**402**	465	299
	1,096	1,256	800
Canada: Deferred income taxes			
Federal	**(11)**	(113)	(44)
Provincial	**(6)**	(66)	(27)
	(17)	(179)	(71)
Total Canadian	**1,079**	1,077	729
Foreign: Current income taxes	**450**	308	233
Deferred income taxes	**235**	643	655
Total foreign	**685**	951	888
Total provision for income taxes	**1,764**	2,028	1,617

Set out below is a reconciliation of our statutory tax rates and income taxes that would be payable at these rates to the effective income tax rates and provision for income taxes that we have recorded in our Consolidated Statement of Income:

(Canadian $ in millions, except as noted)		**2020**		2019		2018
Combined Canadian federal and provincial income taxes at the statutory tax rate	**1,688**	**26.6%**	1,934	26.6%	1,972	26.6%
Increase (decrease) resulting from:						
Tax-exempt income from securities	**(247)**	**(3.9)**	(220)	(3.0)	(226)	(3.0)
Foreign operations subject to different tax rates	**(175)**	**(2.8)**	(158)	(2.2)	(110)	(1.5)
Change in tax rate for deferred income taxes	**(4)**	**(0.1)**	3	–	425	5.7
Previously unrecognized tax loss, tax credit or temporary difference for a prior period	**–**	**–**	–	–	(92)	(1.2)
Income attributable to investments in associates and joint ventures	**(39)**	**(0.6)**	(37)	(0.5)	(39)	(0.5)
Other	**28**	**0.5**	(8)	(0.1)	31	0.4
Provision for income taxes in the Consolidated Statement of Income and effective tax rate	**1,251**	**19.7%**	1,514	20.8%	1,961	26.5%

Notes

Components of Deferred Income Tax Balances

(Canadian $ in millions)

Deferred Income Tax Asset (Liability)	Net asset, November 1, 2019 (1)	**Benefit (expense) to income statement**	**Benefit (expense) to equity**	**Translation and other**	**Net asset, October 31, 2020**
Allowance for credit losses	511	**334**	**–**	**4**	**849**
Employee future benefits	325	**11**	**1**	**–**	**337**
Deferred compensation benefits	483	**(69)**	**–**	**2**	**416**
Other comprehensive income	(143)	**–**	**(218)**	**3**	**(358)**
Tax loss carryforwards	145	**(59)**	**–**	**1**	**87**
Tax credits	189	**(189)**	**–**	**31**	**31**
Premises and equipment	(282)	**(78)**	**–**	**(1)**	**(361)**
Pension benefits	27	**(35)**	**86**	**–**	**78**
Goodwill and intangible assets	(217)	**(18)**	**–**	**(2)**	**(237)**
Securities	50	**(39)**	**–**	**–**	**11**
Other	441	**55**	**–**	**16**	**512**
Net deferred tax assets (liabilities)	1,529	**(87)**	**(131)**	**54**	**1,365**
Comprising					
Deferred tax assets	1,589				**1,473**
Deferred tax liabilities	(60)				**(108)**
Net deferred tax assets (liabilities)	1,529				**1,365**

(Canadian $ in millions)

Deferred Income Tax Asset (Liability)	Net asset, November 1, 2018	Benefit (expense) to income statement	Benefit (expense) to equity	Translation and other	Net asset, October 31, 2019
Allowance for credit losses	484	23	–	4	511
Employee future benefits	282	12	31	–	325
Deferred compensation benefits	494	(12)	–	1	483
Other comprehensive income	195	–	(331)	(7)	(143)
Tax loss carryforwards	606	(462)	–	1	145
Tax credits	415	(228)	–	2	189
Premises and equipment	(515)	234	–	(1)	(282)
Pension benefits	(121)	(18)	166	–	27
Goodwill and intangible assets	(201)	(14)	–	(2)	(217)
Securities	38	12	–	–	50
Other	288	123	–	9	420
Net deferred tax assets (liabilities)	1,965	(330)	(134)	7	1,508
Comprising					
Deferred tax assets	2,039				1,568
Deferred tax liabilities	(74)				(60)
Net deferred tax assets (liabilities)	1,965				1,508

(1) Includes IFRS 16 adoption adjustment of $21 million (refer to Note 1).

The Canada Revenue Agency (CRA) has reassessed us for additional income tax and interest in an amount of approximately $941 million, to date, in respect of certain 2011–2015 Canadian corporate dividends. In its reassessments, the CRA denied dividend deductions on the basis that the dividends were received as part of a "dividend rental arrangement". The tax rules raised by the CRA were prospectively addressed in the 2015 and 2018 Canadian federal budgets. In the future, we expect to be reassessed for significant income tax for similar activities in subsequent years. We remain of the view that our tax filing positions were appropriate and intend to challenge all reassessments. However, if such challenges are unsuccessful, the additional expense would negatively impact our net income.

On December 22, 2017, the U.S. government enacted new tax legislation that became effective on January 1, 2018. Under the new legislation, our U.S. net deferred tax asset was revalued by $483 million because of the lower income tax rate. The $483 million revaluation is comprised of a $425 million income tax expense recorded in our Consolidated Statement of Income, and a $58 million income tax charge recorded in other comprehensive income and equity for the year ended October 31, 2018.

Note 23: Earnings Per Share

Basic earnings per share is calculated by dividing net income, after deducting dividends on preferred shares and distributions on other equity instruments, by the daily average number of fully paid common shares outstanding throughout the year.

Diluted earnings per share is calculated in the same manner, with further adjustments made to reflect the dilutive impact of instruments convertible into our common shares.

The following table presents our basic and diluted earnings per share:

Basic Earnings Per Common Share (Canadian $ in millions, except as noted)	2020	2019	2018
Net income	**5,097**	5,758	5,453
Dividends on preferred shares and distributions on other equity instruments	**(247)**	(211)	(184)
Net income available to common shareholders	**4,850**	5,547	5,269
Weighted-average number of common shares outstanding (in thousands)	**641,424**	638,881	642,930
Basic earnings per common share (Canadian $)	**7.56**	8.68	8.19
Diluted Earnings Per Common Share			
Net income available to common shareholders adjusted for impact of dilutive instruments	**4,850**	5,547	5,269
Weighted-average number of common shares outstanding (in thousands)	**641,424**	638,881	642,930
Effect of dilutive instruments			
Stock options potentially exercisable (1)	**3,433**	5,326	5,876
Common shares potentially repurchased	**(2,729)**	(3,847)	(3,893)
Weighted-average number of diluted common shares outstanding (in thousands)	**642,128**	640,360	644,913
Diluted earnings per common share (Canadian $)	**7.55**	8.66	8.17

(1) In computing diluted earnings per share, we excluded average stock options outstanding of 3,146,040, 1,177,152 and 1,101,938 with weighted-average exercise prices of $99.57, $101.83 and $127.45 for the years ended October 31, 2020, 2019 and 2018, respectively, as the average share price for the period did not exceed the exercise price.

