FIRST SUPPLEMENT DATED 15 DECEMBER 2025
TO THE PROSPECTUS DATED 10 SEPTEMBER 2025

BANK OF MONTREAL

(*a Canadian chartered Bank*)

U.S.$50,000,000,000

Global Registered Covered Bond Program

unconditionally and irrevocably guaranteed as to payments of interest and principal by

BMO COVERED BOND GUARANTOR LIMITED PARTNERSHIP

(*a limited partnership established under the laws of the Province of Ontario*)

The Bank of Montreal (the **Bank**) issued a prospectus dated 10 September 2025 (the **Prospectus**), which is a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (as amended, the **EU Prospectus Regulation**), which now forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, the (**EUWA**) (the **UK Prospectus Regulation**). The Prospectus also constitutes admission particulars for the purposes of the ISM Rulebook (as amended from time to time) (the **Admission Particulars**). References to Prospectus herein include the Admission Particulars unless the context otherwise requires.

This first supplement (the **First Supplement**) constitutes a supplement in respect of (i) the Prospectus for the purposes of Article 23 of the UK Prospectus Regulation and (ii) the Admission Particulars, and is prepared in connection with the U.S.$50,000,000,000 Global Registered Covered Bond Program established by the Bank (the **Program**), unconditionally and irrevocably guaranteed as to payments of interest and principal by BMO Covered Bond Guarantor Limited Partnership (the **Guarantor**).

This First Supplement has been approved as a supplement to a base prospectus by the Financial Conduct Authority as competent authority under the UK Prospectus Regulation. The Financial Conduct Authority has only approved this First Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such an approval should not be considered as an endorsement of the Bank nor as an endorsement of the quality of any Covered Bonds that are the subject of this First Supplement. Investors should make their own assessment as to the suitability of investing in such Covered Bonds.

Terms defined in the Prospectus have the same meaning when used in this First Supplement. This First Supplement is supplemental to, and shall be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Bank from time to time.

Each of the Bank and the Guarantor accepts responsibility for the information contained in this First Supplement. To the best of the knowledge of each of the Bank and the Guarantor, the information contained in this First Supplement is in accordance with the facts and this First Supplement contains no omission likely to affect its import.

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION (CMHC) NOR HAS

CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THE PROSPECTUS OR THIS FIRST SUPPLEMENT. THE COVERED BONDS ARE NEITHER INSURED NOR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

1. Purpose of the First Supplement

The purpose of this First Supplement is (i) to incorporate by reference the Bank's 2025 annual information form dated December 4, 2025 and the annual audited consolidated financial statements and management's discussion and analysis as at and for the years ended October 31, 2025 and October 31, 2024, prepared in accordance with International Financial Reporting Standards (**IFRS**), (ii) to include a new defined term in the Terms and Conditions in respect of Compounded SOFR, (iii) to update the section entitled "**FORWARD-LOOKING STATEMENTS**", (iv) to include a new statement in respect of no material adverse change and significant change in the Prospectus, (v) to update certain risk factors in the Prospectus and (vi) to include a new statement in respect of legal and arbitration proceedings in the Prospectus.

2. 2025 Annual Information Form and Annual Audited Consolidated Financial Statements and Management's Discussion and Analysis as at and for the years ended October 31, 2025 and October 31, 2024

By virtue of this First Supplement, the following documents are incorporated in and form part of the Prospectus:

(I) the Bank's 2025 annual information form for the year ended 31 October 2025, dated 4 December 2025, excluding all information therein incorporated by reference (the **2025 AIF**); and

(II)

(a) the audited consolidated financial statements, which comprise the consolidated balance sheet as at 31 October 2025 and 31 October 2024 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended and notes, including a summary of material accounting policy information set out on pages 133 to 202 (the **2025 Financial Statements**), prepared in accordance with IFRS as issued by the IASB, together with the auditors' report on pages 126 to 131 (excluding, for the avoidance of doubt, the auditor's report on internal control over financial reporting under Standards of the Public Company Accounting Oversight Board (United States) on page 132) and the glossary of financial terms on pages 122 to 124;

(b) the management's discussion and analysis of the Bank for the year ended 31 October 2025, on pages 16 to 113 (the **2025 MD&A**);

in each case of the Bank's Annual Report 2025 (the **2025 Annual Report**).

