CWB Financial Group

CWB reports fourth quarter and full year 2024 financial performance

Edmonton, December 18, 2024 – CWB Financial Group (TSX: CWB) (CWB) today announced financial performance for the year ended October 31, 2024, with annual common shareholders' net income of $268 million, diluted earnings per common share (EPS) of $2.76 and adjusted EPS(1) of $3.01.

"As we progress toward closing the National Bank transaction, our teams have remained focused on delivering a differentiated experience for business owners and their families while supporting the integration planning process," said Chris Fowler, President and CEO. "We continue to retain the deep relationships we have with our clients, the engagement of our teams remains strong, and our balance sheet is resilient. We are well positioned to deliver prudent growth and solid financial performance."

"I sincerely thank all team members for their significant efforts this year. We remain on track to complete the acquisition with National Bank. I am excited about the future for Canadian Western Bank and am confident that the combination of our two banks will create incredible value for our clients, teams, communities, and shareholders."

Quarterly common shareholders' net income of $62 million and adjusted EPS of $0.67 declined 19% and 29%, respectively, compared to the same quarter last year. Pre-tax, pre-provision income(1) of $143 million was consistent with last year. Lower common shareholders' net income was primarily driven by a provision for credit losses on impaired loans(1) of 38 basis points, compared to an impaired loan provision of eight basis points in the prior year, which was significantly below our normal historical experience.

On a sequential basis, quarterly common shareholders' net income increased 50% and adjusted EPS increased 12%, driven by a 16 basis point reduction in the provision for credit losses. Pre-tax, pre-provision income was consistent with last quarter.

On an annual basis, common shareholders' net income and adjusted earnings per share were down 17% and 16%, respectively. Pre-tax, pre-provision income increased 8% and we delivered positive operating leverage(1) of 1.4%, reflecting solid revenue growth and prudent expense management. Lower common shareholders' net income primarily reflected a 30 basis point increase in the provision for credit losses on impaired loans.

Our Board of Directors declared a cash dividend of $0.36 per common share, which is up two cents, or 6%, from the dividend declared last year and one cent, or 3%, from the dividend declared last quarter.

(1) Adjusted EPS, pre-tax, pre-provision income, the provision for credit losses on total loans as a percentage of average loans and operating leverage are non-GAAP measures. Refer to definitions and detail provided on pages 6 and 7.

National Bank of Canada (NBC) Transaction

On June 11, 2024, we announced that we entered into a definitive agreement where NBC proposed to acquire all the issued and outstanding common shares of CWB through a share exchange. As part of the transaction, CWB Shareholders will be entitled to receive 0.450 of a NBC common share for each CWB common share held as of the date of closing.

This transaction will bring together two complementary Canadian banks with growing businesses, enabling the united bank to enhance services to its customers by offering a comprehensive product and service platform at national scale, with a regionally focused service model. CWB's current retail customers will benefit from a larger product offering and digital platform, our small business clients will be able to utilize NBC's cash and risk management solutions, and our commercial clients will benefit from access to NBC's leading capital markets franchise. We are currently undergoing preparation for the transition period following transaction close to effectively integrate our operations into NBC. We remain committed to meeting our clients' banking needs during this time.

The transaction received CWB Shareholder approval on September 3, 2024 and Competition Bureau clearance on September 26, 2024. The transaction is also subject to the review of the Office of the Superintendent of Financial Institutions (OSFI) and approval from the Minister of Finance as conditions to close the transaction, which we expect to occur in 2025.

We have incurred and expect to continue to incur costs directly associated with this potential transaction. These costs are not indicative of our underlying operating performance and therefore are excluded in the calculation of our non-GAAP measures. Refer to definitions and details provided on pages 6 and 7.

Delayed Release of our Fourth quarter and Fiscal 2024 Financial Results

On December 6, 2024, we announced that the release of our fourth quarter and fiscal 2024 financial results would be rescheduled. On December 7, 2024, we announced that the results were delayed following the receipt of a legal claim against CWB Maxium Financial Ltd., a wholly owned subsidiary of CWB. The claim seeks damages in the amount of $18 million, as well as general and punitive damages, and costs, related to the provision of certain loans to corporations affiliated with the claimant and the resolution of these loans, which is occurring through a court-approved receivership process. The claim also contained several allegations, including allegations of unethical conduct by a named individual.

Upon receipt of this claim, we launched an in-depth investigation. The evidence obtained through this investigation supports that this matter has no impact on our financial statements, and no deficiencies in internal controls over financial reporting were identified.

Financial Performance

Q4 2024, compared to Q4 2023	Common shareholders' net income	$62 million	Down 19%
	Diluted EPS	$0.63	Down 21%
	Adjusted EPS	$0.67	Down 29%
	Adjusted return on common shareholders' equity (ROE)(1)	7.0%	Down 360 bp
	Efficiency ratio(1)	53.7%	Up 270 bp
	Pre-tax, pre-provision income	$143 million	Unchanged

bp – basis point

Compared to the same quarter last year, common shareholders' net income declined 19%. Pre-tax, pre-provision income was consistent with last year, as a 6% increase in revenue was offset by a 12% increase in adjusted non-interest expenses(1). Adjusted common shareholders' net income(1) declined 27%, primarily reflecting a 30 basis point increase in the provision for credit losses on impaired loans.

Higher revenue reflected a 5% increase in net interest income and a 13% increase in non-interest income, which reflected 8% growth in wealth management fees and higher net gains on security sales as we re-balanced our cash and securities portfolio this quarter in response to shifts in market interest rates. Higher net-interest income was driven by a nine basis point improvement in net interest margin(1) and reflected the benefit of increased yields on fixed term assets, which had a larger impact than the increase in deposit costs. Bank of Canada policy interest rate reductions in the current quarter did not have a meaningful impact on our net interest margin as our floating rate loans remain closely balanced with our floating rate deposits.

Non-interest expenses were up 3%. The prior year non-interest expenses included $17 million of costs incurred to execute reorganization initiatives, while the current quarter non-interest expenses included $4 million of integration costs directly associated with the potential NBC transaction. Adjusted non-interest expenses increased 12%, primarily driven by increases in variable and share-based employee compensation costs and higher deposit insurance and technology costs. Higher adjusted non-interest expenses were partially offset by lower salary and benefit costs associated with the reduction in our overall average staffing levels following the reorganization activities which began in the fourth quarter of last year and concluded earlier this year.

The provision for credit losses on total loans as a percentage of average loans represented 43 basis points this quarter and was 32 basis points higher than the same quarter last year. The increase in our provision for credit losses was primarily due to a 30 basis point increase in our impaired loan provision. Our current quarter provision for credit losses on impaired loans represented 38 basis points of average loans and reflected the impact of current economic conditions continuing to result in elevated levels of borrower defaults and lower expected realization values for the security underpinning these exposures. The prior year quarterly impaired loan provision of eight basis points was significantly below our normal historical experience.

