NEWS RELEASE

CWB reports fourth quarter and full year 2020 financial and strategic performance

Fourth Quarter and Full Year 2020 Highlights[(1)] (compared to the same period in the prior year, unless otherwise noted)

	Adjusted EPS	Total revenue	Loans[(2)]	Branch-raised deposits
Q4 2020	$0.75 *Down 4%*	$237 million *Up 7%*	$30.2 billion *Up 2% from Q3 2020*	$16.6 billion *Up 4% from Q3 2020*
Full year 2020	$2.93 *Down 7%*	$897 million *Up 4%*	*Up 6% in total; 12% in Ontario*	*Up 20%*

(1) Includes certain non-IFRS measures – refer to definitions and detail provided on pages 5 and 6.
(2) Excludes the allowance for credit losses.

Edmonton, December 4, 2020 – CWB Financial Group (TSX: CWB) (CWB) today announced financial performance for the year ended October 31, 2020, with annual net income available to common shareholders of $249 million and adjusted earnings per common share of $2.93, both down 7% from last year. Fourth quarter net income available to common shareholders of $63 million and adjusted earnings per common share of $0.75, were up 2% and 1%, respectively, from the third quarter.

"We delivered solid results in a very challenging environment as we continue to make significant progress to become the best full-service bank for business owners in Canada", said Chris Fowler, President and CEO. "Our earnings were resilient against this economic backdrop, with pre-tax, pre-provision earnings up 2% year over year. We enhanced our differentiated client experience and full-service offering, as we completed a wealth acquisition that positions us to become a leader in the Canadian private wealth industry, expanded our presence in Ontario and achieved key steps in our digital roadmap. Our very strong annual branch-raised deposit growth of 20% and loan growth of 12% in Ontario confirms that our strategic path is delivering results."

"Our strong financial position provided stability through this period of unprecedented economic volatility. Our strong branch-raised deposit growth and proactive deposit pricing measures provided a five basis point sequential increase in our fourth quarter net interest margin. The strength of our balance sheet enabled us to support our clients when they needed us the most and we provided payment deferrals to over 25% of our loans at the peak this summer. Since then, we have worked with our clients to resume scheduled payments and now have only 1% of our loan portfolio on payment deferral arrangements. The approach we are taking with clients experiencing temporary financial difficulty is proactive and prudent. Our overall credit quality remains strong with very low write-offs due to the secured nature of our lending portfolio, disciplined underwriting practices and effective loan management."

"Our strong capital ratios supported investment in our wealth acquisition, and our Tier 1 and Total capital were bolstered through our successful issuance of limited recourse capital notes, making us the first bank outside of the large Canadian banks to do so. We continue to support our clients and invest in our key strategic priorities. Our 2021 plans include expansion of our digital capabilities and product offerings to enhance our client experience, ongoing support for our teams to reinforce our position as a destination for top talent, and continued business efficiency initiatives. Our *Advanced Internal Ratings Based* (AIRB) transformation proceeds through this period of economic volatility as we undertake a full parallel run of our tools and processes to support transition to the AIRB approach for regulatory capital and risk management."

"We will prudently manage through the current volatility and invest in new opportunities to drive broad-based growth as the economy recovers. We are well positioned to accelerate our progress against our goal to become the best full-service bank for business owners in Canada."

Financial Performance

On June 1, 2020, we acquired the businesses of T.E. Wealth and Leon Frazer & Associates (the wealth acquisition). The operations of the wealth acquisition, included in our financial results for the full fourth quarter and two months in the third quarter, negatively affected our efficiency ratio against the comparative periods. The wealth acquisition will support adjusted earnings per common share modestly at first, with further accretion beginning in fiscal 2022.

Q4 2020, compared to Q4 2019[(1)]	Common shareholders' net income of $63 million	Down 6%
	Adjusted EPS of $0.75	Down 4%
	Adjusted ROE of 9.5%	Down 120 bp[(2)]
	Efficiency ratio of 50.9% *(49.2% excluding the impact of the wealth acquisition)*	Worsened 270 bp *(Worsened 100 bp)*

Compared to the same quarter last year, common shareholders' net income declined as 7% revenue growth was more than offset by non-interest expense growth and an elevated provision for credit losses on performing loans primarily due to a significantly more pessimistic outlook for the Canadian economy in light of the COVID-19 pandemic. In line with our strategy, we delivered robust branch-raised deposit growth of 20%, which included a 34% increase in demand and notice deposits and contributed to a 13% reduction in broker deposits. Net interest income increased 3% as the benefit of 6% loan growth, including very strong growth in general commercial loans, was partially offset by a 10 basis point decline in net interest margin following a cumulative reduction in the Bank of Canada's policy interest rate of 150 basis points in March 2020. Non-interest income growth of 54% and non-interest expense growth of 14% were primarily related to the wealth acquisition.

Q4 2020, compared to Q3 2020[(1)]	Common shareholders' net income of $63 million	Up 2%
	Adjusted EPS of $0.75	Up 1%
	Adjusted ROE of 9.5%	Consistent
	Efficiency ratio of 50.9% *(49.2% excluding the impact of the wealth acquisition)*	Worsened 390 bp[(2)] *(Worsened 350 bp)*

We delivered financial results relatively consistent with last quarter, as 4% revenue growth and a lower provision for credit losses were largely offset by a 12% increase in non-interest expenses, including the impact of the customary seasonal increase in certain expenses, non-recurring costs associated with organizational redesign initiatives and the full quarter impact of the wealth acquisition. Net interest income increased 3%, driven by the positive impacts of a five basis point increase in net interest margin and 2% loan growth. Non-interest income increased 16% primarily due to a full quarter contribution of the wealth acquisition. Our provision for credit losses declined as a 12 basis point reduction in the provision on impaired loans more than offset a five basis point increase in the provision on performing loans primarily driven by an adverse shift in current and predicted borrower default rates as the impact of the COVID-19 pandemic continues to evolve.

Fiscal 2020, compared to fiscal 2019[(1)]	Common shareholders' net income of $249 million	Down 7%
	Adjusted EPS of $2.93	Down 7%
	Adjusted ROE of 9.5%	Down 180 bp[(2)]
	Efficiency ratio of 47.7% *(46.9% excluding the impact of the wealth acquisition)*	Worsened 120 bp *(Worsened 40 bp)*

(1) Includes certain non-IFRS measures – refer to definitions and detail provided on pages 5 and 6.
(2) bp – basis point

Compared to last year, common shareholders' net income declined as 4% revenue growth was more than offset by an increase in the provision for credit losses on performing loans, discussed above, and higher non-interest expenses. Net interest income increased 2% due to the benefit of 6% loan growth partially offset by a 15 basis point decrease in net interest margin. Non-interest income growth of 29% benefited from the contribution of the wealth acquisition and higher net gains on securities. Non-interest expenses increased 8% primarily due to the impact of the wealth acquisition and continued investment in our teams and technology to support overall business growth, partially offset by reduced spending on certain expenses in the current operating environment.

Strategic Performance

The continued execution of our focused business transformation and investments in digital capabilities, supported by our talented teams, will enhance our differentiated full-service client experience and position us for accelerated growth as the economy stabilizes. This quarter, we:

- continued progression towards AIRB approval, which now includes a parallel run of our tools and processes during 2021 to evaluate their operation through a period of economic stress;
- continued to advance our digital capabilities and, in November, extended our end-to-end digital onboarding to all current and prospective personal clients. Digital onboarding, which was previously available only to Motive Financial clients, allows accounts to be opened virtually with immediate ability to transact;
- were recognized by Great Places to Work Canada® as one of the Best Workplaces™ in Financial Services and Insurance in Canada, as well as one of Canada's Most Admired Corporate Cultures™ by Waterstone Human Capital for 2020;
- initiated the full integration of our wealth management operations to provide a differentiated private wealth experience to our clients; and,
- consolidated our equipment financing and leasing businesses under common leadership to leverage the strengths of our teams and create synergies that optimize client-facing interactions and enhance client relationships.

