

Canadian Western Bank

Investor Presentation – Q3 2024



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.

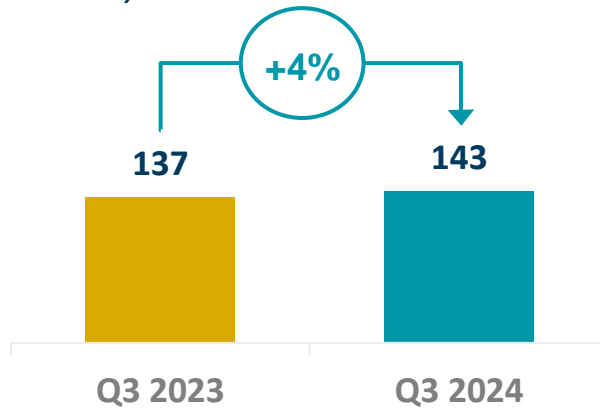
A variety of factors, many of which are beyond our control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, general business and economic conditions in Canada including housing and commercial real estate market conditions and household and business indebtedness, 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, legislative and regulatory developments, changes in supervisory expectations or requirements for capital, interest rate and liquidity management, 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, the impact of bank failures or other adverse developments at other banks that drive negative investor and depositor sentiment regarding the stability and liquidity of banks, the expected timing of completion of the transaction pursuant to which National Bank of Canada (NBC) proposes to acquire all of the issued and outstanding CWB common shares by way of a share exchange, and the conditions precedent to the closing of the NBC transaction (including the required approvals); that the transaction will be completed on the terms currently contemplated; assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information available as of the date hereof; 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 2023 Annual MD&A and in the Risks Related to the NBC transaction section of our Management Proxy Circular for the special meeting of CWB common shareholders to be held on September 3, 2024. 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.

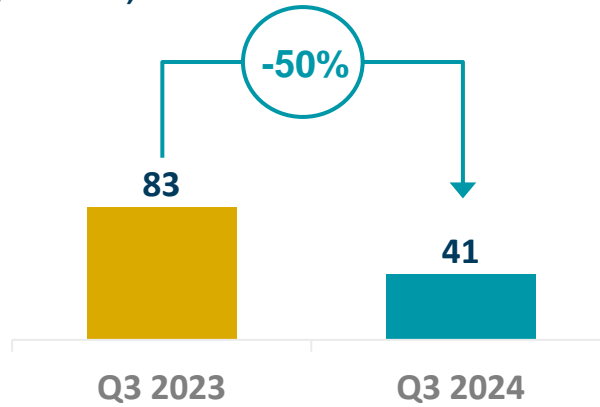
Assumptions about the performance of the Canadian economy over the forecast horizon and how it will affect our business are material factors considered when setting organizational objectives and targets. In determining expectations for economic growth, we consider our own forecasts, economic data and 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 *Outlook* and *Allowance for Credit Losses* sections of this MD&A and our 2023 Annual MD&A, which are available on SEDAR at www.sedarplus.ca.

Operating performance

Pre-tax, pre-provision income¹ (\$ millions)



Common shareholders' net income (\$ millions)



- We drove a significant sequential improvement in net interest margin through targeted loan growth and an optimized funding mix
- Performance was negatively impacted by an increase in the provision for credit losses on impaired loans¹, where a significant proportion related to two credit exposures.
 - Circumstances that gave rise to these losses are unique to these two exposures
 - We anticipate credit losses will trend back towards our normal historical range next quarter
- Incurred \$19.7 million of costs in that are directly associated with the potential NBC transaction, which were removed from adjusted metrics

1. Non-GAAP measure – refer to definitions and detail provided beginning on page 6 our Q3 2024 MD&A which is available on SEDAR at www.sedarplus.ca

Strategic focus on targeted portfolio growth

Total loans ¹ , by portfolio (\$ billions)	Q3 2024	Y/Y Change
General commercial loans	\$14.2	▲ 5%
Personal loans & mortgages	\$7.0	▼ 1%
Commercial mortgages	\$6.7	▼ 8%
Equipment financing & leasing	\$5.9	▲ 2%
Real estate project loans	\$3.1	▼ 4%
Oil & gas production loans	\$0.5	▲ 15%
Total	\$37.4	- %

