
CWB reports solid financial performance for fiscal 2019

Strong execution against balanced growth strategic objectives with ongoing loan portfolio diversification

A record \$1.5 billion increase of branch-raised deposits with 12% annual growth

Full-year adjusted cash earnings per common share of \$3.15, up 5% from 2018

“Fiscal 2019 was another strong year of operating performance and execution of our transformational strategy. We generated solid loan growth with further geographic and industry diversification, including strong 11% growth in Ontario and very strong 15% overall growth in the strategically targeted general commercial category,” said Chris Fowler, President and CEO. “We delivered a new record for branch-raised deposit growth of \$1.5 billion with a 12% increase, including 14% growth in the demand and notice category. With solid profitable growth and very strong capital ratios, we also rewarded shareholders with an 8% increase to the common share dividend compared to 2018. Consistent strategic execution reflects the tremendous strength of our teams across the business, and we are committed to continue to create value for our people. We were pleased to be recognized this year as a Great Place to Work Canada™, and one of the Best Workplaces™ in Alberta.”

“Our strategy for long-term value creation is to address the unmet banking needs of Canadian entrepreneurs,” continued Mr. Fowler. “Today we were proud to announce another bold step forward as a disruptive force in Canadian financial services. Deepening our partnership with Temenos will position CWB to deliver seamless end-to-end digital banking experiences for the owners of small- and medium-size businesses. Temenos is the world’s leader in banking software, and our journey together started with the successful launch of Temenos core banking in 2016. We were the first Schedule 1 bank to run on Temenos core banking, and we will be the first bank in Canada to offer a differentiated digital banking experience powered by Temenos Data Lake with Explainable AI capabilities. We are excited to leverage the combined power of Temenos core banking, the Temenos Data Lake and Explainable AI, and the industry-leading Temenos Infinity platform to develop true competitive edge through fully differentiated, highly personalized services and a world class digital experience. We are committed to deliver the proactive, relationship-based client experience we’re known for – this announcement represents purposeful innovation to meet the rapidly changing needs of our valued clients through a full range of channels.”

“This coming year also includes our expected transition to the *Advanced* approach for regulatory capital and risk management. This will represent another tremendous accomplishment for CWB, and is a key transformation to unleash our full growth potential. It will sharpen our view of overall portfolio risk, and over time, it will enhance our capital allocation capabilities while making us more competitive on price and offering. Our strategy is focused to translate these new capabilities – from client experience to capital deployment – into strong, scalable, value-creating, long-term growth. As we close fiscal 2019, I want to thank our people for their passion and commitment to help both our clients and CWB achieve our respective goals. There is no doubt in my mind that our shared future looks more exciting than ever before.”

Fourth Quarter 2019 Highlights⁽¹⁾⁽²⁾ (compared to the same period in the prior year)

- Common shareholders’ net income of \$68 million, up 5%, and pre-tax, pre-provision income of \$114 million, up 3%.
- Diluted and adjusted cash earnings per common share of \$0.77 and \$0.78, up 7% and nil, respectively, with the higher growth rate of diluted earnings per common share primarily reflecting no acquisition-related fair value changes this quarter.
- Total revenue of \$221 million, up 6%, with 7% growth of net interest income and stable non-interest income.
- Net interest margin of 2.55%, down six basis points compared to the fourth quarter last year and five basis points from the prior quarter.
- Strong credit quality with the provision for credit losses representing 19 basis points of average loans, unchanged from last year and last quarter.
- Very strong Basel III regulatory capital ratios under the *Standardized* approach for calculating risk-weighted assets of 9.1% common equity Tier 1 (CET1), 10.7% Tier 1 and 12.8% Total capital.

Full Year 2019 Highlights⁽¹⁾⁽²⁾ (compared to 2018)

- Solid performance with common shareholders' net income of \$267 million, up 7%, pre-tax, pre-provision income of \$461 million, up 6%, and total revenue of \$862 million, up 7%.
- Diluted and adjusted cash earnings per common share of \$3.04 and \$3.15, up 9% and 5%, respectively.
- Full-year operating leverage of negative 1.8% as revenue growth was outpaced by growth of expenses reflecting continued investment in strategic execution.
- Solid loan growth of 8%, with moderate growth in the fourth quarter partly related to higher than normal payouts, reflecting successful project completions in our real estate portfolio.
- Very strong 15% overall growth in general commercial loans, 13% growth in Central and Eastern Canada and expansion in every province.
- Very strong branch-raised deposit growth of 12%, including 14% growth of demand and notice deposits, contributing to a record \$1.5 billion increase and a reduction in the outstanding balance of broker deposits compared to last year.
- Stable full-year net interest margin of 2.60%.
- Stable credit quality with the provision for credit losses representing 21 basis points of average loans, compared to 20 basis points last year.
- Gross impaired loans represented 0.52% of gross loans at quarter-end, unchanged from last year and up from 0.51% in the previous quarter.
- Delivered an 8% increase to CWB's annual common share dividend.

⁽¹⁾ Highlights include certain non-IFRS measures – refer to definitions provided on Page 12 of this news release.

⁽²⁾ Effective November 1, 2018, CWB adopted IFRS 9 *Financial Instruments* (IFRS 9). Amounts for fiscal 2019 have been prepared in accordance with IFRS 9 (refer to Notes 2 and 3 of the interim consolidated financial statements). Prior periods comparatives have been prepared in accordance with IAS 39 *Financial Instruments: Classification and Measurement* (IAS 39) and have not been restated.

Execution against CWB Financial Group's balanced growth strategic objectives

Balanced Growth Objective	Strategic Execution during fiscal 2019
Full-service client growth with a focus on business owners, including further geographic and industry diversification	<ul style="list-style-type: none"> ➤ Solid annual loan growth of 8%, including 13% growth in Central and Eastern Canada, 8% growth in Alberta, and 5% growth in BC ➤ Increased the proportion of the loan portfolio in Central and Eastern Canada to 27% ➤ Increased business diversification, with 15% overall growth of general commercial loans and 9% growth of equipment financing and leasing ➤ Recognized as a Great Place to Work Canada™, and one of the Best Workplaces™ in Alberta.
Growth and diversification of funding sources	<ul style="list-style-type: none"> ➤ Very strong branch-raised deposit growth of 12%, including 14% growth in the demand and notice category, and 10% growth in term deposits ➤ Growth in debt capital markets funding with three successful senior deposit note issuances totaling \$900 million over the past 12 months ➤ Growth in debt related to securitization to support originations of both equipment loans and leases, and residential mortgages
Optimized capital and risk management through transition to the <i>Advanced Internal Ratings Based Approach</i> (AIRB)	<ul style="list-style-type: none"> ➤ Expect to submit final application and receive regulatory approval in fiscal 2020 for transition to the AIRB approach.

Fiscal 2019 Financial Performance Compared to Medium-term (3-5 year) Target Ranges

Key Metrics ⁽¹⁾	Medium-term Performance Target Ranges	2019 Context
Adjusted cash earnings per common share growth	7 - 12%	Delivered 5%
Adjusted return on common shareholders' equity	12 - 15%	Delivered 11.3%
Operating leverage	Positive	Delivered negative 1.8%
Common equity Tier 1 capital ratio under the <i>Standardized</i> approach	Strong	Delivered a very strong ratio of 9.1%
Common share dividend payout ratio	~30%	Delivered 35%

⁽¹⁾ Refer to definitions provided on Page 12 of this news release.