The remainder of the Annual Report 2025 is not incorporated and is either covered elsewhere in the Prospectus or deemed not relevant to investors.

3. Documents Incorporated by Reference

Copies of the 2025 Financial Statements and the 2025 MD&A, each contained in the 2025 Annual Report, and the 2025 AIF have been filed with the National Storage Mechanism and are available for viewing at https://data.fca.org.uk/#/nsm/nationalstoragemechanism and, by virtue of this First Supplement, these documents are incorporated in, and form part of, the Prospectus.

To the extent that any document or information incorporated by reference or attached to this First Supplement itself incorporates any other documents or information by reference therein, either expressly or implicitly, such other documents or information will not form part of this First Supplement for the purposes of the UK Prospectus Regulation or the ISM Rulebook, except where such other documents or information are specifically incorporated by reference or attached to this First Supplement.

4. Forward-Looking Statements

The section entitled "**FORWARD-LOOKING STATEMENTS**" on pages 10 to 11 of the Prospectus is deleted and replaced with the following:

> "Public communications made by the Bank and/or the Guarantor often include written or oral forward-looking statements. Statements of this type are included in this Prospectus and in the documents incorporated by reference, 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 by the Bank (but not the Guarantor) 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. The forward-looking statements in this Prospectus and the documents incorporated by reference may include, but are not limited to, statements with respect to the Bank's objectives and priorities for fiscal 2026 and beyond, the Bank's strategies or future actions, the Bank's targets and commitments (including with respect to net zero emissions), expectations for the Bank's financial condition, capital position, the regulatory environment in which the Bank operates, the results of, or outlook for, the Bank's operations or the Canadian, U.S. and international economies, and include statements made by 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", "commit", "target", "may", "might", "schedule", "forecast", "outlook", "timeline", "suggest", "seek" and "could" or negative or grammatical variations thereof.
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> By their nature, forward-looking statements require the Bank and/or the Guarantor 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 the Bank's and/or the Guarantor's assumptions may not be correct, and that actual results may differ materially from such predictions, forecasts, conclusions or projections. The Bank cautions readers of this Prospectus and the documents incorporated by reference not to place undue reliance on the Bank's and/or the Guarantor's forward-looking statements, as a number of factors – many of which are beyond the Bank's and/or the Guarantor'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 the Bank operates, 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, counter measures and tariff mitigation policies; changes to the Bank'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 the Bank; disruption 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 the Bank 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 the Bank operates; exposure to, and the resolution of, significant litigation or regulatory matters, the Bank'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 the Bank obtains with respect to its customers and counterparties; the Bank's ability to successfully execute its strategic plans, complete acquisitions or dispositions and integrate acquisitions, including obtaining regulatory approvals, and to realise 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 the Bank's future results; the possible effects on the Bank's business of war or terrorist activities; natural disasters, such as earthquakes or flooding, 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 and the Guarantor caution 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 see the Risk Factors starting on page 19 hereof and 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 that starts on page 67 of the 2025 MD&A incorporated herein by reference which outlines 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. Neither the Bank nor the Guarantor undertakes to update any forward-looking statements, whether written or oral, that may be made from time to time by the Bank or the Guarantor or on their respective behalves, except as required by law. The forward-looking information contained or incorporated by reference in this Prospectus is presented for the purpose of assisting shareholders and analysts in understanding the Bank's and the Guarantor's financial position as at and for the periods ended on the dates presented, as well as the Bank's strategic priorities and objectives, and may not be appropriate for other purposes.

Material economic assumptions underlying the forward-looking statements contained in this Prospectus or incorporated by reference in this Prospectus include those set out in the "Economic Developments and Outlook" section on page 27 of the 2025 MD&A incorporated herein by reference, and the "Allowance for Credit Losses" section on page 108 of the 2025 MD&A incorporated herein by reference. 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 the Bank's business. In determining the Bank's 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."