(1) Adjusted ROE, efficiency ratio, adjusted non-interest expenses, adjusted common shareholders' net income and net interest margin are non-GAAP measures. Refer to definitions and detail provided on pages 6 and 7.

Q4 2024, compared to Q3 2024	Common shareholders' net income	$62 million	Up 50%
	Diluted EPS Adjusted EPS	$0.63 $0.67	Up 47% Up 12%
	Adjusted ROE	7.0%	Up 70 bp
	Efficiency ratio	53.7%	Up 150 bp
	Pre-tax, pre-provision income	$143 million	Unchanged

Compared to the prior quarter, common shareholders' net income increased 50% and adjusted common shareholders' net income increased 15%, primarily driven by a 16 basis point reduction in the provision for credit losses. Pre-tax, pre-provision income was consistent with the prior quarter.

Revenue growth of 4% reflected a 2% increase in net interest income and a 16% increase in non-interest income, primarily due to an increase in net gains on securities sales, higher foreign exchange income and higher credit related fees. The increase in net interest income was primarily due to higher interest-earning assets. Net interest margin of 2.49% was consistent with the prior quarter.

Non-interest expenses declined 3% from the prior quarter, primarily due to a reduction in costs directly associated with the NBC transaction. Adjusted non-interest expenses were up 7% and reflected higher variable and share-based employee compensation costs, an increase in technology costs and the impact of customary seasonal increases in our operating expenses.

Our provision for credit losses on total loans as a percentage of average loans was 16 basis points lower than the prior quarter due to a three basis point increase in the performing loan provision, and a 19 basis point decrease in the impaired loan provision. The prior quarter impaired loan provision included the impact of two impaired loans, where the circumstances which gave rise to the impaired loan provisions were unique to those exposures.

Fiscal 2024 compared to fiscal 2023	Common shareholders' net income	$268 million	Down 17%
	Diluted EPS Adjusted EPS	$2.76 $3.01	Down 18% Down 16%
	Adjusted ROE	8.1%	Down 230 bp
	Efficiency ratio	51.9%	Down 70 bp
	Pre-tax, pre-provision income	$570 million	Up 8%

Compared to last year, common shareholders' net income declined 17%, while pre-tax, pre-provision income increased 8% with positive operating leverage of 1.4%. Lower common shareholders' net income primarily reflected a 30 basis point increase in the provision for credit losses on impaired loans.

Total annual revenue increased 6%, which reflected a 6% increase in net interest income and an 8% increase in non-interest income. Higher net interest income reflected the benefit of an 11 basis point improvement in net interest margin and 1% annual loan growth. The increase in net interest margin primarily reflected the benefit of increased yields on fixed term assets from higher market interest rates, which had a larger impact than the increase in deposit costs. Non-interest income growth was driven by higher net gains on securities sales, higher wealth management fees and higher credit related fees.

Total adjusted non-interest expenses were up 5%, due to higher variable and share-based employee compensation costs, elevated expenses associated with the opening of our new Toronto financial district and Kitchener banking centres, and increases in deposit insurance and technology costs, partially offset by lower salary and benefit costs.

Our total annual provision for credit losses represented 37 basis points as a percentage of average loans compared to seven basis points last year. We recognized a 34 basis point provision for credit losses on impaired loans, which compared to a four basis point provision recorded in the prior year, reflecting increased borrower default rates and the emergence of lower than expected realization values which increased the impaired loan provision for credit losses, including the impact of two impaired loans recognized in the third quarter of the current year. The circumstances that gave rise to the impaired loan provisions on these two loans were unique to those exposures. The prior year impaired loan provision of four basis points was significantly below our normal historical experience and included the impact of the reversal of a previously impaired loan write-off recognized in the first quarter last year.

Fiscal 2025 Outlook

We anticipate steady growth of the Canadian economy over the next fiscal year, with consistent levels of inflation within the Bank of Canada's target range supporting continued policy interest rate reductions. We remain mindful of geopolitical risks that could create volatility in expected economic conditions.

As we progress toward the closing of the NBC transaction, we remain focused on supporting our teams and continuing to provide a differentiated experience to our clients to maintain low levels of attrition. Our resilient balance sheet remains well positioned to support prudent growth, with a continued strategic focus on portfolios that provide full-service client opportunities. We expect solid revenue growth supported by continued net interest margin expansion, and disciplined management of our non-interest expenses to deliver positive operating leverage on an annual basis. As the year progresses, we expect our gross impaired loan formations and provision for credit losses to gradually decline supported by our proven credit risk management process and a lower interest rate environment.

Based on the assumptions described above and presuming no significant adverse shifts in the macroeconomic environment, we expect to deliver strong annual growth of pre-tax, pre-provision income and adjusted earnings per common share.

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 nationwide 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 2024 Fourth Quarter and Fiscal 2024 Financial Results Conference Call

CWB's fourth quarter and fiscal 2024 results conference call is scheduled for Wednesday, December 18, 2024, 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 (437) 900-0527 (Toronto) or 1 (888) 510-2154 (toll free) and entering passcode: 54937. 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 25, 2024, by dialing (289) 819-1450 (Toronto) or 1 (888) 660-6345 (toll-free) and entering passcode 54937#.

FOR FURTHER INFORMATION CONTACT:

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Selected Financial Highlights

(unaudited) (thousands, except per share amounts)	For the three months ended **October 31 2024**	 July 31 2024	 October 31 2023	Change from October 31 2023	For the year ended **October 31 2024**	 October 31 2023	Change from October 31 2023
Results from Operations							
Net interest income	**$ 269,292**	$ 263,867	$ 256,316	5 %	**$ 1,041,988**	$ 981,277	6 %
Non-interest income	**40,210**	34,602	35,447	13	**141,896**	131,297	8
Total revenue	**309,502**	298,469	291,763	6	**1,183,884**	1,112,574	6
Pre-tax, pre-provision income[1]	**143,190**	142,812	143,037	-	**569,819**	527,529	8
Common shareholders' net income	**62,195**	41,407	76,845	(19)	**267,882**	324,316	(17)
Common Share Information							
Earnings per common share							
Basic	**$ 0.64**	$ 0.43	$ 0.80	(20) %	**$ 2.77**	$ 3.38	(18) %
Diluted	**0.63**	0.43	0.80	(21)	**2.76**	3.38	(18)
Adjusted[1]	**0.67**	0.60	0.94	(29)	**3.01**	3.58	(16)
Cash dividends	**0.35**	0.35	0.33	6	**1.38**	1.30	6
Book value[1]	**39.12**	38.52	35.79	9	**39.12**	35.79	9
Closing market price	**57.25**	47.71	27.48	108	**57.25**	27.48	108
Common shares outstanding (thousands)	**96,743**	96,669	96,434	-	**96,743**	96,434	-
Performance Measures[1]							
Return on common shareholders' equity	**6.6 %**	4.5 %	9.0 %	(240) bp	**7.4 %**	9.8 %	(240) bp
Adjusted return on common shareholders' equity	**7.0**	6.3	10.6	(360)	**8.1**	10.4	(230)
Return on assets	**0.58**	0.39	0.72	(14)	**0.63**	0.77	(14)
Net interest margin	**2.49**	2.49	2.40	9	**2.45**	2.34	11
Efficiency ratio	**53.7**	52.2	51.0	270	**51.9**	52.6	(70)
Operating leverage	**(5.7)**	(1.1)	3.3	(900)	**1.4**	(2.2)	360
Credit Quality[1]							
Provision for credit losses on total loans as a percentage of average loans[2]	**0.43**	0.59	0.11	32	**0.37**	0.07	30
Provision for credit losses on impaired loans as a percentage of average loans[2]	**0.38**	0.57	0.08	30	**0.34**	0.04	30
Balance Sheet							
Assets	**$ 43,133,799**	$ 42,462,058	$ 42,320,103	2 %			
Loans[3]	**37,583,703**	37,439,796	37,209,850	1			
Deposits	**33,437,711**	33,402,822	33,328,449	-			
Debt	**4,035,761**	3,738,589	3,839,159	5			
Shareholders' equity	**4,359,441**	4,299,137	4,026,667	8			
Off-Balance Sheet							
Wealth Management							
Assets under management and administration	**9,372,489**	9,320,499	7,925,785	18			
Assets under advisement[4]	**2,793,585**	2,682,822	2,197,397	27			
Assets Under Administration - Other	**18,040,438**	17,335,716	15,370,989	17			
Capital Adequacy[5]							
Common equity Tier 1 ratio	**10.3 %**	10.2 %	9.7 %	60 bp			
Tier 1 ratio	**12.0**	11.9	11.5	50			
Total ratio	**14.1**	14.0	13.5	60			
Other							
Number of full-time equivalent staff	**2,569**	2,532	2,505	3 %			