In view of our planned transition to the AIRB approach for capital and risk management in fiscal 2020, we have discontinued our medium-term targets. We introduced these targets in fiscal 2016, and designed them to be effective over a three- to five-year period under the *Standardized* approach for calculating risk-weighted assets. We are confident our transition to the AIRB approach will support higher growth and profitability from our differentiated business model over the medium-term. However, the magnitude of capital available for deployment upon transition to the AIRB approach is uncertain at this time. We expect to establish revised multi-year performance expectations incorporating benefits of the AIRB transition following formal regulatory approval. Expectations related to key performance metrics for fiscal 2020, on a standalone basis, can be found in the Outlook section of CWB's annual Management's Discussion and Analysis (MD&A), dated December 4, 2019.

About CWB Financial Group

CWB Financial Group (CWB) is a diversified financial services organization known for a highly proactive client experience serving businesses and individuals across Canada. Operating from headquarters in Edmonton, Alberta, CWB's key business lines include full service business and personal banking offered through branch locations of Canadian Western Bank and Internet banking services provided by Motive Financial. Highly responsive nation-wide specialized financing is delivered under the banners of CWB Optimum Mortgage, CWB Equipment Financing, CWB National Leasing, CWB Maxium Financial and CWB Franchise Finance. Trust services are offered through CWB Trust Services. Comprehensive wealth management offerings are provided through CWB Wealth Management, which includes the businesses of CWB McLean & Partners Wealth Management and Canadian Western Financial. As a public company on the Toronto Stock Exchange (TSX), CWB trades under the symbols "CWB" (common shares), "CWB.PR.B" (Series 5 Preferred Shares), "CWB.PR.C" (Series 7 Preferred Shares) and "CWB.PR.D" (Series 9 Preferred Shares). Learn more at www.cwb.com.

Fiscal 2019 Fourth Quarter Results Conference Call

CWB's fourth quarter results conference call is scheduled for Thursday, December 5th, 2019, at **10:00 a.m. ET (8:00 a.m. MT)**. CWB's executives will comment on financial results and respond to questions from analysts.

The conference call may be accessed on a listen-only basis by dialing (416) 764-8688 (Toronto) or (888) 390-0546 (toll free) and entering passcode: 09555191. The call will also be webcast live on CWB's website:

www.cwb.com/investor-relations/quarterly-reports.

A replay of the conference call will be available until December 12, 2019, by dialing (416) 764-8677 (Toronto) or (888) 390-0541 (toll-free) and entering passcode 555191#.

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Selected Financial Highlights⁽¹⁾

(unaudited) (\$ thousands, except per share amounts)	For the three months ended			Change from October 31 2018	For the year ended		Change from October 31 2018		
	October 31 2019 ⁽²⁾	July 31 2019 ⁽²⁾	October 31 2018		October 31 2019 ⁽²⁾	October 31 2018			
Results from Operations									
Net interest income	\$ 201,439	\$ 199,746	\$ 189,093	7	%	\$ 785,584	\$ 724,990	8	%
Non-interest income	19,414	18,738	19,473	-		76,020	78,368	(3)	
Total revenue	220,853	218,484	208,566	6		861,604	803,358	7	
Pre-tax, pre-provision income	114,390	116,975	111,182	3		461,130	436,188	6	
Common shareholders' net income	67,512	70,964	64,501	5		266,940	249,256	7	
Earnings per common share									
Basic	0.77	0.81	0.73	5		3.05	2.81	9	
Diluted	0.77	0.81	0.72	7		3.04	2.79	9	
Adjusted cash	0.78	0.82	0.78	-		3.15	3.01	5	
Return on common shareholders' equity	10.6 %	11.3 %	11.1 %	(50) bp ⁽⁵⁾		10.9 %	11.0 %	(10) bp ⁽⁵⁾	
Adjusted return on common shareholders' equity	10.7	11.4	11.9	(120)		11.3	11.9	(60)	
Return on assets	0.86	0.92	0.89	(3)		0.88	0.89	(1)	
Efficiency ratio	48.2	46.5	46.7	150		46.5	45.7	80	
Net interest margin	2.55	2.60	2.61	(6)		2.60	2.60	-	
Operating leverage	(3.4)	(1.1)	0.1	(350)		(1.8)	1.9	(370)	
Provision for credit losses on total loans as a percentage of average loans ⁽³⁾⁽⁴⁾	0.19	0.19	0.19	-		0.21	0.20	1	
Provision for credit losses on impaired loans as a percentage of average loans ⁽³⁾⁽⁴⁾	0.18	0.22	0.19	(1)		0.21	0.19	2	
Number of full-time equivalent staff	2,278	2,288	2,178	5	%	2,278	2,178	5	%
Per Common Share									
Cash dividends	\$ 0.28	\$ 0.27	\$ 0.26	8	%	\$ 1.08	\$ 1.00	8	%
Book value	29.29	28.82	26.09	12		29.29	26.09	12	
Closing market value	33.35	30.83	30.62	9		33.35	30.62	9	
Common shares outstanding (thousands)	87,250	87,201	88,952	(2)		87,250	88,952	(2)	
Balance Sheet and Off-Balance Sheet									
Assets	\$ 31,424,235	\$ 30,930,991	\$ 29,021,463	8	%				
Loans	28,365,893	28,135,314	26,204,599	8					
Deposits	25,351,361	24,822,600	23,699,957	7					
Debt	2,412,293	2,398,548	2,007,854	20					
Shareholders' equity	2,945,810	2,903,222	2,585,752	14					
Assets under administration	9,298,745	8,748,062	8,368,716	11					
Assets under management	2,099,569	2,084,757	2,100,802	-					
Capital Adequacy									
Common equity Tier 1 ratio	9.1 %	9.0 %	9.2 %	(10) bp ⁽⁵⁾					
Tier 1 ratio	10.7	10.6	10.3	40					
Total ratio	12.8	12.8	11.9	90					

⁽¹⁾ Non-IFRS measures defined on page 12.

⁽²⁾ Amounts for fiscal 2019 have been prepared in accordance with IFRS 9 (refer to Notes 1 and 2 of the annual consolidated financial statements). Fiscal 2018 comparatives have been prepared in accordance with IAS 39 and have not been restated.

⁽³⁾ Under IFRS 9, provisions for credit losses related primarily to loans, committed but undrawn credit exposures and letters of credit, and also apply to debt securities measured at fair value through other comprehensive income and other financial assets. Prior to the adoption of IFRS 9, provisions for credit losses only related to loans, committed but undrawn credit exposures and letters of credit.

⁽⁴⁾ Includes provisions for credit losses on loans, committed but undrawn credit exposures and letters of credit.

⁽⁵⁾ bp – basis point change.

Financial Summary

IFRS 9

CWB adopted International Financial Reporting Standard (IFRS) 9 *Financial Instruments* (IFRS 9), which replaces International Accounting Standard (IAS) 39 *Financial Instruments: Classification and Measurement* (IAS 39) for the fiscal year beginning November 1, 2018. As permitted by IFRS 9, CWB has not restated prior period comparative figures and has recognized an adjustment to opening retained earnings and accumulated other comprehensive income (AOCI) to reflect the application of the new requirements at the adoption date. For further details, refer to Notes 1 and 2 of the audited annual financial statements.

