

BMO Financial Group News Release – February 19, 2008

The following Frequently Asked Questions have been provided to assist you in understanding certain points in the press release issued by BMO Financial Group on February 19, 2008.

BMO is currently in its “Quiet Period” which will end when BMO reports its Q1 2008 results on Tuesday, March 4. At that time, we will discuss BMO’s earnings and targets and address any further questions from the Investor Community.

STRUCTURED INVESTMENT VEHICLES

How does this proposal work? How is this different than consolidating the assets of the SIV as some other financial institutions have announced?

Under the terms of this proposal, BMO would provide senior ranked support in the form of liquidity facilities. The liquidity facilities will backstop the repayment of senior notes to facilitate access of the SIVs to senior funding and permit the SIVs to continue the strategy of selling assets in an orderly manner. Advances under the liquidity facilities will rank ahead of the subordinate capital note holders.

BMO is not required to consolidate the SIVs because it does not absorb greater than 50% of expected losses. Any expected losses would be absorbed by the capital note holders up to their full amount. BMO is not providing any protection from the economic risk to capital note holders, now or in the future. The funding will be accounted for as a loan, subject to the same accounting policies applicable to all other loans.

Explain how/why investors in the SIV still bear financial risks.

The capital note holders would continue to bear economic risk from actual losses up to the full amount of their investment. The net asset value of the capital notes as at February 12 are approximately US\$877 million for Links and approximately €146 million for Parkland.

Would this liquidity facility be subject to mark to market accounting? Is BMO required to book a provision against any funding advanced?

As indicated above, funding advanced will be accounted for as a loan, subject to the same accounting policies applicable to all other loans. There is no mark to market impact on BMO’s financial results.

The risk of loss of these proposed facilities is low given the high asset quality in the SIVs and the protection provided by the capital notes. BMO would be required to take a provision against the loan only in the event that losses realized in the SIVs

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exceed the value of the capital notes. The net asset value of the capital notes as at February 12 are approximately US\$877 million for Links and approximately €146 million for Parkland.

What would be the impact if you didn't take this action? Why don't you just walk away – are you concerned about your reputation or are you being “forced” to do this?

Given the difficulties in the SIV market, it has been difficult for the SIVs to fund in the market place. As a result of this most banks that sponsor SIVs have taken steps over the past several months to support their SIVs. The support will facilitate the access to further senior funding, provide supplemental funding and continue the strategy of selling assets in an orderly manner and avoid selling in a forced liquidation process. In taking this action, we are balancing the needs of shareholders, clients and debt holders.

The press release indicates the facility is “capped” at US\$11B for Links and €1.2B for Parkland– what's to say this won't be increased?

The US\$11B and €1.2B is what is required to pay out the remaining senior notes in Links and Parkland respectively. Given the terms and conditions of the proposed liquidity facilities and the maturity profile of the senior notes, the amount to be drawn is expected to be one half of the maximum amount of the facilities. BMO is not providing any protection from the economic risk to capital noteholders, now or in the future. As asset sales and maturities reduce the size of the SIV's, the funding requirement and capital impact will reduce. The SIVs continue to progress against the previously articulated action plan of selling asset in an orderly manner. .

APEX/SITKA TRUST

Why wasn't this trust converted to global-style liquidity support last summer?

Apex/Sitka trust is a structured finance vehicle for which BMO has not provided backup liquidity. Liquidity support was provided by other institutions.

What is the nature of BMO's involvement with respect to this trust? Is there any legal obligation on BMO's part?

BMO has no legal obligation to support the vehicle, and would do so after determining it is in its interest to do so.

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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 may involve, but are not limited to, comments with respect to our objectives and priorities for 2008 and beyond, our strategies or future actions, our targets, expectations for our financial condition or share price, and the results of or outlook for our operations or for the Canadian and U.S. economies.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that our assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors 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 we operate; interest rate and currency value fluctuations; changes in monetary policy; the degree of competition in the geographic and business areas in which we operate; changes in laws; judicial or regulatory proceedings; the accuracy and completeness of the information we obtain with respect to our customers and counterparties; our ability to execute our strategic plans and to complete and integrate acquisitions; critical accounting estimates; operational and infrastructure risks; general political conditions; global capital market activities; the possible effects on our business of war or terrorist activities; disease or illness that impacts on local, national or international economies; disruptions to public infrastructure, such as transportation, communications, power or water supply; and technological changes.

Assumptions about the level of asset sales, expected asset sale prices and risk of default of the underlying assets of the structured investment vehicles were material factors we considered when establishing our expectations of the future performance of our interests in the structured investment vehicles discussed in this release. Key assumptions included that assets would continue to be sold with a view to reducing the size of the structured investment vehicles, under various asset price scenarios.

We caution that the foregoing list is not exhaustive of all possible factors. Other factors could adversely affect our results. For more information, please see the discussion on pages 28 and 29 of BMO's 2007 Annual Report, which outlines in detail certain key factors that may affect BMO's future results. When relying on forward-looking statements to make decisions with respect to Bank of Montreal, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Bank of Montreal does not undertake to update any forward-looking statement, whether written or oral, that may be made, from time to time, by the organization or on its behalf.