(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) Primarily comprised of assets under advisement related to our Indigenous Services wealth management business.
(5) 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 18, 2024, should be read in conjunction with Canadian Western Bank's (CWB) unaudited condensed financial statements for the period ended October 31, 2024, 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, 2024, contained in our 2024 Annual Report, available on SEDAR at www.sedarplus.ca and CWB's website at www.cwb.com.

The condensed financial statements have been prepared in accordance with IFRS Accounting 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 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 (the NBC transaction), 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 2024 Annual MD&A. These and other factors should be considered carefully, and readers are cautioned not to place undue reliance on these forward-looking statements as a number of important factors could cause 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 2025 Outlook* and *Allowance for Credit Losses* section 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 costs directly associated with the NBC transaction, amortization of acquisition-related intangible assets, a reorganization of our operations, and acquisition and integration costs. Non-recurring reorganization costs were incurred to execute reorganization initiatives to realize efficiencies in our banking centre footprint, operational support functions, and administrative processes. Acquisition and integration costs include direct and incremental costs incurred as part of the execution and integration of business acquisitions.
- Adjusted common shareholders' net income – total common shareholders' net income, excluding the costs directly associated with the NBC transaction, amortization of acquisition-related intangible assets, organizational redesign initiatives, 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 2024**	 July 31 2024	 October 31 2023	Change from October 31 2023	For the year ended **October 31 2024**	 October 31 2023	Change from October 31 2023
Non-interest expenses	**$ 171,829**	$ 177,700	$ 167,600	3 %	**$ 647,068**	$ 611,283	6 %
Adjustments (before tax):							
NBC transaction	**(3,789)**	(19,772)	-	100	**(23,561)**	-	100
Amortization of acquisition-related intangible assets	**(1,728)**	(1,728)	(1,728)	-	**(6,912)**	(8,490)	(19)
Non-recurring reorganization costs	**-**	(543)	(17,146)	(100)	**(2,530)**	(17,146)	(85)
Acquisition and integration costs	**-**	-	-	-	**-**	(602)	(100)
Adjusted non-interest expenses	**$ 166,312**	$ 155,657	$ 148,726	12 %	**$ 614,065**	$ 585,045	5 %
Common shareholders' net income	**$ 62,195**	$ 41,407	$ 76,845	(19) %	**$ 267,882**	$ 324,316	(17) %
Adjustments (after-tax):							
NBC transaction[(1)]	**2,815**	14,696	-	100	**17,511**	-	100
Amortization of acquisition-related intangible assets[(2)]	**1,268**	1,268	1,267	-	**5,072**	6,495	(22)
Non-recurring reorganization costs[(3)]	**-**	404	12,726	(100)	**1,881**	12,726	(85)
Acquisition and integration costs[(4)]	**-**	-	-	-	**-**	451	(100)
Adjusted common shareholders' net income	**$ 66,278**	$ 57,775	$ 90,838	(27) %	**$ 292,346**	$ 343,988	(15) %
Total revenue	**$ 309,502**	$ 298,469	$ 291,763	6 %	**$ 1,183,884**	$ 1,112,574	6 %
Less:							
Adjusted non-interest expenses (see above)	**166,312**	155,657	148,726	12	**614,065**	585,045	5
Pre-tax, pre-provision income	**$ 143,190**	$ 142,812	$ 143,037	- %	**$ 569,819**	$ 527,529	8 %

(1) Net of income tax of $974 for the three months ended October 31, 2024 (Q3 2024 – $5,076, Q4 2023 – $nil) and $6,050 for the year ended October 31, 2024 (2023 – $nil).
(2) Net of income tax of $460 for the three months ended October 31, 2024 (Q3 2024 – $460, Q4 2023 – $461) and $1,840 for the year ended October 31, 2024 (2023 – $1,995).
(3) Net of income tax of $nil for the three months ended October 31, 2024 (Q3 2024 – $139, Q4 2023 – $4,420) and $649 for the year ended October 31, 2024 (2023 – $4,420).
(4) Net of income tax of $nil for the three months ended October 31, 2024 (Q3 2024 – $nil, Q4 2023 – $nil) and $nil for the year ended October 31, 2024 (2023 – $151).

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.
- Franchise deposits (formerly referred to as 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 2024 vs. Q4 2023

Common shareholders' net income of $62 million and diluted earnings per common share of $0.63 decreased 19% and 21% respectively. Pre-tax, pre-provision income of $143 million was consistent with the same quarter last year, as a 6% increase in revenue was offset by a 12% increase in adjusted non-interest expenses. Adjusted common shareholders' net income of $66 million and adjusted earnings per common share of $0.67 decreased 27% and 29%, respectively, primarily reflecting a 30 basis point increase in the provision for credit losses on impaired loans.

Total revenue of $310 million grew 6%, which reflected a 5% increase in net interest income and a 13% increase in non-interest income. Higher non-interest income primarily reflected 8% growth in wealth management fees and higher net gains on security sales as we re-balanced our cash and securities portfolio this quarter in response to shifts in market interest rates. Net interest income of $269 million was driven by a nine basis point improvement in net interest margin and 1% annual loan growth. The increase in net interest margin reflected the benefit of increased yields on fixed term assets, which had a larger impact than the increase in deposit costs. Bank of Canada policy interest rate reductions in the current quarter did not have a meaningful impact on our net interest margin as our floating rate loans remain closely balanced with our floating rate deposits.

