

BMO Global Registered Covered Bond Program Monthly Investor Report

Calculation Date: 31-Jan-16
Date of Report: 12-Feb-16

This report contains information regarding Bank of Montreal Registered Covered Bond Program's Cover Pool as of the indicated Calculation Date. The composition of the Cover Pool will change as Mortgage Loans are added and removed from the Cover Pool from time to time and, accordingly, the characteristics and performance of the Mortgage Loans in the Cover Pool will vary over time. This report is for distribution only under such circumstances as may be permitted by applicable law. The information contained in this report does not constitute an invitation or recommendation to invest or otherwise deal in, or an offer to sell or the solicitation of an offer to buy or subscribe for, any security. Reliance should not be placed on the information herein when making any decision to buy, hold or sell any security or for any other purpose. The information set forth below has been obtained and based upon sources believed by Bank of Montreal to be accurate, however, Bank of Montreal makes no representation or warranty, express or implied, in relation to the accuracy, completeness or reliability of the information contained herein. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. We assume no liability for any errors or any reliance you place on the information provided herein. THESE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE HOUSING CORPORATION (CMHC) NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS REPORT. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

Program Information

Series	Initial Principal Amount	Translation Rate	C\$ Equivalent	Final Maturity Date ⁽²⁾	Coupon Rate	Rate Type
CB Series 1	€ 1,000,000,000	1.51500	\$ 1,515,000,000	May 7, 2019	1.000%	Fixed
CB Series 2	€ 1,500,000,000	1.39090	\$ 2,086,350,000	January 22, 2020	0.250%	Fixed
CB Series 3	£ 325,000,000	1.83900	\$ 597,675,000	January 29, 2018	3m GBP LIBOR +19bps	Floating
CB Series 4	€ 1,500,000,000	1.43060	\$ 2,145,900,000	August 5, 2020	0.375%	Fixed
CB Series 5	€ 1,000,000,000	1.50128	\$ 1,501,280,000	September 21, 2022	0.750%	Fixed
CB Series 6	€ 135,000,000	1.48704	\$ 200,750,400	September 28, 2035	1.597%	Fixed
CB Series 7	€ 1,500,000,000	1.52600	\$ 2,289,000,000	January 14, 2019	0.100%	Fixed
Outstanding under the Global Registered Covered Bond Program as of the Calculation Date			\$ 10,335,955,400			
Issued prior to CMHC registration under the legacy Covered Bond Program ⁽¹⁾			\$ 2,017,000,000			
Total Covered Bond Outstanding			\$ 12,352,955,400			
Total Outstanding OSFI Covered Bond Limit			25,220,812,885			
Weighted average maturity of Outstanding Covered Bonds (months)			51.99			
Weighted average remaining term of Loans in Cover Pool (months)			21.31			

Covered Bond Series Ratings

	Moody's	Fitch	DBRS
CB Series 1	Aaa	AAA	AAA
CB Series 2	Aaa	AAA	AAA
CB Series 3	Aaa	AAA	AAA
CB Series 4	Aaa	AAA	AAA
CB Series 5	Aaa	AAA	AAA
CB Series 6	Aaa	AAA	AAA
CB Series 7	Aaa	AAA	AAA

(1) Covered bonds outstanding under the legacy Covered Bond Program do not form part of the BMO Global Registered Covered Bond Program nor do they benefit from the Covered Bond Legislative Framework.

(2) An Extended Due for Payment Date twelve months after the Maturity Date has been specified in the Final Terms of each series. The Coupon Rate specified in respect of each series applies until the Final Maturity Date following which the floating rate of interest specified in the Final Terms of each series is payable monthly in arrears from the Final Maturity Date to but excluding the Extended Due for Payment Date. The capitalized terms used here are defined in the Final Terms of each series.

Supplementary Information

Parties to Bank of Montreal Global Registered Covered Bond Program

Issuer	Bank of Montreal
Guarantor Entity	BMO Covered Bond Guarantor Limited Partnership
Servicer and Cash Manager	Bank of Montreal
Interest Rate Swap Provider	Bank of Montreal
Covered Bond Swap Provider	Bank of Montreal
Bond Trustee and Custodian	Computershare Trust Company of Canada
Cover Pool Monitor	KPMG LLP
Account Bank and GDA Provider	Bank of Montreal
Standby Bank Account and Standby GDA Provider	Royal Bank of Canada
Principal Paying Agent	The Bank of New York Mellon

Bank of Montreal Credit Ratings

	Moody's	Fitch	DBRS
Senior Debt	Aa3	AA-	AA
Short-Term Debt	P-1	F1+	R-1(high)
Ratings Outlook	Negative	Stable	Negative

Applicable Ratings of Standby Account Bank and Standby GDA Provider

	Moody's	Fitch	DBRS
Royal Bank of Canada	P-1	F1+ or AA	R-1(high) or AA

Description of Ratings Triggers ⁽¹⁾⁽²⁾

A. Party Replacement Triggers

If the ratings of the counterparty falls below the level indicated below, such party is required to be replaced, or in the case of the Cash Manager, obtain a guarantee for its obligations.

Counterparty	Moody's	Fitch	DBRS
Cash Manager (BMO)	P-1	F2 and BBB+	BBB(low)
Account Bank/GDA Provider (BMO)	P-1	F1 and A	R-1(middle) or AA(low)
Standby Account Bank/GDA Provider (RBC)	P-1	F1 or A	R-1(middle) or A(low)
Servicer (BMO)	Baa2	F2	BBB(low)
Interest Rate Swap Provider (BMO)	P-2 or A3	F3 and BBB-	R-2(high) or BBB(high)
Covered Bond Swap Provider (BMO)	P-2 or A3	F3 and BBB-	R-2(high) or BBB(high)
Paying Agent (BNY Mellon)	P-1	F1 and A	N/A

(1) Where only one rating is expressed, this rating represents the short-term rating (unless otherwise specified) and where two ratings are expressed, the first is short-term and the second is long-term.

(2) The discretion of the Guarantor LP to waive a required action upon a Rating Trigger may be limited by the terms of the Transaction Documents.