% of total loans¹



1. Excludes the allowance for credit losses

2. 5-year compound annual growth rate (CAGR) from July 31, 2019, through July 31, 2024

Growth opportunities across our National footprint

Total loans ¹ , by geography (\$ billions)	Q3 2024	Y/Y Change	% of total
British Columbia	\$12.3	▲ 1%	33%
Alberta	\$10.9	▼ 2%	29%
Ontario	\$9.3	▼ 1%	25%
Saskatchewan	\$1.6	▲ 2%	4%
Quebec	\$1.4	▲ 2%	4%
Manitoba	\$1.1	▲ 1%	3%
Other	\$0.9	▲ 25%	2%
Total	\$37.5	- %	100%

Increasing our Ontario addressable market



Ontario

9%

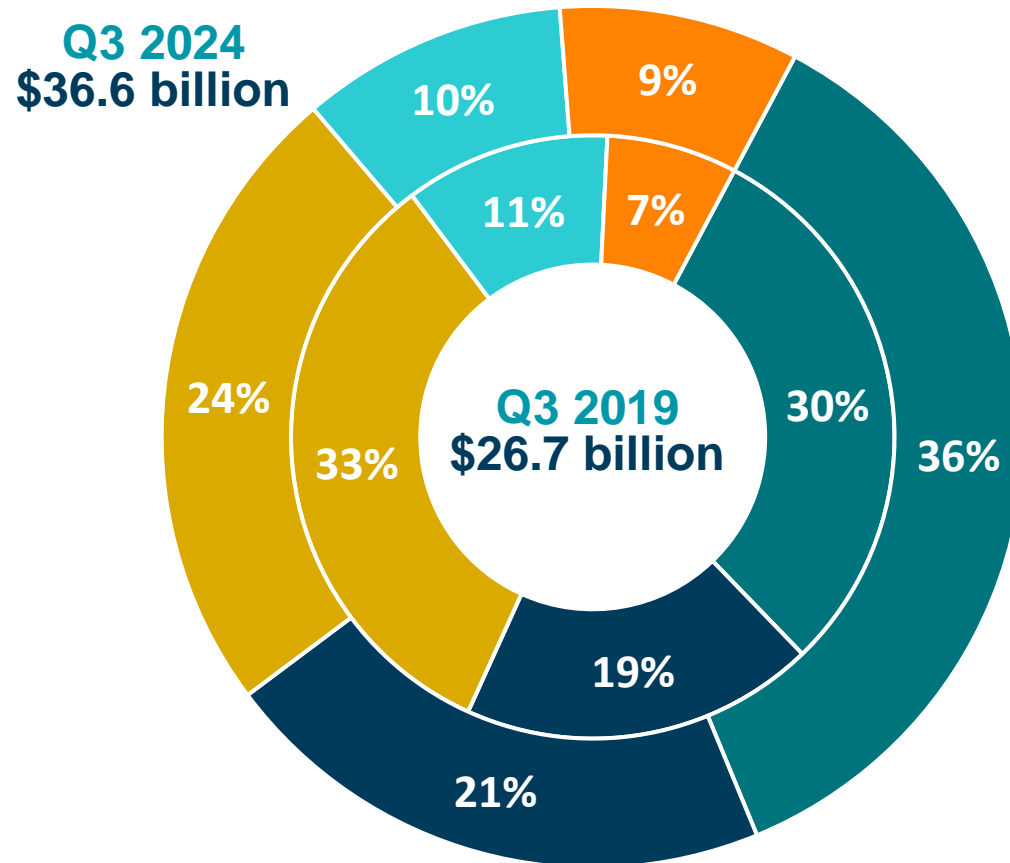
5 year CAGR²

- We opened our Kitchener Ontario banking centre this quarter and will increase our addressable market outside the GTA
- We opened our Toronto regional office and banking centre in Toronto's financial district in Q1 2024

1. Excludes the allowance for credit losses

2. 5-year compound annual growth rate (CAGR) from July 31, 2019, through July 31, 2024