Note 24: Commitments, Guarantees, Pledged Assets, Provisions and Contingent Liabilities

In the normal course of business, we enter into a variety of contracts under which we may be required to make payments to reimburse a counterparty for a loss if a third party does not perform according to the terms of a contract or does not make payments when due under the terms of a debt instrument, and contracts under which we provide indirect guarantees of the indebtedness of another party, all of which are considered guarantees.

Guarantees that qualify as derivatives are accounted for in accordance with the policy for derivative instruments (see Note 8). For guarantees that do not qualify as derivatives, the liability is initially recorded at fair value, which is generally the fee received. Subsequently, guarantees are recorded at the higher of the initial fair value, less amortization to recognize any fee income earned over the period, and our best estimate of the amount required to settle the obligation. Any change in the liability is reported in our Consolidated Statement of Income.

We enter into a variety of commitments, including off-balance sheet credit instruments, such as backstop liquidity facilities, securities lending, letters of credit, credit default swaps and commitments to extend credit, as a method of meeting the financial needs of our customers. These commitments include contracts where we may be required to make payments to a counterparty, based on changes in the value of an asset, liability or equity security that the counterparty holds, due to changes in an underlying interest rate, foreign exchange rate or other variable. The contractual amount of our commitments represents our maximum undiscounted potential exposure, before possible recoveries under recourse and collateral provisions. Collateral requirements for these instruments are consistent with our collateral requirements for loans.

A large majority of these commitments expire without being drawn upon. As a result, the total contractual amounts may not be representative of the funding likely to be required for these commitments.

We strive to limit credit risk by dealing only with counterparties that we believe are creditworthy, and we manage our credit risk for these instruments using the same credit risk process that is applied to loans and other credit assets.

The maximum amount payable related to our various commitments is as follows:

(Canadian $ in millions)	2020	2019
Financial Guarantees		
Standby letters of credit	**23,144**	21,395
Credit default swaps (1)	**1,795**	2,068
Other Credit Instruments		
Backstop liquidity facilities	**5,601**	5,550
Securities lending	**4,349**	4,102
Documentary and commercial letters of credit	**1,034**	1,272
Commitments to extend credit (2)	**175,689**	158,533
Other commitments	**5,302**	5,181
Total	**216,914**	198,101

(1) The fair value of the related derivatives included in our Consolidated Balance Sheet was $(8) million as at October 31, 2020 ($43 million in 2019).
(2) Commitments to extend credit exclude personal lines of credit and credit cards that are unconditionally cancellable at our discretion.

Financial Guarantees

Standby letters of credit represent our obligation to make payments to third parties on behalf of customers if they are unable to make the required payments or meet other contractual requirements. The majority have a term of one year or less. Collateral requirements for standby letters of credit and guarantees are consistent with our collateral requirements for loans. Standby letters of credit and guarantees include our guarantee of a subsidiary's debt directly provided to a third party.

Written credit default swaps require us to compensate a counterparty following the occurrence of a credit event in relation to a specified reference obligation, such as a bond or a loan. The terms of these contracts range from less than one year to 10 years. Refer to Note 8 for details.

Other Credit Instruments

Backstop liquidity facilities are provided to ABCP programs administered by either us or third parties as an alternative source of financing when ABCP markets cannot be accessed. The terms of the backstop liquidity facilities do not require us to advance money to these programs in the event of insolvency of the borrower and generally do not require us to advance money against non-performing or defaulted assets. The average term of these liquidity facilities is approximately 1 year.

We lend eligible customers' securities to third-party borrowers who have been evaluated for credit risk using the same credit risk process that is applied to loans and other credit assets. In connection with these activities, we may provide indemnification to clients against losses resulting from the failure of the borrower to return loaned securities when due. All borrowings are fully collateralized with cash or marketable securities. As securities are loaned, we require borrowers to maintain collateral that is equal to or in excess of 100% of the fair value of the securities borrowed. The collateral is revalued on a daily basis.

Documentary and commercial letters of credit represent our agreement to honour drafts presented by a third party upon completion of specific activities.

Commitments to extend credit represent our commitment to our customers to grant them credit in the form of loans or other financings for specific amounts and maturities, subject to their meeting certain conditions.

Other commitments include commitments to fund external private equity funds and investments in equity and debt securities at market value at the time the commitments are drawn. In addition, we act as underwriter for certain new issuances under which we, alone or together with a syndicate of financial institutions, purchase the new issue for resale to investors.

Indemnification Agreements

In the normal course of operations, we enter into various agreements that provide general indemnifications. These indemnifications typically occur in connection with sales of assets, securities offerings, service contracts, director contracts, membership agreements, clearing arrangements, derivative contracts and leasing transactions. Based on historical experience, we expect the risk of loss to be remote.

Exchange and Clearinghouse Guarantees

We are a member of several securities and futures exchanges and central counterparties. Membership in certain of these organizations may require us to pay a pro rata share of the losses incurred by the organization in the event of default of another member. It is difficult to estimate our maximum exposure under these membership agreements, since this would require an assessment of future claims that may be made against us that have not yet occurred. Based on historical experience, we expect the risk of material loss to be remote.

Pledged Assets and Collateral

In the ordinary course of business, we enter into trading, lending and borrowing activities that require us to pledge assets or provide collateral. Pledging and collateral transactions are typically conducted under terms and conditions that are usual and customary to these activities. If there is no default, the securities or their equivalents must be returned by the pledgee upon satisfaction of the obligation.

The following tables summarize our pledged assets and collateral, and the activities to which they relate:

(Canadian $ in millions)	2020	2019
Bank Assets		
Cash and due from banks	**111**	1,895
Securities (1)(2)	**75,104**	71,001
Loans (2)	**58,974**	73,838
Other assets	**6,344**	3,722
	140,533	150,456
Third-party Assets (3)		
Collateral received and available for sale or re-pledging	**169,197**	162,879
Less: Collateral not sold or re-pledged	**(58,312)**	(50,192)
	110,885	112,687
	251,418	263,143

(Canadian $ in millions)	2020	2019
Uses of pledged assets and collateral		
Clearing systems, payment systems and depositories	**7,550**	4,958
Foreign governments and central banks	**111**	1,895
Obligations related to securities sold short	**29,376**	26,253
Obligations related to securities sold under repurchase agreements	**80,962**	73,696
Securities borrowing and lending	**58,791**	67,758
Derivatives transactions	**9,613**	9,614
Securitization	**31,417**	31,713
Covered bonds	**25,948**	27,208
Other	**7,650**	20,048
Total pledged assets and collateral	**251,418**	263,143

(1) Includes NHA mortgage-backed securities of $6,121 million, which are included in loans on the Consolidated Balance Sheet ($3,688 million in 2019).
(2) Includes encumbered assets relating to Large Value Transfer System.
(3) Includes on-balance sheet securities borrowed or purchased under resale agreements and available off-balance sheet collateral received.
Certain comparative figures have been reclassified to conform with the current year's presentation.