BMO Global Registered Covered Bond Program Monthly Investor Report

Calculation Date: 31-Jan-16
Date of Report: 12-Feb-16

B. Summary of Specific Rating Trigger Actions

I) The following actions are required if the Cash Manager (BMO) undergoes a downgrade below the stipulated rating:

	<u>Moody's</u>	<u>Fitch</u>	<u>DBRS</u>
a) The Servicer will be required to direct amounts received directly into the GDA Account (or Standby GDA Account if applicable) within 2 Canadian business days and the Cash Manager shall immediately remit any funds held at such time for or on behalf of the Guarantor directly into the GDA Account	P-1	F1 or A	R-1(middle) or AA(low)

II) The following actions are required if the Servicer (BMO) undergoes a downgrade below the stipulated rating:

	<u>Moody's</u>	<u>Fitch</u>	<u>DBRS</u>
a) The Servicer will be required to direct amounts received to the Cash Manager, or GDA as applicable	P-1	F1 or A	R-1(middle) or BBB(low)

III) The Swap Provider is required to transfer credit support or transfer all of its rights and obligations to a replacement third party, or to obtain a guarantee of its rights and obligations from a third party, if the Swap Provider undergoes a downgrade below the stipulated rating:

	<u>Moody's⁽³⁾</u>	<u>Fitch</u>	<u>DBRS</u>
a) Interest Rate Swap Provider	P-1 or A2	F1 and A	R-1(middle) or A (high)
b) Covered Bond Swap Provider	P-1 or A2	F1 and A	R-1(middle) or A (high)

IV) The following actions are required if the Issuer (BMO) undergoes a downgrade below the stipulated rating:

	<u>Moody's</u>	<u>Fitch</u>	<u>DBRS</u>
a) Mandatory repayment of the Demand Loan	N/A	F2 or BBB+	N/A
b) Cashflows will be exchanged under the Covered Bond Swap Agreement (to the extent not already taking place)	Baa1	BBB+	BBB(high)
c) Transfer of title to Loans to Guarantor ⁽⁴⁾	A3	BBB-	BBB(low)

Events of Defaults & Test Compliance

Asset Coverage Test (C\$ Equivalent of Outstanding Covered Bond < Adjusted Aggregate Asset Amount)	Pass
Issuer Event of Default	No
Guarantor LP Event of Default	No

(3) If no short term rating exists, then A1

(4) The transfer of registered title to the Loans to the Guarantor may be deferred if (A) satisfactory assurances are provided to the Guarantor and the Bond Trustee by The Office of the Superintendent of Financial Institutions or such other supervisory authority having jurisdiction over the Seller permitting registered title to the Loans to remain with the Seller until such time as (i) the Loans are to be sold or otherwise disposed of by the Guarantor or the Bond Trustee in the performance of their respective obligations under the Transaction Documents, or (ii) the Guarantor or the Bond Trustee is required to take actions to enforce or otherwise deal with the Loans, and (B) each of the Rating Agencies has confirmed that it will not withdraw or downgrade its then current ratings of the Covered Bonds as a result of such deferral.

Pre-Maturity Test

(Applicable to Hard Bullet Covered Bonds)

<u>Pre-Maturity Required Ratings</u>	<u>Moody's</u>	<u>Fitch</u>	<u>DBRS⁽¹⁾</u>
	P-1	F1+	A(high) or A(low)

Following a breach of the Pre-Maturity test in respect of a Series of Hard Bullet Covered Bonds, and unless the Pre-Maturity Liquidity Ledger is otherwise funded from the other sources, the Partnership shall offer to sell Randomly Selected Loans if Final Maturity Date is within 12 months from the Pre-Maturity Test Date

(1) In the case of DBRS, if Final Maturity Date is within six months of the Pre-Maturity Test Date, then A(high), otherwise A(low).

Reserve Fund

<u>Reserve Fund Required Amount Ratings</u>	<u>Moody's</u>	<u>Fitch</u>	<u>DBRS</u>
Senior		A	A(low)
Short Term	P-1	F1	R-1(middle)

Are the ratings of the Issuer below the Reserve Fund Required Amount Ratings? No

If the ratings of the Issuer fall below the Reserve Fund Required Amount Ratings, then the Guarantor shall credit or cause to be credited to the Reserve Fund funds up to an amount equal to the Reserve Fund Required Amount.

Reserve Fund Required Amount: Nil

BMO Global Registered Covered Bond Program Monthly Investor Report

Calculation Date: 31-Jan-16
Date of Report: 12-Feb-16

Asset Coverage Test

C\$ Equivalent of Outstanding Covered Bonds	\$ 10,335,955,400		
A ⁽¹⁾ = Lesser of (i) Sum of LTV adjusted outstanding principal balance and (ii) Sum of Asset percentage adjusted outstanding principal balance	\$ 11,599,858,767	A (i)	12,406,266,060
B = Principal receipts not applied	-	A (ii)	11,599,858,767
C = Cash capital contributions	-	Asset Percentage	93.5%
D = Substitution assets	-	Maximum Asset	
E = (i) Reserve fund balance	-	Percentage	95.0%
(ii) Pre - Maturity liquidity ledger balance	-		
F = Negative carry factor calculation	-		
Total: A + B + C + D + E - F	\$ 11,599,858,767		

Asset Coverage Test Pass/Fail

Pass

(1) Market Value as determined by adjusting, not less than quarterly, the Original Market Value utilizing the Indexation Methodology (see Appendix for details) for subsequent price developments.

Valuation Calculation

Trading Value of Covered Bonds	\$ 10,436,043,704		
A = Lesser of i) Present value of outstanding loan balance of Performing Eligible Loans ⁽¹⁾ and ii) 80% of Market Value ⁽²⁾ of properties securing Performing Eligible Loans, net of adjustments	12,475,077,166	A (i)	12,475,077,166
B = Principal receipts up to calculation date not otherwise applied	-	A (ii)	22,456,892,772
C = Cash capital contributions	-		
D = Trading Value of any Substitute Assets	-		
E = (i) Reserve Fund Balance, if applicable	-		
(ii) Pre - Maturity liquidity ledger balance	-		
F = Trading Value of Swap Collateral	-		
Total: A + B + C + D + E + F	\$ 12,475,077,166		

(1) Present value of expected future cash flows of Loans using current market interest rates offered to BMO clients. The effective weighted average rate used for discounting is 2.50%.

(2) Market Value as determined by adjusting, not less than quarterly, the Original Market Value utilizing the Indexation Methodology (see Appendix for details) for subsequent price developments.