Diversified funding sources



Total franchise deposits

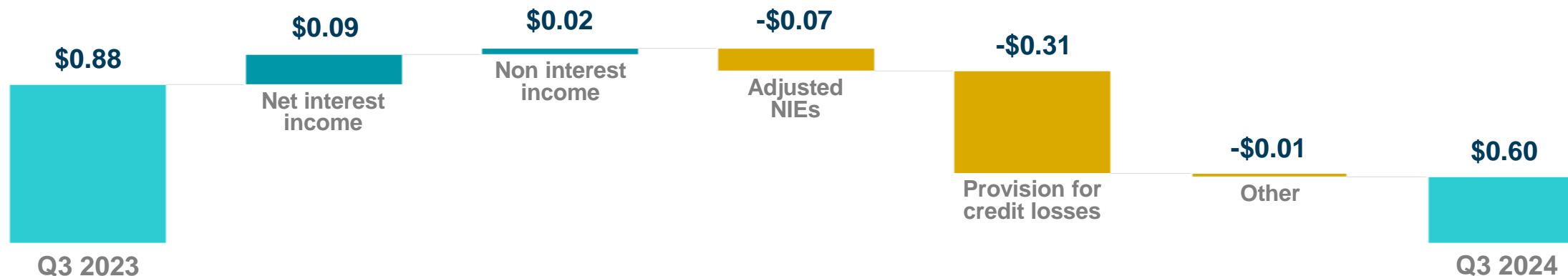
10%
5 year CAGR¹

- Franchise demand & notice deposits
- Franchise term deposits
- Broker term deposits
- Capital market deposits
- Securitization

1. 5-year compound annual growth rate (CAGR) from July 31, 2019, through July 31, 2024

Q3 2024 results compared to Q3 2023

Adjusted earnings per share¹



Adjusted items after tax (\$ per share)



Diluted earnings per share

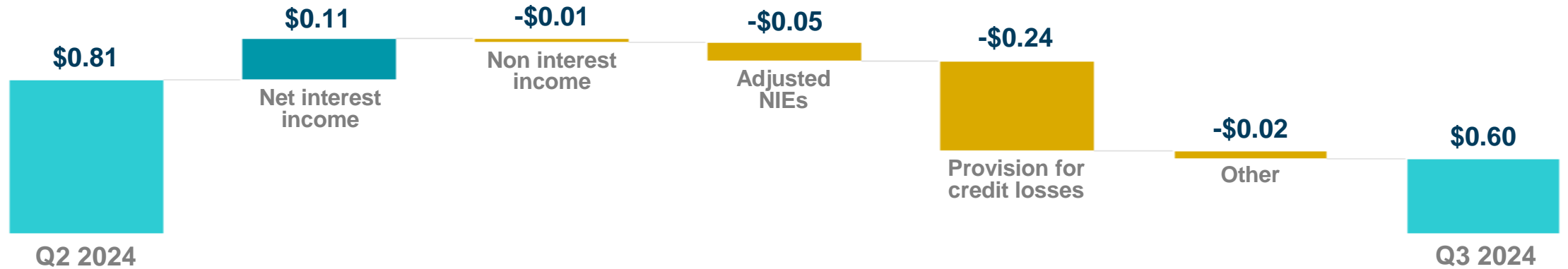


1. Non-GAAP measure – refer to definitions and detail provided beginning on page 5 our Q3 2024 MD&A which is available on SEDAR at www.sedarplus.ca

2. National Bank of Canada

Q3 2024 results compared to Q2 2024

Adjusted earnings per share



Adjusted items after tax (\$ per share)

