CWB reports fourth quarter and full year 2022 financial and strategic performance

Edmonton, December 2, 2022 – CWB Financial Group (TSX: CWB) (CWB) today announced financial performance for the year ended October 31, 2022. Annual diluted earnings per share of $3.39 and adjusted earnings per common share[(1)] of $3.62, were down 9% and 5%, respectively, reflecting an increase in the performing loan provision for credit losses due to a deterioration in macro-economic forecasts. Fourth quarter diluted earnings per share of $0.72 was down 18% sequentially and reflected the impact of the accelerated amortization of certain previously capitalized *Advanced Internal Ratings Based* (AIRB) assets recognized concurrently with material completion of the development of revised AIRB tools as we prepare for implementation into our business processes and data. Fourth quarter adjusted earnings per common share of $0.88 was down 2%, sequentially. Our Board of Directors declared a cash dividend of $0.32 per common share, which is up one cent, or 3%, from the dividend declared last quarter and two cents, or 7%, from one year ago.

"Our performance this year reflected solid growth and continued investment in strategically targeted full-service growth initiatives in a volatile economic environment," said Chris Fowler President and CEO. "Our teams delivered 14% annual loan growth in strategically targeted general commercial loans, 11% annual loan growth in Ontario and an 8% annual increase in branch-raised deposits. Our disciplined approach to driving growth within our prudent risk appetite has delivered very strong credit performance and we are in a position of strength to face the potential economic volatility on the horizon."

"Our strategic execution has delivered enhancements to our digital capabilities, increased our physical presence in key markets, and further improved our client offering to provide a foundation to accelerate full-service client growth. We are focused to deliver strong core operating performance next year and achieve the financial performance targets we have set for 2024."

"At our upcoming investor day on December 7, 2022 in Toronto, we look forward to discussing how our strategic execution has positioned our talented teams to drive an unrivaled experience for more full-service clients and increase value for our investors as the best bank for business owners in Canada."

(1) Non-GAAP measure – refer to definitions and detail provided on pages 6 and 7.

Financial Performance

Q4 2022, compared to Q4 2021[1]	Common shareholders' net income	$68 million	Down 25%
	Diluted EPS Adjusted EPS	$0.72 $0.88	Down 29% Down 15%
	Adjusted ROE	10.5%	Down 200 bp
	Efficiency ratio	52.6%	Down 30 bp
	Pre-tax, pre-provision income	$133 million	Up 8%

Compared to the same quarter last year, common shareholders' net income decreased as 7% revenue growth was more than offset by higher non-interest expenses and an increase in the provision for credit losses on performing loans. Pre-tax, pre-provision income increased 8%. Net interest income increased 4%, as the benefit of 9% loan growth was offset by a 14 basis point decrease in net interest margin[1]. Annual loan growth of 9%, including 14% growth in the general commercial portfolio, reflects our strategic focus on full-service client opportunities. The decline in net interest margin reflects that growth in asset yields has lagged the growth in deposit costs over the last year driven by the higher market interest rate environment, and the impact of a proportional shift in our funding mix towards higher-cost fixed term deposits. Net interest margin was also negatively impacted by higher average liquidity and a change in our lending mix to comparatively lower-yielding borrowers and portfolios. Non-interest income growth of 29% primarily reflects higher foreign exchange revenue recorded within 'other' non-interest income. Non-interest expenses were up 18%, which included the $17 million impact of the accelerated amortization of intangible assets as a result of a reduction in estimated useful lives of certain previously capitalized AIRB assets, concurrent with the completion of a material portion of our revised AIRB tools. Adjusted non-interest expenses[1] increased 7%, and we delivered positive operating leverage[1] this quarter. The provision for credit losses on total loans as a percentage of average loans[1] of 14 basis points was 26 basis points higher than last year due to a 22 basis point increase in the performing loan provision and a four basis point increase in the impaired loan provision. The increase in the performing loan provision was driven by the impact of a deterioration in the forward-looking macroeconomic outlook in the rising interest rate environment. We incurred a nil provision for credit losses on impaired loans, compared to a four basis point recovery last year. Gross impaired loan balances represented 0.46% of gross loans, down from 0.61% one year ago and reflect historically low levels.

Q4 2022, compared to Q3 2022[1]	Common shareholders' net income	$68 million	Down 16%
	Diluted EPS Adjusted EPS	$0.72 $0.88	Down 18% Down 2%
	Adjusted ROE	10.5%	Down 20 bp
	Efficiency ratio	52.6%	Up 130 bp
	Pre-tax, pre-provision income	$133 million	No change

(1) Adjusted EPS, adjusted ROE, efficiency ratio, pre-tax, pre-provision income, adjusted common shareholders' net income, operating leverage, adjusted non-interest expenses, net interest margin and the provision for credit losses on total loans as a percentage of average loans are non-GAAP measures. Refer to definitions and detail provided on pages 6 and 7.
bp – basis point

Common shareholders' net income decreased compared to last quarter as higher revenues and a lower provision for credit losses were more than offset by an increase in non-interest expenses, primarily due to the accelerated amortization of previously capitalized AIRB assets, as discussed in the comparison to the same quarter last year. Adjusted common shareholders' net income decreased 1% and pre-tax, pre-provision income remained unchanged. Net interest income was consistent with last quarter, as the benefit of 2% sequential loan growth was offset by a ten basis point decline in net interest margin. The decline in net interest margin reflects that growth in asset yields has lagged the growth in deposit costs driven by the higher market interest rate environment. Net interest margin was also negatively impacted by higher average liquidity and a change in our lending mix to comparatively lower-yielding borrowers and portfolios. Non-interest income growth of 27% primarily reflects higher foreign exchange revenue recorded within 'other' non-interest income. Adjusted non-interest expenses[1] of $147 million increased 6% and reflected continued investments in our strategic priorities, including our new AIRB tools and the harmonization of our wealth management brands with the launch of CWB Wealth, customary seasonal increases in advertising, community investment and employee training costs and higher people costs. The provision for credit losses on total loans as a percentage of average loans declined two basis points, primarily driven by a lower impaired loan provision, partially offset by a higher performing loan provision due to a further deterioration in the forward-looking macroeconomic outlook. Lower impaired loan provisions reflected the reversal of provisions related to previously impaired loans that were resolved with lower than expected realized losses, combined with a decline in new impaired loan formations.

Fiscal 2022 compared to fiscal 2021[(1)]	Common shareholders' net income	$310 million	Down 5%
	Diluted EPS Adjusted EPS	$3.39 $3.62	Down 9% Down 5%
	Adjusted ROE	10.8%	Down 100 bp
	Efficiency ratio	51.5%	Up 240 bp
	Pre-tax, pre-provision income	$522 million	Up 1%

(1) Adjusted EPS, adjusted ROE, efficiency ratio, pre-tax, pre-provision income, adjusted common shareholders' net income, adjusted non-interest expenses, net interest margin and the provision for credit losses on total loans as a percentage of average loans are non-GAAP measures. Refer to definitions and detail provided on pages 6 and 7.
bp – basis point

Compared to last year, the decrease in common shareholders' net income was primarily driven by a higher provision for credit losses on performing loans. Revenue growth included a 10% increase in non-interest income and a 5% increase in net interest income attributable to 9% annual loan growth, partially offset by an eight basis point decrease in net interest margin, primarily reflecting that growth in asset yields has lagged the growth in deposit costs over the last year. The increase in non-interest income primarily reflects higher foreign exchange revenue recorded within 'other' non-interest income. Non-interest expenses were up 14%, or approximately 11% on an adjusted basis, and reflected our continued strategic execution, including investment in our people, AIRB tools and processes, digital capabilities, the harmonization of our wealth management brands with the launch of CWB Wealth, our new banking centres in Markham, Ontario and downtown Vancouver and expanded client offerings to optimize our business, deliver an unrivaled experience to our clients, and accelerate full-service client growth. Our total annual provision for credit losses of 14 basis points as a percentage of average loans increased five basis points and compared to a nine basis point charge last year, primarily due to an increase in the performing loan provision for credit losses driven by a deterioration in macroeconomic forecasts. The provision for credit losses on impaired loans of ten basis points was seven basis points lower than last year and remained well below our five-year average of 19 basis points.