Intercompany Loan Balance

Guarantee Loan	\$ 10,347,773,547
Demand Loan	2,560,899,054
Total	\$ 12,908,672,601

Cover Pool Losses

<u>Period end</u>	<u>Write Off Amounts</u>	<u>Loss Percentage (Annualized)</u>
January 31, 2016	\$0	0.00%

Cover Pool Flow of Funds

	<u>Current Month</u>	<u>Previous Month</u>
Cash Inflows		
Principal receipts	405,519,284	494,433,209
Proceeds for sale of Loans	-	-
Revenue Receipts	29,051,648	28,334,098
Swap Receipts	3,557,614	2,824,201
Cash Capital Contribution	-	-
Advances of Intercompany Loans	-	1,064,000,000.00
Guarantee Fee	1,614,112.00	-
Cash Outflows		
Swap Payment	-	-
Intercompany Loan interest	(17,096,975)	(16,402,998)
Intercompany Loan principal	(491,482,000)	(409,847,000)
Intercompany Loan repayment	-	-
Mortgage Top-up Settlement	-	(1,062,755,937)
Misc Partnership Expenses	(145)	(3,180)
Profit Distribution to Partners	-	(98,826)
Net inflows/(outflows)	<u>(68,836,463)</u>	<u>100,483,567</u>

Cover Pool - Summary Statistics

Asset Type	Mortgages	
Previous Month Ending Balance	12,845,584,573	
Aggregate Outstanding Balance	\$ 12,424,470,044	
Number of Loans	52,926	
Average Loan Size	\$ 234,752	
Number of Primary Borrowers	50,689	
Number of Properties	52,926	
Weighted Average Current Loan to Value (LTV)	59.08%	Indexed ⁽¹⁾ 51.23%
Weighted Average Authorized LTV	67.31%	58.20%
Weighted Average Original LTV	67.31%	
Weighted Average Seasoning	28.36 (Months)	
Weighted Average Coupon	2.74%	
Weighted Average Original Term	49.67 (Months)	
Weighted Average Remaining Term	21.31 (Months)	
Substitution Assets	Nil	

⁽¹⁾ Value as determined by adjusting, not less than quarterly, the Original Market Value utilizing the Indexation Methodology (see Appendix for details) for subsequent price developments.

⁽²⁾ Value as most recently determined or assessed in accordance with the underwriting policies (whether upon origination or renewal of the Eligible Loan or subsequently thereto).

BMO Global Registered Covered Bond Program Monthly Investor Report

Calculation Date: 31-Jan-16
Date of Report: 12-Feb-16

Cover Pool - Delinquency Distribution

Aging Summary

	Number of Loans	Percentage	Principal Balance	Percentage
Current and less than 30 days past due	52,694	99.56	\$ 12,363,709,905	99.51
30 - 59 days past due	132	0.25	\$ 32,957,606	0.27
60 - 89 days past due	34	0.06	\$ 9,598,550	0.08
90 or more days past due	66	0.12	\$ 18,203,984	0.15
Grand Total	52,926	100.00	\$ 12,424,470,044	100.00

Cover Pool - Provincial Distribution

Province	Number of Loans	Percentage	Principal Balance	Percentage
Alberta	6,483	12.25	\$ 1,450,539,129	11.67
British Columbia	9,342	17.65	\$ 3,299,652,244	26.56
Manitoba	916	1.73	\$ 151,995,162	1.22
New Brunswick	858	1.62	\$ 103,778,259	0.84
Newfoundland	997	1.88	\$ 156,859,245	1.26
Northwest Territories & Nunavut	-	-	\$ -	-
Nova Scotia	1,616	3.05	\$ 271,897,425	2.19
Ontario	21,557	40.73	\$ 4,968,919,004	39.99
Prince Edward Island	286	0.54	\$ 38,818,122	0.31
Quebec	9,142	17.27	\$ 1,637,035,866	13.18
Saskatchewan	1,729	3.27	\$ 344,975,589	2.78
Yukon Territories	-	-	\$ -	-
Grand Total	52,926	100.00	\$ 12,424,470,044	100.00

Cover Pool - Credit Score Distribution

Credit Score	Number of Loans	Percentage	Principal Balance	Percentage
Less than 600 or Unavailable	3,849	7.27	\$ 954,233,724	7.68
600 - 650	2,769	5.23	\$ 686,525,804	5.53
651 - 700	6,535	12.35	\$ 1,632,804,658	13.14
701 - 750	12,522	23.66	\$ 3,144,322,618	25.31
751 - 800	19,794	37.40	\$ 4,613,456,147	37.13
801 and Above	7,457	14.09	\$ 1,393,127,093	11.21
Grand Total	52,926	100.00	\$ 12,424,470,044	100.00

Cover Pool - Rate Type Distribution

Rate Type	Number of Loans	Percentage	Principal Balance	Percentage
Fixed	42,617	80.52	\$ 9,641,019,662	77.60
Variable	10,309	19.48	\$ 2,783,450,382	22.40
Grand Total	52,926	100.00	\$ 12,424,470,044	100.00

Cover Pool - Mortgage Asset Type Distribution

Mortgage Asset Type	Number of Loans	Percentage	Principal Balance	Percentage
Conventional Amortizing Mortgages	52,926	100.00	\$ 12,424,470,044	100.00
Grand Total	52,926	100.00	\$ 12,424,470,044	100.00

Cover Pool - Occupancy Type Distribution

Occupancy Type	Number of Loans	Percentage	Principal Balance	Percentage
Owner Occupied	40,421	76.37	\$ 9,848,592,713	79.27
Non-Owner Occupied	12,505	23.63	\$ 2,575,877,331	20.73
Grand Total	52,926	100.00	\$ 12,424,470,044	100.00

Cover Pool - Mortgage Rate Distribution

Mortgage Rate (%)	Number of Loans	Percentage	Principal Balance	Percentage
Less than 1.00	-	-	\$ -	-
1.00 - 3.99	52,464	99.13	\$ 12,357,678,631	99.46
4.00 - 4.49	308	0.58	\$ 44,600,043	0.36
4.50 - 4.99	106	0.20	\$ 15,488,650	0.12
5.00 - 5.49	35	0.07	\$ 5,043,134	0.04
5.50 - 5.99	9	0.02	\$ 1,040,016	0.01
6.00 - 6.49	4	0.01	\$ 619,570	0.00
6.50 - 6.99	-	-	\$ -	-
7.00 - 7.49	-	-	\$ -	-
7.50 - 7.99	-	-	\$ -	-
8.00 and Above	-	-	\$ -	-
Grand Total	52,926	100.00	\$ 12,424,470,044	100.00