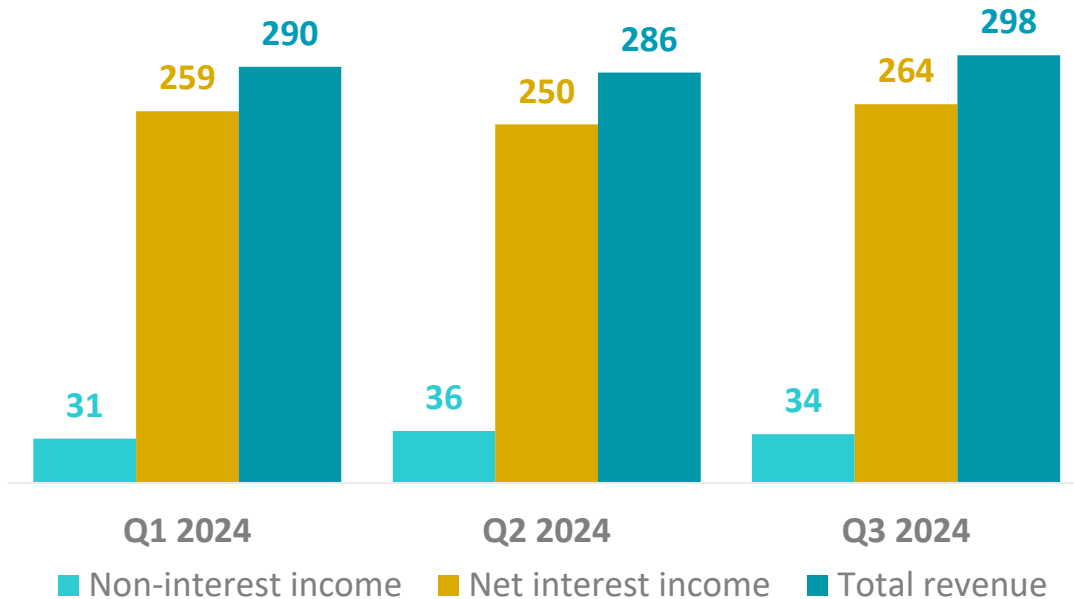


Diluted earnings per share

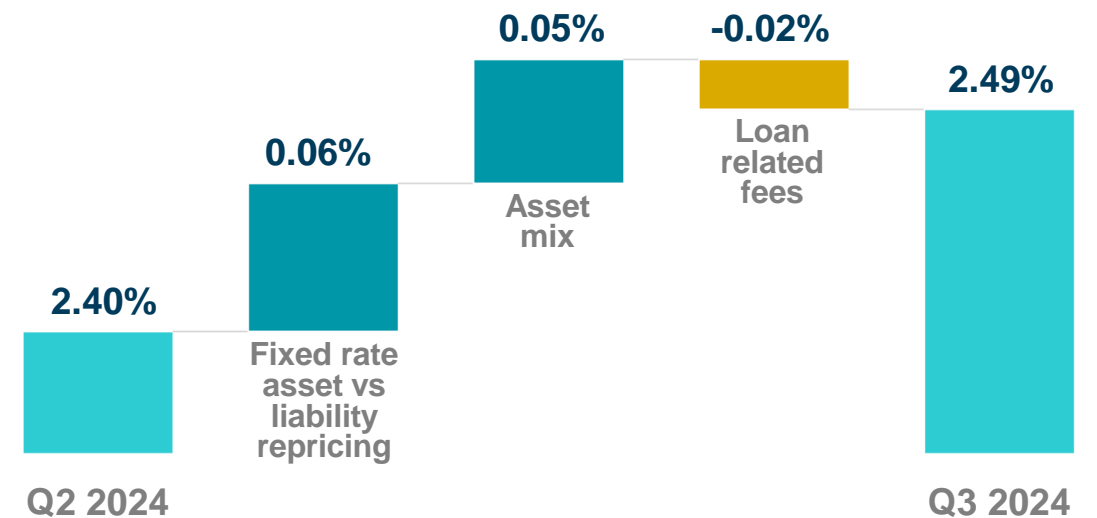


Revenue performance and net interest margin¹ (NIM)

Revenue performance (\$ millions)