Strategic Performance

We continued to transform our capabilities to offer a superior full-service client experience through a complete range of in-person and digital channels. These improving capabilities, delivered by our highly engaged and client-centric teams, have accelerated growth of full-service client relationships in specifically targeted segments that fit within our strategic growth objectives and prudent risk appetite. Our strategic execution will enable us to continue to deliver strong growth of full-service clients and capitalize on the opportunities available to us as we continue to expand our presence in key markets. This quarter, we:

- Successfully harmonized our wealth management brands with the launch of CWB Wealth. The launch further integrates our acquired wealth management operations under one brand and strategically positions us to expand full-service client offerings and opportunities, and provide a unique client experience in Canadian private wealth advisory services.
- Materially completed the development of revised AIRB tools, incorporating targeted enhancements and the final 2023 Capital Adequacy Requirements (CAR) guidelines. Next year, we will commence the integration of our revised AIRB tools into our business processes and data. Once our AIRB tools have been successfully implemented across the business, we will operate them for a sufficient period of time to support a successful resubmission of our application.

Fiscal 2023 Outlook

Leveraging our enhanced capabilities and increased physical presence, we expect our team to continue to deliver strong full-service client growth in strategically targeted segments and within our risk appetite. We are selectively targeting high single-digit annual percentage loan growth, with stronger growth in our strategically targeted general commercial portfolio, where prudent. We also expect to deliver double-digit annual percentage growth of branch-raised deposits.

Based on the assumption of a more stable interest rate environment, our net interest margin is expected to increase over the next year to reflect the combined benefit of more normalized lending spreads and the benefit of fixed term loans re-pricing at higher market interest rates, which due to their longer duration lagged the re-pricing of fixed term deposits in the previous year.

Our approach to expense management will focus on execution of our most important strategic priorities and continued tight management of discretionary expenses. On an annual basis, we will manage to an annual efficiency ratio below 50% with positive operating leverage.

We expect that the combined impacts of the conclusion of COVID-19 government support programs, rapidly rising interest rates and a deteriorating economic outlook will drive an increase in the provision for credit losses next year. Our prudent approach and leveraging our enhanced credit risk management tools and processes supports our expectation that our provision for credit losses will remain within our strong historical range of 18 to 23 basis points next year, likely on the higher end of that range given potential economic volatility.

Based on the above assumptions, we expect to deliver annual double-digit pre-tax, pre-provision income growth, annual percentage growth of adjusted earnings per common share in the low- to mid- single-digit range and an annual adjusted ROE between 10 and 11%.

For further details on our expectations for fiscal 2023, refer to the *Outlook* section of our annual Management's Discussion and Analysis within the 2022 Annual Report.

Financial Scorecard

The following financial objectives reflect key performance metrics that we expect to drive over the next two years. The targets have been developed on the assumption of relatively stable economic conditions and under the *Standardized* approach for capital management.

Annual Metrics	Performance Target	Fiscal 2022 Performance
Pre-tax pre-provision income growth	Greater than 10%	1%
Adjusted ROE	12% by 2024	10.8%
Efficiency ratio	Less than 50%	51.5%

About CWB Financial Group

CWB Financial Group (CWB) is the only full-service bank in Canada with a strategic focus to meet the unique financial needs of businesses and their owners. We provide our nation-wide clients with full-service business and personal banking, specialized financing, comprehensive wealth management offerings, and trust services. Clients choose CWB for a differentiated level of service through specialized expertise, customized solutions, and faster response times relative to the competition. Our people take the time to understand our clients and their business, and work as a united team to provide holistic solutions and advice.

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) and "CWB.PR.D" (Series 9 preferred shares). We are firmly committed to the responsible creation of value for all our stakeholders and our approach to sustainability will support our continued success. Learn more at www.cwb.com.

Fiscal 2022 Fourth Quarter and Fiscal 2022 Financial Results Conference Call

CWB's fourth quarter and fiscal 2022 results conference call is scheduled for Friday, December 2, 2022, 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 1 (888) 390-0546 (toll free) and entering passcode: 70750888. 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 9, 2022, by dialing (416) 764-8677 (Toronto) or 1 (888) 390-0541 (toll-free) and entering passcode 750888#.

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Selected Financial Highlights

(unaudited) (thousands, except per share amounts)	For the three months ended **October 31 2022**	 July 31 2022	 October 31 2021	Change from October 31 2021	For the year ended **October 31 2022**	 October 31 2021	Change from October 31 2021
Results from Operations							
Net interest income	**$ 240,202**	$ 240,593	$ 229,925	4 %	**$ 939,976**	$ 892,363	5 %
Non-interest income	**39,636**	31,119	30,699	29	**136,311**	123,670	10
Total revenue	**279,838**	271,712	260,624	7	**1,076,287**	1,016,033	6
Pre-tax, pre-provision income[1]	**132,528**	132,346	122,747	8	**521,903**	517,149	1
Common shareholders' net income	**67,687**	80,809	89,998	(25)	**310,302**	327,471	(5)
Common Share Information							
Earnings per common share							
Basic	**$ 0.72**	$ 0.88	$ 1.01	(29) %	**$ 3.39**	$ 3.74	(9) %
Diluted	**0.72**	0.88	1.01	(29)	**3.39**	3.73	(9)
Adjusted[1]	**0.88**	0.90	1.03	(15)	**3.62**	3.81	(5)
Cash dividends	**0.31**	0.31	0.29	7	**1.22**	1.16	5
Book value[1]	**33.48**	33.90	33.10	1	**33.48**	33.10	1
Closing market price	**23.70**	25.87	39.59	(40)	**23.70**	39.59	(40)
Common shares outstanding (thousands)	**94,326**	92,988	89,390	6	**94,326**	89,390	6
Performance Measures[1]							
Return on common shareholders' equity	**8.6 %**	10.4 %	12.2 %	(360) bp	**10.1 %**	11.6 %	(150) bp
Adjusted return on common shareholders' equity	**10.5**	10.7	12.5	(200)	**10.8**	11.8	(100)
Return on assets	**0.66**	0.81	0.97	(31)	**0.79**	0.92	(13)
Net interest margin	**2.33**	2.43	2.47	(14)	**2.41**	2.49	(8)
Efficiency ratio	**52.6**	51.3	52.9	(30)	**51.5**	49.1	240
Operating leverage	**0.5**	(7.7)	(4.4)	490	**(5.2)**	(3.3)	(190)
Credit Quality[1]							
Provision for credit losses on total loans as a percentage of average loans[2]	**0.14**	0.16	(0.12)	26	**0.14**	0.09	5
Provision for credit losses on impaired loans as a percentage of average loans[2]	**-**	0.12	(0.04)	4	**0.10**	0.17	(7)
Balance Sheet							
Assets	**$ 41,440,143**	$ 40,403,938	$ 37,323,176	11 %			
Loans[3]	**35,905,622**	35,244,720	32,900,951	9			
Deposits	**33,019,047**	32,386,014	29,975,739	10			
Debt	**3,461,899**	3,430,921	3,015,065	15			
Shareholders' equity	**3,732,976**	3,727,567	3,533,885	6			
Off-Balance Sheet							
Wealth Management[4]							
Assets under management and administration	**7,825,003**	8,055,456	8,687,136	(10)			
Assets under advisement[5]	**1,824,961**	1,968,299	2,067,069	(12)			
Assets Under Administration - Other	**13,943,199**	14,090,563	14,031,042	(1)			
Capital Adequacy[6]							
Common equity Tier 1 ratio	**8.8 %**	8.9 %	8.8 %	- bp			
Tier 1 ratio	**10.6**	10.7	10.8	(20)			
Total ratio	**12.1**	12.2	12.4	(30)			
Other							
Number of full-time equivalent staff	**2,712**	2,674	2,617	4 %			