The most significant impact to CWB with the transition to IFRS 9 is the introduction of an expected credit loss (ECL) approach for measuring impairment that is applicable to financial assets measured at amortized cost, debt securities measured at fair value through other comprehensive income (FVOCI), and certain off-balance sheet loan commitments and financial guarantee contracts. The implementation of an ECL approach under IFRS 9, which results in allowances for credit losses being recognized on financial assets regardless of whether there has been an actual loss event, is a significant change from the incurred loss model under IAS 39.

Under IFRS 9, CWB refers to allowances and provisions for credit losses on impaired loans (Stage 3) and performing loans (Stages 1 and 2). CWB's specific allowances under IAS 39 are consistent with Stage 3 allowances for credit losses under IFRS 9, while the collective allowance under IAS 39 is replaced by Stage 1 and 2 allowances for credit losses under IFRS 9.

Forward-looking Statements

From time to time, CWB makes written and verbal forward-looking statements. Statements of this type are included in the Annual Report and reports to shareholders and may be included in filings with Canadian securities regulators or in other communications such as press releases and corporate presentations. Forward-looking statements include, but are not limited to, statements about CWB's objectives and strategies, targeted and expected financial results and the outlook for CWB's businesses or for the Canadian economy. Forward-looking statements are typically identified by the words "believe", "expect", "anticipate", "intend", "estimate", "may increase", "may impact", "goal", "focus", "potential", "proposed" and other similar expressions, or future or conditional verbs such as "will", "should", "would" and "could".

By their very nature, forward-looking statements involve numerous assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that management's predictions, forecasts, projections, expectations and conclusions will not prove to be accurate, that its assumptions may not be correct and that its strategic goals will not be achieved.

A variety of factors, many of which are beyond our control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, general business and economic conditions in Canada, including housing market conditions, the volatility and level of liquidity in financial markets, fluctuations in interest rates and currency values, the volatility and level of various commodity prices, changes in monetary policy, changes in economic and political conditions, material changes to international trade agreements, legislative and regulatory developments, legal developments, the level of competition, the occurrence of natural catastrophes, changes in accounting standards and policies, information technology and cyber risk, the accuracy and completeness of information CWB receives about customers and counterparties, the ability to attract and retain key personnel, the ability to complete and integrate acquisitions, reliance on third parties to provide components of business infrastructure, changes in tax laws, technological developments, unexpected changes in consumer spending and saving habits, timely development and introduction of new products, and management's ability to anticipate and manage the risks associated with these factors. It is important to note that the preceding list is not exhaustive of possible factors.

Additional information about these factors can be found in the Risk Management section of CWB's annual MD&A. These and other factors should be considered carefully, and readers are cautioned not to place undue reliance on these forward-looking statements as a number of important factors could cause CWB's actual results to differ materially from the expectations expressed in such forward-looking statements. Unless required by securities law, CWB does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time by it or on its behalf.

Assumptions about the performance of the Canadian economy over the forecast horizon and how it will affect CWB's businesses are material factors considered when setting organizational objectives and targets. In determining expectations for economic growth, CWB considers its own forecasts, economic data and forecasts provided by the Canadian government and its agencies, as well as certain private sector forecasts. These forecasts are subject to inherent risks and uncertainties that may be general or specific. Where relevant, material economic assumptions underlying forward-looking statements are disclosed within the Outlook sections of CWB's MD&A for the year ended October 31, 2019.

Financial Summary

This financial summary, dated December 4, 2019, should be read in conjunction with Canadian Western Bank's (CWB) audited annual consolidated financial statements for the year ended October 31, 2019 and the audited consolidated financial statements and MD&A for the year ended October 31, 2019, available on SEDAR at www.sedar.com and the CWB's website at www.cwb.com. The 2019 Annual Report, including MD&A and audited consolidated financial statements, for the year ended October 31, 2019 is expected to be available on both SEDAR and CWB's website on December 5, 2019.

Strategic Transactions

On January 31, 2018, we closed an asset purchase agreement to acquire, for cash, equipment loans and leases, and general commercial lending assets totaling approximately \$850 million (referred to as the acquired "business lending assets"). The business lending assets acquired were fully aligned with our balanced growth strategic objectives, including goals related to industry and geographic diversification. The portfolio was primarily comprised of assets concentrated within the transportation, construction and healthcare industries, with approximately three quarters of the exposures distributed across Central and Eastern Canada.

On August 16, 2017, we announced that the division of Canadian Western Trust (CWT) now known as CWB Trust Services will focus its activities within business lines that are most aligned with the strategic objectives of CWB Financial Group, and will no longer offer self-directed account services to holders of certain securities. CWT initiated a process to appoint successor trustees for these accounts (referred to as the "CWT strategic transactions"). The CWT strategic transactions were completed in fiscal 2018. As a result of this process, we realized pre-tax gains on sale of approximately \$4 million included in 'other' non-interest income in fiscal 2018, or \$0.04 of adjusted cash earnings per common share (fiscal 2019 – nil).

Overview of Financial Performance

Q4 2019 vs. Q4 2018

Common shareholders' net income of \$68 million and pre-tax, pre-provision income of \$114 million were up 5% and 3%, respectively. Total revenue of \$221 million was up 6% from last year, including a 7% increase in net interest income. Higher net interest income reflects solid 8% loan growth, partially offset by a six basis point decrease in net interest margin to 2.55%. Net interest margin declined as higher asset yields and favourable changes in funding mix were more than offset by increased funding costs and changes in asset mix. Non-interest income of \$19 million was consistent with last year, with fourth quarter results in fiscal 2018 including \$0.6 million of gains on sale related to the CWT strategic transactions. The IFRS 9 provision for credit losses on total loans as a percentage of average loans was 19 basis points. Under IAS 39, provisions for credit losses represented 19 basis points in the fourth quarter of last year. Non-interest expenses were up 9%, reflecting investments to support continued growth and strategic execution, including increased advertising. Higher salaries and benefits comprised two thirds of the increase and primarily reflect additional hiring. Three quarters of the increase in premises and equipment costs related to technology investment. Acquisition-related fair value changes were \$5 million lower, reflecting completion of the earn-out period on February 28, 2019 for the contingent consideration related to the successful and accretive acquisition of CWB Maxium Financial. Preferred share dividends were \$2 million higher. Diluted and adjusted cash earnings per common share of \$0.77 and \$0.78 were up 7% and nil, respectively. The higher growth rate of diluted earnings per common share primarily reflects no acquisition-related fair value changes this quarter.

Q4 2019 vs. Q3 2019

Common shareholders' net income and pre-tax, pre-provision income were down 5% and 2%, respectively. Total revenue was up 1%. Growth in net interest income of 1% reflected 1% loan growth, partially offset by a five basis point decrease in net interest margin. Moderate loan growth partly reflected payouts from successful project completions in our real estate portfolio. Within net interest margin, positive changes in funding mix from higher growth in demand and notice deposits was more than offset by changes in asset mix, lower asset yields and increased funding costs. Non-interest income was up 4% and the provision for credit losses as a percentage of average loans was unchanged. Non-interest expenses were 5% higher, reflecting the factors noted above. The fourth quarter also included higher consulting fees and customary seasonal increases in employee training and community investment. Diluted and adjusted cash earnings per common share were both down 5%.