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. 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 services are provided through CWB Wealth Management and its affiliate brands, including T.E. Wealth, Leon Frazer & Associates, CWB McLean & Partners, 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 2020 Fourth Quarter Results Conference Call

CWB's fourth quarter results conference call is scheduled for Friday, December 4, 2020, at **10:30 a.m. ET (8:30 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: 02309244. 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 11, 2020, by dialing (416) 764-8677 (Toronto) or (888) 390-0541 (toll-free) and entering passcode 309244#.

FOR FURTHER INFORMATION CONTACT:

Chris Williams, MBA
AVP, Investor Relations
Phone: (780) 508-8229
Email: chris.williams@cwbank.com

Selected Financial Highlights[1]

(unaudited) (thousands, except per share amounts)	For the three months ended October 31 2020	July 31 2020	October 31 2019[2]	Change from October 31 2019	For the year ended October 31 2020	October 31 2019[2]	Change from October 31 2019
Results from Operations							
Net interest income	**$ 206,640**	$ 200,773	$ 201,439	3 %	**$ 799,411**	$ 785,584	2 %
Non-interest income	**29,935**	25,711	19,414	54	**97,984**	76,020	29
Total revenue	**236,575**	226,484	220,853	7	**897,395**	861,604	4
Pre-tax, pre-provision income	**116,267**	119,949	114,390	2	**469,318**	461,130	2
Common shareholders' net income	**63,380**	62,252	67,512	(6)	**248,956**	266,940	(7)
Earnings per common share							
Basic	**0.73**	0.71	0.77	(5)	**2.86**	3.05	(6)
Diluted	**0.73**	0.71	0.77	(5)	**2.86**	3.04	(6)
Adjusted	**0.75**	0.74	0.78	(4)	**2.93**	3.15	(7)
Return on common shareholders' equity	**9.2 %**	9.1 %	10.6 %	(140) bp[7]	**9.3 %**	10.9 %	(160) bp[7]
Adjusted return on common shareholders' equity	**9.5**	9.4	10.7	(120)	**9.5**	11.3	(180)
Return on assets	**0.75**	0.75	0.86	(11)	**0.76**	0.88	(12)
Efficiency ratio	**50.9**	47.0	48.2	270	**47.7**	46.5	120
Net interest margin	**2.45**	2.40	2.55	(10)	**2.45**	2.60	(15)
Operating leverage[3]	**(5.9)**	(1.3)	(3.4)	(250)	**(2.7)**	(1.8)	(90)
Provision for credit losses on total loans as a percentage of average loans[4]	**0.26**	0.33	0.19	7	**0.32**	0.21	11
Provision for credit losses on impaired loans as a percentage of average loans[4]	**0.10**	0.22	0.18	(8)	**0.18**	0.21	(3)
Number of full-time equivalent staff	**2,505**	2,502	2,278	10 %	**2,505**	2,278	10 %
Per Common Share							
Cash dividends	**$ 0.29**	$ 0.29	$ 0.28	4 %	**$ 1.15**	$ 1.08	6 %
Book value	**31.76**	31.50	29.29	8	**31.76**	29.29	8
Closing market value	**24.50**	22.80	33.35	(27)	**24.50**	33.35	(27)
Common shares outstanding (thousands)	**87,100**	87,100	87,250	-	**87,100**	87,250	-
Balance Sheet and Off-Balance Sheet Summary							
Assets	**$ 33,937,865**	$ 33,222,764	$ 31,424,235	8 %			
Loans[5]	**30,167,719**	29,689,751	28,476,727	6			
Deposits	**27,310,354**	26,495,412	25,351,361	8			
Debt	**2,424,323**	2,791,088	2,412,293	-			
Shareholders' equity	**3,331,538**	3,133,661	2,945,810	13			
Wealth management							
Assets under management	**6,229,674**	6,215,083	2,099,569	197			
Assets under advisement and administration	**2,224,839**	2,285,878	361,900	515			
Assets under administration - other[6]	**11,081,581**	10,577,914	8,936,845	24			
Capital Adequacy							
Common equity Tier 1 ratio	**8.8 %**	8.8 %	9.1 %	(30) bp[7]			
Tier 1 ratio	**10.9**	10.2	10.7	20			
Total ratio	**12.6**	12.0	12.8	(20)			

(1) Includes certain non-IFRS measures – refer to definitions and detail provided on pages 5 and 6.
(2) Results for periods beginning on or after November 1, 2019 have been prepared in accordance with IFRS 16 *Leases* (IFRS 16) (refer to Note 1 of the consolidated financial statements). Prior year comparatives have been prepared in accordance with IAS 17 *Leases* (IAS 17) and have not been restated.
(3) Excluding the impact of the wealth acquisition, our operating leverage ratio would have been negative 2.2% and positive 1.7% for the fourth and third quarter of fiscal 2020, respectively, and negative 1.0% for full year fiscal 2020.
(4) Includes provisions for credit losses on loans, committed but undrawn credit exposures and letters of credit.
(5) Excludes the allowance for credit losses.
(6) Comprised of trust assets under administration, third-party leases under administration and loans under service agreements.
(7) bp – basis point

Financial Summary

This financial summary, dated December 3, 2020, should be read in conjunction with Canadian Western Bank's (CWB) unaudited condensed financial statements for the period ended October 31, 2020, included in this document, as well as the audited consolidated financial statements and Management's Discussion and Analysis (MD&A) for the year ended October 31, 2020, contained in our 2020 Annual Report, available on SEDAR at www.sedar.com and CWB's website at www.cwb.com.

The condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are presented in Canadian dollars.

Forward-looking Statements

From time to time, we make written and verbal forward-looking statements. Statements of this type are included in our 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 our 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 our predictions, forecasts, projections, expectations and conclusions will not prove to be accurate, that our assumptions may not be correct and that our 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 trade agreements, transition to the *Advanced Internal Ratings Based* approach for calculating regulatory capital, legislative and regulatory developments, legal developments, the level of competition, the occurrence of natural catastrophes, outbreaks of disease or illness that affect local, national or international economies, changes in accounting standards and policies, information technology and cyber risk, the accuracy and completeness of information we receive 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 our 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 *Impact of COVID-19* section of this financial summary and the *Impact of COVID-19 and Our Response* and *Risk Management* sections of our 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 our actual results to differ materially from the expectations expressed in such forward-looking statements. Any forward-looking statements contained in this document represent our views as of the date hereof. Unless required by securities law, we do not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time by us or on our behalf. The forward-looking statements contained in this document are presented for the purpose of assisting readers in understanding our financial position and results of operations 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.

Assumptions about the performance of the Canadian economy over the forecast horizon and how it will affect our business are material factors considered when setting organizational objectives and targets. In determining expectations for economic growth, we consider our 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. The full extent of the impact that COVID-19, including government and regulatory responses to the outbreak, will have on the Canadian economy and our business is highly uncertain and difficult to predict at this time. Where relevant, material economic assumptions underlying forward-looking statements are disclosed within the *Fiscal 2021 Outlook* and *Allowance for Credit Losses* sections of our MD&A.