Non-interest expenses of $172 million were up 3%. The prior year non-interest expenses included $17 million of costs incurred to execute reorganization initiatives, while the current quarter non-interest expenses included $4 million of integration costs directly associated with the potential NBC transaction. Adjusted non-interest expenses of $166 million were up 12%, primarily driven by increases in variable and share-based employee compensation costs and higher deposit insurance and technology costs. Higher adjusted non-interest expenses were partially offset by lower salary and benefit costs associated with the reduction in our overall average staffing levels following the reorganization activities which began in the fourth quarter of last year and concluded earlier this year.

The provision for credit losses on total loans as a percentage of average loans represented 43 basis points this quarter and was 32 basis points higher than the same quarter last year. The increase in our provision for credit losses was primarily due to a 30 basis point increase in our impaired loan provision. Our current quarter provision for credit losses on impaired loans represented 38 basis points of average loans and reflected the impact of current economic conditions continuing to result in elevated levels of borrower defaults and lower expected realization values for the security underpinning these exposures. The prior year quarterly impaired loan provision of eight basis points was significantly below our normal historical experience.

Q4 2024 vs. Q3 2024

Common shareholders' net income and diluted earnings per common share increased 50% and 47%, respectively. Adjusted common shareholders' net income and adjusted earnings per common share increased 15% and 12% respectively, primarily driven by a 16 basis point reduction in the provision for credit losses. Pre-tax, pre-provision income was consistent with the prior quarter.

Total revenue increased 4%, due to a 16% increase in non-interest income and a 2% increase in net interest income. Higher non-interest income primarily reflected an increase in net gains on securities sales, higher foreign exchange income and higher credit related fees. The increase in net interest income was primarily due to higher interest-earning assets. Net interest margin was consistent with the prior quarter as higher fixed rate asset yields, which outpaced the increase in deposit costs, were offset by higher average liquidity.

Non-interest expenses declined 3% from the prior quarter, primarily due to a reduction in costs directly associated with the NBC transaction. Adjusted non-interest expenses were up 7% and reflected higher variable and share-based employee compensation costs, an increase in technology costs and the impact of customary seasonal increases in our operating expenses.

Our provision for credit losses on total loans as a percentage of average loans was 16 basis points lower than the prior quarter due to a three basis point increase in the performing loan provision, and a 19 basis point decrease in the impaired loan provision. The prior quarter impaired loan provision included the impact of two impaired loans, where the circumstances which gave rise to the impaired loan provisions were unique to those exposures. A higher current quarter performing loan provision was primarily driven by higher default rates, partially offset by improvements in forecast macroeconomic conditions.

2024 vs. 2023

Common shareholders’ net income of $268 million and diluted earnings per share of $2.76 were down 17% and 18%, respectively. Pre-tax, pre-provision income of $570 million increased 8% from last year, with positive operating leverage of 1.4%. Adjusted common shareholders’ net income of $292 million and adjusted earnings per share of $3.01 were down 15% and 16%, respectively, primarily driven by a 30 basis point increase in the provision for credit losses on impaired loans.

Total revenue of $1.2 billion increased 6%, which reflected a 6% increase in net interest income and an 8% increase in non-interest income. Net interest income of $1 billion reflected the benefit of an 11 basis point improvement in net interest margin and 1% annual loan growth. The increase in net interest margin primarily reflected the benefit of increased yields on fixed term assets from higher market interest rates, which had a larger impact than the increase in deposit costs. Non-interest income growth was driven by higher net gains on securities sales, higher wealth management fees and higher credit related fees.

Total non-interest expenses of $647 million were up 6%. The prior year non-interest expenses included $17 million of costs incurred to execute reorganization initiatives, while the current year non-interest expenses included $24 million of professional fees and employee compensation costs directly associated with the potential NBC transaction. Total adjusted non-interest expenses of $614 million were up 5%, due to higher variable and share-based employee compensation costs, elevated expenses associated with the opening of our new Toronto financial district and Kitchener banking centres, and increases in deposit insurance and technology costs, partially offset by lower salary and benefit costs.

Our total annual provision for credit losses represented 37 basis points as a percentage of average loans compared to seven basis points last year. We recognized a 34 basis point provision for credit losses on impaired loans, which compared to a four basis point provision recorded in the prior year, reflecting increased borrower default rates and the emergence of lower than expected realization values which increased the impaired loan provision for credit losses, including the impact of two impaired loans recognized in the third quarter of the current year. The circumstances that gave rise to the impaired loan provisions on these two loans were unique to those exposures. The prior year impaired loan provision of four basis points was significantly below our normal historical experience and included the impact of the reversal of a previously impaired loan write-off recognized in the first quarter last year. The current year’s provision for credit losses on performing loans of three basis points was consistent with the prior year.

ROE and ROA

The fourth quarter return on common shareholders’ equity (ROE) of 6.6% and adjusted ROE of 7.0% decreased 240 basis points and 360 basis points, respectively, from the same quarter last year. On a sequential quarter basis, ROE increased 210 basis points, while adjusted ROE increased 70 basis points. Full year ROE of 7.4% and adjusted ROE of 8.1% declined 240 and 230 basis points, respectively, from the prior year. Compared to the same quarter last year and on an annual basis, lower ROE and lower adjusted ROE reflected an increase in common shareholders’ equity and a decline in common shareholders’ net income. On a sequential quarter basis, higher ROE and adjusted ROE were primarily driven by an increase in common shareholders’ net income, partially offset by higher common shareholders’ equity.

The fourth quarter return on assets (ROA) of 0.58% was 14 basis points lower than the same quarter last year and reflected lower common shareholders’ net income, driven by a higher impaired loan provision, and higher average assets. On a sequential quarter basis, ROA increased 19 basis points as higher common shareholders’ net income more than offset higher average assets. Full year ROA of 0.63% decreased 14 basis points reflecting the combined impact of lower common shareholders’ net income and higher average assets.

Efficiency Ratio and Operating Leverage

The fourth quarter efficiency ratio of 53.7% increased 270 basis points from last year and 150 basis points from last quarter, as non-interest expense growth outpaced revenue growth this quarter. Operating leverage in the fourth quarter was negative 5.7%, compared to positive 3.3% last year and negative 1.1% last quarter.

On a full year basis, the efficiency ratio of 51.9% decreased 70 basis points and positive operating leverage of 1.4% improved 360 basis points, reflecting the combination of solid revenue growth and prudent expense management.

Loans

Total loans, excluding the allowance for credit losses, of $37.6 billion increased 1% compared to last year and were relatively consistent with last quarter. The volume and composition of our loan growth reflects our continued focus on optimizing risk-adjusted returns in an environment with lower than expected origination volumes.

