



BMO Financial Corp.

Net Stable Funding Ratio Disclosure

For the quarter ended September 30, 2025, and December 31, 2025

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1. Introduction

The following disclosure is specific to BMO Financial Corp. (BFC), a U.S. Intermediate Holding Company (IHC), is a wholly owned subsidiary of Bank of Montreal (together with its subsidiaries, BMO or “the Parent”) and is regulated by the Board of Governors of the Federal Reserve System (FRB). BFC’s wholly owned principal banking subsidiary, BMO Bank N.A. (BBNA), which consolidates into BFC, is regulated by the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation. BMO is a highly diversified financial services provider based in North America.

BFC offers personal, investment, financing, internet, mobile, personal, commercial, and private banking, as well as credit and debit card, trade finance, money transfer, and cash management services.

The U.S. Net Stable Funding Ratio Rule (the “NSFR Rule”) requires that BFC and BBNA each maintain an amount of stable funding to support their respective assets, commitments, and derivatives exposures over a prospective one-year time horizon. The NSFR is the ratio of available stable funding (ASF) to its required stable funding (RSF). The NSFR is meant to ensure stable funding of the balance sheet by requiring a covered company to maintain a stable funding profile by restricting maturity mismatches between assets and liabilities and limiting the reliance on short-term funding. The NSFR Rule requires covered companies, which includes both BFC and BBNA, to be above 100%. The NSFR Rule requires that ASF in excess of RSF held by BBNA, excluding the impact of transactions with non-bank affiliates, that is not transferable, to be excluded from the BFCs reported ASF.

This disclosure is based on the Firm’s interpretation of the NSFR Rule, and the disclosure requirements as defined by Regulation WW (“NSFR Disclosure Requirements”) which may be subject to change as the Firm receives additional clarification and interpretive guidance from the FRB and as the NSFR Rule evolves over time.

2. Liquidity Risk Management

BFC manages liquidity risk to meet both internal and regulatory expectations through an established liquidity risk framework. The framework ensures that BFC maintains adequate levels of liquidity to meet financial commitments in a timely manner at reasonable prices as they fall due, even in times of stress. The framework considers and prudently manages liquidity risk exposures and funding needs within and across legal entities, business lines and currencies, considering legal, regulatory, and operational limitations to the transferability of liquidity. The liquidity position is optimized for both current liquidity needs as well as those that may arise in the future.

BFC employs a “three lines of defense” framework for managing liquidity risk. Corporate Treasury, as the first line of defense, manages the Liquidity and Funding risk for BFC. Corporate Treasury manages, monitors, and reports Liquidity and Funding positions against limits and can direct lines of business to take actions as necessary, including in times of stress, to prudently manage BMO U.S. Operations Liquidity and Funding requirements. Corporate Treasury raises funding as

required for BMO U.S. Operations and manages supplemental liquidity pools for contingent liquidity risk purposes.

Market Risk, as the second line of defense, provides independent oversight, risk assessment, and effective challenge of Liquidity and Funding management across BMO U.S. Operations. Market Risk can also direct Corporate Treasury and Operating Groups to take actions to ensure Liquidity and Funding Risk is prudently managed and BMO US Operations' Liquidity and Funding objectives are achieved, including in times of stress.

Corporate Audit Division is the third line of defense. In conducting the internal audit process, Corporate Audit Division will provide an assessment as to the effectiveness of the internal controls for BMO U.S. Operations, including control, risk management and governance processes that support BMO U.S. Operations, its objectives, and the BFC Board of Directors' discharge of its responsibilities.

3. Net Stable Funding Ratio

The following table summarizes the BFC average NSFR for the three months ended December 31, 2025 and September 30, 2025, based on the Firms interpretation of the NSFR Rule. BFC is subject to the 85% tailored NSFR and the table below reflects the 85% factor. The NSFR calculation is a regulatory prescribed methodology reflecting formulaic hypothetical changes in assets and liabilities that would impact a company's liquidity if they were to occur. The calculation is not necessarily a projection of the BFC liquidity in any stress environment.

Average weighted amount (in millions)	Three months ended September 30, 2025	Three months ended December 31, 2025	Delta Q-o-Q
BMO Financial Corp-Consolidated IHC:			
TOTAL ASF	174,442	174,187	(255)
TOTAL adjusted RSF	126,194	125,434	(760)
NET STABLE FUNDING RATIO	138%	139%	1%

The BFC NSFR is substantiated by:

- ASF primarily consists of retail and commercial deposits as well as regulatory capital and long-term debt.
- RSF primarily consists of unencumbered and encumbered loans and securities as well as other assets.