Non-IFRS Measures

We use a number of financial measures to assess our performance against strategic initiatives and operational benchmarks. Non-IFRS measures provide readers with an enhanced understanding of how we view our ongoing performance. These measures may also provide the ability to analyze trends related to profitability and the effectiveness of our operations and strategies, and determine compliance against regulatory standards. To arrive at certain non-IFRS measures, we make adjustments to the results prepared in accordance with IFRS. Adjustments relate to items which we believe are not indicative of underlying operating 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 financial summary are calculated as follows:

- Adjusted non-interest expenses – total non-interest expenses, excluding pre-tax amortization of acquisition-related intangible assets and acquisition and integration costs (see calculation below). Acquisition and integration costs include one-time direct and incremental costs incurred as part of the execution and ongoing integration of the acquisition of the businesses of T.E. Wealth and Leon Frazer & Associates.
- Adjusted common shareholders' net income – total common shareholders' net income, excluding the amortization of acquisition-related intangible assets, acquisition and integration costs and acquisition-related 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 earnings per common share – diluted earnings per common share calculated with adjusted common shareholders' net income. Prior to the third quarter of fiscal 2020, this metric was named 'Adjusted cash earnings per common share'.
- 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 fair value through other comprehensive income (FVOCI) and other financial assets are excluded.
- Provision for credit losses on impaired loans as a percentage of average 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 – annualized 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.
- Basel III common equity Tier 1, Tier 1, Total capital, and leverage ratios – calculated in accordance with guidelines issued by the 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.
- Average balances – average daily balances.

Adjusted Financial Measures

(unaudited) (thousands)	For the three months ended October 31 2020	July 31 2020	October 31 2019	Change from October 31 2019	For the year ended October 31 2020	October 31 2019	Change from October 31 2019
Non-interest expenses	**$ 123,206**	$ 109,798	$ 107,667	14 %	**$ 436,646**	$ 405,481	8 %
Adjustments (before tax):							
Amortization of acquisition-related intangible assets	**(1,991)**	(1,728)	(1,204)	65	**(6,127)**	(5,007)	22
Acquisition and integration costs[1]	**(907)**	(1,535)	-	100	**(2,442)**	-	100
Adjusted non-interest expenses	**$ 120,308**	$ 106,535	$ 106,463	13 %	**$ 428,077**	$ 400,474	7 %
Common shareholders' net income	**$ 63,380**	$ 62,252	$ 67,512	(6) %	**$ 248,956**	$ 266,940	(7) %
Adjustments (after-tax):							
Amortization of acquisition-related intangible assets	**1,443**	1,264	904	60	**4,515**	3,397	33
Acquisition and integration costs[1]	**669**	1,135	-	100	**1,804**	-	100
Acquisition-related fair value changes	**-**	-	-	-	**-**	5,773	(100)
Adjusted common shareholders' net income	**$ 65,492**	$ 64,651	$ 68,416	(4) %	**$ 255,275**	$ 276,110	(8) %

(1) Includes one-time direct and incremental costs incurred as part the execution and ongoing integration of the acquisition of the businesses of T.E. Wealth and Leon Frazer & Associates.

Pre-tax, Pre-provision Income

(unaudited) (thousands)	For the three months ended October 31 2020	July 31 2020	October 31 2019	Change from October 31 2019	For the year ended October 31 2020	October 31 2019	Change from October 31 2019
Total revenue	**$ 236,575**	$ 226,484	$ 220,853	7 %	**$ 897,395**	$ 861,604	4 %
Less:							
Adjusted non-interest expenses (see above)	**120,308**	106,535	106,463	13	**428,077**	400,474	7
Pre-tax, pre-provision income	**$ 116,267**	$ 119,949	$ 114,390	2 %	**$ 469,318**	$ 461,130	2 %

Impact of COVID-19

The impact of market disruption related to the COVID-19 global pandemic on the Canadian economy continues to be unprecedented and widespread, creating a challenging operating environment for our teams and clients across all industries and provinces. These conditions have put significant downward pressure on our operating results compared to the prior year. Our capital and liquidity positions remain strong and we are confident that our talented teams, supported by our strong, well-diversified balance sheet, will enable us to successfully navigate through this market disruption and maintain our focus on execution of targeted strategic initiatives.

Under our #CWBhasyourback program, we mobilized our teams to proactively reach out to our clients to deliver individualized advice and support and provided payment deferrals to approximately $8 billion, or over 25%, of our loan portfolio earlier this year. We have been successful in working with clients to resume normal payments and the percentage of outstanding loans deferring payments has declined to approximately 1%, with approximately three quarters of those clients paying the interest portion of their contractual payment.

Further information related to the ongoing impact of this market disruption on our teams, clients, financial results, and risk factors can found in the *Impact of COVID-19 and our Response* of our 2020 annual MD&A.

Strategic Transaction

On June 1, 2020, we completed the acquisition of 100% of the common shares of iA Investment Counsel Inc., an investment counsellor operating under the brands T.E. Wealth and Leon Frazer & Associates. The purchase price of $87 million was paid in cash upon closing and represented an investment of 30 basis points of regulatory capital. The wealth acquisition contributed $5.9 billion to assets under management, advisement and administration at October 31, 2020. The operations of the wealth acquisition, which are included in our financial results for five months in this fiscal year, contributed $15 million to wealth management non-interest income and $18 million to non-interest expenses, which included $2 million of one-time acquisition and integration costs as well as $1 million of amortization of acquisition-related intangible assets.

Further details related to the acquisition and its alignment with our strategic priorities are included in Note 3 of the consolidated financial statements and the *Strategic Transaction* section of our 2020 annual MD&A.

Financial Performance

Q4 2020 vs. Q4 2019

Common shareholders' net income of $63 million and diluted earnings per common share of $0.73 declined 6% and 5%, respectively. Adjusted common shareholders' net income of $65 million and adjusted earnings per common share of $0.75 each declined 4%. Pre-tax, pre-provision income of $116 million was up 2%.

Total revenue grew 7%, which reflected a 54% increase in non-interest income combined with a 3% increase in net interest income. Non-interest income increased primarily due to the contribution of the wealth acquisition and net gains on securities related to the re-balancing of our cash and securities portfolio in light of market volatility. Net interest income increased as the benefit of 6% loan growth was partially offset by a 10 basis point decline in net interest margin, primarily due to a cumulative reduction in the Bank of Canada policy interest rate of 150 basis points in March 2020. Proactive deposit pricing changes and a favorable shift in our funding mix due to strong branch-raised deposit growth and a resulting decline in broker deposits partially offset the negative impact of policy interest rate reductions.

A 26 basis point provision for credit losses on total loans as a percentage of average loans was seven basis points higher than last year due to an increase in the estimated performing loan allowance for credit losses primarily related to an adverse shift in forward-looking economic conditions, partially offset by a decline in the provision on impaired loans, which is determined on a case-by-case basis for each individual account.

Non-interest expenses increased 14% as the impact of the wealth acquisition, costs incurred related to organizational redesign initiatives and continued investment in our teams and technology to support overall business growth were partially offset by reduced spending on certain expenses in light of the current operating environment. Organizational redesign initiatives will reduce ongoing costs and support accelerated delivery against our growth, digital transformation and geographic diversification strategic priorities as well as simplify the way we do business and improve our efficiency. Excluding the impact of the wealth acquisition and approximately $4 million of non-recurring costs related to organizational redesign initiatives, non-interest expense growth was 2%.

Q4 2020 vs. Q3 2020

Common shareholders' net income and diluted earnings per common share increased 2% and 3%, respectively. Adjusted common shareholders' net income and adjusted earnings per common share each increased 1%. Pre-tax, pre-provision income was down 3%.