BMO Global Registered Covered Bond Program Monthly Investor Report

Calculation Date: 31-Jan-16
Date of Report: 12-Feb-16

Cover Pool - Indexed LTV Distribution ⁽¹⁾

Indexed LTV (%)	Number of Loans	Percentage	Principal Balance	Percentage
20.00 and Below	5,333	10.08	\$ 405,173,528	3.26
20.01 - 25.00	2,499	4.72	\$ 330,385,630	2.66
25.01 - 30.00	2,707	5.11	\$ 434,034,237	3.49
30.01 - 35.00	2,899	5.48	\$ 539,626,525	4.34
35.01 - 40.00	3,158	5.97	\$ 727,099,934	5.85
40.01 - 45.00	3,892	7.35	\$ 1,011,491,300	8.14
45.01 - 50.00	4,794	9.06	\$ 1,447,444,456	11.65
50.01 - 55.00	6,526	12.33	\$ 2,036,125,640	16.39
55.01 - 60.00	7,053	13.33	\$ 1,997,511,244	16.08
60.01 - 65.00	7,244	13.69	\$ 1,724,272,598	13.88
65.01 - 70.00	3,421	6.46	\$ 885,392,264	7.13
70.01 - 75.00	2,697	5.10	\$ 686,148,964	5.52
75.01 - 80.00	703	1.33	\$ 199,763,724	1.61
80.01 and Above	-	-	\$ -	-
Grand Total	52,926	100.00	\$ 12,424,470,044	100.00

⁽¹⁾ Value as determined by adjusting, not less than quarterly, the Original Market Value utilizing the Indexation Methodology (see Appendix for details) for subsequent price developments.

Cover Pool - Remaining Term Distribution

Months to Maturity	Number of Loans	Percentage	Principal Balance	Percentage
Less than 12	14,226	26.88	\$ 4,014,181,722	32.31
12 - 17	9,504	17.96	\$ 1,879,917,037	15.13
18 - 24	14,375	27.16	\$ 2,944,883,013	23.70
25 - 30	2,692	5.09	\$ 610,497,017	4.91
31 - 36	2,241	4.23	\$ 591,201,310	4.76
37 - 42	1,953	3.69	\$ 526,062,093	4.23
43 - 48	5,371	10.15	\$ 1,283,230,967	10.33
49 - 54	1,456	2.75	\$ 331,871,137	2.67
55 - 60	1,009	1.91	\$ 219,069,152	1.76
61 - 63	1	0.00	\$ 246,162	0.00
72 and Above	98	0.19	\$ 23,310,434	0.19
Grand Total	52,926	100.00	\$ 12,424,470,044	100.00

Cover Pool - Remaining Principal Balance Distribution

Remaining Principal Balance (C\$)	Number of Loans	Percentage	Principal Balance	Percentage
99,999 and Below	10,681	20.18	\$ 674,901,750	5.43
100,000 - 199,999	18,182	34.35	\$ 2,723,319,496	21.92
200,000 - 299,999	12,378	23.39	\$ 3,027,539,268	24.37
300,000 - 399,999	5,560	10.51	\$ 1,908,852,840	15.36
400,000 - 499,999	2,546	4.81	\$ 1,132,418,978	9.11
500,000 - 599,999	1,284	2.43	\$ 700,030,503	5.63
600,000 - 699,999	657	1.24	\$ 425,129,593	3.42
700,000 - 799,999	356	0.67	\$ 265,155,951	2.13
800,000 - 899,999	280	0.53	\$ 237,610,968	1.91
900,000 - 999,999	195	0.37	\$ 184,215,784	1.48
1,000,000 - 1,499,999	542	1.02	\$ 658,674,668	5.30
1,500,000 - 2,000,000	207	0.39	\$ 354,240,456	2.85
2,000,000 - 3,000,000	58	0.11	\$ 132,379,789	1.07
3,000,000 and Above	-	-	\$ -	-
Grand Total	52,926	100.00	\$ 12,424,470,044	100.00

Cover Pool - Property Type Distribution

Property Type	Number of Loans	Percentage	Principal Balance	Percentage
Condominium	11,273	21.30	\$ 2,084,129,140	16.77
Multi-Residential	2,787	5.27	\$ 639,724,338	5.15
Single Family	34,983	66.10	\$ 8,864,529,746	71.35
Townhouse	3,883	7.34	\$ 836,086,820	6.73
Grand Total	52,926	100.00	\$ 12,424,470,044	100.00

Note: Percentages and totals in the above tables may not add exactly due to rounding.

Cover Pool - Indexed LTV and Delinquency Distribution by Province ⁽¹⁾

Province	Indexed LTV (%)	Aging Summary				Total
		Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	
Alberta	20.00 and Below	\$ 37,628,601	\$ -	\$ -	\$ 21,072	\$ 37,649,673
	20.01 - 25	\$ 29,869,172	\$ -	\$ -	\$ -	\$ 29,869,172
	25.01 - 30	\$ 39,447,798	\$ -	\$ -	\$ 576,502	\$ 40,024,301
	30.01 - 35	\$ 55,549,255	\$ -	\$ -	\$ -	\$ 55,549,255
	35.01 - 40	\$ 54,191,461	\$ -	\$ -	\$ -	\$ 54,191,461
	40.01 - 45	\$ 84,212,316	\$ 156,984	\$ -	\$ 788,546	\$ 85,157,845
	45.01 - 50	\$ 96,974,710	\$ 316,907	\$ -	\$ -	\$ 97,291,617
	50.01 - 55	\$ 154,033,649	\$ 414,452	\$ -	\$ -	\$ 154,448,101
	55.01 - 60	\$ 218,292,112	\$ 239,101	\$ -	\$ 827,022	\$ 219,358,236
	60.01 - 65	\$ 331,870,826	\$ 445,756	\$ 165,649	\$ 376,645	\$ 332,858,876
	65.01 - 70	\$ 198,410,684	\$ 327,624	\$ -	\$ 198,650	\$ 198,936,958
	70.01 - 75	\$ 85,878,303	\$ 206,944	\$ -	\$ -	\$ 86,085,247
	75.01 - 80	\$ 57,815,831	\$ -	\$ -	\$ 1,302,558	\$ 59,118,388
	80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -
		1,444,174,717	2,107,769	165,649	4,090,995	1,450,539,129