(1) Non-GAAP measure – refer to definitions and detail provided on pages 6 and 7.
(2) Includes provisions for credit losses on loans, committed but undrawn credit exposures and letters of credit.
(3) Excludes the allowance for credit losses.
(4) Certain comparative figures have been reclassified to conform with the current period's presentation.
(5) Primarily comprised of assets under advisement related to our Indigenous Services wealth management business.
(6) Calculated using the *Standardized* approach in accordance with guidelines issued by the Office of the Superintendent of Financial Institutions Canada (OSFI).

bp – basis point

Financial Summary

This financial summary, dated December 1, 2022, should be read in conjunction with Canadian Western Bank's (CWB) unaudited condensed financial statements for the period ended October 31, 2022, 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, 2022, contained in our 2022 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) as issued by the International Accounting Standards Board (IASB) 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 media 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 AIRB approach for regulatory capital purposes, 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 *Risk Management* section 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. Where relevant, material economic assumptions underlying forward-looking statements are disclosed within the *Fiscal 2023 Outlook* and *Allowance for Credit Losses* sections of our MD&A.

Non-GAAP Measures

We use a number of financial measures and ratios to assess our performance against strategic initiatives and operational benchmarks. Some of these financial measures and ratios do not have standardized meanings prescribed by Generally Accepted Accounting Principles (GAAP) and may not be comparable to similar measures presented by other financial institutions. Non-GAAP financial measures and ratios provide readers with an enhanced understanding of how we view our financial performance. These measures and ratios may also provide the ability to analyze trends related to profitability and the effectiveness of our operations and strategies, and are disclosed in compliance with National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*.

Financial Summary

To calculate non-GAAP financial measures, we exclude certain items from our financial results prepared in accordance with IFRS. Adjustments relate to items which we believe are not indicative of underlying operating performance. Our non-GAAP financial measures include:

- Adjusted non-interest expenses – total non-interest expenses, excluding pre-tax accelerated amortization of previously capitalized AIRB assets, amortization of acquisition-related intangible assets, and acquisition and integration costs. Accelerated amortization of AIRB assets is a result of a reduction in estimated useful lives of certain previously capitalized AIRB assets. Acquisition and integration costs include direct and incremental costs incurred as part of the execution and integration of the acquisition of the businesses of T.E. Wealth and Leon Frazer & Associates that occurred in June 2020.
- Adjusted common shareholders' net income – total common shareholders' net income, excluding the accelerated amortization of previously capitalized AIRB assets, amortization of acquisition-related intangible assets, and acquisition and integration costs, net of tax.
- Pre-tax, pre-provision income – total revenue less adjusted non-interest expenses.

The following table provides a reconciliation of our non-GAAP financial measures to our reported financial results.

(unaudited) (thousands)	For the three months ended **October 31 2022**	July 31 2022	October 31 2021	Change from October 31 2021	For the year ended **October 31 2022**	October 31 2021	Change from October 31 2021
Non-interest expenses	**$ 166,783**	$ 142,130	$ 140,802	18 %	**$ 581,777**	$ 508,718	14 %
Adjustments (before tax):							
Accelerated amortization of previously capitalized AIRB assets	**(16,555)**	-	-	100	**(16,555)**	-	100
Amortization of acquisition-related intangible assets	**(2,557)**	(2,557)	(2,032)	26	**(10,212)**	(8,073)	26
Acquisition and integration costs	**(361)**	(207)	(893)	(60)	**(626)**	(1,761)	(64)
Adjusted non-interest expenses	**$ 147,310**	$ 139,366	$ 137,877	7 %	**$ 554,384**	$ 498,884	11 %
Common shareholders' net income							
Adjustments (after-tax):	**$ 67,687**	$ 80,809	$ 89,998	(25) %	**$ 310,302**	$ 327,471	(5) %
Accelerated amortization of previously capitalized AIRB assets(1)	**12,549**	-	-	100	**12,549**	-	100
Amortization of acquisition-related intangible assets(2)	**1,913**	1,914	1,485	29	**7,641**	5,901	29
Acquisition and integration costs(3)	**270**	156	674	(60)	**470**	1,329	(65)
Adjusted common shareholders' net income	**$ 82,419**	$ 82,879	$ 92,157	(11) %	**$ 330,962**	$ 334,701	(1) %
Total revenue	**$ 279,838**	$ 271,712	$ 260,624	7 %	**$ 1,076,287**	$ 1,016,033	6 %
Less:							
Adjusted non-interest expenses (see above)	**147,310**	139,366	137,877	7	**554,384**	498,884	11
Pre-tax, pre-provision income	**$ 132,528**	$ 132,346	$ 122,747	8 %	**$ 521,903**	$ 517,149	1 %

(1) Net of income tax of $4,006 for the three months ended October 31, 2022 (Q3 2022 – nil, Q4 2021 – nil) and $4,006 for the year ended October 31, 2022 (2021 – nil).
(2) Net of income tax of $644 for the three months ended October 31, 2022 (Q3 2022 – $643, Q4 2021 – $547) and $2,571 for the year ended October 31, 2022 (2021 – $2,172).
(3) Net of income tax of $91 for the three months ended October 31, 2022 (Q3 2022 – $51, Q4 2021 – $219) and $156 for the year ended October 31, 2022 (2021 – $432).

Non-GAAP ratios are calculated using the non-GAAP financial measures defined above. Our non-GAAP ratios include:

- Adjusted earnings per common share – diluted earnings per common share calculated with adjusted common shareholders' net income.
- Adjusted return on common shareholders' equity – annualized adjusted common shareholders' net income divided by average common shareholders' equity, which is total shareholders' equity excluding preferred shares and limited recourse capital notes.
- Efficiency ratio – adjusted non-interest expenses divided by total revenue.
- Operating leverage – growth rate of total revenue less growth rate of adjusted non-interest expenses.

Supplementary financial measures are measures that do not have definitions prescribed by GAAP, but do not meet the definition of a non-GAAP financial measure or ratio. Our supplementary financial measures include:

- Return on assets – annualized common shareholders' net income divided by average total assets.
- Net interest margin – annualized net interest income divided by average total assets.
- Return on common shareholders' equity – annualized common shareholders' net income divided by average common shareholders' equity.
- Write-offs as a percentage of average loans – annualized write-offs divided by average total loans.
- Book value per common share – total common shareholders' equity divided by total common shares outstanding.
- Branch-raised deposits – total deposits excluding broker term and capital market deposits.
- 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.
- Average balances – average daily balances.

Financial Performance

Q4 2022 vs. Q4 2021

Common shareholders' net income of $68 million and diluted earnings per common share of $0.72 decreased 25% and 29%, respectively. Adjusted common shareholders' net income of $82 million and adjusted earnings per common share of $0.88 decreased 11% and 15%, respectively. The decline in adjusted common shareholders' net income was primarily driven by an increase in the provision for credit losses on performing loans compared to the recovery we recognized in the prior year. Pre-tax, pre-provision income of $133 million was up 8%.

