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CONFERENCE PARTICIPANTS

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We caution that the foregoing list is not exhaustive of all possible factors. Other factors and risks could adversely affect our results. For further information, please refer to the discussion in the Risks That May Affect Future Results section, and the sections related to credit and counterparty, market, liquidity and funding, operational non-financial, legal and regulatory compliance, strategic, environmental and social, and reputation risk in the Enterprise-Wide Risk Management section of BMO's 2025 Annual Report, and the Risk Management section in our First Quarter 2026 Report to Shareholders, all of which outline certain key factors and risks that may affect our 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. We do not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by the organization or on its behalf, except as required by law. The forward-looking information contained in this document is presented for the purpose of assisting shareholders and analysts in understanding our financial position as at and for the periods ended on the dates presented, as well as our strategic priorities and objectives, and may not be appropriate for other purposes.

Material economic assumptions underlying the forward-looking statements contained in this document include those set out in the Economic Developments and Outlook section of BMO's 2025 Annual Report, as updated in the Economic Developments and Outlook section in our First Quarter 2026 Report to Shareholders, as well as in the Allowance for Credit Losses section of BMO's 2025 Annual Report, as updated in the Allowance for Credit Losses section in our First Quarter 2026 Report to Shareholders. Assumptions about the performance of the Canadian and U.S. economies, as well as overall market conditions and their combined effect on our business, are material factors we consider when determining our strategic priorities, objectives and expectations for our business. In determining our expectations for economic growth, we primarily consider historical economic data, past relationships between economic and financial variables, changes in government policies, and the risks to the domestic and global economy.

Non-GAAP Measures and Other Financial Measures

Results and measures in this document are presented on a generally accepted accounting principles (GAAP) basis. Unless otherwise indicated, all amounts are in Canadian dollars and have been derived from our audited annual consolidated financial statements, and our unaudited interim consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board. References to GAAP mean IFRS. We use a number of financial measures to assess our performance, as well as the performance of our operating segments, including amounts, measures and ratios that are presented on a non-GAAP basis, as described below. We believe that these non-GAAP amounts, measures and ratios, read together with our GAAP results, provide readers with a better understanding of how management assesses results.

Management considers both reported and adjusted results and measures to be useful in assessing underlying ongoing business performance. Adjusted results and measures remove certain specified items from revenue, non-interest expense and income taxes. Adjusted results and measures presented in this document are non-GAAP. Presenting results on both a reported basis and an adjusted basis permits readers to assess the impact of certain items on results for the periods presented, and to better assess results excluding those items that may not be reflective of ongoing business performance. As such, the presentation may facilitate readers' analysis of trends. Except as otherwise noted, management's discussion of changes in reported results in this document applies equally to changes in the corresponding adjusted results.

Non-GAAP amounts, measures and ratios do not have standardized meanings under GAAP. They are unlikely to be comparable to similar measures presented by other companies and should not be viewed in isolation from, or as a substitute for, GAAP results.

Examples of non-GAAP amounts, measures or ratios include: pre-provision pre-tax income, tangible common equity, amounts presented net of applicable taxes, adjusted net income, revenues, non-interest expenses, earnings per share, return on equity, return on tangible common equity, and adjusted efficiency, operating leverage, growth rates and other measures calculated using adjusted results, which exclude the impact of certain items, such as acquisition and integration costs and amortization of acquisition-related intangible assets. BMO provides supplemental information on combined operating segments to facilitate comparisons to peers.

Certain information contained in BMO's Management's Discussion and Analysis (MD&A) as at February 25, 2026, for the period ended January 31, 2026 ("First Quarter 2026 MD&A"), is incorporated by reference into this document. Quantitative reconciliations of non-GAAP and other financial measures to the most directly comparable financial measures in BMO's financial statements for the period ended January 31, 2026, an explanation of how non-GAAP and other financial measures provide useful information to investors and any additional purposes for which management uses such measures, can be found in the Non-GAAP and Other Financial Measures section of the First Quarter 2026 MD&A. For further information regarding the composition of our supplementary financial measures, refer to the Glossary on pages 39-40, and Glossary of Financial Terms section of the First Quarter 2026 MD&A, which is available online at www.bmo.com/investorrelations and at www.sedarplus.ca.