BMO Global Registered Covered Bond Program Monthly Investor Report

Calculation Date: 31-Jan-16
Date of Report: 12-Feb-16

Aging Summary

Province	Indexed LTV (%)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Total
British Columbia	20.00 and Below	\$ 136,223,719	\$ 218,735	\$ -	\$ 77,829	\$ 136,520,283
	20.01 - 25	\$ 119,471,471	\$ -	\$ -	\$ -	\$ 119,471,471
	25.01 - 30	\$ 155,773,115	\$ 323,589	\$ -	\$ 506,470	\$ 156,603,174
	30.01 - 35	\$ 174,801,140	\$ 309,848	\$ 181,412	\$ -	\$ 175,292,400
	35.01 - 40	\$ 283,073,425	\$ -	\$ 136,038	\$ 221,460	\$ 283,430,923
	40.01 - 45	\$ 409,840,188	\$ 1,253,425	\$ -	\$ -	\$ 411,093,613
	45.01 - 50	\$ 582,308,074	\$ 1,750,925	\$ 300,047	\$ -	\$ 584,359,046
	50.01 - 55	\$ 791,698,446	\$ 2,798,379	\$ 1,002,837	\$ 957,326	\$ 796,456,988
	55.01 - 60	\$ 365,352,156	\$ 2,304,099	\$ -	\$ 1,432,304	\$ 369,088,559
	60.01 - 65	\$ 164,969,699	\$ 738,473	\$ -	\$ 266,232	\$ 165,974,404
	65.01 - 70	\$ 84,546,144	\$ -	\$ -	\$ -	\$ 84,546,144
	70.01 - 75	\$ 16,246,980	\$ -	\$ -	\$ 568,259	\$ 16,815,239
	75.01 - 80	\$ -	\$ -	\$ -	\$ -	\$ -
	80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -
		3,284,304,556	9,697,473	1,620,334	4,029,880	3,299,652,244

Aging Summary

Province	Indexed LTV (%)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Total
Manitoba	20.00 and Below	\$ 3,318,094	\$ -	\$ -	\$ -	\$ 3,318,094
	20.01 - 25	\$ 2,786,465	\$ -	\$ -	\$ -	\$ 2,786,465
	25.01 - 30	\$ 3,029,928	\$ -	\$ -	\$ -	\$ 3,029,928
	30.01 - 35	\$ 5,017,950	\$ -	\$ -	\$ -	\$ 5,017,950
	35.01 - 40	\$ 4,642,997	\$ -	\$ -	\$ -	\$ 4,642,997
	40.01 - 45	\$ 6,343,418	\$ -	\$ -	\$ -	\$ 6,343,418
	45.01 - 50	\$ 8,537,882	\$ 108,989	\$ -	\$ -	\$ 8,646,872
	50.01 - 55	\$ 12,814,231	\$ -	\$ -	\$ -	\$ 12,814,231
	55.01 - 60	\$ 21,835,729	\$ -	\$ -	\$ -	\$ 21,835,729
	60.01 - 65	\$ 45,733,704	\$ -	\$ 179,667	\$ -	\$ 45,913,371
	65.01 - 70	\$ 15,164,498	\$ -	\$ -	\$ -	\$ 15,164,498
	70.01 - 75	\$ 16,420,002	\$ -	\$ 172,291	\$ -	\$ 16,592,293
	75.01 - 80	\$ 5,889,315	\$ -	\$ -	\$ -	\$ 5,889,315
	80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -
		151,534,213	108,989	351,959	-	151,995,162

Aging Summary

Province	Indexed LTV (%)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Total
New Brunswick	20.00 and Below	\$ 3,255,345	\$ -	\$ -	\$ 81,081	\$ 3,336,426
	20.01 - 25	\$ 2,097,164	\$ -	\$ -	\$ -	\$ 2,097,164
	25.01 - 30	\$ 3,362,016	\$ -	\$ -	\$ -	\$ 3,362,016
	30.01 - 35	\$ 3,077,351	\$ -	\$ -	\$ 38,546	\$ 3,115,897
	35.01 - 40	\$ 4,767,066	\$ -	\$ -	\$ -	\$ 4,767,066
	40.01 - 45	\$ 5,710,244	\$ -	\$ -	\$ -	\$ 5,710,244
	45.01 - 50	\$ 6,439,763	\$ -	\$ -	\$ -	\$ 6,439,763
	50.01 - 55	\$ 12,998,144	\$ -	\$ 97,898	\$ -	\$ 13,096,042
	55.01 - 60	\$ 20,366,475	\$ 78,478	\$ -	\$ -	\$ 20,444,953
	60.01 - 65	\$ 27,662,517	\$ -	\$ -	\$ 73,700	\$ 27,736,217
	65.01 - 70	\$ 9,613,652	\$ 363,657	\$ -	\$ -	\$ 9,977,309
	70.01 - 75	\$ 3,695,165	\$ -	\$ -	\$ -	\$ 3,695,165
	75.01 - 80	\$ -	\$ -	\$ -	\$ -	\$ -
	80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -
		103,044,900	442,135	97,898	193,327	103,778,259

Aging Summary

Province	Indexed LTV (%)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Total
Newfoundland	20.00 and Below	\$ 2,797,820	\$ -	\$ -	\$ -	\$ 2,797,820
	20.01 - 25	\$ 2,423,203	\$ -	\$ -	\$ -	\$ 2,423,203
	25.01 - 30	\$ 3,744,458	\$ -	\$ -	\$ -	\$ 3,744,458
	30.01 - 35	\$ 4,063,406	\$ -	\$ -	\$ -	\$ 4,063,406
	35.01 - 40	\$ 3,543,838	\$ -	\$ -	\$ -	\$ 3,543,838
	40.01 - 45	\$ 6,531,181	\$ -	\$ -	\$ -	\$ 6,531,181
	45.01 - 50	\$ 11,536,042	\$ -	\$ -	\$ -	\$ 11,536,042
	50.01 - 55	\$ 12,508,694	\$ -	\$ -	\$ -	\$ 12,508,694
	55.01 - 60	\$ 24,830,556	\$ 86,193	\$ -	\$ 123,780	\$ 25,040,530
	60.01 - 65	\$ 54,010,826	\$ 467,260	\$ -	\$ 305,812	\$ 54,783,898
	65.01 - 70	\$ 20,660,947	\$ 156,183	\$ -	\$ 252,133	\$ 21,069,264
	70.01 - 75	\$ 8,816,910	\$ -	\$ -	\$ -	\$ 8,816,910
	75.01 - 80	\$ -	\$ -	\$ -	\$ -	\$ -
	80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -
		155,467,882	709,637	-	681,726	156,859,245