Total revenue of $280 million grew 7%, which reflected a 4% increase in net interest income and 29% increase in non-interest income. Net interest income of $240 million increased due to the benefit of 9% annual loan growth, partially offset by a 14 basis point decrease in net interest margin. The decline in net interest margin reflects that growth in asset yields has lagged the growth in deposit costs over the last year driven by the higher market interest rate environment, and the impact of a proportional shift in our funding mix towards higher-cost fixed term deposits. Our fixed term deposit portfolio has repriced faster to reflect higher market interest rates than our fixed term loans, which have a longer average duration. Loan yields have also been slower to reflect the changes in market interest rates due to high competition for new lending. Net interest margin was also negatively impacted by higher average liquidity and a change in our lending mix to comparatively lower-yielding borrowers and portfolios. Non-interest income growth reflects higher foreign exchange revenue recorded within 'other' non-interest income and higher credit-related fees, partially offset by lower wealth management fees due to market value declines that reduced average assets under management.

The provision for credit losses on total loans of 14 basis points was 26 basis points higher than last year, primarily due to a 22 basis point increase in the performing loan provision, which was an eight basis point recovery in the prior year and reflected an improving macroeconomic outlook associated with the ongoing economic recovery at that point in time. The current year performing loan provision of 14 basis points reflected the impact of a deterioration in the forward-looking macroeconomic outlook. We recognized a nil provision for credit losses on impaired loans, compared to a four basis point recovery last year, and gross impaired loan balances represented 0.46% of gross loans, down from 0.61% one year ago and reflect historically low levels.

Non-interest expenses of $167 million were up 18%, which included a $17 million impact from the accelerated amortization due to a reduction in estimated useful lives of certain previously capitalized AIRB assets, concurrent with the completion of a material portion of our revised AIRB tools. Adjusted non-interest expenses increased 7%, and we delivered positive operating leverage this quarter. We continued to make targeted investments in strategic priorities, including our AIRB tools and processes, digital capabilities, client offerings and our new banking centres in Markham, Ontario and downtown Vancouver as we optimize our business, deliver an unrivaled experience to our clients, and accelerate full-service client growth.

Q4 2022 vs. Q3 2022

Common shareholders' net income and diluted earnings per common share decreased 16% and 18%, respectively, as higher revenues and a lower provision for credit losses was more than offset by an increase in non-interest expenses, including the impact of accelerated amortization of previously capitalized AIRB assets. Adjusted common shareholders' net income and adjusted earnings per common share decreased 1% and 2%, respectively. Pre-tax, pre-provision income remained unchanged compared to prior quarter.

Total revenue increased 3%, primarily due to a 27% increase in non-interest income driven by higher foreign exchange revenue recorded within 'other' non-interest income and higher credit related fees, partially offset by lower wealth management fees. Net interest income was consistent with last quarter as the benefit of 2% sequential loan growth was offset by a ten basis point decline in net interest margin. The decline in net interest margin reflects that growth in asset yields has lagged the growth in deposit costs driven by the higher market interest rate environment. Our fixed term deposit portfolio has repriced faster to reflect higher market interest rates than our fixed term loans, which have a longer average duration. Loan yields have also been slower to reflect the changes in market interest rates due to high competition for new lending. Net interest margin was also negatively impacted by higher average liquidity compared to the previous quarter and a change in our lending mix to comparatively lower-yielding borrowers and portfolios.

Our provision for credit losses on total loans as a percentage of average loans was two basis points below last quarter due to lower impaired loan provisions, partially offset by a higher performing loan provision due to a further deterioration in the forward-looking macroeconomic outlook. Lower impaired loan provisions reflected the reversal of provisions related to previously impaired loans that were resolved with lower than expected realized losses, combined with a decline in new impaired loan formations. Gross impaired loan balances represented 0.46% of gross loans, down from 0.53% last quarter.

Non-interest expenses increased 17%, including additional costs related to the accelerated amortization of previously capitalized AIRB assets, as discussed in the comparison to the same quarter last year. Adjusted non-interest expenses increased 6%, primarily due to continued investments in our strategic priorities, including our AIRB tools and processes and the harmonization of our wealth management brands with the launch of CWB Wealth. We also incurred a full quarter impact of the compensation adjustments provided to our entry and mid-level team members in the prior quarter along with customary seasonal increases in advertising, community investment and employee training costs.

2022 vs. 2021

Common shareholders' net income of $310 million and diluted earnings per common share of $3.39 were down 5% and 9%, respectively. Adjusted common shareholders' net income of $331 million was down 1% and adjusted earnings per common share of $3.62 was down 5%, primarily driven by a higher provision for credit losses on performing loans.

Total annual revenue of $1.1 billion increased 6%, which reflected a 5% increase in net interest income and a 10% increase in non-interest income. Net interest income of $940 million increased due to the benefit of 9% annual loan growth, partially offset by an eight basis point decrease in net interest margin. The decline in net interest margin reflects that growth in asset yields has lagged the growth in deposit costs over the last year driven by the higher market interest rate environment. Our fixed term deposit portfolio has repriced faster to reflect higher market interest rates than our fixed term loans, which have a longer average duration. Loan yields have also been slower to reflect the changes in market interest rates due to high competition for new lending, particularly for lower risk borrowers. Net interest margin was also negatively impacted by a change in our lending mix to comparatively lower-yielding borrowers and portfolios. Non-interest income growth reflects an increase in foreign exchange revenue recorded within 'other' non-interest income, higher credit related fees and higher wealth management fees due to an increase in average assets under management, partially offset by lower net gains on securities sales.

Our total annual provision for credit losses represented 14 basis points as a percentage of average loans, compared to nine basis points last year. We recognized a four basis point provision related to performing loans driven by a deterioration in macroeconomic forecasts compared to an eight basis point recovery in the prior year. The provision for credit losses on impaired loans of ten basis points was seven basis point lower than last year and remained well below our five-year average of 19 basis points.

Total non-interest expenses of $582 million were up 14%, including accelerated amortization of previously capitalized AIRB assets. Adjusted non-interest expenses increased 11%, which was driven by our continued strategic execution, including investment in our people, AIRB tools and processes, digital capabilities, the harmonization of our wealth management brands with the launch of CWB Wealth, our new banking centres in Markham, Ontario and downtown Vancouver and expanded client offerings to optimize our business, deliver an unrivaled experience to our clients, and accelerate full-service client growth.

ROE and ROA

The fourth quarter return on common shareholders' equity (ROE) of 8.6% was down 360 basis point compared to last year and 180 basis points compared to last quarter. Adjusted ROE of 10.5% was down 200 basis points from last year, which reflected a decrease in our adjusted common shareholders' net income primarily driven by an increase in the provision for credit losses on performing loans, and higher average common shareholders' equity. Sequentially, adjusted ROE was down 20 basis points reflecting higher common shareholders' equity.

Full year ROE of 10.1% and adjusted ROE of 10.8% decreased 150 basis points and 100 basis points, respectively, which reflected lower common shareholders' net income, primarily due to higher provision for credit losses on performing loans, and higher common shareholders' equity.

The fourth quarter return on assets (ROA) of 0.66% was 31 basis points below the same quarter last year and 15 basis points lower on a sequential basis, reflecting lower common shareholders' net income and higher average assets. The full year ROA of 0.79% decreased 13 basis points primarily due to the same factors.

Efficiency Ratio

The fourth quarter efficiency ratio was 52.6% compared to 52.9% last year and 51.3% last quarter. On an annual basis, our efficiency ratio increased to 51.5% compared to 49.1% as expense growth outpaced revenue growth as we have made several strategic investments this year, which will benefit revenue growth in future periods.

Loans

Total loans, excluding the allowance for credit losses, of $35.9 billion increased 9% ($3.0 billion) from last year and 2% ($0.7 billion) from the prior quarter.