(unaudited) ($ millions)	October 31 2024	% of total as at October 31 2024	July 31 2024	October 31 2023	Change from October 31 2023
General commercial loans	$ **14,213**	38 %	$ 14,199	$ 13,681	4 %
Personal loans and mortgages	**7,032**	19	7,002	7,118	(1)
Commercial mortgages	**6,605**	17	6,682	7,106	(7)
Equipment financing and leasing	**5,966**	16	5,908	5,722	4
Real estate project loans	**3,305**	9	3,130	3,098	7
Oil and gas production loans	**463**	1	519	485	(5)
Total loans outstanding[(1)]	$ **37,584**	100 %	$ 37,440	$ 37,210	1 %

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

Q4 2024 vs. Q4 2023

General commercial loans grew 4% on an annual basis, reflecting solid nationwide growth in our strategically targeted lending portfolio.

Personal loans and mortgages declined 1% compared to the prior year as strong new lending volumes in our uninsured mortgage portfolio, with prudent loan-to-value ratios, were more than offset by scheduled paydowns and payouts and a decline in our participation in the National Housing Act Mortgage Backed Securities (NHA MBS) program.

Our commercial mortgage portfolio declined 7% with new origination volume more than offset by scheduled repayments and loan payouts, as fewer new lending opportunities met our risk-adjusted return expectations.

Our equipment financing and leasing portfolio increased 4%, reflecting solid new origination volumes.

Real estate project loans increased 7%, supported by strong new project starts from top-tier borrowers, primarily in British Columbia (BC).

Oil and gas production loans decreased $22 million as participation in syndicated facilities that remain within our risk appetite were more than offset by scheduled repayments. Our exposures to oil and gas service and production businesses each represent approximately 2% of total loans.

Q4 2024 vs. Q3 2024

Our strategically targeted general commercial portfolio increased $14 million as growth from our banking centre footprint was partially offset by payouts and paydowns in our specialty lending portfolios.

Personal loans and mortgages remained consistent with the prior quarter as new origination volumes were more than offset by scheduled paydowns and payouts and a decline in our participation in the NHA MBS program.

Our commercial mortgage portfolio declined 1%, as new lending opportunities that met our risk-adjusted return expectations were more than offset by scheduled repayments.

Our equipment financing and leasing portfolio increased 1%, reflecting continued solid new origination volumes.

Real estate project loans increased 6%, supported by new project starts from top-tier borrowers, primarily in BC.

Oil and gas production loans declined $56 million as participation in syndicated facilities that remain within our risk appetite were more than offset by scheduled repayments.

Geographic diversification

(unaudited) ($ millions)	October 31 2024	% of total as at October 31 2024	July 31 2024	October 31 2023	Change from October 31 2023
British Columbia	$ **12,353**	33 %	$ 12,273	$ 11,926	4 %
Alberta	**10,808**	29	10,924	11,126	(3)
Ontario	**9,409**	25	9,317	9,431	-
Saskatchewan	**1,561**	4	1,579	1,508	4
Quebec	**1,377**	3	1,366	1,349	2
Manitoba	**1,069**	3	1,057	1,058	1
Other	**1,007**	3	924	812	24
Total loans outstanding[(1)]	$ **37,584**	100 %	$ 37,440	$ 37,210	1 %

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

Q4 2024 vs. Q4 2023

BC loans increased 4% compared to the prior year as strong growth in general commercial and real estate project loans were offset by a decline in commercial mortgages. Alberta loans declined 3% as growth in general commercial loans was more than offset by lower commercial mortgages and real estate project loans. Ontario loans were relatively consistent with the prior year as growth from our new and existing banking centres was offset by the impact of payouts and paydowns of large commercial real estate and specialty lending exposures.

Q4 2024 vs. Q3 2024

Loan growth of 1% in BC was driven primarily by our real estate project loans and our strategically targeted general commercial portfolio. Growth in Ontario reflected an increase in our real estate project and equipment financing loans, partially offset by lower general commercial loans. Alberta loans declined 1% primarily due to a reduction in our oil and gas production loan portfolio.

Credit Quality

Our credit performance this quarter was impacted by the continuation of elevated borrower default rates and lower realization values which elevated impaired loan provisions for credit losses. Supported by the secured nature of our lending portfolio, disciplined underwriting practices and proactive loan management, we expect our ongoing credit quality to trend back towards our normal historical performance as economic conditions continue to normalize.

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 $503 million, compared to $266 million last year and $465 million last quarter.

	For the three months ended			Change from
(unaudited) ($ thousands)	**October 31 2024**	July 31 2024	October 31 2023	October 31 2023
Gross impaired loans, beginning of period	**$ 464,978**	$ 357,268	$ 282,048	65 %
New formations	**181,661**	169,110	35,104	417
Reductions, impaired accounts paid down or returned to performing status	**(106,239)**	(45,761)	(36,097)	194
Write-offs	**(37,534)**	(15,639)	(15,079)	149
Total(1)	**$ 502,866**	$ 464,978	$ 265,976	89 %
Balance of the ten largest impaired accounts	**$ 158,877**	$ 171,130	$ 139,162	14 %
Total number of accounts classified as impaired(2)	**336**	333	255	32
Gross impaired loans as a percentage of gross loans	**1.34 %**	1.24 %	0.71 %	63 bp

(1) Gross impaired loans include foreclosed assets held for sale with a carrying value of $7,750 (July 31, 2024 – $5,645, October 31, 2023 – $2,712). 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 1.34% of gross loans, up from 0.71% last year and 1.24% last quarter. The increase in gross impaired loans was driven by new formations of impaired loans of $182 million this quarter, reflecting the continued impact of sustained higher interest rates and overall economic conditions.

Allowance for credit losses

At October 31, 2024, the total allowance for credit losses (Stages 1, 2 and 3) was $235 million, compared to $175 million last year and $231 million last quarter.

(unaudited) ($ thousands)	October 31 2024	July 31 2024	October 31 2023	Change from October 31 2023
Performing (Stage 1 and 2)				
Loans	$ 136,745	$ 132,531	$ 129,364	6 %
Committed by undrawn credit exposures and letters of credit	4,012	4,167	2,749	46
	140,757	136,698	132,113	7
Loans - Impaired (Stage 3)	93,951	94,597	43,199	117
Total	$ 234,708	$ 231,295	$ 175,312	34 %

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 15%, up from 13% last year and last quarter, primarily driven by higher watchlist loans this quarter, reflecting the impact of sustained higher interest rates and overall economic conditions which continue to increase borrower delinquencies.

The performing loan allowance of $141 million increased 7% ($9 million) from the prior year and 3% ($4 million) from the prior quarter, primarily reflecting a larger loan balance and higher default rates, partially offset by improvements in forecast macroeconomic conditions.

Key economic variables incorporated into our ECL models are inherently prone to volatility on a forward-looking basis. Hindsight cannot be used, so while evolving macroeconomic assumptions may result in future forecasts that differ from those used in the ECL estimation as at October 31, 2024, those changes will be reflected in future periods.