BMO Global Registered Covered Bond Program Monthly Investor Report

Calculation Date: 31-Jan-16
Date of Report: 12-Feb-16

Aging Summary

Province	Indexed LTV (%)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Total
Northwest Territories	20.00 and Below	\$ -	\$ -	\$ -	\$ -	\$ -
	20.01 - 25	\$ -	\$ -	\$ -	\$ -	\$ -
	25.01 - 30	\$ -	\$ -	\$ -	\$ -	\$ -
	30.01 - 35	\$ -	\$ -	\$ -	\$ -	\$ -
	35.01 - 40	\$ -	\$ -	\$ -	\$ -	\$ -
	40.01 - 45	\$ -	\$ -	\$ -	\$ -	\$ -
	45.01 - 50	\$ -	\$ -	\$ -	\$ -	\$ -
	50.01 - 55	\$ -	\$ -	\$ -	\$ -	\$ -
	55.01 - 60	\$ -	\$ -	\$ -	\$ -	\$ -
	60.01 - 65	\$ -	\$ -	\$ -	\$ -	\$ -
	65.01 - 70	\$ -	\$ -	\$ -	\$ -	\$ -
	70.01 - 75	\$ -	\$ -	\$ -	\$ -	\$ -
	75.01 - 80	\$ -	\$ -	\$ -	\$ -	\$ -
	80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -

Aging Summary

Province	Indexed LTV (%)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Total
Nova Scotia	20.00 and Below	\$ 4,649,748	\$ -	\$ -	\$ -	\$ 4,649,748
	20.01 - 25	\$ 4,736,119	\$ -	\$ -	\$ -	\$ 4,736,119
	25.01 - 30	\$ 5,875,787	\$ -	\$ -	\$ -	\$ 5,875,787
	30.01 - 35	\$ 8,027,974	\$ 224,080	\$ -	\$ -	\$ 8,252,054
	35.01 - 40	\$ 7,476,636	\$ 56,129	\$ -	\$ -	\$ 7,532,765
	40.01 - 45	\$ 12,115,814	\$ 165,474	\$ -	\$ -	\$ 12,281,288
	45.01 - 50	\$ 16,173,132	\$ -	\$ -	\$ -	\$ 16,173,132
	50.01 - 55	\$ 26,093,064	\$ -	\$ -	\$ 408,518	\$ 26,501,582
	55.01 - 60	\$ 39,801,217	\$ 396,417	\$ -	\$ -	\$ 40,197,634
	60.01 - 65	\$ 70,900,034	\$ -	\$ -	\$ -	\$ 70,900,034
	65.01 - 70	\$ 37,799,529	\$ -	\$ -	\$ -	\$ 37,799,529
	70.01 - 75	\$ 32,222,077	\$ -	\$ -	\$ -	\$ 32,222,077
	75.01 - 80	\$ 4,775,677	\$ -	\$ -	\$ -	\$ 4,775,677
	80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -
		270,646,807	842,100	-	408,518	271,897,425

Aging Summary

Province	Indexed LTV (%)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Total
Nunavut	20.00 and Below	\$ -	\$ -	\$ -	\$ -	\$ -
	20.01 - 25	\$ -	\$ -	\$ -	\$ -	\$ -
	25.01 - 30	\$ -	\$ -	\$ -	\$ -	\$ -
	30.01 - 35	\$ -	\$ -	\$ -	\$ -	\$ -
	35.01 - 40	\$ -	\$ -	\$ -	\$ -	\$ -
	40.01 - 45	\$ -	\$ -	\$ -	\$ -	\$ -
	45.01 - 50	\$ -	\$ -	\$ -	\$ -	\$ -
	50.01 - 55	\$ -	\$ -	\$ -	\$ -	\$ -
	55.01 - 60	\$ -	\$ -	\$ -	\$ -	\$ -
	60.01 - 65	\$ -	\$ -	\$ -	\$ -	\$ -
	65.01 - 70	\$ -	\$ -	\$ -	\$ -	\$ -
	70.01 - 75	\$ -	\$ -	\$ -	\$ -	\$ -
	75.01 - 80	\$ -	\$ -	\$ -	\$ -	\$ -
	80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -

Aging Summary

Province	Indexed LTV (%)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Total
Ontario	20.00 and Below	\$ 174,250,847	\$ 84,671	\$ 29,263	\$ 1	\$ 174,364,782
	20.01 - 25	\$ 134,726,259	\$ 122,175	\$ 131,655	\$ 25,830	\$ 135,005,920
	25.01 - 30	\$ 181,764,801	\$ 114,969	\$ -	\$ 139,417	\$ 182,019,186
	30.01 - 35	\$ 233,180,793	\$ 578,426	\$ -	\$ 294,811	\$ 234,054,030
	35.01 - 40	\$ 302,114,045	\$ 617,887	\$ 77,710	\$ 232,749	\$ 303,042,391
	40.01 - 45	\$ 390,781,441	\$ 889,866	\$ -	\$ 1,037,669	\$ 392,708,975
	45.01 - 50	\$ 588,636,136	\$ 1,528,184	\$ 367,720	\$ 501,397	\$ 591,033,436
	50.01 - 55	\$ 811,695,719	\$ 2,495,826	\$ 2,042,445	\$ 250,675	\$ 816,484,666
	55.01 - 60	\$ 1,013,073,779	\$ 2,195,634	\$ 316,822	\$ 790,132	\$ 1,016,376,367
	60.01 - 65	\$ 633,916,912	\$ 1,136,233	\$ 354,417	\$ 94,353	\$ 635,501,915
	65.01 - 70	\$ 298,545,342	\$ 713,648	\$ 98,157	\$ 337,067	\$ 299,694,213
	70.01 - 75	\$ 168,443,340	\$ 200,258	\$ 267,808	\$ -	\$ 168,911,406
	75.01 - 80	\$ 19,654,605	\$ -	\$ 67,110	\$ -	\$ 19,721,716
	80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -
		4,950,784,019	10,677,777	3,753,108	3,704,100	4,968,919,004