(unaudited) ($ millions)		**October 31 2022**	% of total as at October 31 2022			July 31 2022		October 31 2021	Change from October 31 2021	
General commercial loans	**$**	**12,430**	35	%	$	12,017	$	10,895	14	%
Commercial mortgages		**7,446**	21			7,418		7,039	6	
Personal loans and mortgages		**6,952**	19			6,861		6,396	9	
Equipment financing and leasing		**5,546**	15			5,430		5,286	5	
Real estate project loans		**3,200**	9			3,210		2,871	11	
Oil and gas production loans		**332**	1			309		414	(20)	
Total loans outstanding(1)	**$**	**35,906**	100	%	$	35,245	$	32,901	9	%

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

Q4 2022 vs. Q4 2021

Very strong growth of 14% in the strategically targeted general commercial portfolio reflected our focus to increase full-service client relationships across our national footprint. Real estate project loan growth of 11% and growth in commercial mortgages of 6% primarily reflected strong new lending volumes in Ontario and British Columbia (BC), with high-quality borrowers and exposures consistent with our prudent risk appetite. The 9% increase in personal loans and was driven by growth in uninsured mortgages, which benefited from strong new origination volumes with prudent loan-to-value ratios and strong average beacon scores. Equipment financing loans increased 5%, primarily in Alberta and were negatively impacted by ongoing supply chain pressures and elevated payouts in the current year. Oil and gas production loans, which primarily reflect participation in syndicated facilities that remain within our prudent risk appetite, were down $82 million, primarily due to payouts and paydowns from existing customers earlier this year.

Q4 2022 vs. Q3 2022

We delivered solid growth in the fourth quarter strategically targeted on general commercial clients, which offer the highest potential of developing full-service client relationships. General commercial loans represented nearly two thirds of net loan growth in the quarter. Equipment financing loan growth strengthened to finish the year, with 2% growth in the fourth quarter, primarily in Alberta and Ontario. Oil and gas production loans increased by $23 million, primarily due to participation in syndicated facilities that remain within our risk appetite.

Geographic diversification

(unaudited) ($ millions)		**October 31 2022**	% of total as at October 31 2022			July 31 2022		October 31 2021	Change from October 31 2021	
British Columbia	**$**	**11,692**	33	%	$	11,706	$	10,794	8	%
Alberta		**11,216**	31			10,783		10,317	9	
Ontario		**8,600**	24			8,443		7,727	11	
Saskatchewan		**1,559**	4			1,558		1,521	2	
Quebec		**1,198**	3			1,152		993	21	
Manitoba		**976**	3			950		908	7	
Other		**665**	2			653		641	4	
Total loans outstanding(1)	**$**	**35,906**	100	%	$	35,245	$	32,901	9	%

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

Q4 2022 vs. Q4 2021

Growth of 8% in British Columbia primarily reflected strong growth in the general commercial, commercial mortgage and real estate project loan portfolios. Growth in Alberta of 9% was primarily driven by strong lending volumes in the general commercial and equipment financing portfolios. Ontario loans increased 11%, supported by the Mississauga and Markham banking centres, primarily driven by personal loans and mortgages, commercial mortgages and general commercial loans. Quebec loans were up 21% due to increased general commercial and equipment financing loans.

Q4 2022 vs. Q3 2022

On a sequential basis, loans in Alberta grew 4%, primarily due to strong growth in the general commercial, commercial mortgage and equipment financing loan portfolios, partially offset by a decline in real estate project loans from successful project completions. Ontario growth of 2% was primarily driven by the personal loan and mortgage and real estate project loan portfolios, partially offset by elevated payouts in the quarter.

Credit Quality

Credit quality continues to be supported by the secured nature of our lending portfolio, our targeted borrower selection, disciplined underwriting practices and proactive loan management. Borrower credit performance has historically remained strong throughout periods of economic volatility, and both gross impaired loans and provisions for credit losses on impaired loans declined this quarter and remain well below pre-COVID-19 levels.

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 $167 million, compared to $202 million one year ago and $187 million last quarter.

(unaudited) ($ thousands)	For the three months ended **October 31 2022**	July 31 2022	October 31 2021	Change from October 31 2021
Gross impaired loans, beginning of period	**$ 186,674**	$ 187,416	$ 275,928	(32) %
New formations	**21,097**	41,063	22,134	(5)
Reductions, impaired accounts paid down or returned to performing status	**(30,510)**	(38,418)	(68,021)	(55)
Write-offs	**(10,588)**	(3,387)	(27,717)	(62)
Total[(1)]	**$ 166,673**	$ 186,674	$ 202,324	(18) %
Balance of the ten largest impaired accounts	**$ 82,314**	$ 91,414	$ 77,227	7 %
Total number of accounts classified as impaired[(2)]	**280**	287	330	(15)
Gross impaired loans as a percentage of gross loans	**0.46 %**	0.53 %	0.61 %	(15) bp

(1) Gross impaired loans include foreclosed assets held for sale with a carrying value of $2,010 (July 31, 2022 – $2,423, October 31, 2021 – $2,253). We pursue timely realization of foreclosed assets and do not use the assets for our own operations.

(2) Total number of accounts excludes CWB National Leasing.

bp – basis point

Gross impaired loan balances represented 0.46% of gross loans, down from 0.61% last year and 0.53% last quarter. New impaired loan formations of $21 million were lower than $22 million last year and $41 million last quarter. Resolutions of impaired loans decreased to $31 million, compared to $68 million last year and $38 million last quarter.

Allowance for credit losses

At October 31, 2022, the total allowance for credit losses (Stages 1, 2 and 3) was $167 million, compared to $146 million one year ago and $164 million last quarter.

(unaudited) ($ thousands)	**October 31 2022**	July 31 2022	October 31 2021	Change from October 31 2021
Performing (Stage 1 and 2)				
Loans	**$ 115,127**	$ 104,135	$ 102,132	13 %
Committed by undrawn credit exposures and letters of credit	**5,310**	4,350	4,421	20
	120,437	108,485	106,553	13
Loans - Impaired (Stage 3)	**46,691**	55,988	39,297	19
Total	**$ 167,128**	$ 164,473	$ 145,850	15 %

Performing loan allowance

The performing loan allowance is estimated based on 12-month expected credit losses (ECL) for loans in Stage 1, while loans in Stage 2 require the recognition of lifetime ECL. The proportion of performing loans in Stage 2 at the end of the fourth quarter was 20%, compared to 9% last year and 10% last quarter. The increase in Stage 2 loans compared to last year and last quarter primarily reflects a deterioration in the forward-looking macroeconomic forecast, due to an anticipated decline in housing prices, significantly higher mortgage interest rates and higher expected unemployment rates, rather than a deterioration of borrower-specific credit quality.

The performing loan allowance of $120 million increased 13% ($14 million) from the prior year and 11% ($12 million) from the prior quarter. The increase from last year and last quarter reflects a deterioration in the forward-looking macroeconomic forecast as discussed above.

In estimating the performing loan allowance, we continue to supplement our modeled ECL to reflect expert credit judgments. These expert credit judgments account for the variability in the results provided by the models and consider the lagging impacts of typical credit cycles, where loan defaults occur in periods subsequent to the onset of a decline in macroeconomic conditions.

Impaired loan allowance

The allowance for impaired loans (Stage 3) was $47 million, compared to $39 million last year and $56 million last quarter. To determine allowances for impaired loans, we establish estimates through detailed analysis of both the overall quality and ultimate marketability of the security held against each impaired account on a case-by-case basis.

Provision for credit losses

The fourth quarter provision for credit losses on total loans as a percentage of average loans represented a charge of 14 basis points, compared to a 12 basis point recovery last year and a 16 basis point charge last quarter. On an annual basis, the provision for credit losses on total loans represented 14 basis points of average loans, up from 9 basis points last year but well below our normal historical range of 18 to 23 basis points.