Financial Summary

2019 vs. 2018

Common shareholders' net income of \$267 million and pre-tax, pre-provision income of \$461 million were up 7% and 6%, respectively. Earnings growth reflects a 7% increase in total revenue, including 8% growth of net interest income partially offset by a 3% decrease in non-interest income. Growth of net interest income reflects 8% loan growth and stable net interest margin. Non-interest income of \$76 million was down 3%, or \$2 million, from fiscal 2018 as growth of credit related fees, positive net gains on securities compared to losses last year, and higher retail services fees were more than offset by the impact of approximately \$4 million of gains realized from the CWT strategic transactions recorded within 'other' non-interest income in 2018, along with slightly lower wealth management fees. Non-interest expenses were 9% higher, while acquisition-related fair value changes were \$12 million lower and preferred share dividends were \$6 million higher. On a full-year basis, under IFRS 9 the provision for credit losses as a percentage of average loans of 21 basis points, compares to 20 basis points last year under IAS 39. Diluted and adjusted cash earnings per common share of \$3.04 and \$3.15 were up 9% and 5%, respectively.

Adjusted ROE and ROA

The fourth quarter adjusted return on common shareholders' equity (ROE) of 10.7% was 120 basis points lower compared to the same period last year. The change mainly reflects 10% growth of average common shareholders' equity from the fourth quarter last year, with an increase in accumulated other comprehensive income and retained earnings growth partially offset by the impact of common shares purchased for cancellation, compared to a 1% reduction in fourth quarter adjusted common shareholders' net income.

Adjusted ROE was 70 basis points lower on a sequential basis, mainly reflecting 4% lower adjusted net income this quarter and 2% growth in average common shareholders' equity.

Full-year adjusted ROE of 11.3% was 60 basis points lower than last year, as 3% growth of adjusted common shareholders' net income was more than offset by the increase in average common shareholders' equity driven by higher accumulated other comprehensive income and retained earnings growth, partially offset by the impact of common shares purchased for cancellation.

The fourth quarter return on assets (ROA) of 0.86% was three basis points lower than the prior year as growth of net income was outpaced by growth of average assets. ROA was down six basis points from the prior quarter, reflecting the same factors. ROA for the year of 0.88% was one basis point lower than last year as growth of common shareholders' net income was slightly below average asset growth.

Efficiency ratio and operating leverage

The fourth quarter efficiency ratio of 48.2%, which measures adjusted non-interest expenses divided by total revenue, compares to 46.7% in the same period last year and 46.5% in the previous quarter. Compared to last year and last quarter, revenue growth was outpaced by growth of expenses, mainly reflecting continued investment in strategic execution.

The full-year efficiency ratio of 46.5% compares to 45.7% last year, reflecting the same factors noted above.

Operating leverage, which is calculated as the growth rate of total revenue less the growth rate of adjusted non-interest expenses, over the last 12 months was negative 1.8%, compared to positive 1.9% last year. Operating leverage in 2019 was impacted by the same factors as our full-year efficiency ratio. In 2018, revenue growth benefited from very strong loan growth, a four basis point improvement in net interest margin and gains from the CWT strategic transactions.

Financial Summary

Loans

Total loans, excluding the allowance for credit losses, of \$28.5 billion increased 8% (\$2.1 billion) from last year and 1% (\$236 million) from the prior quarter. Increases by lending sector and geography were consistent with our balanced growth strategic objectives.

(unaudited) (\$ millions)	October 31 2019	% of total as at October 31 2019	July 31 2019	October 31 2018	% change from October 31 2018
General commercial loans	\$ 8,600	30 %	\$ 8,503	\$ 7,458	15 %
Personal loans and mortgages	5,690	20	5,591	5,247	8
Equipment financing and leasing	5,192	18	5,069	4,779	9
Commercial mortgages	5,088	18	5,064	4,865	5
Real estate project loans	3,752	13	3,866	3,855	(3)
Oil and gas production loans	155	1	148	129	20
Total loans	\$ 28,477	100 %	\$ 28,241	\$ 26,333	8 %

⁽¹⁾ Total loans outstanding by lending sector exclude the allowance for credit losses.

Growth in dollar terms was led by the strategically targeted general commercial category with a 15% increase (\$1.1 billion). Personal loans and mortgages increased 8% (\$443 million), primarily reflecting "A" mortgage growth to leverage our mortgage securitization capabilities. Growth of equipment financing and leasing was also strong at 9% (\$413 million) overall. Commercial mortgages increased 5% (\$223 million), while real estate project loans contracted \$103 million with growth in Alberta and Ontario more than offset by the impact of successful project completions and payouts in British Columbia.

Total loan growth was moderate on a sequential basis at \$236 million, or 1%. The outstanding balance of equipment financing and leasing increased 2% (\$123 million), and personal loans and mortgages were also up 2% (\$99 million). General commercial loans grew 1% (\$97 million). Commercial mortgages were relatively unchanged, while real estate project loans were down 3% (\$114 million) from the third quarter.

(unaudited) (\$ millions)	October 31 2019	% of total as at October 31 2019	July 31 2019	October 31 2018	% change from October 31 2018
British Columbia	\$ 9,348	33 %	\$ 9,396	\$ 8,894	5 %
Alberta	9,073	32	8,915	8,395	8
Ontario	6,265	22	6,186	5,622	11
Saskatchewan	1,459	5	1,435	1,404	4
Quebec	887	3	886	680	30
Manitoba	824	3	800	773	7
Other	621	2	623	565	10
Total loans	\$ 28,477	100 %	\$ 28,241	\$ 26,333	8 %

⁽²⁾ Total loans outstanding by province exclude the allowance for credit losses.

Central and Eastern Canada continued to lead growth by geographic market with a significant 13% (\$906 million) increase, representing 42% of overall loan growth. Growth in these regions was underpinned by very strong performance from our businesses with a national footprint, particularly CWB Maxium and CWB Franchise Finance, with continued support from CWB National Leasing and stable balances in CWB Optimum Mortgage. Growth was also strong in Alberta at 8% (\$678 million), followed by 5% (\$454 million) growth in British Columbia. Loans in Saskatchewan and Manitoba grew 4% (\$55 million) and 7% (\$51 million), respectively from last year.

On a sequential basis, total outstanding loans were up across almost all provinces, with the strongest growth apparent in Alberta (2% or \$158 million), followed by Ontario (1% or \$79 million), Saskatchewan (2% or \$24 million) and Manitoba (3% or \$24 million). Loans in British Columbia contracted 1% (\$48 million), as successful completions and payouts of real estate project loans more than offset growth in other categories.

Financial Summary

Credit Quality

Credit quality continues to reflect our secured lending business model, disciplined underwriting practices and proactive loan management.

(unaudited) (\$ thousands)	For the three months ended			Change from October 31 2018
	October 31 2019	July 31 2019	October 31 2018	
Gross impaired loans, beginning of period	\$ 143,390	\$ 168,321	\$ 135,430	6 %
New formations	55,653	39,094	31,977	74
Reductions, impaired accounts paid down or returned to performing status	(40,795)	(43,166)	(15,724)	159
Write-offs	(9,998)	(20,859)	(13,811)	(28)
Total⁽¹⁾	\$ 148,250	\$ 143,390	\$ 137,872	8 %
Balance of the ten largest impaired accounts	\$ 52,795	\$ 49,500	\$ 56,748	(7) %
Total number of accounts classified as impaired ⁽²⁾	330	303	214	54
Gross impaired loans as a percentage of gross loans	0.52 %	0.51 %	0.52 %	- bp ⁽³⁾

⁽¹⁾ Gross impaired loans include foreclosed assets held for sale with a carrying value of \$4,217 (July 31, 2019 – \$4,799, October 31, 2018 – \$6,628).