BMO Global Registered Covered Bond Program Monthly Investor Report

Calculation Date: 31-Jan-16
Date of Report: 12-Feb-16

Aging Summary

Province	Indexed LTV (%)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Total
Prince Edward Island	20.00 and Below	\$ 712,040	\$ -	\$ -	\$ -	\$ 712,040
	20.01 - 25	\$ 385,157	\$ -	\$ -	\$ -	\$ 385,157
	25.01 - 30	\$ 998,776	\$ -	\$ -	\$ -	\$ 998,776
	30.01 - 35	\$ 1,269,905	\$ -	\$ -	\$ -	\$ 1,269,905
	35.01 - 40	\$ 1,423,465	\$ -	\$ -	\$ -	\$ 1,423,465
	40.01 - 45	\$ 2,399,806	\$ -	\$ -	\$ -	\$ 2,399,806
	45.01 - 50	\$ 2,267,370	\$ -	\$ -	\$ -	\$ 2,267,370
	50.01 - 55	\$ 6,407,935	\$ -	\$ -	\$ -	\$ 6,407,935
	55.01 - 60	\$ 7,448,645	\$ -	\$ -	\$ -	\$ 7,448,645
	60.01 - 65	\$ 10,649,302	\$ -	\$ -	\$ 175,847	\$ 10,825,149
	65.01 - 70	\$ 3,854,302	\$ -	\$ -	\$ -	\$ 3,854,302
	70.01 - 75	\$ 825,573	\$ -	\$ -	\$ -	\$ 825,573
	75.01 - 80	\$ -	\$ -	\$ -	\$ -	\$ -
	80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -
		38,642,275	-	-	175,847	38,818,122

Aging Summary

Province	Indexed LTV (%)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Total
Quebec	20.00 and Below	\$ 36,925,039	\$ -	\$ -	\$ -	\$ 36,925,039
	20.01 - 25	\$ 29,368,860	\$ -	\$ -	\$ 37,063	\$ 29,405,923
	25.01 - 30	\$ 33,278,553	\$ -	\$ -	\$ -	\$ 33,278,553
	30.01 - 35	\$ 44,257,461	\$ -	\$ -	\$ -	\$ 44,257,461
	35.01 - 40	\$ 52,885,089	\$ 378,369	\$ -	\$ 296,962	\$ 53,560,421
	40.01 - 45	\$ 75,495,165	\$ 597,436	\$ -	\$ -	\$ 76,092,601
	45.01 - 50	\$ 98,805,793	\$ 269,474	\$ -	\$ 610,839	\$ 99,686,106
	50.01 - 55	\$ 118,974,063	\$ -	\$ -	\$ -	\$ 118,974,063
	55.01 - 60	\$ 160,763,240	\$ 1,572,548	\$ 483,030	\$ 153,779	\$ 162,972,597
	60.01 - 65	\$ 324,301,646	\$ 1,315,554	\$ 367,724	\$ 884,980	\$ 326,869,904
	65.01 - 70	\$ 199,890,283	\$ 1,332,440	\$ -	\$ 1,124,983	\$ 202,347,706
	70.01 - 75	\$ 338,665,940	\$ 831,115	\$ 2,420,764	\$ 489,047	\$ 342,406,865
	75.01 - 80	\$ 109,124,895	\$ 306,863	\$ -	\$ 826,869	\$ 110,258,628
	80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -
		1,622,736,027	6,603,799	3,271,518	4,424,522	1,637,035,866

Aging Summary

Province	Indexed LTV (%)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Total
Saskatchewan	20.00 and Below	\$ 4,899,624	\$ -	\$ -	\$ -	\$ 4,899,624
	20.01 - 25	\$ 4,205,037	\$ -	\$ -	\$ -	\$ 4,205,037
	25.01 - 30	\$ 5,098,059	\$ -	\$ -	\$ -	\$ 5,098,059
	30.01 - 35	\$ 8,754,166	\$ -	\$ -	\$ -	\$ 8,754,166
	35.01 - 40	\$ 10,964,608	\$ -	\$ -	\$ -	\$ 10,964,608
	40.01 - 45	\$ 13,172,328	\$ -	\$ -	\$ -	\$ 13,172,328
	45.01 - 50	\$ 29,238,583	\$ 772,490	\$ -	\$ -	\$ 30,011,073
	50.01 - 55	\$ 77,524,760	\$ 413,511	\$ -	\$ 495,069	\$ 78,433,339
	55.01 - 60	\$ 114,023,602	\$ 386,308	\$ 338,085	\$ -	\$ 114,747,994
	60.01 - 65	\$ 52,713,214	\$ 195,617	\$ -	\$ -	\$ 52,908,831
	65.01 - 70	\$ 12,002,341	\$ -	\$ -	\$ -	\$ 12,002,341
	70.01 - 75	\$ 9,778,188	\$ -	\$ -	\$ -	\$ 9,778,188
	75.01 - 80	\$ -	\$ -	\$ -	\$ -	\$ -
	80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -
		342,374,509	1,767,925	338,085	495,069	344,975,589

Aging Summary

Province	Indexed LTV (%)	Current and less than 30 days past due	30 to 59 days past due	60 to 89 days past due	90 or more days past due	Total
Yukon Territories	20.00 and Below	\$ -	\$ -	\$ -	\$ -	\$ -
	20.01 - 25	\$ -	\$ -	\$ -	\$ -	\$ -
	25.01 - 30	\$ -	\$ -	\$ -	\$ -	\$ -
	30.01 - 35	\$ -	\$ -	\$ -	\$ -	\$ -
	35.01 - 40	\$ -	\$ -	\$ -	\$ -	\$ -
	40.01 - 45	\$ -	\$ -	\$ -	\$ -	\$ -
	45.01 - 50	\$ -	\$ -	\$ -	\$ -	\$ -
	50.01 - 55	\$ -	\$ -	\$ -	\$ -	\$ -
	55.01 - 60	\$ -	\$ -	\$ -	\$ -	\$ -
	60.01 - 65	\$ -	\$ -	\$ -	\$ -	\$ -
	65.01 - 70	\$ -	\$ -	\$ -	\$ -	\$ -
	70.01 - 75	\$ -	\$ -	\$ -	\$ -	\$ -
	75.01 - 80	\$ -	\$ -	\$ -	\$ -	\$ -
	80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -

(1) Value as determined by adjusting, not less than quarterly, the Original Market Value utilizing the Indexation Methodology (see Appendix for details) for subsequent price developments.