Lease Commitments

We have entered into a number of non-cancellable leases for premises and equipment. Our computer and software leases are typically fixed for one term. Leases that we have signed but have not yet taken possession of, were $991 million as at October 31, 2020.

Provisions and Contingent Liabilities

Provisions are recognized when we have a legal or constructive obligation as a result of past events, such as contractual commitments, legal or other obligations for which we can reliably estimate the obligation, and it is probable we will be required to settle the obligation. We recognize as a provision our best estimate of the amount required to settle the obligations as of the balance sheet date, taking into account the risks and uncertainties surrounding the obligations. Provisions are recorded in other liabilities on the Consolidated Balance Sheet. Contingent liabilities are potential obligations arising from past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within our control, and are not included in the table below.

Legal Proceedings

The bank and its subsidiaries are party to legal proceedings, including regulatory investigations, in the ordinary course of business. We review the status of these proceedings regularly and establish provisions when in our judgment it becomes probable that we will incur a loss and the amount can be reliably estimated. While it is inherently difficult to predict the ultimate outcome of these proceedings, based on our current knowledge, we do not expect the outcome of any of these proceedings, individually or in the aggregate, to have a material adverse effect on the consolidated financial position or the results of operations of the bank.

During the year, an Ontario court made a liability finding and awarded an accounting of profits in a class action involving BMO Nesbitt Burns Inc., BMO InvestorLine Inc. and BMO Trust Company regarding disclosures of foreign exchange conversion spreads when converting foreign exchange in registered accounts. The monetary award will be determined at a court hearing in Q1 2021 based on an amount of $102.9 million, less reasonable expenses, plus prejudgment interest. The lawsuit claimed monetary awards up to $419 million (at May 2019). We have appealed the decision. The Plaintiffs have also appealed. An appropriate provision is in place.

Restructuring Charges

Provisions for restructuring charges as at October 31, 2020 are $336 million ($603 million as at October 31, 2019) which includes severance related costs to improve efficiency, and accelerate delivery against key bank-wide initiatives focused on digitization, organizational redesign and simplification of the way we do our business. This represents our best estimate of the amount that will ultimately be paid out.

Changes in the provision balance during the year were as follows:

(Canadian $ in millions)	2020	2019
Balance at beginning of year	**680**	284
Additional provisions/increase in provisions	**141**	666
Provisions utilized	**(334)**	(251)
Amounts reversed	**(16)**	(32)
Foreign exchange and other	**1**	13
Balance at end of year (1)	**472**	680

(1) Balance includes severance obligations, restructuring charges and legal provisions.

Note 25: Operating and Geographic Segmentation

Operating Groups

We conduct our business through three operating groups, each of which has a distinct mandate. We determine our operating groups based on our management structure and therefore these groups, and the results attributed to them, may not be comparable with those of other financial services companies. We evaluate the performance of our groups using reported and adjusted measures, such as net income, revenue growth, return on equity, and non-interest expense-to-revenue (productivity) ratio, as well as operating leverage.

Personal and Commercial Banking

Personal and Commercial Banking (P&C) is comprised of two operating segments: Canadian Personal and Commercial Banking and U.S. Personal and Commercial Banking.

Canadian Personal and Commercial Banking

Canadian Personal and Commercial Banking (Canadian P&C) provides a full range of financial products and services to eight million customers. Personal Banking provides financial solutions through a network of almost 900 branches, contact centres, digital banking platforms and over 3,200 automated teller machines. Commercial Banking serves clients across Canada and delivers sector and industry expertise, as well as a local presence.

U.S. Personal and Commercial Banking

U.S. Personal and Commercial Banking (U.S. P&C) offers a broad range of products and services. Our retail and small and mid-sized business banking customers are served through our branches, contact centres, online and mobile banking platforms, and automated banking machines across eight states. Commercial Banking serves clients across the United States and deliver sector and industry expertise and local presence.

BMO Wealth Management

BMO's group of wealth management businesses serves a full range of client segments from mainstream to ultra high net worth and institutional, with a broad offering of wealth management products and services, including insurance products.

BMO Capital Markets

BMO Capital Markets (BMO CM) is a North American-based financial services provider offering a complete range of products and services to corporate, institutional and government clients. Through our Investment and Corporate Banking and Global Markets lines of business, we operate in 35 locations around the world, including 22 offices in North America.

Corporate Services

Corporate Services consists of Corporate Units and Technology and Operations (T&O). Corporate Units provide enterprise-wide expertise, governance and support in a variety of areas, including strategic planning, risk management, finance, legal and regulatory compliance, human resources, communications, marketing, real estate and procurement. T&O develops, monitors, manages and maintains governance of information technology including data and analytics, and also provides cyber security and operations services.

The costs of these Corporate Units and T&O services are largely transferred to the three operating groups (P&C, BMO WM and BMO CM), with any remaining amounts retained in Corporate Services results. As such, Corporate Services results largely reflect the impact of residual treasury-related activities, the elimination of taxable equivalent adjustments and residual unallocated expenses.

Basis of Presentation

The results of these operating groups are based on our internal financial reporting systems. The accounting policies used in these segments are generally consistent with those followed in the preparation of our consolidated financial statements, as disclosed in Note 1 and throughout the consolidated financial statements. Income taxes presented below may not be reflective of taxes paid in each jurisdiction in which we operate. Income taxes are generally applied to each segment based on a statutory tax rate and may be adjusted for items and activities specific to each segment. A notable accounting measurement difference is the taxable equivalent basis adjustment, as described below.

Periodically, certain business lines and units within the business lines are transferred between client and corporate support groups to more closely align our organizational structure with our strategic priorities. In addition, revenue and expense allocations are updated to more accurately align with current experience. Results for prior periods are restated to conform with the current year's presentation.

Taxable Equivalent Basis

We analyze revenue on a taxable equivalent basis (teb) at the operating group level. Revenue and the provision for income taxes are increased on tax-exempt securities to an equivalent before-tax basis to facilitate comparisons of income between taxable and tax-exempt sources. The offset to the groups' teb adjustments is reflected in Corporate Services revenue and provision for income taxes. The teb adjustment for the year ended October 31, 2020 was $335 million ($296 million in 2019 and $313 million in 2018).

Inter-Group Allocations

Various estimates and allocation methodologies are used in the preparation of the operating groups' financial information. Overhead expenses are allocated to operating groups using allocation formulas applied on a consistent basis. Operating group net interest income reflects internal funding charges and credits on the groups' assets, liabilities and capital, at market rates, taking into account relevant terms and currency considerations. The offset of the net impact of these charges and credits is reflected in Corporate Services. These inter-group allocations are also applied to the geographic segmentation.