4. BFC NSFR Quantitative Disclosure

The following table presents detail of BFC's quarterly average of daily NSFR for the three months ended December 31, 2025 and September 30, 2025. Within this disclosure, the unweighted amounts of ASF and RSF represent the quarterly average balances prior to the application of the prescribed regulatory haircuts and caps. The weighted amount of cash outflows and cash inflows represent the unweighted amount multiplied by the respective NSFR rates.

Quarter ended In millions of U.S. dollars	9/30/2025	Average Unweighted Amount					Average Weighted Amount
		Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
ASF ITEM							
1	Capital and securities:	-	834	767	16,950	41,038	58,371
2	NSFR regulatory capital elements	-	-	-	1,372	41,038	42,410
3	Other capital elements and securities	-	834	767	15,578	-	15,962
4	Retail funding:	96,738	3,158	907	2,758	-	91,453
5	Stable deposits	40,091	6	1	0	-	38,093
6	Less stable deposits	55,053	102	15	0	-	49,653
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	1,470	3,006	861	2,658	-	3,558
8	Other retail funding	124	44	30	100	-	149
9	Wholesale funding:	99,254	16,300	480	2,417	-	38,579
10	Operational deposits	33,629	-	-	-	-	16,815
11	Other wholesale	65,624	16,300	480	2,417	-	21,764
	Other liabilities:	-	-	-	-	-	-
12	NSFR derivatives					0.27	
	Total derivatives liability amount					30.47	
14	All other liabilities not included in the above categories	4,040	1,351	181	4,309	36	-
15	TOTAL ASF ^(A)						174,442
RSF ITEM							
16	Total high-quality liquid assets (HQLA)	20,506	1,319	447	66,396	41	2,776
17	Level 1 liquid assets	20,506	1,248	168	48,554	0	0
18	Level 2A liquid assets	0	67	268	17,780	0	2,717
19	Level 2B liquid assets	0	4	11	62	41	59
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	1,339	2,860	0	0	0	0
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	2,099	0	0	0	0	1,050
22	Loans and securities:	23,289	23,258	12,796	103,331	1,547	103,908
23	Loans to financial sector entities secured by level 1 liquid assets	1,918	8,947	0	0	0	0
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	15,281	4,054	3,714	6,661	0	11,419
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	6,089	10,042	8,967	66,104	0	68,732
26	Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217)	0	0	0	25	0	16
27	Retail mortgages	0	0	0	20,759	0	13,942
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)	0	0	0	18,518	0	12,037
29	Securities that do not qualify as HQLA	0	215	115	9,807	1,547	9,816
	Other assets:						
30	Commodities					0	0.00
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					721	612.60
32	NSFR derivatives asset amount					135	135.00
33	Total derivatives asset amount					165	
34	RSF for potential derivatives portfolio valuation changes					202	10
35	All other assets not included in the above categories, including nonperforming assets	329	1,762	612	34,023	400	36,343
36	Undrawn commitments					72,583	3,629
37	TOTAL RSF prior to application of required stable fund						148,464
38	Required stable funding adjustment percentage						85%
39	TOTAL adjusted RSF						126,194
40	NET STABLE FUNDING RATIO						138%