	For the three months ended			Change from	For the year ended		Change from
(unaudited) (as a % of average loans)	**October 31 2022**	July 31 2022	October 31 2021	October 31 2021	**October 31 2022**	October 31 2021	October 31 2021
Provision for credit losses on impaired loans	**- %**	0.12 %	(0.04) %	4 bp	**0.10 %**	0.17 %	(7) bp
Provision for credit losses on performing loans	**0.14**	0.04	(0.08)	22	**0.04**	(0.08)	12
Total	**0.14**	0.16	(0.12)	26 bp	**0.14**	0.09	5 bp
Write-offs	**0.12**	0.04	0.34	(22)	**0.09**	0.19	(10)

bp – basis point

The fourth quarter provision for credit losses on performing loans was a charge of $12 million, compared to a recovery of $7 million last year, and a $3 million charge last quarter. On a full year basis, the provision for credit losses on performing loans was $14 million compared to a recovery of $24 million last year. Compared to last quarter, the performing loan provision for credit losses reflects deteriorating forward-looking macroeconomic assumptions, primarily due to the estimated economic impact of lower GDP growth, an anticipated decline in house prices and higher unemployment rates, which resulted in a larger proportion of performing loans in Stage 2. Compared to last year, the recoveries recognized in fiscal 2021 reflected improvements in the near-term economic forecast at that time, very low loan default rates and a migration of performing loans from Stage 2 back to Stage 1. For further details on the estimation of the performing loan allowance, see the *Performing loan allowance* section.

A nominal provision for credit losses on impaired loans was recorded compared to a recovery of $3 million last year and a charge of $10 million last quarter. The fourth quarter provision for credit losses on impaired loans reflected the reversal of provisions related to previously impaired loans that were resolved with lower than expected realized losses, combined with lower new impaired loan formations during the quarter. The annual provision for credit losses on impaired loans was $32 million compared to $51 million last year.

Quarterly write-offs fluctuate as loans become impaired and are subsequently resolved. Write-offs increased compared to last quarter reflecting the increase in resolutions of impaired loans, which resulted in the realization of previously recognized provisions for credit losses. Our approach to managing credit risk has proven to be very effective and on an annual basis, we recognized write-offs of nine basis points as a percentage of average loans, below our five-year average of 19 basis points.

Deposits and Funding

Total deposits of $33.0 billion were up 10% ($3.0 billion) from last year and 2% ($0.6 billion) compared to last quarter. Branch-raised deposits increased 8% ($1.6 billion) from last year and 2% ($0.5 billion) compared to last quarter.

(unaudited) (millions)	As at October 31 2022	As at July 31 2022	As at October 31 2021	Change from October 31 2021
CWB Financial Group branch-raised				
Demand and notice	**$ 14,462**	$ 14,693	$ 14,465	- %
Term	**6,416**	5,728	4,794	34
	20,878	20,421	19,259	8
Broker term	**7,639**	7,863	6,386	20
Capital markets	**4,502**	4,102	4,331	4
Total deposits	**$ 33,019**	$ 32,386	$ 29,976	10 %

Q4 2022 vs. Q4 2021

We have consistently delivered strong growth of relationship-based, branch-raised deposits over the past several years. Branch-raised deposits of $20.9 billon increased 8% from last year, with very strong 34% growth in our fixed term deposits.

Demand and notice deposits remained relatively consistent year-over-year. We delivered strong new demand and notice deposit growth as we continued to leverage our enhanced cash management tools and products to broaden our access to full-service client opportunities by attracting new clients both within and outside of our banking centre footprint. The net new demand and notice deposit growth was offset by a decline in other client deposit balances and a shift in existing client deposits to branch-raised term deposits, which reflects a shift in client preference in the rising rate environment.

Capital market deposits increased 4% from last year and represent 14% of total deposits, compared to 15% last year.

Broker-sourced term deposits increased 20% from last year and represent 23% of total deposits, up from 21% last year. While our preference is to raise relationship-based branch-raised deposits, the broker deposit market continues to be a deep and efficient source to raise insured retail deposits and has proven to be a reliable and effective way to access funding and liquidity over a wide geographic base. We raise only fixed term broker deposits with terms to maturity between one and five years.

Q4 2022 vs. Q3 2022

Total deposits were up 2% from the prior quarter. Branch-raised deposits increased 2%, as a 12% increase in fixed term deposits was partially offset by a 2% decline in demand and notice deposits. Lower branch-raised demand and notice deposits primarily reflects both reductions and a shift in existing client deposits to branch-raised term deposits, which more than offset demand and notice deposit growth from net new full-service client additions.

Capital market deposits increased 10% ($0.4 billion) from last quarter, which reflects an opportunistic capital market deposit issuance in the quarter at favourable pricing. Broker deposits declined 3% from prior quarter.

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 Capital and Capital Adequacy Ratios

Our capital ratios of 8.8% CET1, 10.6% Tier 1 and 12.1% Total capital, and our leverage ratio of 8.1% at October 31, 2022 were relatively stable compared to last year and last quarter.

(unaudited) (millions)	As at October 31 2022	As at July 31 2022	As at October 31 2021
Regulatory capital			
CET1 capital before deductions	**$ 3,180**	$ 3,136	$ 2,925
Net CET1 deductions[1]	**(318)**	(321)	(324)
CET1 capital	**2,861**	2,815	2,601
Tier 1 capital	**3,436**	3,390	3,176
Total capital	**3,925**	3,869	3,650
Risk-weighted assets	**32,418**	31,645	29,500
Capital adequacy ratios			
CET1	**8.8 %**	8.9 %	8.8 %
Tier 1	**10.6**	10.7	10.8
Total	**12.1**	12.2	12.4
Leverage ratio[2]	**8.1**	8.2	8.6

(1) The implementation of the transitional arrangement related to the capital treatment of the performing loan allowance, net of related tax, resulted in a $6 million increase to CET1 and Tier 1 capital (July 31, 2022 – $3 million; October 31, 2021 – $6 million) and had a negligible impact on the CET1 and Tier 1 ratios at October 31, 2022 (July 31, 2022 – negligible impact; October 31, 2021 – negligible impact). The transitional arrangement has no impact on the Total capital ratio.

(2) Sovereign-issued securities that qualify as High Quality Liquid Assets under the Liquidity Adequacy Requirements guideline were temporarily excluded from the leverage ratio exposure measure until December 31, 2021. This temporary exclusion positively impacted our leverage ratio by approximately 30 basis points as at October 31, 2021.

Changes in Capital Ratios

The CET1 capital ratio of 8.8% was consistent with last year and down ten basis points from last quarter. Compared to last year, the impact of retained earnings growth and common shares issued under our at-the-market (ATM) common equity distribution program were offset by the combined impact of risk-weighted asset growth and an increase in the unrealized loss recognized for our core liquidity portfolio which is recognized at fair value in accumulated other comprehensive income (AOCI). Compared to last quarter, the impact of common shares issued under our ATM program and retained earnings growth, was more than offset by risk-weighted asset growth and an increase in AOCI balances, which reflect the same factors as noted in the comparison to last year.

The Tier 1 capital ratio of 10.6% decreased 20 basis points from last year and ten basis points from last quarter, primarily due to the proportional impact of the same factors noted above.

The Total capital ratio of 12.1% decreased 30 basis points from last year and ten basis points from last quarter, primarily due to the proportional impact of the same factors noted above.

ATM Program

On June 1, 2022, we re-established an ATM program to allow the periodic issuance up to a total of $150 million of common shares, at our discretion and if needed, at the prevailing market price, under a prospectus supplement to the CWB short-term base shelf prospectus which expires on July 1, 2024. Under the existing ATM program, we have issued 2,667,171 common shares for gross proceeds of $66 million, or net proceeds of $65 million after commissions and other issuance costs

The ATM program was re-established following the termination of the previous ATM program established on May 31, 2021, due to the sale of most of the $150 million common shares approved under the previous program.

We continue to utilize our ATM program to support strong loan growth as we navigate current and future economic volatility, while prudently managing our regulatory capital ratios and driving positive contributions to earnings per common share and ROE.