In estimating the performing loan allowance, where required, we supplement our modeled ECL to reflect expert credit judgments. These expert credit judgements incorporate the estimated impact of factors that are not fully captured through our modeled ECL.

Impaired loan allowance

The allowance for impaired loans (Stage 3) was $94 million, compared to $43 million last year and $95 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 current quarter provision for credit losses on total loans as a percentage of average loans was 43 basis points, compared to 11 basis points last year and 59 basis points last quarter.

	For the three months ended			Change from	For the year ended		Change from
(unaudited) (as a % of average loans)	October 31 2024	July 31 2024	October 31 2023	October 31 2023	October 31 2024	October 31 2023	October 31 2023
Provision for credit losses on impaired loans	0.38 %	0.57 %	0.08 %	30 bp	0.34 %	0.04 %	30 bp
Provision for credit losses on performing loans	0.05	0.02	0.03	2	0.03	0.03	-
Total	0.43	0.59	0.11	32 bp	0.37	0.07	30 bp
Write-offs	0.40	0.17	0.16	24	0.22	0.10	12

bp – basis point

The impaired loan provision for credit losses in the fourth quarter was $36 million, compared to $7 million last year and $53 million last quarter. Compared to last year, the increase in the impaired loan provision for credit losses reflects an increase in borrower default rates and the emergence of lower realization values. On a sequential quarter basis, the prior quarter impaired loan provision included the impact of two impaired loans, where the circumstances which gave rise to the impaired loan provisions were unique to those exposures. On a year-to-date basis, the prior year impaired loan provision of four basis points was significantly below our normal historical experience and included the impact of the reversal of a previously impaired loan write-off recognized in the first quarter last year.

The fourth quarter performing loan provision for credit losses was $4 million compared to $3 million in the same quarter last year and $2 million last quarter. For further details on the estimation of the performing loan allowance, see the *Performing loan allowance* section.

Deposits and Funding

Total deposits of $33.4 billion were consistent with last year and last quarter. Franchise deposits increased 5% ($1.0 billion) from last year and 3% ($0.7 billion) compared to last quarter.

(unaudited) (millions)	As at **October 31 2024**	 July 31 2024	 October 31 2023	Change from October 31 2023
CWB Financial Group franchise deposits				
Demand and notice	**$ 13,822**	$ 13,350	$ 13,767	- %
Term	**7,931**	7,678	6,978	14
	21,753	21,028	20,745	5
Broker term	**8,377**	8,818	9,187	(9)
Capital markets	**3,308**	3,557	3,396	(3)
Total deposits	**$ 33,438**	$ 33,403	$ 33,328	- %

Q4 2024 vs. Q4 2023

On an annual basis our teams grew our strategically focused franchise deposits by 5%, which now represent 65% of total deposits, up from 62% last year. Demand and notice deposits remained relatively consistent with the prior year as new client growth was offset by the decline in existing customer account balances over the past year as clients deployed excess savings. For clients that retained excess savings, we noted a continued preference for term deposits in the current interest rate environment.

Capital market deposits remained relatively consistent with the prior year and continue to represent 10% of total deposits.

Very strong franchise deposit growth resulted in a 9% decline in broker-sourced deposits, which now represent 25% of total deposits, compared to 28% last year. While our preference is to raise relationship-based franchise deposits, the broker deposit market continues to be a deep and efficient source to raise insured fixed term retail deposits and has proven to be a reliable and effective way to access funding and liquidity over a wide geographic base. At times broker-sourced deposits also reflect a lower relative cost compared to other funding options. We raise only fixed term broker deposits, with terms to maturity between one and five years.

Q4 2024 vs. Q3 2024

Franchise deposits increased 3% sequentially and reflected strong growth across our diverse franchise deposit channels.

Capital market deposits decreased 7% from the prior quarter, as a senior deposit note maturity in the current quarter was replaced by a prior quarter issuance. Strong franchise deposit growth supported a 5% sequential decline in broker term deposits.

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 of our credit exposures compared to requirements under the Advanced Internal Ratings Based (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% CET1, 8.5% Tier 1 and 10.5% Total capital.

Subordinated debentures

On January 29, 2024, we issued $250 million of non-viability contingent capital (NVCC) subordinated debentures, which qualify as Tier 2 regulatory capital. The subordinated debentures have a fixed annual interest rate of 5.949% until January 29, 2029. Thereafter, the rate will be set quarterly at the daily Canadian Overnight Repo Rate (CORRA) plus 273 basis points until maturity on January 29, 2034. This issuance replaced the Series F NVCC subordinated debentures, which we redeemed for cash on June 11, 2024. The Series F debentures were redeemed for an aggregate amount of $255 million representing the principal amount plus accrued interest.

Preferred Shares

On November 28, 2024, we held a special meeting of holders of First Preferred Share Series 5 (Series 5), and First Preferred Share Series 9 (Series 9) where amendments to the bylaws of CWB were approved. The amendments make the Series 5 and Series 9 preferred shares exchangeable, at the option of CWB and exercisable for a period of 180 days following the successful close of the NBC transaction, into new First Preferred Shares of NBC having substantially the same rights, privileges, restrictions and conditions as the Series 5 and Series 9 preferred shares.

Limited Recourse Capital Notes (LRCNs)

On November 28, 2024, we obtained consent from the holders of both CWB NVCC LRCN Series 1 (Series 1) and NVCC LRCN Series 2 (Series 2) to amend the respective trust indentures to make the Series 1 and Series 2 notes redeemable, at the option of CWB and exercisable for a period of 180 days following the successful close of the transaction and with the prior approval of OSFI, at a price equal to the aggregate of (i) the principal amounts to be redeemed, and (ii) any accrued and unpaid interest.

Regulatory Capital and Capital Adequacy Ratios

(unaudited) (millions)	**As at October 31 2024**	As at July 31 2024	As at October 31 2023
Regulatory capital			
CET1 capital before deductions	**$ 3,708**	$ 3,672	$ 3,496
Net CET1 deductions	**(336)**	(335)	(339)
CET1 capital	**3,372**	3,337	3,157
Tier 1 capital	**3,947**	3,912	3,732
Total capital	**4,611**	4,571	4,388
Risk-weighted assets	**32,803**	32,757	32,536
Capital adequacy ratios			
CET1	**10.3 %**	10.2 %	9.7 %
Tier 1	**12.0**	11.9	11.5
Total	**14.1**	14.0	13.5
Leverage ratio	**8.9**	9.0	8.5

Changes in Capital Ratios

Our CET1 capital ratio of 10.3% increased 60 basis points compared to last year and 10 basis points compared to last quarter. Compared to the prior year and prior quarter, the increase in CET1 capital ratio is primarily due to the impact of retained earnings growth and higher accumulated other comprehensive income associated with a continued increase in the fair value of debt securities measured at FVOCI, partially offset by risk-weighted asset growth.

The Tier 1 capital ratio of 12.0% increased 50 basis points from last year and 10 basis points compared to last quarter. The Total capital ratio of 14.1% increased 60 basis points from last year and 10 basis points from last quarter. The increase in both the Tier 1 and Total capital ratio compared to last year and last quarter primarily reflect the proportional impact of the same factors noted above.