⁽²⁾ Total number of accounts excludes CWB National Leasing

⁽³⁾ bp – basis point change.

The dollar level of gross impaired loans at October 31, 2019 totaled \$148 million, compared to \$138 million last year and \$143 million in the prior quarter. The dollar level of gross impaired loans represented 0.52% of gross loans at quarter-end, compared to 0.52% last year and 0.51% in the previous quarter.

The level of gross impaired loans fluctuates as loans become impaired and are subsequently resolved, and does not directly reflect the dollar value of expected write-offs given tangible security held in support of lending exposures. The overall loan portfolio is reviewed regularly with credit decisions undertaken on a case-by-case basis to provide early identification of possible adverse trends.

As at October 31, 2019, the total IFRS 9 allowance for credit losses (Stages 1, 2 and 3) was \$115 million, compared to \$111 million last quarter. The total allowance for credit losses (collective and specific) under IAS 39 was \$147 million one year ago. The allowance for performing loans (Stages 1 and 2) under IFRS9 was \$89 million at year end, while the total collective allowance for credit losses under IAS 39 was \$120 million one year ago.

Provision for credit losses

The provision for credit losses was estimated under IFRS 9 beginning in fiscal 2019, with the provision in fiscal 2018 estimated under IAS 39. The fourth quarter provision for credit losses as a percentage of average loans is 19 basis points, consisting of 18 basis points related to impaired loans and one basis point related to performing loans.

This compares to 19 basis points in the third quarter, consisting of 22 basis points related to impaired loans and a reduction of three basis points related to performing loans. Under IAS 39, provisions for credit losses represented 19 basis points in the fourth quarter last year with the amount entirely related to impaired loans.

Under IFRS 9, the annual provision for credit losses as a percentage of average loans of 21 basis points related entirely to impaired loans. This compares to 20 basis points last year under IAS 39, consisting of 19 basis points related to impaired loans and one basis point related to performing loans.

Deposits and Funding

We continue to execute on key strategic objectives to grow and diversify funding sources. Total deposits of \$25.4 billion were up 7% (\$1.7 billion) from last year. Branch-raised deposit growth was very strong at 12%, including 14% growth in the demand and notice category. CWB's banking branches contributed approximately half of the increase in branch-raised deposits from last year, with Motive Financial contributing approximately one third of the increase and the remainder from CWB Trust Services. Outstanding funding from capital markets and securitization increased 10% and 9%, respectively. Strong core deposit growth resulted in lower outstanding balances of broker-sourced deposits compared to last year.

Total deposits were up 2% (\$529 million) sequentially. Branch-raised deposits were up 6%, including very strong 9% growth of demand and notice deposits. This marks the third consecutive quarter with a strong sequential increase in branch-raised demand and notice deposits. Growth by source of branch-raised deposits on a sequential basis was similar to the year-over-year outcome described above. Deposit funding from capital markets increased 12% sequentially. Outstanding balances of broker-sourced deposits were down 7% from the prior quarter.

Financial Summary

Total deposits by type and source are summarized below:

(unaudited) (\$ millions)	As at			Change from October 31 2018
	October 31 2019	July 31 2019	October 31 2018	
Deposits by source and type				
CWB Financial Group branch-raised				
Demand and notice	\$ 8,623	\$ 7,937	\$ 7,594	14 %
Term	5,194	5,141	4,732	10
	13,817	13,078	12,326	12
Broker term	8,215	8,794	8,368	(2)
Capital markets	3,319	2,951	3,006	10
Total Deposits	\$ 25,351	\$ 24,823	\$ 23,700	7 %

Personal deposits represented 60% of total deposits at October 31, 2019, compared to 61% last year and last quarter. Total branch-raised deposits accounted for 55% of total deposits at quarter end, up from 52% last year and 53% last quarter. Demand and notice deposits comprised 34% of total deposits, compared to 32% both last year and last quarter. Total funding raised through the debt capital markets of \$3.3 billion represented 13% of total deposits at October 31, 2019, compared to 13% last year and 12% last quarter. Term deposits raised through the broker network represented 32% of total funding at quarter end, down from 35% last year and last quarter. The deposit broker network remains an efficient source to raise insured fixed term retail deposits and has proven to be a reliable and effective way to access funding and liquidity over a wide geographic base. We only raise fixed-term broker deposits, with terms to maturity between one and five years.

Securitization

Securitized leases, loans and mortgages are reported on-balance sheet with total loans. The outstanding balance of securitized leases and loans at October 31, 2019 was \$1.9 billion, compared to \$1.8 billion one year ago and unchanged from last quarter. The gross amount of mortgages securitized under the National Housing Act Mortgage Backed Securities (NHA MBS) program this quarter was \$0.8 billion compared to \$0.6 billion one year ago and \$0.7 billion last quarter. Fiscal 2019 total funding from the securitization of leases, loans and mortgages was \$0.9 billion compared to \$1.2 billion one year ago. Elevated funding from securitization last year related to the acquisition of business lending assets on January 31, 2018.

Capital Management

OSFI requires Canadian financial institutions to manage and report regulatory capital in accordance with the Basel III capital management framework. We currently report regulatory capital ratios using the *Standardized* approach for calculating risk-weighted assets, which requires CWB to carry significantly more capital for certain credit exposures compared to requirements under the AIRB methodology. For this reason, regulatory capital ratios of banks that utilize the *Standardized* approach are not directly comparable with the large Canadian banks and other financial institutions that utilize the AIRB methodology. Our required minimum regulatory capital ratios, including a 250 basis point capital conservation buffer, are 7.0% common equity Tier 1 (CET1), 8.5% Tier 1 and 10.5% Total capital.

With very strong capital ratios of 9.1% CET1, 10.7% Tier 1 and 12.8% Total capital at October 31, 2019, we are well positioned to create value for shareholders through a range of capital deployment options consistent with our Balanced Growth strategy. Our Basel III leverage ratio of 8.3% at year end remains very strong.

In fiscal 2019, we issued five year rate reset non-viability contingent capital (NVCC) First Preferred Shares Series 9 for gross proceeds of \$125 million, and \$250 million of NVCC subordinated debentures. We repurchased 1,829,944 common shares on the open market under the normal course issuer bid (NCIB) which terminated on September 30, 2019, launched a new NCIB authorizing the purchase for cancellation up to 1,740,000 common shares, and on November 18, 2019, redeemed \$250 million non-NVCC subordinated debentures that did not qualify for full regulatory capital inclusion.

Financial Summary

Further details regarding our regulatory capital and capital adequacy ratios are included in the following table:

(unaudited) (\$ millions)	As at October 31 2019	As at July 31 2019	As at October 31 2018
Regulatory capital			
CET1 capital before deductions	\$ 2,533	\$ 2,487	\$ 2,369
Net CET1 deductions	(230)	(225)	(216)
CET1 capital	2,303	2,262	2,153
Tier 1 capital	2,693	2,652	2,418
Total capital⁽¹⁾	3,233	3,192	2,788
Risk-weighted assets	\$ 25,202	\$ 25,020	\$ 23,486
Capital adequacy ratios			
CET1	9.1 %	9.0 %	9.2 %
Tier 1	10.7	10.6	10.3
Total	12.8	12.8	11.9
Leverage	8.3	8.3	8.0

⁽³⁾ The 2019 inclusion of non-common equity instruments that do not include NVCC clauses is capped at 30% of the January 1, 2013 outstanding balances (2018 - 40%). At October 31, 2019, \$47,500 (July 31, 2019 - \$47,500; October 31, 2018 - nil) was excluded from regulatory capital related to outstanding non-NVCC subordinated debentures.