5. Compounded SOFR

A new definition shall be inserted into Condition 4.2(b) (*Interest on Floating Rate Covered Bonds – Rate of Interest – Observation Shift Convention*), as follows:

""**SOFRi**" means, in respect of any U.S. Government Securities Business Day "i" in the relevant Observation Period, SOFR for such U.S. Government Securities Business Day "i"."

6. RISK FACTORS IN PROSPECTUS

The section entitled "**A. RISKS RELATING TO THE BANK**" under the heading "**RISK FACTORS**" on pages 19 to 27 of the Prospectus is deleted and replaced with the following:

"**A. RISKS RELATING TO THE BANK**

Banking and financial services involve a number of risks. Prospective investors should carefully consider the following categories of risks to which the Bank's businesses are exposed. There are numerous factors, many beyond the Bank's control, which could cause the Bank's results to differ significantly from those anticipated. These risks include the following:

1. Credit and counterparty risk is the potential for financial loss due to the failure of an obligor (i.e., 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 the Bank enters into, and also arises in the holding of investment securities, transactions related to trading and other capital markets

products and activities related to securitisation. Credit and counterparty risk represents the most significant measurable risk faced by the Bank. Effective management of credit and counterparty risk is integral to the Bank's success, since failure to do so could have an immediate and significant impact on the Bank's earnings, financial condition and reputation.

2. Market risk is the potential for financial loss as a result of the impact to capital and earnings from adverse changes in market variables that may affect the Bank's trading, underwriting and banking book positions, such as interest rates, foreign exchange rates, credit spreads, equity and commodity prices and their implied volatilities. Market risk arises from the Bank's trading and underwriting activities, as well as its structural banking activities. The magnitude and importance of these activities to the Bank, along with the potential volatility of market variables, call for diligent governance and a robust market risk programme that can provide effective identification, measurement, reporting and control of market risk exposures.

3. Liquidity and funding risk is the potential for financial loss if the Bank is unable to meet its financial commitments in a timely manner at reasonable prices as they come due. Financial commitments include liabilities to depositors and suppliers, as well as lending, investment and pledging commitments. Any failure by the Bank to effectively manage this risk could have a material adverse effect on enterprise soundness and safety, depositor confidence and earnings stability and/or result in difficulty in meeting its obligations under the Covered Bonds.

4. Operational non-financial risk encompasses a wide range of non-financial risks, including those related to business change, customer trust, reputation and data, all of which can result in financial loss. These losses can stem from inadequate or failed internal processes or systems, human error or misconduct, and external events that may directly or indirectly impact the fair value of assets the Bank holds in its credit or investment portfolios. Operational non-financial risk is inherent in all the Bank's business and banking activities and can lead to significant impacts on the Bank's operating and financial results, including financial loss, restatements of financial results and damage to the Bank's reputation. The Bank's ability to conduct business may be adversely affected by disruption to the infrastructure that supports its operations and the communities in which it does business, including, but not limited to, public health or other emergencies, civil disorder, acts of war or terrorism.

5. Legal and regulatory risk is the potential for loss or harm resulting from failure to comply with laws or satisfy contractual obligations or regulatory requirements. This includes the risk arising from any failure to: comply with the law (in letter or in spirit) or maintain standards of care; implement legal 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 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 other penalties for a number of regulatory and conduct issues. The Bank is exposed to risks in connection with regulatory and governmental inquiries, investigations and enforcement actions, as well as criminal prosecutions. As rulemaking and supervisory expectations continue to evolve, the Bank monitors developments and implements changes as required. Failure to comply with applicable legal and regulatory requirements may lead to legal proceedings, financial losses, regulatory sanctions or