Total revenue increased 4%, due to 3% higher net interest income, combined with a 16% increase in non-interest income related to the full quarter contribution of the wealth acquisition and higher credit-related fees, partially offset by lower net gains on securities. Net interest income benefited from a five basis point improvement in net interest margin and 2% loan growth during the fourth quarter. Net interest margin primarily benefited from proactive deposit pricing changes in response to market conditions and continued very strong branch-raised deposit growth.

Our provision for credit losses on total loans as a percentage of average loans of 26 basis points was seven basis points below last quarter as a lower provision on impaired loans was partially offset by an increase in the provision on performing loans primarily due to the continued evolution of the impact of the COVID-19 pandemic.

Non-interest expenses increased 12%. Excluding the wealth acquisition and non-recurring costs related to organizational redesign initiatives, non-interest expenses were up 7% primarily due to the customary seasonal increase in advertising, community investment and employee training costs combined with continued investment in technology to support overall business growth.

2020 vs. 2019

Common shareholders' net income of $249 million and diluted earnings per common share of $2.86 were down 7% and 6%, respectively. Adjusted common shareholders' net income of $255 million was down 8% and adjusted earnings per common share of $2.93 declined 7%. Pre-tax, pre-provision income of $469 million increased 2%.

Total revenue was up 4%, including a 29% increase in non-interest income due to the same factors noted above in the comparison to the same quarter last year and 2% growth of net interest income. Higher net interest income was driven by 6% loan growth partially offset by a 15 basis point decrease in net interest margin. Following an initial contraction of net interest margin in the second quarter of fiscal 2020 as a result of the Bank of Canada's policy interest rate reductions, net interest margin stabilized in the third quarter and improved sequentially in the fourth quarter as a result of a favorable shift in our funding mix due to strong branch-raised deposit growth and proactive deposit pricing changes.

The provision for credit losses on total loans as a percentage of average loans of 32 basis points was 11 basis points higher than last year due to a 14 basis point increase in the provision on performing loans, partially offset by a three basis point reduction in the provision on impaired loans.

The 8% increase in non-interest expenses reflects the same factors noted in the comparison to the same quarter last year. Excluding the wealth acquisition and non-recurring costs related to organizational redesign initiatives, non-interest expense growth was 2%.

In 2019, we recognized an $8 million before-tax charge for acquisition-related fair value changes, compared to nil this year, which was reflected in common shareholders' net income but not in adjusted common shareholders' net income.

Income Taxes

The fourth quarter effective income tax rate was 26.4%, down 30 basis points from last year and 10 basis points from last quarter. The full year effective income tax rate of 26.3% was consistent with last year.

In 2019, the Alberta government enacted reductions to the corporate income tax rate from 12% to 8% over four years, beginning with a 1% decrease on July 1, 2019 and further reductions of 1% expected on each of January 1, 2020, 2021 and 2022. As part of Alberta's COVID-19 economic recovery plan, the provincial government accelerated the reduction of the corporate income tax rate from 10% to 8% effective July 1, 2020, rather than the schedule noted above. The corporate income tax rate reduction did not have a significant impact on our effective tax rate in fiscal 2020 as the current income tax benefit was offset by the negative impact of the re-measurement of our deferred tax assets and liabilities at the lower tax rate.

ROE and ROA

The fourth quarter return on common shareholders' equity (ROE) of 9.2% was 140 basis points below last year and adjusted ROE of 9.5%, which removes the impact of one-time acquisition and integration costs as well as amortization of acquisition-related intangible assets, was 120 basis points lower due to higher average common shareholders' equity combined with lower earnings. Fourth quarter ROE and adjusted ROE were consistent with last quarter.

Full year ROE of 9.3% was 160 basis points lower than last year and adjusted ROE of 9.5% declined 180 basis points due to the same factors noted in the comparison to the same quarter last year.

The fourth quarter return on assets (ROA) of 0.75% was 11 basis points below last year, due to higher average assets and lower earnings, and consistent with last quarter. The full year ROA of 0.76% declined 12 basis points due to the same factors noted in the comparison to the same quarter last year.

Efficiency ratio and operating leverage

The fourth quarter efficiency ratio of 50.9%, which measures adjusted non-interest expenses divided by total revenue, increased compared to 48.2% last year and 47.0% last quarter. Excluding the impact of the wealth acquisition, the fourth quarter efficiency ratio was 49.2% compared to 45.7% last quarter with the increase from prior periods attributable to revenue growth more than offset by higher non-interest expenses. The full year efficiency ratio of 47.7%, or 46.9% excluding the impact of the wealth acquisition, increased from 46.5% last year as non-interest expense growth outpaced revenue growth in the low interest rate environment.

Operating leverage in the fourth quarter, calculated as the growth rate of total revenue less the growth rate of adjusted non-interest expenses over the same period last year, was negative 5.9%, compared to negative 3.4% last year and negative 1.3% last quarter. Excluding the impact of the wealth acquisition, operating leverage of negative 2.2% improved from last year as non-interest expense growth outpaced revenue growth by a larger proportion in the prior year. Compared to last quarter, operating leverage worsened primarily due to higher non-interest expense growth. Full year operating leverage was negative 2.7%. Excluding the impact of the wealth acquisition, full year operating leverage of negative 1.0% improved from negative 1.8% last year due to the same factors noted in the comparison to the same quarter last year.

Loans

Total loans, excluding the allowance for credit losses, surpassed $30 billion to reach $30.2 billion, up 6% ($1.7 billion) from last year and 2% ($0.5 billion) from the prior quarter. The percentage of outstanding loans deferring payments was 2% at October 31, 2020, and has since declined to approximately 1%. Deferred loan payments did not significantly contribute to loan growth during the quarter or the year.

Loans by Portfolio

(unaudited) ($ millions)	**October 31 2020**	% of total as at October 31 2020	July 31 2020	October 31 2019	% change from October 31 2019
General commercial loans	**$ 9,697**	32 %	$ 9,532	$ 8,600	13 %
Personal loans and mortgages	**6,074**	20	5,950	5,690	7
Commercial mortgages	**5,696**	19	5,531	5,088	12
Equipment financing and leasing	**5,254**	17	5,281	5,192	1
Real estate project loans	**3,252**	11	3,144	3,752	(13)
Oil and gas production loans	**195**	1	252	155	26
Total loans(1)	**$ 30,168**	100 %	$ 29,690	$ 28,477	6 %

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

Q4 2020 vs. Q4 2019

Growth was led by a 13% increase in the strategically targeted general commercial portfolio, which reflects ongoing efforts to increase full-service relationships across our national footprint. General commercial loans now represent 32% of the total loan portfolio, compared to 30% one year ago. Commercial mortgages increased 12% primarily due to strong growth in British Columbia (BC) and Alberta. The 7% increase in personal loans and mortgages primarily reflected "A" mortgage portfolio growth, which largely consists of residential mortgages eligible for bulk portfolio insurance to support our participation in the National Housing Act Mortgage Backed Securities (NHA MBS) program. The equipment financing and leasing portfolio remained relatively consistent with last year. Real estate project loans declined 13% due to successful project completions, primarily in BC, combined with the impact of delayed new starts and slower progress on existing projects in the current operating environment.

Q4 2020 vs. Q3 2020

Growth in strategically targeted general commercial loans remained solid, with a 2% increase from last quarter, including strong growth in Ontario. Commercial mortgages increased 3% primarily due to strong new lending volumes with well-capitalized, high-quality borrowers. Personal loans and mortgages increased 2% driven by growth of "A" mortgages. Real estate project loans increased 3% primarily due to participation in syndicated facilities in Ontario and Alberta, partially offset by the impact of successful project completions, mainly in BC. Equipment financing and leasing declined 1% during the quarter.