Certain comparative figures have been reclassified to conform with the current year's presentation.

March 24, 2026 / 10:30AM, National Bank Financial Services Conference

PRESENTATION

Gabriel Dechaine – *National Bank – Analyst*

Welcome back and welcome back, Piyush Agrawal, BMO's Chief Risk Officer, your second time at this conference.

Piyush Agrawal – *Bank of Montreal – CRO*

Second time. You missed me last year, but I'm back.

Gabriel Dechaine – *National Bank – Analyst*

Yeah. Last year was Liberation Day. I forget 2024, what was going on then? I'm sure there was something.

Piyush Agrawal – *Bank of Montreal – CRO*

I believe it was tariffs.

Gabriel Dechaine – *National Bank – Analyst*

Tariffs. Yeah. Kind of a different version of the same story. This year, well, the big event is what's going on in the Middle East in the last few weeks, which begs the question, because Q1, your latest outlook for the world and things can happen and things happen.

So, given the situation that we're in today, what new risks are you evaluating now, exposures, and what sort of impact could this situation have on your credit outlook?

Piyush Agrawal – *Bank of Montreal – CRO*

Sure. Well, Gabe, thanks again for having me. It's wonderful to be back in Montreal. I think, from a CRO perspective, we track a host of issues both in the emerging and material risks and we have a very good structure around how we manage through those.

I'd say as the audience knows, I think geopolitics has risen to the top and it's something that is high on our minds, given what's been going on in the Middle East. And so, starting out, I think I want to acknowledge the human casualty of war. And you're seeing that impact on our communities, our employees. So, that's a big deal.

But I think going beyond, while we've got a very good playbook and we've been looking at these kinds of risks for a long period of time, it has risen. And right now, where we stand, it's something that is hopefully a short-term impact or maybe transitory and goes away in a week or two, because if it stays longer, I think it will have more cascading impact to all of us.

And there'll be winners in terms of the oil export nations, but then, you have challenges as you're beginning to see, especially as you're seeing the news around Asia Pac and Europe and some of the economies and what's happening in terms of fuel and gas rationing.

So, stepping back, while Canadian GDP, as an oil export country, is good, the impact of oil shortages or the oil price and many of the other raw materials that we don't talk about for food production or even for agri like sulfur and ammonia will have inflationary impact.

So, the hope is that this thing solves in a week, two weeks and, hopefully, we don't have to make many changes, but if it continues for a month, then, I think, it changes the macro nature for the future for quite some time. And so, I think the range of scenarios is broad. Within that, I think we've got – I believe we have very good capital and liquidity in a strong risk framework to manage through this. But we will have to recalibrate our expectations depending on the durability or how long this crisis continues.

Gabriel Dechaine – *National Bank – Analyst*

Right. And I won't hold you to it, but I'll still ask the question. Seems like this is a kind of environment where the performing provision is going to get a bit more scrutiny than it normally does, at least from people like me and expectations are changing on the fly. We've had two periods where – two to three where performing provisions were really increased, 2020 March timeframe, and then Q2 last year following Liberation Day. And one was, I don't know, 10 basis points to 15 basis points type of situation. And then, the other one is 100 basis points, I forget exactly, but very big to – noticeable. Based on what you know today, where would we fall on that spectrum if at all?

Piyush Agrawal – *Bank of Montreal – CRO*

Yeah. No. You're right. So, we are coming from a position of strength. So, we have about \$4.6 billion of performing provisions, 69 basis points and just to reset, for everybody, it's been 15 quarters we have built and we were, at one point, our low point was low-40s. So, from low-40s to 69 basis point gives us immense resiliency for anything ahead of us.

My base case continues to be the same, which is, as I've said, in an economy that's improving and our portfolio quality that gives me a lot of confidence that is also improving after a few quarters of risk-rating migration, I don't see any large builds even as we grow, because there are offsets, and I don't see any releases because of the amount of uncertainty.