fines, enforcement actions, criminal convictions and penalties, operational restrictions or an inability to execute certain business strategies, a decline in investor and customer confidence and damage to the Bank's reputation. Certain businesses are also subject to fiduciary requirements, including policies and practices that address the responsibilities of a business to a customer, such as service requirements and expectations, customer suitability determinations, disclosure obligations and communications. The Bank is subject to legal proceedings, including reviews and investigations by governments and regulators, arising in the ordinary course of business. The unfavourable resolution of a legal proceeding could have a material adverse effect on the Bank's business, financial condition, results of operations, cash flows, capital position or credit rating. In addition, it could require material changes in its operations, lead to operational restrictions or an inability to execute certain business strategies; result in loss of customers; and damage to its reputation. The volume of legal proceedings and the amount of damages and penalties assessed in such legal proceedings could grow in the future. Information regarding material legal proceedings to which the Bank is a party is included in the "Legal Proceedings" section in Note 24 of the 2025 Financial Statements. 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. However, some legal proceedings may be highly complex and could involve novel or untested legal claims or theories. The outcome of such proceedings may be difficult to anticipate until late in the proceedings, which may last several years. Failure to meet these expectations may lead to legal proceedings, financial losses, regulatory sanctions or fines, enforcement actions, criminal convictions and penalties, operational restrictions or an inability to execute certain business strategies, a decline in investor and customer confidence, and damage to the Bank's reputation.

6. Strategic risk is the potential for financial loss or reputational damage stemming from ineffective strategies, challenges in executing chosen strategies, or inadequate responses to shifts in the business environment, such as market dynamics. Strategic risk also includes corporate structure and insurance risk. In recognition of its unique characteristics, strategic risk is classified in the Bank's risk taxonomy as a transverse risk that may manifest itself through other risk types. Strategic risk arises from the risk that the adoption of enterprise or business strategies may not result in the intended outcome due to unsound decision-making, ineffective implementation of strategies or failure to address changes in the business environment that could impact the effective execution of such strategies.

7. 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, and comprises 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 catastrophic risk), policyholder behaviour risk (the risk that the behaviour of policyholders in regard to premium payments, withdrawals or loans, as well as 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). Insurance risk generally entails the inherent unpredictability that can arise from the assumption of long-term policy liabilities or uncertainty around 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 the Bank's insurance products comprising life insurance, annuities (which include the pension risk transfer business), accident and sickness insurance, and creditor insurance, as well as the Bank's reinsurance business.

8. Environmental and social (**E&S**) risk is the potential for loss or harm directly or indirectly resulting from E&S factors that impact the Bank or its customers, and the Bank's impact on the environment and society. E&S risk may arise over a range of time frames, from short-term to long-term. Factors that may give rise to E&S risk include, but are not limited to: climate change; pollution and waste; the use of energy, water and other resources; biodiversity and land use; human rights; talent and inclusion; labour standards, community health; safety and security; land acquisition and involuntary resettlement; Indigenous peoples' rights and cultural heritage.

9. Reputation risk is the potential for loss or harm to the Bank's brand or reputation. It may arise even if other risks are managed effectively. Reputation risk is classified in the Bank's risk taxonomy as a transverse risk that may manifest itself through other risk types. The Bank's reputation is built on its commitment to high standards of business conduct and is one of its most valuable assets. Any failure by the Bank to protect and maintain its reputation could damage its brand, decrease shareholder value, increase the cost of capital, reduce employee engagement and damage customers' loyalty and trust which could have a material adverse effect on the Bank's result of operations.

10. Credit and counterparty, market, liquidity and funding, operational non-financial, legal and regulatory, strategic, insurance, E&S and reputation risks, as well as other risks that may affect the Bank's future results, are discussed more extensively in the "Enterprise-Wide Risk Management" section on pages 67 to 107 of the Bank's 2025 MD&A (excluding any cross-references therein).

Industry and non-company factors

General Economic Conditions

The Bank's operations and financial results are impacted by prevailing economic conditions and the evolution of those conditions, including the rate of GDP growth, monetary and fiscal policies, interest rates, unemployment rates, inflation, immigration levels and market volatility. As the Bank operates in various jurisdictions, foreign exchange fluctuations - particularly between the Canadian dollar and the U.S. dollar - can impact earnings. Evolving trade policies, including the impact of tariffs, may also affect the environment in which the Bank and its clients operate. These factors, as well as economic uncertainty, can constrain business investment and consumer spending.

The Canadian economy weakened in fiscal 2025, primarily due to the impact of changes in U.S. trade policies on certain Canadian exports, although the United States-Mexico-Canada Agreement (**USMCA**) exempts the majority of Canadian exports from the new U.S. tariffs. Canadian and U.S. unemployment rates increased in fiscal 2025, amid softening labour market conditions, which contributed to higher delinquencies and credit losses in the Bank's consumer lending portfolios. Although the inflation rate moderated in response to weaker labour markets and lower commodity prices, a heightened sense of economic uncertainty and the impact of tariffs may increase inflationary pressures. There is also a risk of asset overvaluation in equity and credit markets which could lead to outsized asset value declines, with negative wealth and sentiment effects on the Bank's customers and the broader economy.