Our results and average assets, grouped by operating segment, are as follows:

(Canadian $ in millions)	Canadian P&C	U.S. P&C	BMO WM	BMO CM	Corporate Services (1)	Total
2020						
Net interest income (2)	**6,105**	**4,345**	**900**	**3,320**	**(699)**	**13,971**
Non-interest revenue	**1,930**	**1,186**	**5,808**	**2,006**	**285**	**11,215**
Total Revenue	**8,035**	**5,531**	**6,708**	**5,326**	**(414)**	**25,186**
Provision for (recovery of) credit losses on impaired loans	**787**	**418**	**4**	**310**	**3**	**1,522**
Provision for (recovery of) credit losses on performing loans	**623**	**441**	**18**	**349**	**–**	**1,431**
Total provision for (recovery of) credit losses	**1,410**	**859**	**22**	**659**	**3**	**2,953**
Insurance claims, commissions and changes in policy benefit liabilities	**–**	**–**	**1,708**	**–**	**–**	**1,708**
Depreciation and amortization	**505**	**554**	**324**	**235**	**–**	**1,618**
Non-interest expense	**3,385**	**2,521**	**3,195**	**3,001**	**457**	**12,559**
Income (loss) before taxes	**2,735**	**1,597**	**1,459**	**1,431**	**(874)**	**6,348**
Provision for (recovery of) income taxes	**707**	**320**	**363**	**344**	**(483)**	**1,251**
Reported net income (loss)	**2,028**	**1,277**	**1,096**	**1,087**	**(391)**	**5,097**
Average Assets	**251,471**	**137,644**	**45,573**	**369,518**	**138,244**	**942,450**

(Canadian $ in millions)	Canadian P&C	U.S. P&C	BMO WM	BMO CM	Corporate Services (1)	Total
2019						
Net interest income (2)	5,885	4,216	935	2,390	(538)	12,888
Non-interest revenue	2,099	1,162	6,727	2,369	238	12,595
Total Revenue	7,984	5,378	7,662	4,759	(300)	25,483
Provision for (recovery of) credit losses on impaired loans	544	160	2	52	(7)	751
Provision for (recovery of) credit losses on performing loans	63	37	(2)	28	(5)	121
Total provision for (recovery of) credit losses	607	197	–	80	(12)	872
Insurance claims, commissions and changes in policy benefit liabilities	–	–	2,709	–	–	2,709
Depreciation and amortization	340	449	264	152	–	1,205
Non-interest expense	3,496	2,687	3,259	3,127	856	13,425
Income (loss) before taxes	3,541	2,045	1,430	1,400	(1,144)	7,272
Provision for (recovery of) income taxes	917	434	371	309	(517)	1,514
Reported net income (loss)	2,624	1,611	1,059	1,091	(627)	5,758
Average Assets	237,741	126,539	40,951	342,626	85,395	833,252

(Canadian $ in millions)	Canadian P&C	U.S. P&C	BMO WM	BMO CM	Corporate Services (1)	Total
2018						
Net interest income (2)	5,546	3,844	826	1,780	(558)	11,438
Non-interest revenue	2,040	1,096	5,475	2,608	248	11,467
Total Revenue	7,586	4,940	6,301	4,388	(310)	22,905
Provision for (recovery of) credit losses on impaired loans	466	258	6	(17)	(13)	700
Provision for (recovery of) credit losses on performing loans	3	(38)	–	(1)	(2)	(38)
Total provision for (recovery of) credit losses	469	220	6	(18)	(15)	662
Insurance claims, commissions and changes in policy benefit liabilities	–	–	1,352	–	–	1,352
Depreciation and amortization	320	448	233	126	–	1,127
Non-interest expense	3,361	2,516	3,284	2,753	436	12,350
Income (loss) before taxes	3,436	1,756	1,426	1,527	(731)	7,414
Provision for (recovery of) income taxes	882	359	354	368	(2)	1,961
Reported net income (loss)	2,554	1,397	1,072	1,159	(729)	5,453
Average Assets	224,310	110,303	35,913	307,357	76,412	754,295

(1) Corporate Services includes Technology and Operations.

(2) Operating groups report on a taxable equivalent basis – see Basis of Presentation section.

Certain comparative figures have been reclassified to conform with the current year's presentation.

Geographic Information

We operate primarily in Canada and the United States, but we also have operations in the U.K., Europe, the Caribbean and Asia, which are grouped in other countries in the table below. We allocate our results by geographic region based on the location of the unit responsible for managing the related assets, liabilities, revenues and expenses.

Our results and average assets, grouped by geographic region, are as follows:

(Canadian $ in millions)	Canada	United States	Other countries	Total
2020				
Total Revenue	**14,515**	**8,659**	**2,012**	**25,186**
Income before taxes	**3,815**	**1,891**	**642**	**6,348**
Reported net income	**3,021**	**1,554**	**522**	**5,097**
Average Assets	**522,155**	**361,651**	**58,644**	**942,450**

(Canadian $ in millions)	Canada	United States	Other countries	Total
2019				
Total Revenue	14,998	8,282	2,203	25,483
Income before taxes	4,218	2,367	687	7,272
Reported net income	3,313	1,903	542	5,758
Average Assets	462,427	316,983	53,842	833,252

(Canadian $ in millions)	Canada	United States	Other countries	Total
2018				
Total Revenue	13,506	7,273	2,126	22,905
Income before taxes	4,746	1,871	797	7,414
Reported net income	3,728	1,100	625	5,453
Average Assets	433,843	277,764	42,688	754,295

Certain comparative figures have been reclassified to conform with the current year's presentation.

Note 26: Significant Subsidiaries

As at October 31, 2020, the bank, either directly or indirectly through its subsidiaries, controls the following significant operating subsidiaries.

Significant subsidiaries (1) (2)	Head or principal office	Book value of shares owned by the bank (Canadian $ in millions)
Bank of Montreal (China) Co. Ltd.	Beijing, China	453
Bank of Montreal Europe plc	Dublin, Ireland	1,055
Bank of Montreal Holding Inc. and subsidiaries, including:	Toronto, Canada	33,280
Bank of Montreal Mortgage Corporation	Calgary, Canada	
BMO Mortgage Corp.	Vancouver, Canada	
BMO Investments Limited	Hamilton, Bermuda	
BMO Reinsurance Limited	St. Michaels, Barbados	
BMO Nesbitt Burns Holdings Corporation	Toronto, Canada	
BMO Nesbitt Burns Inc.	Toronto, Canada	
BMO Investments Inc.	Toronto, Canada	
BMO InvestorLine Inc.	Toronto, Canada	
BMO Capital Markets Limited	London, England	295
BMO Financial Corp. and subsidiaries, including:	Chicago, United States	25,789
BMO Asset Management Corp. and subsidiaries	Chicago, United States	
BMO Capital Markets Corp.	New York, United States	
BMO Family Office, LLC	Palo Alto, United States	
BMO Harris Bank National Association and subsidiaries, including:	Chicago, United States	
BMO Harris Investment Company LLC	Chicago, United States	
BMO Harris Financial Advisors, Inc.	Chicago, United States	
BMO Harris Financing, Inc. and subsidiaries	Chicago, United States	
BMO Global Asset Management (Asia) Limited	Hong Kong, China	5
BMO Global Asset Management (Europe) Limited and subsidiaries, including:	London, England	657
BMO Asset Management (Holdings) plc and subsidiaries	London, England	
BMO Life Insurance Company and subsidiaries, including:	Toronto, Canada	1,208
BMO Life Holdings (Canada), ULC	Halifax, Canada	
BMO Life Assurance Company	Toronto, Canada	
BMO Trust Company	Toronto, Canada	588
BMO Trustee Asia Limited	Hong Kong, China	3
LGM Investments Limited	London, England	39
Pyrford International Limited	London, England	59

(1) Each subsidiary is incorporated or organized under the laws of the state or country in which the principal office is situated, except for BMO Financial Corp., BMO Asset Management Corp., BMO Capital Markets Corp., BMO Harris Financial Advisors, Inc., BMO Harris Financing, Inc., and BMO Family Office, LLC, which are incorporated under the laws of the state of Delaware, United States. BMO Asset Management (Holdings) plc is incorporated under the laws of Scotland. BMO Harris Investment Company LLC is organized under the laws of the state of Nevada, United States.