I mean, one of the things we've been talking about, the most certain piece is the amount of uncertainty in the environment and that continues for some time. So, I think our performing provision at 69 basis points is going to be neutral-ish through the year just given this environment. But I'm also conscious, and as we get into the second quarter end earnings, you'll have a better sense going in, is what happens from the event we just talked about in the Middle East.

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And if it's a short-term exit, I think that scenario remains unchanged. If we see this war continue for three, four weeks, I'm certain it's going to change the macroeconomic outlooks for both the U.S., Canada primarily, because it will have an impact. And then, we'll have to recalibrate that expectation and come back. So, if you do see anything, you'll probably see it in the performing PCL first.

But we've been through these kinds of situations of uncertainty like the tariff situation and we built provisions gradually until it came to a decent point. And I think that's the way I'm thinking about performing.

So, starting point already very strong. Our portfolio drivers, in terms of quality and our expectations, very positive. I would say generally speaking, it's this uncertainty element that I think everybody will have to recalibrate to, depending on how this goes on for the next four, five weeks.

Gabriel Dechaine – *National Bank – Analyst*

69 basis point performing provision, something that we're still talking about it, but just not as intensely as before. But the CUSMA, USMCA renegotiation risk, what was – had you felt like you covered yourself off for what kind of scenario?

Piyush Agrawal – *Bank of Montreal – CRO*

Yeah. So, we run multiple scenarios in this and the base case is CUSMA will get renegotiated. So, there is uncertainty around it. But you've got to put some assumptions around what your expectation is and the base case is, it will get renegotiated and 85% of Canadian exports will continue as-is, so in a very BAU format. But you also have to take into account the 5% scenario. So, those are in our weightings – we cover those. I think, at this point, I would say my best case or my base case actually is a static or stable CUSMA even after renegotiation.

But again, lots of variables given who the parties involved are.

Gabriel Dechaine – *National Bank – Analyst*

Yeah. No kidding. I guess the performing provision question, last one I'll have on that and that's as unfathomable as it is today. But we were talking about releases not too long ago. Setting aside this major global event, what do you need to see before you would do anything like releasing provisions for now?

Piyush Agrawal – *Bank of Montreal – CRO*

Yeah. So, I think the biggest piece is going to be in the drivers of what the performing provision is built upon. And that is, really start seeing growth back and sustainability in our credit performance.

So, we are beginning to see that. You've seen us deliver some very strong quarters of credit performance from where we were to how we've been stepping down. And I think even though our guidance remains unchanged on impaireds in the mid-40s, our expectation is that this momentum brings us further closer to our long-term averages as we go through 2027.

Gabriel Dechaine – *National Bank – Analyst*

Okay. And then, I guess, while we're talking about performing, impaireds, your guidance for this year is to be of a ratio that's relatively flat versus 2025, albeit improving over the course of the year?

Piyush Agrawal – *Bank of Montreal – CRO*

So, again, I'm going to go through the base case. Q1, 44 basis points and through the year, our guidance is exactly that. But just to break it up, if you think about where we are in across our portfolios and the economic implications, let me try retail and wholesale separate.

So, I'll begin with the U.S. U.S. retail should be similar to what you saw in first quarter. Commercial in the U.S. continues to improve. We had a very strong performance in Q1. Some of that was also some outsized recoveries we got, which we were expecting on the back end. Those may not repeat, one or two files, but, overall, our gross write-offs in the U.S. should be in line or better than Q1, except you won't get the benefit of recoveries.

So, you might see the U.S. be a little bit flat to a little bit up. And then, on the Canadian side, Canadian retail, because of the unsecured and because of what you're seeing in the macro environment, consumers continue to see some stress. So, we might have some build in Q2 for retail and commercial elevated, but under control. So, flattish over there.

So, roundtrips to about a flat to mid-40s as we've been guiding, because we have a bigger wholesale book, one or two files can move the number. But generally speaking, I'm pretty bullish around the guidance we've given. Again, I don't expect geopolitical situations to change the short-term outlook, but as you go into two or three quarters down, depending on how that flows out, we'll come back and give you a better guidance.