Quarter ended In millions of U.S. dollars		12/31/2025					Average Weighted Amount
		Average Unweighted Amount					
		Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
ASF ITEM							
1	Capital and securities:	-	1,056	704	16,368	41,918	58,637
2	NSFR regulatory capital elements	-	-	-	895	41,918	42,813
3	Other capital elements and securities	-	1,056	704	15,473	-	15,824
4	Retail funding:	94,269	2,193	329	2,666	-	88,827
5	Stable deposits	39,289	6	1	0	-	37,331
6	Less stable deposits	53,425	100	13	0	-	48,185
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	1,451	2,054	292	2,565	-	3,180
8	Other retail funding	105	33	22	100	-	130
9	Wholesale funding:	104,828	18,433	589	2,001	-	40,229
10	Operational deposits	36,751	-	-	-	-	18,376
11	Other wholesale	68,076	18,433	589	2,001	-	21,854
	Other liabilities:	-	-	-	-	-	-
12	NSFR derivatives					0.00	
13	Total derivatives liability amount					27.63	
14	All other liabilities not included in the above categories	3,747	1,389	349	4,502	73	-
15	TOTAL ASF ^(a)						174,187
RSF ITEM							
16	Total high-quality liquid assets (HQLA)	21,775	1,487	2,079	65,674	54	2,752
17	Level 1 liquid assets	21,775	1,301	1,876	48,222	0	0
18	Level 2A liquid assets	0	184	202	17,314	0	2,655
19	Level 2B liquid assets	0	1	1	138	54	97
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	1,507	4,399	0	0	0	0
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	1,917	0	0	0	0	959
22	Loans and securities:	24,890	24,380	12,683	103,845	1,725	104,558
23	Loans to financial sector entities secured by level 1 liquid assets	2,698	9,649	0	0	0	0
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	16,436	4,812	3,205	7,297	0	12,087
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	5,756	9,667	9,411	66,017	0	68,518
26	Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217)	0	0	0	70	0	46
27	Retail mortgages	0	0	0	20,326	0	13,655
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)	0	0	0	18,114	0	11,774
29	Securities that do not qualify as HQLA	0	253	67	10,204	1,725	10,299
30	Other assets:						
	Commodities					0	0.00
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					744	632.73
32	NSFR derivatives asset amount					101	101.17
33	Total derivatives asset amount					129	
34	RSF for potential derivatives portfolio valuation changes					127	6
35	All other assets not included in the above categories, including nonperforming assets	256	1,571	507	31,918	1,489	34,990
36	Undrawn commitments					71,408	3,570
37	TOTAL RSF prior to application of required stable fund						147,570
38	Required stable funding adjustment percentage						85%
39	TOTAL adjusted RSF						125,434
40	NET STABLE FUNDING RATIO						139%

5. BFC NSFR Qualitative Disclosures

a. The Main Drivers of the NSFR

BFC continues to maintain a stable average NSFR above the regulatory minimum of 100%. For December 31, 2025, the average NSFR was approximately 139%. 139% represents 1% change compared to the three months ended September 30, 2025. For September 30, 2025, NSFR was 138% that was up by 1% compared to the three months ended June 30, 2025. The quarter-over-quarter increases were primarily driven by higher earnings across the periods.

b. Concentrations of Funding Sources

BFC funding comes from deposits, long-term borrowings from the Parent, secured and unsecured funding, and regulatory capital. Retail and Commercial deposits are the primary source of funding for BFC lending activities. The deposit base is diverse across products and customer types. The NSFR Rule categorizes retail funding into stable deposits, less stable deposits, sweep deposits, brokered reciprocal deposits, and brokered deposits which includes items such as retail deposits and brokered CD balances. Wholesale funding is grouped into operational deposits and other wholesale funding which includes items such as non-operational deposits, commercial paper issuances, and Federal Home Loan Bank advances.

The table summarizes BFC's funding concentrations for the period ending December 31, 2025 and September 30, 2025. The Average Weighted ASF amounts represent BFC's funding after applying the prescribed NSFR factors. The totals do not remove ASF that is not available for transfer.

Average weighted Amounts (in USD millions) Three months ended Dec 31, 2025	Average Unweighted ASF Amount	Average Weighted ASF Amount	Average Weighted ASF percentage
Capital and securities	60,046	58,637	98%
NSFR regulatory capital elements	42,813	42,813	100%
Other capital elements and securities	17,232	15,824	92%
Retail funding	99,457	88,827	89%
Stable deposits	39,296	37,331	95%
Less stable deposits	53,539	48,185	90%
Sweep deposits, brokered reciprocal deposits, and brokered deposits	6,362	3,180	50%
Other retail funding	261	130	50%
Wholesale funding	125,851	40,229	32%
Operational deposits	36,751	18,376	50%
Other wholesale funding	89,099	21,854	25%
Total	285,353	187,693	66%

Average weighted Amounts (in USD millions) Three months ended Sept 30, 2025	Average Unweighted ASF Amount	Average Weighted ASF Amount	Average Weighted ASF percentage
Capital and securities	59,589	58,371	98%
NSFR regulatory capital elements	42,410	42,410	100%
Other capital elements and securities	17,179	15,962	93%
Retail funding	103,561	91,453	88%
Stable deposits	40,098	38,093	95%
Less stable deposits	55,170	49,653	90%
Sweep deposits, brokered reciprocal deposits, and brokered deposits	7,995	3,558	45%
Other retail funding	298	149	50%
Wholesale funding	118,451	38,579	33%
Operational deposits	33,629	16,815	50%
Other wholesale funding	84,822	21,764	26%
Total	281,601	188,403	67%

c. Concentration of items requiring stable funding

The primary driver for RSF are loans, securities, and other assets. The loan portfolio consists of both retail and commercial loans. The securities RSF is primarily generated from the investment portfolio held at BBNA. Other assets consist of items such as goodwill and other intangibles.