(2) Unless otherwise noted, the bank, either directly or indirectly through its subsidiaries, owns 100% of the outstanding voting shares of each subsidiary.

Significant Restrictions

Our ability to transfer funds between our subsidiaries may be restricted by statutory, contractual, capital and regulatory requirements. Restrictions include:

- Assets pledged as security for various liabilities we incur. Refer to Note 24 for details.
- Assets of our consolidated structured entities that are held for the benefit of the note holders. Refer to Note 7 for details.
- Assets held by our insurance subsidiaries. Refer to Note 12 for details.
- Regulatory and statutory requirements that reflect capital and liquidity requirements.
- Funds required to be held with central banks. Refer to Note 2 for details.

Note 27: Related Party Transactions

Related parties include subsidiaries, associates, joint ventures, employee future benefit plans and key management personnel and their close family members. Close family members include spouses, common-law partners and dependent minors. Transactions with our subsidiaries are eliminated on consolidation, and are not disclosed as related party transactions.

Key Management Personnel Compensation

Key management personnel is defined as those persons having authority and responsibility for planning, directing and/or controlling the activities of an entity, being the members of our Board of Directors (directors) and certain senior executives.

The following table presents the compensation of our key management personnel:

(Canadian $ in millions)	**2020**	2019	2018
Base salary and incentives	**20**	22	21
Post-employment benefits	**3**	2	2
Share-based payments (1)	**32**	43	31
Total key management personnel compensation	**55**	67	54

(1) Amounts included in share-based payments are the fair values of awards granted in the year.

We offer senior executives market interest rates on credit card balances, a fee-based subsidy on annual credit card fees, and a select suite of customer loan and mortgage products at rates normally accorded to preferred customers. At October 31, 2020, loans to key management personnel totalled $19 million ($21 million in 2019). We have no provision for credit losses related to these amounts as at October 31, 2020 and 2019.

Directors receive a specified amount of their annual retainer in deferred stock units. Until a director's shareholdings (including deferred stock units) are eight times greater than their annual retainer, they are required to take 100% of their annual retainer and other fees in the form of either our common shares or deferred stock units. They may elect to receive the remainder of such retainer fees and other remuneration in cash, common shares or deferred stock units.

Directors of our wholly owned subsidiary, BMO Financial Corp., are required to take a specified minimum amount of their annual retainer and other fees in the form of deferred stock units.

Joint Ventures and Associates

We provide banking services to our joint ventures and associates on the same terms offered to our customers for these services.

The following table presents the carrying amount of our interests in joint ventures and associates accounted for under the equity method as well as our share of the income of those entities:

(Canadian $ in millions)	**Joint ventures**		**Associates**	
	2020	2019	**2020**	2019
Carrying amount	**412**	343	**573**	501
Share of net income	**99**	99	**62**	52

We do not have any joint ventures or associates that are individually material to our consolidated financial statements.

The following table presents transactions with our joint ventures and associates:

(Canadian $ in millions)	**2020**	2019
Loans	**155**	169
Deposits	**115**	106
Fees paid for services received	**63**	69
Guarantees and commitments	**57**	76

Notes

Glossary of Financial Terms

Adjusted Earnings and Measures present results adjusted to exclude the impact of certain items, as set out in the Non-GAAP Measures section. Management considers both reported and adjusted results to be useful in assessing underlying ongoing business performance.
Page 17

Allowance for Credit Losses represents an amount deemed appropriate by management to absorb credit-related losses on loans and acceptances and other credit instruments, in accordance with applicable accounting standards. *Allowance on Performing Loans* is maintained to cover impairment in the existing portfolio for loans that have not yet been individually identified as impaired. *Allowance on Impaired Loans* is maintained to reduce the carrying value of individually identified impaired loans to the expected recoverable amount.
Pages 89, 114

Assets under Administration and Assets under Management refers to assets administered or managed by a financial institution that are beneficially owned by clients and therefore not reported on the balance sheet of the administering or managing financial institution.

Asset-Backed Commercial Paper (ABCP) is a short-term investment. The commercial paper is backed by assets such as trade receivables, and is generally used for short-term financing needs.
Pages 71, 102

Average Earning Assets represents the daily or monthly average balance of deposits with other banks and loans and securities, over a one-year period.

Bail-In Debt is senior unsecured debt subject to the Canadian Bail-In Regime. Bail-in debt includes senior unsecured debt issued directly by the bank on or after September 23, 2018, which has an original term greater than 400 days and is marketable, subject to certain exceptions. Some or all of this debt may be statutorily converted into common shares of the bank under the Bail-In Regime if the bank enters resolution.
Pages 64, 102

Bankers' Acceptances (BAs) are bills of exchange or negotiable instruments drawn by a borrower for payment at maturity and accepted by a bank. BAs constitute a guarantee of payment by the bank and can be traded in the money market. The bank earns a "stamping fee" for providing this guarantee.

Basis Point is one one-hundredth of a percentage point.

Common Equity Tier 1 (CET1) capital is comprised of common shareholders' equity less deductions for goodwill, intangible assets, pension assets, certain deferred tax assets and other items which may include a portion of expected credit loss provisions.
Page 67

Common Equity Tier 1 Ratio reflects CET1 capital divided by risk-weighted assets.
Pages 22, 63, 64

Common Shareholders' Equity is the most permanent form of capital. For regulatory capital purposes, common shareholders' equity is comprised of common shareholders' equity, net of capital deductions.

Corporate Services consists of Corporate Units and Technology and Operations (T&O). Corporate Units provide enterprise-wide expertise, governance and support in a variety of areas, including strategic planning, risk management, finance, legal & regulatory compliance, human resources, communications, marketing, real estate, procurement, data and analytics and innovation. T&O develops, monitors, manages and maintains governance of information technology, and also provides cyber security and operations services.
Page 52

Credit and Counterparty Risk is the potential for loss due to the failure of a borrower, endorser, guarantor or counterparty to repay a loan or honour another predetermined financial obligation.
Page 84

Derivatives are contracts with a value that is derived from movements in underlying interest or foreign exchange rates, equity or commodity prices or other indices. Derivatives allow for the transfer, modification or reduction of current or expected risks from changes in rates and prices.