Gabriel Dechaine – *National Bank – Analyst*

Yeah. And I guess that it does become a 2027 thing.

Piyush Agrawal – *Bank of Montreal – CRO*

It'd take two or three quarters depending on the industry impact from some of the raw materials and other things that are going through.

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Gabriel Dechaine – *National Bank – Analyst*

Okay. Let's see if there's any other interesting topics here, private credit.

Piyush Agrawal – *Bank of Montreal – CRO*

I haven't heard of that.

Gabriel Dechaine – *National Bank – Analyst*

Right. Talk about your exposure first, just to kind of frame it a little bit. But if we're thinking about the most topical exposure, it's where you were essentially funding a private credit company that's lending to mid-market or other entities and that's about 2% of your loan book, right, consolidated? What do you do as far as – or what comments can you make to say, well, that's not going to be a problem? Because 2% doesn't sound like much, but it's a big percentage of the book value. So, what are some of the characteristics of that portfolio that make it such that we shouldn't be too concerned?

Piyush Agrawal – *Bank of Montreal – CRO*

So, it's been in the news. So, let me talk about private credit and I think the easiest thing to do is probably put that in context around what the market misunderstands as non-bank financial credit exposure.

So, I'll begin with the headline. Our private credit exposure is very small and it's not something that keeps me up at night amongst the many things we talk about. But just for our audience to really appreciate this, we disclose about \$68 billion of non-bank financial exposure, right? So, this is just exposure to anything that's not a bank in the financial space. And if I funnel it down, 50% of that is to our subscription call facilities, which we've been in the business for 30 years and had zero loss on that. It's low-risk, high-return business. And I think they'll be in this for a long time given our expertise in subscription finance, which is lending to private equity funds overall. So, that's a big chunk that's out.

The second piece, the market probably misunderstands is to large, I call it, finance companies. And finance companies can be mortgage finance companies, could be consumer finance companies or could be business finance companies. It's this business finance companies that, in my mind, is broadly private credit. These are companies we lend to, who then lend to the end market, to middle market companies in the financing.

We do that business directly, but we also do it through our private credit partners. So, we've named a few. We've partnered with a few, but we've been pretty strategic about the choices about who to give money to in private credit. And the reason I say I'm not worried why it's small is, we've tried in that strategic nature to have private credit partners aligned with the bank's thinking around due diligence, around early problem recognition and the ability to work out, which is not something you see across the private credit space.

And so, it so happens in the small exposure, we've actually re-underwritten about 75% to 80% of all of the loans ourselves, because some of that is on our books and some of that we've re-underwritten anyway even though it's on private credit books.

So, I feel very good about the structure, the collateral coverage as it relates to BMO's private credit exposure. And outside of that, there are some insurance companies and other exposures. So, I think the market takes the NBF1 and worries about what is in the NBF1 book. That's what I was trying to give you clarity on, that the NBF1 book is the bigger piece in which private credit is a smaller piece and it's something that is less than 1% of our overall private credit exposure.

Gabriel Dechaine – *National Bank – Analyst*

And then, the nature of, I guess, the distribution strategy, if you will, the other concern is with funds that have investors that are asking for their money back, you have more permanent capital embedded in the customers that you've lent money to?

Piyush Agrawal – *Bank of Montreal – CRO*

So, I think what you're reading in the press is retail investors in private credit trying to get their money back just given some of the news. And the funds we have partnered with, I don't believe have the retail credit problem or retail investor problem. But, yeah, we're reading about those and I think some of the news around private credit is probably overdone.

But again, over time, the market will figure out if this is a product meant for retail investors, which is why these gating factors have been put into place. But I think broadly speaking, over time, we'll see whether there's a lot of news around it versus this thing will play out over time. They do serve an important purpose, right, because like banks, they have been able to provide credit to the broader capital to this sector overall.

Gabriel Dechaine – *National Bank – Analyst*

So, the capital call loans, you mentioned those the private equity – loans to private equity, companies just waiting for their investors to give them money and then they pay you off. What are the safeguards around that lending? You've lost nothing ever since you've been doing it, but just want to know.

