

Annual Report Disclosure – Update August 16, 2007

BMO Financial group is providing further clarification to its Notes to Consolidated Financial Statements, Note 6 – Guarantees on page 102 of its 2006 Annual Report.

The maximum potential payments under backstop liquidity facilities totalled \$42,743 million as at October 31, 2006. This amount is broken down as follows:

Canadian \$ billions

BMO-administered multi-seller conduits ¹	20
BMO asset conduits ¹	5
Large Canadian corporate accounts	4
Total Canadian ²	29
Total U.S. (Mostly BMO-administered multi-seller conduits)	14
Total Canadian and U.S. backstop liquidity facilities	43

¹ **Multi-seller conduits** (customer securitization vehicles) assist our customers with the securitization of their assets to provide them with alternate sources of funding. **BMO asset conduits** (bank securitization vehicles) are used to securitize our loans either for capital management purposes or to obtain alternate sources of funding. *See Notes to Consolidated Financial Statements, Note 8 – Variable Interest Entities on page 105 of the 2006 Annual Report.*

² BMO Financial Group is an insignificant provider of liquidity backup lines to third party administered asset-backed commercial paper issuers in Canada.