Any of these factors could have a material adverse effect on the Bank's business operations, performance and/or financial position.

Escalating Trade Disputes and Geopolitical Developments

Global economies and markets have been, and may in the future be, impacted by geopolitical uncertainty and international conflicts. Ongoing changes in U.S. trade policies are creating a heightened sense of economic uncertainty, with higher sectoral and country-specific tariffs, as well as tariffs on USMCA non-compliant goods. As a result, the upcoming renegotiation of the USMCA in 2026 carries greater risk as termination could lead to increasingly disruptive and costly trade tariffs. In addition, Canadian and U.S. relations with China have become more complex as a result of trade disputes.

Global conflicts, including the conflicts in the Middle East and Ukraine, remain unpredictable amid heightened tensions, and could result in further global instability, significant energy price volatility and market shocks that could damage confidence, investment and consumption, and lead to slower global growth.

The Bank's customers rely on global trade and economic growth. In addition, many U.S. businesses face higher costs from tariffs and purchasing supplies from domestic sources rather than foreign producers that were previously less expensive. The Bank continues to monitor global geopolitical event risks, including policy changes such as trade tariffs, and assesses their potential impact on operations and financial results by using multiple approaches that include stress testing and scenario analysis to mitigate these risks.

Should negative developments occur, this could have a material adverse effect on the Bank's business, financial condition and results of operations.

Cyber and Information Security Risk

Cyber and information security risk arises from the reliance of the Bank's business operations on internet and cloud technologies and dependence on advanced digital technologies to process data. In addition, growing geopolitical tensions are contributing to increasing global exposures to cyber security risks. These risks could impact the confidentiality, integrity or availability of the Bank's systems and data across the Bank's businesses and customer base. The Bank is the frequent target of attempted cyber attacks and must continuously monitor and optimize its capabilities to protect the confidentiality, integrity and availability of its data and technology infrastructure. Successful cyber attacks could lead to exposure or loss of data, including customer or employee information and the Bank's strategic or other sensitive internal information, resulting in identity theft, fraud or business losses. They could also result in system failures and disruption of services, exposure to litigation and regulatory risk, and reputational harm. Threat campaigns are becoming more sophisticated and well organised, including using artificial intelligence to automate and amplify attacks, and often occur through suppliers, which can negatively impact a company's brand and reputation as well as customer retention and acquisition.

The materialisation of such risks whether by service disruption, reputational damage or otherwise arising therefrom could have a material adverse effect on the Bank's business operations, performance and/or financial position.

Technology Resilience and Innovation Risk

Technology resilience risk supports the maintenance of acceptable service levels during, as well as after, severe disruptions to critical processes and the underlying information technology systems. It is critical to providing the Bank's customers with a continuous and consistent experience across all the Bank's digital channels, solutions and platforms. Given the increasing reliance of the Bank's customers on these digital offerings to manage and support their personal, business and investment banking activities, it is crucial that the Bank maintains solutions and platforms that function at high levels of operational reliability and resilience in order to protect and support the availability, integrity and recoverability of critical data, particularly with respect to business-critical systems. Regulatory obligations and customer expectations related to operational resilience continue to increase.

Technological advancements and innovation, in particular AI and digital currencies, are evolving rapidly and creating new risks and competitive pressures across the industry. Through innovation the Bank aims to deliver digital solutions, services, processes and products that keep pace with industry developments and rapidly evolving customer expectations, as well as new competitors, without disruption to business-critical systems. New technologies may introduce more complex regulatory, strategic and reputation risks.

Any materialisation of these risks could harm the Bank's reputation and may affect the Bank's competitiveness, its market share, its growth potential, its customer base and, consequently, could have a material adverse effect on its business, financial condition and results of operations.