6. Forward Looking Information

The NSFR Rule sets forth minimum liquidity standards designed to ensure that banking organizations maintain adequate liquidity levels of stable funding over a 1-year period. Accordingly, the NSFR Rule prescribes assumptions with respect to the liquidity of certain asset classes and cash flows associated with contractual and contingent obligations. This document may contain forward-looking information based on these assumptions. These assumptions are not intended to be a forecast by BFC of expected future liquidity or cash flows, but rather reflect possible outcomes based on the requirements of the NSFR Rule. Any forward-looking information contained in this document represents the views of management only as of the

date hereof and is presented only for the purpose of complying with the NSFR Disclosure Requirements.

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 related to BFC’s available stable funding, required stable funding, assets and liabilities. Forward-looking statements are typically identified by words such as “will”, “would”, “should”, “believe”, “expect”, “anticipate”, “project”, “intend”, “estimate”, “plan”, “goal”, “commit”, “target”, “may”, “might”, “schedule”, “forecast”, “outlook”, “timeline”, “suggest”, “seek” and “could” or negative or grammatical variations thereof.

By their nature, forward-looking statements require BFC 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 such assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, conclusions or projections. BFC cautions readers of this document not to place undue reliance on our forward-looking statements, as a number of factors – many of which are beyond BFC’s 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.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including, but not limited to: general economic and market conditions in the countries in which BMO operate, including labour challenges and changes in foreign exchange and interest rates; political conditions, including changes relating to, or affecting, economic or trade matters, including tariffs, countermeasures and tariff mitigation policies; changes to BMO’s credit ratings; cyber and information 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; technology resilience, innovation and competition; failure of third parties to comply with their obligations to BMO; disruptions of global supply chains; environmental and social risk, including climate change; the Canadian housing market and consumer leverage; inflationary pressures; changes in laws, including tax legislation and interpretation, or in supervisory expectations or requirements, including capital, interest rate and liquidity requirements and guidance, including if BMO were designated a global systemically important bank, and the effect of such changes on funding costs and capital requirements; changes in monetary, fiscal or economic policy; weak, volatile or illiquid capital or credit markets; the level of competition in the geographic and business areas in which BMO operates; exposure to, and the resolution of, significant litigation or regulatory matters, BMO’s ability to successfully appeal adverse outcomes of such matters and the timing, determination and recovery of amounts related to such matters; the accuracy and completeness of the information BMO obtains with respect to its customers and counterparties; BMO’s ability to successfully execute its strategic plans, complete acquisitions or dispositions and integrate acquisitions, including obtaining regulatory approvals, and realize any anticipated benefits from such plans and transactions; critical accounting estimates and judgments, and the effects of

changes in accounting standards, rules and interpretations on these estimates; operational and infrastructure risks, including with respect to reliance on third parties; global capital markets activities; the emergence or continuation of widespread health emergencies or pandemics, and their impact on local, national or international economies, as well as their heightening of certain risks that may affect our future results; the possible effects on our business of war or terrorist activities; natural disasters, such as earthquakes and or flooding, and disruptions to public infrastructure, such as transportation, communications, power or water supply; and our ability to anticipate and effectively manage risks arising from all of the foregoing factors.

BMO cautions that the foregoing list is not exhaustive of all possible factors. Other factors and risks could adversely affect BMO'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, liquidity and funding, operational non-financial, legal and regulatory compliance, strategic, environmental and social, and reputation risk in the Enterprise-Wide Risk Management section of BMO's 2025 Annual Report, as updated by quarterly reports, all of which outline certain key factors and risks that may affect BMO'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. BMO 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 complying with applicable regulatory requirements and may not be appropriate for other purposes. This document includes disclosures regarding BFC that may not be, and are not required to be, incorporated into BMO's mandatory disclosures, where BMO uses a definition of materiality established under applicable securities laws for the purpose of complying with the disclosure rules and regulations promulgated by applicable securities regulators and applicable stock exchange listing standards.

Material economic assumptions underlying the forward-looking statements contained in this document include those prescribed by the NSFR Rule and those set out in the Economic Developments and Outlook section, and the Allowance for Credit Losses section of BMO's 2025 Annual Report, as updated by quarterly reports. Assumptions about the performance of the Canadian and U.S. economies, as well as overall market conditions and their combined effect on our business, are material factors we consider when determining our strategic priorities, objectives and expectations for our business. In determining our expectations for economic growth, we primarily consider historical economic data, past relationships between economic and financial variables, changes in government policies, and the risks to the domestic and global economy.