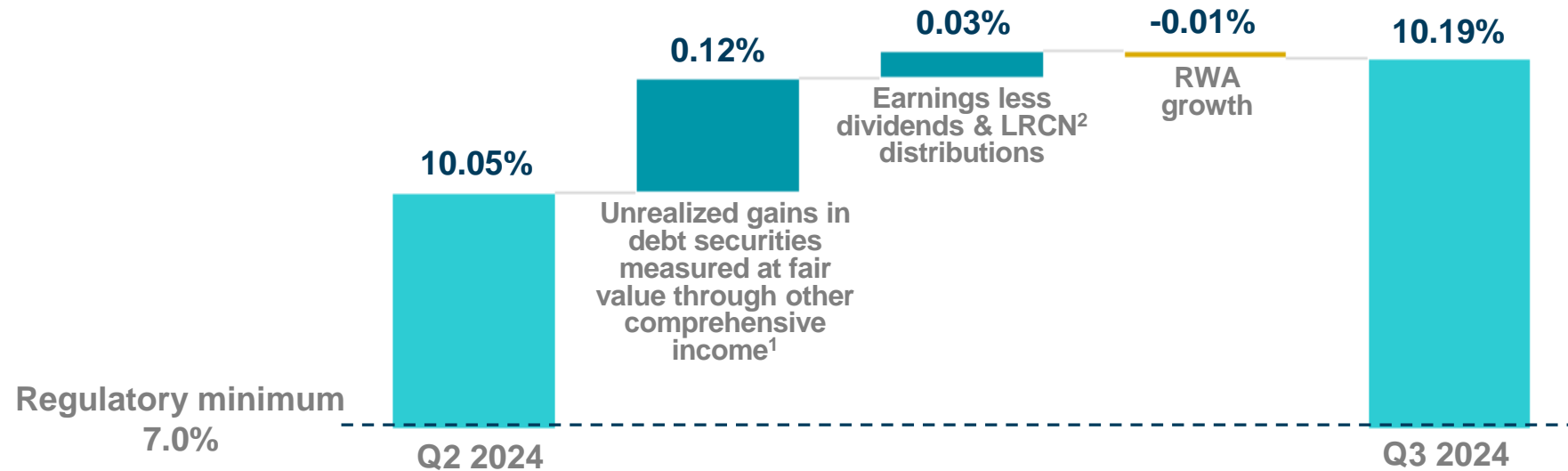
Sequential change in NIM



1. Non-GAAP measure – refer to definitions and detail provided beginning on page 5 our Q3 2024 MD&A which is available on SEDAR at www.sedarplus.ca

Common equity Tier 1 capital (CET1)

Sequential increase in CET1 ratio



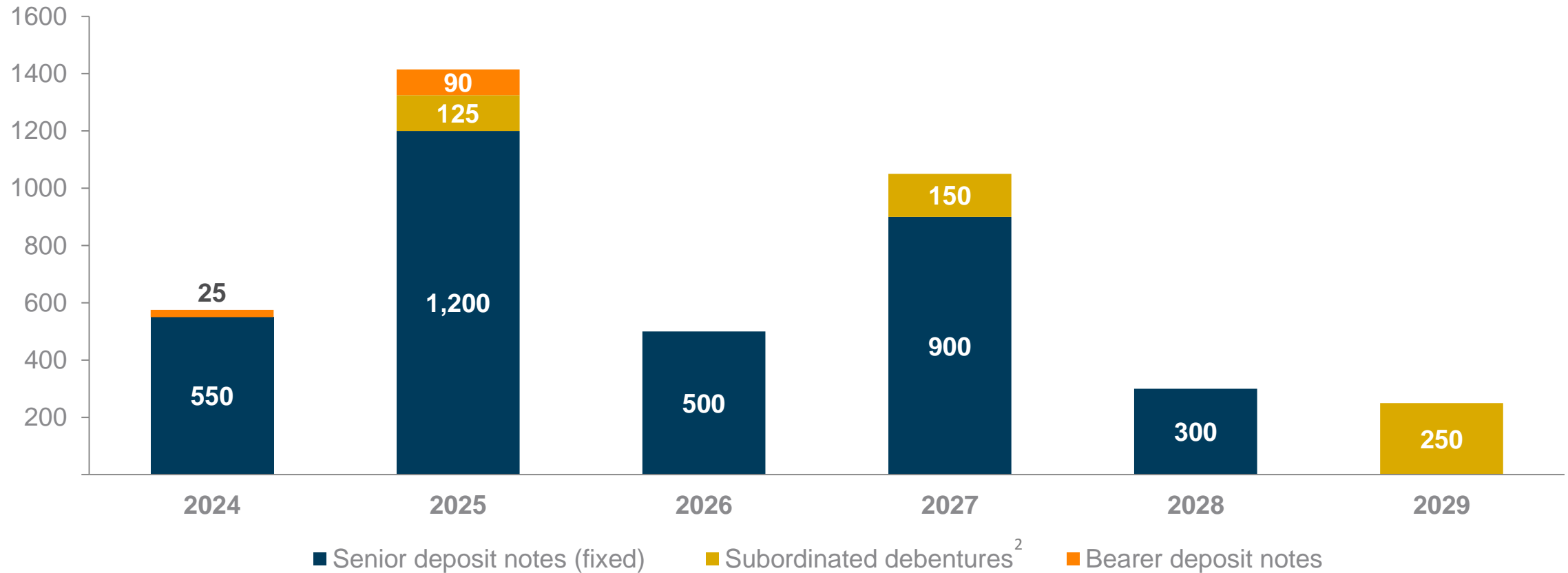
1. Recognized in accumulated other comprehensive income