Dividend Payout Ratio represents common share dividends as a percentage of net income available to common shareholders. It is computed by dividing dividends per share by basic earnings per share.

Earnings per Share (EPS) is calculated by dividing net income, after deducting preferred share dividends and distributions on other equity instruments, by the average number of common shares outstanding. Diluted EPS, which is BMO's basis for measuring performance, adjusts for possible conversions of financial instruments into common shares if those conversions would reduce EPS. Adjusted EPS is calculated in the same manner using adjusted net income.
Page 21

Earnings Sensitivity is a measure of the impact of potential changes in interest rates on the projected 12-month pre-tax net income of a portfolio of assets, liabilities and off-balance sheet positions in response to prescribed parallel interest rate movements, with interest rates floored at zero.
Page 95

Economic Capital is an expression of the enterprise's capital demand requirement relative to its view of the economic risks in its underlying business activities. It represents management's estimation of the likely magnitude of economic losses that could occur should severely adverse situations arise, and allows returns to be measured on a consistent basis across such risks. Economic capital is calculated for various types of risk, including credit, market (trading and non-trading), operational, business and insurance, based on a one-year time horizon using a defined confidence level.
Page 68

Economic Value Sensitivity is a measure of the impact of potential changes in interest rates on the market value of a portfolio of assets, liabilities and off-balance sheet positions in response to prescribed parallel interest rate movements, with interest rates floored at zero.
Page 95

Efficiency Ratio (or Expense-to-Revenue Ratio) is a measure of productivity. It is calculated as non-interest expense divided by total revenue, expressed as a percentage. The adjusted efficiency ratio is calculated in the same manner, utilizing adjusted total revenue and non-interest expense.
Page 32

Environmental and Social Risk is the potential for loss or harm resulting from environmental or social impacts or concerns, including climate change, related to BMO or its customers.
Page 112

Fair Value is the amount of consideration that would be agreed upon in an arm's- length transaction between knowledgeable, willing parties who are under no compulsion to act in an orderly market transaction.

Forwards and Futures are contractual agreements to either buy or sell a specified amount of a currency, commodity, interest-rate-sensitive financial instrument or security at a specified price and date in the future. Forwards are customized contracts transacted in the over-the-counter market. Futures are transacted in standardized amounts on regulated exchanges and are subject to daily cash margin requirements.

Hedging is a risk management technique used to neutralize, manage or offset interest rate, foreign currency, equity, commodity or credit risk exposures arising from normal banking activities.

Impaired Loans are loans for which there is no longer reasonable assurance of the timely collection of principal or interest.

Incremental Risk Charge (IRC) complements the VaR and SVaR metrics and represents an estimate of the default and migration risks of non-securitization products held in the trading book with exposure to interest rate risk, measured over a one-year horizon at a 99.9% confidence level.
Page 92

Insurance Risk is the potential for loss as a result of actual experience differing from that assumed when an insurance product was designed and priced. It generally entails the inherent unpredictability that can arise from assuming long-term policy liabilities or from the uncertainty of future events. Insurance provides protection against the financial consequences of insured risks by transferring those risks to the insurer (under specific terms and conditions) in exchange for premiums. Insurance risk is inherent in all of BMO's insurance products, comprised of life insurance, annuities, which includes the pension risk transfer business, accident and sickness, and creditor insurance, as well as in the reinsurance business.
Page 97

Legal and Regulatory Risk is the potential for loss or harm resulting from a failure to comply with laws or satisfy contractual obligations or regulatory requirements. This includes the risks of failure to: comply with the law (in letter or in spirit) or maintain standards of care; implement legislative or regulatory requirements; enforce or comply with contractual terms; assert non-contractual rights; effectively manage disputes; or act in a manner so as to maintain BMO's reputation.
Page 110

Leverage Exposures consist of on-balance sheet items and specified off-balance sheet items, net of specified adjustments.
Page 64

Leverage Ratio reflects Tier 1 capital divided by the leverage exposures.
Page 64

Liquidity and Funding Risk is the potential for loss if BMO is unable to meet financial commitments in a timely manner at reasonable prices as they become due. Financial commitments include liabilities to depositors and suppliers, and lending, investment and pledging commitments.
Page 97

Liquidity Coverage Ratio (LCR) is a Basel III regulatory metric calculated as the ratio of high-quality liquid assets to total net stressed cash outflows over a thirty-day period under a regulatory-prescribed stress scenario.
Page 98

Market Risk is the potential for adverse changes in the value of BMO's assets and liabilities resulting from changes in market variables such as interest rates, foreign exchange rates, equity and commodity prices and their implied volatilities, and credit spreads, and includes the risk of credit migration and default in BMO's trading book.
Page 92

Mark-to-Market represents the valuation of financial instruments at fair value (as defined above) as of the balance sheet date.

Net Interest Income is comprised of earnings on assets, such as loans and securities, including interest and certain dividend income, less interest expense paid on liabilities, such as deposits.
Page 28

Net Interest Margin is the ratio of net interest income to average earning assets, expressed as a percentage or in basis points. Net interest margin is sometimes computed using average total assets.
Page 28

Net Non-Interest Revenue is non-interest revenue, net of insurance claims, commissions and changes in policy benefit liabilities.

Notional Amount refers to the principal amount used to calculate interest and other payments under derivative contracts. The principal amount does not change hands under the terms of a derivative contract, except in the case of cross-currency swaps.

Off-Balance Sheet Financial Instruments consist of a variety of financial arrangements offered to clients, which include credit derivatives, written put options, backstop liquidity facilities, standby letters of credit, performance guarantees, credit enhancements, commitments to extend credit, securities lending, documentary and commercial letters of credit, and other indemnifications.

Office of the Superintendent of Financial Institutions Canada (OSFI) is the government agency responsible for regulating banks, insurance companies, trust companies, loan companies and pension plans in Canada.

Operating Leverage is the difference between revenue and expense growth rates. Adjusted operating leverage is the difference between adjusted revenue and adjusted expense growth rates.
Page 32

Operational Risk is the potential for loss or harm resulting from inadequate or failed internal processes or systems, human errors or misconduct or external events, but excludes business risk, credit risk, market risk, liquidity risk and other financial risk.
Page 106

Options are contractual agreements that convey to the purchaser the right but not the obligation to either buy or sell a specified amount of a currency, commodity, interest-rate-sensitive financial instrument or security at a fixed future date or at any time within a fixed future period.