ATM Program

Our ATM program, which expired on July 1, 2024, allowed 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-form base shelf prospectus.

(unaudited)	For the three months ended			For the year ended	
(thousands, except share amounts)	**October 31 2024**	July 31 2024	October 31 2023	**October 31 2024**	October 31 2023
Common shares issued	**-**	-	-	**-**	1,834,595
Average price per share	**$ -**	$ -	$ -	**$ -**	$ 24.53
Gross proceeds	**-**	-	-	**-**	44,998
Net proceeds(1)	**-**	-	-	**-**	44,253

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

Dividends and LRCN Distributions

Common shareholders received a quarterly cash dividend of $0.35 per common share on September 12, 2024. On December 5, 2024, our Board of Directors declared a cash dividend of $0.36 per common share, payable on January 2, 2025, to shareholders of record on December 18, 2024. This quarterly dividend is up two cents, or 6%, from the dividend declared last year and up one cent, or 3%, from last quarter.

On May 1, 2024, we reset the annual dividend rate for Series 5 and Series 9 preferred shares to 6.371% and 7.651%, respectively. The new annual dividend rates reflect the five-year Government of Canada Bond Yield as at April 1, 2024 plus 276 basis points for Series 5 preferred shares and 404 basis points for Series 9 preferred shares. Consistent with the dividend paid to preferred shareholders on October 31, 2024, and consistent with the new effective quarterly dividend rates, the Board of Directors also declared cash dividends of $0.3981875 per Series 5 and $0.4781875 per Series 9 preferred shares, all payable on January 31, 2025 to shareholders of record on January 24, 2025.

On October 31, 2024, Series 1 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, 2024, Series 2 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, 2024.

Condensed Financial Statements - Consolidated Balance Sheets

(unaudited) ($ thousands)	**As at October 31 2024**	As at July 31 2024	As at October 31 2023
Assets			
Cash Resources			
Cash and non-interest bearing deposits with financial institutions	**$ 39,525**	$ 84,649	$ 49,114
Interest bearing deposits with financial institutions	**51,143**	58,267	149,285
Cheques and other items in transit	**31,324**	9,949	17,410
	121,992	152,865	215,809
Securities			
Issued or guaranteed by Canada	**3,104,741**	2,612,240	3,268,476
Issued or guaranteed by a province or municipality	**1,130,033**	1,142,152	440,313
Other securities	**272,992**	346,709	200,017
	4,507,766	4,101,101	3,908,806
Securities Purchased under Resale Agreements	**74,999**	-	134,662
Loans			
Personal	**7,031,409**	7,001,567	7,117,829
Business	**30,552,294**	30,438,229	30,092,021
	37,583,703	37,439,796	37,209,850
Allowance for credit losses	**(230,696)**	(227,128)	(172,563)
	37,353,007	37,212,668	37,037,287
Other			
Property and equipment	**211,915**	148,599	152,355
Goodwill	**138,701**	138,701	138,701
Intangible assets	**242,691**	242,478	241,195
Derivatives	**152,688**	123,048	109,290
Other assets	**330,040**	342,598	381,998
	1,076,035	995,424	1,023,539
Total Assets	**$ 43,133,799**	$ 42,462,058	$ 42,320,103
Liabilities and Equity			
Deposits			
Personal	**$ 20,757,703**	$ 20,612,868	$ 19,773,898
Business and government	**12,680,008**	12,789,954	13,554,551
	33,437,711	33,402,822	33,328,449
Other			
Cheques and other items in transit	**29,781**	32,586	37,831
Derivatives	**46,267**	59,427	198,596
Other liabilities	**1,224,838**	929,497	889,401
	1,300,886	1,021,510	1,125,828
Debt			
Debt related to securitization activities	**3,513,076**	3,216,099	3,315,721
Subordinated debentures	**522,685**	522,490	523,438
	4,035,761	3,738,589	3,839,159
Equity			
Preferred shares	**250,000**	250,000	250,000
Limited recourse capital notes	**325,000**	325,000	325,000
Common shares	**1,016,443**	1,014,731	1,007,983
Retained earnings	**2,650,371**	2,622,022	2,515,719
Share-based payment reserve	**27,915**	28,319	28,918
Accumulated other comprehensive income (loss)	**89,712**	59,065	(100,953)
Total Equity	**4,359,441**	4,299,137	4,026,667
Total Liabilities and Equity	**$ 43,133,799**	$ 42,462,058	$ 42,320,103

Condensed Financial Statements - Consolidated Statements of Income

(unaudited) ($ thousands, except per share amounts)	For the three months ended **October 31 2024**	 October 31 2023	For the year ended **October 31 2024**	 October 31 2023
Interest Income				
Loans	**$ 624,386**	$ 617,189	**$ 2,488,481**	$ 2,281,621
Securities	**42,393**	24,474	**149,407**	72,906
Deposits with financial institutions	**1,128**	4,227	**12,463**	10,945
	667,907	645,890	**2,650,351**	2,365,472
Interest Expense				
Deposits	**357,304**	356,075	**1,456,423**	1,261,037
Debt	**41,311**	33,499	**151,940**	123,158
	398,615	389,574	**1,608,363**	1,384,195
Net Interest Income	**269,292**	256,316	**1,041,988**	981,277
Non-interest Income				
Wealth management services	**16,207**	15,013	**64,510**	61,202
Credit related	**12,877**	12,109	**47,714**	45,187
Trust services	**2,651**	2,870	**11,234**	10,723
Retail services	**2,513**	2,612	**10,968**	10,442
Gains (losses) on securities, net	**3,614**	(4)	**3,614**	(52)
Other	**2,348**	2,847	**3,856**	3,795
	40,210	35,447	**141,896**	131,297
Total Revenue	**309,502**	291,763	**1,183,884**	1,112,574
Provision for Credit Losses	**39,999**	9,841	**136,094**	26,641
Non-interest Expenses				
Salaries and employee benefits	**96,971**	112,084	**369,746**	390,164
Premises and equipment	**35,482**	29,868	**139,822**	121,727
Other expenses	**39,376**	25,648	**137,500**	99,392
	171,829	167,600	**647,068**	611,283
Net Income before Income Taxes	**97,674**	114,322	**400,722**	474,650
Income Taxes	**27,208**	30,360	**104,268**	124,001
Net Income	**70,466**	83,962	**296,454**	350,649
Preferred share dividends and limited recourse capital note distributions	**8,271**	7,117	**28,572**	26,333
Common Shareholders' Net Income	**$ 62,195**	$ 76,845	**$ 267,882**	$ 324,316
Average number of common shares (in thousands)	**96,709**	96,398	**96,568**	96,054
Average number of diluted common shares (in thousands)	**97,461**	96,416	**97,053**	96,061
Earnings Per Common Share				
Basic	**$ 0.64**	$ 0.80	**$ 2.77**	$ 3.38
Diluted	**0.63**	0.80	**2.76**	3.38