2. Limited recourse capital notes

Capital markets funding

Maturity schedule¹

(\$ millions)

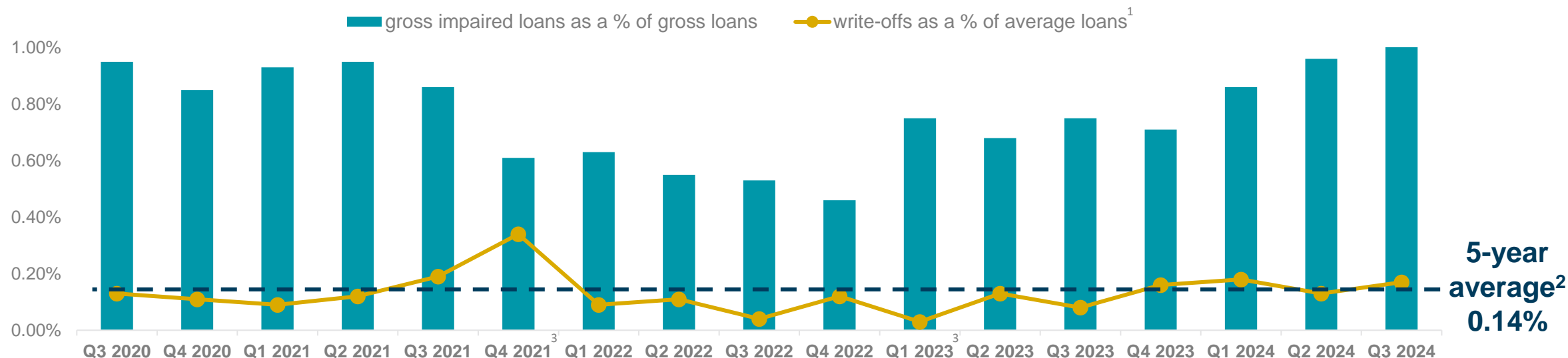


1. CWB is not subject to bail-in requirements

2. Earliest redemption date

Gross impaired loans

Our history of low write-offs demonstrates the strength of our credit risk management framework



- The dollar 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
- Our strong credit risk management framework continues to be effective in minimizing realized losses on the resolution of impaired loans

1. We use annualized write-offs divided by average total loans to calculate this a non-GAAP measure – refer to definitions and detail provided beginning on page 5 our Q3 2024 MD&A which is available on SEDAR at www.sedarplus.ca