Dividends

We evaluate common share dividends every quarter against the current strength of our capital position and capital requirements under the *Standardized* approach to support ongoing strong and balanced asset growth. On December 4, 2019, our Board of Directors declared a cash dividend of \$0.28 per common share, payable on January 7, 2020 to shareholders of record on December 17, 2019. This quarterly dividend is up two cents, or 8%, from the dividend declared one year ago and consistent with the prior quarter. The Board of Directors also declared cash dividends of \$0.2688125 per Series 5, \$0.390625 per Series 7, and \$0.375 per Series 9 Preferred Shares all payable on January 31, 2020 to shareholders of record on January 24, 2020.

Dividend Reinvestment Plan

CWB common shares (TSX: CWB) and preferred shares (TSX: CWB.PR.B; CWB.PR.C; CWB.PR.D) are deemed eligible by CWB to participate in CWB's dividend reinvestment plan (the Plan). The Plan provides holders of eligible shares of CWB the opportunity to direct cash dividends toward the purchase of CWB common shares. Further details for the Plan are available on our website.

Non-IFRS Measures

Non-IFRS Measures

CWB uses a number of financial measures to assess its performance against strategic initiatives and operational benchmarks. Non-IFRS measures provide readers with an enhanced understanding of how management views CWB's ongoing operating performance. These measures may also provide readers with the ability to analyze trends related to profitability and effectiveness of CWB's operations and strategies, and determine compliance against regulatory standards. To arrive at certain non-IFRS measures, CWB makes adjustments to the reported results. Adjustments relate to items which management believes are not indicative of underlying operating performance. CWB believes that adjusted results provide the reader with a better understanding of how management views its performance. Some of these financial measures do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other financial institutions. The non-IFRS measures used in this News Release are calculated as follows:

- adjusted non-interest expenses – total non-interest expenses, excluding the pre-tax amortization of acquisition-related intangible assets (see calculation below);
- adjusted common shareholders' net income – total common shareholders' net income, excluding the amortization of acquisition-related intangible assets and contingent consideration fair value changes, net of tax (see calculation below);
- pre-tax, pre-provision income – total revenue less adjusted non-interest expenses (see calculation below);
- adjusted cash earnings per common share – diluted earnings per common share calculated with adjusted common shareholders' net income;
- return on common shareholders' equity – annualized common shareholders' net income divided by average common shareholders' equity;
- adjusted return on common shareholders' equity – annualized adjusted common shareholders' net income divided by average common shareholders' equity;
- return on assets – annualized common shareholders' net income divided by average total assets;
- efficiency ratio – adjusted non-interest expenses divided by total revenue;
- net interest margin – annualized net interest income divided by average total assets;
- provision for credit losses on total loans as a percentage of average loans – annualized provision for credit losses on loans, committed but undrawn credit exposures and letters of credit divided by average total loans. Provisions for credit losses related to debt securities measured at FVOCI and other financial assets are excluded;
- provision for credit losses on impaired loans as a percentage of total loans – annualized provision for credit losses on impaired loans divided by average total loans;
- Provision for credit losses on performing loans as a percentage of average loans – provision for credit losses on performing loans (stage 1 and 2) divided by average total loans;
- operating leverage – growth rate of total revenue less growth rate of adjusted non-interest expenses;
- common share dividend payout ratio – common share dividends declared during the past twelve months divided by common shareholders' net income earned over the same period;
- Basel III common equity Tier 1, Tier 1 and Total capital ratios – calculated in accordance with guidelines issued by Office of the Superintendent of Financial Institutions Canada (OSFI);
- risk-weighted assets – on and off-balance sheet assets assigned a risk weighting calculated in accordance with the *Standardized* approach guidelines issued by OSFI; and
- average balances – average daily balances.

Adjusted Financial Measures

(unaudited) (\$ thousands)	For the three months ended			Change from October 31 2018	For the year ended			Change from October 31 2018
	October 31 2019	July 31 2019	October 31 2018		October 31 2019	October 31 2018	October 31 2018	
Non-interest expenses	\$ 107,667	\$ 102,759	\$ 98,751	9 %	\$ 405,481	\$ 373,483	9 %	
Adjustments (before tax):								
Amortization of acquisition-related intangible assets	(1,204)	(1,250)	(1,367)	(12)	(5,007)	(6,313)	(21)	
Adjusted non-interest expenses	\$ 106,463	\$ 101,509	\$ 97,384	9 %	\$ 400,474	\$ 367,170	9 %	
Common shareholders' net income	\$ 67,512	\$ 70,964	\$ 64,501	5 %	\$ 266,940	\$ 249,256	7 %	
Adjustments (after-tax):								
Acquisition-related fair value changes	-	-	3,705	(100)	5,773	14,769	(61)	
Amortization of acquisition-related intangible assets	904	607	1,005	(10)	3,397	4,695	(28)	
Adjusted common shareholders' net income	\$ 68,416	\$ 71,571	\$ 69,211	(1) %	\$ 276,110	\$ 268,720	3 %	

Pre-tax, pre-provision income

(unaudited) (\$ thousands)	For the three months ended			Change from October 31 2018	For the year ended			Change from October 31 2018
	October 31 2019	July 31 2019	October 31 2018		October 31 2019	October 31 2018	October 31 2018	
Total revenue	\$ 220,853	\$ 218,484	\$ 208,566	6 %	\$ 861,604	\$ 803,358	7 %	
Less:								
Adjusted non-interest expenses (see above)	106,463	101,509	97,384	9	400,474	367,170	9	
Pre-tax, pre-provision income	\$ 114,390	\$ 116,975	\$ 111,182	3 %	\$ 461,130	\$ 436,188	6 %	