(unaudited)	For the three months ended			For the year ended	
(thousands, except per share amounts)	**October 31 2022**	July 31 2022	October 31 2021	**October 31 2022**	October 31 2021
Common shares issued[1]	**1,276**	1,391	1,148	**4,725**	2,053
Average price per share	**$ 23.32**	$ 26.10	$ 36.63	**$ 29.86**	$ 35.55
Gross proceeds	**29,771**	36,289	42,053	**141,098**	72,969
Net proceeds[2]	**29,193**	35,433	41,319	**138,392**	71,353

(1) During the six months ended April 30, 2022, we issued 2,058 common shares at an average price of $36.46 per share for gross proceeds of $75,038, or net proceeds of $73,767 after sales commissions and other issuance costs, under our previous ATM program. Subsequent to April 30, 2022, all shares issued were under the new ATM program.

(2) Gross proceeds less sales commissions and other issuance costs.

Dividends and LRCN Distributions

Common shareholders received a quarterly cash dividend of $0.31 per common share on September 22, 2022. On December 1, 2022, our Board of Directors declared a cash dividend of $0.32 per common share, payable on January 5, 2023 to shareholders of record on December 15, 2022. This quarterly dividend is up one cent, or 3%, from the dividend declared last quarter and up two cents, or 7%, from one year ago.

Consistent with the dividends paid to preferred shareholders on October 31, 2022, the Board of Directors also declared cash dividends of $0.2688125 per Series 5 and $0.375 per Series 9 preferred shares, all payable on January 31, 2023 to shareholders of record on January 24, 2023.

On October 31, 2022, Series 1 NVCC Limited Recourse Capital Notes (LRCN) note holders received a semi-annual coupon payment of $30, per $1,000 principal amount of notes outstanding, reflecting a total payment of $5 million, recorded in common shareholders' net income on an after-tax basis and consistent with the prior year. On July 31, 2022, Series 2 NVCC LRCN note holders received a semi-annual coupon payment of $25 per $1,000 principal amount of notes outstanding, reflecting a total payment of $4 million.

Further information related to our capital position is provided in Note 15 of the audited consolidated financial statements for the year ended October 31, 2022.

Condensed Financial Statements - Consolidated Balance Sheets

(unaudited) ($ thousands)	As at October 31 2022	As at July 31 2022	As at October 31 2021
Assets			
Cash Resources			
Cash and non-interest bearing deposits with financial institutions	**$ 81,228**	$ 98,242	$ 87,853
Interest bearing deposits with financial institutions	**26,833**	27,083	21,344
Cheques and other items in transit	**7,918**	62,044	19,262
	115,979	187,369	128,459
Securities			
Issued or guaranteed by Canada	**3,910,821**	3,378,602	2,962,290
Issued or guaranteed by a province or municipality	**448,947**	488,482	406,708
Other securities	**159,027**	127,395	204,880
	4,518,795	3,994,479	3,573,878
Securities Purchased under Resale Agreements	**-**	150,000	30,048
Loans			
Personal	**6,951,826**	6,860,608	6,395,524
Business	**28,953,796**	28,384,112	26,505,427
	35,905,622	35,244,720	32,900,951
Allowance for credit losses	**(161,818)**	(160,123)	(141,429)
	35,743,804	35,084,597	32,759,522
Other			
Property and equipment	**153,026**	147,430	130,698
Goodwill	**138,701**	138,701	138,701
Intangible assets	**223,921**	225,147	227,845
Derivatives	**110,521**	88,483	52,862
Other assets	**435,396**	387,732	281,163
	1,061,565	987,493	831,269
Total Assets	**$ 41,440,143**	$ 40,403,938	$ 37,323,176
Liabilities and Equity			
Deposits			
Personal	**$ 17,181,571**	$ 16,930,003	$ 15,198,820
Business and government	**15,837,476**	15,456,011	14,776,919
	33,019,047	32,386,014	29,975,739
Other			
Cheques and other items in transit	**33,187**	55,582	50,110
Securities sold under repurchase agreements	**247,354**	-	-
Derivatives	**156,081**	91,961	36,068
Other liabilities	**789,599**	711,893	712,309
	1,226,221	859,436	798,487
Debt			
Debt related to securitization activities	**3,088,097**	3,057,265	2,641,843
Subordinated debentures	**373,802**	373,656	373,222
	3,461,899	3,430,921	3,015,065
Equity			
Preferred shares	**250,000**	250,000	250,000
Limited recourse capital notes	**325,000**	325,000	325,000
Common shares	**956,061**	924,789	809,435
Retained earnings	**2,317,146**	2,278,921	2,120,795
Share-based payment reserve	**27,466**	26,985	26,016
Accumulated other comprehensive (loss) income	**(142,697)**	(78,128)	2,639
Total Equity	**3,732,976**	3,727,567	3,533,885
Total Liabilities and Equity	**$ 41,440,143**	$ 40,403,938	$ 37,323,176

Condensed Financial Statements - Consolidated Statements of Income

(unaudited) ($ thousands, except per share amounts)	For the three months ended **October 31 2022**	 October 31 2021	For the year ended **October 31 2022**	 October 31 2021
Interest Income				
Loans	**$ 465,388**	$ 329,014	**$ 1,523,026**	$ 1,296,954
Securities	**15,087**	5,153	**37,043**	20,541
Deposits with financial institutions	**1,098**	51	**1,836**	517
	481,573	334,218	**1,561,905**	1,318,012
Interest Expense				
Deposits	**218,857**	87,784	**546,136**	360,663
Debt	**22,514**	16,509	**75,793**	64,986
	241,371	104,293	**621,929**	425,649
Net Interest Income	**240,202**	229,925	**939,976**	892,363
Non-interest Income				
Wealth management services	**14,567**	15,356	**61,928**	59,490
Credit related	**11,620**	9,676	**40,449**	38,411
Retail services	**2,309**	2,882	**10,264**	10,007
Trust services	**2,621**	2,401	**9,991**	8,988
(Losses) gains on securities, net	**(14)**	(84)	**(67)**	2,978
Other	**8,533**	468	**13,746**	3,796
	39,636	30,699	**136,311**	123,670
Total Revenue	**279,838**	260,624	**1,076,287**	1,016,033
Provision for (Recovery of) Credit Losses	**12,183**	(10,229)	**45,997**	27,055
Non-interest Expenses				
Salaries and employee benefits	**88,345**	86,340	**345,743**	325,136
Premises and equipment	**42,604**	25,421	**127,685**	95,954
Other expenses	**35,834**	29,041	**108,349**	87,628
	166,783	140,802	**581,777**	508,718
Net Income before Income Taxes	**100,872**	130,051	**448,513**	480,260
Income Taxes	**25,989**	32,823	**111,617**	123,007
Net Income	**74,883**	97,228	**336,896**	357,253
Net income attributable to non-controlling interests	**-**	-	**-**	290
Shareholders' Net Income	**74,883**	97,228	**336,896**	356,963
Preferred share dividends and limited recourse capital note distributions	**7,196**	7,230	**26,594**	29,492
Common Shareholders' Net Income	**$ 67,687**	89,998	**$ 310,302**	$ 327,471
Average number of common shares (in thousands)	**93,448**	88,699	**91,431**	87,579
Average number of diluted common shares (in thousands)	**93,452**	89,076	**91,490**	87,845
Earnings Per Common Share				
Basic	**$ 0.72**	$ 1.01	**$ 3.39**	$ 3.74
Diluted	**0.72**	1.01	**3.39**	3.73