Third-Party Risk

The Bank's use of third-party relationships continues to evolve and expand, helping to deliver new and innovative solutions across the Bank and for its clients. While third-party relationships are beneficial for the Bank, they can also give rise to risks that may threaten the Bank's operational resilience, such as compromised customer data or disruptions in the availability of critical products and services, which could financially impact the Bank.

Environmental and Social Risk

The Bank is exposed to environmental and social risks, in particular, physical climate risks such as extreme weather events that could potentially disrupt the Bank's operations, impact its customers and counterparties, and result in potential losses. Factors contributing to heightened environmental risks include weather events of increasing severity and frequency and the further intensification of development in areas of greater environmental sensitivity. Business continuity and disaster recovery plans provide the Bank with the roadmap and tools to support the restoration, maintenance and management of critical operations and processes in the event of a business disruption.

The Bank is also exposed to risks related to borrowers that may experience financial losses or rising operating costs as a result of acute or chronic changes in climate conditions, climate-related litigation and/or policies, such as carbon emissions pricing, or a decline in revenue as new and emerging technologies and changing consumer preferences disrupt or displace demand for certain commodities, products and services.

Legal and regulatory compliance risk or reputation risk could arise from actual or perceived actions, or inactions, by the Bank or its clients related to climate change, other environmental and social issues, or the Bank's climate-related disclosures. Risks related to these issues could also affect the Bank's customers, suppliers or other stakeholders, which could give rise to new risks. Globally, financial services regulators and supervisors are evolving their approaches to the management of climate-related financial risk and disclosures of climate-related financial information. Litigation or enforcement measures could arise from obligations to manage and report on climate-related risks. Any failure by the Bank in effectively managing these risks could have a material adverse effect on its operations and/or result in difficulty in meeting its obligations under the Covered Bonds.

Canadian Housing Market and Consumer Leverage

High household debt continues to be a challenge for household spending and the broader economy. Despite recent rate reductions by the Bank of Canada, many borrowers still face higher mortgage payments at renewal, as well as challenges such as increasing unemployment rates that could lead to higher credit losses, particularly in unsecured consumer credit. Unsecured consumer loan losses could increase if economic weakness results in further increases in the unemployment rate. The housing market recovery will likely be constrained by regional disparities in affordability, in major markets within Ontario and British Columbia, as well as lower immigration levels, which could impact mortgage origination volumes. The risk of credit losses in the Bank's mortgage portfolio is partially mitigated by low loan-to-value and prudent underwriting practices that stress test customers' ability to service mortgage debt at higher interest rates. While portfolio stress test analysis suggests that even significant housing price declines and challenging economic conditions would result in manageable losses, primarily due to insurance coverage and the level of equity held by owners with seasoned loans, delinquencies and insolvencies in the Bank's portfolio could adversely affect the Bank's results and financial condition.

Regulatory Environment and Changes

The financial services industry is highly regulated, and the Bank operates in an environment of increasingly complex regulatory requirements and expectations, as governments and regulators globally continue to pursue major reforms intended to strengthen the stability of the financial system and protect crucial markets and participants. These reforms may lead to further increases in regulatory capital or liquidity requirements and additional compliance costs, which could lower returns and reduce growth. Such reforms could also affect the cost and availability of funding and the level of the Bank's market-making activities. Regulatory reforms may also impact fees and other revenues for certain operating segments. In addition, differences in the laws and regulations enacted by a range of national regulatory authorities may offer advantages to the Bank's international competitors, which could affect the Bank's ability to compete. The Bank monitors such developments, and other potential changes, so that it is well-positioned to respond and implement any necessary changes. The Bank is subject to legal proceedings, including reviews and investigations by governments and regulators arising in the normal course of business. Failure to comply with applicable legal and regulatory requirements and expectations could lead to further legal proceedings, financial losses, regulatory sanctions and fines, enforcement actions, criminal convictions and penalties, operational restrictions or an inability to execute certain business strategies, a decline in investor and customer confidence, and damage to the Bank's reputation. If any of the risks set out above were realised, this could have a significant adverse effect on the Bank's business operations, its performance and/or its financial position.