Consolidated Balance Sheets

(unaudited) (\$ thousands)	As at October 31 2019 ⁽¹⁾	As at July 31 2019 ⁽¹⁾	As at October 31 2018	Change from October 31 2018
Assets				
Cash Resources				
Cash and non-interest bearing deposits with financial institutions	\$ 116,963	\$ 154,019	\$ 73,822	58, %
Interest bearing deposits with regulated financial institutions	293,856	269,523	26,825	995
Cheques and other items in transit	5,023	3,778	52,574	(90)
	415,842	427,320	153,221	171
Securities				
Issued or guaranteed by Canada	1,341,326	853,543	1,325,816	1
Issued or guaranteed by a province or municipality	468,671	741,370	521,825	(10)
Other debt securities	191,046	148,547	143,536	33
Preferred shares	18,164	38,268	93,575	(81)
	2,019,207	1,781,728	2,084,752	(3)
Securities Purchased under Resale Agreements	40,366	26,283	-	100
Loans				
Personal	5,689,833	5,591,170	5,247,160	8
Business	22,786,894	22,649,516	21,085,968	8
	28,476,727	28,240,686	26,333,128	8
Allowance for credit losses	(110,834)	(105,372)	(128,529)	(14)
	28,365,893	28,135,314	26,204,599	8
Other				
Property and equipment	63,166	58,402	59,098	7
Goodwill	85,392	85,392	85,168	-
Intangible assets	173,748	166,031	160,790	8
Derivatives	47,815	50,850	2,496	nm
Other assets	212,806	199,671	271,339	(22)
	582,927	560,346	578,891	1
Total Assets	\$ 31,424,235	\$ 30,930,991	\$ 29,021,463	8 %
Liabilities and Equity				
Deposits				
Personal	\$ 15,300,505	\$ 15,457,178	\$ 14,483,686	6 %
Business and government	10,050,856	9,365,422	9,216,271	9
	25,351,361	24,822,600	23,699,957	7
Other				
Cheques and other items in transit	22,532	26,538	28,489	(21)
Securities sold under repurchase agreements	29,965	138,211	95,126	(68)
Derivatives	14,016	12,623	69,581	(80)
Other liabilities	646,386	627,440	531,953	22
	712,899	804,812	725,149	(2)
Debt				
Debt related to securitization activities	1,913,799	1,900,101	1,757,854	9
Subordinated debentures	498,494	498,447	250,000	99
	2,412,293	2,398,548	2,007,854	20
Equity				
Preferred shares	390,000	390,000	265,000	47
Common shares	731,970	731,288	744,701	(2)
Retained earnings	1,785,273	1,750,594	1,649,196	8
Share-based payment reserve	24,309	24,602	23,937	2
Accumulated other comprehensive income	14,258	6,738	(97,082)	nm
Total Shareholders' Equity	2,945,810	2,903,222	2,585,752	14
Non-controlling interests	1,872	1,809	2,751	(32)
Total Equity	2,947,682	2,905,031	2,588,503	14
Total Liabilities and Equity	\$ 31,424,235	\$ 30,930,991	\$ 29,021,463	8 %

⁽¹⁾ Amounts for fiscal 2019 have been prepared in accordance with IFRS 9 *Financial Instruments* (IFRS 9). Fiscal 2018 comparatives have been prepared in accordance with IAS 39 *Financial Instruments: Classification and Measurement* (IAS 39) and have not been restated.

nm - not meaningful

Consolidated Statements of Income

(unaudited) (\$ thousands, except per share amounts)	For the three months ended			Change from October 31 2018	For the year ended		Change from October 31 2018
	October 31 2019 ⁽¹⁾	July 31 2019 ⁽¹⁾	October 31 2018		October 31 2019 ⁽¹⁾	October 31 2018	
Interest Income							
Loans	\$ 356,819	\$ 352,272	\$ 319,310	12 %	\$ 1,379,730	\$ 1,185,530	16 %
Securities	8,656	7,307	8,075	7	30,696	35,529	(14)
Deposits with regulated financial institutions	2,380	2,111	1,095	117	8,274	4,236	95
	367,855	361,690	328,480	12	1,418,700	1,225,295	16
Interest Expense							
Deposits	149,628	146,583	125,779	19	573,479	452,526	27
Debt	16,788	15,361	13,608	23	59,637	47,779	25
	166,416	161,944	139,387	19	633,116	500,305	27
Net Interest Income	201,439	199,746	189,093	7	785,584	724,990	8
Non-interest Income							
Credit related	9,480	8,290	8,456	12	34,082	32,165	6
Wealth management services	5,056	4,811	5,119	(1)	19,640	20,371	(4)
Retail services	2,566	2,714	2,588	(1)	10,627	10,334	3
Trust services	1,908	1,974	1,919	(1)	7,651	7,784	(2)
Gains (losses) on securities, net	2	5	1	100	301	(217)	nm
Other	402	944	1,390	(71)	3,719	7,931	(53)
	19,414	18,738	19,473	-	76,020	78,368	(3)
Total Revenue	220,853	218,484	208,566	6	861,604	803,358	7
Provision for Credit Losses	13,267	13,110	12,432	7	57,758	48,257	20
Acquisition-related Fair Value Changes	-	-	5,041	(100)	7,854	20,094	(61)
Non-interest Expenses							
Salaries and employee benefits	65,495	65,857	59,549	10	257,966	237,228	9
Premises and equipment	18,496	17,323	16,474	12	70,515	62,754	12
Other expenses	23,676	19,579	22,728	4	77,000	73,501	5
	107,667	102,759	98,751	9	405,481	373,483	9
Net Income before Income Taxes	99,919	102,615	92,342	8	390,511	361,524	8
Income taxes	26,691	25,992	23,919	12	102,665	96,877	6
Net Income	73,228	76,623	68,423	7	287,846	264,647	9
Net income attributable to non-controlling interests	310	252	360	(14)	1,052	1,141	(8)
Shareholders' Net Income	72,918	76,371	68,063	7	286,794	263,506	9
Preferred share dividends	5,406	5,407	3,562	52	19,854	14,250	39
Common Shareholders' Net Income	\$ 67,512	\$ 70,964	\$ 64,501	5 %	\$ 266,940	\$ 249,256	7 %
Average number of common shares (in thousands)	87,219	87,217	88,933	(2) %	87,513	88,806	(1) %
Average number of diluted common shares (in thousands)	87,452	87,394	89,267	(2)	87,739	89,285	(2)
Earnings Per Common Share							
Basic	\$ 0.77	\$ 0.81	\$ 0.73	5 %	\$ 3.05	\$ 2.81	9 %
Diluted	0.77	0.81	0.73	7	3.04	2.79	9

⁽¹⁾ Amounts for fiscal 2019 have been prepared in accordance with IFRS 9. Fiscal 2018 comparatives have been prepared in accordance with IAS 39 and have not been restated.

nm – not meaningful

Consolidated Statements of Comprehensive Income

(unaudited) (\$ thousands)	For the three months ended		For the year ended	
	October 31 2019 ⁽¹⁾	October 31 2018	October 31 2019 ⁽¹⁾	October 31 2018
Net Income	\$ 73,228	\$ 68,423	\$ 287,846	\$ 264,647
Other Comprehensive Income (Loss), net of tax				
Items that will be subsequently reclassified to net income				
Debt securities measured at fair value through other comprehensive income (2018: Available-for-sale debt and equity securities)				
Gains (losses) from change in fair value ⁽²⁾	4,063	(7,095)	34,301	(19,945)
Reclassification to net income ⁽³⁾	(33)	(1)	(354)	158
	4,030	(7,096)	33,947	(19,787)
Derivatives designated as cash flow hedges				
Gains (losses) from change in fair value ⁽⁴⁾	(2,978)	(16,204)	71,361	(26,848)
Reclassification to net income ⁽⁵⁾	(559)	1,272	(383)	(994)
	(3,537)	(14,932)	70,978	(27,842)
Items that will not be subsequently reclassified to net income				
Losses on equity securities designated at fair value through other comprehensive income ⁽⁶⁾	(1,383)	n/a	(14,175)	n/a
	(890)	(22,028)	90,750	(47,629)
Comprehensive Income for the Period	\$ 72,338	\$ 46,395	\$ 378,596	\$ 217,018
Comprehensive income for the period attributable to:				
Shareholders	\$ 72,028	\$ 46,035	\$ 377,544	\$ 215,877
Non-controlling interests	310	360	1,052	1,141
Comprehensive Income for the Period	\$ 72,338	\$ 46,395	\$ 378,596	\$ 217,018

⁽¹⁾ Amounts for fiscal 2019 have been prepared in accordance with IFRS 9. Fiscal 2018 comparatives have been prepared in accordance with IAS 39 and have not been restated.