Loans by Geography

(unaudited) ($ millions)	**October 31 2020**	% of total as at October 31 2020	July 31 2020	October 31 2019	% change from October 31 2019
British Columbia	**$ 9,722**	32 %	$ 9,712	$ 9,348	4 %
Alberta	**9,529**	32	9,321	9,073	5
Ontario	**7,016**	23	6,792	6,265	12
Saskatchewan	**1,422**	5	1,384	1,459	(3)
Quebec	**938**	3	939	887	6
Manitoba	**924**	3	915	824	12
Other	**617**	2	627	621	(1)
Total loans(1)	**$ 30,168**	100 %	$ 29,690	$ 28,477	6 %

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

Q4 2020 vs. Q4 2019

We continued to execute on our geographic diversification strategy. Ontario loans increased 12%, representing approximately 45% of overall loan growth. Growth in Alberta and BC of 5% and 4%, respectively, primarily reflected expansion in the commercial mortgage, general commercial, and personal loan and mortgage portfolios, partially offset by a contraction in real estate project loans in BC. Manitoba loans were up 12% due to increased real estate project and general commercial loans.

Q4 2020 vs. Q3 2020

On a sequential basis, Ontario and Alberta growth of 3% and 2%, respectively, was driven by the general commercial portfolio and real estate project loans. Ontario accounted for approximately 50% of overall growth during the quarter. Loans in BC remained flat as successful completions and payouts of real estate project loans and lower general commercial loans offset growth in commercial mortgages.

Credit Quality

Credit quality continues to reflect the secured nature of our lending portfolio, disciplined underwriting practices and proactive loan management.

Gross impaired loans

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 dollar amount of gross impaired loans totaled $257 million, compared to $148 million one year ago and $282 million last quarter.

	For the three months ended			Change from
(unaudited) ($ thousands)	**October 31 2020**	July 31 2020	October 31 2019	October 31 2019
Gross impaired loans, beginning of period	**$ 282,827**	$ 271,449	$ 143,390	97 %
New formations	**38,844**	54,373	55,653	(30)
Reductions, impaired accounts paid down or returned to performing status	**(56,125)**	(33,750)	(40,795)	38
Write-offs	**(8,405)**	(9,245)	(9,998)	(16)
Total(1)	**$ 257,141**	$ 282,827	$ 148,250	73 %
Balance of the ten largest impaired accounts	**$ 72,311**	$ 95,306	$ 52,795	37 %
Total number of accounts classified as impaired(2)	**420**	405	330	27
Gross impaired loans as a percentage of gross loans	**0.85 %**	0.95 %	0.52 %	33 bp(3)

(1) Gross impaired loans include foreclosed assets held for sale with a carrying value of $4,357 (July 31, 2020 – $5,002, October 31, 2019 – $4,217).
(2) Total number of accounts excludes CWB National Leasing.
(3) bp – basis point change

The dollar level of gross impaired loans represented 0.85% of gross loans, up from 0.52% last year and lower than 0.95% last quarter. The net decrease in impaired loans from last quarter was primarily driven by full or partial resolutions, including two significant Alberta-based commercial mortgage connections, a well-secured energy loan and several equipment financing exposures, with no significant credit losses. New impaired loan formations of $39 million were lower than $56 million last year and $54 million last quarter. Resolutions of impaired loans also trended positively this quarter, totaling $56 million compared to $41 million last year and $34 million last quarter.

As we worked with our clients experiencing temporary financial difficulty on a case-by-case basis to manage payment deferral options or access to government programs, we simultaneously triaged our loan portfolio to assess evolving risk profiles. We continue to carefully monitor the entire loan portfolio for additional signs of weakness. We have expanded our Special Asset Management Unit to support our branch teams as we work through market disruption and economic recovery. Our strong credit risk management framework, including well-established underwriting standards, the secured nature of our lending portfolio with conservative loan-to-value ratios, and proactive approach to working with clients through difficult periods, has continued to be an effective approach. Write-offs during the year totaled 17 basis points as a percentage of average loans, which compares favorably to our five-year average of 23 basis points.

Allowances for credit losses

At October 31, 2020, the total allowance for credit losses (Stages 1, 2 and 3) was $164 million, compared to $115 million one year ago and $152 million last quarter.

(unaudited) ($ thousands)	**October 31 2020**	July 31 2020	October 31 2019	Change from October 31 2019
Performing (Stage 1 and 2)				
Loans	**$ 125,191**	$ 113,379	$ 84,870	48 %
Committed by undrawn credit exposures and letters of credit	**5,087**	5,240	4,191	21
	130,278	118,619	89,061	46
Loans - Impaired (Stage 3)	**34,135**	33,060	25,964	31
Total	**$ 164,413**	$ 151,679	$ 115,025	43 %

The estimated performing loan allowance increased from the prior year primarily due to the significant deterioration in macroeconomic assumptions reflecting the estimated economic impact of the COVID-19 pandemic, which increased the conditional probability of default across our portfolios and resulted in a larger proportion of loans in Stage 2. The performing loan allowance is estimated based on 12-month credit losses for loans in Stage 1, while loans in Stage 2 require the recognition of lifetime credit losses.

The forecast used in our fourth quarter estimation of the performing loan allowance, which was based on an average of the large Canadian banks' macroeconomic forecasts, was slightly more optimistic related to unemployment rates and GDP growth, and slightly more pessimistic related to housing price growth than the previous quarter. The sequential increase in the performing loan allowance of $12 million (10%) primarily reflects an adverse shift in current and predicted borrower default rates, particularly in our small- and medium-sized entities, hotel/motel and equipment leasing portfolios, which resulted in an increase in conditional probabilities of default and expected credit losses. Adverse movement in borrower default rates typically lag deteriorating macroeconomic conditions.

The proportion of performing loans in Stage 2 at the end of the quarter was 34%, compared to 6% last year and 23% last quarter. Approximately 90% of the loans in Stage 2 in the fourth quarter migrated from Stage 1 based on an increase in conditional probability of default, as estimated by our expected credit loss models with consideration for current and forward-looking macroeconomic conditions, rather than a deterioration of borrower-specific credit quality. The average credit quality of a borrower that migrates to Stage 2 based on model-driven factors is significantly higher than a borrower who migrates to Stage 2 based on borrower-specific criteria, such as days past due or watchlist status.

The relatively short duration of our loan portfolios, particularly our personal loans and mortgages, contributed to a higher proportion of performing loans in Stage 2 due to the significant near-term volatility in macroeconomic forecasts used to estimate ECL. The short duration of our portfolios also limits the impact on our allowance for credit losses when loans migrate from Stage 1 to Stage 2. Tangible security held and conservative loan-to-value ratios also softens the impact of increased probabilities of default on the estimated performing loan allowance and decreases the overall sensitivity of our allowance for credit losses to changes in forecasted economic conditions. We did not adjust our ECL models to prevent the migration of loans on payment deferral arrangements into Stage 2, or use expert credit judgment to reduce the amount of loans categorized in Stage 2 by our ECL models.

We expect the rapidly changing nature of the COVID-19 pandemic and its impacts on the economy, along with the government relief stimulus, will continue to impact macroeconomic forecasts. For further details related to allowances for credit losses, including information on the economic factors used within the estimation of the performing loan allowance, see Note 7 of the consolidated financial statements and the *Allowance for Credit Losses* section of our annual MD&A.

Provision for credit losses

The fourth quarter provision for credit losses on total loans as a percentage of average loans was 26 basis points, compared to 19 basis points last year and 33 basis points last quarter. On an annual basis, the provision for credit losses on total loans as a percentage of average loans was 32 basis points, compared to 21 basis points last year.