Provision for Credit Losses (PCL) is a charge to income that represents an amount deemed adequate by management to fully provide for impairment in a portfolio of loans and acceptances and other credit instruments, given the composition of the portfolio, the probability of default, the economic environment and the allowance for credit losses already established. The PCL can be comprised of both a provision for credit losses on impaired loans and a provision for credit losses on performing loans.
Pages 31, 88

Reputation Risk is the potential for loss or harm to the BMO brand. It can arise even if other risks are managed effectively.
Page 113

Return on Equity or Return on Common Shareholders' Equity (ROE) is calculated as net income, less preferred dividends and distributions on other equity instruments as a percentage of average common shareholders' equity. Common shareholders' equity is comprised of common share capital, contributed surplus, accumulated other comprehensive income (loss) and retained earnings. Adjusted ROE is calculated using adjusted net income rather than net income.
Page 22

Return on Tangible Common Equity (ROTCE) is calculated as net income available to common shareholders adjusted for the amortization of acquisition-related intangible assets as a percentage of average tangible common equity. Adjusted ROTCE is calculated using adjusted net income rather than net income.
Page 22

Risk-Weighted Assets (RWA) are defined as on-balance sheet and off-balance sheet exposures that are risk-weighted based on guidelines established by OSFI. The term is used for capital management and regulatory reporting purposes.
Page 65

Securities Borrowed or Purchased under Resale Agreements are low-cost, low-risk instruments, often supported by the pledge of cash collateral, which arise from transactions that involve the borrowing or purchasing of securities.

Securities Lent or Sold under Repurchase Agreements are low-cost, low-risk liabilities, often supported by cash collateral, which arise from transactions that involve the lending or selling of securities.

Securitization is the practice of selling pools of contractual debts, such as residential mortgages, auto loans and credit card debt obligations, to third parties or trusts, which then typically issue a series of asset-backed securities to investors to fund the purchase of the contractual debts.
Page 71

Strategic Risk is the potential for loss or harm due to changes in the external business environment and failure to respond appropriately to these changes as a result of inaction, ineffective strategies or poor implementation of strategies. Strategic risk also includes business risk, which arises from the specific business activities of the enterprise, and the effects these could have on its earnings.
Page 112

Stressed Value at Risk (SVaR) measures the maximum loss likely to be experienced in the trading and underwriting portfolios, measured at a 99% confidence level over a one-day holding period, with model inputs calibrated to historical data from a period of significant financial stress. SVaR is calculated for specific classes of risk in BMO's trading and underwriting activities related to interest rates, foreign exchange rates, credit spreads, equity and commodity prices and their implied volatilities.
Page 92

Structured Entities (SEs) include entities for which voting or similar rights are not the dominant factor in determining control of the entity. The bank is required to consolidate an SE if it controls the entity by having power over the entity, exposure to variable returns as a result of its involvement and the ability to exercise power to affect the amount of BMO's returns.
Page 71

Structural (Non-Trading) Market Risk is comprised of interest rate risk arising from banking activities (loans and deposits) and foreign exchange risk arising from foreign currency operations and exposures.
Page 95

Swaps are contractual agreements between two parties to exchange a series of cash flows. The various swap agreements that BMO enters into are as follows:

- *Commodity swaps* – counterparties generally exchange fixed-rate and floating-rate payments based on a notional value of a single commodity.
- *Credit default swaps* – one counterparty pays the other a fee in exchange for an agreement by the other counterparty to make a payment if a credit event occurs, such as bankruptcy or failure to pay.
- *Cross-currency interest rate swaps* – fixed-rate and floating-rate interest payments and principal amounts are exchanged in different currencies.
- *Cross-currency swaps* – fixed-rate interest payments and principal amounts are exchanged in different currencies.
- *Equity swaps* – counterparties exchange the return on an equity security or a group of equity securities for a return based on a fixed or floating interest rate or the return on another equity security or group of equity securities.
- *Interest rate swaps* – counterparties generally exchange fixed-rate and floating-rate interest payments based on a notional value in a single currency.
- *Total return swaps* – one counterparty agrees to pay or receive from the other cash amounts based on changes in the value of a reference asset or group of assets, including any returns such as interest earned on these assets, in exchange for amounts that are based on prevailing market funding rates.

Tangible Common Equity is calculated as common shareholders' equity less goodwill and acquisition-related intangible assets, net of related deferred tax liabilities.
Page 22

Taxable Equivalent Basis (teb): Revenues of operating groups are presented in BMO's MD&A on a taxable equivalent basis (teb). Revenue and the provision for income taxes are increased on tax-exempt securities to an equivalent before-tax basis to facilitate comparisons of income between taxable and tax-exempt sources.
Page 27

Tier 1 Capital is comprised of CET1 and **Additional Tier 1 (AT1) Capital**. AT1 capital consists of preferred shares and other AT1 capital instruments, less regulatory deductions.
Page 64

Tier 1 Capital Ratio reflects Tier 1 capital divided by risk-weighted assets.
Page 64

Tier 2 capital is comprised of subordinated debentures and may include certain loan loss allowances less regulatory deductions.
Page 66

Total Capital includes Tier 1 and Tier 2 capital.
Page 68

Total Capital Ratio reflects Total capital divided by risk-weighted assets.
Page 64

Total Loss Absorbing Capacity (TLAC) is comprised of total capital and senior unsecured debt subject to the Canadian Bail-In Regime. The largest Canadian banks are required to meet the minimum TLAC Ratio and TLAC Leverage Ratio effective November 1, 2021, as calculated under OSFI's TLAC Guideline.
Page 64

Total Loss Absorbing Capacity (TLAC) Ratio reflects the TLAC measure divided by risk-weighted assets.
Page 64

Total Loss Absorbing Capacity (TLAC) Leverage Ratio reflects TLAC divided by the leverage exposures.
Page 64

Total Shareholder Return: The three-year and five-year average annual total shareholder return (TSR) represents the average annual total return earned on an investment in BMO common shares made at the beginning of a three-year and five-year period, respectively. The return includes the change in share price and assumes dividends received were reinvested in additional common shares. The one-year TSR also assumes that dividends were reinvested in shares.
Page 21

Trading and Underwriting Market Risk gives rise to market risk associated with buying and selling financial products in the course of meeting customer requirements, including market making and related financing activities, and assisting clients to raise funds by way of securities issuance.
Page 92

Trading-Related Revenue includes net interest income and non-interest revenue earned from on-balance sheet and off-balance sheet positions undertaken for trading purposes. The management of these positions typically includes marking them to market on a daily basis. Trading-related revenue includes income (expense) and gains (losses) from both on-balance sheet instruments and interest rate, foreign exchange (including spot positions), equity, commodity and credit contracts.
Page 30

Value-at-Risk (VaR) measures the maximum loss likely to be experienced in the trading and underwriting portfolios, measured at a 99% confidence level over a one-day holding period. VaR is calculated for specific classes of risk in BMO's trading and underwriting activities related to interest rates, foreign exchange rates, credit spreads, equity and commodity prices and their implied volatilities.
Page 92

Where to Find More Information

Corporate Governance

Our website provides information on our corporate governance practices, including our code of conduct, our director independence standards and our board mandate and committee charters.

www.bmo.com/corporategovernance

Management Proxy Circular

Our management proxy circular contains information on our directors, board committee reports and a detailed discussion of our corporate governance practices. It will be published in March 2021 and will be available on our website.