Condensed Financial Statements - Consolidated Statements of Comprehensive Income

(unaudited) ($ thousands)	For the three months ended **October 31 2022**	 October 31 2021	For the year ended **October 31 2022**	 October 31 2021
Net Income	**$ 74,883**	$ 97,228	**$ 336,896**	$ 357,253
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				
Unrealized losses from change in fair value[(1)]	**(26,080)**	(32,391)	**(89,817)**	(34,949)
Reclassification to net income, of (gains) losses in the period[(2)]	**13**	(29)	**8**	(3,316)
	(26,067)	(32,420)	**(89,809)**	(38,265)
Derivatives designated as cash flow hedges				
Losses from change in fair value[(3)]	**(38,355)**	(3,346)	**(38,852)**	(6,197)
Reclassification to net income, of (gains) losses in the period[(4)]	**148**	(10,456)	**(16,508)**	(56,121)
	(38,207)	(13,802)	**(55,360)**	(62,318)
Items that will not be subsequently reclassified to net income				
Unrealized gains (losses) on equity securities designated at fair value through other comprehensive income[(5)]	**(295)**	122	**(167)**	1,053
	(64,569)	(46,100)	**(145,336)**	(99,530)
Comprehensive Income for the Period	**$ 10,314**	$ 51,128	**$ 191,560**	$ 257,723
Comprehensive income for the period attributable to:				
Shareholders	**$ 10,314**	$ 51,128	**$ 191,560**	$ 257,433
Non-controlling interests	**-**	-	**-**	290
Comprehensive Income for the Period	**$ 10,314**	$ 51,128	**$ 191,560**	$ 257,723

(1) Net of income tax of $9,244 and $27,855 for the quarter and year ended October 31, 2022, respectively (2021 – $10,023 and $10,777).
(2) Net of income tax of $7 and $6 for the quarter and year ended October 31, 2022, respectively (2021 – $13 and $1,028).
(3) Net of income tax of $11,816 and $11,969 for the quarter and year ended October 31, 2022, respectively (2021 – $993 and $1,924).
(4) Net of income tax of $58 and $5,045 for the quarter and year ended October 31, 2022, respectively (2021 – $3,231 and $16,566).
(5) Net of income tax of $77 and $39 for the quarter and year ended October 31, 2022, respectively (2021 – $17 and $326).

Condensed Financial Statements - Consolidated Statements of Changes in Equity

(unaudited) ($ thousands)	For the year ended **October 31 2022**	 October 31 2021
Preferred Shares		
Balance at beginning of year	**$ 250,000**	$ 390,000
Redeemed	**-**	(140,000)
Balance at end of year	**250,000**	250,000
Limited Recourse Capital Notes		
Balance at beginning of year	**325,000**	175,000
Issued	**-**	150,000
Balance at end of year	**325,000**	325,000
Common Shares		
Balance at beginning of year	**809,435**	730,846
Issued under at-the-market common equity distribution program	**141,098**	72,969
Issued under dividend reinvestment plan	**5,005**	4,064
Transferred from share-based payment reserve on the exercise or exchange of options	**523**	1,556
Balance at end of year	**956,061**	809,435
Retained Earnings		
Balance at beginning of year	**2,120,795**	1,907,739
Shareholders' net income	**336,896**	356,963
Dividends and other distributions – Preferred shares and limited recourse capital notes	**(26,594)**	(29,492)
– Common shares	**(111,245)**	(101,421)
Issuance costs on at-the-market common equity distribution program	**(2,706)**	(1,616)
Issuance costs on limited recourse capital notes	**-**	(1,710)
Realized gains reclassified from accumulated other comprehensive income	**-**	35
Decrease in equity attributable to non-controlling interests ownership change	**-**	(9,703)
Balance at end of year	**2,317,146**	2,120,795
Share-based Payment Reserve		
Balance at beginning of year	**26,016**	25,749
Amortization of fair value of options	**1,973**	1,823
Transferred to common shares on the exercise or exchange of options	**(523)**	(1,556)
Balance at end of year	**27,466**	26,016
Accumulated Other Comprehensive (Loss) Income		
Debt securities measured at fair value through other comprehensive income		
Balance at beginning of year	**(32,140)**	6,125
Other comprehensive loss	**(89,809)**	(38,265)
Balance at end of year	**(121,949)**	(32,140)
Derivatives designated as cash flow hedges		
Balance at beginning of year	**33,688**	96,006
Other comprehensive loss	**(55,360)**	(62,318)
Balance at end of year	**(21,672)**	33,688
Equity securities designated at fair value through other comprehensive income		
Balance at beginning of year	**1,091**	73
Other comprehensive income	**(167)**	1,053
Realized gains reclassified to retained earnings	**-**	(35)
Balance at end of year	**924**	1,091
Total Accumulated Other Comprehensive (Loss) Income	**(142,697)**	2,639
Total Shareholders' Equity	**3,732,976**	3,533,885
Non-controlling Interests		
Balance at beginning of year	-	862
Net income attributable to non-controlling interests	-	290
Dividends to non-controlling interests	-	(320)
Ownership change	-	(832)
Balance at end of year	-	-
Total Equity	**$ 3,732,976**	$ 3,533,885

Condensed Financial Statements - Consolidated Statements of Cash Flows

(unaudited) ($ thousands)	For the year ended **October 31 2022**	October 31 2021
Cash Flows from Operating Activities		
Net income	**$ 336,896**	$ 357,253
Adjustments to determine net cash flows:		
Depreciation and amortization	**80,848**	58,297
Provision for credit losses	**45,997**	27,055
Accrued interest receivable and payable, net	**28,904**	(51,080)
Current income taxes receivable and payable, net	**16,967**	(42,232)
Deferred income taxes, net	**6,493**	(2,716)
Amortization of fair value of employee stock options	**1,973**	1,823
Losses (gains) on securities, net	**67**	(2,978)
Change in operating assets and liabilities:		
Deposits, net	**3,043,308**	2,665,385
Debt related to securitization activities, net	**446,254**	590,163
Securities sold under repurchase agreements, net	**247,354**	(65,198)
Securities purchased under resale agreements, net	**30,048**	20,036
Accounts payable and accrued liabilities	**9,295**	76,487
Loans, net	**(3,029,428)**	(2,778,663)
Derivative collateral receivable and payable, net	**(78,128)**	(59,472)
Other items, net	**5,219**	8,327
Net Cash from (used in) Operating Activities	**1,192,067**	802,487
Cash Flows from Financing Activities		
Common shares issued, net of issuance costs	**138,392**	71,353
Dividends and limited recourse capital note distributions	**(132,834)**	(126,849)
Repayment of lease liabilities	**(14,353)**	(15,944)
Limited recourse capital notes issued, net of issuance costs	**-**	148,290
Preferred shares redeemed	**-**	(140,000)
Non-controlling interests, ownership changes, dividends and contributions	**-**	(11,889)
Net Cash from (used in) Financing Activities	**(8,795)**	(75,039)
Cash Flows from Investing Activities		
Interest bearing deposits with financial institutions, net	**(5,489)**	233,107
Securities, purchased	**(3,263,551)**	(12,390,535)
Securities, sale proceeds	**1,941,850**	8,276,968
Securities, matured	**242,124**	3,204,506
Property, equipment and intangible assets	**(99,252)**	(56,031)
Net Cash from (used in) Investing Activities	**(1,184,318)**	(731,985)
Change in Cash and Cash Equivalents	**(1,046)**	(4,537)
Cash and Cash Equivalents at Beginning of Year	**57,005**	61,542
Cash and Cash Equivalents at End of Year *	**$ 55,959**	$ 57,005
* Represented by:		
Cash and non-interest bearing deposits with financial institutions	**$ 81,228**	$ 87,853
Cheques and other items in transit (included in Cash Resources)	**7,918**	19,262
Cheques and other items in transit (included in Other Liabilities)	**(33,187)**	(50,110)
Cash and Cash Equivalents at End of Year	**$ 55,959**	$ 57,005
Supplemental Disclosure of Cash Flow Information		
Interest and dividends received	**$ 1,567,080**	$ 1,369,762
Interest paid	**551,698**	473,584
Income taxes paid	**86,860**	128,385