(unaudited)	For the three months ended October 31 2020	July 31 2020	October 31 2019	Change from October 31 2019	For the year ended October 31 2020	October 31 2019	Change from October 31 2019
Provision for credit losses on impaired loans[1]	**0.10 %**	0.22 %	0.18 %	(8) bp[2]	**0.18 %**	0.21 %	(3) bp[2]
Provision for credit losses on performing loans[1]	**0.16**	0.11	0.01	15	**0.14**	-	14
Total	**0.26 %**	0.33 %	0.19 %	7 bp	**0.32 %**	0.21 %	11 bp

(1) As a percentage of average loans.
(2) bp – basis point

The provision for credit losses on performing loans in the fourth quarter of $12 million compared to nil last year and $8 million last quarter. As a percentage of average loans, the fourth quarter provision for credit losses on performing loans of 16 basis points was up from one basis point last year and 11 basis points last quarter. The provision for credit losses on impaired loans of $8 million compared to $13 million last year and $16 million last quarter. The fourth quarter provision for credit losses on impaired loans, which includes the impact of new impairments and resolutions during the quarter, represented 10 basis points as a percentage of average loans and declined from 18 basis points last year and 22 basis points last quarter.

For the full year, the provision for credit losses on performing loans of $41 million represented 14 basis points as a percentage of average loans, compared to a negligible amount last year. The provision for credit losses on impaired loans of $51 million declined from $57 million last year and represented 18 basis points as a percentage of average loans, down from 21 basis points.

Deposits and Funding

Total deposits of $27.3 billion were up 8% ($2.0 billion) from last year and 3% ($0.8 billion) compared to last quarter. Branch-raised deposits increased 20% ($2.8 billion) from last year and 4% ($0.6 billion) compared to last quarter. With robust branch-raised deposit growth and stability in our liquidity position, we fully repaid our advances under the Bank of Canada's Standing Term Liquidity Facility in the fourth quarter.

(unaudited) (millions)	As at October 31 2020	July 31 2020	October 31 2019	Change from October 31 2019
Deposits by source and type				
CWB Financial Group branch-raised				
Demand and notice	**$ 11,513**	$ 10,657	$ 8,623	34 %
Term	**5,115**	5,333	5,194	(2)
	16,628	15,990	13,817	20
Broker term	**7,132**	7,554	8,215	(13)
Capital markets	**3,550**	2,951	3,319	7
Total deposits	**$ 27,310**	$ 26,495	$ 25,351	8 %

Q4 2020 vs. Q4 2019

We continue to deliver on our funding diversification strategy. Our teams grew relationship-based, branch-raised deposits by 20%, which now represent 61% of total deposits, up from 55% last year. Branch-raised deposit growth reflects strong performance from our full-service banking branches, CWB Trust Services and Motive Financial as we leveraged our enhanced cash management tools and products to broaden our access to lower cost funding by attracting new clients both within and outside of our branch footprint. Demand and notice deposits increased 34% and now account for 42% of total deposits, compared to 34% last year. Capital market deposits increased 7% from last year and represented 13% of total deposits at year end, consistent with last year. Robust branch-raised deposit growth resulted in a 13% reduction in broker deposit balances, which represented 26% of total deposits at quarter end, compared to 32% last year. The broker deposit market continues to be a deep and 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, with pricing that has continued to stabilize over the past two quarters. We raise only fixed term broker deposits, with terms to maturity between one and five years.

Q4 2020 vs. Q3 2020

Total deposits were up 3% sequentially due to branch-raised deposit growth and capital market issuances, which resulted in a further reduction in broker deposits. Very strong branch-raised deposit growth of 4% was primarily driven by our full-service banking branches and CWB Trust Services. This marks the seventh consecutive quarter with a strong sequential increase in branch-raised deposits, a reflection of our continued strategic execution and investment. The proportion of branch-raised deposits to total deposits increased to 61%, up from 60% last quarter. Demand and notice deposits, which surpassed $11 billion during the quarter, increased 8% and contributed 42% of total deposits, up from 40% last quarter. Capital market deposits increased 20% ($0.6 billion) sequentially with one senior deposit note issuance during the quarter. Broker deposits declined 6% this quarter and contributed 26% of total deposits, down from 29% last quarter.

Securitization

Securitized leases, loans and mortgages are reported on-balance sheet with total loans. Securitization funding of $2.1 billion, recorded as debt on our balance sheet, increased 7% from last year and remained relatively consistent with last quarter.

The gross amount of securitized leases and loans at October 31, 2020 was $1.7 billion, compared to $1.6 billion one year ago and consistent with last quarter. The gross amount of mortgages securitized under the NHA MBS program was $1.1 billion, up from $0.8 billion one year ago and $1.0 billion last quarter. Fiscal 2020 funding from the securitization of leases, loans and mortgages was $1.3 billion, compared to $0.9 billion last year.

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 us 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.

Regulatory Response to COVID-19

Beginning in March, OSFI introduced new measures to support the economy and maintain financial system resiliency in the face of the COVID-19 pandemic. A full summary of fiscal 2020 regulatory developments is included in the *Capital Management* section of our 2020 annual MD&A.

Regulatory Capital and Capital Adequacy Ratios

With capital ratios of 8.8% CET1, 10.9% Tier 1 and 12.6% Total capital at October 31, 2020, we remain conservatively capitalized through the current economic conditions. Our Basel III leverage ratio of 8.5% at October 31, 2020 remains very strong.

Given the uncertainty of the economic outlook, we performed additional stress testing in fiscal 2020, using our AIRB and IFRS 9 models to simulate the impacts of a more severe and prolonged period of challenging economic conditions throughout our geographic footprint. Considering the results of these stress tests, we remain confident in our ability to deliver positive earnings for shareholders while we maintain financial stability, our current dividend, and a strong capital position against an uncertain economic outlook.

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

(unaudited) (millions)	As at October 31 2020	As at July 31 2020	As at October 31 2019
Regulatory capital			
CET1 capital before deductions	**$ 2,671**	$ 2,636	$ 2,533
Net CET1 deductions	**(299)**	(303)	(230)
CET1 capital	**2,372**	2,333	2,303
Tier 1 capital	**2,937**	2,723	2,693
Total capital	**3,419**	3,200	3,233
Risk-weighted assets	**27,044**	26,661	25,202
Capital adequacy ratios			
CET1	**8.8 %**	8.8 %	9.1 %
Tier 1	**10.9**	10.2	10.7
Total	**12.6**	12.0	12.8
Leverage	**8.5**	8.1	8.3

In the fourth quarter, we closed a public offering of $175 million of Limited Recourse Capital Notes Series 1 (Non-Viability Contingent Capital), which qualify as Tier 1 capital. The issuance increased our Tier 1 and Total capital ratios by approximately 70 basis points.

AIRB Transition

Our final application to OSFI for transition to the AIRB methodology for regulatory capital and risk management will now include a parallel run of our AIRB tools and processes, which will allow us to evaluate their operation through this period of economic volatility. The timeline for approval is extended, compared to our original expectation of the end of fiscal 2020. We expect to complete our parallel run in 2021, followed by finalization of OSFI's review. The extended timeline does not change our near-term financial outlook as OSFI's current industry restrictions limit the deployment of capital through increased dividends or use of a common share normal course issuer bid.

Dividends

On December 3, 2020, our Board of Directors declared a cash dividend of $0.29 per common share, payable on January 7, 2021 to shareholders of record on December 17, 2020. This quarterly dividend is up one cent, or 4%, from the dividend declared one year ago and consistent with the dividend paid to common shareholders on September 24, 2020. Consistent with the dividends paid to preferred shareholders on October 31, 2020, 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, 2021 to shareholders of record on January 22, 2021.