⁽²⁾ Net of income tax of \$887 and \$12,132 for the quarter and year ended October 31, 2019, respectively (2018 - \$2,577 and \$7,351).

⁽³⁾ Net of income tax of \$2 and \$116 for the quarter and year ended October 31, 2019, respectively (2018 - nil and \$59).

⁽⁴⁾ Net of income tax of \$1,086 and \$26,007 for the quarter and year ended October 31, 2019, respectively (2018 - \$5,993 and \$9,930).

⁽⁵⁾ Net of income tax of \$204 and \$140 for the quarter and year ended October 31, 2019, respectively (2018 - \$471 and \$367).

⁽⁶⁾ Net of income tax of \$660 and \$4,982 for the quarter and year ended October 31, 2019, respectively (2018 - n/a).

n/a - not applicable

Consolidated Statements of Changes in Equity

(unaudited) (\$ thousands)	For the year ended	
	October 31 2019 ⁽¹⁾	October 31 2018
Preferred Shares		
Balance at beginning of period	\$ 265,000	\$ 265,000
Issued	125,000	-
Balance at end of period	390,000	265,000
Common Shares		
Balance at beginning of period	744,701	731,885
Purchased for cancellation	(15,326)	-
Issued under dividend reinvestment plan	1,320	4,248
Transferred from share-based payment reserve on the exercise or exchange of options	1,245	2,818
Issued on acquisition-related contingent consideration instalment payment	-	5,750
Balance at end of period	731,970	744,701
Retained Earnings		
Balance at beginning of period under IAS 39	1,649,196	1,488,634
Impact of adopting IFRS 9 on November 1, 2018	22,514	n/a
Balance at beginning of period under IFRS 9	1,617,710	n/a
Shareholders' net income	286,794	263,506
Dividends	(19,854)	(14,250)
- Preferred shares	(94,573)	(88,819)
- Common shares	(34,266)	-
Net premium on common shares purchased for cancellation	(20,370)	n/a
Realized losses reclassified from accumulated other comprehensive income	(3,007)	-
Issuance costs on preferred shares	(1,161)	125
Increase (decrease) attributable to non-controlling interests ownership change		
Balance at end of period	1,785,273	1,649,196
Share-based Payment Reserve		
Balance at beginning of period	23,937	24,979
Amortization of fair value of options	1,617	1,776
Transferred to common shares on the exercise or exchange of options	(1,245)	(2,818)
Balance at end of period	24,309	23,937
Accumulated Other Comprehensive Income		
Debt securities measured at fair value through other comprehensive income (2018: Available-for-sale debt and equity securities)		
Balance at beginning of period under IAS 39	(48,962)	(29,175)
Impact of adopting IFRS 9 on November 1, 2018	12,994	n/a
Balance at beginning of period under IFRS 9	(35,968)	n/a
Other comprehensive income (loss)	33,947	(19,787)
Balance at end of period	(2,021)	(48,962)
Derivatives designated as cash flow hedges		
Balance at beginning of period	(48,120)	(20,278)
Other comprehensive income (loss)	70,978	(27,842)
Balance at end of period	22,858	(48,120)
Equity securities designated at fair value through other comprehensive income		
Impact of adopting IFRS 9 on November 1, 2018	(12,774)	n/a
Balance at beginning of period under IFRS 9	(12,774)	n/a
Other comprehensive loss	(14,175)	n/a
Realized losses reclassified to retained earnings	20,370	n/a
Balance at end of period	(6,579)	n/a
Total Accumulated Other Comprehensive Income (Loss)	14,258	(97,082)
Total Shareholders' Equity	2,945,810	2,585,752
Non-Controlling Interests		
Balance at beginning of period	2,751	2,797
Net income attributable to non-controlling interests	1,052	1,141
Dividends to non-controlling interests	(1,071)	(1,431)
Partial ownership increase (decrease)	(860)	244
Balance at end of period	1,872	2,636
Total Equity	\$ 2,947,682	\$ 2,588,503

⁽¹⁾ Amounts for fiscal 2019 have been prepared in accordance with IFRS 9. Fiscal 2018 comparatives have been prepared in accordance with IAS 39 and have not been restated.

n/a – not applicable

Consolidated Statements of Cash Flows

(unaudited) (\$ thousands)	For the year ended	
	October 31 2019 ⁽¹⁾	October 31 2018 ⁽²⁾
Cash Flows from Operating Activities		
Net income	\$ 287,846	\$ 264,647
Adjustments to determine net cash flows:		
Provision for credit losses	57,758	48,257
Current income taxes receivable and payable, net	56,162	(3,456)
Accrued interest receivable and payable, net	41,672	28,415
Depreciation and amortization	32,444	29,708
Fair value change in contingent consideration	7,854	20,094
Amortization of fair value of employee stock options	1,617	1,776
Deferred income taxes, net	(1,433)	(7,677)
(Gains) losses on securities, net	(301)	217
Net gain on CWT strategic transactions	-	(4,030)
Change in operating assets and liabilities:		
Deposits, net	1,651,404	1,796,975
Loans, net	(2,202,000)	(3,024,939)
Securities sold under repurchase agreements, net	(65,161)	36,768
Securities purchased under resale agreements, net	(40,366)	-
Debt related to securitization activities, net	155,945	531,518
Other items, net	36,547	17,436
	19,988	(264,291)
Cash Flows from Financing Activities		
Debentures issued, net of issuance costs	248,447	-
Preferred shares issued, net of issuance costs	121,993	-
Dividends	(113,077)	(98,821)
Common shares purchased for cancellation	(49,592)	-
Purchases from non-controlling interests	(2,708)	-
Dividends to non-controlling interests	(1,071)	(1,431)
Contributions by non-controlling interests	459	1,316
	204,451	(98,936)
Cash Flows from Investing Activities		
Interest bearing deposits with regulated financial institutions, net	(267,031)	477,070
Securities, purchased	(5,543,483)	(2,892,129)
Securities, sale proceeds	2,454,694	1,266,827
Securities, matured	3,219,365	1,704,328
Property, equipment and intangible assets	(49,069)	(44,203)
Acquisition-related contingent consideration payments	(37,368)	(17,250)
Proceeds from CWT strategic transactions	-	4,135
	(222,892)	498,778
Change in Cash and Cash Equivalents	1,547	135,551
Cash and Cash Equivalents at Beginning of Period	97,907	(37,644)
Cash and Cash Equivalents at End of Period *	\$ 99,454	\$ 97,907
* Represented by:		
Cash and non-interest bearing deposits with financial institutions	\$ 116,963	\$ 73,822
Cheques and other items in transit (included in Cash Resources)	5,023	52,574
Cheques and other items in transit (included in Other Liabilities)	(22,532)	(28,489)
Cash and Cash Equivalents at End of Period	\$ 99,454	\$ 97,907
Supplemental Disclosure of Cash Flow Information		
Interest and dividends received	\$ 1,428,117	\$ 1,237,809
Interest paid	588,740	462,691
Income taxes paid	80,566	88,116

(1) Amounts for fiscal 2019 have been prepared in accordance with IFRS 9. Fiscal 2018 comparatives have been prepared in accordance with IAS 39 and have not been restated.

(2) During fiscal 2019, cash flows from debt related to securitization activities, net was reclassified from Financing Activities to Operating Activities. Comparative figures have been reclassified to conform to the current period presentation.