Tax Legislation and Interpretations

Legislative changes and changes in tax policy, including their interpretation by tax authorities and the courts, may impact the Bank'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 Canadian and U.S. governments, other G20 governments and the Organisation for Economic Co-operation and Development (**OECD**) to increase taxes, broaden the tax base globally and improve tax-related reporting. For example, in fiscal 2024, the Canadian government enacted the Global Minimum Tax Act to adopt the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting two-pillar plan (Pillar 2) for international tax reform, which levied a 15 per cent. minimum tax on operations globally. Changes in taxation regulations which increase the level of the tax payable by the Bank will affect the Bank's financial results and, consequently, could have a material adverse effect on its business, financial condition and results of operations.

Changes to Business Portfolio

As part of its overall business strategy, the Bank may acquire companies, businesses and assets. Although the Bank conducts thorough due diligence before completing these acquisitions, some may not perform in accordance with the Bank's financial or strategic objectives or expectations, and may be dependent, amongst others, on timely regulatory and shareholder approvals, changes in the competitive and economic environment and acquisition-related integration costs. Successful post-acquisition performance depends on retaining the clients and key employees of acquired companies and businesses and integrating key systems and processes without disruption.

The Bank also evaluates potential dispositions of assets and businesses that may no longer meet the Bank's strategic and financial objectives. Dispositions may be impacted by the terms and timeliness of exit strategies and greater than expected disruption, and may also be subject to the satisfaction of conditions and the granting of governmental or regulatory approvals on acceptable terms, that, if not satisfied or obtained, may prevent the completion of a disposition as intended, or at all. Any such delay, failure or deficiency in the Bank's dispositions could have a material adverse effect on the Bank's business, financial condition and results of operations and may consequently affect the Bank's ability to make payments under the Covered Bonds.

Critical Accounting Estimates, Judgments and Accounting Standards

The Bank prepares its consolidated financial statements in accordance with International Financial Reporting Standards (**IFRS**). Future changes in accounting policies are discussed in the Future Changes in Accounting Policies section of the Bank's MD&A, as well as in Note 1 of the 2025 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.

The Bank'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 and could have a material adverse effect on the Bank's financial condition and may consequently affect the Bank's ability to make payments under the Covered Bonds."

7. Legal and Arbitration Proceedings

The subsection entitled "**Legal Proceedings**" under the heading "**BANK OF MONTREAL**" on page 89 of the Prospectus is deleted and replaced with the following:

"As disclosed in Note 24 on page 197 of the 2025 Financial Statements, the Bank and its subsidiaries are party to legal proceedings, including regulatory investigations, in the ordinary course of business. While there is inherent difficulty in predicting the outcome of these proceedings, the Bank does not expect the outcome of any of these proceedings, individually or in the aggregate, to have a significant effect on the consolidated financial position or the results of operations of the Bank."

8. No Material or Significant Change

Paragraph 4 under the heading "**GENERAL INFORMATION**" on page 344 of the Prospectus is deleted and replaced with the following:

"There has been no significant change in the financial performance or financial position of the Bank and its Subsidiaries, including the Guarantor, taken as a whole and no material adverse change in the prospects of the Bank and its Subsidiaries, including the Guarantor, taken as a whole since 31 October 2025, being the date of the latest published audited consolidated financial statements of the Bank."

9. General Information

To the extent that there is any inconsistency between (a) any statement in this First Supplement or any statement incorporated by reference into the Prospectus by way of this First Supplement and (b) any other statement in, or incorporated by reference in, the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this First Supplement and any supplement to the Prospectus previously issued, no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Program has arisen or been noted, as the case may be, since the publication of the Prospectus.

Copies of this First Supplement, the Prospectus and the documents incorporated by reference in either this First Supplement or the Prospectus can be obtained on written request and without charge from (i) the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under “Bank of Montreal” and the headline “Publication of Prospectus”, (ii) the specified office in London, England of The Bank of New York Mellon, London Branch, the Issuing and Paying Agent, (iii) the Corporate Secretary’s Office of the Bank, 100 King Street West, 1 First Canadian Place, 21st Floor, Toronto, Ontario, Canada, M5X 1A1 and (iv) the Bank’s website at https://www.bmo.com/home/about/banking/investor-relations/fixed-income-investors/coveredbonds/registered-covered-bond#.