Condensed Financial Statements - Consolidated Statements of Comprehensive Income

(unaudited) ($ thousands)	For the three months ended October 31 2024	 October 31 2023	For the year ended October 31 2024	 October 31 2023
Net Income	**$ 70,466**	$ 83,962	**$ 296,454**	$ 350,649
Other Comprehensive Income, net of tax				
Items that will be subsequently reclassified to net income				
Debt securities measured at fair value through other comprehensive income				
Gains from change in fair value(1)	**9,040**	19,997	**71,987**	65,694
Reclassification to net income, of gains in the period(2)	**(2,689)**	(142)	**(2,680)**	(209)
	6,351	19,855	**69,307**	65,485
Derivatives designated as cash flow hedges				
Gains (losses) from change in fair value(3)	**22,031**	(8,276)	**90,305**	(55,058)
Reclassification to net income, of losses in the period(4)	**2,265**	12,001	**31,032**	32,303
	24,296	3,725	**121,337**	(22,755)
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)	**-**	(20)	**21**	(986)
	30,647	23,560	**190,665**	41,744
Comprehensive Income for the Period	**$ 101,113**	$ 107,522	**$ 487,119**	$ 392,393

(1) Net of income tax of $3,344 and $24,544 for the quarter and year ended October 31, 2024, respectively (2023 – $6,224 and $21,458).
(2) Net of income tax of $907 and $904 for the quarter and year ended October 31, 2024, respectively (2023 – $73 and $116).
(3) Net of income tax of $7,379 and $30,286 for the quarter and year ended October 31, 2024, respectively (2023 –$2,817 and $18,412).
(4) Net of income tax of $992 and $10,651 for the quarter and year ended October 31, 2024, respectively (2023 – $3,992 and $10,510).
(5) Net of income tax of $nil and $7 for the quarter and year ended October 31, 2024, respectively (2023 – $7 and $303).

Condensed Financial Statements - Consolidated Statements of Changes in Equity

(unaudited) ($ thousands)	For the year ended October 31 2024	 October 31 2023
Preferred Shares		
Balance at beginning and end of year	**$ 250,000**	$ 250,000
Limited Recourse Capital Notes		
Balance at beginning and end of year	**325,000**	325,000
Common Shares		
Balance at beginning of year	**1,007,983**	956,061
Issued under dividend reinvestment plan	**5,743**	6,492
Transferred from share-based payment reserve on the exercise of exchange of options	**2,717**	432
Issued under at-the-market common equity distribution program	**-**	44,998
Balance at end of year	**1,016,443**	1,007,983
Retained Earnings		
Balance at beginning of year	**2,515,719**	2,317,146
Shareholders' net income	**296,454**	350,649
Dividends and other distributions – Preferred shares and limited recourse capital notes	**(28,572)**	(26,333)
– Common shares	**(133,230)**	(124,998)
Issuance costs on at-the-market common equity distribution program	**-**	(745)
Balance at end of year	**2,650,371**	2,515,719
Share-based Payment Reserve		
Balance at beginning of year	**28,918**	27,466
Amortization of fair value of options	**1,714**	1,884
Transferred to common shares on the exercise or exchange of options	**(2,717)**	(432)
Balance at end of year	**27,915**	28,918
Accumulated Other Comprehensive Income (Loss)		
Debt securities measured at fair value through other comprehensive income		
Balance at beginning of year	**(56,464)**	(121,949)
Other comprehensive income	**69,307**	65,485
Balance at end of year	**12,843**	(56,464)
Derivatives designated as cash flow hedges		
Balance at beginning of year	**(44,427)**	(21,672)
Other comprehensive income (loss)	**121,337**	(22,755)
Balance at end of year	**76,910**	(44,427)
Equity securities designated at fair value through other comprehensive income		
Balance at beginning of year	**(62)**	924
Other comprehensive income (loss)	**21**	(986)
Balance at end of year	**(41)**	(62)
Total Accumulated Other Comprehensive Income (Loss)	**89,712**	(100,953)
Total Equity	**$ 4,359,441**	$ 4,026,667

Condensed Financial Statements - Consolidated Statements of Cash Flows

(unaudited) ($ thousands)	For the year ended October 31 2024	 October 31 2023
Cash Flows from Operating Activities		
Net income	**$ 296,454**	$ 350,649
Adjustments to determine net cash flows:		
Provision for credit losses	**136,094**	26,641
Depreciation and amortization	**71,033**	62,178
Accrued interest receivable and payable, net	**56,883**	116,970
Deferred income taxes, net	**12,706**	(550)
Amortization of fair value of employee stock options	**1,714**	1,884
(Gains) losses on securities, net	**(3,614)**	52
Current income taxes receivable and payable, net	**(14,369)**	38,708
Change in operating assets and liabilities:		
Derivative collateral receivable and payable, net	**201,870**	(56,200)
Debt related to securitization activities, net	**197,355**	231,630
Deposits, net	**109,262**	317,987
Securities purchased under resale agreements, net	**59,663**	(134,662)
Loans, net	**(450,297)**	(1,323,065)
Securities sold under repurchase agreements, net	**-**	(247,354)
Other items, net	**10,229**	73,706
Net Cash from (used in) Operating Activities	**684,983**	(541,426)
Cash Flows from Financing Activities		
Debentures issued, net of issuance costs	**249,031**	149,160
Debentures redeemed	**(250,000)**	-
Dividends and limited recourse capital note distributions	**(156,059)**	(144,839)
Repayment of lease liabilities, net of tenant allowances received	**(16,398)**	(15,841)
Common shares issued, net of issuance costs	**-**	44,253
Net Cash from (used in) Financing Activities	**(173,426)**	32,733
Cash Flows from Investing Activities		
Interest bearing deposits with financial institutions, net	**98,142**	(122,452)
Securities, purchased	**(8,510,001)**	(2,615,355)
Securities, sale proceeds	**2,389,240**	284,891
Securities, matured	**5,655,526**	3,013,124
Property, equipment and intangible assets	**(132,089)**	(78,781)
Net Cash from (used in) Investing Activities	**(499,182)**	481,427
Change in Cash and Cash Equivalents	**12,375**	(27,266)
Cash and Cash Equivalents at Beginning of Year	**28,693**	55,959
Cash and Cash Equivalents at End of Year *	**$ 41,068**	$ 28,693
* Represented by:		
Cash and non-interest bearing deposits with financial institutions	**$ 39,525**	$ 49,114
Cheques and other items in transit (included in Cash Resources)	**31,324**	17,410
Cheques and other items in transit (included in Other Liabilities)	**(29,781)**	(37,831)
Cash and Cash Equivalents at End of Year	**$ 41,068**	$ 28,693
Supplemental Disclosure of Cash Flow Information		
Interest and dividends received	**$ 2,583,903**	$ 2,359,639
Interest paid	**1,537,470**	1,237,215
Income taxes paid	**180,232**	104,571