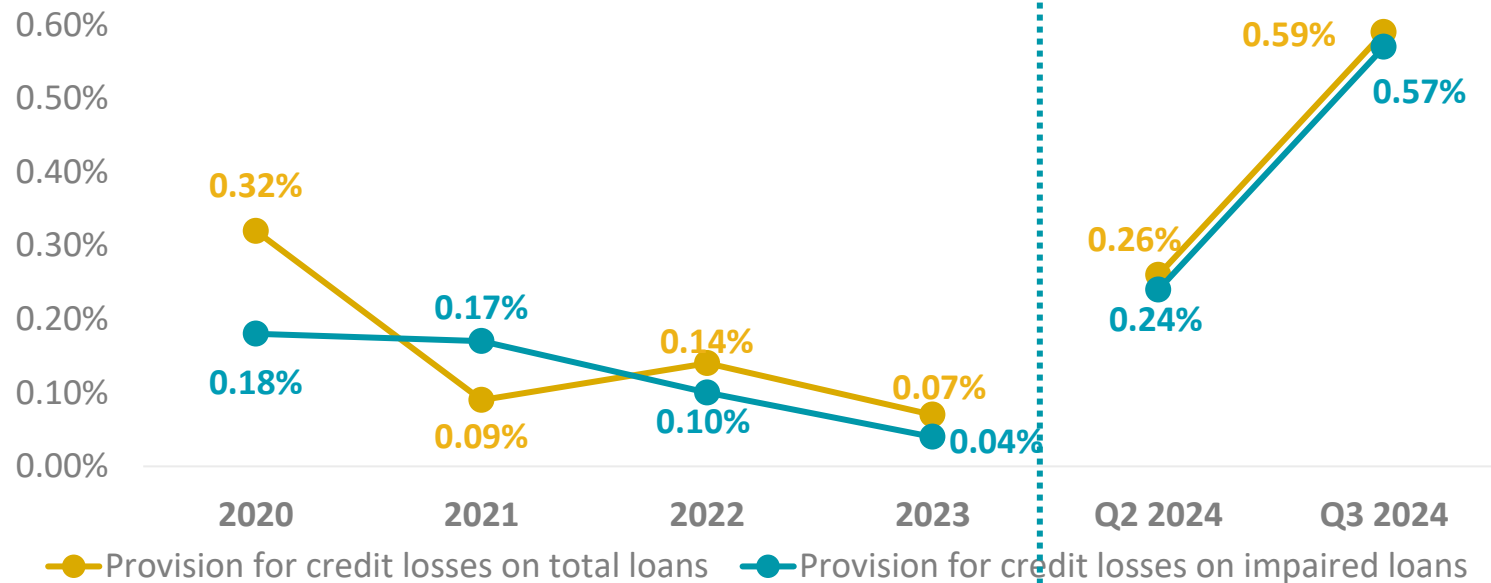
2. 5-year average from July 31, 2019, through July 31, 2024

3. Write offs in Q4 2021 included recognition of a write-off that was subsequently reversed due to a full recovery in Q1 2023

Provision for credit losses

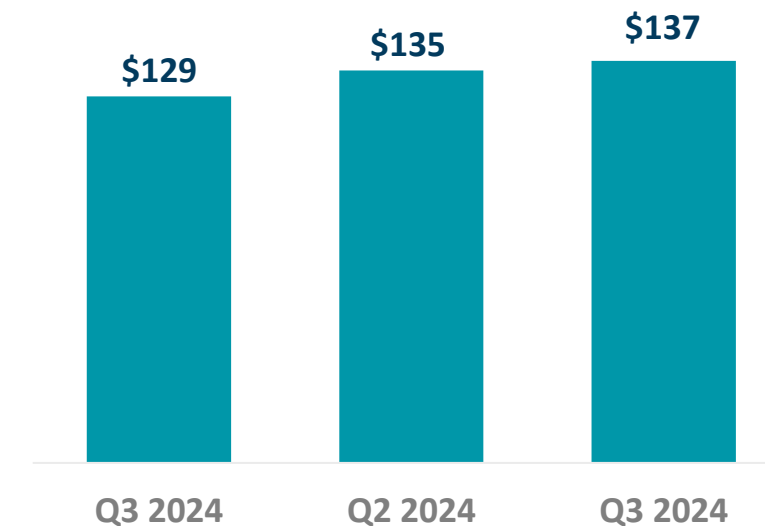
Provision for credit losses (PCL)

(as a % of average loans)



Performing loan allowance

(Stage 1 & 2, in \$ millions)