Piyush Agrawal – *Bank of Montreal – CRO*

Sure. So, private equity call subscription is very short-term bridge facilities to LP commitments. And what happens is, I'm fully secured by the LP commitments. You're actually over collateralized. And so, think of these as short-term bridge facilities when a general partner makes a bunch of equity investments. Over time, they'll make the call. The LP sends the money. We actually underwrite each of the LPs and the monies are paid out.

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Gabriel Dechaine – *National Bank – Analyst*

And there's no, I guess, the retailification concerns there.

Piyush Agrawal – *Bank of Montreal – CRO*

It's all institutional money, LPs. And so, 30 years of experience for us and the industry gives us enough empirical evidence about the product and the customers.

Gabriel Dechaine – *National Bank – Analyst*

I'm going to ask about software industry exposure, but I'll broaden the note to any industry these days. And the reason I'm asking that is we've seen a lot of software stocks and reflecting the risk of AI and disruption in their business models, going kaput, essentially. Like, what's your exposure? I'm being hyperbolic.

What's your exposure to software companies? And beyond that, the bigger picture question is what are you doing from a risk assessment standpoint? You lend money to companies that may be facing a much -- that are facing much more risk of becoming obsolete much faster than horse and buggies did back when Ford was around.

Piyush Agrawal – *Bank of Montreal – CRO*

Look, I think software is an industry that's been around for quite some time. It has a tremendous offtake. And these are cash flow positive companies, which we all benefit from. So, our overall take to what software is no different than a non-software, which is in the underwriting, a core tenet of underwriting is disruption risk and so, in the risks of each company and many of them have been around for decades now, we've actually evaluated that.

Now, what's happening is, in the last few months with AI coming in, there has been a much more, I would say, talk about obsolescence. So, we do think about obsolescence risk. And I would say to you, again, within the granularity of the book, software, again, is a small number, it's, I'd say, a little over 0.5%, so it's not big, and again, granular exposure to lots of companies. And the way you manage this is you have to go in and talk to clients.

So, these aren't startup companies. These are companies who've been in business. They are cash flow positive. They have a real value-add. These are companies and names, many of which you know you work with, you deal with. So, overall, yeah, we continue to evaluate, but I think they are being also the beneficiaries of AI, because they're going to use AI in their operations to substitute and become even more effective.

What we're doing is this client dialogue to really understand how quickly is obsolescence coming. Is this an overnight thing or this is going to take a cycle or a few years? And I think I'm in the latter camp. I don't think everything turns tomorrow and AI is the only thing and there's no software. But at the same time, we're being mindful about our exposures and looking at what we have.

So, more to come as we learn more. But I would also add to you is the opportunity set that exists because of what's going on. So, in addition to what AI is doing to software, think of the AI ecosystem and in the AI ecosystem, we've been very good in a very integrated way thinking about power usage. So, therefore, you know what power companies are doing, building out new plants, new transmission, thinking about data centers, both for hyperscalers as well as AI companies. And I think that's a great solution or a new revenue stream as you think about feeding the AI ecosystem through one lens.

So, I think, overall more to come as AI continues to play out. I mean, we are using AI and testing AI across the bank, in many places. I'm doing that in risk and in some areas huge success and some areas slow.

Gabriel Dechaine – *National Bank – Analyst*

Right. I guess like as far as applying that thought process to all sectors now, I guess is that where the puck is going?

Piyush Agrawal – *Bank of Montreal – CRO*

Everywhere. So, as you think about risk underwriting or reviews, it's foundational to understand what happens to your industry with AI or any other new technology -- that's not changed. We just change the name of the new technology to AI to ask the question.

And so, across the board, I have a pretty good sense and it's getting better as our bankers are analyzing the impact of AI to their client and coming back. And we'll have an aggregate view of that.

Gabriel Dechaine – *National Bank – Analyst*

Okay. This is a question about your Canadian commercial book, but also I'm going to tie into a phenomenon that impacted your U.S. commercial book in 2024 when losses piled up. One of the explanations was that the period of higher rates just was too much of a burden at some point and some companies just ran out of gas; understandable.