www.bmo.com/corporategovernance

Stock Exchange Governance Requirements

A summary of the significant ways in which our corporate governance practices differ from the corporate governance practices required to be followed by U.S. domestic companies under New York Stock Exchange Listing Standards and NASDAQ Stock Market Rules is posted on our website.

www.bmo.com/corporategovernance

Sustainability Performance

BMO's *Sustainability Report and Public Accountability Statement (PAS)* outlines how we govern, manage, measure and disclose the environmental and social risks and opportunities related to our business, while creating value for our many stakeholders. We use the Global Reporting Initiative (GRI) Standards as a framework for reporting on our sustainability performance, along with other internationally recognized standards, including those issued by the Sustainability Accounting Standards Board (SASB). The 2020 Sustainability Report/PAS will be available on our website in December 2020.

www.bmo.com/corporateresponsibility

Have Your Say

If you have a question you would like to ask at our annual meeting of shareholders, you can submit your question during the webcast. You can also submit a question to the board by writing to the Corporate Secretary at Corporate Secretary's Office, 21st Floor, 1 First Canadian Place, Toronto, ON M5X 1A1, or by emailing corp.secretary@bmo.com.

Shareholders

Contact our Transfer Agent and Registrar for:

- Dividend information
- Change in share registration or address
- Lost certificates
- Estate transfers
- Duplicate mailings
- Direct registration

Computershare Trust Company of Canada
100 University Avenue, 8th Floor, Toronto, ON M5J 2Y1
Email: **service@computershare.com**
www.computershare.com/ca/en

Canada and the United States
Call: **1-800-340-5021** Fax: **1-888-453-0330**

International
Call: **514-982-7800** Fax: **416-263-9394**

Computershare Trust Company, N.A.
Co-Transfer Agent (U.S.)

Computershare Investor Services PLC is the Transfer Agent and Registrar for common shares in Bristol, United Kingdom

Online filing information:

BMO filings in Canada
Canadian Securities Administrators
www.sedar.com

BMO filings in the United States
Securities and Exchange Commission
www.sec.gov/edgar.shtml

For all other shareholder inquiries:

Shareholder Services
BMO Financial Group
Corporate Secretary's Office
21st Floor, 1 First Canadian Place
Toronto, ON M5X 1A1
Email: **corp.secretary@bmo.com**
Call: **416-867-6785** Fax: **416-867-6793**

Institutional Investors and Research Analysts

To obtain additional financial information:

Investor Relations Department
BMO Financial Group
10th Floor, 1 First Canadian Place
Toronto, ON M5X 1A1
Email: **investor.relations@bmo.com**

Employees

For information on BMO's Employee Share Ownership Plan:

Call: **1-877-266-6789**

General

To obtain printed copies of the annual report or make inquiries about company news and initiatives:

Corporate Communications Department
BMO Financial Group
100 King Street West, 28th floor
Toronto, ON M5X 1A1

On peut obtenir sur demande un exemplaire en français.
www.bmo.com

Customers

For assistance with your investment portfolio or other financial needs:

BMO Bank of Montreal
English and French: **1-877-225-5266**
Cantonese and Mandarin: **1-800-665-8800**
Outside Canada and the continental United States: **514-881-3845**
TTY service for hearing impaired customers: **1-866-889-0889**
www.bmo.com

BMO InvestorLine: 1-888-776-6886
www.bmoinvestorline.com

BMO Harris Bank
United States: **1-888-340-2265**
Outside the United States: **1-847-238-2265**
www.bmoharris.com

BMO Nesbitt Burns: 416-359-4000
www.bmonesbittburns.com

Shareholder Information

Market for Shares of Bank of Montreal

The common shares of Bank of Montreal are listed on the Toronto Stock Exchange (TSX) and New York Stock Exchange (NYSE). The preferred shares of Bank of Montreal are listed on the TSX.

Common Share Trading in Fiscal 2020

Primary stock exchanges	Ticker	**Closing price October 31, 2020**	High	Low	Total volume of shares traded
TSX	BMO	**$79.33**	$104.43	$56.24	731.6 million
NYSE	BMO	**US$59.47**	US$79.77	US$38.71	55.9 million

Common Share History

Date	Action	Common share effect
March 14, 2001	100% stock dividend	Equivalent to a 2-for-1 stock split
March 20, 1993	100% stock dividend	Equivalent to a 2-for-1 stock split
June 23, 1967	Stock split	5-for-1 stock split

Important Dates

Fiscal Year End **October 31**
Annual Meeting **April 7, 2021 | 9:30 a.m. ET**

Further details will be made available on our website:

www.bmo.com/investorrelations

2021 Dividend Payment Dates*

Common and preferred shares record dates	Common shares payment dates	Preferred shares payment dates
February 1	**February 26**	**February 25**
May 3	**May 26**	**May 25**
August 3	**August 26**	**August 25**
November 1	**November 26**	**November 25**

*Subject to approval by the Board of Directors.

The *Bank Act* prohibits a bank from declaring or paying a dividend if it is or would thereby be in contravention of regulations or an order from the Superintendent of Financial Institutions Canada dealing with adequacy of capital or liquidity. Currently, this limitation does not restrict the payment of dividends on Bank of Montreal's common or preferred shares.

Managing Your Shares

Our Transfer Agent and Registrar
Computershare Trust Company of Canada serves as Transfer Agent and Registrar for common and preferred shares, with transfer facilities in Montreal, Toronto, Calgary and Vancouver. Computershare Investor Services PLC and Computershare Trust Company, N.A. serve as Transfer Agents and Registrars for common shares in Bristol, United Kingdom and Canton, Massachusetts, respectively. See previous page for contact information.

Reinvesting Your Dividends and Purchasing Additional Common Shares
Through the Shareholder Dividend Reinvestment and Share Purchase Plan, you can reinvest cash dividends from your BMO common shares to purchase additional BMO common shares without paying a commission or service charge. You can also purchase additional common shares in amounts up to $40,000 per fiscal year. Contact Computershare Trust Company of Canada or Shareholder Services for details.

Your vote matters.

Look out for your proxy circular in March and remember to vote.

Employee Ownership*

84.3% of Canadian employees participate in the BMO Employee Share Ownership Plan – a clear indication of their commitment to the company.

*As at October 31, 2020.

Credit Ratings
Credit rating information appears on page 103 of this annual report and on our website.

www.bmo.com/creditratings

Direct Deposit
You can choose to have your dividends deposited directly to an account in any financial institution in Canada or the United States that provides electronic funds transfer.

Personal Information Security
We advise our shareholders to be diligent in protecting their personal information. Details are available on our website.

www.bmo.com/security

Auditors KPMG LLP

Strategic design: Ove Brand | Design *www.ovedesign.com* | Photography: Kevin Netz (cover); Flint Chaney (page 8)

To find out more about who we are,
what we do, and what matters to us,
visit us at:

bmo.com/about
@BMO
@lifeatBMO