- Performing loan allowance increased \$2 million sequentially, primarily reflecting a larger loan balance and higher default rates, partially offset by improvements in our macroeconomic forecast
- Q3 impaired loan provision reflects increased borrower default rates and the emergence of lower than expected realization values which increased impaired PCLs, particularly for two large impaired loans this quarter
- Our prudent lending approach supports our expectation that our PCLs will trend towards our normal historical range in Q4

1. Non-GAAP measure – refer to definitions and detail provided beginning on page 5 our Q3 2024 MD&A which is available on SEDAR at www.sedarplus.ca

Fourth quarter and fiscal 2024 financial outlook (revised)

Annual metric	Q4 2024 expectations	Fiscal 2024 expectations
Loan growth	Approximately 1%	Approximately 2%
Franchise deposits growth	Approximately flat	Approximately 1%
Operating leverage	Approximately neutral	Positive
Adjusted earnings per common share ¹	\$0.86 to \$0.91	\$3.20 to \$3.25

- Net interest margin in the fourth quarter of the year driven by the continued improvement in loan growth targeted to optimize risk-adjusted returns and a continued focus on funding optimization
- Provision for credit losses expected to trend towards our normal historical range in the fourth quarter

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Coming together with National Bank

Bringing together two complementary banks with growing businesses with a regionally focused service model



The transaction enables the united bank to enhance services to customers by offering a comprehensive product and service platform at national scale

Transaction benefits:

- Creating a Canadian banking leader with growth priorities from coast-to-coast
- Expanding services for Canadian banking and wealth management customers
- Investing in the future of the Western Canadian economy
- Deepening commitments to communities
- Welcoming new and diverse talent to the National Bank family



Maintain a foundation of trust

- We have an ESG Steering Committee and integrated ESG oversight into Board of Director mandates
- Maintained strong diversity of our Board, comprising of 56% women and 11% Black, Indigenous or racialized persons
- Continued to enhance our cybersecurity program and security solutions for our clients



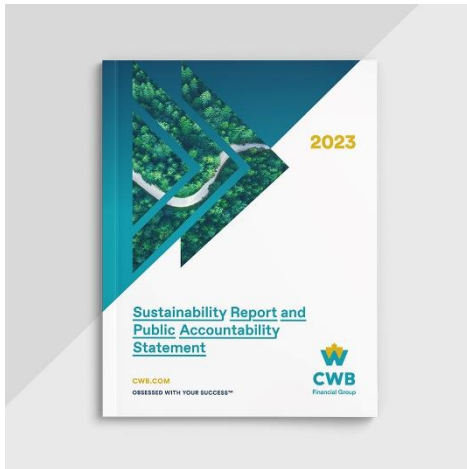
Obsessed with your success

- Continued to support Canadian small business owners with our enhanced digital offering
- Recognized as one of the top 50 Best Workplaces™ in Canada by Great Place to Work Canada® for four consecutive years
- Further embedded inclusive practices into how we attract, retain, develop, and engage top talent



Manage our impact responsibly

- Committed to an absolute Scope 1 and 2 GHG emissions reduction target of 42% by 2030.
- Estimated Scope 3 financed emissions related to our residential mortgages and oil and gas extraction lending portfolios.
- Continued to integrate environmental and social risks into our Risk Management framework
- Implemented a Supplier Code of Conduct



For further information on our approach, see our [2023 Sustainability report](#)

CWB listing information and credit ratings



TSX symbol: CWB

Market Cap: ~\$4.6 billion

- Shares outstanding: 96.7 million

S&P/TSX index inclusions:

- Composite
- Capped financial
- Completion (mid-cap)

Contact information

Chris Williams

AVP, Investor Relations

Tel: 780.508.8229

Chris.Williams@cwbank.com

Credit Ratings

Outlook/Status - Under review with positive implications

(DBRS Morningstar)

Rating

Long-term senior debt and long-term deposits

A (low)

Short-term instruments

R-1 (low)

Subordinated debt (NVCC)

BBB (low)

Limited recourse capital notes (NVCC)

BB (high)

Preferred shares (NVCC)

Pfd-3

Toll-free: 1.800.836.1886

InvestorRelations@cwbank.com

cwbank.com/investor-relations