BMO Global Registered Covered Bond Program Monthly Investor Report

Calculation Date: 31-Jan-16
Date of Report: 12-Feb-16

Cover Pool - Current LTV Distribution by Credit Score ⁽¹⁾

Indexed LTV (%)	Credit Scores						Total
	<600	600 - 650	651 - 700	701 - 750	751 - 800	>800	
20.00 and Below	\$ 29,886,277	\$ 11,265,602	\$ 29,036,001	\$ 71,783,286	\$ 165,939,532	\$ 97,262,829	\$ 405,173,528
20.01 - 25	\$ 20,364,839	\$ 16,133,135	\$ 30,054,835	\$ 63,481,541	\$ 134,473,741	\$ 65,877,540	\$ 330,385,630
25.01 - 30	\$ 34,043,704	\$ 18,920,021	\$ 39,906,264	\$ 96,584,610	\$ 177,007,885	\$ 67,571,753	\$ 434,034,237
30.01 - 35	\$ 45,571,107	\$ 23,736,398	\$ 47,744,848	\$ 114,123,509	\$ 225,787,510	\$ 82,663,152	\$ 539,626,525
35.01 - 40	\$ 59,610,465	\$ 33,196,360	\$ 78,018,307	\$ 168,965,632	\$ 291,441,305	\$ 95,867,865	\$ 727,099,934
40.01 - 45	\$ 93,188,361	\$ 43,474,578	\$ 120,554,605	\$ 229,901,811	\$ 395,950,719	\$ 128,421,227	\$ 1,011,491,300
45.01 - 50	\$ 125,713,486	\$ 81,586,229	\$ 196,176,309	\$ 375,800,495	\$ 518,561,855	\$ 149,606,081	\$ 1,447,444,456
50.01 - 55	\$ 174,263,896	\$ 99,587,060	\$ 240,988,359	\$ 526,632,449	\$ 793,842,633	\$ 200,811,243	\$ 2,036,125,640
55.01 - 60	\$ 158,388,994	\$ 107,832,110	\$ 267,892,656	\$ 500,212,460	\$ 747,716,119	\$ 215,468,904	\$ 1,997,511,244
60.01 - 65	\$ 109,962,404	\$ 128,285,461	\$ 271,754,681	\$ 472,731,541	\$ 588,027,949	\$ 153,510,562	\$ 1,724,272,598
65.01 - 70	\$ 51,959,384	\$ 65,014,215	\$ 149,541,197	\$ 256,452,979	\$ 288,177,585	\$ 74,246,904	\$ 885,392,264
70.01 - 75	\$ 39,069,198	\$ 44,464,059	\$ 121,259,452	\$ 205,971,979	\$ 224,518,161	\$ 50,866,116	\$ 686,148,964
75.01 - 80	\$ 12,211,609	\$ 13,030,575	\$ 39,877,143	\$ 61,680,326	\$ 62,011,153	\$ 10,952,918	\$ 199,763,724
80.01 and Above	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 954,233,724	\$ 686,525,804	\$ 1,632,804,658	\$ 3,144,322,618	\$ 4,613,456,147	\$ 1,393,127,093	\$ 12,424,470,044

⁽¹⁾ Market Value as determined by adjusting, not less than quarterly, the Original Market Value utilizing the Indexation Methodology (see Appendix for details) for subsequent price developments.

Calculation Date: 31-Jan-16
Date of Report: 12-Feb-16

Appendix
Indexation Methodology

Starting July 1, 2014, the Guarantor employs an indexation methodology that meets the requirements provided for in the CMHC Guide to determine indexed valuations for Properties relating to the Loans in the Portfolio (which methodology may be changed from time to time and will, at any time, be disclosed in the then-current Investor Report and each future Investor Report for periods from and after July 1, 2014, the "Indexation Methodology") for purposes of the Asset Coverage Test, the Amortization Test and the Valuation Calculation as set forth in the Guarantor Agreement, and for all other purposes as required by the CMHC Guide. Any update or other change to the Indexation Methodology must comply with the requirements of the CMHC Guide and will (i) require notice to CMHC and satisfaction of any other conditions specified by CMHC in relation thereto, (ii) if such update or other change constitutes a material amendment thereto, require satisfaction of the Rating Agency Condition, and (iii) if such update or other change is materially prejudicial to the Covered Bondholders, require the consent of the Bond Trustee.

Initially, the Indexation Methodology to be employed by the Guarantor will be based on (i) with respect to Properties located within the cities of Vancouver, Victoria, Calgary, Edmonton, Winnipeg, Ottawa-Gatineau, Hamilton, Toronto, Montreal, Quebec City and Halifax, data provided by Teranet through its House Price IndexTM (the "House Price Index"), and (ii) for Properties located in all other areas of Canada, a property value that is adjusted using the Teranet - National Bank Composite 11 House Price IndexTM (the "Composite 11 House Price Index"), which is calculated as a weighted average of the data for the eleven cities included in the House Price Index.

The data derived by the House Price Index is based on a repeat sales method, which measures the change in price of certain residential properties within the related area based on at least two sales of each such property over time. Such price change data is then used to formulate the House Price Index for the related area. Details of the House Price Index and the Composite 11 House Price Index may be found at www.housepriceindex.ca.

Certain risks are associated with the use of composite indices and statistics including the House Price Index and the Composite 11 House Price Index, such as (i) the data provided with respect to larger geographical areas could mask localized price fluctuations, and (ii) data on the growth rate for each type of dwelling is not available because the data provided combines all dwelling types and, therefore, the data provided may not reflect price fluctuations for the different types of dwellings. Accordingly, no assurance can be given that the valuation of the Properties in the Portfolio using the Indexation Methodology will result in an accurate determination of the actual realizable value of a particular Property or of the Portfolio as a whole. The Bank can give no assurance as to the accuracy of the information provided by the House Price Index or the Composite 11 House Price Index.