Condensed Financial Statements - Consolidated Balance Sheets

(unaudited) ($ thousands)	As at October 31 2020	As at July 31 2020	As at October 31 2019	Change from October 31 2019
Assets				
Cash Resources				
Cash and non-interest bearing deposits with financial institutions	**$ 113,868**	$ 72,366	$ 116,963	(3) %
Interest bearing deposits with regulated financial institutions	**254,451**	214,258	293,856	(13)
Cheques and other items in transit	**-**	2,053	5,023	(100)
	368,319	288,677	415,842	(11)
Securities				
Issued or guaranteed by Canada	**1,317,967**	1,264,017	1,341,326	(2)
Issued or guaranteed by a province or municipality	**967,415**	974,688	489,261	98
Other debt securities	**377,244**	311,783	170,456	121
Preferred shares	**1,992**	1,978	18,164	(89)
	2,664,618	2,552,466	2,019,207	32
Securities Purchased under Resale Agreements	**50,084**	-	40,366	24
Loans				
Personal	**6,073,643**	5,949,803	5,689,833	7
Business	**24,094,076**	23,739,948	22,786,894	6
	30,167,719	29,689,751	28,476,727	6
Allowance for credit losses	**(159,326)**	(146,439)	(110,834)	44
	30,008,393	29,543,312	28,365,893	6
Other				
Property and equipment	**139,349**	142,105	63,166	121
Goodwill	**138,256**	138,150	85,392	62
Intangible assets	**220,708**	214,460	173,748	27
Derivatives	**96,615**	124,822	47,815	102
Other assets	**251,523**	218,772	212,806	18
	846,451	838,309	582,927	45
Total Assets	**$ 33,937,865**	$ 33,222,764	$ 31,424,235	8 %
Liabilities and Equity				
Deposits				
Personal	**$ 15,661,320**	$ 15,767,890	$ 15,300,505	2 %
Business and government	**11,649,034**	10,727,522	10,050,856	16
	27,310,354	26,495,412	25,351,361	8
Other				
Cheques and other items in transit	**52,326**	26,424	22,532	132
Securities sold under repurchase agreements	**65,198**	-	29,965	118
Derivatives	**6,285**	9,894	14,016	(55)
Other liabilities	**746,979**	765,085	646,386	16
	870,788	801,403	712,899	22
Debt				
Debt related to securitization activities	**2,051,680**	2,067,530	1,913,799	7
Subordinated debentures	**372,643**	372,454	498,494	(25)
Secured liquidity facility	**-**	351,104	-	-
	2,424,323	2,791,088	2,412,293	-
Equity				
Preferred shares	**390,000**	390,000	390,000	-
Common shares	**730,846**	730,846	731,970	-
Limited recourse capital notes	**175,000**	-	-	100
Retained earnings	**1,907,739**	1,872,320	1,785,273	7
Share-based payment reserve	**25,749**	25,341	24,309	6
Accumulated other comprehensive income	**102,204**	115,154	14,258	617
Total Shareholders' Equity	**3,331,538**	3,133,661	2,945,810	13
Non-controlling interests	**862**	1,200	1,872	(54)
Total Equity	**3,332,400**	3,134,861	2,947,682	13
Total Liabilities and Equity	**$ 33,937,865**	$ 33,222,764	$ 31,424,235	8 %

Condensed Financial Statements - Consolidated Statements of Income

(unaudited) ($ thousands, except per share amounts)	For the three months ended **October 31 2020**	 July 31 2020	 October 31 2019	Change from October 31 2019	For the year ended **October 31 2020**	 October 31 2019	Change from October 31 2019
Interest Income							
Loans	**$ 320,271**	$ 319,233	$ 356,819	(10) %	**$ 1,336,002**	$ 1,379,730	(3) %
Securities	**4,462**	7,120	8,656	(48)	**29,046**	30,696	(5)
Deposits with regulated financial institutions	**223**	434	2,380	(91)	**3,866**	8,274	(53)
	324,956	326,787	367,855	(12)	**1,368,914**	1,418,700	(4)
Interest Expense							
Deposits	**100,926**	106,351	149,628	(33)	**499,140**	573,479	(13)
Debt	**17,390**	19,663	16,788	4	**70,363**	59,637	18
	118,316	126,014	166,416	(29)	**569,503**	633,116	(10)
Net Interest Income	**206,640**	200,773	201,439	3	**799,411**	785,584	2
Non-interest Income							
Credit related	**9,566**	8,282	9,480	1	**34,921**	34,082	2
Wealth management services	**13,631**	10,543	5,056	170	**33,565**	19,640	71
Retail services	**2,425**	2,123	2,566	(5)	**9,679**	10,627	(9)
Trust services	**2,162**	1,978	1,908	13	**8,377**	7,651	9
Gains on securities, net	**1,495**	2,245	2	nm	**9,428**	301	nm
Other	**656**	540	402	63	**2,014**	3,719	(46)
	29,935	25,711	19,414	54	**97,984**	76,020	29
Total Revenue	**236,575**	226,484	220,853	7	**897,395**	861,604	4
Provision for Credit Losses	**19,567**	24,362	13,267	47	**92,167**	57,758	60
Acquisition-related Fair Value Changes	**-**	-	-	-	**-**	7,854	(100)
Non-interest Expenses							
Salaries and employee benefits	**74,594**	71,580	65,495	14	**281,408**	257,966	9
Premises and equipment	**24,518**	19,329	18,496	33	**80,362**	70,515	14
Other expenses	**24,094**	18,889	23,676	2	**74,876**	77,000	(3)
	123,206	109,798	107,667	14	**436,646**	405,481	8
Net Income before Income Taxes	**93,802**	92,324	99,919	(6)	**368,582**	390,511	(6)
Income taxes	**24,747**	24,449	26,691	(7)	**97,032**	102,665	(5)
Net Income	**69,055**	67,875	73,228	(6)	**271,550**	287,846	(6)
Net income attributable to non-controlling interests	**269**	216	310	(13)	**968**	1,052	(8)
Shareholders' Net Income	**68,786**	67,659	72,918	(6)	**270,582**	286,794	(6)
Preferred share dividends	**5,406**	5,407	5,406	-	**21,626**	19,854	9
Common Shareholders' Net Income	**$ 63,380**	$ 62,252	$ 67,512	(6) %	**$ 248,956**	$ 266,940	(7) %
Average number of common shares (in thousands)	**87,100**	87,100	87,219	- %	**87,159**	87,513	- %
Average number of diluted common shares (in thousands)	**87,144**	87,100	87,452	-	**87,192**	87,739	(1)
Earnings Per Common Share							
Basic	**$ 0.73**	$ 0.71	$ 0.77	(5) %	**$ 2.86**	$ 3.05	(6) %
Diluted	**0.73**	0.71	0.77	(5)	**2.86**	3.04	(6)

nm – not meaningful

Condensed Financial Statements - Consolidated Statements of Comprehensive Income

(unaudited) ($ thousands)	For the three months ended **October 31 2020**	 October 31 2019	For the year ended **October 31 2020**	 October 31 2019
Net Income	**$ 69,055**	$ 73,228	**$ 271,550**	$ 287,846
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				
Gains (losses) from change in fair value[(1)]	**(412)**	4,063	**14,046**	34,301
Reclassification to net income[(2)]	**(1,184)**	(33)	**(5,900)**	(354)
	(1,596)	4,030	**8,146**	33,947
Derivatives designated as cash flow hedges				
Gains (losses) from change in fair value[(3)]	**3,229**	(2,978)	**105,003**	71,361
Reclassification to net income[(4)]	**(14,674)**	(559)	**(31,855)**	(383)
	(11,445)	(3,537)	**73,148**	70,978
Items that will not be subsequently reclassified to net income				
Gains (losses) on equity securities designated at fair value through other comprehensive income[(5)]	**99**	(1,383)	**528**	(14,175)
	(12,942)	(890)	**81,822**	90,750
Comprehensive Income for the Period	**$ 56,113**	$ 72,338	**$ 353,372**	$ 378,596
Comprehensive income for the period attributable to:				
Shareholders	**$ 55,844**	$ 72,028	**$ 352,404**	$ 377,544
Non-controlling interests	**269**	310	**968**	1,052
Comprehensive Income for the Period	**$ 56,113**	$ 72,338	**$ 353,372**	$ 378,596