Can we apply that logic to the Canadian commercial portfolio, but replace high rates as the burden with trade uncertainty? Because it's been a few years we've been talking about trade uncertainty, lack of investment. At some point, you got to think -- and we probably already have, just some companies are running out of gas as well, but for a different reason.

Piyush Agrawal – *Bank of Montreal – CRO*

Yeah. So, I think the problems in the U.S. are very different from Canada. And so, I think as we've gotten ahead of the U.S. piece. For Canada, the challenge really became much more of a macro because of the trade uncertainty, because when you've got such a large dependency and trade flow between U.S. and Canada, the sudden, I would say, stoppage or the news items changed the sentiment of what's next. And now, some of that's getting, I would say, solved through what the Prime Minister is doing around global relationships with new countries. But these supply chains will take time.

So, it's the sentiment over the last one year that had been slow, coupled with some of the slowdowns across the board. I think that puck is moving now. And over time, you'll start to see that change. There is, of course, on one side, the new challenge of the Middle East, what might happen and the USMCA renegotiation. But there has

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been a lag in the cycle of CapEx that's overdue. And so, as we're talking to our clients, they're getting ahead of that and saying, I think no matter what the new CUSMA negotiation is, we will have a case to increase production or change our supply chain or improve our supply chain.

So, we're beginning to see pipelines fill up. We're beginning to see loan growth in Canada. You're seeing the commercial real estate cycle in Canada pick up again. So, it's been a much more positive story and I think it's because of the resilience in the overall economy that some of that slowdown or the pause you saw for the first year is now actually going through the logjam and beginning to open itself.

Gabriel Dechaine – *National Bank – Analyst*

Okay. Just to wrap up on the Canadian consumer, historically, when we think about BMO, we don't really spend too much time thinking about that. However, your credit card portfolio did experience some higher loss rates because of its place in the market. I was surprised, in Q1, to see pretty stable losses. Usually after the holidays, it picks up a bit. So, what have you done to sort of mitigate the risk that you were seeing over the course of last year and to yield that result, which looked actually better than what I expected to see here?

Piyush Agrawal – *Bank of Montreal – CRO*

So, we've been doing a lot of work since we picked up on some of the risk factors, because the two things that were really impacting the Canadian unsecured was the higher unemployment and then the insolvencies.

Now, the higher unemployment is going to continue to be a factor and it's not, right now, a tailwind, because you saw that uptick in the unemployment to 6.7%. In our base case, we see that coming down quite a bit.

And then, insolvency was the other hard piece to predict. It's already at an all-time high, I think, the 15 or 20-year high of insolvency. So, it's showing you some stress in the Canadian consumer because of the overleverage, because of what's been going on.

So, what we've done is we've actually taken some early action to identify, I would say, almost pre-delinquency customers. And the way you do that is through smarter analytics, model updates. We've got things that can now predict insolvency in customers. These are customers, some of whom have never gone delinquent who've chosen the insolvency route. But I think better customers, better engagement with our clients is helping, which is how the loss rate you can see is flattish.

We'd like it to come down and I think in a couple of quarters, you'll see that too, because there's a big back book. I think the new growth we are seeing in our premium segment has been fantastic. It's meeting all the risk appetite hurdles. So, that's a positive. But we can also take more action. You've seen us take action in the U.S. where we're able to sell some non-performing or lower-rated books.

And so, as you think about it, I think there are some tools we can continue to deploy to help our Canadian consumer book as well.

Gabriel Dechaine – *National Bank – Analyst*

So, the card book, do you think the losses will come down from maybe because some of the actions you took last year, like the book shrunk, which looks like a risk mitigation strategy at play.

Piyush Agrawal – *Bank of Montreal – CRO*

I think it's going to continue to actually tick up for the next few quarters before you see the decline.

Gabriel Dechaine – *National Bank – Analyst*

Okay. Well, that brings us to time. And yeah, a great discussion today. A lot of interesting topics. Unfortunately, with the Risk Officer, we prefer it to be boring. But that's makes for a better discussion.

Piyush Agrawal – *Bank of Montreal – CRO*

Thanks to you.