(1) Net of income tax of $308 and $4,623 for the quarter and year ended October 31, 2020, respectively (2019 – $887 and $12,132).
(2) Net of income tax of $395 and $2,003 for the quarter and year ended October 31, 2020, respectively (2019 – $2 and $116).
(3) Net of income tax of $407 and $34,277 for the quarter and year ended October 31, 2020, respectively (2019 – $1,086 and $26,007).
(4) Net of income tax of $4,985 and $10,843 for the quarter and year ended October 31, 2020, respectively (2019 – $204 and $140).
(5) Net of income tax of $24 and $171 for the quarter and year ended October 31, 2020, respectively (2019 – $660 and $4,982).

Condensed Financial Statements - Consolidated Statements of Changes in Equity

(unaudited) ($ thousands)	For the year ended October 31 2020	 October 31 2019
Preferred Shares		
Balance at beginning of year	**$ 390,000**	$ 265,000
Issued	**-**	125,000
Balance at end of year	**390,000**	390,000
Limited Recourse Capital Notes		
Balance at beginning of year	**-**	-
Issued	**175,000**	-
Balance at end of year	**175,000**	-
Common Shares		
Balance at beginning of year	**731,970**	744,701
Purchased for cancellation	**(1,503)**	(15,326)
Transferred from share-based payment reserve on the exercise or exchange of options	**379**	1,245
Issued under dividend reinvestment plan	**-**	1,350
Balance at end of year	**730,846**	731,970
Retained Earnings		
Balance at beginning of year	**1,785,273**	1,649,196
Impact of adopting IFRS 16 on November 1, 2019	**(13,035)**	n/a
Impact of adopting IFRS 9 on November 1, 2018	**n/a**	22,514
Shareholders' net income	**270,582**	286,794
Dividends – Preferred shares	**(21,626)**	(19,854)
– Common shares	**(100,211)**	(94,573)
Net premium on common shares purchased for cancellation	**(3,642)**	(34,266)
Realized losses reclassified from accumulated other comprehensive income	**(6,124)**	(20,370)
Issuance costs on limited recourse capital notes	**(2,157)**	-
Issuance costs on preferred shares	**-**	(3,007)
Decrease attributable to non-controlling interests ownership change	**(1,321)**	(1,161)
Balance at end of year	**1,907,739**	1,785,273
Share-based Payment Reserve		
Balance at beginning of year	**24,309**	23,937
Amortization of fair value of options	**1,819**	1,617
Transferred to common shares on the exercise or exchange of options	**(379)**	(1,245)
Balance at end of year	**25,749**	24,309
Accumulated Other Comprehensive Income		
Debt securities measured at fair value through other comprehensive income		
Balance at beginning of year	**(2,021)**	(35,968)
Other comprehensive income	**8,146**	33,947
Balance at end of year	**6,125**	(2,021)
Derivatives designated as cash flow hedges		
Balance at beginning of year	**22,858**	(48,120)
Other comprehensive income	**73,148**	70,978
Balance at end of year	**96,006**	22,858
Equity securities designated at fair value through other comprehensive income		
Balance at beginning of year	**(6,579)**	(12,774)
Other comprehensive income (loss)	**528**	(14,175)
Realized losses reclassified to retained earnings	**6,124**	20,370
Balance at end of year	**73**	(6,579)
Total Accumulated Other Comprehensive Income	**102,204**	14,258
Total Shareholders' Equity	**3,331,538**	2,945,810
Non-controlling Interests		
Balance at beginning of year	**1,872**	2,751
Net income attributable to non-controlling interests	**968**	1,052
Dividends to non-controlling interests	**(862)**	(1,071)
Ownership change	**(1,116)**	(860)
Balance at end of year	**862**	1,872
Total Equity	**$ 3,332,400**	$ 2,947,682

n/a – not applicable

Condensed Financial Statements - Consolidated Statements of Cash Flows

(unaudited) ($ thousands)	For the year ended October 31 2020	October 31 2019
Cash Flows from Operating Activities		
Net income	**$ 271,550**	$ 287,846
Adjustments to determine net cash flows:		
Provision for credit losses	**92,167**	57,758
Depreciation and amortization	**50,448**	32,444
Amortization of fair value of employee stock options	**1,819**	1,617
Current income taxes receivable and payable, net	**(60,813)**	56,162
Accrued interest receivable and payable, net	**(25,458)**	41,672
Deferred income taxes, net	**(10,173)**	(1,433)
Gains on securities, net	**(9,428)**	(301)
Fair value change in contingent consideration	**-**	7,854
Change in operating assets and liabilities:		
Deposits, net	**1,958,993**	1,651,404
Debt related to securitization activities, net	**137,881**	155,945
Derivative collateral payable	**67,220**	9,282
Securities sold under repurchase agreements, net	**35,233**	(65,161)
Accounts payable and accrued liabilities	**19,275**	42,563
Loans, net	**(1,733,375)**	(2,202,000)
Securities purchased under resale agreements, net	**(9,718)**	(40,366)
Other items, net	**74,858**	(15,298)
	860,479	19,988
Cash Flows from Financing Activities		
Debentures redeemed	**(250,000)**	-
Debentures issued, net of issuance costs	**123,694**	248,447
Limited recourse capital notes issued, net of issuance costs	**172,843**	-
Preferred shares issued, net of issuance costs	**-**	121,993
Dividends	**(121,837)**	(113,077)
Repayment of lease liabilities	**(15,027)**	-
Common shares purchased for cancellation	**(5,145)**	(49,592)
Non-controlling interests, ownership changes, dividends and contributions	**(3,721)**	(3,320)
	(99,193)	204,451
Cash Flows from Investing Activities		
Interest bearing deposits with regulated financial institutions, net	**39,405**	(267,031)
Securities, purchased	**(12,117,629)**	(5,543,483)
Securities, sale proceeds	**5,324,496**	2,454,694
Securities, matured	**6,092,862**	3,219,365
Property, equipment and intangible assets	**(54,819)**	(49,069)
Acquisition, net of cash acquired	**(83,513)**	-
Acquisition-related contingent consideration instalment payments	**-**	(37,368)
	(799,198)	(222,892)
Change in Cash and Cash Equivalents	**(37,912)**	1,547
Cash and Cash Equivalents at Beginning of Year	**99,454**	97,907
Cash and Cash Equivalents at End of Year *	**$ 61,542**	$ 99,454
* Represented by:		
Cash and non-interest bearing deposits with financial institutions	**$ 113,868**	$ 116,963
Cheques and other items in transit (included in Cash Resources)	**-**	5,023
Cheques and other items in transit (included in Other Liabilities)	**(52,326)**	(22,532)
Cash and Cash Equivalents at End of Year	**$ 61,542**	$ 99,454
Supplemental Disclosure of Cash Flow Information		
Interest and dividends received	**$ 1,397,866**	$ 1,428,117
Interest paid	**602,860**	588,740
Income taxes paid	**189,973**	80,566